

HISTORY, CBO REFUTE REPUBLICANS' CLAIMS ON REFORM

Republicans Predict Higher Deficit If Health Reform Passes, But Republicans Have History of Being Wrong

When it comes to the deficit and what steps need to be taken to return our nation to surplus, Republicans have a clear history of being wrong. Back in 1993, Republicans predicted that President Clinton's budget would be a job-killer and create a recession – but exactly the opposite happened. In fact, over 20 million jobs were created, there was unprecedented economic growth, and the deficit was reduced.

1993 – REPUBLICAN PREDICTIONS ON THE IMPACT OF THE CLINTON BUDGET:

“How does this create any new, real jobs? Who does this spending stimulate except maybe the liberal faculty at Harvard or Berkeley? If we are to grow the economy and reduce the deficit, we need to spend the people's money wisely. **There is no economic stimulus here;** it is just more of the same--tax and spend.” [*Republican Leader John Boehner, 3/9/93*]

“It is a recipe for disaster. It is not a recipe for more jobs. Taxes will go up. **The economy will sputter along.** Dreams will be put off, and all this for the hollow promise of deficit reduction, of lower interest rates.” [*Former House Republican Majority Leader Dick Armey, 1993*]

The Clinton budget will lead to “**a job-killing recession.**” [*Former Republican Speaker Newt Gingrich, 1993*]

“**This plan puts the economy in the gutter....** If it was to work, then I'd have to become a Democrat.” [*John Kasich, Former Republican Chairman of the House Budget Committee, 1993*]

OUTCOME OF THE 1993 CLINTON BUDGET: REPUBLICANS WERE WRONG

Over a five-year period, the Omnibus Budget Reconciliation Act of 1993 **reduced the deficit by an estimated \$433 billion.** The deficit reduction resulting from the 1993 and 1990 budget reconciliations ultimately contributed to **unprecedented economic growth and job creation** in the late 1990s. The Clinton economy **created 22.7 million new jobs**, an average of 240,000 jobs per month and the highest of any single administration on record. [Congressional Budget Office and the Joint Committee on Taxation, from CRS report RS22098]

Now we're hearing the same arguments from Republicans on health care reform. Throughout this debate, they have spread misinformation about the deficit reduction and cost containment provisions contained in the Democratic plan. Have they not learned from their history?

REPUBLICAN COMMENTS:

“**The Democrats claim their bill will reduce the deficit, but that's misleading.**” [Rep. Cathy McMorris Rogers (R-WA), 2/26/2010]

“If it is like Democrats’ other health care bills, this one will drive up premiums, destroy jobs, raise taxes, slash Medicare benefits, and add to our already-skyrocketing debt.”
[Rep. Dave Camp (R-MI), 2/19/2010]

“[The Democratic] proposal blows a hole in the deficit.” [Republican Whip Eric Cantor, 11/7/2009]

“The Democrats have put forth a proposal that would take us in precisely the opposite direction – higher costs, lower-quality care, new taxes and a bigger deficit.” [Rep. David Dreier (R-CA), 11/6/2009]

CBO NUMBERS SHOW REPUBLICANS ARE WRONG:

Unfortunately for Republicans, preliminary CBO numbers show that they’re continuing their history of being wrong on the deficit. According to the preliminary score from the [Congressional Budget Office](#), health care reform legislation is expected to have the largest deficit reduction since President Clinton signed deficit reduction plans in the 1990s:

- **Cuts the deficit by \$138 billion in the first ten years:**
 - “[E]nacting both pieces of legislation—H.R. 3590 [the Senate bill] and the reconciliation proposal— would produce a net reduction in federal deficits of \$138 billion over the 2010–2019 period.”
- **And reduces the deficit by over \$1 trillion in the second ten years:**
 - “[T]he combined effect of enacting H.R. 3590 and the reconciliation bill would also be to reduce federal budget deficits over the ensuing decade relative to those projected under current law—with a total effect during that decade that is in a broad range around one-half percent of GDP.”