



Senator Dick Posthumus
SENATE MAJORITY LEADER



Senator Dan DeGrow, Chairman
SENATE REPUBLICAN CAMPAIGN COMMITTEE

***Revolting
Queers*** are
pissed off at Bob
Dole's homophobic
leadership of the Republican
Party. Gays, lesbians, and
bisexuals will continue to fight for
equal rights for all. ***Queers*** will continue
to revolt against America's business as usual
macho posturing. Bob doled it out when he said
Republicans "are not going to be patsies." He wants to
stop the tide of queer liberation. ***Queers*** in revolt have
broken out of the closet doors nailed together by family values.
We will stay out, loud, and proud. Bob Dole's heterosexism does
not guarantee immunity from queer rage.

John
Pappageorge
for Congress
33162 Dequindre, Sterling Heights, MI 48310

Rec'd 9-13-93
Detroit MI

FIRST CLASS MAIL
U.S. POSTAGE
PAID
ROYAL OAK, MI
PERMIT # 818

John Pappageorge

in '94

for Congress

5160 Orchard Crest, Troy, MI 48098 (313) 528-2055

COMMUNITY INVOLVEMENT

John and his wife Helen were born and raised in this area and returned to it in 1984 after his having served 30 years as an officer in the US Army. As indicated below, he started off as an Infantryman and wound up his last 3½ years on loan to the State Department. Since settling in Troy he has become heavily involved in local politics -- something he could not do while on active duty. John has served as President of the Laurelwood Homeowners Association, Republican Delegate for Troy's 32nd Precinct, President of the Troy Republican Club, briefly as a member of the Troy Library Board and, for more than two years, as a member of the Troy Zoning Board of Appeals. He has also served as a member of the Coalition on Road Enhancement (CORE) and as a member of the Executive Committee of the Republican Committee of Oakland County. In 1987, the Troy Chamber of Commerce included John on its list of citizens cited for volunteer service. On November 8, 1988, John was elected to serve his first term on the Oakland County Board of Commissioners -- the County's part-time legislature. He was re-elected in 1990 and selected by his fellow Republican Commissioners to be their Caucus Chairman. In 1992 he lost a close race for Congress in the newly created 12th District. He has already announced that he will run again in 1994.

SKILLS AND ACHIEVEMENTS AS A SOLDIER, DIPLOMAT AND BUSINESSMAN

Strategic Analysis and Business Planning

- John was selected some fifteen years ago as one of the original members of a small group of Army officers (strategic analysts) to serve in sensitive political/military positions throughout the world.
- As Chief, Futures Group, U.S. Army Strategic Studies Institute, John managed complex and classified analytical and planning projects (often under "crash" priorities) with major impact on long-range U.S. policies and programs.
- As a staff member of the Secretary of State's Policy Planning Staff, John contributed to the development of national policy positions on important international issues, particularly with regard to NATO nations, the eastern Mediterranean area, arms control and conventional arms transfers.
- As a businessman, John was responsible for development of the General Dynamics Land Systems Division's (GDLS) Strategic Plan, Operating Plan, individual business plans, competitor analyses, special studies, and the Company's Proposal Development Center.

Negotiation/Liaison

- While the Special Assistant to the Supreme Allied Commander, Europe, John conducted critical, classified, and extremely sensitive "shuttle diplomacy" negotiations with Greek and Turkish political and military leaders which led to the successful reintegration of Greece into the NATO integrated military structure.
- As a State Department Policy Planner, John participated in strategic planning functions as a member of high-level, high-priority task forces and interagency working groups that developed coordinated policy positions and recommendations for presentation at the highest levels of government.

Forecasting/Modeling

- As Chief, Futures Group, US Army Strategic Studies Institute, John developed a pioneering environmental forecasting methodology for assessing the complex interplay of political, economic, sociological, technological and military factors.
- He also developed a computer-assisted model for displaying current and possible future political, economic, military, technological, and sociological conditions and trends to ensure an integrated approach to policy planning at the national and international level.

(Over)

5160 Orchard Crest, Troy, MI 48098 (313) 528-2055

Paid for by the 'Pappageorge for Congress Committee' 33162 Dequindre, Sterling Heights, MI 48310 (313) 268-9292

JOHN G. PAPPAGEORGE

Page Two

Leadership/Management/Teaching

- John has a strong career background as a manager/leader. He commanded infantry units at platoon, company, and battalion levels -- the latter in combat.
- He has served as an operations/plans officer at every level from battalion through field Army.
- John has also served in manpower and personnel staff assignments at the unit level, at the US Military Academy Admissions Office, on the Army Staff, and in the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs.
- He taught at the unit level, served as a Ranger instructor, and taught leadership and public (national) management at the U.S. Army War College. He is currently teaching a course in "BusinessStrategy and Policies" at Walsh College.
- John was selected by his fellow Republican County Commissioners to be their Caucus Chairman.
- He has demonstrated an ability to establish and maintain excellent working relationships under all circumstances and pressures -- in the Army, in the State Department, in business, and in politics.

SUMMARY OF PROFESSIONAL BUSINESS, DIPLOMATIC AND MILITARY HISTORY

| | |
|--|--------------|
| Director, Business Planning & Analysis General Dynamics Land Systems Division | 1986 to 1991 |
| Manager, Strategic Analysis and later, Business Plans Group General Dynamics Land Systems Division | 1984 to 1986 |
| Staff Member, Policy Planning Council U.S. Department of State, Washington, D.C. | 1981 to 1984 |
| Special Assistant for Strategic Analysis to the Supreme Allied Commander Europe, SHAPE, Belgium | 1977 to 1981 |
| Chief, Futures Group, Strategic Studies Institute U.S. Army War College, Carlisle, Pennsylvania | 1973 to 1977 |
| Infantry and general/special staff assignments (In Vietnam Twice) | 1954 to 1972 |

EDUCATION

| | |
|--|------|
| Bachelor of Science U.S. Military Academy, West Point, New York | 1954 |
| Master of Arts in Government and Politics University of Maryland at College Park | 1971 |
| U.S. Army War College | 1973 |

OTHER FACTS

A retired colonel, John has been the recipient of numerous awards and decorations, including the Defense Distinguished Service Medal, the Defense Superior Service Medal, four Legions of Merit, the Bronze Star, nine Air Medals, the Vietnamese Cross of Gallantry with silver star, and the Combat Infantryman's Badge. He is Airborne, Ranger, and Pathfinder qualified. He is fluent in Greek, and has some skills in Spanish. A number of his writings have appeared in military journals. He is the winner of the Avery Masters Award for Creative Strategic Thinking and the George C. Marshall Award for Professional Military Writing.

John's son and his wife Kathy live in Sterling Heights. His daughter Christina, her husband Manny and their daughter Helen live in Skokie, Illinois. John lost his wife of 35 years to cancer last May.

John G. Pappageorge
for Congress
5160 Orchard Crest, Troy, MI 48098 (313) 528-2055

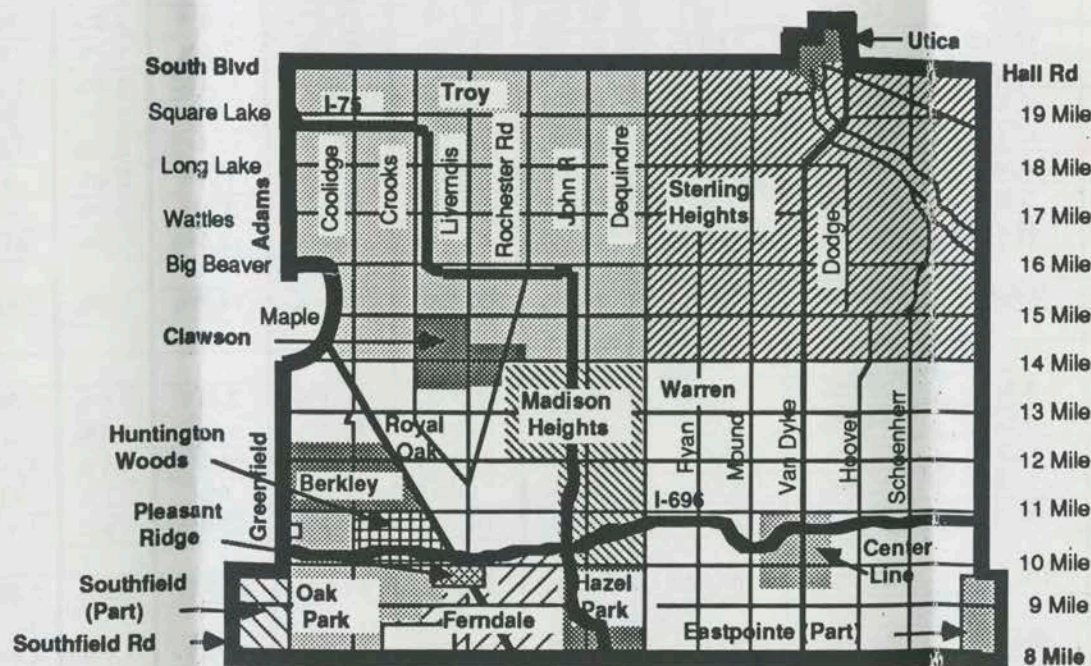
12th Congressional District of Michigan

Alphabetical by City

| | |
|-------------------|-------|
| Berkley | 48072 |
| Center Line | 48015 |
| Clawson | 48017 |
| Eastpointe (Part) | 48021 |
| Ferndale | 48220 |
| Hazel Park | 48030 |
| Huntington Woods | 48070 |
| Madison Heights | 48071 |
| Oak Park | 48237 |
| Pleasant Ridge | 48069 |
| Royal Oak | 48067 |
| Royal Oak | 48073 |
| Southfield (Part) | 48075 |
| Sterling Heights | 48310 |
| Sterling Heights | 48312 |
| Sterling Heights | 48313 |
| Sterling Heights | 48314 |
| Troy | 48083 |
| Troy | 48084 |
| Troy | 48098 |
| Utica (Part) | 48317 |
| Warren | 48089 |
| Warren | 48091 |
| Warren | 48092 |
| Warren | 48093 |

Numerical by ZIP

| | |
|-------------------|-------|
| Center Line | 48015 |
| Clawson | 48017 |
| Eastpointe | 48021 |
| Hazel Park | 48030 |
| Royal Oak | 48067 |
| Pleasant Ridge | 48069 |
| Huntington Woods | 48070 |
| Madison Heights | 48071 |
| Berkley | 48072 |
| Royal Oak | 48073 |
| Southfield (Part) | 48075 |
| Troy | 48083 |
| Troy | 48084 |
| Warren | 48089 |
| Warren | 48091 |
| Warren | 48092 |
| Warren | 48093 |
| Troy | 48098 |
| Ferndale | 48220 |
| Oak Park | 48237 |
| Sterling Heights | 48310 |
| Sterling Heights | 48312 |
| Sterling Heights | 48313 |
| Sterling Heights | 48314 |
| Utica | 48317 |



Please note that the ZIP codes for Eastpointe and Southfield would cover a much larger area than what is in this district.

RESULTS -- November 3, 1992 General Election -- 12th Congressional District

2/18/93

| | | | Registered | Estimated | Estimated | Actuals for the four Candidates | | | | | | | | |
|-------------------|-------|------------|------------|-----------|-----------|---------------------------------|---------|-------|---------|-------------------|-------|---------|---------|--------|
| City/Township | Pcts. | Population | Voters | Vote % | Vote # | Pappageorge | | Levin | | Hahn & Montgomery | | Turnout | Turnout | % of |
| | | | | | | | | | | | | % | # | Total |
| Oakland County | | | | | | | | | | | | | | |
| Berkley | 7 | 18,700 | 12,209 | 63.0% | 7,686 | 47.3% | 3,844 | 51.1% | 4,155 | 1.7% | 135 | 66.6% | 8,134 | 3.1% |
| Clawson | 9 | 14,500 | 10,153 | 66.0% | 6,697 | 50.4% | 3,357 | 48.5% | 3,226 | 1.1% | 73 | 65.6% | 6,656 | 2.5% |
| Ferndale | 16 | 25,084 | 15,773 | 56.3% | 8,874 | 32.7% | 2,891 | 65.4% | 5,787 | 1.9% | 167 | 56.1% | 8,845 | 3.4% |
| Hazel Park | 13 | 20,122 | 11,922 | 54.1% | 6,453 | 33.1% | 2,031 | 65.9% | 4,045 | 1.0% | 64 | 51.5% | 6,140 | 2.3% |
| Huntington Woods | 5 | 6,419 | 4,703 | 78.2% | 3,677 | 27.1% | 1,114 | 71.9% | 2,951 | 1.0% | 39 | 87.3% | 4,104 | 1.6% |
| Madison Heights | 17 | 32,196 | 19,745 | 60.1% | 11,875 | 41.3% | 5,302 | 57.4% | 7,361 | 1.2% | 160 | 64.9% | 12,823 | 4.9% |
| Oak Park | 20 | 30,462 | 18,884 | 63.2% | 11,943 | 14.8% | 1,964 | 83.6% | 11,056 | 1.6% | 212 | 70.1% | 13,232 | 5.1% |
| Pleasant Ridge | 2 | 2,775 | 2,364 | 67.5% | 1,596 | 43.0% | 733 | 54.7% | 934 | 2.3% | 39 | 72.2% | 1,706 | 0.7% |
| Royal Oak | 33 | 65,410 | 47,653 | 64.6% | 30,785 | 48.3% | 16,728 | 49.5% | 17,142 | 2.3% | 793 | 72.7% | 34,663 | 13.3% |
| Royal Oak Twp. | 4 | 5,011 | 4,351 | 49.1% | 2,136 | 3.6% | 64 | 96.0% | 1,726 | 0.4% | 8 | 41.3% | 1,798 | 0.7% |
| Southfield (Part) | 6 | 9,039 | 5,595 | 61.9% | 3,463 | 8.6% | 355 | 90.5% | 3,725 | 0.9% | 38 | 73.6% | 4,118 | 1.6% |
| Troy | 33 | 83,000 | 49,624 | 65.3% | 32,409 | 64.0% | 23,140 | 34.8% | 12,588 | 1.1% | 414 | 72.8% | 36,142 | 13.8% |
| | | | | | | | | | | | | | | |
| Sub-totals | 165 | 312,718 | 202,976 | 62.9% | 127,594 | 44.5% | 61,523 | 54.0% | 74,696 | 1.5% | 2,142 | 68.2% | 138,361 | 52.9% |
| | | | | | | | | | | | | | | |
| Macomb County | | | | | | | | | | | | | | |
| Center Line | 7 | 9,026 | 5,842 | 72.0% | 4,205 | 35.8% | 1,313 | 62.1% | 2,279 | 2.0% | 75 | 62.8% | 3,667 | 1.4% |
| E. Pointe (Part) | 2 | | 4,123 | 54.8% | 2,261 | 39.0% | 825 | 58.5% | 1,207 | 2.5% | 53 | 51.3% | 2,115 | 0.8% |
| Sterling Heights | 61 | 117,810 | 77,911 | 57.8% | 45,017 | 52.2% | 28,012 | 45.9% | 24,656 | 1.9% | 1,002 | 68.9% | 53,670 | 20.5% |
| Utica | 3 | 5,081 | 3,189 | 50.8% | 1,621 | 51.2% | 949 | 46.6% | 863 | 2.2% | 41 | 58.1% | 1,853 | 0.7% |
| Warren | 129 | 144,864 | 90,781 | 57.3% | 52,016 | 43.2% | 26,728 | 54.9% | 33,936 | 1.9% | 1,168 | 68.2% | 61,882 | 23.7% |
| | | | | | | | | | | | | | | |
| Sub-totals | 202 | 276,781 | 181,846 | 57.7% | 104,962 | 46.9% | 57,827 | 51.2% | 63,021 | 1.9% | 2,339 | 67.7% | 123,187 | 47.1% |
| | | | | | | | | | | | | | | |
| Totals | 367 | 589,499 | 384,822 | 60.4% | 232,556 | 45.6% | 119,350 | 52.7% | 137,717 | 1.7% | 4,481 | 68.0% | 261,548 | 100.0% |
| | | | | | | | | | | | | | | |

Notes:

A switch of 3.6% of the votes from Levin to Pappageorge and we would have won. There were two major reasons why we did not get those added votes.

1. A higher than expected voter turnout (261,530 vs 232,556) favored Levin. Preliminary analysis indicates that roughly 70% of these additional voters pulled the straight Democrat lever. This was part of the tide that pushed back all Republican candidates throughout the Nation.
2. Our more than 1,300 volunteers did a superb job of getting the word out. We had only two mailings in Sterling Heights and just one everywhere else. For everything else we used sweat and shoe leather instead of stamps. In the end we did get good name recognition. However, we were not able to arrange for enough voters to associate the Pappageorge name with a voice and a face. That takes advertising on radio and TV. We could do neither. Levin, on the other hand, spent more money on just one TV channel than we did on the whole campaign.

12th Annual

Senate Republican

Dinner with

Senator Bob Dole



Welcome

W

Welcome to the "1993 Michigan Senate Republican Dinner," with our very special guest of honor, U.S. Senate Republican Leader Bob Dole.

The past year has been outstanding for the Senate Republican Caucus. With your help, we won our sixth contested special election since 1985, expanding our majority to 22. Our new addition, Senator Joel Gougeon, is the first Republican to represent the Bay County area in nearly three decades. Our success stems from your generosity and our ability to effectively spend the resources you provide.

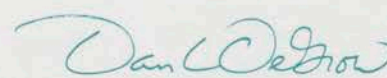
By increasing the Republican majority, we have ensured a better future for the people of Michigan. Since January, we have made great strides in such areas as health care, no-fault automobile insurance and tax reform. And as you know, we now have an historic opportunity to restructure our educational system to meet the demands of the future.

Many of these positive changes would have been impossible without your continued support. We are honored by your presence tonight, and we thank you for your unwavering dedication to the Senate Republicans.



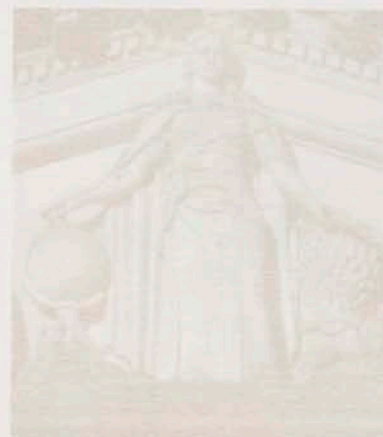
Dick Posthumus

Senate Majority Leader



Dan L. DeGrow

Chairman, Senate Republican
Campaign Committee



Evening Program



MONDAY, SEPTEMBER 13, 1993

Welcoming Remarks

Senator Dan DeGrow, Chairman
Senate Republican Campaign Committee

Pledge of Allegiance

Senator Mat Dunaskiss

Introduction of the Senate Republican Caucus

Senator Michael Bouchard

Introduction of Dignataries

Senator Joanne Emmons

Remarks

Senator Dick Posthumus, Senate Majority Leader

Guest of Honor

United States Senator Bob Dole
Senate Republican Leader

Invocation

Senator Joel Gougeon

Dinner Service

Menu

DINNER

Fresh Baked Onion Rolls
with boney butter

Butternut Squash Soup
with sour cream dollop

Tossed Garden Salad
*with dried Michigan cherries, asparagus,
and raspberry vinaigrette dressing*

"Duo Entree"

Chicken Breast Stuffed With Salmon Mousse
&
Tenderloin of Beef

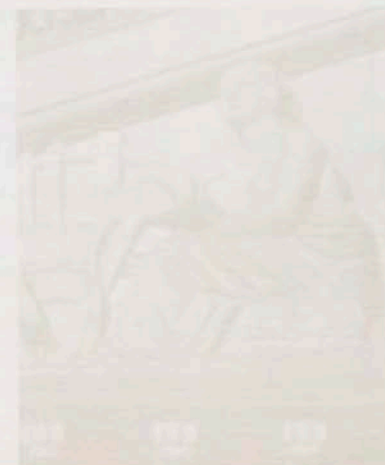
Duchess Potatoes

Broccoli

DESSERT

Fresh Apple Pie

Coffee and Tea



Dinner Chairs

Honorary Chairman - Max M. Fisher

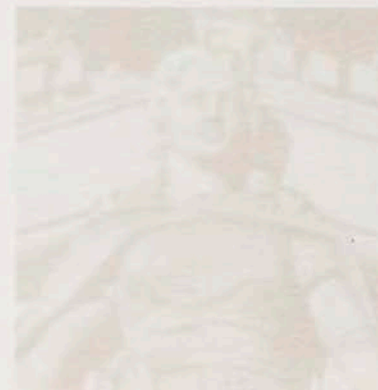
| | |
|----------------------------------|---|
| Richard Antonini | Detroit Automobile Dealers Assoc. PAC |
| Don Barden | Detroit Edison PAC |
| John Bates | Dykema Gossett |
| John Boll | Governmental Consultant Services |
| David Brandon | Karoub Associates |
| Peter Cook | Kellogg PAC |
| Dick & Betsy DeVos | Kmart Corporation PAC |
| Richard DeVos, Sr. | LawPAC of Michigan |
| Joel Dorfman | Meijer, Inc. PAC |
| Alice Gustafson | Michigan Association of CPA's PAC |
| Patrick L. Harrington | Michigan Assoc. of Realtors PAC |
| Patrick Laughlin | Michigan Bankers Association PAC |
| Edward C. Levy, Jr. | Michigan Beer & Wine Wholesalers Association PAC |
| Michael & Marian Ilitch | MI Chamber of Commerce PAC |
| Richard Mancini | Michigan Consolidated Gas Co. PAC |
| Richard McLellan | Michigan Doctors PAC |
| Dennis C. Muchmore | Michigan Hospital Association PAC |
| James Nicholson | Michigan Insurance Federation PAC |
| Heinz Prechter | Michigan Manufactured Housing, RV & Campground Assoc. PAC |
| Scott Seligman | Michigan Manufacturers Assoc. PAC |
| Timothy Spiro | Michigan Nurses Association PAC |
| Robert Thompson | Michigan Oil & Gas Association PAC |
| Jay VanAndel | Michigan Optometric Assoc. PAC |
| Peter Wege | Michigan Truck Stop Operators PAC |
| David Williams | National Bank of Detroit PAC |
| William P. Young | Public Affairs Associates |
| Blue Cross/Blue Shield of MI PAC | State Bar of Michigan PAC |
| Central Transport PAC | Team Ameritech PAC |
| City Management PAC | Wayne Disposal PAC |
| Comerica Bank PAC | |
| Consumers Power Company PAC | |

Host Committee

| | |
|------------------|----------------|
| Edwin Adler | John Goggins |
| James Brooks | Sid Jaansma |
| Dennis Cawthorne | Cruse Moss |
| Jeff Cole | David Porteous |
| Jack DeWitt | Joel Tauber |
| Andrea Fischer | |

Reception Co-Chairs

| | |
|-----------------------|---|
| Tim Attalla | AAA Michigan PAC |
| Donald Bishop | American Insurance Assoc. PAC |
| Greg Brock | ANR Pipeline PAC |
| William Clark | Associated General Contractors PAC |
| Gene Farnum | Associated Underground Contractors PAC |
| Dr. Dale Friar | DENTPAC of Michigan |
| Merwin Hogerheide | FoodPAC of Michigan |
| Sinclair Ingham | Friends of Grand Valley PAC |
| Ken Kearney | Kelly PAC |
| Mike Kelly | Michigan Association of School Boards PAC |
| Donald Klopac | Michigan Homebuilders Assoc. PAC |
| JoAnn Knorr | Michigan League of Savings Institutions PAC |
| Thomas Schellenberg | Michigan Osteopathic Assoc. PAC |
| Robert Schellhas, Sr. | TacPAC |
| Creighton Smith | United American Health Care PAC |
| Michael Spadafore | |
| Frank Stella | |
| Bob Tera | |
| Rick Wiener | |
| David Yardley | |



Republican Caucus



MICHIGAN SENATE REPUBLICAN CAUCUS

Senator Phil Arthurhultz
Senator Michael Bouchard
Senator Doug Carl
Senator Jon Cisky
Senator Dan DeGrow
Senator Fred Dillingham
Senator Gil DiNello
Senator Mat Dunaskiss
Senator Vern Ehlers
Senator Joanne Emmons
Senator Harry Gast
Senator R. Robert Geake
Senator Joel Gougeon
Senator Phil Hoffman
Senator David Honigman
Senator George McManus
Senator Dick Posthumus
Senator John Pridnia
Senator John Schwarz
Senator William VanRegenmorter
Senator Paul Wartner
Senator Jack Welborn

Thank You

*Thank you once again
for your continued support
and generosity.*

*The Michigan Senate
Republicans hope you
enjoy your evening with
United States Senator
Bob Dole.*

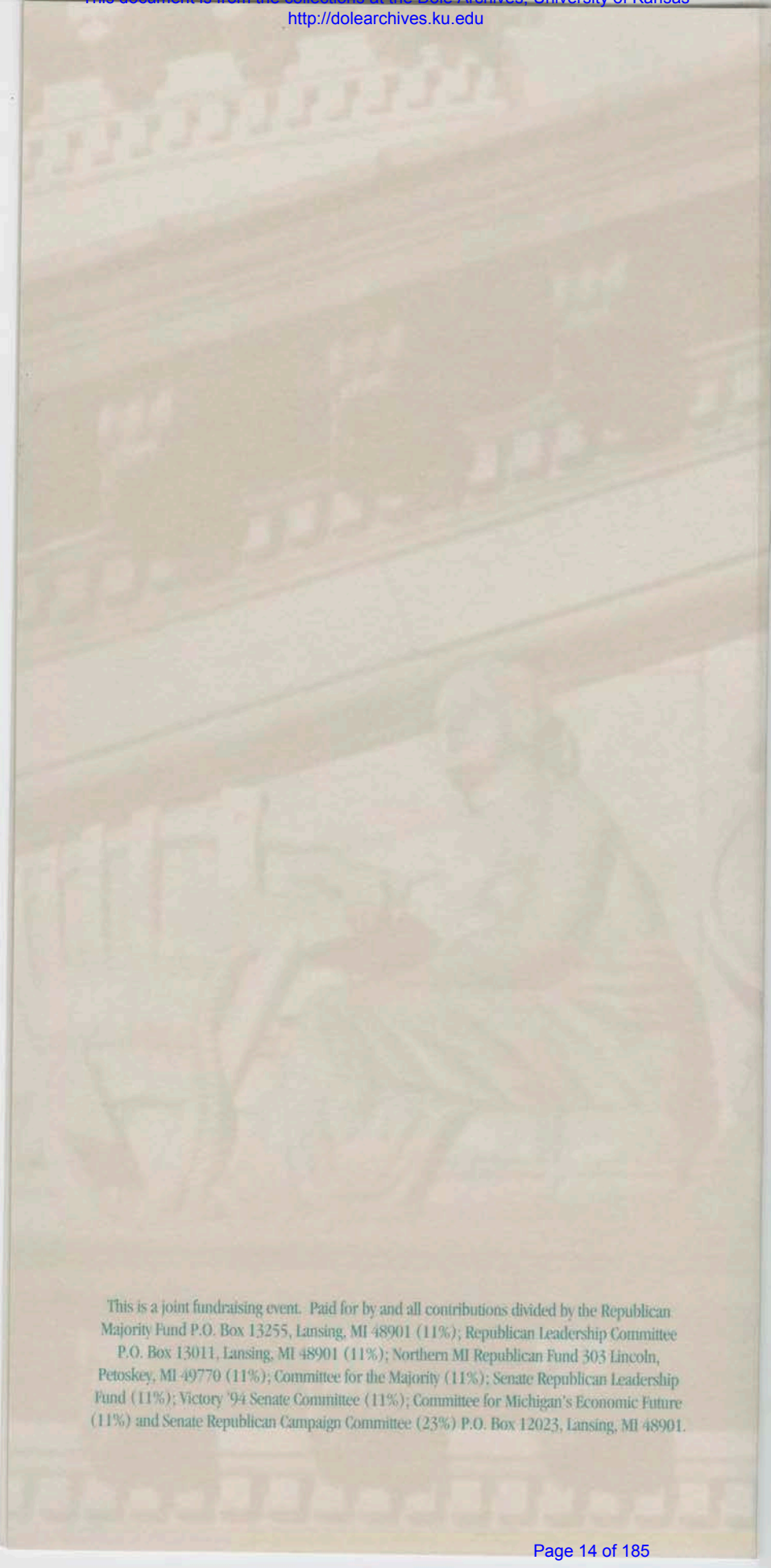




The images used in this printed program are from a series of photographs by Greg Domagalski displaying the beauty of our State Capitol.

On the pediment high above the front entrance to the Capitol, a group of three sculpted allegorical figures gaze over the state and people of Michigan as they have for more than 114 years.

The central figure, symbolizing Michigan as a young state, strides out of her wilderness past and into a bright future. Her outstretched hands offer a book and globe — knowledge and the world. She is surrounded by symbols representing agriculture, mining, lumbering, commerce and the arts. Like the building they adorn, they reflect the pride in their past that Michigan citizens felt when the Capitol was dedicated in 1879, and their even stronger belief in progress and the future.



This is a joint fundraising event. Paid for by and all contributions divided by the Republican Majority Fund P.O. Box 13255, Lansing, MI 48901 (11%); Republican Leadership Committee P.O. Box 13011, Lansing, MI 48901 (11%); Northern MI Republican Fund 303 Lincoln, Petoskey, MI 49770 (11%); Committee for the Majority (11%); Senate Republican Leadership Fund (11%); Victory '94 Senate Committee (11%); Committee for Michigan's Economic Future (11%) and Senate Republican Campaign Committee (23%) P.O. Box 12023, Lansing, MI 48901.

FINAL
9/10/93
CONTACT:
Suzanne Hellmann
202/408-5105

SENATOR DOLE SCHEDULE, MONDAY, SEPTEMBER 13, 1993

10:00 AM Lv. Washington National Airport
Signature Flight Aviation
703/419-8440

AIRCRAFT: Learjet 35
 (Owned by Heinz Prechter)

TAIL NO.: N 42 HP

SEATS: 7

PILOT: WAYNE WALTERS

CO-PILOT: Avie Peri

MANIFEST: Senator Dole
Mike Glassner
John Yochelson (VP of CSIS - the
Center for Strategic International
Studies, would like to ride in plane
on both legs)
Kerry Tymchuk

FLIGHT TIME: 1 hour

CONTACT: Brenda Hellrung
313/246-0201
Pam McCoy
313/246-0563
CORPORATE FLIGHT, DETROIT MET. ARPT
313/941-6520

11:00 AM Ar. Detroit Metropolitan Airport
Corporate Flight
Bldg. 356 - Middlebelt Road
313/941-6520

MET BY: (Economic Club will provide car and
driver - Bill Edwards)

DRIVE TIME: 20 minutes

PAGE TWO

11:20 AM Ar. The Westin Hotel
Renaissance Center
Detroit, MI
313/568-8400
313/568-8146 FAX - front office

313/568-8268 (Contact: Kelli Grady)

MET BY: Jerry Warren, President Econ. Club
Don Luther, Econ. Club

11:25 AM- ATTEND PRESS AVAILABILITY
11:40 AM

NOTE: This will be a joint press avail with
the Econ. Club and the MITC.

LOCATION: Greco, Fourth Floor

11:45 AM- ATTEND RECEPTION FOR HEAD TABLE
12:00 PM

LOCATION: Michaelangelo, Fourth Floor

PRESS: CLOSED

HEAD TABLE: (Sending complete list 9/10)

12:05 PM- ATTEND/ADDRESS ECONOMIC CLUB OF DETROIT
1:30 PM

CROWD SIZE: 1,000+

PRESS: OPEN

FORMAT: Two-tiered head table; podium and
mic at first tier

PROGRAM:
12:00 PM- Lunch served
12:35 PM

12:35 PM Invocation - Rev. Keith Butler,
Pastor, Word of Faith Christian
Center, and Detroit Councilman

12:40 PM Jerry Warren intro of Harold
Poling, Chairman, Ford Motors

12:42 PM Harold Poling remarks and intro
of Senator Dole

PAGE THREE

12:45 PM- REMARKS -- SENATOR DOLE
1:15 PM

1:15 PM- Q & A
1:25 PM

NOTE: Cards will be submitted by audience

CONTACT: Don Luther or Vivian Castanier
313/963-8547

1:30 PM Lv. Economic Club lunch

1:35 PM Ar. private suite/Westin Hotel

ROOM: Suite 6512 & 6511 (subject to change)
313/568-8400
313/568-8146 FAX - front office

1:40 PM - MEET with Automobile Executives
2:20 PM

ATTENDING: Bob Eaton, CEO, Chrysler Corp.
H.A. "Red" Poling, CEO, Ford,
(retiring this fall)
Alex Trotman, Pres. & COO, Ford
(will become new CEO)
Thomas "Tom" Denomme, Exec. VP & COO,
Chrysler
E. Michael "Mike" Mutchler, VP and
Group Exec., GM
Bob Teeters

FORMAT: Discussion of the following:

- o State of Industry
- o Impact of Regulations
- o Trade
- o Health Care

CONTACT: Mary Lukens with Bob Teeters
313/668-2621

NOTE: Kerry Tymchuk briefed by Charles Becher or
Jay Morgan in D.C.

2:30 PM - MEET with Bob Teeters
2:55 PM

CONTACT: Mary Lukens
313/668-2621

PAGE FOUR

3:00 PM- FREE TIME
3:25 PM

NOTE: Meeting on health care with senior members of
of the MI medical society can be arranged by Mr.
Wilhelm Kast who works with Gov. Engler on a number
of issues, including co-chair of the MITC.

3:30 PM- MEET with Spencer Abraham
3:45 PM

4:00 PM- MEET with Ronna Romney
4:15 PM

CONTACT: Ronna Romney
313/569-8000

4:15 PM- FREE TIME
4:50 PM

5:00 PM Lv. Westin Hotel

DRIVE TIME: 35+ minutes (with rush-hour traffic)

NOTE: Sen. Dick Posthumus, Sen. Maj. Leader will
ride in car with Sen. Dole

5:45 PM Ar. Plaza Hotel
16400 J. L. Hudson Drive
313/827-4000

MET BY: Matt Godlewski, Event Director

5:50 PM - ATTEND BRIEF RECEPTION WITH GOP STATE SENATORS
6:00 PM

LOCATION: Board Room

6:05 PM - ATTEND PHOTO RECEPTION WITH HIGH DONORS
6:50 PM

CROWD SIZE: 115 - 150 @ \$5,000+ for evening
(will do 60-80 photos)

PRESS: CLOSED

LOCATION: Sinclair Ballroom

6:55 PM - ATTEND/ADDRESS MICHIGAN REPUBLICAN SENATE CAUCUS
8:05 PM DINNER

NOTE: While dinner is being served, another
300-400 guests will be in the Majority
Reception and will watch Sen. Dole on
a video monitor. @ \$100 for cocktails
and hors d'oeuvres.

PAGE FIVE

CROWD SIZE: 800-900 @ \$1,000 per couple

PRESS: OPEN

HEAD TABLE: TBD
Mr. Heinz Prechter
Senator Dick Posthumus
SENATOR DOLE
Mr. Max Fisher
- PODIUM -
Senator Dan DeGrow
Mrs. Cherie DeGrow

TBD

TBD

Mr. Dave Doyle, MI GOP Chair

PROGRAM:

6:55 PM Introduction of Sen. Dole to
head table guests by Sen. Posthumus
7:00 PM Welcoming remarks by Sen. Dan DeGrow
7:05 PM Pledge of Allegiance - Sen. Mat
Dunaskiss
7:07 PM Intro of dignitaries by Sen. Joanne
Emmons
7:10 PM Intro of GOP State Senators by Sen.
Michael Bouchard
7:15 PM Remarks by Sen. Dick Posthumus
and intro Sen. Dole
7:20 PM - REMARKS -- SENATOR DOLE
7:45 PM
7:46 PM Dinner served/Sen. Dole departs
escorted by Matt Godlewski
7:48 PM- Drop by Michigan ballroom for
8:00 PM for Majority Reception guests

CONTACT: Matt Godlewski
517/482-1666 - direct
517/482-1994 (o)
517/373-0797 (o)
517/482-5595 (FAX)

8:05 PM

Lv. Plaza Hotel

DRIVE TIME: 20 minutes

PAGE SIX

8:25 PM Ar. Detroit Metropolitan Airport
Corporate Flight
313/941-6520

8:30 PM Lv. Detroit

AIRCRAFT: Lear 35A
 (Owned by Heinz Prechter)
TAIL NO.: N 42 HP
SEATS: 7

PILOT: WAYNE WALTERS
CO-PILOT: Avie Peri

MANIFEST: Senator Dole
 Mike Glassner
 Heinz Prechter
 John Yochelson
 Kerry Tymchuk

FLIGHT TIME: 1 hour

CONTACT: Pam McCoy
 313/246-0563
CORPORATE FLIGHT, DETROIT MET. ARPRT
313/941-6520

9:30 PM Ar. Washington National Airport

KANSAS SCHEDULE - FRI., SEPT. 10 - SAT. SEPT. 11

FINAL

CONTACTS:

Judy Brown
316/665-6330 Fair
316/669-9311 Hotel

Gale Grosch
913/768-1414 H
913/371-6108 O

Jo-Anne Coe
703/845-1714 H
202/408-5086 O

Yingling Aviation
316/943-3246

WEATHER: Highs Friday around 70 northwest to the mid-70's
southeast. Lows in the mid-40's northwest to the mid-50's
southeast. Highs on Saturday near 80 west and 75-80 east.

FRIDAY, SEPTEMBER 10

6:10 p.m. Lv. Washington National
U.S. Air Flight #1612

7:50 p.m. Ar. Kansas City International and lv. for
Hyatt

MET BY: Mike & Gale

Drive time: 30 min.

8:20 p.m. Ar. Hyatt Regency
(private time to freshen up)

9:25 p.m. Lv. for "Operation Brightside 5th
Anniversary"

Drive time: 10 min.

Driver: Gale

Mix and mingle while people board boat,
"The America." People will board from
9:30-10:00 before boat leaves on a midnight
cruise. Mayor Steineger and other
businessmen and women will be present.

Contact: Kirk Suther
913/573-5135

10:00 p.m. Lv. for Hyatt Regency

RON Hyatt Regency
816/421-1234

SATURDAY, SEPTEMBER 11

9:10 a.m. Lv. Hyatt for Renaissance Festival

Drive time: 30 min.

9:40 a.m. Driver: Gale
Arrive Renaissance Festival for Opening Gate
Ceremony

(Ceremony begins at 9:45 a.m. and gates open
to public at 10:00 a.m.)

Contact: Cindy Byrne
913/561-8005

10:15 a.m. Lv. for Lenexa Spinach Festival

Drive time: 30 min.

Driver: Gale

Contact: Bill Nicks
913/541-8592

10:45 a.m. Ar. Lenexa Spinach Festival

11:15 a.m. Lv. for Johnson County Executive Airport

Drive time: 15 min.

Driver: Gale

3

11:30 a.m. Ar. Johnson County Executive Airport and
wheels up to Hutchinson

Flight time: 1 hr.

AIRCRAFT: Cessna 414 Chancellor

TAIL NO.: 12436

SEATS: 5

PILOT: Mitchell Mosiman

CO-PILOT: Dennis Richmeier

12:30 p.m. Ar. Hutchinson Airport
Wells Aircraft
316/663-1546

MET BY: Dave

12:35 p.m. Ar. Kansas State Fair

10 MIN. INTERVIEW WITH KWCH CHANNEL 12 WICHITA RE: PROSTATE
CANCER (THEY WILL BE STANDING BY AT DOLE BOOTH AND WILL DO
INTERVIEW AT YOUR CONVENIENCE)

4:30 p.m. Lv. Hutchinson for Springfield

Pick up Jo-Anne's schedule.

FINAL

9/10/93

CONTACT:

Jo-Anne Coe

202/408-5105 (O)

202/408-5117 (FAX)

703/845-1714 (H)

SENATOR DOLE SCHEDULE -- SATURDAY, SEPTEMBER 11

(Pick up from Kansas schedule)

4:25 PM

Ar. Wells Aircraft
Hutchinson, Kansas
316/663-1546

4:30 PM

Lv. Hutchinson

AIRCRAFT: ConAgra Lear 35

TAIL NO.: N 823 CA

PILOT:

Steve Walling

Skypager: 1-800-759-7245, PIN 5383554

CO-PILOT: Joe Auster

MANIFEST:

Senator Dole

Mike Glassner

FLIGHT TIME: 45 minutes

CONTACT:

Maxine Brennan

402/595-4222 (Ofc.)

402/595-4560 (FAX)

Weekend contact:

Hangar; Aurora, Illinois

708/466-9640

5:15 PM

Ar. Springfield, Missouri
Springfield Regional Airport
City Fueling
417/869-1990

MET BY:

Scott Gallagher

(DFP '88 Regional Director,
Missouri Republican Party)

314/636-3146

DRIVE TIME: 20 minutes

SEPTEMBER 11PAGE TWO

5:35 PM

Ar. University Plaza Hotel
417/864-7333PROCEED TO PRESIDENTIAL SUITE - HOLDING ROOM
(If desired)

5:40 PM-

ATTEND PRE-DINNER RECEPTION

6:30 PM

FORMAT: Mix and Mingle

6:30 PM

PROCEED TO (Room to be determined)

6:30 PM-

ATTEND/SPEAK - BANQUET -

7:30 PM

1993 MIDWEST GOP LEADERSHIP CONFERENCE

CONTACT: Bobbie Moore
RNC Committeewoman, Missouri
816/781-2471CROWD SIZE: 250 RNC Members from 13 Midwest States:
Kansas, Missouri, Illinois, Indiana, Iowa, Michigan,
Minnesota, Nebraska, North Dakota, South Dakota,
West Virginia, Wisconsin and Ohio

PRESS: OPEN

PROGRAM:

6:30 PM - Head Table Introduced:

Senator Dole
Senator Kit Bond
Jack Ranson
Mary Alice Lair
Marynell Reece
Evelyn McPhail (Mississippi GOP Chairman,
and Director of Education for RNC)
Bobbie Moore, Missouri Committeewoman
Jeanie Austin, RNC Deputy Chairman
Martha Moore, Ohio RNC Committeewoman
Dr. Robert Ashcroft - Governor's father

6:35 PM - Pledge of Allegiance

6:37 PM - Prayer - Dr. Ashcroft

6:40 PM - Introduction of Senator Dole -
Senator Bond (Emcee)

6:45 PM REMARKS - SENATOR DOLE

7:15 PM Senator Dole concludes remarks and
departs Hotel (dinner then served)

SEPTEMBER 11PAGE THREE

7:45 PM

Ar. City Fueling
417/869-1990

7:50 PM

Lv. Springfield

AIRCRAFT: ConAgra Lear 35
TAIL NO.: N 823 CAPILOT: Steve Walling
CO-PILOT: Joe AusterMANIFEST: Senator Dole
Mike Glassner

MEAL SERVICE: Dinner

FLIGHT TIME: 2 hrs 15 mins
TIME CHANGE: +1 hour

11:05 PM

Ar. Washington National Airport
Signature Flight Support
703/549-8340

SOMALIA

THE SENATE'S ACTION LAST NIGHT IS VINDICATED BY THE NEWS COMING FROM SOMALIA.

THERE IS AN URGENT NEED FOR THE SENATE TO CLOSELY REVIEW U.S. OPERATIONS IN SOMALIA BEFORE WE GET BOGGED DOWN IN A QUAGMIRE.

THE U.S. MISSION HAS EXPANDED FROM PROVIDING HUMANITARIAN ASSISTANCE TO ESTABLISHING SECURITY AND NATION-BUILDING -- THIS WAS DONE WITHOUT THE SUPPORT OF CONGRESS. AND THAT IS WHY THE CONGRESS HAS REQUIRED A DETAILED REPORT AND URGED THE PRESIDENT TO SEEK CONGRESS' SUPPORT IF HE WISHES TO CONTINUE U.S. INVOLVEMENT IN SOMALIA.

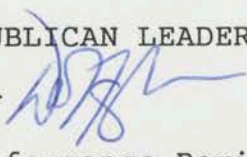
HOWEVER, I AM SKEPTICAL OF WHETHER THE PRESIDENT CAN GET A MAJORITY IN CONGRESS TO SUPPORT A MISSION IN SOMALIA BEYOND THE PROVISION OF HUMANITARIAN RELIEF.

WHY PUT U.S. SOLDIERS AT RISK IN WHAT IS CLEARLY BECOMING AN INCREASINGLY DANGEROUS SITUATION, IF THE UNITED STATES HAS NO CLEAR NATIONAL INTEREST IN SOMALIA?

WE SHOULD START TURNING OVER OPERATIONS OVER TO THE UNITED NATIONS.

September 10, 1993

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor 
SUBJECT: National Performance Review (NPR) Key to Possible
Administration Budget Plan for 1995

I believe that the \$108 billion in budget savings claimed from the NPR will play a key role in the President's FY 1995 budget: It could be used to offset Clinton's "investment" proposals that were pared back during this year's budget debate.

The President and his economic team face two big problems next year. First, their own forecast shows that in 1994 the economy will not be as strong as it was in 1992. Second, they recognize that a lot of campaign promises to various groups within the Democrat party were put on hold this year in order to get the budget passed. Those commitments are about to come due.

After losing the vote on his stimulus package and narrowly winning the vote on his budget plan, the President has become a prisoner of the budget constraints that he helped establish. He knows that he cannot come back with another stimulus that adds to the deficit this year. But, NPR could give Clinton a way out. He could use the savings to finance \$108 billion worth of stimulus proposals and political payoffs.

By proposing these offsets in general terms in advance, the Administration could solve a central problem that budgets traditionally encounter: It lets the President establish the credibility of his offsets before the opponents of specific proposals can pick them apart.

If the President is able to convince the American people that these savings are real, he could then point the finger at Congress if any of his FY 1995 stimulus proposals or "investments" are not fully funded.

I don't believe that Clinton or his advisors have thought this far in advance, but I am concerned. The President had his hands full with the budget this year. Republicans have successfully defined him as a tax-and-spend liberal. But, with Democrats and Republicans embracing the NPR, we could end up making 1994 a lot easier for President Clinton.

We cannot afford to give the Administration a free ride. I am not suggesting that you take the lead in doing this. But, I do think that Domenici and others should start asking questions soon.

SEP-07-1993 11:11 FROM

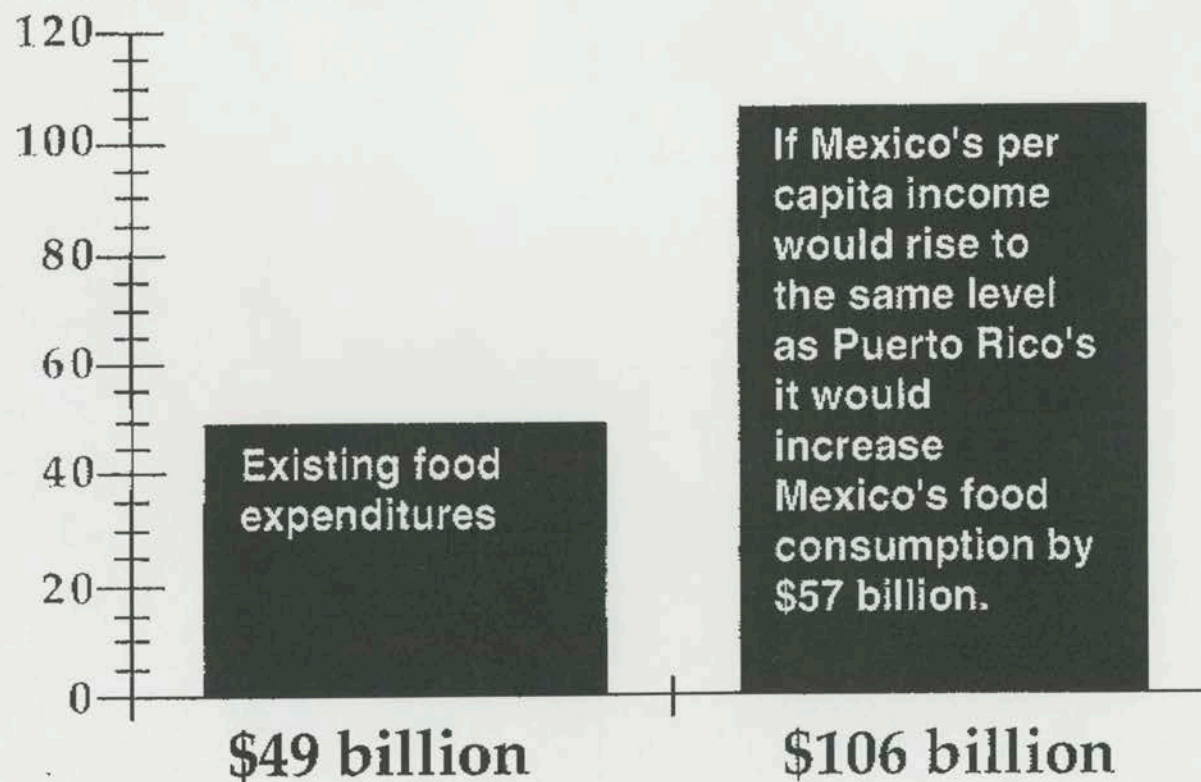
TO

912022243163

P.01

NAFTA provides the best opportunity for Mexico to raise their standard of living. The result -- dramatically increased food consumption and expenditures for U.S. products.

BILLIONS OF DOLLARS



HGB-272

Post-It™ brand fax transmittal memo 7671
To: SELLER DBL
From: KYLE AND DREAS
of pages: 1

TOTAL P.01

THE WHITE HOUSE
WASHINGTON

September 2, 1993

The Honorable Robert Dole
Senate Republican Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

As you know, I share your belief that health reform is and must be a non-partisan issue. It is clear that our constituents want us to work together to pass a long overdue health reform initiative.

For months now, Hillary and representatives from the Administration have held numerous meetings with Senators and Representatives from both parties on the health reform issue. I have been pleased with reports from her and others about how constructive the discussions have been. It has become clear that the vast majority of the Congress wants to contribute to and support a package that stems the tide of skyrocketing health care expenditures while assuring that all Americans have health insurance protection.

While there have been many extremely encouraging signs that we are working with similar health policy goals and approaches to reach those goals, we can do better in developing a closer and more constructive working relationship. I would, therefore, like to take this opportunity to invite you and the Republican Senate Members of your choosing to meet with the First Lady and me as soon as our schedules permit early this month.

I believe these meetings will give us the opportunity to review the options that we have before us to meet our mutual goals of containing costs, providing universal coverage, improving quality, and assuring choice of health care providers. These are daunting but achievable goals that must be met in order to provide health and economic security for all Americans.

The Honorable Robert Dole
September 2, 1993
Page Two

In addition, I have directed Administration representatives to prepare a health care briefing workshop to be offered to Republican and Democratic Members BEFORE the Health Security plan is publicly released later in September. These bipartisan meetings will provide detailed briefings on the health reform policy and the rationale behind it.

The workshop will provide a general outline and philosophy of the proposal by the First Lady, followed by much more specific discussions of the provisions of the plan as they relate to issues of most concern to Members. For example, issues such as (1) cost containment; (2) financing; (3) the role, benefits and responsibilities of businesses; (4) rural health care; (5) how the Medicare and Medicaid populations will be affected; and many others will be discussed in great detail during these workshops.

Members of the Cabinet, White House officials and other key staff within the Administration will conduct these briefings and question and answer sessions. As currently envisioned, the briefings will be offered on a repeated basis starting late in the afternoon on Sunday, September 19, and ending early in the afternoon on Tuesday, September 21. If this concept and timeframe meets with your and Republican Leader Michel's approval, I would like to have my staff meet with your staff to discuss the logistics of these sessions.

There are few issues which offer the opportunity to forge new, bipartisan working alliances as much as health care. It is my hope and expectation that we will develop a plan that both Republicans and Democrats can proudly support. I look forward to hearing from you and House Republican Leader Michel, who has received a similar letter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton". The signature is written in a cursive, flowing style with a large initial "B".

September 9, 1993

TALKING POINTS
ADMINISTRATION HEALTH CARE PLAN

POSITIVES:

- o The Administration has demonstrated a willingness to find new approaches to the problem, avoiding the pressure for a centrally - run health insurance system that has so often characterized liberal thinking on the issue.
- o The plan makes an effort to preserve -- freedom of choice of both physicians and insurance arrangements.
- o The plan is based, at least in part, on creating incentives for private innovation to control health care costs, rather than calling for detailed regulation of provider pricing practices.
- o The plan properly calls for a substantial amount of flexibility for States to adjust the terms of the program to meet the unique needs each State faces.
- o The President has clearly acknowledged that the goal of universal access can't be achieved overnight, and that a phase-in will be needed to make this objective affordable. Republicans have some ideas on how to do this, and will be happy to work with the President.
- o The President has also acknowledged that the new spending requirements in the program must be financed by expenditure restraint, particularly in our existing health care entitlements.

NEGATIVES:

- o The President's call for health insurance premium growth caps as a long-term cost containment strategy is misguided, since our practical experience with these sorts of controls is that they never work. If we rely on this unworkable strategy to control costs, we'll be kidding ourselves about the ultimate cost of the program.
- o The administrative mechanisms the President is proposing to operate the program are complex, largely untested, and raise the prospect of excessive government intrusion.
- o Republicans also have concerns about the notion of

mandating an expansive benefits package. While we all want the best for everyone, this is an area where the "best is the enemy of the good." We may be able to go farther -- and faster -- by starting with a more limited guarantee of benefits.

- o Adding these concerns together, Republicans are also concerned about the effects of the program on the economy. Regulatory mandates to businesses to purchase health insurance amount to a hefty payroll tax. While the President proposes to cushion the impact of his proposed mandate with subsidies, the cost of the subsidies themselves raise concerns about their economic impact if an effective cost control strategy can't be implemented.

September 8, 1993

TO: Senator Dole
FROM: Kathy Ormiston
SUBJECT: C.B.O. Mid-Session Review Confirms
Republican Budget Numbers

"Well, you can laugh, my fellow Republicans, but I'll point out that the Congressional Budget Office was normally more conservative in what was going to happen and closer to right than previous presidents have been." President Clinton, State of the Union Address, February 17, 1993.

- 0 CBO's estimate of the President's deficit reduction package is \$430 billion versus the Administration's mid-session estimate of \$505 billion. CBO's estimate is very close to Republicans' estimate of \$427.5 billion.

Revisiting Your Questions

"Does the President's plan get the deficit under control?"

- 0 While the President's massive tax increases improve the deficit in the short run, the long run outlook is gloomy because spending continues to grow unabated.
- 0 CBO estimates the deficit will total \$266 billion in FY 1993 compared to \$285 billion forecast by the Administration. The deficit will continue to fall to \$190 billion in 1996 before returning to its upward path. By the year 2003, the deficit will total \$359 billion.

"Does the President's bill control government spending?"

- 0 In FY 1994, spending cuts from reconciliation only amount to \$5.3 billion. If you add back new spending of \$6 billion from unemployment insurance and disaster assistance there is no net savings in FY 1994, in fact, there is a net spending increase.
- 0 Almost 90 percent of Clinton's discretionary spending cuts will not occur in until 1997 -- after the 1996 elections.

cc: David Taylor

September 10, 1993

THE WEEKLY ECONOMIC REPORT

On Wednesday, CBO released its updated Economic and Budget Outlook. The report finds that the 1993 Omnibus Budget Reconciliation Act will only reduced the deficit by \$432 billion over 5 years, not the \$504 billion claimed by the White House or the \$496 billion claimed by Congressional Democrats. CBO's latest economic forecast projects that over the next 5 years the economy will never grow at a faster rate than 2.7%. CBO now predicts that after the deficit drops to \$190 billion in 1996, it will start rising again (9/8). The OMB and CBO Mid-session forecasts differ in many ways. For example, OMB predicts both a stronger recovery in 1994 and a rosier deficit picture than does CBO. But, more important is the fact that over the 5-year economic forecast, CBO and OMB agree that the economy will never match last year's 3.9% growth rate.

The Administration is beginning to recognize that a sluggish economy could create big problems in 1994 and 1996. At an event in Homestead, FL, President Clinton said, "If there is anything I can do to stimulate the economy, I will." Labor Secretary Reich and CEA Chairwoman Tyson have started an internal review of various stimulus proposals that President Clinton could initiate by executive order (9/8). The options being considered are similar to steps President Bush took last year -- accelerating scheduled spending, easing restrictions on government-backed loans to businesses, etc.

Recent Economic News

- The latest survey of the 12 Federal Reserve banks covering the 6 weeks ended August 31 found that across the country growth remains "slow to moderate" and inflation is under control. The report found that the East and West Coast are the weakest regions. Kansas City reports moderate growth, steady retail prices, rising sales and housing activity, increased demand for loans, and continued improvement in the energy sector. (9/9)
- In August, the unemployment rate dropped to 6.7% -- a 2-year low -- as manager's cut payrolls by 39,000. (9/3) The U.S. economy created 1 million jobs between January and June, the best 6-month showing since 1990. (9/9)

- A comparison of the OMB and CBO Mid-Session economic and deficit forecasts is listed below. (9/8)

| Real GDP | <u>1993</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> |
|----------|-------------|-------------|-------------|-------------|
| CBO | 2.6 | 2.7 | 2.7 | 2.7 |
| OMB | 2.0 | 3.0 | 2.7 | 2.7 |

Deficits (\$ in billions)

| | <u>1993</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> |
|-----|-------------|-------------|-------------|-------------|-------------|-------------|
| CBO | 266 | 253 | 196 | 190 | 198 | 200 |
| OMB | 286 | 259 | 200 | 179 | 184 | 181 |

Reactions from the White House and Capitol Hill

- President Clinton seems to believe that if government could just work better, it could solve all of America's problems. At the unveiling of Gore's National Performance Review Report, Clinton said, "The key to remedying both the budget deficit and the investment deficit is to overcome the performance deficit in the federal government." (9/7)
- Rep. Matsui (D-CA), a pro-NAFTA Democrat, says, "Business thought it could make an intellectual case [for NAFTA] and win on the merits, but they were wrong. The emotional argument is much more compelling." (Business Week, 9/13).

What Other People are Saying

- An August 1993 study by the Manufacturers' Alliance for Productivity and Innovation (MAPI) states that the Omnibus Budget Reconciliation Act of 1993 (OBRA) fails to solve the deficit problem and "the Administration is almost certain to recommend additional taxes in future years." The conclusion of the MAPI study begins:

"OBRA is the Democratic party's answer to what it views as systematic mismanagement of the nation's finances over the

past 12 years. The basic view driving the act is that the federal government needs to become more involved in addressing social problems and that the American public needs to start paying more for the services government delivers to them."

- **An August Joint Economic Committee minority staff analysis finds, "Under optimistic economic assumptions the economy stands to lose 1.2 million jobs by 1997 under the Clinton plan. If the President's plan tips the economy into even a short recession, the economy will lose 2.5 million jobs by 1997."**
- **A state-by-state analysis of the Clinton Economic Plan compiled by the Senate Republican Policy Committee and the House Republican Conference found that over 5 years Kansas taxpayers would have to send \$2.47 billion more of their hard-earned money to Washington. The Clinton plan would cost Kansas 9,900 jobs from defense cuts and an additional 5,335 jobs from higher taxes. An estimated 38,816 Kansas households will be subject to higher taxes on their Social Security benefits. For Kansas, the Social Security tax increase is estimated at over \$32 million over 5 years. (8/25)**
- **Members of the Entrepreneur of the Year Institute represent growth companies that, as a whole, created 250,000 jobs over the past two years. The annual member survey found "Fifty-four percent of respondents expect an economy conducive to growth over the next year -- a striking 24 percent decline from last year. The number of firms who plan to expand their capital spending declined by 17 percent from 1992 to 1993." 84% of these entrepreneurs strongly support tort reform. 77% strongly support the line-item veto. (7/15)**

Polls

- **An August 26-9 Chicago Tribune poll of 901 registered Illinois voters found that 50% approve of the job that President Clinton is doing, 40% disapprove. 24% had a "lot of confidence" that Clinton will do what is right for America, only 16% felt that way about Congressional Democrats and 12% about Congressional Republicans. 41% approve of the way Clinton is handling the**

economy and 41% disapprove. When people were asked to compare today's economy to the economy a year ago, 17% said it was better, 26% said it was worse, and 56% said it was about the same. (9/8)

- A Florida Family Council poll asked 803 registered Florida voters: What is the single most important problem facing Florida today that you, yourself are most concerned about? The results are listed below (9/2).

| <u>Concern</u> | <u>Percentage</u> |
|-------------------|-------------------|
| Crime | 34 % |
| Education | 24 % |
| Health Care | 17 % |
| High Unemployment | 15 % |
| Environment | 10 % |
| Taxes | 10 % |

Quotable

- A Business Week feature on NAFTA concludes: "In a better world, the fate of NAFTA would be decided by reasoned argument over the treaty's costs and benefits to the U.S. economy. But victory here may belong to the side that succeeds in scaring Congress the most." (9/13)
- William F. Buckley Jr. writes that interest rates are low because "People are not investing. If there isn't the demand for money, money is cheap. The same thing applies at other levels: By 1996, the demand for Bill Clinton will make him cheap -- less than the market is willing to pay." (9/4)

MEMORANDUM

TO: SENATOR DOLE
FROM: Bob Dove
RE: Governmental Affairs Bill on Reinventing Government
DATE: September 7, 1993

On August 5, the Governmental Affairs Committee voted to report out a bill to help President Clinton and Vice President Gore implement their recommendations designed to streamline the federal government.

To implement some of Gore's recommendations, the president can issue executive orders and instructions to federal departments. For most of the proposals, however, Clinton will need support from Congress.

The Senate Government Affairs Committee has proposed a special commission to review the administration's recommendations and consolidate them into an omnibus bill that could shortcut some of the jurisdictional problems inherent in separate pieces of legislation.

The bill would establish a Commission on Government Streamlining and Reform.

The purpose of the Commission is to reform the organization and operations of the executive branch of government

The Commission shall be composed of 9 members.

The President shall appoint 5 members, the Speaker of the House of Representatives shall appoint 1 member, the Majority Leader of the Senate shall appoint 1 member, the Minority Leader of the House of Representatives shall appoint 1 member, and the Minority Leader of the Senate shall appoint 1 member.

The measure would require the special commission to send to Clinton legislation to implement the recommendations by December 31, 1993.

-2-

Clinton would then have 30 calendar days to approve or disapprove the commission's actions, but would not be able to amend the legislative package (except for consistent revisions) it sends to him.

If the president sends the package on to Congress, the leadership of either party must introduce implementing legislation and it shall be referred jointly to any committee of jurisdiction. The committees would be required to report the bill within 30 calendar days of its introduction, or it is automatically discharged. The legislation would be in order for floor consideration within five days after being reported.

All points of order against the implementation bill are waived.

The implementation bill shall remain the unfinished business of the respective House until disposed of.

Only germane amendments are allowed.

Of course the Constitution's prescription that the President's power is to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent nor equivocal about who shall make laws which the President is to execute. The first section of the first article says that 'All legislative Powers herein granted shall be vested in a Congress of the United States.

The Constitution for purposes of appointment very clearly divides all its officers into two classes. The primary class requires a nomination by the President and confirmation by the Senate. But foreseeing that when offices became numerous, and sudden removals necessary, this mode might be inconvenient, it was provided that, in regard to officers inferior to those specially mentioned, Congress might by law vest their appointment in the President alone, in the courts of law, or in the heads of departments.

That all persons who can be said to hold an office under the government about to be established under the Constitution were intended to be included within one or the other of these modes of appointment there can be but little doubt. The fair import is that any appointee exercising significant authority pursuant to the laws of the United States is an "Officer of the United States," and must, therefore, be appointed in the manner prescribed by § 2, cl. 2, of that Article.

-3-

If all persons who can be said to hold an office under the government about to be established under the Constitution were intended to be included within one or the other of these modes of appointment, it is difficult to see how the members of the Commission may escape inclusion. While the second part of the Clause authorizes Congress to vest the appointment of the officers described in that part in "the Courts of Law, or in the Heads of Departments," neither the Leaders of the House nor the Leaders of the Senate comes within this language.

The Appointments Clause specifies the method of appointment only for "Officers of the United States" whose appointment is not "otherwise provided for" in the Constitution. But there is no provision of the Constitution remotely providing any alternative means for the selection of the members of the Commission or for anybody like them.

There is no reason to believe that the authority of Congress over government reorganization is of such a wholly different nature from the other grants of authority to Congress that it may be employed in such a manner as to offend well-established constitutional restrictions stemming from the separation of powers.

