(Washington, D.C.) – U.S. Rep. Rush Holt (NJ-12) last night supported the Statutory Pay-As-You-Go Act, which would require Congress to offset the costs of tax cuts or increases in entitlement spending with savings elsewhere in the budget, thereby restoring fiscal discipline to the federal government. The bill passed the House by a vote of 265 to 166 and awaits action in the Senate. Below is Holt's floor statement.

I rise today in support of our nation's fiscal future and for the passage of the Statutory Pay-As-You-Go Act of 2009, H.R. 2920.

During my time in Congress, I have always strived to be a good steward of taxpayer money. In fact during a previous session of Congress, the Concord Coalition, a nonpartisan fiscal watchdog group, presented me with its Fiscal Responsibility Award for my votes to maintain fiscal discipline, reject irresponsible tax cuts, and eliminate corporate welfare.

In 2007, I was pleased that the House of Representatives restored the "pay-as-you-go" principle in the House rules when Democrats regained control of the House in the 110th Congress. This simple rule ensures that every new dollar of spending is offset and will not worsen the deficit. The House's pay-go rule requires that legislation affecting direct spending or revenues must not increase the deficit (or reduce the surplus) over a six-year or eleven-year period. I strongly supported these efforts. While a PAYGO rule is a good first step, H.R. 2920 goes further by applying automatically to legislation and provides an automatic enforcement mechanism to ensure Congress follows fiscal discipline.

Fiscal discipline served us well in the past. In the 1990's with pay-as-you-go as the law, we turned the massive deficits of the 1980's into a record surplus under President Clinton. When President Bush came into office in 2001, he inherited a projected ten-year, $5.6 trillion budget surplus. Over the first six years of the Bush administration, however, the President and Republican-controlled Congress turned that surplus into a projected ten-year, $2 trillion deficit and allowed the statutory PAYGO requirement to lapse in 2002. This was followed by 6 years of unrestrained spending under President Bush and the federal debt held by the public doubled.

The most instructive gauge of the federal deficit is the federal debt as a percentage of our total economy or Gross Domestic Product (GDP). According to the Congressional Budget Office (CBO), the budget surpluses and fiscal discipline of the 1990's reduced the debt from 49.4 percent of GDP to 33 percent of GDP by 2001. During President Bush's two terms, that figure rose back to 41 percent of GDP.

PAYGO is only one tool, but it is a strong one to return our nation back to fiscal stability. The PAYGO rule forces Congress to identify inefficient or ineffective programs whose funding can be cut to fund higher priorities, such as health care, education, and clean energy. This rule also sends a message to the American people that the government is committed to putting the country back on stable economic footing. I urge my colleagues to support this legislation.

# # #