### Now on Democrats' agenda: Budget cuts

By Shailagh Murray Saturday, September 4, 2010; A1

The candidate was outraged - just outraged - at the country's sorry fiscal state.

"We have managed to acquire \$13 trillion of debt on our balance sheet," he fumed to a roomful of voters. "In my view, we have nothing to show for it."

And that was a Democrat, Sen. Michael Bennet of Colorado, who voted "yes" on the stimulus, the health-care overhaul, increased education funding and other costly bills Congress approved under his party's control.

Faced with a potential wipeout in November's midterm elections, candidates such as Bennet are embracing budget cuts with the enthusiasm of Reagan Republicans.

Paul Hodes, the Democratic Senate candidate in New Hampshire, recently proposed \$3 billion in spending cuts that would slice airport, railroad and housing funds. Elected to the House four years ago as an anti-war progressive, Hodes lamented that "for too long, both parties have willfully spent with no regard for our nation's debt."

The new push for austerity could prove too little, too late for Democrats, who fear losing their majorities in both chambers of Congress. In dozens of House and Senate races, incumbent Democrats are struggling in

polls, leading political analysts to raise the serious prospect of Republican takeovers in the House and even the Senate.

The most ominous recent sign for Democrats was a Gallup poll released this week showing a wide gap in voter enthusiasm, favoring Republicans. Those Democrats who prevail in November will likely return to the Capitol in a more fiscally conservative mood.

Even as Democrats vow to bring spending under control, GOP candidates are trying to outdo them, embracing far more radical deficit-cutting solutions, including shuttering entire federal agencies. House Minority Leader John A. Boehner (R-Ohio) pledged last week to repeal unspent stimulus funding and take a "long and hard look at the undergrowth of deductions, credits and special carve-outs" in the tax code, such as the mortgage-interest deduction that

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benefits millions of middle-class homeowners.

Some Democrats are looking to the debate over taxes to show voters they are serious about their conversion to fiscal restraint. President George W. Bush's tax cuts, enacted in 2001 and 2003, are scheduled to expire this year. President Obama has called for extending the cuts for all but the wealthiest taxpayers, with the additional \$700 billion in revenue going to deficit reduction.

Republicans support a permanent extension of the tax cuts. The National Republican Senatorial Committee begins its daily digest of campaign news with a countdown to Dec. 31, the day "the Democrats slam voters with the largest tax hike in American history."

But extending all the cuts would increase the deficit by \$3.9 trillion over the next 10 years, the Congressional Budget Office says.

"We need to expose their hypocrisy on tax relief vs. deficit reduction," said Rep. Chris Van Hollen (Md.), head of the House Democrats' campaign committee and a member of the party's House leadership. "What most of the economists are telling us is we need to send a clear signal that we're going to put our fiscal house in order."

Some Democrats flinch at the timing of such a showdown. Senate candidate Robin Carnahan of Missouri is one of several high-p rofile Democrats who advocate keeping the Bush cuts until the economy improves. A one-year extension appears to be gaining particular traction. Carnahan spokesman Linden Zakula said the candidate "believes we must do everything we can to help our small businesses create jobs and get our economy back on track - not raise taxes on families."

Bennet is one Democratic candidate who hasn't budged. His campaign events, like the town hall in Greeley, Colo., where he stormed against spending, featured his PowerPoint presentation on the long-term consequences of the country's exploding debt.

He told "Good Morning America" in a recent interview: "A fiscal policy that relies on cutting taxes for the very wealthiest of Americans, the people that needed tax cuts the least, borrowing the money from the Chinese and forcing our kids to pay for those taxes, is not a fiscal policy that the people of Colorado are interesting in pursuing."



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Registered independents constitute Colorado's largest voting bloc. They also tend to be fiscally conservative. According to a recent Reuters/Ipsos poll, 54 percent of independent voters remain undecided in Bennet's race against GOP nominee Ken Buck.

Bennet hopes to capture these voters with his stern lectures on the budget. Seth Masket, a political science professor at the University of Denver, is not sure he can.

"It will be tough for him to paint himself as a deficit hawk," Masket said. "He's very visible as someone who is closely allied with President Obama."

Buck has said he is willing to consider such deficit-cutting ideas as closing the departments of Energy and Education. He is leading overall, according to the poll, by a 49 percent to 40 percent margin.

The rhetoric between the parties can sound remarkably similar.

"The problem from a fiscal conservative voter's point of view is that every member or wannabe member claims to be a fiscal conservative these days, so it's more difficult than usual to separate the wheat from the chaff," said Chris Edwards, director of tax policy studies at the Cato Institute, a libertarian-leaning think tank.

Hodes has one of those complicated profiles.

He championed the health-care overhaul bill as a "jobs bill" and campaigned with Vice President Biden last week to tout the benefits of the stimulus, which cost \$814 billion - none of it paid for.

But Hodes also voted against the federal bank bailout approved two years ago under Bush - the vote that lit the torch of the current anti-government furor. He has also advocated deficit-reduction measures that include \$60 billion in defense cuts and the reinstatement of balanced-budget rules that led to the surpluses of the 1990s.

Hodes is unequivocal in his stance on the Bush tax cuts. "Paul does not support any type of extension of the deficit-busting Bush tax cuts for the wealthiest 2 percent of Americans," said his spokesman, Matt House.

Some fiscal hawks are skeptical that either party is willing to make the unpopular decisions necessary to restore the country to



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fiscal health. "On the Republican side, the concern over deficits doesn't seem to dampen the appetite for tax cuts, even though tax cuts can contribute to the deficit," said Robert Bixby, executive director of the Concord Coalition, a bipartisan advocacy group dedicated to deficit reduction.

On the Democratic side, Bixby said, "The spending cuts proposed usually are fairly small. When you look at the budget dynamics, that really isn't where the problem is. And I really don't see hear Democrats talking about the entitlement programs," meaning Social Security and Medicare.

To the contrary, Social Security has become a weapon for Democrats in numerous House and Senate races, as candidates seize on the comments of some GOP candidates who favor changing or dismantling the retirement program.

Republicans say they've seen that tactic before.

"I will take any one of our candidates over someone who supported the stimulus and supported the health-care bill," said Brian Walsh, spokesman for the National Republican Senatorial Committee. "The die has been cast."



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