

Is privatizing government, and maybe even the moon, a way to trim deficit?

By [Phil Pruitt](#)

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Some ideas for trimming the skyrocketing federal deficit are not just out of the box. They are out of this world.

Yahoo! News asked members of the [Yahoo! Contributor Network](#) to submit their own ideas for what to do about the deficit, and [contributor Mark Whittington decided to shoot for the moon](#) — literally. He recommended leasing the moon for mining, along with privatizing more down-to-earth government services.

We've chosen other interesting responses to highlight over the course of this week, and we also asked key lawmakers to weigh in on those ideas. And, as we have gone along, we've invited you, our readers, to tell us what you think: by a [comment on our Facebook page](#), by an "@ reply" to us on [Twitter](#) or by your vote [on our Ask America site](#). (You can also join the [Yahoo! Contributor Network](#) yourself to start publishing content on Yahoo!)

Monday's idea, [from contributor Brad Sylvester](#), was a national sales tax. Tuesday's, [from contributor W.E. Linde](#), was tough cuts to subsidies, entitlements and defense spending, Wednesday's idea, [from contributor JC Torpey](#), was scaling back the Iraq and Afghanistan wars.

That brings us to Thursday and [Whittington and the moon](#). Commercializing and mining the moon is an idea that has been explored, at least on paper, though not in relation to paying off the federal debt. An [article in Wired in 2006](#) said that a key benefit of NASA's planned moon base (which has since been canceled because of a shift in spending priorities) could be mining helium-3 — a fuel that is scarce on Earth but could be used to operate futuristic power plants. And ex-Sen. [Harrison H. Schmitt](#), a former astronaut, [advocates commercializing the moon](#).

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The problem, of course, is that it is not an idea that could launch a revenue source any time soon. There are considerable scientific hurdles, and negotiating a multinational treaty for how to carve up the moon could take years. And the link to the budget itself is tenuous. Would revenue come from taxing the profits of private companies that drill into the moon? Or, as Whittington suggests, would it come from the money a company would pay to lease a section of the moon from the federal government?

Regardless of how many questions there are, the idea stretches the imagination to a place far, far away and conceptually much beyond cutting federal subsidies.



It also indirectly raises the issue of privatizing NASA. President Obama's 2011 budget included a provision for commercial manned space flights, but Chris Edwards, director of tax policy studies at the Cato Institute and author of "Downsizing the Federal Government," says British billionaire and Virgin Galactic founder Richard Branson already is signaling that commercializing space flight is a no-brainer.

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Rep. Xavier Becerra (D-Calif.), a senior member of the tax-writing [House Ways and Means Committee](#), does not reject privatizing space exploration. "If we're talking about trying to go beyond atmospheric exploration, trying to figure out how to go beyond that, I don't think there's any harm in trying to provide incentives for the private sector to see if it can help make low space, inner orbit space exploration something with utility," [Becerra told Yahoo! News in a Q&A](#). And as for mining the moon, "there's no reason why we can't have some program that incents the types of things that will get us there at some point in time." Meanwhile, he notes the considerable obstacles that the program would face.

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Yahoo! contributor Whittington also [recommends privatizing as much of the federal government as possible](#). Edwards agrees that that's the way to go, for several reasons:

"First, sales of federal assets would cut the budget deficit. Second, privatization would reduce the responsibilities of the government so that policymakers could better focus on their core responsibilities, such as national security. Third, there is vast foreign privatization experience that could be drawn on in pursuing U.S. reforms. Fourth, privatization would spur economic growth by opening new markets to entrepreneurs," he wrote in [a paper titled "Privatization."](#)

Edwards' recommendations include:

Ending subsidies to passenger rail and privatizing Amtrak.

Privatizing the U.S. Postal Service.

Privatizing the air traffic control system.

Edwards says it is a frustrating cause. "One of my beefs is that this hasn't been discussed at a high level for years — really since the Reagan administration," he says.

Even for tea-party-influenced conservatives who are gaining major influence over the Republican Party on fiscal and spending issues, privatization remains a low priority. Rep. Michele Bachmann (R-Minn.), founder of the Tea Party Caucus, [tells Yahoo! News](#) that she's far more concerned with ending the government's role in many of the companies that were bailed out in the last two years than worrying about more traditional agencies.

"I'd start with privatizing the businesses where the government has already expanded," [Bachmann says in a Yahoo! News Q&A](#). She adds that the government should "get out of supporting Citibank," it must "completely exit" GM, Chrysler and the student-lending business, and "end the government control" of housing lenders Fannie Mae and Freddie Mac.

And it is worth noting that privatization is not mentioned in deficit-reducing blueprints such as "[A Roadmap for America's Future](#)" by Republican Rep. Paul Ryan or the recommendations unveiled in early December by the [National Commission on Fiscal Responsibility and Reform](#).

The idea gets nothing more than a [lukewarm response from Democrat Becerra](#). "I'm open to the idea if someone can tell me where it would work well," he says. Becerra says privatization could result in companies hijacking government services where there is no competition, then charging exorbitant fees.

Truth is, privatization does not look like it will get tangled up in gridlock on Capitol Hill: At this point, it does not look like it will to come up at all.

Or will it? It is a way of reducing the size of government and cutting spending, so as lawmakers brainstorm and debate what to do with a \$14 trillion federal debt, who knows? It could come up. A "[privatization commission](#)" suggested by Yahoo! contributor [Whittington](#) could become a reality.

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