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FOR IMMEDIATE RELEASE:
October 6, 2005

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SPEAKER HASTERT COMMENTS ON REPUBLICANS' INITIAL SPENDING CUT PROPOSAL

WASHINGTON, D.C. – House Speaker Dennis Hastert (R-Ill.) made the following statement today regarding an initial spending cut proposal by House Republican leaders.

“Hurricanes Katrina and Rita have dealt a severe blow to our nation, both in terms of human and economic losses. We can and will recover, but it will require some serious belt-tightening throughout the federal government. House Republican leadership, Committee Chairmen and key members of the conference have worked together to come up with a proposal we believe can accomplish this task. In order to maintain our commitment to deficit reduction, we are proposing to move a mid-session Budget Amendment for the first time in almost 30 years (1977). The Amendment will increase the total amount of savings which can help pay for these unexpected costs. This proposal will encompass four key points:

Point One

- We will exceed the \$35 billion in mandatory savings we outlined in the budget and increase those savings to at least \$50 billion.
- In addition to the \$50 billion, we will offset dollar- for-dollar the new mandatory spending included in reconciliation/entitlement reform that is required to address the disasters

Point Two

- We will continue to hold the line on discretionary spending (this year's level is the lowest since Reagan was in office) and the House will seek an additional across the board cut of '06 discretionary spending.

Point Three

- We will bring forward packages of additional rescissions to further help offset reconstruction costs. Congress must develop, with the President, a budget for reconstruction and a plan to pay for it.

(OVER, OVER)

Point Four

- The House has identified and zeroed out numerous duplicative, wasteful and/or unnecessary programs in the current appropriations process. We will take our work a step further by permanently eliminating these programs – thereby achieving savings year after year – by deauthorizing them.

“Let’s face it: balancing the checkbooks is just good business to stay financially healthy. Before this national tragedy and in the aftermath of the 2001 terrorist attacks, House Republicans had made unprecedented strides in getting our nation’s financial house in order. Unemployment had dropped to its lowest level since before the September 11th attacks, and we had lowered the deficit. We must and can do better to mind the bank account of the American people – the federal budget.”

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