

POLITICAL PARTIES TAKE UNITED STAND AGAINST THEIR OWN PRINCIPLES

Sometimes Democrats and Republicans lurch so violently in directions opposite to what they claim to stand for that I almost think they believe they can make the water in our drains swirl in whatever direction they want—as if Earth could be made to spin clockwise or counterclockwise on a whim. Cases in point right now: Republicans who fight desperately for bigger government and higher taxes and Democrats hell-bent on keeping spending down for children and the poor.

Most Americans sense the contradictions—or at least understand that no coherent approach to principles, policy goals, or even processes for compromise guide today's political parties. Pollsters tell our elected officials what sound bites trigger our emotions, and that passes for policy. In Republican districts, one candidate runs on lowering taxes while cutting only someone else's benefits, while in Democratic districts candidates promise more without having to raise taxes (except on a few rich people) to pay for it.

Sometimes we buy the messages, but mostly they strike us as about as realistic as Super Bowl commercials' depictions of the good life. Then we choose between the guy who promises to give more at no costs (like Scarlet O'Hara, leaving the hard part 'til tomorrow) or the gal who says she'll reduce spending without touching those government services that we deserve (like the prophets, Elijah and Elisha, or Jesus, miraculously multiplying the loaves or flour).

With internal contradictions like these reigning, Republicans now think that the growing spending hidden in tax breaks is okay—even though those breaks meddle with the economy, add to our long-term deficits, and raise ever higher the taxes needed to pay off rising interest rates. Meanwhile, Democrats think it's okay to increase by tens and then hundreds of thousands of dollars the roughly million-dollar lifetime package of health and retirement benefits already going to the typical couple retiring today, while totally denying that baby boom retirement will reduce the number of taxpayers around to foot the bills for these transfers. Then both watch as budgets for children, education, infrastructure, and most other government programs threaten to get cut to the bone.

Mind you, there are good cases to be made for both a low-tax government and one that protects us against the ravages of old age or bad health. These qualitative stances, however, need to be related to the quantity of taxes or health and retirement spending needed to sustain either position. A government that doesn't collect enough revenue to support basic programs is in trouble, and so is one that devotes all its revenue to health and retirement. Absurd? If we keep on our current path for a few more years, our government will be collecting only enough to pay for health and retirement programs, including Social Security and Medicare, along with interest on past debt. And that's not so different from a government that collects no taxes to pay for its primary functions.

Absurdities like these are compounded by the embrace of symbols over substance. Huge spending commitments are hidden in the tax code, but we call them tax cuts. That makes it easier for a Treasury secretary who can't get a direct grant to subsidize school construction to get approval for larger government (more spending) in the guise of smaller government (fewer taxes). More generally, eliminating some of these subsidies from the tax code has the same effect as cutting spending, but it doesn't feel that way because it shows up on tax returns and the government books as an increase in taxes paid to government. In truth, like all spending, these subsidies require higher tax rates now or in the future, when interest costs associated with additional borrowing come due. Thus, Republicans opposing all tax increases essentially favor larger government.

Meanwhile, Democrats fight not just to protect current health and retirement benefits; they also accept any scheduled growth in the benefits those programs provide. Then they complain that any program reform violates a sacred promise to maintain a growth path that has never been paid for and is totally unsustainable. Tacitly, they are willing to spend all the government's money on health and retirement, which now means spending ever less on kids, investment, infrastructure, and dozens of other government programs. After staying on this retirement and health growth path for over seven decades, Democrats are distancing themselves from many functions of government they have traditionally supported.

And there it is: Republicans give us larger government through rising subsidies, debt, and interest costs while Democrats squeeze out programs for investment and children. As they take firm stands beneath their banners as the

parties of low taxes and protecting Social Security and Medicare, they act like Mathew Arnold's "ignorant armies [who] clash at night" and kill their own kind.

This column originally appeared in The American Square. The American Square is rooted in the belief that our country needs to engage in vigorous, honest, and civil political debate to address the enormous challenges we face. On the site, ordinary citizens of all political, economic, ethnic, and geographic backgrounds discuss government and politics, learn from experts and peers, and find areas of agreement and disagreement through respectful dialogue. To get started, sign up at TheAmericanSquare.org.

The Government We Deserve is a periodic column on public policy by Eugene Steuerle, an Institute fellow and the Richard B. Fisher Chair at the nonpartisan Urban Institute. Steuerle is also a former deputy assistant secretary of the Treasury. The opinions are those of the author and do not necessarily reflect those of the Urban Institute, its trustees, or its sponsors.

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