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**EDITORIAL:** Federal debt must be reduced

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July 13--As the president and Congress haggle over raising the debt ceiling, they need to look behind the figures. Yes, the overall numbers are staggering. The U.S. government has run up so much debt that it soon will surpass the current legal debt limit of \$14.3 trillion. That's \$14,300,000,000,000.

The budget deficit for the 2011 fiscal year, which ends on Sept. 30, is projected to be \$1.5 trillion.

We've long warned that the profligate spending of the last 10 years would lead to such a fiscal disaster; the resulting outsized debt continues to be in part responsible for the economy's slow growth.

It's worth remembering that President Clinton left office with federal spending amounting to 19 percent of U.S. GDP -- and the budget was producing a surplus. Today, the percentage is nearly 25 percent of GDP, run up by too much spending by President Bush and President Obama.

The Republican majority in the House is insisting on major cuts in the deficit and debt before they approve a higher debt ceiling. But they "should be focused less on a specific dollar amount of cuts than reforms of entitlements," said Michael Tanner, a senior fellow at the Cato Institute. He pointed out Republicans promised \$61 billion in cuts in a continuing resolution to the budget earlier this year, but the amount turned out to be just \$8 billion.

And the Patient Protection and Affordable Care Act, or Obamacare, passed last year, promised to cut \$500 billion from Medicare over the next decade, "but nobody believes it will happen. Unless Medicare becomes more efficient, the money won't be saved."

Structural changes to rein in spending could include a balanced-budget amendment and blockgranting Medicaid to the states (which could innovate ways to save money), "things that lock in spending reductions," Tanner said.

We would add that there are some whole areas that could be cut sharply, such as defense spending and funding for the departments of Energy and Education.

Tanner said that, if spending were cut back to the level of the Clinton presidency, 19

percent of GDP, the budget would be balanced by 2020.

The debt has caught up with us. It must be reduced. Let's do it the smart way.

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