The Corner

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The President Endorses a DOMA Repeal

By Kathryn Jean Lopez 🗔

Posted on July 19, 2011 3:52 PM

At his press briefing today, White House spokesman Jay Carney <u>said</u> that the president "is proud" to support the "Respect for Marriage Act," which, as Carney put it "would take the Defense of Marriage Act off the books once and for all."

As Carney reminded reporters, the president has "long called for a legislative appeal for the so-called Defense of Marriage Act."

Further, the president has refused to defend the law.

Speaker of the House John Boehner reacts:

This is another effort by the White House to take attention away from jobs and the president's economic policies, which have been a failure. The Defense of Marriage Act is the law of the land, and the House will continue with its effort to ensure the constitutionality of the law is determined by the courts rather than by a unilateral action by the Obama Administration.

Tomorrow there will be a hearing on the "Respect for Marriage Act." Ed Whelan will weigh in in defense of DOMA. You can read his testimony here.

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The State of Families

By Ramesh Ponnuru

Posted on July 19, 2011 3:51 PM

This John McWhorter <u>essay</u> is generally sensible, but I'd like to think I wasn't the only reader who found this passage jarring:

A neighborhood where every child had two parents would be a little odd and almost ominous. Except if it were a highly traditional religious community, one would suspect strangely stringent notions regarding compatibility and even sexuality. We don't need to go back to shotgun marriages. But the other extreme, where, in many neighborhoods, often nine in ten children's fathers have not been at home helping raise them, is just as bad.

Just as bad?

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NRO Web Briefing

July 19, 2011 7:19 AM

@philipaklein: The Gang of 6 kicks the can like Superman kicking a football. Ramesh Ponnuru: Republicans' debt plan? Cut, cap and bluster.

Sen. Jim DeMint: 'Cut, Cap and Balance' will avoid default.

Nicole Gelinas: Why Tea Partiers won't listen to the establishment, even as a debt crisis looms.

Norman Ornstein: End-game negotiations work.

James Pethokoukis: Would the GOP's 'Cut, Cap and Balance' plan really cost 700,000 jobs?

WSJ Editors: A balanced budget amendment is the wrong debt solution.

NY Post Editors: What's your plan, Democrats?

Marc Thiessen: Calling Jim DeMint - to warn GOP on debt plan.

Washington Post Editors: Tweaking Mitch McConnell's 'escape hatch.'

Stephen Moore: Republicans in Congress might learn a political lesson from the budget agreement in Minnesota.

David Brooks: Where were the practical conservatives when the spending cuts were on the table?

IBD Editors: Keep the debt ceiling, cut spending. Bret Stephens: News of the World vs. WikiLeaks.

Jackson Diehl: If we retreat from Iraq, will Iran take over?

Patrick Michaels: Why hasn't the Earth warmed in nearly 15 years?

John Tamny: Why the decline in startups?

Amir Taheri: New hope for Syria.

PERMALINK 07/19/11 07:19 AM







Details, Such as They Are, on the Gang of Six Plan

By Daniel Foster 😉

Posted on July 19, 2011 3:39 PM

Okay, so the McConnell plan is far from optimal, and "Cut, Cap, and Balance" has exactly zero chance of becoming law. But, hark! The "Gang of Six" has been resurrected at the last (and I do mean last) possible moment and has a plan for \$3.7–\$4.6 trillion (depending on the baseline) deficit reduction over the next ten years. Good, right?

I wish. The only documentation of the plan I've seen so far is hopelessly vague, and where it does get into specifics, they are mostly not encouraging. There is only \$500 billion in immediate cuts and a "process" by which congressional committees are instructed to "report" legislation identifying the rest of the savings within six months. It's a bit too late in the game for that sort of thing, no?

On the better side, the plan would reduce marginal tax rates and eliminate the AMT, promising a net \$1.5 trillion tax

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reduction. But as Conn Carroll <u>points out</u>, the plan probably assumes a baseline in which the AMT is not patched every year and in which the Bush tax cuts expire. As a result, the plan would represent a substantial tax hike over current policy. It would also eliminate the CLASS Act, which was one of the stinkier tack-ons in Obamacare. But again, this isn't all that significant either. The Democrats spent months trumpeting this long-term care program in the leadup to the passage of the ACA — not least because it helped the bill's deficit reduction "score" — only to have the White House <u>do a 180</u> and acknowledged that the program is deeply flawed.

