



Written by [Bob Adelman](#) on October 17, 2012

Former U.S. Comptroller Says U.S. Faces Fiscal “Abyss”

Former U.S. Comptroller General of the United States [David Walker](#) (pictured) just finished [another tour across the country](#) promoting “fiscal reform and responsibility,” according to Forrest Jones, writer for *MoneyNews.com*. And what he learned is that most people are frightened at the immensity of the fiscal and financial challenges facing the country, but almost no one has any confidence that things can be fixed.



As the current CEO of the Comeback American Initiative, named for his 2010 book, [Comeback America](#), he called it the “\$10 Million a Minute Tour,” which he estimates is how fast unfunded liabilities of Social Security, Medicare, and Medicaid are increasing. After touring 16 states and the District of Columbia, Walker said:

We found out [that] 97 percent of the people we interacted [with] believe our fiscal challenge is a major challenge and should be a top priority for the presidential candidates as well as other candidates for office, yet only 8 percent have confidence in their ability to work together to get something done in 2013....

Eighty-five percent believe that it’s going to take a combination of spending reductions and additional revenues to get the job done. We talked about reforms in eight different areas, including social insurance programs, taxes, defense, budget controls, political reforms — the minimum support we got for the reforms was 77 percent....

[Unless something is done the country faces] not just the fiscal cliff, [but] the fiscal abyss.

This is called “controlling the conversation,” a tactic employed for years and continually being refined by the establishment as the country races toward the fiscal cliff on January 1.

Walker is the perfect man to do it, too. A man of boundless energy along with extensive establishment connections, he has taken on the task of directing the conversation into “reforms” and “controls” and “revenues” in order to solve the nation’s economic crisis.

Walker has the requisite background and experience. Holding a Government Certificate from Harvard University’s Kennedy School of Government, he served as secretary of commerce under President Richard Nixon. Following that he served as a partner and global managing director of Arthur Andersen LLP and five years as a Public Trustee for Social Security and Medicare. Then he served in the Reagan administration as assistant secretary of labor for Pension and Welfare Benefit Programs. From 1998 to 2008 he served as the U.S. Comptroller General.

In 2008, he caught the attention of Peter G. Peterson, and was invited by Peterson to head up [his foundation](#), which Peterson funded with \$1 billion of his own money. Walker served as CEO until October 2010 to start his own venture, the Comeback America Initiative.

Peterson is a [certified member of the Establishment](#), a [member of the Council on Foreign Relations \(CFR\)](#), [considered to be](#) “the nation’s most influential foreign-policy think tank” and publisher of



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[Foreign Affairs](#), also considered to be “the nation’s most influential foreign-policy journal.” The CFR has successfully been exposed by James Perloff, in his book [Shadows of Power](#) as the American Establishment, working to shape domestic and foreign policies for its own ends since 1921.

Peterson created his foundation, in the words of its mission statement:

To increase public awareness of the nature and urgency of key fiscal challenges threatening America’s future and to accelerate action on them. To address these challenges successfully, we work to bring Americans together to find and implement sensible, long-term solutions that transcend age, party lines and ideological divides in order to achieve real results.

He explained his purposes [more fully in an editorial](#) in *Newsweek’s Daily Beast* blog. Now that he was wealthy, he said

I was joyless....

So I started looking at the lives of other billionaires. Almost all the ones I most admired were major philanthropists: Warren Buffett, Bill Gates, Mike Bloomberg, George Soros, Eli Broad — each with a passion to do good, each getting so much pleasure from giving their money away. I decided that’s what I wanted to do. But to which worthy cause would I direct my money?

For the first time in my memory, the majority of the American people join me in believing that, on our current course, our children will not do as well as we have. For years, I have been saying that the American government, and America itself, has to change its spending and borrowing policies: the tens of trillions of dollars in unfunded entitlements and promises, the dangerous dependence on foreign capital, our pitiful level of savings, the metastasizing health-care costs, our energy gluttony. These structural deficits are unsustainable.

So in his quest for meaning, and to support the goals of the establishment to which he belonged, Peterson hired Walker. Among their first efforts was the purchase and distribution of a documentary, [I.O.U.S.A.](#), based loosely on the book [Empire of Debt](#), written in 2006 by Bill Bonner and Addison Wiggin of Agora Financial. It premiered in August 2008 and was broadcast in its entirety on the establishment media outlet CNN in January 2009.

To make the film politically correct and acceptable to the establishment, a critical piece of it was edited out before its premier in 2008: Wiggins and Bonner had included an audiotape of President Nixon conspiring with his advisors to blame his decision to “close the gold window” in 1971 on “speculators” rather than on the reality of government overspending, funded by the Federal Reserve, which was putting the nation’s stockpile of gold at risk. The final cut of the film instead blames the inflation that inevitably followed on Arthur Burns, then-chairman of the Federal Reserve.

Once the film was sanitized, it was easy for Walker and Peterson to enlist the assistance of other establishment figures and CFR notables in supporting the film and its message: Warren Buffett, Alan Greenspan, Paul O’Neill, and Robert Rubin (chairman of the CFR), along with Senators Kent Conrad and Judd Gregg.

The next major effort in directing the conversation about the “fiscal cliff” and now the “fiscal abyss” was Walker’s book [Comeback America](#), published in September 2010 and containing the same message: The country is in real difficulty, but it can be fixed with increased taxes and reforms. On the flyleaf, the book “includes bold ideas to control spending, save Social Security, dramatically alter Medicare, and simplify the tax code...”



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Various establishment voices lined up in support of the book:

- “Please read this book...” — Paul Volcker, former Federal Reserve chairman and CFR member
- “David Walker shows us how to regain fiscal sanity...” — Bill Bradley, former liberal senator and CFR member
- “Comeback America is a ... highly readable account of ... what we should do in the future....” — Carla Hills, U.S. Trade Representative under President George W. Bush and CFR member
- “Every American should read David Walker’s clear analysis....” — Robert Rubin, co-chairman of the CFR and former Secretary of the Treasury in the Clinton administration

Note please that there is not one word about the constitutionality of these welfare state programs that are bankrupting the country. Not one word about the funding mechanism that continues to provide the financing for them — the Federal Reserve System. Instead, there are platitudes about “revenues” and “reforms” that can make the unsustainable programs last a little longer while reducing Americans’ freedoms and slowing further the already heavily burdened economy.

Yes, it’s a “fiscal abyss,” brought on by the actions of the very people now offering statist solutions on how to fix it.

Photo of David Walker: AP Images



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