

**Testimony of Congressman Rick Larsen**  
**House Budget Committee**  
**February 7, 2001**

Mr. Chairman,

Thank you for the opportunity to testify before the House Budget Committee this morning. My purpose today is to convey the comments I have heard from district constituents regarding the prospect of tax cuts and their relation to Congress's work on the budget.

Just recently I met with a group of small business owners, bankers and farmers in Everett, Washington, the heart of my district. The purpose of the meeting was to hear how the slowing economy was affecting their businesses and to tap into local thoughts and feelings on how best to stimulate our economy.

The results were enlightening. First, there seems to be general support for a tax cut, but not support of any specific package. And the larger the proposed tax cut package, the more skepticism there is about the ability to put together a responsible budget. Why?

The reason for this skepticism is simple: constituents in my district are skeptical about the real size of the surplus. Their skepticism is borne out by the most recent Congressional Budget Office report, which shows that over the next ten years, the surplus could range from \$2.6 trillion to -\$50 billion, depending upon various assumptions. They don't trust Congress to hold the line. Period. On tax cuts or on spending.

As a result, the message from constituents is this: Treat the surplus conservatively and make a tax cut affordable.

How to do that? The answer is in the second message from constituents. That message is this: Show us the budget.

Families living in my district would not so much as buy school clothes for their kids or order out for pizza without looking at their budget.

Similarly, talking tax cuts before talking budget runs counter to how families in my district approach their own budgets. The best method to gain support for tax cuts, it seems to me, is to show our constituents exactly how much we have to work with: again, Show us the Budget.

Finally, I want to address unfinished business - the unfinished business of the debt. In our meeting, one local banker said in relation to a tax cut package, “The public doesn’t need another political bill, the public wants a practical bill.”

Practicality suggests that Congress should finish the unfinished business of paying down the debt. This year’s budget should contain a real commitment to this goal of fiscal responsibility.

How do we meet the goal of paying down the debt, while taking into account the varying ranges of surplus estimates and the public’s skepticism about Congress’s ability to be fiscally prudent?

This involves three key steps.

First, show the public the budget. They need to know exactly how much is at stake here and how much we can realistically commit to a tax cut. Show us the budget.

Next, keep tax cuts affordable. Americans don't want a tax cut if it means sky-high national debt.

And finally, be conservatives, not liberals with estimates of the surplus. Let's not spend money that we don't really have.

Spending the surplus is a one shot deal and then it is gone. Let's act responsibly. We owe it to our constituents and to our country.