

*A Reformer with Results*

**FOR IMMEDIATE RELEASE**

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**BUSH CAMPAIGN RELEASES BUDGET DATA**  
*Bush Budget Balances While Shoring Up Social Security and  
Cutting Taxes*  
*Official Score of the Bush Tax Cut is Below Campaign Estimate*

**AUSTIN**—The Bush for President campaign today released a detailed budget analysis showing that the Bush budget balances, spends the lion's share of the surplus on Social Security and debt reduction while still providing for significant tax relief. The data update the Congressional Budget Office forecast, given the actual performance of the economy. The Bush campaign now estimates the unified surplus to be \$199 billion for fiscal year 2000. Further, the nonpartisan Joint Committee on Taxation scored the Bush tax cut below previous estimates.

“These numbers demonstrate that Governor Bush’s balanced budget provides more than a trillion dollars of the surplus for Social Security and debt reduction, and still leaves \$460 billion for a tax cut and \$187 billion for other budget priorities,” said Bush for President economic advisor and former Federal Reserve Board Governor Lawrence Lindsey.

“The bottom line is clear: Governor Bush’s plan takes care of Social Security first, provides America’s working families with a tax break, and does it all within the context of a balanced budget,” Lindsey continued. “In particular, the Joint Committee on Taxation estimate proves that Vice President Gore was badly mistaken, inaccurately portraying Governor Bush’s plan as costing 60 percent more than it actually does. Now that the nonpartisan on Joint Committee on Taxation has settled the debate about the cost of Governor Bush’s tax cut, Americans can contrast the Governor’s priorities with the Vice President’s plan to spend more of the surplus in government programs than Governor Bush provides in tax relief. We look forward to that debate. And in the spirit of fair debate, we hope Vice President Gore will soon release independent scoring of his spending proposals.”

According to numbers released today by the Bush campaign, the Bush balanced budget provides:

- ◆ *62% of the surplus for Social Security and debt reduction.*
- ◆ *27% of the surplus to reduce taxes.*
- ◆ *11% of the surplus for remaining budget expenses.*

Attached are a series of documents released today by the Bush campaign.

# Governor Bush's Updated Budget Projection

- **New Information**
  - CBO January Budget Projection
  - Economic Data on the First Half of FY 2000
- **New Baseline Assumptions**
  - CBO Updated for Actual Economic Data
  - Immediate Inflation Adjustment (no caps)

## US Economy Already Exceeds CBO Forecast

	Actual Data			CBO Forecast
	FY 1999	FY00 Q1	FY00 Q2	FY 2000
Real GDP	\$8,749	\$9,037	\$9,157	\$9,064
Annual Change	4.2%	7.3%	5.4%	3.6%
Nominal GDP	\$9,116	\$9,508	<b>\$9,697</b>	<b>\$9,583</b>
Percent Change	5.6%	9.3%	8.2%	5.1%

<b>Governor Bush's Forecast: Update CBO with Actual Data</b>		
	<b>Fiscal 2000</b>	<b>2001-2010</b>
<b>Real GDP</b>		
GWB	<b>4.9%</b> <sup>(1)</sup>	Identical to CBO Estimates
CBO	<b>3.6%</b>	-
<b>GDP Price Index</b>		
GWB	<b>1.9%</b>	Identical to CBO Estimates
CBO	<b>1.5%</b>	-
<b>CPI</b>		
GWB	<b>3.0%</b>	Identical to CBO Estimates
CBO	<b>2.6%</b>	-
<b>3-Month Treasury</b>		
GWB	<b>6.0%</b>	Identical to CBO Estimates
CBO	<b>5.3%</b>	-

*Note: (1) During the first half of fiscal year 2000, GDP grew by over 6 percent. CBO will likely revise its growth estimate this summer.*

