

February 6, 2014

Streetwise Professor notes John Kerry's admission of failure with Syrian policy. Now Kerry wonders if and when the administration grows some gonads, will congress go along?

*... Kerry supposedly asked the senators whether there would be support in Congress for a more robust policy.*

*There's an easy answer to that: NO! Even those senators and representatives who in principle would support such a policy will never do so given Obama's behavior in August and September. Remember how Kerry built the case for US intervention, going so far as to compare Assad to the Nazis, but then Obama seized at the first opportunity to bug out. After that performance, no member of Congress is going to put his or her neck on the line for Obama, especially given that (a) they have to know Obama is not committed to robust action, and will be looking for a way out, and (b) the Gates memoir makes it plain how Obama will engage in half-hearted military efforts for cynical political reasons. Oh, and (c): the administration has acted so incompetently (and not just in Syria) that any sentient being would conclude that it cannot be relied on to do any better in the future. Once burned, twice shy.*

*No. No sane member of Congress will take risks for a feckless, cynical, and incompetent administration. Ukrainian patriots shouldn't do so either.*

Jennifer Rubin lists Kerry's mistakes.

*Secretary of State John Kerry keeps telling us to trust him on Iran negotiations. But why should we? He's gotten virtually every important issue wrong since taking office, and made some shockingly bad misjudgments.*

*Consider:*

*He thought a "peace conference" could bear fruit on Syria. Wrong.*

*He thought the Palestinians were interested in a peace agreement. Wrong.*

*He thought we should have a special relationship with China. Wrong.*

*He thought Mohamed Morsi was a democratic leader with whom he could get along. Wrong.*

*And even before he became secretary, you will recall, he thought Bashar al-Assad could be wooed. He was convinced the Iranians could be engaged, and he tried to throw sand in the wheels on Iran sanctions. He likewise ran interference for the White House, trying to slow down the passage of sanctions against Russia (the Magnitsky Act). He was convinced we didn't need troops in Iraq.*

*In short, only Vice President Joe Biden and the president have made so many wrong-headed judgments in the last five years. ...*

That's what some of our regulars think. How about a liberal from WaPo, Richard Cohen?

*... in the Far East, what concerns South Korean, Japanese and other policymakers is not just the potential instability of the region but also the Obama administration's erratic Syrian policy. A "red line" was pronounced, then ignored. Force was threatened by the president, and then the decision was lateraled to Congress where, to further the metaphor, the ball was downed and, just for good measure, deflated. None of this comforted the nations that see China as a looming menace and rely on the United States for backup. "[T]he administration's prevarications over Syria continue to linger for the elites who drive national strategy in these countries," wrote Michael J. Green, senior director for Asian affairs at the National Security Council under President George W. Bush.*

*The Syria debacle, coupled with the consensus that the United States is turning inward, is bound to produce instability. The South Koreans, in particular, have to worry if the Dear Leader in the North considers President Obama to be a paper tiger. The Japanese have to worry whether the Chinese have reached the same conclusion. The United States' European allies worry that the United States has pivoted to Asia. In Asia, the worry is that the proclaimed pivot is just a rhetorical device.*

*In 1996, Madeleine Albright popularized a phrase used by President Clinton. She repeatedly called the United States the "indispensable nation." The phrase lends itself to mockery, but it is dead-on. Nowhere is the United States more indispensable than in the Far East, where a rising China, acting like pre-World War I Germany, is demanding respect and flexing its muscles. It's all too familiar: rising nationalism, excessive pride, irrationality ready in the wings and America going into its habitual hibernation. Only the mustaches are gone.*

Another WaPo liberal, Dana Milbank, writes on the stunning developments out of the Congressional Budget Office which predicted the healthcare law would reduce the workforce by 2.3 million full time workers! This report plus the continued rollout problems make it increasingly likely the Supreme Court will drop some safes on the administration before they are finished with this term in June. Obama is vulnerable in three areas; executive over-reach, the healthcare act, and recess appointments. Pickerhead predicts the last two will be brought to an end this year. And who among mainstream Dems is going to arise and fight for continuation of Obamacare? John Roberts is going to look very wise when the sorry chapter of this administration goes into the history books. Unfortunately, we are still left with the electorate that voted for the fool twice.

