Written by **Raven Clabough** on January 24, 2013



Critics Angry at GOP for Passage of No Budget, No Pay

Despite tough talk from self-proclaimed fiscal conservatives in the United States House of Representatives on out-of-control government spending, House Republicans passed a bill that permits the president a three-month hike in the \$16.4 trillion debt ceiling. The vote on measure <u>passed</u> 285 to 144, with more Democrats voting against it than Republicans. The agreement has provoked anger from conservatives who believe the GOP has failed to maintain fiscal conservatism by caving on the debt ceiling, however temporary, without securing any budget cuts.



The "No Budget, No Pay" bill allows the government to continue borrowing through May 18 but withholds pay for lawmakers in the House or the Senate if either chamber fails to pass a budget by April 15.

The last time the Democrat-controlled United States Senate passed a budget was April 29, 2009, nearly 1,000 days ago. House Republicans, on the other hand, have passed budgets for two consecutive years.

When the Senate passed the budget in 2009, President Obama had praised Democratic leaders for passing a resolution that Obama claimed would "serve as an economic blueprint for this nation's future."

Since then, however, Obama has seemed to place less of an emphasis on a federal budget and instead has allowed the federal government to operate without one.

Meanwhile, that "economic blueprint" has not created the millions of jobs and new industries that the president had promised at the time of its passage. In fact, according to Mike Brownfield of the Heritage Foundation, taxes paid per household have exceeded \$18,000 while federal spending per household has reached nearly \$30,000. And between the years 2010 and 2021, it is projected to increase to \$35,000 per household.

House Speaker John Boehner addressed the lack of budget on Tuesday.

"Over the last four years, House Republicans have offered plans. Our budget plans — we've done our budgets. But it's been nearly four years since the Senate has done a budget," Speaker John Boehner said Tuesday. "Most Americans believe: you don't do your job, you shouldn't get paid. That's the basis for a no-budget, no pay. It's time for the Senate to act."

Some critics of the proposal argue that the "no budget, no pay" provision is unconstitutional, however, pointing to the 27th Amendment which states, "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

But a Republican aide explained that members will ultimately be paid because they "constitutionally" have to. The argument is that the provision does not violate the 27th Amendment as it temporarily

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withholds pay, but does not reduce pay. Under the proposal, lawmakers' pay would be put into escrow beginning on April 15 for any chamber that does not pass a budget resolution.

The provision dealing with the debt ceiling does not set a specific limit, but simply allows automatic increases to the limit by the amount required to fund governmental obligations through May 18.

President Obama has already indicated that he will not block the bill. White House Spokesman Jay Carney said prior to Wednesday's vote that Obama "would not stand in the way of the bill becoming law."

While Democrats are not entirely pleased that the proposal is merely a short-term solution, the White House is relieved that there is some forward movement on an issue that can be contentious.

"What happened ... was a very significant development in terms of de-escalating the sense of conflict over this," Carney said.

According to the U.S. Treasury, if the debt ceiling is not raised, the government would begin to default as early as February 15, when it reaches its congressionally imposed borrowing limit of \$16.4 trillion.

Senate Majority Leader Harry Reid of Nevada has expressed relief at the notion that a debt ceiling deal has been reached.

"I'm glad we are not facing a crisis here in a matter of a few days," he said.

But some have articulated concerns that the deal will do little to quell an already jittery financial market.

"A temporary solution is not enough to remove the threat of default that Republicans in the Congress have held over the economy," the White House's budget office said in a statement.

And whether the passage of the bill actually avoids the crisis, as Reid asserts, is debatable.

Economic expert Peter Schiff noted in December 2012,

It is impossible to "pay" one's bills by borrowing more. Taking out new loans to retire existing debt may replace old creditors with newer, larger, creditors, but it can never be described as a real pay down. It's like paying off your Visa card with a Master Card. Paying one's bills requires that outstanding debt be diminished ... the only way to force the government to actually pay its bills is to not raise the debt ceiling. But a fictitious debt limit is worse because it allows Congress to pretend that its atrocious budgeting decisions are not to blame.

Both Congress and the President readily admit that without an increase in the debt ceiling, the government will default on its obligations. This is tantamount to an admission that we lack the capacity or political will to actually repay what we have borrowed.

The conservative group FreedomWorks urged lawmakers to oppose the bill because it does not cut spending, but the conservative group Club for Growth has decided to withhold its opposition of this bill and save its energy for the remaining budget debates wherein they will advocate spending cuts and limitations to government growth.

In the past, Republican lawmakers have typically made spending demands in conjunction with agreements to raise the debt ceiling. But as observed by Yahoo News, they have "back[ed] down from that stance at a policy retreat last week, preferring to shift the focus of budget battles with the White House to a March 1 date for automatic deep spending cuts and a March 27 expiration of funding for

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government agencies and programs."

Conservative analysts are dismayed by the GOP's concession in this deal.

Libertarian scholar Laurence Vance <u>wrote</u> on LewRockwell.com, "Remember, Republicans have a majority in the House. This means that they once again have caved on the debt ceiling and refused to cut spending ... How strange that 111 Democrats voted against the measure but only 33 Republicans did."

And in his article on the passage of No Budget, No Pay, Deroy Murdock of the *National Review* <u>opined</u>, "When it comes to battling rampant federal spending, Republicans surrender more readily than French soldiers."

Similarly, *The Daily Beast* predicts that Republicans who voted in favor of the No Budget, No Pay bill have set themselves up for a primary challenge: "Republicans campaigned on cutting spending and holding down the debt ceiling, and to turn around in the first month of the new Congress and violate their pledge sets them up for a primary challenge from the right."

Critics contend that the No Budget, No Pay bill proves to be yet another example of the extreme conciliatory nature of the GOP. Prior to this concession on the debt ceiling was a similar concession on the fiscal cliff. In the end, the GOP struck a deal that that compelled Jerry Bowyer of *Forbes* to <u>write</u> that the "GOP establishment is a completely ineffective guardian of our liberties against President Obama and the Washington ruling class." The GOP's handling of the fiscal cliff has prompted some analysts to refer to it as the "fiscal cave," wherein the opposition party caved on virtually every issue.



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