For all the discord among Republicans on the way forward, it's a point of near consensus that any failsafe bill that raises the debt ceiling by x should lock in cuts >x. This doesn't do that, not by a longshot.

UPDATE: Cato's Dan Mitchell has a <u>more thorough take</u> on "the good, the bad, and the ugly" in the Gang of Six proposal.

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Bachmann: Migraines 'Will Not Affect My Ability to Serve as Commander in Chief.'

By Katrina Trinko 🗉

Posted on July 19, 2011 3:34 PM

From Time:

Shortly after her remarks [at a South Carolina campaign rally], Bachmann stepped from her stage and read a statement that her press aide, Alice Stewart, appeared to have been fine-tuning onstage just moments before. Here's an excerpt:

Since entering this campaign for the presidency, I have maintained a full schedule between my duties as Congresswoman and as a presidential candidate traveling across the nation to meet with voters.... I have prescribed medication that I take on occasion whenever symptoms arise and they keep my migraines under control. But I'd like to be abundantly clear: My ability to function effectively will not affect my ability to serve as commander in chief.

Bachmann said that 30 million Americans suffer from migraines, and that "nearly nearly one in 4 American households" have a migraine sufferer. "While I appreciate the concern for myself and for my health," she added, looking to climb back down to safer ground, "the greater concern should be the debate that is occurring today in Washington, D.C., over whether or not we will increase our debt spending and taxes." Bachmann reiterated that she would not vote to raise the debt ceiling. And, with that, she departed without taking questions.

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The Balanced Budget Amendment

By Rich Lowry 🗵

Posted on July 19, 2011 3:29 PM

I may be too much of a stickler about constitutional amendments, but I'm against the balanced budget amendment.

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I Met a Huntsman Supporter!

By Rich Lowry 5

Posted on July 19, 2011 2:31 PM

I've always been curious to meet a Jon Huntsman supporter. But how to do it? Going to Iowa and finding the one Huntsman supporter identified in a recent poll would just be too difficult. So I figured a leg of my honeymoon could double as a political safari — I'd sign up for a bike tour of Tuscany and be certain to find a Huntsman supporter there. Sure enough, the first night of the tour, over a nice dinner for the biking group at a charming old hotel, I met a Huntsman supporter. She's a moderate Democrat who lives in Connecticut; her husband, who made a mint in finance and just bought a car with a solar panel on the roof, also has an interest in Huntsman. Allow me to assure you based on this experience that Huntsman sympathizers are nice, thoughtful people — good company and excellent bikers. They're apparently just not Republicans.

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The Real S&P Warning: A \$4 Trillion Deal or a Downgrade

By Veronique de Rugy

Posted on July 19, 2011 2:27 PM

As the debt-ceiling showdown heads into its final stages, the political maneuvering has intensified. Yet I fear that we are losing sight of the only reason why the fight over the debt ceiling matters: It forces a discussion of the country's real problem — unrestrained government spending and the tremendous fiscal imbalances that jeopardize our financial safety.

This is the real message in the July 14 S&P report.

First, S&P writes that unless there's a credible \$4 trillion deal within the next three months, they will downgrade us. By "credible," S&P explains, they mean a plan that will actually be put into place (i.e., not one where the tax increases happen but not the spending cuts). Not \$2 trillion, not \$1 trillion, but \$4 trillion. And it has to be credible.

We expect the debt trajectory to continue increasing in the medium term if a medium-term fiscal consolidation plan of \$4 trillion is not agreed upon. If Congress and the Administration reach an agreement of about \$4 trillion, and if we [were] to conclude that such an agreement would be enacted and maintained throughout the decade, we could, other things unchanged, affirm the 'AAA' long-term rating and A-1+ short-term ratings on the U.S.

Second, the door is left open for raising the debt ceiling without a deal, but not without conditions: The negotiations leading to the debt-ceiling increase have to make it clear that a \$4 trillion deal is coming within the next three months:

If a debt ceiling agreement does not include a plan that seems likely to us to credibly stabilize the U.S.' medium-term debt dynamics but the result of the debt ceiling negotiations leads us to believe that such a plan could be negotiated within a few months, all other things unchanged, we expect to affirm both the long- and short-term ratings and assign a negative outlook pending review of the eventual plan. If such an agreement is reached, but we do not believe that it likely will stabilize the U.S.' debt dynamics, we, again all other things unchanged, would expect to lower the long-term 'AAA' rating, affirm the 'A-1+' short-term rating, and assign a negative outlook on the long-term rating.