*... Live by the sword, die by the sword, the Bible tells us. In Washington, it's slightly different: Live by the CBO, die by the CBO.*

*The congressional number-crunchers, perhaps the capital's closest thing to a neutral referee, came out with a new report Tuesday, and it wasn't pretty for Obamacare. The CBO predicted the law would have a "substantially larger" impact on the labor market than it had previously expected: The law would reduce the workforce in 2021 by the equivalent of 2.3 million full-time workers, well more than the 800,000 originally anticipated. This will inevitably be a drag on*

*economic growth, as more people decide government handouts are more attractive than working more and paying higher taxes.*

*This is grim news for the White House and for Democrats on the ballot in November. This independent arbiter, long embraced by the White House, has validated a core complaint of the Affordable Care Act's (ACA) critics: that it will discourage work and become an ungainly entitlement. Disputing Republicans' charges is much easier than refuting the federal government's official scorekeepers.*

*White House officials rushed to dispute the referee's call — arguing, somewhat contradictorily, that the finding was both flawed and really good news if interpreted properly.*

*Press secretary Jay Carney quickly issued a statement saying that the CBO report was, by its own admission, "incomplete" and "does not take into account" some favorable effects of the law.*

*Carney postponed his daily press briefing, then arrived with Jason Furman, head of the Council of Economic Advisers, who argued that the Affordable Care Act couldn't possibly be a job killer because 8.1 million jobs had been created since it became law. This is true — but irrelevant to the CBO finding. ...*

The White House reaction to the CBO report was silly and prompted a post from **Jennifer Rubin**. Instead of president bystander, perhaps we can call him president news cycle.

*... All this leads me to believe that the White House, as it has done with each rotten bit of news and instance of Obamacare's unworkability, is saying whatever it needs just to get through a few news cycles. Because it will not admit any design flaws in the fundamental structure of the bill, it must resort to silly and self-contradictory talking points — or simply misrepresent facts, as the president did when he first claimed you could keep your insurance plan and later denied he said you could keep your insurance plan. The notion that all these bad things — insurance cancellations, reductions in work — simply "happen" in proximity to Obamacare is unbelievable, and does damage to the defense of legitimate safety net problems and efforts to reform those problems.*

*Obamacare is destroying the public's faith in the president, in big government and in the premise of liberalism itself — that government programs have a dynamic effect on society and individual behavior. It's more than the GOP has done in decades.*

And, in the same vein, **Byron York** reports that the liberal Brookings Institution has found Obamacare will reduce the incomes of most Americans.

*There's no doubt the Affordable Care Act will redistribute wealth in America. People at the top of the income ladder will pay more; people at the bottom will benefit. But how, exactly, will that work?*

*A new study finds that Obamacare's redistribution will be stunningly lopsided. Scholars at the liberal Brookings Institution have discovered that Obamacare will increase the income of*

*Americans in the lowest 20 percent of the income scale, and especially in the lowest ten percent. But all other income groups -- even people who make very modest incomes in the \$25,000 to \$30,000 range, as well as all income brackets above that -- will experience a decline in income because of Obamacare.*

*In other words, Obamacare is going to cost some of the very people it was designed to help.*

*Brookings scholars Henry Aaron and Gary Burtless sought to determine the law's impact on income in 2016, when almost all of Obamacare will be in effect. To do so, they adopted a broad definition of income -- not just a person's wages, but also pension income, employer health coverage, government cash transfers, food stamps, other benefits, and now, subsidies from Obamacare.*

*They found quite an impact. "The ACA may do more to change the income distribution than any other recently enacted law," Aaron and Burtless wrote. Obamacare provides billions in subsidies to those who qualify, expands Medicaid benefits, cuts Medicare, fines those who don't purchase government-approved coverage and levies new taxes -- all of which will change how much income millions of Americans bring in each year. ...*

As if the continued troubles of the white house creeps are not enough to give a boost to our thoughts coming into the weekend, Power Line posts on the New York Observer story on discontent at the NY Times.

*Even the New York Times Hates the New York Times!*

*Its editorial board, anyway. For sheer entertainment value, it is hard to beat this Observer story about the ongoing civil war at the Times:*

*"It's well known among the small world of people who pay attention to such things that the liberal-leaning reporters at The Wall Street Journal resent the conservative-leaning editorial page of The Wall Street Journal. What's less well known—and about to break into the open, threatening the very fabric of the institution—is how deeply the liberal-leaning reporters at The New York Times resent the liberal-leaning editorial page of The New York Times.*

*The New York Observer has learned over the course of interviews with more than two-dozen current and former Times staffers that the situation has "reached the boiling point" in the words of one current Times reporter."*

*Why do the reporters hate the editorial page? Let's count the ways: 1) The editorial page editor, Andrew Rosenthal, is arrogant, petty and vindictive. 2) The news room has suffered deep cuts, while the editorial page is lavishly staffed, and yet turns out a lousy product. 3) The poor quality of the paper's editorials is embarrassing: "they're completely reflexively liberal, utterly predictable, usually poorly written and totally ineffectual." Well, they aren't totally without value. We have fun laughing at them.*

*It also galls the Times news room that the paper's columnists are "tired and irrelevant." Thomas Friedman comes in for special abuse. These are quotes from reporters at the Times:*

Andrew Malcolm with late night.

