

By Rebecca Neipp June 22, 2011 [Link](#)

True or False: President Barack Obama's budget, by the White House's own projections, will accumulate more debt by 2020 than every other president in American history combined.

That statement is true, according to statistics cited by Rep. Kevin McCarthy at the Ridgecrest Chamber of Commerce luncheon on jobs and business.

Legislators are scrambling to increase revenues to cover the compounding debts of the federal government. But as those liabilities climb faster than the government can finance, the notes are being sold to foreign governments. McCarthy painted a grim picture that showed the urgency of getting America back on a course that corrected the balance between revenues and expenditures.

But he stressed that America's staggering deficit cannot be corrected by making cuts or raising taxes alone — the greatest hope for a solution lies in fostering a vibrant private sector that creates jobs that produce.

"The government does not create jobs, the private sector creates jobs. We need to go to where 70 percent of jobs are created and what made this country great — small business," said McCarthy. "We have to grow our economy, but our biggest problem is uncertainty."

He said that corporations have more cash on hand than they have in 50 years. But overregulation in the U.S. is keeping that money from being invested.

Perhaps surprisingly, the Republican congressman said that our country's debt has been mismanaged by both parties — "There is enough blame to go around for all sides."

But we are at a critical moment when both sides must work together to craft a solution. "I sat down with the President and this is what I told him: if you agree to four principles, we can put politics aside and negotiate. You have to have a plan. It can't be a speech, it has to be a plan. If the congressional budget office cannot score it, it's not a plan. We have to make cuts this year. We cannot afford to live the way we've been living. We have got to cap government so we don't have this unbelievable 83 percent growth. And let's save entitlements by reforming them. If we don't we're going to lose them altogether. And he said he would not agree to those things. If that's the case he is going to have a hard time getting a vote from the House."

In the meantime McCarthy said that he is working to reform regulations to put American companies on an even playing field with the rest of the world. He used as an example that the U.S. government levies a 35 percent tax for bringing international earnings back to the U.S. Other countries charge between 0 and 5 percent. "So people keep their money overseas. If we get rid of penalties, people are going to bring that money back. This would be a stimulus that no government had to borrow any money for," said McCarthy. "Churchill said, 'You can always count on Americans to do the right thing ... after they've exhausted every other option.' I think that's what's going to happen."

Regulation reform regarding fuel production would not only create energy independence, he said, but create jobs. He told his listeners that North Dakota's unemployment dropped to 3 percent when they went from producing 8,000 barrels of oil per day to 240,000 barrels of oil. "Now we have people from Kern County go there to work because the state holds up the permitting process here," he said. "We can do this. We can unshackle. Stop making us dependent on some other country. I don't want our ability to get fuel to be dependent upon what's happening in the Middle East."

Above all, our country needs to put policy before politics. Politicians decided it was bad to have a budget because the public could attack them on it. Instead that process of evaluation should be used to refine ideas and let the strongest be brought forward.

"We have a window to reform our country ... This could be the witching hour. Here's the time for people to stop being politicians and start being statesmen. This is about the future of our country. I'm pushing people to make the right decision to get information out. There's blame on both sides, but if we join together we can do whatever we want," said McCarthy.

American is that 'Shining City on the Hill,' but I don't think there's one in this room that doesn't

agree the light has been dimmed. We need to charge that hill together."