# Discretionary Baseline

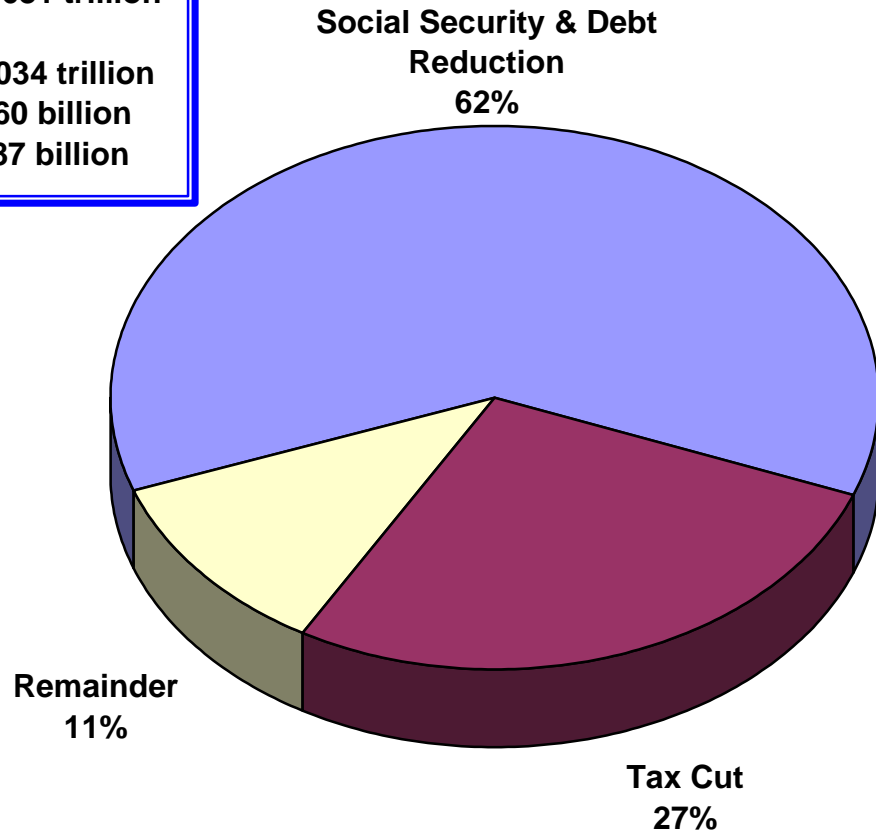
- For planning, Governor Bush adopted “inflated baseline”
- Removed \$7 billion per year in one-time spending
  - \$4.2 billion for 2000 Census
  - \$1.4 billion for Wye River Accord
  - \$0.4 billion for UN Arrears
  - \$0.2 billion for Y2K spending
  - \$0.5 billion for miscellaneous

## Governor Bush's Tax Proposal and Surplus Estimate

	Official Budget Period of the Next President <b>2002-06</b>	Current "Ten Year" Budget Period <b>2001-10</b>
Estimated Surplus (GWB)	\$1.681 trillion	\$4.115 trillion
Reserved for Social Security (GWB)	\$1.034 trillion	\$2.282 trillion
Tax Plan (JCT)	\$460 billion	\$1.321 trillion
Remainder (GWB)	\$187 billion	\$512 billion

# Bush's Balanced Budget Plan Devotes 62 Percent of the Surplus to Social Security and 27 Percent to the Tax Cut Over Five Years

