

DeFazio calls for budget reform

State representative lauds balanced budget amendment and two-year budget cycles

JOHN SOWELL
The News-Review

U.S. Rep. Peter DeFazio renewed calls Tuesday for doing away with a Social Security "tax holiday" and investing the money in bridges, roads, water and sewer systems and other public projects.

The extra \$10 to \$20 a week that workers have been receiving in their paychecks since Social Security payroll taxes were temporarily reduced has provided only marginal benefits, the Springfield Democrat told a standing-room-only audience at a town hall meeting at Roseburg City Hall.

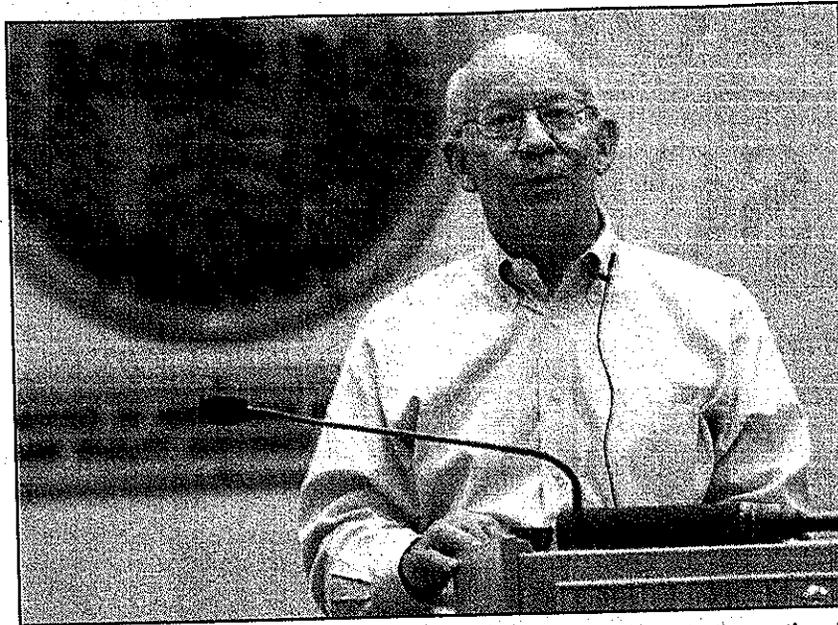
Mostly, it helped people keep up with the rising cost of gasoline, he said.

The money would have been better spent on building projects that DeFazio said could have created 3.5 million jobs and provided benefits for decades to come.

"That's three and a half million people (who) would no longer be collecting unemployment. They wouldn't need food stamps," he said.

DeFazio said he favors a balanced-budget amendment to the Constitution. He voted for a 1995 amendment that passed the House but failed in the Senate. If the amendment had passed and had been ratified by the states, the nation would be paying off the last of its debt now, DeFazio said.

"We wouldn't be talking about \$14 trillion in debt and what are we going



Peter DeFazio makes a point in the Tuesday night town hall meeting in Roseburg. The Springfield Democrat said he believes the cap should be lifted on Social Security payroll taxes and criticized President Obama for failing to deliver on creating a large infrastructure spending program.

to do for the future," he said.

At the same time, DeFazio bemoaned the revenue lost to tax cuts passed under President George W. Bush and continued under President Barack Obama.

The deficit is too big to erase by reducing spending alone, he said.

"You can't get there by just cutting," DeFazio told the audience of 180 people who packed the city council chambers. "You need a balanced approach, which includes allowing some tax cuts to expire."

In response to a question, DeFazio said the cap should be lifted on Social Security payroll taxes. Currently,

workers do not pay Social Security taxes on wages above \$106,800.

"If we removed the cap, we would take in so much money, we could lower the rate for people making less than that," DeFazio said.

He said the federal government needs to revise how it calculates cost-of-living increases for Social Security recipients. The inflation index used now does not take into account gas prices and housing costs, but does track electronics that tend to decrease in price, he said.

DeFazio said Obama may have trouble carrying Oregon next year. The state's high unemployment rate

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U.S. Rep. Peter DeFazio
D-Springfield

”and poor economy may encourage voters to support another candidate, he said.

Answering another question from the audience, DeFazio said he favors moving to a two-year federal budget cycle.

A two-year cycle would give lawmakers more time to scrutinize spending, he said.

DeFazio previously suggested going to a biennial budget, but the idea didn't gain widespread support. He said he hoped to gain Republican allies for a renewed push.

The Roseburg town hall was one of 14 held by DeFazio throughout the 4th Congressional District over the past two weeks. The sessions wrap up Thursday in Albany and Corvallis.

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ROSEBURG TOWN HALL



U.S. Rep Peter DeFazio speaks Tuesday in the Roseburg City Hall council chambers. About 180 people packed the meeting room.

MICHAEL SULLIVAN/News-Review photos