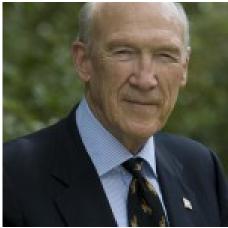
### The Politic

### An Interview with Sen. Alan Simpson

Government Officials

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Alan Kooi Simpson served as a Republican Senator from Wyoming from 1979 to 1997 and Majority Whip of the Senate from 1987 to 1995. Simpson was born in Denver, CO to Lorna Kooi and Milward Lee Simpson, who also served as a US Senator from Wyoming. From 1997 to 2000, Simpson taught at the at Harvard University's Kennedy School of Government and directed the School's Institute of Politics. In 2010, Simpson was appointed to co-chair President Obama's National Commission on Fiscal Responsibility and Reform. Today, he travels the country advocating the Simpson-Bowles budget plan, which the Commission wrote.

The Politic: I'll start off with the direction the Simpson-Bowles budget plan is going in. A few years ago, Simpson-Bowles was much less popular in Washington than it is now, but a lot of people are switching over and supporting it — Nancy Pelosi, for example. What has changed in the last two years?

The condition of the country. We borrow \$3.6 billion a day every day; every buck we spend, we borrow 40 cents. We owe \$16 trillion. [Congress] dug their own hole last August, in 2011, when they said, "We'll set this deadline, December 31," knowing that no one would be stupid enough to cut \$600 billion out of defense and \$600 billion out of non-defense with an axe.

The Politic: Do you see this trend of increased support continuing or is it too difficult, politically, to support the Simpson-Bowles plan?

It doesn't matter what the hell they do. The markets will take care of it. They don't give a damn about Republicans or Democrats. They'll say, well, you're not doing anything to reduce the debt and the deficit so we'll loan you some more money, but it'll cost you more money for your money. And the interest rates will go up, inflation will kick in, and the guy that gets screwed is the middle class, the little guy. What an irony, what a fake.

The Politic: Do you think it is difficult for a lot of politicians to support the Simpson-Bowles

## plan? It seems hard, politically, for Republicans to endorse tax cuts and Democrats to endorse the shrinking of entitlement programs like Social Security, Medicare, and Medicaid.

If you don't do something, those things will just be gone. In other words, if you don't do something to restore the solvency of Social Security — it's right now \$900 billion in negative cash flow — people your age are going to waddle up to the window to get a check in 2031 and get a check for 25 percent less. So if they're going to just stay there locked in on taxes and entitlement reform, let 'er rip! It won't affect my generation, but it's sure as hell going to affect yours. I don't understand how young people can be so fast asleep.

The Politic: On the topic of young people and youth activism, I saw your <u>Gangnam style video</u>, which was hilarious, but there were a lot of serious parts to it. You talked about how young people should stop watching silly YouTube videos, Instagramming their breakfast, and Tweeting their first world problems, and actually do something. Have you noticed a more passive youth, due in part to the misuse of social media?

I think that they're coming around. I think they're paying more attention now; they just never were before because they didn't realize where this country's headed. No country can exist on the trajectory of debt, deficit, and interest. It's the same as all the PIIG countries: Portugal, Ireland, Italy, Greece. Except we're a lot bigger, so nobody's sweating it. But let me tell you, Erskine [Bowles] and I go around the country and we say, "Look, we don't do bullshit or mush. We're here to tell you where your country is. And we use math and not myth, so pull up a chair." And we lay it out — where the defense budget is, there's enough fat in there to last forever; Medicare is on automatic pilot, it can't be stopped unless you do something. And all the cost containment is down the road — no politician touches that. Hell, while we were doing our work, guys would come up to us in the Congress — we could tell, they had their button on — and they would say, "Save us from ourselves." That's pretty courageous.

## The Politic: Can you envision politicians actually getting serious about doing something until we're in a complete crisis?



