

## Obama spends more - if you don't count spending on the privileged

June 1, 2012 - Mike Maneval

A controversial assessment of spending under presidencies by Rex Nutting for MarketWatch.com is drawing attention for arguing that President Barack Obama has presided over slower growth in federal spending than presidents Ronald Reagan, George W. Bush, George H.W. Bush, and Bill Clinton. In its wake, many pundits and columnists are tweaking, twisting and otherwise spinning the numbers to validate or disprove Nutting's claims.

But perhaps no one has spun the numbers as appropriately and with as much transparency and entertaining and informative zeal as Daniel Mitchell at the Cato Institute. Mitchell, in an article at the Cato Institute's website a week ago, openly explained how and why he was adjusting the numbers, and the results really are fascinating.

Mitchell adjusted the numbers to account for inflation, and redrafted Nutting's list, which had Obama at the bottom in increases in spending and the administration to increase spending the most identified as Ronald Reagan's first term. He drafted another list of rankings by discounting spending on interest payments on debts incurred by previous administrations. He made a cursory case, sufficient for the intellectual exercise, in discounting military spending, because, in his words, "defense outlays ... often are dictated by external events."

When he controlled for inflation, Mitchell still found spending increased less under the Obama administration than Reagan, George W. Bush, Lyndon B. Johnson and Richard Nixon - but more than under the Clinton and George H.W. Bush presidencies. When he discounted interest payments, Obama rose back to being more frugal than Clinton and the elder Bush as well. When military spending isn't counted, Obama is the second most frugal, only increasing federal spending by a tenth of a percentage point more than Reagan.

But its the last list of rankings Mitchell engineers that is the most interesting, and its the only one in which Obama "spends more" than his immediate predecessor, George W. Bush.

Mitchell's final experiments continues to ignore military spending, and also stops counting the TARP-style corporate bailouts - the policies under which taxpayers saved the financial sector from the incompetence of its own

leadership, at great expense to the taxpayers. When the corporate welfare on which George W. Bush ended his presidency simply is ignored - and only when such corporate welfare is ignored - then Barack Obama is a bigger spender.

So, after a melee of graphs and charts, you have it: The Obama administration increased spending less than other presidencies - unless you intentionally ignore the tax dollars those other presidencies spent on society's most influential and privileged members.