

# Democrats confident in budget

## Bill likely to pass Senate despite demands from both sides

**By Alan Fram**  
Associated Press

WASHINGTON — Liberals want to restore some Medicare cuts, and Republicans will try to kill tax increases. But the Senate is expected this week to approve virtually intact a half-trillion-dollar deficit-reduction bill crafted by its tax-writing committee.

"We have the majority we need, and we will produce it," a confident Sen. Daniel Moynihan, D-N.Y., declared Sunday, seeming already to be focusing on what is expected to be lengthy negotiations later this summer with the House on a final compromise bill.

Democrats pushed the measure through

Moynihan's Finance Committee by an 11-9 vote Friday after satisfying conservatives by adding Medicare cuts and changing its broad energy tax to a 4.3 cent-per-gallon levy on gasoline.

Democrats hold a 56-44 advantage in the Senate. But that won't stop Republicans from trying to derail the legislation when it comes to the floor, probably Wednesday.

Republican Minority Leader Bob Dole of Kansas said Sunday on CBS "Face the Nation" that the Republicans are preparing two substitute proposals: One stripping all tax increases and boosting spending cuts and another with some new taxes as well as less spending.

Dole said he and some other Republicans could accept some modest new taxes if the package also included a spending freeze for three or four years and a cap on entitlement programs such as Medicare.

The tax and spending legislation is the heart of Clinton's plan to reduce the budget deficit by \$508 billion over the next five years and to energize the economy. It contains \$249 billion in new taxes on the rich, businesses, motorists and higher-income Social Security recipients and more than \$80 billion in reductions in Medicare and other benefit programs. It



**Dole**  
Says his party will propose substitute budget packages.

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# BUDGET

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promises \$160 billion in further savings in future bills and in lowered interest payments on federal debt.

Moynihan, also on "Face the Nation" acknowledged the measure represents a "huge tax bill" but called it perhaps the most progressive change in a half-century in who pays taxes because of the new taxes on the wealthy.

No one expects every Democrat to vote for the bill, and it's certain that Vice President Al Gore, who can cast a tie-breaking vote, won't be far from the Senate chamber.

GOP lawmakers hope to gain some Democratic support in their fight against higher taxes. Conservative Sen. Richard Shelby, D-Ala., already has said he'll vote against the measure because of the tax provision.

Sen. Pete Domenici, R-N.M., says one GOP target will be the higher tax Democrats want to impose on nearly 2 million Social Security re-

ipients. Also in the GOP's gunights will be the new motor-fuels tax that is sure to trouble senators from large western states where people tend to drive more.

Dole said he could agree to an increase in the top tax rate from 31 percent to 36 percent. "We could accept some revenue (increases) if we had a lot of spending cuts," he said Sunday.

The legislation now contains a 36 percent top tax rate, but also a variety of other tax increases that would require some of the most affluent citizens to pay an equivalent of about 45 percent.

Liberal Democrats, meanwhile, want to restore some of the extra spending cuts the Finance Committee made to make up for revenue lost by scaling back the energy tax.

The \$19 billion in additional Medicare cuts — on top of \$50 billion Clinton had already proposed — touched a nerve among a number of liberal Democrats, including Sens. Tom Harkin of Iowa and Paul Well-

stone of Minnesota, who said they may try to restore the funds.

Although the extra Medicare cuts would come from trimming the reimbursements that go to hospitals and some doctors, critics say the poor and elderly will be affected if doctors stop accepting Medicare recipients.

Some Democrats also may try to restore some of the \$15 billion in tax breaks for the working poor and for companies that relocate to deteriorating neighborhoods. Both were eliminated by the finance panel.

Clinton's budget director, Leon Panetta, said the White House also would press for restoring some of those tax breaks as well as the broader energy tax when a final bill is worked out in negotiations between the two chambers.

Panetta said on CNN's "News-maker Sunday" that the president, nevertheless, remains committed to keeping the overall deficit reduction at \$500 billion and to keep the greatest tax burden on higher-income taxpayers.

# Let the mud-slinging begin

## Senate debate turns up partisan heat on deficit plans

**By Michael Wines**  
New York Times News Service

WASHINGTON — The grand debate over President Clinton's package of tax increases and spending cuts opened at last in the Senate on Wednesday, and Democrats and Republicans, well aware that the outcome is predetermined, seized the occasion to paint the economic differences between them in the starkest political terms.

The two sides suspended the in-

vective long enough to reject the Republicans' alternative to the Democratic plan. The Republican proposal would have capped spending on federal benefit programs, frozen most other federal spending and kept taxes at current levels.

