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Budgets & Morals

Michael Sean Winters | Feb. 15, 2011 Distinctly Catholic

The budget is a moral statement. Where a man?s treasure is?. Yet, the analysis of, and debate about, the budget rarely is cast in such moral terms. And, President Obama, who has been unable to find a coherent, consistent moral language to describe his policy objectives, has produced a budget that, similarly, fails to find its moral center.

To be clear, the excessive debt facing the nation is also a moral issue. By increasing the deficit every year and adding to the debt, we add to the amount of money future taxpayers must fund in interest payments on that debt. Neither the Democrats nor the Republicans are entirely honest about the debt of course. It is as if the entire nation has forgotten that there was a surplus a decade ago. It is as if the historically low tax rates of today were set in stone at Sinai and cannot be raised.

The President needs to begin shaping his debate with Congress not only for the short term but in ways that will make the 2012 election a referendum on how to deal with the long-term deficit. For example, many more Americans support making all income subject to FICA tax (the current cut off is around 100k) than support raising the retirement age. Many more Americans would support raising income taxes on the super-rich if they knew that the money was targeted for deficit reduction, which would have long-term benefits for the economy of the kind likely to help the super-rich a great deal.

My worry is that I do not see in the current budget the kind of fighter for the middle class that President Obama needs to be if he is going to recall the Democratic Party to its historical role as defender of the working class. I do not see evidence of any guiding principle in this budget. The cuts in environmental spending are especially troublesome: It is hard to defend new spending in education for our kids, while not taking steps to guarantee they have a planet worth inheriting.

The biggest moral failure is the lack of cuts in military spending. There are some cuts to be sure: With the war in Iraq winding down and troop pullouts in Afghanistan set to begin this summer, the costs of those engagements is likely to decline. The president?s budget predicts that by 2016, defense spending will fall to $540 billion from the 2010 level of $608 billion. But, the real question is this: Why, twenty years after the fall of the Berlin Wall, are we still spending billions of dollars on defense in the first place? In 1990, defense spending was $5.2% of GDP, after the Reagan arms build-up and with spending levels still at Cold War highs. In 2010, defense spending was 4.7% of GDP. Obama?s budget will shrink defense spending to 3.4% of GDP by 2016, but he should actually aim for the levels reached at the end of the Clinton administration, when defense spending was only 3% of GDP. What about 9/11 you ask? I am all for military spending on the threat posed by Al-Qaeda and its allies. The question is not why we have bases in Kuwait; the question is why we still have bases in Germany and Italy?

Of course, compared to the GOP proposals, the President?s draconian cuts are downright sunny. But, I keep looking at this man, the president, whom I admire in so many ways and whom I wish to admire more. I see such potential. I see such intelligence. But, I also see someone who is incapable of seeing the moral forest for the wonky trees. He needs a budget that not only begins to put the nation on a sound financial footing, he needs a

budget that he can explain by placing it in a sound moral context.

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