
Governors graded on taxes, spending

Cato Takes on Bush's Bloated Budget

Cato's fiscal policy scholars have been familiar names in the press in recent months. Two recent events—the release of the president's budget in February and the release of Cato's latest "Fiscal Policy Report Card on America's Governors" in March—have given Cato scholars numerous opportunities to comment on the fiscal records of state and federal officials.

The White House billed its 2006 budget, released on Monday, February 7, as an austerity budget to rein in a ballooning federal budget deficit. But as Cato chairman William Niskanen pointed out the next day in comments in the *Los Angeles Times*, the *Wall Street Journal*, *USA Today*, and elsewhere, the president's "cuts" were mostly gimmicks, and most of the genuine cuts were unlikely to survive the appropriations process. He noted that the president has long promised to reduce the deficit and cut government programs but has so far failed to deliver on those promises.

An op-ed, titled "A Little Less Is Still a Lot," by Cato scholars Chris Edwards and Alan Reynolds in the same issue of the *Wall Street Journal* pointed out that the president's modest spending-cut proposals come on the heels of four years of reckless spending increases. In a *Wall Street Journal* news story that day, Cato's Steve Slivinski warned that the proposed cuts would not stick unless the president made credible threats to use his veto pen. In the *New York Times* that

same Tuesday, Edwards pointed out that Bush had proposed cutting almost as many programs in last year's budget. However, Edwards said, "basically nothing happened."

Major newspapers continued to feature the budget analysis of Cato scholars throughout the week. A Wednesday *Washington Post* story quoted Edwards criticizing the president's continuing disdain for federalism. Cato executive vice president David Boaz commented on the budget in the *Los Angeles Times* on Thursday, and the *Boston Globe* quoted Edwards on Friday.

The next month, Cato scholars made a splash in state budget debates as well. On March 1, Cato scholars Stephen Moore and Stephen Slivinski released their biennial fiscal report card on the nation's governors, which rates each state governor on his or her fiscal record. The report gave grades to 42 of the nation's 50 governors, ranging from A grades for California's Arnold Schwarzenegger, Colorado's Bill Owens, and others to Fs for governors such as Bob Taft of Ohio and Ed Rendell of Pennsylvania. The findings were summarized in a March 1 *Wall Street Journal* editorial.

Two of the best-performing governors were Democrat Bill Richardson of New Mexico and Republican Mark Sanford of South Carolina, both of whom appeared at a press conference with Cato scholars to personally receive their grades. Richardson, the best-perform-

ing Democrat in the report and an oft-mentioned presidential prospect for 2008, touted his record of tax and spending cuts in New Mexico and urged his fellow Democrats to take fiscal responsibility more seriously.

The most discussed results in the report card were the F grades. The report flunked Pennsylvania Democrat Ed Rendell for his large tax and spending hikes, sparking a heated debate in the state. Rendell's grade was covered by the Associated Press, the *Philadelphia Inquirer*, the *Pittsburgh Tribune-Review*, and other Pennsylvania papers. The *Inquirer* and the *Tribune-Review* each ran two opinion pieces on the grade; the *Inquirer* also ran a letter from Rendell. In Ohio, the report's F grade for big-spending Republican Bob Taft generated more than a dozen stories. In Georgia, when told of Republican governor Sonny Perdue's D grade, spokesman Dan McLagan retorted, "I think the folks at Cato have been hitting the bottle."

The media seem not to agree with McLagan. Thanks to Cato's record of sober, nonpartisan advocacy of fiscal responsibility, Cato scholars continue to be among the most quoted experts in state and national budget debates. They will continue reminding Republicans everywhere that they were not elected to spend taxpayer money, as Boaz told the *Los Angeles Times*, "like drunken sailors." Cato's studies on spending, Medicare, and other topics could help the nation to avoid a nasty fiscal hangover. ■