Republicans cast it as a tax-free way to reduce the federal deficit; Democrats called it a sham because it simply decreed a halt to the explosive growth in benefits spending, without specifying ways to halt it.

The vote against the Republican plan was 55-43. One Democrat, Richard Shelby of Alabama, voted for it, and one Republican, James Jeffords of Vermont, joined the Democrats to vote against it.

Earlier, a handful of Democrats joined the Republicans to reject an attempt by Senate Majority Leader George Mitchell, D-Maine, to add to the bill \$3.6 billion in tax breaks for small businesses.

That was but the odd digression in a daylong legislative battle that was aggressively, even abusively, partisan. The real do-or-die vote on the Senate Democrats' package will probably come today.

Democrats took to the floor to assail Republicans as gutless protectors of the fat-cat rich, hypocrites who preach the gospel of small government but shrink from any politically risky effort to actually attain it.



**Dole**  
Says Clinton plan would hurt small businesses.

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# DEFICIT

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Sen. Jim Sasser, D-Tenn., on the Republicans' opposition: "What's it all about? It's about protecting the tax breaks — of those who got those lucrative tax breaks in the 1980s, during the Reagan-Bush years."

Sen. Fritz Hollings, D-S.C., mocking the Republican argument in a bottomless Southern drawl: "There's a difference in philosophy. We don't believe in raising taxes, we believe in paying the bill." He looked contemptuous, and added: "Pay it after they wreck the government economy."

Republicans lashed back by ac-

curring Clinton in the most sarcastic terms of selling the voters a bill of goods. They repeatedly turned the president's own words against him, wielding excerpts from his campaign speeches and his political manifesto, "Putting People First," to contrast his early pledges of tax cuts and small government with what they said was the reality of his duplicitous budget.

Sen. Bob Dole of Kansas, the Republican leader, mocked Clinton's words: "A Clinton-Gore Administration will encourage small businesses and enterprises to take risks." Dole read from "Putting People First." "My plan will not add new taxes on small business."

Instead, Dole argued, "They now

face a tax increase not from 31 to 35 percent, but from 31 percent to 45 percent, or maybe even more."

Sen. Alfonse D'Amato, R-N.Y., said: "Almost one half — 49.8 percent — of the tax increases come on small business. Promises made, promises broken."

Sen. Phil Gramm, the deeply conservative Texan, said: "I oppose this bill because you cannot create more investment by taxing investors. You cannot create more savings by taxing savers. You cannot create more jobs by taxing the job creators."

"Hundreds of thousands of Americans will lose their jobs because of this bill. Bill Clinton will be one of those Americans," Gramm said,

adding slyly, "but he will deserve to lose his job."

No one appeared to question that the Democratic version of the Clinton budget — a version with \$50 billion less in taxes, and \$50 billion more in cuts than its House companion — would pass the Senate, probably tonight. In large part, Wednesday's debate was moot court, played out in a mostly empty chamber for the primary benefit of cable-television cameras.

The genuinely tough fight will come next week, behind closed doors, when House and Senate lawmakers try to meld the two packages into a bill that can pass both chambers of Congress.

# The editor's opinion

## A role for Dole

### Somebody has to play the bad guy

Someone has got to be the villain of the piece. It might as well be Bob Dole.

The senior senator from wealth and privilege, who uses the resources of agribusiness giants and California wineries to get himself re-elected every six years by the unsuspecting people of Kansas, has gained unprecedented fame as the leading spokesman for the foot-dragging brigade in Congress.

In so doing, Dole may yet provide a significant service for the American people. He can be President Clinton's punching bag.

This is something that the president desperately needs if he is to be at all successful in attacking the deficit and doing whatever government can do to boost the economy.

Good politics is theater, and theater needs an evil-doer, an antagonist, a heavy. But Clinton's well-known desire to be loved by everyone has so far deprived him of that essential tool of leadership — the bad guy.

In the last few days, though, the president and his lieutenants are starting to make the noises necessary to put the budget battle in terms that can mean success for the administration. They are, with justification, labeling Dole and his fellow Senate Republicans as defenders of the rich, willing to cut the deficit only if it means the wealthy who reaped the benefits of the last dozen years are exempt from the pain of cleaning up afterwards.



Dole

More than helpful on that score have been Dole's own words, from the budget battle of 1990, when the GOP leader complained, loudly and correctly, that if the budget deficit was to be tamed, somebody was going to have to pay the bill.

