



Written by [Bob Adelman](#) on November 10, 2010

Bi-Partisan Effort to Cut Spending: A First Step Only

When the conservative National Taxpayers Union (NTU) and the liberal U.S. Public Interest Research Group (USPIRG) announced their report "Toward Common Ground: Bridging the Political Divide to Reduce Spending," the authors acknowledged that "while these proposals won't get us all the way [to significantly reduced government spending], it is a start that could establish some common ground and make government more accountable in the process."



Andrew Moylan of the NTU acknowledged that while there is a lot of fruit that's ripe for the picking from our perspective we tried to do a kind of left/right combo with our friends at PIRG. If it were [just] up to us the list would probably be a lot bigger.

The report is in response to calls by many for unspecified, significant cuts in spending. One of the criticisms of citizens watching the election campaign was the lack of proposals directed to those particular areas that are ripe for the picking. The report was also drafted with an eye to getting such proposals passed by Congress without being vetoed by President Obama. Moylan explained: I think a lot of these are sort of good government reforms, payment reforms, things like reforming the contracting process so that we don't order as many as 50 percent too many spare parts for defense purposes. Those are things that I would think that the president would have an open mind to.

As a tentative first step only, [the report](#) claims that if enacted in their entirety, these changes would save taxpayers over \$600 billion in total by 2015 [which is] the target date for the Fiscal Commission to reduce our publicly-held debt-to-GDP ratio to a more sustainable level of 60 percent. The report makes 31 specific recommendations in four general areas:

Ending wasteful subsidies savings of \$62 billion

Improving Contracting and Asset Acquisition savings of \$353 billion

Improving Program Execution and Government Operations savings of \$77 billion

Addressing Outdated or Ineffective Military Programs savings of \$107 billion

Some of the savings are immeasurably small compared to the size of the annual deficits. For instance, one is to eliminate the Overseas Private Investment Corporation, which helps companies like McDonalds and Nabisco with their foreign marketing efforts. As the report says, these companies should market their exports out of their [own] ample budgets. This would save a minuscule \$154 million over the next five years.

Others are more significant, and consequently face greater political, vested-interest risks. For instance,



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the report recommends eliminating subsidies to big agribusiness, with potential savings of \$35 billion. Major beneficiaries like [Archer Daniels Midland](#) (ADM), who have had their noses in the federal subsidy trough for years, can be counted upon to fight such recommendations fiercely. According to the Cato Institute, ADM has cost the American economy billions of dollars since 1980 and has indirectly cost Americans tens of billions of dollars in higher prices and higher taxes over that same period.

At least 43 percent of ADMs annual profits are from products heavily subsidized or protected by the American government. Moreover, every \$1 of profits earned by ADMs corn sweetener operation costs consumers \$10, and every \$1 of profits earned by its ethanol operation costs taxpayers \$30.

The recommendation to cancel the F-35 Joint Strike Fighter and replace [it] with more advanced, cheap[er] and [more] reliable alternatives, is sure to rouse the ire of the military-industrial complex, which currently [spends](#) one trillion dollars annually and surely wouldn't just roll over on one of its favorite toys.

Modest suggestions about improving the delivery of Medicare services would total \$31 billion over five years, if enacted. But nothing is said about Social Security. As Moylan says, the report is not something without controversy, its just not something that's primarily based on ideology, which is why there aren't, for example, huge cuts to Social Security and Medicare as part of this [report]. That's something that we know that liberal interests are not going to be supportive of.

With annual deficits of \$1.5 trillion, and total debt owed by the United States (depending upon who's counting) of between \$60 trillion and \$200 trillion, this report appears to be nothing more than a tentative tip-toe into the alligator-filled swamp of vested interests. But it is illustrative of the huge task that awaits the incoming Congress in January as it attempts to tame this monster debt issue as promised on the hustings of the recently ended mid-term election.

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