

9-11: A Call for Leadership and Stewardship

By The Honorable David M. Walker
Comptroller General of the United States
The James M. Webb Lecture
Before the National Academy of
Public Administration
Washington, D.C.

November 16, 2001



Lately, I've been thinking a lot about a saying of my favorite President, Theodore Roosevelt: "It is character that counts in a nation as in a man."

The September 11 attacks on the Pentagon and the World Trade Center surely put our country's character to the test. The American people met that test with flying colors. We were all overwhelmed by the bravery shown by the passengers aboard the hijacked plane that crashed in Pennsylvania. We were profoundly moved by the heroism of the police, firefighters, and other rescue workers who answered the call of duty that morning—many at the cost of their own lives. In the weeks since September 11, the American people have shown their generosity and compassion for the victims' families through an unprecedented outpouring of donations.

That brings me to my theme for this evening: leadership and stewardship in government. For now, as never before, the character of our government officials is also being put to the test. We're going to need individuals of solid character, individuals who are capable of leading the nation through these troubled times and the challenges that lie ahead. We're going to need individuals who understand the obligation of stewardship and the need to pass on to future generations an America that is strong in its ideals and secure in its borders.

Like many of you, I never had the honor of meeting or working with Jim Webb. During his long career in government, Jim demonstrated tremendous talents—political, administrative, and technical—as well as great personal integrity. What's more, Jim was a Marine aviator. Jim has been a role model for many of us in public service, and I am truly honored to deliver this year's James E. Webb lecture.

I understand that I'm the third Comptroller General of the United States to deliver this lecture. Elmer Staats spoke to you in 1987, and Chuck Bowsher did so in 1988. I'm especially pleased to do so this early in my tenure and so soon after being admitted as a fellow of the National Academy of Public Administration (NAPA).

As you know, the General Accounting Office (GAO) has a long and proud tradition of helping Congress carry out its constitutional responsibilities. Our mission is to help maximize the performance and ensure the

accountability of government for the benefit of the American people. This year marks GAO's 80th anniversary and our agency's 50th year occupying our landmark headquarters building.

GAO is in three businesses: oversight, insight, and foresight. By oversight, I mean following the federal dollar and evaluating the effectiveness of government programs and policies. By insight, I mean undertaking in-depth analyses of cross-cutting issues, like homeland security or food safety, to determine what does and what does not work. By foresight, I mean conducting research and development to discern trends and identify emerging issues, like homeland security, Y2K, and our long-term fiscal problems. Our goal is to develop helpful tools and identify possible solutions to tomorrow's challenges—before they become crises.

Tonight, I'd like to reflect on some of the leadership and stewardship challenges facing our nation in the wake of September 11. When it comes to leadership, I'm talking about the process of getting things done with and through others. This ranges from articulating a clear vision for the future to marshaling resources and motivating others. When it comes to stewardship, I'm talking about not just leaving things better off when we depart than when we arrive but leaving things better positioned for the future.

September 11 Was a Turning Point

The events of a single day can change the course of history. September 11, 2001, is one such day, as the events of that day have had and will continue to have a profound effect on America and Americans. Years from now, we will all probably remember exactly where we were and what we were doing on that fateful day.

On a personal note, I have to say that September 11 was a harrowing time for me because my wife is a flight attendant with Delta. And that morning, she was flying out of Boston on a 757 headed for the western United States. It was a very long hour before I learned that she wasn't on either of the two 757s from Boston that had struck the Twin Towers of the World Trade Center. In the meantime, I was concerned about the welfare of the 3,000 plus GAO and Army Corps of Engineers employees who work in our headquarters building.

It turned out that the terrorists chose to hijack flights offered by United and American Airlines—names that so plainly speak to our national identity. And the date—“9-11”—echoes our nation’s standard phone number for emergencies. Clearly, the terrorists’ actual and planned targets were symbols of American power.

The events of 9-11 served as America’s wake-up call. Although many had predicted that it was only a matter of time before international terrorism came to our shores, even the experts seemed stunned at the level of death and destruction.

It’s truly amazing how Americans can pull together across social, political, and institutional lines to get a job done in a crisis. Although this is impressive, we’re going to have to learn to work this way not only in crises but in the normal course of events. That will be tough, but it’s essential if we expect to maximize the government’s performance and ensure positive outcomes.

