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Strengthening the budget

Rep. Paul Ryan and Rep. Jeb Hensarling

As Americans watch their paychecks stagnate, their jobs disappear and their savings shrink, they also see Washington pursuing a relentless expansion of spending, deficits and debt - a pattern that must be reversed to head off a potential fiscal and economic crisis.

Federal spending is soaring, the deficit just eclipsed \$1 trillion, and the federal debt is on a path to consume resources matching the size of the entire economy.

More troubling is the long-term budget outlook, as the nation begins to see the front edge of an entitlement crisis. In the long run, current federal policies are likely to produce \$62 trillion in unfunded liabilities, according to estimates by the Government Accountability Office. These long-term problems threaten both the beneficiaries dependent on federal programs and the entire U.S. economy.

In short, our nation's fiscal hole has been dug so deep, so quickly, that the burden of paying back this generation's Washington spending will be felt by every American worker and business for generations to come.

The collapse of responsible budgeting has been a bipartisan enterprise, and it did not happen overnight. Both parties are culpable for our fiscal problems and both are guilty of exploiting flaws in the budget process to their advantage.

But this year's explosion of spending and unprecedented deficit - and unapologetic promises for more of the same - has made it clear that Washington is either uninterested in, or incapable of responsibly managing our nation's finances and the only plan going forward is to shovel on more spending and debt. As Sen. Evan Bayh, Indiana Democrat, recently said: "Washington has proven itself serially incapable of getting federal spending under control."

Significantly, however, he also said this: "Process matters ... If you have the same people and the same process, you are going to get the same results."

While budget process changes cannot, by themselves, restore fiscal balances, they can give Congress and the president the tools to tackle the most serious economic problem facing the country. To that end, we have introduced the Spending, Deficit, and Debt Control Act, which would do the following:

c **Create a legally binding budget.** It would give the budget the force of law, call on Congress and the president to agree, early in the process, on binding budget parameters and promote shared accountability for fiscal outcomes, rather than constant finger-pointing.

c **Establish real, enforceable limits on spending and deficits.** It would place firm caps on both discretionary and mandatory spending, as well as total spending and deficits - and enforce these limits with automatic spending reductions aimed at the programs with the highest spending growth.

c **Address the entitlement crisis and other long-term liabilities.** It would require Congress to address the fiscal burdens facing future generations, and the huge unfunded obligations already looming, provide a means of slowing the long-term growth of the government's largest entitlements and require regular review of entitlement spending, with a fast-track mechanism for placing these programs on a sustainable path.

c **Budget for emergencies.** It would require Congress to set aside funds for the kinds of natural disasters that regularly occur - such as wildfires, hurricanes and the like - to prevent the abuse of must-pass "emergency" bills as vehicles for excessive non-emergency spending.

c **Combat waste, fraud and abuse.** It would take several steps toward eliminating unnecessary or parochial spending, including a sunset commission, a legislative line-item veto, earmark reform, and a commission to eliminate waste, fraud and abuse.

A stronger budget process will help only if members of Congress are determined to get spending and deficits under control. That is a task we must tackle - and we must do it now. As Federal Reserve Chairman Ben S. Bernanke recently said: "[M]aintaining the confidence of the financial markets requires that we, as a nation, begin planning now for the restoration of fiscal balance. ... Unless we demonstrate a strong commitment to fiscal sustainability in the longer term, we will have neither financial stability nor healthy economic growth."

Rep. Paul D. Ryan, Wisconsin Republican, is the ranking Republican on the House Budget Committee and Rep. Jeb Hensarling is the panel's vice ranking Republican.