

Written Testimony of Representative Ed Case (HI-01)

House Committee on Budget

Wednesday, March 6, 2019

Chairman Yarmuth, Ranking Member Womack and Members of the Committee,

Thank you for this opportunity to testify today in support of a fiscally responsible budget for FY20.

Such a budget would focus our core functions and discretionary priorities within our means. It would require whole-budget, long-term approach with bipartisan solutions to one of the most challenging issues facing our country.

Our national debt has now surpassed \$22 trillion – an unprecedented amount. The interest on our debt is now the fastest growing part of our budget – not education, not defense, not Medicare. Next year, we'll spend more money on interest payments on the debt than all federal funding on our American children, and by 2025, our interest payments will exceed our defense budget. This not only presents great risk to economic, social and defense stability, but is a stark indicator of fiscal unsustainability.

Our budget should not be an aspirational exercise but instead a document that comprehensively addresses our nation's needs and expenses. We have urgent challenges, from climate change to health care and beyond, and we need a full and difficult debate on how best to address them in a fiscally responsible way.

If we continue on our current fiscally unsustainable path, we will continue to reduce our ability to deal not only with normal course needs but with future emergencies or recessions. As just a few examples, we already know that several trust funds will soon be exhausted including the Social Security Trust Fund and the Highway Trust Fund, placing greater pressure on our overall budget. Deferring these known issues only compounds them.

We also must return to regular order. We need to pass both the budget and stand-alone appropriations legislation on time, every time. This lends both internal stability and external predictability to the process.

As Co-Chair of the Blue Dog Caucus' Fiscal Responsibility and Government Reform Task Force, I encourage this Committee to set meaningful goals to reduce the deficit and put a plan forward to achieve these actions. The longer we wait, the worse the options will become.

While doing so, we must reprioritize our spending to reflect the needs and demands of a rapidly changing country and world. This is particularly true of our accelerating priorities in my backyard, the Indo-Pacific region.

Over a third of global GDP and sixty percent of global GDP growth comes from the Indo-Pacific, which is also home to half of the twenty fastest growing economies. The region has now

become one of the great engines of the global economy, and it is no surprise that observers have referred to the twenty-first century as the Pacific Century.

Nor should it be a surprise that, as a Pacific nation, the United States has deeply rooted interests in the region and has played a pivotal role in its success. Since the end of the Second World War, the U.S. has advanced a rules-based regional order that promoted security, facilitated trade and development, and championed human rights and democracy. Today, the strategic importance of the Indo-Pacific is reflected in our trade and investment in the region: our foreign direct investment in the Indo-Pacific has more than doubled since 2007, and more than half of our top trading partners are in or border the Indo-Pacific.

The Indo-Pacific inherently plays a critical role in our foreign policy priorities, including combating climate change, countering violent extremism, and promoting democracy and the rule of law. Our investment and commitment on these issues in the region need to reflect the overall strategic importance of the Indo-Pacific.

Moreover, our engagement in the Indo-Pacific needs to account for new great power challenges that seek to replace the U.S.-supported regional and global order. As China's political, economic, and military power grows, so too does its ambitions to promote Beijing's interests and values to the detriment of the existing order and all those who benefit from it. Thus, we need nothing short of sustained increases to our political, diplomatic, economic, and security commitments to build a free and open order in the Indo-Pacific region that guarantee security, enhance trade and development and promote human rights.

Thank you for your time, and I appreciate the opportunity to share these thoughts as you begin to craft the FY20 budget.