

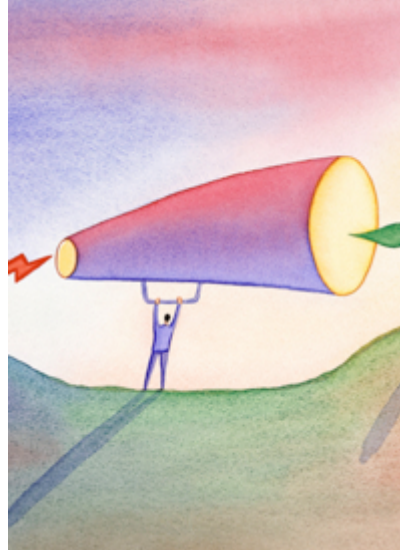


Written by [Thomas R. Eddlem](#) on July 7, 2011

Obama Interpreted: Unlimited Debt Increases, Ignore Rand Paul Budget

Obama: Now, I've heard reports that there may be some in Congress who want to do just enough to make sure that America avoids defaulting on our debt in the short term, but then wants to kick the can down the road when it comes to solving the larger problem of our deficit.

Obama interpreted: Here, by "the larger problem of our deficit," Obama means that Congress is thinking about passing only a one-year increase of the national debt, or shorter, and not the unlimited increase Obama demands that would take the nation to beyond the next election in 2012. That's what he means by kicking the can down the road: another pesky congressional vote before the 2012 general election.



Obama: I believe that right now we've got a unique opportunity to do something big to tackle our deficit in a way that forces our government to live within its means.

Obama interpreted: A "government that lives within its means" to Obama means giving the federal government an unlimited credit line and the ability to continue racking up record deficits into the indefinite future, without any of those pesky congressional votes on raising the debt limit before his reelection. This, of course, is hardly what most of the American people would consider the government living within its means.

Obama: Most of us already agree that to truly solve our deficit problem, we need to find trillions in savings over the next decade, and significantly more in the decades that follow. That's what the bipartisan fiscal commission said, that's the amount that I put forward in the framework I announced a few months ago, and that's around the same amount that Republicans have put forward in their own plans. And that's the kind of substantial progress that we should be aiming for here.

Obama interpreted: Obama's plan for nearly trillion-dollar deficits forever though closely matched by the Republican establishment proposal was not the only proposal out there. Tea Party favorite Senator Rand Paul of Kentucky offered a true [balanced budget proposal](#), one that includes no tax increases, lots of spending cuts and balances the budget within five years. Paul proposed cutting foreign aid, farm subsidies, eliminating the Departments of Commerce, HUD, Energy and Education, and most importantly cutting U.S. foreign troop deployments abroad. But the "substantial progress" Obama is striving for is making endless deficits much easier past the next election. That's why Rand Paul's budget proposal must be ignored and "most of us agree" (meaning most of the people in Washington, D.C.) that spending, taxes, and deficits must continue to grow.

Obama: To get there, I believe we need a balanced approach. We need to take on spending in domestic



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programs, in defense programs, in entitlement programs, and we need to take on spending in the tax code spending on certain tax breaks and deductions for the wealthiest of Americans.

Obama interpreted: Government “spending in the tax code” (i.e., letting the American people keep their own money) is too high; therefore, taxes must be raised. Obama deems the target of his taxes to be the “wealthiest of Americans,” but he has also increased taxes on the poorest of Americans as well, by signing one of the largest [increases in tobacco taxes](#) (used disproportionately by the poor) and by allowing the Federal Reserve Bank to accelerate its [inflation tax](#) on the poor and middle class. All actual government spending is termed “investment.” The balance Obama’s talking about is about spending increases and tax increases.

Obama: This will require both parties to get out of our comfort zones, and both parties to agree on real compromise. I’m ready to do that. I believe there are enough people in each party that are willing to do that.

Obama interpreted: When Obama says that there are enough people in both parties willing to get this done, he’s probably right. The Republican Party is still not dominated by Tea Party-types who would demand real spending cuts.

Obama: I’ve asked leaders of both parties and both houses of Congress to come here to the White House on Thursday so that we can build on the work that’s been done and drive towards a final agreement. It is my hope that everybody is going to leave their political ultimatums at the door, everyone will leave their political rhetoric at the door, and that we’re going to do what’s best for our economy and what’s best for our people.

Obama interpreted: Obama plans to have congressional leaders up Pennsylvania Avenue to browbeat them into submission, and will brook no talk from Republicans about actually balancing the budget or demanding real spending cuts in exchange for an increase in the statutory debt limit. The “best for our economy” and for our people, Obama says, is that the nation continues an unchecked descent into Greek-style debt and eventual bankruptcy.



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