

Big Government, Budget Deficits, Entitlements and the “Centrist” Ploy

By [Edward S. Herman](#)

Global Research, April 02, 2010

[Z Magazine](#) 30 March 2010

Region: [USA](#)

Theme: [Global Economy](#)

There are words that come into prominence whenever the right-wing and business community go on the offensive. Big Government was not featured by the right-wing or business during the recent (2001-09) Bush years because although the federal government and budget were growing it was via an enlargement of the military and police budgets and an attack on the privacy and civil rights of ordinary citizens in the alleged interest of “national security.” In the Reagan years also the size of government grew, but this was not objectionable to the elite establishment because the growth was in military expenditures, with social budgets, organized labor, and environmental protections under attack. During George W. Bush’s term, there were a number of encroachments by the federal government on “state’s rights”; e.g., allowing the feds to override state authority on matters such as environmental rules (the EPA disallowed California’s attempt to limit auto tailpipe emissions in 2007) and medical practice (the Department of Justice sought the overturn of an Oregon law legalizing physician-assisted suicide in 2002 and later).

There were no Tea Party-like campaigns to protest this growth in government and attack on constitutional (and state’s) rights in the Bush years because the growing and encroaching government was in the right hands. It is only when it gets into the wrong hands and there is the threat that government will serve the undeserving poor, or even the middle class, and neglect the corporate community and National Security that business, the military-industrial complex (MIC), and right-wing protest cadres get agitated about Big Government. I refer back to my old definition of Conservatism: “An ideology whose central tenet is that The Government Is Too Big, except for the police and military establishment.”

This differential treatment naturally also applies to concern over budget deficits. Bush inherited a \$230 billion budget surplus from Clinton, which he quickly turned into large deficits. But he did this by cutting taxes in a highly regressive way and generously servicing the MIC, so the business-financial-MIC communities were happy, and this fed into the Free Press keeping expressions of concern over budget deficits at a low key. With Obama, there has been a new surge of worry over budget deficits. Admittedly these deficits are large, but their large size results mainly from the effects of the severe recession and the inheritance of tax cuts and wars from the Bush years (although the wars continue and even expand under Obama). And they don’t really worry the financial community much, as evidenced by the very low rates of interest on government securities.

Reagan’s deficits almost tripled the national debt, but the outcries from the establishment were muted in light of his service, and there were no Tea Parties. The Congressional Budget Office estimated in 2004 that a continuation of Bush’s policies would triple the national debt by the end of fiscal 2013, with a ten trillion dollar increment, matching the performance of

“conservative” Ronald Reagan. But like Reagan he was an effective class warrior, hence the muting of deficit fears.

In a classic illustration of the double standard based on fear of positive Democratic responses to the needs of ordinary citizens and faith in Republican commitment to the business-financial elite, back in 1978, in the Carter years, former Citibank CEO Walter Wriston said that federal deficits were “diverting available capital from productive private investments to finance public expenditures. Only a reduction in the federal deficit would reverse this trend.” But with Reagan in office in 1988, Wriston said that we must distinguish between capital and operating budgets, and that the normal household does not treat its home as a current expense, so that we need not worry as there is “near balance in the operating budget.” There had been no distinction between operating and capital budgets with Carter. The business-trustworthy Reagan could run deficits, Carter should not, and the rationalizations followed accordingly..

Obama, like Carter, or Clinton, is not trustworthy, even though, like his predecessor Democrats he leans over backwards to prove his reliability to the election-funding community and rejection of “populism” and any substantial action that meets the needs of his popular base. But this never suffices, as a Clinton or Obama will have to do something for their base beyond feeling their pain and vowing real action, however skimpy that something and promised action may be. With a George W. Bush or a Reagan in office the service to what Bush, speaking to an elite fund-raising audience of “Haves and Have Mores” that he only half-jokingly called “my base,” is more assured. So is the neglect of, and systematic attack on, the underlying population. Hence, the renewed focus on the threat of government deficits.

“Entitlement” is another word that has taken on negative connotations, suggesting claims that may be excessive and at the expense of hard-working tax-paying real Americans. Money for the varied components of the MIC is never referred to as an entitlement even though a very large part of it is wasteful, fraud-ridden, and pointless or even perverse in relation to any supposed “defense” function. It represents capture by a segment of the powerful — the real and important “special interests” — in the same fashion as does the TARP money that flowed so quickly and massively to the banksters who engineered the current economic crisis. But the phrase “national security” is a marvelous protective cover that rules out the use of a word with negative connotations like “entitlements.” Welfare mothers got entitlements, but not military contractors, fat-cat military officials, or bailed-out bankers.

The current prize entitlements demanding attention are Social Security, Medicare and Medicaid. Of course, the Social Security “entitlements” were paid for by those who are currently, or will be later, getting payments, but those surpluses were used by the political elites to fund ordinary expenses, including vast outlays for MIC weapons purchases and wars, not to build an infrastructure that would enhance future productivity and help provide the resources for entitlement payouts. But the main reason these social programs are entitlements is that they service the general citizenry, not just the elite, and in the evolving system of class war the elite targets such programs for cost savings to themselves (and profits to Wall Street with the hoped-for privatization of Social Security).

Another choice word linked to these politically loaded word usages is “centrist.” A centrist may be defined as one who recognizes and presses establishment perspectives on Big

Government, Government Deficits and Entitlements. A centrist regularly supports de facto MIC entitlements, and any wars in hand or contemplated, but worries about the solvency of Social Security and the need to get it and the Medicare-Medicaid programs under sound fiscal management. Of course, the centrist will not support a single-payer health care financial program, or even a public option, because government is not a good manager and such proposals are not politically feasible. We must curb Big Government, but not at the expense of National Security. We must work hard on eliminating the Budget Deficit, but not by raising taxes — and the centrists uniformly supported the great Bush (regressive) tax cuts of 2001-3.

The mainstream media love centrists and constantly call on the Democrats to move toward the center in order to win elections (notoriously, after they have lost them) or to get legislation passed in a bipartisan fashion. The media did not press Bush to move to the center; presumably he had a “mandate” (from the Republican majority of the Supreme Court). Could it be that what Bush’s “base” wants is the “center” that the media also want? And that the “centrists” they love struggle to achieve those same Bush-base ends, fending off or just ignoring whatever the underlying population wants?

Obama recognizes this call and has behaved accordingly. One of his responses to the threat of Big Government, Deficits and Entitlements has been to support the establishment of a commission to study entitlements. Not the massive and nationally debilitating and unaffordable entitlements of the MIC, but those benefiting the underlying population. The class war goes on.

Edward S. Herman is an economist and media analyst with a specialty in corporate and regulatory issues as well as political economy and the media.

Originally published in the April issue of Z Magazine.

The original source of this article is [Z Magazine](#)
Copyright © [Edward S. Herman](#), [Z Magazine](#), 2010

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Edward S. Herman](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those

who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca