



Introduction to the Center for Renewing America FY2023 Budget

December 7, 2022

“He will take the best of your fields and vineyards and olive orchards and give them to his servants. He will take the tenth of your grain and of your vineyards and give it to the officers and to his servants...He will take the tenth of your flocks, and you shall be his slaves. And in that day, you will cry out because of your king, whom you have chosen for yourselves.”

1 Samuel 8:10-18

The evidence of America’s fiscal brokenness is everywhere. Inflation—an economic phenomenon the experts promised was permanently relegated to history—is now running at forty-year highs, making all of life more expensive but worse, making fools out of all those taught to save their money for the deferred gain of building and investing. The nation owes \$31 trillion and counting, and the interest the Treasury Department must pay is steadily marching higher and higher. The annual cost of interest payments will exceed the Pentagon’s budget within the next ten years.

The notion of “fiscal discipline” itself might as well be in a time capsule. Congress considers no budgets, legislation never hits against cost limitations, and every partisan disagreement is “solved” simply by spending more on the pet programs of the opposing party. The Federal Reserve creates trillions of dollars with a few keyboard clicks payable to big banks who will be paid interest for not lending, and in exchange for subsuming the nation’s debt, which alleviates policymakers from experiencing the hangover of their financial mismanagement—all while clamoring about the importance of its “independence” to escape government by the people.

So yes, the need for a budget—a *fiscal plan*—could not be more immediate. But there are some serious challenges facing any renewed effort to deal with this fiscal nightmare, and any budget intended for results must consider these.

FIRST, as bad as the fiscal situation is in the US, another immediate threat facing the American people cannot be ignored. The global COVID pandemic made it painfully obvious that a small scientific elite could shut down the economy, keep people from running their businesses, mandate an experimental drug be jabbed into another’s body to participate in society, and denigrate health treatments that could have saved millions. On the heels of this wrenching national experience is the growing awareness that the national security apparatus itself is arrayed against that half of the country not willing to bend the knee

to the people, institutions, and elite worldview that make up the current governing regime. Instead of fulfilling their intended purpose of keeping the American people safe, they are hard-wired now to keep the regime in power. And that includes the emergence of political prisoners, a weaponized, SWAT-swaggering FBI, the charges of “domestic terrorism” and “disinformation” in relation to adversaries’ exercise of free speech, and the reality that the NSA is running a surveillance state behind the protective curtain of “national security.” The immediate threat facing the nation is the fact that the people no longer govern the country; instead, the government itself is increasingly weaponized against the people it is meant to serve.

Furthermore, the nation is just beginning to wake up to and meet the threat of a century-long cultural revolution that divides the country on the basis of race and “identity,” disintegrates the institutions of western civilizations from within, teaches rising generations to hate their country and each other, and encourages the destruction of neighborhoods and cities which by extension are not worth saving. This revolution started in left-wing universities but has long since become the central worldview of the regime’s governing elites. As the rioting and destruction in the aftermath of George Floyd’s death revealed, “woke” went mainstream, and a multitude sought to tear down its own society. It is not just in the streets but also in schools, workplaces, corporate boardrooms, and churches in the form of Critical Race Theory. Instead of being a haven from such toxicity, a place for citizens to come together to serve the betterment of the public, the government is now a main distribution channel. The federal bureaucracy *is* the movement’s funding source, and through lucrative grants and contracts, the bit steering private businesses to — coercively regulate the narrative. Its open borders beget multiculturalism aimed at cultural incoherence. The US is even exporting it to other countries by funding gay pride events and LGBT activists in other countries under the guise of foreign aid.

In short, America cannot be saved unless the current grip of woke and weaponized government is broken. That is a central and immediate threat facing the country—the one that all our statesmen must rise tall to vanquish. The battle cannot wait. However, this woke and weaponized regime requires the resources of taxpayers to flourish and can be starved in order to dismantle it. Of course, these spending cuts will result in significant savings for the taxpayers. Thus, the main priority of this first Budget from the Center for Renewing America is to consciously and indelibly link the efforts of getting our nation’s finances in order with removing the scourge of woke and weaponized bureaucracy aimed at the American people.

SECOND, over the last two decades, the debates about fiscal responsibility have been (intentionally and unintentionally) mired in the quicksands of strategic incompetence and lacking any common sense. There has been a conviction by reformers that because so-called mandatory spending—“entitlements” or the spending that is on auto-pilot without annual decisions by Congress—is the largest portion of the federal budget and growing in the very near future, then it and only it must be the necessary target of fiscal reformers to the exclusion of discretionary spending. Not content there, because Social Security and Medicare, in particular, are large, mathematical drivers of this spending growth, fiscal seriousness

demanded that they be the lead ox to be gored. Never mind the public's perception that they had paid into dedicated trust funds and knew lawmakers had been dipping into these surpluses for decades to fund their pet programs.

