

[By Neal Goswami](#)

Federal budget cuts must extend beyond Congress' discretionary spending if the country is to tackle its growing deficit, U.S. Rep. Peter Welch told Bennington Area Chamber of Commerce members Monday. "This is much more of a political problem than it is a policy problem. We have a fiscal problem. We've got to pay our bills. We can't afford the kind of deficit that we have. It's not sustainable," he said. "Bottom line, however we got here, we have to develop a plan to restore some balance in this country. We can't continue to spend more than we take in."

The Republican majority in the House, swept into power during the 2010 mid-term election, is seeking deep cuts in non-defense discretionary spending, including cuts to National Public Radio, Planned Parenthood and various aid programs for low-income Americans.

The GOP plan is the wrong way to go, Welch said.

"There is a need ... to bring our fiscal situation into balance, but the plan that is being proposed and we're acting on has two fundamental problems with it. One, it won't work, and then two, it's going to unravel institutions that we need."

Non-defense discretionary spending accounts for just 12 percent of the budget, Welch said. "You're trying to solve 100 percent of the problem by looking at 12 percent of the budget," he said.

Lawmakers should be looking everywhere to make cuts, including the Pentagon and the tax structure to balance expenditures with revenues, Welch said. "If your way of showing that you're really tough fiscally is to get into a bidding war about how much you're willing to cut college scholarships or broadband investment or low-income heating assistance and the tougher budget-cutter has the higher number, I say that's the wrong way to approach it," Welch said. "The tougher budget cutter is the one who says, 'Hey, we have to put everything on the table if we're going to have a chance of being successful.'"

Welch said many of the Tea Party-backed GOP freshman House members are looking to achieve the same thing as Democrats. "Their goal is the same as mine -- to get people back to work," Welch said.

But so far, they've been unwilling to look beyond discretionary spending, he said. "The tax cuts are safe in our new world but our programs are not," he said.

Meanwhile, Welch said changes Congress has made to the Small Business Administration have helped small business owners secure financing. The "practical adjustments" included a higher lending amount and reining in high closing costs, he said.

Business owners now see the SBA as a "willing partner" rather than a big government bureaucracy, he said.