
Presentation by
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Keeping America Great: Doing Your Part

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President Dennison, distinguished members of the faculty, students, ladies, and gentlemen. It is an honor to be with you this evening and I thank you for giving me this opportunity to address you.

Lately, I've been speaking out about our nation's future. During the past two years, I have traveled to 22 states as part of the Fiscal Wake-up Tour. In addition, I've appeared on a number of major radio and television programs this year to talk about the growing fiscal challenge facing America. You may have seen me on the CBS news program *60 Minutes* or on Comedy Central's *Colbert Report*. The facts don't change during these appearances, but the means and messages do, depending on the venue and target audience.

The agency that I have the honor to lead—the Government Accountability Office, or GAO—is in the truth and transparency business. Or as Stephen Colbert would say, we're all about combating “truthiness.” As the so-called “investigative arm of Congress,” GAO is in the oversight, insight, and foresight business. We “speak truth to power,” and we try to make government work better and for the benefit of all Americans.

In my view, it's important to state the facts and speak the truth to the American people in connection with our fiscal situation and other important public policy issues. Too many television and radio programs today are essentially “fact-free zones,” full of opinion, ideological rhetoric, and partisan spin. In America, we believe in free speech. As a result, everyone is entitled to his or her opinion but not his or her own facts. The facts are neither blue nor red. In reality, facts are colorless and should be transparent.

Today, I'm pleased and honored to spend a few minutes speaking to you on the importance of keeping America great. I firmly believe that each of us can play a part to help ensure that our individual and collective future is better than our past. After all, our nation's future is what you and I and our fellow citizens make of it. That why our constitution starts with the words “we the people.”

From a personal perspective, while the Walker family has been in America since the late 1600s, to my knowledge, I'm only the second person in my Walker line to have graduated from college. Before my father, most of the Walkers were mineworkers, farmers, or ministers. Despite my family's modest beginnings, I now have the good fortune of being the seventh Comptroller General of the United States and head of the GAO. Only in America!

From a broader perspective, clearly America is a great country, possibly the greatest in history. We've risen from one of many colonies ruled by England to become the world's only current superpower. We're the longest-standing republic on earth and a beacon of liberty for the rest of the world. Those Americans like myself who have traveled extensively overseas know that while our country is far from perfect, in general, we have it pretty good today. Yes, Americans have much to be proud of and much to be thankful for.

America is number one in many things but not all things. As a result, while Americans have a right to be proud, we should never be arrogant. Unfortunately, the world has seen more than a little American arrogance of late, both domestically and internationally. This must change. After all, whether we're talking about safeguarding public health, protecting the environment, or combating international terrorism, the United States can't go it alone. We're going to have to partner for progress on these and other types of issues, which have no geopolitical boundaries.

Let there be no doubt, America's true strength is its people. America is a very diverse nation, and our diversity is a great asset—an asset we have yet to fully capitalize on. Despite our diversity, we Americans are united by our belief in equal opportunity. Through perseverance and hard work, any of us can achieve a better life. Our love of freedom is equaled only by our devotion to faith and family.

While America is a great nation, we face a range of large and growing sustainability challenges that too few policymakers are taking seriously. In so many areas—fiscal policy, foreign policy, health care, education, energy, the environment, immigration, our infrastructure, and Iraq—we're on an unsustainable path. I'll briefly touch on three of these areas to prove my point.

First, since America's most valuable asset is its people, I'll start with education. The United States now has the best higher education system in the world. Most of you are the beneficiaries of that system. Unfortunately, we're not even in the top 20 nations in math and science scores at the high-school level. This represents a huge problem in a knowledge-based economy. If our country expects to maintain its standard of living, we're going to have to stay competitive on measures like savings, investment, innovation, productivity, and product quality. Fixing our K-12 education system will require radical reform and concerted efforts by all levels of government and all sectors of our economy. We must move beyond rhetoric and start delivering real results for a broader spectrum of the American population.

The second sustainability challenge is our nation's fiscal outlook. While short-term federal deficits are coming down, we face large and growing longer-range deficits and debt burdens due primarily to the retirement of the baby boom generation and rising health care costs. The retirement of the boomers will begin in less than three months, and when boomers begin to retire en masse it will bring a tsunami of spending that could swamp our ship of state—and yet we are not prepared!

The fact is that in the coming decades, unless we change our current policies, there simply aren't going to be enough full-time workers to promote strong economic growth or to sustain existing entitlement programs. Like most industrialized nations, the United States will have fewer full-time workers paying taxes and contributing to federal social insurance programs. At the same time, growing numbers of retirees will be claiming their Social Security, Medicare, and Medicaid benefits.

