Priorities for a New Congress

James C. Capretta

The struggle to place meaningful limits on government — on its reach into economic life, its influence over how we manage our private affairs, and especially its staggering expense — has been among the most important animating principles of the Republican Party for the past half-century. But it is a struggle that even most Republican leaders would admit has not gone very well.

To be sure, President Ronald Reagan’s two terms in office slowed the march toward ever more expansive government. And the transformation of the welfare system undertaken by the Gingrich Congress in 1996 proved to be the most successful social-policy innovation in a generation. Still, even when Republicans have been dominant in Washington, the size, scope, and reach of the federal government have expanded. As more Americans have become dependent on federal programs — and thus opposed to significant reform of them — the federal government has morphed into an unwieldy, self-perpetuating Leviathan. It tries to do everything for everyone — and does almost none of it well.

All of this was true even before the most liberal president in four decades, Barack Obama, took office. But he has since made matters worse. Obama became president just as the American economy was falling into a severe recession, and he used that opportunity to step heavily on the accelerator of government activism. In his first two years, he has pushed through Congress the largest federal entitlement expansion since the 1960s (in the form of the new health-care law), an $800 billion “stimulus” program that enlarged federal and state bureaucracies, and a new regulatory law that tasks Washington with micromanaging the entire financial sector.

It was always expected that last year’s congressional races would provide something of a speed bump for President Obama’s agenda. That

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is the norm for mid-term elections, particularly in a president’s first term, and especially when his party is also dominant in Congress. But the 2010 election was no ordinary mid-course correction. Republicans gained more than 60 seats in the House of Representatives and now hold their largest working majority in that chamber since just after World War II. They also picked up six seats in the Senate, 675 seats in state legislatures, and now hold 29 governorships. This was a Republican rout of historic proportions.

Moreover, the election did not turn on trivialities. It was a contest between two competing visions of America’s fiscal future and government’s role in our national life. Voters — including an unprecedented grassroots movement built around a desire to restrain spending and debt — sided decisively with those who favor smaller, less intrusive, and less expensive government.

Republicans have clearly won a major battle, but they are still very far from winning the war for limited government and fiscal sanity. They now have a House majority, but still confront a Democratic Senate and a Democratic president. Given these constraints, and given their new opportunities, what should Republicans do when the 112th Congress begins? How should they use the resources at their disposal to best address the looming economic and fiscal challenges the country now faces, while also restoring government to its proper place?

**GROWTH AND REFORM**

The most obvious place for Republicans to start is with the budget — an area in which their House majority can have meaningful influence, can pick and choose important battles, and can actually help pare some of government’s excess. When the small army of newly elected House and Senate Republicans arrives in Washington, they will find an intimidating combination of budget decisions awaiting them.

To begin, the operations of the federal government will not yet have been funded for fiscal year 2011. The Democratic majority in the 111th Congress chose not to take up the annual appropriations bills before the mid-term election, out of fear that passing spending legislation would only hurt them further with voters. As it turned out, punting did not help them much at the ballot box. But it did lead to a situation in which a lame-duck Congress was asked to decide on full-year appropriations levels for the entire federal government in a matter of weeks — a process
that normally takes Congress the better part of a year. Members of that outgoing Congress punted too, by passing a temporary continuing resolution (or CR). This measure effectively puts federal appropriations on cruise control — funding the government at a uniform rate tied to last year’s level until the new Congress can make full-year funding decisions. The result is that, if they so choose, members of the new 112th Congress can start their budget-based reforms by taking up the fiscal year 2011 work left undone by their predecessors.

Far more daunting a challenge, however, is the nation’s rapidly deteriorating fiscal outlook. In 2009, the federal government ran a budget deficit of $1.4 trillion, or 10% of the nation’s gross domestic product. That was followed by a deficit of $1.3 trillion in 2010, or 8.9% of GDP. The 2011 deficit is expected to reach about 10% of GDP again. While revenues have declined because of the recession, this massive increase in deficits has been driven mostly by enormous growth in spending: Between 1990 and 2008, annual federal outlays averaged 20% of GDP, but in 2010 spending reached 23.8% of GDP — a difference of about half a trillion dollars per year. To see where such reckless imbalances lead, consider that, at the end of 2008, federal debt stood at $5.8 trillion; on its present course, it will be $20 trillion by 2020.

To make matters worse, these frightening figures do not even fully reflect the cost of paying out entitlement benefits to the retiring Baby Boom generation. Between 2010 and 2030, the number of Americans age 65 and older will increase from 41 million to 71 million. The Congressional Budget Office projects that spending on the nation’s largest entitlement programs — Social Security, Medicare, and Medicaid — reached 10.3% of GDP in 2010, up from 5.4% in 1975. By 2030, the combined costs of these programs (including the provisions of the new health-care law, if it is fully implemented) will have risen to 14.7% of GDP, or nearly $3 trillion. In other words, over the next two decades, the federal budget is scheduled to absorb new entitlement-spending commitments that are roughly the size of the entire Social Security program today.

The only real options for closing the budget gap are to lower spending, increase revenues, or pursue some combination of both. Republicans won the 2010 election in large part because most Americans do not trust the Democrats to solve this problem: They believe that unified Democratic control of the executive and legislative branches will mean a heavy tilt toward tax increases to reduce deficits and borrowing.
Americans would prefer their elected leaders to come at the deficit problem from the other side, cutting government spending so that it does not exceed available revenue.

Republicans must now demonstrate that they can craft a budget that does exactly that. In the process, however, they must avoid appearing exclusively fixated on government accounting. After all, the goal of economic policy is not budget balance per se, or enacting deep budget cuts just for the sake of cutting. Indeed, our enormous deficits are not in themselves the problem: The issue, rather, is the burden that higher taxation and massive debt impose on the private economy. Measures like spending cuts or tax increases are simply means to an end: robust long-term economic growth. Growth is the key to job creation, economic mobility, prosperity, and national strength.

Limited government is essential to growth. An expanding government requires ever-higher tax rates—which slow growth by stifling investment, discouraging the supply of productive labor, and suppressing incentives for entrepreneurial activity. It also requires more borrowing, which drives up interest rates and risks inflation, in turn discouraging savings and investment. Indeed, the present stagnant economy, with nearly 10% unemployment, is almost certainly underperforming because America’s private sector is bracing for the invoice for the government expansions of the past two years. Many employers and investors are thus hoarding their cash to pay anticipated higher tax bills, rather than putting the money into efforts to expand their businesses and hire workers.

Republicans will have to show voters that it is the need to revive the economy—not a blind desire to slash spending—that underlies their agenda. Fostering growth requires, for instance, smart regulation that keeps the marketplace fair and open without suffocating the private sector; a tax code that minimizes burdens on productive work; a commitment to free trade and open global markets; and a sound monetary policy that assures predictability and long-term stability (rather than short-term remedies that only perpetuate debilitating cycles of boom and bust). Above all, fostering growth requires a government that lives within its means.

Republicans must also be honest with voters about what this will involve, and must clearly understand the limits of their own power. This time, easy budget proposals like slashing earmarks and trimming bureaucracy will only go so far. Our fiscal problems demand much broader reform—in particular, a vast simplification of America’s tax
code and a fundamental restructuring of major entitlement programs. Social Security must be made to conform with demographic reality; health-care costs must be constrained by the discipline of a consumer-directed marketplace. In short, policymakers need to rebuild the most important pillars of America’s social contract.

This is no small task. There will be vehement opposition to far-reaching reforms of the nation’s tax and entitlement policies from people who are determined to keep the country on its present course—a course that points toward a European-style social-welfare state, with high taxes and lavish spending. These opponents will control both the Senate and the White House for the next two years—meaning that the new Republican House is unlikely to succeed in enacting its full vision for fiscal reform. To do that, Republicans will need to win the presidency in 2012, while also retaining significant power in Congress.

Given these realities, Republicans must spend the next two years laying out a compelling governing vision. They must ensure that their budget plans provide a stark contrast to those advanced by the president, making the choice before voters as clear as possible: on one hand, a reformed government with low taxes, a secure and affordable safety net, and more economic vitality; on the other hand, the status quo—which means explosive spending growth and punishing tax hikes to prevent default.

Republicans will find no better and more immediate opportunities to clarify this choice than the three major debates that the new Congress will confront in its early months. Soon, lawmakers will have to take up the ongoing fight over health care, the question of how to cut discretionary spending, and the task of restoring our entitlement programs to fiscal health. How the GOP handles these three early challenges will determine just how much the new Congress can achieve—and whether the public will give Republicans a real chance to govern in 2012.