Not having the power of appointment, unless expressly granted or incidental to its powers, the legislature cannot engraft executive duties upon a legislative office, since that would be to usurp the power of appointment by indirection.

If the powers confided in the Commission were essentially of an investigative and informative nature, falling in the same general category as those powers which Congress might delegate to one of its own committees, there can be no question that a Commission made up of Congressional appointees could exercise them.

But when we go beyond this type of authority to the more substantial powers exercised by the Commission, we reach a different result. The Commission's extraordinary powers, exemplified by its power to craft legislation which Congress is severely limited in its ability to change or delay, is authority that cannot possibly be regarded as merely in aid of the legislative function of Congress.

Congress may undoubtedly under the Necessary and Proper Clause create "offices" in the generic sense and provide such method of appointment to those "offices" as it chooses. But Congress' power under that Clause is inevitably bounded by the express language of Art. II, @ 2, cl. 2, and unless the method it provides comports with the latter, the holders of those offices will not be "Officers of the United States."

-4-

They may, therefore, properly perform duties only in aid of those functions that Congress may carry out by itself, or in an area sufficiently removed from the administration and enforcement of the public law as to permit their being performed by persons not "Officers of the United States."

"Not having the power of appointment, unless expressly granted or incidental to its powers, the legislature cannot engraft executive duties upon a legislative office, since that would be to usurp the power of appointment by indirection.

POSSIBLE AMENDMENTS

If this legislation makes it to the floor the following amendments could be offered to make it more palatable.

1) Make the commission authentically bi-partisan. Half of the appointments should be Republican, half Democrats.

2) Remove the restrictions on debate, so that any changes could be filibustered.

3) Remove the restrictions on germaneness of amendments, which would shut out most Republican amendments.

4) Allow points of order against the bill.

5) Provide that appointees during the past 12 years shall not be the sole target in any dismissal of public employees.

6) Make the commission a recurring thing so that in 1997 a new Republican President could make use of the same process.

SENATOR BOB DOLE
TALKING POINTS
MICHIGAN STATE SENATE
FUNDRAISER
AUGUST 25, 1993

***THANK YOU. I APPRECIATE
YOU ALLOWING ME TO SPEAK
BEFORE DINNER. I GET A LITTLE
NERVOUS ABOUT WHAT
SENATOR MITCHELL AND THE**

DEMOCRATS ARE UP TO WHEN
I'M GONE, SO THIS ALLOWS ME
TO GET BACK TO WASHINGTON
THIS EVENING BEFORE THEY
CAN DO TOO MUCH DAMAGE.

I MENTIONED AT THE DETROIT
ECONOMIC CLUB THIS
AFTERNOON THAT YOU SHOULD
BE GLAD THAT I'M SPEAKING
TONIGHT, AND NOT MY WIFE.

**WHEN I SPEAK, SOME PEOPLE
MIGHT THINK THAT HE'S JUST
ANOTHER POLITICIAN AFTER MY
MONEY. WELL, IF ELIZABETH
WERE HERE, SHE'D BE AFTER
YOUR BLOOD AND YOUR MONEY.**

**I DO WANT TO THANK YOU
FOR YOUR GENEROSITY THIS
EVENING. I KNOW IT'S GOING
TO A GOOD CAUSE. AND IF YOU
HAVE ANY LEFT OVER, THEN**

REMEMBER THE RED CROSS.

**I KNOW MANY OF US HERE
TONIGHT REMEMBER A FRIEND
WHO ONCE SERVED IN THE
MICHIGAN STATE SENATE, AND
THEN WENT ON TO CONGRESS.
AND THAT'S THE LATE PAUL
HENRY.**

**PAUL'S DEATH EARLIER THIS
YEAR DEPRIVED OUR PARTY AND
OUR COUNTRY OF AN**

**OUTSTANDING LEADER, AND I
KNOW ALL OUR THOUGHTS
REMAIN WITH PAUL'S FAMILY.**

**I ALSO WANT TO OFFER A
SPECIAL WORD OF THANKS THIS
EVENING TO MY GOOD FRIEND,
MAX FISHER.**

**FEW PEOPLE HAVE BEEN
MORE GENEROUS TO THE
REPUBLICAN PARTY WITH THEIR
TIME, THEIR MONEY, AND THEIR**

LEADERSHIP THAN MAX FISHER.
SO, MAX, THANK YOU FOR ALL
YOU HAVE DONE AND WILL
CONTINUE TO DO TO MAKE THE
REPUBLICAN PARTY THE
MAJORITY PARTY IN MICHIGAN
AND ACROSS AMERICA.

I'VE BEEN A REPUBLICAN
EVER SINCE I RAN FOR THE
STATE LEGISLATURE IN KANSAS.
WHEN I DECIDED TO RUN, I DID

**A LITTLE CHECKING AND
DISCOVERED THERE WERE
MANY MORE REPUBLICANS IN
RUSSELL COUNTY, THAN THERE
WERE DEMOCRATS. SO IT
DIDN'T TAKE ME LONG TO
FIGURE OUT THAT I WAS A
REPUBLICAN.**

**AND THROUGHOUT ALL MY
YEARS AS A REPUBLICAN, I'VE
BEEN HOPING AND WORKING**

**FOR THE TIME WHEN WE WOULD
BE THE MAJORITY PARTY.**

**AND AS I TRAVEL AROUND
THE NATION AND TALK TO
REPUBLICANS, I TRULY BELIEVE
THAT TIME IS COMING.**

**A LOT OF THINGS HAVE
HAPPENED SINCE JANUARY,
WHEN THE DEMOCRATS GAINED
CONTROL OF THE WHITE HOUSE,
AS WELL AS THEIR DECADES**

**LONG CONTROL OF THE HOUSE
AND SENATE.**

***SINCE THEN, AMERICANS
HAVE RE-DISCOVERED THE FACT
THAT WHEN YOU GIVE CONTROL
OF THE ENTIRE GOVERNMENT
TO THE DEMOCRATS, YOU'RE
ALSO TURNING OVER CONTROL
OF YOUR POCKETBOOKS.**

**AND WHAT THIS SUMMER'S
BUDGET DEBATE DID WAS TO**

**POINT OUT TO THE AMERICAN
PEOPLE THAT THERE'S A
FUNDAMENTAL DIFFERENCE IN
PHILOSOPHY BETWEEN THE
DEMOCRAT PARTY AND THE
REPUBLICAN PARTY.**

**THE DEMOCRAT PARTY
BELIEVES THAT AMERICA CAN
TAX, SPEND, AND MANDATE ITS
WAY TO PROSPERITY.**

THE REPUBLICAN PARTY

**BELIEVES IN MORE. NOT MORE
TAXES, MORE SPENDING OR
MORE MANDATES. BUT MORE
FREEDOM, MORE OPPORTUNITY,
AND MORE HARD EARNED
DOLLARS LEFT IN YOUR
POCKETS.**

**AND THE REPUBLICAN PARTY
BELIEVES THAT WHEN IT COMES
TO THE BUDGET, WE SHOULD
CUT SPENDING FIRST.**

**AND FROM ONE END OF THE
COUNTRY TO THE OTHER, THE
MESSAGE OF "CUT SPENDING
FIRST" IS GETTING THROUGH.**

***IT STARTED LAST NOVEMBER
IN GEORGIA, WITH THE
ELECTION OF PAUL COVERDELL
TO THE UNITED STATES SENATE.**

***NEXT WAS TEXAS, WHERE
KAY BAILEY HUTCHISON WON A
HISTORIC VICTORY.**

***THEN IT WAS IN LOS
ANGELES, WHERE THE CITY
ELECTED ITS FIRST REPUBLICAN
MAYOR IN THREE DECADES.**

***THEN--BELIEVE IT OR NOT--IT
WAS IN ARKANSAS, JUST A
MONTH AGO, WHEN VOTERS
CHOSE REPUBLICAN MIKE
HUCKABEE AS THEIR LT.
GOVERNOR--ONLY THE FOURTH
TIME THIS CENTURY THAT A**

**REPUBLICAN HAS BEEN
ELECTED TO AN ARKANSAS
STATEWIDE OFFICE.**

**AND THERE ARE A FEW
ELECTIONS THIS NOVEMBER--
FOR GOVERNOR IN VIRGINIA
AND NEW JERSEY, AND FOR THE
MAYOR'S SEAT IN NEW YORK
CITY.**

**AND I'M PLEASED TO REPORT
THAT REPUBLICAN CANDIDATES**

**HAVE AN OUTSTANDING CHANCE
IN EACH OF THOSE ELECTIONS.**

**NOW, THERE HAVE BEEN
SOME EARTH SHATTERING
EVENTS OVER THE PAST FEW
YEARS--TODAY'S AGREEMENT
BETWEEN THE P.L.O. AND
ISRAEL...THE CRUMBLING OF
THE IRON CURTAIN... THE
DRAMATIC REDUCTION OF
PROPERTY TAXES RIGHT HERE**

**IN MICHIGAN...BUT DID YOU
EVER THINK YOU WOULD LIVE
TO SEE THE DAY WHEN LOS
ANGELES AND NEW YORK CITY
WOULD HAVE REPUBLICAN
MAYORS?**

**AND THEN WE COME TO 1994.
IN THE SENATE, OUR MOTTO IS
"SEVEN MORE IN 94." WITH A
GAIN OF SEVEN SEATS, WE CAN
TAKE CONTROL OF THE SENATE.**

**AND ONE OF THOSE VICTORIES
NEEDS TO COME RIGHT HERE IN
MICHIGAN.**

**WE'VE GOT A GOOD START
HERE IN MICHIGAN. I MET
TODAY WITH A COUPLE OF
CANDIDATES WHO ARE ALREADY
OUT WORKING HARD. THERE'S
A COUPLE OF STATES WHERE
WE'RE STILL LOOKING FOR
CANDIDATES, SO IF ANYONE'S**

INTERESTED, PLEASE SEE ME.

WE PAY RELOCATION COSTS.

**I'M SURE YOU'LL AGREE WITH
ME THAT ONE THING WE HAVE
TO DO NEXT YEAR IS TO KEEP
JOHN ENGLER AS MICHIGAN'S
GOVERNOR. JOHN HAS GAINED
A NATIONAL REPUTATION AS AN
AGGRESSIVE AND INNOVATIVE
LEADER. HE'S HELPING TO
PROVE THAT THE REPUBLICAN**

**PARTY IS THE PARTY OF NEW
IDEAS.**

**AND WE WANT TO BE SURE
THAT REPUBLICANS KEEP
CONTROL OF THE STATE
SENATE IN LANSING. I'VE BEEN
MAJORITY LEADER, AND I'VE
BEEN MINORITY LEADER, AND
AFTER CAREFUL
CONSIDERATION, I'VE DECIDED
THAT MAJORITY LEADER IS THE**

**BETTER JOB. AND I KNOW THAT
DICK POSTHUMUS WOULD
AGREE.**

**AND AFTER A SUCCESSFUL
1994, 1996 WILL TAKE CARE OF
ITSELF.**

**AND IF WE'RE GOING TO BE
THE MAJORITY PARTY, THEN WE
HAVE TO CONTINUE TO FOCUS
ON THE ISSUES THAT UNITE US--
NOT THOSE THAT DIVIDE US.**

IF WE'RE GOING TO BECOME
THE MAJORITY PARTY THEN WE
CAN'T AFFORD TO CLOSE OUR
DOORS TO ANYONE. WE CAN'T
AFFORD TO TELL ANYONE THEY
CAN'T BE REPUBLICANS.

LET ME CLOSE BY SAYING
THAT OVER THE PAST YEAR, I
HAVE BEEN PRIVILEGED TO
MEET WITH DELEGATIONS FROM
MANY COUNTRIES WHOSE

**PEOPLE HAVE LONG SOUGHT
THE AMERICAN DREAM.**

**THEY COME INTO MY OFFICE
NOT WANTING A HAND-OUT--
RATHER, THEY WANT
INSPIRATION AND
ENCOURAGEMENT. THEY TELL
ME THAT "WE WANT TO BE LIKE
YOU. WE WANT TO BE LIKE
AMERICA."**

I BELIEVE THAT THE

**DECISIONS WE MAKE IN THE
COMING DAYS AND MONTHS
WILL GO A LONG WAY IN
DETERMINING JUST WHAT
AMERICA WILL BE LIKE.**

**WE CAN RETAIN OUR
ECONOMIC LEADERSHIP BY
REMAINING COMMITTED TO
FREE ENTERPRISE AND
INDIVIDUAL INITIATIVE. OR WE
CAN STAND BY AS GOVERNMENT**

**TAKES AN EVER INCREASING
SHARE OF OUR TAX DOLLARS
AND MAKES AN EVER
INCREASING SHARE OF OUR
DECISIONS**

**WE CAN TAKE OUR PLACE AS
A LEADER IN THE NEW GLOBAL
MARKETPLACE, OPENING NEW
DOORS AND OPPORTUNITIES
FOR AMERICAN BUSINESS AND
AMERICAN WORKERS. OR WE**

**CAN STAND BY ON THE
SIDELINES, AS WE CLOSE THAT
DOOR, AND ALLOW OTHER
COUNTRIES TO LEAD AND TAKE
OUR SHARE OF THOSE NEW
MARKETS.**

**WE CAN REMAIN THE MOST
POWERFUL FORCE FOR PEACE
AND PROGRESS ON EARTH,
STANDING FIRM WITH THOSE
WHO SEEK FREEDOM. OR WE**

**CAN DECIDE THAT THE PRICE OF
LEADERSHIP IS TOO HIGH,
ALLOWING OTHERS TO DECIDE
WHAT OUR INTERESTS ARE, AND
TURN A BLIND EYE TO
INTERNATIONAL AGGRESSION.**

**I BELIEVE THE CHOICES ARE
CLEAR, AND SO, TOO, IS THE
PATH THAT WE MUST TAKE. WE
MUST DO ALL WE CAN TO
ENSURE THE SURVIVAL OF**

**AMERICAN LEADERSHIP, AND
WITH IT, THE SURVIVAL OF THE
AMERICAN DREAM.
THANK YOU.**

Background Information Michigan Senate Republican Caucus

This year will mark the 12th year which people from across Michigan will join the Senate Republicans for their annual fundraising event. Each year this event is held to raise funds for targeted Senate races which are key to maintaining Republican control of the state Senate. Currently, the Senate is made up of 22 Republicans and 17 Democrats. Additionally, the President of the Senate is the Republican Lieutenant Governor, Connie Binsfeld.

The Republicans took control of the Senate in 1984 after the recall of two Democrat Senators, and the subsequent election of two Republicans to fill the vacant seats. The recalls were a result of then Democratic Governor James Blanchard's 38% income tax increase. We have maintained control of the Senate through two subsequent election cycles in 1986 and 1990. Because of our extensive fundraising operation, over \$1.8 million was raised and spent to keep control in 1990. With the rising costs of elections, we expect to raise and spend close to \$2.5 million to preserve our majority in the general elections next year.

Previous Senate Republican Dinners

We have been fortunate to have hosted an impressive group of American leaders for the annual dinner. Former President Ronald Reagan, Vice-President George Bush, Vice-President Dan Quayle, Secretary Jack Kemp, Secretary James Baker, Secretary William Brock, Secretary Margaret Heckler, U.S. Senator Howard Baker and U.S. Senator Phil Gramm are among those who have previously joined this event.

This year we expect to gross nearly \$500,000 for the 1994 elections. Those attending the event will have paid for tickets at the \$5,000, \$1,000 and \$100 level.

Key Points of Information for Use with Senator Dole's Remarks

- All 38 State Senators are up for re-election in 1994
- Republicans currently hold 22 seats - up from 20 in 1990, because of a special election this year and a Democrat who switched parties
- Democrats will be gunning for Senator Gil DiNello, who had the courage to switch to the Republican party in the wake of Bill Clinton's victory
- Democrats will also be aiming for Senator Joel Gougeon (goo-JAHN), who's special election victory in March represented a message aimed directly at the White House. The **Wall Street Journal** wrote an editorial about the race. An important excerpt:

"The most impressive anti-tax victor was Republican Joel Gougeon in a state Senate race in Bay City, Michigan. No Republican has represented

Bay City, the gritty factory town where Madonna grew up, for 20 years. The Reagan Democrats who abandoned the non-Reaganite Bush presidency may be trying to send the Democrats a signal"

- Other Republicans face tough challenges due to redistricting and their stands on the sides of taxpayers vs. the special interests
- Bill Clinton's tax and spend presidency has helped make several Democrats vulnerable. We intend to target two open Democrat seats (vacated by Lana Pollack who is running against Don Riegle in the primary and another vacated by Debbie Stabenow who is running for governor). We will also target at least three seats currently held by Democrat incumbents.
- Previous speakers have also put in a "plug" for the Senate Republicans. Those attending the Senate Dinner are tapped from a variety of sources each year. Our goal is to make certain they feel that we have an exceptional record in wisely spending the money they contribute.

Evidence:

*Expanding the number of Republicans in the Senate from fourteen in 1982 to twenty two by 1993

*Winning six of six special elections since 1985.
Including victories in two seats long held by Democrats

*Making extensive preparations in the areas of candidate recruitment, opposition research, issue development, voter base identification, demographic analysis, and staff training to insure our majority into the next decade

THE WALL STREET JOURNAL WEDNESDAY, MARCH 24, 1993

Tax Tremors

Conventional wisdom has it—in fact, it can't stop saying—that the programs and platform that elected Ronald Reagan in 1980 and 1984 aren't popular with the voters anymore. We guess that's why the conventional wisdom isn't going out of its way to notice that some recent candidates articulating Reaganite themes are winning again.

In the past month, Republicans have surprised analysts by capturing normally safe Democratic state Senate seats in Michigan, Alabama and Connecticut. In Missouri they won two seats formerly held by Democrats. All politics may be local, but it's generally agreed that the most important factor in each race was a discernible public resistance to tax increases. Those tax tremors may partly explain the downdraft on President Clinton's approval ratings. The latest Harris Poll shows 44% of the public now rates him negatively, up from 31% in January.

The most impressive anti-tax victor was Republican Joel Gougeon in a state Senate race in Bay City, Michigan, last week. No Republican has represented Bay City, the gritty factory town where Madonna grew up, for 20 years. Clearly, something's changing. In fact, Mr. Gougeon ran in the same area for the Michigan House last November but won only 40% of the vote.

This time he won 53% of the vote in a pro-union district that voted for Michael Dukakis in 1988 and gave George Bush only 33% of the vote last year. The Reagan Democrats who abandoned the non-Reaganite Bush presidency may be trying to send the

Democrats a signal.

Mr. Gougeon credits his victory to his support for Governor John Engler's across-the-board property-tax cut. He also found many people had misgivings about the Clinton economic program. His Democratic opponent, Bay City police officer Terry Watson, used the national Democratic Party's currently popular class warfare theme, attacking his opponent as a "wealthy businessman." The class-envy routine flopped. Mr. Gougeon won blue-collar votes with his anti-tax and socially conservative stands. He highlighted his backing of school vouchers and pointed out his opponent was backed by the teachers' unions.

It'd be premature to claim that voters are ready to reject any candidates who back higher taxes, but congressional Democrats are at least worried. Many had to have their arms twisted to back Bill Clinton's \$16 billion "emergency stimulus" spending package. It'll get more than worrisome if Republican candidates who return to the electorally successful Reagan themes start winning elections on the Democrats' home turf.

Democrats will be watching for clues to the voters' mood in coming elections for the House of Representatives in Wisconsin and California and the U.S. Senate race in Texas. Recall that Jimmy Carter's vulnerabilities surfaced when Republicans won a series of upset elections during his first year in office. Voters may generally wish Bill Clinton well, but many may be preparing to send him an anti-tax message the first chance they get to enter a voting booth.

Chas. Snow - John

Bauman

Patterson

TO: Senator Dole
FR: Kerry

RE: Michigan State Senate GOP Fundraiser

*You will be speaking to approximately 800-900 people who have paid \$1,000 per couple.

*After your remarks, you are scheduled to drop by a \$100 a person reception for approximately 300-400,

*The Republicans have controlled the Michigan Senate since March, 1984. Currently, there are 22 Republican Senators and 16 Democrats. All 38 seats are up next year.

*The State House of Representatives is currently split at 55-55, with co-speakers of the House. All 110 seats are up next year.

*Your GOP stump speech will do the trick...I have added a few comments up front about the late Congressman Paul Henry, who was a former member of the State Senate, and a salute to Max Fisher, who you are seated by at dinner.



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

FOR IMMEDIATE RELEASE
August 19, 1993

CONTACT: John Truscott
(517) 335-NEWS

**Engler Signs Historic Bill
Sweeping Education Reform Must Be Michigan's Top Priority**

Standing in front of the one-room school house where Henry Ford was educated, Governor John Engler today signed Senate Bill 1 and said the time has come to make quality education available to all Michigan children.

"Michigan has a tradition of education leadership. Now our state has the opportunity to bring in sweeping education reforms and to reassert itself as the nation's education leader. Our goal must be nothing less than to put a world-class education within the reach of every child in Michigan," Engler said.

The Governor said that achieving excellence in education must be the state's highest priority. One proposal under consideration is to give parents more options over where to send their children to school.

"It is time to concentrate less on the needs of 'the system' and more on the needs of our children. It is time to free up parents and empower them for one of the most important decisions they will ever make--where to educate their children. Quality will go up when parents can choose from among many more public schools than is presently possible. School choice will result in higher quality schools," Engler said.

- more -



Page Two
Senate Bill One Signing

Senate Bill 1 eliminates some \$6 billion in property taxes for schools. The move gives Michigan property owners substantial property tax relief. It also makes Michigan more competitive and helps create jobs.

The Governor pointed out that Senate Bill 1 marks the end of an era in which property taxes have been used to finance schools. Michigan has had a 19th-century system of education: Finances were based on property taxes, and class schedules revolved around the harvest, he noted.

The Governor called on the Legislature to make education reform and school finance reform its top priority. He challenges legislators to transform Michigan's antiquated educational system and reinvent Michigan's schools in the next 100 days.

"Be prepared for stunning reform -- reform that takes what is essentially a 19th century system, boldly restructures it, and prepares our children for the world of the 21st century. This is an historic opportunity without parallel in recent Michigan memory. Our generation of leadership must rise to the challenge," Engler said.

STATE OF MICHIGAN



SENATE MAJORITY LEADER

SENATOR DICK POSTHUMUS
31st District

State Capitol
Lansing, Michigan 48913
(517) 378-0707

June 3, 1993

The Honorable Robert Dole
United States Senator
141 Hart Senate Office Building
Washington, D.C. 20510-4302

Dear Senator Dole:

On behalf of the entire Michigan Senate Republican Caucus, we would like to extend an invitation to you to be our honored guest at the 1993 12th Annual Senate Republican Dinner.

The Annual Senate Dinner will be the kick-off in our campaign to hold and expand Republican control of the Michigan Senate. Our goal is to raise at least \$550,000 at this event to prepare us for our future Senate elections in 1994.

The Senate dinner attracts 1,200 to 1,700 key political and business leaders from across Michigan. Previous speakers to this annual event have included President Ronald Reagan, President George Bush, Vice-President Dan Quayle, Secretary Jack Kemp, Secretary Jim Baker and Senator Phil Gramm. Your presence at this year's event would be a fitting addition and a great honor.

The 1993 Annual Dinner is tentatively scheduled for late September or early October in the Detroit area. The evening would begin with a small photo reception for our most generous supporters, and would be followed by a dinner. Near the end of the dinner another group of supporters will join the dinner guests to hear your remarks. Your presence would insure the success of this critical fund-raising effort.

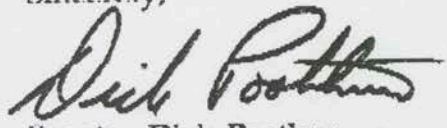
The photo reception will consist of a group of individuals who have contributed at least \$5,000 toward the event. The dinner portion will be attended by approximately 1,000 business and civic leaders from across Michigan paying \$1,000 per couple. Following dinner, a group of 500 to 600 grass-roots Republican supporters from across our state (who will be contributing \$100 per person) will join the event for remarks by the guest of honor.


The Honorable Robert Dole
June 3, 1993
Page 2

We look forward to receiving additional information regarding the possibility of your attendance at your earliest convenience. As mentioned above, the event is planned for this fall. We would gladly arrange a date that meets the needs of your schedule. Should you have any questions, please do not hesitate to contact us directly, or Matt Godlewski of our staff at (517) 482-1994.

We hope you will honor us by accepting this invitation.

Sincerely,


Senator Dick Posthumus
SENATE MAJORITY LEADER


Senator Dan DeGrow
MAJORITY CAUCUS CHAIRMAN



MEMORANDUM

TO: Suzanne Hellman
FROM: Matt Godlewski *MG*
DATE: September 10, 1993
RE: Senator Dole's Visit to Michigan

Enclosed you will find the information we discussed regarding Senator Dole's trip to Michigan on Monday. Please let me know what remaining things I can provide or arrange for to make his visit as smooth as possible.

As you know, the key Senators and staff which Senator Dole will have the most interaction with are as follows:

Senator Dick Posthumus (*Senate Majority Leader*)

Senator Dan DeGrow (*Chairman of the Senate Republican Campaign Committee and the MC for the event*)

Matt Godlewski (*Event Director*)

Office direct dial: 517-482-1666
Office facsimile: 517-482-5595
Home: 517-482-8264

I will be in the office all day on Friday and either at the office or at home over the weekend. Please don't hesitate to contact me at any time should something come up.

Thanks again for all of your help. I'll talk with you on Friday.

A MAJORITY FOR THE 90'S

This is a joint fund-raising event. Paid for by and all contributions divided by the Republican Majority Fund 11%, Republican Leadership Committee 11%, Northern Michigan Republican Fund 11%, Committee for the Majority 11%, Senate Republican Leadership Fund 11%, Victory '94 Senate Committee 11%, Committee for Michigan's Economic Future 11%, and Senate Republican Campaign Committee 23%. Event address P.O. Box 12023, Lansing, Michigan 48901.

9/13/93
EAST TO WEST

SPEAKER TABLE SEATING ARRANGEMENTS

LOWER TIER

- | | |
|-----------------------------|---------------------------|
| 1. LAURENCE M. SCOVILLE JR. | 27. ROBERT J. EATON |
| 2. DR. BARBARA B. MURRAY | 28. PETER W. STROH |
| 3. DANIEL J. KELLY | 29. ALLAN D. GILMOUR |
| 4. ARTHUR L. JOHNSON | 30. HEINZ PRECHTER |
| 5. BETH KONRAD | 31. RICHARD R. SPEARS |
| 6. ARNOLD MIKON | 32. FRANK STELLA |
| 7. ROBERT B. EVANS | 33. THOMAS H. HANNA |
| 8. RICHARD H. HEADLEE | 34. ALAN E. SCHWARTZ |
| 9. ROBERT E. DEWAR | 35. JAMES D. JOHNSTON |
| 10. R. C. STEMPEL | 36. ROBERT GILES |
| 11. RONALD L. ROUDEBUSH | 37. WILLIAM K. HOWENSTEIN |
| 12. HEATH MERIWETHER | 38. ROBERT LIBERATORE |
| 13. PETER J. PESTILLO | 39. JOE STROUD |
| 14. PAUL BORMAN | 40. BEVERLY BELTAIRE |
| 15. FRANK E. SMITH | 41. WILHELM C. KAST |
| 16. DR. CHARLES M. CHAMBERS | 42. ROBERT M. TEETER |
| 17. JOHN M. O'HARA | 43. KARLA SCHERER |
| 18. VERNE G. ISTOCK | 44. WALTON A. LEWIS |
| 19. A.J. TROTMAN | 45. DEANE BAKER |
| 20. WILLIAM T. MC CORMICK | 46. GEORGE JACKSON |
| 21. THE HON. MICHAEL GUIDO | 47. |
| 22. THE HON. KEITH BUTLER | 48. |
| 23. GERALD E. WARREN | 49. |
| 24. H. A. POLING "RED" | 50. |
| 25. THE HON. BOB DOLE | 51. |
| 26. MAX M. FISHER | 52. |

SEPT. 13, 1993 SPEAKER TABLE SEATING ARRANGEMENTS
EAST TO WEST UPPER TIER

- | | |
|-------------------------------|---------------------------|
| 1. OTIS STARGHILL | 27. GILBERT L. COX |
| 2. WALTER STARGHILL | 28. H. FRED CAMPBELL |
| 3. WILLIAM L. BALDNER | 29. JOHN W. BLACKWELL III |
| 4. CLIFFORD N. WRIGHT | 30. MARK TOCHMAN |
| 5. JAMES J. TREBILCOTT | 31. DR. H. JUNE KUCZYNSKI |
| 6. JACK CASEY | 32. NORMAN O. STOCKMEYER |
| 7. DR. KARL D. GREGORY | 33. JACK E. MAXWELL |
| 8. DANIEL H. SHAHAN | 34. LEWIS TANN |
| 9. GREGORY W. ULFERTS | 35. LAWRENCE C. DICKENS |
| 10. H. G. BIXBY | 36. EDWARD F. LANGS |
| 11. RONALD D. BASSEY | 37. TERRY LINDEN |
| 12. EDWARD HAYES | 38. LUDGER A. BEAUVAIS |
| 13. STEPHEN W. GUITTARD | 39. |
| 14. NICOLA M. ANTAKLI | 40. |
| 15. DIANE J. EDGECOMB | 41. |
| 16. YOUSIF B. GHAFARI | 42. |
| 17. ROBERT R. BLOCK | 43. |
| 18. DR. RICHARD E. MAREBURGER | 44. |
| 19. THE HON. ANNE CHARLES | 45. |
| 20. DR. JOHN PSAROUTHAKIS | 46. |
| 21. GORDON HOLNESS | 47. |
| 22. ROBERT KELLER | 48. |
| 23. ANTHONY M. FRANCO | 49. |
| 24. JACK BICK | 50. |
| 25. WILLIAM F. MC LAUGHLIN | 51. |
| 26. SUSAN HEINTZ | 52. |

1993 12th Annual Senate Republican Dinner
The Plaza Hotel - Southfield, Michigan
Monday, September 13, 1993

Revised line-by-line:

- 4:30 p.m. Senator Dole arrives at the Plaza Hotel. Arrival at the MAIN entrance - a staff person will be stationed outside the door wearing a bright red coat.
- Met by Senate Majority Leader Dick Posthumus and Matt Godlewski.
- 4:31 Proceed to a suite on the 7th floor for private time.
- 5:10 Senator Posthumus returns to the suite for informal discussion and event briefing with Senator Dole.
- (If some type of press event can be worked out, we will add it somewhere in this 4:30 - 5:45 slot)*
- 5:45 Proceed to the Boardroom for greeting with Republican State Senators.

Boardroom Greeters:

Senator Michael Bouchard
Senator Doug Carl
Senator Jon Cisky
Senator Dan DeGrow
Senator Gil DiNello
Senator Mat Dunaskiss
Senator Vern Ehlers
Senator Joanne Emmons
Senator Harry Gast
Senator R. Robert Geake
Senator Joel Gougeon
Senator Phil Hoffman
Senator David Honigman
Senator Dick Posthumus
Senator John Pridnia
Senator John Schwarz
Senator William VanRegenmorter
Senator Paul Wartner

Mr. Max Fisher
Mr. Jim Wilkes (*President of Michigan Bell Telephone Co.*)
Mr. John Clark (*President of Consumers Power Company*)
Mr. Dick Whitmer (*President-Blue Cross/Blue Shield of MI*)

1993 Senate Republican Dinner
Revised Timeline
Page 2

- 6:05 Proceed to the St. Clair Ballroom for the **photo reception** with major donors
- 6:06 Mix and mingle with photo reception guests
- 6:25 Photos begin posed in front of a blue curtain with flags
(Matt Godlewski will direct Senator Dole to the posing area at the appropriate time)
- 6:50 Conclude photo reception, proceed to main ballroom for the **Caucus Dinner.**
- 6:55 Arrive at the head table. Introduction of Senator Dole to head table guests by Senator Posthumus.