Third, S&P warns that a failure to make a \$4 trillion change today makes it unlikely that lawmakers will address the debt problem before it's too late. This is the more interesting part of the report. It raises an issue that I have been talking about from the beginning: If lawmakers can't find a way to change the path we are on during the deal-ceiling debate, how likely is it that they will have an incentive to address it in the short run? S&P says almost zero, and that's a reason to worry — and a reason to downgrade us.

U.S. political debate is currently more focused on the need for medium-term fiscal consolidation than it has been for a decade. Based on this, we believe that an inability to reach an agreement now could indicate that an agreement will not be

reached for several more years. We view an inability to timely agree and credibly implement medium-term fiscal consolidation policy as inconsistent with a 'AAA' sovereign rating, given the expected government debt trajectory noted above.

The bottom line is: Do not lose focus on the real problem, which is that unrestrained government spending has set this country on an unsustainable path that will lead to fiscal ruin. The real problem is that the United States spends too much money.

So, if raising the debt ceiling without a \$4 trillion deal (either now or in the next 90 days) means a downgrade, why isn't everyone talking about it? Here are some possibilities:

- 1. Is the view that S&P is bluffing? Writing about a possible Moody's downgrade, James Kwak of Baseline Scenario <u>claims</u> <u>it won't happen</u> because it would be super irresponsible, and besides, no one cares what bond rating agencies think.
- 2. Is it that a downgrade in the current worldwide financial context won't have real financial implications? I have to say, I do wonder about that. I mean, where would investors put their money right now? Europe? China? Basically, we aren't the ugliest at the beauty pageant, which may not be much comfort, but it saves us for now. However, my friend and Mercatus colleague Prof. Garett Jones tells me that a downgrade would have serious consequences, and he is a very reliable source. And if the view is that a federal downgrade won't affect municipalities and states, the things I read seem to rule that out, too (see Megan McArdle here).
- 3. Is the view that a default wouldn't be so bad? I know that <u>some very respectable people</u> are making the case that a default, as part of a conscious effort to clean our financial house, wouldn't be so bad. However, it seems risky to me, and I think it should be avoided at all costs.

Ultimately, the only way to avoid the potential negative consequences that come with a downgrade, a default, or an increase in the debt ceiling without a deal is to commit to addressing our long-term fiscal issues within the next few months: cut spending significantly, pass real institutional reforms to lock in the spending cuts, and engage in fundamental tax reform.

On that front, the plan introduced by Senator Coburn is interesting: a \$9 trillion plan with \$8 trillion in cuts and some serious attempts to upset every special interest group in the United States. It beats the Gang of Six deal that we are just now hearing about, which has more revenue increases than cuts and no Social security reform included.

Update: Here is Dan Mitchell on the Gang of Six's deal.

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Re: Rupert Murdoch Victim of Foam Attacking

By Iain Murray

Posted on July 19, 2011 2:20 PM

Readers who viewed the video of the attack on James Murdoch during the parliamentary hearing might be wondering who the lovely young lady was at the start of it. It's my old friend <u>Louise Mensch MP</u>, a wonderfully talented <u>writer</u> of "chick lit" fiction, who takes Margaret Thatcher as her personal inspiration and who lived in New York City for several years. So she's a good friend of America to boot!

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Dorothy McCartney

By Rich Lowry 🗔

Posted on July 19, 2011 2:16 PM

Her funeral mass was this morning. It was celebrated by her brother, Father John McCartney. The word "celebrated" might seem inappropriate in this context, but it wasn't — Father McCartney's amazing strength and conviction were evident throughout, sustained by the faith that his dear sister is in a better place. There is nothing better you can say about this morning than that Dorothy would have found it perfect.

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Obama Praises 'Gang of Six' Plan

By Andrew Stiles 🗔

Posted on July 19, 2011 1:56 PM

In in a short statement before today's White House press briefing, President Obama threw his lot in with the "Gang of Six," who this morning unveiled a \$3.7 trillion deficit reduction package at a meeting of about 50 senators. He said the plan was "consistent with the approached that I've urged" in that it contains cuts to both discretionary and defense spending, significant savings in entitlement programs and a "revenue component." In other words: "shared sacrifice."

