

Government spending will still increase after the debt deal's budget 'cuts'



By <u>Chris Moody</u> / <u>The Ticket</u> – 15 hrs ago

- •
- <u>tweet55</u>
- <u>Share</u>
- <u>Email</u>
- <u>Print</u>



J. Scott Applewhite (AP)

After months of rigorous debate over trimming the federal budget, Congress has finally passed a short-term budget and increased the debt limit in return for what is said to be "historic" budget cuts.

But after all that--the fighting, the 11th-hour back-room deals, the warnings of calamity-will the federal budget actually be smaller in a few years?

Nope. Spending will continue to increase.

Much of the problem has to do with the language of Washington, which, you might have noticed, is different from the speech you hear almost every other place on Earth. When most politicians talk of "cutting" spending, they don't always literally mean that they intend to reduce current spending levels. Instead, under this version of fiscal discipline, Congress merely agrees not to spend as much money as it initially had planned. Once that deal is struck lawmakers then turn around to sell their proposals as "cuts."

Take the "debt ceiling deal" President Obama signed on Tuesday. Let's say that the federal government, when all is said and done, actually slows the growth of spending by \$2 trillion over a decade--the minimum amount promised. After 10 years' time, if all \$2 trillion is not spent, there will actually be an *increase* of about \$1.8 trillion.

This isn't to say that the American people have been fooled. A <u>Rasmussen Reports survey</u> released Wednesday found that 40 percent of voters said correctly that the federal budget will continue to grow and just 16 percent thought spending levels would be reduced.

To achieve any reduction in federal spending--or in the federal debt for that matter--the number of cuts must surpass \$4 trillion, with major changes to the way the federal government pays for its most expensive and fastest-growing programs: Medicare, Medicaid and Social Security.

The libertarian Cato Institute <u>put the figures into perspective</u> in a recent video showing just how small the agreed-to cuts actually are in relation to the federal budget.

You can watch the video here: