

HUFFPOST POLITICS

Why Obama Must Meet the Republican Lies Directly

By: Robert Reich - 02/25/13

The White House apparently believes the best way to strengthen its hand in the upcoming "sequester" showdown with Republicans is to tell Americans how awful the spending cuts will be, and blame Republicans for them.

It won't work. These tactical messages are getting in the way of the larger truth, which the President must hammer home: The Republicans' austerity economics and trickle-down economics are dangerous, bald-faced lies.

Yes, the pending spending cuts will hurt. But even if some Americans begin to feel the pain when the cuts go into effect Friday, most won't feel it for weeks or months, if ever.

Half are cuts in the military, which will have a huge impact on jobs (the military is America's only major jobs program), but the cuts will be felt mainly in states with large numbers of military contractors, and then only as those contractors shed employees.

The other half are cuts in domestic discretionary spending, which will largely affect lower-income Americans. There will be sharp reductions in federal aid to poor schools, nutrition assistance, housing assistance, and the like. But here again, most Americans won't see these cuts or feel them.

Moreover, the blame game can be played both ways, and Republicans are adept at slinging mud. When it comes to high-visibility consequences of the spending cuts -- such as a sudden dearth of air-traffic controllers -- Republicans will dodge blame by happily giving Obama authority to shift spending and find the cuts himself, thereby making the White House appear even more culpable.

Besides, there's no end to this. After Friday's sequester comes the showdown over continuing funding of the government beyond March 27. Then another fight over the debt ceiling.

The White House must directly rebut the two big lies that fuel the Republican assault -- and that have fueled it since the showdown over the debt ceiling in the summer of 2011.

The first big lie is austerity economics -- the claim that the budget deficit is the nation's biggest economic problem now, responsible for the anemic recovery.

Wrong. The problem is too few jobs, lousy wages, and slow growth. Cutting the budget deficit anytime soon makes the problem worse because it reduces overall demand. As a result, the economy will slow or fall into recession -- which enlarges the deficit in proportion. You want proof? Look at what austerity economics has done to Europe.

The second big lie is trickle-down economics -- the claim that we get more jobs and growth if corporations and the rich have more money because they're the job creators, and job growth would be hurt if their taxes were hiked.

Wrong. The real job creators are the broad middle class and everyone who aspires to join it. Their purchases keep economy going.

As inequality continues to widen, and income and wealth become ever more concentrated at the top, the rest don't have the purchasing power they need to boost the economy. That's the underlying reason why the recovery continues to be so anemic.

These two lies -- austerity economics and trickle-down economics -- are being told over and over by Republicans and their mouthpieces on Fox News, yell radio, and the editorial pages of the *Wall Street Journal*. They are wrong and there are dangerous.

Yet unless they are rebutted clearly and forcefully, the nation will continue to careen from crisis to crisis, showdown to showdown.

And we will have almost no chance of reversing the larger challenge of widening inequality.

President Obama has the bully pulpit. Americans trust him more than they do congressional Republicans. But he is letting micro-tactics get in the way of the larger truth. And he's blurring his message with other messages -- about gun control, immigration, and the environment. All are important, to be sure. But none has half a chance unless Americans understand how they're being duped on the really big story.
