



## **Dems won't pass budget in 2010**

By Jared Allen - 06/22/10 12:01 AM ET

House Democrats will not pass a budget blueprint in 2010, Majority Leader Steny Hoyer (D-Md.) will confirm in a speech on Tuesday.

But Hoyer will vow to crack down on government spending, saying Democrats will enforce spending limits that are lower than what President Barack Obama has called for.

In the scheduled address to the progressive think tank The Third Way, Hoyer will acknowledge that the lower chamber will do things differently this election year.

“It isn’t possible to debate and pass a realistic, long-term budget until we’ve considered the bipartisan commission’s deficit-reduction plan, which is expected in December,” according to Hoyer’s prepared remarks that were provided to The Hill.

The House has never failed to pass an annual budget resolution since the current budget rules were put into place in 1974. Hoyer this spring noted that the GOP-led Congress didn’t pass a final resolution in 1998, 2004 and 2006.

The House will put forth a “budget enforcement resolution” rather than a budget blueprint that looks beyond next year and calculates five or 10 years’ worth of deficit figures.

The House’s “enforcement” — or deeming — resolution will endorse the goals of the president’s fiscal commission and reiterate the commitment to vote on its recommendations after the midterm elections. And it will also set limits on discretionary spending “that require further cuts below the president’s budget,” according to the speech.

“This budget enforcement resolution will enforce fiscal discipline in the near term while the fiscal commission works on a long-term plan to get our country back to fiscal health,” Hoyer’s remarks state.

The nation’s debt and budget deficits — and what to do about them — are the theme of Hoyer’s speech.

It’s also the issue that’s destroying what’s left of the Democrats’ jobs agenda as centrist Democrats have balked at the price tag of such measures.

For weeks, Democratic leaders have tried to strike a deal on the budget, which is a non-binding resolution, but to no avail.

The talks triggered splits in the Democratic Caucus, alienating conservative Democrats from their liberal colleagues.

The House's decision not to pursue a budget resolution comes as the Senate has been struggling to get its companion measure to the floor. And the politics of the moment are a far cry from last year, when the House and Senate easily passed Obama's first budget on the president's 100th day in office. The budget measure last year did not attract any GOP support.

Hoyer is seeking a new tone on how to handle the nation's record debt.

"This is a remarkable moment in political history — a time when our creeping fiscal danger of our \$9 trillion of publicly held debt troubles Americans as much as the prospect of the most brutal attacks on our country," Hoyer will say. "The real question is how we respond... There's the easy way — glib slogans about spending, solutions that are more about winning political power than confronting the scope of the problem, and answers borrowed from decades-old dogma instead of from a hard look at reality."

The "right way" Hoyer envisions, however, does involve a continued separation of short-term and structural budget deficits and a careful avoidance of "overreacting to short-term deficits while we're still feeling the effects of recession."

"If 'out-of-control spending' refers to the Recovery Act and other jobs programs that are responsible for more than 2 million jobs and only a small fraction of our deficit, I'd ask what the alternatives were," the speech reads. "Whether we are spending or cutting taxes, creating jobs in a recession means adding to the deficit in the short term."

While conservative Blue Dog Democrats have bristled at further measures to address the recession, Democratic leaders, including Hoyer, have tried to insert the short- versus long-term distinction into the public debate.

Republicans have capitalized on the public's reluctance to embrace the nuanced argument, and have made the deficit a central part of their attack on the majority, and a key part of their pitch to be returned to power.

"We need a real budget to stop Washington Democrats' out-of-control spending spree, which is scaring the hell out of the American people, and to create jobs," Michael Steel, a spokesman for House Minority Leader John Boehner (R-Ohio), said last week.

To these attacks, Hoyer offered his own blistering counterattack.

"A spending-only [deficit reduction] plan has been on the table for more than two years," Hoyer will say, citing House Budget Committee ranking Republican Paul Ryan's (Wis.) proposal to shift some seniors away from Medicare and issue private health insurance vouchers for everyone under 55. "Even though I strongly oppose its severe Medicare cuts for seniors, I've praised Congressman Ryan for being the only one in his party to offer a solution equal to the problem. But what have we heard from his own party? Crickets. For two years. The Republican Party has run away from Paul Ryan's plan, even though you'd expect it to rush to embrace a proposal based on spending cuts."

Hoyer believes that a "spending-and-revenue" compromise is the only realistic option, and says that "on the spending side, we could and should consider a higher retirement age, or one pegged to lifespan." He would also welcome a debate about "simplifying the tax code to raise revenue more efficiently and increase economic productivity by cutting time lost on tax preparation."

Even defense spending, which was exempt from the cuts the Blue Dogs had advocated, is on the table, according to Hoyer.

“Any conversation about the deficit that leaves out defense spending is seriously flawed before it begins,” he will remark.

The majority leader also opens the door to reining in current tax cuts for Americans earning above \$250,000, which is consistent with Obama’s budget plan. Hoyer makes it clear he will battle Senate Democrats, if necessary.

“As the House and Senate debate what to do with the expiring Bush tax cuts in the coming weeks, we need to have a serious discussion about their implications for our fiscal outlook, including whether we can afford to permanently extend them before we have a real plan for long-term deficit reduction,” according to his speech.

“At a minimum, the House will not extend the tax cuts benefiting taxpayers of incomes above \$250,000 despite some suggestions in the Senate that they be extended along with all other Bush tax cuts.”

But much of where Hoyer believes the real deficit debate should start is with the bipartisan fiscal commission.

“To share sacrifices fairly, and to be politically viable, the commission’s proposal can only have one form: an agreement that cuts spending and raises revenue,” Hoyer will say. “We’re lying to ourselves and our children if we say we can maintain our current levels of entitlement spending defense spending, and taxation without bankrupting our country.”