**SAVING HEALTH CARE**

Health care remains by far the most important immediate fiscal-policy battleground. Fortunately, it is also the field in which Republican thinking is most fully developed, and in which the agenda for the next two years is clearest.

President Obama and his remaining congressional allies understand that, as goes their new health-care entitlement, so goes their entire vision of government. This is why they want to create the perception that
the health-care law enacted last spring is a settled matter, one that vot-
ers do not want to “re-litigate,” as the president put it in November. (Of
course, exit polls from the mid-terms—not to mention the outcome
of those elections—indicate that a clear plurality of the country most
certainly supports “re-litigation.”)

Republicans should also push back on the law because it represents,
on substantive grounds, the worst approach to health-care policy (and
federal entitlements more broadly). Its implicit purpose is to bring
middle-class Americans into permanent dependence on the federal gov-
ernment for their health care. The political implications of such a shift are
not lost on the left: Indeed, the Democrats who passed the new law hope
that, by tethering the American middle class to a government-managed
health-care system, they will create a new (and vast) constituency for
well-funded and powerful government. This would of course give
Democrats a huge, and long-lasting, electoral advantage.

The results for everyone else, however, would be far less salutary.
The requirement that employers either provide government-approved
health insurance or pay a fine will increase the cost of hiring low-wage
workers—a terrible thing to inflict on an economy expected to expe-
rience exceptionally high unemployment rates over the coming years.
Meanwhile, the new entitlement promises lavish subsidies to house-
holds with incomes up to 400% of the federal poverty level ($88,000
a year for a family of four). Businesses that employ large numbers of
these people will realize that, if their workers’ job-based coverage is
dropped—creating enormous savings, because eliminated premium
costs will exceed the companies’ fines for not providing coverage—these
employees will still be eligible for health-insurance subsidies from the
government. The businesses save, the workers are still covered, and
the only loser in the equation is the taxpayer. The result, obviously, is a
huge incentive for businesses to terminate their health-insurance plans,
or to at least renegotiate employee benefits so that more workers can
take advantage of their federal health-care eligibility. Over time, as the
government assumes the cost of subsidizing insurance premiums for
tens of millions of lower- and middle-income American households,
federal costs will soar.

Worst of all, the health-care law will put the federal government in
charge of allocating resources throughout the entire health sector. The
government would decide what can and cannot be covered by insurers.
Federal authorities would direct how doctors and hospitals should be organized to provide care, what they should be paid for their services, and what new products developed by pharmaceutical and technology companies should be used in mainstream medicine.

Advocates argue that the law’s new bureaucratic machinery—like the Independent Payment Advisory Board and the new Centers for Medicare and Medicaid Innovation—will have both the knowledge and political standing to transform how health care is delivered nationwide, and thus cut costs painlessly. But as the long experience of the Medicare program demonstrates, it is simply not possible to effectively manage costs this way. Nor is it possible—let alone appropriate—for a dynamic and complex $2.6 trillion sector of the private economy to be micromanaged from a government agency operating out of Washington, D.C.

Still, the president and his allies are determined to try, and the outcome is thoroughly predictable. Government-directed cost-cutting in health care always devolves into arbitrary payment-rate reductions for doctors, hospitals, clinics, and those who are developing products for use in medical care, driving these suppliers out of the marketplace. The only way to reconcile supply and demand with government price controls is through queues and waiting lists, as demonstrated by other nations’ heavily regulated health-care systems. The most serious casualty of the new law, then, will be the quality of American medicine.

For all of these reasons, any serious effort to restore government to its proper (and affordable) role must begin with repealing the health-care law passed last March, and replacing it with consumer-directed reform. Admittedly, a complete repeal bill will almost certainly be blocked by the Democratic Senate or President Obama’s veto pen. Even so, Republicans must still pass repeal legislation in the House, if only to make clear to the public both their intentions and the disastrous consequences of letting Obamacare stand. And if the Republicans’ repeal bill is blocked or vetoed, they should then obstruct or slow Obamacare’s implementation—by any available legislative means—until the 2012 elections enable them to do more.

