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## Washington's Fiscal Fiasco

**The federal government is too large and spends too much, and the situation is getting worse.**

**By: Jared Pincin**

This just in from Washington, federal spending is out of control and budget deficits, once a dirty word in Washington, have come roaring back into fashion. Red ink is spilling out of the nation's capital at an unprecedented rate and both Congress and the White House are to blame. Fiscal discipline has all but disappeared as real spending by the federal government has increased by \$404 billion since 1998 and the federal government spends \$21,000 per household, an increase from \$16,000 in 1998. While tax relief has been a welcome sign, President Bush and Congress have forgotten the limited government envisioned by our Founding Fathers must be achieved through both low taxes and limited spending.

According to the Congressional Budget Office (CBO), the 2003 federal budget deficit reached \$374 billion, \$216 billion higher than the previous year's budget deficit of \$158 billion. The forecast for the future is even worse, as the CBO notes, "Even with the improving economic outlook, the 2004 deficit is likely to be substantially larger than last year's \$374 billion shortfall." Indeed, the deficit for the current year is expected to be as high as \$500 billion. The CBO is projecting cumulative deficits of \$1.4 trillion over the next four years—and this does not include the costs of the new Medicare prescription drug benefit. Total federal spending for each taxpayer has also increased; today, it is 50 percent higher than it was in the early 1960s, according to a report published by the Heritage Foundation.

Joshua Bolten, head of the White House Office of Management and Budget, said the deficit will be halved in the next five years if the government continues to pursue pro-growth policies and limits spending. The problem is the government has shown no signs of limiting the growth of spending. Here is a partial list of ineffective and wasteful projects that could be eliminated or reformed to help close the budget deficit and reduce the size and scope of an already intrusive government:

- In 2004, the federal government has budgeted \$34 million on beach replenishment. The federal government plans to spend \$438 million on such projects between 2004 and 2008. The environmental impact on beach replenishment is uncertain.
- The federal government continues to subsidize AMTRAK despite its unwillingness to close its five most unprofitable routes which will cost the federal government \$278 million to operate in 2004 and over \$1.5 billion between 2004 and 2008.
- In 2004, the federal government spent \$1.9 trillion on grants to large and medium sized hub airports to extend runways. These airports have the ability to attract private investment but the federal grants provide a disincentive to do so.
- Instead of reforming an outdated system that is projected to operate at a shortfall of \$5 trillion

by 2030, the current Medicare Bill will increase the shortfall by over \$2 trillion and increase the federal debt by over \$400 billion in the next decade. Making matters worse, only 11 percent of the Medicare bill will go to seniors who need the money.

- The 10-year \$32 billion energy package floundering in Congress includes \$2.9 billion in corporate welfare, \$220 million for an environmental learning center in Iowa, and \$2 billion—double its past subsidy—for ethanol production in the Corn Belt.

The American taxpayer understands there is no such thing as a “free lunch.” What is spent today must be paid back sometime in the future through higher taxes. Washington cannot continue to spend into record deficits without raising taxes sometime in the future. The American taxpayer and CSE agree the government is already too large and spends too much of our money. The American taxpayer has always supported both lower taxes and limited government. It is about time Congress and the White House respond.

[CSE Home](#) | [Back to Issues Section](#) | [Back to Article](#)

[Back to Top](#)

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