Most of today's retirees will live far longer and spend more years in retirement than their parents and grandparents. In a nutshell, the retirement of the baby boomers, and I'm one of them, is going to put unprecedented demands on both our public and private pension and health care systems. At the same time, American companies are cutting back the retirement benefits they're offering to workers. To live well during our "golden years," all of us, even you, are going to have to plan better, save more, invest more wisely, and resist the temptation to spend those funds before we retire.

As a result of known demographic trends and escalating health care costs, America faces decades of escalating red ink. The facts on this aren't in question. Given our worsening financial outlook, the government's recent spending sprees and deep tax cuts are nothing less than a body blow to overall fiscal responsibility.

Thanks to a combination of increased federal spending, several major tax cuts, and an expansion of the Medicare program, federal budget deficits have returned with a vengeance. Depending on which accounting method you use, the federal deficit in fiscal 2006 ranged from \$248 billion to \$450 billion.

While these annual deficit numbers get a lot of press coverage, it's the federal government's mounting liabilities and unfunded commitments that pose the real threats. I'm talking about things like unfunded Social Security and Medicare benefits. Between fiscal year 2000 and fiscal year 2006 alone, the estimated cost of these accumulating burdens has soared from about \$20 trillion to about \$50 trillion—and this number is going up \$2 trillion or \$3 trillion a year on autopilot.

Let me put it this way: Our government has made a whole lot of promises that, in the long run, it can't possibly keep. And here's why. Fifty trillion dollars translates into an IOU of about \$440,000 for every American household. Keep in mind that the median household income in this country is less than \$50,000 a year. For the typical family, it's like having a mortgage that's 9½ times their annual income. And that mortgage doesn't even come with a house! This burden is rapidly outpacing the net worth of most Americans and the growth rate of our economy.

Further, the savings rate among U.S. consumers has been falling for some time and we've returned to savings levels not seen since the depths of the Great Depression. In fact, America has among the lowest overall savings rates of any major industrialized nation. Clearly, many Americans, like their federal government, are living beyond their means. This trend is particularly alarming in an aging society like ours. Our low savings rates also mean that we are increasingly relying on foreign investors to finance our debt. This is not a prudent course over the longer term.

So where do we stand on addressing this issue? Earlier this month, the President signed a congressional bill to raise the nation's debt limit. This was the fifth raise in the last 5 ½ years, and the current debt ceiling is now about \$9.8 trillion. Yes, I said trillion! While congressional

and public debate on this issue is understandable and appropriate, it's time that we started treating the disease rather than merely debating the symptoms. This country has been diagnosed with fiscal cancer. This cancer can be cured with tough choices, but it will get worse over time if our elected officials fail to act. This fiscal cancer is manifested in large operating deficits and growing long-range fiscal imbalances. It is perpetuated by a lack of meaningful statutory budget controls, a very large and growing percentage of the budget that is on autopilot, a failure to pursue performance-based approaches in connection with major spending programs and the tax preferences, and a variety of other current practices. These conditions are inappropriate and unsustainable. Hopefully, a capable, credible, and bipartisan commission or task force will be formed to "set the operating table" for the next President and the next Congress in connection with these and other important matters.

To help save our future, we must impose tough budget controls; reform Social Security, Medicare, and Medicaid; and reprioritize and constrain other spending. We also need to engage in comprehensive tax reform that will not undercut our economic growth or competitive advantage while raising additional revenues. We must do all of these things, and the sooner the better because time is working against us and our debt clock is ticking. Fortunately, there are several bills pending in Congress now to create a task force or commission to address the issue of fiscal sustainability and intergenerational equity. No matter what form or organization such a group would take, it should have a statutory basis, be bipartisan, involve leaders from both the executive and legislative branches, and require a super-majority vote for any recommendations to be sent to the President and the Congress. It should also require an expeditious and up or down vote in the Congress. In addition, its primary objective should be to make the tough choices necessary to keep America great, and to help make sure that our country's, our children's, and our grandchildren's future is better than our past. Hopefully, these congressional bills will be given serious and timely consideration by the Congress and the President.

Many young people think that Social Security won't be around when they retire, but they're wrong. It will be reformed, and hopefully sooner rather than later. Our real problem is Medicare, Medicaid, and health care, in general, and this is the last of the three sustainability challenges I will touch on today.

While demographic trends are a major contributor to our longer-range fiscal challenge, the biggest contributor is health care costs. The plain but simple truth is that our health care system is badly broken. We're now number one in the world in health care spending and obesity—facts that don't bode well for our wallets or our waistlines. Health care spending continues to far outpace the rate of real economic growth. Despite spending huge amounts on medical care, the United States has above average infant mortality, below average life expectancy, and much higher than average medical error rates for an industrialized nation. We also have the largest percentage of uninsured individuals of any major nation. It's pretty clear we're not getting very good value for our health care dollars. Frankly, if there's one thing that could bankrupt America, it's health care costs.