Head Table Guests:

Senator Dan DeGrow
Mrs. Cherie DeGrow
Mr. Dave Doyle *(Chairman of the Michigan Republicans)*
Mr. Max Fisher
Mr. Heinz Prechter *(President of ASC, Inc.)*
Senator Joanne Emmons
to be determined
to be determined

- 7:00 Welcoming remarks by Senator DeGrow.
- 7:05 Pledge of allegiance by Senator Mat Dunaskiss.
- 7:07 Introduction of Dignataries by Senator Joanne Emmons.
- 7:10 Introduction of the Senate Republican Caucus by Senator Michael Bouchard.
- 7:15 Remarks by Senator Posthumus
Introduction of Senator Dole by Senator Posthumus.
- 7:20 Remarks by Senator Dole.
- 7:45 Closing remarks and thank you by Senator DeGrow.
- 7:46 Senator Dole says goodbye to head table guests (Senator Posthumus & DeGrow will be remaining at the head table).
- Senator Dole leaves Main Ballroom and proceeds to the St. Clair

Ballroom for the **Majority Reception** escorted by Matt Godlewski.
1993 Senate Republican Dinner
Revised Timeline
Page 3

- 7:48 Arrive at the St. Clair Ballroom - met by Senator Michael Bouchard. Senator Bouchard escorts Senator Dole through the room for a brief walk through greeting of Majority Reception guests.
- 8:00 Depart St. Clair Ballroom for awaiting car.
- 8:20 Arrive Metro Airport

1 2 T H A N N U A L S E N A T E
R E P U B L I C A N D I N N E R

Michigan recently abolished property taxes as a way of funding schools. The move created the largest tax cut in Michigan history and a great stir over how schools would be funded. The enclosed provides some background information about this issue.

NYT 08JUL93 B7

Drastic Start From Scratch On Financing for Schools

By MICHAEL McCOURCY HINDS

Frustrated by its inability to provide residents with property-tax relief, the Michigan Legislature took the ultimate political gamble last week. It repealed all property taxes that support public schools, betting that the pressure to quickly find \$6 billion a year for public education would force the lawmakers to make difficult decisions.

Gov. John Engler, a Republican, said he would sign the measure into law next month, making Michigan the first state to repeal property taxes for schools. While the bill had bipartisan support, many experts in education and government consider the measure foolhardy because it scraps the existing system without a substitute in place.

But State Senator Debbie Stabenow, the Lansing Democrat who sponsored the repeal measure, said, "We did not create a crisis; we created a deadline for solving the crisis."

The Legislature, which has adjourned until after Labor Day, has given itself only about nine months to make fundamental changes in the system for providing public educa-

this big a step, so it's risky at best," said Chris Phipps, a spokesman for the Educational Commission of the States, a research organization in Denver that advises states on educational policy.

All states rely on property taxes, to varying degrees, to pay for primary and secondary public education. In the past 15 years, many have shifted some of the burden away from those local taxes to a variety of state taxes to accomplish two goals: grant tax relief to homeowners and reduce the inequities in the quality of education in rich and poor districts.

Michigan, where property taxes are among the nation's highest, has been grappling with these goals for 25 years. "Voters have gone to the ballot six or seven times, easy, to amend the state Constitution to deal with these problems," said Robert N. McKerr, interim director of the state House Fiscal Agency, a research agency for the Legislature. "But the measures are always defeated."

Voters across the state defeated so many proposed increases in school taxes last year that nearly 40 school districts were on the brink of closing early and one, in Kalkaska, did close in April after exhausting its budget.

Unexpected Amendment

Against this backdrop, and the start of political campaigns for next year's elections for governor and state legislators, the Legislature began debating a new tax-relief measure on July 20. Republicans in the Republican-led Senate offered a bill that would reduce school financing by 10 percent to give the average homeowner an annual \$47 reduction in property taxes.

Democrats, including some who hoped to defeat the Republican proposal, offered an amendment to repeal all property taxes that support public education. Surprisingly, the amendment passed, 33 to 4, and lawmakers later approved the entire bill.

Seventeen hours later, the House, which is evenly split between Republicans and Democrats, also passed the bill, 69 to 35.

The legislation reduces residential and commercial property taxes by up to 65 percent, or by about \$6 billion a year. It takes effect on July 1.

The state has no alternative plan to finance public schools and limited ability to raise taxes. Unless voters amend the state Constitution, limits on state sales and income taxes prevent the state from absorbing more than \$3.8 billion of the \$6 billion cost of

Michigan lawmakers step into the unknown.

tion. Whatever plan it comes up with would take effect in the 1994-1995 school year, and school districts must begin preparing their budgets next spring.

Educators and lawmakers are only beginning to realize the scope of the Legislature's action. The whole concept of how to provide public education, and pay for it, is now on the negotiating table, and state officials are likely consider such fundamental changes as restricting teachers' tenure and health benefits, capping administrators' pay, consolidating school districts and giving students a choice of public schools to attend.

"I am very nervous," said Dr. Richard J. Halik, superintendent of schools in Lansing. "Good could come out of this, but the danger is having education restructured in the political arena in a short time, with legislators making decisions based on public opinion that may have no basis in educational research."

The reaction was much the same outside the state. "Nobody has taken

Education reform: This is our best chance

8-1 Det. Free Press

Last month, Michigan said goodbye to a school property tax system that didn't work and was unfair to students and taxpayers alike.

We no longer will tolerate the third highest property taxes in the nation,

inequitable school funding and average test scores.

We have the opportunity to start fresh with new ideas, to build a better system that puts the education of our children first. Our goals must be a school system that is second to none and a tax system

that encourages economic growth and job creation.

"Keep the best, improve the rest" is our motto, as we take advantage of this unprecedented chance to reform our schools, enhance the quality of public education, and help every child in Michigan learn the skills to succeed.

My vision is for our children to get the best education in the world. I want Michigan to become the education laboratory for America.

There must be a statewide debate that includes parents, local school districts, chambers of commerce, state universities and experts from around the nation.

For too long, we've struggled with an education system designed to meet the needs of the 19th Century, not the challenges of today, let alone the future.

By working together, we can build a world-class system that sets the standard for America and prepares our kids for the jobs of the 21st Century.

We have the chance of a generation to re-engineer our education system to meet the challenges of the 1990s and beyond. What should it look like?

JOHN
ENGLER



■ *Quality comes first.* Too many students today are ill-prepared for the workplace or college. Improved student performance must be our top priority.

■ *Children will learn the basics.* They'll learn to read, write and do math. They'll learn how to solve problems, think for themselves, take instruction and work productively with other people. They'll learn about basic values such as honesty, responsibility and self-reliance.

■ *Parental control will come through parental involvement.* Michigan parents will be able to choose for their children schools that measure up to their standards. They'll have the chance to make important decisions about the basic curriculum, elective courses and education goals.

■ *Teachers will be able to experiment, try new ideas and inspire our children to achieve excellence.* For example, rather than be constrained by a 50-minute school period, a science teacher would be able to work intensively with students for an entire afternoon to complete an experiment.

■ *Schools will compete to enroll students.* Schools that do a better job will attract more students and more resources. Those that don't will have to improve.

Some schools will specialize in visual arts, science or the humanities. Others might focus on technical and vocational skills or on educating special-needs students. An additional benefit of school competition will be re-

duced administrative costs — providing more dollars to be spent directly on kids in the classroom.

The possibilities for reform and school improvement are limited only by the bounds of our imagination, our willingness to change and the strength of our commitment to give our children the best possible education.

I am confident that we can create a new education system that challenges our kids to excel, that is fair and affordable to students, parents and taxpayers, and that provides an increased return on our investment for society at large.

As I have said many times before: For all we spend, our schools must do better.

Beyond the potential for historic education reform, the school property tax cut reduces the burden on home owners by more than \$5.7 billion. Most home owners will see their tax bills fall by more than 60 percent — the biggest tax cut in Michigan history and a huge boost for our economy.

This is great news for Michigan job providers. Our state's property taxes will be slashed from a level 30 percent above the national average to one below the average, making Michigan a more attractive home for job-creating businesses.

There's no question that replacement revenues will be needed, but designing new and better schools is the first step.

Over the coming months, our work is cut out for us. We have time to get the job done, and get it done right, so that Michigan will become a model for the nation.

One year from now, the new Michigan schools will open. And new doors will open for our children, so that they can excel in the workplace of the future, provide for their families, and lift Michigan to the head of the class.

John Engler is governor of Michigan.

Don't Panic on School Funding

DETROIT NEWS 7/25/83

The abolition of the local school property tax by the Legislature is being greeted as the end of the world by many observers. The Michigan Education Association (MEA) and others are spreading the word that Michigan's education system is being wrecked by an outburst of gubernatorial politics. But there's no need for panic: With a little bit of work, Michigan's education system should emerge from this episode strengthened.

Currently, local school property taxes provide about \$6.3 billion in school revenues. In addition, the state school aid fund, which receives 60 percent of all sales tax revenue, all lottery revenues and an appropriation from the state general fund, amounts to more than \$3 billion.

To make up the lost revenue from local property taxes, Lansing may try to put together a lot of cats and dogs, such as taxes on cigarettes, beer and real estate transactions. That would be cumbersome and confusing. Several other methods should be considered: a reauthorization of local property taxes (though at a lower level, providing a real tax cut), or a statewide millage dedicated to local education.

Of the two, the latter is far preferable. A state property tax of 18 mills, for example, would yield revenues of about \$3.1 billion. Add the homestead property tax credit worth roughly \$1 billion and the money in the school aid fund of \$3.1 billion, and the net is \$7.2 billion. Divide that by 1.6 million pupils and the state could provide a "foundation grant" of \$4,500 to every child in Michigan — exactly equal to the current state average in per pupil spending.

Property owners, meanwhile, would be getting a

substantial cut in their millage rates, a big boost to Michigan's economic competitiveness. And the 18-mill levy wouldn't violate the 1978 Headlee Amendment's limit on 10 percent of personal income for total state revenue.

One big mistake already being made in the debate over school finances is the idea that tax rates must be set high enough to replace all money lost because of the Legislature's property tax decision. That's flat-earth thinking. Michigan's tax rates currently are too high, especially in cities like Detroit. A permanent reduction, we are confident, would unleash the kind of economic growth that would restore Michigan's school finances — and all government finances — to a far sounder basis.

If there's a statewide millage, however, it's important that the money not be funneled back through the hands of local school districts. That would only perpetuate the 526 little school monopolies, otherwise known as school districts, around the state. Instead, the money should follow every child to any school.

Starting next year, the state will issue reports on the performance not only of every school district, but of every school *building*. Enough information would be available to support a market in public education, with schools offering a range of services. Real educational choice is now possible.

The prospect of a dramatic restructuring can be frightening because it involves the unknown. But it can be exciting as well. All of these new options and new opportunities await the governor, the Legislature and the parents of Michigan. They need only to have the vision to act.

QUESTIONS AND ANSWERS ABOUT SB-1

Q: What is SB-1?

A: SB-1 is a sweeping property tax/school finance reform measure sponsored by Senate Majority Leader Dick Posthumus. On Tuesday, July 20, SB-1 was amended on the Senate floor to include a provision exempting all property from millage levied for school operating purposes, starting in 1994. It gives us the opportunity to change forever the way schools are funded.

It passed the Senate 33-4 on July 20 and the House 69-35 on July 21. It was signed into law by Governor Engler on August 19 and is now Public Act 145.

SB-1 means \$6.8 billion in property taxes collected for schools will not be collected at the local level next year. However, this figure will be offset by \$850 million that the state saves because of the reduction of the Homestead Property Tax Credit. Therefore, the total savings to Michigan taxpayers will be \$6 billion. Still, the Legislature must come up with another way to finance schools and will do this in comprehensive fashion.

SB-1 also strengthens the Headlee Amendment to the state constitution and gives taxpayers more opportunity to curb tax increases at the local level.

Q: Why did the Legislature do this?

A: The current property tax system is outdated and unfair and a tremendous drag on our economy.

In Michigan, property taxes are 30 percent above the national average. Taxpayers here are the most heavily taxed of any in the Great Lakes region. This has been a substantial deterrent to new growth, economic vitality and job creation, in addition to hitting us hard in the pocketbook.

Many senior citizens are uprooted from their homes because of property taxes. Many young people can afford house payments and should be buying homes, but they can't afford the \$200 or \$300 a month property tax bill. And thousands of middle income Michigan residents are spending larger shares of their family income toward property taxes -- money better spent in the economy on refrigerators, cars or braces for their 6th grader's teeth.

Legislators have stalemated on property tax reform for years. Some legislators have been in favor of a property tax cut while others have insisted that for every dollar cut from property taxes, another tax must be increased.

SB-1 marks a significant departure. Legislators, in essence, have agreed that property taxes are an outdated and fundamentally unfair way to fund schools. The Legislature has 12 months to come up with a plan to fund public education.

Q: Was this move irresponsible?

A: No. It would be irresponsible for the Legislature to sit back and do nothing. The status quo is clearly unacceptable. Legislators sent a message that they want to abandon a bad tax system and come up with a better, fairer and more responsible way to fund schools.

Property taxes are an archaic way of funding schools. It is a 19th Century tax. We need something that will deliver 21st century education.

Q: What is the impact on schools?

A: There will be no impact in 1993. Schools will still open on time this fall, barring teacher strikes.

The Legislature now has one year to develop a blueprint for public education in Michigan, including an improved funding mechanism. Once the blueprint is written, and cost-control and quality measures are guaranteed to be a part of Michigan education forever, we can look at how much should be spent and how to raise the money.

Q: Why is the system of funding education so unfair?

A: The system has created numerous problems -- both for taxpayers and for students and their families.

It is unfair to taxpayers because it is not based on the ability to pay -- it is based on the value of property.

Q: What about the taxes I pay to my city/village/township? Will this affect police and fire protection?

A: Absolutely not. Those taxes will not be impacted by this move. It will not impact your community's ability to deliver police and fire protection or any other services they currently provide.

You will also continue to pay property taxes to any community college or for special assessments. But those taxes, if they apply to you, amount to a very small portion of your total bill.

Also under SB-1, you will still pay property taxes for any outstanding school bond issues. That too is usually a very small portion of your tax bill.

However, the amount of property taxes to pay for school operating costs is usually 60 to 75 percent of your yearly tax bill. SB-1 eliminates that, so we are talking about substantial change.

Q: Does this create the opportunity for possibility for fundamental education reform?

A: Lawmakers have 12 months to come up with a blueprint for public education in Michigan. Part of the process will be to examine how to fund education. This issue runs much deeper than simply coming up with a method of replacement revenue.

Senate Republicans will draft a plan for education that challenges many of our current assumptions about public education. That blueprint should include a variety of reforms designed to empower parents and children, give them more choice and more personal attachment to education.

There will be proposals to contain costs in public schools, by capping teacher and administrative salaries. There will be proposals to increase competition in public schools through voucher systems and schools of choice.

There will be proposals to allow parents the opportunity to opt out of the public school system and use their dollars to select private schools. There will be proposals designed to make schools districts do a better job of selecting benefit packages and insurance programs for their employees.

All of these reforms are designed to make public education use every dollar as efficiently as possible, cut administrative costs and spend more money in the classroom to deliver world-class education to children.

Q: What will happen to Michigan's tax structure?

A: The Legislature will certainly have to increase some other tax and cut more government waste to pay for schools. That will be determined over the next 12 months.

There must be a stronger correlation between cost and quality in Michigan schools. Now schools can arbitrarily increase salaries and benefits without having to thoroughly justify it.

Senate Republicans are going to work to see that whatever occurs, Michigan residents get a substantial net tax cut. It is our belief that any dollars not given to the government in taxes will be spent in the economy -- buying cars, refrigerators, etc --which will supercharge our economy.

This will generate more tax revenue over the long run for state government, and, in turn, allow the state to better meet its obligation at all levels, including school funding. We believe you raise tax revenue for the state by cutting taxes, stimulating the economy and creating jobs. That's our belief. It has been proven correct by Presidents Reagan and Kennedy and we will stick to it over the next 12 months.

Q: How will senior citizens be impacted by this proposal?

A: Most seniors will benefit greatly from this proposal. Many seniors purchased property when their earning power was at its peak. The value of their house likely reflects that. Now, taxation for schools will largely be based on ability to pay, not the value of their property.

Q: Does SB-1 do anything else I should know about?

A: Yes. It does a couple of things, and they are designed to give taxpayers more of an opportunity to curb local taxation:

-It exempts property from millages levied by intermediate school districts, which are generally set up by county. They support local school districts and provide special functions for local schools;

-It allows new taxpayers a one-year lag time between the time property is assessed and when that new assessment is used for tax purposes. The current gap between when property is reassessed and when the new assessment goes into effect is several months. This will give people more time to appeal their property taxes or adjust their budgets accordingly and react to rising assessments;

-It strengthens the Headlee Amendment to the state constitution by giving taxpayers more protection against increased assessments and prohibits taxing units from holding more than two millage elections per year for increases in the millage rate, starting this year.

Issues



TEACH Michigan

Toward Educational Accountability and Choice

913 W. Holmes, Suite 147
Lansing, Michigan 48910
(517) 394-4870 FAX 394-0093

INFO MEMO

TO: SENATOR DOLE
SUSAN HELLMANN

FROM: TOM BERRIMAN,
COMMUNICATIONS DIRECTOR

DATE: SEPTEMBER 10, 1993

RE: **BACKGROUND ON MICHIGAN EDUCATION ISSUE**

I THOUGHT THE FOLLOWING MATERIAL MIGHT COME IN HANDY DURING YOUR MONDAY VISIT TO MICHIGAN.

AS THE LEGISLATURE WILL BE RE-CONVENING ON MONDAY, THE EDUCATION REFORM ISSUE WILL PROBABLY BE THE HOT TOPIC OF CONVERSATION, ESPECIALLY AMONG MEMBERS OF OUR PARTY.

OUR SURVEY RESEARCH SHOWS REPS. FAVOR TEACH MICHIGAN AND GOV. ENGLER'S POSITION BY ABOUT 9 TO 1. AMONG DEMS, IT'S CLOSER TO 50/50.

HOPE THIS INFORMATION IS HELPFUL.

P.S. I'LL BE IN TOUCH WITH SHEILA ABOUT THE PRESS POSITION LATER NEXT WEEK.

BEST WISHES.

State's new debate: School choice

By CHRIS ANDREWS
Lansing State Journal

The three Rs are giving way to the two Cs: choice and competition.

As the debate over how to improve schools heats up, much of the talk centers on schools of choice, in one form or another.

Many educational reform advocates claim the current system, which gives many families little say over which schools their children attend, is monopolistic and out-of-step with the times.

"We think there is the opportunity to create more competition," said Dr. Paul DeWeese, who heads TEACH Michigan, a reform group advocating schools of choice. Schools must be more effective and cost-effective, or parents will take their children to better schools, supporters say.

But critics say the choice movement is a panacea.

"Competition is not what's going to breed higher quality," said Beverly

Wolkow, executive director of the Michigan Education Association. What's needed, she said, is giving parents and teachers more control over their school.

Michigan's entire system of public education is under scrutiny in the wake of the Legislature's decision to eliminate property taxes for school operations beginning next year. Schools will be affected in the 1994-95 school year.

Before lawmakers decide how to fund schools, they want to figure out what those schools should look like and how much they should cost.

The choice debate is echoing across the country in at least 34 states. The biggest battle is in California, where voters will decide Nov. 2 on a voucher plan that lets parents use tax dollars to send children to public or private schools.

Gov. John Engler's educational reform plans are due in early October. He supports schools of choice among public schools. He has said he won't force districts to take students from other districts. Business groups also support it.

But many educational leaders warn that the devil is in the details.

School districts offer parents more choices

By CHRIS ANDREWS
Lansing State Journal

Choices are expanding for parents in many school districts across the state.

■ In Grand Rapids, eight of the 50 elementary schools offer specialties, such as creative arts, environmental science or Spanish immersion. All four middle schools have themes. Student from anywhere in the district can attend.

■ Wayne State University opened the state's first "charter school" last week in Detroit. More than 5,000 Detroit children applied for the 330 openings.

The school, which gets per-pupil state aid equal to Detroit's, offers extended school days and school year and promises innovative approaches to teaching.

■ East Lansing has "permeable boundaries," allowing children to go to East Lansing schools outside their neighborhood if there is room.

But there is fierce debate about moving beyond systems that offer parents' choices among the public schools within their district to include other districts or private schools.

TEACH Michigan, a reform group advocating choice, argues for full choice, including private

schools. That would require a constitutional amendment, and its leaders say they may launch a petition drive to put a proposal on the November 1994 ballot.

Gov. John Engler is a strong supporter of choice, but he has limited his scope. His plans won't include private schools, nor will they force a school district to accept students from another district.

Lansing Superintendent Richard Halik said he supports schools of choice within a district.

Lansing is working with Sparrow Hospital to make Eastern High School a magnet school that specializes in health careers, but

the timetable is unclear, Halik said.

The district also plans to develop at least three elementary "focus schools" similar to those in Grand Rapids. They would open next fall.

But Halik expressed reservations about inter-district choice as long as there are wide spending disparities between districts.

"If they level the playing field, then the district ought to be able to compete," he said. "You can't give one place three times the resources of the others."

Offering parents choices won't solve all the state's educational

Panel hears views about school choice

BY JOAN RICHARDSON
Free Press Education Writer

More competition. More choice.

They should go hand in hand with reforming the state's school finance system, speakers told a Senate panel in Detroit on Thursday.

"Give me freedom in education," said Kathryn Telck of Detroit, whose four children attend parochial schools. "I'd like to not have to pay double for that choice."

Telck was among more than a dozen people who spoke to the Michigan Senate Republican Task Force on School Reform at Wayne State University. The task force, chaired by Sen. Dan DeGrow of Port Huron is hearing testimony this month on ways to reform — and pay for — Michigan schools.

A detailed plan for creating a statewide public school choice system was proposed by Patrick Anderson, a senior policy analyst with the Mackinac Center for Public Policy, a conservative think tank in Midland.

Under the plan, parents would receive three types of education certificates backed by public dollars.

The first would buy one year of primary or secondary education from the public school of the family's choice. The second, which could be structured as a tax credit, would pay for transportation to any public or private school. The third would buy special education services.

Mackinac also proposed creating education accounts for every school-age child. Parents would earn credits if

they selected a school that costs less than the amount covered by their certificate.

The credits would accumulate, enabling parents to send children to more expensive schools in the future, buy remedial or enrichment programs or pay tuition at any public or private college.

The idea of granting a specified amount for each schoolchild is not new. Last month, the state Board of Education endorsed a plan to provide a so-called foundation grant so children could shop around for a public school. Proponents say such grants likely would be in the range of \$4,500 to \$5,500 per child.

WSU President David Adamany, who will enter the public school arena when WSU's University Public School opens next week, said he favors foundation grants.

But he said supplemental funds are needed for schools serving large numbers of acutely disadvantaged students and for those that can demonstrate improvements in academic performance.

Detroit Superintendent Deborah McGriff, who also endorsed more choice, said any new financing system must take into account that many poorer districts desperately need money to improve buildings.

The task force's next public hearing is at 7 p.m. Tuesday at Kimball High School in Royal Oak.

Panel set to grade schools

'Report cards' will be ready in October

BILL KOLE

ASSOCIATED PRESS WRITER

LANSING — Parents will be able to check "report cards" on the performance of their local schools this fall under a program unveiled Friday by Gov. John Engler.

The report cards should be ready in October, said Engler and Kmart Corp. Chairman Joseph Antonini. Antonini heads a group of business leaders seeking excellence in education.

The new system will give facts and figures on each public school. It will tell parents the enrollment in a particular school, how its students are doing on standardized tests, and even how much its teachers earn.

That building-by-building breakdown will be an important consumer guide if Michigan moves to a schools of choice system, the governor said. Such a system would let parents and students pick which public school to attend.

"Our goal is to make parents as aware of what's going on in the schools as the local real estate agent is," he said. "We want to put tools in the hands of parents. Many parents don't even have the tools with which to assess what's going on."

"It's important that we empower every parent to let a child go across the street to another school in the district."

The report card plan is part of an ambitious public information campaign unveiled Friday and dubbed "Keep the Promise, Michigan." Engler called it an attempt to make schools more accountable.

The governor and the Legislature have committed themselves to revamping Michigan's public school system. That happened last month when Engler signed a bill ending the use of property taxes for school operation.

It's
important
that we
empower
every
parent to
let a child go across
the street to another
school
district.



— Gov. Engler

SCHOOLS

Continued from A1

for education. It's the big challenge facing many officials. But Antonini, chairman of Michigan Business Leaders for Education Excellence, says school quality is the first order of business.

The task force includes the Big Three automakers, Comerica Bank, Dow Chemical Co., Michigan Bell, Detroit Edison, The Upjohn Co., Kellogg Co., Little Caesar Inc. and Whirlpool Corp. Antonini said businesses need graduates with a better command of math and science as well as reading, writing and social studies skills.

"We must set our educational standards at world-class levels and expect nothing less," he said. "It's not our job to tell teachers what to teach. Rather, it's our job to voice high expectations. We're expecting a quality job of education."

The governor called the education overhaul "the opportunity of the century," but only if Michigan moves into uncharted territory.

"It cannot just stay the same," he said, warning against the urge to "replace one hodgepodge with another."

"Restructuring the status quo is not an option. The old system was cheating too many of our kids, not allowing them to get a job after graduation and become a productive member of society," he said.



Competition: An American Tradition

We all know the sad truth. Many of Michigan's public schools aren't preparing our children to meet the challenges they face. Too many graduates are ill-prepared for college or the 21st century workforce. Although spending on education continues to rise, our students are falling behind.

We need to bring a new force to our education system: competition. Just as competition spurs a business to better serve its customers, so can competition spur our schools to better serve our children.

Today, only a few parents can choose where their children will attend schools. True competition is missing from our education system today.

TEACH Michigan wants to help bring competition to our schools, to give all students a choice. TEACH Michigan Education Fund is a non-profit, tax exempt organization dedicated to reforming education in Michigan, to giving students a choice and schools a reason to succeed. Our Mission Statement is clear:

"We believe the Michigan education system must be restructured to give all K-12 students and parents equal educational opportunity: parents and students should be able to freely choose an education facility — public or non-public — with appropriate state and/or local tax dollars following the child to the school of the parents' choice."

Our children need your help.

TEACH Michigan Education Fund is trying to let all of Michigan know the value of bringing true choice to our system of education. We are working to lay the groundwork for the changes necessary to introduce choice to the schools of Michigan.

In the months ahead, TEACH Michigan will be needing contributions from businesses, individuals, foundations, groups — anyone ready to take this first step toward giving students and parents a chance to choose.

TEACH Michigan already knows what it wants to do. Now it needs to fund the steps to ensure that its goals are met:

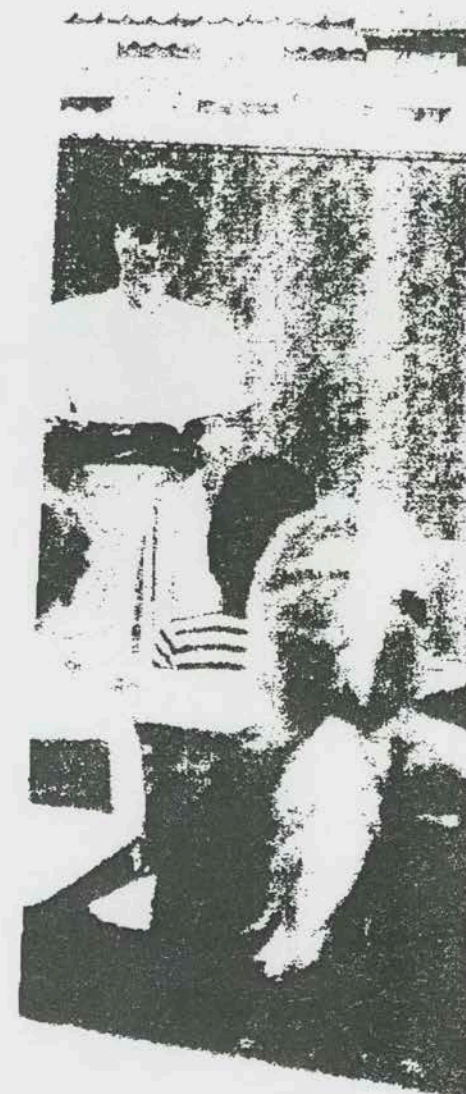
1. Implementation of a carefully drafted, extensively detailed strategic plan. That already is under way.

2. Undertake key research projects to clearly demonstrate how choice will impact Michigan's schools.

3. Develop an intense statewide campaign to educate the public and the media to the benefit of choice in Michigan schools, and how it will bring about better schools for all.

4. Prepare the way for any necessary revisions in the state's constitution and laws to allow development of an educational system that will give parents and students true choice — and give our schools a reason to succeed.

Over the next two years, TEACH Michigan must raise about \$1 million to develop the necessary educational campaign.



We've already started.

TEACH Michigan has been quietly building momentum for many months. We've talked to many in the educational community already. We've talked to business leaders, to parents, to our political leaders around the state, in Detroit, Lansing, Kalamazoo, Grand Rapids, Flint and other cities.

Here's what some of those leaders and parents have to say:

"Having worked with small business for years, I know the problems our job providers face with workers who don't have basic skills. If we are going to provide jobs for the future, it's critical that we begin making major reforms to our education system now. TEACH Michigan's plan to introduce competition and choice into our education system is a critical step toward making today's students ready for tomorrow's jobs."

Larry Meyer - Michigan Retailers Association

"I have come to the inescapable conclusion that the only way of attaining a quality educational environment—to produce men and women with marketable skills—is to open up the school system to allow a diverse market of providers to flourish. I am in support of state financing for schools of choice as well as empowerment for parents without a whole array of strings attached. As it relates to Detroit Public Schools I support this initiative within its school district. Hopefully, this will allow those who have particular benefits to offer such as the (business community) to take a more pro-active role in this generation of children at risk."

Dave Bing - President, Superb Manufacturing

"Education research has demonstrated that despite the many factors involved in formulating a child's educational experience, parental involvement still remains the most important. Yet, in Michigan, parental involvement is restricted in terms of the choices parents have in terms of the type of education and the teaching environment. I believe that "Choice" and the goals of TEACH Michigan offer the best possibility of making substantial, positive changes for our children's future."

*Dick DeVos - State Board of Education
President, Windquest Group*



TEACH Michigan Education Fund

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Accountability and Choice
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HOTLINE 7/23/93

MICHIGAN: LEGISLATURE'S BIGGEST TAX CUT MIRES '94 RACE

The MI Legislature took \$5.6 billion from public schools 7/21, and gave property owners "the largest tax cut in state history." The tax cut will be accomplished by "eliminating local and intermediate school district operating millages." While the measure will cut property taxes 60-65%, "the legislation provides no means for replacing the revenue to schools, a circumstance that could bankrupt nearly every district" in MI (Bell, DETROIT FREE PRESS, 7/22).

GREAT LAKES PUNDITRY: FREE PRESS' McDiarmid deemed the legislation "the single largest sellout to political expedience in [MI's] history." Gov. John Engler (R) "who's been promising tax cuts since 1990, finally will be able to crow about 'promises made, promises kept.'" State Sen. Debbie Stabenow (D), who plans on running for the Dem nomination, "in a surprise move Tuesday night, sponsored the tax-cut deal (first as a ploy to one-up Republicans and then, when the stampede began, seriously), will be able to say 'Me Too!'" Ex-Rep. Howard Wolpe (D) "wasted no time seizing the opening." He denounced the action as "outrageous" and "irresponsible" (7/22). However, because Stabenow say she'll "push for tax increases to reimburse schools for all the dollars lost due to the property tax cut," Stabenow "fails to gain equal footing with the governor on the tax-cut issue" (Freedman/Hornbeck, DETROIT NEWS, 7/23). DETROIT NEWS editorial: "These are political risks worth taking" (7/22). State Rep. Michael Griffin: "Sen. Stabenow and Gov. Engler are doing their gubernatorial rain dance and we're being caught in the middle of it" (DETROIT NEWS, 7/23).

EFFECT ON STABENOW: DETROIT NEWS' Freedman and Hornbeck write, the "bombshell agreement to scrap property taxes to pay for public schools promises to re-shape the race" for gov. Stabenow "stands to gain statewide recognition in her quest" for the Dem nomination. "But if lawmakers fail to reach an accord and schools close next year, Stabenow will end up with a large share of the blame. Critics will accuse her of pie-in-the-sky thinking and political grandstanding." However, "she isn't likely to play a prominent role in drawing up the new school finance plan. Well before the primary, her catalytic role could fade into memory if a new finance and reform package is designed and adopted" (7/23). INSIDE MICHIGAN POLITICS editor Bill Ballenger said that Engler's endorsement of the tax cut "will help neutralize the political benefits Stabenow hopes to reap, especially since Engler's own property tax proposals have failed twice at the polls" (DETROIT NEWS, 7/23).

