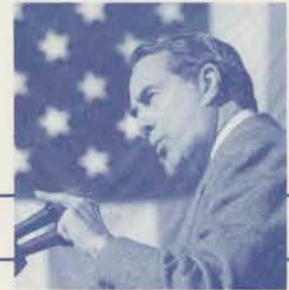


Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE MAJORITY LEADER

FOR IMMEDIATE RELEASE
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CLINTON TAX INCREASE: 2 YEARS LATER

AMERICANS NOT CELEBRATING 2ND ANNIVERSARY OF LARGEST TAX HIKE IN HISTORY: GOP PUT COUNTRY ON HISTORIC PATH TO BALANCED BUDGET

On August 10, 1993--two years ago yesterday--the largest tax increase in history was signed into law by President Clinton. The increase had been passed over the "no" votes of every single Republican in the House and Senate.

While they may be celebrating this anniversary down at the White House, a quick look at what has occurred these past two years makes it clear that there aren't many other Americans who have reason to celebrate.

Interest Rates Up

Let's begin with interest rates. The President assured us in 1993 that his tax hike would keep interest rates low. But the prime rate has gone from 6% in August of 1993 to 8.75% today -- an increase of almost 50%. Treasury bills, 30-year bonds, and mortgage rates are all up. The bottom line is that Americans are paying more to buy a home, a car, and everything else they need to borrow money for.

Wages, Job Creation, Economic Growth Down

The President said his tax hike would only hurt the so-called "rich." The fact is, however, that average wages and salaries for all U.S. workers fell 2.3% from 1994 to 1995--the largest decline in eight years.

In July of 1993, just before the tax increase passed, 155,000 jobs were created. In July of 1995, only 55,000 jobs were created--a 65% drop. And last month, factories actually cut 85,000 jobs, the largest drop in manufacturing jobs in more than three years.

I'm sure all the working people who saw their wages drop or who lost a job will be delighted to know that the President considered them to be "rich."

Two years ago, the economy was chugging along at a healthy growth rate of 2.4%. In the second quarter of 1995, however, the economy grew by only 0.5%.

Wages are down. Job creation is down. Economic growth is down. And there's something else that's dropped since the tax increase. And that's the dollar. In the past two years, the dollar has dropped 13.2% against the Japanese yen, and 17.8% against the German mark. This devaluation ultimately leads to a lower standard of living for all Americans.

Along with interest rates, there is another facet of the economy that is rising--the deficit. Under the President's first budget proposal, deficits are projected to increase from \$175 billion in FY 95 to \$210 billion in FY 96, and increase every year after that.

GOP Right to Oppose Tax Hike, Propose Balanced Budget

Those are the facts. Today, Republicans can look back and say that we were right. We were right to oppose the largest tax increase in history.

And two years from now, I believe we will be able to look back and say that this Congress was right to have done what we did this year.

We were right to set America on a path to a balanced budget.

And we were right to cut taxes for millions and millions of hard-working American families.

There could be not be two more different bills than the President's tax increase of two years ago, and the historic Republican effort to balance the budget within seven years.

And considering the impact the President's tax increase has already on the economy and on family incomes, the Republican budget can't pass a moment too soon.

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* Remarks delivered on Senate floor, approximately 1:55 PM.