

# The Committee for a Responsible Federal Budget

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## On the Road in 1995



**The FY 1996 Budget**  
***An Exercise in Hard Choices***

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*Both Congress and the President advocated FY 1996 budgets that would reach balance in FY 2002 and would cut taxes. Analytically, this is possible to do. Politically, it has so far proved impossible to accomplish. Although tax cuts could have served as the "sugar" to make the medicine go down, in the end efforts to accomplish two objectives jeopardized both. The combination of the tax cuts with spending cuts provided opponents with ample excuses to do neither.*

*The participants in the 1995 Exercise in Hard Choices did not allow themselves to become distracted by tax cuts. No proposal to cut taxes was accepted by a majority of groups in any of the Exercises held last year. As a result, participants were able to reach agreement and balance the budget in five years. Similarly, a bipartisan group of House members found that by separating the issues of budget balance and tax cuts, they were able to reach agreement on sufficient spending cuts to reach budget balance in six years.*

*The Committee for a Responsible Federal Budget designed the Exercise in Hard Choices to give participants opportunities to confront the same issues and options Congress and the Administration are considering, and to do so in a similar environment. The results of these Exercises provide insight into what might be possible should policymakers really decide to compromise their differences and end budget deficits.*

*When Congressman Jim Jones was Chairman of the House Budget Committee, he developed the Exercise in Hard Choices to educate his colleagues about budget issues and process. We offered it to audiences in Washington from 1984 through 1987. In 1988 we began our Exercise in Hard Choices: On the Road. This project reaches out to rural, suburban and urban audiences around the country: North, South, East, West, Midwest. We go to conservative and liberal areas, represented by Republicans and Democrats (and the only Independent in Congress). For Exercises co-sponsored by Members of Congress, we send invitations to a random sample of registered voters. Media co-sponsors promote the Exercises in which they participate, through their publications or radio and television broadcasts. The meetings are open to the public and are free. We even pay child care costs for those who could not otherwise participate.*

*Most participants register in advance. They provide information about political party affiliation, employment, age group, and political leaning (i.e., conservative, liberal or moderate). Based on that information, we assign them to groups. If we succeed, each group will include people who represent different political views and priorities. The rules are: one budget per group. Groups work through an Exercise booklet that we update each year to reflect the actual options Congress and the President are debating in Washington.*

*We make the Exercise available to universities, colleges, and high schools for use in their classes. We also provide the Exercise to business and other organizations to educate their employees and members.*



Bill Frenzel  
Co-Chairman



Carol Cox Wait  
President



Timothy Penny  
Co-Chairman

## ***The 1996 Budget: An Exercise in Hard Choices***

Over the years, the results of the *Exercise in Hard Choices* are remarkably consistent. Across the country, in urban and rural areas, Democratic and Republican constituencies want to solve this problem. Their choices show that they are willing to pay the price – through reduced programs and benefits and higher taxes – if only we would really balance the budget.

Beyond making the tough choices, our groups show that people are willing to work together, listen to and learn from each other, and compromise their differences in order to get the job done. And they expect their elected representatives to do the same.

Public opinion polls indicate strong support for a balanced budget. However, pollsters tell us that this support evaporates once specific policies to balance the budget are identified. In Washington, wisdom holds that voters oppose spending cuts and tax increases that affect them.

Both are wrong. The results from our *Exercises* over the years consistently show that given sufficient information about the budget and options to reduce the deficit, voters are willing to accept hard choices even if those choices affect them directly.

### ***The FY 1996 Budget: An Exercise in Hard Choices***

In 1995, we sponsored *Exercises* in nine cities across the country. Our co-hosts included Members of Congress, newspapers, and TV and radio stations. This report summarizes the results of those nine *Exercises*. 1,000 citizens participated, forming over 150 groups, giving up the better part of a day of their time to gain a better understanding of the real choices to balance the budget, and to learn about the Federal budget process.

The 1995 *Exercise* was conducted in five-hour sessions. It reflected the major budget options under debate during the year. It included spending proposals by budget function (e.g., international affairs, transportation, education) as proposed by

the President, and as passed by the House and the Senate in their budget resolutions, as well as discrete policy options developed by the Congressional Budget Office, the General Accounting Office, and other sources. It included proposals made by the President and Congress to cut taxes. But, the *Exercise* also gave participants the opportunity to consider options that were not part of this year's active debate – deeper cuts to defense, savings from Social Security, means-testing entitlements, and increasing revenues.

At the end of each session participants reported their results to one another and to members of their Congressional delegation.

Each group lent our Committee staff an *Exercise* book, marked with their results, which we brought back to Washington and used to compile this report.