**Conan:** *The Miami Heat canceled Justin Bieber's courtside tickets. A Heat spokesman said, "Bieber's not acting like an NBA fan. He's acting like an NBA player."*

**Leno:** *Obama's State of the Union was last week. He decided against discussing drugs because he's not sure which side he's on.*

**Leno:** *Ratings for Obama's State of the Union were the lowest in 14 years, Only 33 million people. Which is still pretty good since it was a rerun.*

**Conan:** *Justin Bieber was charged with assaulting a Toronto limo driver. The driver is suffering from minor injuries and being the laughing-stock of the limo industry.*

---

---

---

## Streetwise Professor

### [Kerry: We Totally Screwed Up on Syria, But Plan B Will So Work](#)

by Craig Pirrong

Apropos last night's post on how American fecklessness in Syria should lead the Ukrainian opposition to be very skeptical about any promises of American support, according to several reports out today [Kerry delivered a damning assessment of the state of administration policy-his policy, Obama's policy-in the tormented Arab country](#):

Two prominent Republican senators say that U.S. Secretary of State John Kerry told them — along with 13 other members of a bipartisan congressional delegation — that President Barack Obama's administration is in need of a new, more assertive, Syria policy; that al-Qaeda-affiliated groups in Syria pose a direct terrorist threat to the U.S. homeland; that Russia is arming the regime of Syrian President Bashar al-Assad, and is generally subverting chances for a peaceful settlement; that Assad is violating his promise to expeditiously part with his massive stores of chemical weapons; and that, in Kerry's view, it may be time to consider more dramatic arming of moderate Syrian rebel factions.

Maybe Kerry has gone to a 12 Step Program, Foreign Policy Incompetents Anonymous, and has moved beyond the denial stage. For this assessment is all true. And it is all the predictable result of Obama's-and Kerry's-fecklessness. So of course we should have every confidence in the administration's ability to formulate and implement a non-feckless policy based on reality, rather than on fantasy and an extreme reluctance to get involved any more deeply in Syria.

Kerry supposedly asked the senators whether there would be support in Congress for a more robust policy.

There's an easy answer to that: NO! Even those senators and representatives who in principle would support such a policy will never do so given Obama's behavior in August and September.

Remember how Kerry built the case for US intervention, going so far as to compare Assad to the Nazis, but then Obama seized at the first opportunity to bug out. After that performance, no member of Congress is going to put his or her neck on the line for Obama, especially given that (a) they have to know Obama is not committed to robust action, and will be looking for a way out, and (b) the Gates memoir makes it plain how Obama will engage in half-hearted military efforts for cynical political reasons. Oh, and (c): the administration has acted so incompetently (and not just in Syria) that any sentient being would conclude that it cannot be relied on to do any better in the future. Once burned, twice shy.

No. No sane member of Congress will take risks for a feckless, cynical, and incompetent administration. Ukrainian patriots shouldn't do so either.

## Right Turn

### John Kerry's perfect, unreliable record

by Jennifer Rubin

Secretary of State John Kerry keeps telling us to trust him on Iran negotiations. But why should we? He's gotten virtually every important issue wrong since taking office, and made some shockingly bad misjudgments.

Consider:

He thought a "peace conference" could bear fruit on Syria. [Wrong](#).

He thought the Palestinians were interested in a peace agreement. [Wrong](#).

He thought we should have a special relationship with China. [Wrong](#).

He thought Mohamed Morsi was a [democratic leader](#) with whom he could get along. Wrong.

And even before he became secretary, you will recall, he thought Bashar al-Assad could be wooed. He was convinced the Iranians could be engaged, and he tried to throw sand in the wheels on Iran sanctions. He likewise ran interference for the White House, trying to slow down the passage of sanctions against Russia (the Magnitsky Act). He was convinced we didn't need troops in Iraq.

In short, only Vice President Joe Biden and the president have made so many wrong-headed judgments in the last five years. When Kerry assures us that he is not naïve on Iran, one must conclude he's in no position to judge. (And the interim deal is so bad, we seem to have proof positive that he is willing to make asymmetrical deals with Iran that forfeit our leverage.)

The president has asked Congress and the American people to "give diplomacy" a chance with Iran. But what evidence is there that either Iran or his administration are going to deliver something acceptable? In the meantime, however, his interim deal is allowing Iran to replenish its coffers, changing the business psychology of those wanting to rush into the Iranian market, undermining the sanctions framework and signaling we have no real intent to use military force.

