

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

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TAX & SPEND WHITE HOUSE

DOLE SETS RECORD STRAIGHT ON TAX HEAVY CLINTON PROGRAM:
NEW WHITE HOUSE P.R. BLITZ CAN'T OBSCURE THE FACTS;
REPUBLICANS CONTINUE TO OFFER ALTERNATIVE APPROACH --
CUT SPENDING FIRST

Republicans are never surprised when the Washington Post goes all out to help their liberal friends in the White House and on Capitol Hill, but today's lead editorial has quickly earned a place in the Post's Cheerleading Hall of Fame.

We know the liberal news media are swooning over President Clinton's economic plan, falling for the administration's line that its plan is a \$500 billion deficit reduction package balanced between tax increases and spending cuts.

Now the Post's editorial crew is getting into the act, gushing over the vision of massive new taxes, and a Democrat-controlled Congress ramming through every liberal's dream agenda -- big taxes, big spending and big government mandates.

Administration Numbers Don't Add Up

But objective analysts will agree that the administration's deficit reduction numbers just don't add up, unless you fall victim to the slick magic act the White House is performing these days to sell its terrible tax package.

Let me first tell you where the Post and the White House have it right -- this is a massive tax package. It's a record \$249 billion in net tax increases during the next five years, and an increase of \$271 billion in gross tax increases during that period.

There's no argument that the plan also includes \$15 billion in higher user fees, higher fees right out of the pockets of taxpayers for government services.

And it's true that the President's plan does call for \$83 billion in new spending cuts. Now, add up these tax and spending figures and you get \$347 billion in potential deficit reduction during the next five years: \$264 billion in higher net taxes and fees, and \$83 billion in cuts.

The White House Smoke Machine

But here's where the real math ends and the smoke machine takes over.

The President, the Washington Post, and all of their liberal allies count the following items as "spending cuts":

◆ \$70 billion in "promised" spending cuts, cuts that are supposed to magically appear in the future, beginning next year. The trouble is, the bill right now contains no enforcement mechanism to ensure that these cuts will ever occur. Not surprisingly, the Post isn't bothered by this tiny detail -- if the Democrat-controlled Congress is promising, the Washington Post is buying. But most Americans don't have that kind of partisan faith. They know that when Congress is taxing you now, and promising spending cuts later -- much later -- it's time to hold on to your wallets and stop dreaming about Congress doing something responsible for change.

Now, the Washington Post may not want to hear all this from Bob Dole, but perhaps it would listen to the distinguished Chairman of the Senate Finance Committee. During our appearance this weekend on CBS' Sunday talk show "Face the Nation", Senator Pat Moynihan said, and I quote, "Bob Dole was telling the absolute truth...We haven't made the spending cuts yet...And if we don't produce them, as the budget resolution says we must, we will have failed, and he will have been proven right":

(more)

◆ The Clinton administration is also relying on \$44 billion in spending cuts that were put into law by Congress and President Bush three years ago.

These three-year-old cuts are now magically "new" spending cuts, and are being counted as new deficit reducers. Perhaps the Post editorial board isn't reading its own news stories -- in a front-page story today, Post news writers admit that this is "an assertion with which Congressional Budget Office officials generally concur."

◆ Next, we have \$55 billion in interest savings as a spending cut. But there is a clear difference between cutting a government program, raising taxes or fees, and cutting interest costs. Laws must change for spending cuts or tax increases to occur. Interest savings are impacted by a lot of things other than Congressional and Presidential action, including interest rates, inflation and the general performance of the economy.

President Clinton has made the Congressional Budget Office (CBO) the official budget scorekeeper for the federal government. When CBO analyzes a comprehensive budget proposal, they do not count "interest savings" as a "spending cut" -- neither did the Reagan or Bush administrations. In all three cases, interest savings were included in total deficit reduction projections, but they were never classified as "spending cuts."

So, these are the facts. Of course, if you are true liberal believers like the editorial crew at the Post, the facts never get in the way of partisan cheerleading.

Seeing Through the New P.R. Blitz

The bottom line on all this, however, isn't just numbers, or budget mumbo jumbo. That's the game the White House wants us to play, with all this number talk fogging up what's really going on here. So blow away the smoke, and take a look -- it's classic tax and spend government running rampant, brought to you by a Democrat Congress, a Democrat White House and their liberal cheerleaders in the media. That's why the White House has gone on a new media blitz, to throw up a smoke screen to obscure the facts about its world-record breaking tax package.

But when all the smoke clears, the bottom line is still a fundamental difference between the two parties: the Democrats, as defined by President Clinton's huge tax and spend plan, see big taxes, big mandates and big government as the solutions to every single problem in America.

The Republican Approach

Republicans, meanwhile, have a better idea: cut spending, cut federal red tape, and cut out the liberal assault on the free enterprise system, the greatest jobs producing machine in the world when it isn't breaking down from taxes and mandates.

We now know from all the latest polls, most Americans do not like the Clinton plan. The more they find out about it, the less they like it.

It's no wonder the President's ratings are dropping in direct relation to his tax plan's increasing unpopularity. Record-setting tax increases and a big comeback by the tax and spend Democrats is not the kind of change Americans thought they were voting for this past November.

So, if you like big taxes and tiny spending cuts, you'll love the Clinton plan. It's not \$500 billion in deficit reduction, it's not the magic wand the liberal editorial writers at the Washington Post say it is, and it is definitely not the tonic for an economy that needs a helping hand, not another low blow from Washington.

GOP To Continue Offering Alternatives

Make no mistake, Senate Republicans will have amendments, and we will have alternatives to the Clinton tax offensive.

We introduced an alternative economic plan in March in response to the President's plan. In fact, we even attracted some Democrat votes to our cut-spending-first approach to deficit reduction.

Now, the liberal cheerleaders in the media may not report it, but we've been there, demanding real change and real alternatives to President Clinton's tax and spend agenda. We will do it again this week. The American people will be watching. And they'll be watching the players -- they won't be listening to the cheerleaders.

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Remarks delivered on Senate floor, approximately 2:15 pm EDT.