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Names Change, Fiscal Irresponsibility Endures

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Correction, Please! Names Change, Fiscal Irresponsibility Endures

A sampling of news articles:

Item: *The left-wing Washington Post for February 10 (in an article entitled “Spending plan ends era of government restraint”) reported:*



The massive infusion of cash approved by Congress early Friday morning is slated to lift the budgets of federal agencies and the Pentagon far beyond what they were at the start of the Trump presidency, ending the era of spending restraint that gripped Washington for most of this decade.

The deal signed into law by President Trump will pump more than \$500 billion in additional money into domestic agencies and the Pentagon over two years, the biggest increase in spending in almost a decade.

The “Republicans’ decision ... supported by Democrats,” the Post went on to say, “suggests that the attitude toward government spending in Washington has fundamentally changed and that agencies will have a greater ability to address their priorities. ‘What we have been doing is lurching from one big crisis to another, and that’s very unsettling for agency heads and recipients of federal money and anyone trying to plan around the government,’ said Alice Rivlin, the director of the Office of Management and Budget in the Clinton administration.”

At the tail end of the lengthy piece, the paper acknowledged:

To some conservatives, the new spending agreement represents a setback at a time when Republicans control the federal government. “Democrats seem to have gotten more of what they wanted than Republicans did,” said Justin Bogey, senior policy analyst for fiscal affairs at the conservative Heritage Foundation.

Item: *Another New York Times piece on February 10 (“For Republicans, the Tea Party Is Over”) commented that the federal “spending push reflected years of pent-up demand that resulted from Republican adherence to Tea Party-driven fiscal restraint.... Republican defense hawks said the restrictions imposed by formal spending caps were badly weakening the military. To get those restrictions lifted, top Republicans cut a deal with Democrats who were happy to take advantage and get a plethora of their own top proposals paid for in the bill.”*

Item: *Yet another February 10 New York Times piece, called “Austerity Era Comes to End,” said that the “last seven weeks amount to a sea change in United States economic policy. The era of fiscal austerity is over, and the era of big deficits is back.”*

Correction: Once upon a time, folks knew what “fiscal austerity” and “spending restraint” meant. No



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more, apparently. After all, in no sane world does it mean government policies that could lead to, say, deficits approaching a trillion dollars. Yet that is what occurred under President Obama.

Top Republican candidates and officials used to say — speaking of the Barack Obama administration — that “trillion-dollar deficits will slow our economy, restrain employment, and cause wages to stall.” Paul Ryan (now House speaker) previously vowed: “In this generation, a defining responsibility of government is to steer our nation clear of a debt crisis while there is still time.” When Obama came up with a “stimulus” package of a mere \$800 billion or so, GOP Senator Mitch McConnell (now Senate majority leader) blasted “one of the most expensive votes in history,” saying that “Americans are wondering how we’re going to pay for all this.”

That spending spree was not restraint and, most assuredly, the latest plans in place are not either: They are expected to add about \$1.8 trillion to the national debt over the next decade (according to Congressional Budget Office estimates). Next year, it is likely that the U.S. government’s annual budget deficit will surpass \$1 trillion.

Also keep in mind, though it is often ignored in the deficit/debt debates, that the federal government has also made promises, totaling tens of trillions of dollars, that aren’t “paid for,” to use budget jargon. These are “unfunded liabilities”: government promises to provide entitlements in the future.

The sad truth is that the government has gone from a system of checks and balances to one of checks and deficits.

Remember that the radical Left, both in office and within the echo chamber of the mainstream media, generally cheered when President Obama oversaw the boost of the national debt from about \$11 trillion to \$20 trillion. Now, they exultantly mock President Trump and GOP leaders for becoming “yuuge” spenders, especially at a time when the Republicans hold both congressional houses and the White House.

The travesty requires some play-acting. It helps to have a deadline, forcing action lest the government be compelled to “shut down.” The constrained party usually says it was cornered and had no alternative. Yes, you have seen this game before.

In this instance, White House budget chief Mick Mulvaney told television viewers that the president was forced to agree to more than \$100 billion in higher domestic spending so the Pentagon could get a needed increase. Mulvaney, a former Republican congressman from South Carolina, acknowledged that he probably would have voted against the deal if he were still in the House. However, as he said on television, the Democrats “held the Defense Department hostage, and we had to pay that ransom.”

This kabuki theater has its own style: Party A may say defense is vital, while Party B stresses social-welfare measures. Then the parties make a deal that provides each with victories and excuses, thus allowing each to blame the other. This is deemed “bipartisanship.”

There were, to be sure, determined opponents to politics as usual. Representative Mo Brooks (R-Ala.) called the spending bill “a debt junkie’s dream.” And Representative Mark Meadows (R-N.C.), the chairman of the House Freedom Caucus, censured his party’s leaders. “I can tell you, the real problem with this particular one is that our leadership caved, the swamp won, and the American taxpayer lost,” Meadows said on CBS’s *Face the Nation*.

Senator Rand Paul (R-Ky.) exposed the charade on the floor of the Senate, which led to a short



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“shutdown.” Paul became less popular with his colleagues when he observed that when “the Republicans are in power, it seems there is no conservative party. The hypocrisy hangs in the air and chokes anyone with a sense of decency or intellectual honesty.”

