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HEADLINE: Democrats not selling alternative;
Party finding it hard to be heard over Republicans

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BODY:

Most Americans know that President Bush's economic stimulus plan calls for cutting taxes, but the details in the Democrats' alternative proposals have gotten far less attention.

Democrats' economic plans would help unemployed workers and revenue-strapped state governments. But even their supporters acknowledge Democratic leaders have been far more successful in promoting their opposition to Mr. Bush's plan than in promoting their own recommendations.

"It's been difficult for the Democrats to get a platform and to have a debate that focuses on their proposals. The president has a much larger megaphone," said Bill Samuel, legislative director for the AFL-CIO.

"It's very hard when you don't control either house of Congress to get the news media or the public to pay attention to policies and proposals that have little chance of passage," said Robert Reischauer, president of the Urban Institute.

The differences between the Republican and Democratic plans are huge, both in their costs and in their respective targets. The GOP's plans, costing between \$350 billion and \$550 billion, would speed up across-the-board income tax cuts enacted in 2001 plus give new tax cuts to business and investors. The Democrats' plans, costing between \$135 billion and \$160 billion, focus more on government social programs and aid to the states.

The Democrats would repeal Mr. Bush's tax cuts for those in the two highest income brackets, but expand the number of taxpayers in the bottom 10 percent bracket that the president's 2001 tax plan added to the tax code. It offers a job credit to businesses that hire the long-term unemployed, slightly raises the child tax credit and accelerates marriage penalty tax relief.

But the Democrats' major focus is on expanding many social welfare programs, such as longer and higher unemployment compensation for low wage and part-time workers, \$18 billion in aid to the states for Medicaid, and \$26 billion in public works grants to help states balance their budgets.

Sen. John D. Rockefeller IV, West Virginia Democrat, is proposing at least \$30 billion in state fiscal relief. Rep. Richard A. Gephardt of Missouri, who is seeking the Democratic presidential nomination, wants to repeal Mr. Bush's \$1.35 trillion in tax cuts to pay for a new and costly universal health care plan.

"If Mr. Gephardt's plan passed, we would have the Gephardt recession because it would be a huge tax hike on the economy," said economist Kevin Hassett of the American Enterprise

Institute.

These and other Democratic plans "do not pass the laugh test," said Michael Franc, vice president of the Heritage Foundation.

Democratic advisers in organized labor said yesterday that such programs would help stimulate the economy by helping laid-off state government workers. These are "the people who buy groceries, pay rent. It is a consumer-driven stimulus. With aid to the states you are talking about continuing essential services and social programs on the basis of compassion," said Mr. Samuel of the AFL-CIO.

Yet advocates of tax cuts argue that such spending proposals would do little if anything to stimulate the economy. "The amount of money we are talking about is very small relative to the total size of a \$10 trillion economy," said Mr. Hassett.

"The Democrats don't want to cut taxes. They want to spend, and the states are having budget crises because their spending is out of control. What their plans would do is move us in the direction of the big European economies, which are hamstrung by their huge social welfare programs," he said.

Mr. Reischauer, however, said that Mr. Bush's plan was "not particularly stimulative in the short run. Instead, it is directed at the long-run growth potential of the economy. From the standpoint of fiscal stimulus, one would get more bang for the buck from the Democratic plan. It is directed more at those who have been grossly affected by the economic slowdown."

GRAPHIC: Sen. Paul S. Sarbanes, Maryland Democrat, used a **national debt** clock as a prop during a press conference called to criticize President Bush's tax proposals, which give new cuts to businesses and investors. [Photo by Rod A. Lamkey/The Washington Times]

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