

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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DEFICIT REALITY CHECK

SAN DIEGO -- Senate Republican Leader Bob Dole today issued the following statement:

"Earlier this week, President Clinton claimed responsibility for the two-year drop in the deficit confirmed by the Treasury and OMB today. We all want the deficit to fall, but a closer look at the facts suggests that most of the deficit's decline resulted from technical changes that had absolutely nothing to do with the President's policies.

"In fact, only \$17 billion -- or roughly 12 percent -- of the deficit reduction we have witnessed over the past two years can be traced to President Clinton's budget plan, and all of that money comes from one source: tax and user fee increases.

"Let's remember that President Clinton inherited an economy that was already in recovery. The National Bureau of Economic Research reports that the recovery began seven quarters before President Clinton was inaugurated and two-and-a-half years before his economic plan was adopted.

"What's the real legacy of President Clinton's economic policies? Higher taxes, higher interest rates, fewer jobs, slower growth, and a weaker economy than if we had done nothing at all. The fact that the economy remains relatively strong today despite higher taxes, more regulations, higher interest rates and the threat of a government takeover of the nation's health care system is more a testament to the strength of our free enterprise system than to anything President Clinton has done.

"Rather than stand back and criticize the President, Republicans offered a commonsense alternative budget plan -- one that cut spending first to reduce the deficit, one that did not raise taxes or touch Social Security. Had our plan passed, I am convinced that we would have been able to extend the current recovery with even more jobs, lower interest rates, and a stronger economy than we have today.

"What Treasury Secretary Bentsen and OMB Director Rivlin neglected to mention about these new numbers is that the deficit remains a serious problem. The truth is that after 1998, under President Clinton's budget plan, the deficit starts moving right back up again. Deficit reduction should be a top priority.

"But the most disturbing fact about Alice Rivlin's controversial budget memorandum to the President is this Administration's recipe for deficit reduction -- piling bigger taxes and bigger government on top of the biggest tax increase ever. Another problem with this administration's approach to controlling the deficit is what you don't see in the Rivlin memo. Not a single government program is eliminated, and there is absolutely no mention of defense -- an issue that's critically important to our national security and to the economy here in San Diego and throughout California."

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