

By 2025, the report indicates, mandatory health spending, Social Security spending, and interest costs—Medicare and Medicaid, mandatory health spending—Social Security, and interest costs will consume 100 percent of the revenues this government is expected to receive; the Defense Department, zero; the Education Department, zero; Federal highway bill funds, zero. All of it would just be in those programs. That reveals to us that necessity of looking at those programs, to think that we can deal with our surging deficits without confronting the fact that the largest, most sustained growth areas are Social Security, Medicare, Medicaid, and interest on the debt.

What about raising taxes? Why don't we raise taxes? There are problems with raising taxes. It has consequences. It weakens the private sector. It takes more money from the private sector where the money is earned, where growth is generated, and distributes it to the governmental sector—which, I have to tell you, is not as efficient and productive and hasn't proven it is and has not gone through what private business has gone through, which is to make themselves more efficient, more productive, and utilize technology and advanced techniques to produce more widgets for less cost. The Federal Government has not done that.

This is what CBO said:

To the extent that additional tax revenues were generated by boosting marginal tax rates, those higher rates would discourage people from working and saving, further reducing output and income.

There is no doubt about that. This is not some rightwing scenario. If we keep raising taxes on the productive sector, we are going to have less of it. It will discourage people from working and saving, further reducing output and income. That is an economic fact. It is not a scare tactic. So it is not just something we can do. Why don't we just raise taxes? That is the reason. It weakens economic growth. It weakens the private sector. It empowers the government, violates our heritage of limited government, and is not healthy for American families and job creation.

The Congressional Budget Office agrees we cannot wait; that we cannot continue to delay action on the deficits. This is what they say in this report:

Waiting to address the long-term budgetary imbalance and allowing debt to mount in the meantime would be detrimental to future generations.

We don't need to do things that are detrimental to future generations. We are already leaving them with more debt than we ever should, and we need to get off this path.

I have told this story, but back in Marion, AL, I was at a house of a World War II veteran just less than 2 years ago. Mr. Wheeler has since passed away, but he was the last person to speak as I was listening to people's views. He said he lived through the Depression and served in World War II, he

lived through the inflationary period in the 1970s and 1980s, and the problem we face is not the high cost of living; the problem we face is the cost of living too high. Frankly, that is what has happened. Individually, we have lived too high. We have to deleverage. Individual families are doing it. The government has lived too high. It has assumed too much debt, and there is no way out of it—no easy way. There is no free lunch. Nothing comes from nothing. Somebody pays.

To get this debt under control, we have to manage better than we ever have, in my opinion. I truly believe that, and we can do it. We can manage better. It is going to take leadership of the Chief Executive Officer of the United States, and Congress needs to be involved in the process too.

Federal Reserve Board Chairman Ben Bernanke, before the Senate Budget Committee earlier this year, testified this way:

Having a large and increasing level of government debt relative to national income runs the risk of serious economic consequences. Over the longer term, the current trajectory of federal debt threatens to crowd out private capital formation and thus reduce productivity growth. . . .

It is growth we need. It is growth we need that will make America more competitive, that will produce more widgets for less cost, that will allow us to export and be competitive, to defeat importers by producing products better and at less cost than the importers can. That is within our grasp. But we are getting away from that and debt is a threat to us.

Chairman Bernanke goes on to say:

To the extent that increasing debt is financed by borrowing from abroad, a growing share of our future income would be devoted to interest payments on foreign-held federal debt. High levels of debt also impair the ability of policy makers to respond effectively to future economic shocks and adverse events.

Adverse events occur periodically, and high levels of debt impairing our ability to react to those make us more vulnerable to serious economic dislocations that would occur in the future.

But Mr. Bernanke also knows that on our current course, we will never make it to the years where our debt is three, four, five times the size of our economy.

He also stated about the CBO outlook:

The CBO projections, by design, ignore the adverse effects that such high debt and deficits would likely have on the economy. But if government debt and deficits were actually to grow at the pace envisioned in this scenario, the economic and financial effects would be severe.

In other words, what he is saying is we are not going to get there. It is not going to happen because we will have a financial crisis before then, and we can see that.

We had the President's fiscal commission, Erskine Bowles and Alan Simpson, and they told us, "We are facing the most predictable financial crisis in our Nation's history." Both of

them signed a statement to the Budget Committee just last year to that effect, and they said we could have an economic crisis in as little as 2 years.

We have not had a budget in the Senate. The Republican House has produced a budget, but the Senate Democrats have determinatively refused to bring up a budget in committee or bring one on the floor. We are now 3 years without a budget, while we have had trips to Las Vegas and conferences and tax credit loopholes for children of illegal aliens. Children who don't even live in the United States are getting a \$1,000 tax credit from Uncle Sam and we can't get that fixed. That seems to be too hard to do, costing \$4 billion a year.

So these are the kinds of things Americans need to be aware of and need to be focused on. If we do so, there are a number of options that would allow us to get the country on a sound path. We can do some things without debt, such as tax simplification that creates more growth, such as eliminating every regulation that does not serve the national interest and benefit the economy but adds cost to our productive capability in America and delays production of energy or delays construction of factories and businesses—eliminate those regulations that don't make sense. We can work hard to produce more American energy, keeping our wealth at home. We can reduce the amount of debt we are running up so we are sending fewer dollars, fewer billions of dollars, abroad every year after year after year just to pay the interest on the debt.

There are a lot of things we can do that will create jobs and growth and productivity gains in America that will not add to our debt, and we have to find those things. We have to tighten our belt across the board, in Congress and the White House and down to every agency and department and government entity that exists in this country and around the world. If everybody does that, we will surprise ourselves with how much progress we can make. I think it is not too late for us to reverse the course.

I yield the floor.

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ADJOURNMENT UNTIL 9:30 A.M.  
TOMORROW

The PRESIDING OFFICER. The Senate stands adjourned until 9:30 a.m. tomorrow.

Thereupon, the Senate, at 6:45 p.m., adjourned until Thursday, June 7, 2012, at 9:30 a.m.

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#### CONFIRMATION

Executive nomination confirmed by the Senate June 6, 2012:

THE JUDICIARY

JEFFREY J. HELMICK, OF OHIO, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO.