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MEMORANDUM

To: Reporters and Editors  
Re: President's Fiscal Year 2008 budget proposal  
Da: Monday, Feb. 5, 2007

Sen. Chuck Grassley, ranking member of the Committee on Finance, today made the following comment on President Bush's Fiscal Year 2008 budget proposal.

“It's easy to talk about closing the tax gap in the abstract. It's harder to enact concrete proposals that may be politically unpopular. The President deserves credit for proposing concrete solutions. The President proposes and Congress disposes. I'll be interested to see what the Democratic-led Congress does with the President's tax gap ideas, especially since certain Democrats cite closing the tax gap as the be-all and end-all to our future budget challenges. I look forward to reviewing the President's proposals and working with my colleagues to consider and maybe improve them.

“Some members on the other side of the aisle are likely to criticize the President's continued tax relief. It's important to point out that even with the tax relief in full effect through 2012, federal revenues are projected to exceed their historical average of 18 percent of the gross domestic product. It's specious for anyone to argue that the tax relief guts federal revenues.

“On entitlement spending, there's no sugar-coating the challenge before us. But trying to score political points over things like Medicare's negotiation of prescription drug prices is a diversion from the challenge ahead. These politically driven proposals do nothing to reduce spending. Using the power of competition and Medicare's negotiating power through the prescription drug plans, the prescription drug program is costing nearly \$200 billion less than expected. I hope my colleagues will focus on the big picture rather than try to unravel something that works.”