

FOR IMMEDIATE RELEASE
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DPC Chairman says plan is “ill-advised”:

**OPENING STATEMENT BY U.S. SENATOR BYRON DORGAN,
AT HEARING ON BUSH ECONOMIC “STIMULUS” PROPOSAL**

(WASHINGTON, D.C.) --- Following is the opening statement of U.S. Senator Byron Dorgan (D-ND), Chairman of the Senate Democratic Policy Committee (DPC), at the committee’s hearing Tuesday which examined President Bush’s economic “stimulus” proposal:

TEXT

On January 7, President Bush unveiled a \$674 billion economic stimulus package. In doing so, the President acknowledged the need to provide an immediate boost to the economy.

I agree that a short-term economic stimulus is necessary. Our country is facing increasing unemployment, low business investment, depressed consumer confidence, and slow growth.

But I am concerned that despite the huge price tag, the President’s proposal does not deliver a short-term stimulus. In fact, only ten cents of every dollar of the tax cuts he proposes would even occur in 2003. The other 90 cents would not occur until after 2003. Some of the stimulus would take as long as 2013 before taking place.

A stimulus measure needs to be *short-term, temporary, and targeted* to individuals and businesses most likely to spend the money right away. By contrast, the President’s proposal provides a costly package of long-term, permanent tax cuts that largely favors a small group of wealthy taxpayers. The centerpiece is a repeal of the individual tax on stock dividends.

Our country’s fiscal health does not allow us the luxury of a misguided stimulus plan. Our country is engaged in a war on terrorism. We may soon be engaged in a war in Iraq. We need to secure our homeland and our hometowns, and that will not be cheap.

The President is sending us a fundamentally contradictory message.

On Friday, at the President’s urging, the Senate’s Republican leadership forced cuts in the omnibus appropriations bill. They said times are tough and we simply can’t afford to meet some basic needs.

But at the same time, the President is preparing tax cuts that benefit upper income taxpayers and that will have little or no chance of boosting the economy.

It is a confusing, contradictory and ill-advised set of priorities for our country.

I look forward this morning to hearing from economists, policy experts, and ordinary American taxpayers, to get their sense of the President’s proposal. We have a variety of points of view represented, and I look forward to a robust discussion.

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