

Senate OKs \$800B Debt Limit Hike

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By ALAN FRAM

WASHINGTON (AP) - A divided Senate approved an \$800 billion increase in the federal debt limit Wednesday, a major boost in borrowing that Sen. John Kerry and other Democrats blamed on the fiscal policies of President Bush.

The mostly party line, 52-44 vote was expected to be followed by House passage Thursday. Enactment would raise the government's borrowing limit to \$8.18 trillion - \$2.23 trillion higher than when Bush became president in 2001, and more than eight times the debt President Reagan faced when he took office in 1981.

In his first remarks on the Senate floor since his presidential bid ended in defeat two weeks ago, Kerry, D-Mass., said his former opponent had presided over "the worst fiscal turnaround in our nation's entire history."

He was referring to the change from the \$5.6 trillion in surpluses that were projected for the next 10 years when Bush took office in 2001, to the \$2.3 trillion in deficits now estimated for the coming decade. Kerry and other Democrats complained that those bills will have to be paid by future generations.

"This can be called a birth tax, a birth tax that is dumped on the back of every American child unwillingly," said Kerry, who voted against the borrowing increase.

Republican senators did not join in the debate, underscoring how politically uncomfortable the measure is for them. That discomfort was highlighted when they refused to bring the bill to a vote before the elections.

Administration officials urged lawmakers to act quickly. The government reached its \$7.38 trillion borrowing cap last month, and since then the Treasury Department has paid federal bills by taking cash from a civil service retirement account, which it plans to repay.

"We are nearing the end of our rope, and it is critical that Congress act," said Treasury spokesman Rob Nichols.

Failure to raise the debt ceiling could force a federal default and leave the government unable to pay Social Security recipients, federal workers and other obligations.

The Senate's debt-limit vote came as congressional bargainers used the lame-duck session to put some finishing touches on a compromise \$388 billion spending measure to finance scores of agencies over the next 10 months.

That package - a combination of nine separate spending bills - will finance the heart of the government's



(AP) Sen. Ted Stevens, R-Alaska, chairman of the Senate Appropriations Committee, confers with Paul...

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domestic programs, everything except the departments of Defense and Homeland Security. The measures were supposed to be approved by last Oct. 1, when the government's budget year began.

In a letter to lawmakers, White House budget chief Joshua Bolten threatened a veto if the bill grew in size. Legislative leaders have already decided to keep it within the bounds Bush wants - aided by about a 0.75 percent cut in all programs and reductions in a host of presidential priorities from community colleges to abstinence education.

Several legislative provisions that drew White House veto threats are also being dropped from the final bill, aides said. These include lifting restrictions on trade with Cuba and easing limits on aid to overseas family planning efforts.

Democrats complained that the bill - which will let non-defense, non-domestic security programs grow by about 2 percent next year - was too stingy. They said that clean water grants, the National Science Foundation and federal subsidies for hiring local police officers were all being cut from last year and that funds for education, biomedical research and veterans health care were inadequate.

"I don't agree with these priorities, but it is time to move the process forward," said Sen. Robert Byrd of West Virginia, the top Democrat on the Senate Appropriations Committee.

Even so, Democrats were cooperating in negotiating the bill's final form, and many of them were expected to vote for it on grounds that it was better than the alternative.

If the bill is not completed, GOP leaders are offering to simply continue programs at last year's levels. That formula would cut about \$4 billion from overall spending, and eliminate the thousands of home-district projects the bill is likely to include.

One of the biggest remaining problems was the bill financing energy and water programs, popular with lawmakers because of the many local projects it finances. Its knottiest dispute was over funds to continue planning and building a nuclear waste repository at Nevada's Yucca Mountain, which is opposed by incoming Senate Minority Leader Harry Reid, D-Nev.

Senate Appropriations Committee Chairman Ted Stevens, R-Alaska, said if no agreement is reached, Yucca Mountain would probably get no more than \$500 million, less than last year.

"We don't have any more money," he said.

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