

February 8th, 2011

Washington, D.C.- Ranking Member Norm Dicks gave the following remarks at the Appropriations Committee Organizational meeting for the 112th Congress where it considered subcommittee allocations, committee rules and other committee business:

“Mr. Chairman. The \$9 trillion in federal debt held by the public at the end of 2010 represents 62 percent of GDP and it is projected to double in the next decade, to \$18 trillion or 77 percent of GDP, and eventually to outstrip the entire American economy. In fact, if the tax cuts are extended permanently, CBO says our debt will match the size of our GDP by 2021. We all know this is unsustainable, and we all agree we must take steps to stop the looming debt crisis -- even if we don't agree on what those steps should be.

“The concern I have with your approach is that it is one-dimensional; if you take taxes and entitlements off the table and focus ALL of your efforts on restraining non-security discretionary spending – the smallest segment of spending in the budget – the level of cuts required will clearly be detrimental to our task of creating jobs and assuring our economic recovery. You can't “cut and grow,” Mr. Chairman.

“The narrow focus on cutting discretionary spending means we will miss critical opportunities to invest in America's future, which is --and should be---- a major concern of ours in Congress at this time. And many others concur ... from the Fed Chairman in his National Press Club speech last week ... to the President of the Chamber of Commerce to the AFL-CIO President. There isn't much that Tom Donahue of the Chamber and Rich Trumka of AFL-CIO agree on, but they issued a joint statement on Jan. 26th that said:

‘Whether it is building roads, bridges, high-speed broadband, energy systems and schools, these projects not only create jobs and demand for businesses, they are an investment in building the modern infrastructure our country needs to compete in a global economy.’

“So it seems to me that whatever plan to reduce the deficit we undertake must make smart cuts but also make room for investing in job creation and innovation. The one guiding value I would

urge my colleagues to adhere to is this: Whatever medicine we prescribe, let us do no harm to the fragile economic recovery that is just beginning. The medicine we give the economy should cure it, not kill it.

“Let’s face it: the pace of economic and job growth has been weak compared to most recoveries since World War II. The nation lost 7.3 million jobs from December 2007 through June 2009, and until now we have only gained back a net of 72,000 jobs. Even as unemployment fell last month, the U.S. economy added only 36,000 more jobs.

“Mr. Chairman I am concerned that the budget allocations we are considering today will disrupt even the meager job gains we are seeing. Jamming on the fiscal brakes so quickly will have the opposite effect of what you intend: it will inhibit job growth by slowing down economic growth and increasing the deficit.

“The Stimulus bill succeeded in creating jobs and keeping others from being lost: CBO said it raised real GDP in 2010 by up to 4.1 percent and boosted employment by 3.3 million jobs. But the impact is receding, and budget cuts of the magnitude you propose in this 302(b) allocation will only serve to apply the brakes on job growth, according to mainstream economists.

“Mr. Chairman, a more prudent course is what the President has proposed: a five year freeze. It will accomplish substantial deficit reduction --\$400 billion-- but it does so wisely, imposing more significant restraints and the cuts increase as the economy grows stronger, just as it should.

“As Democrats, we are willing to work with our colleagues on the other side to identify unnecessary and wasteful programs; however we will not hesitate to promote and defend programs that clearly are creating jobs and helping us turn the corner on the economy.

“Under this allocation, however, we have many concerns: Will we have the funds to jumpstart job creation and invest in innovation? Can we still afford to boost science research and development, including clean energy research? Can we protect those at the lowest rungs of the economic ladder, the hardest hit by this economic downturn? Will the cuts remove children from Head Start, deny rental assistance that keeps families in their homes, stop weatherization and energy efficiency efforts, and deny access to nutrition assistance benefits for women and

children? And furthermore, will we have the funds to keep America safe and secure?

“I am concerned about the impact of these cuts on federal law enforcement, prisons and prosecutors; on modernizing air traffic control and protecting safe travel on transit systems. Will we maintain proper inspection of food processing plants? Or inspect offshore oil and gas platforms? Can we afford, under this allocation, to regulate hedge funds and securities markets to prevent another financial meltdown?”

“Mr. Chairman I believe we can do better. And at this time when our economy is still fragile, we must make prudent decisions that are in the best interests of the nation in the long run.

“As we begin this year, I welcome a return to regular order. Let us have our debates, under open rules and with a reasonable number of amendments.”

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