
REMAPPING DEBATE

Asking "Why" and "Why Not"

Don't call tax cuts for wealthy 'compromise'

Commentary | By Craig Gurian | Income inequality, Politics, Taxes

November 9, 2010 — Would an extension of tax cuts for the wealthy represent a “compromise” in any real respect? Not if “compromise” still means a “settlement of a dispute that is reached by each side making concessions.”

The plan most frequently discussed during the campaign was one where all tax cuts — even those on the wealthiest among us — would be extended for two years. Thus, instead of tax cuts expiring at the end of this year, Republicans would get to retain those cuts for the wealthy in 2011 and 2012. Not some portion of the cuts for the wealthy, all of them. And in exchange? The Republican part of the deal is to give up...nothing. No one has suggested that giving Republicans what they want for two years would represent a “settlement” whereby Republicans agreed that, come 2013, they would sit quietly while what they insist are basic American principles (the God-given right of someone generating income of \$25 million per year not to pay a higher rate than someone earning only 1 percent as much) were placed in jeopardy.

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So Democrats are told, “Give us all we want now, and we promise to crucify you if you oppose us later, but feel free to call this a compromise if it helps you save face.” And some Democrats are prepared to say, “OK.”

Wait a minute — don't oversimplify. Perhaps, some Democrats argue, delay would put us in a better tactical position. If Republicans wanted to extend tax cuts for the wealthiest even longer than the temporary extension agreed to, Republicans would have to muster a 60-vote super-majority in the Senate.

Nope. Delay wouldn't improve things for the Democrats because a super-majority is precisely what Republicans need right now to extend tax cuts for the wealthiest for even one day. Democrats (and one needs to whisper this, else the party be awoken from its slumbers) actually have all the leverage they require — they just need to use it.

As usual, however, when it comes to the question of whether national Democrats are prepared to show some backbone, the signs are not good. After all, it was only two years ago when, having been elected on a platform of repealing the Bush tax cuts for the wealthiest, Democrats — at their moment of triumph and maximum leverage — tiptoed away from acting on what they said were their beliefs.

So other iterations of the faux compromise scheme are being floated. Maybe tax cuts for the 98% of American households earning less than \$250,000 could be “decoupled” from extension of tax cuts for the wealthiest, with the reductions for the many extended longer than reductions for the few.

Still not a compromise. Leaving aside the fact that Republicans, unlike their counterparts, are not afraid to say “no,” it is not very hard to imagine them introducing new legislation in January (false compromise can have a very short shelf life) whereby tax cuts would be made permanent for the wealthy (with everyone else thrown in for cover). It’s even less difficult to imagine the press coverage in the wake of such a proposal, even before it passed the Republican-controlled House: “Democrats on defensive in face of Republican efforts to provide certain, long-term tax relief for small business owners and economically hurting families.”

Why didn’t we at least set the threshold at \$1 million instead of \$250,000, some Democrats cry? Will Republicans allow us that retreat, uh, compromise? Not likely. Do Republicans seem unwilling to argue that any limitation on aggregation of wealth is un-American? Have you managed to pass an Estate Tax extension that “only” exempts the first \$7 million of a couple’s estate?

No, and no. And the fundamental reason has nothing to do with magical Republican powers (or dirty tricks). True compromise emerges when both sides experience some sense of risk, and Democrats seem altogether unwilling to put Republicans to the test. On issue after issue where Democrats could not limit debate by getting 60 votes in the Senate, they just slunk away, never forcing Republicans to demonstrate to the American people with an actual filibuster exactly the votes the GOP believed were crucial to stymie.

Now we are at the moment furthest away from the 2012 election. Between now and then, themes and memes will come and go — and the real world might intervene, too. In other words, not a bad time to get away with a vote for responsibility and fairness, and one that a majority of Americans supports in any event.

Even the non sequitur that the end of tax cuts for the wealthy would be “bad” for a bad economy is losing its sting. The song continues to be sung by Republicans and reprised in the press, but, in all these months, no one has actually managed to link the assertion to any evidence supporting it.

Nothing — not even the media’s mighty Ben Nelson — is stopping Democrats now except the self-defeating acceptance of a perspective that described Republicans as powerful when they had 40 votes, and Democrats as powerless now that they will have 53.

Back to basics: if one side gives up when it has maximum leverage, and the opposition says only that it will keep fighting for its original position, don’t call it compromise. It’s more apt to use the term “surrender” or “fecklessness” for that first (Democratic) side.

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