

# National Republican Senatorial Committee

SENATOR PHIL GRAMM  
CHAIRMAN

JEB HENSARLING  
EXECUTIVE DIRECTOR

SENATOR BOB DOLE  
BRIEFING PAPER  
1993 SENATORIAL TRUST  
THE CARLTON HOTEL  
WEDNESDAY, FEBRUARY 24, 1993

**SITE:** The Carlton Hotel  
The Crystal Room  
923 16th & K Streets, N.W.  
Washington, D.C.  
(202) 638-2626

**ARRIVAL TIME:** 11:50 AM

**SPEAKING TIME:** 12:50 - 1:20 PM

**Description:** The Senatorial Trust was founded in 1977, and is the \$10,000 contributor group of the Senatorial Committee. The Trust is comprised of Republican supporters from across the country. The program includes four membership events each year that consist of briefings with Senators and other VIPs. The Trust is also planning several recreational events, including a golfing event and a hunting trip in Colorado.

**Meeting Format:** The luncheon meetings are structured informally, beginning with 20 minutes of presentation, followed by 10 minutes of Question & Answer. The luncheon will have approximately 120 attendees. The Trust members will have finished the main course, and have dessert and coffee. They will be seated in rounds of ten.

**Directions:** Senator Dole will be met at the 16th Street Entrance by a member of the Trust staff and will be escorted to the either the State Salon for the pre-luncheon reception or to the Crystal Room for the luncheon. A seat has been reserved for Senator Dole at a table near the podium. A Trust staff member will escort Senator Dole to his seat. Senator Dole will be introduced by Senator Gramm or Senator McCain. We would like Senator Dole to make remarks for about 20 minutes and then open the floor for Questions & Answers for 10 minutes.

RONALD REAGAN REPUBLICAN CENTER  
425 SECOND STREET, N.E. • WASHINGTON, D.C. 20002 • (202) 675-6000

PAID FOR AND AUTHORIZED BY THE NATIONAL REPUBLICAN SENATORIAL COMMITTEE.

**SENATORIAL TRUST TIMELINE  
RECEPTION AND LUNCHEON  
Wednesday, February 24, 1993  
The State Salon and Crystal Ballroom  
The Carlton Hotel**

- 11:20 AM Bars in the State Salon will be open for the Trust members.
- 11:30 AM Senator McCain moves into the State Salon to mix and mingle with the Senatorial Trust members for the next 30 minutes.
- 11:50 AM Senator Dole arrives The Carlton Hotel.
- 12:00 PM Lunch is called.  
Senator McCain, Senator Dole and guests move into the Crystal Ballroom and take their seats (seating is unassigned, except for 2 reserved seats at different tables for Senator McCain and Senator Dole).
- 12:45 PM Senator McCain approaches the podium and introduces Senator Dole.
- 12:50 PM Senator Dole approaches the podium, gives remarks for 20 minutes and takes Q&A for 10 minutes.
- 1:20 PM Senator McCain returns to podium and thanks Senator Dole. Senator McCain announces that the next session will begin at 1:45 pm in the Potomac Ballroom.



Trust members.

- 10/7 Br. v.

McKen  
Graham



WEDNESDAY, FEBRUARY 24, 1993

THE WASHINGTON POST

David S. Broder

## Beware the 'Trust' Deficit

President Clinton's economic plan is addressed, he says, not to one deficit but to three: the budget deficit, the investment deficit and the social deficit.

Americans, he says, must shut down the drain of red-ink budgets that have virtually quadrupled the national debt in the past dozen years. At the same time, we must increase the investments that promise productivity growth and future prosperity. And there are, he says, unmet needs for AIDS research, public housing rehabilitation, preschool education and a score of other things that cannot wait.

Clinton is right to say all three deficits must be faced. But he is wrong—dangerously wrong—to do so in a way that worsens a fourth deficit: people's trust in their leaders.

