

Bipartisan Support Lacking For Plan To Cut Deficit

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On Wednesday, the leaders of a presidential commission tasked with finding ways to reduce the deficit suggested sweeping budget cuts totaling nearly \$4 trillion. The lead authors of the report have proposed trimming or eliminating many programs that are often considered "hands off," including Social Security and the mortgage interest tax deduction. Robert Siegel talks with a member of the commission, Illinois Democrat Jan Schakowsky. She says much of the report does not have the support of other commission members and many of the proposals are "nonstarters."

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ROBERT SIEGEL, host:

Eliminate the mortgage interest deduction, the child tax credit and the earned income tax credit, increase the gasoline tax and raise the retirement age to 69. Those are just a few of the many cost saving options outlined in a report out yesterday by the two co-chairs of a bipartisan presidential commission. Its job is to find a way to slash the national debt. And find a way it has with nearly \$4 trillion worth of proposed cuts. But it's clear that many of those cuts have little bipartisan support and some seem to have no support at all.

We are joined now by a member of the Debt Commission, Congresswoman Jan♦Schakowsky, a Democrat from Illinois, who joins us from Evanston. Welcome to the program.

Representative JAN SCHAKOWSKY (Democrat, Illinois): Thank you, Robert.

SIEGEL: And we should first explain that you are a member of this bipartisan commission, but the report that was released was really the work only of the co-chairs, not of the members, is that accurate?

Rep. SCHAKOWSKY: I'm glad you emphasize that, because this is not representative of any kind of consensus of the commission, or even a starting point by the 18 members of the commission. This is a proposal by the two co-chairs, Erskine Bowles and Alan Simpson.

SIEGEL: And from what you've seen so far, are there nonstarters in there? Or is there something to work with?

Rep. SCHAKOWSKY: Well, for me the nonstarters include the changes to Social Security and Medicare. I was operating, I think most of the commissioners, with the assumption that current beneficiaries at the very least would be exempt from any cuts. Their proposal would include a change to the cost of living adjustment, meaning that current beneficiaries would see a decrease in the monthly check that they get. And then future beneficiaries would see an increase in the age of retirement. These represent cuts in Social Security at a time when private pensions are disappearing.

SIEGEL: What is something in here that you actually like, that you think is a positive proposal?

Rep. SCHAKOWSKY: Well, I would very much support the cuts that had been recommended, at least most of them, in the Defense Department. There is a good deal of revenue that can be cut there and the secretary of Defense agrees as well. And I think there are a number of these tax expenditures that ought to be eliminated. So that's a start.

SIEGEL: What about the earned income tax credit, which is, in effect, the negative income tax, the tax that low income earners, the money they receive back from the government rather than paying in?

Rep. SCHAKOWSKY: I think there's broad consensus that the earned income tax credit for low income people, as well as the child tax credit, are not those that we could eliminate. And I am certain that there are going to be more. Certainly the mortgage interest deduction is very controversial. I would object to total elimination of that.

SIEGEL: But isn't the whole point of this commission to get past the log jam that has existed in

Washington? With Democrats essentially being very protective of entitlement spending and other spending, and Republicans being adverse to any tax increase so that absent some big remedy, that a bipartisan group can endorse and try to get through the Congress, nothing will happen.

Rep. SCHAKOWSKY: Well, in any case, the recommendations have to go to the Congress for a vote. So I think it is inevitable that there will be difficulty in getting a dramatically different plan enacted. The thing that really bothers me is that here we are at a point after two wars, about a trillion dollars and major tax cuts and, frankly, some of the Republicans still talking about no tax increase for the top two percent, the partisan wrangling really hasn't stopped.

And so I think we may have to trim down our goals a bit and, still, do something significant. I don't think that's impossible. But something huge like the co-chairs put on the table yesterday, there's no one on the commission right now that would support that.

SIEGEL: How committed are members of the commission to make sure that there is something that comes out of this commission that enjoys the support of the mandated super majority, 14 out of 18. Or is it...

Rep. SCHAKOWSKY: Well, it seems there's a lot of - go ahead.

SIEGEL: Well, or do people consider it possible that we'll fold and say we couldn't do the job?

Rep. SCHAKOWSKY: I think we're going to come up with some kind of a report that is meaningful by December 1st.

SIEGEL: Representative Schakowsky, thank you very much for talking with us today.

Rep. SCHAKOWSKY: Thank you for having me, Robert.

SIEGEL: Representative Jan Schakowsky, a Democrat from Illinois, is a member of the Bipartisan National Commission on Fiscal Responsibility and Reform. We also extended an invitation to every Republican lawmaker on the commission for one of them to talk with us about yesterday's report. We hope to bring you that interview soon.

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