

THE BUDGET

- 0 I BELIEVE THE FEDERAL DEFICIT IS STILL PUBLIC ENEMY NUMBER ONE. IN 1992, THE DEFICIT IS EXPECTED TO TOTAL \$314 BILLION -- AN ALL-TIME RECORD.
- 0 THE ANNUAL INTEREST ON THE FEDERAL DEBT IS NOW CLOSE TO \$300 BILLION A YEAR. THAT IS WELL MORE THAN TWICE THE SIZE OF THE ENTIRE FEDERAL BUDGET WHEN I WAS FIRST ELECTED TO CONGRESS.
- 0 NO DOUBT ABOUT IT, THIS KIND OF SPEND-NOW, PAY-SOME-DAY BUDGETING IS NOT IN THE BEST INTERESTS OF COUNTRY. GOVERNMENT BORROWING EATS UP MONEY THAT SHOULD BE INVESTED IN OUR CHILDREN'S FUTURES. BUT IF WE CONTINUE DOWN THIS PATH, THE ONLY THING OUR CHILDREN WILL INHERITED WILL BE BILLS AND MORE BILLS.
- 0 I KNOW THERE ARE ENOUGH OF US IN BOTH PARTIES WHO ARE RESPONSIBLE, BUT IN THIS HIGHLY CHARGED PARTISAN ATMOSPHERE IT IS DIFFICULT TO GET ANYTHING DONE.

THE PRESIDENT'S AGENDA

- 0 MOST AMERICANS BELIEVE A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION AND A PRESIDENTIAL LINE-ITEM VETO WOULD BE A GOOD PLACE TO START. THE PRESIDENT HAS ASKED CONGRESS FOR BOTH OF THESE REFORMS IN EVERY BUDGET SUBMITTED TO CONGRESS, AND YET, THE DEMOCRAT LEADERSHIP HAS PULLED EVERY TRICK IN THE BOOK TO BLOCK THEIR CONSIDERATION.
- 0 I THINK WE SHOULD ALSO TAKE A GOOD HARD LOOK AT OUR OWN BLOATED CONGRESSIONAL BUDGET. REPUBLICANS IN THE SENATE ARE PREPARED TO CUT THE CONGRESS'S BUDGET BY A THIRD, INCLUDING

A FIVE PERCENT PAY CUT FOR ANY ONE -- STAFF OR MEMBER --
MAKING OVER \$75,000 A YEAR. BUSINESSES MAKE THESE KIND OF
TOUGH CUTS WHEN THEY ARE IN THE RED AND SO SHOULD WE.

ENTITLEMENTS

- 0 ONE OF THE FASTER GROWING PORTIONS OF THE FEDERAL BUDGET HAS
BEEN SPENDING FOR THE ENTITLEMENT PROGRAMS. LAST YEAR
ALONE, ENTITLEMENT SPENDING GREW AN ASTOUNDING 23.9%.
- 0 ALTHOUGH ALMOST EVERYONE IN CONGRESS -- DEMOCRAT AND
REPUBLICAN -- REALIZES THE GROWTH OF ENTITLEMENTS SPENDING IS
THE BIGGEST ROAD BLOCK TO CONTROLLING THE BUDGET, THE VOTE
ON A PROPOSAL TO RESTRAIN THE GROWTH OF THESE PROGRAMS TO
INFLATION PLUS TWO PERCENT WAS TURNED INTO A PARTISAN
MUDFEST.
- 0 THE DEMOCRATS REFUSED TO EVEN ALLOW A SIMPLE UP OR DOWN VOTE
ON THE FREEZE. INSTEAD, THEIR STRATEGY WAS TO DEMAND VOTES
ON EXEMPTING THE MOST SENSITIVE PROGRAMS, BEGINNING WITH
DISABLED VETERANS. WE LOST ON THAT VOTE -- 66 TO 28 -- WITH
FOUR BRAVE, OR SOME MIGHT SAY FOOLISH, DEMOCRATS JOINING 24
REPUBLICANS.
- 0 THE DEMOCRAT'S CLEVER STRATEGY SUCCEEDED IN KILLING AN
ENTITLEMENT FREEZE FOR THE NEAR FUTURE, BUT NOW WHERE DO WE
LOOK FOR MEANINGFUL DEFICIT REDUCTION?

PEACE DIVIDEND

- 0 THERE HAS BEEN SOME WILLINGNESS IN CONGRESS TO LOOK AT
SPENDING, BUT THE SPENDING THE DEMOCRAT LEADERSHIP HAS BEEN
LOOKING AT IS DEFENSE SPENDING. SOME DEMOCRATS, HOWEVER,
ARE BEGINNING TO DISCOVER WHAT DEFENSE CUTS REALLY MEAN.

YES, LOWER DEFENSE SPENDING WILL COST JOBS. DEFENSE CUTS
WILL COST US TECHNOLOGY, AND LOWER DEFENSE SPENDING WILL CUT
INTO OUR INDUSTRIAL BASE.

0 THIS YEAR, CONGRESS HAS SEEN A NUMBER OF ATTEMPTS TO RAID
THE DEFENSE BUDGET FOR INCREASED DOMESTIC SPENDING, AND EACH
OF THESE ATTEMPTS HAS BEEN SOLIDLY DEFEATED BY A BIPARTISAN
MAJORITY.

0 WITHOUT A DOUBT, DEFENSE SPENDING WILL BE REDUCED OVER THE
NEXT COUPLE OF YEARS. BUT NOW IT IS CLEARER THAT THERE WILL
BE BIPARTISAN SUPPORT FOR A MEASURED AND RATIONAL BUILD-DOWN
-- NOT THE MELT-DOWN DOMESTIC SPENDING ADVOCATES WERE
PREDICTING AT THE BEGINNING OF THE YEAR.

MEET THE PRESS

TIME: 8:30 AM CENTRAL

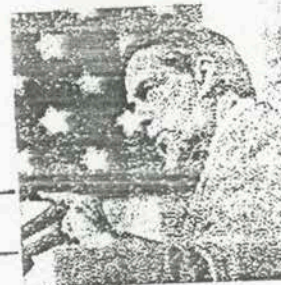
PANEL: TIM RUSSERT
ANDREA MITCHELL
ELIZABETH DREW

SENATOR MITCHELL WILL BE IN THE WASHINGTON STUDIO



U.S. SENATOR FOR KANSAS

SENATE REPUBLICAN LEADER

NEWS
FROM:OFFICE OF THE SENATE REPUBLICAN LEADER
PRESS OFFICE
FACSIMILE COVER SHEET

DATE: _____

TIME: _____

TO: GALE - for Sen. DoleFROM: Walt + Charlene

RE: _____

3 PAGES FOLLOW THIS COVER SHEET

DELIVERY: _____ URGENT - DELIVER TO ADDRESSEE IMMEDIATELY

_____ PLEASE DELIVER TO ADDRESSEE A.S.A.P.

COMMENTS: NAPTA material provided
by White House.

SENT BY: _____

(PRESS OFFICE-SENATE REPUBLICAN LEADER)
(TELEPHONE: 202/224-5358 FACSIMILE: 202/224/3163)

09/11/92

15:55

002

GEFHARDT'S CHARGE

In a speech to the AFL CIO and other special interest groups in Washington this week, Rep. Gephardt called for the renegotiation of the NAFTA agreement. He said he had read the NAFTA text (the agreement and schedules number 2,000 pages and had only been released publicly the previous day) and that it should be re-negotiated because the agreement does not cover the environment and worker adjustment.

The only specific proposals he offered for renegotiation were a cross border transaction tax and empowerment of a Commission, comprised partly of foreign nationals, to enforce our own U.S. laws. He added that this was "the most secretive" trade negotiation he had ever monitored.

ON THE TEXT

Governor Clinton has maintained that he cannot state a position on the NAFTA because he has not read the text. Yet Mr. Gephardt managed to read the 2,000 page agreement and judge it to need renegotiating -- in one evening.

On Thursday, the day after Gephardt delivered his speech, Governor Clinton was reported by the New York Times to be "following in the footsteps of (Rep.) Gephardt" by criticizing the pact for not including worker retraining and "very little to clean up the environment." According to the Times, Clinton added, "I don't want to prejudge the agreement until I have the time to study it, because we do need one if it's the right one."

Now that Clinton has received the endorsements of the AFL CIO and Sierra Club, he appears to be following their advice and that of one of the biggest protectionists in the Congress -- Dick Gephardt.

ON SECRECY

The NAFTA negotiations have involved the most extensive Congressional and private sector consultations ever conducted in conjunction with a major trade agreement. As Rep. Rostenkowski said publicly on June 12, the Administration "has been relentless in keeping us informed about how the talks are progressing. There may be complaints about the pace we are asked to approve, but we cannot fault the Administration for secrecy."

ON POLITICIZING

The President has never wavered in his support for NAFTA. ~~There is~~ No reason for him to understate the accomplishment at this point. It is Gephardt who has politicized the agreement by making unfounded charges about the way it was negotiated and its content. It is no coincidence that a top Clinton campaign aide, who is a former Gephardt staffer, ~~was~~ ^{was} ~~supposed to~~ ^{was} ~~be~~ ^{was} ~~in~~ ^{was} ~~charge~~ ^{was} ~~of~~ ^{was} ~~the~~ ^{was} ~~NAFTA~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was} ~~in~~ ^{was} ~~the~~ ^{was} ~~negotiations~~ ^{was} ~~and~~ ^{was} ~~he~~ ^{was} ~~was~~ ^{was} ~~not~~ ^{was} ~~involved~~ ^{was}

09/11/92

15:56

003

ON RENEGOTIATING THE AGREEMENT

- o The NAFTA will generate more jobs, provide more environmental protections, and make America more competitive than has any other trade agreement -- including trade agreements for which Rep. Gephardt has voted in the past. (Canada, Israel)
- o The only specific proposals Rep. Gephardt has offered here would tax the American worker and allow foreigners to enforce our U.S. laws.
- o No re-negotiation of the NAFTA is necessary. The Agreement we reached on August 12 is a strong agreement that opens the Mexican and Canadian markets, provides fair rules for North American traders and investors, protects our environment, and will create new, high-wage jobs for the American worker.

Mr. Gephardt noted that he read the full text. The full text and the summary released on August 12 make clear that the NAFTA text itself:

- o does more to address environmental concerns than any other trade agreement. Its extensive environmental provisions include: renouncing the practice of lowering environmental standards in order to induce investment; and permitting parties to impose stringent requirements on new investment, so lc. The NAFTA also specifically: supports the principle of sustainable development; maintains existing U.S. health, safety and environmental standards and allows the parties, including states and cities, to enact even tougher standards; encourages the parties to harmonize their standards upward to strengthen environmental and health protection; and preserves our right to enforce our international treaty obligations, including limits on trade in products such as endangered species and ozone-depleting substances.
- o provides a smooth transition for American workers and minimizes adjustment pressures, including: long transition periods for the elimination of tariffs in sensitive sectors; safeguards that permit a temporary hike in U.S. tariffs to protect workers from injury caused by increased imports; and tough rules of origin.

In addition, President Bush has already addressed environmental and worker adjustment assistance issues:

- o For the first time in U.S. history, a trade agreement will be accompanied by a program to train workers to take advantage of the new opportunities it creates. The President has already announced a \$10 billion, 5-year

09/11/92

15:56

004

comprehensive worker adjustment program which will be
'submitted to Congress next year.

- o President Bush's FY 1993 Budget Proposal includes \$241 million for border environmental programs, more than double the amount allocated in FY 1992. Unfortunately, Congress has not only failed to pass these funds, it has cut them drastically: by \$98 million in the House and by \$120 million in the Senate.
- o The simple fact of the matter is that the environment -- in Mexico and in the U.S. -- is greatly enhanced because of the NAFTA and improved bilateral cooperation with Mexico. Absent the NAFTA, these joint efforts would not have become reality.

TO: SENATOR DOLE
FROM: SHEILA BURKE
RE: PARENTAL LEAVE

THE WHITE HOUSE CALLED TODAY CONCERNED
THAT THE ISSUE OF PARENTAL LEAVE
COULD COME UP TOMORROW IN QUESTIONING.

I AM ENCLOSING TWO ITEMS WHICH MAY
PROVE HELPFUL. (1) A MEMO SENT TO
JIM BAKER PROVIDING AN UPDATE AND (2)
A MEMO THAT WAS PREPARED IN ANTICIPATION
OF THE DEBATE ON A VETO.

TO THEIR CREDIT (ALTHOUGH THEY SURE
WAITED LONG ENOUGH) THE CREDIT PROPOSAL
IS ONE THAT IS CONSISTENT WITH THEIR
WORK IN OTHER AREAS INCLUDING HEALTH
CARE AND CHILD CARE. IN BOTH OF
THE CASES NOTED (HEALTH/CHILD CARE)
THEY HAVE ALSO PROPOSED CREDITS TO EXPAND
ACCESS TO THESE SERVICES, GIVE PEOPLE
CHOICES AND AVOID MANDATES.

THE COST OF THE CREDIT IS ESTIMATED
AT \$400M / YEAR. THEY DO NOT
INDICATE HOW THEY WOULD PAY FOR IT.

CALL ME IF YOU HAVE ANY QUESTIONS
EMMA T. DOLAN

THE WHITE HOUSE

WASHINGTON

September 10, 1992

MEMORANDUM FOR JAMES A. BAKER, III

FROM: NICHOLAS E. CALIO *NEC*
SUBJECT: Family and Medical Leave Update

The following is a brief update on where we are, and where I think we are going, on Family and Medical Leave.

- o The Conference Report on the bill passed the House today by a vote of 241-161, providing a veto-sustaining margin. In addition, eleven Members who previously supported our position were absent today.
- o We are likely to receive the enrolled bill next week. I understand from a good source that, before sending us the bill, the Democrats plan to hold a mock signing ceremony, in which they hope to include Republican supporters of the bill.
- o In the days leading up to the vote, we actively discussed our position and key background points with Hill and private sector allies as well as some of our Republican Hill opponents. Specifically:
 - The President has consistently stated that he would veto a bill that mandates benefits, because it would cost jobs and deny both employers and employees flexibility in determining which benefits work for them.
 - We were never able to have meaningful discussions about a compromise with Democratic proponents of the bill. The core of the President's opposition was the mandate, and Democrats were unwilling even to consider removing the mandate.
 - The Senate and House passed their bills in fall 1991; yet the conference was not convened until August 1992. It quickly concluded the same day because there was little difference between the bills. The nine-month delay in the conference and the timing of the vote strongly suggest political motivation.

The question this raises is whether the bill's proponents truly want to help families or merely want a political issue.

- o If proponents of Family Leave were willing to examine alternatives that do not include a mandate, the perceived need could be addressed without increasing costs and losing jobs. One way to do so would be some form of tax credit for employers with qualifying parental leave programs. [Attached is an example of the kind of credit we have indicated we could support.]
- o The idea of a tax credit to encourage businesses to provide family leave was warmly received by our allies and by many of the Republicans who have opposed us on this issue.
- o Newt Gingrich (on Fox Morning News) and Secretary Martin (on CBS Morning News) both indicated that we would have been willing to discuss a non-mandated solution and raised the tax credit idea.
- o The same view was aired during floor debate by our allies and by two Republicans, Henry Hyde (R-IL) and Nancy Johnson (R-CT), who have supported the Family and Medical Leave bill.
- o A number of Members are interested in introducing a tax credit proposal in legislative form.
- o In our veto message, I believe we should challenge the Democrats to work with us on an alternative that better addresses the need for family leave without costing jobs.

cc: Bob Zoellick
Dennis Ross
Janet Mullins

Flexible Parental Leave Policy

The Republican Approach:

President Bush has consistently supported employer policies to provide parental leave. But he has opposed mandates that require businesses to provide leave to employees. These mandates are a hidden tax on employers and employees that will cost the economy thousands of jobs.

However, the President supports tax credits for employers that will encourage flexible parental leave policies without stifling economic growth.

Parental Leave Tax Credit

The Administration supports refundable tax credits for businesses that establish nondiscriminatory parental leave policies. The credit would be available for:

- all businesses with under 500 employees, so long as the benefit is provided to all employees on a nondiscriminatory basis;
- for 20% of total employee benefits and compensation of up to \$2,000 per month, for a period of up to 12 weeks;
- for birth or adoption leave, or for the care of a seriously ill child, parent or spouse.
- The cost of the credit would be approximately \$400 million per year.

The advantages of this approach are over parental leave mandates are:

- It gives employers the *flexibility* to design a leave package that best fits their employees' needs. The \$400/month or \$100/week credit is designed to allow the employer to cover the benefits of an absent employee-- whether those costs are for continued health coverage, pension or 401k contributions, partial pay, or any other component of a flexible benefits package that an employer may offer. It may also partially defray the cost of temporary replacement employees.
- It provides incentives for *all employers*, not just large employers, to develop responsible parental leave policies. The Democratic plan excludes companies with under 50 employees in a weak attempt to limit the economic damage to small and mid-sized business. The Republican plan would offer positive incentives to all employers -- of any size -- to provide parental leave.
- Instead of mandating hidden payroll taxes on small and mid-sized business, it would provide direct economic incentives to encourage the adoption of the responsible parental leave policies that President Bush has long supported.

The Democratic/Clinton Parental Leave policy is consistent with the rest of their anti-growth program that throws an economic wet blanket on small business growth:

- The "Play or Pay Health Plan" that mandates small business payroll taxes;
- The 1.5% business payroll tax to finance new bureaucratic federal job training programs; and now
- Mandates for Parental Leave.

The Republican/Bush approach, in contrast, is consistent with the President's pro growth policies that provide positive incentives for flexible employee benefits:

- Health insurance reforms and tax credits that provide assistance to 90 million Americans and guarantee all Americans access to affordable, quality health care;
- A streamlined job training program -- based in local communities-- that will provide flexible "voucherized" services that give people the choice to learn the job skills they want to learn;
- Child care credits and vouchers, as the President proposed in 1988, that give people, not governments that choice of services they want; and now,
- Parental Leave Tax Credits, that provide positive incentives to employers to provide the flexible parental leave benefits that their employees want -- without new government mandates that stifle economic growth.

Attachment

Following is an example of the type of credit the Administration could support and its benefits over the Democratic plan:

The Administration could support refundable tax credits for businesses that establish nondiscriminatory parental leave policies. The credit would be available for:

- o all businesses with under 500 employees, so long as the benefit is provided to all employees on a nondiscriminatory basis;
- o for 20% of total employee benefits and compensation of up to \$2,000 per month, for a period of up to 12 weeks;
- o for birth or adoption leave, or for the care of a seriously ill child, parent or spouse.

The advantages of this type of approach over a mandate would be considerable.

- o The actual costs would be low (approximately \$400 million according to Treasury).
- o It gives employers the flexibility to design a leave package that best fits their employees needs. The credit is designed to allow the employer to confer the benefits of an absent employee -- whether those costs are for continued health coverage, pension or 401k contributions, partial pay, or any other component of a flexible benefits package that an employer may offer. It may also partially defray the cost of temporary replacement employees.
- o It provides incentives for all employers, not just large employers, to develop responsible parental leave policies. The Democratic plan excludes companies with under 50 employees in a weak attempt to limit the economic damage to small and mid-sized business. The Republican plan would offer positive incentives to all employers -- of any size -- to provide parental leave.
- o Instead of mandating hidden payroll taxes on small and mid-sized business, it would provide direct economic incentives to encourage the adoption of the responsible parental leave policies that the President has long supported.

September 11, 1992

TO: SENATOR DOLE
FROM: MARCIE ADLER
RE: POSSIBLE RESPONSES TO QUESTIONS - "WHY DID RUSSELL
RECEIVED THE EDA GRANT?"

0 THEY APPLIED. THEY MET THE QUALIFICATIONS.

0 THE COMMUNITY IS A ECONOMIC DISASTER AREA, AS A RESULT OF
THE OIL CRUNCH BETWEEN 1986-88.

25% JOB LOSS (750)
RETAIL SALES DOWN 50%
COUNTY PROPERTY VALUATION DOWN 40%
SCHOOL ENROLLMENT DOWN 33%

0 IT'S GOOD FOR ALL OF CENTRAL KANSAS.

0 EXISTING INDUSTRIES HAVE EMPLOYEES WHO DRIVE TO WORK EVERY
DAY FROM A WIDE RADIUS:

ELLSWORTH PRISON - FROM SALINA, HAYS, RUSSELL, WILSON,
DORRANCE, OSBORNE. ARE HIRING. HAVE A
FLOOD OF JOB APPLICANTS.

KING OF THE ROAD, RUSSELL - FROM THE 4 SURROUNDING
COUNTIES

ABCO WIRE, RUSSELL - IS ADVERTISING TO FILL 25 NEW
POSITIONS. HAVE 2 APPLICATIONS FOR
EACH POSITION OPEN (50).

GREAT PLAINS MANUFACTURING, OPENING NEW PLANT IN LUCAS
(MAKES FARM SPRAYERS)

HAS SEVERAL HUNDRED APPLICATIONS FOR THE 25 JOBS.
ADVERTISED IN THE LUCAS & SYLVAN GROVE NEWSPAPERS.
OTHERS HEARD ABOUT IT THROUGH WORD OF MOUTH. PEOPLE
HAVE CALLED TO SAY THEY ARE WILLING TO DRIVE 40 MILES
TO THE LUCAS PLANT TO WORK.

Bob Dole



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
SEPTEMBER 8, 1992

CONTACT: WALT RIKER
(202) 224-5358

CLINTON & DRAFT

**CLINTON'S OWN STATEMENTS RAISE MORE AND MORE QUESTIONS:
TRUST, CONFIDENCE, CREDIBILITY - NOT DRAFT - THE REAL ISSUE;
TIME TO COME CLEAN, "TELL THE TRUTH, EVEN IF IT HURTS"**

THERE ARE EIGHT WEEKS LEFT BEFORE AMERICANS GO TO THE VOTING BOOTHS TO DECIDE WHO WILL BE THEIR PRESIDENT FOR THE NEXT FOUR YEARS.

FOR THE NEXT EIGHT WEEKS AMERICANS WILL BEGIN TUNING IN TO THE MESSAGES COMING FROM THE CAMPAIGN TRAIL, TRYING TO DETERMINE WHO INDEED IS THE BEST MAN TO SIT IN THE OVAL OFFICE AS AMERICA'S COMMANDER-IN-CHIEF AND THE LEADER OF THE FREE WORLD.

THE STAKES COULDN'T BE ANY HIGHER, WHICH IS WHY THE CAMPAIGN BOILS DOWN TO A FEW CRITICAL WORDS -- TRUST, CONFIDENCE AND CREDIBILITY: WHICH CANDIDATE CAN YOU TRUST, WHICH CANDIDATE WILL EARN YOUR CONFIDENCE, AND WHICH CANDIDATE HAS THE KIND OF CREDIBILITY IT TAKES TO BE THE PRESIDENT OF THE UNITED STATES.

THAT'S WHY THE CONTINUING CONFUSION AND INCONSISTENCIES SURROUNDING CANDIDATE BILL CLINTON'S DRAFT HISTORY IS AN ISSUE HE JUST CAN'T DUCK ANYMORE. DESPITE THE CANDIDATE'S DECLARATION THAT HE HAS "SPOKEN THE TRUTH" AND HAS "NOTHING FURTHER TO SAY", THE AMERICAN PEOPLE DESERVE BETTER -- THEY DESERVE THE TRUTH.

TRUST CONFIDENCE & CREDIBILITY

NOW, LET ME BE CLEAR: THE FACT THAT BILL CLINTON AVOIDED MILITARY SERVICE AND DID NOT GO TO VIETNAM ARE NOT THE ISSUES HERE. THE REAL ISSUES NOW ARE TRUST, CONFIDENCE AND CREDIBILITY - - AND ON THESE CRITICAL STANDARDS BILL CLINTON IS FLUNKING THE TEST.

