## Obama fails to include cuts to entitlement spending in budget proposal

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When President Obama released his budget proposal Monday, there were, in the words of budget analyst Tad DeHaven, three "obvious 800-pound gorillas in the room." Even though administration officials <u>described</u> the "tough" choices made on the budget, Obama left Social Security, <u>Medicare</u>, and Medicaid all intact and operating at current spending levels.

"Those are the biggest drivers of long-term problems," lamented DeHaven, who works at the Cato Institute, in an interview with The Daily Caller.

But despite the noise made Monday over the lack of cuts to what have arguably become the three most popular entitlement programs, Congress and the Obama administration are stuck in a game of chicken. With the 2012 election cycle on the horizon, both sides, says DeHaven, are playing politics with the budget.

"The administration today, with their budget, indicates they want Republicans to take the first step," he told TheDC. "It all boils down to politics and it all boils down to the 2012 elections. No one wants to stick their neck out on big entitlement <u>programs</u>."

Brian Riedl, budget analyst at the Heritage Foundation, is just as frustrated. "The president did not even include the recommendations of his own deficit commission," he told TheDC.

"He [Obama] says he refuses to pass the problem on to another generation of Americans," said Riedl. "And this in his budget he did just that and ignored the biggest budget issue of our era."

Early on in his administration, Obama <u>seemed open</u> to addressing Social Security reform. But plans were shelved to make way for a big fight over health care. In his budget proposal, however, he took a different tone.

<u>According</u> to the proposal, Social Security "does not face an immediate crisis and is not driving our short-term deficits or long-term debt."

"Social Security is a solemn commitment to America's seniors that we must preserve," Obama said.

But by not addressing entitlement cuts, the administration has put the ball in the Republican's court. The only question now is whether or not the GOP will put aside infighting and propose spending cuts on the three programs.

On Monday, the message from Republicans was a strong signal that entitlement reform would be addressed in the near future.

"Yes, we will include entitlement reform provisions in our <u>budget</u>," said House Majority Leader Eric Cantor Monday. "Again, unlike the President, unlike Harry Reid, who doesn't even admit their needs to be any reform of Social Security, we're going to lead."

But DeHaven is not so optimistic about a serious attempt from Republicans. "The problem with Republicans is they haven't really shown any interest in addressing the biggest problems in the budget themselves. They have been arguing amongst themselves."

Just last month, for example, House Speaker John Boehner backed off a suggestion he made that the <u>retirement age</u> for Social Security should be raised to 70.

This week, the House will take up the proposed continuing resolution that will fund the government through September 30 of this year. Sometime in late March or early April, however, congressional Republicans will offer their own budget proposal for FY2012. It remains to be seen whether the GOP will follow through with their threats to cut entitlement spending.

According to economists and budget experts, entitlement reform is essential in order to get America's fiscal situation under control.

Jeffery Miron of Harvard University told TheDC, "Entitlements are growing, especially <u>Medicare</u>. This is partially from demographics – more and more old people – and partially form inflation in health care expenditure."

"So, unless we slow the growth of entitlements, they will be the whole economy before too much longer," said Miron, "no matter what we do to discretionary spending."