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POSTED ON **AUGUST 8, 2011** BY **SCOTT JOHNSON** IN [FEDERAL BUDGET](#), [OBAMA ADMINISTRATION](#)

DEBT MAN TALKING

President Obama gave a statement this afternoon on the historic downgrade of the United States' credit rating. As of this writing, the statement is not posted on the White House site. I wonder why. The best account I can find of it at the moment is this [live summary](#) by Politico. [UPDATE--Video below.] The following draws directly from the Politico summary.

Based on the Politico account, Obama spoke for seven minutes. If he'd talked a little longer, he might have taken the stock market down another 14 percent.

While Obama and his friends in the media had substituted the term "revenues" for taxes in the controversy leading up to the debt- ceiling deal, Obama injected the word taxes near the top of his statment. He urged "tax reform that would ask those who can afford it to pay their fair share," and "modest" adjustments to health care programs like Medicare as the next step. There's no harm in "asking," but I'm pretty sure I'm already paying more than my fair share.

Obama intimated that he might share his thoughts with the joint congressional committee to be established under the debt-ceiling deal. He said he will present his own recommendations: "That committee will have this administration's full cooperation." Good to know.

On the economy, Obama stated that the country's "most immediate concern" is jobs. If the government can deal with the deficit, there would be "more room" to pursue proposals that can get the economy growing faster, he explained. He could, in other words, shovel even more taxpayer money out the door to support friends and punish enemies. If the guy understands the first thing about economic growth, he's against it.

Obama called on Congress to extend the payroll tax cut "as soon as possible," saying Republicans have agreed to do so countless times in the past. How has that payroll tax cut worked out so far? Don't nobody ask that question.

Obama wanted it to be known that his own hostility to American energy development has had no impact on rising energy prices in the United States. He recalled the earthquake in Japan and unrest in the Middle East that have resulted in higher gas prices. "How we respond to those tests, that's entirely up to us," he said. yes, indeed. I think that means we're in trouble on the energy front for the foreseeable future.

"Markets will rise and fall, but this is the United States of America," he says. "No matter what some agency may say, we've always been and always will be a triple-A country."

Obama cited Warren Buffet vouching for the creditworthiness of the United States: “In fact, Warren Buffett ... said if there was a quadruple-A rating, I’d give the United States that.” Buffett’s theory is apparently that the United States [can always print more money](#). Hey, that’s the way they did it in Weimar Germany, and we know how well it worked it for them. Unfortunately, however, Obama didn’t explore this part of Buffett’s rationale in his remarks.

In any event, this is what’s known as the argument from authority. How authoritative is Buffett’s judgment on this point? Buffett supported Obama, so his judgment might be imperfect or colored when the subject is political. Coincidentally, Buffett’s Berkshire Hathaway conglomerate was itself downgraded to negative from stable by Standard & Poor’s today.

Finally, Obama addressed the attack that killed 30 American soldiers in Afghanistan over the weekend. “There is no one who embodies the qualities that I mentioned more than the men and women who serve in the armed forces,” he said. “Their loss is a stark reminder of the risks that our men and women face every day,” he added. “We will press on and we will succeed.” Somehow, I think you have to doubt it.

UPDATE by JOHN: Dan Mitchell of the Cato Institute has observations on Obama’s speech [here](#). One paragraph:

The left is treating America’s fiscal crisis is an opportunity to trick Republicans into a tax increase. That would be smart politics, to be sure, since it would automatically give Democrats the upper hand, but higher taxes would probably worsen the problem of excessive government since politicians would spend any additional revenue. And the kind of class-warfare taxes Obama has in mind would further undermine growth, adding to the nation’s fiscal woes.

UPDATE: Video below.

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**Eric E. Frisch** · Northern Illinois University

Can't someone hand this guy a paddle-ball a la Mel Brooks' governor in Blazing Saddles? Something to keep him busy for the next year and a half? This presidency has gone necrotic and needs to be cut off from what little healthy tissue is left in our body politic.

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**John Marston**

When are we going to ask the near 50% who pay no federal income taxes to pay their "fair share"? Anyone who has a job in this country should pay SOME taxes, even if it is a small amount, as an act of citizenship. As far as the payroll tax cut is concerned - I didn't spend a dime of it. I bumped my 401K contribution by the same amount - I suspect a lot of other people did the same.

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Jacqueline: If the link above doesn't work for you, go here and click on the June 2011 link.

<http://www.bls.gov/cpi/tables.htm>

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**Dale Wyckoff** · Top Commenter

Two things. 1) For some reason this system adds arbitrary question marks to the URLs when we copy and paste. People need to edit them out for the URLs to work.

2) May to June is a very limited data set, Edward I think you know better than that. Look to the line items and you'll see the change was limited by a drop in energy prices. That's turned around, hasn't it. But look at the final column and you'll see the 12 month total. And that puts the lie to your argument.

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Dale: No doubt we've had a runup in energy prices during the past year due to BP spill, Arab revolts, Japan earthquake, etc. However, the trends from May and June are not mere flashes in the pan. Look at the change in oil prices in just the past week:

<http://finance.yahoo.com/news/Oil-prices-plummet-as-debt-cnnm-829693842.html>

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**Rod Bell** · Sunny Hills High

So Obama pulled himself away from the celebrity-filled 50th birthday parties and the fundraisers to lay a little of his legendary oratory wizardry on the proles. Is there no end to the sacrifices that this demigod must make for his children?

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**Don Phillips** · Top Commenter · New Smyrna Beach, Florida

Would this be a weeee bit of sarcasm? LOL.

1 · Like · Reply · 15 hours ago

**James Quirk** · University of Minnesota

I would like a Democrat - any Democrat - to define what "fair share" means. I suspect that if the succeeded in raising taxes back to the 70% rate they seem to be pining for they would still complain that the rich are not paying their "fair share".

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Anyway, back to your point, James Quirk, I'm not a philosopher and I cannot define an ideal schedule of tax brackets and marginal tax rates that would be the most "fair". I do think it's "fair" that the American people should pay an appropriate level of taxation to fund the services & programs that they seem to want. The current federal income tax schedule is not adequate to the task. So sure, let's go back to the Clinton tax rates.

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**Colleen Horner Adams** · Top Commenter · Data Administration-Siebel Customer Service Software Database at Marvin Windows and Doors

What if most of us don't want those "services & programs" but we're not the noisy, clamorous ones...just the paying ones?

Like · Reply · 10 hours ago

