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## DAILY NEWS

### Bam's budget is a monstrosity: Deficits are huge. A value-added tax could be coming

By Betsy McCaughey  
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"I'm not interested in another debate over big government versus small government," President Obama told a Buffalo crowd on May 13. What this means is that the President doesn't care about how much freedom you have.

When government spends more, less is left for people to spend as they choose. And the events of the last four months indicate that Americans are being conned into giving up their freedom.

On Feb. 1, President Obama released his fiscal 2011 budget. It's a whopper. It calls for federal spending of \$3.8 trillion, soaring to \$5.7 trillion in 2020.

A 5-foot-high stack of hundred-dollar bills totals \$1 million.

To get to \$1 billion, you need 10 stacks as high as the Washington Monument. To get to \$3.8 trillion, you need 38,000 Washington Monuments.

\$3.8 trillion also equals 25% of everything produced in the U.S. (Gross Domestic Product). State and local government spending brings the total to 42% of GDP.

Government spending has crossed the 40% line just twice in American history: when the nation plunged into World War II and again last year, during the economic crisis. The Obama administration intends to make big government permanent, with spending at 40% even in 2020, when no crisis is expected. The White House rosily predicts full employment that year.

The President claims he pared the budget line by line - which is what he promised to do when he was a candidate in 2008. But the numbers prove otherwise. Foreign aid is increased 50% from 2011 to 2015. Most Americans would rather pay their mortgage.

The President's budget was supposed to be voted on by April 15, but hearings drag on. Civil servants making budget requests seem numb to the layoffs and belt tightening in the private sector. Dr. James Billington, head of the Library of Congress, requested a "lean increase" of 4.6% "in recognition of the difficult budget environment." Lean? Hasn't it dawned on Washingtonians that people would rather have money to spend on books for their own kids instead of on the Library of Congress?

It's a tradeoff: More money for government programs means less money for you to spend on your family.

When the President announced his budget, he said, "It is time to save what we can, spend what we must and live within our means once again." But his budget includes such vast spending increases that even after hiking income taxes, capital gains taxes, dividend taxes and estate taxes, the nation faces a \$1.3 trillion deficit in 2011, according to the Congressional Budget Office. Obama's budget will result in a federal debt of \$20.3 trillion by 2020, \$5trillion more than it would be without Obama's new policies.

Maya MacGuineas, president of the bipartisan nonprofit Committee for a Responsible Federal Budget, said, "The proposed budget is woefully insufficient to achieve the President's goal or the important fiscal goal of stabilizing the debt at a reasonable level in the medium and long term."

House Majority Leader Steny Hoyer (D-Md.) explained on April 19 why Congress was stalling on the budget: "It is difficult to pass budgets in election years." What he meant is that most members are much too addicted to spending to make cuts but afraid to raise taxes before the election. They're planning a postelection ambush.

Congress is taking cover behind the President's new Commission on Fiscal Responsibility, which is not scheduled to report until after the election. Commission members are already floating the idea of a VAT to pay for big government.

VATs, or value-added taxes, enable European governments to repeatedly raise taxes on an unsuspecting public. The tax is hidden in the price of goods and services, rather than visibly added at the register.

This type of tax started small in Europe, but in every country it has been raised to at least 15%. Great Britain announced last week that it will likely raise its VAT to 25% to solve its deficit. That means British consumers will need 25% more to buy a car, a kettle or a weekend vacation than if there were no VAT.

The President has said he will not rule out any commission recommendation, even a value-added tax. Don't be snookered by this strategy of delaying "deficit reduction" until after the fall election and don't be misled by the phrase "value-added." A VAT would be nothing less than a Vanishing America Tax. Voters should interrogate candidates about their stand on it and stop government from growing beyond the consent of the governed.

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