



Americans for Tax Reform

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Clinton Never Lets Facts Get in the Way of Distorting the Truth

President shades truth, takes credit for the economy

WASHINGTON- Last night in Los Angeles President Bill Clinton addressed the Democratic National Convention and discussed his Administration's accomplishments.

"The President focused on the strength of the economy and the extended prosperity of the country during his speech and he tried to take full credit for himself and Al Gore," said Grover Norquist, President of Americans for Tax Reform. "Unfortunately, the President was less than honest in many of his assertions."

"As usual, Clinton's speech was high on symbolism and short on substance," added Norquist. "Repeatedly Clinton took credit for things that he and Al Gore had little or nothing to do with."

"Americans for Tax Reform has issued responses to many of the President's claims to help set the record straight on just who is responsible for the remarkable strength of our nation's economy," Norquist concluded.

Clinton's Claims

Clinton's claim: "Today, the typical American family is paying a lower share of its income in federal income taxes than at any point during the last thirty-five years."

The Truth: While this may be true about federal INCOME taxes, the fact is, today the average family pays about 24.5% in federal taxes alone. Moreover, the average family's expenditures for federal, state, and local taxes now are higher than what it spends for food, clothing, and housing combined. To compare, in 1950, the average family with children paid 2% of its annual income to the federal government in taxes. It is important to note that taxes today are more than they were during WWII.

Clinton's claim: "The average family's income has gone up more than \$5,000."

The Truth: This is due to more families needing two income earners to pay for their share of taxes and the cost of government. High taxation rates have not only emptied the pockets of many families, but also driven unwilling parents out of the home. A 1988 USA Today poll found that 73% of two-income families would prefer to have one of the parents stay home if they could afford it, despite the fact that over 60% of married mothers with children under six years of age work outside the home.

Clinton's claim: "We are more hopeful because of the way we cut taxes - to help Americans meet the challenges of work and child rearing. ...Twenty-five million families will get a \$500 child tax credit."

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Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases.

The Truth: Recently, President Clinton vetoed the Marriage Penalty Relief Act of 2000 that would have eliminated the unfair marriage tax penalty for 25 million married couples, saving the average family more than \$1,000 per year. That hardly helps Americans meet the challenges of work and child rearing. While Clinton and Gore argued this was a risky tax cut, the fact is the elimination of the marriage penalty equates to about four percent of the projected non-Social Security surplus. Moreover, Clinton failed to pass a child tax credit when Democrats controlled the White House and Congress. In 1997, a Republican Congress passed the child tax credit. The Republicans originally pushed for a \$1000 credit that Clinton opposed. Clinton reluctantly signed a \$500 tax credit.

Clinton's claim: "Today, we have gone from the largest deficits in history to the largest surpluses in history - and if we stay on course, we can make America debt-free for the first time since 1835."

The Truth: According to the Wall Street Journal, "Another Genesis fable is that the Clinton-Gore team created today's budget surpluses. But the contraction in federal spending during the 1990s has almost entirely come out of Defense-- falling to about 3% of GDP from 5.2%. This is what happens when you win the Cold War, a historic victory made possible by the Reagan defense buildup that contributed to deficits in the 1980s. Bill Clinton is nothing if not lucky."

Clinton's claim: "It took Al Gore's tie-breaking vote in the Senate to overcome unanimous Republican opposition to deficit reduction. Today, America has gone from the biggest deficits in history to the biggest surpluses in history. Fiscal discipline keeps interest rates low and investment rates high - and it has helped fuel America's remarkable prosperity."

The Truth: The economy prospered in spite of Vice President Gore's tie-breaking vote in 1993 to pass the largest tax increase in history. This legislation raised taxes on Social Security recipients and increased the federal tax on gasoline. Incidentally, earlier this year, as gas prices rose more than 50 percent over where they had been the previous year, Clinton and Gore were bristled at the idea of repealing the gas tax that was implemented as part of this largest tax increase in American history.

Clinton's claim: "Now, we're also more hopeful because we ended welfare as we knew it."

The Truth: The President opposed welfare reform and adopted it only after he knew his veto would be overridden by Congress.

ATR is a coalition of individuals, taxpayer groups and businesses concerned with tax policy, spending reduction, and restoring accountability to elected officials. For more information please contact Chad Cowan at (202) 785-0266 or by email at ccowan@atr.org.