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NEWS RELEASE

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## **Budget Business as Usual** **by Senator Larry Craig**

Is this 1993, or 2007? Forgive me if I seem to be having a spell of déjà vu.

For the last week or two, a hot topic in Congress has been the federal budget for FY2008. During election season, Democrats in the House and Senate went to great lengths to convince voters that they were the party of fiscal responsibility, and that the “tax and spend” label no longer was true. For proof, though, American taxpayers would have to wait a few months after November.

Now, it’s budget season, and just like old times, the majority party in Congress is talking about raising your taxes. I wish I could say I am surprised, but I’m not. It’s 1993 all over again, but instead of President Bill Clinton talking about raising your taxes, this time, it’s Congressional Democrats.

I have always believed that the federal government must live within its means, and I’ve continued to work toward that end. While Congress lost sight of that goal for a few years, there is no question that we began to turn things around. In 2003, President Bush vowed to cut annual budget deficits in half by 2009, and with the help of Congress, that goal was reached three years early.

This was accomplished by bringing American families and the economy tax relief and by holding spending in check. The tax relief approved by Congress and signed by President Bush in 2001 and 2003 helped wipe out large chunks of the deficit by spurring economic activity and growth, leading to increased federal tax revenues.

In FY2004, the budget deficit was predicted to be \$521 billion. When FY2006 closed last year, that deficit had shrunk to \$248 billion. The budget deficit wasn’t gone, but it was definitely headed in the right direction: back to the black.

Instead of observing that success and learning from it, Democrats on Capitol Hill have decided to take the completely opposite approach. Republicans cut taxes and spurred record revenues; Democrats want to let those tax cuts expire, which will result in raising your taxes, and increasing the burden on the economy. Republicans restrained the growth of government spending, thus reducing budget deficits by half; the majority party calls for an increase of \$146 billion in spending over the next five years.

The Democrats’ tax increases would require \$2,641 more in taxes from every household for the next 10 years.

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By allowing most of the tax relief from 2001 and 2003 to expire, the FY2008 budget would add to American taxpayers' burden by \$900 billion dollars. This tax hike would be nearly four times larger than President Clinton's tax increase of 1993, which was at the time, the largest in history. Seeing that startling number, Democrats on the Senate Budget Committee decided to extend several of the tax cuts from 2001 and 2003, to trim their tax hike to about \$736 billion.

My colleagues across the aisle also chose to kick the can down the road with regard to saving Social Security and Medicare. Their budget proposal does little, if anything, to reform these entitlement programs, and actually proposes to spend \$1 trillion – yes, trillion – of the Social Security surplus over the next five years. Also, this proposal changes the budget-writing rules to require 60 votes to cut taxes or extend existing tax relief, but only 51 votes to increase taxes.

This budget proposal is the very picture of fiscal recklessness, and shows that the party across the aisle hasn't changed much. Whether it's 1993 or 2007, increasing the tax burden on American families is a bad idea.