

Will GOP Cliff turn into slippery slope?

By Valerie Richardson - The Washington Times Sunday December 9, 2012

President Obama and House Speaker John A. Boehner met at the White House on Sunday to try to jump-start the "fiscal cliff" negotiations as members of Congress teetered between calls for cooperation and jabs at the other side's failure to compromise.

After their first face-to-face encounter in 23 days, the president and the House speaker were tight-lipped, saying in a joint statement only that a meeting took place and that "the lines of communication remain open."

In the trenches, Republicans continued to indicate a growing willingness to accept Democrats' demands for more federal revenue — either by closing tax loopholes and deductions or by raising rates in exchange for Democratic guarantees on entitlement reform.

Sen. Bob Corker of Tennessee and Sen. Tom Coburn of Oklahoma, in separate appearances on the Sunday talk shows, said they would be open to an increase in the top tax rates, but only as a means of attacking spending on Social Security, Medicare and other entitlement programs.

"There is a growing group of folks who are looking at this and realize we don't have a lot of cards as it relates to the tax issue before year's end. A lot of people are putting forth a theory — and I actually think it has merit — where you go and you give the president the 2 percent increase he's talking about, the rate increase on the top 2 percent, and all of a sudden the shift goes back to entitlements," Mr. Corker said on "Fox News Sunday."

"And all of a sudden, once you give him a top rate on the 2 percent, it's actually a much lesser tax increase than what he's been talking about," said Mr. Corker, who is regarded as one of the Senate's fiscal conservatives. "I actually am beginning to believe that is the best route for us to take to again shift the focus to where it needs to be, which is entitlements."

Mr. Coburn said Sunday that he would consider tax-rate increases in exchange for "significant entitlement reform" on programs such as Medicare, Medicaid and Social Security.

"The real problem: the president's proposing 7 percent of the solution. What we ought to be working on is the other 93 percent, because even if you do what he wants to do on tax rates, you only affect 7 percent of the deficit," Mr. Coburn said on ABC-TV's "This Week." "What we have done is spend ourselves into a hole, and we're not going to raise taxes and borrow money to get out of it."

No easy task

Democrats indicated Sunday that bringing them to the table on entitlement reform won't be easy. Sen. Debbie Stabenow, Michigan Democrat, said Democrats already have made compromises on entitlements and spending cuts, and predicted no further movement until Republicans agree to extend the middle-class tax rates passed under President George W. Bush.

"Right now, the only thing I hear, the only thing we see, is middle-class families being asked over and over again to be the ones who have the burden in solving this problem," Mrs. Stabenow said.

Sen. Richard J. Durbin, Illinois Democrat, added that reforming Social Security would be too difficult in the three weeks before Jan. 1, when the automatic tax increases and spending cuts kick in under the "fiscal cliff" scenario.

"I just don't believe we can do it in a matter of days here," Mr. Durbin said on NBC-TV's "Meet the Press."

He warned that Republicans would shoulder the blame if the parties fail to reach an agreement on avoiding the automatic package of tax increases and spending cuts scheduled to kick in at the first of the year.

"I don't want to do it, the president doesn't want to do it, but we need to solve the problem," Mr. Durbin said. "We cannot allow the reckless position to drive this economy into another recession, a recession which the Republicans will own."

Less campaign, more leadership

Rep. Kevin McCarthy, California Republican, told him that the Democrat needs to persuade Mr. Obama to curtail his travel schedule and sit down at the table with Republican leaders.

"Ask the president to come off the campaign trail. He's been to Pennsylvania, tomorrow he's going to Detroit," said Mr. McCarthy. "It's time to govern. The election is over. We sent him a plan, it took him three weeks to respond. He has not responded to our current one. You cannot negotiate with yourself."

Republicans continue to argue that the crux of the problem lies with spending, not revenue, with some noting that Mr. Obama had proposed another \$50 billion in stimulus spending that essentially would negate his proposed spending cuts.

"John Boehner's trying to focus this where it belongs, and that's on spending restraint and entitlement reform because this revenue won't come close to dealing with our fiscal problems," Rep. Tom Cole, Oklahoma Republican, said on CNN-TV's "State of the Union."

An intermediate step

Mr. Cole, an ally of the speaker who has urged House Republicans to accept a deal to avert the fiscal cliff that would save all but 2 percent of the expiring tax cuts, said that "tax rates are going up anyway; we're not 'raising them,' that's current law."

"It's the Democrats going around screaming that, 'Your taxes are going to go up, your taxes are going to go up,' so let's just take that 98 percent off of the table," Mr. Cole said.

Treasury Secretary Timothy F. Geithner has said the White House is willing to let the economy go over the fiscal cliff unless Republicans agree to tax hikes on the highest earners, but Erskine Bowles and Alan Simpson, who headed the bipartisan deficit reduction commission, called that alternative disastrous.

Mr. Bowles said, however, that he was "encouraged" by the progress of the past few days.

"We were going through the Kabuki theater, you know, one side making an offer and the other side rejecting it," Mr. Bowles said on CBS-TV's "Face the Nation." "But, you know, they've started to tango now. And, you know, anytime you have two guys in there tangoing, you have a chance to get it done."

- Susan Crabtree and David Eldridge contributed to this report.

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