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Obama Defends Tax Deal, but His Party Stays Hostile

By DAVID M. HERSZENHORN and SHERYL GAY STOLBERG

WASHINGTON — **President Obama** on Tuesday strongly defended his tax cut deal with Congressional Republicans against intense criticism from his own party, insisting it was “a good deal for the American people.”

Struggling to ensure that the package would win approval, the White House deployed Vice President **Joseph R. Biden Jr.** to Capitol Hill in a bid to allay the concerns of Senate Democrats. Mr. Obama also held a news conference where, with uncharacteristic emotion, he suggested that liberals were unrealistic about what they could achieve in Washington and also slammed Republicans, at one point comparing them to hostage-takers.

“I’ve said before that I felt that the middle-class tax cuts were being held hostage to the high-end tax cuts,” Mr. Obama said. “I think it’s tempting not to negotiate with hostage-takers, unless the hostage gets harmed. Then people will question the wisdom of that strategy. In this case, the hostage was the American people, and I was not willing to see them get harmed.”

But at the Capitol, Mr. Biden failed to convince many of his old Senate colleagues to line up behind the plan at a tense lunch meeting. In his pitch for support, he called it “a bad situation” but “a good deal,”

participants said.

While many Democrats in the Senate and House raged against the idea of continuing [George W. Bush's](#) tax policies for two more years — and some voiced serious concerns about adding the \$900 billion cost to the deficit — the package seemed likely to win approval provided that Republicans vote for it in big numbers, as party leaders predicted they would.

Even with unanimous Republican support, which is not assured, at least 18 Senate Democrats would need to support the package to overcome a potential [filibuster](#). About a dozen Senate Democrats have voiced a willingness to temporarily extend all of the Bush-era tax rates, given the weak economy. Aides said about 30 were firmly opposed, leaving 16 or so undecided.

Mr. Biden, who personally negotiated the deal with the Senate Republican leader, Mitch McConnell of Kentucky, used the lunch meeting to emphasize provisions the White House had won, including a one-year payroll tax cut for all workers, a 13-month extension of jobless aid for the long-term unemployed and other steps to help lift the still-struggling economy.

But even the majority leader, [Harry Reid](#) of Nevada, expressed unhappiness with the deal and said changes were needed. “This is only a framework,” Mr. Reid said. “It’s up to the Congress to pass it. Some in my caucus still have concerns.”

The anger was rawer in the House, where Democrats met on Tuesday evening to discuss the proposal. “I don’t think the president should count on Democratic votes to get this deal passed,” said Representative [Anthony Weiner](#), Democrat of New York.

Emerging from the meeting, the House speaker, [Nancy Pelosi](#), who has refused to commit her support, said only that “there’s unease” in the caucus.

But in the unlikely event that Democrats vote down the package, the incoming Republican majority would presumably approve it in January — perhaps after extracting further concessions from the White House.

Mr. McConnell described the accord as “essentially final” and predicted that the vast majority of Republicans would vote for it.

At the White House, Mr. Obama’s long-simmering frustration with his party’s liberal wing seemed to boil over as he implored Democrats not to make the perfect the enemy of the good. Facing questions about his “core principles,” Mr. Obama referred to the health care debate, in which liberals accused him of abandoning Democratic ideals when he gave up on a government-backed “public option” health care plan.

“This is the public-option debate all over again,” Mr. Obama complained, adding: “Now, if that’s the standard by which we are measuring success or core principles, then, let’s face it, we will never get anything done. People will have the satisfaction of having a purist position and no victories for the American people. And we will be able to feel good about ourselves and sanctimonious about how pure our intentions are and how tough we are, and in the meantime, the American people are still seeing themselves not able to get health insurance because of pre-existing condition, or not being able to pay their bills because their unemployment insurance ran out.”

Mr. Obama said he was taking a long view. “My job is to make sure that we have a North Star out there,” he said. “What is helping the American people live out their lives?”

Inside the White House, top advisers to the president emphasized that, in extracting concessions from Republicans on unemployment benefits and other tax cuts for the middle class, the administration had hardly given away the store. “This agreement greatly exceeds what anyone believed we could get,” one senior official said.

But at the Capitol some Senate Democrats said it was difficult to make sense of Mr. Biden’s sales pitch, other than to describe it as the best deal the White House could muster.

Senator [Dianne Feinstein](#), Democrat of California, paused for eight seconds when asked what Mr.

Biden's main argument was in favor of the plan.

"I am really not sure what his main argument was," Mrs. Feinstein said.

She added, "We have got this huge debt and deficit. We know it. This adds a trillion dollars to it. It's a problem."

Mrs. Feinstein said she might be persuaded to support the plan if she concluded that it would spur economic growth, an argument that [Gene Sperling](#), counselor to the [Treasury](#) secretary, made to senators at the lunch.

Senator [Frank R. Lautenberg](#), Democrat of New Jersey, said he was not swayed by Mr. Biden. "I don't think it's a fair deal," Mr. Lautenberg said. "I think a ransom was paid, and it was a very high price."

Senator [Mary L. Landrieu](#), Democrat of Louisiana, complained about the "nonsensicalness" of continuing lower tax rates for the wealthy. Ms. Landrieu was one of only a handful of Democrats to support the original [Bush tax cuts](#) in 2001.

Democrats expressed particular displeasure with an agreement on the federal [estate tax](#), which would set an exemption of \$5 million per individual and a maximum rate of 35 percent for two years. The estate tax lapsed entirely this year, but is due to return on Jan. 1 with an exemption of \$1 million and maximum rate of 55 percent.

Some Democrats, particularly centrists, said they would support the proposal. "The entire package is necessary to strengthen economic growth for next year," said Senator [Kent Conrad](#) of North Dakota. "The president did about what he had to do. And he deserves credit for that."

Still, Mr. Conrad said he did not like the estate tax proposal.

While many Republicans said they liked the deal, Senator [Jim DeMint](#), Republican of South Carolina, said that he still wanted the Bush-era rates extended permanently and that the cost of the package was worrisome. "There is a lot of pause right now," Mr. DeMint said, noting that he had not decided how to

vote.

Mr. Obama's news conference was intended, officials said, to let him make the public case for the package while Mr. Biden worked Capitol Hill.

But officials did not rule out the possibility that Mr. Obama would have to step in and do some lobbying of his own.

At his news conference, Mr. Obama said he looked forward to future battles with Republicans.

"I've got a whole bunch of lines in the sand," he insisted, adding: "Take a tally — look at what I promised during the campaign. There's not a single thing that I have said that I would do that I have not done or tried to do. And if I haven't gotten it done yet, I'm still trying."

Jackie Calmes contributed reporting.



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