In a parliamentary system, Congress could deliver a no confidence vote to the administration on its Iran policy. The alternative, in place of sanctions, is resolutions in both Houses asserting the unacceptability of a final deal with Iran that leaves it with the means to obtain a nuclear weapon and the desirability of aiding Israel in any way possible in the event it is compelled to act. Would it be less than bipartisan at this point? I guess, but it is better for voters to know where members of Congress stand (in advance of the November elections) and to allow public opinion to work its will.

Josh Block, longtime Democrat and executive director of The Israel Project, e-mailed me, “The American people by 83-12 want all of Iran’s centrifuges dismantled, and if diplomacy can’t do it, they overwhelmingly support military strikes to do, including 61 percent of Democrats.” Seven of 10 want a sanctions bill passed. So take the vote and let the chips fall where they may. If the Democrats want to be on the wrong side of public opinion (and history), the GOP shouldn’t stand in their way. We might even find out how 2016 presidential contenders think about the most important foreign policy issue they are likely to face.

## Washington Post

### [Isolationism’s high price](#)

by Richard Cohen

This being the 100th anniversary of the outbreak of World War I, I have plunged into several books on the subject, most of them relating to what started it, and I have come up with the following conclusion: mustaches. Most of Europe’s leaders had either a mustache or a beard — the German kaiser, the jejune Wilhelm II, had the most resplendent mustache of them all, “fixed into place every morning by his personal barber,” Margaret McMillan tells us in her [new history of the road to war](#). This confirms what I always thought: The Germans started the war.

I am being a bit of a smarty-pants here, although my mustache theory is as good as anyone’s. The war [killed at least 16 million people](#) and changed history on a dime, creating the modern Middle East, for instance, and setting the stage for World War II, and yet it is still unclear what caused this epic conflict. Was it alliances? Was it nationalism? Was it the arms race or a variation on that theme, capitalism with all its alleged evils?

I am severely underqualified to provide an answer. But the sheer irrationality of the war does offer a lesson: Expect the unexpected. Leave room for irrationality. Respect the role of emotion and remember that most men fight for the man next to them, not for their country or some great cause. In the end, though, that sucker trait is used by countries and great causes. It doesn’t really matter why you fight, just as long as you fight.

I exhume World War I not just to mark its centennial but also for a purpose. The war ended after the United States got into the fray. America then reverted to its traditional isolationism and we got, partially as a result, World War II. Now we are reverting once again to a form of isolationism — not as extreme as the first, but the emotion is there, this time even more so on the left than on the right. On the left, anyone who [suggested that the U.S. intervene](#) early in Syria, when the Assad regime might have been toppled without resorting to putting boots on the ground, was denounced as a war-monger. I am tempted to say that the United States did nothing. Actually, it was [worse than nothing](#).

Those who believe World War I was caused by a crazy-quilt of alliances among the European powers may shudder at the ones America has now. We are obligated to defend Japan, and we are obligated to defend South Korea. Both [countries have issues with one another](#) and, more important, with China. [Japan and China contest a group of islands](#), and [China and South Korea contest a different area](#) of the East China Sea. None of this is worth the life of a single person.

But in the Far East, what concerns South Korean, Japanese and other policymakers is not just the potential instability of the region but also the Obama administration's erratic Syrian policy. A ["red line" was pronounced](#), then ignored. Force was threatened by the president, and then the decision was lateraled to Congress where, to further the metaphor, the ball was downed and, just for good measure, deflated. None of this comforted the nations that see China as a looming menace and rely on the United States for backup. "[T]he administration's prevarications over Syria continue to linger for the elites who drive national strategy in these countries," wrote [Michael J. Green](#), senior director for Asian affairs at the National Security Council under President George W. Bush.

The Syria debacle, coupled with the consensus that the United States is turning inward, is bound to produce instability. The South Koreans, in particular, have to worry if the Dear Leader in the North considers President Obama to be a paper tiger. The Japanese have to worry whether the Chinese have reached the same conclusion. The United States' European allies worry that the [United States has pivoted to Asia](#). In Asia, the worry is that the [proclaimed pivot is just a rhetorical device](#).

In 1996, Madeleine Albright popularized a phrase used by President Clinton. She repeatedly called the United States the ["indispensable nation."](#) The phrase lends itself to mockery, but it is dead-on. Nowhere is the United States more indispensable than in the Far East, where a rising China, acting like pre-World War I Germany, is demanding respect and flexing its muscles. It's all too familiar: rising nationalism, excessive pride, irrationality ready in the wings and America going into its habitual hibernation. Only the mustaches are gone.

