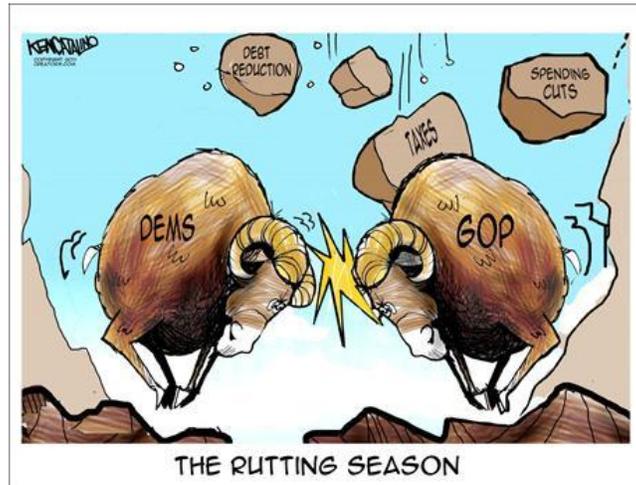


AS I WATCH THE DEBT DEBATE IN WASHINGTON – I ASK “WHAT MIGHT THIS LEAD TO?” AND “HOW IS THAT A GOOD THING?”

Stephen L. Bakke – July 25, 2011



As I watch the debt debate in Washington, I continue to think about the two conflicting world views we are observing. Of course, there “politicking” and disgusting demagoguery, but set that aside. If you do that, I think what is left is a wildly diverse set of opinions and mostly sincere (YES!) ideologues facing each other down. But sincerity by itself won’t buy you a cup of coffee. When looking at each side’s position, the question to be asking is: [How is that a good thing?](#)

In a recent report, I concluded that much of our “inability to compromise” is due to dramatic cultural shifts in recent decades. I also wrote that traditions are not just questioned or examined, they are being summarily cast aside. Therefore, it’s easy to understand why there is polarization over some issues which are important to our society and culture. It isn’t really surprising that some issues create legislative deadlock that can’t easily be explained by mere human nature – pride, prejudice, and intense human “cussedness.”

I also recently opined that these vastly different perspectives result from three “mother issues”: different views for [what equality means](#); different visions for [the role of government](#) in our lives; and [different missions for the United States in the shrinking international landscape](#).

Permit me to temporarily divert the discussion from the “debt” topic and discuss some other (related?) aspects of this dynamic/fragile environment – then I will do a U-turn and come back to the “beloved” debt topic. For my “age-addled” mind, all of this seems to tie together. So next, I have shamelessly borrowed a few concepts from one of my favorites, Dennis Prager.

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- Some citizens have the sincere altruistic philosophy that the more a government does to take care of its citizens, the better. Liberal author Eric Alterman says the government is

limited only by what is “deliverable justice or fairness.” He wrote: “What is not deliverable by government, we leave to parents, and clergy, and the like”. In other words, in his opinion, our government should be limited only by what it can’t practically deliver – only the balance is left for others – (those “others” would be “us individuals” and private charities). Doesn’t it make sense that the more government does, the less inclined individual citizens will be to extend a personal gesture of assistance? Actually there is evidence that proves this happens. **Question: How can that be a good thing?**

- Altruistic attitudes about establishing the most benevolent of societies costs a lot of money. That’s fine – any culture has to set priorities and make choices. But what program draws the “short straw” and gets crowded out? The answer to that should be evident – particularly if you observe countries in Europe. No “welfare state” has ever had a strong military. **Question: Wishful thinking aside, how is that a good thing?**
- Some Europeans express the fact that the strength of the U.S. military has at least partially enabled them to fund their extensive entitlement policies. They have not had to fund proportionately strong military forces because of the security provided by the U.S. If the U.S. assumes a policy posture similar to Europe’s, who will stand athwart those international “bad guys” (just for the moment, let’s assume there really are some)? Obama has recently signaled his intentions to cut \$400 billion from national defense. I have read statements by democrats that indicated they are already envisioning cuts as large as \$1 trillion to the defense budget. Such a move would signal a broad American retreat from the world and erode our national defense for many years to come. **Question: Help me understand – how is that a good thing?**
- I believe that hard work builds character. I believe in the influence of incentives on human reactions and actions. If you believe those things, doesn’t it make sense that creating a paternalistic welfare state removes the incentive to work hard? **Question: How can that possibly be a good thing?**
- I believe getting something “automatically” creates an entitlement philosophy? And reinforcing this is the fact that some have started referring to growing government services as “rights.” I believe this often results in a manifestation of narcissism. **Question: How can that be a good thing?**
- As I have previously written, “equality of result” trumps many other goals. In fact, inequality is the ultimate evil, according to some. This has led to class warfare in which the cause of all evil is laid upon the wealthiest among us. To some, society’s great battle is that between the rich and the poor – NOT the traditional concept of the struggle between good and evil. In this, the land of the free and the brave, the land in which true achievement is possible, I really have to ask the **Question: How is that a good thing?**
- Some would suggest that the prosperity which exists in the U.S. is evidence of inherent societal selfishness. They also suggest that our form of prosperity is inconsistent with a compassionate society with a primary goal of social justice (however that is defined). If this is a growing sentiment I again submit the **Question: How is that a good thing?**

So, how does all of that relate what is happening in Washington’s debt debate? They are all representative of a clash of these two world views, which is playing itself out in choices being made for future generation of revenue to be spent on federal programs. They all fit under the umbrella of creating equality, or determining the government’s role, or establishing our level of influence around the world.

WHIPLASH! back to the current budget/debt battle:

It is becoming clear that Obama isn't really committed to addressing specific spending cuts beyond national defense and "fraud and abuse." The "big three" entitlements have not been effectively placed on the bargaining table – which they must be! Nancy Pelosi's comments echo that sentiment emphatically. And Paul Krugman, the "darling" economist of the left, is insistent in his advise that now is NOT the time for austerity – quite the contrary, we must spend.

Polls show that Americans want the government to be compassionate, but wise as well. An overwhelming majority of citizens now believe we should have a legislatively affirmed balanced budget. You (I think) and I instinctively want our legislative bodies to properly guide us around/through this debt/budget crisis and create a balanced federal budget. I understand that if there is no increase in the debt limit, certain bad things "could" happen: a reduction in the credit rating for the U.S. and some negative stock market adjustments. And if a balanced budget amendment were passed by both houses of Congress, it would take several years for the required number of states to affirm and effect that amendment.

ON THE OTHER HAND If no debt ceiling is passed right now, what are the other attendant consequences (in addition to those I mentioned above)? Priorities would have to be set! Choices would have to be made! Our national debt obligations and interest payments **WOULD** be made! There would be no default! No "entitlements" are likely to be cut! On the other hand, certain expenditures would be terminated. The most unproductive agencies and programs would terminate, at least temporarily, and a small percentage of Federal workers would be furloughed.

Doesn't all of that mean ... that, at least for the time being ... our government would be ... (perish the thought) ... **BALANCING THE BUDGET?** ... if only temporarily, and out of legal and practical necessity ... **Yes it would!**

Question: Is that a good thing? **Answer:** Maybe ... somehow, I think it would be!

Think about it!!!