ENGLER: He will "likely get most of the credit" for the tax cut "if the state manages to draw a new school funding plan. But a collapse of the school funding system just before the [11/94] election could doom his re-election. Also, any new education financing scheme is likely to siphon cash away from high-spending districts in suburban Detroit, an important part of his political base" (Freedman/Hornbeck, DETROIT NEWS, 7/23).

THE OTHERS: Wolpe and state Rep. Lynn Jondahl (D) "slammed the tax cut agreement as irresponsible." Jondahl, as co-chair of the House Taxation Cmte, "likely will play a substantial role in crafting new funding for schools." Wolpe: "I'd give both the governor and Debbie an 'A' for political gamesmanship, but what happened is an outrage. Children shouldn't be put at risk for someone's political agenda" (Freedman/Hornbeck, DETROIT NEWS, 7/23). DETROIT NEWS' Weeks, on Wolpe: "As the only one of the four active candidates for governor not toiling at the Capitol, Wolpe has the luxury of being somewhat of a free-lancer on the issue" (7/22).



Honorary Chair Governor John M. Engler
Co-chair Wilhelm C. Kast (DPCS International)
Co-chair Paul Boudreau (AlliedSignal Automotive)
Executive Director Leslie A. Touma

Fixed to Joyce

September 3, 1993

Senator Robert Dole
Senate Republican Leader
U.S. Senate
Washington D.C. 20510

Dear Senator Dole:

We, the Michigan International Trade Coalition, have received your letter regarding your support for the NAFTA. We are interested in working with you to deliver a pro-NAFTA message to the state of Michigan.

The Michigan International Trade Coalition wants to make sure that NAFTA supporters have a voice. Initiated by Gov. John Engler, MITC is composed of over 300 businesses, agricultural leaders and business membership organizations. The purpose of the MITC is to communicate the economic benefits of the NAFTA to the Michigan business community, political leadership, and the public at large. The MITC is responsible for the execution of statewide NAFTA grassroots efforts, media activities and communicating the economic benefits of the NAFTA to the Michigan congressional delegation.

The MITC is currently working with Senator Gramm and Secretary Kemp in support of the NAFTA. We understand that you will be speaking at The Economic Club of Detroit, on Tuesday September 13, 1993. We are interested in working with you on any pro-NAFTA message you plan to deliver or on holding a Press Conference on the NAFTA issue. I look forward to hearing from you.

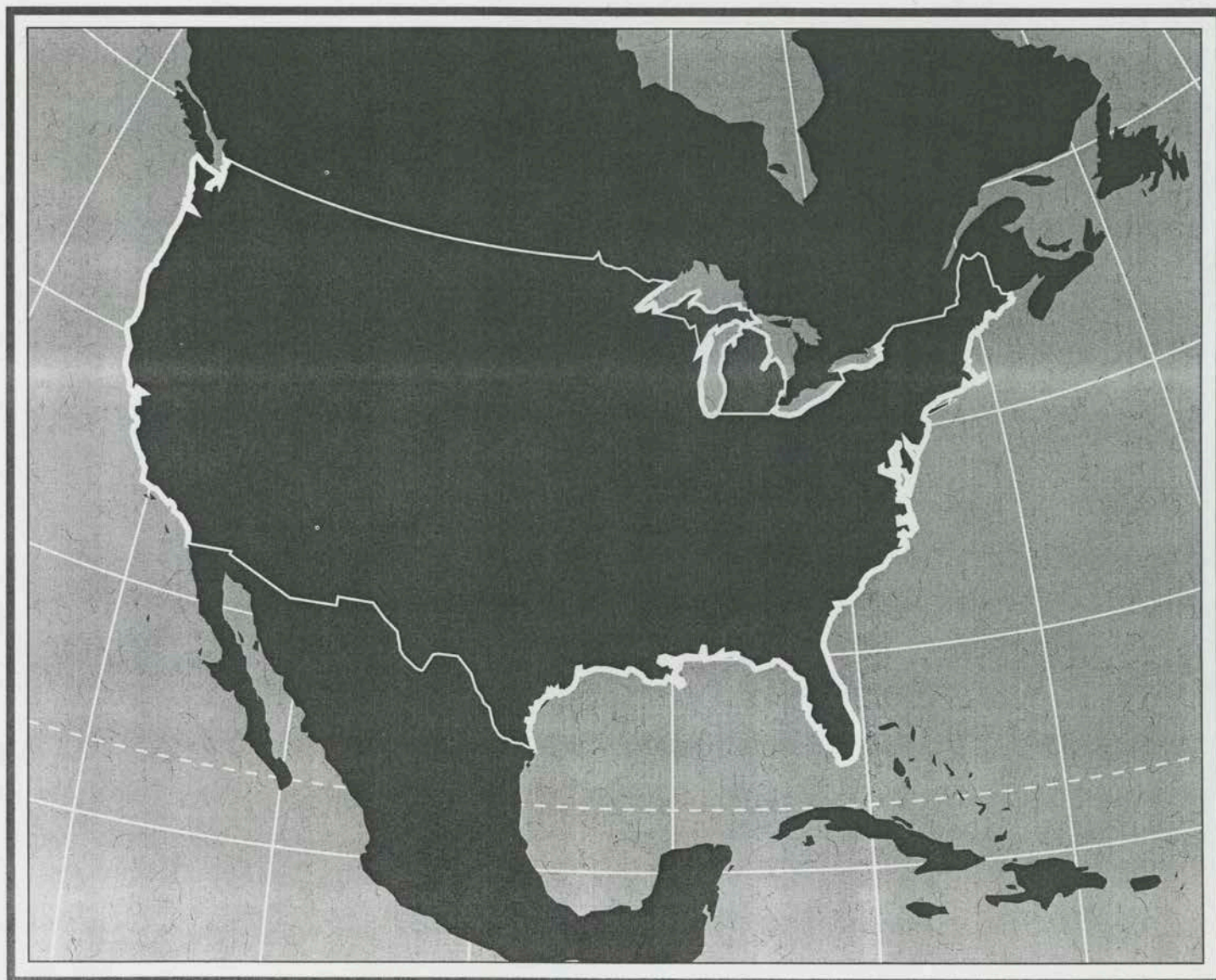
Sincerely,

Leslie A. Touma
Leslie A. Touma
Executive Director



Michigan International Trade Coalition

Supporting the NAFTA
The North American Free Trade Agreement



The NAFTA: Opening the doors so Mexico can buy what Michigan sells.

From the 1950s until 1987, Mexico shut the door to trade with Michigan and the rest of the United States. High tariffs, quotas and other non-tariff barriers that sometimes doubled the price of goods, made it nearly impossible for American-made goods to be sold in Mexico, despite the need for high-quality American-made tools and products.

Indeed, the best way for American companies to sell goods to Mexico and get around Mexico's high tariffs was to move plants and yes, jobs, to that country. But in 1987, the Mexican government started lowering some of its tariffs. The result: A startling increase in exports from the U.S. to Mexico. In Michigan alone, exports have grown by 51 percent in the last five years, from \$1.1 billion a year to \$1.6 billion. A significant share of these increased exports came from small and medium-sized companies, at last able to sell their products in Mexico without

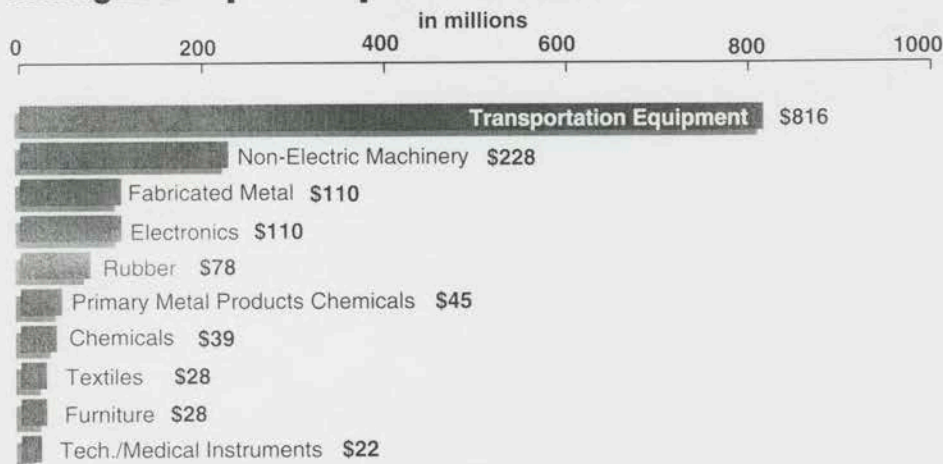
having to suffer sky-high tariffs.

The North American Free Trade Agreement (NAFTA) will continue that progress by lowering and eventually eliminating tariffs and other barriers on hundreds of products, from automobiles to industrial machinery to agricultural products. Though these tariffs and other barriers will be eliminated for the U.S. and Canada, other nations that trade with Mexico, such as Japan, will have to pay high tariffs on exports going into Mexico. With the passage of the NAFTA, the U.S., Canada and Mexico will represent a combined free market potential of 364 million people and \$6.2 trillion. The result will be a growth of jobs in the United States and Michigan. Vital Michigan industries will benefit from the NAFTA, including:

- **Transportation equipment:** The NAFTA will totally eliminate tariffs on U.S. auto parts exports to Mexico over 10 years. A major reason for Michigan companies to move to Mexico will be eliminated.
- **Industrial machinery and computers:** A top Michigan export, the NAFTA will eliminate Mexico's 10 to 20 percent tariffs on computers.
- **Fabricated metal products:** Tariffs of up to 20 percent will be eliminated, paving the way for increased exports of these high-value goods to Mexico.
- **Service industries:** The NAFTA will open Mexico's \$146 billion service market for U.S. telecommunications companies, banks, insurance firms, law and accounting firms, and transportation companies. The NAFTA will also improve access to Canada's \$285 billion service market.

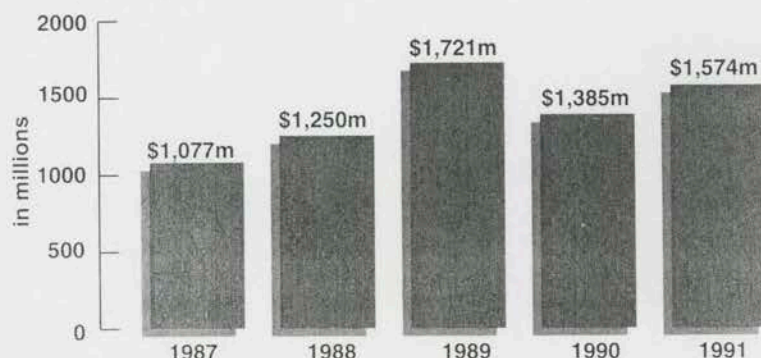
The potential for Michigan jobs is enormous. Every billion dollars of export sales generates 20,000 jobs, according to U.S. Department of Commerce estimates. Over 31,000 Michigan jobs depend on exports to Mexico, which represents a 46 percent increase in export-related jobs since 1987. The NAFTA will accelerate this positive momentum.

Michigan's Top Ten Exports to Mexico



Source: Michigan Department of Commerce

Total Michigan Exports to Mexico (1987-1991)



Source: U.S. Department of Commerce

NAFTA myths and realities:

Myth: The NAFTA will make it easier for U.S. companies to move to Mexico.

Reality: The NAFTA will not make it any easier for U.S. companies to move to Mexico than it is today. Indeed, the NAFTA will remove a major reason for U.S. companies moving to Mexico today: high tariffs, quotas and other non-tariff barriers. Failure to pass the NAFTA and lower trade barriers would mean U.S. companies would have more reasons than ever to move to Mexico, since its economy is growing faster than that of the U.S.

Myth: Labor costs in Mexico are so cheap that U.S. workers will have to take pay cuts if their companies are to compete.

Reality: Although Mexican wages are lower, the cost of labor is only one of several variables in investment decisions by U.S. manufacturers. Michigan enjoys clear comparative advantages in transportation, communications infrastructure, financial business services, high-quality and reliable suppliers and an educated, skilled and productive work force. With the passage of the NAFTA and as Mexico's economy continues to develop, Mexican wage rates and labor costs will increase substantially.

Myth: Mexico is too poor to buy our products.

Reality: In the last six years, U.S. exports to Mexico have increased by \$31.6 billion, from \$12.4 to \$44 billion annually. We now have a trade surplus with Mexico of \$8.3 billion. In Michigan, exports to Mexico have grown by nearly \$500 million in the last five years. Mexico is our fastest growing market, and has more room to grow – if trade barriers are reduced.

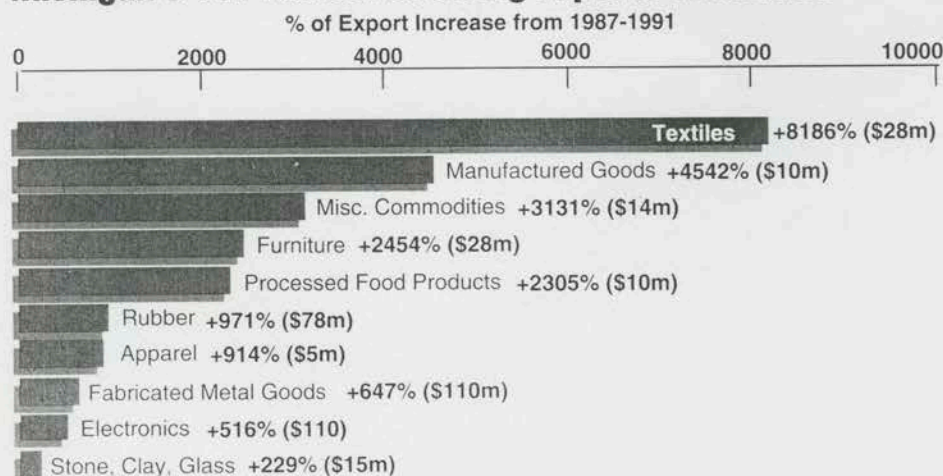
Myth: The NAFTA's passage will weaken environmental standards.

Reality: In the last two years, Mexico has dramatically increased its environmental enforcement activities, closing permanently or temporarily over 1,000 polluting firms, boosting its enforcement budget from \$6.6 million to \$77 million in 1992, and increasing the number of border area environmental inspectors from 50 to 200.

The NAFTA's provision on standards and health and safety measures explicitly ensure our right to safeguard the environment, while also encouraging NAFTA parties to strengthen environmental standards. The NAFTA will maintain existing U.S. health, safety and environmental standards by allowing the U.S. to continue to prohibit entry of goods that do not meet U.S. standards. The NAFTA will also allow the parties, including states and cities, to enact even tougher standards and encourage the NAFTA parties to harmonize their standards upward.

Economic development attributed to the NAFTA will also provide the Mexican government with additional resources for environmental protection and environmental infrastructure development. This is a major opportunity for environmental control technology companies in Michigan.

Michigan's Ten Fastest Growing Exports to Mexico



Source: U.S. Department of Commerce.

Success stories



Detroit Diesel

Detroit Diesel, in Detroit, tops the list of companies now engaged in successful trade with Mexico. Since Detroit Diesel has been trading with Mexico, it has seen a steady increase in sales and employment here in Michigan. According to Ursel Dougherty, vice president of business development and corporate affairs for the Penske Corporation – parent company of Detroit Diesel – Detroit Diesel's sales to Mexico in 1992 were in excess of \$65 million. That is an increase of 80% over 1991 sales. Dougherty said, "A large portion of the increase in our sales to Mexico is related to the Detroit Diesel heavy-duty, low-emission electronic diesel engine which now holds 26% of the heavy truck market in the United States."

Along with increasing its sales, Detroit Diesel has added Michigan workers. According to Dougherty, total employment at Detroit Diesel increased seven percent in 1992 compared to 1990. Employment directly related to the company's Mexican business increased 46 percent. Company officials say 26 percent of the increase in total new jobs at Detroit Diesel is due to business with Mexico during the past two years.

In addition to Detroit Diesel's increase in sales and expansion of its Michigan work force, Detroit Diesel has made a considerable contribution to the environment. "Detroit Diesel engines, both our low-emission diesel and, lately, our alternative fuel engines, increasingly power Mexican buses and are beginning to make a decisive contribution to cleaner air in Mexico City," said Dougherty.

Besser Corporation

The Alpena-based Besser Corporation, a manufacturer of machines that produce concrete blocks, has had past success in trading with Mexico. Besser is anxious to see the passage of the NAFTA, to boost that trade. Mr. Edward Hickok, manager of international sales and marketing for Besser Corporation, says the NAFTA would boost Besser's sales to Mexico by eliminating the 20 percent tariff that Besser must pay on exports to Mexico. That would allow existing Besser customers in Mexico to purchase the company's equipment at a reduced cost.

Along with elimination of the 20 percent tariff, shipping costs to Mexico would decrease because of the relaxation of border controls between the United States and Mexico. "We would not have to stop and switch trailers at the border as we do now," Hickok said.

As its trade with Mexico has flourished, the Besser Corporation hasn't moved one job down to Mexico. Hickok said it isn't cost effective to move manufacturing to Mexico and there would be even less incentive to do so under the NAFTA. "As an exporter to over 80 countries across the globe, we feel that our contribution to Michigan's exports is considerable. We don't plan on leaving."

Co-Op Elevator Company

Mr. Ted Leipprandt, marketing specialist, from Co-Op Elevator Company in Pigeon, MI said that Co-Op's trade with Mexico has helped add to Michigan's job base. If not for Co-Op's trade contract with Mexico, the company wouldn't have built its bean plant in Pigeon. "The addition of the (Pigeon) bean plant has increased our staff by 10 percent and has maintained those full time jobs since it opened in 1981," said Leipprandt.

Along with adding employees, Leipprandt said that trade with Mexico has helped the local farmers who sell beans through Co-Op. Farmers in the Thumb area used to grow only pinto beans, but now black beans, red kidneys, and Great Northerns are also being farmed for sale to Mexico. According to Leipprandt, the black bean industry has flourished since Co-Op started trading with Mexico. That trade would increase with the passage of the NAFTA.

Mr. John McGill, executive vice-president of the Michigan Bean Shippers Association, also sees a possible boom in Michigan's black bean trade with Mexico. McGill said that Mexicans consume an average of 35 pounds of beans per person each year, compared to 6.8 pounds in the U.S. However, Mexico traditionally has been unable to grow enough beans to satisfy its domestic demand. "If we were allowed, we could ship twice as many black beans to Mexico," said McGill.

Enrollment Form

____ Please list my organization as a member of the Michigan International Trade Coalition

Name: _____

Title: _____

Organization: _____

Address: _____

City/State/Zip: _____

Phone/Fax: _____

Signature: _____

Please indicate coalition activities you would be willing to participate in:

____ Meet with members of Congress

____ Write letters to members of Congress

____ Testify at congressional hearings

____ Contact others to urge them to be a part of the NAFTA coalition

____ Participate in interviews with editors and reporters

____ Financial contributions ____ \$10,000 ____ \$5,000 ____ \$2,500

What is the MITC?

Honorary Chair:

Governor John M. Engler

Co-chair:

Wilhelm C. Kast (DPCS International)

Co-chair:

Paul Boudreau (Allied Signal Automotive)

Executive Director:

Leslie A. Touma

Board of Directors:

ASC Incorporated
Comerica Bank
Deloitte & Touche
Detroit Diesel Corporation
DOW Chemical Company
Dykema Gossett
ENVOTECH Management Services, Inc.
General Motors Corporation
UNI Boring Company
Greater Detroit Chamber of Commerce
Michigan Chamber of Commerce
Michigan Department of Agriculture
Michigan Farm Bureau
Michigan Manufacturers' Association
Small Business Association of Michigan

What is the Michigan International Trade Coalition?

The Michigan International Trade Coalition is composed of business and agricultural leaders and associations. The purpose of the MITC is to communicate the economic benefits of the NAFTA to the Michigan business community, political leadership, and the public at large.

What does the Michigan International Trade Coalition do?

The MITC is responsible for the execution of statewide NAFTA grassroots efforts, media activities and communicating the economic benefits of the NAFTA to the Michigan congressional delegation.

What does it cost to join?

The MITC does not have a formal dues structure. However, there is an expectation that companies who join will contribute financially to the efforts of the coalition.

How does an organization join the Michigan International Trade Coalition?

If your organization would like to enlist in the coalition, you may do so by filling out the attached enrollment form and returning it to the Michigan International Trade Coalition today.

What else can organizations do to support the NAFTA?

Write your senators and congressional representative as soon as possible to inform them of your support for the NAFTA. (Please be sure to fax or mail us a copy of your letter.)

How can we learn more about the Michigan International Trade Coalition?

For further information, please contact:

Leslie Touma
Executive Director
Michigan International
Trade Coalition
1760 South Telegraph Road
Suite 207
Bloomfield Hills, MI 48302
Phone: (313) 456-8606
Fax: (313) 456-8604



The Michigan International Trade Coalition

1760 South Telegraph Road
Suite 207
Bloomfield Hills, Michigan 48302



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What can you do to help pass the NAFTA?

In the weeks and months ahead Congress will be debating the NAFTA. The MITC thinks that the North American Free Trade Agreement is a major milestone in the move to an international economy. With the NAFTA, Michigan exports to Mexico would increase even more, resulting in the creation of more jobs here in Michigan.

You can help by:

Joining the MITC

Continuing to learn about the economic benefits of the NAFTA to Michigan and enlisting additional companies in this effort.

Calling or writing your member of Congress. The addresses and phone numbers for Michigan's Congressional delegation are listed here:

U.S. Senator
Donald Riegle
109 W. Michigan Ave. Suite 705
Lansing, MI 48933
Dist. (517) 377-1713
D.C. (202) 224-4822

U.S. Senator
Carl Levin
477 Michigan Ave.
1860 McNamara Building
Detroit, MI 48226
Dist. (313) 226-6020
D.C. (202) 224-6221

District #1
U.S. Representative
Bart Stupak
160 E. State St.
Traverse City, MI 48684
Dist. (616) 929-4711
D.C. (202) 225-4735

District #2
U.S. Representative
Peter Hoekstra
42 W. 10th St.
Holland, MI 49423
Dist. (616) 395-0030
D.C. (202) 225-4401

District #3
U.S. Representative
Paul Henry
166 Federal Bldg.
Grand Rapids, MI 49503
Dist. (616) 451-8383
D.C. (202) 225-3831

District #4
U.S. Representative
Dave Camp
135 Ashman
Midland, MI 48640
Dist. (517) 631-2552
D.C. (202) 225-3561

District #5
U.S. Representative
James Barcia
301 E. Genessee, Suite 502
Saginaw, MI 48607
Dist. (517) 754-6075
D.C. (202) 225-8171

District #6
U.S. Representative
Fred Upton
421 Main St.
St. Joseph, MI 49085
Dist. (616) 982-1986
D.C. (202) 225-3761

District #7
U.S. Representative
Nick Smith
209 E. Washington, Suite 200 D
Jackson, MI 49201
Dist. (517) 783-4486
D.C. (202) 225-6276

District #8
U.S. Representative
Bob Carr
2848 E. Grand River Ave., Suite 1
East Lansing, MI 48823
Dist. (517) 351-7203
D.C. (202) 225-4872

District #9
U.S. Representative
Dale Kildee
316 West Water St.
Flint, MI 48503
Dist. (313) 239-1437
D.C. (202) 225-3611

District #10
U.S. Representative
Dave Bonior
59 North Walnut, Suite 305
Mt. Clemens, MI 48043
Dist. (313) 469-3232
D.C. (202) 225-2106

District #11
U.S. Representative
Joe Knollenberg
30833 Northwestern Hwy, Suite 214
Farmington Hills, MI 48334
Dist. (313) 851-1366
D.C. (202) 225-5802

District #12
U.S. Representative
Sander Levin
17117 W. 9 Mile Rd., Suite 1120
Southfield, MI 48075
Dist. (313) 559-4444
D.C. (202) 225-4961

District #13
U.S. Representative
Bill Ford
Federal Bldg.
Wayne, MI 48184
Dist. (313) 722-1411
D.C. (202) 225-6261

District #14
U.S. Representative
John Conyers, Jr.
669 Federal Bldg.
231 W. Lafayette Blvd.
Detroit, MI 48226
Dist. (313) 961-5670
D.C. (202) 225-5126

District #15
U.S. Representative
Barbara Rose-Collins
1543 E. Lafayette
Detroit, MI 48207
Dist. (313) 567-2233
D.C. (202) 225-2261

District #16
U.S. Representative
John Dingell
5461 Schaefer Rd.
Dearborn, MI 48126
Dist. (313) 846-1276
D.C. (202) 225-4071



Monday - Sept. 13

The Economic Club of Detroit Noon

333 West Fort, Suite 100, Detroit, Michigan 48226-3134 Telephone: 313/963-8547

Detroit, Mich.

Charles T. Fisher III
Chairman
Alfred R. Glancy
Vice Chairman
Gerald E. Warren
President

May 20, 1993

The Honorable Robert Dole
Senate Minority Leader
United States Senator from Kansas
141 Hart Senate Building
Washington, D.C. 20510-1601

Dear Senator Dole:

On behalf of our Officers, Directors and Members, The Economic Club of Detroit cordially invites you to be our honored guest speaker at the Opening Luncheon Meeting of our 1993-94 season on Monday noon, September 13, 1993.

The Economic Club of Detroit will open its 60th season next September and enjoys the reputation of being one of the nation's preeminent public forums. We have the distinction of having had all living former Presidents of the country address the Club, as well as President Bill Clinton.

The enclosed schedule of speakers for 1992-93 indicates the Club has maintained its reputation for attracting nationally-recognized guest speakers.

The subject of your talk would be entirely of your choosing. As you will recall from your previous appearance before the Economic Club some years ago, we can assure you of a large and receptive audience composed of business, labor and community leaders in this area. National and international media coverage of our meetings is common.

We will contact your office shortly to determine if you can be with us on the date noted. Max Fisher would be very grateful if you would accept our invitation.

Sincerely,

Gerald E. Warren

5-25-93 Interim letter

GEW:vc
Encl.
CC:Max Fisher

6-9 faxed to Jo-Anne

1992-93 Season

PRELIMINARY SCHEDULE THE ECONOMIC CLUB OF DETROIT

- July 28 The Honorable Gan Ziyu, Vice-Chairman, State Planning
(Tues.) Commission, People's Republic of China
- Aug. 21 The Honorable Bill Clinton, Democratic Candidate for
(Fri.) President of the United States
- Sept. 10 The Honorable George Bush, Republican Candidate for
(Thurs.) President of the United States
- Sept. 14 The Honorable Richard B. Cheney, Secretary of Defense
- Sept. 21 The Honorable Lynne V. Cheney, Chairman,
National Endowment for the Humanities
- Sept. 30 Dr. P. Roy Vagelos, Chairman, President and Chief
(Wed.) Executive Officer, Merck & Co., Inc.
- Oct. 13 State Ballot Proposal D. Ronald L. Steffens, President,
AAA of Michigan, and George T. Sinas, Past
President, Michigan Trial Lawyers Association
- Oct. 19 The Honorable Richard C. Breeden, Chairman, United States
Securities and Exchange Commission
- Oct. 26 The Honorable Lamar Alexander, Secretary of Education
- Nov. 2 Louis Harris, Chairman of the Board, LH Research
(Political Pollster and Analyst)
- Nov. 10 Robert L. Crandall, Chairman, President and Chief
(Tues.) Executive Officer, American Airlines, Inc.
- Nov. 16 The Honorable Marvin T. Runyon, Postmaster General of the U.S.
- Nov. 23 The Honorable Winston Lord, Chairman, Carnegie Commission -
Changing our Ways: America and the New World
- Nov. 30 Dr. Bernadine P. Healy, Director, National Institutes of Health
- Dec. 9 Dr. Jaime Serra-Puche, Secretary of Commerce and Industrial
(Wed.) Development, Mexico
- Dec. 14 Economic Outlook Program: Automotive-Heinz C. Prechter,
ASC Incorporated; Banking-Robert J. Mylod, Michigan
National Corporation; Retail Trade-Frank Newman,
F & M Distributors Inc.; Construction-Edward Cicero,
Associated General Contractors of America
- Jan. 8 1993 International Auto Show Luncheon- Robert J. Eaton,
(Fri.) Chrysler Corporation; H. A. Poling, Ford Motor Company;
John F. Smith, Jr., General Motors Corporation
- Jan. 19 John H. Dasburg, President and Chief Executive Officer
(Tues.) Northwest Airlines, Inc.
- Jan. 25 Professor Lester C. Thurow, Dean, Sloan School of Management,
Massachusetts Institute of Technology

11/9/92

THE ECONOMIC CLUB OF DETROIT

1992-93 Season

- Jan. 8 1993 International Auto Show Luncheon- Robert J. Eaton,
(Fri.) Chrysler Corporation; H. A. Poling, Ford Motor Company;
John F. Smith, Jr., General Motors Corporation
Cobo Center
- Jan. 19 John H. Dasburg, President and Chief Executive Officer,
(Tues.) Northwest Airlines, Inc.
Grand Manor at Fairlane
- Jan. 25 Professor Lester C. Thurow, Dean, Sloan School of Management,
(Mon.) Massachusetts Institute of Technology
Westin Hotel
- Feb. 1 Frank P. Popoff, Chairman, President and Chief Executive
(Mon.) Officer, The Dow Chemical Company
Westin Hotel
- Feb. 8 Edward M. Kerschner, Chairman, Investment Policy Committee,
(Mon.) PaineWebber Incorporated
Cobo Center
- Feb. 16 Dr. Deborah McGriff, Superintendent, Detroit Public Schools,
(Tues.) Crain's Newsmaker of the Year Award Luncheon
Westin Hotel
- Feb. 22 Malcolm S. Forbes, Jr., President and Chief Executive Officer,
(Mon.) Forbes Inc., Editor-in-Chief, Forbes Magazine
Cobo Center
- Mar. 1 Robert Cizik, Chairman, National Association of Manufacturers
(Mon.) Chairman and CEO, Cooper Industries, Inc.
Hyatt Regency
- Mar. 8 His Excellency Takakazu Kuriyama, Ambassador from Japan
(Mon.) to the United States
Cobo Center
- Mar. 15 Dr. B. Joseph White, Dean, School of Business Administration,
(Mon.) University of Michigan, Ann Arbor
Grand Manor at Fairlane
- Mar. 22 Joseph T. Gorman, Chairman and Chief Executive Officer,
Westin Hotel TRW Inc.
- Mar. 29 The Honorable John M. Engler, Governor of Michigan
Cobo Center
- Apr. 5 The Honorable Albert V. Casey, President and Chief Executive
Westin Hotel Officer, Resolution Trust Corporation
- Apr. 19 General Colin L. Powell, Chairman, Joint Chiefs of Staff
Cobo Center
- Apr. 26 Peter P. Kann, Publisher, Wall Street Journal
Cobo Center
- May 3 Alan I. Rothenberg, Chairman, President and Chief Executive
Cobo Center Officer, World Cup USA 1994, Inc.
- May 10 Dr. James Todd, Executive Vice President, American Medical Assn
Cobo Center and Richard Davidson, President, American Hospital Assn.
- May 17 The Honorable Ronald H. Brown, U. S. Secretary of Commerce
Cobo Center
- May 24 R.E. "Ted" Turner, Chairman of the Board and President,
Cobo Center Turner Broadcasting System, Inc.

5/3/93

FROM

(FBI) 8, 13, 93 12:54

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1993-94 Season

THE ECONOMIC CLUB OF DETROIT

| | | |
|-------------------|--------------------|--|
| Westin | Sept. 13 | The Honorable Bob Dole, U.S. Senator from Kansas, Senate Republican Leader |
| Westin | Sept. 20 | Elaine Garzarelli, Director and Partner of Sector Analysis, Lehman Brothers, and John F. Connallon, Managing Director, Research Department, Smith Barney Shearson |
| Cobo | Sept. 27 | The Honorable Robert B. Reich, U.S. Secretary of Labor |
| Cobo | Oct. 4 | Harry Laurance Fuller, Chairman and Chief Executive Officer, Amoco Corporation |
| Cobo | Oct. 12 (Tues.) | Mayoral Candidates (tentative) |
| Dearborn Inn | Oct. 18 | John W. Marriott, Jr., Chairman of the Board and President, Marriott Corporation |
| Cobo | Oct. 25 | The Honorable Federico Peña, Secretary of Transportation (tentative) |
| Hyatt/Westin | Nov. 1 | to be scheduled |
| Cobo | Nov. 8 | Robert E. Allen, Chairman of the Board, AT&T |
| Cobo | Nov. 15 | to be scheduled |
| Fairlane Manor | Nov. 22 | to be scheduled |
| Cobo | Dec. 6 | Economic Outlook Program: Automotive — Kenneth L. Way, Lear Seating Corporation; Banking — Richard R. Spears, First of America Bank, Southeast Michigan; Retail Trade — Art Van Elslander, Art Van Furniture Company; Construction — Thomas A. Huff, Associated General Contractors of America |

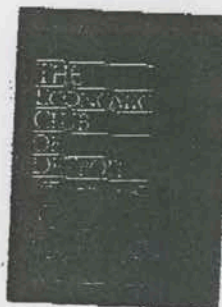
The Economic Club of Detroit

333 West Fort

Detroit, Michigan 48226-3134

Telephone: 313/963-8547

FAX: 313/963-7399



Purpose and Program

The Economic Club was organized September 10, 1934, as a forum for the discussion of vital governmental, economic and social issues.

In the intervening years, the Club has established a premier position among the great public platforms of the world. The Club serves its more than 3,000 members as a meeting place, as an educational institution, as a platform for debate and discussion and the expression of divergent viewpoints on a variety of topics, and, above all, provides members a sense of awareness of and a feeling of involvement in the great issues and affairs of the world.

The Economic Club includes men and women in business and industry, in the professions, in labor, in government, in education — in all walks of life. The Club is anchored firmly to Metropolitan Detroit, but its service area has become statewide, and its reputation is known nationally and throughout the world.

The Club's main activities:

1. Weekly meetings from September to June at which outstanding leaders in fields of timely interest speak to the members and answer their questions.
2. University, college and high school outreach programs in which individual or corporate sponsors arrange for student groups to attend the regular meetings and to meet privately with the speakers beforehand.
3. Publication and distribution to the membership of the texts of the talks given by a number of the speakers appearing at the Club's weekly meetings.

Membership

Membership is open to all who have an interest in the great issues of our times. Please use the enclosed application and return envelope at an early date to insure that you begin receiving information about the Club's meetings.

WHAT IT MEANS TO BE A MEMBER

- The opportunity to attend informative programs that will keep you abreast of local, national and international issues.
- The opportunity to bring friends and business associates to the Club's meetings.
- The opportunity to associate with your contemporaries at the Club's meetings.
- You can submit written questions to the speaker of the day.
- You can offer programming suggestions to the Club's officers.
- You can serve on one of the Club's operating committees.
- Your dues are tax deductible.
- You will be proud to say that you are a member of one of the nation's premier forums — The Economic Club of Detroit.

"The object of the Club shall be to promote an interest in, and to enlighten its membership on, important governmental, economic and social issues."



HOTLINE 6/8/93

*7 CLINTON BY THE NUMBERS: POLLS IN WISCONSIN AND MICHIGAN
WISCONSIN: A MILWAUKEE JOURNAL poll, conducted 6/3,
surveyed 400 WI adults; margin of error +/- 5% (6/6).

| | | | | |
|------------------|-----|------|------------------|----------------|
| CLINTON JOB | | 2/93 | CLINTON'S BUDGET | CLINTON'S PLAN |
| Excellent/good | 45% | 61% | Favor | 43% |
| Not so good/poor | 51 | 28 | Oppose | 45 |
| | | | | Is fair 34% |
| | | | | Is not fair 50 |

| | | |
|-----------------------------|-----|--------------------------------|
| GOV. TOMMY THOMPSON (R) JOB | | IF CLINTON'S PROPOSALS ENACTED |
| Excellent/good | 73% | I'd be better off 37% |
| Not so good/poor | 21 | I'd be worse off 48 |

MICHIGAN: The EPIC/MRA Report Poll, conducted 5/11-13,
surveyed 600 registered voters; margin of error +/- 4%.

| | | | | | |
|-------------------|---------|---------|---------|---------|--------|
| CLINTON FAV/UNFAV | 5/93 | 4/93 | 3/93 | 2/93 | 12/92 |
| Reagan Dems | 80%/14% | 83%/14% | 86%/11% | 84%/11% | 73%/7% |
| Independents | 49/34 | 50/26 | 55/31 | 50/29 | 41/25 |
| Perot Voters | 33/51 | 51/40 | 56/30 | 43/37 | 27/41 |

| | | | | |
|-------------------|---------|---------|---------|---------|
| CLINTON JOB | | | | |
| POSITIVE/NEGATIVE | 5/93 | 4/93 | 3/93 | 2/9 |
| Reagan Dems | 63%/41% | 67%/25% | 61%/34% | 73%/23% |
| Independents | 34/56 | 46/43 | 43/40 | 39/34 |
| Perot Voters | 24/74 | 43/50 | 42/47 | 36/49 |

| | | | | |
|-----------------|---------|---------|---------|-------|
| PEROT FAV/UNFAV | 5/93 | 4/93 | 2/93 | 12/92 |
| All voters | 54%/30% | 53%/27% | 51%/32% | 38/38 |

MICHIGAN 1992 ELECTION SUMMARY

HISTORICAL PRESIDENTIAL PERFORMANCE

| | REP. VOTE | REP % | DEM. VOTE | DEM % | OTH. VOTE | OTH % | TOTAL | REGISTRATION |
|------------------------------|-----------|-------|-----------|-------|-----------|-------|-----------|--------------|
| 1992 BUSH/CLINTON/PEROT: | 1,554,940 | 36.6% | 1,871,182 | 44.0% | 824,813 | 19.4% | 4,250,935 | 6,147,083 |
| 1988 BUSH/DUKAKIS: | 1,965,486 | 53.6% | 1,675,783 | 45.7% | 26,992 | 0.7% | 3,668,261 | 5,952,513 |
| 1984 REAGAN/MONDALE: | 2,251,571 | 59.5% | 1,529,638 | 40.5% | 0 | 0.0% | 3,781,209 | 5,888,808 |
| 1980 REAGAN/CARTER/ANDERSON: | 1,915,225 | 49.7% | 1,661,532 | 43.1% | 275,223 | 7.1% | 3,851,980 | 5,725,713 |
| 1976 FORD/CARTER: | 1,893,742 | 52.0% | 1,696,714 | 46.6% | 47,905 | 1.3% | 3,638,361 | 5,202,379 |
| 1972 NIXON/McGOVERN: | 1,961,721 | 56.2% | 1,459,435 | 41.8% | 68,571 | 2.0% | 3,489,727 | 4,762,764 |
| 1968 NIXON/HUMPHREY/WALLACE: | 1,370,665 | 41.6% | 1,593,082 | 48.3% | 331,968 | 10.1% | 3,295,715 | 4,022,378 |

STATEWIDE ELECTION RETURNS

| | REP. VOTE | REP % | DEM. VOTE | DEM % | OTH. VOTE | OTH % | TOTAL |
|----------------|-----------|-------|-----------|-------|-----------|-------|-----------|
| 1990 SENATE: | 1,055,695 | 41.8% | 1,471,753 | 58.2% | 0 | 0.0% | 2,527,448 |
| 1990 GOVERNOR: | 1,276,134 | 50.3% | 1,258,539 | 49.7% | 0 | 0.0% | 2,534,673 |
| 1988 SENATE: | 1,348,219 | 38.5% | 2,116,865 | 60.4% | 40,845 | 1.2% | 3,505,929 |
| 1986 GOVERNOR: | 753,647 | 31.5% | 1,632,138 | 68.1% | 9,477 | 0.4% | 2,395,262 |

STATE SENATE

| YEAR | SEATS | DEM | REP | OTH | NET |
|------|-------|-----|-----|-----|-----|
| 1990 | 38 | 18 | 20 | 0 | 0 |
| 1986 | 38 | 18 | 20 | 0 | 2 |
| 1982 | 38 | 18 | 18 | 2 | 4 |

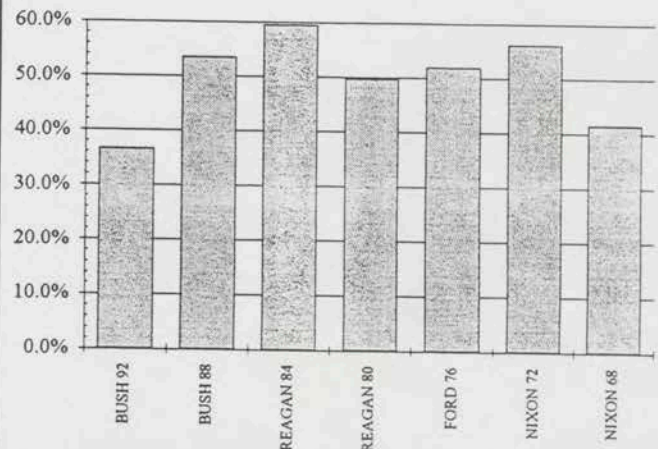
STATE HOUSE

| YEAR | SEATS | DEM | REP | OTH | NET |
|------|-------|-----|-----|-----|-----|
| 1992 | 110 | 55 | 55 | 0 | 6 |
| 1990 | 110 | 61 | 49 | 0 | 0 |
| 1988 | 110 | 61 | 49 | 0 | 2 |

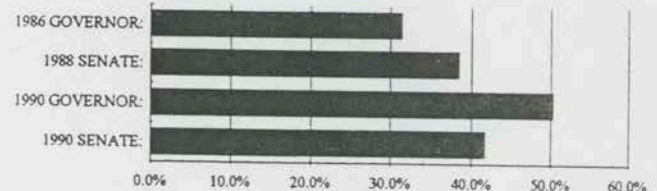
HOUSE OF REPRESENTATIVES

| YEAR | SEATS | DEM | REP | OTH | NET |
|------|-------|-----|-----|-----|-----|
| 1992 | 16 | 10 | 6 | 0 | -1 |
| 1990 | 18 | 11 | 7 | 0 | 0 |
| 1988 | 18 | 11 | 7 | 0 | 0 |

REPUBLICAN PRESIDENTIAL PERFORMANCE



REPUBLICAN STATEWIDE PERFORMANCE



MICHIGAN DEMOGRAPHIC PROFILE

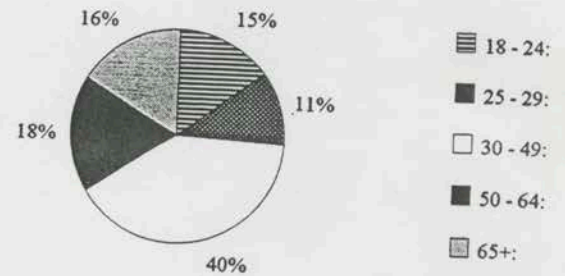
Population Data

| | |
|-----------------------------------|-----------|
| 1990 Total Population: | 9,295,297 |
| Total Voting Age Population: | 6,836,532 |
| % of Total Population Voting Age: | 73.5% |
| Black Voting Age Population: | 872,475 |
| Nationwide Rank: | 8 |
| % Black Voting Age Population: | 12.8% |
| Nationwide Rank: | 15 |
| Hispanic Voting Age Population: | 124,450 |
| Nationwide Rank: | 14 |
| % Hispanic Voting Age Population: | 1.8% |
| Nationwide Rank: | 29 |
| Asian Voting Age Population: | 70,356 |
| Nationwide Rank: | 13 |
| % Asian Voting Age Population: | 1.0% |
| Nationwide Rank: | 27 |

Voting Age Population Data

| | |
|----------|-----------|
| 18 - 24: | 1,004,527 |
| 25 - 29: | 764,262 |
| 30 - 49: | 2,740,170 |
| 50 - 64: | 1,219,112 |
| 65+: | 1,108,461 |

Voting Age Population Distribution



Number of Counties:

83

G U B E R N A T O R I A L R A C E

HOTLINE 7/12/93

*14 MICHIGAN: FLYING ACCUSATIONS ARE STILL FLYING

A DETROIT FREE PRESS review of state records shows Gov. John Engler (R), who "roasted" ex-Gov./Amb. to Canada Jim Blanchard in the '90 race "for flying at taxpayer expense, has himself used state aircraft on 85 days since he took office." These trips include 12 to or from Mackinac Island, "where he vowed" in his '90 campaign to "take my Oldsmobile" instead of a plane (Christoff, 7/9). DETROIT NEWS' Mitzelfeld notes, Engler Press Sec. John Truscott, last month, said Engler "drove to Mackinac and hadn't used the state plane for such trips, except once, and then only to fly off the island" (7/9). Engler's flying, "which falls short" of Blanchard's, "is hatching" attacks from Dems. MI Dems "contend Engler violated a campaign not to fly in state aircraft" (see HOTLINE 7/2). Dem spokesperson Steve Gools said Engler's flying will be a campaign issue because "it's important to understand John Engler will say just about anything to get elected." Truscott: "The governor is doing exactly what he said he would do, flying less. It's awfully naive to think the chief executive of a major state will not fly on certain occasions. ... He's visited all 83 counties each year. Sometimes the only to get there is to fly." The FREE PRESS' record notes, the flights mostly "were around" MI to fulfill his pledge "to visit all" 83 MI counties each year. Also, for trips involving partisan politics, Engler "used his officeholder's expense account, funded with private donations, to reimburse the state for flight costs." GOP media consultant Mike Murphy, who managed Engler's '90 campaign, said the flights "won't be a liability." Murphy noted "flying avoids other political pitfalls, such as Engler's embarrassing highway run-in with a State Police trooper in 1990": "You don't get speeding tickets on a plane" (Christoff, 7/9). DETROIT NEWS' Weeks: "So, guv, while you deserve praise for annually visiting all 83 counties in a relatively frugal matter, you're also vulnerable to such" attacks by MI Dem chair Gary Corbin. "As Engler understands so well, voters don't read the fine print. Symbols over substance" (7/11).

THE TAX ISSUE: LANSING STATE JOURNAL's Skubick notes, none of the announced candidates have made a "no new taxes" pledge. Engler, Stabenow, Wolpe and Jondahl are all "deserve a round of applause for apparently helping to wipe out one of the most insidious promises of all time. Eschewing the no-tax pledge is the right thing to do" (7/9).

HOTLINE 7/6/93

*13 MICHIGAN: STABENOW'S PRESS JUST GETTING BETTER

State Sen. Debbie Stabenow (D) is profiled in the DETROIT FREE PRESS Magazine, under header: "You don't know her yet, but in 18 months this woman could be: A. Oprah Winfrey's biggest rival. B. President of your PTA. C. Michigan's next governor." Subhead: "Debbie Stabenow has big plans for 1994. But will the Year of the Woman make it to Michigan in time?" FREE PRESS' Martin notes if Stabenow wins the Dem nomination, GOP strategists say Gov. John Engler (R) "would most likely try to paint her as a closet liberal out to grab the center by being vague, a Clintonesque pleaser whose squishiness contrasts with Engler's willingness to take unpopular positions and fight. But Stabenow believes her moderate political identity will hold fast, and enable her to draw from both sides of the party line." Stabenow is first woman in MI to run for gov., since '86 when Colleen Engler, Gov. Engler's ex-wife, made a last-minute run" in the GOP primary (7/4). Others: Ex-Rep. Howard Wolpe (D), state Rep. Lynn Jondahl (D) and ex-East Lansing Mayor Larry Owen (D).

NO SERVICE TAX: Engler "has all but ruled out supporting an increase in taxes to pay for property tax relief and school funding reform." His new position "reduces chances lawmakers will move this summer to expand the sales tax to services, raise the cigarette tax or come up with some other way to pay for long-debated reforms" (Hornbeck, DETROIT NEWS, 7/5).

HOTLINE 6/9/93

*18 MICHIGAN: DEFEAT OF PROP "A" ENTICING BIGGER GOV. FIELD?

State Rep. Lynn Jondahl (D) "expects to run" for gov. against Gov. John Engler (R). Jondahl made this known 6/5 at the Greater Detroit Chamber of Commerce. A final decision by Jondahl is expected sometime next month. DETROIT NEWS' Weeks writes Jondahl "lacks the political moxie and bases" of the two Dems "who are off and running," ex-Rep. Howard Wolpe and state Sen. Debbie Stabenow. Weeks "figured Jondahl wouldn't run." Other possible gov. candidates: ex-East Lansing Mayor Larry Owen (D), businessman Joel Ferguson (D). Weeks also floats Wayne Co. Exec. Ed McNamara (D) (6/8). Weeks on the defeat of Proposal "A": "I never thought Engler's political fate would rise or fall solely on Proposal A. But there is no minimizing the damage" (6/4).

KEEPING HIS WORD: Sen. Donald Riegle (D) "dumped two Manhattan investment bankers as hosts" of a \$1000/person 6/14 NY fund-raiser "in order to preserve his campaign pledge to refuse contributions from the banking and securities industries." Riegle "moved quickly to eliminate" the two bankers from the 12-member host cmte after MI GOPers "pointed out the financiers' occupations" to reporters. Riegle made his pledge "in the wake" of the Keating 5 scandal, but "it has snared" him "in one embarrassing jam after another." He has "already" had "to explain the fine print of his pledge after it was suggested he was seeking ways to get around it" (Parker, DETROIT NEWS, 6/9).

HOTLINE 6/3/93

*20 MICHIGAN: DEFEAT OF PROPOSAL A SEEN AS "SETBACK" FOR ENGLER
Results with 100% reporting (AP, 6/3). Proposal A would
have cut MI property taxes, raise the sales tax and set a minimum
that schools spend on students.

| | | |
|-----|-----------|-----|
| No | 1,164,288 | 54% |
| Yes | 1,007,216 | 46 |

Gov. John Engler (R), "The leading proponent of Proposal A, conceded the plan's defeat at 12:25 a.m. today. He suggested the contest came down to an us-vs.-them battle pitting the tricounty area against the rest of the state": "Of course it's very disappointing. Who knows what's driving it. Cynicism and mistrust are out there, nobody's going to fault me. Nobody's going to fault this coalition." In rejecting Proposal A, the MI electorate turned down the 10th such proposal placed on statewide ballots in the last 20 years and "sent state leaders back to the drawing table for another plan to revamp school financing and cut property taxes" (Hornbeck/Freedman/Cain, DETROIT NEWS, 6/3). Under the header "Engler suffers setback, but not the knockout blow, in another turning point of his political career," NEWS columnist George Weeks writes "The short but intense campaign for Proposal A was one of six major defining moments in Engler's political career. The outcome will affect his re-election drive, which opened about the time the polls closed. ... Affect it, but not decide it. True, he was willing to put his political life on the line. True, he campaigned furiously for it, on the road and on the airwaves ... But I never did buy all the talk in recent weeks that Engler's political fate would rise or fall with Proposal A. ... Still, there is no minimizing Proposal A as a political biggie for Engler" (6/3).

HOTLINE 3/30/93

*17 MICHIGAN: DRAFT BLANCHARD MOVEMENT FOR REAL?

State Sen. James Berryman (D) "has started a draft movement" to get ex-Gov. Jim Blanchard (D) to run again in '94, and said "there's a 50-50 chance he will." But Blanchard told reporters at a Dem fundraiser, "there's no ground swell for Jim Blanchard for governor that I know of." Some potential Dem candidates "surveyed" said "they would await Blanchard's decision" but ex-Rep. Howard Wolpe (D) and state Sen. Debbie Stabenow (D) "insisted they will run regardless of Blanchard's decision." Wolpe: "I'm in the race." Stabenow: "I'm running. I don't know what Jim is going to do." Dems who would wait: State Rep. Lynn Jondahl, ex-East Lansing Mayor Larry Owen, businessman Joel Ferguson and ex-Rep. Bill Brodhead (Weeks, DETROIT NEWS, 3/29).



Center for Strategic & International Studies
Washington, DC

JOHN N. YOCHELSON

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Suite 400
Washington, DC 20006

John Yochelson is Vice President for Economic and Business Policy at the Washington-based Center for Strategic and International Studies, where he is responsible for the Center's policy research on international trade, investment and finance. He is also President of The Edmond de Rothschild Foundation.

Mr. Yochelson specializes in U.S. international economic strategy, with a particular focus on relations with Europe and Japan. His most recent publications are Keeping Pace: U.S. Policies and Global Economic Change; and Beyond 1992: U.S. Strategy toward the European Community.

Mr. Yochelson was appointed by President Bush to the President's Export Council, where he served as Vice Chairman of the Subcommittee on Resources and Communications. He is also a member of the Department of State's Advisory Committee on International Investment, the board of directors of the National Coalition of Advanced Manufacturing, and the Council on Foreign Relations.

Prior to coming to CSIS in 1978, Mr. Yochelson spent three years at the Department of State. He was a research fellow at the Center for International Affairs of Harvard University as well as the Brookings Institution. He has been a consultant to the Joint Economic Committee of the U.S. Congress and a collaborator of the late Jean Monnet.

He graduated magna cum laude from Yale University in 1965 and holds a Master of Public Affairs from the Woodrow Wilson School of Princeton University. He served in the U.S. army 1967-1970, receiving a commission from the officers' candidate school at Fort Benning, Georgia.

The Honorable Robert Dole

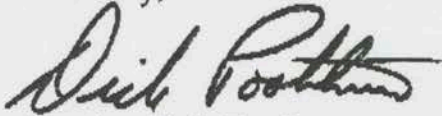
June 3, 1993

Page 2

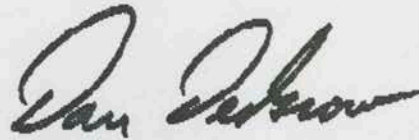
We look forward to receiving additional information regarding the possibility of your attendance at your earliest convenience. As mentioned above, the event is planned for this fall. We would gladly arrange a date that meets the needs of your schedule. Should you have any questions, please do not hesitate to contact us directly, or Matt Godlewski of our staff at (517) 482-1994.

We hope you will honor us by accepting this invitation.

Sincerely,



Senator Dick Posthumus
SENATE MAJORITY LEADER



Senator Dan DeGrow
MAJORITY CAUCUS CHAIRMAN

S E N A T E R A C E

Carl

7/16/93 Update

SURVEY RESULTS

= CONFIDENTIAL

☐ = NEW TO SUMMARY

| FIELD | SOURCE | SAMPLE | ERROR | NAME | PARTY | BALLOT | INCUMBENT | REELECT | NAME IDENTIFICATION | JOB APPROVAL |
|-----------|-----------------------------------|--------|-------|-----------|-------|----------|---------------------|------------|---------------------|------------------------------------|
| Last Date | Pollster (Client) | Size | +/- % | | | No Leans | [For] | (Neutral) | (Against) | Aware Fav Unfav Approve Disapprove |
| MICHIGAN | | | | | | | | | | |
| 6/24/93 | Frederic (American Energy) | 500 | 4.5 | Clinton | D | | | | | 45 Positive 50 Negative |
| 6/16/93 | EPIC/MRA (-) | 600 | 4.2 | RIEGLE | D | | | | | 37 Exc/Good 48 Fair/Poor |
| | | | | Clinton | D | | | | 41 45 | 33 Exc/Good 63 Fair/Poor |
| | | | | Perot | I | | | | 49 34 | |
| 5/13/93 | EPIC/MRA (-) | 600 | 4.2 | Abraham | R | 30 | | | | |
| | | | | RIEGLE | D | 42 | | | | 32 Exc/Good 51 Fair/Poor |
| 4/27/93 | Marketing Resource Group (NRSC) | 800 | 3.5 | Abraham | R | 35 | 40 w/leans | | | 33 12 6 |
| | | | | RIEGLE | D | 40 | 45 | | | 91 44 34 |
| | | | | Butler | R | 35 | Deserves Reelection | New Person | | 33 15 5 |
| | | | | RIEGLE | D | 40 | 32 | 53 | | |
| | | | | Posthumus | R | 32 | | | | 34 10 6 |
| | | | | RIEGLE | D | 42 | | | | |
| | | | | Upton | R | 34 | | | | 31 12 5 |
| | | | | RIEGLE | D | 40 | | | | |
| | | | | (Generic) | R | 35 | | | | |
| | | | | (Generic) | D | 37 | | | | |
| | | | | Clinton | D | | | | | 52 30 |
| 2/28/93 | Mitchell Research (Posthumus/GOP) | 700 | 3.3 | Posthumus | R | 29 | | | | 28 9 8 |
| | | | | RIEGLE | D | 43 | | | | 91 39 36 |
| | | | | Ehlers | R | 28 | | | | 18 7 5 |
| | | | | RIEGLE | D | 43 | | | | |
| | | | | Engler | R | 42 | | | | 97 47 43 |
| | | | | RIEGLE | D | 42 | | | | |
| | | | | Romney | R | 30 | | | | |
| | | | | RIEGLE | D | 42 | | | | |

CONFIDENTIAL

08-10-93 12:15 PM

P002/003/F01

7/16/93 Update

SURVEY RESULTS

= CONFIDENTIAL

☐ = NEW TO SUMMARY

| FIELD | SOURCE | SAMPLE | ERROR | NAME | PARTY | BALLOT | INCUMBENT | REELECT | NAME IDENTIFICATION | JOB APPROVAL |
|-----------|------------------|--------|-------|------|-------|----------|-----------|-----------|---------------------|------------------------------------|
| Last Date | Polster (Client) | Size | +/- % | | | No Leans | (For) | (Neutral) | (Against) | Aware Fav Unfav Approve Disapprove |

MI Democrat Primary

| | | | | | | | | | | |
|---------|---------------------------------|----------|-----|----------|---|----|--|--|--|--|
| 4/27/93 | Marketing Resource Group (NRSC) | 296 Dems | 5.8 | RIEGLE | D | 60 | | | | |
| | | | | Marlinga | D | 18 | | | | |
| | | | | RIEGLE | D | 57 | | | | |
| | | | | Marlinga | D | 18 | | | | |
| | | | | Polack | D | 11 | | | | |
| 2/11/93 | EPIC/MRA [Dem polster] | #NA Dems | NA | RIEGLE | D | 51 | | | | |
| | | | | Marlinga | D | 17 | | | | |

CONFIDENTIAL

08-10-93 12:15 PM

P003/003/P01

HOTLINE 9/8/93

IN THE MIDDLE: Riegle has "lined up" Pres. Clinton to headline an 10/18 fundraiser while Ross Perot will be "the main attraction" at a 9/18 Riegle rally in Lansing where both men "will bash [NAFTA]." WH political dir. Joan Baggett on Riegle appearing with Perot: "We expect to still love each other when this is over." WH spokesperson Lorraine Voles: "If we had our druthers, we'd like him (Riegle) not to appear with Perot. But his (Riegle's) re-election is the most important thing" (Parker/Willing, DETROIT NEWS, 9/5).

HOTLINE 7/30/93

MICHIGAN: ROMNEY VISITS D.C., UPTON HELPS CLEAR THE FIELD

Radio talk show host Ronna Romney (R), and daughter of ex-MI Gov. George Romney, said she "may seek the GOP nomination" to run against Sen. Donald Riegle (D). Romney was in D.C. this week to talk with members of the MI delegation and to meet with Sen. Bob Dole (R-KS) and NRSC chair Phil Gramm. NRSC spokesperson Gary Koops: "She has the potential to be a very good candidate. She talked as though she was very serious." Romney: "At this point, I'm looking at it. I've had so many people pushing me. ... People in the party who really want to beat Riegle." Also 7/29, Rep. Fred Upton (R-06) "ended months of speculation" by announcing he will not seek the nomination. Upton: "I don't have it in me to be on the road for 14 months, living out of a suitcase, raising a million dollars, and being away from my kids. Life's too short." Romney said she would decide by early '94, whether to run. Romney on Riegle: "He's a very strong politician. He's been through many battles. He's scarred but unbeaten. Anybody who underestimates Don Riegle is a fool" (Schneider, DETROIT FREE-PRESS, 7/30).

UPTON REAX: Ex-MI GOP chair Spencer Abraham (R): "Upton is a good friend and an outstanding member of the U.S. House, who always places matters of substance over politics. He is one of our party's most able leaders and will undoubtedly be a key part of the Michigan GOP's future" (Abraham release, 7/29).

PATH CLEARING: INSIDE MICHIGAN POLITICS editor Bill Ballenger writes, the only "hurdles that remain to be cleared between now and the '94 primary seem to be minor" -- Atty Jim Eisman, businessmen Gary Maccagnone and Mara Lettica. "In other words, it's been a dream campaign so far for someone like Abraham who has never before held public office." Ballenger previewing a Riegle v. Abraham general election: "Lurking on the horizon ... is the issue that Riegle would like to become the centerpiece of Campaign '94" -- NAFTA. Riegle is "very much against it, while Abraham ... can be expected to support it. ... It has the potential to be a make-or-break issue" (7/26 issue).

RIEGLE'S HIT MAN: "As if running" against Riegle "isn't daunting enough," Macomb Co. Prosecutor Carl Marlinga (D) now has "the mortician" on his trail. Riegle has hired atty Hal Kwalwasser "to search for skeletons in the prosecutor's closet." Kwalwasser is known as the "mortician because once he starts digging up dirt on a candidate, he buries him." MACOMB DAILY's Selweski reports, Kwalwasser recently visited the paper "posing as a freelance writer working on an article for Harper's or the Atlantic. He wanted to look at all the stories our newspaper has written on Marlinga" since he was elected prosecutor in '84. Marlinga "insists he's flattered -- and not at all worried." Marlinga says he met Kwalwasser in '90 when he was working for Sen. Carl Levin's (D) campaign and "was impressed." As for Marlinga's campaign, he just hired consultant Saul Shorr, but his campaign is off to a "slow start." He's only raised about \$50,000 since 2/93. Marlinga's confident he'll raise \$200,000 by the end of the year, and \$1.2 million by the Dem primary (7/26).

HOTLINE 7/28/93

MICHIGAN: ABRAHAM'S BAG OF SYMBOLS -- A CAR AND A CUT
Ex-MI GOP chair Spence Abraham (R), "the all-but-certain" GOP nominee, "figures to make campaign hay" out of Sen. Don Riegle's 27-year career in Congress. Abraham began 10 days ago "by posing next to a red 1966 Impala, symbolic of the year Riegle first went to Washington. Effective? Well, only Channel 10 in Lansing showed up, despite press advisories distributed earlier in the Capitol. But there will be other chances." After a meeting with the GOP state cmte, he hosted a hospitality suite complete with more memorabilia from '66 such as record covers and posters and a jukebox playing '66 Motown record releases. Abraham consultant Mark Pischea said that the campaign also is planning a mailing asking GOPers to contribute '66 memorabilia, allowing the campaign to "have clever ways of demonstrating Riegle's longevity": "We want it to be tongue-in-cheek." Abraham also plans to "weave both Riegle's liberal voting record and his role as one of the so-called Keating Five ... into the 'longevity' issue." MI Dem spokesperson Steve Gools on the '66 Impala event: "It lacks creativity, to say the least." Gools, noting Abraham hasn't moved from DC to MI yet: "If a carpetbagger needs a road show -- and Abraham does -- I guess he also needs a car." Note: Frosh Rep. Peter Hoekstra (R-02) used a '64 Nash Rambler in a similar way in his primary upset of ex-Rep. Guy Vanderjagt (R), who was NRCC co-chair with Abraham (McDiarmid, DETROIT FREE PRESS, 7/27).

HAIR -- THE CAMPAIGN: Pischea said that over the weekend, Abraham held a fundraiser on the tarmac of the Oakland Co. airport. He sold \$200 tickets good for a haircut on a rented plane which sat on the tarmac. The campaign estimated raising about \$50,000 from the event (HOTLINE interview, 7/27). Possible Dem candidates: Macomb Co. pros. Carl Marlinga and state Sen. Lana Pollack. Possible GOPers: RNC Cmte member Peter Secchia, Detroit City Councilor Keith Butler, Rep. Fred Upton (06) and TV talk show host Ronna Romney.

HOTLINE 7/28/93

MICHIGAN: ANOTHER LANSING DEM PONDERES RACE

Ex-East Lansing Mayor Larry Owen became the fourth Dem "to officially consider a run" for gov. when he officially established an exploratory cmte. Owen, who played a prominent part in Pres. Clinton's '92 campaign by raising \$1.5M in MI: "I'm very likely to run but I probably won't make a decision until Labor Day." State Sen. Debbie Stabenow (D), ex-Rep. Howard Wolpe (D) and state Rep. Lynn Jondahl (D) all have "kicked off their campaigns." MI Dem consultant Mark Grebner: "If Owen actually makes a serious race, it will be a much different campaign than the others. If Owen's candidacy works out, it will be because he's the candidate of the big shots." Businessman Joel Ferguson (D) also might run. Meanwhile Gov. John Engler (R) has opened a campaign office but is not expected to announce until early next year (Hoffman, LANSING STATE JOURNAL, 7/27).

