

IN THE BATTLE OF THE BUDGET, BUSH SHOULD READ HIS OWN LIPS

George Bush is being pressured to renege on his promise to oppose higher taxes, notwithstanding his famous “Read my lips: No new taxes” pledge at the 1988 Republican convention. In meetings with congressional leaders last weekend, White House officials left open the door to inclusion of a tax increase in any new budget package.

If the President were to abandon his hitherto firm resolve to stand by his tax pledge, it would be a political and economic disaster. A concession by Bush would indicate to American voters that his most solemn election promise meant nothing, and it would indicate to Congress that the door to a massive tax increase finally is ajar. It would also be a body blow to the American economy. Before falling victim to the siren song of tax-and-spend, the President should heed the following sound advice:

There’s no quicker way to kill prosperity than to raise taxes.

— George Bush, Boston, Massachusetts, April 15, 1987

There are those who say we must balance the budget on the backs of the workers — and raise taxes again. But they are wrong. I am not going to raise your taxes — period.

— George Bush, Houston, Texas, October 12, 1987

Some people on the other side say, “Raise Taxes.” Well, I’ve been in government a long time, and I’ve seen what happens when the government raises a dollar in revenues — Congress spends a dollar fifty. You know, I’ve yet to have anyone walk up to me and say, “Mr. Vice President, we’re not taxed enough. I hope you’ll be the President to raise my taxes.” I will not raise your taxes, period.

— George Bush, Pittsburgh, Pennsylvania, April 29, 1988

I’m the one who won’t raise taxes. My opponent now says he’ll raise them as a last resort, or a third resort. When a politician talks like that, you know that’s one resort he’ll be checking into. My opponent won’t rule out raising taxes. But I will. The Congress will push me to raise taxes, and I’ll say no, and they’ll push, and I’ll say no, and they’ll push again, and I’ll say to them, “Read my lips: no new taxes.”

— George Bush, Republican National Convention, August 18, 1988

The Republican Party restates the unequivocal promise we made in 1984: *We oppose any attempts to increase taxes.* Tax increases harm the economic expansion and reverse the trend to restoring control of the economy to individual Americans.

— Republican Party Platform, 1988

The first principle is the most important: No Tax Increases. . . The surest way to kill the recovery is to raise taxes. That will stifle everything from investment and personal savings to consumer spending. It will clamp down on growth. It will invite a recession.

— George Bush, Chicago, Illinois, September 13, 1988

As the world's largest economy, we have been the leaders in the movement toward economic freedom. So my first principle is, let's not reverse course with a tax increase and big dose of central government planning.

— George Bush, Bensalem, Pennsylvania, September 19, 1988

And I am not going to betray that trust. I am not going to raise taxes. Period.

— George Bush, Seattle, Washington, October 16, 1988

The foundation of that growing America is low taxes. That's why the first part of my plan is simple: No new taxes.

— George Bush, Waterbury, Connecticut, October 24, 1988

I am opposed to tax increases. In the past several years, tax increases have been used to feed congressional spending, not for true deficit reduction. This should be a warning to all future Presidents *against* tax hikes — unless you can control Congress's spending, increased revenues will go to increased spending. The most important action we need to take on the budget deficit is to hold the line on taxing and spending. Raising taxes would only hurt the tremendous economic recovery we have had in our Administration.

— George Bush, "Leadership on the Issues," pp. 82-83



Some self-appointed experts and congressional leaders say, of course, that the budget deficit can only be reduced with additional taxes. This is not so. The Congressional Budget Office projects that tax revenues will rise by an average of \$74 billion annually between now and 1995. Reducing the deficit simply means limiting annual spending growth to less than \$74 billion.

Taxes also still are too high. Federal taxes this year will consume 19.6 percent of the Gross National Product, the fourth highest level in peacetime history. Tax revenues, in both nominal and inflation-adjusted dollars, are at record highs. Tax Freedom Day this year, the day an average American stops working to pay taxes and begins to work to support himself and his family, was May 5. This is the latest it has ever occurred. By transferring money from the productive sector of the economy to government, a tax increase would impair economic growth and could lead to a recession. Restraining the growth rate of federal spending would be a more responsible approach.

Fortunately, if Congress is unwilling to enact a fiscally responsible budget, the President can bring deficit spending under control by using Gramm-Rudman's automatic spending control mechanism known as sequestration. Hence, there is absolutely no reason to accept a tax increase that would damage the economy, open the door to a torrent of new spending, and increase cynicism among American voters. George Bush should end any White House discussion by telling his budget negotiators: "Read my lips again: No new taxes."

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