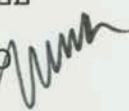


July 7, 1993

M E M O R A N D U M

TO: SENATOR DOLE
FROM: NINA OVIEDO 
SUBJECT: TAX BURDENS

Lindy and Bill helped me figure out some of the numbers.

INDIVIDUAL INCOME TAX BURDENS

By looking at the tax burden tables, I believe that Secretary Brady was speaking about "individual" income tax revenues.

- Twenty percent of the population (the lowest quintile) pay no tax and in fact get paid through the Earned Income Tax Revenue.
- The next rung (the second quintile) pay only 2.4 percent of the total individual taxes.
- Combined, 40 percent of the population pay only 1.3 percent of the total individual taxes.
- The top 40 percent of the population pay over 90 percent of the total individual taxes. (The top 20 percent pay over 73 percent.)

TOTAL FEDERAL INCOME TAX BURDENS

Payroll, corporate and excises taxes should be included in the analysis for a true perspective of tax burdens. Although the figures change, they still show that the "rich" are paying their share. And if you compare early data, the "rich" have been paying their share for quite some time.

- Twenty percent of the population (the lowest quintile) pay 1.3 percent of total Federal taxes.
- The next rung (the second quintile) pay 6.3 percent of total Federal taxes.
- Combined, 40 percent of the population pay 7.6 percent of the total Federal taxes.

- The top 40 percent of the population pay over 80 percent of the total Federal taxes. (The top 20 percent pay over 59 percent; the top 10 percent pay over 42 percent and the top 1 percent pay over 15 percent of the total Federal taxes.)

1980 VS. CURRENT BURDENS

Lindy prepared the attached chart for Senator Packwood. It compares Federal taxes paid in 1980 (before Reagan) versus 1993 (after 12 years of Reagan/Bush).

COMPARISON OF FEDERAL TAXES PAID
BY FAMILY INCOME GROUPS:
1980 (THE LAST YEAR BEFORE REAGAN)
VERSUS 1993 (AFTER 12 YEARS OF REAGAN/BUSH)

FAMILY INCOME	TOTAL FEDERAL TAXES PAID BY FAMILIES (\$ in billions)		PERCENT OF FEDERAL TAXES PAID BY FAMILIES	
	1980	1993	1980	1993
Lowest one-fifth of families	\$ 7.5	\$ 14.1	1.6%	1.3%
Second one-fifth of families	\$ 32.3	\$ 68.4	6.9%	6.3%
Third one-fifth of families	\$ 61.8	\$ 134.7	13.2%	12.4%
Fourth one-fifth of families	\$ 103.9	\$ 224.8	22.2%	20.7%
Highest one-fifth of families	\$ 262.5	\$ 641.8	56.1%	59.1%
TOTALS	\$ 468.0	\$1086.0	100%	100%
Top 10 percent of families	\$ 182.5	\$ 462.6	39.0%	42.6%
Top 1 percent of families	\$ 60.4	\$ 170.5	12.9%	15.7%

SOURCE: Congressional Budget Office, May 15, 1992 (totals may not add due to rounding; 1993 figures are estimated).

July 8, 1993

M E M O R A N D U M

TO: SENATOR DOLE
FROM: NINA OVIEDO *NINA*
SUBJECT: PACKWOOD MEMO -- TAXING AND SPENDING

I just discovered the attached in my in-box. I don't know whether you received a copy. It may be helpful in your travels.

June 25, 1993

MEMO

FROM: SENATOR PACKWOOD
TO: ALL REPUBLICAN SENATORS
SUBJECT: TAXING AND SPENDING

Perpetually I have used the attached two charts to show that the history of taxing and spending in all industrial democracies has only one direction -- up. And in many cases most of the democracies have deficits. Raising taxes doesn't seem to close the deficits, it simply seems to fuel increased spending.

The public wants us to reduce the deficit by cutting spending. That is our message, but for some reason it doesn't seem to come across in the press. I've often thought it's because the press secretly prefers to increase taxes and increase spending in the public sector.

To that end I thought the attached editorial from the June 25 New York Times might be instructive. Note the sentence that says:

"Americans are not taxed excessively in comparison with citizens of other developed countries."

Translated I think that means that the New York Times
would be happier if we taxed and spent more like Sweden or
Norway or Denmark or the Netherlands than like Japan.

FEDERAL, STATE/LOCAL, AND TOTAL GOVERNMENT TAXES AND SPENDING
AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT: 1950-1992

<u>YEAR</u>	<u>FEDERAL</u>		<u>STATE/LOCAL¹</u>		<u>TOTAL</u>	
	<u>TAX</u>	<u>SPEND</u>	<u>TAX</u>	<u>SPEND</u>	<u>TAX</u>	<u>SPEND</u>
1950	15%	16%	7%	7%	21%	23%
1955	17%	18%	7%	7%	24%	25%
1960	18%	18%	8%	8%	26%	26%
1965	17%	18%	9%	9%	26%	26%
1970	20%	20%	10%	10%	30%	30%
1975	19%	22%	11%	10%	29%	32%
1980	20%	23%	10%	9%	30%	31%
1985	19%	24%	11%	9%	29%	33%
1990	19%	22%	11%	10%	30%	33%
1991	19%	24%	11%	11%	30%	34%
1992	19%	24%	11%	11%	30%	34%

SOURCE: Budget Baselines, Historical Data, and Alternatives for the Future,
Office of Management and Budget, January 1993.

NOTE: All figures rounded. Totals may not add due to rounding.

Prepared March 10, 1993

¹ This column does not include the receipt or spending of grants-in-aid from the federal government, which are counted as federal expenditures.

TOTAL GOVERNMENT TAXES AND SPENDING FOR SELECTED
ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) COUNTRIES
AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT, 1965-90

	<u>1965</u>		<u>1970</u>		<u>1980</u>		<u>1985</u>		<u>1990</u>	
	<u>Tax</u>	<u>Spend</u>	<u>Tax</u>	<u>Spend</u>	<u>Tax</u>	<u>Spend</u>	<u>Tax</u>	<u>Spend</u>	<u>Tax</u>	<u>Spend</u>
Switzerland	23%	20%	27%	21%	33%	29%	34%	31%	34%	31%
Japan	20%	20%	21%	19%	28%	33%	31%	32%	35%	32%
U.S.	27%	28%	29%	32%	31%	34%	31%	37%	31%	33%
U.K.	33%	36%	40%	39%	40%	45%	42%	46%	40%	42%
Germany	36%	37%	38%	39%	45%	48%	46%	48%	43%	46%
Canada	28%	29%	34%	35%	36%	41%	39%	47%	42%	47%
France	38%	38%	39%	39%	46%	46%	48%	52%	47%	50%
Italy	30%	34%	30%	34%	33%	42%	38%	51%	42%	53%
Norway	37%	34%	44%	41%	54%	51%	55%	46%	56%	55%
Netherlands	37%	39%	42%	44%	53%	58%	54%	60%	50%	56%
Denmark	31%	30%	42%	40%	52%	57%	57%	59%	56%	58%
Sweden	40%	36%	47%	43%	57%	62%	60%	65%	64%	61%

The percentages in this chart are compiled by the Organization for Economic Cooperation and Development (OECD), an association of the major industrialized countries of the world. The OECD uses a slightly different method of calculating government expenditures and revenues than the standard budget accounting method used by the U.S. Government. Therefore, while the figures in this chart give an accurate comparison of the spending and revenue trends of our major competitors, these figures should not be compared directly to other data.

Note: All figures rounded.

Source: Prepared by Greg Esenwein of the Library of Congress from OECD data, April 1993.

Demagoguery on Taxes

The muddle-headed spirit of Ronald Reagan stalks Washington this week. Mr. Reagan promised Americans they could maintain their society without taxing themselves to do it. The theory went like this: Limit revenues, and spending will come down.

But under Presidents Reagan and Bush, spending went up, especially for defense. The limits on revenue didn't stop that; the country just went into the red to pay for it. Meanwhile the underclass grew, social divisions sharpened and attitudes toward suffering took on a Dickensian hardness.

Reaganomics II, as now peddled by Bob Dole & Co., offers only a slightly different plan. Senator Dole doesn't promise, as President Reagan did, that spending will magically drop if revenues dry up. The Dole plan offers a mechanism. Cap benefits, the Republicans insist, and our problems are solved. Let the human wreckage pile up at the bottom of society; the wealthy can take care of themselves.

Bill Clinton offered a different vision, and Americans bought it. In partnership with the private sector, Mr. Clinton wanted to create opportunities while reducing the deficit. The idea was to shrink the underclass, increase the middle class,

bring those who "played by the rules" out of poverty, and face up to the fact that the vision had a price tag. Americans agreed they were willing to pay that price — as long as he delivered.

Congressional Republicans aren't buying it. With their pledge to oppose all taxes, they are busily transposing the Reagan siren song into the new fiscal demagoguery: You can have a safe, healthy and prosperous society without paying for it.

Americans are not taxed excessively in comparison with citizens of other developed countries. It's instructive to look at the formula being proposed by the new *conservative* Government in France, which also faces a large budget deficit and high unemployment: spending cuts — including salary cuts for Government ministers — coupled with tax increases.

It sounds exactly like the truthful prescription being promoted by the Senate majority leader, George Mitchell. Cravenly eyeing the 1994 elections, Mr. Dole and the Senate Republicans are peddling a tired and dangerous vision that can only add to the deficit that piled up while Ronald Reagan led the country into the land of dreamy dreams.

New York Times, June 25, 1993, p. A30.

SENATE BUDGET COMMITTEE

MINORITY

Pete V. Domenici - Ranking Member, NM
Charles E. Grassley, IA
Don Nickles, OK
Phil Gramm, TX
Christopher S. Bond, MO
Trent Lott, MS
Hank Brown, CO
Slade Gorton, WA
Judd Gregg, NH

634 Dirksen Senate Office Building • Washington, D.C. 20510 • (202) 224-6988

Senate Republican Substitute Reconciliation Bill Senators Dole, Domenici, Packwood

June 23, 1993

Objective: Reduce spending first to reduce the federal deficit.

Outline of Proposal:

I. Deficit reduced below \$200 billion in 1998 without taxes.

1. The federal deficit would be reduced to \$197 billion in 1998 without taxes. This is lower than the Senate Democratic plan in that year (\$202 billion) but which relies on over \$263 billion in new taxes and user fees.
2. Total deficit reduction over next five years exceeds \$367 billion in real, enforceable deficit reduction. [CBO's estimate of President Clinton's FY 1994 Budget submission totaled \$362 billion over five years.]

II. Discretionary Spending Cuts

1. Extend current law discretionary spending caps for defense, international, and domestic expenditures through 1998. Enforceable through current law sequester process. Savings total \$164 billion over next five years.
 - Defense spending caps set at 1994 Budget Resolution levels and President Clinton's request. Defense spending declines from \$279 billion in 1994 to \$253 billion in 1998. Defense outlay savings total \$73 billion over next five years.
 - International spending capped at 1993 level for next five years. Spending would average \$21 billion a year over next five years. Savings total \$7.0 billion over next five years.

(MORE)

- Domestic spending capped at 1993 level for next five years. Spending would average \$240 billion annually. Savings total \$85 billion.

III. Entitlement Spending Cuts

1. Establish an enforceable, real cap on non-social security entitlement spending. Cap would become effective in 1996, providing sufficient time for Congress and the Administration to propose substantive legislation to meet cap levels. Caps would apply only to those programs whose expenditures exceeded population growth, inflation, and (in 1996 and 1997) an additional 1% adjustment factor. Total entitlement savings over next five years from implementation of policies to stay within the cap formula would be \$165 billion. Entitlement cap level of spending would be achieved by:

- Adopting all real entitlement cuts in Senate reported reconciliation bill and exclude all direct spending increases. Total gross savings of nearly \$115 billion over next five years.
- Additional entitlement cuts of \$49 billion achieved through application of entitlement cap effective in 1996.

IV. Debt Service Savings \$37.2 billion.

- Based on CBO reestimates of the Treasury Department's actual debt management proposal, savings of \$6.4 billion over the next five years are included in aggregate deficit reduction numbers.
- Additional debt service savings of \$30.8 billion from reduced deficit spending in the proposal.

V. Revenue Proposals -- Zero Revenues Raised

1. Sense of the Congress Language: No new taxes should be imposed on the American public until and when the spending cuts specified in this plan have been agreed on and implemented with enforceable procedures.

