The National Commission on Fiscal Responsibility and Reform, President Barack Obama's bipartisan commission working on proposals to reduce the country's massive budget deficit, surprises everyone by releasing an early draft report that recommends spending cuts that would hit almost every sacred cow in Washington.
Transcript

Presidential Commission Releases Deficit Cutting Plan

BRIAN WILLIAMS, anchor:

It's got to come from somewhere. Millions of people just days ago turned out at the polls telling us they were fed up with government spending. Most of the candidates who won on election night said they were heading to Washington to cut government spending. So what would you cut? That's the question the president asked a special commission to consider, and tonight they are out with their list. It's not going to be popular, but again, it's got to come from somewhere. And the question again is, where would you cut?

We begin our reporting tonight with NBC's Lisa Myers in Washington.

LISA MYERS reporting:

The dramatic proposal would touch every American and alter two economic cornerstones: the mortgage interest deduction and Social Security. The plan would reduce future cost of living adjustments for Social Security and gradually raise the retirement age to 68, reign in health care spending and make Medicare recipients pay more, and cut $200 billion from a broad array of government programs, half from defense. The co-chairs of the commission who drafted the recommendation acknowledged they are highly controversial. Former Senator Alan Simpson.

Former Senator ALAN SIMPSON: It's all there. We have harpooned every whale in the ocean and some of the minnows, and no one has ever done that before.

MYERS: On the tax side, the plan calls for eliminating or scaling back the home mortgage deduction and most other popular write-offs. Those tax increases would be party offset by lower, simplified tax rates. Also proposed, a 15 cents gallon increase in the gasoline tax to fund highway spending. Almost all of the proposals would be phased in gradually, beginning in the next few years. But they were immediately denounced by the right as an excuse to raise net taxes on the American people, and by the left as an attack...
on the middle class.

Mr. RICHARD TRUMKA (AFL-CIO President): Well, the chairman of the deficit commission just told working people to drop dead, that they're the losers and Wall Street and the rich are very--the winners.

MYERS: Co-chairman Erskine Bowles argues that something has to be done, and soon.

Mr. ERSKINE BOWLES: This debt is like a cancer that will truly destroy this country from within if we don't fix it.

MYERS: These men are Washington veterans and acknowledge that some of these proposals won't fly. But they believe the proposals are in part shock therapy to drive home the magnitude of what's required to bring deficits under control before they cause another economic crisis. Lisa Myers, NBC News, Washington.

BRIAN WILLIAMS, anchor:

As Lisa said, these proposals are so explosive former Senator Simpson, who we saw there, said today he's going to have to enter the Witness Protection Program when people actually see the details of what they're proposing. With us tonight, the moderator of "Meet the Press," David Gregory, who's in town from Washington.

Where is the will going to--how are you going to do any of this?

DAVID GREGORY reporting:

Well, it's very difficult. You know, what former Senator Simpson went on to say, this has never been done before. There's a reason why it hasn't been done before, because so few want to do it. Look at all of the response today slamming these proposals. Who didn't respond? The White House. I'm told by those inside the White House, they were a little surprised they put this thing out there today. The feeling is they want to put it out there, see what might stick. Remember that number, 14. They've got to get 14 members of the commission to agree to something before it can be really be taken up in Congress. And it gets to the point then of where are the painful choices going to be made? This is going to be a big political issue. And to your point at the top of the broadcast, are they going to be held to account for their promises in the campaign?

WILLIAMS: Yeah, nobody wins. And yet there's that question, where is it going to come from? David Gregory, nice to have you in town here in New York tonight.

GREGORY: Thank you.