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Ending Corporate Welfare As We Know It

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It's official. The deficit in the Fiscal Year 2020 federal budget will exceed \$1 trillion. That's just the *red ink*, which is now more than the entire budget of just 30 years ago. How deep the red might get in the next recession is frighteningly unimaginable.

The best time to cut government spending is yesterday, today and tomorrow. Washington squanders your money on a monumental scale. It's the nature of the beast. Ask me what to cut and I feel like a mosquito in a nudist camp: I know what needs to be done but oh my, where to begin?!

How about we start with corporate welfare? While almost everyone says he is opposed to it, neither party does anything about it. It shows up in billions for farm subsidies, the Export-Import Bank, mortgage giants Fannie Mae and Freddie Mac, and so much more.

The Cato Institute estimates that direct subsidies from the federal treasury to businesses big and small, cash-rich and bankrupt alike, amount to well over \$100 billion annually. They all say the handouts stimulate the economy but that's only to make us sheep feel better about being sheared.

Most people understand that taking from A to give to B doesn't stimulate anything but B's spending at A's expense. We also know that welfare programs for individuals are often harmful to many of the recipients themselves because they produce all the wrong incentives and reinforce bad habits.

If we applied some common welfare reforms to businesses, it might look like this:

Declare an end to all "entitlements" to corporate welfare. President Clinton signed a bill in 1996 that ended individuals' legal entitlement to federal subsidies. We should put businesses on notice that they are not owed anything either, except for the same constitutional functions intended by the Founders for all of us.

Put time limits on corporate welfare. If we can't get rid of all these business handouts forthwith, then Congress should at least do what a growing number of states are doing with families formerly on welfare: limit any company's time at the trough to five years.

Start drug testing for CEOs. Some states have attempted to deny welfare payments to individuals who abuse drugs. Taxpayers should not be required to subsidize corporate CEOs who abuse drugs either and there's only one way to find out if they are: if their firms are getting handouts, test 'em.

Get tough with work requirements. To one degree or another, states now require welfare recipients to show evidence of conscientiously searching for gainful employment. Corporate

executives on the dole should also be required to prove that they are trying to straighten out their companies and develop a serious work ethic.

Put a “LearnFare” program in place. Wisconsin was the first state to cut welfare benefits to parents if they couldn't keep their kids in school. Companies should be cut off if they can't keep their executives in remedial economics classes taught by economists who can explain the importance of a free economy, property rights, limited government and keeping your hands in your own pockets.

Eliminate corporate welfare and we'll be only \$900 billion short of a balanced budget!