

HOME NEWS & ANALYSIS THE CAPITALIST LIFESTYLE CITY FOCUS WEALTH MANAGEMENT LIVING THE PUNTER SPORT SUPPLEMENTS

Archive

Where Am I? Home » News And Analysis » Obama's Lost Fiscal Control, Regrets Soros

Tuesday, 22nd February 2011

## Obama's lost fiscal control, regrets Soros

Search this site:

Monday, 21st February 2011

### US ECONOMY

JULIAN HARRIS

PRESIDENT Obama has "lost control of the agenda" to determine America's fiscal future, hedge fund billionaire George Soros said yesterday.

Obama faces an uphill struggle to implement his spending plans, released last week.

"The agenda is now in the hands of the Republican Party," Soros said.

Republicans, who control the House of Representatives, will "pursue a very strong effort to cut services by refusing to have any tax increases," said Soros, who opposes Republican efforts to dent government spending.

Obama's plans have been criticised for failing to address America's spiralling spending on welfare programmes and debt servicing payments, with Republicans seeking to force through stronger cuts.

"Many of the supposed budget savings, such as nearly \$40bn (£24.6bn) of lower unemployment benefits, are dependent on better economic performance," said Dan Mitchell of the Cato Institute think tank in Washington DC.

"I certainly hope the White House is correct about faster growth and more job creation, but they've been radically wrong for the past two years."

Under Obama's plan, the deficit will fall to \$1.1 trillion in the next fiscal year – around seven per cent of GDP, down from its current level of 11 per cent of GDP.

Yet the federal government will continue adding to America's \$14 trillion debt – almost 100 per cent of GDP -- for the foreseeable future, even if the plan succeeds.

"And government spending will dramatically increase in coming decades, thanks largely to an aging population and poorly designed entitlement programs," Mitchell added.

America's government spending has reached 25.1 per cent of GDP, compared to 18.2 per cent when George Bush came to office in 2001.

### Next article:

[Q&A: AMERICA'S BIG DEFICIT](#)  
[Hedgie makes big Ocado loss](#)

Sign up to our FREE newsletter

Full name:

Email address:

## Read our Columnists



Allister Heath

[Read articles](#)



David Hellier

[Read articles](#)



Stephan Shakespeare

[Read articles](#)



Julie Meyer

[Read articles](#)



CNBC

[Read articles](#)



Stuart Fraser

[Read articles](#)



David Crow

[Read articles](#)

### Best of the Brokers

[Read articles](#)

### City Moves

[Read articles](#)

### Bottom Line

[Read articles](#)

### Lord Mayor of London

[Read articles](#)

### Steve Dinneen

[Read articles](#)

[HOME](#) [NEWS & ANALYSIS](#) [THE CAPITALIST](#) [LIFESTYLE](#) [CITY FOCUS](#) [WEALTH MANAGEMENT](#) [LIVING](#) [THE PUNTER](#) [SPORT](#) [SUPPLEMENTS](#)

[ABOUT CITYAM](#) [CONTACT CITYAM](#)

Copyright © 2011 City AM. 7th Floor, Centurion House, 24 Monument Street, London EC3R 8AJ  
Website powered by [Alpine Interactive](#).