



Budget battle just beginning; You ain't seen nothing yet

Republican budget cutters just getting started

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TAMPA - The budget standoff that nearly shut down the federal government last week was fought over \$38 billion in cuts. But a new battle has already begun with House Republicans demanding far more in future spending cuts.

Republican Congressman Vern Buchanan from Sarasota is skeptical of the \$6 trillion in cuts over the next decade proposed by some Republican colleagues. At a town hall meeting in Sarasota Monday, Buchanan focused on Medicare as the trickiest part of the budget.

"We need to find a way for our seniors to get the same benefits, but we've got to find a way to do it for a lot less," said Buchanan.

Democratic Congresswoman Kathy Castor fears Republicans want to redesign Medicare into a privatized voucher system.

"It undermines that pillar of retirement security that has kept older Americans out of poverty," said Castor.

Just to pay the country's bills for the rest of this year, congress will have to raise the debt limit - something Republican leaders are threatening to oppose as leverage to get the spending cuts and tax cuts they desire.

Failing to raise the debt ceiling would be like a family refusing to pay their mortgage. They would have a hard time borrowing from anyone else without paying much higher interest rates. The Federal Government borrows a lot of money.

"That creates so much uncertainty," said Daniel Mitchell of the Cato Institute. "Interest rates are going to rise. Financial markets will be very worried. The uncertainty will drive people crazy."

Economic experts including Fed Chairman Ben Bernanke say the implications of a default caused by failing to raise the debt limit would be catastrophic.

But Republicans like Vern Buchanan believe the growing national debt could create its own slow-motion catastrophe.

"You'd be looking at a trillion dollars in interest before you pay out \$1 to seniors or veterans or the military or anything else," said Buchanan.

Congresswoman Castor believes returning to the higher tax rates of the Bill Clinton administration would be good for the Bay Area.

"That would be a fairer approach and if we did that, you would not have to end medicare as we know it. You could continue to invest in education and medical research like at the Moffitt Cancer Center or the University of South Florida," said Castor

President Barack Obama plans to deliver his budget priorities on Wednesday. He's expected to call for spending cuts plus higher taxes for wealthier Americans.