



Written by [Bob Adelman](#) on November 12, 2010

Deficit Commission Report: Deficit Reduction Lite

The co-chairs of President Obama's Deficit Commission, Erskine Bowles and Alan Simpson, announced many of the possible recommendations that could appear in the report of the Commission due December 1. They included just enough to arouse the ire of partisans on both sides, without making any serious inroads into real deficit reduction. Calling it a "politically provocative and economically ambitious package," the New York Times said the initial proposals are "igniting a debate that is likely to grip the country for years."



The co-chairs aren't expecting much to happen but they claimed they wanted to "start the conversation" now.

Some of the proposals on the reduced spending side include:

- cutting cost-of-living increases for all federal programs, including Social Security
- freezing Defense Department salaries and bonuses and non-combat pay at the 2011 levels
- reducing farm subsidies
- limiting malpractice awards under Medicare
- cutting some Pentagon weapons programs
- reducing payouts under Medicare to doctors, lawyers and drug companies
- eliminating the Alternative Minimum Tax (AMT)
- cutting the federal work force by 10 percent

Taxes would be increased directly or indirectly through:

- eliminating the mortgage interest deduction
- increasing gasoline taxes 15 cents per gallon
- Extending Social Security taxes on earnings up to \$190,000 per year
- Increasing the Social Security retirement age
- Eliminating the child tax credit

Other pieces to the puzzle include simplifying the tax code and reducing tax rates on individuals and corporations. The chairmen pointed out that this was just "a starting point" for the discussion: "It's time to lay it out on the table and let the American people start to chew on it."

And chew they did. Nancy Pelosi [attacked](#) the cuts in Social Security and Medicare as "simply unacceptable," while commission member Rep. Jan Schakowsky, (D-Ill) also a member of the Progressive Caucus along with Pelosi, asked: "We're going to take it out on senior citizens? I am



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virulently against that proposal.” Rep. Bernie Sanders (I-Vt.), self-proclaimed socialist, complained that the plan is “extremely disappointing and something that should be vigorously opposed by the American people. The huge increase in the national debt was caused by two unpaid wars, tax breaks for the wealthy, a Medicare prescription drug bill written by the pharmaceutical industry, and the Wall Street bailout.”

On the other side of the issue was the formidable Americans for Tax Reform which, after analyzing the commission’s offerings, [said](#) it “confirms what everyone has known – this commission is merely an excuse to raise net taxes on the American people.” Built into the commission’s recommendations, says ATR, are a \$1 trillion tax increase and an expansion of government spending. According to ATR, “This is one of those diets where you eat a lot of fried potatoes and Twinkies and end up gaining a hundred pounds.”

Columnist David Limbaugh [laughed at the pretension](#) of the commission’s attempt to rein in government spending without addressing ObamaCare: “How can this commission be taken seriously if it sanctions [by silence] Obamacare...?” And even if the commission’s recommendations were adopted in their entirety, it would barely address half of the estimated shortfalls in spending. Limbaugh cries: “That’s like an alcoholic promising to cut down his liquor consumption from two bottles of bourbon a day to one.”

What else is missing from the list of recommendations? For one, a determined look at military spending. That look must include serious discussions of the empire-building by the government which requires such spending. And the question of entitlements must also be addressed. Where does the right to force one person to pay for another person’s entitlements come from? Does an individual own his own life, his own property, his own labor? Or have the citizens been persuaded that the concept of personal property is merely a convenient myth to generate incentive to create, and since the government “allows” such freedom to exist, any profits and gains obtained as a result belong to the state?

To be successful, any effort to rein in government spending must address these core issues first. As David Limbaugh expressed it:

If we are going to be serious about tackling this fiscal crisis, which threatens the long-term survival of the republic, at some point we’re going to have to have a debate on the ever-expanding dependency cycle to which we’ve addicted ourselves. If the elections told us anything, it was that people want this nation to radically reverse its current fiscal course. Nibbling around the edges is neither what the people have demanded nor what will alleviate our problems.

Photo: Erskine Bowles, left, and former Wyoming Sen. Alan Simpson, co-chairmen of President Obama’s bipartisan deficit commission, on Capitol Hill, Nov. 10, 2010: AP Images



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