### **What should be the goal?**

*Exercise* participants want to *solve* the deficit problem. This has been true since the first *Exercise*, in Washington DC, in 1984. We offer audiences a range of goals, from modest deficit reduction to very ambitious time lines for budget balance. The most popular goal is balancing the budget, *without Social Security trust fund reserves*, in five years, i.e., our citizen budget committees plan to run budget *surpluses* equal to Social Security Trust Fund Surpluses, within six years. Clearly, our participants are far more aggressive in their approaches to balancing the budget than either Congress or the Administration.

In Dallas, Senator Kay Bailey Hutchison asked the audience whether they would prefer a balanced budget in seven years (Congress' goal) or ten (the President's June proposal). The audience roared back, "Five!" Senator Hutchison and Representative Martin Frost told the group that would be too difficult. Participants responded that it would not, if Congress and the President would do as they had done: cut spending as much as Congress proposes and not cut taxes.

## Exercise Results

On average, the groups develop budgets to reduce accumulated deficits by nearly \$1 trillion, including interest savings over 5 years.

Our groups rely more on spending cuts than tax increases to reach their goals. Despite proposals from both the President and Congress to cut taxes, few groups participating in the *Exercise* would cut taxes this year. They reduce the deficit by an average \$886 billion, excluding interest savings, over five years: 66% spending cuts; 34% tax increases. They cut spending 8% below the baseline over five years. On average they raise revenues 4% above the baseline, over the same five year period. This spending cut to tax increase ratio is similar to previous years' results.

We can identify two over-riding themes: the goal must be to solve the problem and **balance the budget**, not just to reduce the deficit; and **the package must touch every area of the budget, every area of the country, every group and every interest** – we are all in this together or we cannot do it at all.

- 66% of the groups support cutting defense well below levels in the President's budget request and the Congressional Budget Resolution.
- 86% of the groups achieve part of their savings from Social Security cost-of-living allowance (COLA) reductions.

Our citizen budget committees prefer specific options to reduce spending over "reform" proposals

that assume a certain level of budget savings will be achieved. For example, in the Agriculture function, 86% of all groups favor reducing feed grains, milk, peanut, tobacco and sugar subsidies, instead of the savings from unspecified reforms included in the House and Senate budget resolutions. This demonstrates that participants are not looking for "magic bullets" and are willing to make tough choices.

By strong majorities, *Exercise*

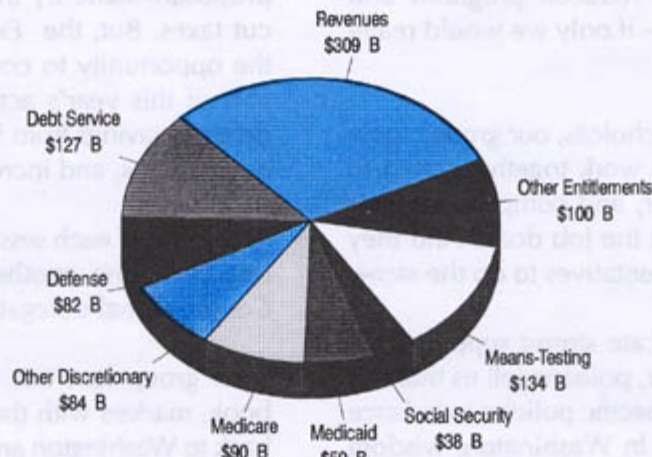
participants agree to cut virtually every function of the budget. There is one exception — education and training — where over 60% of the groups vote *increases* in spending. In some areas, however, a majority of participants do not agree on specific options to achieve savings. By in large, however, they tend to agree more with the funding levels proposed by the House and Senate than proposed by the President.

A majority participants do agree on the following major budget issues:

- **Tax cuts.** No tax cut proposal, not even family tax credits and capital gains rate reductions, gets majority support.
- **Means-testing entitlements.** 95% of all groups vote to means-test entitlement programs. Three-fourths of these reduce benefits for middle and upper income beneficiaries; the remainder restrict only benefits for upper income recipients.

**How 1995 Exercise in Hard Choices Participants Balance the Budget**

Total Deficit Reduction over 5 Years exceeds \$1 trillion



- **Medicare.** 53% of all groups favor savings equal to the amounts in the Congressional Budget, which restrain increases for providers, raise Part B premiums for beneficiaries, and move more beneficiaries into managed care delivery arrangements.
- **Medicaid.** 60% of all groups agree to Congressional savings targets, which would reduce the growth in spending, potentially eliminate the individual entitlement, and provide block grants to States.
- **Income Security.** Two-thirds of groups voted to save as much as the Congressional Budget, largely through welfare reform proposals to block grant assistance to States.
- **Social Security** and other non-means-tested entitlements. 86% of groups favor cost-of-living adjustment (COLA) savings in Social Security and other programs. However, they support a variety of different approaches: eliminate COLAs for one year; reduce COLAs one-third for five years; or provide full COLAs on monthly benefits below \$650 and 50% COLAs on higher benefits. Almost half (49%) would reduce benefit levels for future retirees.

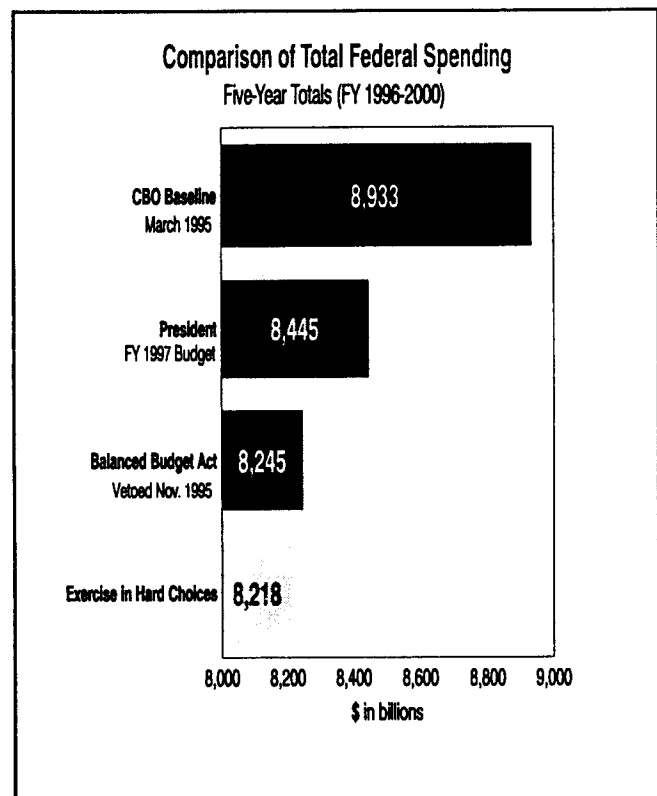
The *Exercise* is not a definitive list of all possible choices to balance the budget and re-order national priorities. Neither do we suggest that this report represents a balanced budget package which commands the support of most Americans. But the *Exercise* does indicate which options are more tolerable, and which are least acceptable.

1995 *Exercise* results reflect a very consistent pattern, repeated year after year, in a wide variety of locations around the country. They do suggest that voters are more bullish on budget balance than their elected representatives; citizens are less protective of "sacred cows" than their representatives in Washington believe. Inside packages to balance the budget, people are willing to make choices that often appear to be politically impossible from the point of view of Washington DC.

Because *Exercise* participants are willing to put all spending programs on the table and they are willing to raise revenues, their deficit reduction packages

are twice as large as the major 1996 plans considered by Congress and the President. Given more time, many groups say they would go back through the *Exercise*, pare back some of their spending cuts and reconsider some of the revenue increases. But, they would stick with their overall goal of budget balance.

*Exercise* participants end up spending only 2.5% less over five years than the President proposes in his new 1997 budget and 0.3% less than the vetoed Congressional plan, or Balanced Budget Act. These are relatively small differences that translate into hundreds of billions of dollars because the Federal government is projected to spend almost \$9 trillion over the next five years. *Exercise* participants reach budget balance in FY 2000 – two years earlier than Congress and the President without having to cut drastically more because they raise – instead of cut – taxes. They believe Congress and the President should do the same.





## ✓ **What We Chose**

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Results represent options selected by groups averaged across all groups. Changes in spending or revenues are relative to the March 1995 Congressional Budget Office baseline projections for the five-year period FY 1996-2000. For spending, this baseline assumes existing statutory caps on discretionary spending through 1998, with discretionary spending frozen at the 1998 level in 1999 and 2000. In each area (function), groups could choose either the President's, House or Senate budgets, or any combination of the discrete policy options offered.

