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| **FOR IMMEDIATE RELEASE**September 8, 2016Contact: Breann González (202) 228-6512 **Coats Discusses National Debt Crisis during JEC Hearing***Remarks as Prepared for Delivery***WASHINGTON, D.C.** — Joint Economic Committee Chairman Dan Coats (R-Ind.) delivered the following opening statement during a hearing on the impact of our massive federal debt entitled “Federal Debt: Direction, Drivers and Dangers”:cid:image001.png@01D209B9.CE0EEC90To view his opening statement click on the picture above or click [here](https://www.youtube.com/watch?v=xBu6MZa0Bik&feature=youtu.be).*“Over the summer, I was cleaning out some old documents, and I came across a press release from 1982, when I was a Member of the House for the 4th District of Indiana.**“Thirty-four years ago, I wrote about how we need to balance the federal budget, and how that cannot be done without slowing the growth of mandatory spending. I was alarmed at the rate of growth in mandatory programs and how Washington’s autopilot-spending had allowed Medicare to grow to the point where it reached $46 billion.* *“Yes, $46 billion.**“Sadly, that seems like pennies on the dollar today when we are projected to spend more than $588 billion this year on Medicare alone.* *“Because previous Congresses and Presidents have failed to kick Washington’s spending addiction, our debt is quickly approaching $20 trillion, and as a share of our economy, is on a path to reach record-level highs.**“In fact, the latest numbers from the Congressional Budget Office indicate that our gross federal debt is once again larger than the size of our economy.**“It is no longer a question of IF we will ever have to finally address our gargantuan debt, but when.* *“In only 10 years, the cost of mandatory programs and interest on the debt will consume over 96 percent of all federal revenues. This is expected even though, on average, the federal government is expected to take a larger share of revenues each year for the next decade than it has over the past 50 years.* *“This means that if we are going to be able to pay for other priorities, like national security and medical research, almost every bit of it will be on borrowed dollars.* *“Without a strong economy or government finances, the nation and the American public’s security is in danger.* *“Former Chairman of the Joint Chiefs of Staff U.S. Navy Admiral Michael Mullen rightfully noted that “The most significant threat to our national security is our debt…That’s why it’s so important that the economy move in the right direction, because the strength and support and the resources that our military uses are directly related to the health of our economy over time.”**“When Admiral Mullen made those remarks, our debt was around $13 trillion and looming threats from ISIS didn’t exists, so it stands to reason that our debt is an even larger security threat today.* *“However, the ability to fund these basic programs will be further compromised because at around the same time—just a decade away—CBO expects that Medicare Part A, which pays for hospital services for millions of seniors, will be bankrupt.* *“Shortly thereafter, the Social Security trust funds will be exhausted.* *“By that time, the accumulation of an additional $8 trillion in debt will bring us over $28 trillion, which is nothing short of reckless.* *“While this spending addiction is a bipartisan problem, President Obama has added more to the federal debt in less than 8 years than his 43 predecessors combined did over 218 years.**“Whether it is this administration or the next, this Congress or the next, eventually our nation’s fiscal day of reckoning will come.**“Just last month, CBO again stressed that such high levels of debt will increase the likelihood of a fiscal crisis in the United States, as lawmakers have less flexibility to respond to unexpected challenges.* *“CBO also warned that the debt will directly harm the economy by reducing private capital and lowering productivity, while families will feel the very real consequences through lower wages.* *“As dire as the situation is, we still have time to act.**“But, the real question is whether Congress is willing to act entirely on its own.* *“In my years of serving in Congress, it seems that there is never a politically convenient time to address mandatory spending, so we continually kick the can down the road.* *“I strongly believe that Congress needs a catalyst to force members and the President to take action before it’s too late.* *“Only twice in my career have I seen Congress actually step up to the plate and force itself to take politically painful major actions.**“The first is the 1983 agreement between Ronald Reagan and Congress to shore up Social Security. At the time, the Social Security program was facing bankruptcy, and President Reagan joined with a Democrat-controlled Congress to put politics aside and take steps to shore up the program – actions which extended the life of the program for over 30 years now.* *“Unfortunately, we are once again approaching a crisis point in Social Security, as well as Medicare, and to date Congress and the Administration have proved unwilling to once again put politics aside and address the problem.**“The other example is the defense BRAC process, where an independent commission makes recommendations to improve the Department of Defense’s efficiency.* *“Given Congress’ repeated failure to act on its own beyond these the two limited examples, I recently introduced legislation that I believe will provide the ‘push’ needed for Congress to make the tough decisions required to stabilize our finances.**“My bill, the Mandatory BRACC Act, would establish a civilian BRAC specifically for mandatory programs – the true drivers of our spending.**“This concept takes the best ideas from Defense BRAC, Simpson-Bowles, Rivlin-Domenici and others, and would create a panel of private sector experts to streamline mandatory programs and make them more efficient.* *“The recommendations would then be put before Congress for an up-or-down vote – without any procedural gimmicks or stall tactics.* *“However, I believe Congress is still also capable of developing its own ideas to stabilize spending, as an alternative to the Commission’s recommendation.* *“This, along with a Balanced Budget Amendment, could prevent the upcoming debt implosion if we act soon.**“If we fail to act, our nation’s ability to pay for essential government functions will be severely constrained, our economy will suffer, and our national security will be at risk.* *“Today’s hearing provides us with an opportunity to identify ways to achieve our bipartisan goal of a prosperous America.* *“We have the privilege of hearing from distinguished experts on this topic, and I look forward to their testimony examining why and how we should solve our federal debt crisis.*### |