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## GOP budgets may not match promises

By Peronet Despeignes, USA TODAY

Republican leaders in Washington say they're committed to reducing the federal budget deficit and will cut it in half, but an analysis suggests their plans would actually make the deficit bigger than if Congress and the White House simply did nothing.

The White House and Republican-controlled House of Representatives and Senate have offered budget proposals that inflate the deficit over the next five years by \$179 billion to \$294 billion compared with the deficit forecast by congressional budget analysts.

The Congressional Budget Office (CBO), the non-partisan agency that analyzes budgets for Congress, projected in January that the deficit over the next five years would total about \$1.1 trillion. That assumes the economy improves and temporary tax cuts phase out on schedule. But GOP budget proposals, which call for extending the tax cuts and increasing some spending substantially, would generate a five-year deficit of as much as \$1.3 trillion or more.

Those numbers — all of which exclude spending for Iraq — almost certainly understate the deficit gap. The White House didn't include spending for Iraq in its 2005-09 budget, even though the United States is likely to spend billions more during that period to stabilize that nation, money that will almost certainly make the deficit even bigger.

To enable a comparison with the White House's budget, analysts at the liberal-leaning Center on Budget and Policy Priorities recalculated House, Senate and CBO figures to strip out the Iraq money included in those budget projections. The comparison shows all three Republican budget proposals make the future deficit bigger than the CBO's by increasing spending faster than inflation and extending tax cuts that are due to begin expiring this year — without new spending cuts or tax increases to make up the difference.

### THE FEDERAL DEFICIT OUTLOOK

The Bush administration didn't include spending for Iraq in its 2005-09 federal budget plan. To make comparisons with the administration's proposal, the Center on Budget and Policy Priorities stripped projected spending on Iraq from House, Senate and Congressional Budget Office budget projections. The recalculated deficit projections:

Year	CBO	Bush plan	Senate plan	House plan
2005	-\$323 billion	-\$364 billion	-\$341 billion	-\$352 billion
2006	-\$197 billion	-\$268 billion	-\$253 billion	-\$251 billion
2007	-\$182 billion	-\$241 billion	-\$223 billion	-\$232 billion

Republicans say the deficit is the price of coping with a dangerous world and a troubled economy.

"If you live in a world where you don't want to fund a war on terror, protect the country and help the economy, then absolutely our deficits are higher," House Budget Committee spokesman Sean Spicer says. "But lower deficits in an unsafe country with more people out of work won't make anyone feel better."

James Young, a White House budget office spokesman, calls CBO's benchmark budget projection "an artificial construct. It doesn't reflect decisions that have to be made."

"You're playing games with the numbers," says Oklahoma Sen. Don Nickles, who chairs the Senate Budget Committee. He objects that CBO's forecast doesn't include

2008	-\$183 billion	-\$239 billion	-\$217 billion	-\$231 billion	tax-cut extensions that Congress is widely expected to make.
2009	-\$170 billion	-\$237 billion	-\$200 billion	-\$231 billion	In fact, CBO is required by law to assume in its deficit forecast that all tax and spending law remains unchanged and that much spending grows no faster than the rate of inflation, in order to supply lawmakers a benchmark to gauge the impact of new budget proposals.
Total	-\$1.1 trillion	-\$1.3 trillion	-\$1.2 trillion	-\$1.3 trillion	

The House and Senate both modified the budget Bush sent Congress in February and are currently negotiating a compromise version. Though the budget won't be signed by the president and doesn't have the force of law, it sets internal congressional limits and can have a major impact on future taxes and spending.

The fight over the deficit's size has intensified this election year as budget analysts project the Bush administration will preside over a record deficit that the White House's forecast put at \$521 billion for 2004. Democrats want that to be a campaign issue; some Republicans want bigger spending cuts to regain the political initiative.

Republican leaders say their budgets are tough and will halve the deficit in five years or less. But the details of their plans show they count less on spending cuts than on a hoped-for rebound in tax revenue.

Their pledge depends on a more than 40% jump in tax receipts between now and 2009 — which would be the biggest since 1980-85, when the economy roared back from its worst slump since the Great Depression. So far, the recovery from the much-milder 2001 recession has produced little revenue growth.

Republican budget proposals under consideration in Washington — all of which increase spending by 3% or more next year, following a 6% increase last year — contrast sharply with deficit cutting in state capitals across the country. At least 13 states, most required by law to balance their budgets, cut spending by more than 3% over the past year, according to a survey by state budget officers.

The federal government has no requirement to balance its books, and there is enormous pressure in Congress for more spending on the military, highway projects, and a bigger Medicare prescription drug benefit, among other items.

Would-be budget hawks in Congress have run into stiff resistance from their own colleagues.

At a recent briefing, House Budget Committee Chairman Jim Nussle, R-Iowa, chided fellow Republicans for their "heartburn" over deficit cutting. Compared to tough state budget cuts, Nussle said, the spending control called for in the House GOP budget "isn't heavy lifting."

Nussle and Nickles wanted to trim Bush's request for a \$27 billion increase in defense spending. But lawmakers put pressure on both chairmen to restore the spending.

Rep. Jeff Flake, R-Ariz., and other fiscal conservatives say Nussle strongly suggested earlier this year that he would push hard for a concrete, one-year moratorium on congressional "earmarks," money set aside for local spending projects in a practice that deficit hawks deride as pork barrel spending. Examples cited by congressional critics include projects in Congress' mammoth highway bill that would allow funding for horse trails, museums, a pedestrian bridge over Arizona's Salt River, expanded parking lots in Clifton, Va., and "pavement rehabilitation" for facilities at the North Pole.

Nussle spokesman Spicer counters that Nussle supports the anti-pork effort, but that his chief focus was on reconciling the House's wide differences on the budget.

That view has sparked anger from conservatives such as Flake, who say the proliferation of spending projects belies GOP leaders' tough talk on the deficit.

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