<b>TOTAL SPENDING</b>	\$715 billion in total spending reductions: \$167 billion in discretionary programs; \$421 billion in entitlements; and \$127 in net interest..
<b>Defense</b>	While two-thirds of all groups choose to cut defense \$126 billion, the remainder keep defense closer to the baseline, resulting in average savings of \$82 billion, or a 6% cut. 1 out of 4 groups choose the Senate's plan, which provides \$2 billion less over five years than the President's budget, but provides modestly higher spending in early years. Participants reject the House proposal to increase defense spending by \$38 billion.
<b>International</b>	Savings: \$10 billion, or 12% less. 56% of all groups vote for either the House or Senate proposals to cut or eliminate funding for the Department of State and other agencies concerned with foreign affairs, international relations or trade. Only 9% support the President's proposal to provide modest increases in international humanitarian and security assistance and maintain commitments to the International Monetary Fund and the World Bank.
<b>Domestic</b>	Savings: \$496 billion, or a 6% reduction.
<i>Science, Space &amp; Technology</i>	Savings: \$6 billion. 27% choose the House and 17% choose the Senate proposals to streamline, consolidate or privatize NASA activities and reduce funding for National Science Foundation research. The House budget cuts \$6 billion and would privatize NASA's space shuttle and global change research programs. About the same percentage (26%) vote for the President's budget, which cuts half as much. More groups (31%) vote to cancel the Space Station (saving \$10 billion) than any other option.
<i>Energy</i>	Savings: \$9 billion. No majority for any single option or approach, but every group seeks some reductions. More than one-third favor Congressional options, which include privatizing Naval Petroleum Reserves and the U.S. Enrichment Corporation, cutting Dept. Of Energy programs, and eliminating clean coal technology programs. 31% select the President's proposal which would also include a 17% increase in energy conservation.
<i>Natural Resources &amp; Environment</i>	Savings: \$ 6 billion. 60% of all groups vote for savings: half of them chose either the House or Senate proposal. These proposals save \$15 billion by cutting funds for National Parks, Bureau of Land Management, EPA operations, environmental technology, and clean water State revolving funds. 30% of all groups favor higher recreation user fees and a moratorium on land purchases. 32% vote for the President's Budget, which has a net effect of \$0, but increases funds for programs and services that the House or Senate would cut.
<i>Agriculture</i>	Savings: \$14 billion. 86% of all groups reject the unspecified "reforms" contained in the President's, House and Senate budgets and instead favor cutting feedgrains, milk, peanut, tobacco and sugar subsidies. 80% also vote to eliminate market promotion and export enhancement programs.

## *An Exercise in Hard Choices*

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Savings: \$11 billion. Three-fourths of all groups choose discrete options to achieve savings instead of the President's, House and Senate budgets. Almost all groups favor broader FCC authority to auction new telecommunications spectrum licenses. (This option is included in the President's House and Senate plans.) 52% of all groups favor eliminating U.S. Travel and Tourism Promotion and the Advanced Technology Program. 44% eliminate the Department of Commerce. 26% eliminate the Small Business Administration and the Minority Business Development Agency.

*Commerce &  
Housing Credit*

Savings: \$22 billion. 9 out of 10 groups choose cuts in this area. 2 out of 5 support elimination of airport/airline subsidies. 39% favor either reducing or eliminating mass transit subsidies, with two-thirds of those in favor of terminating the Federal Transit Administration. In addition, over 40% choose to eliminate or reduce other forms of transportation subsidies including: funding for surface transportation projects, changing cargo preference laws requiring government owned or financed cargo shipped on U.S. flag vessels, operating subsidies for AMTRAK; and NASA support for commercial airline producers.

*Transportation*

Savings: \$8 billion. 87% of all groups choose reductions. Half of all groups favor House or Senate proposals cutting or consolidating Community Development Block Grants (CDBGs), rural development programs, the Tennessee Valley Authority, Appalachian Regional Commission, and the Bureau of Indian Affairs. The Congressional options also cut or eliminate flood insurance subsidies. Only 7% of all groups vote for the President's proposal to increase funding and consolidate 13 HUD community and economic development grant programs into a single Community Opportunity Performance funds program. One-third of all groups support eliminating or reducing CDBGs and flood insurance subsidies as stand alone options.

*Community & Regional  
Development*

Savings: \$10 billion. Over 60% of all groups decide against cuts in this area. Just under half of all groups (45%) favor the President's Budget, which would increase funding for the Corporation for National and Community Service (including Americorps), Head Start and Goals 2000. Another 20% increase funding for Head Start. Only 1 in 5 groups favors funding at levels proposed by the House or Senate, which save \$40-48 billion.

*Education, Training,  
Employment &  
Social Services*

Savings: \$ 59 billion. 95% of all groups vote for savings. 3 out of 5 groups support Congressional proposals which would save almost \$100 billion by reducing annual Medicaid growth rates from 11% to 4%; cut National Institute of Health research; reduce HIV research; consolidate Public Health Service programs into State Health block grants; and cut Maternal & Child Health Care and Preventive Health Services Block grants.

*Medicaid &  
Other Health Programs*

Savings: \$90 billion. 98% vote in favor of reductions. A little over half (53%) favor Congressional proposals that cut spending up to \$140 billion over five years and encourage higher participation in managed care arrangements; control rates of growth of health care provider fees; maintain Medicare Part B premiums at current levels (31% of costs); and phase out Part B subsidies for higher income beneficiaries. 27% of all groups choose to reduce Part B subsidies, the majority of which (71%) vote to relate premiums for physician services to beneficiary income. Groups overwhelmingly reject any increase in Part B co-insurance rates.

