

Ryan 1, Obama 0

I am beginning to wonder whether President Obama is so cocky about his 2012 re-election prospects that he thinks he doesn't even have to be serious in his budget plan offerings.

Unfortunately, the nation's unfunded liabilities aren't so casual as the president; they are growing by more than \$10 trillion per year, which means that our looming debt crisis becomes far more problematic with each passing day.

I invite you to compare Obama's recently submitted plans with either Paul Ryan's "Path to Prosperity" or his own bipartisan deficit commission's recommendations. Or, if you're the risk-taking type, you may want to wait for the findings of yet another commission that Obama has talked about forming, obviously hoping this new commission would dutifully tailor its findings to his policy preferences.

Both Ryan's plan and the deficit commission's include specific proposals to achieve what the commission has termed "sustainability" in our budget and entitlements; Obama's plan is strikingly bereft of specifics.

Ryan's plan would reduce the deficit by \$5.8 trillion in 10 years, mostly with spending cuts and revenue-neutral but growth-oriented tax reforms. Obama claims he would cut \$4 trillion in 12 years, but his onerous tax hikes might completely negate his spending cuts, which he has yet to specify. Ryan's plan would begin cuts immediately, but the president's plan would postpone planned cuts and savings until 2013 -- after his re-election campaign.

Ryan would freeze discretionary spending for five years to pre-2008 levels and index it to inflation thereafter. Obama's plan has no such spending caps.

But the major drivers of our fiscal crisis are the big three entitlements -- Medicare, Medicaid and Social Security -- which together contain the lion's share of the nation's \$88 trillion in unfunded liabilities. Ryan has offered specific proposals for reform. Obama has resorted to partisanship, name-calling and fear-mongering and has offered only generalities.

On Medicaid, Ryan proposes a block grant system tailored to meet the varying needs of each state. Obama rejects the block grants approach but has claimed he will achieve unspecified savings.

On Medicare, Ryan has proposed a premium support system for those 54 or younger that would provide payments to beneficiaries and a list of guaranteed coverage options from which they could choose to suit their particular needs. This competitive model is similar to the federal employee health plan and is designed to bring costs down through market forces. Obama proposes to save \$500 billion from Medicaid and Medicare by 2023 and another \$1 trillion in the following decade but again offers no specifics as to how we would achieve those meager goals.

Here, with Medicare, we see the greatest contrast in their respective approaches. Ryan recognizes that artificial cost containment measures imposed by the government cannot work and have not worked any more than wage and price controls and that in fact, they lead to increased costs and rationing.

Obama envisions the government attempting to control the costs bureaucratically by greatly expanding the power of the Independent Payment Advisory Board, a 15-member panel appointed by the president that would have final, unreviewable authority to impose a one-size-fits-all rate scheme. Only Congress could override the authority of this board, by a two-thirds vote.

The reality is that Medicare costs could not be achieved by Obama's plan without severe cost controls and/or rationing. It's a Draconian idea, which completely defeats Obama's stated purpose for Obamacare in the first place: to increase medical coverage and contain costs. You can't achieve those goals by legislative fiat.

On top of all those things, Obama would continue Obamacare in force, which is an open-ended health care entitlement whose costs, the Congressional Budget Office confirms, he has radically understated. Among other sleights of hand, Obama counted dollars from the Medicare fund twice in order to create the illusion that he would be using those funds for Obamacare without raiding the Medicare system.

Perhaps worst of all, Obama plans on punitive taxes for the so-called wealthy, which would not only not raise revenues but also further smother our anemic economy. Both Ryan's plan and the commission's plan would simplify the tax code and reduce top individual and corporate rates.

Ryan's plan would seriously steer us back toward economic and financial health. The commission's plan is inferior but vastly superior to Obama's.

Sadly, Obama is ideologically committed to essentially ignoring our entitlements crisis, Band-Aid approaches to domestic spending, reckless military cuts, and class warfare-driven, growth-stifling tax policies. Obama's latest budget plan would be guaranteed to hurdle this nation toward European-style austerity at best and outright fiscal bankruptcy at worst.

Posted by David Limbaugh at April 18, 2011 07:02 PM

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