Republicans should, for instance, hold hearings on the new law in order to educate the public about its true consequences. As much as possible, they should curtail funding for various provisions (especially the insurance subsidies administered by the new state insurance exchanges)—thereby forestalling the point at which new entitlement...
benefits start flowing, and giving the GOP more time to undo the law after the next election. Republicans should eliminate some of the law’s most unpopular provisions — especially those that impose heavy burdens on employers (like onerous new tax reporting requirements for businesses), those that some Democrats have publicly opposed (like the costly new long-term care entitlement), and those that voters especially detest (like the individual mandate to purchase coverage). And Republicans should continue to promote their own alternatives.

Most of these efforts will meet with Senate resistance or a presidential veto. But all will help strengthen the case against the new law (and for its eventual repeal). The next two years will be rife with opportunities for action against Obamacare, and the new House majority should keep up a constant drumbeat — making clear that it will take every possible step to avert the disaster that looms if Obamacare is fully implemented in 2014 (and beyond).

In a sense, health care is actually the battle for which Republicans are best prepared. They have engaged in this argument over the past year and a half, and have proposed a number of plausible alternatives to the Democrats’ approach. Although the health-care debate will continue throughout the next two years, its basic contours and essential arguments are now well established. The broader budget fight, however, is still very much in need of strategic and tactical definition.

**ENDING THE BINGE**

In 1995 and ’96, the appropriations process became the most high-profile arena in which the newly elected Republican Congress — led by House Speaker Newt Gingrich — wrestled with President Bill Clinton over matters of policy. Like the incoming class of 2010, the congressional class of 1994 was determined to reverse spending trends on a host of domestic programs, particularly those long favored by Democrats (especially in the departments of Labor, Health and Human Services, and Education). The resulting budget fight — which culminated in a government shutdown of about three weeks — did not work out well for Republicans: President Clinton successfully created the impression that he was in favor of reasonable steps toward fiscal discipline while his opponents were resorting to extreme measures to get their way. As the days of the government shutdown passed, Republicans splintered, and House and Senate leaders were forced to give in to many of the president’s demands
for higher funding levels. Worse, from that point on, many Republicans in Congress lost their nerve for budget fights. They therefore went along with many increases in spending during their remaining years in power, right up until they lost Congress in 2006.

Republicans coming to Washington in 2011 will certainly want to avoid these mistakes. They will therefore need to develop a shrewd tactical plan for appropriations—one that avoids the traps into which the Gingrich Congress fell, allows Republicans to halt further growth in the budget, and enables them to identify and seize opportunities to make major, targeted spending cuts.

When the new Congress begins its work, it will inherit the unfinished business of fiscal year 2011 appropriations. Instead of spending months making the thousands of decisions that go into writing an omnibus funding bill from scratch, Republicans should adopt a full-year continuing resolution for 2011. This would effectively mean funding most agencies in 2011 at a level tied to their 2010 appropriations (to show additional discipline, it might be possible to fund all agencies at levels slightly below last year’s). A few essential exceptions to this general rule—for some defense needs, or other circumstances requiring more funding in one or another part of the budget—could be added to the end of the measure as needed.

This approach would allow Republicans to dispense with months of appropriations work in a matter of days or weeks. Moreover, it would be a straightforward way to implement a de facto budget freeze, since most agencies would receive the same funding they did last year. Finally, while many Democrats would likely resist the idea—since it would squeeze agencies accustomed to annual increases in their budgets—any practical opposition to a freeze of this kind would be difficult. In today’s tough economic climate, the voting public would see such modest discipline as more than reasonable.

But Republicans should not stop there. In addition to enacting a full-year CR—and in order to make good on their campaign commitments—Republicans need to aggressively slash funding for areas of the government that the public wants to see scaled back. Thus, having effectively frozen spending in place, they should quickly pull together an ambitious package of targeted cuts in 2011 funding—a measure known as a rescissions package. Early in 2011, this would become the symbol of the new era of fiscal discipline in a Republican House.
The package should be large, incorporating at least $200 billion in reduced funding authority. The rescissions should be focused almost entirely on domestic discretionary programs outside of the defense budget (as befits a government with a great deal of excess spending, and one determined to win an ongoing war). And Republicans should start with the low-hanging fruit: halting federal pay increases and hiring for the next several years; reducing the federal work force and the use of contractors; stopping the more than $10 billion of unspent stimulus money from going out the door; slashing agency funding associated with prior-year earmarks (and returning that unspent earmark money to the Treasury); removing unobligated balances that serve as slush funds for some agencies; and pursuing other sensible management practices, such as selling off unused federal assets. The savings from these cuts alone, if pursued aggressively, could approach $100 billion.

