

**College Park, MD** - In order to highlight the nation's fiscal challenges and bring awareness to the impact of policies on the federal budget, as well as the economy and future growth and stability of America, Congressman Steny H. Hoyer (D-Md), along with former Comptroller General David M. Walker - now President of the [Peter G. Peterson Foundation](#) - and a panel of budget experts held a *Fiscal Wake-Up Tour* event today with students at the University of Maryland. The event is part of a series conducted by the fiscally-focused [Concord Coalition](#) to raise awareness about the true impact of deficits and debt, and was co-hosted by the University of Maryland School of Public Policy's Saul I. Stern Professorship of Civic Engagement.

“We are here to discuss what I believe is America's single most pressing challenge: putting our fiscal house in order. America's accumulation of debt is a common danger, and it's one that ought to engage the best efforts of liberals and conservatives alike,” **stated Congressman Hoyer, a longtime leader on fiscal issues in Congress and lead sponsor of Pay-As-You-Go legislation - now law - to require offsets on new tax cuts or entitlements.** “It is also a challenge that our young people in particular should be concerned with because the policies we pursue today will have a fiscal impact for years to come. We're here because we are committed to changing that and putting our country on a more fiscally sustainable path.”

Speaking to a group of approximately 100 students, Rep. Hoyer, Mr. Walker and a group of nationally recognized experts discussed the urgent need to address our nation's unsustainable fiscal outlook and propose potential solutions.

“America faces large and growing longer-term structural deficits that threaten our country's and our families' futures,” **stated David Walker, former Comptroller General of the United States and President & CEO of the Peter G. Peterson Foundation.** “The time has come to begin taking steps to put our federal financial house in order so we can keep America great and the America Dream alive.”

“Analysts across the political spectrum realize that our country is on an unsustainable fiscal path,” said **Robert L. Bixby, Executive Director of The Concord Coalition, which is coordinating fiscal wake-up events across the country.** “Even after the economy strengthens, Washington expects to run up trillions of dollars of additional debt in the coming decade. An aging population, spiraling health care costs, unfunded promises in the big federal entitlement programs and political procrastination are

threatening our nation's future. It's high time the country began to address these challenges. This forum offers a variety of perspectives on how best to do that.&quot;

Hoyer discussed Congress' work to enact statutory PAYGO - a key budget tool requiring government to pay for what it buys that helped turn deficits into record surpluses during the 1990s. The measure was allowed to expire under the previous Bush Administration, clearing the way for policies that wiped out projected surpluses and handed President Obama a projected 10-year deficit of \$8 trillion when he entered office.

In addition to PAYGO, Hoyer outlined a series of steps that President Obama and Congress are working on to pursue greater fiscal discipline, including the newly enacted health insurance reform, weapons acquisition reform, the creation of a fiscal commission to provide specific solutions to rein in deficits, and a three-year freeze on government spending for non-defense programs and excluding Medicare, Medicaid and Social Security. And he stressed the need to address the worsening problem of entitlements that are eating up more of the federal budget every year.

&quot;As political leaders we need to have the courage to tackle what is by far the biggest threat to our future fiscal health - the rapid growth in entitlement spending,&quot; **stated Hoyer.** &quot;None of this will be easy, but if we don't act we only punt a worse problem forward to the next generation.&quot;

### ***Below are Rep. Hoyer's Remarks as Prepared for Delivery***

We are here to discuss what I believe is America's single most pressing challenge: putting our fiscal house in order. America's accumulation of debt is a common danger, and it's one that ought to engage the best efforts of liberals and conservatives alike. Because while all of us here have our own views on the proper role of government, facts don't have an ideology. The course we are on leads to debt that exceeds the value of our entire economy, to a government that does nothing but pay for entitlements and pay interest to our creditors, and an end to American leadership in the world.

In their book on financial crises, Carmen Reinhart of the University of Maryland and Kenneth Rogoff of Harvard University tell us that public debt exceeding 90% of GDP is often a tipping

point into a wrenching crisis—a point we are on pace to reach very soon. We only have to look at Greece to see where the path we are on leads.

We're here because we are committed to changing that course. Getting America out of debt isn't the work of one president or one Congress or one bill; but I believe our work in Congress is about breaking a long pattern of recklessness and easy decisions, and putting America back on a more sustainable course. Not everyone here agrees with me, but I think we took a step on that course when we passed health reform last week.

The nonpartisan Congressional Budget Office tells us that the reform bill reduces the deficit: over the first decade, it is projected to save us \$143 billion, and some \$1 trillion in the decade after that. Again, not everyone agrees with those figures—in part because they're contingent on Congress keeping its pledge and taking hard votes to control health care costs in the years ahead. Doing so will take courage—the willingness to value our nation's fiscal future over the political pressures of the moment. And I've repeatedly used my position in leadership to urge Congress to show that courage. It will be incumbent on the American people to demand that courage.