Obama said the proposal was a "very significant step" and expressed hope that congressional leaders are "prepared to start talking turkey . . . and move this thing forward." However, he said the contingency plan being negotiated by Senate leaders Harry Reid (D., Nev.) and Mitch McConnell (R., Ky.) "continues to be a necessary approach" in the event a deal cannot be reached. "We're in the eleventh hour. There's not a lot of time left," he said. "At a minimum, we've got to raise the debt ceiling."

In a not-so-subtle dig at House Republicans, who today are voting on their "Cut, Cap, and Balance" legislation, Obama warned: "We don't have any more time to engage in symbolic gestures. It's time to get down to the business of actually solving the problem."

The president said he intended to call House Speaker John Boehner (R., Ohio) this afternoon following votes in the House in order to arrange a meeting schedule for the remainder of the week.

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Coburn Rejoins Gang of Six

By Robert Costa 🖪

Posted on July 19, 2011 1:54 PM

Sen. Tom Coburn (R., Okla.), who earlier today rejoined the bipartisan "Gang of Six," tells NATIONAL REVIEW ONLINE that the debt-limit impasse could be solved this week. A large group of Senate Republicans and Democrats, he says, are working to tie the group's \$3.7 trillion deficit-reduction plan to a debt-limit extension.

"We ought to get the best possible deal and fight again," Coburn says. "This is considerably more than what it was when I left [the group in May]. We ought to get more, but this is the reality of where we are."

After a meeting with over 50 senators this morning, Coburn is confident that there is a growing consensus to use the proposal as a debt-limit solution. "You never see people's ultimate position until you get down to where this is the last move on the chessboard," he says. "That is when people will expose what they are willing to do."

Coburn acknowledges that the "Gang of Six" plan will not be immediately popular in the House, where Republicans hope to pass "Cut, Cap, and Balance," a Republican Study Committee package, later today. But after having four long conversations with President Obama this week and consulting with senators, he believes that the "Gang of Six" plan has a real chance of being passed.

"This is more bipartisan," Coburn says. "'Cut, Cap and Balance' would work, but the fact is, you need to get the votes for it." He calls the "Gang of Six" plan a "good first step" and hopes conservatives recognize that the \$500 billion in immediate spending cuts, plus the long-term \$3.7 trillion in reductions, are "real" and "buy us time to work over the next three or four years" to enact deeper reforms.

"It's not a tax hike, it's a \$1.5 trillion net tax reduction," Coburn says when asked about conservative groups' likely opposition to the deal. He cites the plan's elimination of the Alternative Minimum Tax as an example of its conservative bona fides.

"The American people want compromise, they want to solve the problem, and they want to see significant changes," Coburn says. "It accomplishes all of those things. It doesn't go far enough, but it takes a pretty big bite out of the apple."

House Speaker John Boehner told reporters Tuesday that he is open to reviewing counterproposals. "I am not going to give up hope on 'Cut, Cap, and Balance.' But I do think it's responsible for us to look at what Plan B would look like," he said. "There are a lot of options available to us."

"It's going to take some time for them to consider this," Coburn predicts. "But with a net tax cut in it, and you get some significant spending relief, what's not to like? Live to fight another day."

— *Robert Costa is a political reporter for* NATIONAL REVIEW.

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Krauthammer's Take

By NRO Staff

Posted on July 19, 2011 1:53 PM

From Monday night's Fox News All-Stars.

On the Republicans' options to resolve the debt ceiling impasse:

They are going to have to make a choice. They are losing the public relations battle. Obama managed, together with the support of a supine press — but that is like the sun rising in the east; it's going to happen all the time — Obama has managed to spin this into, 'I am reasonable, and the extremists among Republicans are going to put us into default.'

It seems to me there is one way out. It's sitting there. I'm shocked that the Republicans haven't acted on this. They need to pass a short-term — again, say, half a trillion dollars. 'We will give you five months, cuts only.'

There is no way Obama can veto it with any reasonable argument.

The reason he wants to go long — [is that] he wants the big deal. He wants a big deal because it means he won't have the issue arise again until the election. It's purely a partisan political maneuver on his part. It is indefensible. If the Republicans pass a short-term [spending] cut, they reverse the public relations on this, and they actually could get a [spending] cut.

