TO: Senator Dole

FR: Kerry

RE: Associated General Contractors

Monday, October 18, 1993

Washington Hilton

*You will be speaking to approximately 800 members of AGC in town for their midyear meeting.

*Greg Schanke met on Friday with a delegation of four Kansans who are attending the convention. They will also greet you upon your arrival on Monday.

*AGC has asked that you offer a legislative update on what's coming up in the next few months on the economy, health care, NAFTA, etc.

SENATOR BOB DOLE
TALKING POINTS
ASSOCIATED GENERAL
CONTRACTORS

*GOOD MORNING.

*IT'S A PLEASURE TO SEE SO

MANY TAXPAYERS IN ONE

ROOM. I'M ALSO AUTHORIZED

BY THE CLINTON

ADMINISTRATION TO TELL YOU

THAT, FOR TAX PURPOSES, THEY CONSIDER EVERYONE IN THIS **ROOM TO BE "RICH."** *I SUSPECT THAT MANY OF YOU MAY HAVE BEEN HIT BY THE TAX INCREASES IN THE CLINTON TAX BILL--A BILL WHICH TOOK DEAD AIM AT SMALL **BUSINESSMEN AND WOMEN** ACROSS THE COUNTRY.

*PLAIN AND SIMPLE--BIG
TAXES AND SMALL BUSINESS
DON'T MIX.

*AS YOU MAY KNOW, 80% OF BUSINESSES IN THIS COUNTRY PAY TAX AS INDIVIDUALS, NOT CORPORATIONS. THOSE INDIVIDUALS OPERATE AS SOLE PROPRIETORS, PARTNERSHIPS, AND SUBCHAPTER S CORPORATIONS.

*AND THE PRESIDENT HIT ALL
THESE BUSINESSES-BUSINESSES THAT HAVE BEEN
PRODUCING JOBS--WITH NOT
ONLY A TAX INCREASE--BUT IN
MANY CASES, A RETROACTIVE
TAX INCREASE.

*I EXPECT THAT ALL THESE
PROVISIONS ARE PUTTING YOU
IN THE SAME PLACE AS LES
BRANDT, WHO OWNS A SMALL

HEATING AND AIR
CONDITIONING CONTRACTING
OPERATION IN TOPEKA,
KANSAS.

*LES WANTED TO EXPAND HIS
BUSINESS AND MOVE TO A
DIFFERENT LOCATION. BUT HE
CHANGED HIS MIND. WHY?
BECAUSE HE TOLD ME THAT
"DECISIONS MADE IN
WASHINGTON COULD TAKE THE

WHOLE BUSINESS AWAY." *AND I SUSPECT THERE ARE MANY HERE TODAY AND COUNTLESS OTHERS WHO AREN'T GOING TO ADD NEW **EMPLOYEES OR BUY THAT NEW EQUIPMENT BECAUSE THEY'RE** AFRAID OF WHAT'S COMING OUT OF WASHINGTON.

*LES HIT THE NAIL ON THE
HEAD WHEN SOMEONE ASKED

HIM WHAT HE WOULD LIKE TO TELL THE PRESIDENT. HE SAID--AND I QUOTE--"WE NEED FOR PRIVATE ENTERPRISE TO CREATE JOBS...WE NEED NOT MORE GOVERNMENT, BUT LESS." *AND THAT'S SOMETHING I **HEAR OVER AND OVER AGAIN--**NOT ONLY IN KANSAS, BUT ACROSS AMERICA.

*I HAPPEN TO BELIEVE THAT
THERE'S NOTHING WRONG WITH
BEING SUCCESSFUL. AND
THERE'S NOTHING WRONG WITH
MAKING A PROFIT--AND YOU'D
BE SURPRISED HOW
REVOLUTIONARY THAT IDEA IS
SOMETIME.

*BUT THE FACT IS THAT IT'S

NOT GOVERNMENT THAT

CREATES JOBS AND FUELS THE

ECONOMY--IT'S SMALL BUSINESSMEN AND WOMEN LIKE YOU. IT'S YOUR DREAMS THAT KEEP AMERICA MOVING. *AND I BELIEVE THAT THE **BEST WAY GOVERNMENT CAN** HELP IS TO STOP BURYING YOU UNDER TAXES AND MANDATES

LIKE PARENTAL LEAVE AND
STRIKER REPLACEMENT--AND TO
STAY OUT OF YOUR WAY, AND

ALLOW YOU AND YOUR
EMPLOYEES THE FREEDOM TO
MAKE YOUR DREAMS A REALITY.

*HEALTH CARE: HEALTH
CARE REFORM IS AN ISSUE I
KNOW IS OF CONCERN TO ALL
OF YOU.

*A FEW OBSERVATIONS ON HEALTH CARE--FIRST, WE'RE A LONG, LONG, WAY FROM GETTING ANYTHING PASSED.

*SECOND, NO HEALTH CARE REFORM BILL IS GOING TO PASS IN THIS CONGRESS WITHOUT BROAD BIPARTISAN SUPPORT. **WE ARE TALKING ABOUT A 900 BILLION-DOLLAR-A-YEAR** INDUSTRY. THAT IS ONE-SEVENTH OF THE ENTIRE U.S. ECONOMY. I DON'T THINK YOU CAN PASS A BILL OF THIS MAGNITUDE BY PICKING OFF

*SO FAR, MOST DEMOCRATS
AND REPUBLICANS HAVE KEPT
THEIR POWDER DRY. WE BOTH
RECOGNIZE THAT PARTS OF
OUR SYSTEM ARE BROKEN AND

*THERE ARE LOTS OF PLANS
OUT THERE. THERE ARE A
NUMBER OF REPUBLICAN
PLANS. THE HOUSE

NEED TO BE FIXED.

