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Crisis of the Government Party

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President Obama is in a dilemma from which there appears to be no easy or early escape.

Democrats are the Party of Government. They feed it, and it feeds them. The larger government grows, the more agencies that are created, the more bureaucrats who are hired, the more people who become beneficiaries, the more deeply entrenched in power the Party of Government becomes.

At the local, state and federal level, there are 19 million to 20 million government employees. And if one takes only Social Security, Medicare, Medicaid, food stamps and earned income tax credits, we are talking of scores of millions who depend on government checks for the necessities of their daily life.

These vast armies of voters -- these tens of millions of government employees and scores of millions of government beneficiaries -- are the big battalions of the Party of Government. They provide implacable resistance to any party that pledges to cut or curtail government. For they are fighting for their livelihood. And here is where Obama's dilemma arises.

The progressives thought that with the takeover of both houses of Congress by veto-proof Democratic majorities, and the election of the most progressive of the candidates in the Democratic primaries save Dennis Kucinich, a new Progressive Era was at hand.

Another New Deal, another Great Society. And early passage of a stimulus package of \$787 billion, nearly 6 percent of the entire economy packed into a single bill, seemed to confirm that happy days were here again.

But, at the same time, the federal takeover of AIG, General Motors and Chrysler and the bailouts of Fannie, Freddie and the Wall Street banks were igniting a Perot-style prairie fire that manifested itself in Tea Party rallies in the spring and town-hall protests in August.

Harry Reid and Nancy Pelosi denounced these folks as "evil-mongers" engaged in the "un-American" activity of shouting down Democrats -- though, when college radicals do it to conservatives, it is called "heckling" and the conservatives are instructed that they "just do not understand the First Amendment."

Came November, Republican victories in Virginia and New Jersey showed that the grass-roots rebellion was real and broad-based. This was confirmed by Scott Brown's astonishing upset in Massachusetts, where a state Obama won by 26 points went Republican by 6 points, with Brown capturing a Senate seat held by the Kennedy brothers since 1952. Talk about a fire bell in the night.

Obama's dilemma, evident in his State of the Union, is that the progressives, who were indispensable to his victories over Hillary, now feel betrayed, especially with apparent abandonment of health insurance reform, while conservative Democrats and independents, who were indispensable in giving Obama his November victory, are angry and alienated and disposed to vote Republican to stop what they see as America's plunge into socialism.

The non-negotiable demands of these two essential elements of Obama's coalition are in irreconcilable conflict. Obama tried to mollify both in his address to Congress by emphasizing aspects of his agenda that appeal to each. Thus the progressives were promised an end to the "Don't ask, don't tell" policy on gays in the military, while Tea Party and town-hall activists got a partial freeze on federal spending and promises of nuclear power, clean coal and offshore drilling.

Obama's problem: He can end up satisfying no one and angering everyone. John McCain has already denounced Obama's call for open homosexuality in the military, a position that will resonate with Middle America, while House Democrats are appalled the Pentagon will be exempt from budget caps imposed on social programs.

Arthur Laffer has pointed up the burgeoning crisis Obama and the progressives

confront. Today, state, local and federal government spending consumes 38 percent of the gross domestic product. Federal spending alone is 27 percent.

"If you total what the government takes in the income tax, corporate tax, Social Security taxes, capital gains taxes," says Laffer, "all of that adds up to \$2.2 trillion in tax receipts, and they spent \$3.5 trillion."

In 2009, we had a deficit of \$1.4 trillion, 10 percent of GDP. The most conservative estimate for this year is a deficit of \$1.35 trillion, more than 9 percent of GDP.

Two questions.

With the public debt surging as a share of GDP, and talk of a debt default by the United States, how can Obama create or expand the social programs as progressives demand? And with the deficit running above 9 percent of GDP, how -- even if the economy starts to grow -- can you close this without raising taxes from 18 percent of GDP to 22 percent or 23 percent? That would be an added tax hike of \$560 billion to \$700 billion -- a year.

That kind of hit on the private sector could kill a recovery, just as Herbert Hoover and FDR did in the early 1930s.

Obama has a problem -- and so do we.

Mr. Buchanan is a nationally syndicated columnist and author of [Churchill, Hitler, and "The Unnecessary War": How Britain Lost Its Empire and the West Lost the World](#), ["The Death of the West,"](#) ["The Great Betrayal,"](#) ["A Republic, Not an Empire"](#) and ["Where the Right Went Wrong."](#)

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