

The Republicans' Fiscal Flip-Flop

The Republican Hall of Shame on Pay-As-You-Go Rules



Pres. George Bush



Rep. Tom DeLay



Rep. Dennis Hastert



Rep. Jim Nussle



Rep. Deborah Pryce



Rep. Bill Thomas

“I fondly remember a time when real Republicans stood for fiscal responsibility. Apparently those days are long gone for some in our party.”

- Senator John McCain, 05/20/04

Senator McCain, three of his Republican Senate colleagues (Lincoln Chafee, Olympia Snowe and Susan Collins) and nearly every Congressional Democrat recognize the economic danger of deficits as far as the eye can see, including a record budget deficit of more than \$500 billion in Fiscal Year 2004. At the same time, Congress prepares to increase the statutory limit on the national debt by \$690 billion.

That's why Democrats and these four Republicans strongly support common-sense “pay-as-you-go” (PAYGO) rules, which were enacted during the last deficit crisis in 1990 and re-enacted in 1997 before expiring in 2002. These PAYGO rules required increases in mandatory spending and decreases in revenue to be offset elsewhere in the budget so that they don't add to the deficits. They are widely credited with producing record budget surpluses in Fiscal Year 1998 to Fiscal Year 2001.

President Bush and Congressional Republican leaders all previously supported PAYGO rules for both spending and taxes – rules that they now ignore. Today, nearly all Republicans oppose the re-enactment of PAYGO rules that apply to taxes; instead, they support sham PAYGO rules that apply to spending only. This is a monumental policy flip-flop.

First Three Bush Budgets Supported PAYGO For Spending And Taxes

“To start the budget on a firm course back toward balance, the President further proposes to extend the Budget Enforcement Act controls [applying PAYGO rules to spending and taxes] that expired in 2002.”

- The President's Budget for FY04 (Page 29)

“The Administration will work with the Congress during the next session to develop budget enforcement mechanisms, including future discretionary spending limits and a PAYGO requirement for entitlement spending and tax legislation that are consistent with the needs of the country.”

- The President's Budget for FY03 (Page 283)

“The President also proposes to extend the PAYGO requirement for entitlement spending and tax legislation. The President's Budget sets aside the Social Security surplus and additional on-budget surpluses for debt reduction and contingencies. These levels ensure the President's tax plan and his Medicare Helping Hand and modernization reforms are fully financed by the surplus. Any other spending or tax legislation would need to be offset by reductions in spending and increases in receipts.”

- The President's Budget for FY02 (Page 172-173)

Top Republican House Leaders Voted For The Balanced Budget Act Of 1997, Which Included PAYGO Rules For Spending And Taxes...

...Including Speaker Hastert, Majority Leader DeLay, Conference Chair Pryce, Budget Committee Chairman Nussle, Ways and Means Committee Chairman Thomas, Appropriations Committee Chairman Young, Rules Committee Chairman Dreier, and White House Liaison Portman

"I rise in support of this legislation that finally balances our Federal budget. It is about time. I have waited my entire adult life for it."

- Majority Leader Tom DeLay (R-TX), Congressional Record, 07/30/97

"I think we need to step back a moment and think about what a victory this is for the American people. For the first time in more than a generation, we are actually going to balance the budget. We are going to stop spending more than we take in every year, an immoral practice that leaves the bill for the next generation."

- Rep. Rob Portman (R-OH)

After Paygo Budget Rules Expired In 2002, The Chairman Of The Budget Committee Called For Their Reinstatement

"With the other body unable to pass even a budget this year, we were obviously unable to reach an agreement on legislation to extend PAYGO and other budget rules. It is my hope that this can be done next year as part of a normal budget process. I would close by reminding our Members and colleagues that the PAYGO rule contributed to the taming of deficits over the past seven years, and it is my hope that a successor to PAYGO can be developed and coupled with caps on discretionary appropriations."

- Budget Committee Chairman Jim Nussle (R-IA), Congressional Record, 1/14/02