

Obama demands \$1.6 trillion tax boost, and an unlimited credit card

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President Barack Obama has dramatically upped his demands in the fiscal crisis negotiations: He wants Congress to levy twice as much in extra taxes from Americans as he urged during the election campaign, give up its control over the nation's debt limit, and fund an immediate \$50 billion stimulus for his political priorities.

In exchange, Obama offered to consider — but not necessarily accept — GOP proposals for cutting \$400 billion from Medicare and other programs strongly favored by off-year voters.

That listening session would take place sometime in 2013, giving the president plenty of time to wrap the unpopular demand around the necks of the GOP legislators before the 2014 midterm elections.

The surprise package was given to Republican House Speaker John Boehner on Thursday by Treasury Secretary Timothy Geithner.

Geithner presided over Obama's four-year spending spree, which has left 23 million Americans unemployed, underemployed or out of the workforce. That spending has been funded by \$7 trillion in borrowed funds or government-printed cash, generating additional debt of roughly \$20,000 per person.

The budget package is slated to avoid the economic pain due from the scheduled Jan. 1 imposition of planned budget cuts and tax increases, worth \$500 billion during 2013.

Boehner and other Republicans derided Obama's wishlist, which was described by the New York Times as "a detailed proposal ... loaded with Democratic priorities and short in detailed spending cuts."

The Washington Post described the package as lacking "any concessions to Republicans, most notably on the core issue of where to set tax rates for the wealthiest Americans... [and] it seemed to take Republicans by surprise."

"I'm here seriously trying to resolve [the fiscal crisis], and I would hope the White House would get serious as well," Boehner told reporters Thursday.

The package is "a step backward," said the Republican's minority leader in the Senate, Mitch McConnell.

Some GOP legislators also complained about Obama's use of a closed-door negotiation process.

"Until this fantasy 'plan' from a secret meeting is made public and scored by the Congressional Budget Office, it does not exist," said an evening statement from Sen. Jeff Sessions, the Republican's ranking chairman on the Senate budget committee.

"Based on history, we can safely assume that reports that this 'plan' saves \$4 trillion is a fabrication [and] is a distraction that allows the White House to continue to run out the clock so it can have maximal leverage to force through a bad deal in the last minutes before midnight."

If accepted, Obama's new demand that Congress give up its control over the debt limit would mark a huge loss of Congress' financial power to the executive branch.

The debt-limit caps the federal government's debt, which is now set at \$16.4 trillion.

Annual tax receipts are only enough to fund the government spending for the first nine months of each year, and Obama can't legally borrow money on the international market once that debt limit is reached in early 2013.

In 2011, Republicans used their power over the debt limit to squeeze some spending reductions from Obama.

On Thursday, Boehner said Obama would have to bargain for another increase in the debt limit by curbing spending.

But Obama's post-election lunge for more taxes and an even bigger federal government has also cracked the public unity of GOP legislators.

Sessions and other GOP legislators worry that Obama's team is posturing in front of the media and voters, while actually delaying and blocking budget talks with Boehner, until the deadline is almost up on Jan. 1.

By posturing until Jan. 1, Obama can pressure Boehner and other Republicans leaders to rush an last-minute tax-increase through Congress while sidelining other legislators and voters, say GOP legislators, including Sessions.

It is "only the speaker and the president of the United States who are negotiating," Sessions complained. "Apparently the [Democratic] majority leader of the Senate is not intimately involved, the [Democratic] chairman of the budget committee is not involved, the [Democratic] chairman of the finance committee is not involved. ... Certainly Republican leaders are not involved," he said.

"Shouldn't the president of the United States, the only person who represents everybody in the country, lay out his plan, or must that remain a secret too? Will it just be revealed to us on the eve of Christmas or eve of the new calendar year? We will be asked to vote for it, to ratify it like lemmings, I suppose," he said in a Thursday statement in the Senate.

"We [senators] ought to be engaged, [because that] would allow the American people to know what's happening," he concluded.

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