REMAPPING DEBATE Asking "Why" and "Why Not"

Two profoundly un-ambitious budget plans

Commentary | By Craig Gurian | Budget deficit

July 13, 2011 — You can't go five minutes without reading press accounts that characterize the Obama-Boehner budgetary prescription — now's the time to start on \$4 trillion in debt reduction — as <u>"ambitious."</u> One particularly bewitched commentator explained that the House Speaker had <u>"lofty budget goals."</u>

Is there anything less ambitious than plans to guarantee that our children and our grandchildren will live less well than we do? Is there anything less ambitious than plans to guarantee that our children and our grandchildren will live less well than we do?

We *used to be able* to afford retirement security, but now that's impractical. Just do with less. And stop taking all those luxury trips to the doctor.

Vietnam should have taught us the folly of the theory that one has to destroy a village to save it; instead, our political class has decided to apply that theory here at home.

What happened to "ambitious" as a word to characterize the striving to do better?

Well, doing better is just not on the agenda. It's one thing to hear the same old incantations from the priests of market theology ("remember how great it was back when there weren't labor or other regulatory protections — oh wait, don't think about the specifics too much, just repeat our mantra"), but, hard as it may be to recall, President Obama — once upon a time — spoke differently:

Now, there are some who question the scale of our ambitions, who suggest that our system cannot tolerate too many big plans. Their memories are short, for they have forgotten what this country has already done, what free men and women can achieve when imagination is joined to common purpose, and necessity to courage.

From that to proposing to cut a Social Security system that is in no short-term peril at all, and, as demonstrated in a <u>Wall Street Journal interactive graphic</u>, could have almost its entire *75-year* "shortfall" closed by eliminating the special treatment that high earners receive in having income above \$106,000 or so exempted from Social Security taxes.

And the pathetically back-door way of trying to achieve these cuts! Changing the cost-of-living calculation to disguise what are large cuts over time, and then rationalizing that change based on the need to avoid — horrors! — unintended increases in real benefits. There's courage for you: making sure we deal with the problem of too many old people with too much money.

The lack of imagination extends to ideas to "tinker" with Medicare (not mere tinkering, of course, if you're a 65-year-old who needs to wait two more years for coverage). The specific idea is bad, but the premise is worse: we can't afford care unless we reduce care.

Has it really not occurred to anyone in Washington that, for as much as health care delivery can be improved, it is and always will be expensive to provide high-quality medical care, and especially expensive if the current system of rationing care is ever changed to one where high-quality care is available to all?

The question of "what we can afford" is a question of what kind of society we want to be. An ambitious society embraces the challenge of meeting increasing costs, and counts its blessings for being one wealthy enough to do so.

And, then, of course, there's the question of, you know, all those people out of work, and the impact of fiscal contraction.

The Administration once had an answer to this, too.

There is no true balance yielded from asymmetrical warfare. The result invariably tilts towards the party — the GOP — that sticks to its guns.

Calling for the original (albeit inadequate) stimulus, the President said, "A failure to act and act now will turn crisis into a catastrophe and guarantee a longer recession, a less robust recovery, and a more uncertain future." His Treasury Secretary said at a March 2009 hearing:

For us to be cutting the deficit today would lead the recession deeper, would create higher future deficits, weaker growth in the future, and would ultimately lead us into a position where we're doing much more damage to the fabric of the American economy... overwhelmingly it's important that we get the economy back on track, even though temporarily that does increase the deficits we're going to have to live with.

We still have an economy in the doldrums, desperate for stimulus, and all we hear from the President is <u>"now is the best opportunity for the nation to address its long-term fiscal challenges."</u>

The President and his political team can believe all they want about voters craving debt relief, and can ignore all they want public support for preserving entitlements and creating jobs. Either way, the GOP will keep playing to its base.

And thus, the dual conceit of a "balanced" approach becomes clear. First, there is no true balance yielded from asymmetrical warfare. The result invariably tilts towards the party — the GOP — that sticks to its guns.

Second, the call for balance, just like phony shared sacrifice pitches (the poor and the middle class need to do the sharing), presupposes a relatively balanced current state of affairs. But, in fact, things have been wildly out of balance since the Reagan era, so a "splitting the difference" approach only winds up perpetuating the status quo that has seen a stark rise in income inequality and a sharp loss in income security.

Sometimes a "grand bargain" is a devil's bargain.

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