

# THE DURANGO HERALD

## Spending

*Libertarian's analysis highlights partisan nature of talk about federal spending*

June 18, 2013

---

If his political opponents were to be believed, America is threatened by President Barack Obama's out-of-control spending. The truth, however, is not nearly so simple, for if spending is the problem, there is blame enough to go around.

Reason magazine, the motto of which is "free minds and free markets," is a libertarian monthly. It is not overly friendly to politicians in general and tends to be particularly critical of the ideas and policies espoused by Democrats.

All the more interesting, then to read a column it published by Veronique de Rugy, a senior research fellow at the Mercatus Center at George Mason University. She analyzed federal spending under different presidents and concluded: "With the one clear exception of President Dwight Eisenhower, all Republican and Democratic administrations between 1945 and 2013 have increased spending from their predecessor's final fiscal year in office."

Her analysis defies partisan stereotypes. As she says, "during the last 30 years, Republican administrations have spent taxpayer money at a much faster rate than Democratic administrations. Even Obama has kept spending relatively flat compared to the likes of Ronald Reagan and George W. Bush."

Under the younger Bush, federal spending increased by 53 percent. Under Bill Clinton, it rose by 12.5 percent. During his first term, Ronald Reagan oversaw a 22 percent increase in real spending.

Of course, it is not just the presidency that controls spending. But there, too, de Rugy shows that partisan rhetoric means little. As she points out, from 2003 to 2007, the GOP controlled both houses of Congress and the White House, and real spending increased at an average rate of 5 percent per year.

She is no cheerleader for Obama. Because of how Obamacare is structured, de Rugy says, "his fiscal irresponsibility will show up in someone else's numbers."

But she also says there is no getting around the fact that under Obama, spending has not increased as much as under his predecessor and actually has decreased since 2009 – before the sequestration. She credits this “flat-lining” to the lack of a budget for four years and the expiration of stimulus programs.

De Rugy’s point is not that Obama or Democrats in general are fiscally responsible, but that party and ideology are not predictive of spending. “Out-of-control spending,” she says, “is a bipartisan problem.”

Where she does see a partisan connection is not with either party, but with divided government. Referencing the work of two economists with the Cato Institute and a colleague at the Mercatus Center, de Rugy says that since World War II, inflation-adjusted per capita spending has increased almost twice as fast when one party controlled both houses of Congress and the presidency as when the country had divided government.

Of course, all this presumes that federal spending is out of control, that such spending threatens American well-being, and that smaller government is desirable. It is, after all, a libertarian take. (The counterargument is that with unemployment still too high, the government should be spending more.)

But it also ignores the fact that a dollar spent one way may be good, while spending it another way may be bad. As de Rugy points out, Ronald Reagan cut nondefense spending by 10 percent while hugely increasing the military budget. Whether one agrees with what Reagan did says a lot about priorities and values, but little about overall spending.

De Rugy looks at federal spending without the usual partisan spin and concludes that libertarians “must not be fooled by Republicans’ small-government rhetoric.” Perhaps now someone will do a similar analysis of Democratic presidents’ record on issues such as transparency.