Prospective GOP Congressmen Outline Creative, If Limited, Plans to Cut Spending

Proposals Include Mega-Agency, Elimination of DOE, Audits and Home Schooling

By Jesse Zwick 10/21/10 6:00 AM

Dan Benishek, a Republican favored to win the congressional seat in Michigan's First District, has loads of ideas for reducing the federal deficit. "The Department of Energy was created in the 1970s to make us energy independent, and look at us now," he said. "So what is its purpose, then?" He also sees potential savings in American military bases in Germany. "We've had troops in Germany for the last 60 years. Are the Germans contributing to the price of those troops? I don't know all the answers but I know we need to look at all that."

Republicans are expected to gain around 50 seats in Congress in next month's midterm elections, largely running on a platform of deficit reduction. But interviews with a number of Republican candidates who are likely to join the House of Representatives in January reveal that while they have a wealth of creative ideas to cut federal spending, their plans are often lacking in details or far too limited to bring about the level of deficit reduction the candidates are calling for so forcefully on the campaign trail.

"Consolidate Commerce, Agriculture and Interior into one agency with elimination of duplicate services," suggested Trey Gowdy, a Republican likely to win South Carolina's Fourth District seat, in an email relayed by his campaign manager.

"Fannie Mae and Freddie Mac — we can find 30 billion worth of cuts there," said Steve Chabot, who is favored to win back his old congressional seat in Ohio's First District. "We also shouldn't hire those 16,000 new IRS agents required under the new health care bill."

"I support increased competition in the educational system by giving tax credits to families that send their children to private or choose to home school," Marlin Stutzman, who is favored to win in Indiana's Third District, suggests on his website as a solution to the "federal government's mind-set of spending its way out of trouble."

"Operational audits," added Benishek. "A lot of departments aren't doing their jobs efficiently, and in private companies, you'd audit their procedures. For instance, Fed Ex — they monitor their procedures all the time. We do audits but we don't do the same kind as in the private sector."

But some experts say that the areas in which these candidates are advocating cuts — mainly non-defense discretionary spending in the federal agencies — are precisely the places where cuts are the most difficult to find and the least meaningful in terms of deficit reduction.

The problem with the plans that focus on consolidating federal agencies and making them more efficient, said Tad DeHaven, a budget analyst at the libertarian Cato Institute, is they distract from real debates about the role of government. "The idea that we can simply rearrange things and reduce bureaucratic inefficiencies is engaging a lot of wasted energy."

In addition, most candidates advocate taking spending back to 2007-8 levels, which, though politically expedient because it conjures up the pre-Obama era, don't represent as significant a reduction in the deficit as candidates are claiming. "They're trying to say, 'Let's go back to pre-stimulus levels," said DeHaven. "Unfortunately, that's going back to the decade when Congress shot spending though the roof. And they're only talking about non-defense discretionary spending, which is a very small portion of federal spending."

And the approximately \$100 billion in cuts to non-defense discretionary spending that Republicans are proposing represents a "big piece of a rather small pie," says DeHaven, meaning they'd be especially difficult to find. As a result, many Republican House candidates, while eager to tackle the federal deficit, were reluctant to list specifics about their plans to do so and offered few details when pressed.

"Bill supports reducing overall [non-defense discretionary] spending to 2007/2008 levels and ensuring it remains one percent below inflation until the budget is balanced" was all that a spokesman for Bill Flores, a Republican favored to win the House seat in Texas' 17th District, was willing to offer via email in response to a query about which aspects of the budget Flores would most like to see cut.

"Just look at the website — all the issues are up there," said a spokesman for Steve Stivers, who is likely to win in Ohio's 15th District. "You can easily see what Steve Stivers is all about." (Stivers' website pledges to "work with my colleagues on both sides of the aisle to stop this reckless behavior. I will work to pass a line item veto law, cut discretionary spending and stop adding to our national debt.")

A few GOP hopefuls said that spending on programs like Social Security, Medicare and Medicaid — which together now represent approximately 40 percent of the federal budget and are expected to continue growing as the population ages — would have to be scrutinized, but they offered many caveats about their plans for doing so.

"We do need to look at entitlements, realizing of course that there are a lot of people who rely on our current system," said the campaign manager for Tom Reed, who is favored to win the open House seat in New York's 29th District. "So a promise made must be a promise kept, but for future generations we need to look at what levels they'll be at down the road."

"I'm in favor of personal [savings] accounts," said Benishek, "but [I want to] guarantee that they don't lose any money."

Steve Griffin, who is leading the House race in Arkansas' Second District, proposes reforming entitlement spending on his campaign website but also opposes privatizing social security or raising the age at which one qualifies for benefits. (He did not respond to repeated requests for more details about his plan.)

Facing serious criticism from Democrats on the issue of privatizing social security, most GOP candidates, however, have steered clear of the issue of entitlements and focused on one-time budget cuts and other popular GOP talking points about repealing Obama-enacted legislation like the stimulus and health care.

"I don't think it's realistic to believe that Congress is going to make those cuts to Social Security," said Chabot of Ohio. "It's not going to happen, so to act like it's going to happen is just going to scare seniors, which is what Democrats do in every election."

The biggest cut that Chabot proposes would be to withhold the remainder of the Obama administration's stimulus package, which the candidate estimates would represent a one-time savings of approximately \$250 billion. In addition, he'd like to repeal the health care reform bill, which many Republicans argue will add to the deficit, despite a Congressional Budget Office estimate that the act will reduce the deficit by more than \$100 billion over the next ten years.

"I don't like the savings that they found in there," Chabot said. "They went after the Medicare Advantage plan that's been proven to work and be popular among seniors. To cut that is a big mistake, and I don't buy that they're going to make these cuts anyway."

For all their worries about spending and deficits, GOP candidates argue for the extension of the Bush tax cuts, even though Congressional Budget Office estimates predict that a permanent tax extension will force the nation to borrow an additional \$3.9 trillion over the next decade. The candidates argue that an extension would stimulate the economy, and that higher incomes would help offset the lost government revenues.

"The problem isn't that we're under-taxed," said Chabot. "The problem is that we overspend. When you reduce taxes, most of that revenue will come back through the resulting growth in the economy. It happened under a Democrat, John F. Kennedy, and a Republican, Ronald Reagan."

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