On Senator Tom Coburn's new \$9 trillion deficit reduction proposal to cut spending by 20-25%:

Juan is saying it's impossible to cut the size of government by 20 percent. Obama in two and a half years increased it by over 20 percent — discretionary spending. It's way, way up. All that Coburn is doing is reverting to pre-Obama.

Second, what Coburn is doing about increasing revenue is not new. He supported the recommendation of the Bowles-Simpson commission, which included within it tax reform, meaning you lower the rates, you eliminate the loopholes. So you raise the revenue with the loopholes, then you return the revenue to the ordinary citizen in tax cuts. ... And then you get 1986, a deal between Reagan and Tip O'Neill, which gave us a quarter century of almost uninterrupted economic expansion.

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GOP Frosh to Obama: Show Us Your Plan!

By Andrew Stiles 🗔

Posted on July 19, 2011 1:26 PM

A group of nearly 20 House Republican freshman gathered in front of the White House this morning with a letter addressed to President Obama demanding that he provide Congress with a legitimate written proposal (not a speech) to raise the debt ceiling.

"Because you have not presented any written detailed proposal to raise the debt ceiling, our constituents are left in the dark as to what specific cuts you propose as well as what taxes you are planning to raise," the letter, signed by more than 60 of their freshmen colleagues, states.

Rep. Tom Reed (R., N.Y.), who led the effort, told reporters that Congress could not seriously debate the issue of the debt ceiling without a concrete plan from the president. "We are coming down to crunch time, we need your plan," Reed said. "Show us what your proposal is and let us have a good old-fashioned debate to get this house in order."

"The president says he has a plan," Rep. Trey Gowdy (R., S.C.) said. "Forgive our skepticism. Show us your plan! Because right now it looks like 'punt, pass and kick," a reference to the House GOP's "Cut, Cap and Balance" legislation scheduled to be voted on this afternoon.

Several members touted "Cut, Cap, and Balance" as yet another example of House Republicans stepping up to the plate on key issues where the president has failed to lead. "We have asked him for a plan. What he has given us is the rhetoric of reelection, not the language of a leader," Rep. Mike Kelly (R., Pa.) said. "This is the leader of the greatest nation in the history of the world. There is no reason for us to be in the situation we are in today."



In other White House news, President Obama will give a speech at 1:30 p.m.

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Re: On BBAs

By Ramesh Ponnuru

Posted on July 19, 2011 1:21 PM

Michael, my point isn't that these amendments are impossible to enforce. It's that the most plausible enforcement mechanism (judicially ordered spending cuts and tax increases) is problematic. And there are reasons for thinking that the federal experience would be different, and worse (e.g., the existence of large popular entitlements run by the federal government).

My question to you is: What would happen if we had a constitutional amendment saying that spending/GDP had to be no more than 0.18 and the growth of entitlements put the next year's estimated ratio at 0.19? A bunch of congressmen react, presumably, by wanting to cut entitlements; others by wanting to cut other forms of spending; still others by wanting to waive the rule because we're in some military conflict. What forces a decision to be made and signed into law? And if the political branches don't make a decision, do we really want the courts to step in?

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Re: Murdoch Successor Named?

By Charlie Cooke

Posted on July 19, 2011 1:13 PM

<u>Jonah</u>: That is all very well for the United States, but will cause a serious problem with the transfer of evil in Great Britain. The hereditary principle — primogeniture is alive and well – blocks evil prerogatives from being handed between carriers unless they are related. As such, the speculation in the U.K. has been limited to Murdoch's children, with James considered most likely to leapfrog his brother Lachlan to the crown. I'm presuming that the hierarchy will, thus, have to be different on either side of the pond. Surprisingly, this is a nuance that The *Nation*, *Talking Points Memo* and ThinkProgress.org have all missed.

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Look for the Union Label . . . And You Won't Find It

By Christian Schneider 🗔

Posted on July 19, 2011 1:11 PM

Union folk songs are replete with exhortations for their members to never surrender no matter how the man is keeping you down, because union strength is in the collective. They write songs with titles like "Solidarity Forever," and "Which Side Are You On?" claims that "we'll all stick together, till every battle's won." Even Lisa Simpson's union folk song boasts, "We'll march till we drop, the girls and the fellas, we'll fight to the death or else fold like umbrellas."

