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POLITICAL NEWS

Morning Examiner: The Tea Party is winning

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There are many in the Tea Party who will be disappointed today if Speaker John Boehner's, R-Ohio, bill to raise the debt limit passes the House. They have every right to be. Conservative activists have fought hard to keep moderate Republicans from caving in, raising taxes, and giving President Obama a "Grand Bargain" on the debt that would have legitimized Obamacare forever.

But that Grand Bargain is dead. Tax hikes are off the table. In fact, the leader of the Democratically controlled Senate is now competing with House Republicans on who can cut the most spending. This is already tremendous victory for the Tea Party and the conservative movement.

No, Tea Party activists did not get everything they wanted. A Balanced Budget Amendment will not be sent to the states. But that was never going to happen anyway ... at least not the version of the BBA that Tea Party activists would have liked. No Democrat would ever have voted for a BBA that required a two-thirds majority for a tax hike the way Cut, Cap, and, Balance required.

This is not the first time the Tea Party has had to realize the limits of their current reach. After Republicans took over the House, they quickly repealed Obamacare but the effort quickly died in the Senate. Republicans simply do not have the votes in that body to get things like a BBA or the repeal of Obamacare through. But this is how the Framers of the Constitution intended it. They did not want one election victory to enable a whole sale change in policy. Instead of directing their anger at fellow conservatives and other Republicans, the Tea Party should channel their energy to 2012.

Among the Bigs

The Washington Examiner, [Boehner touts new CBO score](#): Speaker John Boehner's, R-Ohio, second attempt to secure a big spending cut number from the CBO was successful. It cuts spending by \$22 billion in 2012 and cuts the deficit by \$915 billion by 2021.

The Wall Street Journal, [Markets Swoon on Debt Fear](#): The Dow Jones fell 198.75 points yesterday. The daily decline was the fourth straight, leaving the Dow down 3.3% since Friday and on pace for its worst week since August 2010.

The Washington Examiner, [A credit downgrade could haunt Obama](#): Credit rating agency Standard and Poor's said earlier this month a downgrade of the United States AAA credit rating was possible if a \$4 trillion debt deal was not reached. Since none of the current plan on Capitol Hill reaches that total, how much blame will Obama receive if a downgrade happens: "Presidents bear most of the blame for that type of thing. If someone gets laid off, they don't think back to the process that got them there. He's the economic steward," Cato Institute's Mark Calabria tells The Examiner.

The New York Times, [President on Sidelines in Critical Battle Over Debt Ceiling](#): "I don't think a president is ever completely helpless, but having said that, my interpretation of the nationally televised address that he gave was that he had no arrows left in his quiver," Bill Galston, a former Clinton administration official and now a senior fellow at the Brookings Institution, tells The Times. "If he'd had another card to play, that was surely the time to play it. He's the ultimate decider but, on the other hand, I think his capacity to shape what gets to his desk has been substantially reduced."

The Hill, [Dem lawmaker: 'Nobody I know' has seen Reid plan](#): Rep. Earl Blumenauer, D-Ore., says Majority Leader Harry Reid, D-Nev., may not have the votes for his debt hike plan: "I'm not going to commit to something that nobody I know has seen and had a chance to analyze. I want to see it."

The Wall Street Journal, [Treasury Crafts a Plan: Who Gets Paid, Who Doesn't](#): Contradicting everything Treasury Secretary Tim Geithner has been saying since January, The Journal reports that the Treasury Department will, in fact, detail how it will prioritize payments if Congress doesn't raise the federal debt ceiling by August 2nd.

The Washington Post, [Reports confirm decelerating economy](#): Two federal government reports out yesterday, the Commerce Department's durable goods report and the Federal Reserve's beige book, both confirm the economy was slowing well before the debt limit fight began. "We had lost momentum even before the debt limit really became a big issue. It's never a good time for something like this, but if we were coming off of six months of 250,000 job growth [per month] we would be much more able to withstand this. The economy does look vulnerable now," James F. O'Sullivan, chief economist at MF Global, tells The Post.

The Wall Street Journal, [Uncle Sam to Pay More of the Tab For Health](#): Spending by federal, state and local governments is expected to account for 49% of all health spending, or \$2.28 trillion, by 2020. In 2010 that number was 45 percent. Obamacare significantly expanded government finance of health care through massive growth in the Medicaid program.

The New York Times, [Republicans Seek Big Cuts in Environmental Rules](#): House Republicans have inserted 39 different measures into separate appropriations designed to curtail environmental regulations. "Many of us think that the overregulation from E.P.A. is at the heart of our stalled economy. I hear it from Democratic members as well," Rep. Mike Simpson, R-Idaho, tells The Post.

Campaign 2012 Cain: Former Godfather Pizza CEO Herman Cain [apologized](#) for saying communities have a right to ban Islamic mosques after meeting with four Muslim leaders in Sterling, Va., Wednesday.

Pawlenty: This Washington Post headline pretty much sums up everything that has gone wrong for former Minnesota Gov. Tim Pawlenty's campaign since the New Hampshire debate: ["Tim Pawlenty struggles to step out of Michele Bachmann's shadow."](#)

Righty Playbook Keith Hennessey [explains](#) why he supports the Boehner debt hike: "I can see no viable alternative strategy to enact a stronger bill."

The Washington Post's Jennifer Rubin [lists](#) ten things that will happen after the Boehner plan passed including "The rap on the Tea Party that it is incapable of governing will be proven false," and "The rap that the Republicans are divided between the Tea Party and everyone else will be disproven as well."

[RedState's](#) Erick Erickson calls Republican support for the Boehner plan ["Our Admiral Ackbar Moment"](#) (its a reference to a scene from Return of the Jedi): "Harry Reid will amend John Boehner's plan and include parts of Reid's own plan that make tax increases even more likely than Boehner's already does. Senate Democrats last night were beginning to talk about adding the Gang of Six's very bad plan to it as well — a trigger that would be engaged should the Democrats then refuse to reform entitlements... Then the Senate Democrats will send John Boehner back his own plan and dare John Boehner to kill his very own proposal."

Lefty Playbook House Democrats [continue](#) to push for Obama to invoke the 14th Amendment and ignore the debt limit entirely.

Paul Krugman [calls](#) the Reid plan, "a huge victory for the right and defeat for progressives."

Despite his failure to protect liberal principles in the debt fight, and despite 9.2 percent unemployment, [The Huffington Post's](#) Sam Stein notes that Obama is faring better among Dem voters than every Democratic president since Truman.

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