IF ANYONE HAS ANY DOUBTS, JUST REVIEW THE CANDIDATE'S OWN STATEMENTS -- THEY DON'T ADD UP. IN FACT, THEY CONTINUE TO RAISE MORE AND MORE QUESTIONS, QUESTIONS THE CANDIDATE IS APPARENTLY UNWILLING TO ANSWER. THE HARDER HE TRIES TO PUT THIS ISSUE BEHIND HIM, THE HARDER HE TRIES TO TALK AROUND IT, THE DEEPER AND DEEPER HE SINKS INTO A CAMPAIGN TAR PIT. AND THE HARDER HE TRIES TO SUPPRESS THE QUESTIONS ABOUT HIS CREDIBILITY, MORE QUESTIONS ARE RAISED. AND IF THE CANDIDATE DOESN'T LIKE THE FACT THAT THE AMERICAN PEOPLE AREN'T BUYING HIS TALL TALES, AND THAT THEY CONTINUE TO INSIST ON THE TRUTH, THEN HE HAS NO ONE TO BLAME BUT HIMSELF.

CLINTON'S OWN WORDS

THAT'S WHY I AM INTRODUCING INTO THE RECORD TODAY, AND RELEASING TO THE MEDIA, A DOCUMENT PREPARED BY THE BUSH/QUAYLE CAMPAIGN COMPILING DIRECT QUOTES FROM BILL CLINTON ON HIS DRAFT STATUS, ALONG WITH PRESS REPORTS ABOUT HIS ZIG-ZAGGING ON THE DRAFT ISSUE, REPORTS THAT INCLUDE CONFLICTING TESTIMONY FROM SOME OF THE PEOPLE WHO KNOW EXACTLY WHAT HAPPENED, AND WHAT DIDN'T HAPPEN IN 1968.

FOR EXAMPLE, IN 1978, BILL CLINTON SAID HE WAS NEVER "DEFERRED". THEN, 14 YEARS LATER, HE SAID HE "GAVE UP A DEFERMENT." IN 1991, BILL CLINTON SAID HE WAS NEVER CALLED UP, AND THAT NOT GETTING CALLED WAS "A FLUKE". ONE YEAR LATER, HE TOLD US HE "RECEIVED A DRAFT NOTICE; IT WAS DELAYED."

TWO MONTHS AGO, BILL CLINTON SAID "HE NEVER WAS OPPOSED TO THE DRAFT". IN 1969, HE CALLED IT "ILLEGITIMATE" AND THAT HE OPPOSED IT.

(MORE)

IN FEBRUARY OF THIS YEAR, BILL CLINTON TOLD A PRESS CONFERENCE THAT "I CERTAINLY HAD NO LEVERAGE TO GET SPECIAL TREATMENT FROM THE DRAFT BOARD". BUT THEN THERE ARE LISTED IN THIS COMPREHENSIVE DOCUMENT DIRECT QUOTES FROM SEVERAL PERSONS WHO DISPUTE THE CLINTON SPIN, PERSONS -- FRIENDS -- WHO WENT ALL OUT TO GET BILL CLINTON OUT.

THERE IS PLENTY MORE, INCLUDING THE LATEST CHAPTER IN THE BILL CLINTON DRAFT SAGA, A REPORT FROM THE BOSTON GLOBE THIS WEEKEND REVEALING THAT BILL CLINTON ACTUALLY RECEIVED TWO DRAFT NOTICES. TWO. REMEMBER, THIS IS ABOUT A MAN WHO CLAIMED NEVER TO HAVE RECEIVED A SINGLE DRAFT NOTICE. NOW WE KNOW BETTER.

WHERE ARE ALL THE DOCUMENTS?

LET'S NOT FORGET, FIVE MONTHS AGO BILL CLINTON PROMISED "TO SHARE" INFORMATION WITH US...AND HE ADDED, "I HAVE ASKED FOR MORE RECORDS BECAUSE I DON'T WANT TO BE IN A POSITION OF WHERE SOMEBODY SAYS, YOU DIDN'T GIVE US ALL OF IT." WELL, GOVERNOR, WHERE IS IT? WHERE ARE THE DOCUMENTS? WHERE IS ALL THE INFORMATION -- THE RECORDS, THE LETTERS, THE NOTICES, THE FILES, THE MEMOS? PRIOR TO YOUR APPEARANCE BEFORE THE AMERICAN LEGION CONVENTION YOU TEASED THE PRESS, AND THE AMERICAN PEOPLE THAT FULL INFORMATION WAS COMING. WE'RE STILL WAITING.

OH YES, YOU HAVE HAD YOUR OWN STAFF REVIEW SOME OF THE OFFICIAL DOCUMENTS. BUT WHY NOT THE MEDIA? WHY NOT COME CLEAN BY RELEASING EVERY SHRED OF EVIDENCE RELATED TO YOUR DRAFT HISTORY? IF YOU TRULY WANT TO SPEAK THE TRUTH ABOUT YOUR DRAFT STATUS, RELEASE THE INFORMATION, AND DO IT NOW.

BUT IF YOU CONTINUE TO REJECT THIS KIND OF OPENNESS, THIS KIND OF TRUTH IN CAMPAIGNING, THEN YOU LEAVE THE AMERICAN VOTER NO CHOICE.

"TELL THE TRUTH"

THAT'S WHY I URGE THE VOTERS, I URGE THE MEDIA, TO CLOSELY EXAMINE THE DOCUMENT I AM RELEASING TODAY. IT IS MADE UP ENTIRELY OF BILL CLINTON'S OWN STATEMENTS AND MEDIA REPORTS. IT IS ALL PUBLIC INFORMATION.

SO, I HAVE SOME ADVICE FOR BILL CLINTON: TELL THE TRUTH. RELEASE THE INFORMATION -- EVEN IF IT HURTS. IT'S ALL ABOUT TRUST, CONFIDENCE AND CREDIBILITY. IF IN THIS TIME OF PERSONAL POLITICAL CRISIS, IF IT AMOUNTS TO MAKING YOUR OWN "CHECKERS SPEECH," SO BE IT. AND IF IT MEANS HOLDING A NO-HOLDS BARRED NEWS CONFERENCE, SO BE IT.

IF YOU WILL NOT COME CLEAN ABOUT YOUR DRAFT STATUS, THE AMERICAN PEOPLE WILL HAVE NO CHOICE BUT TO JUDGE FOR THEMSELVES. AND BASED ON THE INFORMATION WE HAVE, GOVERNOR, YOU WON'T LIKE WHAT THEY DECIDE.

###

Kerry on Clinton, Continued

AP, 2/26/92, in Georgia

- "Bill Clinton should not be the nominee of our party because he will not be able to win."
- "Imagine me debating George Bush in the fall. He answered the call in World War II. I answered the call in Vietnam. ... We are going to be talking about duty to country here."

UPI, 2/27/92, in Florida

- "I find myself not believing the statements that he (Clinton) made, 'Gee, I really tried to get in, but I couldn't get in.' I just don't find those statements believable."

AP, 2/27/92, in Atlanta, Georgia

- "I'm going to describe with no shame, with no need to defend my own experience, my record and how that relates to getting the job done. Duty means that when the call comes, you answer."

AP, 2/27/92, in Florida

- "Had [Clinton] wanted to go and serve his country, he could have."

AP, 2/28/92, in Florida

- "I believe in fighting for freedom. No man or woman on this earth is completely free unless we're willing to risk it all for someone else. ... Bill Clinton should not be nominated because he cannot win the general election."

"Yes, I was opposed to [the Vietnam War], but that was only after spending eight months in the hospital. That's not the issue. The issue is I just don't believe Bill Clinton's story."

"If he wanted to go into the military, he could have gone into the military, plain and simple. Had he wanted to go and serve his country, he could have."

"All this stuff ... 'I was doing this, that and the other thing, I tried to do,' that's baloney."

AP, 3/3/92, in California

- "To hide behind a high draft number it seems to me is not a believable statement."



