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## EDITORIAL OBSERVER

# Try Telling the Politicians in Maine That Tax Cuts Are a Great Blessing

By FRANCIS X. CLINES

**A**UGUSTA, Me.

During a break in the Statehouse labors of stanching Maine's revenue hemorrhage, Representative Peter Mills, a rock-ribbed Republican and fiscal conservative, laughed out loud at the very notion of President Bush's dispatching emissaries to lobby the nation for still another big tax cut for wealthy Americans.

"They can't talk to us," Mr. Mills warned, stunned at the tax-cutting hubris of the White House. "We're in no mood to listen."

In truth, the dozens of political cadres being sent by the president to put pressure on the few Senate Republicans balking at another \$550 billion in upper-bracket cuts should be required to stop first at the nation's statehouses. For this is where grass-roots fiscal triage is the relentless agenda lately. Republicans in Washington brag about further choking the downward flow of federal revenues, while ground-zero politicians like Mr. Mills are reduced to being role players in a budgetary version of M\*A\*S\*H.

"I can't wait! Olympia's fighting for a mere \$350 billion tax cut!" the legislator said of Senator Olympia Snowe of Maine, his friend and the lead Republican targeted by the president. "Thank you so," said Mr. Mills, a career Republican, dripping sarcasm at the chilling effects he expects with the next round of federal tax cuts, whatever the eventual size.

Factors like the wallowing economy, the costly war and the ballooning federal deficit are troubling enough. But from his seat on the appropriations committee, Mr. Mills estimates that at least 25 cents of every dollar in his state's deficit emergency can be traced to the first Bush tax cuts. The detax fever means parallel losses here unless the state decouples its rates from the shrinking federal schedule. Other losses come from the slowdown in federal spending to make up for tax cuts, a worsening state problem as fresh cuts are enacted. The chance of emergency federal help for deficit-bedeveled states wanes as each new tax cut is sold in Washington.

Maine has just finished freezing salaries and crimping benefits for state workers and retirees in enacting a dozen fiscal rollovers and rainy-day tricks even before the next federal cut hits. These are moves familiar in numerous states, now wrestling with scores of billions of dollars in deficits this year alone as statehouses and city halls become grim catch basins for the trickle-down conceits enacted in Washington.

In the reshaping of budgetary politics, a marginal school-aid increase was managed here as incumbents scrambled for their own survival before the next federal cut bites home. But it is coming at the expense of critical reductions in Medicaid and other help for the poor.

"Let's face it: the community forces for schools speak louder than the needy do, so we beat up on the helpless," said Mr. Mills, risking a level of candor foreign to the "growth" nostrums that the president and his roving sales staff are pushing.

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The tax-cut triumphalism of the G.O.P.'s ascendancy in Washington echoes out here like gross revelry from a cloud-veiled penthouse. The fiscal bill for the easy politics of detaxation is being bucked down the red-ink road toward needful states where politicians still dare to believe in federal government and services and even the graduated income tax. (Maine gets back \$1.30 for every dollar sent to federal coffers.)

"This is the real Reagan era," said Christopher St. John, director of the Maine Center for Economic Policy and a budget advocate for low-income needs. Not quite. Even Ronald Reagan, for all his supply-side ardor, eventually had to recognize deficit blowouts and patch them with a tax increase.

"Will they really be so foolish as to go with the dividend tax cut?" Mr. St. John asked of the president's still-determined plan to do exactly that in the next revenue reduction. The dividend boon for wealthy taxpayers would instantly make them less interested in the tax-shelter investments that have been a creative way to channel development loans to poor communities, Mr. St. John noted. He is trying hard not to believe the ultimate devil theory to be heard in statehouses: that administration zealots, time-warped with the old loathing of the New Deal, are intent on shrinking the federal government down to a debt-soaked relic of itself.

Such traditional Republicans as Mr. Mills have to wonder if there's some truth to that as they face more shrinkage and pain with the next tax cut. "Nobody is listening to us," he said as the Statehouse bell summoned lawmakers back to their unpromising business. "Nobody in Washington is thinking deeply about the future," he said, ruing the spectacle of his party leaders' blazing a path into a decade of historic detax-and-spend budgeting and open-ended borrowing.

Mr. Mills quickly corrected himself to pay homage to one of the aberrant G.O.P. resisters. "Olympia is listening," he said. "Can the president change Olympia's mind? No. She's a rock. She came out of this building," he said of the Statehouse, betting the president's emissaries will avoid the place like a fiscal plague.

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