

Washington, D.C. - Rep. David Price (D-NC) gave the following remarks for the record today as the House of Representatives considered a Republican proposal to put an unrealistic hard cap on federal spending and require a balanced budget amendment to the Constitution be passed before any increase in the debt limit is considered. The proposal would make it impossible to maintain Medicare in its present form and would erect impossibly high barriers to removing abusive tax loopholes. The text of Rep. Price's remarks is below.

Mr. Speaker, This "Cut, Cap and Gut" proposal isn't just a retread of the policies our colleagues voted for in their extreme budget resolution that would end Medicare as we know it; it's worse. This bill holds an increase in the debt limit hostage to passage of a radical GOP Constitutional Amendment that would require even deeper cuts after ending Medicare as we know it.

It arbitrarily caps federal spending at 18% of GDP. To say this is unwise is an understatement. The last time federal spending was 18% or less of GDP was 1966. The problems of 2011 don't call for a rigid ideology 45 years behind the curve. Why would we tie Congress' hands in the event of future economic challenges? In economic downturns Congress should be able to cut taxes or increase investments to stimulate growth. This is basic economic policy.

This proposal turns a blind eye not just to basic economics, but to the two pressing and related challenges facing our country: growing the economy and charting a course back to fiscal balance. It would necessitate across the board cuts in the domestic programs—education, research, infrastructure and Medicare—that make us strong and ensure our economic success. We know that the best cure for a budget deficit is a growing economy, but this bill requires deep spending cuts starting in October that could stall the recovery and put more Americans out of work.

The budget surpluses we achieved during the 1990s were the result of a concerted effort to balance the budget through a comprehensive approach. Revenues, entitlements, military and domestic spending—all were on the table. We balanced the budget four years in a row. We paid off more than \$400 billion of the national debt. Yet those surpluses were squandered during the George W. Bush administration through trillions in tax cuts and two wars and a privatized prescription drug plan—none of it paid for. Then, when the recession hit in 2008, we were already deep in a fiscal hole and our ability to take effective countermeasures was dangerously compromised. We must never let that happen again.

The bill before us is the opposite of a balanced, comprehensive approach. This bill makes it easier for future Congresses to cut Medicare than to close tax loopholes for oil companies or millionaires, because it requires a 2/3 vote for any measure that raises revenue. The Ronald Reagan-Tip O'Neal agreement to save Social Security in 1983 would not have passed this hurdle. George H. W. Bush's bipartisan 1990 deficit reduction plan would not have passed this hurdle, nor would the Democratic deficit reduction plan of 1993. So this bill willfully cuts off Congress' access to the tools that have produced meaningful deficit reduction and boosted economic growth, at a time when our economy is fragile and millions of Americans are out of work.

Perhaps this is just positioning by the House majority, but there is no need for this brinksmanship. We should not be making these decisions under duress, but that is exactly where the Republican no-compromise majority has left us. They ask us to alter the fundamental relationship between our people and government—undermining Medicare, education, infrastructure and research funding—by voting on a bill that has never seen a committee vote and was only completed last Friday.

This legislation is not worthy of Congress' approval, and it deserves rejection from those on both sides of the aisle who understand that it is a dangerous diversion from the pressing tasks of job creation and sound fiscal policy.

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