

Editorial: Time for real cutting, not more 'investing'

THE ORANGE COUNTY REGISTER
Story Highlights

Obama's proposals, including spending freeze, would raise net spending.

In his State of the Union address, President Barack Obama suggested freezing spending on a small fraction of the federal budget and making a few cuts. But, as the National Taxpayers' Union calculated, the plan actually would add a net \$21 billion in spending. And that's before the unknown costs of seven other major State of the Union proposals whose price tags aren't immediately obvious.

The president can't disguise spending by calling it "investing." Americans recognize that when government "invests" what really happens is that taxpayers' money is spent.



On the day of his State of the Union address, President Barack Obama walks from the Oval Office along the Colonnade of the White House in Washington, Tuesday, Jan. 25, 2011.

Associated Press photo
ADVERTISEMENT

[More from Editorials](#)

- [Editorial: Continue fight against retroactive pension spike](#)
- [Editorial: A worthy pay-for-play scheme](#)
- [Editorial: BK could be the way for states](#)

Given the woeful lack of return on recent "investments," such as nearly a trillion extra dollars of stimulus spending, this fallacy is even more obvious. Rather than create more

jobs, unemployment has soared in the nearly two years since the stimulus package was approved.

The NTU identified 15 proposals in the president's speech with fiscal impact. Five would boost spending, three would cut it. Seven others' fiscal effects could not be determined, although some hold promise, such as consolidating and reorganizing government.

Taking the president at his word, the taxpayers' union identified \$50 billion in proposed additional spending for transportation infrastructure, \$1.3 billion for education, \$2 billion for preparing 100,000 more teachers and \$2 billion in health spending. That is offset somewhat by proposed economies, the largest being a \$15.6-billion reduction in the defense budget and a potential \$15 billion savings by freezing discretionary federal spending, which, of course, is not a real reduction, but a delay of increases. The NTU details are available at [www.ntu.org/ntuf/sotu-lack- details.html](http://www.ntu.org/ntuf/sotu-lack-details.html)

Some areas the president identified for more spending have increased dramatically already. "Total spending on what Mr. Obama's budget calls investment outlays outside of defense rose 46 percent between 2008 and 2010," writes the Wall Street Journal's Stephen Moore.

If the president doesn't understand that increasing spending is the wrong approach, others do.

House Republicans, citing a 2010 campaign pledge, vow \$100 billion in cuts during the current fiscal year, which ends Sept. 30. "Our immediate goal is to cut spending to pre-bailout, pre-stimulus levels," a spokesman for new House Speaker John Boehner said.

The conservative Heritage Foundation has some suggestions. The Washington think tank itemized \$343 billion in cuts, including empowering state and local governments to assume more responsibility for transportation, job training and economic development; and privatization of many federal functions, while reducing farm subsidies, scaling back the Education Department and recovering \$49 billion in Medicare payment errors, among other specifics. Heritage's item-by-item cuts can be found here: <http://tinyurl.com/2erunzr>

The libertarian Cato Institute notes there are 2,001 federal subsidy programs compared with 1,645 programs in 2005. Cato has a department-by-department budget-cutting guide, including a \$63 billion savings in Housing and Urban Development alone. Cato's cuts are detailed here: www.downsizinggovernment.org

Columnist and Fox Business News host John Stossel cuts to the chase: To save more than \$141 billion, close the departments of Education and Housing and Urban Development, and sell Amtrak. The closer Washington comes to the solutions offered by Heritage, Cato and Mr. Stossel, the sooner we can reap economic benefits. The closer to Mr. Obama's plan, the more our return on investment will resemble the current jobless stagnation.

WRITE A LETTER TO THE EDITOR

Letters to the Editor: E-mail to letters@ocregister.com. Please provide your name, city and telephone number (telephone numbers will not be published). Letters of about 200 words will be given preference. Letters will be edited for length, grammar and clarity.