On U.S. debt, it's all quiet on presidential campaign trail

One can read and hear about the federal government's mounting debt and increasingly dire financial outlook in a variety of places. The annual Social Security and Medicare Trustees report, which painted a bleak future for Social Security and Medicare on Monday, is one. Speeches by Federal Reserve Chairman Ben Bernanke and Comptroller General David Walker are even more eye-opening, and depressing.

For those who want a little laughter with their tears, Christopher Buckley's new novel, December 31, is a must read. It's a comic take on that most hilarious of all topics — generational warfare, the likely consequence of the nation's fiscal irresponsibility.

But one place not to bother looking for leadership on these issues is the presidential campaigns. The solutions are so unpleasant that candidates fear they'd be punished for delivering the bad news. Never mind that the crisis will begin to arrive in 2016, in what would be the next president's second term.

For those unaware of what's coming, here's a primer:

The nation, already wallowing in debt, has no plan to cope with the tsunami of new costs that will arrive as baby boomers begin to retire. Instead of contributing to Social Security, the boomers will draw from it, and as waves of boomers join the Medicare rolls, the program's costs will swell, swamping the ability of younger Americans to pay for them. Thus the generational warfare.

The first surge is now within sight.

In 2010, the January Social Security surplus, used to mask the size of the already-massive federal budget deficit, begins to shrink, according to the trustees report, forcing the next president and future Congresses to raise taxes or borrow more. This would crimp living standards, either by taking money away from people, or by boosting interest rates, making everything from homes to college educations more expensive. In 2016, the surplus, currently $88 billion, turns to a deficit, further compounding the problem.

Medicare is even more troubling. Last year, it burned through $408 billion. That's bad enough for a program that cost only $7.5 billion in 1970. But by 2016 it will have more than doubled, to $863 billion. That's almost like creating another Pentagon budget.

Later in the century, the projections for health and retirement spending reach such unsustainable levels that if left unaddressed, they would bring down the U.S. economy. Here are a couple of projections that illustrate the absurd dimensions of the problem:

- If Medicare and Social Security are funded through new taxes, the government would swell from approximately 20% of the American economy to as much as 56% by midcentury — this according to the non-partisan Concord Coalition.
- Retiring the current $9 trillion national debt and paying upfront for the projected Medicare and Social Security shortfalls would cost $46 trillion, almost equaling the estimated net worth of all Americans. In other words, government could solve the problem now by seizing all the assets of all its citizens. Suffice it to say, that wouldn't work.

Given how bad the outlook is, one might think that an enterprising presidential candidate would grab the issue and make it his, or her, own. One might even expect a little candor. Alas, nothing like that has happened. The candidates have soft-pedaled or evaded the issue, presumably having calculated that it does them no good to be the bearer of bad news.

On the Republican side, Sen. John McCain of Arizona has been one of the more candid politicians over the years. But on the campaign trail, he has sidestepped the debt issue. He says some of the right things. But his positions on spending restraint focus too much on earmarks and pork-barrel spending. These are legitimate issues that raise fundamental questions about fairness, openness and corruption. But they are dwarfed by Medicare and Social Security in their budgetary impact.

Former Massachusetts governor Mitt Romney has correctly identified the debt as part of what he calls "10 Issues America must address to remain the military and economic superpower." But how he would address it is, at best, a work in progress. Former New York mayor Rudy Giuliani has said little.

On the Democratic side, the leading candidates are racing forward with plans for covering people who lack medical insurance. The uninsured, and the fiscal woes of the government, are united in that neither will be solved without fundamental reforms in health care to slow its rising costs.

Universal coverage is a worthy goal, and among the front-runners, John Edwards has the most specific proposal. Nonetheless, neither he nor other candidates such as Hillary Clinton and Barak Obama will succeed in office unless they more aggressively approach all aspects of health care and retirement spending.

It is, to be sure, still early in the presidential campaign. And past presidential races have hardly been known for their clarity of public policy prescriptions.

Even so, the nation faces more challenges than it has in prior years. It needs candidates with the courage to be frank and prepare people for tough choices ahead. It is time for the candidates to step up -- and not leave vital issues to others.