

(Washington, DC) - **Congressman Wally Herger (R-CA), Ranking Member of the Ways and Means Subcommittee on Health, issued the following statement in response to the release of President Obama's Fiscal Year 2010 budget proposal.** The proposal is estimated to include \$3.9 trillion of spending. Herger's remarks follow below:

"The budget plan proposed by the Obama Administration would take the American economy in the wrong direction. Given our record deficits, a reeling economy, and with people struggling to make ends meet, we need to be tightening our belts. The President's budget blueprint is based on a tax and spend strategy that will only compound America's problems. We need a spending freeze, not a spending spree. I am pleased that President Obama has stated that he intends to reduce our deficit over time, but we should do so by addressing spending, not raising taxes.

"Raising taxes during a serious economic recession is a recipe for disaster. This flawed path is a job killer. The cap and trade provisions in the budget proposal raise taxes on almost all Americans, including small businesses, family farms, and middle class families, at a time when we can least afford to do so. The majority of filers targeted by the Administration's planned income tax increases are small businesses, the engine of 70% of new job creation in this country. All Americans that have investments, especially retirees on fixed incomes, will be significantly harmed by increases in capital gains and dividend tax increases. We've been down the tax hike road before during a recession. It led to record unemployment and played a paramount role in extending the Great Depression. We must learn from our past mistakes and ensure that we pursue policies that will free the American people of a crushing tax burden and help kick start our economy."