TALKING POINTS FOR NEWSMAKERS

REACTION TO THE PRESIDENT'S
"AGENDA FOR AMERICAN RENEWAL"

- o President Bush demonstrated today that he understands the economic problems facing the American people, and has an Agenda to solve the problems and renew America.
- o Bush's approach is comprehensive and integrated -- and it will work.
- o It doesn't deal with just some of our problems. It deals with all of them in a way so that each specific solution reinforces others:
 - Expanding global trade.
 - Educating our children.
 - Sharpening business' competitive edge.
 - Ensuring economic security.
 - Promoting economic opportunity.
 - "Right-sizing" government.
- o We applaud the President for spelling out comprehensive action-oriented solutions he will pursue to win the economic competition.
- o We also applaud the President for outlining specific proposals he'll push through in the first year of his second term.
- o There is clearly a sharp distinction between the two candidates visions of how to achieve the economic security of this country. The Clinton plan of higher taxes, more spending, and excessive government mandates will cripple industries and cost even more jobs. The Bush Agenda is what the economy needs.
- o It was good to see where President Bush stands and where he wants to take America. We're still waiting for his opponent to take a stand and show us where he wants to take America and how he would try to do it.

September 9, 1992
10:30 p.m.
AGENDA

PRESIDENTIAL REMARKS: DETROIT ECONOMIC CLUB
SEPTEMBER 10, 1992
DETROIT, MICHIGAN

Good morning, everyone. (Acknowledgments)

This morning I am releasing an Agenda for American Renewal. And I've come here today to introduce it to you and the nation.

My agenda diagnoses the economic problems our nation faces, lays out the principles that should guide us in the years ahead, and explains the integrated approach I am pursuing to meet the challenge.

Over the past weeks I have been discussing elements of my economic agenda, and in the weeks ahead I will be expanding on those and other ideas. The document I am releasing today shows how the pieces fit together.

But let's begin this morning by stepping back, taking stock of where we are as a great nation in the broader sweep of history.

The American people have just completed the greatest mission in the lifetime of our country -- the triumph of democratic capitalism over imperial communism.

Today, this year, for the first time since December 1941, the United States is not engaged in a war, hot or cold.

Throughout history, at the close of prolonged and costly wars, victors have confronted the problem of securing a new basis

-- 2

for peace and prosperity. The American people recognize that we stand at such a watershed.

We sense the epic changes at work in the world and the economy, the uneasiness that stirs the democracies who served as our partners in the long struggle.

We feel the uneasiness in our own homes and communities; and we see the difficulties of their neighbors and friends who have felt change most directly.

And we know that while we face an era of great opportunity, we face great risks as well -- if we fail to make the right choices, if we fail to engage this new world wisely.

But America has always possessed unique powers, and foremost among them is the power of regeneration -- to transform uncertainty into opportunity. Only in America do we have the people, the talents -- the principles and ideals -- to fully embrace the world that opens before us.

For America to be safe and strong, we must meet the defining challenge of the 1990s: to win the economic competition -- to win the peace.

We must be a military superpower, an economic superpower, and an export superpower.

My Agenda for Renewal asks that we look forward -- to open new markets, prepare our people to work, strengthen our families, -- save and invest -- so that we can win.

- 3 -

Our renewal depends on economic growth -- but growth not for the few at the expense of the many, not for the present at the expense of the future.

In our country we have always prized an entrepreneurial capitalism that grows from the bottom up, not the top down; a prosperity that begins on Main Street and extends to Wall Street -- not the other way around.

That's the lesson I learned as a young man who packed up a Studebaker and moved to Texas after another war, at the start of another era. I saw jobs, prosperity -- an entire future -- built with the hands of ordinary men and women with extraordinary dreams.

Our nation has never been seduced by the mirage my opponent offers -- of a government that accumulates capital by taxing it and borrowing it from the people -- and then redistributing it according to some industrial policy. We know that the clumsy hand of government is no match for the uplifting hand of the marketplace.

My international economic and trade strategy will guarantee our position as an export superpower, extending our global economic reach in tandem with our security presence -- to stretch beyond our borders so that we can create more jobs within them.

At the same time, we need to foster at home the capabilities that will keep us in the lead: radical changes in our education system to prepare our children for a constantly changing workplace; incentives for entrepreneurs and new technologies to

sharpen our competitive edge; job training and health care reform to promote the economic security of our working men and women; and new approaches for reaching out to those who have been left behind, since in the century ahead we will need the aspirations and energy of every American.

And finally, because our greatest strengths flow not from government but from the personal initiative and energy of free men and women, my agenda aims to check the growth of government, and, in some important ways, to reverse it.

Together, the components of this agenda should renew America according to her most cherished principles.

And this renewed America will be empowered toward a grand goal: to nearly double the size of our economy, to \$10 trillion, by the early years of the next century.

To place my agenda in a larger context, let me turn briefly to five profound changes now at work in our economy. When Americans gather around the kitchen table at night, and talk about how they'll meet a mortgage, or pay the doctor's bill, they're feeling these changes in their lives. And before the changes have run their course, they will have forever altered the way Americans buy and sell, work and create.

The first great change in our economy is ironically caused by our very success in ending the Cold War. In the short run, reductions in defense spending have meant painful lay-offs in many industries, and we are taking steps to ease this transition. But in the medium and long run, reductions in defense spending

5

will free up priceless skills and technologies for peacetime growth.

Second, most of our industries are transforming themselves from old-style hierarchies into flatter organizations, with fewer layers between customer and executive. The new organizations emphasize a skills-based workforce, "lean production," and shorter product cycles. From castings to computers, this is a revolution as dramatic as the one made earlier this century, when Henry Ford led the country from craft-based production to mass manufacturing.

While these changes are essential to maintaining our competitive edge, they've come with a cost -- lay-offs and cutbacks among both white- and blue-collar workers. These hard-working people need reassurance -- not only about their economic security, but about preserving the sense of self-worth that only work can provide.

The third change: while the 1980s brought us the greatest peacetime expansion in our history, the boom also led too many of us to take on too much debt.

We have been paying down that debt -- and lower interest rates have helped us do it. The process is largely over, but consumers and companies remain cautious.

The fourth change involves our financial system. We entered the '80s with a 50-year-old banking system, designed for the days when tellers wore green eye-shades, not for an era when billions of investment dollars can cross borders at the speed of light.

6

In the late '70s, record interest and inflation rates rocked this anachronistic system. The less efficient institutions could not survive, obligating the federal government to protect the savings of millions of Americans.

This process, too, is nearing its end. Our financial system will become more flexible and efficient. But for now, lenders are cautious and, despite low interest rates, small businesses still find credit hard to come by.

The most far-reaching of these five changes is the emergence of a global economy. No nation is an island today. One out of every six manufacturing jobs is directly tied to exports. The crops sown from one out of every three acres of farmland are sold abroad.

Consider some implications of the global economy: When growth slows abroad, as it has recently, our own growth slows as well. And America will only grow in the next century if we can compete globally -- in every part of the world. Finally, we must seize every opportunity to open new markets, particularly those with the greatest potential for expansion.

Now, in drafting an agenda for America's future, we had to assess our strengths as well as our weaknesses. Conveniently, the other side has discovered many weaknesses, very few strengths. Of course, they might find temporary political gain in portraying an America past her prime and over the hill. But they have no more right to argue, for partisan purposes, that our

7

economy is weaker than it is, than I have to understate our problems.

Our strengths are real. The Misery Index -- the sum of inflation and unemployment -- is 10.8 percent today, down from 19.6 percent in 1980.

Inflation stands at about three percent.

Interest rates are at a twenty year low.

The purchasing power of Americans gives us the highest standard of living in the world.

We enjoy the highest home ownership rate of all major industrialized countries.

We send 68 percent of our children on to higher education -- more than any other country -- and well above Germany's 32 percent and Japan's 30 percent.

And with 5 percent of the world's population, we produce 25 percent of the world's total output -- and 37 percent of its high-tech products.

I do not mean to suggest that all is well -- that we do not need to lead and manage the changes transforming our economy. But you can't chart the stars if you think the sky is falling. Over the past 12 years we have almost doubled the size of our economy. It's as if we created two extra economies the size of Germany's from scratch.

How will we meet our goals? Before you hear the specifics of my agenda, let me tell you a little bit about what I believe

8

-- because change, if it is to be a force for good, must be guided by principles. And the principles that must guide change are the principles that never change.