We’re now in a world very different from what it was on September 10, a world whose challenges we are only beginning to fully grasp. As citizens and as a country, we realize that we’re going to have to do some things differently. We may need to be more vigilant or, as many of us have discovered at the airport, more patient. But one thing we cannot do is to live in fear.

The vast oceans that separated the United States from the rest of the world in past wars no longer provide the same level of safety and security. The truth is that there are no islands in today’s world of open borders, rapidly evolving technologies, and asymmetric threats.

Our heightened sense of vulnerability has prompted us to take stock of our lives and reassess our values and priorities. In recent years, American unity and love of country hasn’t always been obvious. Now, patriotism is back, and the flag is everywhere.

I’m reminded of psychologist Abraham Maslow’s hierarchy of needs. Before 9-11, many Americans were concerned with self-actualization and the word “me.” After 9-11, many Americans are concerned with self-preservation and the word “we.”

The public seems to have developed a greater respect for government. Unfortunately, this hasn't translated into a significant increase in the number of people who actually want to work for the government. I'll say a little more about that later. Our challenge is to build on this renewed spirit of patriotism and purpose in ways that will allow us to learn from the past and prepare for the future.

Congress has passed and the President has signed into law four measures to help us recover from and respond to the terrorist attacks. All were necessary, and all will cost money.

Given the current state of the economy, the general consensus is that we also need some sort of federal stimulus. Before 9-11, the economy was sluggish and we seemed to be headed for a mild, cyclical recession. The events of 9-11 complicated our short-term economic challenges and erased most doubts about whether we're in recession.

An increase in federal spending, to wage war against international terrorism and to protect our homeland, coupled with a deteriorating economy will eliminate near-term budget surpluses, reduce medium-range projected surpluses, and worsen our serious long-term fiscal imbalance. Again, I'll say more about this later.

The War Against International Terrorism

We are now in the midst of a war against international terrorism. Prosecuting such a war presents a host of unique hidden challenges. The war on terrorism will be different from any war in history—a struggle against a network of terrorists who operate in more than 60 nations.

The war on terrorism will be asymmetrical. Battles will be fought using unconventional war-fighting strategies, deception, and the latest high-tech intelligence methods.

The war on terrorism will also require conventional combat against governments that harbor and support terrorists. This is already happening in Afghanistan with the war against the Taliban regime.

Another unique aspect of the war against terrorism is that it must be fought on two fronts: abroad and at home.

Strengthening our homeland security against future terrorist attacks will not be easy. As Senator Fred Thompson recently said, “The good news in all of this is that a lot of agencies are involved; the bad news is that a lot of agencies are involved!”

To meet our homeland security needs, we will have to work across boundaries within the federal government, as well as with state and local governments, and with the private and not-for-profit sectors. And all this will have to be done both domestically and internationally.

The difficulties inherent in this effort are obvious to everyone in this room who is familiar with the historical behavior of governmental organizations. Up to now, the federal government has largely worked in silos, with executive branch agencies and congressional committees pretty much doing their own thing. This is no longer feasible or prudent, particularly in the area of homeland security. Unfortunately, many agencies have little or no experience in working together, or their efforts have met with “limited success.”

The President’s new Office of Homeland Security has its work cut out for it. How do you effectively link the homeland security efforts of the intelligence community with more than 40 federal agencies, state and local governments, and the not-for-profit and private sectors? I don’t envy Governor Tom Ridge and his team.

Clearly, the establishment of the Office of Homeland Security on October 8 was a good first step. But questions remain about the Office’s scope, structure, and statutory basis. These questions have significant implications for both congressional oversight and the Office’s very prospects for success.

As President Bush has said, our fight against terrorism is not a short-term effort. Homeland security will forevermore be a priority for our nation. The words of abolitionist Wendell Phillips, inscribed at the entrance to the National Archives, ring as true today as when he spoke them in 1852: “Eternal vigilance is the price of liberty.”

Other Long-Term Challenges

Despite our understandable focus on homeland security, the United States still faces several key trends and long-term challenges. They existed before 9-11, and they remain with us today.

GAO's strategic plan identifies several of these key trends, including globalization, new security threats, changing demographics, rapidly evolving sciences and technologies, quality-of-life issues, and the public's demand for more responsive and accountable government. Meanwhile, the weakening economy and our need to respond to 9-11 have made our short-term challenges greater.

