

[Calling the bluff on deficits](#)

By E.J. Dionne Jr.

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Ronald Reagan (bless his sense of humor) loved to say that the problem with his administration was that the right hand didn't know what the far right hand was doing.

Something of that sort is happening among conservatives on the supposed urgency of closing the federal budget deficit.

On the near right is the preliminary [proposal](#) of the co-chairs of the president's deficit commission, Erskine Bowles and Alan Simpson. It is a deeply conservative document that would make [sharp reductions](#) in Social Security, Medicare and Medicaid while also cutting and flattening income tax rates. As is, it would do a lot of harm, but at least it takes the deficit seriously.

Then there are Republicans in Congress whose top priority is to force through legislation making the Bush-era tax cuts for the best-off Americans permanent, thus expanding the deficit by about \$700 billion over the next decade.

So on the one hand, we have to cut, cut, cut because fiscal catastrophe is looming. On the other, we have to make the problem worse by shoveling more money to the rich because . . . taking care of those with tidy incomes is contemporary conservatism's highest purpose.

How can the two right hands be forced to work in tandem? Outgoing House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid promised a vote in Congress if 14 of the commission's 18 members could agree on a plan. If the incoming speaker, John Boehner, and his new Republican majority are as serious about deficit-cutting as they say, Boehner should

make clear that he'll hold such a vote in the next Congress since there will be little time for debate in the lame-duck session.

I have doubts any plan can get 14 votes, partly because the [Republican House members on the commission](#), Dave Camp, Paul Ryan and Jeb Hensarling, may not want to put the new Congress on the spot.

But the only way to create pressure for agreement by the commission's Dec. 1 deadline is if its members know that getting to 14 would force congressional consideration. Boehner should show he has Pelosi's courage in committing to a vote before knowing what the commission will produce.

In the meantime, the Bowles-Simpson proposal will have to change a lot if progressives and moderates are to come on board. One test will be how open they are to elements of an [alternative put forward by Rep. Jan Schakowsky \(D-Ill.\)](#)

. One of the commission's most progressive members, she leans more on revenue increases and defense cuts to get toward balance.

Good for Schakowsky for showing that liberals embrace fiscal responsibility and that biting hard into programs that benefit the middle class and the poor is not the only way to do so. And all who reject her military cuts need to make clear what they would cut instead, or which taxes they would raise.

As for the Bowles-Simpson plan, its problems include an unrealistic 21 percent limit on revenue as a share of gross domestic product. And as the [Center on Budget and Policy Priorities has pointed out](#), the proposal's excessive cuts in Social Security would rather substantially reduce benefits for Americans earning as little as \$43,000 a year, hardly rich people. That's a bad idea.

In a sharp but even-tempered critique, the center - a liberal group deeply committed to deficit reduction - also notes that the plan's health cuts "could harm vulnerable people" by creating "widespread health care access problems." This is the last thing we need.

And why is a deficit reduction commission in the business of reducing tax rates for the wealthy and corporations? Bowles and Simpson propose to cut the top income tax rate from 35 percent, under current law, to 23 percent? Yes, they get there by eliminating all deductions - and would treat capital gains and dividends like other income, a sensible tax reform.

But even if certain popular tax benefits are restored, the top rate would still come down to 28 percent. Why do that when the deficit is so big?

Some conservatives are smart enough to know what a Trojan horse looks like. The Wall Street Journal's [Daniel Henninger wrote an ecstatic column](#) last week ("8-14-23 or Fight!") praising the commission for the rate cuts. If the main purpose of this exercise is to cater to the supply siders on the Journal's editorial board, many of us will fall by the wayside.

But shouldn't conservatives want to debate all this? Will Speaker Boehner be serious about deficits or not?

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