



# Obama: What Debt Crisis?

## *Obama Says There Isn't A Debt Crisis, No To A Balanced Budget*

**In An Interview With ABC News, Obama Said That “We Don’t Have An Immediate Crisis In Terms Of Debt.”** OBAMA: “And, so, we don’t have an immediate crisis in terms of debt. In fact, for the next ten years, it’s gonna be in a sustainable place. The question is, can we do it smarter, can we do it better? And— you know, what I’m saying to them is I am prepared to do some tough stuff. Neither side’s gonna get 100%. That’s what the American people are lookin’ for. That’s what’s gonna be good for jobs. That’s what’s gonna be good for growth.” (President Barack Obama, [Interview With ABC’s George Stephanopoulos](#), 3/13/13)

- **Obama Reiterated “There’s Not– In Any Way– An Immediate Crisis With Respect To– Our Finances.”** OBAMA: “I’m tryin’ to encourage Congress to think about is yes, we’ve got some big disagreements on the budget. But we’ve made some big cuts. There’s not– in any way– an immediate crisis with respect to– our finances. The economy is growing. And, you know, there may be disagreements that we can’t bridge right now– when it comes to financial situation. I’m hopeful that we can. But let’s not have this crisis mentality stall all the other progress that needs to be made to help– Americans find jobs, help Americans grow the economy.” (President Barack Obama, [Interview With ABC’s George Stephanopoulos](#), 3/13/13)
- **ABC News Headline: “Obama: There Is No Debt Crisis”** (Jonathan Karl, “Obama: There Is No Debt Crisis,” [ABC News](#), 3/13/13)

**Obama Also Said “No,” His Budget Will Not Balance.** GEORGE STEPHANOPOULOS: “Balanced by any point?” OBAMA: “No. I think that there is a possibility. Look, balancing the budget in part depends on how fast you grow. You remember– you were in the Clinton administration. The reason that you guys balanced it was a combination of some tax hikes, some spending cuts, and the economy grew. And, so– you know, my goal is not to chase– a balanced budget just for the sake of balance.” (President Barack Obama, [Interview With ABC’s George Stephanopoulos](#), 3/13/13)

## **OBAMA USED TO BE CONCERNED ABOUT THE IMPACT OF HIGH DEBT AND DEFICITS ON THE ECONOMY**

**FLASHBACK:** Obama In 2011: “When Folks Tell You That We’ve Got A Choice Between Jobs Now Or Dealing With Our Debt Crisis, They’re Wrong. They’re Wrong. We Can’t Afford To Just Do One Or The Other. We’ve Got To Do Both.” OBAMA: “And over the course of the next few weeks, I’m going to be putting out more proposals to put people to work right now. And some of them—yes, some of them cost

money. And the way we pay for it is by doing more on deficit reduction than the plan that we had to come up with right at the last minute in order to avoid default. We didn't do as much as we could have. When folks tell you that we've got a choice between jobs now or dealing with our debt crisis, they're wrong. They're wrong. We can't afford to just do one or the other. We've got to do both." (President Barack Obama, [Remarks At A Town Hall Meeting](#), Alpha, IL, 8/17/11)

**FLASHBACK: In 2009, Obama Believed That A Failure To Control The Deficit Would "Make It Harder For The Economy To Grow."** "Obama wants to reduce the deficit because he's concerned that over time, federal borrowing will make it harder for the U.S. economy to grow and create jobs, said the official, speaking on the condition of anonymity." (Hans Nichols, "Obama Plans To Reduce Budget Deficit To \$533 Billion By 2013," [Bloomberg](#), 2/21/09)

- **Obama Recognized That If We Failed To Control Our Debt, It Could Lead To A Double-Dip Recession.** OBAMA: "It is important though to recognize if we keep on adding to the debt, even in the midst of this recovery, that at some point, people could lose confidence in the U.S. economy in a way that could actually lead to a double-dip recession." (Fox News, "[Interview With Major Garrett](#)," 11/18/09)

**FLASHBACK: In 2008, Obama Said Adding \$4 Trillion To The National Debt Was "Irresponsible. It's Unpatriotic."** OBAMA: "The problem is, is that the way Bush has done it over the last eight years is to take out a credit card from the Bank of China in the name of our children, driving up our national debt from \$5 trillion for the first 42 presidents - #43 added \$4 trillion by his lonesome, so that we now have over \$9 trillion of debt that we are going to have to pay back -- \$30,000 for every man, woman and child. That's irresponsible. It's unpatriotic." (Sen. Barack Obama, Remarks At A Campaign Event, Fargo, ND, 7/3/08)

- [Click Here To Watch Obama Call \\$4 Trillion In New Debt "Unpatriotic"](#)

### ***Obama Ignores Other Officials Who Have Recognized The Dangers Posed By High Debt and Deficits***

**CBO Director Douglas Elmendorf: Growing Debt Increases Risk Of "Sudden Fiscal Crisis."** "Growing debt also would increase the probability of a sudden fiscal crisis, during which investors would lose confidence in the government's ability to manage its budget and the government would thereby lose its ability to borrow at affordable rates." (Douglas Elmendorf, "CBO's 2011 Long-Term Budget Outlook," [Congressional Budget Office "Director's Blog"](#), 6/22/11)

