

## Reason

# Good Riddance to the Super Secret Supercommittee

## Why Washington should kick its spending habits in the clear light of day

Ira Stoll | November 21, 2011

The idea was laughable to begin with—that a “supercommittee” including Senator John Kerry (D-Mass.) would be able to do what President Obama and the Speaker of the House, John Boehner, had failed to do in months of negotiations, and come up with a workable plan to reduce the federal deficit by \$1.2 trillion.

Enough people fell for it back on August 1, though, that Congress was able to rush through an increase in the federal debt limit of \$2.1 trillion. Everyone was so inspired at the time by the return of Rep. Gabrielle Giffords (D-Ariz.) to cast her vote in favor of the debt increase that they failed to focus on whether the spending cuts promised in exchange would actually materialize. Even the page of the House Web site that lists the roll call vote is an illustration of what frauds our politicians are. Instead of describing the vote as “Borrow \$2.1 trillion against a promise that a ‘supercommittee’ including John Kerry will come up with some cuts sometime in the future,” the House describes it as “To make a technical amendment to the Education Sciences Reform Act of 2002.”

At the time even former Obama aide Lawrence Summers declared it remarkable that there was no agreement on the baseline from which the \$1.2 trillion was to be cut. Speaker Boehner was in such a rush to pass the deal that he violated his “pledge to America” to publish the text of legislation online three days before a vote.

So where has it left us? The bipartisan, bicameral supercommittee, also known as the Joint Select Committee on Deficit Reduction, appears at this point to have failed. That, by current law, will trigger “sequestration,” which is either not so bad or a total disaster, depending on who is talking.

In the “not so bad” camp are the editorialists of the *Wall Street Journal*, the Cato Institute’s Daniel Mitchell, and CNBC’s Lawrence Kudlow. They say the automatic spending cuts are relatively tame and better than any supercommittee compromise that would include a tax increase. The left-leaning Washington Post columnist E.J. Dionne Jr. is also sanguine about a supercommittee failure, but he wants a tax increase, or at least the expiration of the Bush tax cuts.

So what's to worry about? One potential problem is that the automatic cuts that are part of the "sequester" target defense and health care. On the defense front, Secretary of Defense Leon Panetta is warning that the cuts would be "devastating." He says, "we would have to reduce the size of the military sharply. Rough estimates suggest after ten years of these cuts, we would have the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in its history." The navy would be reduced to 230 ships, far less than the 600-ship fleet envisioned by President Reagan.

I don't believe that the defense department should be sacrosanct, but before slashing away, it's worth asking who will fill the global power vacuum that such cuts would create. Communist China? Islamist Iran? Remember, this warning is coming not from some defense contractor or Curtis LeMay-type general, but from a former chief of staff to President Clinton, Mr. Panetta, who bears a certain physical resemblance to Michael Dukakis.

On the health care front, the same *Wall Street Journal* editorialists who now are assuring us that the Medicare cuts in the sequester are "hardly excessive" are the same ones who were warning us back in August that these same Medicare cuts "may jeopardize access to care and in many cases threaten the viability of hospitals and physician practices." And as *The New York Times* reminds us, "the last time Washington tried for a quick fix of Medicare, in 1997, it did not turn out well. Congress devised a flawed formula that was supposed to hold down payments to doctors. Instead, many doctors simply expanded the number of services delivered to keep their incomes high, while Congress—after being lobbied—has postponed the payment cuts year after year."

If there's an upside here, it's that these questions of taxing and spending will now be taken out from behind the closed doors of the supercommittee and thrust instead into the center of the 2012 election campaign. Let the candidates, not only for president but also for Senate and House seats, explain in detail how they'd accomplish what the supercommittee could not.

And if there's a downside, it's that it's not just the politicians but today's voters who have a tendency to be tempted by the status quo. That status quo keeps spending at levels far above current tax revenues, leaving the difference to be funded by borrowing to be repaid by Americans who, in 2012, will be too young to vote.