



GOP: Dems' opposition to spending cuts stalls 'cliff' talks

By: Susan Ferrechio - December 9, 2012

The biggest sticking point between Republicans and Democrats working on a deal to avert the so-called fiscal cliff isn't tax increases.

It's spending. Republicans want a lot less of it. But Democrats are resisting further budget cuts, saying they've already agreed to about \$1.6 trillion in spending cuts over the past two years. They continue to press Republicans to raise taxes instead.

"We have already cut," Sen. Barbara Mikulski, D-Md., told *The Washington Examiner*. "We've consistently cut spending, but Republicans haven't done anything on revenue."

Republicans say the cuts are not as significant as Democrats claim, and some budget analysts agree, pointing out that they are made up of cuts dating back two years and include savings estimated from ending the wars in Iraq and Afghanistan.

The \$1.6 trillion often cited by Democrats "is not true in the real world," said Michael Tanner, a policy scholar at the libertarian Cato Institute.

The Center on Budget and Policy Priorities, a liberal think tank, determined that Congress slashed nonentitlement spending by \$1.5 trillion over 10 years, mainly because the Budget Control Act of 2011 capped last year's spending to below 2010 levels. The cap will continue to hold down spending in future years.

Congress is racing to complete a deficit reduction deal by year's end that would avert the fiscal cliff, a combination of massive tax increases and spending cuts set to take effect in January. Talks between congressional Republicans and the Democratic White House have stalled, however, because of disputes over tax increases and spending cuts.

Democrats say it's time for Republicans to agree to tax increases.

"You cannot cut your way to deficit reduction," said House Minority Leader Nancy Pelosi, D-Calif. "What we need are the revenues."

Republicans say they have already agreed to raise new revenue, though they want to do it by eliminating existing tax deductions and credits rather than through a rate increase for the highest income earners, as the White House wants.

House Speaker John Boehner, R-Ohio, said it's now up to Democrats to move to the middle by agreeing to deeper spending cuts. Boehner said "there's no progress to report" on the negotiations because Democrats refuse to budge.

President Obama has worked to keep the public focused on taxes, conducting campaign-style events intended to pressure Congress, including a visit to the Northern Virginia home of a middle-class family that would get a tax cut under Obama's plan. Raising the taxes of the rich, Obama said, would generate \$829 billion over the next 10 years while allowing tax cuts to continue for the middle class.

Republicans said Obama's plan to raise tax rates would hurt small businesses and kill jobs while doing little to reduce the nation's \$16 trillion debt. Congress can raise nearly \$1 trillion in new revenue through tax reform rather than tax increases, they said.

"Washington's got a spending problem, not a revenue problem," Boehner said.

Sen. Debbie Stabenow, D-Mich., said Democrats "absolutely know there have to be more cuts on the spending side," but that Republicans have to first agree to raise taxes.

"We are ready to do it," Stabenow insisted. "We are ready."