



Debt Deal: Not Even a Pyrrhic Victory for Republicans

That seems to be the pained reaction of the Obama administration to the financial woes that led to the downgrading of America's credit rating, for the first time in history.

There are people who see no connection between what they have done and the consequences that follow. But Barack Obama is not likely to be one of them. He is a savvy politician who will undoubtedly be satisfied if enough voters fail to see a connection between what he has done and the consequences that followed.

To a remarkable extent, he has succeeded, with the help of his friends in the media and the Republicans' failure to articulate their case. Polls find more people blaming the Republicans for the financial crisis than are blaming the President.



Why was there a financial crisis in the first place? Because of runaway spending that sent the national debt up against the legal limit. But when all the big spending bills were being rushed through Congress, the Democrats had such an overwhelming majority in both houses of Congress that nothing the Republicans could do made the slightest difference.

Yet polls show that many people today are blaming the Republicans for the country's financial problems. But, by the time Republicans gained control of the House of Representatives, and thus became involved in negotiations over raising the national debt ceiling, the spending which caused that crisis in the first place had already been done — and done by Democrats.

Had the Republicans gone along with President Obama's original request for a "clean" bill — one simply raising the debt ceiling without any provisions about controlling federal spending — would that have spared the country the embarrassment of having its government bonds downgraded by Standard & Poor's credit-rating agency?

To believe that would be to believe that it was the debt ceiling, rather than the runaway spending, that made Standard & Poor's think that we were no longer as good a credit risk for buyers of U.S. government bonds. In other words, to believe that is to believe that a congressional blank check for continued record spending would have made Standard & Poor's think that we were a better credit risk.

If that is true, then why is Standard & Poor's still warning that it might have to downgrade America's credit rating yet again? Is that because of the national debt ceiling or because of the likelihood of continued runaway spending?

The national debt ceiling is just one of the many false assurances that the government gives the voting public. The national debt ceiling has never actually stopped the spending that causes the national debt to rise to the point where it is getting near that ceiling. The ceiling simply gets raised when that



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happens.

Just a week before the budget deal was made at the eleventh hour, it looked like the new Republican majority in the House of Representatives had scored a victory by getting the President and the Congressional Democrats to give up the idea of raising the tax rates — and to cut spending instead. But now that the details are coming out, that “victory” looks very temporary, if not illusory.

The price of getting that deal has been having the Republicans agree to sitting on a special bipartisan Congressional committee that will either come to an agreement on spending cuts before Thanksgiving or have the budgets of both the Defense Department and Medicare cut drastically.

Since neither side can afford to be blamed for a disaster like that, this virtually guarantees that the Republicans will have to either go along with whatever new spending and taxing that the Democrats demand or risk losing the 2012 election by sharing the blame for another financial disaster.

In short, the Republicans have now been maneuvered into being held responsible for the spending orgy that Democrats alone had the votes to create. Republicans have been had — and so has the country. The recent, short-lived budget deal turns out to be not even a Pyrrhic victory for the Republicans. It has the earmarks of a Pyrrhic defeat.

To find out more about Thomas Sowell and read features by other Creators Syndicate columnists and cartoonists, visit the Creators Syndicate Web page at www.creators.com. Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University, Stanford, CA 94305. His website is www.tsowell.com.

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