Demanding Hurricane Irene ‘Offsets’

Unlike Hurricane Katrina on George W. Bush’s watch, FEMA stayed on top of Hurricane Irene rushing help to flood-stricken Americans, from North Carolina to Vermont. But House Majority Leader Eric Cantor and right-wing Republicans are demanding spending “offsets” from other federal programs, as Michael Winship notes.

By Michael Winship

For Manhattan at least, last week was the weather week that wasn’t. But the minor earthquake and weakened Hurricane Irene served as reminders of the caprice of nature and — only a couple of weeks before the tenth anniversary of 9/11 — the knowledge that at any given moment calamity literally is just around the corner.

Both also should serve as wake-up calls to those know-nothings and kleptocrats who reject the value of government and would like it rendered down to nothingness — the helpless infant that Eric Cantor, Grover Norquist and their pals wish to see drowned in the bathtub.

I’ve never been through a major earthquake, although I’ve experienced some minor tremors, the first early on a New Year’s Day in upstate New York while I was still a teenager.

Just as you read about in animal behavior books, the dog, lying at the foot of my bed, apparently sensed something was up, jumped off and scurried out of the room mere seconds before the shaking began. Not a word of warning from her. So much for man’s best friend.

The 5.8 we had on the afternoon of Aug. 23 was like an aftershock I experienced out in Burbank a number of years ago, while working in post-production on a documentary. It felt like a truck had hit the building.

This time, there was a thump and I looked out the window to see if something heavy-duty was rolling down Seventh Avenue. Nothing — but the apartment kept wobbling up and down. Then another hard thump and more wobbling.

Hours later, just off the phone with my brother and sister in Washington, DC, who had been in a taxi and felt nothing, I noticed that several of the pictures on the walls were now hanging at peculiar angles. That was the extent of damage at my house.

As for Irene, I live in what the city has designated Evacuation Zone C, meaning we would be sent out of the neighborhood if a direct hit by a Category 3 or 4 storm – or maybe an asteroid – seemed imminent.

That didn’t happen, but my girlfriend Pat was moved to a hotel in midtown because the television newsroom at which she works needed her close at hand. Graciously, she invited me along. (Coincidentally, the hotel was the first at which I ever stayed in New York City alone, also during my teenage years. The student rate back then was $12 a night.)

Fearing high winds, in parts of the hotel they weren’t placing guests above the tenth floor. We had a small room, on the third floor away from the street, so little chance of windows blowing in, which was good, facing the airshaft, which was bad.

One look out the window and we quickly drew the shades; it looked like the place where pigeons go to die – or at least throw their trash. Maybe the storm would give it a good wash.

It didn’t. Irene weakened as it reached Coney Island and we slept right through the main action, finally returning to my place early Sunday afternoon. Branches and leaves littered the streets and trees were down by a nearby playground.

Plenty of rain and wind but nothing like the loss of life, power outages and billions worth of wind and flood damage inflicted outside the city. Beyond the media centers of New York and Washington, where reporters were quick to judge the storm “not so bad,” there was more than enough disaster to go around, bringing misery to millions.

I remembered Hurricane/Tropical Storm Agnes in June 1972. It roared through central Virginia and Pennsylvania up into the Finger Lakes region of upstate New York, creating more damage than any hurricane in the United States before it.

(That time, Agnes hit DC with a vengeance – more than a foot of rain in parts of the area and 16 deaths as people were swept away in the floodwaters. I was there, and will never forget the usually placid Rock Creek roiling like Colorado River rapids. The Potomac overflowed into the C & O Canal, and a crowd of us stood in Georgetown watching the water slowly creep up lower Wisconsin Avenue.)

Fresh water from Agnes’ floods flushed into the saltwater of Chesapeake Bay, damaging the seafood industry there for years, and the damage inflicted on the tracks of already financially crippled railways in the Northeast helped lead to the creation of the federally funded Conrail freight system (later divided into CSX and the Norfolk Southern Railway).

Storms like Agnes and Irene are insidious, often striking slowly over time in ways that can be unpredictable and far more damaging than anticipated. Government preparedness and response are critical.

