



# VIEWPOINT

ON PUBLIC POLICY ISSUES

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## **A Hundred Billion Here, a Trillion There**

By David Hansen



Mark Twain is supposed to have said that no one's property is safe when Congress is in session. This is certainly true of Congress but, given the spending spree disguised as a state budget recently approved by the Ohio House of Representatives, it applies equally as well to the Ohio General Assembly. This unprecedented binge is exactly the opposite of what our nation and state need today.

With all the spending going on in Columbus and Washington, D.C., it is hard to keep track. While there was a lot of attention on the \$787 billion "stimulus" package passed earlier this year, you may have missed the \$3.5 trillion budget resolution passed by the U.S. House of Representatives last week.

Closer to home, the Ohio House of Representatives just approved a two-year budget that spends \$114.3 billion. That is on top of the Ohio "stimulus" bill passed last year which cost the state's taxpayers \$1.57 billion. (Good thing Governor Strickland got this enacted or the state would be in recession today. Oh, wait...)

Unfortunately we are experiencing something of numbers fatigue. When once a state budget of over \$100 billion would shock state taxpayers, today it receives scant attention. And a federal budget of over \$3 trillion was inconceivable a decade ago. Today it will sail through Congress with only perfunctory concern over its size.

Politicians who get to spend this money talk about all the good things it will buy -- health care, new schools, tanks built in their Congressional districts, earmarks for political contributors, etc. While extolling the benefits of this spending, they fail to consider its costs. In grade school you would receive an "F" on your math homework if you failed to look at both sides of an equation. This kind of flawed thinking only improves your chances of succeeding in Congress or the General Assembly, though.

This huge amount of spending must either come through taxes, fees, or borrowing. Any way you look at it, either you or your children are going to be paying for it. When you pay taxes or fees you give up the opportunity to spend that money on other things. So

while you may have wanted to use the money you earned to buy a new car, undertake home repairs, or take a vacation, politicians will be spending that money on what *they* want.

Study after study shows that high tax rates and government spending at both the state and federal level decreases economic growth and job creation. The cost of this spending is far more than just the direct cost of the spending itself. As Tax Foundation data for Ohio show, Ohio in the past forty years has gone from a low-tax state to one of the highest-tax states in the nation. It's pretty clear what the state's economy has done during that time. Low-tax states have not suffered the same economic decline as has Ohio.

Depriving us of our property is nothing new for politicians. Mark Twain's words remind us of that. Just because this practice has been hallowed by time is no reason to ignore the harmful consequences of it. Hundreds of billions of your dollars are being spent at the state level. Trillions of dollars of your money are being spent in Washington, D.C. That's a lot of money being taken out of the economy and funneled to politicians' projects. Is this really the best way to help the economy?

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