

Congressman Perriello's Member's Day Statement – Prepared Notes

Return to Fiscal Responsibility; No More Bailouts

Eight Years Deficit Spending, Misplaced Priorities

- The President's Budget projects a deficit of more than \$1 trillion in Fiscal Year 2009, as high as \$1.75 trillion. That is almost as high as total spending in Fiscal Year 2000, which was \$1.79 trillion. The deficit is now larger than total government spending just nine years ago.
- Government spending increased at a 3.6 percent annual average rate between 2000 and 2008, compared to a 1.2 percent annual average rate between 1992 and 2000. Spending has been out of control, but . . .
- **Where Did the Money Go? – Not to the Middle Class!**
 - Health care isn't more affordable, college isn't affordable, our food system isn't safer, our roads and bridges aren't safer, our economy isn't stronger, etc.

An Honest Budget

- The President's Budget accurately reflects reality by ending accounting tricks that hide the real costs for the wars in Iraq and Afghanistan, disaster spending, and other expenditures.
- Returns to Pay-As-You-Go.

But Not Enough to Return to Fiscal Responsibility

- The President's Budget outlines some cuts and has promised to identify more cuts and savings in subsequent years, but we need big ideas, big changes now, not tomorrow.
- The President's Budget outlines cutting the federal budget deficit in half by the end of his first term, from \$1.75 trillion in 2009 to \$533 billion in 2013. But then the deficit is projected to increase in fiscal year 2014, and again in 2015, and again in 2016. Why not come up with a plan to half the deficit and then continue to shrink it down, returning to the surpluses we had in the 1990s?
- The President's Budget projects that the national debt will almost double over 10 years, from \$8.3 trillion in 2009 to \$15.3 trillion in 2019.
- **Future Generations will pay for this debt.**

More Bailouts: "Reserve for Financial Stabilization Efforts"

- The President's Budget contains a \$250 billion contingent reserve for further "financial stabilization" efforts. This reserve would enable a \$750 billion bailout in asset purchases.
- Last October, Congress authorized the \$700 billion Trouble Asset Relief Program (TARP).
- The Congressional Oversight Panel concluded in its January report that there was no evidence that TARP funds had been used to avoid preventable foreclosures and that there had been no demonstrable effect on lending. Transparency was still lacking in understanding how banks were using the money. Companies that have received bailout money continue to spend on lobbying and campaign contributions. Top executives continue to receive extravagant salaries and bonuses.
- In January, the House passed overwhelmingly H.R. 384, the TARP Reform and Accountability Act, which would have strengthened oversight of the program. The Senate has failed to act.
- Companies receiving TARP money continue to cross over the line of common sense and dole out excessive bonuses, luxury expenses, etc.
- **No More Bailouts.**