



Bankrupting America's Spending Daily

April 9, 2013

New Video: "Debt-tective" Finds Culprit Behind National Debt

Bankrupting America, a project of Public Notice, today released an animated web video titled "What is Bankrupting America?" focused on educating and engaging Americans on the national debt, government spending and the drag they cause on our economy. The video follows a "Debt-tective" as he discovers clues and investigates the real cause behind America's fiscal frustrations. While the facts uncovered are telling, they are explained in a relatable way through the lens of a likable hero. [Click here to watch the video.](#)

"A Primer for Understanding Obama's Budget"

Former president of the Federal Reserve Bank of St. Louis and senior fellow at the Cato Institute William Poole editorializes in The Wall Street Journal, "President Obama will release his overdue budget on Wednesday. It will doubtless project a reduction in the federal budget deficit—a projection that journalists, commentators and policy makers should ignore. To do otherwise is to be complicit in fraud. Strong statement? Not really. For 50 years or so the federal government has deliberately and to an increasing extent misstated probable future budget deficits. Democrats and Republicans are guilty. The White House is guilty. And so is Congress. Private firms that deliberately misrepresent their financial statements in this fashion would be guilty of a crime. The magnitude of the misrepresentation is breathtaking. ... Congress can misrepresent the effects of any given piece of legislation in complex ways. It does not do so by entering, say, \$800 million when the correct number is \$900 million. Instead, Congress enacts certain tax and spending measures as 'temporary' when it has no intention of allowing the provision to lapse; or it assumes legislative provisions in current law that would cut spending will be made, when Congress knows they never will."

President's Budget Reprises Familiar Proposals

The Associated Press reports, "Even as it adds fuel to battles over taxes and Social Security, President Barack Obama's budget will reprise lots of smaller bore proposals that have gone nowhere in a gridlocked Washington. Ideas like higher Transportation Security Administration fees on airline tickets, the end of Saturday mail delivery and higher pension contributions for federal workers are the hardy perennials of Obama's budgets, reprised year after year, along with more widely known proposals like taxing oil companies and the rich. Many of the ideas have been seen as candidates for inclusion in

broader deficit deals that have never come to pass. ... At issue are dozens of longstanding options to trim the federal budget. They include eliminating direct payments to farmers even if they don't produce a crop and curbing \$30 billion worth of Medicare payments over a decade to hospitals to reimburse them for patients who don't pay deductibles and copayments."

Study Finds Billions Wasted in Duplicate Federal Programs

USA Today reports, "Redundant federal programs are leading to billions in waste, congressional auditors say, and the government is slow to adopt reforms to fix the problem. The White House says President Obama recognizes the problem and will propose eliminating redundant programs in the budget plan he releases Wednesday. Among the 31 areas of duplicative spending, spelled out in a report by the Government Accountability Office obtained by USA TODAY: Government agencies are spending billions on new mapping data — without checking whether some other government agency already has maps they could use. At least 23 different federal agencies run hundreds of programs to support renewable energy. Each branch of the armed services is developing its own camouflage uniforms without sharing them with other services. ... Over the past three years, the Government Accountability Office found 162 areas where agencies are duplicating efforts, at a cost of tens of billions of dollars. How many billions? No one knows. 'The big problem the GAO had, if you read the report, they can't adequately estimate their savings because agencies can't tell them how much they're spending,' said Sen. Tom Coburn, R-Okla., who authored the amendment requiring the annual reports. 'We're a mess.'"

"Tax Reform Is Very Much Alive and Doable"

Democrat Senator Max Baucus and Republican Representative Dave Camp editorialize in The Wall Street Journal, "Every week Congress has been in session for the past two years, one of us has made the short walk across the Capitol to the other's office. We crowd into a room with our policy experts to chart a path to our mutual goal— comprehensive tax reform. While we are from different political parties, we agree that America's tax code is broken. That is why we have been working together as the chairmen of Congress's two-tax writing committees to make it fairer for families and spark a more prosperous economy. The last overhaul of the tax code was more than a quarter century ago, and there is a need to get rid of its unnecessary complexity. Taxpayers spend more than six billion hours filling out documents to complete filings. They struggle to understand the rules, which amount to almost four million words. That is neither a productive use of time or resources. We can and must do better. "

