



Another Spending Cut Plan

Since everybody else seems to be coming up with plans on how to cope with the skyrocketing national debt, let me try my hand at it too.

The liberals' easy solution is just to increase taxes on "the rich." But, if you do the math, there aren't enough of "the rich" to cover the huge and record-breaking deficit.

Trying to reduce the deficit by cutting spending runs into an old familiar counter-attack. There will be all kinds of claims by politicians and sad stories in the media about how these cuts will cause the poor to go hungry, the sick to be left to die, etc.



My plan would start by cutting off all government transfer payments to billionaires. Many, if not most, people are probably unaware that the government is handing out the taxpayers' money to billionaires. But agricultural subsidies go to a number of billionaires. Very little goes to the ordinary farmer.

Big corporations also get big bucks from the government, not only in agricultural subsidies but also in the name of "green" policies, in the name of "alternative energy" policies, and in the name of whatever else will rationalize shoveling the taxpayers' money out the door to whomever the administration designates, for its own political reasons.

The usual political counter-attacks against spending cuts will not work against this new kind of spending cut approach. How many heart-rending stories can the media run about billionaires who have lost their handouts from the taxpayers? How many tears will be shed if General Motors gets dumped off the gravy train?

It would also be eye-opening to many people to discover how much government money is going into subsidizing all sorts of things that have nothing to do with helping "the poor" or protecting the public. This would include government-subsidized insurance for posh and pricey coastal resorts, located too dangerously close to the ocean for a private insurance company to risk insuring them.

This approach would not only circumvent the sob stories, it would also circumvent the ideological battles over whether to cut off money to Planned Parenthood or National Public Radio.

The money to be saved by cutting off agricultural subsidies to the wealthy and the big corporations is vastly greater than the money to be saved by cutting off Planned Parenthood or National Public Radio, much as they both deserve to be cut off.

If spending cuts are to be done strategically, a good strategy to follow would be that of General Douglas MacArthur in World War II. General MacArthur realized that he didn't have to attack every Pacific island held by the Japanese. He captured the islands that he had to capture, in order to get within striking distance of Japan.

In peace as in war, there is no point wasting time and resources attacking heavily defended enemy



Written by [Thomas Sowell](#) on April 12, 2011

positions that you don't have to take.

Social Security and Medicare are supposed to be among the most difficult programs to cut without ruinous political consequences. However, it is not necessary to attack all the spending on these programs in order to make big savings.

Instead of attacking these programs as a whole, what is far more vulnerable is the compulsory aspect of these programs. If Medicare is so great, why is it necessary for the government to force people to be covered by Medicare as a precondition for receiving the money they paid into Social Security?

Many people with private health insurance would rather continue to rely on that, instead of being trapped in Medicare red tape. It is not a question of taking away Medicare but allowing people to opt out, saving the taxpayer from having to subsidize something that many people don't want.

It is not a question of forcing people off Social Security either. But private retirement accounts can offer a better deal.

Even someone who retires when the stock market is down is almost certain to get a bigger pension from a decent mutual fund than from Social Security.

By giving young people the option, while continuing to honor commitments to retirees and those nearing retirement age, the sob story defense of runaway spending can be nipped in the bud.

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