



Congress of the United States
Joint Economic Committee
Democratic Minority Office

359 Ford House Office Building, Washington D.C. 20515 - (202) 226-4066

Pete Stark - Ranking Democrat

104th Congress

October 31, 1996

Dear Colleague:

I am writing to share with you an economic scorecard for the last four years. We have a record we should be proud of. The 1993 fiscal plan we put in place, without a single vote of support from Republicans, has given America many things.

Senator Dole has been railing against our economic record because last quarter's growth was 2.2 percent. But it takes more than one quarter to set a trend. Over the course of the year, for the first three quarters, the economy has been growing at a 2.9 percent rate—exactly the rate President Bush's Council of Economic Advisors forecasted for 1996, before they left office. Senator Dole thinks that when we restored fairness to the tax system, we hurt investment and future growth. However, last quarter, the three-month period ending in September, business investment increased at a projected annual rate of 14.7 percent—significantly, business equipment purchases have increased each quarter since 1993. We have the economy on the right track, and need to remember to take credit for that.

Of course, because no Republican supported our economic package, Senator Dole has to overlook our accomplishments. We do not have to overlook them. Along the way, we have set some **new economic records**:

- **the highest share of women employed ever,**
- **the highest median income for women ever,**
- **the highest share of adult African Americans employed ever,**
- **the lowest poverty rate for African American families ever, and the highest median family income for African American families ever.**

We have also created some **new economic milestones**.

- **We have managed four years of declining federal deficits.** Not only did we reduce the deficit by more than 60 percent from where it was in 1993, we have cut in half the deficit President Bush projected for 1996.
 - Now America has the lowest deficit, as a share of GDP, of any major industrial country, and this is the first time the deficit has declined four years in a row in this century.

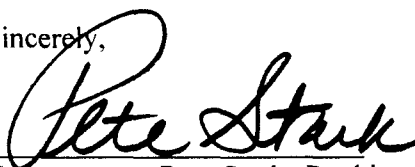
- **We have fostered an economy that added ten-and-a-half million net jobs to America's payroll**—the biggest increase, over four years, in payroll employment in the Post World War II era.
- **We have kept the inflation rate below 3 percent for four years.** No economic policies have contained inflation below 3 percent for four years in more than three decades.
- **The lowest monthly unemployment rate in seven years (August 1996—5.1 per cent).**
- **The first increase in median household income in four years.**

Finally, as a yardstick for our accomplishments, I compare what we have delivered to the last economic forecast made by President George Bush's Council of Economic Advisors. Remember, these are the most optimistic forecasts of where Republican leadership would have carried us over the last four years.

		Bush Forecast ¹	What We Delivered
Federal Fiscal Deficit, billions	1993	328	255
	1994	287	203
	1995	240	164
	1996	201	107
Unemployment rate	1993	6.9%	6.9%
	1994	6.2%	6.1%
	1995	5.7%	5.6%
	1996	5.4%	5.4% ²
Civilian Employment, millions	1993	119.9	120.3
	1994	122.3	123.1
	1995	124.6	124.9
	1996	126.6	127.4 ³
Consumer Price Index (inflation)	1993	2.8%	3.0%
	1994	2.9%	2.6%
	1995	3.0%	2.8%
	1996	3.0%	3.0% ⁴

In all major economic categories we have met, or exceeded, the best President Bush's economic advisors felt they could deliver—while helping those in the middle and bottom, with the first increase in median household income in four years, and the lowering of family poverty rates.

Sincerely,



Congressman Pete Stark, Ranking Member

1. Council of Economic Advisors, *Economic Report of the President*, 1993, Tables 2-3 and 2-4.
2. Nine-month average of seasonally adjusted rates, from January 1996 to September 1996.
3. As of September 1996.
4. For nine months from January 1996 to September 1996.