OBAMA IN MINNESOTA

"We don't estimate speeches," responded Douglas Elmendorf, director of the Congressional Budget Office, when asked why CBO hadn't prepared a detailed analysis of President Barack Obama's proposed budget.

Mr. Elmendorf's quip illustrates how unserious Mr. Obama has been in the fiscal crisis. He is the first president since CBO was established in 1974 to fail to provide enough detail for CBO to "score" his budget plan.

Mr. Obama isn't alone in what is, literally, criminal irresponsibility. It's been more than two years since Senate Democrats have produced a budget, which the majority party is required by law to do.

You might consider re-reading that.

"I've bent over backwards to work with Republicans," Mr. Obama said in his news conference Monday (7/11) on negotiations to raise the ceiling on the national debt.

Senate Republican Leader Mitch McConnell disagrees. "The president has presented us with three choices: smoke and mirrors, tax hikes, or default. Republicans choose none of the above."

Mr. Obama's aides told reporters he'd offered to trim spending by $1.7 trillion over the next ten years in exchange for tax increases.

That $1.7 trillion consists mostly of phantom cuts - "fairy dust" is what Rep. Allen West (R-FL) calls them. The Democrats' plan would trim just $2 billion from the president's spending plans for next year, the director of the Office of Management and Budget told Sen. McConnell. That's less than one tenth of one percent of what is needed to prevent financial catastrophe, Republicans think.

Here's why Republicans are worried. In 2001, the national debt was $5.95 trillion. By the time Barack Obama took office it nearly doubled -- to $11 trillion -- and is $14.34 trillion now, a 141 percent increase in just ten years. The U.S. issued more debt last year than all the rest of the world's governments combined.

The Treasury Department announced Wednesday (7/13) the budget deficit this fiscal year will exceed last year's $1.29 trillion deficit. If we keep spending money we don't have at the rate President Obama's been spending it, the national debt will double again by 2022. Interest on the debt will be the largest federal expenditure. Interest payments and entitlement programs -- if unreformed -- will consume all but eight cents of every dollar the government spends.

You'd think these numbers would frighten Democrats, too, but they want to go on spending as usual. Hence the impasse over the debt ceiling.

He couldn't guarantee Social Security checks would go out if the debt ceiling isn't raised by Aug. 2nd, Mr. Obama told Scott Pelley of CBS Tuesday (7/12).

That's a lie. If the debt ceiling isn't raised, Treasury won't be able to borrow more money. But current tax revenues are more than enough to make interest payments on debt already issued; to pay Social Security, Medicare, Medicaid and veterans' benefits, and to cover the wages and insurance benefits of federal employees, Treasury says. So there would be no default, nor any hardship to people dependent upon government checks, unless President Obama deliberately chooses to inflict such pain.

Mr. Obama is holding a gun to grandma's head to try to buffalo Republicans into acceding to real tax increases in exchange for phantom fairy dust budget cuts. But the debt crisis is entirely a product of too much spending.

In addition to the $862 billion Mr. Obama spent on a stimulus that didn't stimulate, and a $1.4 trillion price tag (over ten years) for Obamacare, the president has raised discretionary nondefense spending 24 percent. The federal government now consumes 24 percent of the gross domestic product, the highest burden ever except for World War II. (Since 1903, federal spending has averaged a hair over 20 percent of GDP).

Federal spending hasn't been reduced since FY1965 when it was $300 million lower than the year before. Even under the budget proposed by Rep. Paul Ryan, R-WI, which Democrats have described as "draconian," spending would rise by nearly $40 trillion over the next ten years.

When politicians talk about spending "cuts," what they really mean is slowing the rate of growth.

Since World War II, federal tax revenues have averaged 18 percent of GDP. Income tax rates varied widely during this period, and there were both booms and busts. But tax revenues never exceeded 20.6 percent of GDP. That seems to be a ceiling, and it suggests the budget cannot be balanced unless spending is held to no more than 20 percent of GDP.

Few in the "mainstream" media make note of these facts, which is why Mr. Obama figures he can lie brazenly and get away with it. Journalists have his back.

The president has good reason to feel confident, according to a Quinnipiac poll released today (7/14). It indicated that if the debt ceiling is not raised, 48 percent of voters will blame Republicans, only 34 percent will blame Mr. Obama.

That won't last in the wake of the snit fit Mr. Obama threw yesterday (7/13), thinks Conn Carroll of the Washington Examiner. The president stormed out of a meeting after telling Rep. Eric Cantor, R-VA, the House Majority Whip: "don't call my bluff."

"Up until now, the liberal media has been dutifully playing along with the preferred White House script that Obama is the ‘adult in the room,' far above Washington politics," Mr. Carroll said. "But at some point the facts will make it impossible to play along."

"It's one thing to try to act like an adult in the room, but when you try to act like the only adult in the room by holding your breath and stomping your feet, your cover's been blown," agreed columnist John Ransom.

Commentary magazine editor John Podhoretz isn't so sure. "At some point, those who believe it will be acceptable to go to August 3 without an increase in the debt limit are going to have to reckon with the fact there are no data points supporting their beliefs," he said.

Yet... "After years of discussions and months of negotiations, I have little question that as long as this president is in the Oval Office, a real solution is unattainable," Sen. McConnell said. All conservatives can agree on that.

This being so, how should Republicans proceed?

Sen. McConnell's Plan B was to punt. He offered a baroque, possibly unconstitutional plan that would, in effect, permit President Obama to raise the debt ceiling unilaterally. It drew praise mostly from Democrats, hysterical criticism from some conservatives.

Though the plan Sen. McConnell offered was flawed, the strategic reasoning behind it isn't. He recognizes that whatever the facts happen to be, Republicans almost certainly will be blamed if there is a government shutdown. The presidency is a "bully pulpit," as Teddy Roosevelt said -- maybe especially when the president is a bully. And if they can get away with it, the "mainstream" media will tell only Mr. Obama's side of the story.

Sen. McConnell understands there can be no meaningful reduction in spending as long as Mr. Obama is president, so removing him from office should be what I called the "*schwerpunkt*" (decisive point) at the Las Vegas TTP Rendezvous last May. Republicans should do nothing now to jeopardize their chances of doing that in 2012.

Those on the right who have attacked Sen. McConnell as a "RINO" who advocates "preemptive surrender" should remember there is a reason why the punt is used so often in football. If you punt carefully and well, you can get your team out of a corner, improve your field position, and put your team in position to score. Recall that a tactical retreat is very different from a surrender.

But when Sen. McConnell punted, the ball went off the side of his foot and out of bounds behind the line of scrimmage. And he was punting on third down.

So what should Republicans do? How about looking at Minnesota?

I wrote earlier this week about how Minnesota Gov. Mark Dayton had provoked a budget shutdown in the Gopher state, expecting he could blame Republicans for it, but things weren't working out as he had planned.

Fox 9 in St. Paul reported today Mr. Dayton has folded like a cardboard suitcase.

"Despite my serious reservations about your plan, I have concluded that continuing the state government shutdown would be even more destructive for too many Minnesotans," the governor wrote to the GOP leaders in the legislature.

Mr. Dayton's spine resembles a wet noodle. But I doubt that Zero's is made of sterner stuff. As Conn Carroll at the Washington Examiner, among others, is now asking: Dayton Caves, Can Obama Be Far Behind?

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