*Medicare*

## ✓ **What We Chose**

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### *Income Security*

Savings: \$46 billion. 84% vote in favor of savings. 45% of all groups support the Senate option to achieve \$57 billion in net savings through a combination of welfare block grants for the States; Child Support Enforcement and social service block grant reforms; a \$2 billion increase for Women, Infants and Children supplemental nutrition assistance; and maintaining the current number of HUD rental housing assistance contracts and current funding levels for Child Care Development Block Grants. Another 21% favor the House budget, which saves \$44 billion.

### *Social Security*

Savings: \$38 billion. 86% of all groups agree that Cost of Living Adjustments (COLAs) should be reduced or limited, though they remain divided over how: 28% eliminate COLAs for 1 year; 35% limit COLAs to 2/3 of CPI for 5 years; and 23% allow full COLA on benefits below a certain level and pay 50% on benefits above the cutoff. About half of all groups accept at least one option affecting future retiree benefits — either to lengthen the period over which benefits are based by three years, or to reduce the amount of income the system replaces upon retirement. 42% favor the President's proposal to add \$3 billion over 5 years to support computerization and benefit processing improvements.

### *Veterans' Benefits*

Savings: \$7 billion. Almost all groups choose savings. Two-thirds of all groups favor the President's, House or Senate proposals over separate options. 70% of these favor the Senate resolution, which saves the largest amount (\$9 billion) and increases higher income veterans' co-payments for prescription drugs. 31% of all groups support closing or converting under used veterans' hospitals, and 27% favor ending compensation to veterans for low-rated disabilities.

### *Law Enforcement & Justice*

Savings: \$200 million. Almost two-thirds of all groups reduce spending, but 27% vote to increase spending. 14% support the President's proposed \$20 billion increase for State and local crime prevention activities funded by the Violent Crime Trust Fund. About the same percentage of groups support Senate proposals to increase spending \$18 billion, fully funding the Violent Crime Trust Fund, but cutting Legal Services Corporation by 65%. 38% of all groups favor cuts of \$7 billion over five years (House proposal). This proposal would create justice assistance block grants and eliminate earmarked funds for federally-designated activities and for purposes considered low priority. 1 out of 3 groups favors reduced funding to control illegal drugs.

### *Federal Compensation & General Government*

Savings: \$37 billion. Over 90% of all groups support reductions. 43% support the House budget to cut \$52 billion by eliminating Congress' Office of Technology Assessment, reducing funding for the White House and related offices and the General Accounting Office, capping the number of political employees, repealing the Davis Bacon Act (which requires Federal contractors to pay specified wage levels), increasing employee contributions to Congressional, Foreign Service, and Civil Service retirement plans, and reducing pension benefits. 20% reduce COLAs for current retirees, 18% target future employees by changing employee and employer contributions or basing benefits on highest 5 instead of highest 3 years of salary. 18% of all groups favor cutting Congressional pay and benefits. 13% limit Federal pay raises. Only 1% deny a 1996 raise for Federal workers.



# An Exercise in Hard Choices

Savings: \$134 billion. 95% of all groups favor means-testing entitlement programs. 78% prefer to do this by reducing eligibility for benefits: 61% support a reduction of benefits for middle and high income families; 17% cut benefits for high income recipients only. Other proposals to means-test receive low to moderate support: 31% vote to eliminate child nutrition subsidies to families with incomes above 350% of the poverty level, while increasing assistance to lower-income families; 27% limit farm subsidy payments; only 5% support taxing the insurance value of Medicare.

*Means-Testing Entitlements*

\$351 billion in tax increases, offset by \$42 billion in tax cuts. The \$309 in net tax increases is 4% above the baseline.

**REVENUES**

27% increase individual tax rates. Three-fourths of those groups (21% of all groups) raise only the top tax rates from 38% to 42%.

*Income Taxes*

36% of all groups increase corporate tax rates. Almost all of those groups (35% of all groups) raise the top tax rate for corporations to 36%.

*Corporate Taxes*

18% of all groups favor broad-based consumption taxes. 8% of all groups support a 5% value added tax, and 10% of all groups vote for the Unlimited Savings Allowance, proposed by Senators Domenici and Nunn, which would replace the current income tax system with one based on consumption.

*Consumption Taxes*

At least one-third of all groups support some form of energy tax. 35% of all groups increase motor fuel taxes (10 cents a year for five years, 50 cents total). 29% of all groups increase oil taxes – 11% support taxes on domestic and imported oil, and 18% support taxes on imported oil only. 95% of all groups reject the BTU tax.