There was no Federal Emergency Management Agency in 1972; in fact, like Conrail, its origins can be traced, in part, to the Agnes disaster. Jimmy Carter signed it into creation seven years later. Since then, FEMA has had noteworthy ups and downs, performing reasonably well when those who believe in the value of government are in power, suffering lamely when they're not.

By all accounts, and at this writing, the White House, FEMA and other government agencies, including state and local, have acquitted themselves ably during the lead-up to Irene, the actual hurricane and its aftermath, although many remain in need.

Eighteen FEMA teams were positioned along Irene's path from Florida to Maine, spreading north as the storm proceeded toward New England, providing support, supplies and experienced advice all along the way.

As even *The Washington Post*'s resident smartass Dana Milbank had to admit, "Don't expect anybody to throw a tea party, but Big Government finally got one right … a rare reminder that the federal government can still do great things, after all other possibilities have been exhausted."

However, he continued, "Americans won't have long to savor this new competence in government. NOAA [National Oceanic and Atmospheric Administration] has already been hit with budget cuts that will diminish its ability to track storms, and FEMA, like much of the federal government, will lose about a third of its funding over the next decade if Tea Party Republicans have their way…

"Tea Partyers who denounce Big Government seem to have an abstract notion that government spending means welfare programs and bloated bureaucracies. Almost certainly they aren't thinking about hurricane tracking and pre-positioning of FEMA supplies.

"But if they succeed in paring the government, some of these Tea Partyers (particularly those on the coasts or on the tornadic plains) may be surprised to discover that they have turned a Hurricane Irene government back into a Katrina government."

Cuts have been approved by the House Appropriations Committee to the program that sends "hurricane hunter" aircraft into storms to measure data crucial for hurricane forecasts. Weather satellites are on the chopping block, too.

At a May press conference, NOAA administrator Jane Lubchenco warned, "The future funding for our satellite program is very much in limbo right now. … We are likely looking at a period of time a few years down the road where we will not be able to do severe storm warnings and long-term weather forecasts that people have come to expect today."

She noted that cutbacks had forced the agency to delay the launch of a much-needed satellite. As per NPR's Jon Hamilton, "It would have traveled in a polar orbit, beaming down information for weather and climate forecasts. As a result, when the current satellite doing that job stops working, there will be no replacement."

It's these polar orbiting satellites that also warn of deadly tornadoes and other severe weather conditions.

In the short term, the cost of Irene means diverting monies from the government's Disaster Relief Fund, cash intended for tornado clean up in Joplin, Missouri, and other towns. Congress will need to vote for more, probably billions more. And hurricane season isn't even over yet. (As I wrote this, New Orleans was facing Tropical Storm Lee with Hurricane Katia lurking in the Atlantic.)

But even though his own Seventh Congressional District was damaged by Irene, House Majority Leader Eric Cantor, our national scold, says no, not unless spending cuts are made elsewhere to offset the cost, dollar for dollar. (That includes earthquake damage, too, by the way, despite the fact that the epicenter of the August 23rd quake was in his Virginia district.)

"Just like any family would operate when it's struck by disaster," Cantor told Fox News, "it finds the money to take care of a sick loved one or what have you, and then goes without trying to buy a car or put an addition onto the house."

It's more like "selling the family station wagon for spare parts," the website *Media Matters* said, and a far cry from 2004 when Cantor came running to fellow Republicans George W. Bush and Tom Ridge for no-strings-attached federal disaster assistance after Tropical Storm Gaston hit home.

Nor when Bush was president did Rep. Cantor ever scream for offsets when it came to tax breaks for the wealthy, waging war, or – surprise – raising the debt ceiling.

What he's doing now is ornery, mean and just plain wrong – ideological purity overruling common sense.

Even New Jersey Gov. Chris Christie, fresh off his pre-Irene "Get the hell off the beach" performance and no stranger himself to pigheadedness, declared, "We don't have time to wait for folks in Congress to figure out how they want to offset this stuff with other budget cuts. … I don’t want to hear about the fact that offsetting budget cuts have to come first before New Jersey citizens are taken care of.”

