

# Looking Ahead: Memos to the Next President

## Douglas Holtz-Eakin, Robert Reischauer

INTERVIEWER: *Ruth Marcus*

IN THE day's first panel, *Washington Post* columnist Ruth Marcus led a discussion with two former Congressional Budget Office (CBO) Directors about the policy and political challenges facing America's next president. Douglas Holtz-Eakin and Robert Reischauer lamented the lack of serious policy discussion on the campaign trail, and stated that the next president should be prepared to tackle the big fiscal questions facing America in the decades ahead.

Holtz-Eakin said long-term issues in particular are too often ignored in campaigns, and many of the proposals put forward on both sides of the aisle are neither politically viable nor based on realistic budget assumptions. Reischauer agreed, saying that without a long-term plan and campaign specifics, we are "flying blind into [a] future that is very, very problematic."

Reischauer said that although both the problem and the solutions, are known, there is little political appetite for making difficult but necessary changes. The problem, he said, "has to be addressed ... it's unavoidable. And the clock ticks, ticks, ticks, ticks." He added, "The future is now ... and the future's not pretty."

Both agreed that in order to overcome political hurdles, a comprehensive deal would likely have to include both spending cuts and revenue increases, which Reischauer referred to as "belt tightening and wallet opening." Holtz-Eakin argued that "the only route to really getting more revenue is through tax



FROM LEFT:

**Ruth Marcus**  
*Columnist,*  
*The Washington Post*

**Douglas Holtz-Eakin**  
*President, American*  
*Action Forum; Former*  
*Director, Congressional*  
*Budget Office*

**Robert Reischauer**  
*President Emeritus,*  
*Urban Institute; Former*  
*Director, Congressional*  
*Budget Office*

reform.” He added, “[Q]uite frankly, had we started dealing with the entitlements when I was CBO director, you could probably get away with not having a revenue increase.... But we’ve waited too long, and we lost our cushion in the crisis.”

Reischauer said a key question will be how policymakers can “moderate the growth of spending and increase revenues” at the same time. He said that Americans have

an “unrealistic set of expectations” about savings available through discretionary budget cuts, and that given the level of projected revenue, economic growth alone is insufficient to stabilize our long-term fiscal outlook.

Holtz-Eakin agreed, saying that “you cannot grow your way out of this problem” and that more reform is needed to truly put us on a sustainable path.

