

Opening Statement of  
Senator Susan M. Collins

**“Safeguarding the American Dream: Prospects for Our Economic Future and  
Proposals to Secure It”**

Committee on Homeland Security and Governmental Affairs  
December 17, 2009

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**Thank you, Mr. Chairman, for conducting this hearing on a matter of such importance to our nation. I commend Senators Gregg and Conrad for their leadership and thank Mr. Greenspan and Mr. Walker for their service to our country and for their participation today.**

**Earlier this year, Mr. Walker brought the Concord Coalition’s Fiscal Wake-Up Tour to Maine. Whether as Comptroller General or as President of the Peterson Foundation, he has worked tirelessly to sound the alarm regarding our nation’s daunting long-term fiscal challenges.**

**To paraphrase the Senator for whom this building is named: a trillion here, a trillion there, and pretty soon we’re talking about a real fiscal catastrophe. Nothing underscores the scope of the crisis we face more than the fact that the billions in taxpayer money that so concerned Senator Dirksen just a few decades ago pale by comparison to the prospect of annual deficits exceeding a trillion dollars that we confront today.**

**The dire consequences are found in innumerable charts, graphs, and spreadsheets. This debate is not, however, just about numbers and cold data. This is about our obligation, as policy makers and as citizens, to future generations of Americans.**

**The basic problem is that government has promised more than our citizens can pay. One columnist described this as the collision between the high and rising demand for government services and the capacity of the economy to produce the tax revenue to pay for those demands.**

**Historically, Americans have paid about 18 percent of GDP in federal taxes. But with the explosion in entitlement spending tied to the retirement of the Baby Boom generation, plus interest on the debt, Americans would need to pay taxes equal to 34 percent of GDP to keep pace with spending 25 years from now.**

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Even if it were possible to raise taxes in order to finance this rate of spending, that remedy would do tremendous damage to our economy. It would crush job creation, devastate our already-battered small-business community, and dash the aspirations and can-do spirit of our people. Thus, our decision-making must begin by reconsidering spending that, although popular, simply cannot be justified in this fiscal crisis.

It is wishful thinking to hope that we can simply grow our way out of this problem. Economic growth helps but is itself endangered by the enormous debt. Becoming more efficient and productive helps reduce our long-term financial challenges but is not also sufficient.

The SAFE Commission Act, introduced by Chairman Lieberman and Senator Voinovich, and the bill introduced by Senators Conrad and Gregg, are thoughtful approaches to addressing this crisis. Both create a Commission to examine thoroughly the fiscal imbalances between our long-term commitments and our projected revenues. The "Budget Commission" established by both bills would be charged with developing specific proposals to reform entitlements and to address the full spectrum of budget issues.

This examination is not merely necessary; it is urgently needed. We cannot continue business as usual. There is no better evidence of the need for change than the FY 2010 Budget Resolution. I opposed the budget because it accelerates our journey down the primrose path to fiscal ruin. It projects an enormous increase in spending that will double the public debt in five years. The resolution puts us on course to adding an average of more than \$900 billion to the debt each year for the next decade, tripling the public debt in 10 years, and producing deficits totaling a staggering \$9.1 trillion.

The current debate on health care is another example. It is about more than the health care of our people. It is about our nation's health as well. It is about the fiscal well-being and solvency of this great nation for decades to come.

This is the moment in history in which we must confront the conflict between what we want and what we can afford. It is time to reassess our national priorities, to make the hard decisions, and to set a new course.

The budget reform proposals presented by our Senate colleagues would begin to move us forward as a nation in facing our fiscal challenges.

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I do believe, however, that the legislation could be improved. Instead of an unamendable legislative proposal, I believe that members of Congress should have some ability to amend the Commission's recommendations before finally voting on them. This ability should not, however, be unlimited. Any amendment proposed to the Commission legislation should be required to be revenue neutral.

We can put this country back on track. We can do what needs to be done to ensure that future generations of Americans enjoy what every American generation has proudly claimed as a birthright, and that is the promise of a better quality of life than the generation that preceded it.

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