



Obamas Spending Cuts Use Scalpel Where Ax Is Needed

Touting President Barack Obama's "responsible, sensible and achievable plan to put the country on a fiscally sustainable path" in a New York Times op-ed, White House Office of Management and Budget Director Jacob Lew (pictured) performs some creative accounting to lay all of the blame for the state of the federal government's finances on the George W. Bush administration. Pointing out that in 2001 "the country had a projected surplus of \$5.6 trillion over the next decade," Lew argues that the Bush tax cuts, combined with Bush's expansion of Medicare, are the cause of the enormous deficits the country is now facing.



Almost half that projected surplus, however, was expected to come from excess taxes paid into Social Security — a gravy train that was bound to come to an end as the Baby Boomers began retiring, their so-called trust fund already frittered away by Uncle Sam. And while Bush and the mostly Republican-controlled Congresses during his term did indeed spend as if there were no tomorrow, not least by creating Medicare Part D, Obama and the Democrat-controlled Congress during his first two years in office managed to [break even the Bush-era deficit records](#). On top of all that, two of the biggest drains on Washington's coffers, Social Security and Medicare, owe their existence to Democrats; and neither party has seen fit to reduce or eliminate them in all this time even though their ultimate insolvency has been known for decades. Bush certainly deserves his share of the blame, but the profligacy and shortsightedness of Congresses and Presidents of both parties since the 1930s have brought us to the current pass.

Obama's solution to the deficit, as described in his State of the Union address, is first to freeze domestic discretionary spending for the next five years and then simultaneously to spend, spend, and spend some more on such foolish projects as high-speed rail, surely the next great success — after (ahem) Amtrak — in the government railroad business. Of course, as [a Times analysis of Lew's piece](#) points out, in order to realize these obviously contradictory goals, Obama is going to have to do some serious cutting "to offset the still-unspecified increases in government spending that he has proposed as investments in innovation, education, infrastructure, technology and research, and which are intended to foster long-term economic growth." (The sharp-eyed reader will note that the Constitution nowhere grants the federal government the authority to spend taxpayers' money on any of these things.)

Lew tries to convince readers that Obama really intends to hack away at the budget, writing that "in each of the past two years, the administration has put forward about \$20 billion in savings" from ending and cutting "duplicative, outdated and ineffective" programs." "But to achieve the deeper cuts needed to support this spending freeze," he continues, "we have had to look beyond the obvious and cut spending for purposes we support. We had to choose programs that, absent the fiscal situation, we would not cut." Considering that even during good economic times any non-politician could probably



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find dozens of federal programs to ax without batting an eye, it is hard to feel sorry for Obama.

Lew cites only three examples of the programs the administration wishes to cut. First is a \$350 million reduction in “community service block grants,” the kind of unconstitutional wealth transfers that kept Obama solvent during his days as a community organizer, “so this is not an easy cut for him,” according to Lew. Second is a \$125 million cut in the Great Lakes Restoration Initiative, an environmental program. Third is a \$300 million bite out of the Community Development Block Grant program, described by Lew as “flexible grants [that] help cities and counties across the nation finance projects in areas like housing, sewers and streets, and economic development in low- and moderate-income neighborhoods.” All told, that’s \$775 million — out of a projected \$1 trillion deficit.

To be fair, those cuts do not represent the entirety of Obama’s proposed spending reductions, “only a small fraction of” them, says Lew. Moreover, he notes that “discretionary spending not related to security represents just a little more than one-tenth of the entire federal budget, so cutting solely in this area will never be enough to address our long-term fiscal challenges.”

What does Obama propose to do about those long-term challenges? He wants “to reform and simplify our tax code,” Lew writes, which simply means that he wants to find ways of extracting more cash from the populace by eliminating deductions and loopholes — “window[s] of freedom,” in [Lew Rockwell’s phraseology](#). In addition, Obama desires “to strengthen and protect Social Security,” an impossible task absent politically unpalatable tax or retirement age hikes or benefit cuts.

The *Times* nails the problem for both Obama and Congress in its analysis:

Mr. Obama’s opening bid will not satisfy Congressional Republicans, who are having trouble fulfilling their own campaign promise to slash spending. Yet even the reductions that Mr. Lew revealed are likely to provoke opposition from heavily Democratic constituencies like antipoverty groups and environmentalists, which underscores the difficulty that both parties face as they seek to balance the public’s desire for both smaller deficits and a continued range of government services.

As long as members of both parties continue to act as politicians — and they have little reason to act otherwise — they will remain stuck between the rock of trying to live up to their rhetoric of reducing deficits and the hard place of buying votes from several generations of Americans who cannot conceive of life without government handouts. The only solution is for these officeholders to live up to their pledges to uphold the Constitution. That means not merely trimming a handful of programs but eliminating scores of them wholesale. (“Anything called a ‘program’ is unconstitutional,” Joseph Sobran once remarked.) It means weaning dependent people off Social Security, Medicare, and welfare, not vainly attempting to shore up these unconstitutional wealth redistributors. It also means bringing the troops home and keeping our noses out of other countries’ business. Defense may be a legitimate function of the federal government, but genuine defense can be had for far less than the rest of the world’s defense spending combined — the amount the U.S. government currently spends.

The debt monster will not be slain by pruning a fingernail here and an eyelash there but by aiming straight at its heart: excessive, immoral, unconstitutional spending.

Photo: Budget Director Jacob Lew talks with the media on Capitol Hill in Washington, Wednesday, Dec. 8, 2010 after attending the Senate Democratic caucus.: AP Images



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