



Obama's budget would add \$13 trillion to national

debt

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WASHINGTON | President Barack Obama on Monday proposed a \$3.73 trillion budget for fiscal 2012 that he said would start reining in runaway budget deficits, but his plan envisions the gross national debt swelling by almost \$13 trillion over a decade.

Obama's budget sets up a clash with the Republican-led House of Representatives over how to recover from the deep recession of recent years and strengthen the economic foundation for the future, with federal spending the pivotal battleground.

Obama would include spending boosts for education, infrastructure and research that he says are critical for recovery, but he would cut overall federal spending by \$90 billion from last year in fiscal 2012, which begins Oct. 1.

He also said he would cut this year's record \$1.65 trillion deficit to \$1.1 trillion next year, but he avoids tough choices on such big issues as Medicare, Medicaid and Social Security, which together are driving the national debt skyward.

His blueprint envisions federal spending jumping by \$363 billion in the current year, dropping by \$90 billion the next year, then rising again by an average of \$218 billion a year for nine years.

This would leave the government \$26.35 trillion in debt after 10 years — an increase of \$10.87 trillion from this year.

Bottom-line analysts called President Obama's budget too timid to address a simmering debt crisis that many say could weaken America economically and strategically if left untamed.

"You're treading water when you are about to go over Niagara Falls," said Robert Bixby, the director of the Concord Coalition, a nonpartisan budget watchdog group.

Republicans denounced Obama's budget.

"The president's budget will destroy jobs by spending too much, taxing too much and borrowing too much," said House Speaker John Boehner.

The House will vote this week on a proposal to cut \$61 billion in spending from the current year — which would be \$100 billion less than the budget President Obama proposed for the current fiscal year, which began on Oct. 1, 2010.

Beyond that, House members plan to cut more spending from Obama's proposal for the next fiscal year and beyond. House Republicans will propose details of their budget plan in the next several weeks.