

# **The nation's failure to address runaway spending on Medicare and Social Security is threatening our standard of living.**

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*Editorial: A \$53 trillion problem*

*From the Milwaukee Journal Sentinel*

Imagine taking out a mortgage for a whopping \$455,000 but getting no house in exchange. Just a monthly payment.

Who would do such a thing? The federal government would — to you.

Federal commitments — mostly for Medicare and Social Security — totaled \$53 trillion as of Sept. 30, or \$455,000 for every U.S. household, and those commitments will grow rapidly over the next few years as more baby boomers retire and begin to draw benefits.

In 20 years, all of the government's revenues will be needed just to pay for Social Security, Medicare, Medicaid and the national debt. Unchecked, government profligacy will put more pressure on the slumping dollar, could lead to sharply higher interest rates and could result in higher prices for oil and food. As our debt grows — half of it now is held by foreign creditors such as China — the nation's fiscal defenses are weakened.

These were among the messages delivered in Milwaukee Monday by a group of experts barnstorming the country on the "Fiscal Wake-up Tour" to raise awareness about the nation's financial vulnerabilities.

"We're already feeling the tremors of what could be a huge economic earthquake, and yet Washington still sleeps," says former Comptroller General David M. Walker.

Their central point is indisputable: Congress and the president should act now, because the do-nothing option makes the coming temblor even worse.

Unfortunately, President Bush, most of Congress and the presidential candidates, Sens. Barack Obama and John McCain, are ignoring the warning signs. One exception is Rep. Paul Ryan (R-Wis.), who recently proposed a series of measures to control entitlement spending. While we don't buy them all, we give Ryan credit for trying to jump-start the conversation.

All options should be on the table, including allowing the Bush tax cuts to expire, which would send a message about fiscal discipline. A broader discussion of taxation — the appropriate amounts, the kind of taxes, who should pay them — also is required.

Congress should stop raiding surpluses in the Social Security fund and consider raising the eligibility age and reducing benefits for entitlements, especially for the wealthy. The amount of

income subject to tax could be increased, and Medicare could be used as a lever to force the health care system to be more efficient.

Transparency also is needed. The government should be required to enact explicit long-term budgets for entitlement programs, instead of what amounts to a blank check, and the long-term costs of entitlements always should be visible.

As Walker and the others noted, the usual political rhetoric is useless here. Raising taxes alone, economic growth alone, the elimination of waste and fraud alone — none of these will be enough.

Painful decisions are ahead. But doing nothing mortgages the future for our children and forever undercuts the nation's standard of living.