



Cato's Tanner downplays the threat of the 'sequester'

By: Mitch Kokai – February 7, 2013

As Washington types turn their attention to the pending spending sequester — a \$965 billion reduction in projected government spending over 10 years — the Cato Institute's Michael Tanner tells National Review Online readers there's no reason to panic.

There is no doubt that the sequester is a blunt instrument. Across-the-board budget cuts preclude prioritization, cutting the occasional worthwhile program as much as wasteful ones. It is in many ways a lazy alternative to actually doing the hard work of budgeting. But devastating? Crippling? Hardly. Start with the fact that the sequester is a "cut" to federal spending only in the Washington sense of "any reduction from baseline increases is a cut." In reality, even if the sequester goes through, the federal government will spend \$2.14 trillion more in 2022 than it does today.

The sequester would reduce the growth in domestic discretionary spending by \$309 billion over ten years. But annual spending on these programs will still increase by \$90 billion over that period. If we are actually spending more in 2022 on domestic programs than we are today, it is hard to see too many children starving in the street. Moreover, entitlement spending, the fastest-growing portion of the domestic budget, will hardly be touched by sequestration. It will continue to increase at the same astronomical rate as before.

What about defense spending? Defense spending will indeed decline initially in real terms, but on an inflation-adjusted basis, will never fall below 2007 levels.