

**OBAMA, AN AUSTERITY PRESIDENT?
- THE LIES!
- THE TRUTH!
- GOOD GRIEF!**



Stephen L. Bakke 🇺🇸 June 3, 2012

(Did the President fall for some B.S. being printed about him, or is he really the most frugal and austere President in many decades? He's just pullin' our legs! Right? I'm startin' to pull my hair out again!)

A few days ago, Rex Nutting wrote an article which appeared in the Wall Street Journal describing as pure mythology, all the rumors about Obama being a “spendy” President. Here are some quotes (emphasis and added colors are my responsibility - sb):

*Almost everyone believes that Obama has presided over a massive increase in federal spending, an “inferno” of spending that threatens our jobs, our businesses and our children’s future. Even Democrats seem to think it’s true. **But it didn’t happen.** Although there was a big stimulus bill under Obama, federal spending is rising at the slowest pace since Dwight Eisenhower brought the Korean War to an end in the 1950s **Government spending under Obama, including his signature stimulus bill, is rising at a 1.4% annualized pace — slower than at any time in nearly 60 years.***

Here are some of the facts, according to the official government statistics [and with “interpretations according to Nutting” - sb]:

- *In the 2009 fiscal year – the last of George W. Bush’s presidency — federal spending rose by 17.9% from \$2.98 trillion to \$3.52 trillion. Check the official numbers at the Office of Management and Budget.*
- *In fiscal 2010 – the first budget under Obama – spending fell 1.8% to \$3.46 trillion.*
- *In fiscal 2011, spending rose 4.3% to \$3.60 trillion.*
- *In fiscal 2012, spending is set to rise 0.7% to \$3.63 trillion, according to the Congressional Budget Office’s estimate of the budget that was agreed to last August.*
- *Finally in fiscal 2013 – the final budget of Obama’s term – spending is scheduled to fall 1.3% to \$3.58 trillion.*

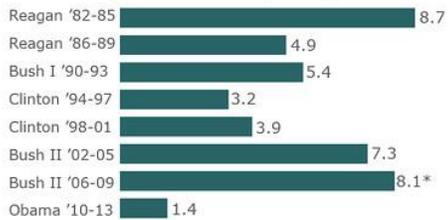
*There has been no huge increase in spending under the current president, despite what you hear Why do people think Obama has spent like a drunken sailor? It’s in part because of a fundamental misunderstanding of the federal budget **What people forget (or never knew) is that the first year of every presidential term starts with a budget approved by the previous administration and Congress.** The president only begins to shape the budget in his second year. It takes time to develop a budget and steer it through Congress — especially in these days of congressional*

gridlock The 2009 fiscal year, which Republicans count as part of Obama's legacy, began four months before Obama moved into the White House. The major spending decisions in the 2009 fiscal year were made by George W. Bush and the previous Congress.

Here are two charts he used:

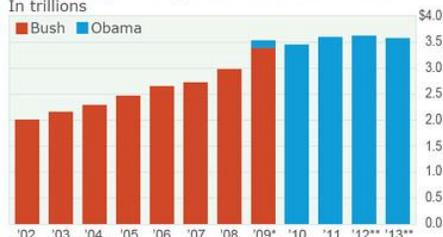
Slowest spending in decades

Annualized growth of federal spending



*2009 stimulus re-assigned to Obama Data: OMB, CBO & Haver Analytics

Federal spending flattens under Obama



*Includes \$140 billion in spending approved under Obama
**CBO baseline estimate Data: Congressional Budget Office

Recently, while in Des Moines, President Obama was referring to the then very new Nutting article when he stated "Mitt Romney warned about a 'prairie fire of debt.' That's what he said a "cow pie" of distortion What my opponent didn't tell you was that federal spending since I took office has risen at the slowest pace of any President in almost 60 years."

While reacting to questions about the Nutting Analysis, White House Press Secretary Jay Carney stated that President Obama has exercised "significant fiscal restraint acted with great fiscal responsibility [the press should not] buy into the B.S. that you hear about spending and fiscal constraint with regard to this Administration"

The preceding words and charts are the basis for the controversy and this report. Let's look closer.

What's Wrong With That? Let Me Show You!

I have tried to construct this as a logical series of connected points, each one building on the prior ones, with a goal of leading to the logical and proper conclusions.

