

November 13, 2006     The Government Accountability Office, or GAO, is an investigative arm of Congress charged with the thankless task of accounting for the money received and spent by the federal government. As you might imagine, people who spend all day examining the nitty-gritty realities of federal spending and deficits might not share the voters' enthusiasm for grand campaign promises. David Walker, Comptroller General at GAO, has been on a speaking tour of the U.S. recently-- and he pulls no punches when explaining just how precarious our nation's entitlement system really is. He explains that Social Security and Medicare are headed for a train wreck because of demographic trends and rising health care costs. The number of younger taxpayers for each older retiree will continue to decline. The demand for "free" prescription drugs under Medicare will explode. If present trends continue, by 2040 the entire federal budget will be consumed by Social Security and Medicare. The only options for balancing the budget would be cutting total federal spending by about 60%, or doubling federal taxes. Furthermore, Walker asserts, we cannot grow our way out of this problem. Faster economic growth can only delay the inevitable hard choices. To close the long-term entitlement gap, the U.S. economy would have to grow by double digits every year for the next 75 years. In short, Mr. Walker is telling the political class that the status quo cannot be maintained. He is to be commended for his refreshing honesty and unwillingness to provide excuses for the two political parties, the administration, or the even the entitlement-minded American public. I urge everyone interested to visit the GAO website at [www.gao.gov](http://www.gao.gov), where you can view a report entitled: "Our Nation's Fiscal Outlook: The Federal Government's Long-Term Budget Imbalance." This report should be required reading for every politician in Washington. Are ever growing entitlement and military expenditures really consistent with a free country? Do these expenditures, and the resulting deficits, make us more free or less free? Should the government or the marketplace provide medical care? Should younger taxpayers be expected to provide retirement security and health care even for affluent retirees? Should the U.S. military be used to remake whole nations? Are the programs, agencies, and departments funded by Congress each year constitutional? Are they effective? Could they operate with a smaller budget? Would the public even notice if certain programs were eliminated altogether? These are the kinds of questions the American people must ask, even though Congress lacks the courage to do so. If we hope to avoid a calamitous financial future for our nation, we must address the hardest question of all: What is the proper role for government in our society? The answer to this question will determine how prosperous and free we remain in the decades to come.