Following passage of Gov. Scott Walker's bill to roll back collective bargaining for government employees, public-sector unions in Wisconsin happily parlayed the solidarity card into enough signatures to force recall elections for six Republican state senators. Democrats would only need to win three of the recall elections to regain control of the state senate (three Democrats who fled the state in February also face recall elections, but the GOP faces long odds in each case).

So, given all the momentum organized labor built up before these recall elections, you'd think they'd use this opportunity to really punish Republicans for their "assault" on unions, right? Wouldn't they spend their resources decrying the deep injustice Scott Walker foisted upon the middle class by making government employees contribute to their own pensions?

Well, not exactly.

In fact, with the television ad war in full swing, it appears that not a single ad is being run that addresses the collective-bargaining issue. As political scientist Ken Goldstein told the *Milwaukee Journal Sentinel*, "We had all this drama about collective bargaining, but what is driving the advertising is fairly straightforward messaging about taxes and spending." Even liberal bloggers around the state have picked up on this curious meme.

In fact, if someone had been passed out for the last five months (and believe me, I've tried), they would have no idea that unions had occupied the state capitol building for months on end.

Take, for example this ad, being run against popular Republican state senator Sheila Harsdorf (full disclosure: my former boss). It criticizes Harsdorf for supporting "cutting \$800 million" from education,* yet there's no mention of the collective-bargaining issue that landed Harsdorf in a recall election in the first place. This is especially notable given that the ad is being run by the unions themselves — the treasurer of the "We Are Wisconsin PAC" is Phil Neuenfeldt, president of the state AFL-CIO.

This pattern is being replicated statewide. The We Are Wisconsin PAC is attacking GOP senator Luther Olsen for "devastating cuts" to schools and health-care programs. They are going after Sen. Alberta Darling for approving a college tuition hike of 5.5 percent (while the previous governor, Democrat Jim Doyle, increased University of Wisconsin tuition by 18.2 percent and 15.4 percent in two successive years.)

Perhaps the most ridiculous ad of the recall cycle is <u>one being run</u> by Luther Olsen's challenger, Democratic assemblyman Fred Clark, in which he vows to be an "independent voice" in the state senate. "I won't take from our seniors or from our children just to reward some special interests," Clark intones, presumably with a straight face. Of course, Clark is only in this race because Olsen angered the most powerful special interest in the state — the public-sector unions, who forced the recall election to begin with. Yet in Democratic circles, organized labor is never considered a "special interest."

And while their folk songs may be execrable, the unions are very smart. They knew the collective-bargaining issue was provocative enough to get between 15,000 and 20,000 people per senate district to sign recall petitions (about 10 percent of each district's population), but not enough to get any of their candidates elected. Unions know the people who signed recall petitions are already in their pocket — they had to quickly change gears and return to the more traditional Democrat talking points, in order to garner independent votes.

But in doing so, they betray the central tenet of their folk songs' fighting spirit. Perhaps they need a new union song—"Solidarity Sporadically."

* As a side note, this claim that Republicans "cut \$800 million from education" is bogus — general school aids were reduced, but were replaced by the higher health-care and pension contributions required by Scott Walker's collective-bargaining bill. The only school districts harmed were the ones who rushed back to the negotiating table to "Walker-proof" their teacher benefits, as they value teacher pension benefits more than actual teachers.

— Christian Schneider is a senior fellow at the Wisconsin Policy Research Institute.

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On Balanced-Budget Amendments

By Michael J. New

Posted on July 19, 2011 1:09 PM

<u>Like Ramesh</u>, I do not think House Republicans should make passing a balanced-budget amendment a top priority. It may be useful as an act of political theater, but getting such an amendment ratified would be a virtual impossibility. There are not 67 votes for a balanced-budget amendment in the U.S. Senate and getting 38 states to ratify it would be extremely difficult. Additionally, having analyzed state fiscal policy, I think that tightly worded balanced-budget amendments can lead to tax increases. Furthermore, in some cases short-term deficit spending may be better economic policy than raising taxes.

