

Delusional on the Deficit

By Ernest F. Hollings

Thursday, June 19, 2003; Page A27

Nobody is paying any attention to the budget deficit. Last month the House Budget Committee's Democrats forecast a deficit of nearly \$500 billion, and The Post reported the story on Page A4. Last week the Congressional Budget Office reported that the deficit would balloon to a record \$400 billion-plus, and The Post again buried the story on A4. Spending trust funds, such as Social Security, is what keeps the estimate at \$400 billion. The actual deficit will be approximately \$600 billion.

That's a win for Mitch Daniels. The goal of the departed Office of Management and Budget director was to keep any news that could hurt President Bush's reelection prospects off the front page, and The Post willingly aided and abetted him. In fact, when Daniels left two weeks ago to run for governor of Indiana, he told The Post that the government is "fiscally in fine shape." Good grief! During his 29-month tenure, he turned a so-called \$5.6 trillion, 10-year budget surplus into a \$4 trillion deficit -- a mere \$10 trillion downswing in just two years. If this is good fiscal policy, thank heavens Daniels is gone.

Congress is no better than the press. Republicans, totally in control of this town, just casually raised the limit on the national debt by a record trillion dollars so the president could borrow more money to pay for tax cuts. I say casually because the seriousness of this move was passed over and hardly debated. In The Post, this story wasn't even worthy of A4. It was relegated to A8.

Bush and Daniels used to talk about how they would repay the nation's debt more quickly than any administration in history. Before Sept. 11, 2001, the president bragged that his budget reserved \$1 trillion for unforeseen circumstances. Perish the thought that the war on terrorism, Afghanistan and Iraq cost \$1 trillion. Those factors had an impact, but the real culprit, according to the nonpartisan Concord Coalition, is that this president has cut \$3.12 trillion in revenue since taking office. These are the largest tax cuts in history, yet the administration claims they have no relationship to the record deficits reported on Page A4. Amazingly, he asks for more.

The London-based Financial Times, in a front-page lead story, recently reported the Treasury Department projection that at the present rate, fixing the deficit would require "the equivalent of an immediate and permanent 66 percent across-the-board income tax increase." The White House deep-sixed the Treasury study. The Post ignored it.

Former commerce secretary Peter Peterson, a lifelong Republican, says that every time this administration faces a choice, it chooses tax cuts. Between fiscal responsibility and tax cuts, it picks tax cuts. Between preserving Social Security and tax cuts, it picks tax cuts. Between providing necessary funds to fight the war on terrorism and tax cuts, it picks tax cuts. "Again and again," Peterson says, "they choose tax cuts."

The question: How huge must the deficit grow for this A4 story to make the front page, and for the public to scream for relief? Across the country teachers are being laid off, there are more kids per classroom, the school year is shorter, and tuition is up at state colleges. Bus service is being cut off, volunteers are running park systems, prisoners are being released, and subsidies for the working poor are being slashed.

How much more must we dismantle before the public cannot stomach this? Will it take a shutdown of all the national parks? Or the release of all federal prisoners because we can't afford to guard them? Or will workers need to pay half their salaries to keep Social Security and Medicare from the chopping block?

I dread to think how bad it has to get before Bush makes some changes. But the Republican leadership in Congress is in lockstep. They've just passed a budget calling for a \$600 billion deficit each year, every year, for the next 10 years.

The writer, a Democratic senator from South Carolina, has served on the Senate Budget Committee since its inception in 1974 and was its chairman in 1980-81.