*Energy Taxes*

79% of all groups support taxing water pollutants. 68% impose excise taxes on air pollutants.

*Pollution Taxes*

43% limit the mortgage interest deduction to interest paid on principal amounts up to \$300,000. 38% of all groups repeal tax deductions for extractive industries. 94% of all groups reject an increase on capital gains. Close to three-fourths (73%) of all groups support higher taxes on tobacco – 56% of all groups triple tobacco taxes to 98 cents a pack; 17% double taxes. 63% vote to increase alcoholic beverage taxes.

*Other Taxes*

\$42 billion in tax cuts over 5 years. No single proposal to cut taxes is supported by a majority of groups. 3 out of 10 groups favor the President's targeted family tax credit for families with incomes up to \$75,000, which provides \$500 non-refundable tax credit for children under 13, education and training credits, and expanded IRAs. Very little support for House *Contract with America* proposed tax credit for children under 18 (either with the original family income eligibility cut off at \$200,000 or at a lower \$95,000 cutoff) or Gephardt's alternative family tax deduction for families with incomes up to \$85,000 worth, on average, \$486. 29% of all groups support House *Contract's* Family Reinforcement option, which would provide up to \$5,000 in refundable tax credits for adoption expenses and custodial care of certain elderly dependents. 18% support the House *Contract* Senior Citizens Equity proposal, while only 12% favor the *Contract* Job Creation and Wage Enhancement option, including the capital gains tax cut.

**Tax Cuts**

*"...There was a sense of true democracy in which everyone has an equal chance to participate. We all sat in groups at separate tables as strangers, not knowing if our companions were our polar, ideological opposites. ...Nevertheless, we arrive at a consensus on each issue discussed. There was a remarkable sense of fairness, with the good of the country as the criterion."*

Denver Participant, in a Letter to the Editor, *Denver Post*

*"Conventional political wisdom has it that taxpayers won't stand for a tax increase. The folks who showed up at the mall (Mall of America) weren't buying that dictum. They called for raising several taxes -- as long as everyone sacrifices and the additional revenue goes to deficit reduction, not new spending programs."*

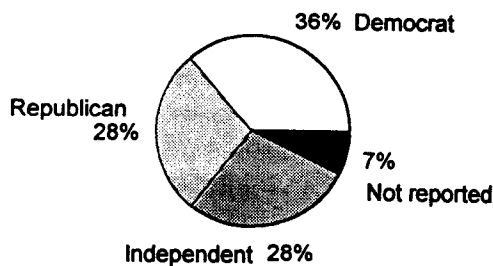
St. Paul Pioneer Press

## 1995 Participants

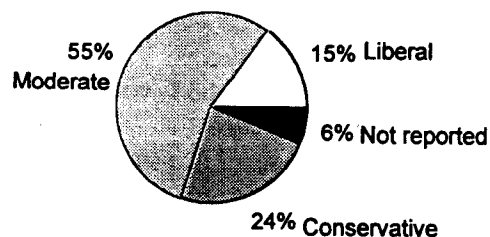
Approximately 1,000 citizens, in 154 groups participated in this year's Exercises. In terms of age, participants mirrored the voting population – those under the age of 35 were under-represented, and those over the age of 65 were over-represented

relative to the voting age population. In terms of political party affiliation and position, participants were very similar to those who voted in the last Presidential and Congressional elections.

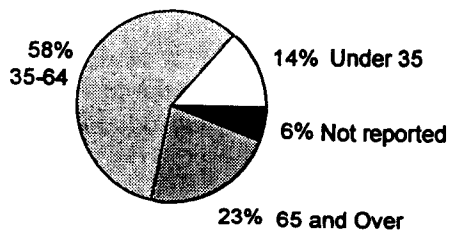
### 1995 Exercise Participants



Political Party



Political Outlook



Age Range

## 1995 Exercises in Hard Choices



## Making Headlines

3A Sun-Sentinel Friday, December 8, 1995  
**S. Floridians get to take their shot at balancing**  
Texas' Leading Newspaper

**Dallas Morning News**  
Dallas, Texas, Thursday, August 24, 1995  
9 Sections H 25 Cents  
**balanced attack**  
Dallas event want budget cut quickly

Sunday, November 19, 1995

### THE BUDGET

**Coloradans can take their shot at balancing**  
nation's books in the years

'Why is it that Congress is so disconnected from our wishes?'

