



## Obama slams Republicans over debt ceiling debate

Jason Pye January 14, 2013

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Earlier today, President Barack Obama held the final White House press conference of his first term, using the opportunity to slam Republicans over the debt ceiling while making yet another call for more tax revenue — despite getting high tax rates on the wealthy in the “fiscal cliff” deal passed at the beginning over the year:

President Obama at a Monday press conference demanded that Congress raise the nation’s \$16.4 trillion debt ceiling, saying the country is “not a deadbeat nation.”

Obama said Congress should pay the bills government has already rung up, arguing would be disastrous for the economy — which he said is showing signs of lifting off — to not raise the debt limit.

“It would be a self-inflicted wound on the economy,” he said. “To even entertain the idea of this happening ... is irresponsible. It’s absurd.”

The president has insisted he will not negotiate with Republicans over raising the debt ceiling, and gave no sign of wavering on that position. Republicans are demanding steep spending cuts in exchange for raising the debt limit.

“They will not collect a ransom in exchange for not crashing the American economy,” Obama said Monday of Republicans.

[...]

“We can’t finish the job of deficit reduction through spending cuts alone,” he said. While open to “modest adjustments” to entitlement programs, Obama said, “we need more revenue through tax reform.”

President Obama also insisted, “We have never seen the debt ceiling used in this fashion, where the notion is, ‘You know what, we might default unless we get 100 percent of what we want.’” But as Byron York notes, Democrats — including Obama — voted against a debt ceiling increase in 2006, indicating that they were willing to do the exact same thing as that they now are brow-beating Republicans over.

In response to President Obama, some House Republicans explained that they are willing to force a government shutdown in order to send a signal to the White House that they are serious about spending cuts:

In conversations with House GOP leadership aides, it was clear they want to try to reclaim the upper hand in this debate over slashing government spending.

“If the White House continues to pretend that hoping is a strategy then I don’t see how we make progress,” said one House GOP leadership aide.

One member of the leadership, Rep. Cathy McMorris Rodgers, R-Washington, told Politico that its “possible that we would shut the government to make sure president Obama understands we’re serious.”

[...]

“If that story sparks the White House to abandon their strategy of sticking their fingers in their ears and hoping real hard we pass a debt limit increase without real spending cuts – that’s a good thing. That’s not a realistic strategy,” said the House Republican leadership aide.

House GOP leaders argue their position hasn’t changed from the last time the country hit the debt ceiling in 2011 – they want a dollar of spending cuts for every dollar the debt limit is increased.

Many commentators and pundits are saying that a government shutdown is the wrong path for Republicans to take, citing the 1995 and subsequent election, which saw the GOP lose seats in the House. As I’ve explained before, the government shutdown in 1995 did not hurt Republicans in the 1996 election. Sure, they did lose seats, but as economist and political observer Stephen Slivinski explained during a 2006 forum at the Cato Institute on his book, *Buck Wild: How Republicans Broke the Bank and Became the Party of Big Government*:

After looking at the election results of the ‘96 congressional election, in that election the GOP lost about a net two seats in the House, Linda Killian, who is a reporter for National Public Radio, certainly no redoubt Republican apologist, concluded the election really can’t be seen as a repudiation of the ‘94 revolution. The dozen freshman or so who lost in their specific races did so for the reason that most candidates lose, they really weren’t that good as candidates. In fact, if you look at the freshman that were the most hardcore on cutting spending, they actually increased their vote totals. That’s especially astonishing since, one, Clinton was actually able to gain traction politically in those specific districts and labor unions actually spent about \$35 million trying to unseat many of the GOP reformers.

The bottomline is that Republicans can’t keep giving in every time President Obama wants something. We’re quickly becoming Greece. Why not swallow our medicine now by substantive spending cuts and reforming entitlements, rather than later when the cuts to programs prized by both parties — and yes, Republicans are like welfare and government-run healthcare programs (SCHIP and Medicare Part D) just as much as Democrats — are more difficult to manage because of the number of people so dependent upon them?

I realize that many will disagree with me here, but at this point, I'm on board with a government shutdown.