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New Headaches for Progressive Deficit Hawks
By LAWRENCE HAAS

Pity the progressive deficit hawks. They should be the most tortured souls in Washington.

The progressive case for deficit reduction is clear. The higher the deficits, the likelier that we'll face an economic crisis that will force precipitous budget cutting, putting in jeopardy all federal programs on which tens of millions of middle- and low-income Americans rely. Even without a crisis, soaring deficits will make it harder to find the funds to invest in education, infrastructure and other progressive priorities.

But progressives want not just any deficit-cutting deal, but a fair one. Like the major packages of recent decades, it would include about a 50-50 split in revenue increases and spending cuts; it would include cuts in defense and domestic programs; and it would protect the most important programs for low-income Americans.

Consider the fiscal landscape in Washington that progressive hawks face in the coming months. From their hawkish side, they should be excited by growing signs that the White House and Congress may actually reach agreement this year to return the nation to a sustainable fiscal course.

They should be relieved that, rather than collecting dust on a shelf, last December's plan from the co-chairs of President Obama's National Commission on Fiscal Responsibility and Reform to dramatically reduce the long term debt continues to attract attention – and that co-chairs Erskine Bowles and Alan Simpson continue to promote it in Washington and around the country.

They should be happy that the Senate's bipartisan "Gang of Six," led by Mark Warner, D-Va., and Saxby Chambliss, R-Ga., continue to attract expressions of support from their colleagues; that the three Republicans among them have agreed to raise taxes in the context of a comprehensive package; and that the three Democrats have agreed to address the rising costs of Medicare, Medicaid and Social Security.

They should be pleased that Senators Michael Bennet, D-Colo., and Mike Johanns, R-Neb., attracted 64 senators, 32 from each party, for a March 18 letter to President Obama. The letter urged that he "support a broad approach to solving the problem" of rising deficits and debt, and said that the 64 senators believe the Bowles-Simpson plan "represents an important foundation to achieve meaningful progress on our debt."

Yet, however much these progressive hawks worry about our fiscal situation, they should be viewing the particulars of Washington's emerging debate with trepidation – for the stars are aligning toward deficit-cutting legislation that, if it comes to life, will lean heavily to the conservative side.

An Eye on the White House and House GOP

The progressive hawks should be watching in astonishment as White House negotiators continue acceding to House Republican demands to cut current-year spending in sizeable increments as the cost of GOP agreement to short-term continuing resolutions that keep the government running. They should be baffled by Obama's unwillingness to reframe the debate from the GOP goal of "cutting spending" to a more Democrat-friendly narrative of protecting education, the environment, and other popular priorities.

They should be further baffled to hear that, in negotiations to craft a final appropriations measure for the rest of fiscal 2011, administration negotiators are offering to make further cuts, perhaps much more sizable than what's come before. They should wonder whether anyone at 1600 Pennsylvania Avenue knows that, by making all these domestic discretionary cuts now rather than as part of a comprehensive deficit-cutting package, they are leaving themselves one less bargaining chip for when the deal-making takes place.

They should wonder how a White House-appointed commission could craft a product that relies far more on spending cuts than tax increases to meet its target. They should further wonder whether the Democratic White House, which created the commission, knew that the deficit-cutting deals of 1990 and 1993 – surely the most important pieces of legislation in turning raging deficits of the early 1990s into surpluses by 1998 – were, at Democratic insistence, roughly 50-50 packages of spending cuts and tax increases.

They should be asking themselves why the President, in speaking highly of the growing interest in reforming corporate taxes, declared publicly that such reform should not raise net corporate revenues, thus eliminating corporate taxes as a deficit-cutting device and leaving fewer options for tax hikes.

They should, by the way, be questioning the priorities not just of Obama but some Democrats on Capitol Hill as well.

Looking at the Democrats

They should be wondering why Sen. Claire McCaskill, D-Mo., has teamed with conservative Bob Corker, R-Tenn., on legislation to limit total federal spending to 20.6 percent of the economy, which could eventually force the kinds of structural changes in Medicare, Medicaid and Social Security that conservative Republicans can only dream about.

They should be scratching their heads that Senator Mark Udall, D-Colorado, has joined with conservative Richard Shelby, R-Ala., to propose a balanced budget amendment to the U.S. Constitution, which could force dramatic cuts in federal programs even during recessions – just when struggling Americans most need the benefits of public programs.

The question for our tortured progressive deficit hawks, of course, is what they will do if, later this year, they must decide whether to support a deficit reduction deal that's heavily tilted toward

conservative priorities. It's a dilemma that should give many of them at least a few sleepless nights.