Bad budgets and worse budgets

By Steve Thorngate

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The White House's 2012 budget proposes significant cuts to financial aid, community development and low-income energy assistance. The Pentagon, however, gets exactly the budget it requested. (See the full breakdown <u>here</u>.) To <u>paraphrase</u> Rep. Jesse Jackson Jr. (D.--III.), with Democrats like these, who needs Republicans?

Well, service-minded young adults and fans of public media don't. House Republicans <u>are pushing</u> to eliminate funding for AmeriCorps and the Corporation for Public Broadcasting, along with other deep cuts that <u>far surpass</u> what President Obama proposes. The two plans are for separate budget processes--the GOP is tackling the *2011* budget, which Congress still needs to pass if we're going to <u>continue having a government</u> this year--but the politics are densely intertwined. While the Republicans <u>have struggled</u> to get on the same page,

they're united in <u>criticizing</u> the president's proposal: along

with not cutting enough, Obama ignores ballooning entitlement costs--and he *loves* taxes. The latter point is just

their facts-be-damned insistence that the only way to balance a budget is to spend less, not take in more. (Love it or hate it, small-government ideology is no substitute for math.) But on entitlements the Republicans have a point: Obama declined to address Social Security and Medicare; it's more strategic to leave this for <u>later negotiations</u>. Add to this his acceptance of the bloated-military status quo, and it's hard to come up with big-time spending cuts without taking the Republicans' scorched-earth approach.

The federal government is, after all, primarily <u>an insurance company with its own</u> <u>army</u>. I <u>wrote about this a while back</u>, highlighting a

proposal to inform taxpayers about the federal spending breakdown by distributing itemized tax receipts. This article by Annie Lowrey takes a similar tack: "<u>What would the budget look like if the United States were</u> <u>a middle-class household?</u>"

Imagine that your family is deeply in debt, but any

change to your main expenses--housing, food, transportation--is off the table. (So is taking a second job: either you or your spouse is somehow convinced that increasing your income wouldn't actually help.)

The only choices left are to gut the rest of your budget or keep living with the debt.

Of course, the federal government is not just another household. "Americans are tightening their belts," the politicians like to say, "so their government needs to do the same." But our fragile economy <u>calls for</u> <u>government investment, too</u>--and our political climate <u>doesn't handle</u> this kind of complexity well.

Instead, it pushes lawmakers toward compromises that accomplish little and please no one. Derek Thompson <u>compares</u> Obama's budget to a <u>spork</u>,

which basically exists to underperform at multiple tasks. It's true that, as Jonathan Chait <u>points out</u>, the budget proposal's purpose is

political--the president seeks to "seize the center and portray Republicans as

unreasonable." But I fear this is another of Obama's <u>preemptive compromises</u>, leaving <u>struggling Americans</u> with a Congress that seeks to eviscerate the programs that benefit them vs. a president who, well, <u>also</u> <u>plans to cut them</u>, but *less*--and with more compromises to come.

Ezra Klein notes that we could do a lot more to reduce the deficit by doing <u>nothing</u>: simply implement the health-care reform law and let the Bush tax cuts expire in 2012. Maybe a government shutdown's not such a bad idea--if someone can engineer it to only affect Congress.