Forget Republicans and Democrats. If people have forgotten the fact that they're Americans first and not members of a political party, you don't have a prayer. And if people are so terrified of the AARP or Grover Norquist, we don't have a prayer. So it's very simple — it's a game of chicken; it's a game

of courage. There are guys in there with courage and you'll see them surface, and when they surface they'll be cremated from the right and the left.

The Politic: In the plan, you identify four main things to be cut: Social Security, Medicare, Medicaid, and Defense. But it seems like a lot of politicians ignore those things when they talk

#### about reducing the deficit, and just kind of let them sit.

Of course they do, they're very popular. They get up and say, "We have a terrible problem here, but I'm telling you I'm working day and night to solve it." But you can't get it done without touching precious Medicare, precious Medicaid, precious Defense, and precious Social Security. And then you just want to give them the horselaugh, because those people are fakes, and that's the way that works. You can't cut spending your way out of this thing, you can't tax your way out of this thing, and you can't grow your way out of this thing. You have to use a blend of all three, and this is what makes it so vexacious — and it will be painful, we said that, it will be hard to do.

#### The Politic: Do you think President Obama is one of those fakes, or is he doing enough?

None of them will do enough. You had to hear three Presidential debates and one Vice Presidential debate, and you never heard one word about the fiscal cliff, not even a mention of the phrase, and not one word about the long-term solvency of Social Security. What the hell kind of a debate is that? When your country is swinging hard into a trench on those two items.

# The Politic: Paul Ryan does talk about the budget a little bit, however he voted against the Simpson-Bowles plan. But can the programs you named all be cut right away, or could that lead to another recession?

Quit using the word cut — I mean, we're reducing them. You know what we did to stabilize Social Security, we gave the lowest 20 percent 125 percent of poverty, we gave the older old more, made the rich pay more, the others pay less, did everything you can imagine. Our report never touched people on SSI or food stamps — we didn't mess with that.

And Ryan didn't vote for it. I said, "If you voted against this because you're afraid of Grover Norquist — you and [Rep. Jeb] Hensarling and [Rep. Dave] Camp — I don't have any respect for you at all." And he said, "No, you're missing it. If you get rid of the employer deduction of the employee healthcare premium, the employers are going to look around, blinking like a frog in a hail storm, and take all their employees to bloat up the healthcare system." And that's a good enough answer for me.

# The Politic: Do you think, aside from spending cuts, other solutions for the deficit could be more early childhood education and healthcare education to combat things like obesity and a high prison population? As a long-term deficit reduction strategy?

Nobody's out to hurt people. The people are going to get hurt the worst if nothing is done. If the howls and cries work and you don't do anything with healthcare and Social Security and solvency, all the people you're talking about will be sucking canal water in about 30 years. Because this stuff is eating a hole in all the discretionary funding. I always say to people, "What do you love?" "I love people, I love culture, I love R&B, I love research." Well, great. Because unless you get a handle on healthcare, where some son of a bitch could buy the building you're sitting in gets a heart operation for 200 grand and doesn't even get a bill, you're a sucker. I mean, wake up. The poor and the destitute — they're

going to get creamed.

## The Politic: Not just for the poor — early childhood education and healthcare education in general.

Those things will disappear. They will be sucked up by healthcare with no cost containment in it, and by the defense budget. You have 61 Department of Defense schools here in America. I'm a veteran — wars ago, they were created to take care of dependence at Fort Lewis or Fort Benning, where I was. There are 61 of them; they're a bus ride away from a public school. They have superintendents, teachers and students, and the cost per student is \$51,000 a year. So where could that money go? It could go to what you love. And then you got a healthcare system for military retirees, about 2.2 million of them — if I'd stayed in reserves another six years I'd have been one of them — they got a healthcare plan that costs them \$540 a year, no co-pay a year, it takes care of all the dependents, costs you and me \$51 billion a year. So as soon as young people wake up and realize that when people get up and say, "Save the poor, save the poor veterans, save the old lady." Well, forget it. That's absolute fakery unless you dig into the engines that are driving us, which are entitlement programs — for God's sake — and taxes.

