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Are we the problem with federal budget deficits?

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The president's new budget proposal takes a lukewarm approach to closing our massive budget deficits. According to administration projections, we will be seeing trillion-dollar deficits for the foreseeable future. Is the administration seeing something that ordinary citizens do not, or is it on to something that we hate to admit?

Although politicians are charged with attending to the public's business, they are above all concerned with their political survival. Their actions need to be judged through this lens. Therefore, they will do the public's business to the extent that it does not cost them their jobs. So, politicians' budgetary intransigence is really not a reflection of their stupidity; it is a reflection of the unreasonableness of the American public.

The reason that our politicians are acting irrationally is that they are merely reflecting an irrational electorate. The public has grown comfortable with its entitlement programs, just as former GM employees grew comfortable with their health, cost of living and pension benefits. It all worked until it didn't. We are not anticipating an impending bankruptcy for the United States; however, most people never view their demands as unreasonable -- until external events force them to change their outlook.

What the public has failed to grasp is that it is mathematically impossible to balance the federal budget without giving up some of these entitlement programs. They honestly believe that someone else should bear the pain; but in reality, that someone else is them.

President Obama remembers quite well what happened to his predecessor when it was proposed that we should have a discussion on privatizing Social Security. President George W. Bush's domestic agenda took a major hit, as did his approval ratings. Obama is reluctant to lead when he knows that the Republicans will attack him for reducing the entitlement programs that people have grown accustomed to expecting.

If the politicians believed there was public support for entitlement reform, they would coalesce around some type of compromise legislation that would dramatically reduce the deficit over a period of years. Unfortunately, they know that public opinion remains unreasonable on how to fix our structural deficit problems, so the politicians will also remain unrealistic as well.

The public is dreaming if it expects any politician in his right mind to ignore public opinion, take a principled stand and sacrifice his career. So until we admit that we are the problem, deficits will continue to be counted in 13-digit numbers.

Actually, that is not true. We know financial markets can take us on a terror ride that is not soon forgotten. If the deficit issue is not addressed, the markets will demand action; and they cannot be ignored. Here's hoping that we see the light, before the markets make us feel the heat.