



New Mexico will survive the sequester

By: Paul Gessing - February 26, 2013

The wailing and gnashing of teeth over the impending federal sequestration, one might be led to believe that these are some really serious cuts. Check out the chart below from Tad DeHaven at the Cato Institute:

Of course, President Obama wants us all to believe that the sun would not rise and that we'd all starve if it were not for the benevolence of our "friends" in Washington. That is why he is putting out these lists of horrors to dramatize the draconian cuts we'll see in the Land of Enchantment.

As I've noted before on this site, it is amazing we all feel worse off these days than we did say in 2000, since the federal government spends so much more of our money on our behalf. It makes me wonder how America survived when Washington spent "only" 18% of our GDP rather than the 24%-plus it spends today. Oh, and unemployment back then was 4.2% as well as opposed to the 7.8% rate currently.

So, federal spending should fall. It NEEDS to fall. A federal government that consumes less of our economic output would be a good thing. Is sequester the best way to shrink Washington? Not by a long shot. The cuts are way too small and they don't touch so-called entitlements which will ultimately make the federal budget unsustainable. Will sequestration be a debacle for the US economy? Only if the Obama Administration makes it one in order to prove a political point.