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## A Long Way to Go

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BY ONE VOTE, at the last minute, House Republican leaders last week pushed through a bill raising the federal debt limit. That vote, the first increase in borrowing authority since 1997, averted the threat of a federal default on obligations about to come due. It helped clear the way for passage next month of a supplemental spending bill that has been stalled while the parties jockeyed over the debt vote. But as members head home for the 10-day July 4 recess, Congress still has a long way to go to address the fundamental budget issues facing the federal government.

During the past year the federal financial position has undergone a profound change. Four trillion dollars vanished from projected 10-year surpluses, eaten away by economic slowdown, the costs of war and, in the longer term, the effect of last year's tax cuts. Deficit spending is back: By one estimate this fiscal year's budget will wind up in the red by \$133 billion. All the budget plans on the table project deficits for at least a few more years. When the overall projected budgets get back into the black, it's only because of surplus Social Security revenues, which not so long ago all sides were promising to leave untouched. Meanwhile, the mechanisms that Congress used during the past decade to enforce budget discipline will expire in October, and efforts to extend them have so far failed. The financial burdens posed by the Social Security and health care costs for retiring baby boomers continue to loom in the next decade, and no progress is being made toward dealing with them.

Instead, a series of votes has been aimed at this fall's elections. House leaders, with White House support, have pushed to make permanent last year's tax cuts. A stimulus package, including a three-year corporate tax break, passed even after the economy was rebounding. Both houses endorsed, and the president quickly signed, a bloated farm bill. Good for campaign sound bites, perhaps, but not for making sure that the government has the resources to meet its long-term obligations, or that those resources will be directed where they're really needed. A lonely exception was the Senate's stand against permanent repeal of the estate tax. Some House Democrats attempted to tie votes for the debt-ceiling increase to an agreement for talks on the long-term budget, but GOP leaders weren't buying. Now they've faced up to the immediate crisis, but a much tougher question remains: when, or whether, members will muster the political will to deal with the challenges building down the road.

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