Al Batik, Parker

SAINT PAUL  
MINNESOTA'S FIRST NEWSPAPER  
**PIONEER PRESS**  
OCTOBER 1, 1995  
SUNDAY

**Citizens share solutions to federal budget woes**  
Local group eager to cut programs

**THE DENVER POST**  
**Seattle Post-Intelligencer**  
THE LITTLE OF THE WHOLEST SINCE 1861  
EST. 1925  
**Budget simple when ordinary folks sit down**

Solving the problem: Year-tle residents find a way to balance the books in one morning.

## Commentary

November 20, 1995

# 'Hard Choices' workshop makes tough budget choices

Television is good at telling stories of politics, columnist Edwin Yoder told us yesterday: "It is not good at telling stories of government, where hard work, compromise, and hard choices are the order of the day."

Some 300 Coloradans took advantage Saturday of a chance to go beyond the sound-bite partisanship of the federal budget debate to experience Yoder's hard work, compromise and hard choices instead.

The forum was "An Exercise in Hard Choices," sponsored by The Post and the national Committee for a Responsible Budget. Participants committed five hours to working in small, politically diverse committees to find ways to stem the nation's red-ink hemorrhage. Virtually all groups succeeded, many endorsing tougher fiscal remedies than Washington budget-makers seem willing to risk or accept.

Item: The Republican Congress wants a budget balanced in seven years, as does this newspaper. The president has agreed that balance in seven years should be "a goal," but that strikes Republicans as waffling. Most groups in Saturday's exercise set, and met, the goal of balancing the budget in five years.

Item: While Medicare cuts headline the Washington debate, the real difference between the sides seems more symbolic than substantial. The Denver decision-makers dealt briskly with Medicare, largely accepting the congressional proposals — then moved on aggressively to endorse the means testing that Washington shuns as a political poison pill. In a similar vein, groups heavily favored reducing Social Security cost-of-living ad-

justments.

Item: Another sacred cow, defense spending, took a hefty hit at the grass roots. Where the president and Senate would cut from \$6 billion to \$8 billion over five years, and the House would actually increase spending, most "Hard Choices" committees opted for the \$125 billion cut advocated by a bipartisan watchdog group.

Item: The tax cuts that stand so tall on congressional Republicans' agenda got short shrift from the lay groups. They preferred revenue increases, especially in fuel and tobacco taxes, instead.

There were frequent reminders that the job done in Denver on Saturday was easier than the job that isn't getting done in Washington. First, "Hard Choices" committees didn't have lobbyists hovering at their shoulders. Second, no one was worried about running for re-election.

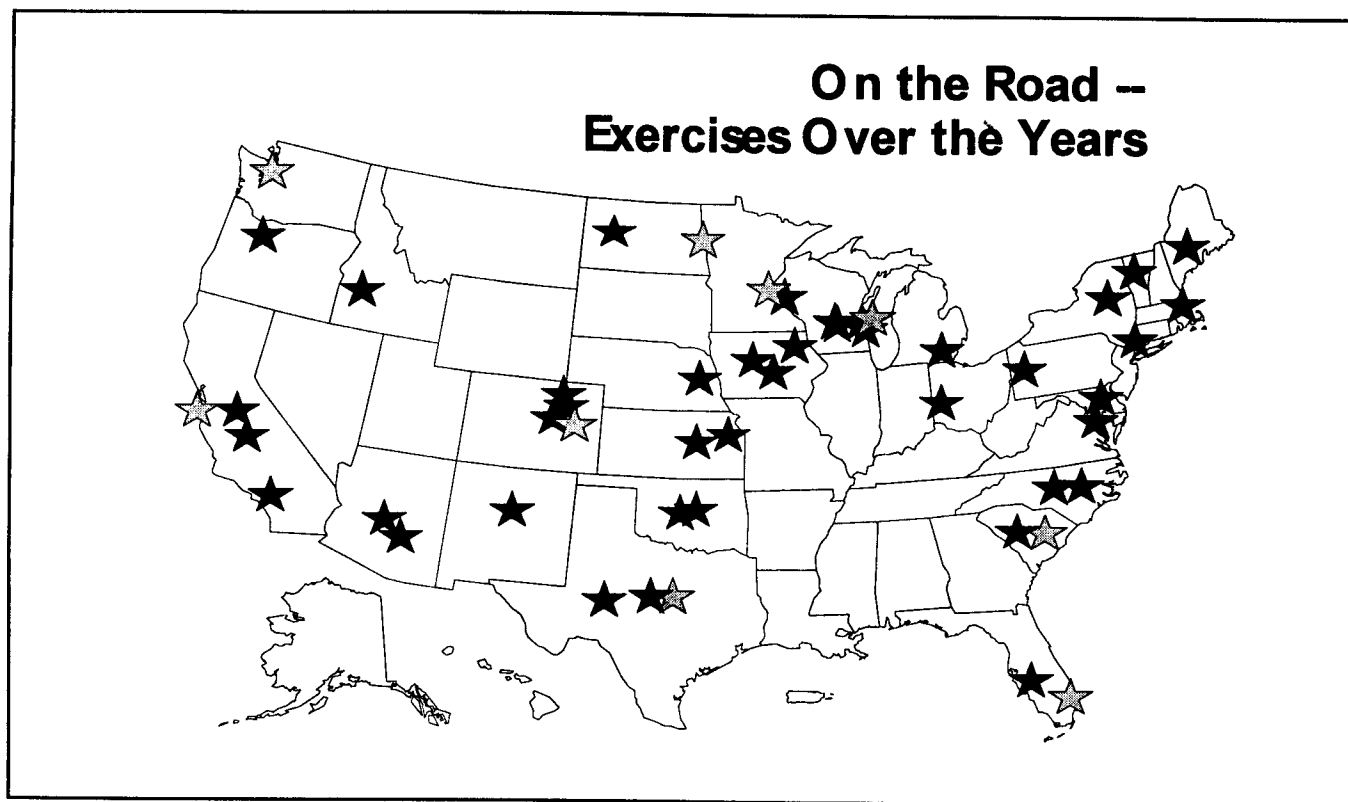
"People in Washington are not stupid. This isn't easy or it would have been done long ago," said Carol Cox Wait, president of the Committee on Fiscal Responsibility. "The issue is deciding which choices we hate more and which choices we hate less."

