

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
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DEBT LIMIT

RUBIN LETTER TAKES HALLOWEEN SCARE TACTICS TO NEW LEVEL; GOP CONGRESS WORKS TO PREVENT BUDGET DEFAULT, PROMOTE ECONOMIC SECURITY

Washington can be a scary place sometimes and pretty scary around the time of Halloween. But yesterday's announcement from Treasury Secretary Robert Rubin about expiration of the debt ceiling on October 31 brings Halloween scare tactics to a whole new level.

I was dismayed to see the Administration resort to this sort of game-playing on the debt ceiling and the budget situation. And I'm sure many in the financial community were as dismayed as I was.

Positive Reaction to GOP Approach

Investors around the world are watching our performance here in Washington and they're particularly watching how we Republicans are handling the nation's financial situation.

So far the reaction has been very positive. Look at U.S. long-term interest rates, a key sign of investor confidence in the U.S. economy. The bond market has been strong and the rates have been steadily declining as the financial community sees our determination as a Republican Congress to finally deal with the problem of the federal budget deficit once and for all.

Last December -- right after the Republicans swept the 1994 congressional elections -- the interest rates on 30-year bonds began their decline from 8.0% to 6.29% today. The interest rate on long-term bonds has declined steadily since this Spring when we passed our budget resolution to get on a path to a balanced budget by the year 2002. It is our actions as a Republican Congress that have spurred confidence in our country's future economic security.

Rubin Trying to Disrupt Financial Markets

Today we find ourselves in the ironic situation of a Secretary of the Treasury -- the U.S. government official with the primary responsibility of promoting confidence in the economy -- actually trying to disrupt the financial markets.

Secretary Rubin has politicized this debate. His actions yesterday to reduce normal, previously-scheduled borrowing next week can only be interpreted as designed to disrupt the market. No Secretary of the Treasury should try to be destabilizing our financial markets.

As Secretary Rubin said in his letter -- about the only sentence in it I agreed with -- "This is no way for a great Nation to conduct its financial affairs."

No Retreat in Battle to Defeat Deficit

I hope that no one will be fooled by these Halloween scare tactics from the Administration. In fact, even after yesterday's announcement the bond market was strong. The American people want us to do the job of getting the deficit under control.

No one wants a default. And scare tactics are no way to prevent such a default. I can guarantee that we in the Congress will work hard to see to it that there is no default by the U.S. Government on its obligations.

But make no mistake: we will not retreat in our battle to end the stranglehold that the federal deficit has on future generations of Americans. This is the year to do the heavy lifting necessary to get our Nation's financial house in order and I hope the Administration will choose to be helpful in the serious work ahead of us in the coming weeks.

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* Remarks delivered on Senate floor, approximately 3:50 p.m.