

JULY 18, 1990

TO: SENATOR DOLE

FR: CLARKSON

RE: REMARKS TO SENATE PRESIDENT'S COUNCIL  
THURSDAY, 8:30 AM -- REAGAN CENTER

YOU HAVE BEEN ASKED TO HOLD A TEN MINUTE "BRIEFING," FOLLOWED BY Q&A, FOR THE SENATE PRESIDENT'S COUNCIL, AN NRSC FUNDRAISING GROUP COMPOSED OF MEMBERS OF THE PAC COMMUNITY. EACH PAC CONTRIBUTES BETWEEN \$5,000 AND \$15,000 ANNUALLY TO THE COMMITTEE, AND THE GROUP MEETS MONTHLY TO HEAR SPEAKERS OF KEY INTEREST TO THE BUSINESS COMMUNITY. 70-75 PEOPLE ARE EXPECTED AT TOMORROW MORNING'S BREAKFAST, WHICH RUNS FROM 8:00 TO 9:00. YOU HAVE SPOKEN BEFORE TO THIS GROUP, WHICH IS DESCRIBED AS NOT PARTICULARLY PARTISAN, SINCE MOST PACS PLAY BOTH SIDES OF THE FENCE. YOU WILL BE INTRODUCED BY SENATOR NICKLES.

THE GROUP IS INTERESTED IN HEARING YOUR VIEWS ON THE BUDGET AND TAXES. I HAVE ATTACHED PROPOSED REMARKS, WHICH KATHY HAS REVIEWED, AND A LIST OF EXPECTED ATTENDEES.

SENATE PRESIDENT'S COUNCIL  
JULY 19, 1990

- 8:00 - 8:10: Arrival of guests, coffee and juice
- 8:10 - 8:30: Buffet breakfast
- 8:30 - 8:33: Introduction of special guests by  
Senator Nickles, and introduction  
of Senator Bob Dole
- 8:33 - 8:45: Senator Bob Dole's remarks  
Topic: The Senatorial agenda for the  
remainder of the 1990 cycle.
- 8:45 - 8:55: Question and Answer session  
Additional remarks by special guests
- 8:55 - 9:00: Senator Nickles' closing remarks

ATTENDEES FOR SENATE PRESIDENT'S COUNCIL BREAKFAST

8:00 to 9:30 am - JULY 19, 1990

Cynthia Anderson - Enron (for Joe Hillings)  
Bob Bannister - Home Builders  
Betsy Barclay - Public Securities Assn.  
Michael Bates - Timmons & Co., Inc.  
Steve Bell - Soloman Brothers  
Bo Bludworth - National Beer Wholesalers  
Ken Crerar - National Assn. of Casualty and Surety Agents  
Ben Cooper - Printing Industries of America  
Tom Dennis - Southern California Edison  
Jim Dyer - Phillip Morris  
Jack Ericksen - Aetna  
Fred Fielding - Wiley, Rein, & Fielding  
Alan Fiers - WR Grace and Company  
Pete Frank - Kerr-McGee  
Fred Gebler - Electronic Data Systems  
Berry Gottehrer - Mass Mutual  
Charlie Harker - American Physical Therapy Assn.  
Lynn Hart - Fed of American Health Systems  
Steve Hart - Williams & Jensen  
Sheila Harvill - Electronic Data Systems  
Mary Howell - Textron  
Betty Hudson - Fluor Corporation  
William Kendall - Kendall & Associates  
Steve Koplan - Richard Connor  
Alan Kranowitz (Van Dongen) Nat'l Assn of Wholesaler/Distributors  
Bob Lighthizer - Skadden, Arps, Slate, Meagher, & Flomm  
Jack Lillywhite - Bechtel  
Jerry Lederer - US Telephone Assn  
Lynette Lenard - Browning Ferris Industries

Roger Levy - The Travelers

Tim McKone -

Martha McSteen - (for Susan Dahlquist)

Neil Messick - General Electric Co.

Tom Moulton - Pacific Telesis

Pat O'Donnell - O'Connor & Hannan

Tom O'Hara - The Prudential

Phil Peter - General Electric

Rick Pollack - American Hospital

John Price - Manufacturers Hanover

Brent Regan - Southwestern Bell

Quincy Rodgers - General Instrument Corporation

Bob Rusboldt - Independant Insurance Agents of America

Paul Schoellhamer - Northwest Airlines

Sharon Spigelmeyer -

V.A. Stevens - Petroleum Marketers Association

Doug Thompson - NAR

Connie Tipton - Amer Dairy Assn

Frank Vacca - America Dairymen

Kent Wells - Southwestern Bell

Leonard Wheat - American Dental Assn.

Scott Yohe - Delta Airlines

I will update you as more attendees are added to the list.

SENATOR BOB DOLE  
REMARKS TO  
SENATE PRESIDENT'S COUNCIL  
JULY 19, 1990  
REAGAN CENTER

GOOD MORNING. IT'S  
ALWAYS A PLEASURE TO CHAT  
WITH THIS DISTINGUISHED  
GROUP.

## SEVERITY OF DEFICIT

THIS IS A YEAR IN WHICH WE  
MAY ALSO BE ABLE TO CALL  
CONGRESS A 'DISTINGUISHED  
GROUP' — IF WE ARE  
SUCCESSFUL IN THE SO—CALLED  
BUDGET SUMMIT. AND TO BE  
SUCCESSFUL, WE CAN NO  
LONGER AVOID MAKING THE  
TOUGH CALLS TO GET OUR

DEFICIT DOWN.

ACCORDING TO THE LATEST  
DEFICIT NUMBERS, WE MAY NEED  
AT LEAST 100 BILLION DOLLARS  
IN DEFICIT REDUCTION TO MEET  
OUR GRAMM—RUDMAN  
TARGET —— AND THAT'S AFTER  
TAKING THE SAVINGS AND  
LOAN BAILOUT NIGHTMARE OFF  
BUDGET.

MEANWHILE, INTEREST ON OUR  
NATIONAL DEBT IS  
APPROACHING \$200 BILLION  
DOLLARS A YEAR, TWICE AS  
MUCH AS THE ENTIRE FEDERAL  
BUDGET WHEN I WAS FIRST  
ELECTED TO CONGRESS.  
BEFORE THE AUGUST RECESS,  
WE'LL HAVE TO PASS A BILL TO  
INCREASE THE DEBT LIMIT AGAIN



— TO SOMETHING WELL OVER  
\$3 TRILLION DOLLARS —  
THAT'S TRILLION WITH A 'T'.

BUDGET SUMMIT — TOUGH CALLS

SO, THERE'S NO DOUBT ABOUT  
IT — WE NEED TO MAKE SOME  
DIFFICULT CHOICES TO CLOSE  
THE DEFICIT GAP — AND WE  
NEED TO MAKE THEM FAST. I

MET YESTERDAY WITH THE  
PRESIDENT AND THE BIPARTISAN  
CONGRESSIONAL LEADERSHIP,  
AND WE SET A FIRM DEADLINE  
FOR A BUDGET AGREEMENT OF  
AUGUST 10TH. THAT'S THREE  
WEEKS TO COME UP WITH A  
FIVE—YEAR PACKAGE, REDUCING  
THE DEFICIT BY 450 TO \$500  
BILLION DOLLARS.

THIS WON'T COME EASY. WE  
HAVE TO MAKE TOUGH  
DECISIONS ON THE SOCIAL  
SECURITY TRUST FUND, THE  
GROWTH OF ENTITLEMENT  
PROGRAMS, THE DEFENSE  
BUDGET, CONTROLLING THE  
COST OF HEALTH CARE FOR THE  
ELDERLY, HELPING NEW  
DEMOCRACIES IN EUROPE AND

# LATIN AMERICA, THE S&L CRISIS AND NEW TAXES.

IF WE COME UP WITH SUCH A  
PACKAGE, A LOT OF THINGS  
WILL BE DIFFERENT IN THIS  
COUNTRY. FOR EXAMPLE, WE  
KNOW WE'RE GOING TO HAVE  
BIG DEFENSE SAVINGS. THAT  
MEANS A LOT OF YOUNG  
PEOPLE ARE GOING TO BE

TAKING OFF THEIR UNIFORMS  
AND RETURNING TO CIVILIAN  
LIFE. WE'LL HAVE TO TAKE A  
LONG, HARD LOOK AT HOW  
WE'RE GOING TO DEAL WITH  
THAT.

