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## Viewpoint: Why liberals should care about deficits

By Andrew L. Yarrow

From Ronald Reagan until Robert Rubin, fiscal restraint, deficit reduction, and "balancing the budget" were all but exclusively the province of conservatives. In practice, the last decade or so has changed that political equation, as President Clinton and Treasury Secretary Rubin successfully cut spending, raised revenues, and balanced the federal budget for the first time since the 1960s - only for President Bush to increase spending, cut revenues, and increase federal debt by more than \$4 trillion. Of course, in both cases, a Republican-controlled Congress helped.

Yet, despite this seemingly startling reversal in which party could best claim the mantle of fiscal responsibility, many liberals remain deeply suspicious of - if not downright hostile to - ideas of reforming America's spend-and-tax policies that have left us \$9.6 trillion in the hole, with another \$50 trillion in long-term unfunded liabilities. Although there is increasing lip-service, and some action, about bipartisanship in getting the United States to balance its out-of-whack books, many liberals fail to see why fiscal responsibility is in their interests - as well as in the interests of conservatives and all Americans.

So, why should liberals care? Why shouldn't they just see debt and deficit reduction as conservative Trojan horses to cut social programs and attack government? And why should they "give in" on programs like Social Security when a Republican administration has plunged the

nation \$4 trillion deeper into debt?

There are at least three major reasons.

But, first, a few basic myths need to be dispelled: 1) ending the Bush tax cuts alone won't solve the problem; 2) ending the Iraq war or making other defense cuts won't solve the problem; and 3) we can't keep Social Security, Medicare, and Medicaid as they are without hurting millions of other equally deserving Americans.

A key reason that liberals, like all Americans, should care about fiscal responsibility comes down to what the philosopher John Rawls calls "intergenerational justice." By running up ever greater debt, we pass trillions of dollars of IOUs to our children and grandchildren. They will have to pay the bills that we have run up - in higher taxes, reduced benefits, slower economic growth, and, possibly, economic Armageddon. Would you take your 3-year-old son or granddaughter to buy a new house and hand him or her the mortgage? If liberals believe in equity, providing equal (or better opportunities) for future generations as for today's Americans is just as important as creating a more just and equitable society in the present.

A second reason for liberal concern should flow from a commitment to economic security for all. The potential consequences of inaction include either economic crises of various flavors or the slow erosion of Americans' economic well-being. Whether growing debt spooks markets and sends the economy into a maelstrom or "simply" makes it harder for either

business or government to raise funds to invest in people and create good jobs, future generations' living standards are threatened - something presumably of concern across the political spectrum. And it's always the poor and middle class who suffer most.

Finally, there are the sheer mathematical realities of what our out-of-kilter federal finances are doing, and will do, to the kinds of initiatives that liberals love. With mandatory spending, for entitlements and growing debt service, eating two-thirds of federal spending (a proportion that is rising), little will be left for anything else. Domestic discretionary spending - the catch-all for education, science, transportation, energy, environment, justice, and so much else - gets just one-sixth of the federal budget. Defense accounts for one-fifth.

On present trajectories, without massive increases in taxes, all that (including defense) gets squeezed out by out-of-control mandatory spending over the next generation. So, no more money to improve children's education or health. Nothing left to help Americans afford homes or get skills for good jobs. Nada for development of new energy sources or any other scientific research. Forget the environment or rebuilding our crumbling infrastructure. And, of course, nothing for the kinds of beneficial new initiatives that Americans have creatively, and often even wisely, developed throughout our history.

Federal spending is a gauge of national priorities. If we let debt



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continue to grow, we'll be saying, in effect, that our priorities are to fund nothing more than well-intentioned, but now unaffordable, entitlement programs, and to consume public resources now at the expense of future generations. This is not a call to jettison Social Security, Medicare, and Medicaid - which have made so many Americans' lives better - but to radically reform them so that the United States can fund efforts to address so many other national needs.

If making our country and our children's lives better isn't a liberal (and conservative, and American) agenda - what is?

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