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Jonathan Gurwitz: Debt -- excuses, excuses, but neither party's excused

By Jonathan Gurwitz

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"In the long run, we can't continue to spend as if deficits don't have consequences, as if waste doesn't matter, as if the hard-earned tax dollars of the American people can be treated like Monopoly money."

— President Barack Obama, Dec. 21, 2009

A week before the president landed on the community chest of fiscal conservatism, the bipartisan Peterson-Pew Commission on Budget Reform issued a stark warning to the nation's leaders. The public debt of the United States is rising sharply — up 31 percent, or \$1.8 trillion during the previous year alone, amounting to 53 percent of GDP.

The debt's projected steady growth puts the nation on course for an economic crisis. Without action to turn back the tide of red ink, the commission warned that successive generations of Americans will endure lower standards of living. The United States is headed into debt-driven decline. Debt is no longer simply an economic issue. It's also a national security issue.

Given this dire prediction and his own admonitions about play money, what did President Obama do? He presented a budget for 2011 with a record \$1.6 trillion deficit, a deficit that under favorable assumptions will narrow slightly over a few years but that in the long run will remain at

about \$1 trillion and add \$8.5 trillion to the national debt over the next decade — and that's the White House Office of Management and Budget's rosy scenario.

Obama's budget does exactly what he said we can't do — spend as if deficits don't have consequences. Rather than get serious about the debt problem, he's continued to roll the dice and play the debt game. The president is not alone.

Obama is correct in complaining that he inherited a \$1.4 trillion deficit from the Bush administration, even though he's wrong to use that fact as an excuse to generate even greater deficits.

Budgeting with play money is a bipartisan problem in Washington. And Republicans who've been in Congress for more than a few years generally have the least credibility when it comes to fiscal responsibility.

During the first six years of the Bush administration when Republicans controlled the White House, at least one and mostly both houses of Congress, federal spending in adjusted dollars increased at an average annual rate of 4 percent, according to the Cato Institute.

And no, it wasn't all defense related. Those years saw the largest increase in nondefense discretionary spending since the Ford administration, while the national debt grew by more than half to nearly \$9 trillion. And all this was before the bailouts and budgets with Democrats running Capitol Hill.

That's why it's hard to take seriously the fiscal objections of GOP lifers in Congress, like five-term Sen. Mitch McConnell of Kentucky, who served as Republican whip from 2003 to 2007.

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Up until last year, McConnell was a big proponent of creating a bipartisan debt commission, similar to the Base Realignment and Closure Commission, that would finally force Congress to address the ticking debt time bomb.

Belatedly, President Obama has gotten behind the debt commission proposal. But when it came up for a vote in the Senate last month, Minority Leader McConnell joined 22 other Republicans — including seven who were actually co-sponsors of the bill — 22 Democrats and an independent to kill the debt commission legislation.

"If people were serious about getting the debt under control," he told the Washington Post's Fred Hiatt, "they wouldn't have supported the president's budget."

That's how you play the game in Washington. Only it's not Monopoly money they're wagering. It's the American people's money and prosperity at risk.

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