- Nutting is using the 2009 spending level as the "base line" for measuring increases during 2010 through 2013. ALL spending in the 2009 budget year is attributed to Bush.
- Nutting is making a wrongful assumption that Obama is not responsible for any of the FY 2009 spending. That assumption would mostly valid in years in which a budget had been passed. But remember, **there was no 2009 budget passed while Bush was in office!**
- Had Bush signed a budget bill in 2008, for the year ending September 30, 2009, then Obama would only be responsible for those measures affecting October through December of 2009. **But such wasn't the case!**

- Congress **did not** complete budget work by September 30, 2008 and President Bush only signed a few critical 2009 appropriations as well as a “continuing resolution” to keep the government running, generally at the prior 2008 levels.
- The three “critical” 2009 appropriations bills signed by Bush were: Defense, Military Construction/Veterans Affairs, and Homeland Security. There actually were 12 appropriations bills worked on.
- President Bush should be assigned those spending measures he approved of and signed? He should also be assigned only the **2008 levels** of spending for those appropriations bills he wasn’t presented, and which he wouldn’t have signed with the eventual large increases.
- Bush actually had threatened a veto if he were asked to sign appropriations bills larger than the budget request he had made.
- **It appears that the Democrats purposely held off on the appropriations process because they anticipated Bush’s disapproval of these measures.** Going back in time you would find general speculation in the press that this was the strategy.
- Democrats waited for a new Democratic administration and larger majorities in both houses of Congress. **They waited, and got what they hoped for in the 2008 elections.**
- The initial TARP money spent by Bush is appropriately attributed to him, but **the recoveries came in under Obama and are not used to offset the Bush numbers.** This further distorted the numbers. These recoveries were part of the Bush strategy.
- The second half of the TARP money, **that Bush declared was not necessary,** was requested by Obama and disbursed. **Nutting includes all of these dollars in Bush’s column** – approximately \$200 billion!
- **All of Obama’s \$825 billion stimulus package is attributed to Bush. How can that logically happen? That measure was proposed, lobbied for, signed and spent by Obama!** The small fraction of the stimulus spending, \$140 billion, which occurred after October 1, 2009 is all that Nutting attributes to Obama. Ridiculous!
- Included in the alleged Bush budget, is also the full amount of a \$410 billion spending package which Obama embraced and signed. **Bush had refused to sign** - he wanted far less.
- Obama signed a \$40 billion child health care bill which Nutting “blames on” Bush. This is the one that expanded coverage to additional Americans and immigrants. **Bush wouldn’t have signed that.** Whatever one’s opinion of the legislation, **how can it be attributed to Bush?**
- Further distorting the results of his analysis, Nutting anticipates the total amount for 2012 spending to be \$3.63 trillion. That’s approximately \$165 billion **under** the estimate which came out of the White House. **That sure helps Obama’s numbers!**
- The bottom line is that a true “base line” for Bush should include approximately the 2008 spending levels, plus the NET initial TARP spending and certain other spending increase requests indicated by Bush late in 2008.
- Nutting permits Obama to “build Bush’s 2009 base line budget” unilaterally, and then measures Obama against that higher, phony, manipulated amount. How can this not result in very skewed numbers for each year thereafter and bad conclusions? **That’s fantasyland!**
- Nutting is giving Obama credit for the phony small percentage increases in spending since 2009 – and Obama obviously agrees!
- We must not forget that **part of the reason for the level spending since 2009 is that the republicans (and to be fair, also the democrats) have made sure the President’s budget requests have been unanimously defeated for two straight years.** Nutting and Obama are being absurd – almost audacious!

- **Shouldn't Obama's "austerity quotient" consider the huge spending amounts he requested for the last two years, and not just the lower levels Congress held him to? Of course it should! GOOD GRIEF!**
- Much of Obama's reputation as a big spender comes from the ridiculous spending requests he has made, but which have not been passed. **He made the requests and now wants credit for the fact they weren't even passed! That's audacious!**
- Another flaw in the analysis is actually acknowledged by Nutting – i.e. many of the temporary spending measures included in 2009 were continued in a different form going forward. **It seems a fair evaluation would penalize Obama for not showing savings after temporary emergency spending measures were completed.** I don't see any indication that he did that.

One must admit that the facts have been embarrassingly and painfully misinterpreted! Or might it have been intentional deception? You decide!



The larger conceptual error of the Nutting–Obama–Carney troika is neglecting to compare the budget to the size of the economy. The best perspective on how outlays, tax receipts and deficits change over time is as a share of GDP ... Prior to Mr. Obama, the U.S. had not spent more than 23.5% of GDP ... since the end of World War II. Yet Mr. Obama has managed to exceed that four years in a row ... As for that prairie fire of debt, Mr. Obama can fairly blame \$1 trillion or so of the \$5 trillion debt increase of the last four years on Mr. Bush. But what about the other \$4 trillion? Debt held by the public now stands at 74.2% of the economy, up from 40.5% at the end of 2008 – and rising rapidly. – The Wall Street Journal

If we attribute all of Bush's spending for the Iraq and Afghanistan wars and No Child Left Behind, to William Howard Taft, Bush didn't spend much either Hey, we just found out that Obamacare's going to cost triple the estimate. Let's blame it on Calvin Coolidge! – Ann Coulter – on the absurdity of Rex Nutting's "fraudulent" analysis and commentary