## **Washington Post**

### **Obamacare's scorekeepers deliver a game-changer**

by Dana Milbank

For years, the White House has trotted out the nonpartisan Congressional Budget Office to show that Obamacare would cut health-care costs and reduce deficits:

["CBO Confirms Families Will Save Money Under Health Reform."](#)

["CBO Update Shows Lower Costs for the New Health Care Law."](#)

["CBO Confirms: The Health Care Law Reduces the Deficit."](#)

Live by the sword, die by the sword, the Bible tells us. In Washington, it's slightly different: Live by the CBO, die by the CBO.

The congressional number-crunchers, perhaps the capital's closest thing to a neutral referee, [came out with a new report Tuesday](#), and it wasn't pretty for Obamacare. The CBO predicted the law would have a "[substantially larger](#)" impact on the labor market than it had previously expected: The law would reduce the workforce in 2021 by the equivalent of 2.3 million full-time workers, well more than the 800,000 originally anticipated. This will inevitably be a drag on economic growth, as more people decide government handouts are more attractive than working more and paying higher taxes.

This is grim news for the White House and for Democrats on the ballot in November. This independent arbiter, long embraced by the White House, has validated a core complaint of the Affordable Care Act's (ACA) critics: that it will [discourage work](#) and become an ungainly entitlement. Disputing Republicans' charges is much easier than refuting the federal government's official scorekeepers.

White House officials rushed to dispute the referee's call — arguing, somewhat contradictorily, that the finding was both flawed and really good news if interpreted properly.

Press secretary Jay Carney quickly issued a [statement](#) saying that the CBO report was, by its own admission, "incomplete" and "does not take into account" some favorable effects of the law.

Carney postponed his daily press briefing, then arrived with Jason Furman, head of the Council of Economic Advisers, who argued that the Affordable Care Act couldn't possibly be a job killer because 8.1 million jobs had been created since it became law. This is true — but irrelevant to the CBO finding.

Meanwhile, Gene Sperling, Obama's top economic-policy adviser, walked to the White House lawn and told [CNN's Wolf Blitzer](#) that he rejected the finding. "When you have two parents and they're both working full time to provide health care and they don't feel they're there to do homework with their kids and this allows one of [them] to work a little less because they have health care, that's not costing jobs," [Sperling argued](#).

Sounds nice, except the CBO said its more pessimistic workforce view had been shaped by recent studies, "in particular" those looking at "expansions or contractions in Medicaid eligibility for childless adults." In general, the CBO explained, phasing out subsidies to buy health insurance when income rises "effectively raises people's marginal tax rates□.□.□. thus discouraging work."

There was some good news about Obamacare (and about shrinking deficits) in the report: Premiums are lower than expected, and there "is no compelling evidence" that employers are shifting to part-time jobs in response to the law. The law will give health insurance to an additional 13 million people this year and 25 million in 2016 and beyond.

But it was immediately clear that the government's green eyeshades had bestowed a big gift on the law's Republican critics.

Fox News put up a breaking-news banner: "Bombshell CBO report predicts 2.3 million jobs will be lost under Obamacare." Rep. Darrell Issa (Calif.), one of the law's fiercest foes, did a celebratory interview with Fox. "There are other surprises yet to come," he promised.

Republicans went to the Senate floor to tout the findings. For a brief time, the CBO Web site went down; online traffic surges aren't usually a problem for the agency.

In the White House briefing room, Furman navigated a river of skeptical questions. "Doesn't just the sheer idea of losing 2.5 million jobs over 10 years have a negative economic impact?□.□.□. You're saying it may be a good thing if there are 2 million fewer workers?□.□.□. How do you answer Republicans who now have this evidence that they can wave to say, 'Aha, the ACA is bad for the economy'?"

Furman attempted to dispute the report ("I haven't accepted the number") without disparaging the authors ("We cite CBO all the time"). Delicately, he said the report "is subject to misinterpretation, doesn't take into account every factor, and there's uncertainty and debate around it."

But there's only so much White House officials could do. Obamacare has been undermined by the very entity they had used to validate it.

## Right Turn

### Six reasons the White House's defense stinks

by Jennifer Rubin

The White House's initial defense to the Congressional Budget Office (CBO) report on Obamacare seems to not have been well thought out, to put it mildly. If the White House wants to celebrate the reduction of workers, hours worked and take-home pay, Democrats will have a few corollary problems to address:



*Chairman of the White House Council of Economic Advisers Jason Furman*

1. Obamacare was sold as a means of promoting job mobility, delinking insurance from work. Now the White House says it is delinking workers from work. At the opening of the Budget Committee hearing this morning, Chairman Paul Ryan remarked that "what is particularly troubling is CBO's projection of labor-force participation. CBO says that about half of this decline is attributable to the aging of the population—most notably the retirement of the baby-boom generation. But CBO also says that government policies, especially the President's health-care law, are discouraging work. Washington is making this problem worse. This does not have to be our fate. We need to reverse this decline."

