



Republicans Reveal Next Stopgap Proposal

With the federal government funded through Friday, April 8, the latest measure proves to be "more aggressive" than previous continuing resolutions, with a \$12 billion spending cut proposal for a single week. The resolution also secures Pentagon funding for the rest of the year.

Fox News reports:

Such a measure would be remarkable, were it to pass the GOP-controlled House, given that some of the party's most conservative members have moved to vote against any more stopgap measures. But even if the House passes the plan before the current spending measure expires after Friday, it is unclear whether Democrats who control the Senate will get on board.



President Obama decided to enter the spending debate, and invited House Speaker John Boehner and Senate Majority Leader Harry Reid to meet this morning in order to reach an agreement. Unfortunately, a budget deal was not been struck.

"While there was a good discussion, no agreement was reached," said Boehner.

Prior to the White House meeting, Republicans needled the debate a bit further by unveiling a 2012 budget blueprint that purports to cut federal spending by \$6.2 trillion over 10 years (compared to Obama's 2012 budget proposal), cuts the top corporate tax rate to 25 percent, and overhauls the Medicare program. Compared to current policy levels, the 2012 GOP proposal cuts spending by \$5.8 trillion.

President Obama's 2011 budget, sent to Congress in February, was \$3.7 trillion, prompting Republicans to criticize spending in areas like renewable energy and infrastructure. The budget was predicted to record a \$1.6 trillion budget deficit.

Market Watch notes:

The GOP budget lands in the middle of an intense debate about government spending and debt, and comes a day after Obama announced his 2012 re-election bid. By presenting a plan to lock in spending cuts, replace Obama's healthcare law and allow new Medicare beneficiaries to choose private plans, Republicans say they're leading where the president has failed.

Called "The Path to Prosperity," Representative Paul Ryan's plan states, "This budget helps spur job creation today, stops spending money the government doesn't have, and lifts the crushing burden of debt."

While the plan would likely pass with ease in the House, it will surely face opposition in the Senate,



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serving as a backdrop for the 2012 elections.

Democrats have already seized the opportunity to criticize Paul Ryan's plan, taking particular shots at the plan's treatment of Medicare and Medicaid. Beginning in 2022, newly retiring seniors will no longer have access to government-run Medicare, but will instead choose from privately run insurance plans. As far as Medicaid, Ryan's plan converts the program into a block grant for states.

House Democratic Leader Nancy Pelosi issued a statement on the proposal. "The American people won't be fooled by your rhetoric, Mr. Chairman. The GOP budget eliminates guaranteed benefits for seniors under Medicare and slashes support for seniors, children, and Americans with disabilities on Medicaid."

Meanwhile, Republicans are hoping to vote this week on a final budget for the remainder of the 2011 fiscal year, which ends on September 30. In the meantime, however, Republicans are hoping to pass the newest stopgap measure as "a potential third option."

While White House spokesman Jay Carney believes a government shutdown will be avoided, Boehner has admitted that the disagreements over how much spending to cut remain contentious. Boehner has charged the White House and Democrats with touting phony budget cuts.

"Despite attempts by Democrats to lock in a number among themselves, I've made clear that their \$33 billion is not enough and many of the cuts that the White House and Senate Democrats are talking about are full of smoke and mirrors," Boehner remarked in a statement. "That's unacceptable."

Fox News cites examples of the budget trickery:

Democratic officials knowledgeable about the proposals said the administration's ideas including taking unused money from federal highway programs and leftover funds from a program providing health care to middle-class families. Both ideas count in congressional budget terms as savings that could be used to pay for spending elsewhere in the day-to-day budgets of domestic agencies, but their practical effect is nil.

The deception has not solely been limited to the Democratic Party, however. Republicans have also touted \$5 billion in "questionable savings."

While debate continues over both the 2011 and 2012 budgets, lawmakers will soon turn their attention to the debt ceiling, expected to be reached by May 16. Many Congressmen have declared that they will not raise to increase the debt ceiling unless an increase is tied to serious budget cuts.





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