Top Tax-Writers Vow Transparency While Asking for Secrecy

The Hill reports, "Lawmakers working on an overhaul of the tax code are prepared to negotiate in secret, away from the prying eyes of K Street, when it comes time to decide the fate of lucrative breaks and deductions. While the top tax-writers in Congress have vowed to keep the public involved in the rewriting of the code, they say some of the work cannot be accomplished with C-SPAN cameras in tow. 'There's no question that there are going to be times when, to find a conclusion, you're going to have to probably do it behind closed doors,' Sen. Orrin Hatch (Utah), the top Republican on the Senate Finance Committee, told The Hill recently. The lead lawmakers on tax reform — Senate Finance Committee Chairman Max Baucus (D-Mont.) and House Ways and Means Committee

Chairman Dave Camp (R-Mich.) — promised to lead an ‘open and transparent’ process in a Wall Street Journal op-ed published Monday. ‘No cutting deals behind closed doors,’ Camp and Baucus wrote.”

Liberal Groups Warn Against Dems Backing Entitlement Reform

POLITICO reports, “A trio of liberal groups is warning Democratic lawmakers who back cuts to entitlements programs that they could face a challenge from the left in the next election — but it’s unclear how serious the threat is. The Progressive Change Campaign Committee, Democracy for America, and MoveOn.org have released sharply worded statements putting Democrats on notice that support for President Barack Obama’s budget — which proposes cuts to Medicare and Social Security — would be tantamount to betrayal. PCCC, a prominent liberal group, also launched a website called NoBenefitCuts.com. It asks supporters to sign a petition pledging to ‘support primary challenges to congressional Democrats who support benefit cuts.’ ... All three groups have been active in taking on Democratic incumbents in recent years. MoveOn.org helped Connecticut Democrat Ned Lamont in his winning 2006 primary campaign against then-Sen. Joe Lieberman. ... ‘Any Democrat that votes to cut Social Security programs is going to be at the risk for a primary challenge,’ added Neil Sroka, a DFA spokesman. ‘Progressives are not going to stand by while social safety nets are threatened.’”

Odd Twist: Liberals Relying on Republicans to Prevent Entitlement Cuts

The Hill reports, “Liberals are relying on conservative Republicans — their fiercest political enemies — to prevent entitlement cuts backed by President Obama from gaining ground. With Obama pushing for cuts to Medicare, Medicaid and Social Security, the best chance liberals have of stopping those spending reductions could be the GOP’s blanket opposition to higher taxes. Although GOP leaders insist that entitlement cuts should be a big part of any sweeping deficit deal, they have been unwilling to concede to Obama’s demand for higher taxes to get them. The odd dynamic will be highlighted this week when the president introduces a 2014 budget plan said to include Social Security cuts that Democratic leaders — most notably House Minority Leader Nancy Pelosi (D-Calif.) — have said they’d consider.”

Dems Unhappy with Obama’s Budget Strategy

Roll Call reports, “Congressional Democrats continue to be baffled by — and frustrated with — the White House’s legislative strategy, with many aides questioning the wisdom of offering a compromise budget before negotiations have even begun. Budgets, which have no force of law, are largely viewed as the outline of the party’s political priorities. Several Democratic sources outside the White House — girding for yet another budget battle over the debt ceiling again this summer — said Obama’s budget release this week is not just a bad bargaining stance but also another instance in which the president appears to be taking a position in the middle, only to later be pushed by Republicans to the right. ... According to a senior administration official late last week, the budget to be unveiled Wednesday is intended as more of an olive branch to Republicans than an outline of Obama’s view of the budget and economy. ... But that posture has put congressional Democrats in an awkward position this week as they prepare to face questions about their support for the president’s framework after most of them have already voted for budget resolutions put forward separately in the House and Senate.”

Debt Ceiling Battle on the Horizon

The Hill reports, “Debt-ceiling politics are back in full force. House Democrats on Monday blasted Republicans for moving forward with legislation to prioritize debt payments in the event that the nation’s debt ceiling is exceeded. They said the GOP maneuver is a clear sign that a repeat of the brutal 2011 fiscal confrontation is looming. House Majority Leader Eric Cantor (R-Va.) told his GOP colleagues Friday that he expects the House to consider a debt prioritization bill sponsored by Rep. Tom McClintock (R-Calif.) ‘in the near future.’ ... The \$16.8 trillion national borrowing limit has been suspended until May 19. Once the limit goes back into effect, the Treasury Department will have a matter of weeks before it can no longer avoid being unable to meet some payment obligations.”