Approving emergency aid in a national crisis is not to be held over our heads like some vindictive ransom note. It’s neither penny wise nor pound foolish; it’s immoral and, yes, un-American. This is not the way we were raised, not the way we were taught to treat one another. We lend a hand and figure out the costs later.

Yet in a time of national crisis, whether in or out of hurricane season, Cantor continues to spout pettifoggery and right-wing Republicans go along with him, mindlessly nodding in obeisant agreement like so many bobble-head dolls, even as the economy burns, infrastructure crumbles, funds are slashed and untold millions suffer.

Heckuva job, Eric.

Michael Winship is senior writing fellow at Demos, president of the Writers Guild of America, East and former senior writer at Bill Moyers Journal on PBS.

The Big Fat GOP Budget Lie

Exclusive: At every turn of the debt-ceiling battle, Republicans repeat the talking point that Washington doesn’t have a “revenue problem,” but a “spending problem” as if saying so makes it true. But the reality is that today’s debt crisis is driven more by George W. Bush’s tax cuts than anything else, as Sam Parry explains.

By Sam Parry

Sometimes you just have to call something what it is. Simply put, congressional Republicans are lying about the federal budget crisis and thus are suffocating America’s chance for an open, honest debate about the tough choices that are ahead.

The GOP’s bogus argument is built on the oft-repeated sound bite that the federal deficit is a spending problem, not a revenue problem. That isn’t true, as the data and U.S. history plainly show. The current budget deficit is MOSTLY a revenue problem.

The most pronounced shift in budget calculations is that federal revenue has dropped from 20.35 percent of the Gross Domestic Product (GDP) in 2000 when the U.S. government was running a surplus to 14.41 percent of GDP today, with the projected deficit for fiscal 2011 at about $1.5 trillion.

A fair-minded review of the budget shows, too, that most of the contributions from the spending side of the ledger have almost nothing to do with President Barack Obama or what is typically described as "reckless spending" in Washington on domestic priorities.

The only "discretionary" item in the budget that has seen any significant increase in recent years is Defense. The rest of these "discretionary" categories Education, Transportation, Environment, Agriculture, etc. have actually decreased as a percent of GDP from around 4 percent in the early 1980s to less than 3 percent today.

What Spending Problem?

With few exceptions, national media pundits uncritically accept the "spending problem" GOP spin without even consulting the data available online to anyone with a search engine.

Yes, federal spending has apparently kissed 25 percent of GDP this year, which is historically high. But, three points must be made:

1. It's not off-the-charts high.
2. Much of the higher spending was reactive to the financial crisis of 2008 or resulted from the deep recession that followed, not from new Washington programs.
3. It is a relatively short-term blip that is projected to come back to a more normal rate of around 22 percent to 23 percent in the next year or two.

First, some history.

Federal spending as a percentage of GDP reached a similar level 82 years ago in 1919, at the end of World War I. That year, the U.S. national budget hit 24.13 percent of GDP.

Of course, that was a far simpler time before the existence of Social Security, Medicare, Medicaid or many of the other government programs so vital to modern America. Spending at the start of the 20th Century reflected this, averaging a trivial 2.5 percent of GDP.

The 1919 surge went almost entirely to support the U.S. military efforts, with 59.6 percent of the total federal budget going to Defense that year. After WWI, federal spending declined, but the days of 2.5 percent were gone forever. In the ten years after WWI, federal spending averaged 4.8 percent of GDP, nearly twice the pre-war average.

And that is roughly where spending stayed until the Great Depression, when spending rates doubled again and averaged 10 percent of GDP from 1933 to 1941.

Then came World War II, which saw a spike in federal spending well beyond anything America had seen before or since. In 1945, spending as a percentage of GDP was nearly double today’s levels, reaching 47.9 percent. That year, military spending accounted for 88 percent of the entire federal budget as America fought a two-front global war.

After the war was won, spending settled in at a new normal that reflected the continuing funding of a larger permanent military as U.S. policymakers financed the Cold War to “stop the spread of communism.” The federal government also undertook investments and spending projects that helped build the country and sustained the middle class from transportation and infrastructure spending to Social Security and Medicare to developing a modern education system.