Comprehensive health care reform will probably need to occur in installments over a number of years. Our goals should be fourfold: First, provide universal access to basic and essential health care. Second, impose limits on federal spending for health care. Third, implement national evidence-based medical practice standards to improve quality, control costs, and reduce litigation risks while avoiding heroic measures. And finally, take steps to ensure that all Americans assume more personal responsibility and accountability for their own health and wellness.

One thing is clear: Young people will pay the price and bear the burden if others fail to act to address our mounting fiscal burden and other sustainability challenges. More importantly, I'm talking about these challenges here at the University of Montana because the students enrolled in this program are likely to become the some of the future leaders of our country! As a result, you and your peers are our greatest hope for bringing about change.

Unfortunately, many institutions and individuals in America today suffer from several afflictions: myopia, tunnel vision, and self-centeredness—just to name three. Too many people are focused on the word “me” rather than the word “we.” Too many people are focused on what they want today rather than what they need to do to help ensure a better future. And too many people are focused on their own narrow interests rather than the greater good. Furthermore, too many elected officials suffer from “mural dyslexia” or the inability to read the handwriting on the wall.

Ignorance, apathy, and arrogance can be fatal when it comes to a nation and its people. The Roman Republic provided us with some important lessons in this regard over 1,500 years ago.

Let us not forget, the Roman Republic fell for many reasons, but three seem to resonate today. First, a decline in moral values and political civility at home. Second, an overconfident and overextended military in foreign lands. Third, fiscal irresponsibility by the central government. Sound familiar? We must learn from history and make sure that we are the first republic to stand the test of time.

In our constitutional democracy, it's “we the people” who are ultimately responsible and accountable for what does or does not happen in the capitals around our country. As a result, all of us must be informed and involved in order to make a difference. We must not forget, God put each of us on this earth to serve our fellow man and to make a difference for others.

For those of you who are students, are early in your career, or even those of you who are more seasoned, as you look to the future, each of you needs to search your head and your heart to decide how you're going to make a difference on this earth. This is one of life's most important decisions. When you search your head and heart in your pursuit of happiness, don't forget your communities, your country and your fellow man. To help build a better future, I ask that each of you dedicate at least two years of your life to serving others.

When you consider your public service options, remember that the U.S. government is the largest, the most diverse, and, arguably, the most important entity on the face of the earth. We need top talent in the federal government to successfully address our many sustainability challenges. Yes, the federal government needs men and women with skills in public affairs, business, and other fields from top universities like the University of Montana.

I also ask that each of you become more informed about the issues facing our nation and more involved in demanding change. It's time we held current and prospective elected officials accountable for upholding their fiduciary and stewardship responsibilities to our country and its citizens.

You may be saying to yourself, "What can one person do?" One person clearly can make a difference in today's world. My favorite 20th century president, Theodore Roosevelt, is proof of that. TR, as he's often called, was someone with character, conscience, and conviction.

TR began his life as a sickly child, and the loss of his mother and first wife shook him to the core. Nonetheless, he recovered and became our nation's 26th and youngest president. TR was an optimist who firmly believed in the potential of government to improve the life of every citizen. As a trustbuster, TR took on some of the nation's more powerful and ethically challenged corporate interests. And he won. As an environmentalist, TR left us with a legacy of great national parks like Yosemite. As an internationalist, he led peace talks to end the Russo-Japanese War. In fact, TR is the only American to have won both the Congressional Medal of Honor and the Nobel Peace Prize.

TR firmly believed that it was every American's responsibility to be active in our civic life. As he said, "Fighting for the right [cause] is the noblest sport the world affords." Democracy is hard work but it's work worth doing. And that's really at the heart of my message tonight. How America looks in the future is largely up to us. It's you, I, and our fellow citizens who are ultimately responsible for what does or does not happen in Washington.

In closing, in addition to reflecting over the presidency of TR, I've also been studying the life of George Washington, particularly his two terms as President. What's often overlooked is that George Washington was a great believer in fiscal discipline. In his farewell address in 1796, Washington spoke to the issue of public debt. He urged the new nation to avoid "ungenerously throwing upon posterity the burden which we ourselves ought to bear." This advice is as sound today as it was over 200 years ago. By ignoring George Washington's words of wisdom and postponing difficult policy decisions, our government is, in fact, making a choice—a choice with unacceptable fiscal and ethical consequences.

We can and must do better than the path of least resistance. The road less traveled won't always be easy, but it's a journey that our children, grandchildren, and future generations of Americans will thank us for taking. I hope you'll join with me in stating the facts, speaking the truth, and acting to help save our collective future.

All of you should find your cause in life and fight to make a difference. I'll continue to try and do my part. All that I ask is that you do your best to do your part to keep America great. We can, we must, and, with your help, we will do what it takes to keep America great!

May God bless each of you, the University of Montana, and the United States of America.

