

# NEW YORK POST

## GOV'T SPENDING SHATTERS POSTWAR RECORDS

By GINGER ADAMS OTIS

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Congress is burning through the nation's community chest, spending trillions in tax dollars as if it were Monopoly money.

The legislators are on pace to burn through a record \$4 trillion in fiscal year 2009 -- approximately \$1 trillion more than 2008's history-making expenditure, according to the White House Office of Management and Budget.

### ANALYSIS: REALITY BITES INTO PRESIDENT'S PIPE DREAMS

Data published by the White House show federal spending has inched upward annually since 1965.

But no other year comes close to matching 2009's \$3.997 trillion gusher -- a spending binge that's helped put Congress on track for a record \$1.8 trillion deficit.

By way of comparison, in fiscal year 2008, Congress tore through a total of \$3 trillion with a then-record deficit of \$458 billion, according to White House figures.

And the amount of government debt held by the public will have ballooned from \$5.8 trillion to \$8.5 trillion in less than a year.

"That really tells you a lot about our current situation," said Tad DeHaven, a budget analyst for the libertarian Cato Institute.

"These massive deficits represent a burden that Washington is foisting onto the backs of future taxpayers. They also crowd out private investment and could eventually push interest rates higher and stoke inflation," he said.

The \$4 trillion that Congress may spend by Sept. 30, the end of the fiscal year, breaks down to a daily outlay of \$11 billion every 24 hours.

Congress is now spending about \$3 trillion more than it did in 1945, at the end of World War II, once numbers are adjusted for inflation.

"The bottom line is that it's a very large number. Under normal circumstances, it wouldn't be there," said Nicholas Economides, a professor at NYU's Stern

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Since taking office, the Obama administration has been saddled with a moribund economy that's sent government revenues plummeting. To combat the recession, the White House poured \$700 billion into bailout projects and another \$787 billion into a stimulus plan -- while funding the Iraq and Afghanistan wars.

"This is an extraordinary crisis, and we need to spend money to get out of it fast. The positive side is this spending will make the recession less severe, and that's better for the average person," Economides said.

But the rising percentage of government spending as it relates to the size of the economy, as measured through Gross Domestic Product (GDP), has some economists worried.

Spending in recent years has been around 20 percent. But for 2009, government spending is forecast to be 28.1 percent of the GDP, a 34 percent increase from 2008 and the highest since 1945.

As a result of the record spending and mounting deficits and debt, some Democrats last week began to express concern about the potential cost of health-care reform.

President Obama yesterday sought to reassure the public that his overhaul plan was financially sound and asked lawmakers not to "lose heart."

"This is what the debate in Congress is all about -- whether we'll keep talking and tinkering and letting this problem fester," Obama said in his weekly radio and Internet address.

"Or whether we'll seize this opportunity -- one we might not have again for generations -- and finally pass health-insurance reform this year, in 2009."

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