

Weekly Video Address: Deficit-Reduction Talks

Written by Grassley Press
Tuesday, 05 July 2011 14:23

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Advisory for Iowa Reporters and Editors

Friday, July 1, 2011

During his weekly video address, Senator Chuck Grassley discusses the status of the deficit-reduction talks and the importance of not leaving a legacy of debt to the next generation.

[Click here](#) for audio.

The text of the address is available below.

Grassley Weekly Video Address:

Deficit-Reduction Talks

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The President is finally involved in the deficit-reduction talks, where \$2.4 trillion in savings over 10 years is needed in order to offset about that level of an increase in the federal debt ceiling. August 2 is the operational deadline, at this point.

The President's posture is very combative, and the pressure that's coming from the White House and Senate Democrats to raise taxes to increase revenues ignores two very important facts, separate from the harm it would do to the economy where job creation is still so weak.

First, Americans sent a clear message in the last election that they want government spending reined in. They know it's morally wrong to make the next generation pay the bills for the way we live today, and that the problem isn't that people are taxed too little but that Washington spends too much. In just the last two years, government spending increased by 22 percent.

Second, if history is a guide, then an increase in taxes is really a license for Congress to spend more money. Professor Vedder of Ohio University has found that since World War II, for every dollar in tax increases, Washington has spent \$1.17.

Serious spending reforms are needed for the sake of America's fiscal well-being.

One of those reforms is a balanced budget amendment to the Constitution. The federal deficit is 15 times bigger today than it was in 1997, the last time there was a vote in Congress on a balanced budget amendment. It's time to bring it up again. I'm a cosponsor of legislation and have formally asked Senate leaders to hold hearings on a balanced budget amendment. Forty-six of 50 states have a balanced budget requirement, and there should be one at the federal level.

In the meantime, the debt-ceiling debate provides a major opportunity to help bring fiscal accountability and responsibility to Washington. And it emphasizes the need for pro-growth policies out of Washington – including less debt, but also regulatory relief, more exports, lower and simpler taxes and greater certainty about taxes, lower health care costs and an increased domestic energy supply.

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