Deal in the District Background

Overview

As the national debt nears $15 trillion and federal spending remains at an all-time high, a small group of Congressmen known as "the super committee" have been given the task of developing a proposal to reduce the deficit by $1.2 trillion over the next decade.
The lawmakers can come to that amount by cutting wasteful and unnecessary spending from the budget, reducing Medicare and Social Security benefits, increasing revenues by spurring economic growth or viewing Americans as their own personal ATMs and hiking taxes.

By utilizing available recommendations for budget cuts, it is easy to pinpoint well over $1.2 trillion in waste, fraud and abuse in the federal budget. This amount and much more could be trimmed from the budget with little or no difference in the services that the federal government provides taxpayers.

In addition to reducing wasteful spending in order to meet the deficit reduction goals, the super committee can also shrink the deficit by reducing personal income and corporate taxes. The result of the tax reductions would be sizeable economic growth and a broader tax base, meaning more money pouring into federal coffers without raising taxes by a single cent.

If the super committee chooses to trim spending and boost the economy rather than taxing Americans dry, the job of reducing the deficit by $1.2 trillion over the next ten years will be simple and painless. Moreover, a new era of economic growth and responsible government will occur in the process.

Where We Are

Facing the debt-ceiling crisis, in which the U.S. was on the brink of defaulting on its debt, members of Congress agreed to increase the nation's statutory debt ceiling, avoiding default, in exchange for accepting measures to reduce future spending and lower the national debt.

One of those measures was the creation of the Joint Select Committee on Deficit Reduction, more commonly known as the "super committee." The super committee, which was created on August 2, 2011, is tasked with developing a plan to find $1.2 trillion in deficit reductions over the next decade. Those reductions can come in the form of budgetary cuts, increases in revenues and/or reductions to entitlement benefits.
The super committee is comprised of 12 members – three Democratic senators, three Republican senators, three Democratic house members and three Republican house members. Find the list of members here.

If the super committee agrees to a proposal, the plan will be presented to Congress for an up-or-down vote, with no amendments permitted. If the super committee fails to produce a proposal, Congress does not adopt the super committee's bill or the plan results in less than $1.2 trillion in reductions, $1.2 trillion in automatic, across-the-board cuts will be instituted, including $500 billion in defense spending.

Those "automatic" cuts will not take place until January 1, 2013. That gives Congress time to cancel the automatic cuts, leaving taxpayers and the economy in the same dire circumstance that would exist if the super committee had never been enacted. For that reason, despite the super committee's flaws,[1] it is the best interest of taxpayers and the American economy if the super committee can make thoughtful and thorough cuts to the most wasteful, unnecessary and ineffective federal programs, while encouraging economic growth.

What They Should Do

In order to produce $1.2 trillion in deficit reductions in the next 10 years, the super committee has two realistic options in today's economic environment; cutting spending or attempting to spur economic growth by lowering tax burdens.

While some pundits and politicians may errantly argue that tax increases should be a component of deficit reductions, tax increases rarely, if ever, generate the expected increase in revenues. In fact, in this economic environment, tax increases will simply stall the economy even more, resulting in fewer jobs and less taxable income. The effect would almost certainly be less tax revenue than if taxes had not been increased in the first place.

Recommended Cuts Proposed by Other Organizations

- http://www.galen.org/fileuploads/Recommendations-for-Super-Committee.pdf
- http://blog.heritage.org/2011/10/20/super-committee-gets-recommendations-from-senate-finance-republicans/
- http://blog.heritage.org/2011/08/11/conservatives-to-super-committee-think-big-really-big/
- http://www.cato.org/pub_display.php?pub_id=13630
- http://www.cato.org/multimedia/daily-podcast/tax-hikes-medicare-super-committee
- http://strongamericanow.org/plan
- http://mercatus.org/media_clipping/job-1-budget-super-committee-cut-new-health-care-entitlement-s-cost
- http://mercatus.org/publication/what-happens-if-us-super-committee-deficit-reduction-fails
- http://www.americansforprosperity.org/100311-afp-releases-super-committee-recommendations
- http://www.atr.org/atr-recommendations-super-committee-more-point-a6480
- http://www.freedomworks.org/tea-party-debt-commission