



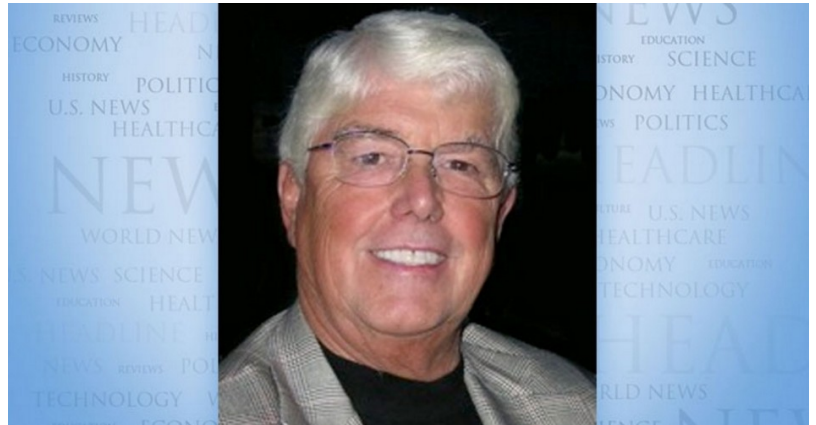
Written by [Wallis W. Wood](#) on February 23, 2013

Let's Call Obama's Bluff

The Chicken Littles in Washington are sure having conniptions over the thought of having to make some spending cuts, aren't they?

"Sequestration" has become the new scare word, with the White House and its allies using language like "doomsday," "deeply destructive," "irresponsible" and "catastrophic."

President Barack Obama sounded the alarm over sequestration in his State of the Union [speech](#). "These sudden, harsh, arbitrary cuts," he declared, "... would certainly slow our recovery, and cost us hundreds of thousands of jobs."



Pardon me while I inject a little reality into this picture.

First of all, there is nothing "sudden" about this so-called crisis. It's been staring us in the face for the past 18 months. And it was the White House, not Republicans in Congress, who first came up with the idea.

Back in the summer of 2011, Obama's team made the proposal for mandatory spending cuts as part of the debt-ceiling negotiations. The Administration insisted that the cuts be divided between defense spending and domestic programs, no doubt assuming that the Republicans would never permit hundreds of billions of dollars to be removed from the Pentagon's budget.

So far, Obama's team has lost that bet. It seems that the Republicans who control the House of Representatives believe that sequestration is the only way to force some spending cuts on the Federal behemoth, so they are willing to let it happen.

I couldn't agree with them more. During the last big tax-cut battle, doing nothing meant raising taxes for everyone. The Republicans got what they thought was the best possible compromise in the New Year's Day fiscal cliff deal. The bargain retained the George W. Bush-era tax cuts for all but families earning \$450,000 a year or more.

But today, doing nothing means that some spending cuts will be enacted. Since a majority of Congress seems to be incapable of agreeing on *any* plan to cut spending, how else is it going to happen?

After all, Obama, Senate Majority Leader Harry Reid and House Minority Leader Nancy Pelosi all proclaim that we don't have a spending problem in this country. What's even more amazing is that they can say it with a straight face — and without their noses growing several inches longer.

That's why I urge Republicans to call Obama's bluff. Let sequestration begin on March 1. Ignore the dire threats and howls of outrage. Instead, let's take the first small step toward living within our means.

That said, I have to agree with [Charles Krauthammer](#), the popular FOX News commentator, who had this to say:



Written by [Wallis W. Wood](#) on February 23, 2013

Of course, the sequester is terrible policy. The domestic cuts will be crude and the Pentagon cuts damaging. This is why the Republican House has twice passed bills offering more rationally allocated cuts. (They curb, for example, entitlement spending as well.)

Naturally, the Democratic Senate, which hasn't passed a budget since before the iPad, has done nothing. Nor has the president — until his Tuesday plea.

Well, it wasn't so much a plea as it was a threat. Of course, the powers that be will do everything they can to make the consequences of sequestration seem truly dreadful. We'll hear horror story after horror story about vital services being slashed. Don't believe a word of it, folks. That's just how the game is played. Before you buy into all of the bullhockey about all of the horrors that will ensue, please consider a few facts.

We are talking about minuscule reductions in the Federal budget. The deal is supposed to reduce federal spending by \$1.2 trillion over the next 10 years. But thanks to the compromise Congress made last month to raise the debt ceiling, the actual cuts this year will be just \$85 billion. And they may be even lower than that trivial amount. Given a federal budget this year of \$3.6 trillion, we're talking about a measly 2.36 percent reduction.

Guess what? Even if every nickel of those cuts takes place, the Federal behemoth will still spend more money this year than it did last year. And please keep in mind that even with the \$600 billion in tax increases Obama got last month, we will still need to borrow over \$1 trillion this year so Uncle Sam can keep writing all of those checks.

[The American Thinker](#) reported:

While the nation's growth rate has been stagnant, spending by governments at all levels has increased dramatically from \$4.9 trillion in 2007 to [\\$6.2 trillion](#) in 2012, a jump of 26.5% which is driven entirely by the federal government as it has increased its spending by nearly 41% over this period. This has resulted in the total national debt rising from \$9.2 trillion at the beginning of January 2008 to [\\$16.45 trillion](#) as of today. (a staggering 79% increase).

By the way, it isn't just the "poor" who have reaped the benefits of all this increased spending, reports [Gary D. Halbert](#). According to the Bureau of Economic Analysis, by 2011 (the last year for which numbers were available), the average total compensation for federal government employees was \$126,200. By comparison, the average total compensation for workers in the private sector was less than half that amount.

That's right; while government employees on average were pulling in \$126,200 a year, the average free-enterprise employee earned just \$62,100.

And here's another statistic I found even more shocking. From 2007 until 2011, the average net worth of all American households fell by nearly 40 percent. Look at that number again. It's a four followed by a zero. There's no decimal point in there.

Most of that horrendous decline was due to the devastating collapse in home prices. But the average household income is also down sharply, falling from \$54,489 in 2007 to \$50,054 in January 2012. We're getting poorer fast, folks.

The bottom line is that the past four years of Obama's Presidency have marked the worst period of



Written by [Wallis W. Wood](#) on February 23, 2013

economic growth for this country since the beginning of the Great Depression. Fewer of us are working (some 3 million fewer than when Obama took office). We're earning less, saving less and worth less.

Faced with this record of economic disaster, the Democrats want to do more of what's gotten us in this mess in the first place. They want to spend more, borrow more and tax more.

I'm in favor of doing anything that's legal, moral and ethical to slow them down. As far as I can see, the sequestration, while far from ideal, qualifies on all three. So I say, bring it on.

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.



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.

Subscribe