2. If provision of benefits gives people “choices,” as the White House put it yesterday, the choice to work doesn’t really seem to be a fair one for able-bodied, working-age people – if they are simultaneously taking free or subsidized health care paid for by their fellow citizens who have chosen not to be dependents.

3. If giving benefits to people causes them to work less, it stands to reason that removing them would spur some people to work. That has been the major critique of the Great Society welfare state.

4. The White House’s entire Keynesian theory is built on the premise that if you put money in people’s pockets (by taking others’ or borrowing) you will stimulate the economy. Now they argue that taking away wages and hours worked will have no detrimental effect on the economy.

5. The White House is all about fighting inequality — except when it comes to discouraging work, reducing hours and dissuading people to get on the road to upward mobility?

6. White House spokesman Jay Carney and others insisted the CBO didn’t have all the facts, didn’t account for all the factors, etc. Why then did and does the White House rely on CBO figures for not only its Obamacare talking points but for its entire economic program?

All this leads me to believe that the White House, as it has done with each rotten bit of news and instance of Obamacare’s unworkability, is saying whatever it needs just to get through a few news cycles. Because it will not admit any design flaws in the fundamental structure of the bill, it must resort to silly and self-contradictory talking points — or simply misrepresent facts, as the president did when he first claimed you could keep your insurance plan and later denied he said you could keep your insurance plan. The notion that all these bad things — insurance cancellations, reductions in work — simply “happen” in proximity to Obamacare is unbelievable, and does damage to the defense of legitimate safety net problems and efforts to reform those problems.

Obamacare is destroying the public’s faith in the president, in big government and in the premise of liberalism itself — that government programs have a dynamic effect on society and individual behavior. It’s more than the GOP has done in decades.

## Examiner

### [Obamacare will reduce incomes of most Americans](#)

By Byron York

There’s no doubt the [Affordable Care Act](#) will redistribute wealth in America. People at the top of the income ladder will pay more; people at the bottom will benefit. But how, exactly, will that work?

A new study finds that Obamacare’s redistribution will be stunningly lopsided. Scholars at the liberal [Brookings Institution have discovered](#) that Obamacare will increase the income of Americans in the lowest 20 percent of the income scale, and especially in the lowest ten percent. But all other income groups -- even people who make very modest incomes in the

\$25,000 to \$30,000 range, as well as all income brackets above that -- will experience a decline in income because of Obamacare.

In other words, Obamacare is going to cost some of the very people it was designed to help.

Brookings scholars Henry Aaron and Gary Burtless sought to determine the [law's](#) impact on income in 2016, when almost all of Obamacare will be in effect. To do so, they adopted a broad definition of income -- not just a person's wages, but also pension income, employer health coverage, government cash transfers, [food stamps](#), other [benefits](#), and now, subsidies from Obamacare.

They found quite an impact. "The ACA may do more to change the income distribution than any other recently enacted law," Aaron and Burtless wrote. Obamacare provides billions in subsidies to those who qualify, expands Medicaid benefits, cuts [Medicare](#), fines those who don't purchase government-approved coverage and levies new taxes -- all of which will change how much income millions of Americans bring in each year.

Aaron and Burtless' first finding is no surprise: Obamacare will mean more for the lowest-income Americans. It will increase income by 9.2 percent for the lowest bracket — households making below about \$21,000 a year — for those in their working years, age 25 to 64.

Then the surprise. Obamacare will reduce, by an estimated 0.9 percent, the incomes of working-age Americans in the next-lowest income bracket, households making between about \$21,000 and \$40,000 a year. And in the next income group, households making between about \$40,000 and \$65,000 a year — Obamacare will reduce their income, too, also by 0.9 percent.

A 1 percent reduction in income is relatively small. But it is still a reduction -- and not at all what [President Obama](#) and Democrats in [Congress](#) promised. When the president pledged that Obamacare would make the [health care system](#) "better for everybody," it's doubtful Americans interpreted that as meaning it would reduce their income.

"The administration is playing with fire," said former [Congressional Budget Office](#) director Douglas Holtz-Eakin. "They sold this as 'only rich people pay, and everyone benefits,' and now we're finding out it's not true."

Less surprisingly, Aaron and Burtless found that Obamacare will also reduce the incomes of Americans in higher brackets. For working-age households bringing in between about \$65,000 and about \$104,000 a year, Obamacare will reduce income by another 0.9 percent. And for those in the highest bracket, households above \$104,000, the decrease will be 0.5 percent.

