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Blame Republicans for Big Government **by Sheldon Richman**

Government power is growing, and unless President Barack Obama and the majority in Congress have a libertarian epiphany, it will continue to grow for years.

Obama's 2010 budget will come in at more than \$3.4 trillion, with a deficit of well over \$1 trillion. Though the deficit will decline — if the administration's dubious projections of economic growth and war spending are correct — it will remain high, at about \$1 trillion a year. The Congressional Budget Office sees \$2.3 trillion *more* in deficits over the next decade than Obama anticipates. The main reason for the CBO's disagreement is that it believes Obama is understating spending, by \$1.7 trillion. That will bring spending to more than a quarter of GDP before falling to 23-24 percent. This is high even by recent standards.

As a result, the government's debt will climb steadily toward 80 percent of GDP and beyond. As has been pointed out, this is in the banana-republic range. What happens when the consequences of the bailouts kick in?

Domestic spending, coming on top of the nearly \$800 billion misnamed "stimulus" bill and \$400 billion barrel of pork, will skyrocket. Obama, while promising fiscal responsibility, plans to spend hundreds of billions of new dollars to overhaul (i.e., centralize) medical care (which his budget understates), education, and energy production. Social Security and Medicare, already on the road to bankruptcy, will explode.

And so-called defense spending — the cost of empire — will also increase, though perhaps not as much as it did under George W. Bush. That could change, however, if Obama's scenario about Iraq turns out to be too optimistic, as some people think it is. Republican hawks fear that after 2011 military spending will be flat, but there is no reason to think Obama is any less committed to an American global military presence than his predecessor. Watch what he does in Afghanistan and Pakistan.

Taxes, direct and indirect, will be on the rise, too. Income tax rates for upper-income people will go up, and deductions will phase out. If Obama gets his cap-and-trade scheme, under which emitters of carbon dioxide will have to pay government for the privilege, everyone will pay

higher prices as the cost of producing everything rises. So much for Obama's promise to cut taxes for 95 percent of working people.

Obama's budget is so audaciously ridiculous, even some of his fellow Democrats talked of revolt.

If the expansion of intrusive government (a redundancy) gives you the willies — it should; the cost is freedom and prosperity — you may be tempted to direct your anger at Obama and the rest of the Democratic leadership. That would be myopic, however.

Blame the Republicans, beginning with the former president, George W. Bush. (We could go back further, but time and space are limited.)

The reason can be illustrated by an extraordinary moment that occurred just after Obama unveiled his multiyear budget plan. Contemplating the spending blueprint, Republican House leader John Boehner went before the media microphones and declared, "The era of big government is back."

For Boehner to make such a statement suggests two possibilities, although both could be true: he thinks Americans are morons or he's been in a coma since January 20, 2001, when Bush took office.

Note that he didn't say, "Uh oh, government is going to get even bigger than it is now." No, he said, "The era of big government is *back*." Back — as in: returned after having gone away.

When did it go away? And does Boehner really believe that the American people don't realize how much government grew under Bush?

It was Bill Clinton who declared the era of big government over in 1996, more than a year after his party lost control of Congress to the GOP. He hadn't become a libertarian, but he was lucky enough to be president during a period of economic growth (the high-tech revolution was kicking in), when the public wanted a balanced budget and some retrenchment of the welfare state.

But in fact, big government did not disappear in the Clinton years, even if the rate of growth slowed.

Big government under Bush

Under Bush and a Republican Congress there was an explosion of growth on all fronts: hefty spending increased in virtually all respects, huge deficits and a doubling of the national debt, corporate bailouts, further centralization of education, protectionism, expansion of Medicare, increased regulation, undeclared wars, civil-liberties violations and other unchecked executive power, and more. Bush did not veto a single spending bill in eight years. His cutting of tax rates in 2001 and 2003 has to be judged in the context of growing spending. Milton Friedman pointed out that the level of spending, not taxation, is the truer gauge of the government burden. The money has to come from somewhere. Removing it from the economy through borrowing is as

economically damaging as taxation — more so when you figure that the government will perpetrate inflation to manage the debt, depreciating the currency and eroding Americans' purchasing power.

That was bad enough, but the Republicans added rank hypocrisy to the mix by claiming to favor free markets. Those who want increasingly to replace the market with government administration are happy to take the Republicans at their word and propagate the myth that GOP policies are the only alternative to statism.

In light of recent history, Boehner's remark is more than a little absurd. It's dishonest, even demagogic.

And it will have consequences beyond the moment. Advocates of government control of the economy have a stake in persuading the public that the current financial turmoil is mostly the result of the Bush administration's alleged laissez-faire approach to governing. This is an outrageous lie. There was no laissez faire — quite the contrary. The Federal Register, which catalogues new regulations, grew apace in the Bush years. The last banking deregulation of any significance — repeal of the New Deal's separation of investment and commercial banking — was signed by Clinton while Larry Summers was Treasury secretary. Summers today is Obama's top economic advisor. (This is not to say that this deregulation contributed to the economic turmoil. It did not.)

Boehner's statement, however, sounds as though he accepts the charge that America's troubles come from too little government, not too much, in the Bush years. As result, his words have the effect of making free-market, small-government rhetoric sound merely partisan, if not incredible, even ridiculous. Anyone who believes Boehner's (false) story would have to reject his opposition to Obama's program as cynical. After all, if big government really disappeared from 2001 to 2009, it can't be blamed for the economic meltdown.

But it didn't disappear, and it can and should be blamed for the meltdown. The Republicans, by their cynicism and lack of principle, are as responsible for what's going on as any Democrat — even more, because in the public's eyes they have undermined sound economic reasoning by their hypocrisy.

Today Republican complaints about big government are easy targets of ridicule. There is a fallacy here, of course. The hypocrite's offense is not that what he says is necessarily wrong, but that he does not practice what he preaches. Unfortunately, many people don't understand that distinction. They assume that if someone who calls for limited government actually increases the size of government, then it's the professed philosophy that is flawed. The Democrats are happy to encourage that conclusion. Thanks a lot, Republicans.

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