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Mike Kelly's Third District E-Newsletter

Dear Friend,

Every time I am back in the district I hear the same question asked time and again: "Mike, what's the point of having a debt ceiling if the ceiling keeps getting raised?" It's a very good question.

I love getting home every chance I can because of the honest and common sense conversations I have with the hard-working people of the Third District. The truth is, there is no point of having a ceiling when people treat it, instead, like it's a sky roof. Our debt has climbed to an astounding \$14.3 trillion, much of which was built on pie-in-the-sky political promises that we could simply never afford to keep.

With each passing day, our debt continues to grow by an average of \$4 billion, and 40 cents of every dollar we spend is borrowed, much of it from the Chinese. Every child born today already owes more than \$46,000 to our creditors, while a family of four owes an average of \$183,756.

The economic crisis in this country is dire and the time to act is now.

Several of my colleagues and I went to the White House last week to deliver a letter to the president, asking that he submit a written proposal outlining his plan to address our nation's debt crisis. He's given speeches on the matter, but he's put nothing concrete in writing. We can't negotiate with sound bites and we can't

write legislation on rhetoric. We need a plan put on paper in pencil or pen. Period.

While we wait on the president to give us his proposal, the House has led by example, passing the Cut, Cap, and Balance Act of 2011, a description of which I've provided below. Please take a moment to read about the bill and learn more about what I am trying to do, as your representative, to get our nation out of debt and get Americans back to work.

As always, my staff and I are available to answer any questions you have on these very important matters.

Sincerely,

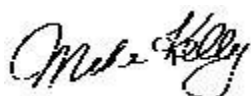


Photo: Rep. Mike Kelly in front of the White House for a press conference on the president's failure to produce a written proposal to address the debt crisis.

[CLICK HERE to Play Video of the Press Conference](#)

Cut, Cap, and Balance

In 1995, Congress nearly passed an amendment to the U.S. Constitution that would have required the federal government to balance its budget each year and live within its means. The measure failed to pass by one vote.

Sixteen years later, our debt problem and Washington's spending addiction have gotten worse. Consider the following:

- ❖ In FY 1995, the deficit was \$164 billion. This year, OMB projects it to be \$1.65 trillion, **an increase of 906%**.
- ❖ In FY 1995, the deficit as a share of GDP was 2.2%. This year, OMB predicts it will reach 9.8% of GDP, **an increase of 345%**.
- ❖ On January 26, 1995, the national debt was \$4.8 trillion dollars. Today, it is \$14.29 trillion, **an increase of 198%**.
- ❖ In FY 1995, the federal government spent \$1.52 trillion. This year, OMB estimates it will reach \$3.82 trillion, **an increase of 151%**.
- ❖ In January 1995, the unemployment rate was 5.6%. Today, the unemployment rate is 9.2%.

Left to its own devices, Washington will continue to make promises to the American people it can't keep and, in doing so, continue to spend money it doesn't have. This is a recipe for failure that will ruin our great nation.

That is why I co-sponsored the Cut, Cap, and Balance Act of 2011, which passed the House with bipartisan support this month. The bill would **cut** total spending by \$111 billion in FY 2012, place a **cap** on future spending to prevent a repeat of the current runaway spending, and **balance** the budget through an amendment to the U.S. Constitution that would require congressional passage and state ratification.

Disappointingly, the Senate Democrats chose not to vote on the Cut, Cap, and Balance Act last week, rejecting this opportunity to not only raise the debt ceiling, but to also put in place spending cuts and budgetary reform that would prevent the very real risk of Moody's and Standard & Poor's revoking America's Triple-A credit rating. A downgrade in our rating would crash financial markets all over the world and would create higher interest payments here at home. The Senate's failure to lead during this critical time is nothing short of irresponsible. Unfortunately, it's what we've grown to expect from a Senate that has not only failed to produce a debt ceiling proposal, but hasn't passed a budget in more than 800 days.

The Cut, Cap, and Balance Act of 2011 is the only clear and comprehensive measure put forward that will hold Washington accountable to taxpayers and reduce the tremendous burden of debt that we are placing on our children and grandchildren.

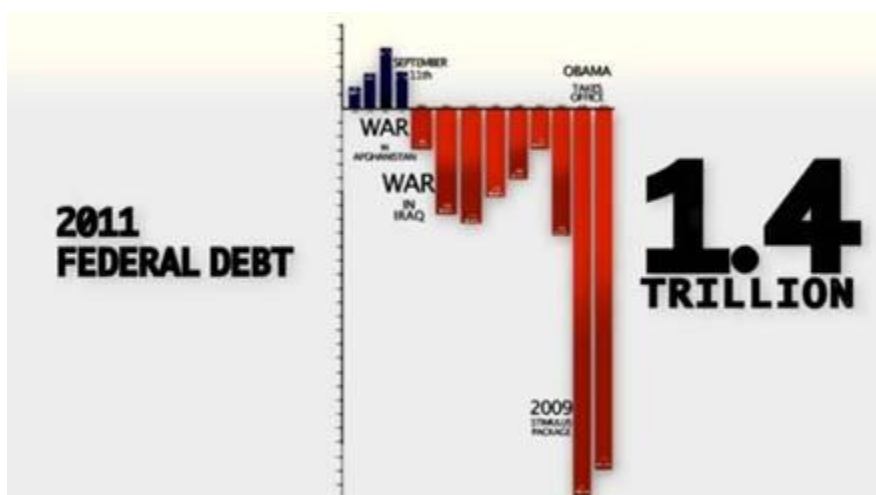
Some have suggested that the solution to our debt problem is to raise tax rates, even though President

Obama himself said in 2009 that, "You don't raise taxes in a recession." Considering the fact that the U.S. currently spends \$3.7 trillion annually and brings in only \$2.12 trillion per year, new taxes could not possibly bridge the difference and do so without destroying jobs and obliterating our economy.