Photo: AP Images

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In the Senate these days, as Paul noted in a *Time* op-ed shortly after the vote:

Nothing seems to matter except the will of a small circle of Big Government, free-spending leaders who demand silence and “take it or leave it” votes.

I chose to leave it.

I wasn’t elected to be anyone’s rubber stamp. I wasn’t elected to allow business as usual — whether it’s out-of-control spending or out-of-control rules that stifle debate and votes.

Seven hundred pages of bill, spending over 500 billion new dollars. It’s a lot to throw at someone the day of a shutdown deadline. But of course, the leaders knew that. They count on no one to challenge them. They count on rubber stamps and yes-men who will fight them “the next time.”

There were not enough opponents to slow the spendathon. The winning side backed the spending (and borrowing) of trillions, thus continuing the government’s borrowing of the equivalent of about \$1 million a minute.

The latest bipartisan deal amounts to the expenditures of about 13.5 percent more in the next two fiscal years than even proposed by the Obama administration. That certainly is a bad deal for taxpayers.

Angelo Codedilla, a professor emeritus of international relations at Boston University, puts it this way:

Increasingly, we are being governed by something approaching a “Grand Coalition.” This phenomenon is familiar in Europe, much of which has been ruled by parliamentary majorities composed of legislators from the traditionally opposed parties of the right and left....

Here too, the co-mingling of Republicans’ and Democrats’ responsibility makes it impossible to hold either party responsible, and has led increasing sectors of our population to feel that neither their elected representative nor the party to which that official belongs represents them.

That said, there have been significant differences between the Obama and Trump administrations. The economy has been clicking along much better in recent quarters, driven in part by deregulation and pro-energy development policies, as well as the recent tax cut.

Yet, the current level of spending is not sustainable, certainly not without reforming so-called entitlements. The growth of “mandatory spending” — much of which Donald Trump has promised not to touch, though it is the largest part of the budget — is flying on autopilot. This is a point made by William Diffendorf II (a former Navy secretary and ambassador) and New York investor Dan Negrea. Their piece, endorsing entitlement reform, appeared in the *Washington Times* in mid-February.

Such “mandatory spending” was about 26 percent of the federal budget in 1965. Yet that will grow, as they wrote,

to 64 percent in 2020. Net interest was 7 percent in 1965 and will be 11 percent in 2020. As a result, discretionary spending which was 68 percent in 1962 will be squeezed to just 24 percent of the federal



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budget by 2020.

Most mandatory spending is on entitlements: Social Security, Medicare and Medicaid. And all three programs will run out of money: Social Security in 2035, Medicare in 2029 and Medicaid in 2028. Increasing taxes to make these programs financially healthy is not the answer. Higher taxes will reduce economic growth which we need to pay down our debt.

We are told that entitlement reform will come. When? Tomorrow. But somehow “tomorrow” doesn’t come. Yet these entitlements keep sucking up “an ever-rising share of GDP and federal budget and present the true threat to national defense,” as noted by the Wall Street Journal.

Just for the record, it is instructive to recall the Republican Party’s 2016 platform, which reads: “We must impose firm caps on future debt, accelerate the repayment of the trillions we now owe in order to reaffirm our principles of responsible and limited government, and remove the burdens we are placing on future generations.”

Isn’t that quaint?

Meanwhile, leftists don’t want to allow Americans to keep more of their own earnings, insisting that tax cuts are imprudent. However, the actual obstacle is overspending on unconstitutional programs. Though the mass media pretend that the GOP is the principal malefactor for fiscal irresponsibility, there is plenty of blame to share. That includes the congressional leadership in general, as well as the White House.

We have been going in the wrong direction and for the wrong reasons. Writing in the Daily Signal in February, Heritage Foundation analyst Adam Michel explained:

Less than two months after the historic tax reform, which is already boosting wages, increasing job opportunities, and cutting Americans’ taxes, Congress promptly decided to raise spending.

They roughly increased spending over the next 10 years by the same amount they cut taxes, assuming the spending increases are permanent (which they tend to be). That’s the exact opposite of what was needed.

The spending deal, which was passed in early February, increases 2018 and 2019 budget authority by much more than any Obama-era spending cap increase. Such a dramatic departure from fiscal sanity is reckless.

Debt and deficits will not disappear without controlling so-called mandatory spending.

Unfortunately, the bill for overspending does come due, and it will have to be paid by future generations of Americans — perhaps sooner than most would like to believe.

A *Wall Street Journal* analysis recently divided government expenditures into those considered for national defense and entitlements. The latter “payments for individuals,” as the paper noted, include “income transfers as Medicare, Medicaid, Social Security and food stamps, among other things.” That category, the editors commented,

was 47.7% of outlays in 1989 and has steadily climbed to reach an estimated 69.2% in 2019.

GOP congressional leadership indeed “caved” under pressure, as their very own conservative colleagues have recognized.



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Once again, we are reminded of the wisdom of “Evans’ Law,” as formulated by the late M. Stanton Evans. As that stellar conservative leader, journalist, and author famously observed: “When ‘our people’ get to the point where they can do us some good, they stop being ‘our people.’”

— William P. Hoar

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