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Posted November 20, 2009 | [Leave a comment](#)

Blue Dogs run with Wolf as he fights deficit

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A local congressman's effort to right the country's fiscal ship has picked up a significant new block of support.

On Wednesday, members of the Blue Dog Coalition, a group of fiscally conservative Democrats, officially threw the weight of their caucus behind Rep. Frank Wolf, R-10th, and his SAFE Commission.

"There are two things that Congress can do right now to begin reducing deficits and put the country back on a fiscally sustainable path," says Rep. Jim Matheson, D-Utah, a spokesman for the caucus, in a press release.

"One is to reinstate the statutory pay-as-you-go rules that were successful in bringing about budget surpluses in the '90s, and the other is to establish a fiscal commission that has the ability to reform spending and taxes in the event that Congress fails to act," he says.

Wolf's commission would create a panel not unlike the one created to close unneeded military bases. The commission would take an "everything is on the table" approach and make a recommendation to Congress.

Legislators would then have to vote the proposal up or down without amendments.

House Speaker Nancy Pelosi, D-Calif., has said repeatedly that Congress has the power and ability to deal with entitlements and other spending issues any time it chooses.

If Wolf is able to pull in the other 176 GOP members, the commission would have enough votes to come to the floor and pass, even with Democratic leaders opposed.

A number of Democrats -- including key leaders like Sen. Dianne Feinstein of California -- said last week that they would not vote to raise the limit on federal government borrowing from its current \$12 trillion without some sort of commission like Wolf's as part of the deal.

Last year's record \$1.4 trillion federal deficit might have been eye-popping, but it's only a small part of a long-term problem -- unsustainable spending on programs like Social Security and Medicare, according to Wolf.

The federal government is borrowing money at an ever-increasing rate. In 2001, the government's total debt was about 57.4 percent of the nation's total economic output, or gross domestic product.

If things don't change soon, the debt will reach 114 percent of GDP by 2019, according to the Senate Budget Committee.

That's just a fraction lower than the record percentage reached when the government had to finance World War II.

Over the long term, the federal government is on the hook for more than \$53 trillion it simply doesn't have for entitlement programs, according to the Congressional Budget Office.

Social Security recently became "cash negative" -- drawing more money out of the federal government's coffers than its dedicated payroll taxes bring in.

While the program's revenue is expected to recover temporarily in a few years, it will become a permanent drag on the treasury starting in 2016, according to the Congressional Budget Office.

Medicare is in even worse shape, having become a drag on the treasury in 2007. It will exhaust its trust fund in 2017.