

Lame-duck Congress will have plenty of work to do

By Lori Montgomery and Rosalind S. Helderman, Washington Post

Defense contractors have slowed hiring. Tax advisers are warning firms not to count on favorite breaks. And hospitals are scouring their books for ways to cut costs.

Across the U.S. economy, anxiety is rising about the potential for widespread disruptions after the November election, when a lame-duck Congress will have barely two months to resolve a grinding standoff over taxes and spending.

The halls of the U.S. Capitol are already teeming with people warning of disaster if lawmakers fail to defuse a New Year's budget bomb scheduled to raise taxes for every American taxpayer and slash spending at the Pentagon and most other federal agencies.

Last week, hospital executives came to complain about big scheduled cuts in Medicare payments. Next month, university presidents plan to raise the alarm about big scheduled cuts in federal research grants. And the chief executives of Lockheed Martin and other aerospace giants last Wednesday passed out digital countdown clocks ticking off the seconds until "over 1 million American jobs" will be lost to big scheduled cuts in defense.

"How do you plan for chaos?" Marion Blakey, president of the Aerospace Industries Association, sighed during a break between meetings with lawmakers, who could provide little assurance that the spending cuts would be averted. "It's almost a unique moment in government because there's so much at stake. And there's nothing that inspires confidence that this will get done."

The uncertainty is already prompting some firms to take action. Many more say they will be forced to contemplate layoffs and other cost-cutting measures long before the end of the year unless the Republican House and the Democratic Senate come up with an alternative path to tame deficits. But with control of the White House and both chambers of Congress in play on Nov. 6, aides say it is impossible to begin mapping a strategy for compromise until they know who wins the election, by how much and on which issues.

Read the whole story