As this conviction took hold, fiscal reformers lost their bearings. They forgot that while they had very little leverage each year to tackle mandatory spending, they had ample annual opportunities to tackle the discretionary spending that funded the federal government bureaucracies. As a result, nothing has occurred. The pain caucus beat their heads against a brick wall of political reality shouting about "entitlements!" Meanwhile, the political cartel comprised of the spending committees, the defense industrial complex, and the Left kept the finger pointed toward the shiny object. Many knowingly play both sides.

The second priority of this Budget is to end this charade and to focus the debate on the spending that is the easiest to cut practically and morally because it is funding the bureaucracies arrayed against the public. It is a nod to common sense. When families decide to get on a budget, they do not target the largest and immovable items of their spending, like their mortgage, first. They aim to restrain discretionary spending—they eat out less, shop less, and find cheaper ways of entertaining themselves. *Then* they look at what makes sense for the immovables—how to refinance their debt or make major life changes. Politically, a similar approach is the only way the American people will ever accept major changes to mandatory spending. They are simply not going to buy the notion that their earned entitlements must be tweaked while the federal government is funding Bob Dylan statues in Mozambique or gay pride parades in Prague. This Budget mathematically must include substantial reforms to mandatory spending to achieve balance—although importantly, there are no benefit reductions to Social Security or Medicare beneficiaries—strategically, it will emphasize the discretionary cuts needed to save the country from tyranny and prove to the country that the road to balance can really be walked again.

THIRD, budgeting is too often an exercise in accounting and austerity, where every program takes a hit, rather than an opportunity to examine what in fact the country is spending money on. Nor is budgeting typically aimed at maintaining a political coalition necessary to vote for the plan. It should be. The Left has no interest in ever regaining fiscal rationality. Why should their spending priorities be protected? Particularly when such programs are damaging the very communities supporting the government with their taxes. Why should billions be spent on thousands of interwoven nonprofits, all with a vested interest in furthering multiculturalism through an open border strategy and engaging in lawfare against any effort to control the border? Why should billions be spent on Section 8 vouchers that spread crime and disfunction into safe neighborhoods as part of "affordable housing" activism hostile towards single-family homes? This Budget is an effort to separate the spending the nation desperately needs (a massive Navy, a completed border wall, infrastructure, etc.) from spending that is not just simply unaffordable but ruining communities and funding organizations that hate the country.

With all that being said, this Budget approach is fairly straightforward. It establishes the fiscal goal of getting to balance within ten years, believing both that a goal is necessary and that balance continues to be the only one relatable to the American people's experience. It then meets that fiscal goal by emphasizing robust economic growth and sizable spending reductions. Both are vital. You cannot cut your way to balance—the target will keep getting bigger as revenues dry up while the public experiences the pain of unemployment and austerity at the same time. Nor can you balance the budget through growth alone. This Budget assumes economic policies that will generate growth of 3 percent, and it includes nearly \$9 trillion in savings over ten years from spending cuts and reforms. Of that amount nearly \$3 trillion comes from discretionary spending, primarily dismantling the woke and weaponized bureaucracy, and \$6 trillion originates from reforms to mandatory spending that increase participation in the labor force, reduce welfare, end the inflationary drivers of subsidizing student loans, inject common sense into health spending, etc. Again, it makes no reductions to Social Security retirement or Medicare benefits. The Budget should serve as a template for the next Congress to combat inflation and deal with the country's fiscal recklessness *and* align that effort towards addressing the immediate threats facing the country. It is also proof to policymakers that balance is indeed possible.

One last disclaimer. This first Budget does not attempt to offer solutions to some of the most pressing long-term problems facing the country that should preoccupy conservative policymakers in the near future. For instance, the families of the West are not having enough babies for their societies to endure. Raising a family in America with only one parent working outside the home is often unaffordable, and public policy often incentivizes that trend. Much can be learned and adopted from a country like Hungary that has arrested such decline. However, this Budget is a start to an ongoing discussion that should include such policy innovations.

The Center for Renewing America hopes that it furthers a new commitment to deal with the nation's finances—one oriented towards the most immediate threats facing the country and informed by a realistic strategy of getting the American people on board with the project.



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