The New Hork Eimes

PRINTER-FRIENDLY FORMAT SPONSORED BY

January 22, 2004

## **Conservative Republicans Push for Slowdown in U.S. Spending**

## **By RICHARD W. STEVENSON**

ASHINGTON, Jan. 21 — A day after <u>President Bush</u> vowed to submit an austere budget and halve the deficit in five years, conservatives in his own party said on Wednesday that they were not satisfied and stepped up their campaign to force the White House and Republican leaders on Capitol Hill to do more to hold down the growth of government spending.

Forty Republican House members gathered to hash out how to press Mr. Bush and the Congressional leadership to deal with spending increases that they say are running out of control and a deficit that is reaching alarming proportions.

Their discomfort has been echoed in recent weeks by conservative researchers and commentators who support Mr. Bush on most issues. Among them are the Heritage Foundation, the Club for Growth, a political action committee, and The Wall Street Journal's editorial page.

"The president used the State of the Union to defend past spending increases, and he made eight specific calls for new spending increases," said Brian M. Riedl, a budget analyst at the Heritage Foundation. "But he made zero calls for spending cuts. He merely said focus on priorities, cut wasteful spending and be wise with the people's money. That's not specific enough."

Mr. Bush had long attributed the sharp swing from budget surpluses to deficits to the recession and the war on terror. Now, he faces political pressure not just from small-government conservatives in Congress and Democrats who say his tax cuts have plunged the government into a sea of red ink, but also from voters.

Polls show that the widening deficit is of increasing concern to the electorate and that Republicans are losing their traditional advantage over Democrats on the issue.

A poll this month by the Pew Research Center for the People and the Press found that 51 percent of respondents called the deficit a top priority for Mr. Bush and Congress. That was up from 40 percent a year earlier and 35 percent two years ago.

Concern about the deficit was particularly evident among Democrats, 57 percent of whom identified it in the Pew poll as a priority issue, versus 44 percent of Republicans.

Democrats said Mr. Bush had mortgaged the nation's future to pay for repeated rounds of tax cuts whose benefits went largely to the wealthy but that had failed to deliver the promised rebound in job creation. The party's presidential candidates regularly use the deficit as a proxy for Mr. Bush's overall economic management and argue that the deficits are leading the government to underfinance programs in areas like health and education.

The government ran a deficit of \$374 billion in the fiscal year ended Sept. 30, and the deficit is expected to be around \$500 billion for the current fiscal year. When Mr. Bush took office three years ago, the Congressional Budget Office forecast a surplus of \$5.6 trillion for the following decade.

In recent years, Republicans have focused less on the deficit than on the desirability of holding down spending and enacting tax cuts to help the economy and restrict the growth of government. Politically, Republicans have always been able to rely on their image as the party to trust with the purse strings, and to assert that Democrats would raise taxes not to cut the deficit but to pay for even more spending.

But an NBC News/Wall Street Journal poll this month found that Democrats had nearly caught up with Republicans on the question of which party does a better job of controlling government spending. The poll found that 33 percent of respondents said Republicans did a better job, with Democrats at 31 percent.

Fiscal conservatives said it would be hard for them to make progress on deficit reduction in an election year, when lawmakers of both parties would be eager to send more federal money home to their districts.

"You're going to have someone upset with you if you do the right thing," said Representative Sue Myrick of North Carolina, chairman of the Republican Study Committee, the group whose members were meeting to agree on ways to hold down spending and address the deficit. "That's what we've got to find out: Are our members willing to stand up and do the right thing?"

In his State of the Union address on Tuesday, Mr. Bush said he would send a 2005 budget to Congress next month that would hold the rise in discretionary spending to 4 percent, about what he proposed last year.

Liberal groups said Mr. Bush had shortchanged many domestic programs to offset his increase in military spending and the budget for domestic security following the terrorist attacks in 2001. The catchall spending bill for the current fiscal year has been hung up in Congress because of partisan disputes, though Democrats signaled on Wednesday that they would let it pass this week.

According to calculations by the Heritage Foundation, government outlays for the current fiscal year will rise 9 percent, after increases of 13 percent in 2002 and 12 percent in 2003, making the last few years among the fastest-growing periods of government spending since the 1960's. White House officials said that Mr. Bush had spent money for the needed wars in Afghanistan and Iraq and to protect the nation from terrorism and that domestic spending outside security had been held in check.

But many conservatives said they were still irked by Mr. Bush's record, especially since he signed into law last year an overhaul of Medicare that amounted to the largest expansion of a federal entitlement program in a generation.

"The Republican party has long been the party of small government," an aide to a senior Republican senator said, "but the era of small government has ended for the Republican Party."

Referring to Mr. Bush's call on Tuesday night for athletes to stop using performance-enhancing drugs, the aide said, "Unfortunately, the president's ban on steroids doesn't apply to the appropriators."

Copyright 2004 The New York Times Company Home Privacy Policy Search Corrections Help Back to Top

http://www.nytimes.com/2004/01/22/politics/22FISC.html?adxnnl=1&adxnnlx=10751263... 1/26/2004