The new president is being rightly praised for putting all these issues on the table in a comprehensive and coherent fashion. But if his diagnosis of the nation's needs is accurate, his prescription falls far short of a remedy. His plan just doesn't achieve its advertised goals. And it will avail Clinton little to push his economic program to passage if voters decide afterward that they have been misled about what it will do.

Doubts about his reliability plagued Clinton all through the campaign year and caused him to wind up with the lowest share of the popular vote of any winner since Richard Nixon, in a similar three-way race, 24 years earlier.

Now people are discovering that Clinton really played fast and loose with the facts in last

*"As administration officials have conceded, the higher tax bites actually begin at a figure closer to \$20,000 than to \$30,000."*

year's campaign. When reporters challenged the assumptions and the internal mathematics of Clinton's campaign-season economic plan, "Putting People First," the Democratic nominee brushed off the questions. When Republicans said he was being deceptive, he issued indignant denials that ring hollow today.

Last Oct. 1, for example, when the Bush campaign ran ads based on the calculation that Clinton could finance his campaign promises only by raising taxes on every family earning more than \$36,600 a year, this is what the Democratic nominee said:

"It is blatantly false. . . . It is a disgrace to the American people that the president of the United States would make a claim that is so baseless, that is so without foundation, so shameless in its attempt to get votes under false pretenses."

Last week Clinton, unembarrassed, put forward a revised program requiring tax increases the administration says will affect most families making over \$30,000, one-sixth below the threshold George Bush had forecast. Clinton claims he has been forced to these steps by the unexpected \$346 billion size of the deficit he

inherited. But last July, he told *Business Week* the deficits would approach \$400 billion.

The more serious problem is that the new economic plan, "A Vision of Change for America," looks almost as jerry-built as the campaign document it replaced. The administration's \$30,000 threshold, for example, is not what most people understand as income, or even the Form 1040's familiar adjusted gross income line. It is a figure concocted to include all kinds of "non-cash income," including fringe benefits and even the imputed rental value of the family home. As administration officials have conceded, the higher tax bites actually begin at a figure closer to \$20,000 than to \$30,000.

These artifices were carefully concealed in Clinton's State of the Union address, helping him to gain a favorable first public reaction. Assiduous salesmanship on his part has so far sustained that image of evenhandedness.

But the more that is learned about the plan, the less solid it looks. As much as \$54 billion of claimed spending reductions are actually increases in taxes or fees. More important, major cost-cutting moves are of dubious value.

The plan calls for more than \$38 billion in

Medicare savings over the next four years, not through any reforms but simply by cutting government payments to hospitals and doctors. In the past, when Republican administrations have proposed such "savings," Democrats have objected, properly, that hospitals and doctors will be forced to shift those costs to private patients and to raise their rates to make up for the loss. The argument is still valid. In effect, Clinton is proposing an additional "tax" on anyone unlucky enough to enter a hospital as a non-Medicare patient in the next four years.

Leon Panetta, the conscientious former House Budget Committee chairman recruited by Clinton as director of the Office of Management and Budget, knows these games for what they are. That may explain why he looks so uncomfortable defending such artifices, as he was forced to do repeatedly after Clinton's speech. But the accounts of the plan's formulation suggest that Panetta lost some crucial inside battles when Clinton sided with political aides who wanted to sugarcoat the message, as Clinton did during the campaign.