Between 1947 and 1980, overall federal spending averaged 18.3 percent and spending levels remained relatively stable during these years, especially after 1951, as you can see:

The Reagan Binge

After Ronald Reagan’s inauguration in 1981, federal spending began drifting up, averaging 21.9 percent of GDP during the Reagan-Bush-41 years. Most of that growth went to a mushrooming Defense budget as President Reagan issued warnings about a supposedly expanding Soviet Empire.

In 1979, military spending represented 5.6 percent of U.S. GDP. Seven years later, that had increased to 7 percent, a 25 percent increase relative to GDP. At the same time, federal spending on Education was slashed from 1.2 percent of GDP in 1978 to 0.5 percent of GDP by 1988. Other domestic programs were held flat or were cut during this period.

Starting in the late 1980s, as Defense spending started to come down after the collapse of the Soviet Union declining from 7 percent of GDP in 1986 to 5.35 percent by 1991 Health Care spending picked up much of the slack.

Federal spending on Health Care had steadily increased from relatively trivial amounts in the 1940s to about 2.4 percent of GDP in 1989. However, starting in that year, Health Care spending increased by an average annual rate of more than six percent and today accounts for 5.9 percent of GDP, which is still less than the Defense budget, which accounts for 6.4 percent of GDP.

Clinton, Bush II, and Obama

The Reagan-Bush-I spending binge left the Clinton Administration with difficult choices on how to reduce the then-record budget deficit. Despite pressure from liberals who favored a more aggressive strategy for addressing the nation's needs, the Clinton team reduced federal spending as a percentage of GDP every year, getting it down to 18 percent by 2000, the lowest level of federal spending relative to GDP since 1974.

You can see how significant these cuts were here:

Then came the Bush-II administration, which completely reversed this trend with major spending increases for the military and intelligence services to conduct the post-9/11 "war on terror" and the wars in Afghanistan and Iraq. George W. Bush also pushed through a new prescription drug bill.

Increases in Health Care and Defense spending accounted for nearly all of the spending increases during the Bush-II administration. Health spending grew from 3.8 percent of GDP in 2001 to 4.7 percent in 2008 and Defense spending increased from 3.6 percent of GDP in 2001 to 5.1 percent of GDP in 2008.

Two unfunded wars and an unfunded prescription drug bill will do that to you, as you can see here:

Still, George W. Bush left office with the federal government spending less as a percentage of GDP 20.76 percent than the average during the Reagan-Bush-41 years.

Which brings us to today. Over the last couple of years, federal spending as a percentage of GDP has indeed surged topping out at 25.3 percent this year.

But that has little to do with so-called "reckless spending" in Washington and has even less to do with Obama specifically.

First, an obvious point: The recession reduced America's GDP from $14.44 trillion in 2008 to $14.12 trillion in 2009. This automatically increased spending as a percent of GDP by lowering the denominator.

More importantly, the recession has led to hundreds of billions of dollars in temporary spending to stabilize the economy, bail out the financial markets, and provide support for the U.S. auto industry.

GOP talking heads like to complain about many of these programs. But several points must be clarified:

1. These emergency measures are short-term stimulus spending and don't have a

meaningful impact on spending in the coming years.
2. Most of the money used to bail out the banking and auto industries has already been paid back to the Treasury.
3. The bank bailout occurred on George W. Bush's watch and it took bipartisan support in Congress to pass that bill.
4. Even accounting for all of these factors, which don't even include the multiple wars that the United States continues to fight, federal spending as a percent of GDP is only a little more than half the emergency spending levels of the mid-1940s during WWII, a surge in federal spending that is classically viewed as ending the Great Depression.

In the next couple of years, assuming the economy recovers and stimulus funds and other economic stabilizers can be withdrawn, federal spending as a percent of GDP is forecast to decline to 23.6 percent next year and to 22.3 percent by 2015.

Which leads us to the debate around the stimulus bill.

