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Molehill Out of a Budget Mountain

The mountain labored, and brought forth a mouse. Last week the administration confronted the budget of the U.S. government in the "line by line" review long promised by President Obama — and found theoretical savings almost invisible to the naked eye.

The nickel-and-dime exercise, a repeat of equally futile gestures by former president George W. Bush, claimed \$17 billion in savings in a \$3.4 trillion spending plan — a bit less than one-half of 1 percent.

Judd Gregg, the ranking Republican on the Senate Budget Committee, said, "This amounts to less than an asterisk when it comes to the amount of debt and deficit that we will be running up as a government."

The Democratic chairman of that committee, Kent Conrad of North Dakota, was a bit more polite, saying that "the effort will help" but adding that "as important as program terminations and cuts are, we should not lose sight of the far larger threat to our nation's finances — the combination of the retiring baby-boom generation, rising health-care costs and our outdated and inefficient revenue system."

Conrad and Gregg have proposed attacking that larger problem by creating a bipartisan commission to examine the big entitlement programs — Social Security, Medicare and Medicaid — where savings must be found, and the tax systems that support them.

That proposal and its counterpart in the House of Representatives, sponsored by Republican Frank Wolf of Virginia and Democrat Jim Cooper of Tennessee, have been stymied for two years principally by the adamant opposition of House Speaker Nancy Pelosi.

So far, Obama has not challenged her, even though he knows as well as anyone that significant steps to avoid a succession of trillion-dollar annual deficits when we emerge from this recession clearly will require reform of entitlements and taxes.

Last week, in a courageous break with party solidarity, the House majority leader, Steny Hoyer, reiterated his support for the commission idea, suggesting that Congress tackle Social Security along with the health-care reform Obama has put on the agenda.

As Hoyer pointed out, the options

for dealing with Social Security "are well and widely understood. We can bring in more revenues. We can restrain the growth of benefits, particularly for higher-income workers, while we strengthen the safety net for lower-income workers. And/or we can raise the retirement age, recognizing that our life expectancy is significantly higher today."

"What is missing here," he said, "is not ideas. It is political will" and the degree of trust between the parties needed for successful bargaining.

More and more Democrats and Republicans are expressing a readiness for such an effort. In response to Hoyer's speech, Republican Sen. Lindsey Graham of South Carolina, who traveled the country last year with John McCain, told my Post colleague Lori Montgomery, "I think we can get double-digit Republican support for a reasonable compromise."

As if to confirm his words, Republican Sen. George Voinovich of Ohio and independent Democrat Joseph I. Lieberman of Connecticut introduced an entitlement commission bill last week. Voinovich told me that he thinks "the prospects for action on the

issue are very, very good, because the feeling is growing that we can't sustain the path we're on."

When I spoke with Graham by phone, he outlined a plan that would not only embrace Hoyer's proposals but also provide bigger benefits for retirees past 80 "who are outliving their 401(k)s" in increasing numbers.

Graham said that with leadership from Obama, including a barnstorming tour with congressional supporters from both parties, such a compromise could pass Congress this year — with no need for a commission.

But while these Republicans are gung-ho, Hoyer is cautious. He reminded me in an interview that both Pelosi and Senate Majority Leader Harry Reid have thrown cold water on the commission idea, and said that signals from the White House suggest that Obama would not want anything to get in the way of his health care and energy initiatives this year.

If that means more futile gestures, like last week's tiny budget cuts, the nation — and Obama — will have missed an opportunity.

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