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# LARRY CRAIG

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NEWS RELEASE

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Mike Tracy (208) 342-7985  
Sid Smith (202) 224-8708

## **Budget Bug** **by Senator Larry Craig**

If you were a doctor heading into flu season, how would you recommend preparing for the illness? Would you advise them to stock up on chicken soup and soda crackers, so they can counteract the symptoms after they get sick? Your patient might appreciate it more if you tell them to get vaccinated before flu season even starts, so the problem is fixed before it even arrives. It is this kind of forward thinking that is needed to address looming problems with the federal budget.

Early in February, Congressman Simpson and I wrote a piece called "Earnest Earmarks," which discussed reforming the appropriations process. As you may remember, the appropriations process governs the part of the federal budget known as discretionary spending. Discretionary spending makes up about one-third of each year's federal budget, and provides for defense, homeland security, law enforcement, education, many Older Americans programs, transportation, management of public lands, medical and other scientific research, disaster response, and administrative expenses.

It is this discretionary spending that contains congressional "earmarks," and reform is absolutely necessary if we are to get federal budget deficits under control. However, the remaining two-thirds of each year's federal budget, known as mandatory spending, dwarfs the discretionary side, and it is growing at an astonishing pace.

Mandatory spending is aptly named, because it is the portion of the federal budget that consists of payments that occur automatically (rather than yearly or discretionary), under formulas enacted in the past in "permanent" appropriations, like Social Security and Medicare benefits, some (but not all) veterans, farm, and poverty programs, and paying interest on the national debt.

According to the nonpartisan Congressional Research Service (CRS), three programs account for 75 percent of mandatory spending: Social Security, Medicare and Medicaid. Because of the 77 million members of the "Baby Boom" generation who will begin retiring soon, the total cost of these three programs is projected to explode from 8.4 percent of GDP in 2005 to 18.9 percent of GDP by 2050, according to the Heritage Foundation. It is a crisis in the making, but that crisis has not arrived yet. Just like the doctor who can prescribe a vaccine to ward off the flu before it strikes, Congress can act now to prevent this trainwreck.

President Bush proposed some solutions to begin addressing this problem, starting with Social Security. Unfortunately, congressional Democrats decided to kick the can down the road and obstruct,

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rather than collaborate to solve the problem. Mandatory spending programs will not be reformed without a broad-based, bipartisan effort.

Social Security, Medicare and Medicaid are worthy programs that have served Americans well over the years. Congress has a responsibility to act before the crisis arrives, so these programs may continue.

The debate over discretionary spending and “earmarks” has been getting all the attention lately, and for good reason. Changes are needed in this area. However, mandatory spending is a much larger portion of the federal budget by far. If we changed discretionary spending and failed to address the mandatory side of things, that would be like watering the lawn while a fire starts in the house.

As a member of the Senate Appropriations Committee, I will work with my colleagues in the Senate to reform both discretionary and mandatory spending, so our fiscal affairs are in order, now and in the future.

Like many a doctor has said, “An ounce of prevention is worth a pound of cure.”