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Then They Met Medicare

When the House Republicans passed their big tax cut earlier this year, they were not at all interested in what President Clinton or the Democrats had to say about it. They wanted the credit for doing what they said they would do in their Contract With America. And they got it.

But now the time has come to pay both for the tax cut and for an even bigger promise, a balanced budget by the year 2002. Suddenly, the Republicans are whining that the president has refused to take the lead in cutting Medicare and Medicaid, which is what the GOP needs to do to make any sense of its budget promises.

Let's see: When it comes to passing around the goodies, the House Republicans are prepared to take full responsibility. When it comes to paying for the goodies, they want a Democratic president to take responsibility. And they act shocked, shocked when he refuses to play along.

You can't blame the Republicans for trying. It's a clever, if transparent, strategy. But the president and the Democrats would be fools to assume their assigned roles. So far, they have demonstrated unusual discipline in absorbing the Republicans' rhetorical fire and insisting that there can be no negotiations until the Republicans show the country exactly what they have in mind for Medicare and the rest of the federal budget.

If the Democrats hold firm and force the Republicans to produce, the coming months could

be immensely useful—useful for the voters, useful for the political debate, useful for finally producing a long-term solution to the deficit problem. This time around, the voters may actually be given some real choices about what and how much government should be doing.

What's been missing from the political debate for 15 years is a clear sense of how a Republican Party given free rein would keep all the promises it has made about tax cuts and smaller government. As long as Democrats controlled one or both houses of Congress, a large group of conservative Republicans could stand at the sidelines, clamor for more tax cuts, attack a vague entity called "big government" and vote no on every budget. They could even vote against budgets put forward by Republican presidents (as Newt Gingrich did against George Bush's 1990 budget) and blame Democrats and sell-out Republicans for deficits, taxes and whatever else was wrong.

What will be on the table now is not "big government" as an abstraction but Medicare, one of the government's most popular programs, and a long list of smaller programs with intense constituencies behind them. The coming budget fight will make clear that the choice facing the country is not, as the speaker often argues, between giving money to "bureaucrats" and letting citizens put more money in their own pockets. The so-called bureaucrats take a very small

percentage of government outlays. The big money goes either to national defense or directly to the people for the things the people support, such as medical care and Social Security. The choices are over how much we want to spend on such things and how to pay for them.

Already the reality of making choices has strengthened the hand of Republicans who are serious about government, as against those who just like to attack it. Senate Budget Committee Chairman Pete Domenici is one such serious Republican, and his own budget proposal will start by putting off consideration of the big tax cuts passed by the House. It's hard enough, he says, to get the budget balanced.

On the other hand, even Domenici wants to finesse a large chunk of the Medicare issue. Yesterday, he called for a bipartisan congressional commission to decide on changes in the part of the program that pays for hospital stays. This is a sophisticated way of further postponing the Republicans' day of reckoning while also forcing Democrats to accept terms of debate set by Republicans. If the only issue such a commission decides on is how to cut Medicare, then all the other choices that should be at stake in this budget fight are relegated to a secondary position.

The Democrats will not give up the Medicare issue that easily. Of course they have their own

purely partisan reasons for using it as a club against the Republicans. But the Democrats also have substantive grounds for arguing that (1) it is unfair and impractical to consider Medicare cuts apart from the broader problems in the health system, and (2) there is no point in even negotiating on Medicare if House Republicans insists that big tax cuts are a non-negotiable part of the deal.

Sen. Bob Kerrey, a Nebraska Democrat who actually supports Medicare cuts, said last week that bipartisan negotiations would be possible if the Republicans moved on those issues. White House Chief of Staff Leon Pannetta has sent similar signals. If the Republicans reject those terms, they will have to explain why. And therein will lie the beginning of the first truly honest budget debate the country has had in a long time.

When it comes to balancing the budget, Kerrey said, the choice is clear enough: "We either ask Americans to pay more, or we give them less, or some combination of the two." That breathtakingly obvious point was ignored in election after election because so many politicians kept insisting that government could be cut magically or that revenues could be increased miraculously by cutting taxes. Now the Republican budget makers will demonstrate conclusively that while Medicare exists, magical budget cuts and miraculous revenues do not. That in itself is a large step toward sanity.