

Subject: Georgia Senator Saxby Chambliss Senate Hearing On the Budget, Referring To Jim Jones of Dixie Industrial Finishing Co.

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THE BUDGET

Mr. CHAMBLISS. Mr. President, I rise today to talk about the budget as proposed by President Obama and, to put it very bluntly, I am worried. While several aspects of the budget concern me, the one I find most troubling is the direction in which it will take this Nation's deficit. The budget's cost has been pointed out many times on this floor during the past week--\$3.5 trillion is, indeed, a lot of money. But what I would also emphasize is that the President's budget will spawn a deficit of \$1.17 trillion next year.

There are many items on the President's wish list. Some are worthwhile, but many, such as his health care plan, tax increases, and climate change, deserve a long and lively debate in front of the American people before we have any vote on any of those measures. I have four grandchildren--John, Parker, Kimbro, and Anderson--and I am very proud of all four of them. This budget will spend more money than my four grandchildren's generation will ever have a hope of paying back in their lifetimes.

This is not a temporary spike in the deficit. Despite the President's stated intention to reduce the deficit, the smallest deficit envisioned by this budget--\$533 billion in the year 2013--would still be larger than any of the annual budget deficits of the last 8 years. The last 8 years have received a lot of criticism from folks on the other side of the aisle, including our President, but the fact is that the last 8 years are going to pale in comparison, from a deficit standpoint, in the event this budget should pass.

Further, the debt held by the public doubles, from \$5.8 trillion, 41 percent of our GDP, in 2008, to \$11.5 trillion, or 66 percent of GDP, in 2013. If that were not astounding enough, by 2019 debt will have tripled from the 2008 to \$15.4 trillion, or an astonishing 67 percent of our GDP.

Unfortunately, that is not the worst of it. The CBO is expected to release its numbers for this budget tomorrow. Early reports suggest that its deficit forecast will be some 20 percent higher than the White House has expected with the numbers to which I just alluded.

I am also worried about this budget's \$1.4 trillion tax increase, which will hit our small businesses, the engines of our economy, particularly hard. More than half of small business, with 20 or more employees, will get hit with tax hikes proposed in this budget. That will have a dampening effect on the ability of the small business community to maintain the jobs it has today, much less to think about hiring additional employees.

In my home State of Georgia, fully 98 percent of the State's employers in 2006 were small businesses, according to the U.S. Small Business Administration Office of Advocacy. With a record statewide unemployment rate of 9 percent today, to say that many of them are having a hard time is an understatement. These are small businesses, such as Dixie Industrial Finishing Company in Tucker, GA, which does electroplating. Dixie's vice president, Jim Jones, is also worried. His company has been in business for nearly 50 years and has about 10 employees. Just in the past 2 weeks, because of the very difficult economic times we are in, Jim has had to lay off almost 10 percent of his workforce. Some of these employees have been with the company for 20 to 25 years and were getting close to retirement. I am afraid that, coming during a recession, such tax increases will only add to the financial strain at Dixie as well as other small businesses and further feed the growing job losses in Georgia and elsewhere.

I am a firm believer in the optimism that birthed this great Nation. But no matter how hard we try, we cannot wish the deficit away. We cannot let ourselves throw caution to the wind and act with such fiscal irresponsibility. We are leaving our children and grandchildren in hock forever to pay for the wants of today. Now, not in 5 years or 10 years, is the time for us to exercise responsibility and enact some spending restraint to get this deficit under control. Nothing less than our country's future depends on it.

The American people understand our fiscal problem. The phone calls

into my office are overwhelmingly asking the question: Where in the world is this administration taking our country? What is happening to our country from a fiscally responsible standpoint? In what direction is this country really going?

We have to be much more fiscally responsible than the President has proposed in his budget. Very simply stated, his budget spends too much, it taxes too much, and it borrows too much. That is the wrong direction in which this country needs to be going in difficult times or in good times.

I yield the floor.