I understand that there is no magic trick or silver bullet to eliminating waste and inefficiency in our health care system. I know that no expert can tell us definitively the best steps to cut costs. But I do know that American health care is the most expensive per capita in the world, and that we don't have better health to show for it—so doing nothing on costs is not an option. The bill we passed was the end of a long struggle to cover all Americans; but it is only the beginning of a struggle to control health care costs, the single greatest driver of our deficit. The bill we passed made a serious effort to incorporate the best ideas for bending the curve of health care costs, but Congress passed it understanding that it will take an ongoing effort of trial and effort, tough oversight, and building on what works to make a lasting difference.

I do believe that this administration and this Congress are committed to that work.

First, President Obama proposed a budget that would cut our deficit in more than half by 2013. The budget projections, however, are a daunting and foreboding message of how difficult that will be to attain. I am glad, however, that the president's budget includes a freeze on non-security discretionary spending—a powerful sign that Congress must tighten its belt.

Second, the president signed a bill to reform weapons acquisition and help control the \$296 billion in defense cost overruns identified by the Government Accountability Office.

And third, we brought back the crucial pay-as-you-go law that forces Congress to find a dollar of savings for every dollar it spends. Under President Clinton, PAYGO helped turn deep deficits into a record surplus. However, it was the rapid expansion of the economy that helped to produce the unprecedented balanced budget. Whether it comes to cutting taxes or increasing Medicare benefits, PAYGO is so valuable because it removes from the table the easy and usually unspoken solution-we'd rather our children pay for it. I was proud to sponsor the PAYGO law-not because it gets us out of our deep fiscal hole, but because it stops us from digging any deeper. Now that PAYGO is in place, Congress has to stick to it.

All of those steps are important to controlling the damage to our budget and our future, but they don't really reverse it. That's why President Obama created a bipartisan fiscal commission to tackle the most pressing long-term challenges. I've long been an advocate for a fiscal commission, and I'm glad to see two proven budget-balancers appointed as co-chairs: former Clinton White House Chief of Staff Erskine Bowles and former Republican Senator Alan Simpson. Congress must act on the commission's proposals at the end of the year.

But to get to that point, both Republicans and Democrats have to come to the table without preconditions. We can't rule out any solution, on the revenue or spending side; we can't give in to the temptation to turn this defining challenge into the subject of demagoguery or attack ads.

Inevitably, we will have to look at both cuts and revenues, neither politically popular, to begin a realistic reduction of the gargantuan debt that confronts us.

On the side of entitlement spending, our options might include raising the retirement age over a period of years, or pegging the retirement age to lifespan. We might also make Social Security and Medicare benefits more progressive, while strengthening the low-income safety net.

On the side of revenues, I think President Obama was correct in refusing to take any options off of the commission's table. My philosophy is simple: if you're going to buy, you have to pay. I think we should also look at the work of President Reagan and Speaker O'Neill to create a more efficient tax code in 1986-as well as their work to preserve Social Security in 1983.

Those are some of the challenges and options for the bipartisan commission to wrestle with. But my last word of advice is for every one of us here: let's not talk about these issues as if they're only the commission's work. They are work for every one of us. Getting out of debt is about looking reality in the face; it's about sacrifices and hard choices.

America needs a fiscal wake-up, because our choice isn't between painful and painless; as Steven Pearlstein wrote in yesterday's *Washington Post*, it's "whether we will begin to make these adjustments voluntarily, gradually and fairly, or wait until they are imposed on us, harshly and unfairly, during the inevitable crisis that follows."

So much ink is spilled on the question of fiscal responsibility. I'd leave you with the question: responsibility to what? Responsibility to our budget and our future, certainly-but just as importantly, responsibility to one another. Politicians and the public each have a responsibility to one another in this debate, and if either side fails, we will all fail.

Washington has a responsibility: to show political courage, and not to exploit for temporary advantage someone else's willingness to make those hard choices. The years of recklessness taught us: what is politically easy is often fiscally deadly. Easy choices are selfish choices, because they leave the work of cleaning up to someone else. Easy choices may be popular-but the popularity is bought on credit.

The people have a responsibility, too: to reject easy answers from their representatives. To educate themselves about the source of the debt and the realistic range of ways out. And to understand that lower taxes and higher spending may be popular-but they are also a road to ruin.

That's why debt is not a technical puzzle for a few of us-it's a test of character, for all of us. I believe we have the character to pass.

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