

Faster, Please

by Paul Starr

The continuing rise in the unemployment rate, up to 10.2 percent in November, has to give a sense of urgency to Democrats in Congress and the administration about the work they have at hand before next fall's elections. In 2010 Republicans are looking to repeat the success they had in 1994 after Bill Clinton's first two years, and if Democrats do

not produce results soon, Barack Obama may suffer the same kind of midterm reversal as Clinton did.

The one good thing for the Democrats about the risk of losing control of Congress next fall is that, as Samuel Johnson said about the prospect of a hanging, it concentrates the mind. And it ought to concentrate congressional minds in two areas where the pressure is greatest to match promise with performance—the economy and health care.

It is now clear, as it should have been earlier, that the stimulus package passed in February was too small for this severe a recession and that more needs to be done to generate immediate growth in jobs. The original package didn't provide as much stimulus as its nominal cost, \$787 billion, suggested; \$70 billion went to fix what would otherwise have been an increase in the Alternative Minimum Tax, and during 2009 and 2010, cuts in spending by state and local governments will likely offset more than half of the federal stimulus.

Time has already grown short to do much that will affect voters' well-being by next fall, though measures like the recent extension

of unemployment benefits can help. A federal revenue-sharing program with the states would be a quick way to boost jobs; more robust mortgage foreclosure relief would particularly benefit the hardest hit states; and incentives to firms to spread hours among their workers so as to avoid layoffs could also cut job losses (as such incentives have in Germany).

Another focus for short-term action should be health care. The current bills in Congress have a painfully slow timetable for implementation. The House bill does include some valuable short-term provisions such as a national high-risk pool for the uninsured, some immediate limits on pre-existing condition exclusions, and a requirement that insurers offer coverage of children under their parents' plan until age 27. But most of the extension of coverage will not take effect until 2013, which will give opponents of reform two elections to reverse it.

The bills in Congress have delayed the rollout of reforms to reduce their apparent cost. A slow timetable is also unavoidable if the establishment of the new insurance exchanges is left to the states. But this is just to invite trouble, particular-

ly in red states that will balk at compliance.

To accelerate reform, Congress should put the exchanges into federal hands (as the House bill does) unless a state sets up an exchange by, say, Jan. 1, 2012. A state like Massachusetts, which already has a working exchange, could move even more quickly. The law should give such early-action states incentives in start-up funds

need to do more than they already have. Besides the short-term measures in the House bill, they ought to revive an idea that Sen. Max Baucus considered—a temporary opening of Medicare, on a subsidized buy-in basis, to people aged 55 to 64, during the intervening years before the larger reforms go into effect. Many people in that age bracket cannot find affordable coverage now, and if they didn't have to keep working to keep their health care, a significant number might retire, opening up jobs for younger workers.

Measures of this kind would be palpable evidence

Democrats in Congress should focus on enacting job measures and health reforms that show voters immediate progress.

as well as more control over the program.

To pay for that faster timetable—and to increase insurance subsidies to lower-middle-income people, which is also vital to avoid a backlash—Congress needs to face up to some hard choices on taxes. It may turn out to be a good thing that the House and Senate bills have different provisions for raising revenue. The conference committee could take some of both and raise more than either has proposed. That's the sort of compromise I could believe in.

But moving up that timetable still wouldn't help next fall, and here Democrats

to voters about the gains from a progressive program. But what if the economy limps along through next year? Obama himself may not be endangered in 2012. According to research by the political scientist Larry Bartels, presidents running for re-election have benefited when economic growth occurred late in their terms rather than at the start. Democrats running in 2010 have no such consolation, however, and if they lose effective control of Congress, much of the promise of Obama's presidency may be lost too. A little presidential impatience now would be a good stimulus in itself. **TAP**