

CONGRESS INSIDE OUT

By Norman Ornstein



Zeal for Reform Was Bound to Produce Collisions

Now let me write about another Senator who gets and deserves the respect and admiration of his colleagues and others: Dick Lugar (R-Ind.). Last week, Lugar wrote an opinion piece in the Washington Post advocating a serious and meaningful gas tax hike — a position that is viewed by most of his colleagues (and by the White House) as anathema, not because it is wrongheaded but because it is politically unpopular. Bill Clinton and Al Gore got battered when they proposed a significant gas tax hike as part of their economic recovery plan in 1993. It has been off limits ever since.

It is in fact a compelling idea, the best and simplest way by far to reduce the amount of money we send to despots like Hugo Chávez, Vladimir Putin and Mahmoud Ahmadinejad that they recycle to undermine our values and interests, and to reduce our addiction to fossil fuels and encourage even more use of alternatives. See ORNSTEIN, page 14

Lugar's Call for Gas Tax Hike Is Worth Exploring

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tives. We know it works: When prices get higher than \$3.75 a gallon, behavior changes significantly in terms of car and truck purchases and driver behavior. When the price comes down, we revert to unfortunate form.

Producing more oil is great, but it is only through changes on the demand side that we achieve the true positive balance of policy objectives. While Lugar's article made reference to Charles Krauthammer's support for the idea, it is still relatively rare for a conservative Republican to give vocal backing to the concept — in major part because conservative Republicans hate to use the word "tax" without the modifier "cut."

To be sure, Lugar does not advocate a stand-alone gas tax hike; he supports the concept of a revenue-neutral gas tax, perhaps using Krauthammer's formula of a dol-

lar-for-dollar substitute of gas tax hike with payroll tax reduction, or via another compensating tax cut, along with some formula to make the burden of a gas tax fair for those who have to travel great distances by car.

Good for Dick Lugar. Here is a suggestion: Next year, when the Bush tax cuts are set to expire, is the perfect time to consider a truly sweeping review of our tax system. Let's set a reasonable revenue level, given the commitments we have made as a society through government, to prevent a deficit/debt disaster from engulfing our children and grandchildren, and construct a tax system that provides the most sensible route to get that revenue. Substituting a gas tax for a solid slice of the payroll tax or for a good share of the income tax would be a great place to start.

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