What's remarkable, however, is what happens when people of disparate views agree to sit down together to achieve a common goal and share the bitter work of making tough decisions.

Two particular elements acted out in Denver offer salutary examples for Washington: President Clinton might well emulate the example of coming to the table and sharing the risk of advocating specific cuts. Congressional leaders might take better care to make sure the sacrifices they call for are shared among all segments of the population.

# THE DENVER POST

Founded 1892



## On the Road in 1995

<b>Columbia, South Carolina</b> with Senator Ernest "Fritz" Hollings	April 19, 1995
<b>Milwaukee, Wisconsin</b> with Congressman Tom Barrett	August 19, 1995
<b>Dallas, Texas</b> co-sponsored by <i>The Dallas Morning News</i>	August 23, 1995
<b>Sunnyvale, California</b> with Congresswoman Anna Eshoo	September 9, 1995
<b>Grand Forks, North Dakota</b> co-sponsored by the <i>Grand Forks Herald</i>	September 29 1995
<b>Bloomington, Minnesota</b> co-sponsored by the <i>St. Paul Pioneer Press</i> and <i>Mall of America</i>	September 30, 1995
<b>Seattle, Washington</b> co-sponsored by the <i>Seattle Post Intelligencer</i> and KOMO Radio	November. 16, 1995
<b>Denver, Colorado</b> co-sponsored by the <i>Denver Post</i>	November 18, 1995
<b>Fort Lauderdale, Florida</b> co-sponsored by the <i>Ft. Lauderdale Sun-Sentinel</i> and WPLG TV-10	December 9, 1995



The Committee for a Responsible Federal Budget is a bipartisan, nonprofit organization committed to educating the public about the budget and fiscal policy issues. The Committee sponsors analysis and research on budget and economic issues, conducts educational symposia and develops and distributes educational materials.

The Committee is bipartisan. One-third of the Committee's Board members are elected by Democrats as Democrats. One-third are elected by Republicans as Republicans. One-third are elected at large without respect to political party affiliation. Board members are listed on the back cover of this report.

The Committee is a 501(c)(3) organization. Most of our financial support comes from corporations and corporate foundations. Other foundations, groups, and individuals also provide important contributions. We accept no government funding.

The Board of Directors and the Committee for a Responsible Federal Budget thanks the following co-sponsors and organizations whose contributions allowed us to take the *Exercise in Hard Choices* On the Road in 1995: Aetna Life and Casualty Company, American Association of Retired People, American Business Conference, American Forest and Paper Products Association, Ameritech, Bank Atlantic Foundation, Bank One, Beverage Distributors Corporation, Coalition for Change, Columbia/HCA, *The Dallas Morning News*, *The Denver Post*, Exxon, *Ft. Lauderdale Sun-Sentinel*, *The Grand Forks Herald*, J.C. Penny Company, Key Bank, KOMO Radio (Seattle), Mall of America, National Association of Broadcasters, Nations Bank, Pfizer, *The Saint Paul Pioneer Press*, *Seattle Post Intelligencer*, Southern Bell, TRW, University of Milwaukee, University of Washington Fiscal Policy Center, and WPLG TV-10 (Miami).

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# COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

220 ½ E Street, NE  
Washington, DC 20002  
(202)547-4484  
FAX # (202)547-4476  
CRFB@aol.com

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