



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

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Treasurer Lockyer Criticizes Effort to Let States File for Bankruptcy

SACRAMENTO – State Treasurer Bill Lockyer today issued the following statement regarding reports about a possible move in Congress to let states declare bankruptcy:

“To the folks in Congress cooking this baloney: Don’t bother. States didn’t ask for it. We don’t want it. We don’t need it. Bankruptcy would devastate states’ ability to recover from the recession and make the infrastructure investments that create good jobs. It would inflict severe injury on taxpayers. Advocates of this preposterous idea want one thing above all – to see government go up in flames and, with it, the lives of a certain class of working people they don’t like.

“The people making this dangerous suggestion – and those who lend it credibility it doesn’t deserve – confuse states’ near-term budget deficits with long-term funding obligations. The latter, including pension obligations, are serious problems. We are dealing with them by reducing benefits and increasing employees’ contributions, among other moves. With respect to our budget shortfalls, we have the tools to fix them without taking a wrecking ball to our economies and taxpayers. Thanks, but we’ll pass on the Gingrich Kool-Aid.”

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