I believe we are a nation of special individuals, not special interests.

Individuals draw their enduring strength from their families, from their neighbors and communities, not from the government. So I believe we must never ask government to do what families and neighbors and individuals can better do for themselves -- and for one another.

I believe -- because I've seen it -- economic growth comes from the small businesswoman who takes a risk on a new product, from the computer hacker working in a cluttered garage, from the merit scholar in South Central L.A. with a future as big as his dreams.

And I believe government owes it to them, and to you, to keep tax rates low and make them lower; to keep money sound; to limit its own spending and regulations; and to open the way for greater competition, and freer trade.

But I do not believe, as some might, that government's obligation ends there. As a conservative I believe that government can help people -- offer them hope and opportunity -- by giving them the means and the confidence to make the decisions that matter in life.

My background has also prepared me for the task of bringing

9

our foreign policies and our domestic policies together; to turn our strength as a world power to our advantage as an economic power; to match the security we feel militarily with the economic security we must build at home.

My Agenda for American Renewal calls for action on six interconnected fronts. There is no single cause of our present situation. There can be no single cure. The whole of our agenda will be greater than the sum of its parts.

First, Challenging the World. During the Cold War, we built a global security structure with military alliances across the Atlantic and Pacific. In the same way, the post-Cold War era requires a strategic economic and trade policy -- global in scope, and built on our foundation as an economic and export superpower.

We are uniquely positioned to achieve this goal. As the largest fully integrated market in the world, we wield leverage with other countries that want access to our market.

As both a Pacific and a European power, we are tied to the largest and most rapidly growing economies across both oceans.

And as the strongest nation in our hemisphere, we are looked to for leadership by free economies emerging from Chile to Mexico.

The same holds true for the newly born economies of Eastern Europe and the former Soviet Union, where our values, our products, even our language, carry a unique appeal. In Moscow

-- 10

these days, the lines at McDonalds are longer than the lines at Lenin's Tomb.

The key to America's growth, expansion, and innovation has always been our openness to trade, investment, ideas, and people. As this openness is at last being reciprocated around the world, we find ourselves again at a special advantage.

The next steps in my strategic trade policy are to secure Congressional approval of the North American Free Trade Agreement and to complete the global trade negotiations, creating high-wage American jobs and expanding the pool of customers hungry for the fruits of American labor.

Let me emphasize: these agreements are steps, not ends in themselves.

So I want to announce today that it's my goal to develop a strategic network of free trade agreements -- with Latin America; with Poland, Hungary and Czechoslovakia; and with countries across the Pacific.

And then, as these external barriers fall, I believe we can help reduce internal barriers to competition as well -- in North America, Western Europe, Japan, and elsewhere. Greater competition will encourage entrepreneurial capitalism at the expense of government power and entrenched interests, spurring unprecedented economic growth.

Traveling around the country I have seen it happen already - particularly in small businesses, as they strengthen themselves for international competition. A couple of weeks ago, in St.

-- 11

Louis, I visited Public Safety Equipment, a manufacturer of the light-bars you've seen on police cars. The president of Public Safety told me that a few years ago, they recognized they could no longer just sell their products in fifty states and leave it at that. So they took on the world. Now 35 percent of what they make is sold in 48 countries, creating good jobs right here.

Public Safety, and the hundreds of thousands of companies like it, offer a glimpse into the future I see for all American business.

But a business is only as efficient, as resilient and innovative, as the people who keep its books and build its products and devise its strategy. Materials, machines, and methods will come and go, but the American worker will remain the key to our economic security. That brings me to the second part of my agenda: Preparing Our Children.

The workplace of the 21st Century will be constantly changing. We must prepare the American people for a lifetime of learning, to keep a step ahead of that process of change. Developed nations need developing minds.

The burden will fall on our educational system. As in the past, education should be the ladder that children of modest means can climb to better themselves.

Our current school system is not up to the task. Designed for the 19th Century, it will collapse under the weight of the 21st. And our educational establishment is caught in the same time warp, where standing still means falling behind.

12

Money alone is not the answer -- the United States already spends more per pupil than any other country but Switzerland. The answer is a radical overhaul of the system itself. If we want to change our country, we've got to change our schools.

And the catalyst for change -- the one reform that drives all others -- is school choice, giving children scholarships so that all parents have the freedom to choose which schools will best serve their children. Competition is the principle that must underlie education reform, to break the establishment's monopoly on the system. And competition will not work unless parents are allowed to choose their children's schools -- whether it's the public school across town or the parochial school across the street.

Consider one statistic: In Chicago, 45 percent of public school teachers send their children to private schools. Clearly they know something about monopoly education my opponent doesn't.

Our different approaches to education reform reveal the Grand Canyon that divides me and my opponent. You see the same contrast in child care, health care, and a host of other issues. My opponent prefers uniformity to variety and choice, relying on government bureaucracies to offer "one-size-fits-all service." I don't want to pull everyone down to make them equal. I want to give everyone the tools to climb as high as they can dream.

Even as we fix our schools, the question remains: Will there be good jobs for our kids? That's the third part of my agenda: Sharpening Businesses' Competitive Edge.

13

I learned my economics the way most of you did -- a lot of late nights sweating over a balance sheet, trying to meet a payroll.

I saw that if people are allowed to keep more of what they produce, they will produce more. It's common sense.

When capital is taxed lightly, there's more of it. When it is taxed heavily, it becomes scarce -- available only to those who are already wealthy, who need it least of all. That's not the kind of economy I want.

If capital were more abundant, labor would be more in demand, wages would rise, unemployment lines would shrink. That is the kind of economy I want.

That's why I want enterprise zones in our inner cities and rural areas. That's why I want to make the R & D tax credit permanent. And that's why I want to cut the capital gains tax and index it for inflation.

Those are the fundamentals. I also see three other ways to sharpen the competitive edge of American business:

-- first, strengthening small business, by cutting taxes, ensuring that credit is available, and by lifting the deadweight of government regulation;

-- second, supporting civilian R&D, by bringing the development, production and marketing of technology closer to the consumer;

-- and third, reforming our legal system. Every year American business and consumers spend up to \$200 billion just in

14

direct costs to lawyers -- far more than our competitors in Japan and Europe. My product liability reform and Access to Justice Act will restore rationality to the system and stop undermining the American worker.

America will never lead the world in the 21st Century until we learn to sue each other less and care for each other more.

The fourth part of my agenda: Promoting Economic Security -
- for working men and women.

Again, common sense shows the way: True security will come only by developing individual capability, not dependency. And that independence, in turn, comes through the private sector, not the government.

Government's role will be to ease the individual's adjustment to a fast-changing marketplace. The average worker today will change jobs 10 times over the course of his or her working life.

So we need a wider and more flexible range of job training and placement services -- for both the young and old, the blue and white-collar worker, and now especially for workers from our defense industries.

Pensions must be portable -- and health care must be affordable. Our health care system today provides the best care, but at an unacceptable price. More than thirty million Americans have no health insurance. Health care costs are the fastest-rising part of the budget for government, businesses, and families.

-- 15

My reforms get to the root of these problems while preserving and building on our system's strengths -- our state-of-the-art care, openness to innovation, and consumer choice. Taken together, they would cut health care costs by \$394 billion over five years.

My opponents' plan would eventually place a full 13 percent of our economy under the control of the federal government -- meaning more bureaucracy, rationed care, inefficient service, and, in the end, higher costs.

Let common sense be our guide: We must enhance competition and market forces, not restrict them; we must preserve individual choice, not hand decision-making over to centralized bureaucracies; we must reduce the burden on employers and employees, not bury them in a tide of new taxes and government regulations.

Job training, retirement security, affordable health care: Combining these with a new system of education and cutting-edge, entrepreneurial business, we can offer genuine economic security to our working men and women.

The programs I've outlined are based on the principles that will empower all Americans to make their own choices and better their lives. But I believe we need to do more for some of our citizens who have been left behind. That is the fifth component of my agenda: Leaving No One Behind.

The American Dream is nothing more or less than the belief that all Americans can make a better life for their children.

16

The dream has made us the most dynamic society in the world; it's yet another strength we can draw upon for the challenge ahead. So we must give every American a shot at making good on the dream.

