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HATCH ON DEFICIT COMMISSION REPORT

WASHINGTON – U.S. Senator Orrin Hatch, the incoming Ranking Republican on the Senate Finance Committee, issued the following statement today on the National Commission on Fiscal Responsibility and Reform’s report on ways to bring down the nation’s deficit:

“Our nation faces significant fiscal challenges that demand leadership from Washington. The Commission and its members have undertaken a herculean task of finding ways to bring down our record deficits that threaten the future of our country. Their recommendations deserve careful consideration.

“The Commission highlighted three areas that need to be acted upon to bring our fiscal ledger back into balance – discretionary spending reductions, tax reform, and entitlement reform. The quickest and easiest to accomplish is reducing discretionary spending, which must be undertaken immediately and dramatically in the next session of Congress. Entitlement and tax reform are also critical and demand carefully calibrated action with the support of the American people.

“Since World War II, federal government spending on average accounted for around 19 percent of our nation’s Gross Domestic Product (GDP). Today, it stands close to 25 percent – an unsustainable level that threatens the very future of our country. The key to getting our fiscal house back in order lies in reducing spending back down to historic levels so future generations won’t bear the burden of this irresponsibility. I’m glad they included two proposals I’ve championed – reducing the federal workforce and limiting government spending.

“One thing is clear, raising tax rates does not necessarily raise revenues. Any effort at reforming our tax code must focus on making it less burdensome and more efficient, and on making our job creators more competitive. I’m pleased the Commission recognizes that and included such important proposals as lowering our corporate tax rate and making the research tax credit permanent. However, raising tax rates under the guise of so-called tax reform would hamper our ability to grow our economy and be competitive in a global economy.

“Making up close to 60 percent of our federal budget, our nation’s entitlements – and Medicare in particular – are on a demographic collision course with insolvency. The Commission spent a tremendous amount of time discussing how to constrain skyrocketing health costs, all while refusing to even put repeal or modification of the recently enacted health law on the table. In my view, that was a significant mistake especially since the Administration’s own actuary says that the health law increases costs. Furthermore, taking a half trillion dollars out of Medicare for this new entitlement spending puts Medicare’s existence at great risk. Reforming our entitlements cannot be just another talking point – it must happen and the recently enacted health law must be on the table.”

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