MORE ON THE TAX CUTS: Stabenow, while not endorsing any specific tax increase, said the \$6.3B "hole ripped in the state budget by lower property taxes could be repaired by increasing income taxes, business taxes, cigarette taxes and extending the sales tax to services." Her 7/26 news conference "was just the beginning step down a twisting path that lawmakers hope will lead to a better way to pay for schools." The MI House and Senate went along last week with Stabenow's suggestion to stop using property taxes to pay for schools (see HOTLINE, 7/23). Engler said he'd sign the measure, "but no agreement has been reached on how -- or how much of -- the money should be replaced" (Hoffman, JOURNAL, 7/27). DETROIT FREE PRESS' McDiarmid, under header "Stabenow's tax cut may cost her a lot": "Most, but not all, of [MI's] vast schools lobby, including the hotly Democratic [MI Educ. Assoc], was panicked...and angry, and directed much of its anger at Stabenow." Jondahl described the elimination of school money "a terrorist tactic" (7/24). DETROIT NEWS' Weeks writes Stabenow's "strike ... has prompted the first public spat among" Dem challengers. "It could also alter alliances, and erode some of front runner Stabenow's party support" (7/25). DETROIT NEWS editorial: "Care ought to be taken that we don't substitute one deformed tax system for another" (7/28).

HOTLINE 7/8/93

*8 MICHIGAN: ABRAHAM SEEN LIKELIER TO AVOID TOUGH PRIMARY
DETROIT FREE PRESS' McDiarmid writes, ex-NRCC co-chair
SPENCER ABRAHAM seems "well on his way to convincing" Michigan
GOPers that he's "their safe ... choice" to take on Sen. Don
Riegle (D). Although Abraham has never held an elected office
and "doesn't fit the traditional molds," Abraham is "well tested
in politics" and "seems likely to breeze to the nomination."
With speculation that Rep. FRED UPTON (R-06) "will gracefully bow
out ... and take his shot later" and ex-amb. to Italy PETE
SECCHIA "unlikely to jump in," no other "major party figure will
emerge, leaving ... only token opposition," such as atty Jim
Elsman (R) and businessman Gary Maccagnone (R). It is "an
article of faith" among state GOPers that the '94 Senate race
"won't be a referendum on their candidate ... so long as he eats
with a fork and is deemed presentable" (7/6). Riegle faces a
primary from Macomb Co. Prosecutor CARL MARLINGA. State Sen.
LANA POLLACK is also considering the 8/94 primary.

HOTLINE 7/6/93

*8 MICHIGAN: STOP SMIRKING, GOP, RIEGLE MAY BE TOUGH TO BEAT
Under header, "Republicans better wake up; knocking off Riegle may be just a pipe dream," DETROIT NEWS' Weeks writes Sen. Don Riegle (D), "a man of many lives (including one early on as a Republican), is indeed vulnerable -- but tough." GOP media consultant Mike Murphy, who is working for ex-MI GOP Chair/ex-Quayle aide Spencer Abraham's Senate bid, noted nat'l GOP leaders are "smirking and giggling" about Riegle's poll-standing and an "early lag" in fund-raising but adds, "He's no fool, [and will] raise a ton of money." Other plus-factors for Riegle: His trade position is "in lockstep" with Ross Perot; the GOP "repeatedly" have targeted Riegle and Sen. Carl Levin (D) as "vulnerable" and lost. "A big reason is that Republicans have had such brutal primaries that they send damaged goods into the finals." Still, a 4/93 NRSC poll showed Riegle leading Abraham by a mere 45-40%. Although Abraham has the endorsement of 55 county GOP chairs and a "respectable" \$100,000 raised, "longtime party activists [in Lansing] say Abraham's appeal is too narrow" and are trying to get state Sen. Joanne Emmons (R) to run. 4-term Rep. Fred Upton (R-06) is "exploring" a run (7/4). On the Dem side, Riegle faces a primary against Macomb Co. Prosecutor Carl Malinga (D) and possibly from state Sen. Lana Pollack (D), who put off a decision to run last week after Riegle won the endorsement of the 5 Dem women U.S. Senators.

HOTLINE 7/2/93

*11 MICHIGAN: RIEGLE "LAGS" BEHIND '87 FUND-RAISING TOTAL

Under header, "Riegle's fund-raising lags behind last election," DETROIT FREE PRESS' Schneider writes, Sen. Donald Riegle (D) "has built a \$1 million war chest for what could be one of his toughest re-election battles -- but his fund-raising is lagging far behind his last Senate campaign." Riegle will report in his semi-annual FEC report, due 7/31, that he has raised \$1.1 million. At the same time in '87, he had raised \$1.8 million. Dem party officials say that Riegle's total will place him "in the middle of the pack" in fund-raising among the 20 Dems seeking re-election in the Senate. GOPers say it's a sign of "political weakness that his campaign contributions fall short of where they were at the same point" in his '88 campaign. GOPers believe "they have the best opportunity in years to take down" Riegle because of his negative publicity from being one of the Keating Five. NRSC spokesperson Gary Koops: "Don Riegle is one of the most vulnerable Senate Democrats in the country. ... He is in the race for his political life." Some observers and GOPers "say the Keating ties will make it difficult" for Riegle to raise the \$4.5 million to \$7 million that Riegle says he needs. But Dems say he'll have "no trouble" reaching that mark. Mark Pischea, manager for ex-NRCC co-chair Spencer Abraham: "We are going to make an issue out of Don Keating. It's going to cost Don Riegle a lot of money to put the spin on that issue." Riegle's likely primary opponent Macomb Co. Prosecutor Carl Malinga aid he has \$25,000 in his campaign account. Riegle said his "political fortunes will be tied less to how much money he raises than to the strength of the economy, Clinton's record," and the Dem nominee in the MI gov. race (7/1).

HEAD 'ER OFF AT THE PASS: Riegle received the endorsement of all five Dem women Senators 7/1. After being endorsed by Barbara Boxer (CA), Dianne Feinstein (CA), Carol Moseley-Braun (IL), Barbara Mikulski (MD) and Patty Murray (WA), Riegle noted, "this is the first time this has happened -- that the women in the Senate have felt strongly about endorsing a male colleague to take this step." Back in MI, "political observers speculated about the timing -- on the eve" of the 7/4 weekend when state Sen. Lana Pollack (D) "had said she would announce whether she would jump into the race." Inside Michigan Politics editor Bill Ballenger: "This is a move aimed at trying to discourage Pollack." Pollack: "It's clear that the press conference is directed at my interest in this race, and he was afraid a decision by me is imminent." Pollack added that such a decision "isn't" imminent (Parker, DETROIT NEWS, 7/2).

HOTLINE 6/15/93

*14 MICHIGAN: GORE HELPS RAISE BIG DOUGH FOR RIEGLE

Sen. Don Riegle (D), "considered one of the most vulnerable U.S. senators," boasted that his 6/13 \$2,000/plate fundraiser would be "the most successful in the history of any Senate campaign" in MI. Riegle, with VP Al Gore in town to help, "said he expected to raise \$400,000," which Press Sec. Mike Casey said had been reached. One county Dem leader: "There's a lot of doubt all over the place about Don. God knows, he's nowhere near over it yet." Market Opinion Research's Mark Pichay, who has been working the early phases of a possible run against Riegle by ex-NRCC chair Spencer Abraham, said Riegle's most recent campaign report shows he only has about \$120,000 in his fund. Pichay: "That's pretty low and scary for an incumbent senator." GOP consultant Alex Gage: "Riegle can be had, there's no doubt in my mind. ... But right now, I can't say I see that we have the person who can do it" (Cook, DETROIT FREE PRESS, 6/14). Rep. Fred Upton (R-06) said he's giving "a lot of serious consideration" to the race, after getting "pretty positive feedback" from party activists and voters (DETROIT NEWS, 6/13).

September 10, 1993

NOTE TO SENATOR DOLE

FROM: SUZANNE HELLMANN *SH*

RE: INFORMATION FROM SENATORIAL COMMITTEE ON MI SENATE RACE

I spoke with Paul Curcio of the NRSC who provided me with the following information for your trip to Michigan.

As you know, there are two viable Republican candidates for Sen. Riegle's seat - Spencer Abraham and Ronna Romney with whom you are meeting on Monday.

RONNA ROMNEY

Her major problem is her ability to raise money. Abraham started 4 - 5 months earlier than Romney. Also, her former father-in-law has endorsed Abraham as her divorce was not a pleasant one. However, on the plus side, her name recognition is very good - about 70% state wide. This is due mainly to her last name, her former position as national committeewoman, and the popularity of her radio talk show. This show runs from 9:00 PM - 11:00 PM five days per week and is the most popular talk show during this time slot.

SPENCER ABRAHAM

Abraham is off to a good start - he has raised \$300,000 in 2 months and has organized 50 county chairmen/women out of the 70-80 counties.

The other two candidates are attorney Mr. Elsman, and small businessman Gary Maccagnone.

SEN. RIEGLE

Sen. Riegle has several negatives: 1) Keating five and the contributions that keep coming in from those associated with banking; 2) he will likely have a primary - State Sen. Lana Pollack will focus on ethics issue; and 3) history shows us that when a weak Senator is challenged in a primary, he/she generally wins the primary but goes on to lose the general. (Cannon (NV) '92, Percy (IL) '84, Carnes (NB) '88 and Seymour (CA) '92 are some examples).

FINAL
9/10/93
CONTACT:
Suzanne Hellmann
202/408-5105

SENATOR DOLE SCHEDULE, MONDAY, SEPTEMBER 13, 1993

10:00 AM Lv. Washington National Airport
 Signature Flight Aviation
 703/419-8440

AIRCRAFT: Learjet 35
 (Owned by Heinz Prechter)

TAIL NO.: N 42 HP

SEATS: 7

PILOT: WAYNE WALTERS

CO-PILOT: Avie Peri

MANIFEST: Senator Dole
 Mike Glassner
 John Yochelson (VP of CSIS - the
 Center for Strategic International
 Studies, would like to ride in plane
 on both legs)
 Kerry Tymchuk

FLIGHT TIME: 1 hour

CONTACT: Brenda Hellrung
 313/246-0201
 Pam McCoy
 313/246-0563
 CORPORATE FLIGHT, DETROIT MET. ARPRT
 313/941-6520

11:00 AM Ar. Detroit Metropolitan Airport
 Corporate Flight
 Bldg. 356 - Middlebelt Road
 313/941-6520

MET BY: (Economic Club will provide car and
 driver - Bill Edwards)

DRIVE TIME: 20 minutes

PAGE TWO

11:20 AM Ar. The Westin Hotel
Renaissance Center
Detroit, MI
313/568-8400
313/568-8146 FAX - front office

313/568-8268 (Contact: Kelli Grady)

MET BY: Jerry Warren, President Econ. Club
Don Luther, Econ. Club

11:25 AM- ATTEND PRESS AVAILABILITY
11:40 AM

NOTE: This will be a joint press avail with
the Econ. Club and the MITC.

LOCATION: Greco, Fourth Floor

11:45 AM- ATTEND RECEPTION FOR HEAD TABLE
12:00 PM

LOCATION: Michaelangelo, Fourth Floor

PRESS: CLOSED

HEAD TABLE: (Sending complete list 9/10)

12:05 PM- ATTEND/ADDRESS ECONOMIC CLUB OF DETROIT
1:30 PM

CROWD SIZE: 1,000+

PRESS: OPEN

FORMAT: Two-tiered head table; podium and
mic at first tier

PROGRAM:
12:00 PM- Lunch served
12:35 PM

12:35 PM Invocation - Rev. Keith Butler,
Pastor, Word of Faith Christian
Center, and Detroit Councilman

12:40 PM Jerry Warren intro of Harold
Poling, Chairman, Ford Motors

12:42 PM Harold Poling remarks and intro
of Senator Dole

PAGE THREE

12:45 PM- REMARKS -- SENATOR DOLE
1:15 PM

1:15 PM- Q & A
1:25 PM

NOTE: Cards will be submitted by audience

CONTACT: Don Luther or Vivian Castanier
313/963-8547

1:30 PM Lv. Economic Club lunch

1:35 PM Ar. private suite/Westin Hotel

ROOM: Suite 6512 & 6511 (subject to change)
313/568-8400
313/568-8146 FAX - front office

1:40 PM - MEET with Automobile Executives
2:20 PM

ATTENDING: Bob Eaton, CEO, Chrysler Corp.
H.A. "Red" Poling, CEO, Ford,
(retiring this fall)
Alex Trotman, Pres. & COO, Ford
(will become new CEO)
Thomas "Tom" Denomme, Exec. VP & COO,
Chrysler
E. Michael "Mike" Mutchler, VP and
Group Exec., GM
Bob Teeters

FORMAT: Discussion of the following:

- o State of Industry
- o Impact of Regulations
- o Trade
- o Health Care

CONTACT: Mary Lukens with Bob Teeters
313/668-2621

NOTE: Kerry Tymchuk briefed by Charles Becher or
Jay Morgan in D.C.

2:30 PM - MEET with Bob Teeters
2:55 PM

CONTACT: Mary Lukens
313/668-2621

PAGE FOUR

3:00 PM- FREE TIME
3:25 PM

NOTE: Meeting on health care with senior members of
of the MI medical society can be arranged by Mr.
Wilhelm Kast who works with Gov. Engler on a number
of issues, including co-chair of the MITC.

3:30 PM- MEET with Spencer Abraham
3:45 PM

4:00 PM- MEET with Ronna Romney
4:15 PM

CONTACT: Ronna Romney
313/569-8000

4:15 PM- FREE TIME
4:50 PM

5:00 PM Lv. Westin Hotel

DRIVE TIME: 35+ minutes (with rush-hour traffic)

NOTE: Sen. Dick Posthumus, Sen. Maj. Leader will
ride in car with Sen. Dole

5:45 PM Ar. Plaza Hotel
16400 J. L. Hudson Drive
313/827-4000

MET BY: Matt Godlewski, Event Director

5:50 PM - ATTEND BRIEF RECEPTION WITH GOP STATE SENATORS
6:00 PM

LOCATION: Board Room

6:05 PM - ATTEND PHOTO RECEPTION WITH HIGH DONORS
6:50 PM

CROWD SIZE: 115 - 150 @ \$5,000+ for evening
(will do 60-80 photos)

PRESS: CLOSED

LOCATION: Sinclair Ballroom

6:55 PM - ATTEND/ADDRESS MICHIGAN REPUBLICAN SENATE CAUCUS
8:05 PM DINNER

NOTE: While dinner is being served, another
300-400 guests will be in the Majority
Reception and will watch Sen. Dole on
a video monitor. @ \$100 for cocktails
and hors d'oeuvres.

PAGE FIVE

CROWD SIZE: 800-900 @ \$1,000 per couple

PRESS: OPEN

HEAD TABLE: TBD
Mr. Heinz Prechter
Senator Dick Posthumus
SENATOR DOLE
Mr. Max Fisher
- PODIUM -
Senator Dan DeGrow
Mrs. Cherie DeGrow

TBD

TBD

Mr. Dave Doyle, MI GOP Chair

PROGRAM:

6:55 PM Introduction of Sen. Dole to
head table guests by Sen. Posthumus
7:00 PM Welcoming remarks by Sen. Dan DeGrow
7:05 PM Pledge of Allegiance - Sen. Mat
Dunaskiss
7:07 PM Intro of dignitaries by Sen. Joanne
Emmons
7:10 PM Intro of GOP State Senators by Sen.
Michael Bouchard
7:15 PM Remarks by Sen. Dick Posthumus
and intro Sen. Dole
7:20 PM - REMARKS -- SENATOR DOLE
7:45 PM
7:46 PM Dinner served/Sen. Dole departs
escorted by Matt Godlewski
7:48 PM-
8:00 PM Drop by Michigan ballroom for
for Majority Reception guests

CONTACT: Matt Godlewski
517/482-1666 - direct
517/482-1994 (o)
517/373-0797 (o)
517/482-5595 (FAX)

8:05 PM Lv. Plaza Hotel

DRIVE TIME: 20 minutes

PAGE SIX

8:25 PM Ar. Detroit Metropolitan Airport
Corporate Flight
313/941-6520

8:30 PM Lv. Detroit

AIRCRAFT: Lear 35A
 (Owned by Heinz Prechter)
TAIL NO.: N 42 HP
SEATS: 7

PILOT: WAYNE WALTERS
CO-PILOT: Avie Peri

MANIFEST: Senator Dole
 Mike Glassner
 Heinz Prechter
 John Yochelson
 Kerry Tymchuk

FLIGHT TIME: 1 hour

CONTACT: Pam McCoy
 313/246-0563
 CORPORATE FLIGHT, DETROIT MET. ARPRT
 313/941-6520

9:30 PM Ar. Washington National Airport

MEMORANDUM

DATE: September 10, 1993
FROM: Rolf Th. Lundberg, Jr.
TO: Senator Dole
SUBJECT: TALKING POINTS ON AUTOMOTIVE INDUSTRY AND NAFTA

- CHRYSLER, FORD AND GM SALES AND PRODUCTION OF VEHICLES IN MEXICO CURRENTLY SUPPORT ABOUT 45,000 U.S. JOBS, FROM THE EXPORT OF U.S. COMPONENTS USED TO BUILD CARS AND TRUCK IN THE COMPANIES' FACILITIES.
- NEVERTHELESS, U.S AUTO PRODUCERS IN MEXICO ARE SUBJECT TO A COMPLICATED "TRADE BALANCING" SYSTEM, WHICH REQUIRES EACH COMPANY TO EXPORT SUBSTANTIALLY MORE THAN IT IMPORTS.
- TODAY, U.S. AUTOMAKERS IN MEXICO ALSO MUST PURCHASE A HIGH PERCENTAGE OF COMPONENTS FROM MEXICAN-OWNED SUPPLIERS.
- NAFTA WILL GREATLY INCREASE THE NUMBER OF U.S. AUTO JOBS SUPPORTED BY TRADE WITH MEXICO BY ALLOWING INCREASED EXPORTS OF U.S. AND CANADIAN-BUILT VEHICLES TO MEXICO AND BY ELIMINATING MEXICAN LOCAL PURCHASING REQUIREMENTS.
- THE COMMERCE DEPARTMENT ESTIMATES THAT THE BIG THREE COULD INCREASE SALES TO MEXICO BY UP TO \$1 BILLION IN THE FIRST YEAR OF NAFTA AS MEXICO'S TRADE-BALANCING REQUIREMENTS ARE

PHASED OUT. THIS MEANS AT LEAST 15,000 NEW JOBS.

- FURTHERMORE, MEXICO HAS A 20% TARIFF ON CARS AND LIGHT TRUCKS. UNDER NAFTA, MEXICO WILL IMMEDIATELY REDUCE ITS TARIFF BY ONE-HALF, AND PHASE OUT THE BALANCE -- OVER A TEN-YEAR PERIOD FOR CARS, AND OVER A FIVE YEAR PERIOD FOR LIGHT TRUCKS.
- MEXICO WILL GO FROM A MARKET THAT HAS BEEN EFFECTIVELY CLOSED TO U.S. AUTO AND TRUCK EXPORTS TO A MAJOR NEW EXPORT MARKET FOR U.S. AUTOMOTIVE PRODUCTS. FOR THE FIRST TIME, U.S. PRODUCERS WILL BE ABLE TO RATIONALIZE PRODUCTION AND SELL A FULL RANGE OF CARS AND TRUCKS IN MEXICO TO COMPLEMENT THE LIMITED NUMBER OF MODELS THE COMPANIES PRODUCE THERE FOR THE LOCAL MARKET.
- NAFTA WILL MEAN NEW ORDERS FOR U.S. AUTO PLANTS, AND MORE SECURE JOBS FOR U.S. AUTO WORKERS.
- MEXICO IS NOT A CHEAPER PLACE TO PRODUCE AUTOMOBILES THAN THE U.S. STUDIES BY THE BIG THREE SHOW THAT THE LESS-DEVELOPED INFRASTRUCTURE IN MEXICO AND THE GREATER TRANSPORTATION COSTS OUTWEIGH MEXICO'S LABOR COST ADVANTAGES AND RESULT IN HIGHER OVERALL MANUFACTURING COSTS IN MEXICO THAN IN THE U.S. THE CONGRESSIONAL OFFICE OF TECHNOLOGY ASSESSMENT FOUND IN A RECENT STUDY THAT A TYPICAL AUTOMOBILE

WAS SLIGHTLY CHEAPER TO BUILD IN THE U.S. (\$8,770) THAN IN MEXICO (\$9,180).

- NAFTA MAY RESULT IN THE RELOCATION OF INEFFICIENT PRODUCTION OF VEHICLES FROM MEXICO TO THE U.S. OR CANADA.
- NAFTA, AFTER OPENING UP THE MEXICAN MARKET, WILL HELP LAUNCH EXPORTS TO THE REST OF LATIN AMERICA.

MONDAY, SEPTEMBER 13, 1993

REMINDERS:

| | | | |
|---------|------------------------------------|--|------|
| | Charles Hurwitz | 713/267-3737 (friend of Gov. Connally) | |
| | James Moran (CEO, SE Toyota Dist.) | 305/429-2000 | |
| | Tom Clancy | 301/855-1479 | |
| (Tues.) | Prof. Dale Jorgenson | 617/495-0833 | |
| | Til Hazel (VA.) | | |
| | Clayton Yeutter | 703/524-4816 | |
| | Delano Lewis | 392-3701 | L.W. |
| | Mrs. Maloney | 603/472-8925 | |
| | Tom Schwinn | 316/688-2468 | L.W. |
| | Ramona | | |

| Date | Caller | Phone | |
|------|---|--|------|
| 7/12 | Lyn Nofziger | 785-0500 | |
| 9/2 | Cong. Regula re: ITC Commission | 216/756-2635 | |
| | Frank Fahrenkopf re: Pete Marwick B' fast | 637-5676 | |
| 9/9 | Dr. Bernadine Healy | 216/423-0013 | |
| | Mayor Steinneger | 913/573-5010 (o) 913/287-7530 (h) | |
| | Owsley Brown | 502/585-1100 (o) | L.W. |
| | Paul Hearne | 457-0318 | |
| | Jack Stein | 203/489-7412 | |
| 9/13 | | | |

Key Points

- o Announcement of the Clinton plan is not the end -- rather, it's the beginning of a long national discussion on health care reform.
 - Confident that what will ultimately emerge from this discussion is a bi-partisan plan that will address the needs of the American people.
- o We're going to have to take the time to get it right. We won't have a second chance -- and we can't afford to do it wrong. Must be wary of unintended consequences.
 - We all agree on the problem. The issue is: what's the right solution without turning the system over to the government?
 - Yes, all Americans want the peace of mind of knowing they're covered, that they'll stay covered and that costs will be contained.
 - But it's critically important that we achieve these goals without losing the quality, choice, and innovation that characterizes American health care at its best.
 - Will the Clinton plan enable us to do both? Not clear.
 - Some elements of the Clinton plan will surely work and should be enacted immediately. (Insurance reforms, purchasing co-ops for small employers, more consumer information, administrative simplification).
 - Other elements we need to know more about and weigh the trade-offs. (Purchasing co-ops for big employers turn co-op pluses into negatives. New entitlement programs to subsidize employer costs and 55+ retirees -- serious questions must be asked about costs.)
 - And still other elements we know from experience don't work and should be avoided at all costs. (Price controls, employer mandates, and global budgets: these options aren't reinventing government).

- o Americans shouldn't apologize if they're confused about health care reform. Any plan that is too complicated and creates more problems than it solves is the wrong plan.
- o If we've learned anything from the past its that we must be cautious of cost estimates for new government programs.
 - The last thing we want from reform is to leave our children and grandchildren a legacy of new, unfunded entitlement programs requiring a back-breaking burden of new taxes.
- o It's important as we weigh reform options that we be honest with ourselves about what we know will work, about what is still theory and -- most importantly -- what the cost will be.
- o Claims that the Federal government could or should control the rate of growth of 1/7 of the economy should be looked at with skepticism. After all, what in our national experience suggests Washington can effectively set and keep balanced a \$900 billion health care budget?

CORRECTING THE RECORD

RESPONSE OF
THE OFFICE OF
THE U.S. TRADE REPRESENTATIVE
TO THE PEROT/CHOATE NAFTA BOOK

September 2, 1993

Dick Posthumus
Michigan Senate Majority Leader
31st State Senate District
(R-Alto)

Political

In 1990, Senator Posthumus was selected by his Republican colleagues to be the Majority Leader after being elected to his third term in the State Senate. His district is in West Michigan and is comprised of suburban Grand Rapids and rural Kent County. In addition, he serves as the Chair of the Reapportionment Committee and the Government Operations Committee as well as Chairman of the Joint Legislative Council, charged with overseeing non-partisan legislative agencies. Furthermore he is a member of the Senate Fiscal Agency Board of Governors and the Joint Legislative Retirement Board.

Along with his legislative duties, Senator Posthumus has recently been elected to the Board of Directors of the American Legislative Exchange Council and the State Legislative Leaders Foundation.

During his junior year in college, he ran fellow Michigan State University classmate John Engler's race for the state House of Representatives. Then, in 1971, he was elected to the position of Third Vice Chairman of the State Republican Central Committee. During the seventies and early eighties, he directed many state campaigns. He has been a delegate and alternate to National Republican Conventions.

Professional

Dick Posthumus, is an owner and operator of a 400-acre, cash-crop farm in southeast Kent County where he grows soybeans and wheat for commercial seed as well as feed corn. He served as director of the constituent relations section for Republican members of the state House of Representatives from 1979 to 1982. He also served as director of the program development and research section of the House Republican staff.

Education

He received a Bachelor of Science in agricultural economics and public affairs management from Michigan State University, where he was a student in the honors college and graduated with high honors. He also received an Honorary Doctorate Degree in Political Science from Northern Michigan University.

Personal

He was born on July 19, 1950. He and his wife Pam have four children: Krista, Lisa, Heather and Bryan. They are members of Hope Church of the Brethren.

Special interests, honors, affiliations

Senator Posthumus is a former executive vice president of the Michigan Beef Industry Commission and held the same position with the Farmer's and Manufacturer's Beet Sugar Association. He also served as a member of the Advisory Committee of the National Livestock and Meat Board and was president of the Future Farmers of America. He is a member of Alpha Gamma Rho Fraternity.

DAN L. DeGROW
28TH DISTRICT
P.O. BOX 30036
LANSING, MICHIGAN 48909-7536
(517) 373-7708
SENATE REGIONAL OFFICE
1-800-562-3894
HEARING IMPAIRED
(517) 373-0543

THE SENATE LANSING, MICHIGAN



COMMITTEES:

SENATE APPROPRIATIONS COMMITTEE
SUBCOMMITTEES:
GENERAL GOVERNMENT—CHAIR
K-12/DEPARTMENT OF EDUCATION—CHAIR
CAPITAL OUTLAY
COMMUNITY COLLEGES
TRANSPORTATION

COMMERCE
JUDICIARY—VICE CHAIR
REAPPORTIONMENT—VICE CHAIR

MAJORITY CAUCUS CHAIR

DAN L. DEGROW BIOGRAPHICAL DATA

Senator Dan L. DeGrow has served the people of Michigan's 28th Senate District -- made up of Lapeer, Sanilac and St. Clair counties -- since he was elected to the seat in 1982. His reputation as one of the Senate's most committed and hard-working members helped earn his re-election in 1986 and 1990. Prior to his election to the Senate, Dan DeGrow served one term in the Michigan House of Representatives from 1980 to 1982.

Senator DeGrow was born June 28, 1953. Following his graduation from Port Huron Northern High School in 1971, he attended St. Clair Community College, where he was named "Scholar Athlete of the Year" in 1973. He was a Phi Beta Kappa honors graduate of Michigan State University in 1975. Senator DeGrow then studied law at Wayne State University, where he was conferred his juris doctor degree in 1978. He has been a partner in the law firm of Nicholson, Fletcher, West, and DeGrow since 1979.

Senator DeGrow is a member of the powerful Senate Appropriations Committee. He heads budget subcommittees on General Government and K-12/Dept. of Education, while also serving as a member on subcommittees for Community Colleges, Capital Outlay and Transportation. In addition, he serves as member of the Senate Commerce, Judiciary, Reapportionment, the Joint Capitol Committee as well as the Legislative Council. Senator DeGrow is also Majority Caucus Chairman.

Politically, Senator DeGrow has emerged as a leader in the fight to improve the quality of Michigan's schools. In the past year, he has worked tirelessly on legislation to equalize funding levels for public schools and cut property taxes for homeowners.

Senator DeGrow married the former Cheryl Simpson on February 7, 1981. They have three children, Allison, Stephen, and Kelsie.

Senator DeGrow is affiliated with numerous civic, professional and political organizations, including the NAACP, appointed by the Governor as Chairman of the Chapter II Governor's Advisory Committee, the St. Clair County Republican Party, the State Bar of Michigan, and the St. Clair County Bar Association.

Senator DeGrow has received the following awards: 1991 Community Service Award from the St. Clair County Community Mental Health Service Board, McDonald's Distinguished Citizen Award for 1989, first Distinguished Alumnus Award from St. Clair County Community College for 1986, Port Huron N.A.A.C.P. Freedom Fund Award in 1987 for dedicated service to civil rights, and Port Huron Area Jaycees Distinguished Service Award for his contributions to the community, state and country in 1980.

Senator Michael J. Bouchard

Legislative Service:

Elected to the State Senate, 1991
Elected to the State House of Representatives, 1990
Re-elected President of the Beverly Hills Village Council, 1989
Elected President of the Beverly Hills Village Council, 1988
Elected President, Pro-Tem of the Beverly Hills Council, 1987
Elected to the Beverly Hills Village Council, 1986

Committees:

Chair, Education Committee
Vice Chair, Corporations and Economic Development Committee
Member, Finance Committee

Key Legislation Sponsored by Senator:

- * Legislation to require accountability among the members of the parole board to the people of the State of Michigan
- * Legislation to stimulate declining downtown commercial zones
- * Legislation to allow for background checks of individuals other than relatives supervising minor children
- * Legislation to give permanent standing to appealed rate reductions for property owners
- * Legislation to require convicted drunk drivers to pay costs related to their arrest and conviction
- * Legislation to exempt room & board portions of scholarships from taxation for students

Honors and Awards

- * Recipient of the Michigan Jaycees Outstanding Young Michiganders Award
- * Recipient of the Humanitarian Award by the Arab-American and Chaldean Council
- * Recipient of the Birmingham Brother Rice Distinguished Alumnus Award
- * Recipient of the Leadership Award by the American Cancer Society's Humanitarian Committee
- * Recipient of the Legislator of the Year Award by the Police Officers Association of Michigan
- * Recipient of the March of Dimes Outstanding Service Award

- * Decorated nine times for meritorious acts in the line of duty by the Bloomfield Township Police Department
- * Valedictorian, Mid-Michigan Law Enforcement Center
- * Honorary Advisory Committee of the Journal of International Law and Practice
- * Member of the Birmingham Community House, Advisory Board
- * Honorary Trustee to the Oakland County Center for Open Housing

Education:

B.A., Criminal Justice and Police Administration, Michigan State University, Honors Student.

Mid-Michigan Law Enforcement Center, Valedictorian

Senate Office Address:

The Farnum Building, 5th floor, P.O. Box 30036, Lansing, MI 48909-7536

District Address:

600 South Adams, Suite 210 Birmingham, MI 48009

District Assessment:

Located in the southeastern portion of Oakland County, the 16th Senate District includes several socio-economically diverse communities. Troy has a strong corporate and high-tech orientation to its economy, including K-Mart's international headquarters and numerous computer companies.

Birmingham is considered an exclusive residential and retail area, while Royal Oak, an older community, has begun to revive. Hazel Park and Madison Heights have a manufacturing base which includes many auto supply companies.

Political Profile:

This Senate district includes part or all of five state representative districts, split among three Republicans and two Democrats. The MRBD is a solid 56 percent and Senator Bouchard won with over 69 percent of the vote when he was elected in the June 1991 special election. Senator Bouchard is a very hard working, effective senator for the 16th District. His top priority has been constituent service, which is evidenced by his strong electoral victory.

CMS ENERGY

JOHN W. CLARK Biographical Data

John W. Clark is senior vice president of CMS Energy Corporation and its principal subsidiary, Consumers Power Company, responsible for all public and governmental affairs activities as well as economic development. He is also president of the Consumers Power Company Foundation.

