

# SIMPSON-BOWLES REPORT MISSES THE “MOMENT OF TRUTH”

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Despite their political differences, Senator Alan Simpson (R) and Erskine Bowles (D), former Chief of Staff in the Clinton administration (1996-1998) and president of the University of North Carolina system (2006-2010), were able to agree that our unsustainably growing deficits are a danger to our country and then to work together to craft reasonable solutions. Together, they led the National Commission on Fiscal Responsibility and Reform in the preparation and issuance of a report in December 2010 titled *The Moment of Truth*. This report illustrates an honorable and decent effort to protect our country but suffers a delusion that our Washington leadership is capable of managing the prescribed challenge. By not recognizing our weakness in national leadership, the report sowed the seeds of its own rejection.

The report declared that the era of deficit denial was over and recommended numerous public policy decisions to reduce the deficit in a reasonable manner. The report was approved by 11 out of 18 persons including 5 Democrats, 5 Republicans and 1 Independent. Its stated objective was to reduce spending by \$4 trillion dollars by 2020. To do this, it needed to reduce the deficit to 2.3% of GDP by 2015, to cap revenue at 21% of GDP and to cause spending to trend downward to 21% of GDP.

Conscious of the need to protect the truly disadvantaged and to mitigate the pain and disappointment that comes with any reduction of spending, the report made detailed and sensitive recommendations to cut discretionary spending, to implement tax reform, and to reform health care and other programs to save money. Recommendations were also made with respect to social security and processes needed to accurately measure inflation, establish debt stabilization and insure budgetary discipline.

The President of the United States rejected the report. It largely fell on deaf ears but persisted as a welcome reminder of what two leaders from different parties can do by working together. As the report said in the preamble, “America cannot be great if we go broke. Our businesses will not be able to grow and create jobs, and our workers will not be able to compete successfully for the jobs of the future without a plan to get this crushing debt burden off our backs.” Acknowledging that the solutions will be painful, the preamble continued that the American people “expect and deserve their leaders” to make the tough choices about what they hold most dear and what they can learn to live with and without. The report’s weakness was in predicating success on existing leadership (“Washington must lead”) when the real “moment of truth” is that “Washington can’t lead”.

In April 2013, Senator Simpson and Mr. Bowles issued a second report titled *A Bipartisan Path Forward to Securing America’s Future*. It represents another bipartisan effort to move the country in a responsible way despite the failure of the country to accept the recommendations made in the original report. The preamble of this effort concluded:

The plan we have put forward here is not our ideal plan, it is not the perfect plan, and it is certainly not the only plan. It is an effort to show both sides that a deal is possible; a deal where neither side compromises their principles but instead relies on principled compromise. Such a deal would invigorate our country and demonstrate to the public that Washington can solve problems, and leave a better future for our grandchildren.

Interestingly, this second report is organized in a manner similar to the first report. However, by the time it was written, the targeted reduction in the deficit set forth in the first report (\$4 trillion by 2020) had been reduced to \$2.4 trillion by 2023. Thus far, there has been little response or publicity generated by this most thoughtfully and carefully prepared second report.

What we learn from both reports and the refusal of Washington leaders to either accept their recommendations or sit down and craft a plan to reduce the increasing deficits crushing our country is that our country's leaders will not accept the obvious challenge submitted by the reports but will continue to deceive the American people, to kick the can down the road, to blame somebody else and to print and spend money we do not have.

The polarization we read about every day is symptomatic of the unwillingness of both the President and Congress to face the truth about our country's finances. This polarization derives from a conflict in public policy and tells us as plainly as can be said that the leaders we have today are not the kind of leaders we need. Unfortunately, public policy arguments to deal with our country's growing debt and other issues are not a solution. In a world of diminished leadership, arguments over public policy become a primary theme which fuels arrogance and misinformation and results in the polarization we have today as the political parties outbid each other with promises to obtain votes. The *truth of the moment* is clear: we must abandon public policy arguments as a panacea and adopt a plan to give us better leaders.

Nowhere in the Constitution or *The Federalist Papers* does it say that our freedom depends upon the election of leaders whose policy is to finance their promises with borrowed money. One will never read that the future of American freedom depends upon having leaders whose rhetoric is such that they can convince the country to adopt such a policy. Solon, the architect of Athenian democracy, said the following of the Athenian tyrant Pisistratus:

Each of you follows the footprints of this fox,  
And you all have empty minds,  
For you watch only the tongue of the man, his slippery speech,  
But you never look at what he actually does.

What is required today is reference to James Madison's comments in *Federalist Paper No. 57* where he says:

The aim of every political constitution is, or ought to be, first to obtain, for rulers, men who possess most wisdom to discern, and most virtue to pursue the common good of the society; and, in the next place, to take the most effectual precautions for keeping them virtuous while they continue to hold their public trust.

The quickest and surest way to make a start for better leadership is to eliminate those powers in the Constitution which allow our leaders to feather their own nest and put their reelection, security and recognition ahead of the best interests of the country.

I have proposed numerous proposed amendments to the Constitution to do just that. They are "effectual precautions" to eliminate those powers which give incentive to our leaders to yield to the weaknesses of human nature rather than to act in the best interest of the country. It is time that sensible persons support this effort and act promptly to obtain the kind of leaders we need – persons like Senator Simpson and Mr. Bowles who, despite political differences, have the courage to recognize a common problem and then sit down – and with reverence for our constitutional process – craft solutions. Until our government is constituted with a majority of like-minded people, we have no chance and the injury which is sure to come will hurt all beneficiaries of federal programs in degrees far more serious than the pain now marginally relieved by those very same unsustainable government programs.

In his State of the Union address in 1963, John F. Kennedy said, "The tides of human freedom [are] in our favor" but also remarking, "We are not lulled by the momentary calm of the sea or somewhat clearer skies above. We know the turbulence that lies below, and the storms that are beyond the horizon...." Now, more than fifty years later, the turbulence that then lied below has surfaced and the storms then beyond the horizon are now in our midst. The reforms we need will not happen unless we, the people, make them happen. The Constitution tells us how to do it. Our future depends on it. Our mission is clear. The window is narrow. Time is short. Our freedoms are at risk.