



Yepsen: Candidates need to shell out specifics on money

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Barack Obama unveiled a middle-class tax cut last week. Hillary Clinton detailed her health-care plan. John Edwards rolled out a plan to improve education and another this week to fight AIDS. Joe Biden announced a retirement-security program.

On the Republican side, Mitt Romney talked about using tax cuts to help people afford to pay for their own health care and to spark economic growth.

There's no end to the ways Democrats would spend more money. There's no end to the problems Republicans want to cure with tax cuts.

But nobody's offering us much of a program to halt annual deficit spending, make entitlements sound and repay the national debt.

It's good to hear candidates talk about issues, problems and solutions. Unfortunately, they don't detail how they'd pay for them, which makes them sound hollow.

For example, Republicans think tax cuts stimulate the economy. OK. Tell us by how much, how much of that growth will go toward debt and other obligations and which programs they'd eliminate.

And Democrats think spending is an investment. OK. What's the return on that investment, and how much of that would they dedicate to entitlement reform, deficit reduction and debt repayment?

The reason both sides sort of mumble past such details is simple: Those specifics are either too painful to discuss, or they are snake oil. Not all tax cuts stimulate the economy. Not all federal spending boosts the economy. And the traditional cures to deficits and debt involve difficult things such as higher taxes, less federal spending, fewer federal benefits or taking federal money from some programs to give to others.

This isn't just arcane budget policy. Some economists believe the borrowing means the nation is teetering on a recession, or worse. When that happens, the multi-trillion dollar debt will make it even more difficult for the next president to use federal spending to stimulate a recovery.

By now, readers on the left are saying: "Let's end the Iraq war" and "get rid of unnecessary weapons systems." As desirable as that may be, we're not likely to see much of a curb in military spending. For one thing, the U.S. military is frayed because of Iraq. Billions will be needed for refitting.

But it's legitimate to argue we should cut military spending. Candidates should give us some specifics: How much do you save by getting out of Iraq on the timetable you propose? And, specifically, which weapons systems will you eliminate and how much will that save?

The same is true with other spending. For example, it's pretty clear spending on early-childhood health and pre-kindergarten education programs helps kids and may save money later. But where's the up-front money going to come from to pay for it? And just how much of a return will we get on that investment?

Democrats are fond of saying the United States should increase taxes on people earning more than

\$200,000 or \$250,000. But they seem to be spending that new money three or four times over. Or they call for closing corporate "loopholes" without recognizing that one person's loophole is another's tax incentive.

Just watch the next Democratic debate and count up how many times a candidate calls for more federal spending without really saying how they'll cover it. Republicans will do the same thing on the tax-cut side. Need to fix highways? Cut taxes.

I do give John Edwards credit. When pressed, he'll say he's willing to increase the annual budget deficit because his new programs are so important to the nation's future. But since we already owe the world trillions and the value of our dollar is in free fall, just how much longer does he think the Chinese and the oil sheiks will want to keep lending us money? Are we prepared to see them buy up more U.S. businesses and real estate? Or will we increase the rate of inflation to repay the loans with cheaper dollars? He doesn't talk about those consequences.

The campaigns are still rolling out policy proposals. By December, before Iowans go to caucus, the candidates should show us how it all fits together. How will more borrowing, added spending increases, offsetting spending cuts, tax increases and tax cuts work to reduce the federal debt?

Our children want to know.

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