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Newtown Shooting Provides Perspective Amid Fiscal Cliff

By: Nancy Cook and Catherine Hollander - December 17, 2012

Two days after the Newtown school massacre, Congress returned to Washington with a more subdued attitude toward partisan bickering and with a newfound focus on finding a compromise on the fiscal cliff.

Neither party seemed to want to drag out a public battle over taxing the wealthy, or cutting Medicare benefits, as an idyllic Connecticut town began to bury 20 of its children. The shooting brought some perspective to Congress, a focal point outside of its ongoing fiscal battles over \$500 billion in tax and spending policy.

The pace of activity on the fiscal cliff negotiations has picked up in the last few days. President Obama and House Speaker John Boehner met for 45 minutes on Monday morning at the White House—yet another interaction since Friday afternoon, just hours after the shooting, when Boehner privately agreed in a phone call to increase tax rates on household income above \$1 million. In a counteroffer, the White House proposed setting the income limit for tax increases at \$400,000 in a plan that would raise \$1.2 trillion over a decade. That's a reduction from an earlier offer from Obama that sought \$1.4 trillion in new tax revenue.

In a change that would slow the growth of entitlement spending, the White House also said it would be willing to tie annual benefit increases in programs like Social Security to a less generous measure of inflation.

Still, it was unclear whether the Newtown tragedy had drastically altered the tone and pace of the fiscal-cliff talks, or if the negotiations would have picked up anyway given the fast-approaching deadline of the New Year and members' desire to return home for the holidays. Neither Boehner's office nor the White House wanted to comment on the link between the state of the fiscal-cliff talks and the Newtown shooting.

The attitude on the Hill, however, was remarkably gentler on Monday than in recent weeks. House Minority Leader Nancy Pelosi planned to meet with family members and survivors of mass shootings on Monday evening, while senators took turns giving floor speeches to express their condolences for the victims or to outline their positions on gun control. Some observers of Congress are predicting that Newtown may help create an environment in which neither party wanted to seem petty or unreasonable, or too attached to party orthodoxy, as the country grieved.

"I think the magnitude of this tragedy, the incredible emotional force that it has had on everyone, is going to force all political leaders to essentially act like adults, at least for a little while," says Matt Bennett, a senior vice president at the centrist think tank Third

Way. “And so I think it’s going to kind of require that they negotiate in good faith and really attempt to find a deal.”

Other congressional experts do not think the Newtown shooting will spur deep policy changes, rather just a superficial, short-term change in tone. “If it creates any change in attitude, it is on the Republican side. They are already seen as the obstacle to an appropriate deal, not a facilitator of it,” says Thomas Mann, a senior fellow at the Brookings Institution. “The Connecticut massacre gives them more incentive to get this done because their position will not improve.”

The bipartisan rallying around the Newtown tragedy reminded many political observers of the days after the shooting of former Rep. Gabrielle Giffords, D-Ariz. Then, too, members grieved and experienced a brief honeymoon of bipartisanship. Politicians called for an increase in security for politicians and stricter gun-control laws.

Yet, just weeks later, Boehner unveiled legislation to repeal the health care law and to cut discretionary spending by \$100 billion. Later that year, a battle royale erupted over raising the debt ceiling, prompting Giffords to return to Congress for a surprise visit in August 2011 to cast her vote for the increase. The honeymoon, in other words, did not last long.

Instead of linking the Newtown tragedy to the shift in the fiscal-cliff talks, some congressional observers attribute the breakthrough more to coincidence and timing. As the holidays approach, the Republicans want to avoid a repeat of last December’s showdown over the payroll-tax holiday. Then, Obama successfully painted the Republicans as unsympathetic to a tax cut for the middle class just days before Christmas. In the end, the Republicans caved and passed a two-month extension of the payroll-tax holiday but not before losing on the optics.

Other experts point out that Republicans, like Democrats, increasingly do not want to go over the fiscal cliff, fearing an economic slowdown and the blowback of a deadlocked Congress following a divisive and bruising election.

“I think the script is already written,” says Daniel Mitchell, senior fellow at the Cato Institute and formerly an economist for the Senate Finance Committee. “Republicans, for whatever reason, are back on their heels and sort of negotiating with themselves, and I just ... I don’t see [Newtown] having a material effect on the outcome.”

The only people, though, who really can answer that question and know their motivations remain the speaker and the president.