



Written by [Wallis W. Wood](#) on February 27, 2012

Obama's Budget-Busting Baloney

It was full of promises of “fairness,” which to our President and his cronies means taking more money from those who earn it and giving it to those whom they think deserve it. “From each according to his ability, to each according to his need.” Karl Marx said it first.

Obama's budget for the 2013 fiscal year, which begins Oct. 1, calls for total Federal expenditures of \$3.8 trillion. That's a 0.2 percent increase in spending, but somehow the number crunchers claim it includes a ton of reductions.



Of course all those “savings” are just a mirage. You have to understand that in Washington, if you agree to slow the rate of growth of some bureaucracy, you can claim all sorts of credit for reducing the budget.

Funny, but somehow we taxpayers always end up paying more.

For the past four years, the Obama Administration has run a deficit of more than \$1 trillion. That's more than \$4 trillion added to the deficit in just one term — something that has never happened before in our history.

But there's good news for next year — that is, if you accept all of the rosy assumptions the Obama budget contains. If revenues don't go any higher than projected and tax receipts rise as much as predicted, the deficit for Fiscal 2013 will be a mere \$901 billion. Isn't that wonderful?

Of course, the Obama budget calls for higher taxes on “the rich.” That's any individual making more than \$200,000 a year (or any family making more than \$250,000). Obama says it's not “fair” that multimillionaires like Mitt Romney pay only 15 percent in taxes. He conveniently ignores that businesses pay 35 percent of their profits in taxes.

But Obama and his supporters echo the old canard, “Don't confuse me with facts, my mind's already made up.” They want to raise the tax of dividend income for “the rich” to 39.6 percent.

Whenever our greedy, grasping government has tried to raise taxes this much, tax revenues have gone down. You don't need a Ph.D. in economics to predict that it will happen again.

Two other proposals in the Obama budget are probably worth a mention. One is the demand that Congress not extend the Bush tax cuts, which are scheduled to expire at the end of this year. The November elections will decide what happens here. If Republicans gain control of the Senate and the White House, they are almost sure to be renewed. If not, color them gone. This would be a win-win for the Democrats, who would get a tax increase without actually having to vote for one.

The other proposal in the Obama budget getting a lot of publicity is the much ballyhooed “Buffett Rule.” This would require that anyone earning more than \$1 million a year, regardless of the source of the money or the amount of deductions he is entitled to, pay a minimum effective tax rate of 30 percent.



Written by [Wallis W. Wood](#) on February 27, 2012

If the Buffett Rule had been in effect last year, Romney's tax burden would have doubled. So would Warren Buffett's, I assume. But in Buffett's case, so what? Consider how much money he's already made from government intervention in the marketplace, another \$7 million in taxes would seem like a very cheap price to pay.

Remember Buffett's investment in Goldman Sachs? His holding company, Berkshire Hathaway, has already pocketed about \$1 billion from that one deal. And it was all made possible thanks to a government-financed bailout. Not exactly free enterprise at work.

Interestingly enough, it looks as though Buffett's next acquisition may also be found dining at the government trough. Here are three companies he expressed an interest in last year:

- **Energy producer Exelon Corp.**, which has numerous ties to the Obama Administration.
- * **General Dynamics Corp.**, which is the world's fifth-largest defense company, thanks almost entirely to its deals with Uncle Sam.
- * **Archer Daniel Midland Co.**, the giant agriculture concern, which profits enormously from government subsidies for ethanol, corn syrup and many of its exports.

Take away the sweetheart deals all of these companies have with Uncle Sam, and their stock prices would collapse overnight. They would disappear from Buffett's buy list in the blink of an eye.

Those are some of the things that are wrong with the budget Obama submitted. Can I say anything good about it?

Yes. There isn't a hope in Hades that it will be approved.

Last year, when the Senate finally agreed to vote on Obama's budget for fiscal year 2012, not a single Senator voted in favor of it. The \$1.3 trillion measure was rejected 0-97. This year's campaign document — I mean budget — won't fare much better.

If the Senate won't pass Obama's budget, what are the chances they will come up with one of their own? After all, they're required by law to do so, aren't they?

Well, the Senate hasn't passed a budget resolution for the past three years. Why should this year be any different? After all, if the Senate actually puts something down in writing, the Senators will have to defend it in the fall elections. Who can blame them for wanting to avoid that?

Senate Majority Leader Harry Reid said last year, "It would be foolish for us to do a budget at this stage." We'll soon find out if he feels any differently this year.

It seems like the plan continues to be "spend and spend, tax and tax, elect and elect." That's been the strategy of the big spenders in Washington since it was first enunciated by Harry Hopkins, back in the early days of Franklin Delano Roosevelt's reign. I'm sure Obama sees no reason to change it now.

If we can't change the plan, then we've got to change the planners. What are you doing to make that happen?

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his *Straight Talk* column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



Subscribe to the New American

Get exclusive digital access to the most informative,
non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



Subscribe

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.