

[By Bob Kinzel](#)

Congressman Peter Welch says he's convinced that the only practical way to reduce the federal debt is to have shared sacrifice from both Democrats and Republicans.

The problem right now, according to Welch, is that leaders of both political parties don't want to have to make difficult budget choices. Welch says he's working with a number of his colleagues to put together a package that includes budget cuts and new tax revenue.

A key part of the plan extends the so-called Bush tax cuts but only to people who make less than \$250,000 a year. "The ideal is to do what I think average Vermonters knows needs to be done and that is to approach this with everything on the table," says Welch. "Right now the only way that we're going to get to significant debt reduction without harming the economy is to have revenues be part of it and I think letting the Bush tax cuts for the upper income folks around 250, let those expire. Number two, the Pentagon has to be part of the contribution to debt reduction."

And Welch says domestic spending cuts will also have to be part of the package. "The third area where Democrats need to put on the green eyeshade is on domestic discretionary spending and we have to be aggressive about reforms that will bring down the cost of health care," says Welch. "So the only way for us to get to where we need to be is an all on the table approach."

Welch says members of Congress need to remember that a number of past presidents have used this balanced approach to strengthen the national economy. "President Clinton -- when we had 20 million jobs created -- that all happened after there was a balanced approach. By a one vote margin the Congress increased revenues and they reduced spending. President Reagan actually after his tax cuts when the deficit started going up, he increased revenues," says Welch. "So it's an approach that's worked for Republican presidents and Democratic presidents."

Welch says another top economic priority is to extend the current interest rate for student loans.

If Congress fails to act on the issue, those rates will double on July 1.