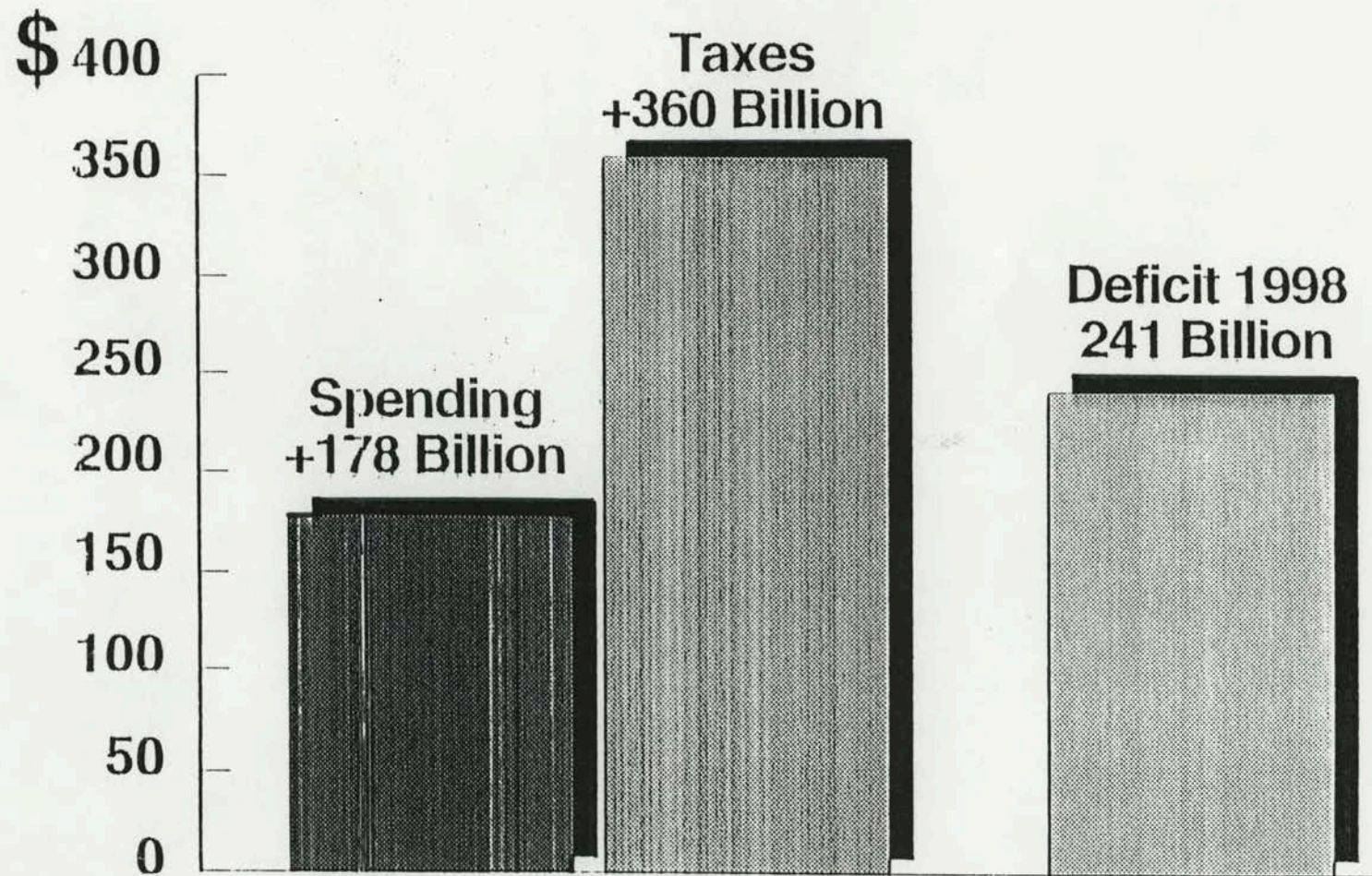
That is bad politics as well as bad economics. Clinton is likely to get a budget-economic package passed this year. Passing one that just pretends to fix the deficit is no fix at all. It simply moves the day of reckoning closer to the next presidential election. George Bush is the living evidence of the danger of following that course.