I reject the shopworn logic that sees poverty as a simple lack of income -- a kind of economic shortfall that can be replaced with a government check. A conservative philosophy of empowerment must have at its foundation the creation of character, through the ownership of property and the dignity of work. That means sweeping away the nightmare of crime from our cities, building a core of property owners, creating business incentives, and making individual discipline and self-reliance the goal of all our programs. The human capital unleashed in this way will drive us forward into the 21st Century.

I call the final component of my Agenda -- "Rightizing Government."

You'll recognize that I take the term from the business world -- which has a lot to teach those of us in government. At a time when companies across the country have been restructuring, cutting fat, increasing efficiency -- all to prepare for the economic competition of tomorrow -- the federal government faces an obligation to do the same.

Today the federal government spends nearly twenty-four cents of every dollar of the nation's income. That's the fact:
Government is too big and it spends too much.

17

The size and structure of government are relics of a different age -- artifacts more suited to the dilemmas of fifty years ago than the problems of today. Every institution in our society has learned that by pushing power down through organizations, by using technology to speed the flow of information, you don't just save money, you improve productivity. It's time for government to do the same.

I will streamline government -- consolidating agencies, tightening budgets, and cutting the salaries of highly paid federal employees. And I'll start by cutting the White House budget 33 percent if Congress cuts its own budget by the same amount. And I'll cut the salaries of all federal employees earning more than \$75,000 by 5 percent. Taxpayers have tightened their belts. The better-paid federal workers should do the same.

The Agenda I publish today contains specific proposals to cut the fat: a cap on the growth in mandatory spending -- without touching Social Security -- and a freeze on domestic spending; a balanced budget amendment and a line-item veto; and a new mechanism -- a check-off box on tax returns -- to give taxpayers the power to cut the deficit themselves. I will fight to reduce spending and increase growth so we can balance the budget.

Unlike my opponent, I do not believe the American people are undertaxed. Quite the opposite: I am committed to cutting taxes across the board. Let me offer an illustration of what we could do: My cap on the growth of mandatory spending allows for population growth and inflation, and exempts Social Security.

18

But that cap alone would save about \$300 billion over five years. If we used just the \$130 billion in specific spending cuts I have already proposed, we could cut income tax rates one percentage point across the board; reduce the small business tax rate from 15 percent to 10 percent, and reduce the tax on capital gains.

That is the direction I want to go: to tax less, spend less, cut the deficit, and redirect our current spending to serve the interests of all Americans.

I honestly believe that this is the way -- the only way -- to control the size of the federal government. The facts are painful but plain: For Congressmen, spending is power. And they will exercise that power until they have spent every last dime they can squeeze from the working men and women of America. It's as simple as this: Raising taxes won't cut the deficit.

Here, then, is my Agenda for American Renewal. It comes at a time unique in our history, a turning point, a moment when one era is passing away and another is being born.

In the Agenda published today, you'll find 13 proposals that I intend to achieve in the first year of my second term. I present them as a single program, a unified strategy to make change work for America.

Over the last three years I've shown how America can change the world; and we've made a respectable start managing the change at home. Our primary task now is to target America.

I intend to fight for this Agenda, to fight as hard as I can to get as much as I can, and then I'm going to come back for

19

more. If Congress balks, I'll move forward anyway -- just as I have done with education, regulatory and welfare reform. I'll work with the governors, with state and local governments, with the private sector -- with anyone who shares the urge to renew our country.

The American people know that the events of recent years have shaken the world. With the close of the Cold War we can achieve peace, prosperity and promise at home. The American people want that. The American people deserve that.

My Agenda draws together our people and our government to meet this challenge. We will create a \$10 trillion economy. We will renew America. We will win the peace.

I want America to seize this moment. I want to stimulate entrepreneurial capitalism, not punish it; I want to empower people to make their own choices, not yoke them to new bureaucracies. I want a government that spends less, regulates less, and taxes less. And I will fight without hesitation for a free flow of trade and capital and ideas around the world -- because Americans never retreat-- we always compete.

I know times have been difficult for many Americans. The world we knew as children -- no matter your age -- will never be the same. America will change -- that is our destiny; how it will change will soon be decided.

I ask, as you consider the choice you face, to consider carefully whose agenda for change best fits America's

- 20

principles, our national experience, and our hopes for lasting
peace and prosperity.

xxx

Background Information

September 10, 1992

OUTLINE: AGENDA FOR AMERICAN RENEWAL

I) Introduction: The Challenge

- For the first time since December 1941, America is not engaged in a war, hot or cold.
- Historical watershed: This election is about fundamental choices. For America to be safe and secure, we must meet the defining challenge of the 1990s: to win the economic competition, to win the peace. US must be an economic superpower, an export superpower, and a military superpower.
- Entrepreneurial Capitalism: My approach looks forward. We have always preferred an entrepreneurial capitalism that grows from the bottom up, not the top down; a capitalism that begins on Main Street and extends to Wall Street, not the other way around.
- Agenda for American Renewal: Inclusive, not exclusive or reclusive. Free trade. Radically break the mold for our educational system. Sharpen business' competitive edge through catalyzing small business, investing in civilian research and development, and reforming our legal system. Economic security through job training, health care reform, and retirement security. Leave no one behind by empowering everyone to break the cycle of dependency on welfare. "Rightsize" government.

II) Context: Five Changes Underway in the Economy

- Time of Transition: We're shifting from one era to another. Leads to turbulent transitions, major changes, and anxiety.
- 1) Defense Conversion: With end of Cold War, have begun re-adjusting our defense burden. In long-term, this will make us more competitive, but in short-term, it's painful.
- 2) Restructured Industry: US industry moving from old-style, hierarchical organizations to "flattened" and "decentralized" structures. Lean production. Shortened production cycles. Need greater flexibility not government-mandated plans.
- 3) Debt: 1980s -- longest peacetime expansion in US history. Led many companies, institutions, individuals to take on too much debt. Have been paying down that debt over last three years, instead of buying goods. Have been going through shaking out period. Will be leaner and more powerful.

- 4) **Financial System:** Entered 1980s with banking system designed 50 years ago. Less inefficient institutions (S&Ls) could not survive -- but government had to protect savers. Process nearing its end -- but process has left lenders cautious.
- 5) **International Interdependence:** One out of every six manufacturing jobs depends on exports, one of every three acres for sale abroad. Growth abroad helps growth at home, sluggishness abroad causes sluggishness at home.

III) Start With Strengths

- **Key Strengths:** Need to build on key strengths in our economy in order to renew it. Low misery index. Low inflation rate. Low interest rates. High home ownership rate. Higher education.

IV) Four Guiding Principles

- 1) **Individuals:** Believe America's strength comes from individuals, not special interests. Individual, family, community.
- 2) **Economic Growth:** keys to unleashing initiative and private sector expansion are: Lower taxes. Limited government. Less regulation. More competition. More open trade.
- 3) **Conservative Agenda for Helping People:** Don't want to leave anyone out. Want to empower people to make their own choices, to give them incentives to break away from dependency on welfare. Unleash initiative, reward success, encourage excellence.
- 4) **Comprehensive and Integrated Approach:** Can't just deal with part of the problem. Must deal with domestic, economic, and foreign policy in their interrelationship to one another. Comprehensive, integrated approaches are required for today's complex and interconnected world. Not a question of either domestic or foreign. Must address all aspects.
- **Action on Six Fronts:**
 - 1) **Challenging the World:** A Strategic Global Economic and Trade Policy.
 - 2) **Preparing our Children for the 21st Century Economy.**
 - 3) **Sharpening Business' Competitive Edge:** Encouraging Entrepreneurial Capitalism.
 - 4) **Promoting Economic Security for Working People.**

- 5) Leaving No One Behind: Economic Opportunity for Every American.
- 6) "Rightsizing" Government.

V) Challenging the World: A Strategic Global and Trade Policy

- Economic and Export Superpower: In post-Cold War world, exports key to economic growth.
- NAFTA -- Building Block: Start with free trade for North America -- largest open market in the world. Extend to Asia (APEC) and Europe. South America. Eastern Europe, Russia, and Eurasia.
- Global Free Trade: Need to negotiate strategic free trade agreements globally. Meanwhile, will promote free trade vigorously -- no unilateral disarmament.