Then, Dole was defending a plan to raise gasoline taxes and cut Medicare spending. Now, Dole is attacking a plan to raise gasoline taxes by a smaller amount than was proposed three years ago, though he says he is still willing to make some, as yet unspecified, Medicare cuts.

Not only is Dole's partisanship stinking up the halls of Congress, his un concealed preference for loading all the sacrifices on people who aren't rich is a scandal, one that Clinton and the Democrats should milk for all it's worth.

Every society throughout history has had people who achieve wealth and favor by making apologies, even providing moral justifications, for the successfully greedy. It's been the Divine Right of Kings, social Darwinism, the business of America is business, philosophical mumbo jumbo as harmful as anything Marx and Lenin ever came up with.

Just as Czar Nicholas and Louis XVI had their hangers-on and court jesters to artfully assuage any doubts that they deserved to retain their elevated status, the massive shift of American wealth from the middle to the upper classes has had many to play the role of royal fool — Ronald Reagan, The Wall Street Journal editorial page, Rush Limbaugh.

Eventually, though, these professional sycophants became more of a drag on their masters than a boost, pulling the ceiling down on everyone.

If that is the role Bob Dole wishes to play, the least Bill Clinton can do is go along.

# Dole, Clintons break bread together

**By Ray Hemman**  
The Hutchinson News

They met at the request of a mutual friend. The dinner was at one of Washington's better restaurants.

And it may have been the ultimate in Washington's power meals, featuring the nation's top Democrat and Republican.

"Dinner was great," said Sen. Bob Dole, R-Kan., Friday morning during his weekly telephone press conference with Kansas journalists. Dole had dinner Thursday night with President Bill Clinton.

"We had a good visit. My wife's in California. She's going to beat me over the head when she gets back. Mrs. Clinton was there, and Mrs. Strauss and Ambassador Strauss and myself and the president. We had a good dinner and a chance to visit awhile. We got there about 8:30 and left about 11 o'clock. We had a good time, a good visit."

"I think the purpose is to let people know we get along pretty well. We're not at each other's



Dole



Clinton

throats. We disagree on the economic plan, but in other areas I'll probably be helping the president. Hopefully he can be helpful to us when we need help, too."

They both had fish dishes, the specialty of the house at Duke Ziebert's in Washington. Former U.S. Ambassador to Moscow Bob Strauss arranged the meeting between the two. He picked up the tab at the pricey restaurant, said Walt Riker, spokesman for Dole.

Thursday night's dinner was Dole's first trip to Duke Ziebert's, Riker said. The restaurant is a regular meeting place for con-

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— Sen. Bob Dole, R-Kan.

gressmen, senators, media, lobbyists and others in Washington. Larry King eats there daily.

"Ambassador Strauss — Bob Strauss — is a friend of mine and a friend of President Clinton," Dole said. "He's a Democrat, our ambassador to Russia, former Democratic national chairman, but I've known him for a long time. I think he had talked to the president several weeks ago. I don't know what happened, but I got a call from Strauss saying, 'Would you be willing to have dinner with the president?' I said, 'Sure, I'll have dinner with the president anywhere, anytime.' So that's how it all started. I guess the president wanted to do it before he went to Japan."

Dole said he talked about health care "in a general sense" with first lady Hillary Clinton,

talked about Congress, the president's trip to Japan and a judge's decision that stalls the North American Free Trade Agreement, pending an environmental review of the pact — "nothing we hadn't talked about before."

Earlier this week, a federal judge blocked NAFTA, pending environmental review. Dole said supporters in Congress are looking at ways to circumvent legislative the judge's ruling. NAFTA will be one area where Republicans will join forces with the president.

The Kansas said he continues to support NAFTA.

"You can find fault with anything, but from the Kansas standpoint, a fast-growing market in Mexico is going to mean opportunities for us in our state and most every other state," he said.

"Initially, it may be a bit of a downer, but I think it will pick up. Plus one of the biggest problems in America is immigration. If we can help improve the economy there (Mexico), it may keep more people in Mexico and keep the flood gates from opening up into California, Texas and the southern states."

"But I think one objection has been that all the companies are going to move there. Well, they can move there now. In fact, General Motors is moving a plant back to Michigan. A Connecticut firm is moving a plant back from Mexico to Connecticut, even though the wages are lower there. American workers are so much more productive, most employers are finding out they are better off to be in America."

Also during the press conference, Dole reiterated his opposition to Clinton's tax and spending plans. Dole also said he doubted Iraq would retaliate for this week's attacks by the United States and supported the president for his military efforts there.