However, enforceability is not among my main concerns. Right now, 49 states have balanced-budget amendments. Obviously these amendments differ in terms of their stringency, but they all seem fairly well enforced. In many cases, state balanced-budget amendments have resulted in politically damaging spending cuts and tax hikes. I am sure that in these situations, many legislators and governors would have liked to ignore these balanced-budget amendments, but they seemed to make a good faith effort to abide by them. I really cannot think of any instances where state balanced-budget amendments were unenforced.

Interestingly, state courts have been very tough on other fiscal limits, but fairly supportive of balanced-budget amendments. During a budget standoff in Nevada in 2003, the courts basically nullified Nevada's constitutional supermajority requirement for tax increases.

However, they left Nevada's balanced-budget amendment intact.

— Michael J. New is an Assistant Professor at The University of Alabama, an Adjunct Scholar at the Cato Institute and an Assistant Professor at The University of Alabama.

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Re: Murdoch Successor Named?

By Jonah Goldberg 🗔

Posted on July 19, 2011 12:53 PM

<u>Charlie:</u> In related news, *The Nation*, seconded by ThinkProgress.org and co-sponsored by *Talking Points Memo*, started the formal procedures to name Chase Carey as the next "Most Evil Man in the World and Source of All of Our Problems," with all of the rights and prerogatives that comes with the position. Murdoch will be elevated to "Most Evil Man, Emeritus."

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Bachmann's Migraines

By Ramesh Ponnuru

Posted on July 19, 2011 12:40 PM

If the story is true in its particulars — keeping in mind both that Rep. Bachmann's current staff denies that migraines incapacitate her and that one of the three examples given of her alleged incapacitation does not do much to support the claim — then it is absolutely a legitimate story. The problem in that case wouldn't just be that she gets these migraines but that stress, apparently, brings them on. All else equal, that's really not something we should want in the contemporary presidency. And it's something voters should know about, in order to weigh it against such positives as her fearlessness, demonstrated commitment to repealing Obamacare, etc.

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Clinton: I'd Use 14th Amendment 'Without Hesitation'

By Tyler O'Neil

Posted on July 19, 2011 12:37 PM

Bill Clinton <u>has come out</u> in favor of the 14th Amendment option for lifting the debt ceiling, telling Joe Conason he'd raise it "without hesitation, and force the courts to stop me."

"I think the Constitution is clear and I think this idea that the Congress gets to vote twice on whether to pay for [expenditures] it has appropriated is crazy," Clinton said.

Clinton's position relies on a constitutional interpretation that came in vogue after Treasury Secretary Tim Geithner seemed to imply the amendment gave the president unilateral authority to raise new debt. But the Treasury Department has hedged on this point, and its general counsel says that "Secretary Geithner has never argued that the 14th Amendment to the U.S. Constitution allows the President to disregard the statutory debt limit," but rather "the Constitution explicitly places the borrowing authority with Congress, not the President."

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Rupert Murdoch's Successor Named?

By Charlie Cooke

Posted on July 19, 2011 12:36 PM

According to Bloomberg:

News Corp. is considering elevating Chief Operating Officer Chase Carey to chief executive officer to succeed Rupert Murdoch, people with knowledge of the situation said.

A decision hasn't been made and a move depends in part on Murdoch's performance before the U.K. Parliament today,

said the people, who weren't authorized to speak publicly. Murdoch would remain chairman, the people said.

News Corp. executives who watched Murdoch, 80, rehearse for his appearance had concerns about how he handled questions, according to three people, who weren't authorized to speak publicly. Murdoch and his son James are scheduled to discuss the company's role in the alleged phone hacking of murder victims, members of the royal family and others by the News of the World, which was closed on July 10.

"This will be a heavily reviewed performance," said Laura Martin, an analyst with Needham & Co. in Pasadena, California. "Who would have thought this could happen two weeks ago?"

Who, indeed. But if <u>this morning's performance</u> is anything to go by, this may well be a good decision; Rupert is certainly playing second fiddle to his son, James. Not only has James taken the lion's share of the questions, but on a couple of occasions has stepped in when his father appeared to be floundering. The cynic would say that this is typical good cop, bad cop, with James on the attack, and Rupert showing the contrition. But in reality, Rupert does look tired.

