

Opinion Opinion: Who's To Blame for the Massive Deficit?

(Dec. 29) – The temporary increase in the national debt ceiling approved this month – combined with the prospect of a huge trillion-dollar-plus increase early next year – has once again prompted criticisms of President Obama for runaway spending and record deficits.

All this borrowing is only necessary, we are told, because Obama ran up \$1.4 trillion of debt in his first year.

It's true that the White House is pushing big spending items, not least of which is his multitrillion-dollar scheme for government-run health care. But many critics, either out of ignorance or malice, are blaming Obama for deficits that are not his fault.

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Some Republicans, for instance, complain that Obama tripled the budget deficit in his first year. This assertion is understandable, since the deficit jumped from about \$450 billion in 2008 to \$1.4 trillion in 2009. As this chart illustrates, with the Bush years in green, it appears as if Obama's policies have led to an explosion of debt.

But there is one rather important detail that makes a big difference. The chart is based on the assumption that the current administration should be blamed for the 2009 fiscal year.

While this might make sense to a casual observer, it is largely untrue. The 2009 fiscal year began Oct. 1, 2008, nearly four months before Obama took office. The budget for the entire fiscal year was largely set in place while President Bush was in the White House.

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So if we update the chart to show the Bush fiscal years in green, we can see that Obama is mostly right in claiming that he inherited a mess.

Some readers, particularly Republicans, are probably thinking I'm letting Obama off the hook too easily.

What about the so-called stimulus, they will ask, with its \$787 billion price tag? Or the omnibus fiscal-year 2009 appropriations bill? And how about Cash for Clunkers and Obama's expansion of the children's health insurance program? Didn't these all boost spending in 2009?

The answer is yes. But these boondoggles amounted to just a tiny percentage of FY2009 spending – about \$140 billion out of a \$3.5 trillion budget – as the pie chart nearby illustrates.

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There are some subjective aspects to this estimate, to be sure – I didn't count \$25 billion in extra defense spending, for example, because Bush would surely have asked for that as well; ditto bailout for car companies – but the net effect of all the judgment calls isn't to Bush's disadvantage.

On the revenue side, for better or worse, Obama hasn't tinkered much. Obama's so-called stimulus did include a handful of Keynesian-style tax cuts, but his CHIP bill contained some tax increases. The net effect is a slight reduction in tax revenue for FY2009, but not enough to make a noticeable difference.

So what's the final score? Let's use an analogy. Obama's FY2009 performance is like a relief pitcher who enters a game in the fourth inning trailing 19-0 and allows another run to score. The extra run is nothing to cheer about, of course, but fans should be far angrier with the starting pitcher.

That having been said, Obama has been serving up softballs to the special interests in Washington, so his earned run average may actually wind up being worse than his predecessor's. He promised change, but it appears that Obama wants to be Bush on steroids.

This is where Obama's critics should be directing their attention. Big government

won't work any better for Obama than it did for Bush. America's fiscal problem is excessive government spending, and deficits are merely a symptom of that underlying disease. If Obama wants to rejuvenate the economy, he should abandon the Bush policies of big government and interventionism and instead go with free market policies that actually work.

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