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*Because nobody's life, liberty or property are safe while Congress is in session or the White House is occupied*

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## Bush Leagues

### Dubya's real legacy: Staggering, future-threatening debt

By TOM RAUM

Mar 20, 2005, 06:47

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President Bush frequently says he wants to solve big problems like Social Security's finances, not pass them on to future generations. It appears unavoidable, however, that Bush will leave a painful legacy of staggering government debt.

What was once expected to be a \$5.6 trillion surplus over 10 years is now projected to be at least a \$4 trillion deficit by 2015, if Bush's tax cuts are made permanent and his Social Security suggestions adopted.

Analysts suggest one-party dominance of the government is working against serious efforts to address the red ink, providing little incentive for bipartisan compromises on difficult choices to narrow the deficit.

"Everybody recognizes that deficits are unsustainable. And I don't think anybody takes the current deficit-reduction effort serious," said Robert Bixby, executive director of the Concord Coalition, a bipartisan group that advocates eliminating federal deficits.

Bixby said it might take some major outside force - a financial market collapse, foreign investors deciding to flee U.S. government securities - to force action.

Bush talks about the need to curb federal spending and has sent Congress what he calls a "lean budget." It proposes many cuts in health, education and other domestic programs. Yet it is short on specifics for how he would meet his goal of cutting the deficit in half by the end of his term. That is a target that few analysts expect to be met.

Combining to keep the deficit growing are rising costs for military operations in Iraq and Afghanistan; homeland security expenses; tax cuts pushed through

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Congress by Bush; and an expensive Medicare prescription drug program. And that does not include the cost of restructuring Social Security.

The Republican-controlled Congress, leery of making politically unpopular cuts, has not been much help.

The Senate voted Thursday to strip \$14 billion in proposed Medicaid cuts from a 2006 budget blueprint, one of the few items of genuine fiscal discipline in the \$2.6 trillion measure.

The 52-48 vote reflected divisions within the GOP over the president's spending and deficit-cutting priorities.

With congressional midterm elections next year, some GOP Senate leaders saw the vote as evidence that little would be done for years to come to curb the rising costs of government benefit programs.

Social Security, Medicare, Medicaid and other "mandatory" benefit programs account for about 42 cents of every federal dollar spent. By contrast, defense, the second-biggest item, takes just 19 cents.

The Senate this month passed - and the House appears poised to follow - legislation making it harder for people to get out from under their debts. Yet policy-makers continue to write checks with insufficient funds.

Pledges by a majority of GOP lawmakers - and by the president - ruling out tax increases make the deficit-reduction chore that much harder.

Bush acknowledged at a White House news conference that his proposal for individual investment accounts - allowing younger workers to divert a portion of their Social Security taxes into stock and bond investments - would not solve the retirement program's financial problems.

"But personal accounts will make sure that individuals get a better deal with whatever emerges as a Social Security solution," he said.

The president kept up his 60-day, 60-city tour to promote his plan. Stops are planned this week in Arizona, Colorado and New Mexico.

In his travels, Bush focuses on Social Security. He sidesteps the fact that the real costs of his drives to overhaul Social Security and make his tax cuts permanent will not kick in until after he has left the White House.

"It is like saying you're going to go on a diet - until dinner," said William Gale, who served as senior staff economist on the first President Bush's Council of Economic Advisers.

Huge deficits of the late 1980s were whittled away in the 1990s by bipartisan agreements on spending cuts and modest tax increases; a "peace dividend" from the end of the Cold War that allowed reduced defense spending; and increased tax revenues from a booming stock market.

It will be harder this time. The peace dividend has vanished. Baby boomers are a decade closer to retirement. Lower tax rates would limit potential tax windfalls to the government should the stock market surge again.

"The political situation also is more difficult now than it was then. Then, both parties felt they shared the blame," said Gale, co-director of the Tax Policy Center, a joint project of the Brookings Institution and the Urban Institute.

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*Tom Raum has covered Washington for The Associated Press since 1973, including five presidencies.*

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