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Nation's Oldest Taxpayer Group Hails House Introduction of Budget Blueprint, Beginning of "Adult Conversation" in Congress

(Washington, DC) – By prudently slowing the growth of federal spending and boldly restructuring health care programs to better empower consumers, the House Republicans' "Path to Prosperity" budget resolution has shown taxpayers a promising way forward to a more fiscally sustainable future. That's the assessment of the 362,000-member National Taxpayers Union (NTU), which offered praise today for many elements of the plan.

"Chairman Ryan and his colleagues have offered a clearly and skillfully illustrated blueprint for putting the nation's finances on a more solid foundation, while opponents haven't even been able to offer the equivalent of a wet cocktail napkin," said NTU Executive Vice President Pete Sepp. "Naysayers and nitpickers are now on notice: 'Tax someone else' or 'There's no problem' were never credible responses to America's debt crisis. But after today's introduction of the Path to Prosperity budget resolution, they're utterly irrelevant and indefensible."

Sepp cited several desirable features outlined in the Budget Committee's plan, such as:

- Although President Obama recently called for an extension of a freeze on certain discretionary spending programs, the Path to Prosperity initiates such a freeze after rolling back some outlays to pre-2008 amounts.
- The blueprint would end the political protection racket for many sacred cows in the budget, including agribusiness subsidies and excessive government employment levels, while reforming others to work better, like the confusing maze of job-training programs.
- Medicaid and Medicare, which are the main medium-term cost drivers in the deficit spiral, would be restructured using block grants and a premium-support model. Both of these approaches could help to introduce more cost discipline as well as consumer choice without relying on budgetary gimmicks. "From this point forward, it is the 'do-nothing' crowd which deserves the blame for wanting to 'gut Medicaid and Medicare,'" Sepp contended.
- The Path to Prosperity makes a strong start toward reforming the nation's uncompetitive tax system by reducing rates, simplifying the bases, and streamlining compliance for both individuals and businesses.

Noting that "taxpayers deserve more progress toward balanced budgets," Sepp said further steps beyond the Path to Prosperity resolution should be taken to reach the goals of economic growth, job creation, and debt reduction much sooner than the legislation envisions. In addition to embracing the defense-spending recommendations from Secretary Gates, Congress should seek more savings from military programs such as the \$300-plus billion outlined in a recent joint report from NTU and the U.S. Public Interest Research Group. Instead of another non-specific Social Security reform process, policies such as raising the retirement age, adjusting wage and benefit formulas, and means-testing should be phased in now to address the program's quicker-than-anticipated downturn. A constitutional amendment to require balanced budgets, limit taxes, and control spending growth will be essential in securing long-term financial stability for the federal government and the taxpayers who fund it.

"The Path to Prosperity has elevated the debate on tax and spending policy in Congress to a thoughtful level not seen in years," Sepp concluded. "Going forward, all serious proposals affecting America's fiscal future should reflect a similar degree of candor. For the sake of our children, grandchildren, and grandparents for that matter, this is an adult conversation that has begun none too soon among elected officials – one in which taxpayers have long been eager to participate."

NTU is a nonpartisan, nonprofit citizen group founded in 1969 to work for lower taxes, smaller government, and economic freedom. Several decades ago the organization was one of the first to call for entitlement reforms and constitutional spending restraints. *Note: For more on NTU's work, visit www.ntu.org.*