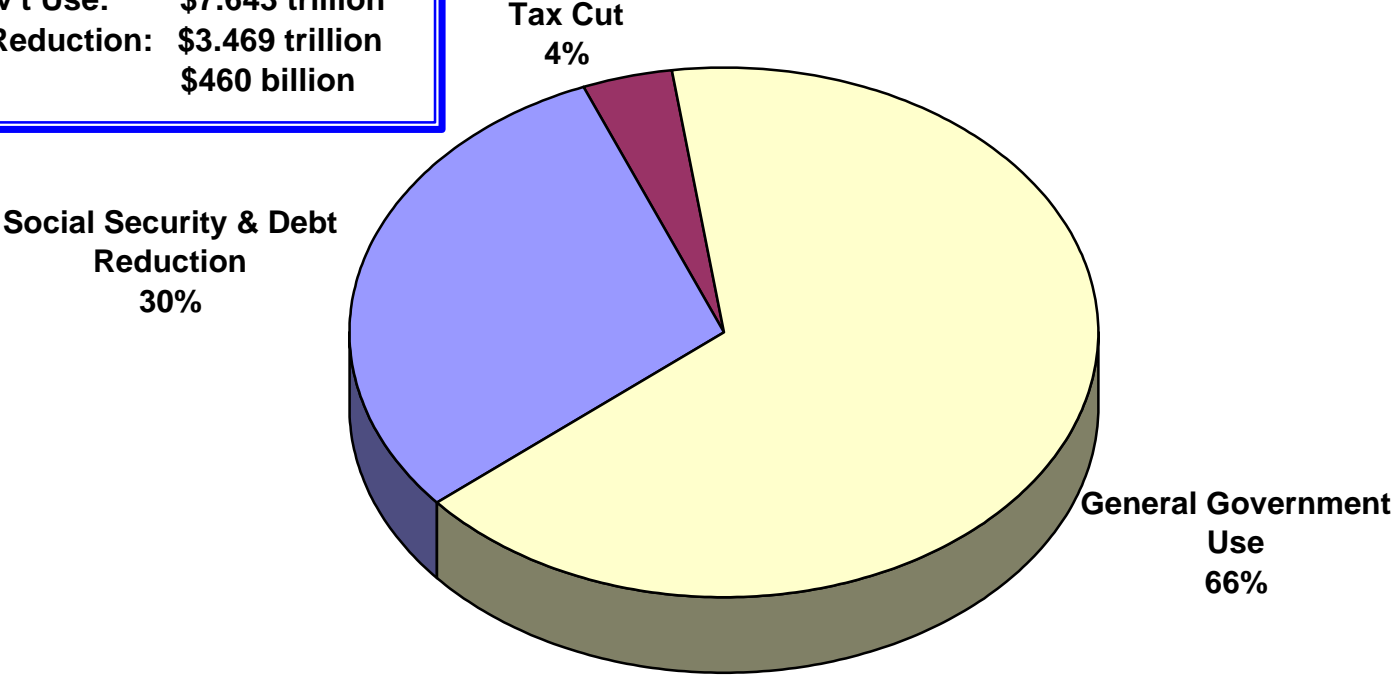
2002-06 Surplus:	\$1.681 trillion
SS & Debt Reduction:	\$1.034 trillion
Tax Cut:	\$460 billion
Remainder:	\$187 billion



**2002-2006 is the Official Budget Period of the Next President**

# Bush's Balanced Budget Plan Devotes 30% of Revenue to Social Security & Debt Reduction, and 4% to Tax Cuts

2002-06 Revenue:	\$11.572 trillion
General Gov't Use:	\$7.643 trillion
SS & Debt Reduction:	\$3.469 trillion
Tax Cut:	\$460 billion



2002-2006 is the Official Budget Period of the Next President



## Governor Bush's Tax Plan- Revenue Table

(billions)

	2002-06
<b>Access to Middle Class for Working Families</b>	
10 percent bracket	\$113
\$1,000 child credit	\$56
Subtotal	<b>\$169</b>
<b>Middle Class Reforms</b>	
25 percent bracket*	\$113
Marriage penalty	\$34
Subtotal	<b>\$147</b>
<b>Ending the Death Tax</b>	<b>\$55</b>
<b>Encouraging Entrepreneurship</b>	
33 percent bracket*	\$58
R&D tax credit	\$6
Subtotal	<b>\$64</b>
<b>Charitable Giving &amp; Education</b>	<b>\$25</b>
<b>Total</b>	<b>\$460</b>

\*Bush campaign estimate based on combined JCT score

## Governor Bush's Tax Proposal and Surplus Estimate: Comparison to December 1999 Estimate

	May 2000 Estimate: 2002-06	Dec 1999 Estimate: 2002-06
Estimated Surplus (GWB)	\$1.681 trillion	\$1.566 trillion
Reserved for Social Security (GWB)	\$1.034 trillion	\$980 billion
Tax Plan (JCT)	\$460 billion	\$483 billion
Remainder (GWB)	\$187 billion	\$103 billion

# Strengthening Social Security

- **Governor Bush allocates \$2.3 trillion of the surplus to Social Security over ten years**