



BUDGET COMMITTEE

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**Senator Gregg's Opening Statement
At Hearing on the Debt Outlook and Its Implications for Policy
January 15, 2009
(unofficial transcript)**

Thank you, Mr. Chairman and thank you for gathering this exceptional panel to discuss this absolutely critical issue, which you have focused on for a long time and which I wish more of our colleagues were focused on, because it is really the fiscal tsunami that is going to overwhelm our capacity as a nation to be prosperous.

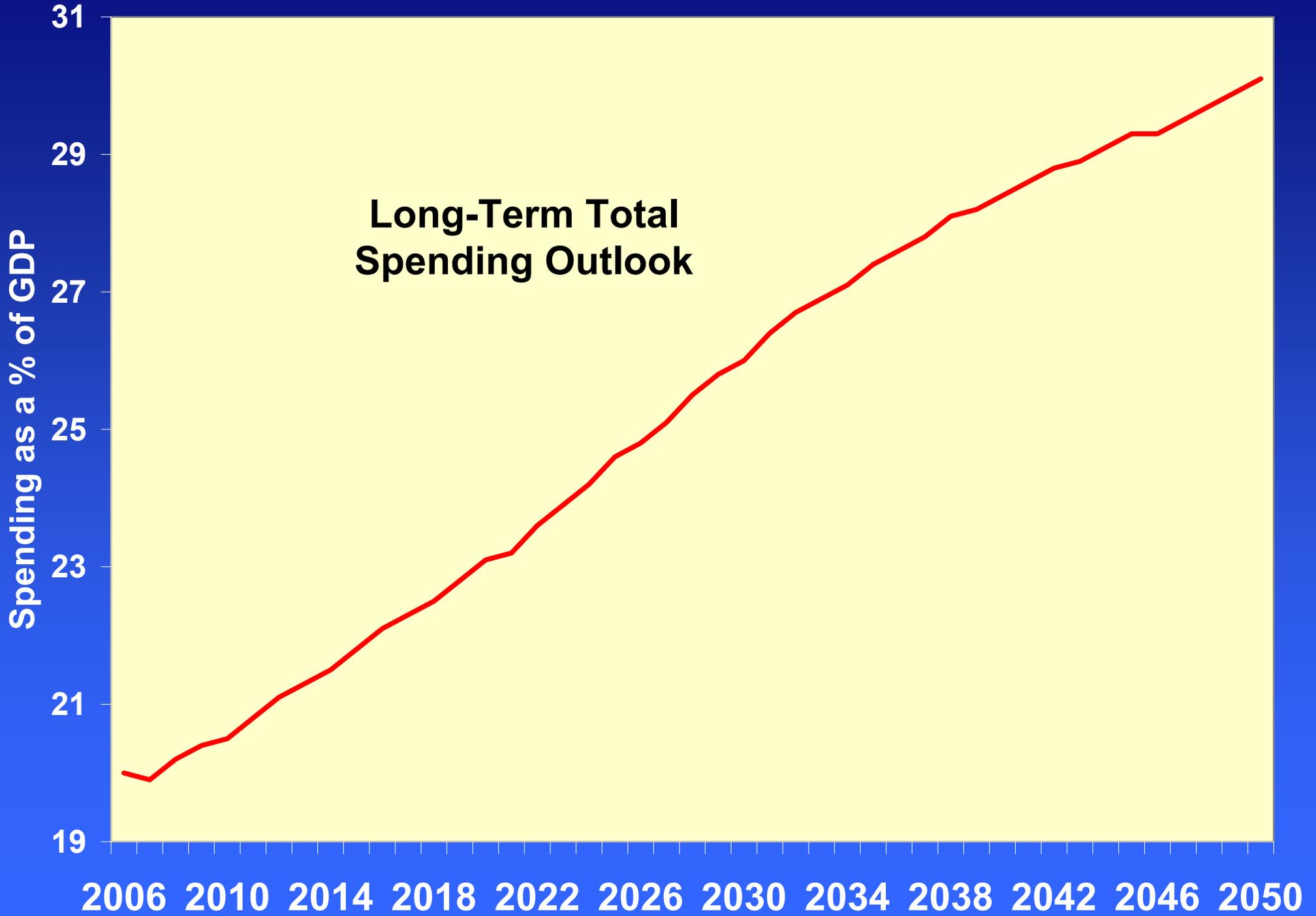
I have one chart I want to put up. Our debt is going to be driven by a simple fact, which is spending. This chart reflects where spending is going under the present programs which we have in place that are already on the books and the people who will benefit from them already live. And that means that spending as a percentage of Gross National Product would go up to almost 31 percent, which is sort of the corollary chart to the one that the Chairman showed on the debt.

And that's just not sustainable either. The federal government has historically taken about 20 percent of the Gross National Product for spending. Maybe we can take a little bit more, but we sure can't take 31 percent of the Gross National Product and spend it.

And so, as we know around here, making the tough decisions is a little hard to do, especially when it comes to controlling spending. But that chart says unequivocally that, as Willie Sutton used to say, "where the money is," is in the spending. So we need to get that under control.

So I'll be interested in the panel's thoughts on the debt issue, but I'll also be interested in the panel's thoughts on whether or not that spending shown in the chart is what's driving the debt. Thank you.

Unchecked Entitlements Will Balloon Federal Spending



Source: CBO, SBC Republican Staff, January 2009