From there, Republicans should return most agencies to the budgets and roles they had before the Obama administration. This would mean substantial downsizing of the Department of Education—to the tune of at least $10 billion—as well as significant cuts to the Environmental Protection Agency, the Department of the Interior, and many other agencies that have been expanded under Obama. In total, returning to 2008 non-defense discretionary spending levels would further reduce the 2011 budget by perhaps $50 to $75 billion.

Finally, the rescissions package must terminate low-value federal agencies and initiatives. The target list should be long: the Corporation for Public Broadcasting, the Small Business Administration, agriculture-subsidy programs, corporate subsidies embedded in trade-promotion programs, Community Development Block Grants, Amtrak subsidies, low-performing job-training programs at the Department of Labor, and scores of outdated commissions and regional development agencies that mainly serve as conduits for earmarks and special political favors. Weeding these offices and programs out of the federal budget would produce substantial savings—potentially as much as $25 billion. It would also allow House Republicans to demonstrate their commitment to ending corporate subsidies and crony capitalism (not to mention wasteful spending and bloated bureaucracy).

Would the president and his allies support such deep spending cuts? In normal times, one would have to say no. But these are not normal times. Having seen what happened to many of their colleagues in 2010,
some House and Senate Democrats may decide against standing up for large and expensive government. An ambitious rescissions package could therefore garner significant bipartisan support. And if Republicans have the opportunity to build a bipartisan coalition behind such cuts, they should seize it—even if it would require some compromises. Securing a bipartisan victory for spending discipline would be an enormous validation of the voters’ trust.

For the 2012 funding year (which begins October 1, 2011), Republicans could adopt a similar CR-based strategy for the appropriations process. Instead of pursuing the usual 12 separate appropriations bills—each of which is vulnerable to exploitation by particular members and interest groups—the House could choose to fund the government in 2012 by simply referencing 2011 funding levels in a CR. That would once again have the effect of a budget freeze, and it could be coupled with yet another rescissions measure making targeted cuts in additional programs.

The CR-and-rescissions approach would thus bring a base level of spending discipline to the entire government—in the form of a modified freeze—even as it avoided a fight over a government shutdown. While this funding method may lack the flash and drama of more extreme proposals, it would constitute a vast improvement over the existing budget process—which has resulted in the ferocious growth of government in recent decades—and comport with the GOP’s priorities, as well as the realities of the new congressional landscape.

**BEYOND DISCRETION**

Important as the struggle to cut discretionary appropriations will be, the most significant fight will of course focus on the larger budget items—especially the level of taxation and spending associated with the nation’s massive retirement and health-care commitments. That fight will be joined in the spring, when the House Budget Committee begins consideration of what is known as the congressional budget resolution.

The budget resolution does not become law; it never goes to the president for his signature. Rather, it is an internal blueprint intended to govern the budgetary decisions that will be made by other committees in Congress during the upcoming legislative session. The format of the resolution in each house is determined by its budget committee; the resolution must contain certain tables of figures that govern the appropriations process, but can otherwise include any discussions, facts, figures, arguments, or
explanations that the budget committee chooses. It is thus the perfect vehicle for congressional Republicans to define, in broad strokes, their vision for restoring affordable government. And they have the perfect person to lead them in this endeavor: Wisconsin representative Paul Ryan, the incoming chairman of the House Budget Committee.

Ryan has already charted a route to sustainable pro-growth fiscal policy in his “Roadmap for America’s Future” — a plan to secure permanent balance in the nation’s finances without increasing Americans’ tax burden. The Roadmap proposes fundamental reforms to the federal income tax, lowering rates and broadening the base. It would reform Social Security for Americans age 55 and younger, tying the program’s spending to demographic reality and increasing incentives for higher-wage workers to save for a comfortable retirement. The Roadmap also proposes converting Medicare (again for people age 55 and younger), as well as today’s tax exemption for job-based health insurance, into fixed, defined-contribution payments to individuals for the purpose of buying private health insurance.

As it happens, the health reforms outlined in the Roadmap also offer a useful blueprint for legislation to replace Obamacare. In particular, moving toward defined-contribution payments — thereby closing down today’s open-ended federal health-care commitments — is a crucial step toward building a functioning marketplace in the health sector. This shift would come about as tens of millions of today’s passive insurance enrollees were converted into active, cost-conscious consumers; insurers and health-care providers would then compete vigorously for their business (as participants in most other industries are forced to do today). Over time, the health-care industry would become less costly, more productive, and more sensitive to patient needs.

