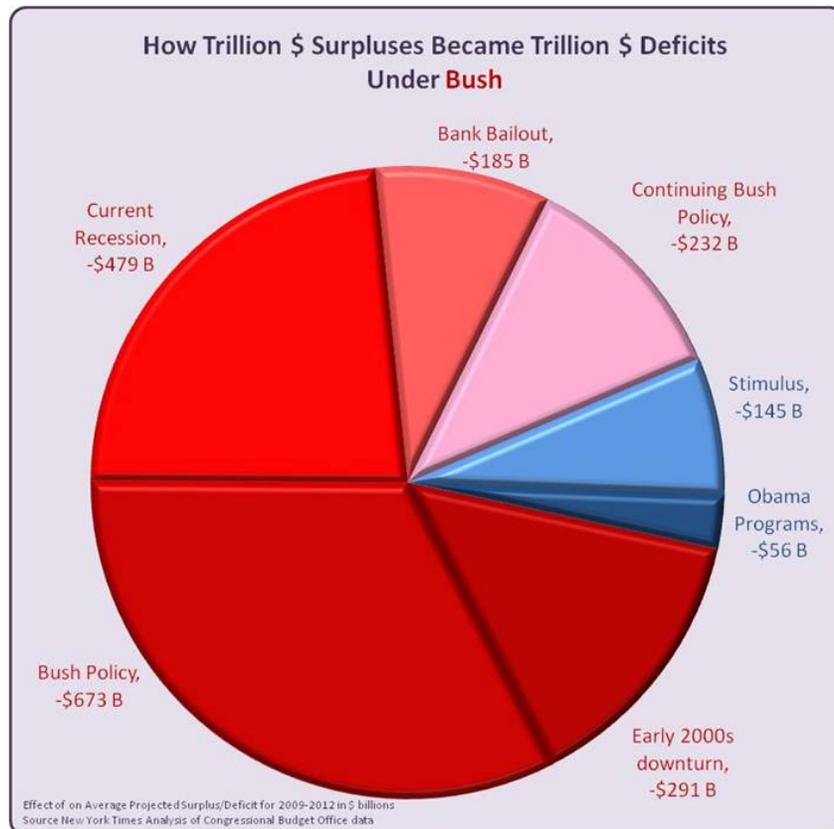


# CORRECTING THE RECORD ON FISCAL RESPONSIBILITY

*“[T]he thing about Bush policies were that they were all buy-now-pay-later: unfunded tax cuts, unfunded expansion of Medicare, unfunded wars. Bush never demonstrated that it’s possible to govern America responsibly, because he never tried.”* – Paul Krugman, [1/27/10](#)

Republican claims on fiscal discipline go against their record of not paying for things and increasing spending, as well as implementing economic policies that helped create the deepest recession in generations. The chart below shows how the deficit was created largely by Republican policies:



## Republican Record of Adding to the Deficit

The following legislation added to the deficit when it was passed after Republicans allowed PAYGO to expire:

- The *Jobs Growth and Tax Relief Reconciliation Act* (2003) – **added \$306 billion to the deficit over the last decade.**
- The *Medicare Modernization Act* (2003) – **added \$218 billion to the deficit over the last decade.**

The following legislation was subject to PAYGO, but Republicans ignored the spirit of the law and effectively waived PAYGO by directing OMB to ignore the costs of the legislation in enforcing PAYGO:

- The *Economic Growth and Tax Relief Reconciliation Act* (2001) – **added \$1.219 trillion to the deficit over the last decade.**

- The *Defense Appropriations Act* (2002) – **cost \$130.279 billion** over two years.
- The *Job Creation and Worker Assistance Act* (2002) – **cost \$88.723 billion** over five years.
- The *Farm Security and Rural Investment Act* (2002) – **cost \$12.579 billion** over two years.
- The *Spectrum Auction Reform Act* (2002) – **cost \$2.150 billion** over two years.
- The *Trade Act* (2002) – **cost \$1.635 billion** for over two years.
- The *Consolidated Appropriations Act* (2001) – **cost \$49.463 billion** over five years.

## **America Needs Bipartisan Action to Bring Down Deficits**

Democrats are taking action on multiple fronts, with the support of a few Republicans, to increase fiscal responsibility. Tonight President Obama will discuss those actions and ask more Republicans to join with Democrats. These constructive ideas have previously garnered bipartisan support, and we hope they will now as well:

- **PAYGO:** PAYGO was bipartisan in the past – created by a Republican President and Democratic Congress in 1990 and extended by a Democratic President and Republican Congress in 1997.
- **FISCAL COMMISSION:** The idea of a fiscal commission has received bipartisan support and creates a mechanism that can work toward a bipartisan agreement on a plan to address long-term deficits.
- **SPENDING FREEZE:** The President’s announcement of a freeze in non-security discretionary spending essentially adopts an idea Republicans have been advocating.

As Democrats continue to work with President Obama, we invite Republicans to put forward substantive ideas and work with us on deficit reduction. There’s at least one prominent Republican calling for his party to work with Democrats on the issue of fiscal responsibility:

***“The issue that I’m raising with Republicans is if you are not for this commission, then what are you for?...And if the president is forced into creating an executive order and you criticize that executive order, then how are you going to explain what you want to do to deal with this problem?...I think that if the public perceives that the Republican Party is playing political games and...covering people’s hides and whose main goal in life is to see how many more Republicans we can get in the Senate and the House, and the public interest be damned...I think it’s going to backfire.”*** – Sen. George Voinovich (R-OH), 1/26/10