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Rupert Murdoch Victim of Foam Attacking

By Charlie Cooke

Posted on July 19, 2011 12:34 PM

Given the soft nature of the questions, this is the most exciting thing that has happened today at the parliamentary investigation into the News International phone hacking scandal. Rupert Murdoch is attacked with foam:

PERMALINK

Ezra Klein's Keynesianism

By J. D. Foster

Posted on July 19, 2011 12:32 PM

Ezra Klein attempts once again to defend Keynesian fiscal stimulus in today's *Washington Post*, because despite a 9.2 percent unemployment rate, he remains a true believer. He starts by attempting to shoot down the opposition to Keynes's policy prescription expressed in *Young Guns*, a book by Reps. Eric Cantor, Paul Ryan, and Kevin McCarthy. According to Klein, the congressmen believe that Keynesianism says "government can be counted on to spend more wisely than the people."

Keynesianism does not say that, as Klein notes. But what Keynesianism does say is just as wrong, and the reasons are not

all that complicated.

As Klein lays it out, Keynes and his follows argued the following three points. First, markets are generally self-correcting. This, in itself, is a welcome confession.

Second, occasionally recessions happen. Economies are subject to a "convulsive downturn" sufficient to overwhelm the markets' self-correcting mechanisms and instead cause downward forces to feed on themselves, what Klein calls a "destructive feedback loop."

This leads to the policy prescription as Klein describes it: In that situation, the role of government is to break the cycle. Because businesses and consumers have stopped spending, the government breaks the cycle by spending.

Simple enough, what can be wrong with that? Answer: It only appears to work, because the theory is incomplete.

Keynesian stimulus theory ignores a simple question: Where'd the money come from? Government borrows it. If government borrowing goes up, somebody somewhere in the economy who would have spent it on something, can't. Total spending doesn't change, only the label on the spending. What would have been private investment or private consumption is crowded out in favor of government spending.

The lesser danger of Keynesian policy is that it doesn't work, which means policymakers ignore policies that would help. The greater danger of Keynesian stimulus is that, as we have seen — big time — government debt soars. And, relatedly, it diminishes the traditional resistance to running big deficits year after year. After all, proponents say, it's stimulus; it creates jobs. But they're wrong.

— J. D. Foster is the Heritage Foundation's Norman B. Ture senior fellow in the economics of fiscal policy.

PERMALINK

RE: Playground Attacks on Marcus Bachmann

By Kevin D. Williamson

Posted on July 19, 2011 12:31 PM

Glenn, I've been fascinated by the attempts to manufacture a scandal out of reports that Michele Bachmann's husband, Marcus, runs a clinic that, among other things, counsels people who are homosexually inclined but wish instead to pursue heterosexual relationships. I do not know that the reports are accurate; if they are, what possible business could it be of anybody's?

How remarkable it is that we as a society seem to believe that people can change their *sex* but not their *sexual habits*. A man who wants to have his genitals amputated, his breasts augmented, and his hormones manipulated may be accommodated, and we are in some cases compelled to pretend that he has in reality become a woman, while a man who wants to father children with a woman is a pitiable, self-loathing creature if for some reason he has not been attracted to women in the past but wishes to be. And a lesbian might count on her broadminded friends to shun her if she should suddenly decide her happiness required marrying a man, even though they would celebrate her if she should try to become one.

PERMALINK

The Murdochs Face Parliament

By Charlie Cooke

Posted on July 19, 2011 12:15 PM

Rupert and James Murdoch are currently being questioned by a British parliamentary committee over the ongoing News International scandal. The hearing is being streamed live on the BBC. Thus far, the policy of the Murdochs appears to be a combination of *mea culpa* platitudes (Rupert Murdoch said at the outset that this was the "most humble day of [his] life," and that Rebekah Brooks, the former editor who resigned on Friday, was in a "state of extreme anguish") and the casting of the *News of the World* as small, separate — even insignificant — part of their larger empire. The duo noted that the *News of the World* was so "small in [the] context" of News International that they very rarely spoke with the editorial staff of the paper, instead trusting other employees to take care of the paper. They have also made sure to point out that the scandal is limited to the United Kingdom, claiming that there is no evidence of any hacking of phones of 9/11 victims (as has been alleged). "I cannot believe it happened to anyone in America," Rupert said, adding that that the FBI has found no wrongdoing by the company in the United States.

All told, the questions thus far have been soft. Those hoping for a powerful, courtroom-style investigation will be disappointed. The refrain on anything beyond petty details has been that "detailed questions about any evidence passed to the police are difficult . . . to answer."

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