



Written by [Raven Clabough](#) on February 16, 2011

Obama's Proposed Budget a Slap in the Face of the Deficit

Simply stated, President Obama's proposed budget not only neglects the plaguing economic crisis facing the nation, but is a virtual insult to the American intelligence. The proposed \$3.73 trillion budget is greater than the combined Gross Domestic Products of France, Italy, and Ireland and will serve as the biggest one year debt jump in the history of mankind, \$2 trillion.



On Tuesday, February 15, President Obama said this of his budget proposal: What my budget does is put forward some tough choices and significant spending cuts so that by the middle of this decade, our annual spending will match our annual revenues. We will not be adding more to the national debt.

Unfortunately, the numbers tell otherwise. According to Fox News conservative pundit Glenn Beck, one need not look passed page 171 of Obamas budget to find the truth:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Receipts	2,163	2,174	2,627	3,003	3,333	3,583	3,819	4,042	4,257	4,473	4,686
Outlays	3,456	3,819	3,729	3,771	3,977	4,190	4,468	4,669	4,876	5,154	5,422
Deficit	1,293	1,645	1,101	768	645	607	649	627	619	681	735

The budget continues to show deficits through the year 2020, prompting Beck to remark, Mr. President, I may be missing something or youre just, oh whats that old fashioned word lying.

Obama attempted to explain away the discrepancies by asserting that his budget did not include the interest on the debt.

Here I thought we were being honest. Isnt it great when you can just not count an entire category. But even if you do that, still a deficit every year, said Beck.

Meanwhile, the deficit continues to have a marked impact on the American taxpayer. Experts predict that the new luxury item in America will be orange juice. The British *Telegraph* reports, Experts predicted factory prices could rise by as much as 80 percent for orange juice and 60 percent for apple juice in 2011.

It adds:

The Office for National Statistics has calculated that inflation, based on the Consumer Prices Index, increased from 3.3 per cent in November to 3.7 per cent in December, with food prices driving much of this jump. Food increased in price by 6.1 per cent during last year, with butter, fruit, lamb, tea and juices particularly badly hit.



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Inflation, combined with cold weather in Florida and China, have increased the cost of orange and apple juice dramatically. As a result, Richard Hall, chairman of food consultancy Zenith International, indicates, Pricing for orange and apple juice this year could see the most radical change.

Inflation has also impacted a number of other staple items, as observed by Glenn Beck on his February 15 episode of the Glenn Beck program:

6 month price percentage moves

- Cotton: + 125.7 percent
- Sugar: +82.9 percent
- Corn: + 59 percent
- Coffee: +41.4 percent
- Rice: +40.5 percent
- Oats: +36.6 percent
- Copper: + 36.1 percent
- Lumber: + 33.8 percent
- Oil: + 25.1 percent

At the same time inflation has increased the cost of these items, the American dollar has dropped in value by 6 percent.

To boot, the United States is now the number one buyer of its own debt. According to AboveTopSecret.com, the Federal Reserve and other U.S. Intragovernmental Holdings owns \$4.806 trillion of the United States debt. To the surprise of most, China is actually the third largest holder, owning \$739 billion of the debt.

But apparently theres hopeor, maybe not.

Obama has promised to cut \$1 trillion in spending over the next 10 years. That is an average of \$100 billion every year.

To put that figure into perspective, the figure is that of two of President Obamas proposed high-speed trains systems and just Californias pension losses.

In other words, in the scope of the entire budget, \$100 billion per year is peanuts, particularly as Obamas budget also projects that the interest on our debt as a percentage of GDP will triple to an all-time high of 554 billion by the middle of the decade.

In addition to these staggering figures, one must also consider the current low interest rates for Americas investors. Beck notes:

Will our low level interest rates stay low for the next ten years? Chinas just like I cant get enough of investing in America. Any sensible person says No, I dont think theyre going to stay this low. Considering the amount of the interest payment, if it goes up, and our percentage of income just stays flat, you either default or you need to make more money.

Nevertheless, the proposed 2012 budget fails to make cuts where they count. For example, the amount of money allocated to Health and Human Services, which funds Medicare and Medicaid, is \$ 1.1 trillion. Likewise, \$808 billion has been allocated to Social Security. Without cutting spending in these areas, the federal government can go as far as eliminate the Department of Education, which costs \$31 billion, and the Department of Energy, \$11 billion, without so much as making a dent in the budget.



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This week, the *New York Times* added an interactive online tool that allows its readers to make their own budget cuts. The explanation for the game reads:

Today, youre in charge of the nations finances. Some of your options have more short-term savings and some have more long-term savings. When you have closed the budget gaps for both 2015 and 2030, you are done.

Readers are provided a number of options, ranging from cutting foreign aid in half to increasing the Medicare eligibility age to 70.

Players of the game will find the unfortunate truth: Without making major changes to healthcare and social security, or without significant tax increases, little to no progress is made.

Even Italian Prime Minister Silvio Berlusconi, when running for president of the European Commission, had to admit, With taxes that are too high, it is morally acceptable to evade them. How can it be moral for government to force people to hand over their wealth, their property, their hard-earned income at any level?

So what does that leave?

Beck said it best: Its time we put the scalpel away and get out the machete. Id use a machete, or an ax, or a flame thrower if I had to, because everything needs to be cut.

Photo: In this photo taken Feb. 10, 2011, the 2012 budget is on display at the U.S. Government Printing Office at Washington.: AP Images



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