REPUBLICANS HAVE ONE. SENATOR GRAMM HAS ONE, AND, AS FAR AS I AM CONCERNED, THE MORE THAT ARE OUT THERE THE BETTER. ***ON MAIN STREET AMERICA, A** LOT OF PEOPLE ARE BEGINNING TO ASK QUESTIONS ABOUT THE WHITE HOUSE HEALTH CARE PLAN. THE CLINTONS ARE PROMISING MOST AMERICANS

THAT THEIR PLAN CAN REDUCE
THE DEFICIT AND PROVIDE A
HOST OF NEW BENEFITS THAT
THEY WON'T HAVE TO PAY FOR.
THE FOLKS ON MAIN STREET
UNDERSTAND THAT THERE IS NO
FREE LUNCH.

*AND AS WE MOVE TO
REFORM, REPUBLICANS WILL
INSIST THAT WE STAY AWAY
FROM THE MANY PARTS OF OUR

SYSTEM WHICH AREN'T BROKEN. *THE ADMINISTRATION IS **PUTTING OUT BUMPERSTICKERS** WHICH SAY "HEALTH CARE THAT'S ALWAYS THERE." REPUBLICANS WANT TO MAKE SURE THAT DOESN'T TRANSLATE INTO "GOVERNMENT THAT'S **ALWAYS THERE."**

*NAFTA: *ONE THING THAT
WON'T ALWAYS BE THERE IS

THE CHANCE TO REACH A
HISTORIC TRADE AGREEMENT.

* AT IT'S HEART, THE DEBATE OVER NAFTA IS A DEBATE OVER LEADERSHIP.

*IF THIS COUNTRY WANTS TO
CONTINUE TO LEAD THE
WORLD'S ECONOMY, IF WE
WANT TO SUCCEED IN TODAY'S
NEW GLOBAL MARKETPLACE,
THEN WE CANNOT BE AFRAID TO

COMPETE. WE CANNOT BUILD A
WALL AROUND OUR COUNTRY
AND CALL IT "ECONOMIC
SECURITY." THAT NOTION IS A
DELUSION.

*BUT NO DOUBT ABOUT IT-THE ADVOCATES OF THAT
NOTION HAVE MET WITH SOME
SUCCESS, BECAUSE THEY PREY
ON FEAR AND ANXIETY-ESPECIALLY THE FEAR OF

LOSING A JOB.

*PROTECTIONISM MAY GIVE A
TEMPORARY FEELING OF
SECURITY--BUT THE PRICE TAG
FOR THAT FEELING IS HIGH. WE
PAY FOR IT BY ROBBING FUTURE
GENERATIONS OF GROWTH,
PROSPERITY, AND
PRODUCTIVITY.

*I'VE SURE SOME OF YOU
HAVE SEEN ROSS PEROT'S NEW

ANTI-NAFTA BOOK CALLED
"SAVE YOUR JOB, SAVE OUR
NATION." WELL MY ADVICE IS
THAT YOU SAVE YOUR MONEY,
AND NOT BUY THE BOOK,
BECAUSE, IT IS IGNORES A LOT
OF FACTS.

*AND THE FACT IS THAT
MEXICO HAS A TREMENDOUS
APPETITE FOR AMERICAN
GOODS AND SERVICES...FOR

OUR AUTOMOBILES, HEAVY MACHINERY, CONSTRUCTION HELP, ELECTRONIC EQUIPMENT, AND CHEMICALS. IN FACT, **AMERICA NOW ENJOYS A TRADE** SURPLUS WITH MEXICO OF **NEARLY \$5.4 BILLION, AND A FULL SEVENTY CENTS OF EVERY DOLLAR MEXICO SPENDS ON** IMPORTED PRODUCTS IS NOW SPENT ON AMERICAN GOODS.

*THE APPETITE FOR

AMERICAN PRODUCTS MEANS
JOBS FOR AMERICAN WORKERS.
SINCE 1986, U.S. EXPORT
VOLUME TO MEXICO HAS
TRIPLED, CREATING MORE THAN
400,000 NEW JOBS HERE IN THE
UNITED STATES.

*MAKE NO MISTAKE ABOUT IT,
NAFTA EXTENDS FAR BEYOND
CANADA AND MEXICO. OTHER

COUNTRIES LIKE CHILE AND ARGENTINA WHO HAVE BEEN **MOVING FROM STATE-**CONTROLLED TO MARKET-DRIVEN ECONOMIES ARE **FOLLOWING NAFTA VERY** CLOSELY. IF IT PASSES, THEN THEY WILL WANT TO BE NEXT. THEY WILL OPEN THEIR **BORDERS TO MORE AMERICAN** GOODS AND SERVICES.

*LADIES AND GENTLEMEN, THE CONTRACTING AND CONSTRUCTION INDUSTRIES HAVE LONG BEEN PART AND PARCEL OF THE AMERICAN DREAM. A DREAM THAT THROUGH HARD WORK AND INITIATIVE, YOU COULD BUILD A HOUSE, START AND EXPAND A **BUSINESS, AND SUCCEED IN** BUILDING A BETTER LIFE FOR

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

*I LOOK FORWARD TO YOUR
PARTICIPATION IN THESE
DEBATES.

*THANK YOU. .