



Written by [Bob Adelman](#) on April 3, 2011

Cato Puts Budget-cutting Debate in Perspective

To put these proposed slivers and slices into perspective, Cato provided a chart visually comparing them to the current federal budget (\$3.8 trillion) and this year's deficit (\$1.6 trillion). The impact of the chart is enhanced by going [here](#) and noting the ridiculous relative size of the debt and deficit compared to what's currently being debated in Washington.



Cato has long been analyzing where leviathan can be cut by staying inside constitutional limits. A major work was offered by Chris Edwards in 2005, entitled "[Downsizing Government](#)," a 262-page opus that looks carefully at every program and determines if it can be cut and by how much, or eliminated altogether. It was reviewed [here](#), where it was concluded that opportunities to cut federal spending were not only numerous but obvious. All it would take is restraint on the part of taxpayers and intestinal fortitude on the part of their elected representatives.

Cato showed in its ad that "Education Subsidies" could be cut by \$40 billion annually, noting that "education is a state, local, and private matter," and that pouring nearly \$2 trillion into various K-12 programs since 1965 has not "noticeably improv[ed] outcomes." "Farm Subsidies" go mostly to corporate agri-business as corporate welfare and could be eliminated altogether, saving \$20 billion a year.

Under "Military Overreach," Cato notes that simply withdrawing U.S. troops from Iraq and Afghanistan would save \$100 billion next year, and eliminating "other unnecessary overseas missions" would make that \$100 billion savings permanent. "Transportation Programs" could be cut to great advantage, saving \$80 billion a year, while eliminating "Housing Subsidies," including shuttering Fannie Mae and Freddie Mac and letting market forces provide mortgage services to customers, would save another \$45 billion annually.

"Federal Worker" pay could safely be cut by at least 10 percent, saving \$30 billion a year, and eliminating "Energy Subsidies" would save another \$20 billion. Under "Health Care," Cato offers the solution that, once ObamaCare is rescinded and Medicaid turned into block grants to the states, savings would amount to \$100 billion a year.

Cato's position on "Drug Wars" reflects its belief that such wars have been a "futile crusade that's done little to curb drug use and much to impair our civil liberties." Shutting down the war on drugs would save at least \$15 billion a year, according to Cato.



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Finally, under “Social Security,” Cato notes that the mandatory program should be made voluntary, offering a “system of private accounts, providing for ownership and inheritability.” Cato estimates initial savings here at \$40 billion a year, starting in the year 2020.

Despite Cato’s continued careful and aggressive campaign to teach taxpayers about cutting monster government down to size with reasonable alternatives, the cuts recommended by the ad fall far short of what is actually needed. The cuts proposed by the CATO ad total approximately \$500 billion annually, which represents less than one-third of this year’s deficit. Simply put, if each of these cuts were implemented tomorrow, the nation’s national debt would continue to grow (though at a slower rate), leading ultimately to default on the government’s promises.



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