

**Written Testimony of  
Mitchell E. Daniels Jr.**

*President, Purdue University*

*Co-Chair, Committee for a Responsible Federal Budget*

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My gratitude to the committee for the invitation to discuss our national debt and its implications for our nation's future. In my view, this issue transcends all the others before us; put another way, if we get this wrong, nothing we deal with successfully will matter very much.

On receipt of the invitation, I started preparing another fact-heavy, statistics-laden description of the problem, its near and long-term effects on the economy and on the ability of the federal government to discharge its many legitimate duties. But I decided that was not a good use of my time or yours. First, my fellow panelists are far more expert and current on the details of today's fiscal picture. Second, you've heard it all before.

You know, or you should, that our deficits have been running at historically unprecedented levels, so much so that another half trillion dollars this year, bigger than in any year in our history before 2009, was met with a yawn, or even by some, somehow, as a benign event.

You know, or you should, that our national debt has reached a peacetime record, and is heading for territory where other nations have spiraled into default, or into the loss of sovereignty as creditors use their leverage to dictate terms.

You know, or you should, that public debt this large weighs heavily on economic growth, crowding out private investment and discouraging it through uncertainty. And that much faster growth than today's is the sine qua non of the greater revenues that will be necessary to meet federal obligations, let alone reduce our debt burdens.

You know, or you should, that the unchecked explosion of so-called entitlement spending, coupled with debt service, is squeezing every other federal activity, from the FBI to basic scientific research to our national parks to the defense on which the physical survival of the country depends.

You know, or you should, that the whole problem is getting worse, and fast. Even if reform began today, past overpromising and demographic realities mean that the entitlement monster is going to devour accelerating amounts of additional dollars, all of which are scheduled to be borrowed rather than funded honestly.

You know, or you should, that we are kidding ourselves—except that it’s no joke—in even the appalling estimates I just referred to. The official projections of growing indebtedness are built on a pile of wishful assumptions which repeated experience tells us are bogus: productivity assumptions are too high, interest rate assumptions too low; growth too high, spending too low. As each of these is proven unduly rosy, more zeroes will be added to the bill we hand to the young people of this country.

So, I will spare us all the statistics. Let me instead offer an appeal on behalf of those young people, the ones I am so lucky to live among at Purdue University, all their counterparts, and the new Americans not yet with us. The appeal is for a shift in national policy to the growth of the private, productive economy as our all-out, primary priority, calling all close ones and breaking all ties in its favor. And for decisive action soon, at long last, that begins the gradual moderation of unkeepable promises and unpayable debt loads which will otherwise be dumped on coming generations. This I suggest not only as wiser fiscal and economic policy, but for the sake of public integrity and the survival, literally, of our free institutions.

A national government that, year after year, borrows enormous sums and spends them not on genuine investment in the future but on current consumption, passing the bill down to others, pretending that the problem is smaller than it really is, lacks not only good judgment but integrity. It is not hyperbole to label such behavior immoral. For a long time, people have come to this Congress decrying the intergenerational injustice of this policy, but things keep getting worse not better.

A near-decade of anemic economic performance, the weakest recovery on record, has eroded badly the economic optimism on which, more than any other factor, Americans’ faith in a better tomorrow has rested. A near majority now believes that America’s best days are behind us.<sup>1</sup> As this new pessimism has deepened, it has turned into an ugliness, a meanness, a new cynicism in our national life, with a search for scapegoats on both left and right.

For almost two and a half centuries, Americans have argued strenuously about many things, but shared a resilient determination to be self-governing, to guard against tyranny at home and, on occasion, to resist by force its spread elsewhere in the world. But lately, and rather suddenly, there are alarming signals of a different outlook. A record 1 in 4 young people say that democracy is a “bad way” to run the country, and an even larger fraction of the citizenry would prefer an authoritarian leader who did not have to deal with the nuisance of elections. 1 in 6 are sympathetic to a military takeover, almost a three-fold increase from two decades ago.<sup>2</sup>

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<sup>1</sup> *Rasmussen Reports* (2015). "[Do America’s Best Days Still Lie Ahead?](#)"

<sup>2</sup> Foa, Roberto Stefan, and Yascha Mounk. "[The Democratic Disconnect.](#)" *Journal of Democracy* 27.3 (2016): 5-17.

If national leadership continues to allow our drift toward a Niagara of debt, until solemn promises are broken as they would then inevitably be, today's sense of betrayal will seem tame. When today's young Americans learn the extent of the debt burden we have left them, they may question the premises of our self-government, with good reason. When tomorrow's older Americans finally understand how they have been actively misled about the nature and the reliability of our fundamental social welfare programs, it may be the last straw breaking the public confidence on which democracy itself depends.

In fairness, a few Members in each political party, some in this meeting room, have tried to address the coming crisis. To them, all thanks and credit. To those still in denial, or even advocating steps that would make our debts even higher, please reconsider. Your careers may end happily before the reckoning. Your reelections may not be threatened by your inaction. But your consciences should be. You know this, or you should.