# Clinton Budget Plan

## Spending, Taxes, Deficit Up!

1993–1998



NOTE: Gross Spending, Gross Taxes

SOURCE: Senate Budget Committee, Minority Staff 2-23-93

# Clinton's Deficits

\$ BILLION

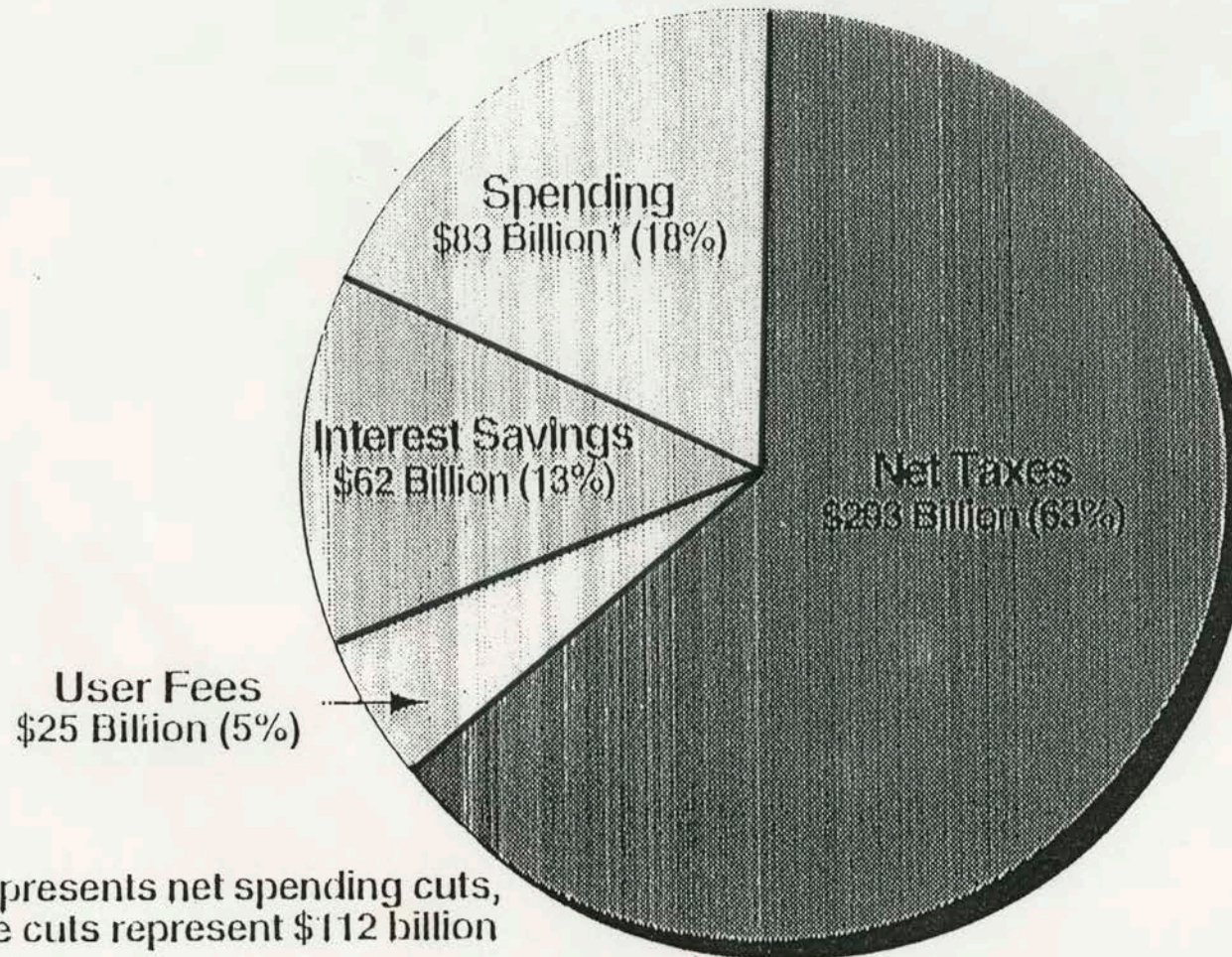
## Deficit

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<b>1992</b> ACTUAL	<b>290</b>
<b>1993</b>	<b>332</b>
<b>1994</b>	<b>262</b>
<b>1997</b>	<b>206</b>
<b>1998</b>	<b>241</b>
<b>2003</b>	<b>400</b>



