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By [Alan Caruba](#) [Thursday, August 18, 2011](#)



I am not sure that Americans, the generations born since the New Deal of the 1930s, are ready to give up all the goodies that the federal government provides.

My father's and my generation found comfort in Social Security checks and Medicare payments, but as the late Nobel Prize winning economist, Milton Friedman, used to say, "There is no such thing as a free lunch" by which he meant you pay for what you get one way or the other, even it does not seem obvious at the time. When it comes to federal loans and guarantees, John Q. Public gets stuck with the bill.

Typical of the idiotic double-down approach of the Obama administration, the volume of these loans has actually accelerated during the recession. The student loan debt now exceeds credit card debt. Put plainly, not all young people should go to college just as not all people should own a house. There was a time when some standards were expected, but no more when bankers and lenders just want to pig out at the federal trough.

There was a lot of talk about cutting the size of government and its programs during the debt ceiling debate. It ended with the largest historic increase, adding another trillion to the national debt. The result was Standard & Poor's downgrade of the nation's credit rating! No more blank check said S&P and they were right.

A bogus congressional "super committee" has been created to do this, but it is doubtful a divided Congress can achieve this unless and until new elections put people in office that actually will. Turning this function over to a dozen Congress critters is a very bad idea.

Fox Business News anchor, John Stossel, published a commentary on his July 28 blog

that cited some recommended reductions by libertarian and conservative experts at the Cato Institute and Heritage Foundation.

Take a Chainsaw to the Budget

Many involved eliminating whole federal departments and agencies that included the Departments of Education, Housing and Urban Development, Transportation, Agriculture, Energy, Commerce, Interior, and Labor.

That kind of draconian approach—his blog was titled “[Take a Chainsaw to the Budget](#)”—has a certain kind of appeal, but only if one puts aside that some of these departments actually have some good programs amidst the questionable ones. We tend to forget that the Preamble to the Constitution includes the objective to “promote the general welfare” of Americans, though it has been much abused, like the commerce clause, by progressives over the years.

The Constitution authorizes the government “to borrow money on the credit of the United States” while also stating that “No money shall be drawn from the treasury, but in consequence of appropriations made by law” while calling for a budget to be “published from time to time.” The Democrats haven’t submitted a budget in over 800 days, though the Republicans did when they took control of the House.

Cutting the Budget

The debt the nation has incurred has been authorized by a succession of Congresses, but mostly dates to the exigencies of the Great Depression of the 1930s when “entitlement” and make-work projects—among them the Hoover Dam and the Tennessee Valley Authority—were initiated to relieve the plight of American workers and provide electrification of significant benefit.

Future events are impossible to predict. Neither the consequences of those programs, nor a Second World War, the threat of the Soviet Union posed, nor were the recessions that followed were entirely predictable at the time. As in the case of 9/11, Congresses reacted within their existing time frame.

There is, for example, no justification for public broadcasting subsidies when it is clear that PBS is controlled by politically motivated liberals.

Cutting the Defense Department budget is pure folly as a weak nation will surely be attacked. There’s room for reductions, but maintaining a strong military is necessary to “provide for the common defense” as set forth in the Constitution. Eliminating many of our foreign bases would save billions.

There are, among the recommendations, many good ones such as privatizing the Army Corps of Engineers and the Post Office. Leasing the coastal plain of ANWR would generate \$1.5 billion in addition to providing billions of barrels of oil to reduce our dependence on foreign oil. The Gulf of Mexico must be reopened to more drilling.

The “War on Drugs”, estimated to cost \$15 billion, is widely regarded as a failure. Drug laws fill our prisons to the point where the U.S. has more people in prison, often for minor drug offenses, than any other nation. Greater efforts at interdiction at our porous borders would help. Legalizing marijuana would help.

Eliminating Fannie Mae and Freddie Mac, two “government sponsored entities” that currently own half of all mortgages would take the government out of the housing mortgage business and return it to banks and mortgage firms that would be forced to be more prudent. The housing bubble was largely caused by these two agencies and the banks and mortgage lenders that knew a government bailout was guaranteed no matter how many bad loans they made.

Instead, the White House is talking about renting homes back to those foreclosed upon, thereby making the central government the largest holder of private property! That is Communism, pure and simple.

Stossel and the Washington, D.C. think tanks offered lots of other options, but the greatest option of all is an end to mindless, often insane, government spending and that includes major, rapid changes to Social Security and Medicare/Medicaid. Don't look for that to happen anytime soon.

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