

The following editorial on the efforts that Congressman Bachus is making as Chairman of the House Financial Services Committee to reduce the federal deficit was printed in the Washington Times on April 19.

COOKING THE BOOKS

America's \$15.7 trillion national debt continues to grow at an alarming rate. Though most economists agree we're on an unsustainable path, the president and his allies in the Democratic Senate have done nothing about it. They hope to return to their old ways of borrowing trillions without making dollar-for-dollar cuts. Congressional Republicans are trying to impose a bit of discipline.

In the House-passed budget, Rep. Paul Ryan created a new reconciliation process to achieve the spending cuts needed to avoid an automatic sequestration that will drain the military's budget. The Wisconsin Republican tasked six committees to identify reductions of at least \$18 billion in the first year and \$261 billion over a decade. The Financial Services Committee, one of four that held markups on Wednesday, passed a bill that would save \$35 billion over 10 years - \$5 billion more than required. "The spending cuts in sequestration on our defense will devastate our national security," Chairman Spencer Bachus, Alabama Republican, told The Washington Times. "That's our motivation, as well as the debt crisis. Our debt situation is like a stick of dynamite - it could go off at any time."

The committee's proposed waste reduction comes with side benefits, such as ensuring taxpayers are no longer forced to bail out private creditors. "We codified 'too big to fail' in Dodd-Frank," Rep. Jeb Hensarling, Texas Republican told The Washington Times. "Ending it is important for the \$22 billion in savings, but it's more important to market discipline, as opposed to the crony capitalism and bailout mania that is represented by Dodd-Frank." The National Flood Insurance Program would also be reformed so that premiums are based on risk, saving \$4.9 billion.

Closing the failed Home Affordable Modification Program (HAMP) program, which has wasted billions by propping up troubled loans, would save \$2.8 billion. "HAMP has caused more harm than good by encouraging people who can't afford to make their mortgage payment to postpone the inevitable," said Mr. Bachus. The bill moves the new Consumer Financial Protection Bureau

(CFPB) budget to the discretionary side of the ledger, placing its expenses under congressional oversight and saving at least \$5.4 billion as the agency is forced to go through the normal appropriations process.

Mr. Ryan hopes to use the expedited reconciliation process, which only needs a simple majority to pass in the Senate, as an opportunity to make longer-term savings in mandatory accounts that are normally off-limits. Predictably, the Obama administration is unhappy. Treasury Secretary Timothy F. Geithner wrote Mr. Baucus on Tuesday to defend Dodd-Frank, HAMP and CFPB, claiming the committee's changes would lead to a financial crisis that damages the economy, increases foreclosures, destroys the housing market and leaves consumers vulnerable to financial fraud.

On the other hand, failure to stop the runaway spending will leave this country just as bankrupt as Greece and subject to a more likely laundry list of horrors. The House Republicans' reconciliation strategy is the best chance we have of imposing modest restraint on an immodest spending problem.

Emily Miller is a senior editor for the Opinion pages at The Washington Times.