

## Democrats seem to end up on the short end of the deal

By Rosalind S. Helderman, Monday, August 1, 12:09 PM

The deal struck by the White House and congressional leaders to raise the nation's debt ceiling has the feel of a classic compromise, full of give and take.

There is no requirement for a balanced budget amendment, no second showdown over the nation's borrowing limit before the 2012 elections and, according to some conservatives, not nearly enough in cuts.

But for weeks and months Republicans have warned Democrats they would only accept a deal that cut spending without raising taxes.

And the deal that faces a final congressional vote Monday does exactly that. The deal includes \$1 trillion in cuts over 10 years. It sets up a congressional committee that could consider tax reform as it seeks a strategy for deeper debt reduction. On Monday, the Congressional Budget Office confirmed that the deal would cut deficits by at least \$2.1 trillion over the next 10 years.

In other words, although the deal guarantees government will be shrunk, it merely leaves open the possibility of the kind of tax hikes on the wealthy that Democrats have demanded.

And so, some observers say, while the GOP fell short of some of its goals, the substance of the final bargain appears to align far more closely with the core ideology of Republicans than Democrats. A clean GOP win.

Tea-party conservatives "will probably end up wandering in their own wilderness somewhere saying, 'Oh, we've failed, we've failed,'" said Steve Bell, a former Senate Republican aide who is now senior director of the Bipartisan Policy Center's economic policy project.

"But they've changed the entire tone of debate in 12 months at the federal and almost national level — they flipped things right upside-down," he said.

President Obama [acknowledged Sunday night](#) that the deal is not the one he would have preferred. He praised it largely for avoiding a world-economy-rattling default by raising the \$14.3 trillion debt limit by up to \$2.4 trillion, enough to remove uncertainty from the economy by giving the government borrowing power to pay its bills through 2012.

The debt limit would rise first by about \$900 billion, as new caps are imposed on discretionary spending that would cut about the same amount over the next 10 years.

Next, a bipartisan congressional committee would be created to slash the debt further — potentially through entitlement and tax reform.

The White House has said it will insist that tax reform be on the table for the new congressional committee. And they note the committee's recommendations would go into effect as the Bush-era tax cuts are set to expire without congressional intervention, implicitly linking the two issues.

But changes to entitlements Democrats have vowed to protect will also be available for review.

“The best you could say is Democrats didn't give the Republicans everything they wanted,” said Michael Tanner, a senior fellow at the Cato Institute. “But they sure didn't get anything they wanted.”

Democrats attempting to steer the deal through Congress Monday say the deal is the best they could get, a sign that out of Congress's messy conflicts, consensus can still be found.

“People on the right are upset. People on the left are upset. People in the middle are upset,” Senate Majority Leader Harry M. Reid (D-Nev.) told colleagues on the Senate floor Monday. “It was a compromise. It's not always easy for both sides to reach consensus. We did it on a bipartisan basis.”

But anger grew on the left Monday over the terms of the deal — and the negotiating style of Democrats that led to it.

“Our members are deeply angry with both sides of the aisle on this,” said Justin Ruben, executive director of MoveOn.org. “They're deeply outraged that one whole party threatened to do to our economy what our worst enemies would only dream of doing. And they're really angry that Democrats have let them get away with it.”

At the same time, some tea party conservatives are still smarting over Republican willingness to raise the debt ceiling at all, particularly without a guarantee of a balanced budget amendment.

The deal says Congress will vote on the amendment in coming months — but it does not require that it receive the two-thirds vote necessary to send it to the states for ratification.

They believe the emerging bargain does not include sufficient immediate cuts in spending. They have little faith the new congressional committee will arrive at true structural reform of government. And some don't like the provision that mandates deep defense cuts if the congressional committee fails in its mission.

Already, GOP presidential hopeful Mitt Romney has issued a statement opposing the deal, and Rep. Michelle Bachmann (R-Minn.), a tea party favorite who also is vying for the Republican presidential nomination, has vowed to vote against it.

“This is an epic fail,” said Mark Meckler, co-founder and national coordinator of the Tea Party Patriots. “There aren’t any real cuts. If you believe [the committee] can arrive at them, you believe in the land of unicorns and rainbows.”