**Then-Chairman Of The Joint Chiefs Of Staff Admiral Michael Mullen In 2010: "The Single-Biggest Threat To Our National Security Is Our Debt."** "And then thirdly, we're going through -- and I've said publicly. I'll restate it now. I think the single-biggest threat to our national security is our debt. We are going to pay interest on the debt -- I think it's in 2012 -- of close to \$600 billion. That's one year's worth of Defense budget." (Admiral Mike Mullen, Remarks At A Detroit Economic Club Luncheon, Detroit, MI, 8/26/10)

## **OBAMA HAS ADDED MORE TO THE DEBT THAN ANY PRESIDENT**

**"Less Than Two Months Into President Obama's Second Term, New Numbers Show The National Debt Increased By More Than \$6 Trillion Since He Took Office. It's The Largest Increase To Date Under Any U.S. President."** (Mark Knoller, "National Debt Up \$6 Trillion Since Obama Took Office," [CBS News](#), 3/1/13)

- **Under Obama, The National Debt Has Increased By \$6.1 Trillion, From \$10.6 Trillion To \$16.7 Trillion – An Increase Of 57 Percent.** (US Department Of The Treasury, [TreasuryDirect.gov](#), Accessed 3/13/13)

**“Federal Debt Held By The Public Will Reach 76 Percent Of GDP By The End Of This Fiscal Year, The Largest Percentage Since 1950.”** “The federal budget deficit, which shrank as a percentage of GDP for the third year in a row in 2012, will fall again in 2013, if current laws remain the same. At an estimated \$845 billion, the 2013 imbalance would be the first deficit in five years below \$1 trillion; and at 5.3 percent of GDP, it would be only about half as large, relative to the size of the economy, as the deficit was in 2009. Nevertheless, if the laws that govern taxes and spending do not change, federal debt held by the public will reach 76 percent of GDP by the end of this fiscal year, the largest percentage since 1950.” (“The Budget And Economic Outlook: Fiscal Years 2013 To 2023,” [Congressional Budget Office](#), 2/5/13)

- **Government Outlays Are Still Set To Exceed Their 40-Year Average Of 21 Percent.** “Although outlays are projected to decline from 22.8 percent of GDP in 2012 to 21.5 percent by 2017, they will still exceed their 40-year average of 21.0 percent.” (“The Budget And Economic Outlook: Fiscal Years 2013 To 2023,” [Congressional Budget Office](#), 2/5/13)
- **“Debt Held By The Public Is Projected To Be Significantly Greater Relative To GDP Than At Any Time Since Just After World War II.”** “First, under the current-law baseline, the projected debt is very high by historical standards. Throughout the 2013–2023 period, debt held by the public is projected to be significantly greater relative to GDP than at any time since just after World War II; at no time is it anticipated to fall below the percentage of GDP it represented in any year between 1951 and 2012.” (“The Budget And Economic Outlook: Fiscal Years 2013 To 2023,” [Congressional Budget Office](#), 2/5/13)

**“All The Trillion-Dollar Deficits Have Taken Place Under President Obama.”** “The federal government ran up a \$293 billion deficit in the first quarter of fiscal 2013, which ended Dec. 31, the nonpartisan Congressional Budget Office estimated Tuesday. The government's fiscal year starts on Oct. 1st. At this pace, the deficit would be on pace to top \$1 trillion for the fifth-straight year in 2013. All the trillion-dollar deficits have taken place under President Obama.” (Eric Wasson, “First-Quarter Deficit Was \$293 Billion, CBO Says,” [The Hill](#), 1/8/13)

**The CBO Projects That Deficits Will Total \$7 Trillion From 2014 To 2023.** “For the 2014–2023 period, deficits in CBO’s baseline projections total \$7.0 trillion.” (“The Budget And Economic Outlook: Fiscal Years 2013 To 2023,” [Congressional Budget Office](#), 2/5/13)

- **“With Such Deficits, Federal Debt Would Remain Above 73 Percent Of GDP—Far Higher Than The 39 Percent Average Seen Over The Past Four Decades.”** “With such deficits, federal debt would remain above 73 percent of GDP—far higher than the 39 percent average seen over the past four decades. (As recently as the end of 2007, federal debt equaled just 36 percent of GDP.) Moreover, debt would be increasing relative to the size of the economy in the second half of the decade.” (“The Budget And Economic Outlook: Fiscal Years 2013 To 2023,” [Congressional Budget Office](#), 2/5/13)

**FY2009: The Federal Budget Deficit Was \$1.413 Trillion, The Highest In U.S. History.** (“Monthly Budget Review: November 2011,” [Congressional Budget Office](#), 11/7/11)

**FY2010: The Federal Budget Deficit Was \$1.294 Trillion, The Third Highest In U.S. History.** (“Monthly Budget Review: November 2011,” [Congressional Budget Office](#), 11/7/11)

**FY2011: The Federal Budget Deficit Was \$1.299 Trillion, The Second Highest In U.S. History.** (“Monthly Budget Review: November 2011,” [Congressional Budget Office](#), 11/7/11)

**FY2012: The Federal Budget Deficit Was \$1.1 Trillion, The Fourth Highest In U.S. History.** (“Monthly Budget Review: Fiscal Year 2012,” [Congressional Budget Office](#), 10/5/12)

**FY2013: CBO Estimates The Federal Budget Deficit Will Be \$845 Billion, The Fifth Highest In U.S.**

**History.** (“Budget And Economic Outlook,” [Congressional Budget Office](#), 2/5/13)