Miraculously, Congress reaches a deal on no-brainer measures

By Steve Thorngate

February 16, 2012

Amid a fragile economic recovery, it shouldn't be hard for Congress to pass things like extensions of the payroll-tax holiday and unemployment benefits. But it is, not because these measures are themselves controversial--they aren't, or at least not very--but because the Congress is mostly broken, rendered dysfunctional by the perverse incentives of electoral politics.

So while the deal finalized late last night—the tax holiday and unemployment extended till after the election, another temporary "doc fix" that prevents Medicare payments to doctors from plummeting, savings elsewhere to offset all of it except the tax holiday—is small ball on the coming-together—to-face—the—nation's—problems front, it's still an encouraging sign. There's not enough here to provide much new stimulus, but it will help keep us from losing ground (especially since the offsetting cuts appear to be well—designed enough to avoid slowing down the economy, as Brad Plumer explains).

Perhaps most importantly, this deal lacked the brinkmanship that has characterized the last few years in Washington. Ezra Klein <u>argues</u> convincingly that this had a lot to do with President Obama, but it wasn't about him being nice and conciliatory:

Most in the White House will admit it: Over the past few months, their strategy has swung from seeking compromise to welcoming confrontation. After the debt-ceiling debacle, they stopped believing that they could reach a deal with House Republicans. And so they stopped emphasizing policies they thought Republicans would like and began emphasizing policies -- like the Buffett rule -- that they thought the public would like. But then a funny thing began to happen. The president's numbers began to rise. And with it, the possibility that seeking confrontation might force the Republicans to welcome compromise.

Read it all.