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POLITICS

Obama Challenged To Fill Budget Post, Rein In Top General

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President Obama meets with Gen. Stanley McChrystal, the top commander in Afghanistan, aboard Air Force One in Copenhagen, Denmark, on Oct. 2, 2009.... [View Enlarged Image](#)

White House meeting on national security, requiring him to fly in from Afghanistan.

Rumors swirled throughout Washington about whether McChrystal would lose his job. White House spokesman Robert Gibbs would not rule out the possibility. At least one prominent Democratic lawmaker called for McChrystal to be fired.

The incident raises questions about the administration's relations with military leaders and those leaders' confidence in the president's policy.

Orszag's departure also grabbed headlines but is not unusual for OMB directors. Although he has been on the job barely 18 months, few budget directors last much longer than two years.

ObamaCare Architect

Orszag is probably best known for his desire to control federal spending by reducing the government's long-term health care costs. He played a major role in the development of ObamaCare.

Yet he leaves behind, by CBO numbers, a projected \$1.5 trillion deficit for this fiscal year and \$9.7 trillion in projected red ink over the next decade, a trend which he has called "unsustainable."

Those numbers may be what prompted House Majority Leader Steny Hoyer, D-Md., to say Tuesday that middle-class taxes may have to be hiked to cut the deficit.

"As the House and Senate debate what to do with the expiring Bush tax cuts in the coming weeks," Hoyer said, "we need to have a serious

A burst of unsettling news about President Obama's key staff members Tuesday threatened new challenges to his image and agenda, already stained by the BP oil spill and the chance of a shellacking for his party in November.

In a span of hours, Peter Orszag said he would quit as director of the Office of Management and Budget in July, Rahm Emanuel fought rumors that he would step down as Obama's chief of staff and, most embarrassing, Gen. Stanley McChrystal, commander of U.S. and NATO forces in Afghanistan, criticized the administration in a Rolling Stone article.

McChrystal was publicly taken to the woodshed by the administration after the magazine published an article online in which the general and his aides mocked and complained about their civilian leadership.

Wednesday Whipping?

Obama demanded that McChrystal personally appear at a Wednesday

discussion about their implications for our fiscal outlook, including whether we can afford to permanently extend them before we have a real plan for long-term deficit reduction."

ObamaCare has gotten mixed reviews. The law is unpopular with the American public, and an April report from the actuary at the Department of Health and Human Services suggested it could boost health costs, not reduce them.

One Republican congressional staffer suggested that Orszag is leaving because, as a fiscal disciplinarian, he went as far as he could with the administration.

"I think he's disenchanted with the way the budget is going," the staffer said. "He's done some of the lifting for the Obama administration, but with the budget being a big issue, he may be better being on the outside where he can offer proposals free of administration oversight."

Others were less charitable.

"Orszag was a hard-core left-winger who presided over left-wing fiscal policy, and America is now suffering the consequences," said Dan Mitchell, senior fellow at the libertarian Cato Institute. "When someone like Orszag talks about fiscal discipline, what he means is higher taxes and more government control."

Speculation ran rampant on who would replace him. The top contenders were said to be Gene Sperling, a senior adviser to Treasury Secretary Tim Geithner; Laura Tyson, former head of the Council of Economic Advisers under President Clinton; and Rob Nabors, a former Orszag deputy now working in Emanuel's office. The White House did not return a request for comment.

Whoever becomes the OMB nominee is likely in for a rough confirmation battle on Capitol Hill.

"It will be very tough, because the budget situation is difficult and given the political nature of everything in Congress right now," said James Horney, director of federal fiscal policy at the liberal Center on Budget and Policy Priorities. "Expect members of Congress to be tough in their questions, but you hope that they won't make it so tough that they can't get anyone into the position to start working on the budget challenges."

Robert Greenstein, the center's executive director, has been mentioned as a dark horse to replace Orszag. The center refused to comment on that possibility.

The Orszag news followed a weekend report in Britain's Telegraph newspaper that said Emanuel would be on his way out in six to eight months.

According to the story, a leading Democratic consultant in Washington said: "I would bet he will go after the midterms. Nobody thinks it's working, but they can't get rid of him — that would look awful. He needs the right sort of job to go to, but the consensus is he'll go."

Reportedly, differences between Emanuel and other members of the president's inner circle have fueled speculation that he'll leave soon.

In a statement Monday, Emanuel dismissed the rumors with his penchant for epithets and then went on to use the gentler term "baseless."

Emanuel is known for his abrasive style and for being the "enforcer" in the administration. His exit could mean the loss of someone who can impose discipline on the White House when Obama needs it most.

Most serious, though, were the comments attributed to McChrystal and his aides.

The controversy was awkward for Democrats who were having a hard time supporting the administration's Afghanistan policy in the first place.

"If he actually said half of what is being reported, he shouldn't be in the position he is in," House Appropriations Committee Chairman David Obey, a Democrat, said in a statement.

Obey's anger may have stemmed in part from the fact that Congress is now wrangling over an emergency supplemental bill that includes funding for Iraq.

Others weren't willing to pass judgment — yet.

"The important person that needs to have faith in McChrystal is the commander in chief, the president of the United States," Hoyer told reporters. "Of course, Congress needs to have confidence in him as well. I plan to withhold judgment ... until I hear what the president has to say."

Republicans were more forgiving of McChrystal.

"Obviously, a general and his top brass don't make statements like these without being frustrated," House Republican Whip Eric Cantor said in a statement. He said he hoped the president would use the meeting to have "a frank discussion about what is happening on the ground."

McChrystal publicly issued "my sincerest apology" to the president shortly after some quotes from the article were circulated. But the administration's reaction underscored the anger felt at the White House.

That may be because McChrystal had upset the White House before. The administration was angry at McChrystal when a report was leaked last year saying that 40,000 more troops were needed or Afghanistan would be lost. He got 30,000 troops, but many reportedly viewed his methods as insubordinate.

The White House also dressed him down last fall after McChrystal mocked a counterterrorism proposal by Vice President Joe Biden as "Chaos-istan."

In the Rolling Stone article, several unnamed McChrystal aides refer to National Security Adviser Jim Jones as a "clown" and Biden as "bite-me." McChrystal himself is quoted as saying he felt "betrayed" by Ambassador to Afghanistan Karl Eikenberry after the leak of a classified cable that included criticisms of McChrystal.

As if the staff problems weren't enough for the White House to deal with Tuesday, U.S. District Judge Martin Feldman ruled Tuesday that the Interior Department overreached by issuing a moratorium on deep-water drilling after the April 20 disaster. The judge said the administration had not shown there was any danger from any other well in the Gulf.

The White House immediately said it would appeal. That effort, though, will force a renewed debate over the policy, which is not popular in the Gulf itself, where the industry employs an estimated 26,000 to 42,000. Louisiana Gov. Bobby Jindal said the moratorium would merely push those jobs to foreign waters.

"It was a sharp rebuke of the administration, but unfortunately with the administration's announcement that it would appeal the ruling, it was only a temporary morale boost to those people who have gotten pink slips as a result of the moratorium," said Pat Creighton, a spokesman for the Institute for Energy Research, an industry-backed think tank.

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