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Will Budget Cuts Lead to a Balanced Budget by Some Guy You Never Heard Of...?

No, that is the answer I came up with. But if you have been following the back and forth from both parties, neither can anyone in Washington.

Last week I [balanced the federal budget](#) quite easily with a few adjustments to the tax code, closing of loop holes and expiring the Bush tax cuts above \$350k a year or so. This week I tried to do it with all cuts. I must admit I failed at this exercise. But here's the thing, I got closer than anyone who we elected to do this job.

Slashing with a machete I managed to cut our Federal Budget by over \$800b this year alone.

So now the fun parts: The cuts.

If you wanted to be fair, or arbitrary, the budget could be balanced by across the board spending cuts of 37%. That is a pretty big bite out of the budget of every single government program, and most people would tell you it's un-doable. But anyone who has lost a job and had to somehow make due on unemployment and their savings (*if they have any*) will tell you it is within the realm of possibility. The bad news is \$197 billion of that is actually interest we are paying on money we already spent--think of it as the minimum payment on the federal credit card. Since we can't cut that, it means it's closer to a 40% across the board cut.

Now don't forget, we can't just send millions of old folks 40% less in their Social Security checks next month. Then there is Medicare and Medicaid, which adds up to another huge chunk. And don't forget the defense budget; we don't want to leave our men and women in the Middle East without a ride home. So obviously some programs will need to be cut almost entirely if we are to keep the whole social safety net from unraveling and provide for a common defense.

Again, I'm using P.J. O'Rourke's 1996 "Would You Shoot Your Mother to Pave I-95" in which he balanced the budget over breakfast, as my guide. (*Though he did not literally balance the budget over his breakfast, as that would be a danger to both breakfast and his plates. In 1996 it weighed 24 lbs when printed.*) As such, I'm going to steal his last trick and use it when all else fails, namely "O'Rourke's Circumcision Precept" (*O'R.C.P.*): You can take 10% off the top of anything.

I'm going to assume 90% as the maximum you could cut from a Federal program without

throwing the baby out with the bath water (*plus it makes the math easy*). It would mean the department would still exist, but they would have to eliminate most of their programs. This is a hedge against my ham-fisted cuts. Who knows, maybe we want an FAA after all?

For this I found the libertarian leaning [Cato Institute](#) very useful, as they have all kinds of projections for the coming budget and ways they would like to slash it to a bare minimum. I only used their figures; I expect a bit more out of my government and trust in the free market a bit less than Cato.

- Department of Agriculture: 2010 budget \$152b, cut farm subsidies by 90% (*most farms these days are owned by big business anyway, and many of these programs are left over from the depression*), and low income food programs by 25% (*because I just cut the farm programs that made food more expensive*) - Savings \$52 billion, now \$100b
- Commerce Department: 2010 budget \$12b, 50% off (*because neither you nor I can say with any certainty exactly what it is they do*) - now \$6b.
- Defense Department: 2010 budget \$721b, cut Procurements, Operations & Maintenance budgets by half, but leave R & D and military personal the same (*basically mothballing old systems and fighting 21st century wars*) - \$232 worth of cuts, now \$489b.
- Department of Education: 2010 budget \$79 billion, I'd cut 90% out of Federal K-12 education funding, and 75% out of Special Education funding (*statistics show that the USA spends more per pupil than ever before, yet scores go down. Hopefully these cuts will lead to more local budgets to fund schools*) - Savings \$47b, now \$17b.
- Department of Energy: 2010 budget \$45b, 50% off (*because with gas at nearly \$4 a gallon, does anyone need anymore motivation to find oil or develop alternatives?*) - Now \$22b.
- Department of Health & Human Services: (*This is the monster that just keeps growing. Obama's health care plan? I hope it can **change** this for the better.*) Medicare & Medicaid alone are \$764b, plus another \$145b for all other H & HS programs. Like I mentioned before, 10% off the top, and another 10% off Medicare by means testing it (*so people who can afford to will pay more*) should mean \$140b saved, now \$770b.

(Of course eventually we all know the age for full eligibility needs to be raised to 70 or so, but there's no way to do that all at once. My hope is that the Baby Boomers will continue to act like teenagers and average life expectancy will actually go down. Boomers have always led active lifestyles, and refuse to act their age. Therefore they are going to keep skiing, surfing, skydiving, rock climbing, and all the rest until it kills them--leading to an overall happier, but shorter life than their parents.)

- Department of Housing & Urban Development: 2010 budget \$61b, but it includes military personnel housing assistance (*which ought to be under defense, no?*). Leaving that alone and cutting the rest 50% and its \$45b.

- Labor Department: Really no way to cut this, the vast majority of the budget is back filling for unemployment insurance. 2010 budget \$148b, but the O'R.C.P says you can take 10% off anything, now \$133b.
- Transportation Department: 2010 budget \$79b, 10% off the top, now \$71b

What's left to cut? On small one, the Postal Service, and one big one Social Security.

- The Postal Service: it is supposed to be self sufficient, but it's been costing us \$3b a year. savings \$3b.
- Social Security: 2010 budget \$701b+ It's getting late and I'm getting tired so I'm just going to quote P.J on this one, though his figures were for 1996, the percentages should be accurate, the government loses an amount equal to "*8.25% by taxing only half of Social Security benefits. I'll take that 8.25% plus another 8.25% from well-off geezers, and I'll bounce the richest 3.5% of the old farts from the system entirely...*" for a 20% savings. Saved \$140b, now \$561b.

I still missed Homeland Security \$55b and the Department of Interior \$20b, which we can save \$6b and \$10b respectively (*whose to say we can't cut interior by 50%?*).

Adding up my figures I seem to have \$275b unaccounted for, based on the 2010 Wikipedia pie chart. I figure I can cut most if not all of that, right? How about 50%, for \$138b saved. This is always going to be an issue for anyone like me who is trying to understand our Federal Budget using various sources from all over the net. But hey, I don't have the time or education to go through the 1000+ pages our budget is printed on.

So, if I did my math right I just slashed \$836 billion from our budget, and you will notice I nearly eliminated the Department of Education, cut all S.S. and Medicare benefits by 10%, and hung the Post Office out to dry.