By THOMAS L. FRIEDMAN
Published: May 8, 2010 DEATH NOTICE: The Tooth Fairy died last night of complications related to obesity. Born Jan. 1, 1946, the Tooth Fairy is survived by 400 million children living largely in North America and Western Europe, known collectively as &#65533;The Baby Boomers.&#65533; &#65533;We&#65533;ll certainly miss the Tooth Fairy,&#65533; one of them said following her death, which coincided with the 2010 British elections and rioting in Greece. The Tooth Fairy had only one surviving sibling who will now look after her offspring alone: Mr. Bond Market of Wall Street and the City of London. Sitting in America, it&#65533;s hard to grasp the importance of the British elections and the Greek riots. Nothing to do with us, right? Well, I&#65533;d pay attention to the drama playing out here. It may be coming to a theater near you. The meta-story behind the British election, the Greek meltdown and our own Tea Party is this: Our parents were &#65533;The Greatest Generation,&#65533; and they earned that title by making enormous sacrifices and investments to build us a world of abundance. My generation, &#65533;The Baby Boomers,&#65533; turned out to be what the writer Kurt Andersen called &#65533;The Grasshopper Generation.&#65533; We&#65533;ve eaten through all that abundance like hungry locusts. Now we and our kids together need to become &#65533;The Regeneration&#65533; &#65533; one that raises incomes anew but in a way that is financially and ecologically sustainable. It will take a big adjustment. We baby boomers in America and Western Europe were raised to believe there really was a Tooth Fairy, whose magic would allow conservatives to cut taxes without cutting services and liberals to expand services without raising taxes. The Tooth Fairy did it by printing money, by bogus accounting and by deluding us into thinking that by borrowing from China or Germany, or against our rising home values, or by creating exotic financial instruments to trade with each other, we were actually creating wealth. Greece, for instance, became the General Motors of countries. Like G.M.&#65533;s management, Greek politicians used the easy money and subsidies that came with European Union membership not to make themselves more competitive in a flat world, but more corrupt, less willing to collect taxes and uncompetitive. Under Greek law, anyone in certain &#65533;hazardous&#65533; jobs could retire with full pension at 50 for women and 55 for men &#65533; including hairdressers who use a lot of chemical dyes and shampoos. In Britain, everyone over 60 gets an annual allowance to pay heating bills and can ride any local bus for free. That&#65533;s really sweet &#65533; if you can afford it. But Britain, where 25 percent of the government&#65533;s budget is now borrowed, can&#65533;t anymore. Britain and Greece are today&#65533;s poster children for the wrenching new post-Tooth Fairy politics, where baby boomers will have to accept deep cuts to their benefits and pensions today so their kids can have jobs and not be saddled with debts tomorrow. Otherwise, we&#65533;re headed for intergenerational conflict throughout the West. David Willetts, a British Conservative candidate and the author of a new book, &#65533;The Pinch: How the baby boomers took their children&#65533;s future &#65533; and how they can give it back,&#65533; told me that the Tories&#65533; most effective campaign ad was a poster showing a newborn baby under the headline: &#65533;Dad&#65533;s eyes, Mum&#65533;s nose, Gordon Brown&#65533;s debt.&#65533; Beneath was the caption: &#65533;Labour&#65533;s debt crisis: Every child in Britain is born owing &#65533;17,000. They deserve better.&#65533; What is most striking about the British election, said John Micklethwait, editor in chief of The Economist, was that it may be the first Western election &#65533;based on pain.&#65533; All the leading candidates warned voters that &#65533;cuts are coming,&#65533; but none were even close to honest about how deep. Here is how The Financial Times described it on April 26: &#65533;The next government will have to cut public sector pay, freeze benefits, slash jobs, abolish a range of welfare entitlements and take the ax to programs such

as school building and road maintenance.&#65533; Too bad no party won a majority mandate in the British elections to do this job. After 65 years in which politics in the West was, mostly, about giving things away to voters, it&#65533;s now going to be, mostly, about taking things away. Goodbye Tooth Fairy politics, hello Root Canal politics. It&#65533;s no fun. Just ask Greek parliamentarians, who, in the wake of announcing radical austerity measures, found their Parliament besieged by rioting anti-austerity protestors reportedly chanting, &#65533;Burn it down! That brothel Parliament!&#65533; My takeaway is that U.S. and European politicians &#65533; please don&#65533;t laugh &#65533; are going to have to get a lot smarter and more honest. To be the Regeneration, they&#65533;ll have to figure out how to raise some taxes to increase revenues, while cutting other taxes to stimulate growth; they&#65533;ll have to cut some services to save money, while investing in new infrastructure to grow economic capacity. We have got to use every dollar wisely now. Because we&#65533;ve eaten through our reserves, because the lords of discipline, the Electronic Herd of bond traders, are back with a vengeance &#65533; and because that Tooth Fairy, she be dead. Source: http://www.nytimes.com/2010/05/09/opinion/09friedman.html?emc=eta1