

Federal budgets are about priorities and tough choices. If Congress is going to balance the budget ever again, the ideologically driven politics need to give way to reasoned decision and thought. Unfortunately, the republican majority passed a budget that cut investment in transportation and education and shifted massive health care costs onto seniors while protecting many special interest tax loopholes and subsidies. Congress could balance the budget within a decade by making strategic cuts, ending wasteful subsidies, and ensuring that large corporations and the wealthiest Americans pay their fair share of taxes.

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### Major Accomplishments

#### *Balanced Budget Amendment*

In 1995, DeFazio was one of only a few Democrats to vote for a balanced budget amendment. He supported such drastic action because his colleagues were not willing to make tough decisions. While it passed in the House, it failed by one vote in the Senate. Had it passed in 1995, we would not be in the fiscal mess we are in today.

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This year, DeFazio has again cosponsored a bi-partisan balanced budget amendment offered by Rep. Goodlatte, a republican from Virginia. It is the same bill that passed in 1995.

DeFazio has also introduced his own Balanced Budget Amendment. DeFazio's proposal requires any significant military action that is not a congressionally declared war, like Libya, to be included in the budget rather than declared emergency spending as in the case of Iraq and Afghanistan.

### *Audit the Pentagon*

Since 1990, the Department of Defense has spent \$10 trillion. Over the next six years, it will spend \$4 trillion more. Despite the fact that the Pentagon is the largest and most expensive department in the federal government, it has never passed a financial audit. In fact, under current law the Pentagon is exempt from a federal law that requires all federal agencies to complete annual audits. During consideration of the 2011 Defense spending bill, DeFazio offered and passed an amendment to end the special exemption, requiring the Pentagon to publicly disclose how it spends hundreds of billions of taxpayer dollars each year.

### *Audit the Fed*

The Federal Reserve (Fed) was created in 1912 to safeguard our financial system, protect consumers, and oversee the regulation of banks. Over the last 20 years, however, the Fed has seemed more concerned with protecting its own secrecy and Wall Street over the American public. Throughout DeFazio's time in Congress, he has fought for an independent audit of the Fed to ensure transparency, and he was an early cosponsor of Rep. Ron Paul's Federal Reserve Transparency Act. He has cosponsored other bills to rein in the Fed.

In 2008, Wall Street gambled with our economy, lost big, and then asked taxpayers for a

bailout. Today, the CEOs in charge of the same banks that nearly destroyed the economy remain on the Fed's Board of Directors and are charged with regulating their own industry. This outrageous conflict of interest jeopardizes the health of our financial system. He introduced H.R. 2304 to eliminate this gross conflict of interest and prohibit banks that receive money from the Fed from stacking these boards with their employees. He will continue to fight to make the Fed transparent and accountable to the American people.

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### **1993 Budget Act**

During the Clinton years, Congressman DeFazio supported a budget plan that eliminated the deficit and balanced the budget by 1999 and again 2000. During those same years the U.S. actually paid down the debt for the first time since 1969.

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### **Bush Tax Cuts**

Under the premise that these surpluses would last, President Bush pushed through two huge tax cuts skewed heavily toward millionaire and billionaire speculators and investors, and estates worth more than \$5 million. Those tax cuts, plus two wars, led to massive deficits adding \$7 trillion to our debt. A return to the Clinton-era tax rates, which DeFazio voted to do December 2010, would cut the deficit by 50 percent over the next 10 years.

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### **Ending Tax Loopholes for Profitable Corporations**

While Americans are paying \$4 per gallon at the pump, Exxon reportedly avoided paying any income taxes on their record \$30 billion profits in 2009. Similarly, GE paid no federal income taxes in 2010 on profits of \$14.2 billion. Ending tax loopholes for profitable corporations would generate \$50 billion a year.

In addition, ending subsidies to big agriculture conglomerates would save \$20 billion a year.

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### **Eliminating Waste and Unnecessary Programs**

There is no reason to spend billions of dollars per year on antiquated Cold War era weapons systems the Pentagon does not want. The U.S. must also reassess our troop deployment in Iraq and Afghanistan and other Cold War commitments to nations like Germany and Japan. A smaller presence of Special Forces in Afghanistan would allow the Afghanis to settle their intertribal and intratribal conflicts, and would save taxpayers \$100 billion per year.

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### Must Reads

[Tiny Tax on Financial Trades Gains Advocates](#) - by Steven Greenhouse and Graham Bowley  
*New York Times*  
December 6, 2011

[DeFazio Breaks Ranks To Vote For Balanced Budget](#)  
- April Baer  
*OPB*  
November 18, 2011

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[Vote on Balanced-Budget Amendment Sees Some Democratic Support](#)  
- Webb Hubbell  
*Talk Radio News Service*  
November 17, 2011

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[Peter DeFazio: On Balanced Budget, Buck Democratic Leaders](#)  
- Marin Cogan  
*Politico*  
, November 16, 2011

[Balance the Budget-](#)  
New York Times interactive tool

[DeFazio discusses tax and debt issues](#) - by Hasso Herring *Albany Democrat-Herald*, August, 26, 2011

[DeFazio calls for budget reform](#) - by John Sowell *Roseburg News-Review*, August 24, 2011

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**Videos**

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**Press Releases**

- 09.19.11 [DeFazio Praises Obama Plan To Bring Fairness To Tax System](#)
- 08.02.11 [DeFazio Statement On Debt Ceiling](#)
- 07.20.11 [DeFazio Rejects Radical Cut and Cap Budget Plan](#)
- 07.08.11 [House Passes DeFazio Amendment](#)
- 05.31.11 [DeFazio Statement on Debt Ceiling Vote](#)

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