Increasing the tax rate on small businesses, the very people who are the primary source of job creation in our country, is bad and unsound fiscal policy. Furthermore, it's against the will of the American people. A new Rasmussen survey shows that the majority of Americans also oppose the president's calls for higher taxes to be coupled with a debt limit increase. According to the survey, "Just 34 percent think a tax hike should be included in any legislation to raise the debt ceiling."

Let me be clear: we have too much debt because we spend too much, not because we tax too little.

This year, the federal government will spend twice what it spent just ten years ago. If we don't act now, economists expect the U.S. to face a Greece-like debt crisis within two to three years. We need to stop spending money we don't have.



[CLICK HERE to Watch the Balanced Budget Amendment Video](#)

Helping Americans Get Back to Work by Hearing from Third District Job Creators

Washington likes to tell the private sector what it can and can't do, imposing costly and burdensome federal regulations that stand in the way of our economic recovery. Now it's time to turn the tables and let Washington hear from the job creators, because we all know that real, sustainable job growth comes from

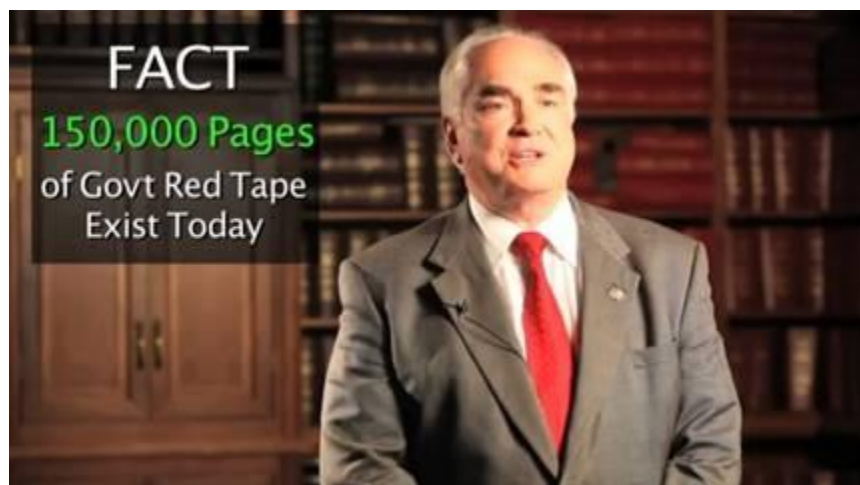
the private sector, not the government.

To that end, this month I launched a new forum for businesses throughout the Third District to tell Congress and me which government regulations stand in the way of job creation. By visiting AmericanJobCreators.com and filling out a simple survey, innovators throughout Northwestern Pennsylvania can describe how government helps or how it hurts their businesses.

The fact is that federal regulations cost the private sector an astonishing \$1.75 trillion last year. For firms with fewer than 20 people, regulatory compliance costs an average of \$10,585 per employee each year. In addition, according to one estimate, just complying with the complex federal tax code cost Americans \$160 billion in 2009.

We need pro-growth tax and regulatory reform that makes it easier for families and businesses to save, invest, and create jobs.

If you are a job creator in the Third District, please take the time to complete this simple [online survey](#) and tell the federal government, which is of the people, by the people, and for the people, how it can better serve you.



[VIDEO: CLICK HERE to Watch Rep. Kelly Discuss the American Job Creators Initiative](#)

New Satellite Office Hours in Warren and Kittanning

In an effort to increase our outreach efforts and extend one-on-one constituent services accessibility, beginning this week my staff will host satellite office hours in two locations, one in Warren and one in Kittanning, that will be open one day each month for four hours. The details are as follows:

Warren County
Last Tuesday of every month
10:00 a.m. – 2:00 p.m.
Office of State Representative Kathy Rapp
404 Market St.
Warren, PA 16365

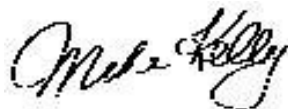
Armstrong County
Last Thursday of every month
10:00 a.m. – 2:00 p.m.
West Kittanning Borough Building
229 Arthur Street
Kittanning, PA 16201

Remembering our Fallen Soldiers

On July 18, Staff Sgt. Kenneth R. VanGiesen, 30, of Millcreek Township, was killed in Afghanistan when a roadside bomb exploded near his convoy outside of Bagram.

Sgt. VanGiesen joined the Pennsylvania National Guard after his graduation from Kane Area High School in 1999. During his tours of active duty, he served in Germany; in Iraq with the 2nd Infantry Brigade Combat Team and later with the 56th Stryker Brigade Combat Team; and most recently in Afghanistan.

Sgt. VanGiesen sacrificed his life for his nation. To him and his family, we are forever indebted and eternally grateful. May he rest in peace.



Mike Kelly

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