Why? There could be a number of factors, but the authors suggest that because the Affordable Care Act will make health care more expensive, a significant number of people who receive health coverage through their job will be affected. "Incomes fall ... primarily because the expansion in employer-sponsored insurance is predicted to cause a modest drop in money wages as employers devote a larger share of their compensation payments to health benefits," the researchers wrote.

Aaron and Burtless also found that Americans age 65 and older will see their incomes drop, and by bigger margins. Those at the bottom of the household income scale — same boundaries as

above — will see a drop of 1.3 percent, and those in the next lowest group will see a decrease of 1.7 percent. The next income category will see a 1.1 percent drop, and the top two categories will see drops of 0.7 and 0.2 percent. Since most Americans in that age group are on Medicare, it seems likely the income decreases are caused mostly by Obamacare's cuts in the rate of growth of Medicare spending.

In an interview, Burtless stressed that most people above the lowest bracket will not see their income affected by Obamacare. But in a Jan. 27 Brookings panel discussion, Aaron noted that Obamacare's costs have to be borne somewhere.

"Some very large benefits will accrue to the millions of people who will become newly eligible for Medicaid and refundable tax credits [under Obamacare]," Aaron said. "But the president and Congress went to great lengths to prevent the ACA from adding to the federal budget deficit. Someone has to pay for those benefits."

That someone, it turns out, is a very large group of Americans who aren't rich, and who didn't expect to be falling behind because of Obamacare.

## **Power Line**

### **[Even the New York Times Hates the New York Times!](#)**

by John Hinderaker

Even the New York Times Hates the New York Times!

Its editorial board, anyway. For sheer entertainment value, it is hard to beat this [Observer](#) story about the ongoing civil war at the Times:

It's well known among the small world of people who pay attention to such things that the liberal-leaning reporters at The Wall Street Journal resent the conservative-leaning editorial page of The Wall Street Journal. What's less well known—and about to break into the open, threatening the very fabric of the institution—is how deeply the liberal-leaning reporters at The New York Times resent the liberal-leaning editorial page of The New York Times.

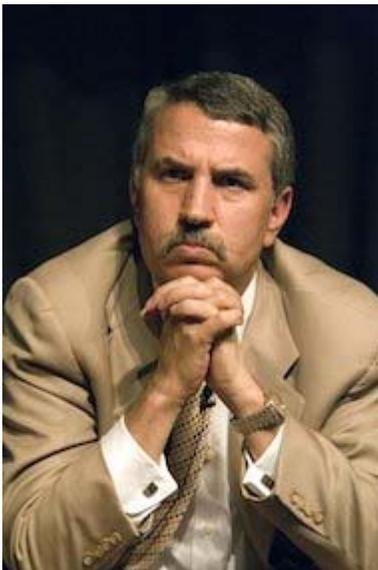
The New York Observer has learned over the course of interviews with more than two-dozen current and former Times staffers that the situation has “reached the boiling point” in the words of one current Times reporter.



*Andrew Rosenthal*

Why do the reporters hate the editorial page? Let's count the ways: 1) The editorial page editor, Andrew Rosenthal, is arrogant, petty and vindictive. 2) The news room has suffered deep cuts, while the editorial page is lavishly staffed, and yet turns out a lousy product. 3) The poor quality of the paper's editorials is embarrassing: "they're completely reflexively liberal, utterly predictable, usually poorly written and totally ineffectual." Well, they aren't totally without value. We have fun laughing at them.

It also galls the Times news room that the paper's columnists are "tired and irrelevant." Thomas Friedman comes in for special abuse. These are quotes from reporters at the Times:



*Tom Friedman*

"Tom Friedman is an embarrassment. I mean there are multiple blogs and Tumblrs and Twitter feeds that exist solely to make fun of his sort of blowhardy bullshit."

“Nobody is acknowledging that they suck, but everybody in the newsroom knows it, and we really are embarrassed by what goes on with Friedman. I mean anybody who knows anything about most of what he’s writing about understands that he’s, like, literally mailing it in from wherever he is on the globe. He’s a travel reporter. A joke.”

“As for the columnists, Friedman is the worst. He hasn’t had an original thought in 20 years; he’s an embarrassment. He’s perceived as an idiot who has been wrong about every major issue for 20 years....”

Then there’s Maureen Dowd:

“Then there’s Maureen Dowd, who has been writing the same column since George H. W. Bush was president.”

Surprisingly, no one mentioned Paul Krugman, who doesn’t work any harder on his columns than Friedman does, and is an obnoxious jerk to boot. Maybe they are saving him for a follow-up article.

In any event, it is entertaining to see Times reporters telling us the same things about the paper’s editorial pages that we have been saying for years.

