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## Time to Choose

**America needs to act fast to get spending and debt under control.**

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America is now facing the most difficult governmental choices since the end of World War II, 66 years ago. Back then our debt as a percentage of gross domestic product had just exceeded 100%. In about a decade it will exceed that again, and if we continue our current economic policies the Congressional Budget Office projects it will approach 800% in another 66 years.

So the American people now have an important choice to make: Shall we continue to increase the size of government—in spending and debt—as President Obama consistently will do, or shall we make increasing economic growth, jobs and income our top public-policy goals?

Our country is facing very real challenges. On top of our national debt climbing significantly, economic growth continues to lag, our unemployment rate stays over 8%, and inflation is coming toward us. The White House wants to keep increasing government spending and, as soon as it can, to raise taxes on businesses, individuals, and families. Or as the president said earlier this month at George Washington University, we just don't want to spend "a trillion dollars on tax cuts for millionaires and billionaires," never mind that they currently make up just 0.2% of taxpayers but pay 24% of individual income taxes. The government cannot balance the large budget by just supertaxing "the rich." Without major spending cuts, it will have to spread down the tax increases to middle-class Americans.

According to CBO, the median-income family of four is at risk of seeing its income and payroll taxes go up from 15% to 25% of its income. This risk is real because the president and the former Democratic Congress intended to raise federal spending, which has averaged 18% since World War II, to 25% or more this year, and then keep it at 22% to 23% going forward. And that, of course, leads to a demand for higher taxes.

But it is lower tax rates that increase government revenues, as we saw in the Johnson, Reagan and George W. Bush administrations. Raising tax rates doesn't increase revenue, because people alter their behavior, make changes and some different decisions. In the end raising tax rates will slow rather than advance our economy.

So effectively attacking America's huge debt will require real cuts in spending. Domestic discretionary spending grew by 6% in 2008, 11% in 2009 and 14% in 2010. In the administration's proposed \$3.82 trillion budget for 2011, spending and deficits would have increased. But in the recent budget deal, the Republican House forced a 4% reduction in discretionary spending, a significant policy reversal and the first positive economic step we have seen in several years.

Our national debt in the past two years has grown \$1.4 trillion a year, and the Obama administration must believe that is a good thing, otherwise they would be taking real steps to rein it in. As Rep. Paul Ryan of Wisconsin recently pointed out, President Obama's budget proposal would "double the debt held by the people at the end of his term," raise taxes by \$1.5 trillion, and permanently enlarge the size of government "by sending government spending as a share of the economy skyrocketing."

It is already believed to be skyrocketing. Standard & Poor's recently concluded that "very large budget deficits and rising government indebtedness" were with us, and that led them to lower their long-term U.S. rating to negative. As Kim Rupert of Action Economics concluded, "The worry is that we're going to be Greece in a couple of years."

As Sen. Tom Coburn of Oklahoma has written: "Our grotesquely obese government is borrowing \$4.1 billion a day in order to function," The \$14.2 trillion debt is still increasing month by month, year by year. We need to do something large and wide and deep to get government spending and debt under control, "We can either appease like Chamberlain or prepare like Churchill," Mr. Coburn wrote.

To return America to Churchill rather than Chamberlain thinking, we must reduce the size of the federal government to less than 20% of the economy. We must repeal ObamaCare, with its \$800 billion in tax increases, and not enact the additional \$1.5 trillion in tax increases in the president's budget. That will help encourage the jobs, businesses, and opportunities the American people need to keep going forward.