Clark joined the Company in 1985 following 17 years in various government and industry public affairs positions in Washington, DC.

Before joining CMS, Clark was vice president, communications of the American Gas Association (AGA). He previously served as assistant director of congressional affairs for the U.S. Department of Energy. In 1973, Clark joined a subsidiary of both the Allied-Signal and Waste Management Corporations as director of government relations and later served as its director of communications. From 1971 to 1973, he was deputy assistant director for congressional affairs at the U.S. Environmental Protection Agency where he received the agency's Bronze Medal for his role in the passage of several landmark environmental bills by the U.S. House of Representatives.

Prior to joining EPA, Clark served as administrative assistant to a U.S. Congressman from Massachusetts and as a Minority Floor Assistant in the U.S. House of Representatives. A native of Muncie, Indiana, in 1968 Clark was a campaign aide to Indiana Republican U.S. Senate nominee Bill Ruckelshaus and then legislative aide to the Lieutenant Governor of Indiana.

Clark received his bachelor of arts degree in government in 1968 from Indiana University following a period of study with the University of London (U.K.). He is a member of the boards of both the Michigan and Greater Detroit Chambers of Commerce, the Michigan Historical Center Foundation, the Michigan

Citizens Research Council, the Arts Foundation of Michigan and the Keystone Energy Center. Clark also serves on advisory boards for the Federal Communications Commission's Emergency Broadcast System and Ball State University's communications curriculum. He is a past chairman of the energy and natural resources section of the Public Relations Society of America (PRSA) and former member of the U.S. Agency for International Development's (USAID) Advisory Committee on Voluntary Foreign Assistance.

He was born January 31, 1945. Clark and his wife, Carole, reside in Ann Arbor, Michigan.

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FROM J. E. WILKES

TO 91517334329

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**James E. Wilkes
President
Michigan Bell**

James E. Wilkes (Jim) became president of Michigan Bell July 1, 1993. Born in Charleston, W. Va., he graduated from Michigan State University in 1959 with a bachelor's degree in business administration, and completed his M.B.A. at Michigan State in 1962. After graduation, Wilkes joined Michigan Bell and held a variety of positions in the company's accounting, support services, marketing and regulatory departments.

In 1986, Wilkes was appointed assistant vice president of the management development program for Ameritech, Michigan Bell's parent company. He was appointed vice president of human resources and support services at Illinois Bell in 1987. In 1990, he was appointed Illinois Bell's vice president of finance and administration, a position he held until he was named Michigan Bell president.

While living in Illinois, Wilkes served as director of the Spanish Coalition for Jobs, the Lake Forest Graduate School of Management, the Chicago Urban League and the Human Resources Management Association of Chicago. He has been a member of the Illinois Jobs Committee for the Handicapped, the Greater Chicago Safety Council, the Hire the Future Jobs Committee and the Labor-Management Cooperation Committee, Department of Commerce and Community Affairs. Here in Michigan, Wilkes is on the Detroit Renaissance Board, the Greater Detroit Chamber of Commerce and he is also a member of the Economic Club of Detroit.

September 1993

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Summary of Plan

September 7, 1993

Coverage

- * All citizens and legal residents would be guaranteed health insurance coverage and a Federally guaranteed benefit plan, and would receive coverage through their alliance
 - "It is the obligation of every individual to enroll in a health plan"
- * By January 1, 1997, each state must establish one or more regional health alliances for its residents
 - It is envisioned that as many as 10 States could be operational by 1995
- * All Federal, state and local government employees would be required to obtain coverage through the purchasing alliance
- * In general, all other individuals, including the self-employed and unemployed, will also get coverage through the alliance unless they qualify for Medicare
- * Undocumented workers would not be eligible for guaranteed health benefits; however, employers would be required to pay for all employees regardless of immigration status
- * Coverage during transitional period: Secretary of HHS would be authorized to establish a national risk pool to make health insurance available on an interim basis
 - Secretary would contract with private insurers
 - Enrollment in risk pool would be voluntary
 - Assessments would be imposed on all insurers to support the pool, including assessments on self-funded plan

Employment-Based Coverage

- * The Secretary of Labor ensures that all employers fulfill the obligation to make contributions or provide coverage through a qualified health plan
- * Coverage for all workers would be achieved through mandated contributions from all employers and employees
- * All employers (except those with 5,000+ employees) would be required to make contributions to the regional pool
 - Employers would be required to pay 80% of the premium for the average alliance plan
 - Employers could pay part or all of the employee's share
 - Employers' share of premium capped at 7.5 percent of payroll
 - Subsidies would be available to employers with 50 or fewer employees, if their average wage was less than \$24,000/year
- * Individual employees would be required to pay the remaining 20 percent of the premium
 - Individual premiums capped at 1.9 percent of payroll
 - Subsidies would be available to families with incomes up to 150 percent of the official poverty level (up to \$21,514 for a family of four) to help pay for premiums, deductibles and coinsurance
 - Subsidy levels established by the alliance(?)
 - Subsidies not available to individuals employed by corporate alliances
- * Self-employed and those with unearned income would pay premium based upon a fixed percent of income

"Corporate Alliances" (5,000+ employees/Taft Hartley plans)

- * The Department of Labor regulates employers and corporate alliances
- * Firms with 5,000 or more employees would be able to buy health coverage directly from the health plans, bypassing the alliance

- * Firms would be required to offer employees at least 3 coverage options, including the firm's own health plan
- * Employees in corporate alliances would not be eligible for public subsidies
- * Employers operating their own health plans would have to pay a premium surcharge of 1 percent of payroll to help cover the cost of the new health-care system
- * Corporate alliances would have to comply with cost containment goals set by the National Health Board
- * Large employers that exceed spending targets would lose the privilege of running their own health plans and would be required to purchase coverage through regional alliances
- * Taft-Hartley plans and firms with 5,000 or more employees would be permitted to participate in the regional alliance, but only "if they participate at an experience rate" for a period of time.
- * Taft-Hartley plans and employers with 5,000 or more employees that do not participate in the regional alliance must offer employees a choice of plans and ensure compliance with standards

Cost Containment

- * No short-term cost-containment
- * Limits on Medicare and Medicaid spending beginning in fiscal 1996
 - Medicare savings of \$124 b over 1996-2000
 - Medicaid savings of \$114 b over 1996-2000
- * For private sector, the plan proposes to cap the amount that health premiums can rise in each year
 - Premiums would be limited to the same rate as the annual growth in the CPI by 1997
- * The National Health Board would determine the cost of the standard benefit package and would calculate the national per capita premium needed to cover the cost
 - The per capita premium would be adjusted for regional variations in health spending

- * The National Board would set a per capita premium target for each of the health insurance purchasing groups set up across the country -- effectively setting a yearly budget for each alliance
- * The National Board would adjust premium targets to reflect each Alliance's population characteristics (age, gender, health status) and historical costs relative to the national average
- * If the average premium within an Alliance exceeds the target, the Alliance could:
 - Freeze enrollment in high cost plans
 - Assess plans with excess premiums an amount equal to amount by which premium exceeds target
 - Plans subject to assessment could automatically assess providers an equal amount through reductions in payment rates

Revenue Sources:

- * Cigarette tax: \$1 per pack (\$105 b over 6 years)
 - Possible tax on hard alcohol could substitute for some of these revenues
- * Medicare: \$124 b over 1996 -2000
 - Variety of reconciliation type cuts
 - Level of cuts is based on assumed "budget" that slows growth in Medicare to CPI plus population by 2000
 - Ultimate growth rate is slightly less than growth in GDP
 - Medicare cuts include:
 - Reductions in hospital market basket
 - Reduction in indirect teaching adjustment
 - Reduction in capital payments
 - Phasing down disproportionate share payments by 1998
 - Home health cost limits

- Further reduce MVPS defaults
 - Reduce RB RVS update by 3% in 1996 with primary care held harmless
 - Establish prospective payment system for hospital outpatient department radiology, surgery and diagnostic services
 - Competitive contracting for clinical labs and 20% copayment for lab services
 - Extend Medicare Secondary payer policies
 - 10% coinsurance for home health visits more than 20 days following inpatient stay
 - State and local employees required to pay HI tax
 - Income relate Part B premium
- * Medicaid savings of \$114 billion by year 2000
 - Some Medicaid savings are due to shift of low-income workers out of Medicaid and into employment-based system
 - Other savings due to cap on Federal Medicaid payments, enforced beginning in 1996
 - * \$51 b anticipated increase in income taxes attributable to employer savings from lower health care costs from 1996 through 2000
 - * \$47 b in other unspecified Federal savings

Standard Benefits

- * The standard benefit package would be defined initially in statute
- * The National Board would review and update the standard benefit package
 - The National Board would issue regulations, as necessary
- * The standard benefit package would include benefits typically offered by employers, and would emphasize primary and preventive services

- * Out-of-pocket costs
 - FFS plan: deductible of \$200 individual/\$400 family; 20% coinsurance; stop-loss \$1,500 individual/\$3,000 family; separate deductibles for prescription drugs and mental health
 - HMOs and other organized care plans would have lower cost-sharing (e.g. \$10 per visit)
 - Combination, with higher cost-sharing for out-of-plan providers
- * Additional coverage could be purchased by individuals or provided by employers with after-tax dollars
- * No balance billing

National Administration

- * National Board reviews plans submitted by States
- * Department of Labor supervises corporate alliances
- * "In the event that a states fails to meet the deadline for establishing regional health alliance system, the Board ensures that all individuals have access to services covered in the guaranteed benefit package"
- * "To induce a state to act, the Board informs the Secretary of HHS of the State's failure to comply. The Secretary has the authority to order withholding of federal health appropriations".
- * If the State continues to fail, the Secretary of HHS is required to
 - establish one or more regional alliances in compliance with federal regulations; or
 - contract with private parties or others to establish regional alliances; or
 - order regional alliances or plans to comply with specific federal requirements

- * If a State fails to comply, the Secretary of the Treasury shall impose a payroll tax on all employers in that States. The tax will be sufficient to allow the Federal government to provide health coverage to all individuals in the state and to reimburse the Federal government for the cost of monitoring and operating the system

National Health Board

- * Seven members appointed by the President with the advice and consent of the Senate
- * The Board establishes requirements for state plans, monitors compliance with requirements, provides technical assistance and "ensures access to health care for all Americans"
- * The Board interprets and updates the nationally guaranteed benefit package and issues regulations. The Board may recommend changes to the President and the Congress regarding the benefit package
- * The Board issues regulations concerning implementation of the national budget for health spending and enforces the budget
 - Establishes baseline budget for alliances
 - Certifies compliance with budget

The Department of Health and Human Services

- * Continues to administer Medicare, Medicaid and Public Health Service
- * Also administers and implements those aspects of the new health care system not delegated to the Board or other Federal Department

State Responsibilities

- * State submits plan to National Board for review
- * Plan submitted must state how State intends to administer subsidies to low income individuals and employers; conduct review of financial solvency of plans, collect data, monitor quality, establish standards for governance of alliance, including mechanism for selecting members of the board

- * States approve all health plans offered through regional alliances
- * Operates a guaranty fund
- * May establish single payer system

Health Alliances

- * Department of Labor oversees financial operation of the alliance; DOL may recommend to Board if remedial action for alliance is required
- * States would be required to establish one or more health alliance, with not more than one alliance in each area
- * Alliances could be State agencies or non-profit organizations, directed by boards that include consumers, business, etc. (not providers)
- * Alliances would have the primary responsibility of negotiating premiums with health plans
- * Health alliances could not be segregated by race, income or health status
- * Each alliance would include at least one FFS plan
 - Alliance and/or States would establish a fee schedule for physicians serving patients who elect the FFS plan
 - The FFS plan would be subject to overall per capita constraint
- * Alliances would make risk-adjustments for high cost enrollees
 - Specifications for risk adjuster would be promulgated by the National Board
- * Alliances would participate in federally established quality management and improvement program
- * Alliances would ensure that all individuals enroll, that all plans provide minimum benefit package, provide information to consumers, meet quality standards, etc.
- * Alliances and health plans would be required to contract with "safety net" providers

Health Plans

- * Health plans would contract with alliances, and would be subject to Federal standards including minimum benefits, enrollment practices, termination of coverage rules, etc.
- * Health plans could not vary premiums by category of enrollee (with the exception of Medicaid beneficiaries for who premiums would initially be lower)
- * Physicians would be permitted to join more than one health plan
- * All plans, including any FFS plans, would be subject to a per capita constraint
- * Plans would have to have consumer grievance and appeals procedures
- * Plans must contract with "essential community providers"
- * Plans may be made up (or owned by) providers, or may contract with selected providers
 - Terms of agreements could be based on FFS, salary, or other basis
- * Health plans would be required to contract with "safety net" providers
- * Health plans would be subject to requirements established by State to protect against bankruptcy of health plans (guarantee fund)

Supplemental Insurance

- * Supplemental insurance would be allowed
- * National Board would define 2 standard wrap-around policies
- * National Board would establish additional standards to prohibit duplicate coverage, require 90% loss ratios, etc.
- * Dread disease, hospital indemnity policies would not be subject to regulation

Federal programs

* Medicare

- New outpatient prescription drug benefit -- identical to standard benefit package with \$250 Rx deductible and 20% cost-sharing (§ 72 b 1996-2000)
 - Except for separate deductible, drugs would be "regular" Part B benefit and would be financed through combination of premium and general revenues with the premium accounting for 25% of costs
- The Secretary of HHS would have the authority to permit States to integrate Medicare beneficiaries into the health alliances if specific conditions are met
 - Beneficiaries have the same or better coverage as under Medicare
 - Federal financial liability for Medicare beneficiaries is not increased
 - Medicare would contribute fixed contribution to Alliance
- When individual turns 65, they could elect to stay in private plan and Medicare would contribute a fixed contribution to the Alliance

* Medicaid

- Low-income, AFDC, pregnant women and children would all be enrolled in health plans through the Alliance, and would be fully covered up to the "average plan"
- Assumes States and Federal government would contribute less than the full cost of premium
 - Public payments would be based on "maintenance of effort" levels of payment
 - Shortfall is made up through increased charges on private payers within each Alliance
- All health plans would be required to accept Medicaid beneficiaries

- Medicaid would continue to provide wrap-around coverage for benefits beyond the scope of the guaranteed benefit package for beneficiaries
- Existing State Medicaid programs would continue to cover cash benefit enrollees
- * VA
 - VA hospitals may contract to provide services with health plans; Veterans could elect to be covered under a plan in the alliance
- * Federal employees
 - FEHBP would be fully integrated into plan for general public
- * Workers compensation and automobile liability health benefits would be provided by health plans, and would be subject to a fee schedule

Long Term Care: \$80 b (1996-2000)

- * Home and community-based care: new federally-financed state administered plan
 - Array of services defined by the State, including personal care services, and would cover severely disabled individuals of all ages
 - Federal funding would be capped for each State based upon the number of eligible patients and per capita spending
 - Funding levels would be increased annually according to the consumer price index plus a fixed amount
 - Eligible individuals would be entitled to \$500 per month in services; additional benefits may be provided on a funds-available basis
 - Individuals with incomes above 150 percent of poverty would pay 20 percent of service costs

- * Medicaid reforms
 - All States would establish "medically needy" eligibility criteria
 - Residents would be permitted to retain \$12,000 (up from \$2,000) and up to \$100 per month in income
- * Long-term care insurance
 - Preferred tax treatment now accorded to health insurance medical spending would be allowed for long-term care insurance premiums and expenses
 - States would be required to set up a plan for regulating the content and sale of long-term care insurance policies
- * Tax credits would be provided to working age persons with disabilities for work related personal assistance services

Administrative Simplification

- * Administrative burden would be reduced by establishing uniform claims, standard rules for reimbursement, transmission standards and electronic data interchange
- * Coordination of benefits would be streamlined
- * States would establish plans to coordinate licensing and certification visits
- * Unique provider numbers, patient numbers and coding would be established

Protecting Underserved Populations

- * Federal government would support health services for high-risk populations, and would invest in underserved rural and urban areas
- * Federal support for transportation and translation services

Malpractice

- * Plans must establish alternative dispute resolution systems
- * Limits on contingency fees and on non-economic damages is under consideration
- * States would have option to pursue enterprise liability

Fraud and Abuse

- * Federal criminal penalties would be established for health care fraud
- * Civil monetary penalties would be established for certain activities, including filing false claims, routinely waiving coinsurance, unbundling, providing false information, and other prohibited activities
- * Anti-kickback and self-referral provisions would be extended to all-payers with certain "safe harbor" exceptions

Bankruptcy and Anti-Trust

- * Anti-trust exemption would be extended to health insurers through amendments to McCarran-Fergusson
- * Physicians who hold equity stake in non-FFS plan can negotiate to set prices collectively
- * Institutional providers can share services if State actively supervises their activities under a State policy intended to replace competition with regulation

Health Care Workforce Development

- * Residency slots would be limited to 110% of the number of graduates of U.S. schools of medicine and osteopathy
- * Slots would be limited to assure that half would be in primary care
- * A new process (public/private) would be established to distribute slots among regions based on population
- * Funding for graduate medical education would be extended to include non-hospital sites

- * The National Health Service Corps and loan program would be expanded
- * State "scope of practice" laws would be prohibited, except as relating to skill and training levels
- * Federal support for training of non-physicians would be expanded

Public Health and Prevention

- * States would be required to maintain current effort in regard to basic public health activities, including disease promotion and prevention, reporting, etc.
- * Federal block grants would be established for core public health activities
- * Grants would be provided to States relating to the achievement of the Healthy People 2000 objectives. The grants would be allocated by formula

Academic Health Centers and Medical Research

- * Unique costs of health centers would be spread across all plans
- * The National Institutes of Health would support prevention research, quality research and other research focus in priority areas

SUMMARY OF CLINTON HEALTH PLAN
(Per BNA Daily Tax Report 9/9/93)

| | Fee-for-Service | | HMO | |
|--------------|-----------------|--------|------------|--------|
| | Medical | Drugs | Medical | Drugs |
| | ===== | ===== | ===== | ===== |
| Deductible: | | | | |
| Indiv. | \$200 | \$250 | None | None |
| Family | \$400 | \$250 | None | None |
| Copayment: | 20% | 20% | \$10/visit | \$5/rx |
| Annual max.: | \$1500 | \$3000 | n/a | n/a |

Average cost of standard benefit package for 1994:

Individual - \$1800
Family - \$4200

Note: Actual cost will vary by state and region.

Employer mandates:

1. Employers must pay at least 80% of average premium in region, up to a maximum of:
 - a. 3.5% of payroll for employers with less than 50 employees and average wages are less than \$24,000/year.
 - b. 7.5%-8.5% of payroll for other employers.
2. Large corporations who do not participate in regional HIPCs (self-insure or form a corporate alliance) must pay 1% of payroll surcharge. (Money is used to offset regional HIPC costs.)
3. If employer offers more generous plan than the std. benefit package, employee must be allowed to opt to get std. package and the balance in cash.

Taxation of health benefits:

Value of health benefits in excess of standard benefit package is:

1. Not deductible by employer.
2. Taxable to employee.

September 9, 1993

TALKING POINTS
ADMINISTRATION HEALTH CARE PLAN

POSITIVES:

- o The Administration has demonstrated a willingness to find new approaches to the problem, avoiding the pressure for a centrally - run health insurance system that has so often characterized liberal thinking on the issue.
- o The plan makes an effort to preserve -- freedom of choice of both physicians and insurance arrangements.
- o The plan is based, at least in part, on creating incentives for private innovation to control health care costs, rather than calling for detailed regulation of provider pricing practices.
- o The plan properly calls for a substantial amount of flexibility for States to adjust the terms of the program to meet the unique needs each State faces.
- o The President has clearly acknowledged that the goal of universal access can't be achieved overnight, and that a phase-in will be needed to make this objective affordable. Republicans have some ideas on how to do this, and will be happy to work with the President.
- o The President has also acknowledged that the new spending requirements in the program must be financed by expenditure restraint, particularly in our existing health care entitlements.

NEGATIVES:

- o The President's call for health insurance premium growth caps as a long-term cost containment strategy is misguided, since our practical experience with these sorts of controls is that they never work. If we rely on this unworkable strategy to control costs, we'll be kidding ourselves about the ultimate cost of the program.
- o The administrative mechanisms the President is proposing to operate the program are complex, largely untested, and raise the prospect of excessive government intrusion.
- o Republicans also have concerns about the notion of

mandating an expansive benefits package. While we all want the best for everyone, this is an area where the "best is the enemy of the good." We may be able to go farther -- and faster -- by starting with a more limited guarantee of benefits.

- o Adding these concerns together, Republicans are also concerned about the effects of the program on the economy. Regulatory mandates to businesses to purchase health insurance amount to a hefty payroll tax. While the President proposes to cushion the impact of his proposed mandate with subsidies, the cost of the subsidies themselves raise concerns about their economic impact if an effective cost control strategy can't be implemented.

September 9, 1993

ADMINISTRATION PROPOSAL
HOW REFORM IS FINANCED

NUMBERS IN BILLIONS
5 YEAR NUMBERS: 96 - 2000

SOURCES OF FUNDS

MEDICARE SAVINGS (\$124)
(Assumes cap on \$ and specific programmatic savings we have not seen yet.)

Sin Taxes (\$105)
(Assumes \$1/package cigarette but alcohol could still be included.)

MEDICAID SAVINGS (\$114)
(Assumes cap on program and other programmatic savings.)

Other Federal Program Savings (\$47)
(They assume offsets because of reforms.)

Revenue Gains (\$51)
(Assumes private industry will spend less on health care and will use money in other (?taxable) ways or have higher profits.)

Former Medicare and Medicaid Recipients Now Covered by Alliance Plans (\$259)
(Assumes retention of some people in private plans which we help finance.)

USES OF FUNDS

Long-term Care (\$80)

Medicare Drug Benefit (\$72)

Public Health/Admin (29)

Subsidies for low-income firms and workers* (\$169)

Deficit Reduction (\$91)

Alliance Coverage (\$259)

*Includes self-employed tax deduction.

Estimates are preliminary and do not incorporate interactive effects.

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ID:

THE WHITE HOUSE
WASHINGTON

September 2, 1993

The Honorable Robert Dole
Senate Republican Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

As you know, I share your belief that health reform is and must be a non-partisan issue. It is clear that our constituents want us to work together to pass a long overdue health reform initiative.

For months now, Hillary and representatives from the Administration have held numerous meetings with Senators and Representatives from both parties on the health reform issue. I have been pleased with reports from her and others about how constructive the discussions have been. It has become clear that the vast majority of the Congress wants to contribute to and support a package that stems the tide of skyrocketing health care expenditures while assuring that all Americans have health insurance protection.

While there have been many extremely encouraging signs that we are working with similar health policy goals and approaches to reach those goals, we can do better in developing a closer and more constructive working relationship. I would, therefore, like to take this opportunity to invite you and the Republican Senate Members of your choosing to meet with the First Lady and me as soon as our schedules permit early this month.

I believe these meetings will give us the opportunity to review the options that we have before us to meet our mutual goals of containing costs, providing universal coverage, improving quality, and assuring choice of health care providers. These are daunting but achievable goals that must be met in order to provide health and economic security for all Americans.

The Honorable Robert Dole
September 2, 1993
Page Two

In addition, I have directed Administration representatives to prepare a health care briefing workshop to be offered to Republican and Democratic Members BEFORE the Health Security plan is publicly released later in September. These bipartisan meetings will provide detailed briefings on the health reform policy and the rationale behind it.

The workshop will provide a general outline and philosophy of the proposal by the First Lady, followed by much more specific discussions of the provisions of the plan as they relate to issues of most concern to Members. For example, issues such as (1) cost containment; (2) financing; (3) the role, benefits and responsibilities of businesses; (4) rural health care; (5) how the Medicare and Medicaid populations will be affected; and many others will be discussed in great detail during these workshops.

Members of the Cabinet, White House officials and other key staff within the Administration will conduct these briefings and question and answer sessions. As currently envisioned, the briefings will be offered on a repeated basis starting late in the afternoon on Sunday, September 19, and ending early in the afternoon on Tuesday, September 21. If this concept and timeframe meets with your and Republican Leader Michel's approval, I would like to have my staff meet with your staff to discuss the logistics of these sessions.

There are few issues which offer the opportunity to forge new, bipartisan working alliances as much as health care. It is my hope and expectation that we will develop a plan that both Republicans and Democrats can proudly support. I look forward to hearing from you and House Republican Leader Michel, who has received a similar letter.

Sincerely,

Tim Wirth

September 9, 1993

ADMINISTRATION PROPOSAL
HOW REFORM IS FINANCED

NUMBERS IN BILLIONS
5 YEAR NUMBERS: 96 - 2000

SOURCES OF FUNDS

MEDICARE SAVINGS (\$124)
(Assumes cap on \$ and specific programmatic savings we have not seen yet.)

Sin Taxes (\$105)
(Assumes \$1/package cigarette but alcohol could still be included.)

MEDICAID SAVINGS (\$114)
(Assumes cap on program and other programmatic savings.)

Other Federal Program Savings (\$47)
(They assume offsets because of reforms.)

Revenue Gains (\$51)
(Assumes private industry will spend less on health care and will use money in other (?taxable) ways or have higher profits.)

Former Medicare and Medicaid Recipients Now Covered by Alliance Plans (\$259)
(Assumes retention of some people in private plans which we help finance.)

USES OF FUNDS

Long-term Care (\$80)

Medicare Drug Benefit (\$72)

Public Health/ADMIN (29)

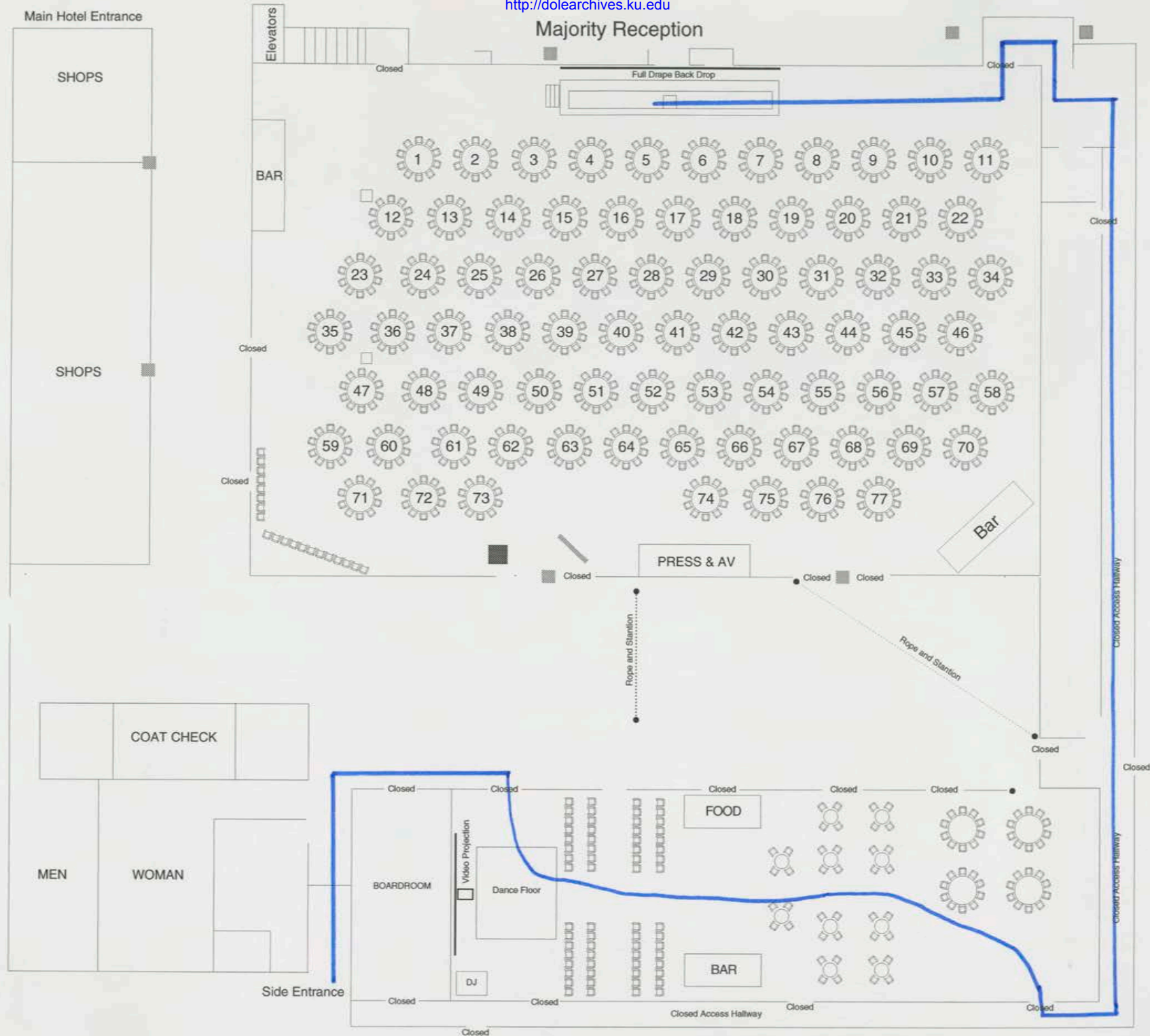
Subsidies for low-income firms and workers* (\$169)

Deficit Reduction (\$91)

Alliance Coverage (\$259)

*Includes self-employed tax deduction.

Estimates are preliminary and do not incorporate interactive effects.







This is a joint fundraising event. Paid for by and all contributions divided by the Republican Majority Fund P.O. Box 13255, Lansing, MI 48901 (11%); Republican Leadership Committee P.O. Box 13011, Lansing, MI 48901 (11%); Northern MI Republican Fund 303 Lincoln, Petoskey, MI 49770 (11%); Committee for the Majority (11%), Senate Republican Leadership Fund (11%), Victory '94 Senate Committee (11%), Committee for Michigan's Economic Future (11%), and Senate Republican Campaign Committee (23%), P.O. Box 12023, Lansing, MI 48901.

12th Annual

Senate Republican

Dinner with

Senator Bob Dole

12th Annual

Senate Republican

Dinner with

Senator Bob Dole



YOU ARE CORDIALLY INVITED TO ATTEND
**THE 12TH ANNUAL
SENATE REPUBLICAN DINNER**
WITH HONORED GUEST
UNITED STATES SENATE REPUBLICAN LEADER
BOB DOLE

THE PLAZA HOTEL
16400 J.L. HUDSON DRIVE, SOUTHFIELD, MICHIGAN
MONDAY, SEPTEMBER 13, 1993

CAUCUS DINNER

DINNER AND MAJORITY RECEPTION

COCKTAILS 6:00 P.M. TO 6:45 P.M.

DINNER AND PROGRAM 6:45 P.M. TO 8:30 P.M.

TICKET PRICE \$1,000 PER COUPLE

MAJORITY RECEPTION

HORS D'OEUVRES, COCKTAILS, ENTERTAINMENT
AND PROGRAM 7:00 P.M. TO 11:30 P.M.

TICKET PRICE \$100 PER PERSON

R.S.V.P.

- ☐ Yes, I/We will be able to attend the Caucus Dinner and Majority Reception. Enclosed is my personal/PAC check in the amount of \$_____ for _____ tickets at \$1,000 per couple.
- ☐ Yes, I/We will be able to attend the Majority Reception. Enclosed is my personal/PAC check in the amount of \$_____ for _____ tickets at \$100 per person.
- ☐ I/We will not be able to attend. However I am enclosing a check for \$_____ to help the Senate Republicans maintain and expand their majority.

Please make checks payable to: 1993 Senate Republicans

Corporate contributions are prohibited by law. Contributions to the 1993 Senate Republican Dinner are not considered charitable contributions for income tax purposes. All contributions are subject to the restrictions and prohibitions of federal and state election laws.

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Business _____

Business Address _____

MICHIGAN SENATE REPUBLICANS
P.O. Box 12023
LANSING, MI 48901



1993 12th Annual Senate Republican Dinner
Monday September 13, 1993

The Plaza Hotel
Southfield, Michigan
(313) 559-6500



Directions to The Plaza Hotel

From Lansing: Take 96 East to 696, exit on US 10 south. Stay on US 10 south 4 or 5 miles and exit at Northland. Continue on Service Drive (Northland) and turn left on J.L. Hudson Drive. The Plaza Hotel will be right in front of you. Valet parking will be available.