

In my opinion, our exploding national debt is the biggest threat to America's future security, prosperity and hegemony in the world. This will come as no great surprise to regular readers of this missive. If buyers and holders of our debt, many of whom are foreign, begin to doubt our ability to pay these debts, we would experience rapid increase in interest rates, escalating deficits due to increased interest due on the national debt and a new economic decline. All of this will create a tailspin from which it will be difficult to recover. It came on quickly for Greece and Ireland and it could come on quickly for us. Remember that our debt is the consequence of fast increasing annual deficits.

Given that premise, our greatest national priority today must be to reduce those deficits and put ourselves on a path to a balanced budget. To do that, we need to do three things:

1. Generate sustained private sector economic growth in order to raise revenue to the federal government. Raising tax rates will not result in sustained new revenue but promoting growth through regulatory reform and consistency as well as long term low taxes will.
2. Reform entitlements to reduce their cost.
3. Reduce spending in so-called "discretionary" spending which is basically everything the federal government does (defense, courts, parks) outside the entitlement transfer programs.

The debate over how much to cut or reform is just beginning and will go on for the next 2 years at least. But last Thursday, I and a few other members of the Republican Study Committee launched the first salvo.

The Republican leadership has pledged to roll back spending to 2008 levels. We actually think we can do better than that. So, we rolled out a proposal to reduce non-security discretionary spending back to 2006 levels. This will save roughly \$2.5 trillion over the next 10 years. Unlike some previous spending reduction proposals, this one is quite specific with over 100 items of cuts or eliminations. You can see the entire list [here](#) .

We rolled this out at a well-attended press conference in the Capitol last Thursday. Many press reports that evening and the next day were quite positive. But, a number contained words suggesting that we were "slashing" government or making "draconian" or "huge" reductions. It is true that we eliminated a number of whole programs and, in some cases, reduced spending in a department by 30%. But, if all we are doing is rolling back to 2006 levels, then by definition if we cut spending by 30%, that means that department had seen a 30% increase in spending over the last 5 years.

Have you seen your income rise by 30% since 2006? I doubt that many of you have. In fact, I would guess that many, if not most of you, are making less or spending less than you were in 2006. I don't think it is too much to ask for government to do the same. Besides, was the government woefully underfunded in 2006? Is the government noticeably better today because it is spending more?

We must do this. What we are proposing here is more than either Republican or Democratic leadership seem ready to do right now. Our little band of deficit crusaders will attempt to persuade them to be more aggressive in confronting the problem. But, we cannot stop here. We must reduce defense spending as well for the same reasons. This position of mine is more controversial, particularly with many of my fellow Republicans. You will hear more from me on this subject in the coming weeks. And, we also need to get to entitlement reform and pro-growth policies.

There is no one solution to our debt problem. Fixing it will take many acts. This is just the first one. But, we must be bold. It is not enough to look like we are trying to fix the problem. We have to actually fix it. Time is running out if we don't.