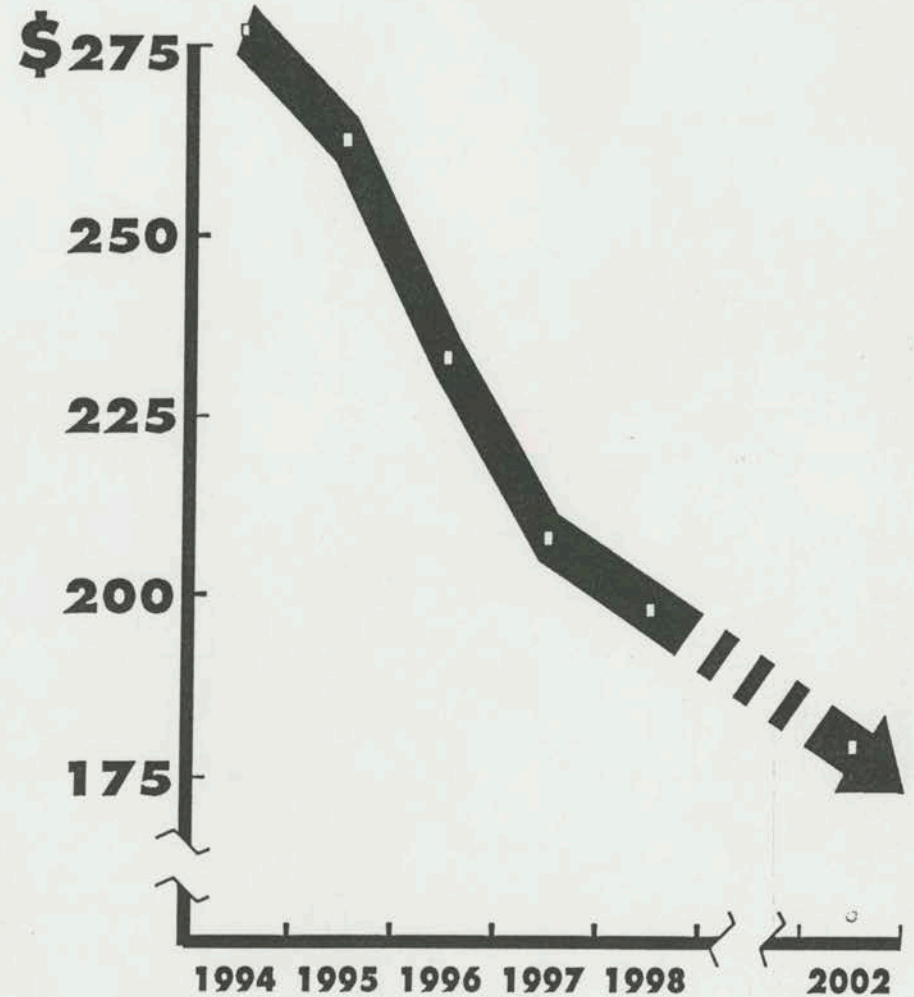
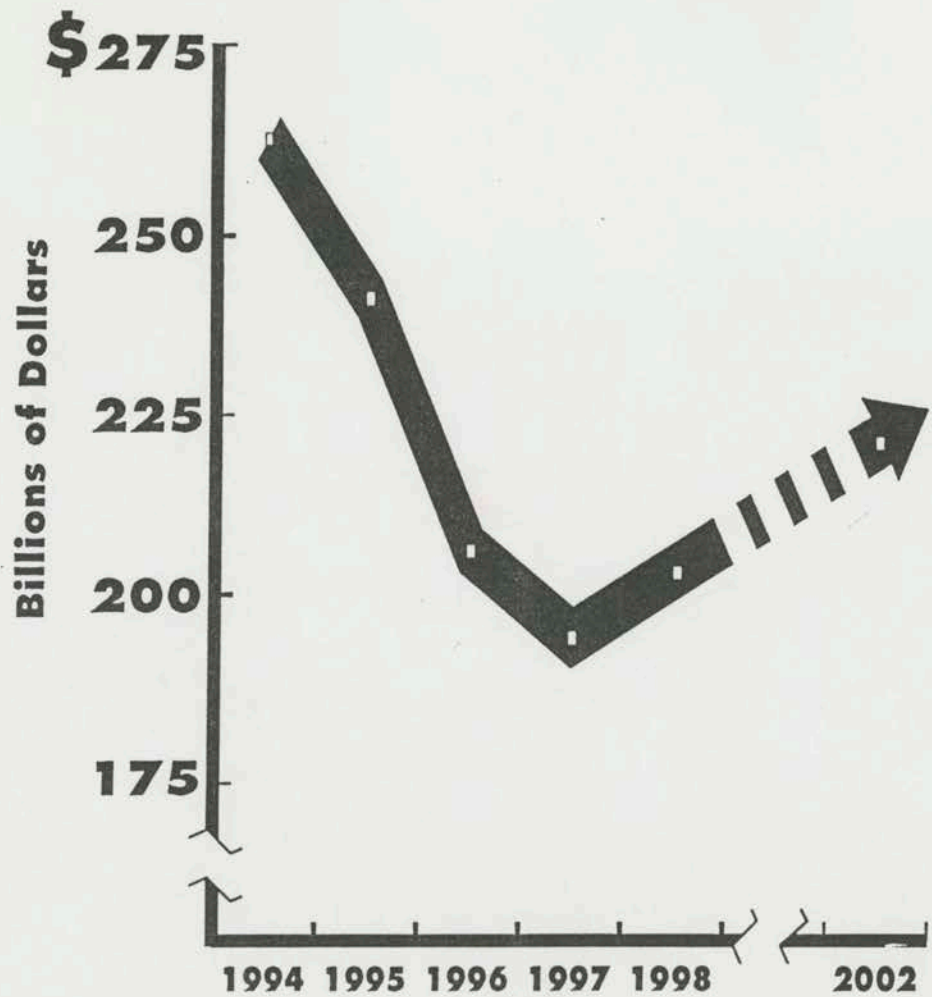
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41 VI. Makes "emergency" spending legislation that is exempt from a sequester subject to a 60-vote point of order.

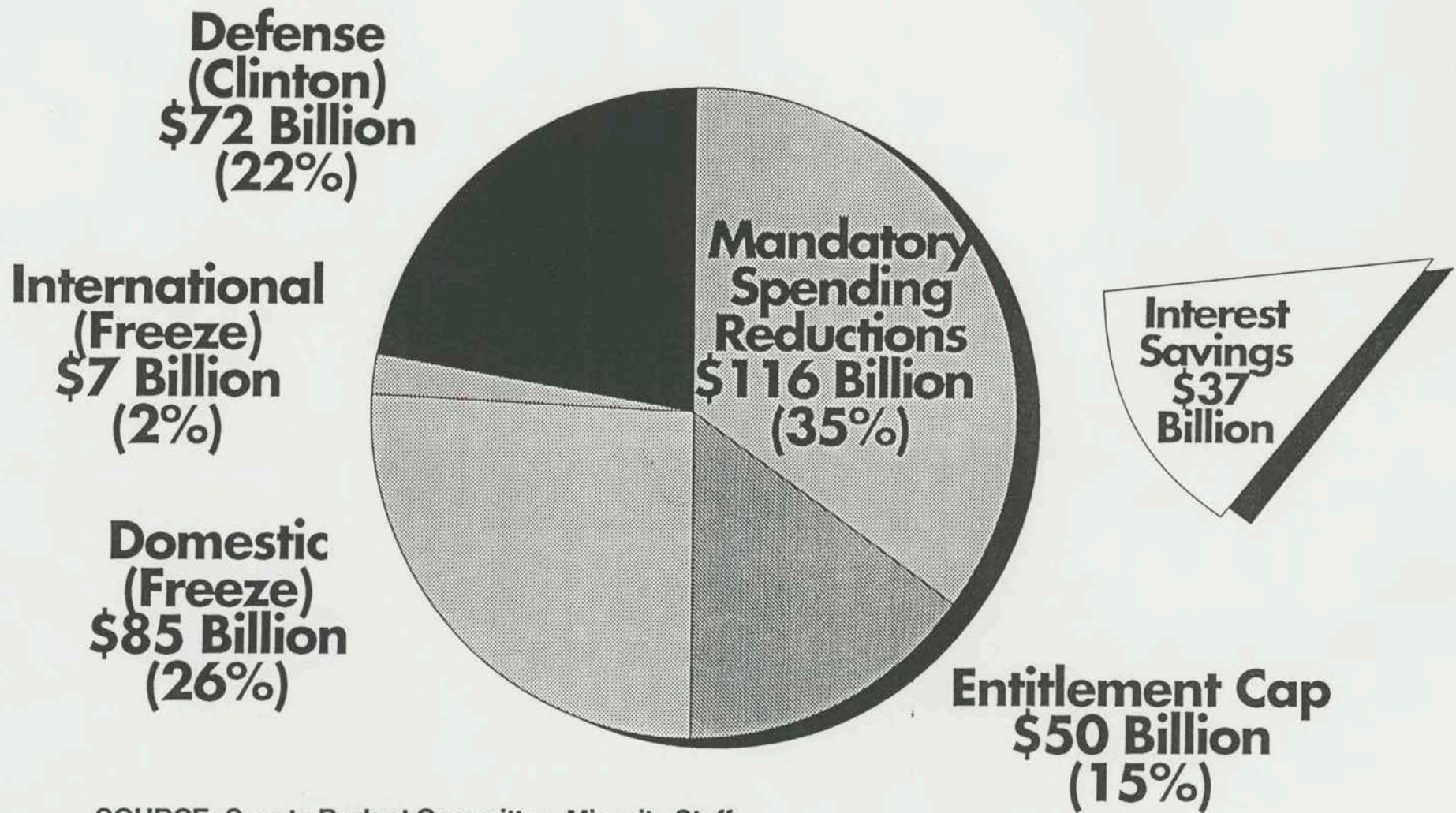
Deficit Estimates

Senate Democratic Tax Plan

Senate Republican Spending Cut Plan



Distribution of \$367 Billion Senate Republican Spending Cut Plan



SOURCE: Senate Budget Committee, Minority Staff

July 8, 1993

THE WEEKLY ECONOMIC REPORT

Executive Summary

This past week, jobs became a key issue. First, the Labor Department said that the unemployment rate increased to 7.0% in June (7/3). Then, the Wall St. Journal's semi-annual survey of 44 private economists showed that most expect sluggish job growth for the next 12 months (7/6). Yesterday, White House pollster Stan Greenberg released a study of Perot voters. Greenberg says, "Perot voters are concerned above all about the economy.... Job growth is the central accomplishment that Ross Perot voters are looking for from a Clinton administration" (7/7).

Calls for an international jobs summit cannot change the fact that Clinton's record tax increase will destroy jobs. Studies by DRI/McGraw-Hill, the National Center for Policy Analysis, Wharton Econometrics, and Allen Sinai all show that the Clinton Plan would slow real economic growth. The DRI/McGraw-Hill study estimates that the Clinton plan would eliminate 1.1 million jobs by 1996.

Recent Economic News

- o Only 13,000 jobs were created in June, far fewer than projected (130,000). The unemployment rate increased to 7.0% (7/3). For the 4th month in a row, manufacturing lost jobs. Manufacturing payrolls now stand at their lowest level since 1965 (7/7).
- o The Wall St. Journal's semi-annual survey of 44 private economists (7/6) shows that most forecasters lowered their growth projections for the next 12 months. The consensus forecast calls for modest growth, mild inflation, slightly higher interest rates, and slightly lower unemployment.
- o In June, the Conference Board reported two disturbing findings:
1) consumer confidence fell to its lowest level in 8 months, and
2) consumer expectations for the next 6 months dropped to its lowest level since February 1992 (6/29).

- o **The government's index of Leading Economic Indicators (LEI) -- the gauge used to predict future economic performance -- declined 0.3% in May. The larger-than-expected decline was the 2nd in 3 months (6/28).**
- o **Final government numbers show that 1st quarter GDP growth, only 0.7%, was the weakest since the 4th quarter of 1991, down sharply from the 4.7% rate in the 4th quarter of 1992 (6/23).**

What the Experts Are Saying

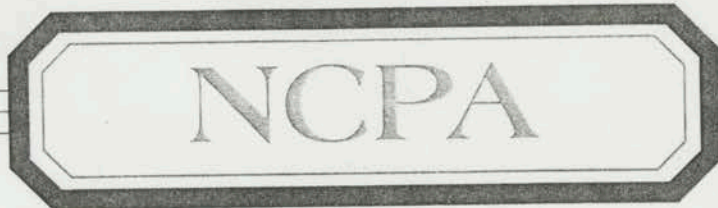
- o **Paul Craig Roberts, Chairman Institute for Political Economy, writes, "Senate Democrats have done President Clinton and the economy a great service by axing his BTU tax on energy, but if they want to save his presidency -- and the recovery -- they will have to go further and kill the entire tax bill" (7/5).**
- o **7 out of 10 companies surveyed by accountants Coopers & Lybrand expect an increase in their state and local taxes over the next two years as a result of the Clinton administration's economic proposals. Companies expected state and local taxes in increase by an average of 10 percent (7/7).**

Quotable

- o **Ronald Reagan says, "At my age, I live by three rules: Don't buy green fruit. Don't sign up for long-term magazine subscriptions. And don't believe in "future spending cuts" (7/8).**
- o **In discussing the reconciliation bill, Rep. John Murtha (D-PA) said, "If this thing fails, that's it. That's the end of [the Clinton] presidency" (7/7).**
- o **Commenting on divisions among Democrats over the budget and other issues, Rep. John Lewis (D-GA) said, "We Democrats have been out of power so long. Now we have one of our own in the White House, and we don't know how to act" (7/6).**
- o **White House pollster Stan Greenberg says "[Ross Perot voters']**

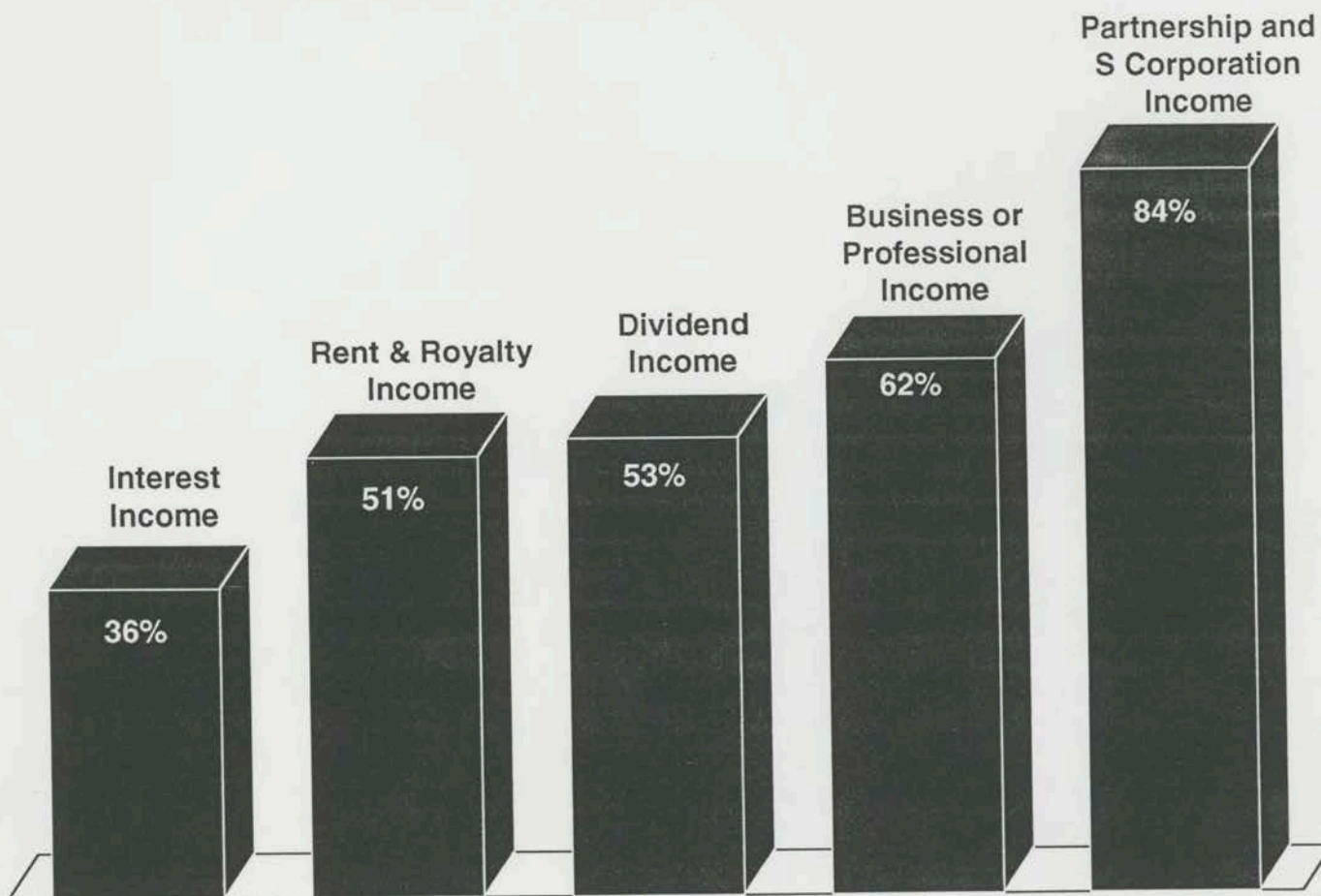
biggest doubt about Bill Clinton is not that he's too liberal. Their biggest doubt is that he will not succeed in delivering on his promises" (7/7).

- o **Larry Hunter, ex-chief economist of the U.S. Chamber of Commerce, criticizes the Chamber and other business groups for making deals with the Clinton Administration. He says, "All the U.S. Chamber is getting is a seat at the table -- a table where its own members are on the menu" (7/7).**



National Center for Policy Analysis

Percent of Investment Income Subject to Higher Tax Rates Under the Clinton Plan¹



¹ Subject to 36 percent rate or 36 percent rate plus the 10 percent surtax.

Source : National Center for Policy Analysis.

CREDIT CRUNCH RELIEF ACT OF 1993

COSPONSORS (as of July 8, 1993)

1. D'Amato
2. Domenici
3. Gregg
4. Grassley
5. Wallop

STATEMENT OF SENATOR BOB DOLE
CREDIT CRUNCH RELIEF ACT OF 1993
JUNE 24, 1993

MR. PRESIDENT, LATER TODAY, THE SENATE WILL ADOPT THE LARGEST TAX PACKAGE IN AMERICAN HISTORY--A WHOPPING \$264 BILLION.

NO DOUBT ABOUT IT, WITH MAJOR TAX INCREASES LOOMING ON THE HORIZON, THE AMERICAN PEOPLE ARE UNCERTAIN ABOUT THEIR ECONOMIC FUTURE. AND, UNTIL THIS UNCERTAINTY GIVES WAY TO CONFIDENCE, THEY ARE POSTPONING THE HIRING, SPENDING AND INVESTMENT DECISIONS THAT COULD GIVE THE ECONOMY A MUCH-NEEDED JUMP-START. THIS IS A BIG REASON BEHIND OUR SLUGGISH ECONOMY.

ANOTHER REASON IS THE LACK OF AVAILABLE CREDIT, PARTICULARLY FOR SMALL BUSINESSES. UNFORTUNATELY, REGULATORY BURDENS AND OVERLY-RESTRICTIVE EXAMINATION PRACTICES BY THE BANK REGULATORS HAVE DISCOURAGED BANKS FROM MAKING EVEN PRUDENT LOANS, THEREBY CHOKING OFF CAPITAL TO CREDITWORTHY BUSINESSES AND FARMS. THE RESULT IS FEWER JOBS AND LESS ECONOMIC GROWTH.

THAT'S WHY I AM JOINING TODAY WITH MY DISTINGUISHED COLLEAGUE FROM NEW YORK, IN INTRODUCING THE CREDIT CRUNCH RELIEF ACT OF 1993. THIS IMPORTANT LEGISLATION OUTLINES A SIX-POINT PLAN TO HELP EASE CREDIT, REDUCE THE UNNECESSARY REGULATORY BURDENS ON OUR STRONGEST BANKS, AND PUT OUR COUNTRY BACK ON THE ROAD TO ECONOMIC RECOVERY.

"MINIMAL DOCUMENTATION" LOANS

THE FIRST PROVISION WOULD ALLOW THE STRONGEST BANKS TO MAKE LOANS TO SMALL BUSINESSES WITHOUT HAVING TO FULFILL ALL THE PAPERWORK REQUIREMENTS THAT BANK EXAMINERS NORMALLY REQUIRE. THESE REQUIREMENTS ARE OFTEN UNNECESSARY, PARTICULARLY WHEN A BANK WOULD LIKE TO EXTEND CREDIT TO AN INDIVIDUAL OR AN INSTITUTION WITH A LONGSTANDING REPUTATION OF CREDITWORTHINESS WITHIN THE LOCAL COMMUNITY.

TO PROVIDE SOME SAFEGUARDS, THE TOTAL OF THE "MINIMAL DOCUMENTATION" LOANS AT A SINGLE INSTITUTION WILL BE LIMITED TO 40 PERCENT OF ITS TOTAL CAPITAL. NO INDIVIDUAL LOAN MAY EXCEED \$900,000 OR 5% OF THE LENDING INSTITUTION'S TOTAL CAPITAL, WHICHEVER IS LESS. THE FEDERAL BANKING REGULATORS MAY ALLOW A BANK TO EXCEED THESE LIMITS, CONSISTENT WITH SAFETY AND SOUNDNESS CONSIDERATIONS.

THIS PROVISION REFLECTS THE VIEW OF PRESIDENT CLINTON, WHO RECENTLY ORDERED THE FEDERAL BANKING REGULATORS TO ALLOW THE STRONGEST BANKS TO MAKE "MINIMAL DOCUMENTATION" LOANS. I COMMEND THE PRESIDENT FOR HIS LEADERSHIP ON THIS ISSUE. BY GOING THE STATUTORY ROUTE, RATHER THAN RELYING EXCLUSIVELY ON REGULATORY ACTION, THIS PROVISION GIVES THE PRESIDENT'S DIRECTIVE SOME ADDED PUNCH.

PRESIDENTIAL AUTHORITY

THE SECOND PROVISION IS ALSO AIMED AT GIVING THE PRESIDENT THE TOOLS HE NEEDS TO GET THE JOB DONE. SPECIFICALLY, IT VESTS WITH THE PRESIDENT THE AUTHORITY TO SUSPEND ANY BANK STATUTE OR REGULATION THAT HE DETERMINES IS UNNECESSARY, IMPOSES COSTS THAT OUTWEIGH ITS BENEFITS, OR HAS A NEGATIVE IMPACT ON THE AVAILABILITY OF CREDIT. THIS PROVISION WAS INTRODUCED EARLIER THIS YEAR BY SENATOR D'AMATO AS THE PRESIDENTIAL CREDIT AVAILABILITY AND ECONOMIC RECOVERY ACT.

PRESIDENT CLINTON HAS SPOKEN ELOQUENTLY ABOUT THE NEED TO "REINVENT GOVERNMENT" AND FOR A MORE RATIONAL APPROACH TO REGULATION, PARTICULARLY BANKING REGULATION. THIS PROVISION WILL HELP THE PRESIDENT ACCOMPLISH THIS IMPORTANT GOAL: IF HE BELIEVES THAT A PARTICULAR BANKING REGULATION RESTRICTS THE AVAILABILITY OF CREDIT, THEREBY SLOWING ECONOMIC GROWTH, THE PRESIDENT WILL HAVE THE UNDISPUTED AUTHORITY TO SUSPEND THAT LAW'S APPLICATION.

COMPLIANCE WITH THE COMMUNITY REINVESTMENT ACT

THE THIRD PROVISION ESTABLISHES A STATUTORY PRESUMPTION THAT A BANK IS MEETING THE CREDIT NEEDS OF ITS COMMUNITY AND IS IN COMPLIANCE WITH THE COMMUNITY REINVESTMENT ACT, IF THE BANK HAS RECEIVED A CRA RATING OF "SATISFACTORY" OR "OUTSTANDING" IN THE MOST RECENT EVALUATION OF ITS RECORD. THIS PRESUMPTION IS REBUTTABLE BY "CLEAR AND CONVINCING" EVIDENCE THAT A COMMUNITY'S CREDIT NEEDS ARE NOT BEING MET.

WHEN A BANK SEEKS TO BUY A NEW BRANCH OFFICE, IT SHOULD NOT HAVE TO RELITIGATE THE ISSUE OF CRA COMPLIANCE IF IT ALREADY HAS A "SATISFACTORY" OR "OUTSTANDING" CRA RATING. MANY BANKERS WONDER WHY THEY SEEK A CRA RATING IN THE FIRST PLACE, IF THE ISSUE OF COMPLIANCE IS RELITIGATED AGAIN...AND AGAIN...AND AGAIN. A STATUTORY PRESUMPTION OF CRA COMPLIANCE WOULD HELP PREVENT NEEDLESS LITIGATION AND ULTIMATELY REDUCE COSTS FOR BANK CONSUMERS.

REGULATORY IMPACT STATEMENT

THE FOURTH PROVISION PROHIBITS EACH OF THE FEDERAL BANKING REGULATORS FROM ISSUING NEW REGULATIONS UNTIL THE AGENCY HAS CONDUCTED AN ANALYSIS OF THE IMPACT OF THE REGULATION ON SMALL BANKS AND CONSUMERS, INCLUDING SMALL BUSINESS BORROWERS. BEFORE A PROPOSED REGULATION BECOMES EFFECTIVE, THE BENEFITS OF THE REGULATION MUST OUTWEIGH ITS COSTS.

MR. PRESIDENT, THIS MAY SOUND LIKE COMMON SENSE, BUT COMMON SENSE IS OFTEN A RARE COMMODITY IN WASHINGTON.

DELAYING THE EFFECTIVE DATE OF SECTION 132

THE FIFTH PROVISION DELAYS, UNTIL JANUARY 1, 1996, THE

EFFECTIVE DATE OF SECTION 132 OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991. SECTION 132 REQUIRES FEDERAL REGULATORS TO SET NATIONAL STANDARDS FOR A WIDE ARRAY OF INTERNAL BANK PROCEDURES--ALL REGARDLESS OF WHETHER THESE STANDARDS ARE APPROPRIATE FOR INDIVIDUAL INSTITUTIONS.

ALTHOUGH ORIGINALLY DESIGNED AS A REFORM MEASURE, SECTION 132'S "ONE-SIZE-FITS-ALL" APPROACH TO BANK PROCEDURES COULD HAVE A NEGATIVE IMPACT ON BANK LENDING. AS FEDERAL RESERVE BOARD CHAIRMAN ALAN GREENSPAN RECENTLY EXPLAINED, AND I QUOTE: "THE NECESSARY REGULATORY RESPONSE...AND THE ANTICIPATED INDUSTRY RESPONSE TO THE NEW REGULATIONS HAVE AND WILL DIVERT SCARCE RESOURCES AT REGULATORY AGENCIES, ADD TO THE REGULATORY BURDEN ON THE INDUSTRY, AND CREATE UNCERTAINTIES, ALL OF WHICH REDUCE THE INCENTIVES OF BANKERS TO TAKE ON RISK, PERHAPS EVEN REASONABLE BUSINESS RISK."

DELAYING THE EFFECTIVE DATE OF SECTION 132 WILL GIVE BANKS, PARTICULARLY COMMUNITY BANKS, MORE TIME TO GRAPPLE WITH THE NEW REGULATORY REQUIREMENTS. THIS WILL HOPEFULLY REDUCE THE UNCERTAINTY AND SPUR PRUDENT LENDING.

CONSUMER SURVEYS

THE SIXTH AND FINAL PROVISION DIRECTS EACH FEDERAL BANKING REGULATORY AGENCY TO CONDUCT A SURVEY OF BANK CUSTOMERS TO DETERMINE WHETHER THOSE LAWS THAT CONGRESS DESIGNED TO PROTECT CONSUMERS ARE, IN FACT, ACHIEVING THEIR INTENDED GOALS. THE LAWS THAT WILL BE SURVEYED INCLUDE THE TRUTH-IN-SAVINGS ACT, THE TRUTH-IN-LENDING ACT, AND THE COMMUNITY REINVESTMENT ACT. THE SURVEYS MUST BE COMPLETED WITHIN SIX MONTHS OF THE ENACTMENT OF THIS BILL.

ALL TOO OFTEN, CONGRESS PASSES LAWS UNDER THE BANNER OF "CONSUMER PROTECTION" WITHOUT HAVING A CLEAR SENSE OF WHETHER THESE LAWS WILL WORK AS ADVERTISED. I SUSPECT THAT SOME CONSUMER PROTECTION LAWS ACTUALLY END UP HARMING CONSUMERS IN THE LONG-RUN, AS THE ADDITIONAL COSTS OF REGULATION ARE PASSED ON TO THEM. TO DETERMINE WHETHER BANK CONSUMERS ARE, IN FACT, BENEFITTING FROM THE LAWS WE PASS, CONGRESS AND THE REGULATORS SHOULD DO WHAT ANY BUSINESS WOULD DO--CONDUCT A SURVEY AND ASK THE CONSUMERS THEMSELVES.

WON'T END THE CREDIT CRUNCH OVERNIGHT

MR. PRESIDENT, THESE PROPOSALS WON'T END THE CREDIT CRUNCH OVERNIGHT, BUT THEY ARE A STEP IN THE RIGHT DIRECTION. WE ALL AGREE THAT REGULATION IS NECESSARY TO PROTECT THE TAXPAYERS FROM THE COSTS OF BANK FAILURES AND TO PROTECT CONSUMERS FROM THE UNSCRUPULOUS PRACTICES OF THE FEW BAD APPLES IN THE BANKING BUSINESS. BUT REGULATION SHOULD NEVER BE AN END IN ITSELF, AND IT SHOULD NEVER ACT AS AN OBSTACLE TO ECONOMIC GROWTH, ABSENT VERY STRONG JUSTIFICATIONS.

MR. PRESIDENT, I ASK UNANIMOUS CONSENT THAT THE FULL TEXT OF
THE CREDIT CRUNCH RELIEF ACT OF 1993 AND AN EXECUTIVE SUMMARY OF
THE ACT BE INSERTED IN THE RECORD IMMEDIATELY AFTER MY REMARKS.

###

CREDIT CRUNCH RELIEF ACT OF 1993--Executive Summary

Section 1. Short Title. The bill is entitled the "Credit Crunch Relief Act of 1993."

Section 2. Exemption of Loan Document Review. This provision amends the Federal Deposit Insurance Corporation Improvement Act of 1991 to permit the strongest banks and thrifts (with CAMEL OR MACRO ratings of 1 or 2) to make loans to small businesses with only "minimal documentation." The total of the "minimal documentation" loans at a single institution will be limited to 40 percent of its total capital. No individual loan may exceed \$900,000 or 5% of the lending institution's total capital, whichever is less. Each Federal banking agency may adjust this limitation to permit eligible institutions to make additional "minimal documentation" loans, consistent with safety and soundness considerations.

This provision builds upon the Administration's credit crunch proposal.

Section 3. Expansion of Presidential Authority. This provision gives the President the authority, by executive order, to suspend any statute or regulation affecting a depository institution if he determines that the statute or regulation 1) is unnecessary, 2) is less effective in achieving its purpose than other available alternatives, 3) imposes costs that outweigh its benefits, or 4) has a negative impact on the availability of credit. Before suspending any statute or regulation, the President must notify the House and Senate Banking Committees. Presidential authority granted by the provision expires on January 1, 1997.

This provision incorporates the Presidential Credit Availability and Economic Recovery Act, introduced by Senator D'Amato.

Section 4. Presumption of Compliance with the Community Reinvestment Act. This provision establishes a statutory presumption that a bank is meeting the credit needs of its community and is in compliance with the Community Reinvestment Act, if the bank has received a CRA rating of "Satisfactory" or "Outstanding" in the most recent evaluation of its record. This presumption is rebuttable by "clear and convincing" evidence that a community's credit needs are not being met.

Section 5. Regulatory Impact Statement. This provision prohibits the promulgation of new banking regulations until the appropriate agency conducts an analysis of the regulatory impact on small banks and consumers, including small business borrowers.

This provision is taken from the Small Business Assistance and Credit Crunch Relief Act, introduced by Senator Chafee.

Section 6. Delay Effective Date of Section 132 of FDICIA. This

provision delays the effective date of Section 132 of FDICIA until January 1, 1996. Section 132 operates as a straightjacket on bank operations by requiring federal regulators to set nationwide standards for a wide variety of bank internal procedures, including a bank's internal controls, loan documentation practices, and credit underwriting standards--all regardless of whether these standards are appropriate for individual institutions.

Section 7. Consumer Surveys. This provision directs each Federal banking agency to conduct a statistically valid survey of financial-services customers to determine the general public awareness of, perceived benefits to consumers of, and cost effectiveness of, the federal banking laws designed to protect consumers. Each survey must be conducted within six months of enactment. A report summarizing the survey results must be submitted to the House and Senate Banking Committees within 30 days of the survey's completion.

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TO: Senator Dole
FR: Kerry

RE: INFORMATION ON VIOLENCE AGAINST WOMEN

*Biden and Hatch have agreed on a compromise bill blending Biden's bill with your bill. The controversial new cause of action section has been watered down to meet the approval of Hatch and federal judges.

*Highlights of the bill, which has been reported out of Judiciary, and is awaiting floor action:

*Enhances penalties for federal sex crimes, including doubling the maximum sentence for repeat offenders

*Increases use of pre-trial detention, so offenders can not be out committing additional sex crimes while waiting to come to trial.

*Grant program to state and local governments for programs combatting violence against women, victims assistance, and domestic violence.

*Provides victims of sexual abuse and other crimes of violence the right to be present at sentencing, and right to make a statement prior to imposition of sentence.

*Limits use of a victim's sexual history in all criminal cases and in civil cases.

*Establishes civil rights cause of action for crimes of violence motivated by animus for victim's gender.

TALKING POINTS

*This is third consecutive year you have introduced legislation to combat violence against women.

*Have long believed that estimated 2.5 million violent crimes committed against women each year is national outrage.

*By designating my bill S.6--the highest designation I could give it--I wanted to send a message that it was my top priority.

*Spoke with Senator Biden and Senator Hatch early in the session, to indicate my hope that Democrats and Republicans could get together on tough legislation.

*While I think the new civil rights cause of action is the weakest part of bill, Senator Biden and Democrats have made it

clear that there will be no bill without a provision. My office took the lead in addressing the federal judiciary's concerns that this provision will further clog our courts.

*Am generally pleased with compromise that has been reached, although there were a few provisions in my legislation not in the compromise version which are possibilities for floor amendments, such as:

*Mandatory AIDS testing of defendnats in sexual assault cases with disclosure of results to victim.

*Authorizing death penalty for murders committed by sex offenders.

*A general rule of admissability in sexual assault and child molestation cases for evidence that defendant has committed prior offenses of same type.

Barren D.

GET NAFTA MOVING NOW

MR. PRESIDENT, LEON PANETTA, THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET, IS QUOTED IN THE PRESS THIS WEEK AS SAYING THAT THE NAFTA -- THE NORTH AMERICAN FREE TRADE AGREEMENT -- "IS RESURRECTING ITSELF" AND THAT ULTIMATELY THE ADMINISTRATION EXPECTS TO SEE IT PASSED.

THIS OPTIMISM ON MR. PANETTA'S PART IS GOOD NEWS, MR. PRESIDENT, SINCE HE HAD PROCLAIMED NAFTA DEAD JUST A SHORT TIME AGO. WHILE THIS TALK OF RESURRECTION COMES TOO LATE FOR EASTER TIME, I HOPE IT MEANS THAT THE ADMINISTRATION IS GETTING RELIGION ON AN HISTORIC AGREEMENT WITH THE POTENTIAL FOR SIGNIFICANT ECONOMIC BENEFIT FOR THE UNITED STATES AND OUR TWO CLOSEST NEIGHBORS.

NO DOUBT ABOUT IT, NAFTA IS HAVING ITS SHARE OF PROBLEMS. WHILE THE PRO-NAFTA LOBBY HAS BEEN RELATIVELY QUIET, AN ANTI-NAFTA LOBBY HAS GROWN UP AND IT'S PROSPERING. WHILE THE ADMINISTRATION WAS OCCUPIED FIRST WITH THE TRANSITION AND THEN WITH CHARTING A COURSE ON NAFTA, THE ANTI-TRADE LOBBY TOOK ADVANTAGE OF THE VACUUM AND SEIZED THE INITIATIVE. THE ISOLATIONISTS, THE PROFESSIONAL TRADE CRITICS AND THE FEAR MONGERS HAVE DISCOVERED THAT BAD NEWS IS GOOD BUSINESS AND THEY ARE CASHING IN WITH OP-ED PIECES, TELEVISION APPEARANCES, REPORTS AND STUDIES ALL DELIVERING THE MESSAGE OF THEIR ANTI-NAFTA PATRONS.

YESTERDAY'S COURT RULING, WHICH HOLDS THAT NAFTA LEGISLATION CANNOT BE SENT TO CONGRESS WITHOUT AN ENVIRONMENTAL IMPACT STATEMENT, THREATENS THIS AND ANY OTHER TRADE AGREEMENT AND, COULD APPLY TO MANY PIECES OF LEGISLATION SENT TO CONGRESS FROM THE EXECUTIVE BRANCH. I DISAGREE WITH THE COURT'S DECISION, MR. PRESIDENT, AND SHARE THE ADMINISTRATION'S HOPE THAT IT WILL BE OVERTURNED.

NOW IT'S TIME FOR THE ADMINISTRATION TO TAKE BACK THE INITIATIVE AND MAKE THE CASE FOR A NAFTA WHICH WILL CREATE JOBS IN AMERICA AND SECURE FOR AMERICAN MANUFACTURING, AGRICULTURE AND SERVICES AN IMPORTANT AND GROWING MARKET.

IT'S TIME FOR PRESIDENT CLINTON TO PUT TOGETHER THE COALITION THAT GOT NAFTA MOVING IN THE FIRST PLACE -- A BIPARTISAN GROUP OF POLITICAL LEADERS, FARM AND MANUFACTURING GROUPS WHO UNDERSTAND THE LONG-TERM BENEFITS OF A U.S.-CANADIAN-MEXICAN TRADE AGREEMENT AND HAVE THE ABILITY TO SEE BEYOND THE NEXT ELECTION.

IT'S IMPORTANT TO REMEMBER, MR. PRESIDENT, THAT IT WAS A STRONG BIPARTISAN EFFORT THAT GOT NAFTA WHERE IT IS TODAY. IN SEEKING FAST TRACK NEGOTIATING AUTHORITY TO CONCLUDE NAFTA TWO YEARS AGO, PRESIDENT BUSH WOULD NOT HAVE BEEN SUCCESSFUL WITHOUT THE ACTIVE SUPPORT OF LEADERS IN BOTH PARTIES, PARTICULARLY THE DISTINGUISHED CHAIRMAN OF THE COMMITTEE ON WAYS AND MEANS AND THE DISTINGUISHED CHAIRMAN OF THE COMMITTEE ON FINANCE, OUR FORMER

COLLEAGUE, SENATOR LLOYD BENTSEN.

THE POTENTIAL FOR A STRONG, BIPARTISAN NAFTA COALITION IS OUT THERE. STATE GOVERNORS HAVE AS GOOD A HANDLE ON NAFTA'S PROSPECTS FOR THEIR CONSTITUENTS AS ANYONE. THE HERITAGE FOUNDATION RECENTLY SURVEYED THE 50 GOVERNORS AND FOUND THAT 40 OF THEM ACTIVELY SUPPORT NAFTA AND NONE HAS COME OUT AGAINST IT. EVEN THE 10 NOT IN ACTIVE SUPPORT STILL STAND BEHIND THE NATIONAL GOVERNORS' ASSOCIATION FEBRUARY, 1993 STATEMENT BACKING NAFTA.

THE GOVERNORS HAVE SEEN TRADE NEGOTIATIONS AT WORK AND KNOW THE REAL BENEFITS THAT GOOD TRADE AGREEMENTS CAN BRING IN TERMS OF EXPORT AND JOB GROWTH. FOR THE PAST FIVE YEARS, VIRTUALLY EVERY STATE HAS SEEN A SHARP RISE IN EXPORTS TO MEXICO. THE REASON IS SIMPLE: IN THAT TIME, SINCE MEXICO JOINED THE GATT, IT HAS HAD TO LOWER ITS ONCE FORMIDABLE TRADE BARRIERS AND THAT GAVE OUR FARMERS AND MANUFACTURERS THEIR CHANCE TO TURN MEXICO INTO OUR THIRD LARGEST TRADING PARTNER AND A TRADE DEFICIT INTO A GROWING TRADE SURPLUS.

THE GOVERNORS ALSO KNOW THAT ELIMINATING THOSE REMAINING TARIFF BARRIERS AND DOING AWAY WITH MEXICAN QUOTAS AND LICENSING SYSTEMS WILL SEND EVEN MORE EXPORTS SOUTH AND KEEP MORE JOBS NORTH.

THERE ARE SOLID ARGUMENTS TO MAKE TO GET NAFTA BACK ON TRACK:

-- THE NAFTA DEBATE SHOULDN'T REVOLVE AROUND COMPARATIVE WAGES BECAUSE IF LOW WAGES WERE THE KEY, HAITI WOULD BE A MAJOR MANUFACTURING CENTER.

-- THE FACT IS OUR DOMESTIC AUTO INDUSTRY GETS MOST OF ITS COMPETITION FROM JAPAN AND GERMANY, TWO OF THE HIGHEST WAGE NATIONS IN THE WORLD.

-- THE FACT IS THAT DEFEATING A NAFTA WILL NOT DO ANYTHING TO KEEP COMPANIES FROM RELOCATING, WILL NOT DO ANYTHING TO IMPROVE THE ENVIRONMENT IN MEXICO OR ALONG THE BORDER AND WILL NOT DO ANYTHING TO IMPROVE LABOR STANDARDS FOR MEXICAN WORKERS.

-- THE FACT IS THAT DEFEATING A NAFTA WILL ALMOST CERTAINLY HAND OUR TRADE COMPETITORS IN EUROPE AND ASIA A WINDFALL PROFIT AT THE EXPENSE OF OUR OWN WORKERS AND EXPORTERS.

TIME IS RUNNING OUT FOR NAFTA. THERE ARE ONLY SIX MONTHS LEFT IN THE SCHEDULE IN WHICH THE ADMINISTRATION WANTS TO PUT THE AGREEMENT INTO EFFECT. IN THAT TIME, THE SIDE AGREEMENT NEGOTIATIONS MUST BE COMPLETED, THE IMPLEMENTING LEGISLATION MUST BE WRITTEN AND DELIVERED TO CONGRESS FOR DEBATE AND VOTING WHEN APPROPRIATIONS, HEALTH CARE AND OTHER IMPORTANT LEGISLATION REMAIN BEFORE US.

I ALSO BELIEVE THAT LEADERS IN BOTH PARTIES SHOULD PROVIDE SOME MEASURE OF ASSURANCE TO THE MEXICAN PEOPLE THAT THE DEBATE

WILL BE CONDUCTED ON THE MERITS OF THE AGREEMENT ITSELF AND TO CATEGORICALLY REJECT ANY ELEMENT OF DEROGATORY COMMENTS DIRECTED AT THE MEXICAN PEOPLE OR THE HISPANIC-AMERICAN COMMUNITY IN THE UNITED STATES.

I RAISE THIS ISSUE, MR. PRESIDENT, BECAUSE OF A LETTER I RECENTLY RECEIVED FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE UNITED STATES HISPANIC CHAMBER OF COMMERCE. THIS ORGANIZATION, WHICH STRONGLY SUPPORTS NAFTA, REPRESENTS MORE THAN 650,000 BUSINESSES EMPLOYING A MAJORITY OF HISPANICS.

THE LETTER MAKES A STRONG CASE FOR THE POLITICAL AND ECONOMIC BENEFITS THAT NAFTA WOULD BRING TO BOTH THE UNITED STATES AND MEXICO BUT IT GOES ON TO DEPLORE DEROGATORY AND OFFENSIVE REMARKS ABOUT THE HISPANIC COMMUNITY WHICH APPARENTLY HAVE BEEN MADE IN THE COURSE OF THE DEBATE. THAT KIND OF REMARK HAS NO PLACE IN THIS DISCUSSION, MR. PRESIDENT, AND I INTEND TO DO MY PART TO SEE THAT HISPANIC WORKERS, BUSINESSMEN AND BUSINESS WOMEN GET THE ENORMOUS RESPECT THAT THEY DESERVE AS WE DEBATE NAFTA.

NAFTA NEEDS LEADERSHIP NOW -- FROM BOTH PARTIES AND FROM ALL SECTORS OF THE ECONOMY. I WANT TO SAY AGAIN THAT PRESIDENT CLINTON KNOWS HE HAS MY SUPPORT AND THE SUPPORT OF A SOLID MAJORITY OF REPUBLICAN SENATORS FOR THE BASIC NAFTA AGREEMENT.

BUT IF WE DON'T GET OUT FRONT NOW AND MAKE A STRONG CASE TO

THE AMERICAN PEOPLE FOR NAFTA, AN EXTRAORDINARY OPPORTUNITY FOR
ECONOMIC PROGRESS WILL BE LOST, CERTAINLY FOR THIS YEAR AND MAYBE
FOREVER.

THANK YOU, MR. PRESIDENT.

JULY 7, 1993

TO: SENATOR DOLE
FROM: DAVID WILSON
SUBJECT: EDUCATION SUMMARIES FOR TRIP BOOK

THERE ARE THREE MAIN EDUCATION MEASURES BEFORE THE 103RD CONGRESS, AND ALL ARE BIG TICKET ITEMS. THEY ARE: DIRECT LENDING; GOALS 2000; AND NATIONAL SERVICE.

STUDENT DIRECT LENDING PROGRAM

- "EFFICIENT AS THE POST OFFICE, AND AS COMPASSIONATE AS THE IRS."

UNDER THE CURRENT SYSTEM, THE FEDERAL GOVERNMENT GUARANTEES STUDENT LOANS AGAINST DEFAULT AND MAKES INTEREST PAYMENTS TO BANKS WHILE STUDENTS ARE IN SCHOOL. DIRECT LENDING WOULD ELIMINATE INTEREST PAYMENTS AND THE FEDERAL TREASURY WOULD BE RESPONSIBLE FOR PROVIDING LOAN MONEY (\$25 BILLION/YR. ONCE FULLY IMPLEMENTED). CBO SCORED IT AS A SAVINGS, BUT IGNORED SEVERAL FACTORS, INCLUDING DEFAULTS.

AS PART OF RECONCILIATIONS, THE HOUSE VERSION WOULD FULLY PHASE IN DIRECT LENDING IN 5 YEARS, AND THE SENATE VERSION INCLUDED A KASSEBAUM COMPROMISE WHICH WOULD CAP DIRECT LENDING AT 50% AT THE END OF 5 YEARS.

THINGS YOU SHOULD KNOW

- O THE SENATE VERSION IS A "COMPROMISE" ONLY IN NAME.
- O BANKS WILL TAKE BIG HIT ON PAYMENTS AND LOSE HALF OF MARKET.
- O 50% CAP MAY BE A DOUBLE-EDGED SWORD. IF BANKS CANNOT TURN A PROFIT, THEY WILL OPT OUT -- LEAVING ONLY THE BIG PLAYERS WHO MAY SURVIVE BECAUSE OF SCALES OF ECONOMIES (I.E., SALLIE MAE). THIS MAY LEAVE SOME STUDENTS OUT IN THE COLD IF THE DIRECT LENDING CAP IS REACHED AND THERE IS NO LOCAL BANK TO MAKE THE LOAN.
- O KANSAS SCHOOLS HATE COMPROMISE AND DIRECT LENDING. FINANCIAL AID OFFICES ARE OVERBURDENED BY FEDERAL MANDATES AND DON'T APPRECIATE HAVING THEIR WORKLOADS DOUBLED TO OPERATE DUPLICATIVE PROGRAMS.

GOALS 2000 ACT (PRIMARY AND SECONDARY EDUCATION)

- "FOR A PRESIDENT WHO WANTS CHANGE, HE ISN'T GETTING MUCH. THIS BILL STIFLES INNOVATION AND BOLSTERS THE EDUCATION ESTABLISHMENT."

- O ALTHOUGH THE MEASURE IS PENDING HOUSE AND SENATE FLOOR ACTION, HOUSE APPROPRIATORS HAVE SET ASIDE \$100 MILLION FOR FY94.
- O GOALS 2000 ACT WOULD ESTABLISH A DE FACTO NATIONAL SCHOOL BOARD THAT WOULD USURP LOCAL AUTHORITY.

O TRIES TO SOLVE EDUCATION DEFICIT BY SPENDING MORE MONEY. WE INCREASED SPENDING DURING THE 80'S AND SAT SCORES WENT DOWN. IN FACT, STATES WHICH SPEND LESS THAN THE NATIONAL AVERAGE USUALLY HAVE HIGHEST SAT SCORES.

O REPUBLICANS OPPOSE MEASURE IN BOTH HOUSE AND SENATE. ADDITIONALLY, THE ADMINISTRATION AND AMERICAN FEDERATION OF TEACHERS ARE NOT PLEASED WITH CHANGES THAT SEN. KENNEDY AND REP. FORD HAVE MADE. MAY BE ROOM FOR REPUBLICANS TO LEVERAGE CHANGE, OR PIT DEMOCRATS AGAINST EACH OTHER, DURING FLOOR PROCEDURES.

NATIONAL SERVICE

- "SERVICE TO COMMUNITY IS NOT A DEMOCRAT CONCEPT OR A REPUBLICAN CONCEPT. IT'S AN AMERICAN CONCEPT."

CLINTON'S NATIONAL SERVICE PROPOSAL IS PENDING SENATE FLOOR ACTION. TO DEVELOP A REPUBLICAN RECORD ON THIS ISSUE, YOU HOSTED A FORUM WITH OUTSIDE EXPERTS TO CONSTRUCTIVELY DISCUSS THE CLINTON/KENNEDY/FORD PLAN AND SEVERAL ALTERNATIVE APPROACHES. REPUBLICANS DID NOT USE THE FORUM TO CRITICIZE CLINTON, BUT TO HELP SHAPE NATIONAL SERVICE INTO A REASONABLE, COST-EFFECTIVE PROGRAM WHICH PROMOTES THE AMERICAN PEOPLE'S DESIRE TO VOLUNTEER.

SENATOR KASSEBAUM INTRODUCED A NATIONAL SERVICE PROPOSAL LAST WEEK WHICH STREAMLINES EXISTING FEDERAL SERVICE PROGRAMS, AND PROVIDES A STIPEND FOR VOLUNTEERS AFTER COMMITMENT IS MET. IT DOES NOT PROVIDE A \$5000 EDUCATIONAL AWARD AND PREVENTS VOLUNTEERS FROM RECEIVING OTHER TYPES OF FEDERAL ASSISTANCE (I.E., SUBSIDIZED HOUSING AND FOOD STAMPS). PEOPLE HAVE DESCRIBED HER PROPOSAL AS CLINTON'S, BUT WITHOUT THE WARTS.

CONCERNS ABOUT CLINTON'S PROPOSAL

O CAN ALL AMERICANS PARTICIPATE? NO, LESS THAN 1% OF ALL HIGHER EDUCATION STUDENTS CURRENTLY ENROLLED CAN JOIN.

O DOES IT NEGATIVELY IMPACT OTHER EDUCATION PROGRAMS? INVESTING THE SAME AMOUNT OF MONEY IN EXISTING PELL GRANTS AND COLLEGE WORK-STUDY PROGRAMS WOULD ENABLE MANY MORE STUDENTS TO HAVE ACCESS TO HIGHER EDUCATION.

O IS IT COST-EFFECTIVE? MANY EXPERTS SAY "NO!" FOR EXAMPLE, COOPERATIVE EDUCATION PROGRAMS, WHICH HELPS COLLEGE STUDENTS PAY FOR SCHOOL AND GET A GOOD JOB AFTER GRADUATION, SERVE 200,000 STUDENTS AND COSTS CONGRESS LESS THAN \$14 MILLION A YEAR. ON THE OTHER HAND, A FULLY IMPLEMENTED CLINTON PROPOSAL WOULD ONLY SERVE 150,000 STUDENTS AND COST MORE THAN \$3 BILLION. INTERESTINGLY ENOUGH, PRESIDENT CLINTON TRIED TO ZERO-FUND COOPERATIVE EDUCATION FOR FISCAL YEAR 1994.

O AND FINALLY, IS THERE A COMMUNITY SERVICE DEFICIT? THAT DEPENDS ON WHO YOU ASK, BUT TODAY MORE THAN 100 MILLION AMERICANS VOLUNTEER 4.2 HOURS A WEEK.

CAMPAIGN FINANCE REFORM

BLUE RIBBON COMMISSION

Cosponsors (as of July 8)

1. Kassebaum

BLUE-RIBBON COMMISSION ON CAMPAIGN FINANCE REFORM

1. The Commission will have 8 members--2 appointed by the Senate Majority Leader, 2 appointed by the Senate Republican Leader, 2 appointed by the Speaker of the House, and 2 appointed by the House Republican Leader.
2. The Commission will have the authority to conduct public hearings and solicit the testimony of witnesses. By a majority vote, the Commission will have the authority to appoint an Executive Director. Funding for the Commission will be such sums as may be necessary.
3. The Commission will issue a report outlining its recommendations for comprehensive campaign finance reform, including its recommendations for a) making politics more competitive, b) reducing the role of special-interest funding in campaigns, c) reducing the cost of campaign advertising, and d) increasing constituent participation in campaigns.
4. With its final report, the Commission must submit a legislative proposal implementing the report's recommendations.
5. The report and legislative proposal must be submitted to the Senate Majority Leader, the Senate Republican leader, the Speaker of the House, and the House Republican Leader no later than May 31, 1994. Both the report and the legislative proposal will be made available to the public.
6. The Commission's report and legislative proposal must be adopted by Congress; provided, however, that a majority of two-thirds of the membership in either House may object to the passage of the Commission's legislative proposal. In the event that a majority of two-thirds of the membership in either House objects to the Commission's legislative proposal, the proposal will not become effective.
7. Congress must dispose of the Commission report and legislative proposal no later than November 1, 1994. Pending Congressional approval, the legislative proposal will become effective on January 1, 1995.
8. The legislation developed by the Commission, and adopted by Congress, will sunset after 6 years (three election cycles), on December 31, 2000.
9. The Commission will submit a second report to the Senate Majority Leader, the Senate Republican Leader, the Speaker of the House, and House Republican Leader, no later than December 31, 1999. This report will evaluate the effectiveness of the Commission's recommendations during the two previous election cycles and will offer legislative suggestions for improvement.

July 8, 1993

TO: Senator Dole
FROM: John Z.
SUBJECT: Tokyo Summit

Regarding the Clinton statements from the Summit about trade, there is less there than meets the eye. As this NY Times article correctly notes, this is really that old, familiar "framework" with real agreements yet to be negotiated.

-- Tariff cuts are only part of market access. Import tariffs can be zero but we still won't be able to sell American goods if countries maintain non-tariff trade barriers like quotas, licensing requirements, complicated import and distribution procedures, unnecessary health regulations, etc. No mention of this anywhere by Clinton.

-- And what about agriculture? Not a word about the sector in which we are highly competitive, earning an annual trade surplus of more than \$20 billion. Maybe he's already taken Jeffrey Garten's advice.

-- The G-7 represents only about 6 percent of GATT members - - albeit some of the biggest traders. Even so, the French are already saying this morning that they really don't agree with the Clinton statements.

-- For at least two of the Clinton "successes" - textiles and steel -- there are completely separate negotiations.

-- The Clinton Administration may, in fact, be headed for a much narrower, much weaker trade deal than the Bush Administration worked for -- a mini-agreement, with maxi-press.

MANY LOOSE ENDS MUST BE TIED UP

Tokyo Accord Is Just a Base for a Lot More Trade Talks

By **ANDREW POLLACK**
Special to The New York Times

TOKYO, July 7 — An agreement to cut tariffs that was heralded here today as a significant achievement still leaves several contentious issues to be resolved before the completion of an accord to lower worldwide barriers to trade.

Officials at the meeting of leaders of the Group of Seven industrial democracies said today that despite its shortcomings, their agreement could end up as the biggest surprise and their most important accomplishment here, breathing new life into trade talks that have dragged on for years.

Under the agreement, reached today by the United States, Canada, Japan, Germany, France, Italy and Britain, tariffs would be eliminated on products ranging from beer to bulldozers, and from pharmaceuticals to furniture.

Beyond Expectations

Details released today show that the "market access" package is less comprehensive than what had been hoped for, but is nonetheless broader than what had been expected, owing in part to a dramatic last-minute move by Japan to break a logjam by agreeing to eliminate tariffs on liquor.

The package is now expected to serve as the basis for resumption of global trade talks on Monday in Geneva. This talks, known as the Uruguay Round, are sponsored by the international convention known as the General Agreement on Tariffs and Trade.

Trade officials acknowledged that there is a great difference between restarting the seven-year-old Uruguay Round and finishing it by Dec. 15, the deadline for presenting the proposed treaty to Congress, which must vote on the accord without amending it.

In addition, some unresolvable issues were just swept under the rug. In that sense, today's agreement is not so much a specific list of tariff cuts as it is a framework for how to proceed.

What Is Not Covered

There was no real agreement, for instance, on tariff reductions for electronics products imported by Europe and wood imported by Japan, both of which would benefit United States companies. Nor is there an agreement on trade in services, leaving unresolved such contentious issues as laws that protect United States shipping companies and let Europe restrict foreign television programs.

In the case of United States imports of textiles and apparel, there is an expectation that some particularly high tariffs will be cut by up to a half, but that is subject to more talks. "The real negotiations on textiles have yet to take place," said Hugo Paemen, a European Community negotiator.

The renewed sense of optimism was nonetheless widely shared.

"Today was truly a breakthrough," Mickey Kantor, the United States trade representative, said at a news conference, describing the accord as the largest package of tariff cuts in history. He added that it would create jobs and give "new confidence in not only our trading system but in our economy."

Breaking a Logjam on Trade

Trade ministers agreed yesterday to pursue global cuts in tariffs on a broad range of manufactured products.



Tariffs and other trade barriers eliminated

- Pharmaceuticals
- Construction equipment
- Medical equipment
- Beer
- Steel*
- Furniture†
- Farm equipment†
- Distilled spirits†

Tariffs harmonized at low rates, in some cases zero

- Chemicals

Agreement to seek tariff cuts of up to one-half on high-tariff items†

- Textiles
- Apparel
- Glass
- Ceramics



Pledge to negotiate tariff cuts averaging one-third

- Electronics
- Wood
- Paper
- Non-ferrous metals
- Scientific equipment

*Subject to completion of steel agreement. †Subject to some exceptions.

Roderick Abbott, a European negotiator, estimated that the accord would reduce tariffs on trade between the United States and the European Community by 40 percent.

But even if the outstanding issues are resolved among the major traders, the other 100 or so members of GATT must rejoin negotiations and ratify the tariff cuts if they are to become truly global. Some less developed nations that depend on textile exports might want to see deeper cuts in textile tariffs by the United States.

Moreover, elimination of tariffs on industrial products is only one part of the broader GATT agreement being sought. The "market access" talks that took place here deliberately left out the most divisive issue standing in the way of a full agreement — trade in farm

Today's agreement would phase out tariffs and non-tariff barriers on eight categories of products — pharmaceuticals, construction equipment, medical equipment, beer and steel, and, subject to some exceptions, furniture, farm equipment and liquor. The United States is particularly strong in pharmaceuticals and medical equipment and might see increased exports.

Another category covers products on which tariffs are higher than 15 percent, which makes imports prohibitively expensive. These affect United States imports of textiles, apparel, glass and ceramics.

For these products, talks are to be held on halving the highest tariffs. United States negotiators said they are proposing phasing in tariff cuts to shield American companies.

Yet another category covers products for which no agreement could be reached. These are electronics, wood, paper, non-ferrous metals and scientific equipment.

For these items, four governments agreed to negotiate tariff cuts that average at least one-third over all the products. This gives countries room to protect certain industries. For instance, Europe might be able to avoid eliminating tariffs on semiconductors if it cuts tariffs for other products enough to average a 33 percent cut for the whole group.

Only two days ago, trade officials were pessimistic about getting much of an agreement. But on Tuesday, trade ministers met until late into the night to prevent what might have been the death of the Uruguay Round.

"There clearly was a looking-into-the-abyss kind of thing," said one participant.

As the clock approached 3 A.M., Japan came under pressure to reduce its tariffs on liquor. Yoshiro Mori, the Minister of International Trade and Industry, and Kabun Muto, the Foreign Minister, said they would have to consult with Prime Minister Kiichi Miyazawa, and the meeting adjourned.

This morning, Mr. Mori announced Japan's willingness to eliminate tariffs on brandy and whiskey. With that concession, Canada agreed to eliminate tariffs on beer and furniture. The European Community, which had been seeking an end to Canadian tariffs on furniture, said it would reciprocate by eliminating tariffs on farm equipment.

7 nations agree. Now, about the other 100, . . .

products. Agriculture, as well as unresolved issues like unfair pricing, are to be addressed later this year.

Economists argue that free trade allows each country to produce what it makes best, so total world output rises. GATT estimates that extending global trading rules to cover services, textiles, agriculture and intellectual property could add \$200 billion to the annual global income.

But elimination of tariffs and other protection can be painful for industries that are suddenly subject to foreign competition. With the world in recession, pressure for protectionism has been growing and the idea of free trade has been losing its luster.

The Trade Categories

France's leaders have called for protection against products from low-wage countries and have expressed doubts about the market-access agreement. And while the United States supports the GATT process, anti-dumping duties levied on imported steel and the Administration's pursuit of numerical targets in trade with Japan are viewed by both Europe and Japan as violations of free-trade principles.

Senator -

A reasonably good summary of
the illegal immigration issue.
Dennis

CRS Report for Congress

Congressional Research Service • The Library of Congress

Illegal Immigration: Facts and Issues

Joyce Vialet

Specialist in Immigration Policy
Education and Public Welfare Division

Definition. Undocumented or illegal aliens are aliens who have violated the immigration law. The phrase is a popular expression, rather than a term defined in the Immigration and Nationality Act. It generally refers to two categories of immigration law violators. Most undocumented aliens enter the United States illegally, bypassing inspection. A smaller number enter the United States legally, usually as nonimmigrants, and violate the terms of their admission, usually by overstaying and accepting unauthorized employment. The phrase does *not* encompass applicants for asylum or other aliens with uncertain or transitional legal status.

Numbers. The number of undocumented aliens in the United States is not known. The Census Bureau's preliminary working estimate of the 1990 undocumented population is 3.3 million. Mexico accounted for 70 percent of the aliens legalized in the recent program for undocumented aliens in the U.S. prior to 1982, followed by Central America at 13 percent. The proportion of undocumented aliens currently from Central America may have increased because of the political upheavals there during the last 10 years. Apprehensions of undocumented aliens by the U.S. Immigration and Naturalization Service (INS) represent the best indication of the illegal flow, although they are an imperfect measure since they also reflect INS enforcement priorities and multiple arrests of the same person. Apprehensions reached an all-time high of almost 1.8 million in fiscal year (FY) 1986, before enactment of the Immigration Reform and Control Act of 1986. They fell to 954,243 in FY 1989, the lowest figure for the decade, but increased to more than 1.25 million by FY 1992.

Eligibility for Federal Assistance Programs. Undocumented aliens are specifically barred by law from receiving assistance under the major Federal assistance programs, including Aid to Families with Dependent Children (AFDC); Supplemental Security Income (SSI) for the Aged, Blind, and Disabled; Food Stamps; Medicaid, except for emergency conditions; housing assistance; legal services; assistance under the Job Training Partnership Act; unemployment compensation; and student financial aid. Unlike the other programs, Medicaid covers otherwise eligible undocumented aliens for emergency conditions, including emergency child delivery. It should also be noted that children born in the United States to undocumented aliens are U.S. citizens and consequently may be eligible for AFDC benefits and Medicaid, depending on their families' structure and income. Figures on the cost of providing benefits



CRS-2

and services to undocumented aliens are not available. The data necessary to calculate such costs are not collected, either because the undocumented aliens are participating in a program legally and no distinction is made between them and other participants, or because they are participating illegally and their status is not known.

U.S. Response--Employer Sanctions. The major Federal legislative response to illegal immigration in recent years has been the Immigration Reform and Control Act of 1986 (IRCA; P.L. 99-603). In addition to legalizing the status of approximately 3 million undocumented aliens then in the United States, IRCA addressed the control of illegal immigration primarily by employer sanctions for the employment of unauthorized aliens. As amended by IRCA, the Immigration and Nationality Act prohibits the employment, or recruitment or referral for a fee, of aliens known to be unauthorized to accept employment in the United States, and establishes mandatory penalties for violation. This prohibition applies to all employers, regardless of the number of employees. Violations are punishable by graduated civil fines for each alien involved ranging from \$250 to \$10,000, and a criminal penalty of up to \$3,000 for each alien and/or not more than 6 months imprisonment for a pattern or practice of violations.

Employer Sanctions--Issues and Options. The effectiveness of employer sanctions in controlling illegal immigration has been questioned in the last several years, primarily because of the increase in apprehensions by the Immigration and Naturalization Service (INS) beginning in 1990. Additionally, there has been concern about employment-related discrimination associated with employer sanctions, leading some to question whether the negative effects of sanctions are outweighing its positive effects. On the other hand, Congress has shown little enthusiasm for legislation introduced to repeal sanctions. Many continue to support sanctions as the best deterrent to illegal immigration and argue that repeal would send the wrong signal. Others are dissatisfied with possible alternatives which have been proposed, such as increasing enforcement of wage and hour and other labor laws and strengthening INS's Border Patrol, although they support such measures to buttress the enforcement of sanctions. Another possible option, involving the military in immigration law enforcement, remains very controversial because immigration law enforcement is a civilian rather than a military function. The directly related issue of fraudulent documents is also proving difficult to deal with because of widespread concern about a national identification document.

NAFTA. Some supporters of the North American Free Trade Agreement (NAFTA) negotiated by the United States, Mexico, and Canada argue that it would reduce illegal immigration from Mexico, the dominant source country. However, it is generally acknowledged that, even under the best circumstances, it will take years before the Mexican economy can provide the jobs needed by the expanding labor force. In the short term, some experts predict that NAFTA will stimulate illegal immigration because of resulting Mexican job displacement, particularly in agriculture. NAFTA itself does not specifically address the issue of illegal immigration. It is currently awaiting signature by the President and consideration by the Congress.

United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7020

July 8, 1993

Dear Republican Colleague:

Crime prevention must be the top priority in Congress.

Unfortunately, during the past several years, the crime debate in Washington has grown stale and predictable. While Congress ties itself in knots over habeas corpus reform, exclusionary rule reform, and the politics of guns, violent crime continues to rise, people continue to get hurt, families continue to suffer, and our neighborhoods and local communities become more dangerous places in which to live and work.

As a first step in restoring order on our streets, I intend to introduce the Neighborhood Security Act of 1993, an anticrime initiative that focuses on the "Three P's" of police, prosecutors and prisons.

The key elements of this initiative are:

- * A military conversion plan, allowing discharged members of the armed forces to serve on police forces or teach in schools;
- * The establishment of Federal safe school districts;
- * Better-trained and more effective police through community policing grants and the Police Corps program;
- * The construction of ten new federal prisons for career criminals and violent criminal aliens. States can access these new prisons only if they act to toughen their own criminal laws;
- * Federal grants to assist in the construction and operation of state prisons for career criminals;
- * The application of the RICO statute to criminal youth gangs; and
- * Enhanced penalties for terrorist activities.

No doubt about it, the Neighborhood Security Act is expensive--about \$5 billion expensive. But, unlike other crime bills, it is fully paid for.

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If you would like to cosponsor, or if you have any questions, please contact Dennis Shea of my staff at 4-3135. I have enclosed a copy of the bill and an executive summary for your review.

Sincerely,

A handwritten signature in black ink, appearing to be 'B. Dole', with a long, sweeping underline that extends downwards and to the right.

BOB DOLE

BD/ds

Enclosure

c

SECTION-BY-SECTION ANALYSIS-draft

NEIGHBORHOOD SECURITY ACT OF 1993

to be introduced by Senator Bob Dole

Section 1. Short Title. The bill is entitled the "Neighborhood Security Act of 1993."

TITLE I--SAFE STREETS AND SCHOOLS

Section 101. Definition. This section defines "former member of the Armed Services" to mean a member of the Armed Services of the United States who is involuntarily separated from the Armed Services within the meaning of section 1141 of title 10, United States Code.

Section 102. Safe Streets. This section authorizes the Secretary of Defense, in consultation with the Attorney General, to enter into an agreement with a State or local law enforcement agency to pay, for a period of six years, the salaries of former members of the Armed Services who are hired within five years as police officers assigned to neighborhood patrol duties.

For the first three years, the maximum Federal share of an annual salary of a police officer hired under the agreement is the annual salary earned by the officer during his or her last year as a member of the Armed Services. The maximum Federal share of an annual salary for the 4th through 6th years that a police officer may be paid under the agreement is 50 percent of the annual salary earned by the officer during his or her last year as a member of the Armed Services.

Police officers hired pursuant to this section must add to the total number of officers

Section 103. Safe Schools. This section authorizes the Secretary of Defense, in consultation with the Secretary of Education, to enter into an agreement with a local educational agency to pay, for a period of six years, the salaries of former members of the Armed Services who are hired within five years as teachers assigned to public elementary and secondary schools.

For the first three years, the maximum Federal share of an annual salary of a teacher hired under the agreement is the annual salary earned by the teacher during his or her last year as a member of the Armed Services. The maximum Federal share of an annual salary for the 4th through 6th years that a teacher may be paid under the agreement is 50 percent of the annual salary earned by the teacher during his or her last year as a member of the Armed Services.

Teachers hired pursuant to this section must

Section 104. Federal Safe School Districts. This section allows a local school district to elect to qualify as a "Federal safe school district." The election may occur by decision of a local educational agency or by referendum of the voters in a school district served by a local educational agency.

This section authorizes the Secretary of Defense, acting in consultation with the Attorney General, to make a grant to a local educational agency serving a Federal safe school district or to a local law enforcement agency with jurisdiction over the Federal safe school district, to pay for enhanced school security measures. The measures that may be funded by a grant include a) equipping schools with metal detectors, fences, closed-circuit cameras, and other physical security measures; b) providing increased police patrols in and around schools, including police hired pursuant to section 102; c) mailings to parents at the beginning of the school year outlining the enhanced mandatory penalties for drug trafficking and weapons offenses within a Federal safe school district; d) signs for school districts indicating they have elected to be a Federal safe school district; and e) hotlines.

The United States Attorney who has jurisdiction over each Federal safe school district shall prosecute as an adult any juvenile 16 years of age or older who uses or carries a firearm in or within 100 feet of a public or private elementary or secondary school.

Within each Federal safe school district, it shall be unlawful for any person who is less than 18 years of age, or any person 18 years of age or older who does not have lawful authority to do so, to carry a firearm into a public or private elementary or secondary school, or to possess a firearm within such school. Whoever knowingly violates this provision by using a firearm shall be imprisoned for not less than 5 years or more than 10 years.

TITLE II--POLICE

Subtitle A. Community Policing. Subtitle A authorizes the Director of the Bureau of Justice Assistance to make grants to units of local government and to community groups to establish or expand cooperative efforts between the police and the community. These cooperative efforts include, but are not limited to, 1) providing new technologies to reduce the amount of time officers spend processing cases instead of patrolling the community; 2) purchasing equipment to improve communications between officers and the community and to improve the collection, analysis, and use of information about crime-related community problems; 3) creating decentralized police substations throughout the community to encourage interaction and cooperation between the public and law enforcement personnel on a local level; and 4) developing community-based crime prevention programs, such as safety programs for senior citizens, community anticrime groups,

and other anticrime awareness groups.

To be eligible to receive a grant, applications must be submitted to the Director of the Bureau of Justice Assistance. The Director must allocate not less than 75 percent of the funds available to units of local government and not more than 20 percent to community groups. The Director must not use more than 5 percent of the funds available for administration, technical assistance, and evaluation.

Subtitle B. Police Corps. Subtitle B establishes the Police Corps program. The Police Corps program provides up to \$30,000 in college scholarship grants to selected participants who agree to work for 7 years after graduation on a State or local police force.

TITLE III-PRISONS

Subtitle A. Regional Prisons for Career Criminals and Violent Criminal Aliens. Subtitle A directs the Attorney General to construct a minimum of ten regional prisons, situated throughout the United States, each containing space for at least 2,500 inmates. At least 50% of the capacity in each regional prison must be dedicated to "qualifying prisoners" from "qualifying States."

The Attorney General shall certify a State as a "qualifying State" if such State is adequately providing 1) truth in sentencing; 2) pretrial detention; 3) mandatory minimum sentences for gun offenders, armed career criminals, repeat or chronic sex offenders, and habitual violent offenders; and 4) suitable recognition for the rights of victims, including consideration of the victim's perspective at all stages of criminal proceedings.

The term "qualifying prisoner" means 1) any alien who is in this country illegally and who has been convicted of a crime of violence as defined in section 924(c)(3) of title 18, United States Code, or a serious drug offense as defined in section 924(e)(2)(A) of title 18, United States Code; and 2) any career criminal. The term "career criminal" means any individual with three or more convictions, or convictions in three or more separate proceedings, for crimes of violence or serious drug offenses.

Subtitle B. Federal Grants for State Prison Construction and Operation. Subtitle B authorizes the Attorney General to enter into agreements with any qualifying State to provide construction grants or operating grants for "new prisons."

The Attorney General may make construction grants for up to 50 percent of the construction costs, as approved by the Director of the Federal Bureau of Prisons, for new prisons. The Attorney General may make operating grants for up to 50 percent of the operating costs, as approved by the Director of the Federal

Bureau of Prisons, for new prisons.

The term "new prisons" means those prisons, including additions to existing prisons, certified by the State, and approved by the Attorney General, as providing additional prison capacity beyond that which the State previously had available, or had already planned to construct. "New prisons" must be principally dedicated, as determined by the Attorney General, to housing repeat violent offenders and sex offenders.

TITLE IV--CRIMINAL YOUTH GANGS

Subtitle A. Subtitle A adds a new chapter 94 to title 18 of the United States Code, designed to assist prosecutors in combatting the proliferation of violent youth gang activity. Chapter 94 may be cited as the "Anti-Gang and Youth Protection Act of 1993."

This subtitle applies the RICO statute to gang activities.

This subtitle makes it a separate criminal offense to 1) commit, or to attempt to commit, a "predicate gang crime" with intent to promote or further the activities of a "criminal street gang" or for the purpose of gaining entrance to or maintaining or increasing position in such a gang; 2) to participate, or attempt to participate, in a criminal street gang, or conspire to do so; 3) to command, counsel, persuade, induce, entice, or coerce any individual to participate in a criminal street gang; or 4) to employ, use, command, counsel, persuade, induce, entice, or coerce any individual to commit, cause to commit, or facilitate the commission of, a predicate gang crime, with intent to promote the activities of a criminal street gang or for the purpose of gaining entrance to or maintaining or increasing position in such gang.

The term "predicate gang crime" means any act or threat, or attempted act or threat, which is chargeable under federal or State law and punishable by imprisonment for more than 1 year, involving murder, assault, robbery, extortion, burglary, arson, property damage or destruction, obstruction of justice, tampering with or retaliating against a witness, victim or informant, or manufacturing, importing, receiving, concealing, purchasing, selling, or possessing, or otherwise dealing in an illegal controlled substance.

The term "criminal street gang" means any organization, or group, of 5 or more individuals, whether formal or informal, who act in concert, or agree to act in concert, for a period in excess of 30 days, with a purpose that any of these individuals alone, or in any combination, commit or will commit, 2 or more predicate gang crimes.

Subtitle B. This subtitle authorizes funding for additional assistant United States attorneys to be assigned to the prosecution of violent youth gangs.

TITLE V--TERRORISM

Subtitle A. Penalties and Offenses. Subtitle A establishes penalties for providing "material support" to terrorists. "Material support" includes, but is not limited to, currency or other financial securities, lodging, training, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets. Subtitle A also increases the penalties for terrorism offenses and extends to 10 years the statute of limitations for certain terrorism offenses.

Subtitle B. Removal of Alien Terrorists. Subtitle B establishes a mechanism for the removal of alien terrorists that protects certain classified information whose disclosure may be necessary to show that an alien is deportable. In a special removal hearing established by this subtitle, a judge shall authorize the introduction in camera and ex parte of any item of evidence for which the judge determines that public disclosure would pose a risk to the national security of the United States because it would disclose classified information.

Subtitle C. Enhanced Entry Controls. Subtitle C establishes tougher entry controls to prevent the type of abuse of our asylum system that allowed the entry of at least one of the indicted suspects in the World Trade Towers bombing. For example, it would allow an examining immigration officer to exclude, without a hearing, any alien who 1) presents fraudulent documents to the examining immigration officer, 2) does not have any reasonable basis for legal entry into the United States, and 3) does not indicate an intention to apply for political asylum. Subtitle C also increases the maximum penalty for alien smuggling from five years imprisonment to ten years.

TITLE VI-FUNDING

- * 10% Reduction in the Overhead Payments for Federally-Funded University Research Savings: \$1.5 billion
- * 10% Reduction in the Travel Budgets of Non-Postal Civilian Agencies Savings: \$1.5 billion
- * [Need additional \$2 billion]

**THE VISIT OF SENATOR BOB DOLE
TO
CHICAGO, ILLINOIS
FOR
THE REPUBLICAN NATIONAL COMMITTEE
1993 SUMMER MEETING**

Thursday, July 8, 1993

9:45 pm *ARRIVE Meigs field via Hawker Jet -Tail #6TM and proceed to car for boarding.*

*Met by: Kirk Blalock
 Republican National Committee*

9:50 pm *DEPART Meigs field en route Stouffer Riviere Hotel.*

10:05 pm *ARRIVE Stouffer Riviere Hotel and proceed to room.*

RON: Chicago, Illinois

Friday, July 9, 1993

7:55 am *DEPART room and proceed to Grand Ballroom 4,5,6.*

8:00 am **Address 1993 RNC Summer Meeting - Breakfast Session**
(45 mins) **OPEN PRESS**
(See Attachment for Table Seating)

8:15 am Haley Barbour introduces Senator Dole.

8:15 am **REMARKS**

8:30 am Concludes remarks and begins Q & A.

8:45 am Conclude Q & A.

8:45 am *DEPART Grand Ballroom 4,5,6 and proceed to Hudson A & B.*

8:50 am **Press Availability**
(20 mins) **OPEN PRESS**

9:10 am *DEPART Hudson A & B and proceed to car for boarding.*

9:15 am *DEPART Stouffer Riviere en route Meigs Field.*

9:35 am *ARRIVE Meigs Field and proceed to plane for boarding.*

9:40 am *DEPART Meigs Field via Hawker Jet - Tail #6TM.*

*8:00 AM Continental Breakfast
Seat Assignments*

Senator Dole will be escorted to Haley's table. Below are the names of those seated at the table:

Haley Barbour
Senator Bob Dole
John Moran, RNC Finance Chairman
Jack Ranson, Kansas National Committeeman
Mrs. Jack "Pat" Ranson
Mary Alice Lair, Kansas National Committeewoman
Bill Powers, New York National Committeeman
Mrs. Bill "Judith" Powers
Michael Grebe, Wisconsin National Committeeman
Mrs. Michael "Peggy" Grebe

as of 7/8/93 9:58 AM

**REPUBLICAN NATIONAL COMMITTEE
SUMMER MEETING
STOUFFER RIVIERE HOTEL
CHICAGO, ILLINOIS
JULY 8 - 11, 1993**

WEDNESDAY, JULY 7, 1993

- 2:00 p.m. - 5:00 p.m. **MIDWESTERN LEADERSHIP CONFERENCE
COMMITTEE MEETING**
Riviere A
- 4:00 p.m. - 8:00 p.m. **REGISTRATION**
Ballroom Foyer

THURSDAY, JULY 8, 1993

- 7:30 a.m. - 7:00 p.m. **PRESS REGISTRATION**
Ballroom Foyer
- 8:00 a.m. - 8:00 p.m. **REGISTRATION**
Ballroom Foyer
- 8:00 a.m. - 9:30 a.m. **EXECUTIVE COMMITTEE**
Riviere A & B
Open Press
- 8:00 a.m. - 9:30 a.m. **BUDGET COMMITTEE**
Suite 410
Closed Press
- 8:00 a.m. - 10:00 a.m. **RESOLUTIONS COMMITTEE**
Riviere D
Closed Press
- 10:00 a.m. - 2:00 p.m. **EXECUTIVE COUNCIL/BUDGET COMMITTEE
JOINT MEETING**
Grand Ballroom 6
(All RNC Members Invited - Working Lunch)
Closed Press

THURSDAY, JULY 8, 1993 (cont'd)

- 1:00 p.m. - 2:00 p.m. **GROUP INSURANCE PROGRAM SEMINAR**
Riviere A & B
- 2:00 p.m. - 4:00 p.m. **RULES COMMITTEE**
Grand Ballroom 1, 2, 3
Open Press
- 2:00 p.m. - 5:00 p.m. **EXECUTIVE DIRECTORS FINANCE SEMINAR**
Riviere A & B
(Executive Directors, Finance Directors and State Party
Staff Invited)
Closed Press
- 3:00 p.m. - 3:45 p.m. **CHAIRMAN BARBOUR PRESS AVAILABILITY**
Hudson A & B
- 4:30 p.m. - 8:00 p.m. **REGIONAL MEETINGS**
Working Dinner
Midwestern - Rhine
Western - Grand Ballroom 6
Southern - Grand Ballroom 5
Northeastern - Grand Ballroom 4
- 8:30 p.m. - 10:00 p.m. **WELCOME TO ILLINOIS DESSERT RECEPTION**
HOSTED BY GOVERNOR EDGAR
Ballroom Foyer
Open Press

FRIDAY, JULY 9, 1993

- 7:30 a.m. - 5:30 p.m. **REGISTRATION**
Ballroom Foyer
- 7:45 a.m. - 8:45 a.m. **CONTINENTAL BREAKFAST**
Grand Ballroom 4, 5, 6
Speaker: The Honorable Robert Dole
Senate Minority Leader
Open Press

FRIDAY, JULY 9, 1993 (cont'd)

- 9:00 a.m. - 12:00 p.m. **GENERAL SESSION**
Grand Ballroom 1, 2, 3
Speaker: The Honorable George Voinovich
Governor, Ohio
Speaker: The Honorable Kay Bailey Hutchison
Senator, Texas
Open Press
- 9:40 a.m. - 10:00 a.m. **GOVERNOR VOINOVICH PRESS AVAILABILITY**
Hudson A & B
- 10:40 a.m. - 11:00 a.m. **SENATOR HUTCHISON PRESS AVAILABILITY**
Hudson A & B
- 12:15 p.m. - 1:45 p.m. **LUNCH**
Grand Ballroom 4,5, 6
Speaker: Haley Barbour
Open Press
- 2:00 p.m. - 3:15 p.m. **GENERAL SESSION RESUMES**
Grand Ballroom 1, 2, 3
Open Press
- 3:15 p.m. - 3:30 p.m. **BREAK**
- 3:30 p.m. - 5:00 p.m. **HEALTH CARE STRATEGY SESSION**
Grand Ballroom 1, 2, 3
Speakers: Bill McInturff, Partner, Public Opinion
Strategies
Debbie Steelman, Attorney at Law
Robin Carle, Director, RNC Campaign
Operations
Closed Press
- 6:30 p.m. **BUSES DEPART HOTEL FOR CHICAGO ART**
INSTITUTE
- 6:45 p.m. - 7:45 p.m. **RECEPTION**
Chicago Art Institute
- 8:00 p.m. - 10:00 p.m. **GRANT PARK CONCERT**

SATURDAY, JULY 10, 1993

- 8:00 a.m. - 9:00 a.m. **CONTINENTAL BREAKFAST**
Grand Ballroom 4, 5, 6
Guest Speaker: The Honorable Bret Schundler
Mayor, Jersey City, New Jersey
Open Press
- 9:10 a.m. - 9:30 a.m. **MAYOR SCHUNDLER PRESS AVAILABILITY**
Hudson A & B
- 9:10 a.m. **STRATEGY SESSION RESUMES**
Grand Ballroom 1, 2, 3
Closed Press
- 9:10 a.m. - 10:05 a.m. **National Policy Forum Briefing by**
Chairman Haley Barbour
Michael Baroody, President, National Policy Forum
- 9:40 a.m. - 10:00 a.m. **LINDA DiVALL PRESS AVAILABILITY**
Hudson A & B
- 10:05 a.m. - 10:55 a.m. **Speaker: Linda Divall, Founder, American Viewpoint**
Women's Focus Group Study Results
- 10:55 a.m. **GENERAL SESSION RESUMES**
Open Press
- 10:55 a.m. - 11:35 a.m. **Speaker: Judy Singleton, Founding Member, Lugar**
Series; Senator Lugar's Excellence in Public
Service Series
Open Press
- 11:35 a.m. - 12:15 p.m. **Speaker: The Honorable Jennifer Dunn**
Congresswoman, Washington
Women in Congress & Leadership Roles
Open Press
- 12:30 p.m. - 1:45 p.m. **BUFFET LUNCHEON**
Grand Ballroom 4, 5, 6
Guest Speaker: The Honorable Lynn Martin
Open Press

SATURDAY, JULY 10, 1993 (cont'd)

- 2:00 p.m. - 2:20 p.m. **LYNN MARTIN PRESS AVAILABILITY**
Hudson A & B
- 2:00 p.m. - 3:30 p.m. **NEW STATE CHAIRMEN'S MEETING**
Rhine
Chaired by Bill Powers
Topic: State Party Creative Financing
(Open to RNC Members and Staff)
Closed Press
- 6:00 p.m. **BUSES DEPART HOTEL FOR WRIGLEY FIELD**
- 7:05 p.m. **CHICAGO CUBS v. HOUSTON ASTROS**
Transportation Provided

SUNDAY, JULY 11, 1993

- 8:30 a.m. - 10:30 a.m. **POLITICAL ROUNDTABLE WITH**
CHAIRMAN BARBOUR AND
CO-CHAIRMAN AUSTEN
Grand Ballroom 5 & 6
Topic: Candidate Recruitment
Closed Press

July 1

Republican
National
Committee

Convention and Meetings

June 9, 1993

Ms. JoAnne Coe
President and Executive Director
Campaign America
900 2nd Street, NE
Washington, D.C. 20002

Subject: Senator Dole addressing the RNC Summer meeting in Chicago, July 9

Dear Ms. Coe:

I don't know if you remember me, but I worked with Haley back in the White House Political Office and was lucky enough to have worked on Haley's "mini" campaign for Chairman and now onto the RNC. We've spoken a few times over the years on different projects and you have always been very helpful and easy to work with.

Haley just told me he had talked with you earlier today about Senator Dole joining us at our summer meeting in Chicago. As I believe you are aware, the RNC Committee consists of three elected committee members from every state and territory which is the make-up of our two annual meetings a year. These meetings are covered by members of the national press including continuous live gavel-to-gavel coverage on CSPAN.

Attached, please find a tentative agenda for the meeting. I believe Haley mentioned the noon hour on Friday, July 9 as a possibility for Senator Dole, but please let me know if you have another thought.

Again, thank you for everything you continue to do for the Party and for Haley. Please either give Haley or myself a call for any additional information. (202) 863-8630.

Sincerely,

Larry

Larrilyn Bertocchio
Director of Member Relations

SENATOR BOB DOLE
REMARKS
REPUBLICAN NATIONAL
COMMITTEE
JULY 9, 1993

**BEFORE I CAME HERE TODAY,
I WENT BACK AND TOOK A LOOK
AT THE REMARKS I DELIVERED
AT YOUR MEETING IN ST. LOUIS
THIS PAST JANUARY.**

**I DID THIS FOR A FEW
REASONS. ONE WAS THAT
SOME OF YOU PROBABLY
WEREN'T LISTENING, SO
PERHAPS I COULD USE THE
SAME SPEECH AGAIN.**

**AND THE OTHER REASON
WAS THAT I WANTED TO SEE
JUST HOW MUCH HAS CHANGED
IN THE LAST SIX MONTHS.**

**YOU REMEMBER BACK IN
JANUARY. FOLKS WERE JUST
ABOUT READY TO PERFORM
LAST RITES FOR THE
REPUBLICAN PARTY. IN FACT,
THERE WERE RUMORS THAT DR.
KEVORKIAN WAS IN ST. LOUIS,
READY TO GO.**

**AND WHO COULD HAVE
BLAMED HIM? ON JANUARY 20,**

**IT BECAME OFFICIAL.
DEMOCRATS HAD A CLEAN
SWEEP. THEY CONTROLLED THE
WHITE HOUSE. THEY
CONTROLLED THE SENATE.
THEY CONTROLLED THE HOUSE.
THEY CONTROLLED THE MEDIA.
WHAT'S HAPPENED SINCE
THEN?**

**WELL, DEMOCRATS STILL
CONTROL THE WHITE HOUSE,
THE SENATE, THE HOUSE AND
THE MEDIA.**

**BUT THEY DO NOT CONTROL
THE HEARTS AND MINDS OF THE
AMERICAN TAXPAYER.**

**JUST LOOK AT WHAT HAS
HAPPENED IN THE LAST FEW
MONTHS.**

**THERE WAS A LITTLE
ELECTION IN TEXAS. AND AN
OVERWHELMING NUMBER OF
VOTERS--NOT JUST
REPUBLICANS--BUT
INDEPENDENTS AND
DEMOCRATS AS WELL--ELECTED
REPUBLICAN KAY BAILY
HUTCHISON TO THE SENATE.
AND YOU'LL BE HEARING FROM**

**THIS NEW BRIGHT REPUBLICAN
STAR IN JUST A FEW MINUTES.**

WHAT ELSE HAS HAPPENED?

**WELL, FOR THE FIRST TIME IN
THIRTY YEARS, THERE'S A
REPUBLICAN MAYOR IN LOS
ANGELES.**

**THERE HAVE BEEN 36
CONTESTED SPECIAL STATE
LEGISLATIVE ELECTIONS. AND**

**REPUBLICAN CANDIDATES HAVE
WON 22 OF THE 36--MORE
IMPORTANTLY, 12 OF THE
REPUBLICAN WINS WERE FOR
SEATS PREVIOUSLY HELD BY
DEMOCRATS.**

**REPUBLICAN CANDIDATES IN
SPECIAL CONGRESSIONAL
ELECTIONS MAY NOT HAVE
TAKEN SEATS FROM**

**DEMOCRATS, BUT THEIR
PERCENTAGE WAS WAY, WAY UP
FROM 1992.**

**ALL OF THIS HAS HAPPENED
SINCE YOU LAST MET IN
JANUARY.**

**THERE ARE A FEW THEORIES
AROUND EXPLAINING THE
RESURGENCE OF THE
REPUBLICAN PARTY.**

**ONE THEORY IS THAT HALEY
BARBOUR AND JEANNIE AUSTIN
ARE DOING A GREAT JOB...AND
WE CAN ALL AGREE ON THAT.
BUT THEY WOULD BE THE
FIRST TO TELL YOU THEY'VE
RECEIVED A LOT OF HELP FROM
PRESIDENT CLINTON AND THE
DEMOCRAT CONGRESS.**

**AMERICANS ARE TURNING TO
THE REPUBLICAN PARTY
BECAUSE THEY ARE WAKING UP
TO A SIMPLE FACT: UNDER
PRESIDENT CLINTON AND THE
DEMOCRAT CONGRESS, IT'S NOT
REPUBLICANS THAT ARE AN
ENDANGERED SPECIES: IT'S
TAXPAYERS. IT'S SMALL
BUSINESSMEN AND WOMEN.**

**IT'S THE MIDDLE CLASS. IT'S
THE WORKING CLASS. IT'S
ANYONE WHO SEES NOTHING
WRONG WITH MAKING A PROFIT
FOR HARD WORK.**

**I LIKE PRESIDENT CLINTON.
AND HE LIKES ME. THAT'S ONE
ISSUE WE AGREE ON. AND WE
ALSO AGREE ON SOME ISSUES,
LIKE HIS DECISION TO LET**

**SADDAM HUSSEIN KNOW THAT
ATTEMPTING TO ASSASSINATE
PRESIDENT BUSH WOULD NOT
GO UNPUNISHED...OR
N.A.F.T.A...OR AID TO THE
FORMER SOVIET UNION. SO THE
MESSAGE IS THAT WHEN
PRESIDENT CLINTON MOVES
AMERICA IN THE RIGHT
DIRECTION, THEN BOB DOLE**

