

NEW YORK POST

Bam's soak-the-taxpayer panel

By BETSY McCAUGHEY

May 3, 2010



The president's Bipartisan Commission on Fiscal Responsibility plans to take taxpayers to the cleaners.

The timing of the commission is ironic. It met for the first time April 23, some 33 days after the president signed his health law -- which created \$910 billion in entitlements through 2019 and possibly twice that cost in the second decade.

The new law nearly doubles the size of Medicaid, adding 18 million people to the rolls. It's welfare reform in reverse. The law also creates an entitlement for moderate-income households (those earning up to \$88,000 a year) to get taxpayer-funded subsidies for private health plans.

Now, with the ink barely dry on the health law, the big spenders call for fiscal responsibility. If your spouse went on a shopping binge, then announced that it was time for the family to go on a budget, what would you do? You'd insist that the latest purchases go back, before the rest of the family is made to sacrifice anything.

Step One toward fiscal responsibility is repealing the Obama health law. Americans don't have to tolerate unfair insurance practices. But barring these practices takes up only about 24 pages of the 2,700-page health law. These reforms can be enacted separately. Repealing the health law would mean sending back the big-ticket items -- those new entitlements -- before they go into effect in 2014.

House Majority Leader Steny Hoyer (D-Md.) wrote in *The Wall Street Journal* that the commission should take a "balanced approach that shares the burdens fairly," meaning raising taxes.

Hoyer treated reducing spending and raising taxes as morally equivalent options. They aren't. Raising taxes reduces individual liberty.

The national sales tax already being discussed -- a value-added tax -- would affect everyone. In Europe, the VAT is collected at each stage of a product's production and distribution.

In many European countries, VATs started small but now add as much as 25 percent to the cost of an item. The tax is hidden in the price, so when government raises taxes to satisfy new demands for revenue, few shoppers realize tax increases are to blame for higher prices. VATs have diminished the purchasing power of European families and would do the same to US families.

Despite President Obama's repeated pledge not to raise taxes except on the rich, he says now that all options will be considered. Commission co-chair Erskine Bowles said on April 27 that Obama says "he will support the conclusions of this committee, if we have the courage to make the recommendations."

Those recommendations will be announced Dec. 1, *after* the midterm congressional elections. The timing there is sheer trickery. Recommendations should be announced well in advance of the election, giving voters time to grill candidates on where they stand. The timing deprives the public of input -- in effect, taxation without representation.

The timing is wrong, and so is the mission -- deficit-reduction. What the country needs is a *spending*-reduction commission with experts largely from the private sector. The president's commission is dominated by former and current government officials. With a few notable exceptions, such as Rep. Paul Ryan (R-Wisc.), these commissioners are addicts -- hooked on spending taxpayers' money.

In contrast, a spending-reduction commission drawn from outside Washington would immediately see the moral imperative to cut government salaries across the board. According to Commerce Department data, the average federal worker's compensation in 2008 was \$119,982 -- twice the \$59,909 average in the private sector. Americans are toiling to support a new elite: government workers.

It's time to put the original meaning back in the phrase "public servants." People in government are supposed to be working for us, not the other way around.

Betsy McCaughey is chairman of the Committee to Reduce Infection Deaths and a former lieutenant governor of New York.