## **IBD**

### **Late Night Humor**

by Andrew Malcolm

Leno: Obama's State of the Union was last week. He decided against discussing drugs because he's not sure which side he's on.

Fallon: Super Bowl yesterday. The stadium food service said it would offer healthy choices like kale sandwiches. So all the hungry people knew where the shortest food line would be. (Scroll down for video of our favorite Super Bowl ad.)

Conan: France's electronic duo Daft Punk won five Grammys. The French duo said, "It's nice to finally win something without American military assistance."

Leno: The Border Patrol seized 670 pounds of cocaine hidden in a car stopped south of LA. But the Grammys went on anyway.

Leno: A new study says prolonged sitting around doing nothing is as bad for your health as smoking. These findings scare the hell out of Congress.

Leno: Despite his arrest, Adidas is standing by its sponsorship of Justin Bieber. Did you know he even had one? And what sport does Justin Bieber play?

Conan: The Miami Heat canceled Justin Bieber’s courtside tickets. A Heat spokesman said, “Bieber’s not acting like an NBA fan. He’s acting like an NBA player.”

Letterman: The bright side to the stomach virus hitting these cruise ships: It's sure keeping the Somali pirates away.

Leno: Scientists say their studies show Fruit Loops are different colors, but they are all the same flavor. I had a hunch we'd get this kind of research once marijuana was legalized.

Leno: All the networks covered President Obama's State of the Union. Fox News called it "Lame Duck Dynasty."

Fallon: Hillary Clinton says she still doesn't know if she'll run for president in 2016. Just like I still don't know if I'll have a beer on St. Patrick's Day.

Conan: For the Winter Olympics, a female curling champion released sexy lingerie photos of her curling. Asked for comment, Americans said, "Still not going to watch."

Conan: This November, legalizing marijuana will be on the ballot in Florida. Great news for everyone who wishes people in Florida would drive even slower.

Conan: A snowstorm in Atlanta caused a 10-hour traffic jam. To which people in Los Angeles responded, "You guys need snow for that?"

Fallon: President Obama promises to focus on economic growth, education and health care. Or as TV viewers put it, "Oh crap, it's a rerun."

Letterman: It was supposed to be unpleasantly cold for the Super Bowl in New Jersey. NFL Commissioner Goodell suggested fans start drinking days before kickoff.

Letterman: Happy Birthday to Oprah. Turned 60 the other day. All Federal offices and banks were ordered closed.

Letterman: The other day President Obama gave the State of the Union. Right after, Joe Theismann gave the Prostate of the Union.

Leno: A Playboy magazine poll says 73% of women would rather watch the Super Bowl than have sex. Good news though is that's why they have half-times.

Conan: Justin Bieber was charged with assaulting a Toronto limo driver. The driver is suffering from minor injuries and being the laughing-stock of the limo industry.

Leno: I guess that whole Justin Bieber assaulting his limo driver thing began when Bieber would not stay in his child's seat.

Leno: Hillary Clinton says she still doesn't know about a 2016 run. Unbelievable. What are the odds out of 315 million Americans that she's the only who doesn't know.

Fallon: Joe Biden said that Hillary Clinton's decision to run for president won't affect his decision to launch his own campaign. While Hillary says that Joe Biden's decision to run for president won't affect her becoming President. Let him have fun.

Fallon: An increasing number of stores are using heavier mannequins to look more like real customers. You know what else might make mannequins look like real customers? Heads.

Fallon: New GOP plan would let undocumented immigrants become citizens if they learn American history. Great, because then they could teach it to Americans.

Fallon: The Super Bowl temperature was predicted for the mid-30s. That's good for New Jersey. Above freezing, but not so warm that you can smell the bodies in the swamp.

Leno: Ratings for Obama's State of the Union were the lowest in 14 years, Only 33 million people. Which is still pretty good since it was a rerun.

Leno: Atlanta residents are still complaining about the slow government response to the icy roads and snow. I don't think the governor helped himself any when his excuse was, "Emergency crews would have been there sooner, but there was a big storm."

Leno: I hope you were very careful with your Super Bowl betting. Last year I made one with Jimmy Fallon and you can see how that turned out.





\*PAID FOR BY THE "PLEASE DON'T AUDIT THE CONSERVATIVE CARTOONIST" COMMITTEE



www.investors.com/cartoons



www.investors.com/cartoons

# THE ELEPHANT IN THE ROOM...

Jim Mcgy  
BND.com  
click

WHY'S EVERYONE SNICKERING?

GLOBAL WARMING SCIENCE

17 YEAR COOLING TREND



gary varvel  
THE HONOLULU CITY  
COUNCIL CARTOONIST  
garyvarvel.com