

Budget "Compromise" Would Increase Deficit From 1.29T to 1.58T

The one-week measure, H.R. 1363, which would fund the Department of Defense through the end of the year and the rest of the federal government for one week, passed the Senate by voice vote. The House passed the measure <u>338-70</u>, with 28 House Republicans and 42 Democrats voting no. If the compromise becomes law, the federal government would spend \$284 billion more in fiscal 2011 than in 2010. In the minds of most people, that would qualify as a spending *increase*. But because the compromise proposal calls for spending \$78.5 billion less than the President's budget request, the compromise proposal is viewed as a cut in the political lexicon that holds sway in Washington, D.C.

The final "compromise" deal still must pass the House and Senate and win the signature of President Obama to be enacted.

Fox News termed the budget compromise a "victory" for the Republicans in general and John Boehner in particular. But House Republican deficit hawks expressed dismay at the GOP leadership for agreeing to larger deficits and winning so few concessions from the Obama administration. "The House of Representatives would like to move toward a \$0 deficit," freshman Representative Justin Amash (R-Mich.) wrote in a statement on his congressional website. "We agreed to compromise at a deficit of \$1.58 trillion — giving the other side 96 percent of what they want." Amash, one of the 28 Republicans who voted against H.R. 1363, wrote on his Facebook page that he "voted no on a motion to concur in the Senate amendment to H R 1363. The substitute, which we received at midnight, is riddled in cross references. It keeps the government operating through April 15 and cuts an additional \$2 billion. This extension paves the way for a deal that will reduce the size of the federal government by 1%. Pray for our country."

On the Senate side, Tea Party champion Senator Rand Paul (R- Ky.) also voted against the measure because "it does not set us on a path to fixing the spending and debt problems our country is facing. As I have said before, there is not much of a difference between a \$1.5 trillion deficit and a \$1.6 trillion deficit — both will lead us to a debt crisis that we may not recover from."

But establishment figures in both parties touted the "cuts" in the bill as major achievements. "We have agreed to an historic amount of cuts for the remainder of this fiscal year, as well as a short-term bridge that will give us time to avoid a shutdown while we get that agreement through both houses and to the President. We will cut \$78.5 billion below the President's 2011 budget proposal, and we have reached an agreement on the policy riders," Senate Majority Leader Harry Reid and House Speaker John







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Boehner said in a joint statement, referring to a disagreement over whether health care payments in the District of Columbia could go to abortion providers. Negotiators <u>reportedly agreed</u> to hold up-or-down votes on the final bill about funding for abortion providers and Obama's health care initiative approved last year.

President Obama agreed with Boehner and Reid, telling the nation in a press conference:

This is an agreement to invest in our country's future while making the largest annual spending cut in our history. Like any compromise, this required everyone to give ground on issues that were important to them. I certainly did. Some of the cuts we agreed to will be painful — programs people rely on will be cut back; needed infrastructure projects will be delayed. And I would not have made these cuts in better circumstances. But we also prevented this important debate from being overtaken by politics and unrelated disagreements on social issues. And beginning to live within our means is the only way to protect the investments that will help America compete for new jobs — investments in our kids' education and student loans; in clean energy and life-saving medical research.

The clash between Obama and congressional leadership and deficit hawks led by the Tea Party movement is bound to continue, as establishment figures keep approving ever-increasing budget deficits against the wishes of Tea Party advocates. The budget battle in the coming week is but a preview of the statutory debt limit battle that must take place <u>before May 16</u> and the coming battle over the fiscal 2012 budget (a fiscal year that begins on October 1).



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