



## Fiscal Unsustainability

Posted by [Glenn](#) on September 27, 2005 - 12:10pm in [The Oil Drum: Local](#)

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Now that we are starting to pick up the pieces from Katrina and Rita, slowly calculating the costs of reconstruction as well as the economic impact this has had on a whole region of this country, we face hard choices on how all of this is going to be paid for.

No matter what your politics, I think everyone can agree that our current Federal fiscal situation is untenable. Bush and the Republican Congress took us from a surplus to a deficit mainly because of a massive tax cut that primarily (in dollar terms) benefited the richest Americans while not cutting spending. Then they added ongoing and expensive military operations in two countries by choice (rightly or wrongly). They passed enormous spending bills on Farm Subsidies, Medicare Drug Benefit, Transportation and continued to advocate for making the Bush tax cuts permanent. The President has still not vetoed one spending bill that Congress passed.

Now when we can all agree that we face a disaster of such a magnitude that calls for short term deficit spending to rebuild shattered communities, we find that our credit is already over extended and that we have [lost control](#) of our fiscal policy. So now what?

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Here are some of the offsets (you know, as part of "Operation Offset") that the Republicans are now [proposing](#) for the Katrina spending that should irritate anyone who knows that peak oil is coming:

- \$2.5 billion cut from Amtrak
- \$2.5 billion to Eliminate the Hydrogen Fuel Initiative
- \$25 billion cut from the Centers for Disease Control (nothing to do with peak oil, but Bird Flu, hello!)
- \$479 million to Eliminate State and Community Grants for Energy Conservation
- \$220 million Eliminate the Next Generation of High-Speed Rail
- \$6.7 billion to Scale Back the Conservation Security Program
- \$5.285 billion to Limit Future Enrollment in the Conservation Reserve Program
- \$835 million to Eliminate the Energy Star Program
- \$25 billion in earmarked items from the Transportation bill, which includes many good programs to promote biking, ease traffic congestion and in general give people some other options than using their car.

(Note: Eliminate the EnergyStar program! After Bush advocated it for government employees!)

Along the same lines (but specific to New York State), a recent article in the New York Post (Sept 19, now subscription only) identified specific federal allocations in the recently passed Transportation Bill that seemed completely superfluous to the writer. These allocations included:

- \$2 million to "enhance Battery Park Bikeway perimeter"
- \$3.2 million for "pedestrian walkway and bikeway improvements along the NYC Greenway system in Coney Island"
- \$8.25 million "to study, design and construct Brooklyn Waterfront Greenway in Red Hook, Greenpoint and the Navy Yard in Brooklyn"

- Ithaca: \$1.2 million to "design and construct pedestrian and bicycle path"
- Bedford: \$650,000 for a bike path
- Warwick: \$500,000 for a "walking and biking trail"
- Weedsport: \$250,000 for a "deer-avoidance system"
- Niagara County: \$1.5 million for a "bicycle/pedestrian off-road scenic pathway"
- Owego: \$1.25 million to build a "pedestrian waterfront walkway"
- Riverhead: \$2.4 million for "bicycle and pedestrian" projects and "safety improvements"
- Elmira: \$2 million for "congestion mitigation"

As far as the author of this NY Post article is concerned, all of these projects—which would make our landscape friendlier for alternative transportation—constitute pork. In other words, these supposedly worthless projects won't do anything to benefit the liveability of our towns (not to mention how these infrastructure improvements might help with oil conservation).

So what do you think Oil Drummers? Are these investments we should put off while we subsidize the oil economy and rich SUV drivers at the expense of our shared future? I invite your thoughts on how we would approach fiscal policy with Peak Oil in mind.



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