Yes, Obama and the Democrats with only a handful of GOP votes pushed through a $787 billion stimulus bill in early 2009. What GOP talking heads never mention, however, is that more than a third of the package wasn't spending at all. To secure those few Republican votes, a total of $288 billion or more than one-third of the package was dedicated to short-term tax breaks.

That left $499 billion in actual spending, but much of that went directly to the states to help rescue depleted state budgets and to avert large-scale layoffs of public employees. Indeed, only about $85 billion of the stimulus package actually went to things like infrastructure, new energy programs and transportation projects.

Given the economic crisis the country was facing and continues to face an allotment of $85 billion for capital projects and other infrastructure investments seems like chump change. And, given the weakness of the recovery, it appears that it was woefully insufficient to get the economy back on its feet.

But, even if you ignore these finer points and look at the $499 billion in actual stimulus spending, this is a tiny fraction (about 1.7 percent) of the $29 trillion, two-year GDP of the U.S.

And the money has just about run out, which means that long-term it will have a negligible impact on the overall deficit and will have no impact on long-term federal spending levels.

When it comes to spending under President Obama, only two other areas are even worth mentioning:

- Defense has grown from 5.62 percent of GDP in 2009 to 6.4 percent this year, and
- Health Care has risen from 5.4 percent to 5.9 percent.

Otherwise, there have been no other net spending increases of any significance added to the books since Obama was sworn in.

The one debateable caveat to all this is the controversial health care bill signed into law in March of 2010. While there are spending provisions in that law, there are also substantial cost savings. As Obama said repeatedly during the debate, the bill is projected to add nothing to the federal debt.

Altogether, the CBO estimates a net cost savings of $143 billion over the next 10 years with more savings after that.

Going forward, President Obama has already committed the federal government to significant cuts in discretionary programs. For example, the total cost of the stimulus bill is more than offset by the Obama-ordered freeze in non-defense discretionary spending over the next ten years, which will reduce spending in that budget category from 3.4 percent of GDP to less than 2 percent.

In fact, taking these savings into account, the big GOP spending lie gets even more outlandish. Even if you take into account all spending relative to GDP, including Defense and Social Security/Medicare, total federal spending on these programs as a percent of GDP is projected to actually come down over the next ten years – from 25.3 percent of GDP in 2011 to 19.7 percent in 2021.

Of course, these are projections and they depend, in part, on the economy growing as expected and Congress adopting Obama’s spending priorities. But, even if it’s half that reduction, the United States would still be well within the recent historical range on federal spending as a percent of GDP.

It’s a Revenue Problem, Stupid

There is no question that if you look at this year’s federal spending of 25.3 percent of GDP, it looks high, relative to recent American history.

But, given today’s struggling economy and the projections for federal spending to stabilize and come down – assuming the economy recovers – it should be clear the United States doesn’t face an immediate spending crisis.

The nation does, however, face a revenue crisis. Largely because of George W. Bush’s tax cuts, which he justified by noting that the government was running a surplus in 2000, federal revenues have dropped from 20.35 percent of GDP in the last year of the Clinton administration to 14.41 percent today.

So, no matter what spending programs get cut even if spending were rolled back to around 21 percent of GDP, in line with the levels of spending under recent Republican administrations – the United States won't stanch the flood of red ink without getting revenue up to about the same share of GDP.

That revenue target would be a bit higher than the historical average of 17.8 percent of GDP from 1947 to 2008. But, given that the United States has run up huge deficits, which means higher interest payments, and given that our aging population requires more Health Care spending, raising federal revenue back to where it was in 2000 or even a bit higher doesn't seem like such a huge sacrifice.

But don't expect the Republicans to be at all honest about this. Truth-telling is not what wins most elections and political courage is in very short supply. It's much easier to get on the right-wing chat shows and repeat the comfortable "It's a spending crisis" mantra, no matter how inaccurate it is.

Sam Parry is co-author of *Neck Deep: The Disastrous Presidency of George W. Bush*.

