

'Largest Annual Spending Cut in History' Actually 'An Epic Kind of Washington Illusion,' Reveals Washington Post

By: Peter Suderman - February 11, 2013

Here's a cup of bitter stuff to start your week: On Saturday, The Washington Post looked back at the spending cuts made in the April, 2011 budget deal. During the negotiations, House Speaker John Boehner (R-Ohio) said that his party's goal was to get "the largest spending cuts that we can get." After the deal passed, President Obama described the package of cuts as "the largest annual spending cut in history." In reality, it was a big spending cut con.

The deal was said to reduce planned federal spending. But according to the Post, about \$17.4 billion in cuts hit programs that had already been canceled. The headline figure even managed to take credit for cutting spending on a road that did not exist. The Post describes the bill as "an epic kind of Washington illusion" that "was stuffed with gimmicks that made the cuts seem far bigger — and the politicians far bolder — than they actually were." Some ugly details:

In the real world, in fact, many of their "cuts" cut nothing at all. The Transportation Department got credit for "cutting" a \$280 million tunnel that had been canceled six months earlier. It also "cut" a \$375,000 road project that had been created by a legislative typo, on a road that did not exist.

At the Census Bureau, officials got credit for a whopping \$6 billion cut, simply for obeying the calendar. They promised not to hold the expensive 2010 census again in 2011.

Today, an examination of 12 of the largest cuts shows that, thanks in part to these gimmicks, federal agencies absorbed \$23 billion in reductions without losing a single employee.

"Many of the cuts we put in were smoke and mirrors," said Rep. Mick Mulvaney (R-S.C.), a hard-line conservative now in his second term. "That's the lesson from April 2011: that when Washington says it cuts spending, it doesn't mean the same thing that normal people mean."

No it doesn't. And in this case, that's apart from the baseline budgeting that allows Congress to claim to have "cut spending" even while federal spending continues to rise. That's what's set to happen with the sequester, the across the board cuts currently scheduled to take effect on March 1. Here's the effect on spending (via the Cato Institute):

And here's its effect on debt:

Republicans should let the sequester happen. And they should stick to the spending reductions it makes once they do. But they shouldn't kid themselves, or us, about what they're really doing: allowing spending to rise a bit slower than it otherwise would.