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The Senate Thursday easily defeated a bid by conservative Republicans to curb the spiraling growth of the Medicare program as debate on a \$2.9 trillion budget outline for 2008 entered its third day.

And a moderate Republican, Sen. Gordon Smith of Oregon, offered a plan to increase tobacco taxes to pay for a big boost in a popular program providing health insurance for children from low-income families.

The 74-27 vote on Medicare dismissed a bid by Sen. John Cornyn to trim \$34 billion from Medicare's \$2.2 trillion budget over the next five years. The Texas Republican's plan was aimed at reducing payment increases to Medicare providers and was roughly half the size of the cost curbs proposed by President Bush in February.

Cornyn's move is the type of step that Congress would consider if it turns to Medicare reform. But the amendment — and another one pending by Sen. John Ensign, R-Nev., to require well-off Medicare beneficiaries to pay higher premiums for prescription drugs — underscored the difficult politics of cutting Medicare.

Republicans, said Sen. Sherrod Brown, D-Ohio, "come to the floor of this chamber ... over and over, from every different direction they attack one of the single greatest programs that this government has ever done."

My amendment might be a little unpopular back home, but you know that's what happens when you go on a budget," Cornyn said. "We've been on a binge with no limitation on spending, and it's time for the federal government, like the American family, to get on a budget."

The bid by Smith to raise tobacco taxes faced uncertain prospects. Smith's amendment aims to increase taxes on a pack of cigarettes by 61 cents to \$1. Taxes on other tobacco products would go up as well under the plan, which would raise up to \$35 billion over five years to eliminate chronic budget shortfalls in the popular State Children's Health Insurance Plan.

A vote on Smith's plan is expected Friday.

The budget before the Senate has already been rewritten under pressure from moderate Democrats eager to go on record as favoring extending a variety of popular tax cuts that are to expire at the end of the decade.

Across the Capitol, House Budget Committee Democrats held ranks in resisting a GOP-led drive to keep alive tax cuts enacted during President Bush's first term but scheduled to expire in 2010. The Democratic-led budget panel worked into the night and approved the budget after midnight on a 22-17 vote. Debate by the full House next week promised to be a sterner test.

Both House and Senate Democrats acknowledged that it was likely many of the tax cuts would be extended — particularly those aimed at the middle class.

In the Senate, the changes to the Democrats' \$2.9 trillion budget outline would cover close to half the cost of extending the expiring tax cuts and were aimed at sealing support from moderates for the nonbinding but symbolically significant blueprint.

The plan, however, also would erase a \$132 billion surplus predicted to appear in five years under Senate Democrats' original budget.

The 97-1 vote came on a plan by Senate Finance Committee Chairman Max Baucus, D-Mont., to devote \$180 billion in 2011-12 to preserve tax cuts aimed at the middle class. That included relief for married couples, people with children and people inheriting large estates.

In any event, the Democratic-controlled Congress, like its GOP predecessors, is not expected this year to follow up with binding legislation that would extend the expiring tax cuts.

It is commonly assumed that lawmakers will re-examine the tax cuts after the 2008 presidential election, with the outcome depending on the balance of power in Washington and on the fiscal outlook at that time.

Like the Senate measure, the companion House Democratic plan would award big spending increases to domestic programs, including homeland security, veterans' health care and aid to local schools.

It assumes Bush's tax cuts indeed disappear and, as a result, would produce a \$153 billion surplus in five years through more money coming into the treasury.

Despite much debate over taxes, the immediate impact of the House and Senate budget blueprints for next year is to award increases above inflation to domestic agencies for the portion of their budgets passed each year by Congress.

The Senate's plan would give nondefense programs an \$18 billion increase, about 4 percent. The House measure proposes a \$25 billion increase, almost 6 percent.