

The Problem With Budget Cuts

Michael Sean Winters | Feb. 10, 2011 | Distinctly Catholic

The House Appropriations Committee is [already taking heat](#) [1] from the right over the budget cuts it announced. There is a problem with the cuts, but it is not the problem the right has identified. They object that the cuts are insufficient. The real problem is that they are indiscriminate.

Cutting aid to states and municipalities, at a time when they are facing their own budget shortfalls, makes no sense. States, unlike the federal government, must balance their budgets every year. Now, if the GOP wants to make the case that funding sources for government programs are better determined at the state and local level, that is a fine argument to make. The small town in which I grew up never minded raising our own taxes when the fire department needed a new truck, for example, and we could see the benefit of our tax increases very readily. But, governors need to get a heads-up, in advance, and the GOP should have the decency to argue that state and local taxes might need to go up to meet the shortfall. I doubt many Republican governors will see it that way.

More importantly, the effects of the recession have not only caused a shortfall in tax revenues, it has caused great suffering among those who have least. Cutting programs that help the poor is unconscionable during a recession, especially when those cuts are proposed by the same party that threatened a shut down of all legislative activity unless the administration agreed to extend tax cuts for the super-rich.

I am all for reducing government spending, although the Obama administration's proposals go pretty far, reducing the share of domestic spending to its lowest levels since the Eisenhower administration. But, if we are going to do that to help get our fiscal house in order, might we not return our tax codes to the same levels as those of the Eisenhower administration too? Perhaps even the levels that Ronald Reagan enacted would be enough. To remind my Republican friends, who are busy celebrating Reagan's centenary, the top tax rate when Reagan left office was 50%. Any takers?

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[1] <http://www.politico.com/news/stories/0211/49156.html>