

U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR IMMEDIATE RELEASE

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CONTACT: STEVE SPINA

Phone: (202) 225-3452

RAHALL SLAMS DOOR ON ROSTENKOWSKI PROPOSAL

WASHINGTON, D.C.-- U.S. Rep. Nick Rahall (D-WV) today blasted a proposed plan by House Ways and Means Committee Chairman Dan Rostenkowski to balance the budget within five years. Among his proposals to reduce spending and increase revenue were plans to freeze cost-of-living adjustments for Social Security recipients and increase taxes on gasoline, tobacco, and alcohol.

Rahall, a long time advocate of balanced budget proposals, called on the Chairman to review his plan and try and work out ways to, "achieve the same result without breaking the banks of the elderly and lower-income Americans."

"While I admire the Chairman's resolve in balancing the budget, I feel the proposal steps over the line in some areas," said Rahall. "We should not increase the punishment of those who have carried the budget burden of the deficit on their backs for the past decade. It is time for the rich to pay their fair share and give the poor some breathing room."

"To many of my constituents, the thought of a freeze on their cost-of-living increases is devastating. This money is essential to their day to day needs. I cannot allow that to happen; I will not jeopardize their budgets," said Rahall.

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Rostenkowski Defends Proposal on Deficit

Ways and Means Chairman, Urging Spending Freeze and Tax Hikes, Predicts Public Support

By Tom Kenworthy
Washington Post Staff Writer

House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) conceded yesterday that his far-reaching proposal to erase the federal deficit by raising taxes and freezing federal program spending is likely to meet stiff political resistance in Congress, but indicated that the nation's voters are ready to sacrifice to achieve a balanced budget.

"Whether or not my colleagues will support it or not I don't know, but somebody has to start saying it," Rostenkowski said, defending his proposal to cut spending and raise revenue by more than \$500 billion over five years. He outlined the plan in an article in The Washington Post yesterday.

"This program cuts all the fat out and makes men stand up," Rostenkowski said on the CBS News program "Face the Nation." "People are way ahead of us. All you have to do is talk straight to the American people and they will respond."

Under the proposal he offered yesterday, most federal spending programs would be frozen—including cost-of-living adjustments for Social Security recipients—and defense outlays would be cut by \$150 billion over five years. In addition,

he proposed increasing excise taxes on gasoline, tobacco and alcohol, suspending for one year the indexing of federal income taxes (designed to eliminate the effect of inflation on tax rates), and raising to 33 percent the effective marginal tax rate on the nation's wealthiest taxpayers, who now pay 28 percent under an anomaly from the 1986 tax revision.

Further, Rostenkowski called on Congress to reject any proposals to cut taxes, including President Bush's plan to reduce the rate on capital gains and a separate plan pushed by some members of his party to trim the Social Security payroll tax.

Though the Chicago Democrat gave House Democratic leaders a preview of his proposals, Ros-

tenkowski is in effect sailing single-handedly into treacherous political waters. His rejection of any tax cuts flies in the face of efforts by a task force headed by House Majority Leader Richard A. Gephardt (D-Mo.) to craft some kind of Democratic-sponsored tax cut as an alternative to Bush's capital gains proposal. That group, formed in response to a proposal by Sen. Daniel Patrick Moynihan (D-N.Y.) to cut the Social Security payroll tax, is expected to make recommendations in the near future.

Democratic leaders in Congress have explicitly ruled out any tax increases unless they are supported by Bush, who is holding to his "read my lips" vow to oppose new taxes. And most Democrats are unlikely to support any plan that proposes cut-

TODAY IN CONGRESS

SENATE

Not in session.
Committees: none.

HOUSE

Meets at noon.
Committees:

Appropriations—1 p.m. Closed. Energy and water develop. subc. DOE and atomic energy defense activities. 2362 Rayburn House Office Building.

Appropriations—1 p.m. Open. Rural develop., agric. and related agencies subc.

Animal and plant health inspection service. 2362 RHOB.

Appropriations—1:30 p.m. Open. Comm., jus., state and jud. subc. On FCC and ITC. H-310 Capitol.

Appropriations—2 p.m. Open. Labor-HHS-edu. subc. National Institutes of Health. 2358 RHOB.

Armed Services—4 p.m. Closed. Invest. subc. FY91 drug-interdiction budget request. 2212 RHOB.

Energy and Commerce—1 p.m. Open. Oversight and invest. subc. Insurance company insolvency issues. 2123 RHOB.

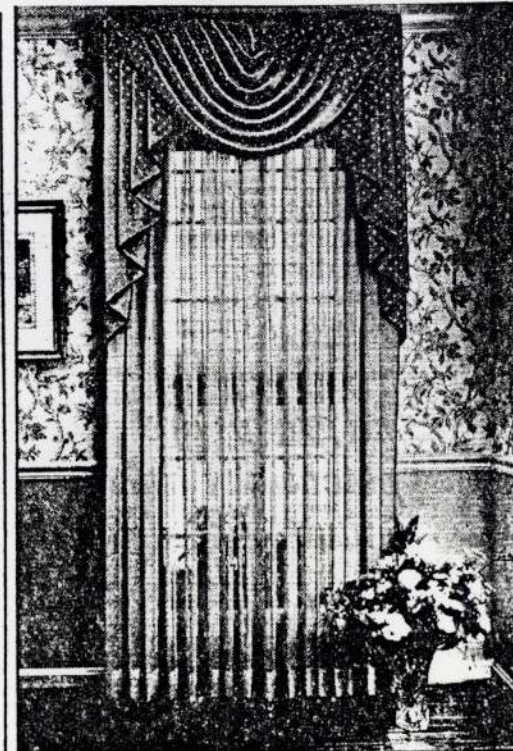
ting Social Security cost-of-living increases.

In going beyond his party's consensus, Rostenkowski could be contributing to a perception that the Democratic leadership in Congress is in relative disarray as it seeks to counter the Bush White House.

Nonetheless, as the second leading Democrat in less than a week to fire a broadside in the direction of the Bush administration, Rostenkowski also could bolster Democratic efforts to sharpen their opposition to a popular president. Last week, in a speech that received widespread attention, Gephardt attacked Bush for being timid in response to changes in Eastern Europe and proposed direct food aid and trade and investment concessions for the Soviet Union.

Rostenkowski, a close friend of the president's, did not minimize the difficulty of winning Bush over to what he called his "blueprint for our future," but he sent the White House a message in any case.

"Hope springs eternal," Rostenkowski said. "If I could whisper in [Bush's] ear I'd suggest, 'Mr. President, you're a very popular individual at this time. Spend some of that popularity. Ask people to join with you in a crusade to bring our country back to a posture of competitiveness.'"



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