# Distribution of Clinton's \$462 Billion Deficit Reduction Plan 1993-1998



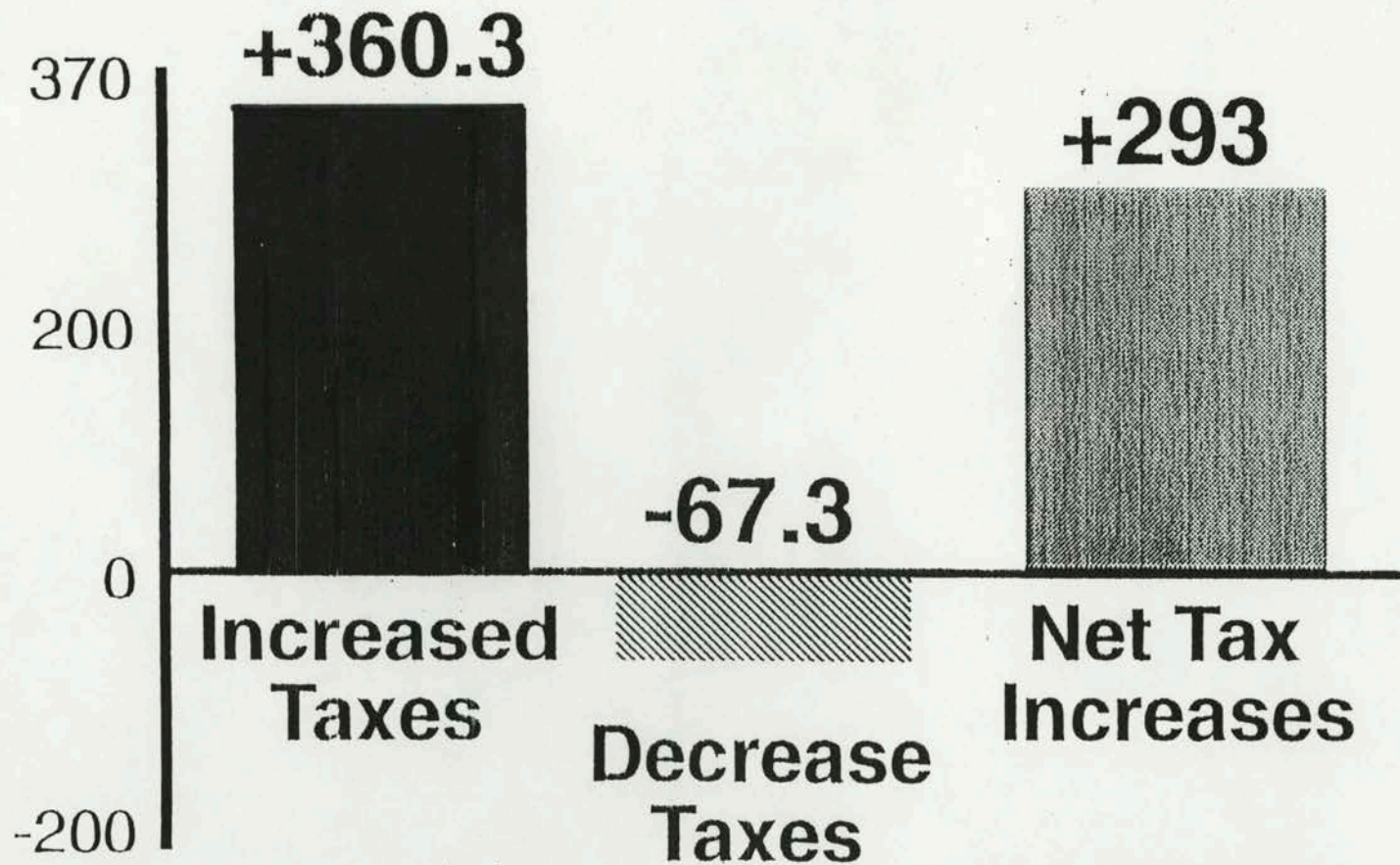
\*This represents net spending cuts,  
Defense cuts represent \$112 billion

SOURCE: Senate Budget Committee, Minority Staff  
Based on published data: A Vision of Change for America, Feb. 17, 1993



# Clinton Budget Plan Tax Proposal

\$ in Billions  
1993-1998





**SENATOR BOB DOLE**

**SENATORIAL TRUST**

**FEBRUARY 24, 1993**

**\*THANK YOU. I KNOW YOU'VE  
HEARD FROM A LOT OF  
SPEAKERS THIS MORNING, SO  
I'LL KEEP MY REMARKS SHORT,  
AND LEAVE PLENTY OF TIME TO  
HEAR WHAT'S ON YOUR MIND.**

**1**



**\*FIRST, I WANT TO THANK  
YOU FOR YOUR SUPPORT OF  
THE SENATORIAL COMMITTEE.  
CONTRARY TO WHAT SOME IN  
THE MEDIA WERE REPORTING,  
THE REPUBLICANS DIDN'T GET  
WIPE OUT LAST NOVEMBER.  
WE GAINED SEATS IN THE  
HOUSE, AND WE HELD OUR OWN  
IN THE SENATE.**



**\*WE'VE GOT 43 VOTES NOW--  
AND COME THIS MAY, WE HOPE  
TO HAVE 44. I UNDERSTAND  
YOU HEARD FROM JACK FIELDS,  
JOE BARTON, AND KAY BAILEY  
HUTCHINSON THIS MORNING.  
ANY OF THEM WOULD MAKE A  
GREAT U.S. SENATOR. AND I  
HOPE YOU'LL HELP THE  
SENATORIAL COMMITTEE IN**



**THIS VERY IMPORTANT RACE.**

**\*AND WE'RE GOING TO NEED  
EVERY VOTE WE CAN GET IF  
WE'RE GOING TO STOP THE  
WHITE HOUSE P.R. MACHINE,  
AND STOP A RETURN TO THE  
FAILED TAX AND SPEND  
POLICIES OF THE PAST.**

**\*REPUBLICANS HAVE HAD TO  
SCRAMBLE FOR INFORMATION**

**OVER THE PAST WEEK..WE  
WERE NEVER CONSULTED  
DURING THE PROCESS, AND WE  
STILL DO NOT HAVE ALL THE  
DETAILS.**

**\*BUT THREE THINGS ARE  
CLEAR:**

- \*1. THE PLAN RAISES TAXES.**
- \*2. THE PLAN INCREASES  
SPENDING.**



**\*3. AND IN THE END, THE  
DEFICIT WILL JUST KEEP ON  
GROWING AND GROWING.**

**\*I'VE TAKEN A PAGE OUT OF  
ROSS PEROT'S BOOK, AND  
BROUGHT ALONG A NUMBER OF  
CHARTS WHICH LAY OUT THE  
FACTS ABOUT THE CLINTON  
PLAN. I HOPE YOU'LL TAKE TIME  
TO REVIEW THEM AND SHARE**

**THEM WITH YOUR FRIENDS.**

**\*ON SECOND THOUGHT,  
SHARE THEM WITH YOUR  
ENEMIES TOO, AS THE MORE  
PEOPLE HEAR ABOUT THIS  
PLAN, THE LESS THEY LIKE IT.**

**BRODER COLUMN \*I DON'T  
KNOW HOW MANY OF YOU SEEN  
DAVID BRODER'S COLUMN IN  
TODAY'S WASHINGTON POST,**



**BUT IT'S DEFINITELY WORTH  
READING. I BROUGHT ALONG  
COPIES OF THE COLUMN, AS  
WELL.**

**\*BRODER CORRECTLY WRITES  
THAT LAST OCTOBER 1, WHEN  
THE BUSH CAMPAIGN RAN ADS  
SUGGESTING THAT CLINTON  
COULD FINANCE HIS CAMPAIGN  
PROMISES ONLY BY RAISING**

