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## HATCH STATEMENT AT FINANCE COMMITTEE HEARING EXAMINING FEDERAL BUDGET ENFORCEMENT MECHANISMS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following opening statement at a committee hearing examining fiscal discipline mechanisms under federal budget law:

I appreciate your calling these hearings, so that we can examine in detail the sources of our nation's debt, the drivers of our annual deficits, and the fiscal challenges posed by both.

As we all know, Congress is facing a big challenge with the upcoming debate over hiking the debt ceiling. This is the third time Congress has been asked to raise the debt limit under this Administration — once as part of the stimulus bill, twice in December of 2009 and then again in February of last year.

Three requests to raise the debt limit from this Administration in three years. Obviously the government's spending is out of control. The citizens of Utah could not be any more clear about what they want us to do. They want us to stop the spending. And I suspect that members of this Committee and of the entire Senate are hearing the same from citizens and taxpayers who are tired of spending as usual.

National polling data is consistent with what I hear from Utah taxpayers. A new USA TODAY/Gallup Poll shows that Americans are pessimistic about the economy and the sustainability of our nation's fiscal trajectory.

According to this poll, Americans “[o]verwhelmingly blame too much spending for soaring federal deficits and want to rely more on spending cuts than tax hikes to get it under control.”

Well, I can heartily agree with that.

Another poll from Resurgent Republic indicated that almost half — 47 percent of respondents — want substantial spending cuts attached to legislation that would increase the debt ceiling.

That might give a glimmer of hope to those who wish to continue our current spending spree.

But they should not get too excited. The same poll showed that 35 percent oppose raising the debt ceiling altogether. Only 11 percent of voters support a clean debt ceiling hike.

Why are the people of this country demanding spending restraint?

As a nation, we are on the verge of a real fiscal crisis. The government continues to borrow money to fuel its spending habits. Spending is now trending at historic highs, 25.3 percent of GDP in the latest fiscal year.

Meanwhile, our debt is at an all-time high, and assuming the continuation of current policies supported by both Republicans and Democrats, it is trending toward 100 percent of GDP.

And the American people get it. They understand what is causing all of this debt.

The same poll from USA Today found that by a margin of over 3 to 1, Americans say the deficits result from too much spending rather than too little revenue.

There is no pulling the wool over the eyes of the people on this issue. There is no spinning the people into thinking that our problem is a lack of revenue. And there is no convincing taxpayers that the solution to out-of-control government spending is giving the government more money to spend.

Mr. Chairman, I ask unanimous consent that a copy of both of these articles be inserted into the record.

Congress will be following the will of the people if it attaches spending restraint -- based fiscal reforms to the debt ceiling increase.

But what will happen if, once enacted, those fiscal reforms fall prey to gimmicks, are waived, or otherwise undermined? My sense is that the people will come to this Capitol with pitchforks and torches they will be so upset. And they'd be right to do so.

Yet, if history is any guide, these reforms may ultimately leave the people betrayed and disappointed.

Congress has attempted to pass meaningful legislation to control Washington spending before. First in 1974, Congress passed the Congressional Budget and Impoundment Act, which created the House and Senate Budget committees, in addition to the Congressional Budget Office. Eleven years later in 1985, Congress passed the Balanced Budget and Emergency Deficit Control Act, otherwise known as Gramm-Rudman Hollings. I very much appreciate Senator Gramm's willingness to come back and testify regarding this legislation today.

We need to make sure that this time is different.

Every so often, the American people make it absolutely clear to Congress that Washington needs to get spending under control. And Congress has responded.

But after a few years, when the people go back to their businesses and families, Washington returns to its big-spending ways. Slowly but surely Congress end-runs the spending restraints the people had previously insisted upon.

Just as an example, the vaunted statutory pay-go rule was supposed to rein in deficit spending. Yet since the enactment of statutory pay-go, the cost of end-running this rule resulted in \$280 billion in additional deficit spending.

This time must be different. This time we must make meaningful and lasting reforms. We must make the fundamental changes to our spending programs that might be tough today, but that will make maintenance of budget discipline easier in the future.

The fact is, we can't be having this debate again in another 5 years.

We are already nearing a point where it is too late to enact the changes that the markets demand. And failure to act now will have a lasting detrimental impact on families, businesses, and the economy.

The markets have taken notice of Washington's profligate ways and they are responding as you would expect. When Standard & Poor placed the United States' AAA bond rating on a negative outlook, citing a greater than 1 in 3 chance of a downgrade within the next two years, that should have served as a shot across the bow of this committee and the entire Congress.

So today's hearing is both crucial and timely.

No matter what happens with the debt ceiling, we need to make sure that Congress and the President stick to the fiscal reforms attached to the legislation. Both parties must accept responsibility, buckle down, and make the tough decisions, even when it hurts.

We may agree to disagree, as the President has often said, but we cannot agree to pass this debt and on to our children. Doing so is irresponsible, immoral and unacceptable.

I look forward to hearing from our witnesses, and hope that some of their recommendations can guide Congress as it moves forward in the coming weeks and months.

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