Over the course of its history, the United States has incurred sizable deficits when the security of the nation or the strength of our economy was at stake. As we respond to the urgent priorities of today, we have to do so with an eye toward the significant long-term fiscal challenges we face just beyond the 10-year budget horizon. This is an important note to sound. Although the response to 9-11 will appropriately consist of both temporary and long-term funding commitments, long-term fiscal discipline is still essential.

For the short term, we should be wary of building in large permanent structural deficits that may drive up interest rates, thereby offsetting any economic stimulus that Congress may provide. For the long term, known demographic trends, such as the aging of our population, and rising health care costs will place increasing claims on future federal budgets. Reclaiming the fiscal flexibility necessary to address these and other emerging challenges is a major task facing this generation.

Although we don't yet know the specifics of the next 10-year budget projections from the Congressional Budget Office (CBO) and the Office of Management and Budget, we do know their general direction. The projections will look considerably less optimistic than those made before 9-11, and the long-term outlook will also look worse.

As that famous modern philosopher Yogi Berra said, “It’s déjà vu all over again!” Yogi may not qualify for a NAPA fellowship, but he’s a source of some great quotes.

If we assume that the 10 years of surpluses that CBO projected in August are eliminated, then by 2030—absent substantive changes in Social Security and Medicare—we won’t have a dime left for discretionary spending. Forget about national defense, law enforcement, transportation, education, and veterans assistance.

Under this scenario, by 2050, the government will have only enough money on hand to pay the interest on the massive federal debt. Even if we were to save all of the Social Security surpluses by paying down the publicly held debt, which we clearly won’t do, we would still have to cut all other federal spending in half by 2030 to pay for Social Security, health care, and interest on the debt.

The alternative to spending cuts is tax increases—at levels far beyond what Americans have traditionally tolerated. Obviously, we could also see some combination of spending cuts and tax increases.

These scenarios are based on CBO’s August baseline and on intermediate, or “best estimate,” assumptions from the Social Security and Medicare trustees. The results are shocking and unacceptable. We cannot allow them to happen. But what is being done toward making the difficult choices that are necessary to avoid this grim outcome? The answer is, Not much.

We cannot afford to ignore this huge and growing fiscal challenge. The resource demands that come from the events of 9-11—and the need to address the resulting gaps—will require tough choices. Ultimately, restoring our fiscal flexibility in the years ahead depends on promoting long-term economic growth as well as reforming entitlement programs and other federal spending. When Congress returns for its next session, these two issues should be put back on the national agenda.

As we move beyond the immediate threats, Congress and the President will have to take a hard look at the competing claims on the federal treasury, including tax incentives, entitlement programs, and other

mandatory spending. This is particularly important because a big factor behind deficit reduction in the 1990s was the decline in defense spending. Given recent events, it's unlikely that the defense budget will be a source of future budget cuts.

Future budget planning will take place against a backdrop of rising claims for scarce federal dollars. Our new commitments to protect this nation against terrorism will compete against other spending priorities. Subjecting new proposals and existing programs to greater scrutiny and tightening the budget belt is not only a prudent policy, it's also a patriotic duty.

Besides freeing up resources for the fight against terrorism, belt tightening will increase our nation's ability to accommodate essential needs that may emerge down the road. Belt tightening will also put us in a better position to deal with the imminent retirement of the baby boomers—a true fiscal time bomb that ticks louder with each passing day.

Rethinking the Role of Government

The federal government needs to review, reassess, and reprioritize its existing policies and programs in light of current and expected needs. In other words, we must move beyond incrementalism and stand ready to question government's base, including tax, spending, and regulatory policies. We can regain much needed fiscal flexibility by weeding out federal programs and policies that are outdated.

We have a stewardship obligation to today's taxpayers and future generations to undertake this top-to-bottom review. For now, agencies will need to reassess their strategic goals to help them better target available resources and meet the needs of national preparedness. In the years ahead, we may need to consider eliminating or consolidating some existing government programs and policies to meet our long-term fiscal challenges.

The terrorist attacks have caused some agencies to rethink their approaches to longstanding concerns. For example, the Department of Transportation and the Federal Aviation Administration have finally begun to deal with the chronic problems plaguing airport security—problems that

we at GAO and others have cited for years. The FBI is also reconsidering its role in light of 9-11.

