



Never trust anything from a gang

By: [David Limbaugh](#) | 07/21/11 7:53 PM

The vaunted budget plan from the "Gang of Six" is said to be growing in popularity, but all you need to know to oppose the plan is that a "gang" is behind it. Also, President Obama and Sen. Dick Durbin both support it. But let's not stop there.

We all know the major drivers of this careening national debt train are entitlement programs, yet this plan proposes no real structural reforms. Now don't tell me this is rocket science. It doesn't take years to come up with a plan to restructure entitlements, yet the president and the Democratic obstructers in Congress continue to apply nonstick bandages instead of major remodeling.

Rep. Paul Ryan has already offered a very feasible plan; it's already there, and it's specific. Instead of lauding Ryan for doing his homework and exhibiting the courage to craft and offer a real solution, they demagogue and excoriate him.

The Democrats want to continue to put off entitlement reform and real spending cuts while demanding immediate tax increases because that's where their hearts are. If they were genuinely amenable to entitlement reform, they'd be embracing Ryan now instead of giving us empty promises for future action.

Indeed, the Six-pack promises that its plan includes \$1.5 trillion in tax relief. But look behind the curtains where the tax wizards lurk. The Heritage Foundation tells us that the bill would generate an additional \$1 trillion in revenue, plus \$133 billion for the Highway Trust Fund. (Can these people ever pass a bill without larding it up with new spending? Can we ever forgo a project for the sake of saving the nation?)

The plan would also legislate the Bush tax cuts out of existence, which would increase taxes an additional \$3.8 trillion. The upshot is that taxes would increase almost \$5 trillion and decrease by \$1.5 trillion (according to some), which means we'd be facing nearly \$3.5 trillion in net new taxes in the middle of a flagging economy.

Has Congress ever used increased revenues to retire debt? Don't make us laugh. They are always a license for more spending; always!

Unlike Ryan's plan but much like President Obama's series of unserious and nonspecific budget plans (they're more like vague letters of intent), the Six-pack's plan provides no spending targets, in actual dollars or as a percentage of gross domestic product. Just as with Obama's stimulus plan, there are no guideposts against which to measure its success or to ensure accountability. But even the spending cuts it does promise over 10 years, between \$1.5 trillion and \$2.5 trillion (there's not even a consensus on what the plan would provide), are minuscule next to the government's projected spending of \$46 trillion over the next decade.

Even the so-called budget cuts we've lionized throughout the various continuing resolution debates have ended up being net increases because Congress insists on defining spending cuts not as actual cuts, but as decreases in the rate of spending increases.

The plan is also vague in establishing savings targets for Medicare and Medicaid instead of specifics — other than a promise to delegate their definition to yet another committee.

And did you know that the plan not only doesn't give us any details on how it would make Social Security

solvent over 75 years but also defers addressing the issue until Phase One of the bill passes the Senate. Even more ominous is the proviso that if the Social Security reform aspect is not ultimately passed, the entire deficit reduction plan becomes a dead letter. Why couldn't Obamacare have had such a glorious provision?

As you might expect from any plan liberal Democrats embrace, this would make our already progressive tax code more progressive. The plan aspires to retaining the code's progressivity or enhancing it. Cato Institute's Dan Mitchell calls it the "progressivity mandate," which "implies very bad things for the double taxation of dividends and capital gains." It apparently targets IRAs and 401(k)s.

While most Americans are worried about reducing our national debt and getting America back to work again, Democrats (and a handful of collaborators in the GOP) are busy ginning up more class warfare and stoking the flames of envy rather than inspiring Americans to contribute to and help enlarge the production pie.

Much of this seems complicated, but when you boil it down, all you need to understand is that we need real spending cuts and caps, not decreases in the rates of spending hikes, real structural entitlement reform, not mere feckless, meaningless tweaking, and growth-oriented tax policies.

The Gang of Six's plan fails to meaningfully satisfy any of those requisites and would ensure our continued path to fiscal destruction. Why can't these people embrace Ryan's plan? Why?

But no big deal. Without real reform, our national debt will only be larger than our entire economy within a decade. Not to worry: Before this column is printed, they'll have something new for us to consider.

Examiner columnist David Limbaugh is syndicated by Creators.

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