## The Politic: So generally the view that you stated previously, that Social Security is, "A milk cow with 300 million teats," is representative of your overall feeling towards federal programs?

No, I said the country was like a milk cow with 310 million tits. And we needed some bag balm, which is a kind of ointment or a salve that you rub on the udder when the sun shines off the snow and cracks the udder, and then the calf comes to nurse and the cow kicks the calf in the head. And I said what we need is bag balm: you put that on that udder and bucolic splendor comes back to the barnyard. And if America is now like a milk cow with 310 million tits, we need all the bag balm we can produce.

## The Politic: So, by focusing so much on the political short-term we're ignoring the long-term and, in a sense, my generation?

You're going to be the lost generation, my friend. You're not alert — you are, and I admire that — but young people are totally out to lunch on this. They have no idea how tough these seniors are — the AARP, the Committee for the Preservation of Social Security and Medicare, the Silver Haired Legislature, the Gray Panthers, the Pink Panthers. These guys are tough, and you guys are asleep. And they're saying, "Don't you dare touch Social Security." Well fine, don't. They'll be okay, don't worry — they're in their 60s ad 70s and they know that they get theirs. And then that payroll tax is now 4.2 percent; it's got to go back to 6.2 percent. Where the hell was the AARP when the precious bloodstream of Social Security, the payroll tax, was taken down to 4.2 from 6.2, which has cost the system \$150 billion?

The Politic: So rather than Instagramming our breakfast — other than voting, what do you recommend for people my age to do?

First of all, I give you my admiration. When I was your age, all I could figure out was what brand of beer and what kind of a cigarette to smoke. It didn't matter to me where the hell the world went. That's the way I lived. I weighed 260 pounds, had hair, and thought beer was food. And I know the feeling. So, I tell you what you can do, which I never did. Go to your town meeting or your Congressman and say, "What are you going to do to make sure there's something left for us in thirty years? Tell me, sir, what you're going to do. Are you going to raise taxes? Are you going to reduce entitlements? And if so, be specific please."

Don't forget — our commission was 18 people, and we got votes from five Democrats, five Republicans, and one Independent. And it ranged from Dick Durbin, a progressive Democrat from Illinois, to Tom Coburn, a conservative from Oklahoma. And if there ain't enough good grange of bright people after 8 months worth of work, there's nothing I can do to help anybody.

The Politic: Well, they felt the heat politically for voting with you, those 11.

They'll get shot to shit, you bet.

The Politic: Before I let you go, I want to move a little bit onto the social issues — I know these are all social issues — but explicitly social issues like abortion and gay marriage where you seem a little bit at odds with your Party. Where you say things like, you want "government out of our lives" and that "'gay' is an artificial category that says little about a person. Our differences and prejudices pale next to our historic challenge."

Yeah, I've been very active. I've said before, it seems to me my Party was government out of your lives, precious right of privacy and the right to be left alone. Well, then what the hell are we doing? I don't know anybody running around with a sign that says, "Have an abortion. They're just terrific." They're horrible. I practiced law in real life with real people. I've done murder, incest, rape — God — all of it. I never sat in a corporate glass tower and just saw how much money I could rake up. So, I know a lot about human beings. And I know one thing: abortion is a deeply intimate and personal decision. And I don't think male legislators should even vote on it.

We all know or love somebody who is gay or lesbian. What the hell is that about? That's their lifestyle; it has nothing to do with me. And mental health issues, for God's sake. There's some right-wing cuckoos who think they're going to ship anybody who's got a little problem with mental health — ship them to Alaska and set a boat off. God, it's absolutely nuts. There are enough goofies in my Party — and in the Democratic Party — to last the world's history.

The Politic: I think that viewpoint really echoes well with young people. Do you think that the Republican Party needs to rethink its social platform, both on a moral level and in order to stay competitive politically?

I think they have to. I think when you have candidates who talk about legitimate rape, and the fact that if you had a pregnancy from a rape that's God's intent. Man, Elmer Gantry is alive and well — you'll have to read about him.