TAX REVENUE INCREASES

IN THE BUDGET SUMMIT, WE'RE  
ALSO TAKING A HARD LOOK AT  
'TAX REVENUE INCREASES.' THIS

WAS A BOLD CONCESSION FOR  
THE PRESIDENT. BUT, IN MY  
VIEW, I DON'T THINK THE  
PRESIDENT WILL AGREE TO TAX  
RATE INCREASES.

AS YOU KNOW, OUR TAX  
CODE HAS ONLY TWO INCOME  
TAX RATES — 15% AND 28%.  
BUT SOME MAY USE THE SO—  
CALLED TAX BUBBLE — THE

PERCEIVED 33% RATE THAT  
PHASES OUT THE BENEFIT OF THE  
15% BRACKET — AS A  
SMOKESCREEN TO HIKE TAX  
RATES, AND GO BACK ON THE  
PROMISE OF TAX REFORM.  
NEITHER I NOR ANY OF MY  
REPUBLICAN COLLEAGUES IN THE  
BUDGET SUMMIT WILL STAND  
FOR 'BURSTING THE BUBBLE.'

THAT WOULD ONLY REALIZE THE  
WORST FEARS OF AMERICAN  
TAXPAYERS, WHO GAVE UP  
MANY OF THEIR DEDUCTIONS  
WITH THE PROMISE OF LOWER  
TAX RATES.

BUT LOST IN ALL  
THE TAX FRENZY ARE THE  
MEANINGFUL BUDGET CUTS AND



BUDGET PROCESS REFORMS  
WE'LL HAVE TO MAKE, BECAUSE  
I THINK ONE THING WE ALL  
AGREE ON IS THAT WE CAN'T  
SOLVE THE BUDGET DEFICIT  
THROUGH REVENUE INCREASES  
ALONE.

CAN'T RESORT TO GIMMICKRY  
AND WE CAN'T DO IT  
THROUGH FISCAL TRICKERY,

EITHER — LIKE LAST YEAR'S  
BUDGET SHANINIGANS. LAST  
YEAR, CONGRESS BASICALLY  
TOOK A WALK ON THE DEFICIT.  
WE SPENT TEN MONTHS, AND  
DEVOTED NO FEWER THAN 60%  
OF OUR ROLL CALL VOTES IN  
THE SENATE TO REDUCE THE  
DEFICIT BY ONLY \$16 BILLION  
DOLLARS.

I WISH I COULD SAY THESE  
WERE TOUGH VOTES. BUT, AS  
USUAL, IT WAS MORE SMOKE—  
AND—MIRROR BUDGET TRICKS.  
WE FOUND \$500 MILLION  
DOLLARS IN LOST FOOD  
STAMPS; AND WE  
ACCELERATED MILITARY PAY  
DATES, ANOTHER GIMMICK.  
AND ON TOP OF EVERYTHING

ELSE, WE STILL NEEDED FOUR  
MONTHS OF GRAMM—RUDMAN  
SEQUESTER.

BUT THIS YEAR, TRICKS WON'T  
DO IT.

CLEARLY, THE HARD PART LIES  
AHEAD, AND IT'S NOT GOING  
TO GET ANY EASIER. AS I'VE  
SAID BEFORE, WE'RE ON THE  
20—YARD LINE, WITH ONLY 80

YARDS TO GO.

GOP: PARTY OF ECONOMIC GROWTH

BUT I REMAIN CONVINCED  
THAT THE REPUBLICANS ARE THE  
PARTY OF ECONOMIC GROWTH,  
AND WE WILL BE THE ONES  
FIGHTING HARDEST FOR THE  
POLICIES THAT STIMULATE  
PROGRESS AND CREATE JOBS.

WE APPRECIATE YOUR  
SUPPORT, AND WITH YOUR  
CONTINUED HELP, WE'LL HAVE A  
REPUBLICAN SENATE MAJORITY  
BACKING PRESIDENT BUSH, AND  
OUR NATION'S RECORD—  
BREAKING ECONOMIC  
EXPANSION.

IF YOU HAVE ANY QUESTIONS,

I'D BE PLEASED TO ANSWER  
THEM NOW.

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