**TAXES ON EVERY FAMILY  
EARNING MORE THAN \$36,000,  
CLINTON SAID AND I QUOTE:**

**"IT IS BLATANTLY FALSE...IT IS  
A DISGRACE TO THE AMERICAN  
PEOPLE THAT THE PRESIDENT  
OF THE UNITED STATES WOULD  
MAKE A CLAIM THAT IS SO  
BASELESS, THAT IT SO WITHOUT  
FOUNDATION, SO SHAMELESS IN**



**ITS ATTEMPT TO GET VOTES  
UNDER FALSE PRETENSES..."**

**\*THE ONLY THING WRONG  
WITH WHAT THE BUSH  
CAMPAIGN SAID WAS THEY  
UNDERESTIMATED JUST HOW  
MUCH CLINTON WANTED TO TAX  
THE AMERICAN PEOPLE...THE  
THRESHOLD ISN'T \$36,000, IT'S  
\$30,000...AND AS BRODER**

**POINTS OUT, THE HIGHER TAX  
BITES ACTUALLY BEGIN AT A  
FIGURE CLOSER TO \$20,000.**

**BRODER ALSO POINTS OUT  
THAT \$54 BILLION OF CLAIMED  
SPENDING REDUCTIONS ARE  
ACTUALLY INCREASES IN TAXES  
OR FEES...AND THAT \$38 BILLION  
IN SUPPOSED MEDICARE  
SAVINGS, IS REALLY A "TAX" ON**



**ANYONE UNLUCKY ENOUGH TO  
ENTER A HOSPITAL AS A NON-  
MEDICARE PATIENT.**

**\*PRESIDENT CLINTON HAS  
TOLD REPUBLICANS THAT THEY  
SHOULD PUT UP OR SHUT  
UP...AND HE'S ASKED FOR OUR  
SUGGESTIONS ON SPENDING  
CUTS.**

**\*WELL, MY FIRST  
SUGGESTION IS THAT THE BUSH  
RECOVERY IS WELL UNDER WAY,  
AND WE DON'T NEED THE \$178  
BILLION IN NEW SPENDING  
WHICH THE PRESIDENT  
PROPOSES...AS ONE DEMOCRAT  
CONGRESSMAN SAID, SPENDING  
THAT MUCH MONEY NOW IS A  
"LITTLE BIT LIKE HAVING A HOT**



**FUDGE SUNDAE BEFORE YOU  
GO ON A DIET."**

**\*MY SECOND SUGGESTION IS  
THAT ANY NEW GOVERNMENT  
PROGRAM SHOULD BE  
FINANCED WITH CUTS IN OTHER  
GOVERNMENT PROGRAMS--AND  
NOT WITH SPENDING  
INCREASES.**

**\*AND A THIRD SUGGESTION IS  
THAT THE SPENDING CUTS MUST  
BE PUT IN PLACE BEFORE THE  
AMERICAN TAXPAYERS ARE  
ASKED TO SEND ONE MORE  
DIME TO WASHINGTON.**

**\*ONE GOOD RESULT OF  
PRESIDENT CLINTON'S PLAN IS  
THAT IT HAS BROUGHT THE  
REPUBLICAN PARTY TOGETHER--**



**WE ARE RETURNING TO OUR  
BASIC PHILOSOPHIES OF LOWER  
SPENDING, LOWER TAXES, AND  
LESS GOVERNMENT--AND I  
THINK IT'S THOSE  
PHILOSOPHIES WHICH WILL  
RETURN US TO THE SENATE  
MAJORITY IN 1994 AND THE  
WHITE HOUSE IN 1996.**

**\*THANK YOU.**