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Mitch Daniels, Architect of US Debt Crisis

Exclusive: Indiana Gov. Mitch Daniels is the new Republican darling of the Washington establishment, which hails him as a "fiscal conservative" who would be "serious" about addressing the nation's staggering debt problem. But his many admirers forget to mention what Daniels did in creating the debt crisis as George W. Bush's budget director, notes Robert Parry.

Robert Parry

May 14, 2011

To hear Official Washington tell it, Indiana Gov. Mitch Daniels is the new “serious” Republican presidential contender. He’s praised as a “fiscal conservative” who isn’t obsessed with the Right’s divisive social agenda nor marred by the crazy “birther” conspiracy theories.

Mentioned only in passing is a key fact that in a saner world would disqualify him from holding any government office: Mitch Daniels was President George W. Bush’s original budget director in 2001.

In other words, the “fiscal conservative” Daniels oversaw the federal budget as it was making its precipitous dive from a $236 billion surplus then on a trajectory to eliminate the entire federal debt in a decade to a $400 billion deficit by the time he left in June 2003.

Plus, because of proposals developed on Daniels’s watch such as tax cuts favoring the rich and unpaid-for projects, including the invasion of Iraq and a new prescription drug plan the fiscal situation of the federal government continued to sink over the ensuing years, plunging to a trillion-dollar-plus annual deficit by the time Bush left office in 2009.

Though Daniels was surely not at fault for all the elements in this budgetary catastrophe, he was a central player in the early stages of the process. A former political operative for Ronald Reagan and an Eli Lilly pharmaceutical executive, Daniels was the salesman who pitched and defended Bush’s plans.

Certainly, Mitch Daniels was no David Stockman, President Reagan’s first budget director who sounded the alarm two decades earlier when he saw an ocean of red ink looming in the nation’s future.

And it wasn’t as if Daniels and other figures in the Bush administration weren’t warned about the need for continued fiscal discipline.

President Bill Clinton, in his farewell address to the nation on Jan. 18, 2001, noted how his administration had managed to turn what were then record deficits left over by Republicans Ronald Reagan and George H.W. Bush into record surpluses.

“We’ve been able to pay down $600 billion of our national debt on track to be debt-free by the end of the decade for the first time since 1835,” Clinton said, adding that a debt-free America would enjoy many economic benefits including lower interest rates and the capacity to address “big challenges,” such as the retirement costs from the “baby-boomers.”

However, with Daniels at the budget helm, the Bush administration quickly veered off-course and onto the rocks of a worsening debt crisis. Much of the expected surplus was squandered with huge tax cuts, leaving the nation vulnerable to unexpected economic and policy shocks like those that followed the 9/11 attacks.

In the 10 years since Clinton left office, the projected $2 trillion surplus by 2011 gave way to today's $10 trillion debt, what the Washington Post recently called "a $12 trillion detour."

The Post's May 1 story by Lori Montgomery began, "The nation's unnerving descent into debt began a decade ago with a choice, not a crisis. Voices of caution were swept aside in the rush to take advantage of the apparent bounty. Political leaders chose to cut taxes, jack up spending and, for the first time in U.S. history, wage two wars solely with borrowed funds."

Iraq Miscalculation

Daniels, who had very little experience in budgeting and was most adept at policy promotion, directly contributed to one of those budget blunders, the gross underestimation of the cost of the Iraq War.

In 2002, Daniels famously low-balled the war's cost at $50 billion to $60 billion and joined in the repudiation of Bush's economic adviser Lawrence Lindsey, who had ventured an estimate as high as $200 billion. Daniels called Lindsey's price tag "very, very high."

But it turned out that even Lindsey's estimate, which led to his firing later that year, was very, very low. As of fiscal 2011, the Congressional Research Service reported that the Iraq War had cost $806 billion, with estimates putting the eventual total cost of the conflict at over $1 trillion.

Though Daniels's defenders say it is unfair to blame him for all of Bush's policy decisions, Daniels was "a key figure in the administration, helping design policies and pressing publicly for their enactment," Salon.com's Brendan Nyhan reported in a Feb. 12, 2002, article.