Republicans should use the spring budget resolution to explain these reforms in detail, making sure to provide budget estimates showing how each of these measures would reduce deficits over the long term. They could also use the budget resolution to lay out permanent caps on discretionary spending that reflect the cuts in government agencies they pursue through their rescissions package.

Of course, if Ryan and the Republican leadership do use the budget to draw such sharp contrasts with Democrats, they will make some Republicans uncomfortable, too. Many Republican members of Congress have avoided committing themselves to particular solutions to the
entitlement crisis, as any reform is likely to make some voters nervous. Moreover, the GOP has seen Democrats successfully employ Social Security and Medicare scare tactics for years. So while many Republicans have spoken highly of the Ryan Roadmap, it is perhaps not surprising that fewer than 20 of them have signed their names to it as co-sponsors.

But having won the House majority by promising to tackle America’s grave fiscal problems, Republicans must overcome their fear of entitlement reform. Even if every bureaucracy in Washington were dramatically downsized through cuts in discretionary spending, the federal government would still be headed toward financial disaster: In the years ahead, an ever-growing portion of national income will be consumed by out-of-control spending on entitlements. Republicans committed to limited government thus have no choice about whether to take on the entitlement challenge. The only question is when they will work up the courage to do it.

It is hard to imagine a better time than the present. First, the American electorate has never been more attuned to fiscal reality than it is today. The 2010 campaign showed that voters are genuinely fearful about the future. They are concerned that this generation of Americans will bequeath to its successors a less prosperous country, because they think that the government will have consumed more than our economy was able to produce. No responsible citizen wants that as a legacy.

Moreover, the window for addressing the entitlement crisis is quickly closing. Most lawmakers rightly want to phase in entitlement reforms gradually, so that people who are already retired — and thus not able to modify their earnings to cover the losses from less generous government commitments — are not taking cuts to their income that cannot be easily replaced or absorbed. But the Baby Boom generation has begun signing up for Social Security and Medicare benefits, and will continue to enroll at a rate of about 10,000 people per day for the next 20 years. This means that if lawmakers want to implement dramatic reforms without affecting retirees who are already receiving benefits, they have to act quickly. If they do nothing, the costs of Social Security and Medicare will continue to rise — and the government borrowing required to pay for these programs will continue to mount. At some point, the only way to avoid bankruptcy will be a sudden and substantial tax increase, coupled with severe austerity measures. It is not yet too late to avoid this catastrophe — but we are rapidly approaching the point of no return.
Naturally, Republicans who are concerned about these looming challenges do not have to sign on to the Ryan “Roadmap” in its entirety. It can be modified and adjusted as necessary to develop a consensus; following the same general principles, there may be other policy fixes capable of achieving similar reform objectives. What Republicans cannot do, however, is run away from the Roadmap’s broad themes. Our fiscal challenges are not going away. After decades of avoidance, today’s policymakers simply have nowhere else to hide.

NOW OR NEVER

The Republicans’ strengthened position in Congress has come at a pivotal moment in America’s history. Like other western nations, the United States enjoyed several decades of remarkable economic growth at the end of the 20th century and the beginning of the 21st, during which both governments and businesses extended ever more generous protections to the work force. But that era is over. With an aging population and intense global economic competition, our government and businesses can no longer afford the social-welfare arrangements that were erected in the post-war era (at least not at levels of taxation that the American public would accept).

One way or another, we are entering a transition period. The American electorate has been volatile in recent election cycles in part because many voters are searching for leaders whom they believe can guide them through these turbulent times and into an epoch of renewed prosperity and growth. Members of the newly elected House majority must become the leaders these voters are looking for. Now is not the time for small gestures aimed at scoring political points; nor is it a time for avoiding hard choices. It is time to finally address the huge mismatch between government’s commitments and the revenues we will have on hand to pay for them.

The policies that this moment requires — not only scaling back bureaucracy and waste, but also transforming entitlements — will not be easy to enact. But the payoffs — a sustainable and meaningful safety net, affordable levels of taxation, more economic growth and job creation, and greater personal freedom — will be well worth the effort.