

Washington Watch

Confronting the budget tsunami

By Douglas M. Bloomfield

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Like the tsunami that wrought such devastation in the Indian Ocean this week, many conservatives in Washington are hoping to trigger a fiscal earthquake that will dramatically shrink the federal government by choking off the tax dollars that support a broad array of domestic benefits and services.

The results could rip apart the social safety net for millions of lower income and elderly Americans in the name of "budget discipline."

That's President Bush's phrase for the belt tightening he has planned to meet his second term goal of cutting the swelling deficit in half while still paying the burgeoning costs of Iraq, Afghanistan and the war on terror.

On top of that, his major domestic priorities -- Social Security reform, tax code overhaul and more tax cuts -- will add new budgetary pressure.

Look for the budget he is preparing to send to Congress next month to contain deep cuts in the domestic health and welfare programs that are critical to Jewish social service agencies.

Egging him on will be an increasingly conservative Republican majority on Capitol Hill led by newly energized deficit hawks. With prodding from influential anti-tax crusader Grover Norquist, they will press for ever deeper domestic cuts.

Rep. Jan Schakowsky of Illinois, a member of the House Democratic leadership, called the tax cuts "a two-fer" for Republicans. "They reward those who are deemed worthy by the administration and starve the programs that are intended to give people a helping hand. The suffering of the poor is not collateral damage; it's part of their plan."

Norquist wouldn't disagree. For ideologues like him and his followers in Congress the deficit is the key to shrinking government. If Congress doesn't have the courage to gut all those social welfare programs on its own, cut taxes so deeply they'll have no choice.

Norquist, president of Americans for Tax Reform, has called deficits a useful tool for "reducing the size and scope of government over time by draining its lifeblood."

The Jewish community's philosophy has been the purpose of government is to "lift people from poverty and protect them from disaster," while the administration believes "you're on your own, buddy," said Rep. Schakowsky. "That's not the spirit of tikun olam, to repair the world and take care of each other."

If FDR's New Deal used tax policy and government to advance the social agenda, the Raw Deal's goal is to dismantle -- in the name of privatization -- those programs like Social Security, Medicare, Medicaid and public pensions that conservative extremists consider a form of state socialism.

Jewish social service agencies increasingly look to the federal government for help in funding their vast array of programs that are available to the broader communities they serve, not just Jews.

As the cost of health care and other services has mushroomed in recent years, so has the dependence on government financing.

"As generous as our community is, philanthropy can never fill the gap left if the public sector deserts these programs," Schakowsky said.

However, with rare exception, most Jewish leaders have silently watched the budget emergency mount, with little inclination to stand up and fight.

For some it is a dread of getting on the wrong side of an unforgiving administration and losing their precious access -- sans influence -- to the corridors of power. For others it is a fear the administration might take out its anger on Israel.

And for some it is much more parochial. Among the wealthiest contributors to many Jewish organizations are those who will benefit the most from the Bush "Leave No Millionaire Behind" program. They may be out of step with their rank and file, but they're the ones calling the shots, complain many organization professionals.

Jewish groups say they will fight hard to protect their key programs from cuts, but few will take the most critical step: fighting the new tax cuts that make program reductions inevitable.

To help enforce the budget discipline he seeks, the President last week renewed his call for line item veto power.

That would give him the right to excise individual spending items within an appropriations bill

without having to reject the entire measure; currently he must accept or veto the whole thing.

President Clinton briefly had that power before it was declared it unconstitutional in 1997. Now President Bush wants to find a way around that ruling.

That would be a dangerous weapon in the hands of any president, and a huge mistake for the Congress. The Court rightly admonished the legislative branch for tilting the balance of power dangerously toward the executive branch by giving a president the ability to change laws after they've been enacted.

With deficits running in the trillions, the fiscal impact would be tiny, but the political implications could be great.

In the hands of a president who wants to pressure or punish Israel, for example, it can be a potent weapon. An Israeli government that fails to live up to Washington's expectations on peace talks or settlement construction could find lines from its various aid appropriations cut by a vengeful president.

Overriding that line-item veto would require a two-thirds vote in both houses -- a daunting majority.

But the big story in 2005 will be President Bush's proposed tax cuts -- and whether Jewish organizations that have a so much at stake in the budget battle can find the courage to actively oppose them.

Big new tax cuts guarantee a budget emergency that will force sweeping program cuts. Jewish groups that fight to preserve spending but take a pass on tax cuts will be fighting with both hands tied behind their backs.

The Jewish community badly needs leadership unafraid to speak truth to power and oppose tax cuts that steal from the poor to give to rich in the name of economic growth. The late Sen. Hubert Humphrey, a man of genuine compassion, believed it should be the other way around. "My philosophy has always been that benefits should percolate up rather than trickle down," he said.

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