Besides citing Daniels's political role in pushing through Bush's deficit-oriented policies, Nyhan noted that Daniels's appointment to run the Office of Management and Budget marked an important evolution in the role of budget director from accounting wonk to political marketer.

"It is another sign of the importance P.R. tactics play in American politics," Nyhan wrote. "The OMB director, once a budget expert, is now an operative chosen for his political skills, particularly his ability to sell the administration's economic proposals in the media.

"In August [2001], Daniels admitted as much, telling the Wall Street Journal that '[t]o the extent I bring anything to this job, maybe it's an ability to think about how a product, whether it's Prozac or a president's proposal, is marketed.' Predictably, he has displayed a disturbing tendency to make dishonest claims for political advantage on federal budget issues."

For instance, Nyhan noted that Daniels first promoted the Bush tax cuts as a way to "share some of this large overcharge [the surplus] with the American people," but later he repackaged it as an economic stimulus. He also blamed the sudden $1.345 trillion drop in the projected surplus on various economic and technical factors, but the Congressional Budget Office cited the tax cut's $1.7 trillion price tag.

In his hard sell for Bush's policies, Daniels also was not above hitting his opponents below the political belt. In December 2001, he denounced Democratic "tax and spend extremists" as "people for whom taxes can't be high enough and we can never spend too much government money."

Cooking the Books

Daniels also was ready to stoop to accounting trickery to make Bush's budgets seem less irresponsible.

"In the federal budget process, [Daniels's] OMB has employed a number of accounting devices and misleading assumptions to conceal the true costs of tax cuts, restore budgets to balance artificially and otherwise tried to achieve political ends by tricky budgetary means," Nyhan wrote.

"In the Bush budget plan, for example, the administration projects a return to surpluses in 2004 or 2005, but this ignores the cost of extending a provision protecting millions of middle income taxpayers from a tax increase under the individual alternative minimum tax.

"It is a matter of serious public concern that the federal budget director has become just another spinner dragging down public debate. Though he is a political appointee heading an executive agency, Daniels is also a public official with a larger responsibility to promote honesty in federal budget debates.

"But after more than a year at his position, he still frequently makes deceptive claims often without challenge. Daniels may not recognize the difference from his previous job [as a pharmaceutical executive], but we must. It is unacceptable to market our nation's economic policies like Prozac. "

Yet, Daniels continues to lead a charmed life as far as Official Washington is concerned. From Fox News to MSNBC, he is praised as a "fiscal conservative" who would uplift the debate over the nation's debt crisis. He is widely praised for his work as Indiana's governor and although his title as Bush's budget director is mentioned in passing his work on some of the most reckless budgets in U.S. history escapes scrutiny.

Much more attention has been spent on his supposedly uncharacteristic deviation as Indiana's governor into enacting some of the nation's harshest anti-abortion rules and other right-wing social legislation. There's also been some coverage of his off-again-on-again marriage and whether his wife wants him to seek the White House.

But Daniels stands today as the latest Republican hailed for his wisdom and courage regarding budget issues.

He follows Rep. Paul Ryan, R-Wisconsin, the House Budget Committee chairmen whose inside-the-beltway reputation as a "serious" thinker only collapsed when the voters got a look at his plan for "saving" Medicare by killing the current government-run system and replacing it with a private-sector voucher approach while demanding still more tax cuts for the rich.

The fact that the Republicans, including Daniels and Ryan, were major supporting players in George W. Bush's diversion of the United States from its course a decade ago toward a debt-free government indeed one with a sizeable surplus, to one burdened with the largest debt in the history of the world is never mentioned.

Like Ryan, Daniels remains "a fiscal conservative," at least in the boilerplate judgment of Washington's conventional wisdom.

Robert Parry broke many of the Iran-Contra stories in the 1980s for the Associated Press and Newsweek. His latest book, Neck Deep: The Disastrous Presidency of George W. Bush, was written with two of his sons, Sam and Nat, and can be ordered at neckdeepbook.com. His two previous books, Secrecy & Privilege: The Rise of the Bush Dynasty from Watergate to Iraq and Lost History: Contras, Cocaine, the Press & 'Project Truth' are also available there.