**AND MANY REPUBLICANS WILL
HELP HIM.**

**BUT THE BOTTOM LINE IS
THAT THE AMERICAN VOTERS
WERE THE VICTIMS THIS PAST
NOVEMBER OF THE OLD "BAIT
AND SWITCH" TRICK.**

**CANDIDATE CLINTON SAID HE
WAS A "NEW DEMOCRAT." HE
WAS ONE THAT UNDERSTOOD**

**THAT MORE TAXES, MORE
SPENDING, AND MORE
REGULATIONS WERE NOT THE
ANSWER.**

**AND THE AMERICAN PEOPLE
BOUGHT IT.**

**BUT WHAT THEY BOUGHT AND
WHAT THEY GOT ARE TWO
ENTIRELY DIFFERENT
PRODUCTS.**

**FOR ON JANUARY 20, WHEN
CANDIDATE CLINTON BECAME
PRESIDENT CLINTON, THE NEW
DEMOCRAT SUDDENLY BECAME
THE OLD DEMOCRAT. AND FOR
THE AMERICAN PEOPLE, THE
PRICE TAG JUST KEEPS GOING
UP AND UP AND UP.**

**THE PRESIDENT AND
DEMOCRATS ARE ENGAGED IN**

**THEIR OLD GAME OF CLASS
WARFARE, SAYING THAT THE
TAX INCREASES WILL JUST
FORCE THE SO-CALLED RICH TO
PAY THEIR FAIR SHARE.**

**BY "RICH" THEY MEAN THE
40% OF THE POPULATION WHO
PAY OVER 90% OF THE TOTAL
FEDERAL INDIVIDUAL INCOME
TAX.**

**BY "RICH" THEY MEAN TWO-
EARNER FAMILIES.**

**BY "RICH" THEY MEAN
AMERICA'S SENIOR CITIZENS,
WHO WILL BE PENALIZED WITH A
SOCIAL SECURITY TAX
INCREASE. I SAY PENALIZED
BECAUSE THEY SAVED AND
INVESTED UNDER OUR CURRENT
LAWS AND THEY CAN NOT TAKE**

**BACK THE INVESTMENT AND
SAVINGS DECISIONS THEY MADE
IN THE PAST.**

**AND BY "RICH" THEY MOST
ASSUREDLY MEAN SMALL
BUSINESSMEN AND WOMEN.**

**IN FACT, SMALL
BUSINESSMEN AND WOMEN
ALREADY ARE FEELING THE TAX
PINCH. 80% OF BUSINESSES IN**

**THIS COUNTRY PAY TAX AS
INDIVIDUALS, NOT
CORPORATIONS. THOSE
INDIVIDUALS OPERATE AS SOLE
PROPRIETORSHIPS,
PARTNERSHIPS, AND
SUBCHAPTER S CORPORATIONS.
AND THEY WILL BE FACED WITH
A TAX INCREASE GREATER THAN
THAT FACED BY LARGE**

CORPORATIONS.

**THAT'S RIGHT. THE "MOM
AND POP" GROCERY STORE ON
THE CORNER WILL BE PAYING A
HIGHER TAX RATE THAN
GENERAL MOTORS.**

**AND I HAVE HEARD FROM
SMALL BUSINESSMEN AND
WOMEN ACROSS THE COUNTRY
THAT NOW THAT THEY'VE SEEN**

**THE PRESIDENT'S PACKAGE,
THEY'RE NOT HIRING. THEY'RE
NOT EXPANDING. THEY'RE
WORRIED ABOUT THE FUTURE.
AND THEY KNOW THAT THE
REPUBLICAN PARTY IS ON THEIR
SIDE.**

**I'D LIKE TO THINK THAT
ANOTHER REASON WHY
REPUBLICANS ARE ON THE**

**MOVE IS THAT TAXPAYERS
APPROVE OF THE MESSAGE
THAT REPUBLICANS IN THE
HOUSE AND SENATE HAVE BEEN
DELIVERING.**

**I SAID BACK IN JANUARY
THAT REPUBLICANS IN THE
HOUSE AND SENATE HAD A
COUPLE OF OPTIONS.**

**ONE ROAD WE COULD HAVE
TAKEN WAS TO SIT IN THE
CORNER AND THROW ROCKS AT
PRESIDENT CLINTON AND THE
DEMOCRAT MAJORITY. BUT I
BELIEVED THEN, AND I BELIEVE
NOW, THAT ROAD WILL LEAD US
NOWHERE.**

**WHAT I BELIEVED TO BE THE
RIGHT ROAD...AND WHAT I THINK**

**HAS BEEN PROVEN TO BE THE
RIGHT ROAD...WAS FOR
REPUBLICANS TO STAND UP FOR
OUR MAINSTREAM PRINCIPLES
AND TO PROVIDE ANSWERS TO
AMERICA'S PROBLEMS BASED
ON THOSE PRINCIPLES--
PRINCIPLES LIKE CUTTING
SPENDING FIRST...PRINCIPLES
LIKE LOWER TAXES...PRINCIPLES**

**LIKE LESS REGULATION AND
MANDATES.**

**AND THAT'S PRECISELY WHAT
WE'VE DONE.**

**BUT WE'D BE KIDDING
OURSELVES IF WE THOUGHT
THAT THE AMERICAN PEOPLE
ARE HAPPY WITH THE JOB THAT
CONGRESS--DEMOCRATS AND**

**REPUBLICANS ALIKE--ARE
DOING.**

**I'M SURE MANY OF YOU SAW
THE RESULTS OF A RECENT
SURVEY OF 1992 ROSS PEROT
VOTERS CONDUCTED BY THE
DEMOCRAT LEADERSHIP
COUNCIL.**

**"THE SURVEY REVEALED THAT
AT THE CORE OF THE PEROT**

**VOTERS IS A "DEEP ANGER"
TOWARD CONGRESS. WHEN
PEROT VOTERS WERE ASKED
WHAT COMES TO MIND WHEN
THEY HEAR THE WORD
"CONGRESS," RESPONSES
INCLUDED "TOTAL WASTE OF
MONEY," "TAX AND SPEND,"
AND "BAD CHECKS."**

**WHAT THE PEROT VOTERS
AND THE AMERICAN PEOPLE
NEED TO UNDERSTAND IS THAT
IF CONGRESS IS THEIR TARGET,
THEN IT'S THE DEMOCRATS WHO
ARE THE BULL'S EYE, BECAUSE
CONGRESS HAS BEEN OWNED,
OPERATED, AND CONTROLLED
BY THE DEMOCRATS FOR FOUR
DECADES.**

**AND THERE ARE A FEW
WORDS THAT REPUBLICANS
HAVE BEEN TRYING TO ADD TO
THE CONGRESSIONAL
DICTIONARY FOR A LONG
TIME...WORDS LIKE
"COMPETITION" AND "TWO
PARTY SYSTEM."**

**THE FACT IS THAT MANY OF
THE CHANGES THAT PEROT**

**VOTERS ADVOCATE--A
BALANCED BUDGET
AMENDMENT....A LINE ITEM
VETO....WOULD BE LAW IF
REPUBLICANS CONTROLLED THE
CONGRESS.**

**SO I WOULD HOPE THAT THE
PEROT VOTERS WILL TARGET A
LOT OF THEIR ENERGIES AT
CHANGING CONGRESS, GIVE**

**REPUBLICANS A CHANCE, AND
GET THE CHANGE THAT WILL
RESTORE THEIR FAITH IN
GOVERNMENT.**

**IT'S ONLY 1993. NO ONE CAN
PREDICT WHAT WILL HAPPEN
BETWEEN NOW AND 1996.
PRESIDENT CLINTON IS SURE TO
GO UP AND DOWN IN THE
POLLS. SO WILL REPUBLICANS,**

AND SO WILL ROSS PEROT.

**BUT THE PROOF IS IN THE
POLICIES, NOT IN THE POLLS.**

**AND OUR JOB IN THE MONTHS
AHEAD IS TO OFFER AMERICANS
A VERY CLEAR PICTURE OF TWO
DIFFERENT PHILOSOPHIES.**

**ON ONE HAND IS THE
PHILOSOPHY OF PRESIDENT
CLINTON AND THE DEMOCRATS.**

**AT ITS HEART, IT IS A
PHILOSOPHY THAT SAYS UNCLE
SAM KNOWS BEST. A
PHILOSOPHY THAT SAYS BIGGER
GOVERNMENT IS BETTER
GOVERNMENT. A PHILOSOPHY
THAT SAYS BUREAUCRATS ON
THE POTOMAC SHOULD MAKE
THE DECISIONS FOR THE
PEOPLE WHO LIVE ON THE**

**MISSISSIPPI, THE COLUMBIA,
AND THE COLORADO.**

**AND ON THE OTHER HAND IS
THE REPUBLICAN PHILOSOPHY.
A PHILOSOPHY THAT SAYS THAT
HERE IN AMERICA, THE PEOPLE
KNOW BEST. A PHILOSOPHY
THAT SAYS LESS GOVERNMENT
IS BETTER GOVERNMENT. A
PHILOSOPHY THAT SAYS THERE**

**IS NO LIMIT TO WHAT AMERICAN
BUSINESS CAN DO IF THE
GOVERNMENT JUST GOT OUT OF
THE WAY.**

**THAT'S THE FUNDAMENTAL
DIFFERENCE WE HAVE TO
HIGHLIGHT. AND THAT'S THE
MESSAGE WE WANT TO PLACE
BEFORE THE VOTERS THIS
NOVEMBER IN VIRGINIA AND**

**NEW JERSEY, AND IN NOVEMBER
OF 1994 WHEN I PLAN ON
CHANGING JOBS FROM SENATE
MINORITY LEADER TO SENATE
MAJORITY LEADER.**

**AND IF THE REPUBLICAN
PARTY IS TO CHANGE ITS
STATUS FROM THE MINORITY
PARTY TO THE MAJORITY PARTY,
THEN THERE'S ANOTHER STEP**

**WE MUST TAKE. AND THAT'S TO
SEND A LOUD AND CLEAR
MESSAGE THAT OUR PARTY
DOES NOT EXCLUDE ANYBODY.**

**THERE'S NOT MUCH WORTH
READING IN THE NEW YORK
TIMES, BUT IN THE PAST FEW
WEEKS THERE HAVE BEEN TWO
EXCEPTIONS.**

**THIS PAST MONDAY THERE
WAS A STORY WITH THE
HEADLINE "REPUBLICANS
MAKING IMPRESSIVE GAINS
AMONG HISPANIC VOTERS." AND
THE STORY DETAILED HOW IN
CALIFORNIA, TEXAS, FLORIDA,
AND ELSEWHERE, HISPANICS
ARE BUILDING COALITIONS WITH
THE REPUBLICAN PARTY. AND I**

**KNOW MANY OF YOU HERE ARE
HELPING TO BUILD THESE
COALITIONS.**

**AND THEN THERE WAS THE
COLUMN BY BRENT STAPLES
WHICH WAS IN THE NEW YORK
TIMES A FEW WEEKS AGO.**

**MR. STAPLES SAID THAT THE
TIME WAS RIPE FOR
REPUBLICANS TO BUILD**

**COALITIONS WITH BLACK
AMERICANS. AND HE CALLED
FOR ONE MILLION NEW BLACK
REPUBLICANS...ONE MILLION
NEW VOICES TO LISTEN TO AND
TO LEARN FROM; ONE MILLION
NEW REPUBLICANS SENDING A
LOUD AND CLEAR MESSAGE
THAT COMPETITION AND A
HEALTHY TWO-PARTY SYSTEM**

**ARE THE HALLMARKS OF
DEMOCRACY.**

**AND I THINK THAT'S A VERY
WORTHY GOAL.**

**I HAD A BREAKFAST IN MY
OFFICE A FEW WEEKS BACK.
THERE WERE ABOUT 10
REPUBLICAN SENATORS, AND
ABOUT 25 SPECIAL GUESTS--25
BLACK AMERICANS WHO ARE**

**RECOGNIZED AS LEADERS IN
THEIR COMMUNITIES AND IN
AMERICA.**

**THEY WERE FROM EVERY
PART OF THE COUNTRY--SOME
WERE BUSINESSMEN AND
WOMEN, SOME WERE
MINISTERS, SOME WERE IN THE
MEDIA--BUT THEY ALL HAD ONE
MESSAGE: THE DEMOCRATS**

**HAVE TAKEN THEM FOR
GRANTED FOR FAR TOO LONG,
AND THERE IS A WINDOW OF
OPPORTUNITY FOR THE
REPUBLICAN PARTY TO EXPAND
OUR BASE.**

**IT WAS POINTED OUT IN OUR
MEETING THAT PRESIDENT BUSH
RECEIVED ONLY 11% OF THE
BLACK VOTE. AN INCREASE IN**

**THAT VOTE TO 18% OR 20%
WOULD MEAN THAT PRESIDENT
BUSH WOULD HAVE BEEN RE-
ELECTED.**

**AND THERE ARE OTHER
CONSTITUENCIES LOOKING FOR
A POLITICAL PARTY TO CALL
HOME. THERE ARE
VIETNAMESE-AMERICANS,
KOREAN-AMERICANS, AND**

PUERTO-RICAN

AMERICANS...THESE AMERICANS

SHARE OUR COMMITMENT TO

HARD WORK AND THE

FAMILY...AND THEY CAN HELP

STRENGTHEN THE REPUBLICAN

PARTY.

SO WHILE WE'VE COME A

LONG WAY IN THE PAST SIX

MONTHS..AND WHILE DR.

**KEVORKIAN MAY HAVE MOVED
ON TO OTHER
PROSPECTS...THERE'S STILL A
LOT OF WORK TO DO.**

**I'VE HEARD FROM MANY OF
YOU OVER THE PAST FEW
MONTHS, AND I HOPE YOU WILL
CONTINUE TO CALL, WRITE, OR
STOP BY MY OFFICE WITH YOUR
CONCERNS AND SUGGESTIONS.**

**AND I WANT TO CONCLUDE
TODAY THE SAME WAY I
CONCLUDED MY REMARKS IN
JANUARY...AND THAT'S BY
SHARING SOMETHING RONALD
REAGAN SAID 28 BACK IN 1965.**

**"WE CAN'T MEET THE
PROBLEMS OF A DIVIDED
WORLD AND A DIVIDED NATION
WITH A SPLINTER PARTY. FOR**

**TOO LONG, YOU AND I HAVE
BEEN REPUBLICANS COMPLETE
WITH DESCRIPTIVE ADJECTIVES
AND HYPHENS. WE'VE BEEN
MODERATE REPUBLICANS,
LIBERAL REPUBLICANS,
CONSERVATIVE REPUBLICANS,
AND MAIN STREET
REPUBLICANS. THE TRUTH OF
THE MATTER IS WE'VE BEEN**

**SUCKER REPUBLICANS. OUR
OPPONENTS GAVE US THOSE
ADJECTIVES AND THOSE
LABELS, AND ITS HIGH TIME WE
BUNDLED THEM UP AND GAVE
THEM BACK."**

**RONALD REAGAN WAS RIGHT.
IT'S TIME TO ELIMINATE THE
HYPHENS AND THE ADJECTIVES.
IT'S TIME WE TOOK PRIDE IN**

CALLING OURSELVES

"REPUBLICANS"--NOTHING LESS,

NOTHING MORE. JUST PLAIN

"REPUBLICANS."

THANK YOU VERY MUCH.