GAO has flagged several areas in government that warrant reconsideration on the basis of performance, targeting, and costs. Every year, we issue a report drawn from GAO work identifying specific options—many scored by CBO—for congressional consideration. Every two years, we issue our famous list of government areas at high risk for waste, fraud, abuse, and mismanagement. Our most recent additions to this list are the government’s human capital challenge and the U.S. Postal Service. GAO has found that putting an agency or program on its high-risk list brings an issue to light. History shows that with light comes heat, and with heat comes action. And action is exactly what’s called for in these high-risk cases.

Our stewardship responsibility also applies to requests for new funding. All new funding requests, including those for the war against terrorism and for homeland security, should be reviewed carefully and critically. For the foreseeable future, the favorite terms in agency budget justifications will likely be “terrorism” and “homeland security.” These terms will also figure prominently in agency proposals to obtain more money. Reasonable steps have to be taken to guard against “hitchhikers” to legitimate budget requests. At the same time, a rapid response to an emergency does not eliminate the responsibility to review how the requested money has been spent and to evaluate the end results.

Right now, we have to do what it takes to get this country back on its feet, to support the war on terrorism, and to deal compassionately with the human tragedies caused by 9-11. But as we think about our long-term preparedness and develop a comprehensive homeland security strategy, we can and should select those programs and tools that hold the promise of a cost-effective approach to achieving our goals.

Leadership and Stewardship—New Priorities for Public Service

In the coming years, a return to recurring deficits will constrain the government’s ability to deal with other real and pressing needs—not just wants. Failure to address the budget base, including Social Security and

Medicare, raises the risk that our long-term budget challenges will reach crisis proportions sooner rather than later.

Leadership will clearly have to come from both the President and Congress to deal effectively with these issues. But the President and Congress can't do it all. We're also going to need a first-rate federal workforce.

After all, the U.S. government is one of the largest, most complex, and most important organizations in the world. U.S. government spending accounts for about one out of five dollars in our domestic economy, and U.S. government policies have a profound effect on the overall economy. At the same time, the United States is the only remaining superpower on earth. Clearly, we're going to need individuals of talent and character to guide our government's critical operations and prepare for the challenges of the 21st century.

Ever since I became Comptroller General of the United States in 1998, I've made it a top priority to raise the issue of "human capital." In a knowledge-based economy, people are our most valuable asset. It's time for the federal government to recognize that this important concept also applies to its own employees.

As government leaders and advisors to those in high office, we must work together to ensure that we learn from the past and anticipate the future. We must work together to help ensure that government reviews, reassesses, and reprioritizes what it does and how it does business.

We at GAO will do our best to do our part, but we need your help. I call on you, the members of NAPA, with your wisdom, abilities, and contacts, to help us deal successfully with the challenges I have discussed this evening. I believe that by working together, we can make a meaningful difference for our nation, our fellow citizens, and generations yet to come.

As fellows of NAPA, we have a special obligation to demonstrate leadership and stewardship. For as TR said, "Aggressive fighting for the right [cause] is the noblest sport the world affords."

BIOGRAPHY OF DAVID M. WALKER

David M. Walker became the seventh Comptroller General of the United States and began his 15-year term when he took his oath of office on November 9, 1998. As Comptroller General, Mr. Walker is the nation's chief accountability officer and the head of the General Accounting Office (GAO), a legislative branch agency founded in 1921. GAO helps Congress maximize the performance and ensure the accountability of the federal government for the benefit of the American people. Immediately prior to his appointment as Comptroller General, Mr. Walker was a partner and global managing director of Arthur Andersen LLP's human capital services practice and a member of the board of Arthur Andersen Financial Advisors, a registered investment advisor. He also served as a Public Trustee for Social Security and Medicare from 1990 to 1995, while he was a partner with Arthur Andersen. Before joining Arthur Andersen, Mr. Walker was Assistant Secretary of Labor for Pension and Welfare Benefit Programs and Acting Executive Director for the Pension Benefit Guaranty Corporation. His earlier technical, professional, and business experience was gained with Price Waterhouse, Coopers & Lybrand, and with Source Services Corporation. Mr. Walker is a certified public accountant. He has a B.S. degree in accounting from Jacksonville University and a Senior Management in Government Certificate in Public Policy from the John F. Kennedy School of Government at Harvard University. He is married to the former Mary Etheredge, and they have two adult children—a daughter, Carol, and a son, Andy.

**For more information about GAO,
visit our website at**

WWW.GAO.GOV

**441 G Street, NW
Washington, D.C. 20548**