

News from Senator

BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE

CONTACT: WALT RIKER

OCTOBER 20, 1989

(202) 224-5358

DOLE: PUBLIC GREETES DEFICIT BILL WITH A YAWN
LOADED WITH GIMMICKS -- IT NEEDS TO BE FIXED
CONGRESS SHOULD DO THE JOB -- NOT AUTOMATIC CUTS

WASHINGTON -- SENATE REPUBLICAN LEADER BOB DOLE (R-KS.) SAID TODAY CONGRESS SHOULD SUBSTITUTE REAL DEFICIT SAVINGS FOR THE "GIMMICKS" NOW BEING PROPOSED TO MEET THE GRAMM-RUDMAN-HOLLINGS DEFICIT TARGET. HE REPEATED HIS BELIEF CONGRESS ITSELF SHOULD TAKE ACTION AND NOT ALLOW AUTOMATIC ACROSS-THE-BOARD CUTS TO DO THE JOB.

"EVER SINCE LAST FRIDAY THE SENATE HAS BEEN PATTING ITSELF ON THE BACK FOR CLEANING UP THE RECONCILIATION BILL," DOLE SAID. "MUCH TO OUR SURPRISE, THE REST OF THE COUNTRY HAS RESPONDED TO OUR GREAT DEED NOT WITH CHEERS, BUT WITH YAWNS AND GAFFAWS. WHY? BECAUSE THE AMERICAN PEOPLE ARE SMART ENOUGH TO RECOGNIZE THE RECONCILIATION BILL FOR WHAT IT IS -- THE BIGGEST SIDE SHOW OUTSIDE OF THE CIRCUS."

THE SO-CALLED RECONCILIATION BILL IS THE LEGISLATION USED BY CONGRESS TO BRING FEDERAL REVENUE AND SPENDING INTO LINE WITH THE DEFICIT TARGET ESTABLISHED BY THE BALANCED BUDGET LAW KNOWN AS "GRAMM-RUDMAN-HOLLINGS."

DOLE ALSO CRITICIZED SEVERAL "GIMMICKS" IN THE RECONCILIATION BILL, INCLUDING THE OFF-BUDGET TREATMENT OF THE POSTAL SERVICE BUDGET, WHICH MEANS THE POSTAL BUDGET WOULD NOT BE USED IN CALCULATING THE FINAL DEFICIT AMOUNT FOR 1990.

HERE IS DOLE'S STATEMENT:

Ever since last Friday the Senate has been patting itself on the back for cleaning up the reconciliation bill. Much to our surprise, the rest of the country has responded to our great deed not with cheers, but with yawns and gaffaws. Why? Because the American people are smart enough to recognize the reconciliation bill for what it is -- the biggest side show outside of the circus.

Although we claim to make deficit cuts of \$13.4 billion in the bill, about \$6 billion of these so-called savings are fake. The tricks we have used range from taking programs off budget to taking credit for savings the president has already achieved through administrative changes. Instead of slashing the budget as we should have, Congress went out and bought a fog machine.

One of the worst gimmicks in the bill is the off-budget treatment of the Post Office. This simple sleight of hand "saved" the government \$1.7 billion. Next year, when the post office is expected to actually make money, this so-called reform will increase the deficit by close to \$600 million. But knowing Congress, we'll probably decide to put the post office back on budget, so we can spend the \$600 million somewhere else.

A lot of nay-sayers in Congress are claiming that taking the Post Office off-budget was part of the budget summit agreement signed by the president last spring. Well, this travesty is not what the president agreed to.

What the president did agree to was taking the Post Office off budget in exchange for of some very real reforms -- making the Postal Service pick up the tab for taxpayer subsidies on such things as mailings by non-profit groups and postal employee health benefits. Congress, as usual, took credit for the savings, but avoided the tough choices needed to make them real.

Although many in Congress complain about these shenanigans, most members act as though they were out of the room when the crucial decisions were made. Well, I will be the first to tell you that two committees on which I serve -- Agriculture and Finance -- were also guilty of phony budgeting.

(more)

Budget experts have estimated that only \$300 million of the Agriculture Committee's \$1 billion in savings are real. The other \$700 million comes from things like capping the Export Enhancement Program -- a program that actually saves our country millions by expanding our foreign markets.

Although the Finance Committee did a little better than Agriculture, we still managed to "save" \$240 million by delaying Medicare payments one day. That way the cost of the payments could be counted for 1991 and not 1990. Juggling our nation's checkbook like this is never going solve our deficit problem, in fact, in the long run it will make things worse. Next year's Gramm-Rudman target will be \$64 billion, and with all the cheating we've done this year, it is going to be even harder to meet this goal.

A lot of people have reached the conclusion that a across-the-board cuts are better than these phony budget savings, and although I am tempted to agree, I can't. The good people of Kansas did not send me to Washington to sit back in my easy chair and watch some automatic process do my job for me. If we are going to continue in conference with the House on the reconciliation bill, I hope the conferees will agree to substitute real lasting savings in place of these now-you-see-them-now-you-don't cuts.

###