VI) Preparing Our Children for the 21st Century Economy

- Our Children, Our Future: Our children represent our hopes for the future. How they are educated, trained will determine how successful, prosperous, fulfilling America's future will be.
- Money, alone, not sufficient: Already, we spend more per pupil on education than any country except Switzerland. So, money alone, not the answer. Increased education budget 41% during Bush term. Need to "break the mold" for our schools. 21st Century Schools for 21st Century Students.
- Standards.
- Voluntary National Achievement Standards.
- Free Teachers to Teach. Educational Entrepreneurs. Let teachers teach. Get governments off their backs. Design new programs.
- Choice -- Competition. Educational Opportunity for All. GI Bill for Kids to allow parents to choose how to educate their children.

VII) Sharpening Business' Competitive Edge: Encouraging Entrepreneurial Capitalism

- Strengthening Small Business: Small business creates two-thirds of our jobs. Need to catalyze it, not strangle it with paperwork and restrictive regulation. Permanent R&D tax credit. Capital gains. Enterprise zones. First-year depreciation for property purchases. Cut regulation. Loans through SBA.

- **Supporting Civilian Research and Development:** R&D is the key to tomorrow. Decentralize, privatize R&D. Link basic research at universities to production in the factory. Regulatory reform is a critical link.
- **Reforming Our Legal System:** We must sue each other less and care for each other more. Civil litigation is a drag on the economy. Tasseled lawyers prosper while working men and women are hurt. Foreign firms pay only 60% of what ours do on product liability. Need product liability reform for competitiveness. "Access to Justice Act of 1992."

VIII) Economic Security for Working People

- **Job Training:** In today's world, people will change jobs many times over. Need universal coverage; skill grant vouchers; and increased resources. (That's why we're tripling resources devoted to skill training over the next five years.)
 - **Youth Training Corps.** Apprenticeship Program. JROTC. to help disadvantaged, promote meaningful skills and make part of the economic mainstream.
- **Affordable Health Care for All Americans:** Want to maintain high-quality, high-tech medicine. Want to guarantee access to health insurance through credits/vouchers to pay for a basic health insurance plan. Would benefit some 95 million Americans. Risk "pooling" for small businesses. "Job lock" protection for employees. Malpractice reform. Electronic billing to reduce paperwork costs.
- **Pension Portability:** Workers need to be able to preserve their retirement pensions as they change jobs. Proposed initiative to increase pension portability, expand pensions coverage, simplify laws covering pension plans.

IX) Leaving No One Behind: Economic Opportunity for Every American

- **Leave No One Behind:** Need to draw on the energy of all Americans, empower everyone to build the American dream. Ownership and opportunity. Break the cycle of dependency on welfare. Welfare-to-work. Job training, education as receive welfare. Enterprise zones. "Weed and Seed." Homeowner opportunities for lower and middle-income Americans.

X) "Rightsizing" Government

- **Fiscal Responsibility:** The American people are not taxed too little. The American government spends too much. Deficit needs to be attacked in multiple ways.

- Cap growth of mandatory spending.
- Proposed over \$72 billion in specific spending cuts to implement caps on mandatory programs. (\$132 billion over five years)
- Freeze all other spending.
- Line item veto. .
- Balanced budget amendment.
- Check off 10% to reduce debt and spending. Why shouldn't every American have the right to choose to drive down the deficit?
- Further tax cuts.
- **Government Restructuring and Revitalization:**
 - Cut Executive Office of President by 33% if Congress cuts its operations likewise.
 - Cut pay by 5% for those federal employees earning more than \$75,000 a year.
 - Restructure Executive Branch through consolidation of departments, agencies, and bureaus.

XI) A Strategy for Implementation

- **New Era, New Congress:** Will work with the new Congress (governors and mayors) to push through 13 separate packages in the first year of my second term to renew America:
 - 1) A radical overhaul of American education to emphasize excellence, standards, competition, entrepreneurial schools, and a "G.I. Bill for Kids" that will give parents a choice of schools.
 - 2) My job training programs.
 - 3) My health care reforms.
 - 4) A package to cut spending, including a cap on the growth of mandatory spending, a taxpayers' "checkoff" to reduce the debt, a line-item veto, and a balanced budget amendment.
 - 5) Tax cuts paid for through spending reductions and growth, including reductions to spur entrepreneurial capitalism and small business.

- 6) NAFTA.
- 7) New trade negotiations authority so we can conclude new Free Trade Agreements across the Atlantic, the Pacific, and in our own hemisphere.
- 8) A government reorganization plan to streamline the structure, ensure functions fit new needs, and cut salaries at higher levels.
- 9) Reform of our legal system.
- 10) A package to clear away crime, build business, and put people to work in our inner cities.
- 11) An expansion of civilian R&D linked to new applications.
- 12) Ban on PAC Contributions.
- 13) Limits on Congressional terms.

September 10, 1992

STATUS REPORT
MITCHELL WISH LIST

BILLS TO BE FINISHED BEFORE ADJOURNMENT

ALL APPROPRIATION BILLS INCLUDING THE SUPPLEMENTAL. AGRICULTURE IS THE ONLY BILL WHICH HAS BECOME LAW

URBAN AID BILL (TAX BILL)

- White House very mixed on bill - may prefer not to see - certainly not if it contains PEP and PEASE

DEFENSE AUTHORIZATION BILL

- likely dead (SDI big issue) - Senator Warner suggests we may be able to take up bill once Appropriations Subcommittee has met (next week) and set SDI levels.

MOTOR VOTER VETO MESSAGE

- pending in Senate - Mitchell may never pursue

MFN FOR CHINA - scheduled for Monday, September 14

- 38 votes solid - unclear what Burdick replacement would do.

ABORTION RIGHTS BILL

- (FREEDOM OF CHOICE ACT) very controversial - on calendar

GOVERNMENT SPONSORED ENTERPRISES BILL

- both Houses have passed bills - Gramm trying to block because of roll up provisions. Attempt to move bill likely to recur.

CABLE TV BILL

- sent to conference waiting convening - White House would sooner not see the bill

CAFE STANDARDS BILL

- very unlikely - at most could be floor amendment

ENERGY BILL

- in conference - conclusion likely

RCRA BILL

- on calendar but considered dead. Portions of bill like the Coats interstate trash provisions keep appearing on separate vehicles

RUSSIAN AID BILL

- conference scheduled for 3rd week of September. Byrd raising jurisdictional problems.

START TREATY

- reported out of Foreign Relations and Armed Services - problems with some conservatives. Not White House priority at this time

CRIME BILL

- IN NEVER-NEVER LAND - AG & Biden continue to negotiate - probably dead

PARENTAL LEAVE BILL

- Conference Report passed by House 241 to 161 - likely we will have veto back next week.

OTHER POSSIBLE ISSUES:

- SAUDI (F-15) ARMS SALE - announcement expected imminently - APAC says no problem but who knows
- TAIWAN (F16) ARMS SALE - Administration has announced intention to proceed - serious opposition unlikely

NEW ADDITIONS TO THE WISH LIST:

HOUSING REAUTHORIZATION

- on calendar

EDUCATION REFORM

- awaiting appointment of Conferees - White House would like to veto - not sure this is good strategy - checking with Nancy Kassebaum

FAMILY PLANNING (GAG RULE)

- Conference Report passed by House - schedule for Monday, September 14.

HEALTH CARE REFORM

- No vehicle yet - Democrats still divided - Mitchell anxious to move something to embarrass us

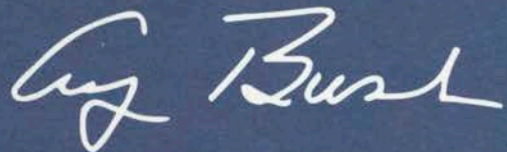
OLDER AMERICANS ACT

- Both Houses have passed - MCCAIN earnings limitation on bill

EQUAL REMEDIES ACT

- House Bill - pending in committee - Senate bill - on calendar

Agenda for American Renewal



George Bush
President of the United States