



Money woes, other woes in Washington

Chris Woodward - OneNewsNow - 12/30/2011

2011 was a year of stop-gap measures and spending scandals, many of which will carry over into the new year.

Extension of payroll tax cut

The most recent development involves a two-month extension of the Social Security payroll tax cut, which Republicans agreed to just before Christmas.

That agreement ended a week-long dispute with Senate Democrats and President Obama, who called on House Speaker John Boehner to approve the two-month extension so lawmakers could negotiate what Democrats and some Republicans favored -- a one-year extension.

Boehner says it's now time to get things done the right way.

"It's not always easy to do the right thing, but we believe that we came here to change the way this town does business," stated the speaker. "No more gimmicks, no more short-term this, no more short-term that."

Analyst: 'Congress can't do its job'

Long before the payroll tax cut became an issue, there was the debt ceiling to consider -- and that battle lasted much longer and didn't end until an 11th-hour agreement that virtually no one really liked, as it aimed to cut only tens of billions of dollars and created a "super committee" that failed agree on trillion cuts and entitlement reform.

Tad DeHaven of the Cato Institute never liked the idea of a super committee to begin with, saying it was the responsibility of Congress to cut spending in the first place.

"Just looking at a lot of the names on that list, they're not the types of people that I want to have so much power and control over this decision-making process," said DeHaven. "It was another example of kicking the can down the road."

[Solyndra on the hot seat](#)

Another big story from 2011 involved Solyndra, the solar company that filed for bankruptcy after taking in a half-billion-dollar loan from the federal government and being touted as an example of the Obama administration's economic policies. In fall 2011, President Obama told ABC News that he had no regrets.

"What we always understood," said Obama, "was that not every single business is going to succeed in clean energy; but if we want to compete with China, with other countries that are heavily subsidizing the industries of the future, we have to make sure that our guys here in the United States of America at least have a shot."

Still, House members did not buy that, and many of them have launched investigations into not only the Solyndra loan, but the loan program itself.



Meanwhile, Judicial Watch and the Competitive Enterprise Institute's Chris Horner have threatened lawsuits seeking more information from the government, and Tom Borelli of the National Center for Public Policy Research warned that Solyndra was not the first government-backed company to go bust, and it won't be the last.

That, according to Borelli, should be [a lesson for the government](#). "The United States government cannot function like a venture capital company. Let's face it, they have trouble keeping the post office solvent and Amtrak," explains Borelli.

Putting money into business is not the only problem for the government. There's also the matter of unemployment, which remains relatively high even after falling to 8.6 percent heading into December.

It hovered around 9 percent for a few months, including August, when zero net jobs were created. The last time that happened was 1945.

Gas prices were also higher in 2011, returning to levels not seen since the 2008 gas crunch. California, Illinois, New York and Massachusetts were still paying some of the highest prices in the country at \$4 a gallon by year's end. The national average ended 2011 around 20 cents higher than in the final week of 2010.

[At issue: Credibility of the Supreme Court](#)

Finally, one other thing to carry over into the new year involves ObamaCare. The U.S. Supreme Court has decided to hear arguments over the healthcare law in March, and speculation mounts as to whether it will strike down the controversial individual mandate and decide whether the law could stand without such a requirement.

There's also the numerous calls for Supreme Court Associate Justice Elena Kagan to

recuse herself based on her previous work experience as solicitor general during the healthcare bill's debate.

Terry Jeffrey, author and editor of CNSNews.com, said about Kagan: "Thurgood Marshall, who was solicitor general of the United States -- and for whom Elena Kagan clerked -- recused himself from many cases that came before the Supreme Court because 28 U.S. Code 455 dictates [that] a Supreme Court justice must recuse themselves from a case when their impartiality can be reasonably questioned, and if they ever expressed an opinion about the merits of the case while in governmental employment."



There were also calls for Associate Justice Clarence Thomas to recuse himself based on his wife's well-publicized opposition to ObamaCare.