



GOP to Obama: Keep Holding America Hostage

By Arnold Ahlert

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A deal ending the government shutdown was [reached](#) late last night when the Republican-controlled House approved a proposed package sent by the Democrat-led Senate. Democratic congressional leaders and pundits everywhere are declaring the event a victory for the president and the Democratic Party, as they claim credit for preventing a mythical government default and stabilizing the market. In reality, the GOP's surrender has only made it seem doubtful that the party can intervene in a serious way to liberate Americans held hostage to the Democratic spending binge. Meanwhile, the Democrats have announced they will not negotiate. They will not be reasoned with. They will except nothing less than complete submission as they rob the public blind and push us toward fiscal oblivion.

To recap, the deal calls for re-opening the government with a stopgap spending bill that runs to January 15. The government's borrowing authority would be extended until at least February 7. It requires both the House and the Senate to name budget negotiators, who will have a December 13 deadline to reach an agreement on a budget for FY2014. And in the one concession granted by Democrats to Republicans, those seeking subsidies under the new healthcare bill will have to have their incomes verified.

That Democrats consider it a concession to require someone to prove his income is low enough to qualify for a taxpayer subsidized insurance premium provides a valuable insight into the progressive view of the free-for-all public trough. Prior to this concession, the Obama administration was willing to [rely](#) on the honor system, and "accept the applicant's attestation [regarding eligibility] without further verification" until 2015. Why wouldn't Democrats be concerned with the possibility of gaming the system? Because as long as that system fosters greater levels of government dependency, Democrats are all for it. And they are for it irrespective of the costs and by inviting people to defraud the government.

However, this small victory of income verification for the GOP pales in comparison to the almost \$17 trillion of national debt that, along with ObamaCare, was the principal driver behind the current shutdown. In Obama's term alone, spending has increased nearly \$6 trillion. Approximately half of every dollar spent by the government is borrowed. At present pace, the debt will exceed \$20 trillion by Obama's last year in office, 2016 (with almost \$10 trillion alone overseen by the president by then). According to a Harvard [study](#), if every working American had to pay off what this nation currently owes, each one would have to come up with \$123,000.

Every *living* American — man, woman and child — would be forced to pony up \$53,000. Already to service the interest on the debt, Americans pay \$237 billion every year, or nearly \$3,000 for every taxpaying household. By 2022, taxpayers will be responsible for \$1 trillion per year in interest alone.

Yet at every turn, congressional Democrats, led by President Obama, have not only defended, but have zealously guarded this status quo. Previous threats of government shutdown have resulted in meaningless reforms at best. The president himself has categorically ignored his bipartisan Simpson-Bowles commission, whose recommendations call for reforms to discretionary spending and budget behemoths Medicare and Social Security. Though the president and Democrats have spent ample time since 2008 engaging in aggressive class warfare political campaigns and calls for spending more and more taxpayer money, they have spent no time championing these reforms, even though the plan calls for raising tax revenue.

Leaving aside the most budget-consuming federal programs, which will take massive political will on both sides to address, the Left has been unwilling to consider reforming even the most absurd examples of government spending insanity. A [study](#) by the Cato Institute confirmed that for a mother and two children enrolled in a typical mix of seven common welfare programs, the median value of that package is \$28,500. Since that value is untaxed, one would have to find a job at a considerably higher salary just to break even. The federal government currently spends \$688 billion funding 126 separate anti-poverty programs of which 72 provide cash or other benefits directly to poor families. From 1965 to 2008, a Heritage Foundation study reveals that the total spent only on means tested welfare for the poor in 2008 dollars had reached nearly \$16 trillion, more than twice what we have spent on every military conflict from the American Revolution through today. And what we have to show for it is a poverty rate that [remains](#) stuck at 15 percent, and a record-breaking 46.5 million Americans mired below the poverty line.

The Democrats' consistent (and only) response to the spending madness has been that the rich need "paid their fair share" and that taxes need to be raised. However, the top 10 percent of taxpayers paid over [70 percent](#) of the total amount collected in federal income taxes in 2010, the last year for which figures are available. The remaining 90 percent accounted for 30 percent of the take, while approximately 47 percent of Americans pay virtually no income taxes at all. [According](#) to the IRS, two percent of Americans earn \$250,000 or more. If Congress taxed them at a rate of 100 percent, it would yield \$1.4 trillion. Confiscating all of the corporate profits from the entire list of Fortune 500 companies would yield another \$400 billion. Confiscating *every bit of wealth* from America's 400 billionaires would yield another \$1.4 trillion. Total take? \$3.2 trillion.

Thus, reality is stark. Absent real and sustained reductions in spending, the middle class will bear an enormous tax increase to bring America back to anything resembling fiscal sanity. That would be the same middle class whose [incomes](#) have declined 4.4 percent since the so-called recovery began in 2009. [Record numbers](#) of Americans are receiving food stamps, and [collecting](#) disability payments, underwritten by working Americans who comprise the [lowest](#) workforce participation rate in 35 years. A staggering 75 percent of jobs created in 2013 were part time. By 2012, the Federal Reserve was buying [61 percent](#) of the government debt issued by the Treasury Department.

Moreover, our last debt ceiling crisis occurred in May of 2011, when we reached a debt limit of \$14.3 trillion. Two years and seven months later, we've hit a new debt ceiling of \$16.7 trillion. In other words, despite all the revenue the federal government has collected in taxes over that same time period, including a [record-setting](#) \$2.47 trillion for 2013, the government has blown through an additional \$2.4 trillion of borrowed money.

Which brings us to late yesterday, when the Senate finally voted 81-18 to essentially raise the debt ceiling yet again, and make sure that yet another gargantuan debt-driving entitlement plan known as ObamaCare—whose original cost estimated has nearly [tripled](#)—remains unscathed. The debt ceiling bit was a clever gambit conceived by Republican Minority Leader Mitch McConnell (R-KY). It allows Congress to disapprove of an increase in a formal vote between now and February 7. If they do, Obama can veto that legislation, thus requiring a two-thirds majority to override that veto—meaning it's a done deal the debt ceiling will be raised. Let the taxpayer money flow.

Thus, we have President Obama and Democrats' "great victory." "The country came to the brink of a disaster," said Sen. Harry Reid. "But in the end, political adversaries set aside their differences and disagreement to prevent that disaster." Rest assured nothing has been prevented, only postponed until a later date — and the disaster is not behind us, but on the horizon.