

## **Sen. Sanders Opening Statement – Budget Process Reform Hearing**

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Mr. Chairman, thank you for holding this important hearing.

Just a couple of weeks ago, we started a new fiscal year without eliminating sequestration. I think that was a serious mistake. These arbitrary, across-the-board budget cuts are damaging the economy and hurting millions of the most vulnerable Americans, especially the very young, the very old, the sick and the poor.

Adding insult to injury, we are also less than two weeks away from hitting the debt ceiling. If we don't act by November 3rd, we will default on our bills for the first time in our nation's history.

Mr. Chairman, let's be clear: Defaulting on our debt would be a disaster. It would precipitate a national and international financial crisis. If a default occurs, interest rates will spike for home mortgages, car loans, student loans and credit cards. Millions of Americans could lose their life savings and pensions. Millions of veterans, senior citizens, our brave men and women in our armed forces, young children who depend on food stamps, and our entire economy would be put at risk. We cannot allow this to happen.

I sincerely hope that my Republican friends will not attempt to shut down the government or threaten the full faith and credit of the United States government, as they have done in the past, because of their

hatred of Obamacare and Planned Parenthood or because of their desire to cut Social Security, Medicare or Medicaid.

I hope everyone in this room would agree that would be wrong, terribly wrong. We are going to have our disagreements. But, a democratic government cannot function when a small faction chooses to hold the American people hostage in hopes of cutting programs that the overwhelming majority of Americans support.

Now, I understand that my Republican colleagues are concerned about the deficit, which by the way, has been reduced by more than two-thirds in the last six years. And, we're also concerned about the deficit. My Republican colleagues are concerned about an \$18.4 trillion national debt which has skyrocketed in recent years largely because of the wars in Iraq and Afghanistan that were not paid for, an insurance written Medicare Part D prescription drug program, not paid for. Huge tax breaks for the rich and large corporations, not offset. And, the deregulation of Wall Street which precipitated the worst financial crisis since the Great Depression.

The national debt is an issue that we are also concerned about. But where we disagree is how you address the deficit and the debt. And, we feel strongly that from a moral perspective and an economic perspective, you do not balance the budget on the backs of the elderly, the children,

the sick and the poor – the most vulnerable people in our society – and ask nothing from the wealthy and large, profitable corporations.

Today, major corporation after major corporation pays, in a given year, nothing in federal income taxes. Profitable corporations like General Electric, Verizon, and Boeing, have not only paid nothing in federal income taxes, they actually got rebates from the IRS.

According to a report from the Congressional Research Service, each and every year, profitable corporations are avoiding about \$100 billion in taxes by stashing their profits in the Cayman Islands and other offshore tax havens.

In 1952, corporations contributed about 32 percent of all federal revenue. Today, they contribute about 11 percent.

In terms of individual tax rates, we have a situation where hedge fund managers on Wall Street, who make hundreds of millions of dollars a year, pay an effective tax rate lower than a truck driver or a nurse.

Yet, my Republican colleagues have been absolutely determined to make certain that the rich and large corporations not contribute one penny for deficit reduction, and that all of the sacrifice comes from the middle class and working families in terms of cuts to Social Security, Medicare, Medicaid, LIHEAP, community health centers, education, Head Start, nutrition, affordable housing and many other vitally important programs.

Here are just a few examples of what will happen if we do not eliminate sequestration this year:

- 800,000 fewer jobs will be created;
- 2 million young Americans, dislocated workers, and veterans will not get the job training they need;
- 620 community health centers will not open their doors which would reduce access to primary care for more than 2.6 million Americans;
- 144,000 young children will not be able to enroll in Head Start;
- 430,000 Americans will not get the comprehensive family planning and preventive health services they need; and
- 20,000 veterans will not get the medical care they need because of cuts to the Veterans Health Administration.

Mr. Chairman, I think that would be unacceptable. At a time of massive wealth and income inequality let's work together on a budget that is fair. Let's end sequestration. And, at the very least, I hope we can all agree right now that we will pay our bills on time and we will not allow the United States of America to become a deadbeat nation.

I thank the Chair.