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Postmodern Government Budgets

by Sheldon Richman

If President Bush's bureaucracy were as capable as the bureaucracy in George Orwell's great novel, *Nineteen Eighty-Four*, Lawrence Lindsey, the president's former economic advisor, would have been airbrushed out of every photograph he appeared in while holding that post, and every reference to his estimate of the cost of the coming Iraq war would be wiped from every archive in the country. Today no one would know who Lawrence Lindsey is or that he once said that the war would cost \$100 billion to \$200 billion.

Alas, government is not quite as powerful as Orwell envisioned. So the Bush administration has to settle for simply firing Lindsey (or insisting he resign) and having the budget director dismiss and discredit Lindsey's estimate and issue his own lower one.

Maybe that more transparent method will work just as well. After all, while \$100 billion to \$200 billion may strike some as a mite expensive for a war against a weak and toothless dictator, \$50 billion to \$60 billion is an absolute steal. It's the Kmart blue-light special on wars. We can't afford *not* to go to war.

Still, one has to chuckle at the way the administration has pulled this off. It's not as far from Orwell as it looks at first sight. Through Orwellian "doublethink" people knew the past had been changed—they just didn't acknowledge to themselves that they knew. Through Bushian "doublethink," we all know that the economist whom Bush respected enough to make his chief economic advisor estimated an exorbitant cost for the war—but now we tell ourselves that he was wrong and had to go.

Did Budget Director Mitch Daniels, who presented the new, lower estimate, explain why his number is better than nonperson Lindsey's? According to the *New York Times*, "Mr. Daniels declined to explain how budget officials had reached the \$50 billion to \$60 billion range for war costs, or why it was less in current dollars than the 43-day gulf war in 1991."

In other words, trust us. Daniels's estimate *must* be better than the nonperson Lindsey's because ... well, because Lindsey is a nonperson. Here's how Daniels put it: "That wasn't a budget

estimate. It was more of a historical benchmark than any analysis of what a conflict today might entail.” My best translation of that is: Lindsey was delirious when he talked about the cost of war.

There were other comforting aspects of post-Lindsey cost estimating. The money for the war won't upset the 2004 budget, and it won't be part of the 2003 \$355 billion military budget (a record figure). Rather, it will be appropriated by Congress as an emergency expenditure. I sometimes wonder why the whole budget isn't just labeled “emergency expenditure” so we can be done with all our fiscal problems.

Only a curmudgeonly taxpaying tightwad would point out that the long-suffering productive classes will cough up the money no matter what the government calls it.

The intellectual world a few years ago moved into what is called the postmodernist phase. That's more or less the view that reality has no firm identity and that it is available for molding according to personal, class, or cultural interests. Thus we are told that even “male” and “female” are merely social constructs or conventions.

But the intellectuals have nothing on the politicians and bureaucrats. Government has been in a postmodernist phase for many decades. This is most clear when it writes its budgets. Revenue and spending figures have one objective: to sell the program. When the medical socializers wanted to get Medicare passed, they issued cost estimates that we now know were ludicrous. According to Medicare historian Sue Blevins, in 1965 the government said the hospital part of the program would cost \$9 billion in 1990. What it really cost was \$66 billion. Adjusted for inflation, the estimate was off by 165 percent. Not bad for government work.

The point is, the government budget is not an honest estimate of uncertain future costs. It's a political document designed to advance an agenda. It is inherently dishonest.

Anyone want to bet on whether Lindsey or Daniels has the better estimate on the cost of the war?

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