

Obama gets his class-warfare trophy, but the fiscal cliff is just one battle in a long war

By: Daniel Mitchell – January 2nd, 2013

Next Monday, Notre Dame has the near-hopeless task of playing Alabama for college football's national title. By all accounts, this is a mismatch, featuring the top team from the nation's strongest conference against an Irish squad that backed into the championship game because so many other teams stumbled. So very few people will be surprised when the Crimson Tide emerges victorious.

This is a good description of what just happened with the fiscal cliff fight in Washington. President Obama entered the battle in a very strong position. A big tax increase automatically was going to happen even if he did nothing, so he was holding all the cards. He could — and did — tell Republicans that they had an unpleasant choice of either accepting that big automatic tax increase or acquiescing to his class-warfare plan.

No wonder Republicans have been acting so discombobulated. They had no winning strategy.

Sure, they could have been more aggressive and threatened to go over the cliff (the automatic tax hike) if Obama wasn't willing to be reasonable. That's the strategy I would have pursued, but I'm the first to admit that this would have been a high-risk approach. After all, don't we all suspect that Obama secretly wants the biggest possible tax hike, even if it also screws the middle class?

Yes, GOPers prevailed with that game of chicken in 2010, but that was back when Obama had to worry about getting re-elected. Now, he's presumably most interested in cementing a legacy of more statism.

So I'm not overly upset with Republicans now that we're stuck with this new tax increase. I am upset with many of them, however, because they were in office during the Bush years and they voted for much of the wasteful spending that helped create the current fiscal mess. Many GOPers beat their chests about being against tax hikes, but that's not a very credible or sustainable position when they're also voting for the no-bureaucrat-left-behind education bill, the corrupt farm bills, the pork-filled transportation bills, the prescription drug entitlement, the TARP bailout, and the 2008 faux stimulus.

But now that the fiscal cliff is in the rear-view mirror, where do we go from here? The real issue is whether anybody has learned any lessons. Will Republicans now take a stronger stand against wasteful and inappropriate spending?

They'll have several opportunities in the next few months to show whether they're on the side of taxpayers, or whether they're going to return to business-as-usual politics.

- I'd like for them to block any disaster funding for New York, New Jersey, and other states affected by Hurricane Sandy, but I'll be satisfied if they cut out the billions of extraneous pork that's been added to the bill.
- Will they insist on some long-overdue process reform as part of an increase in the debt limit? Congressman Brady has a proposal, known as the MAP Act, that imposes a spending cap modeled after the very successful Swiss Debt Brake. That seems like a very reasonable request if Obama wants another increase in borrowing authority.
- The "continuing resolution" expires at the end of March, meaning that the government no longer will have authority to spend money for the non-entitlement portions of the federal government. If they're serious about fiscal responsibility, lawmakers should insist on genuine spending cuts. And if Obama balks, let him be the one to shut down useless and counterproductive bureaucracies such as the Department of Education and the Department of Housing and Urban Development.

This short list contains items that can be achieved if self-proclaimed fiscal conservatives are sincere about saving America from becoming another Greece.

To be sure, nothing on the list addresses the main problem of unsustainable entitlement programs. But there's no realistic way of getting pro-growth reforms through the Senate or signed by Obama. Heck, if you're trying to gauge the odds of good entitlement changes in the next four years, all you need to know is that you're better off betting that I'll be playing centerfield for the New York Yankees next season.