

DEMOCRATS TAKE ACTION TO RESTORE FISCAL RESPONSIBILITY

*While Democrats Work to Restore Fiscal Responsibility,
GOP Ignores Their Failed Policies, Role in Current Deficit*

“Obama has greater than 20-point leads over congressional Republicans in public trust on dealing with health care, the deficit, terrorism and the economy.”

– Washington Post, 6/22/09

Democrats have taken action to restore fiscal responsibility in order to reverse years of reckless spending under the Bush Administration, and restoring PAYGO is a central part of that effort. Last week, House Democrats introduced President Obama’s “Statutory Pay-As-You-Go Act of 2009” with more than 160 cosponsors, and it is expected to be brought to the Floor in July. However, while Democrats continue to work with President Obama to restore budget discipline, Republicans are ignoring their recent record and attempting to claim the mantle of fiscal responsibility.

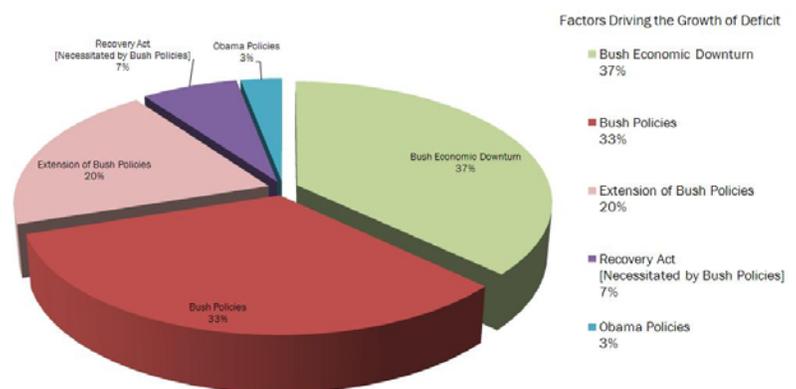
Republicans’ Weak Record Has Strong Impact

While Republicans say they are the party of fiscal discipline, their policies resulted in an economic downturn and a growing mountain of debt. Republican leadership’s lack of fiscal discipline turned a \$5.6 trillion dollar surplus into a \$1.3 trillion deficit. Republicans allowed PAYGO to lapse, squandered surpluses, and increased spending, creating the deficits and debt that helped spiral our economy into a recession. A recent report by the *New York Times* noted that only 10% of the growth in the deficit could be attributed to President Obama. A full 90% of the deficit rests squarely on Republicans’ shoulders:

- **37% of the deficit is a result of the economic downturn under President Bush:** “It’s a reflection of the fact that both the 2001 recession and the current one reduced tax revenue, required more spending on safety-net programs and changed economists’ assumptions about how much in taxes the government would collect in future years.”
- **33% of the deficit is a direct result of Bush Administration policies:** “[President Bush’s] legislation, like his tax cuts and the Medicare prescription drug benefit, not only continue to cost the government but have also increased interest payments on the national debt.”
- **20% of the deficit is necessary to extend Bush Administration policies.** [New York Times, 6/10/09]

Bush's Deficit

A Picture is Worth 2 Trillion Words



Prepared by the Office of the Assistant to the Speaker

Source: CBO / New York Times

Democratic Policies Promote Fiscal Responsibility

The PAYGO rule is simple: to spend a dollar, you have to save a dollar elsewhere. Putting this principle into law will help us invest sustainably in our most important priorities, while pushing us to make the hard choices necessary to support vital programs and cut wasteful spending. But re-establishing fiscal discipline will not end with reinstating PAYGO. Our work ahead will include controlling costs and the growth of entitlement programs, in addition to the steps we have already taken or pledged to take:

- Will restore the pay-as-you-go law, which has a proven track record for helping create surpluses
- Will pay for health care and energy reform measures
- Enacted reforms to how we buy weapons, eliminating waste and saving taxpayer money, which could save as much as \$40 billion a year
- Passed Rep. Tanner's audit bill requiring House committees to hold oversight hearings to identify waste, fraud and abuse