

TO: Senator Dole
FR: Kerry

RE: National Automobile Dealers Association
Tuesday, September 19

*Audience of 300-400 NADA members. They requested a preview of what Congress will do the remainder of the year.

*Attached draft focuses on GOP's four themes. It also mentions estate tax reform (which NADA has enthusiastically endorsed) and phase-out of "luxury tax," which is a NADA priority, but on which you have not taken a stand.

GOOD MORNING. IT'S A PLEASURE TO BE HERE. I JUST HAPPENED TO BE DRIVING BY, SAW ALL THE PEOPLE, AND FIGURED THERE WAS EITHER A CONVENTION HERE, OR COLIN POWELL WAS SIGNING BOOKS.

I'VE SPOKEN TO THIS GROUP ON MANY OCCASIONS. BUT THIS IS THE FIRST TIME I'VE SPOKEN TO YOU WHEN REPUBLICANS HAVE CONTROLLED BOTH HOUSES OF CONGRESS.

NOW I KNOW THIS IS A BI-PARTISAN AUDIENCE, AND I DON'T WANT TO BE TOO PARTISAN TODAY. BUT I JUST WOULD SUGGEST THAT AS SMALL BUSINESSMAN, AND AS TAXPAYERS, YOU CAN BE PROUD OF THE JOB THIS CONGRESS IS DOING.

WE ARE KEEPING OUR WORD TO THE AMERICAN PEOPLE. WE ARE REINING IN THE GOVERNMENT. WE ARE RETURNING POWER TO OUR STATES AND TO OUR PEOPLE. WE ARE CUTTING THE

**BUREAUCRACY. WE DID MAKE
CONGRESS LIVE UNDER THE SAME
LAWS WE IMPOSE ON EVERYONE ELSE.
WE DID PUT AN END TO UNFUNDED
MANDATES.**

**IT HASN'T BEEN EASY. THERE ARE
STILL THOSE IN THE WHITE HOUSE AND
IN CONGRESS WHO BELIEVE THAT
GOVERNMENT HAS ALL THE SOLUTIONS,
AND THAT BUREAUCRATS SHOULD
MAKE ALL THE DECISIONS AFFECTING
YOUR BUSINESS AND YOUR LIFE.**

AND SINCE WE HAVE TO GET 60 VOTES TO PASS ANYTHING IN THE SENATE, THE FORCES OF THE STATUS QUO HAVE BEEN ABLE TO BLOCK A FEW ITEMS ON OUR AGENDA. WE CAME UP ONE VOTE SHORT ON THE BALANCED BUDGET AMENDMENT. WE'RE STILL SEARCHING FOR A FEW MORE VOTES TO PASS LEGISLATION TO REFORM OUR REGULATORY PROCESS. THE SENATE BILL ON TORT REFORM IS NOT AS STRONG AS THE HOUSE BILL.

BUT WE HAVEN'T GIVEN UP ON ANY OF THOSE ISSUES. AND THE REAL TEST OF THIS CONGRESS WILL COME IN THE NEXT 60 DAYS. IN FACT, SPEAKER GINGRICH SAYS THAT THE NEXT 60 DAYS WILL BE AS IMPORTANT TO THE FUTURE OF AMERICA AS ANY IN THE PAST 60 YEAR.

AND HERE ARE THE FOUR GOALS WE PLAN TO ACHIEVE IN THE NEXT 60 DAYS.

FIRST, WE WILL PUT AN END TO AMERICA'S FAILED WELFARE SYSTEM, AND REPLACE IT WITH ONE BASED ON THE PRINCIPLES OF WORK AND PERSONAL RESPONSIBILITY.

IN FACT, WE'LL TAKE A BIG STEP IN THAT DIRECTION THIS AFTERNOON, WHEN THE SENATE WILL PASS WELFARE REFORM LEGISLATION.

OUR "WORK OPPORTUNITY ACT" PROVIDES WORK, HOPE, AND OPPORTUNITY TO AMERICANS TRAPPED

**IN A FAILED SYSTEM. OUR PLAN
REQUIRES ABLE-BODIED ADULT
WELFARE RECIPIENTS TO WORK. NO
MORE UNLIMITED WELFARE, AND NO
EXCUSES.**

**IT STRENGTHENS FAMILIES, AND
REQUIRES PERSONAL RESPONSIBILITY.**

**IT REDUCES FEDERAL WELFARE
SPENDING, AND TRANSFERS AUTHORITY
FROM WASHINGTON, D.C. TO THE
STATES.**

AFTER ALL, MY HOME STATE OF KANSAS AND YOUR HOME STATES ARE VASTLY DIFFERENT. AND WE BELIEVE IT MAKES SENSE TO GIVE THE GOVERNORS OF THOSE STATES--AS WELL AS THE OTHER 48--THE FLEXIBILITY TO CREATE WELFARE PROGRAMS THAT BEST MEET THE NEEDS OF THEIR CITIZENS.

AFTER THE SENATE BILL PASSES, WE'LL GET TOGETHER WITH THE HOUSE TO IRON OUT A FEW DIFFERENCES, AND THEN WE'LL SEND IT TO THE PRESIDENT.

DURING THE 1992 CAMPAIGN, PRESIDENT CLINTON PROMISED TO "END WELFARE AS WE KNOW IT." HE HASN'T LIFTED A FINGER TO MAKE THAT GOAL A REALITY, BUT HE CAN DO SO BY SIGNING OUR BILL.

OUR SECOND GOAL FOR THE NEXT 60 DAYS IS TO PRESERVE, PROTECT, AND STRENGTHEN MEDICARE.

ACCORDING TO THE MEDICARE TRUSTEES--WHICH INCLUDES THREE MEMBERS OF THE PRESIDENT'S CABINET--MEDICARE WILL GO BANKRUPT

WITHIN SEVEN YEARS.

**EVER SINCE THEN, REPUBLICANS
HAVE BEEN SEARCHING FOR A
SOLUTION, AND PRESIDENT CLINTON
HAS BEEN SEARCHING FOR A POLITICAL
ISSUE. HE HAS NO PROGRAM TO SAVE
MEDICARE. ALL HE IS A "MEDISCARE"
PLAN TO FRIGHTEN SENIORS INTO
THINKING REPUBLICANS ARE OUT TO
TAKE AWAY MEDICARE.**

**THE FACT IS THAT OUR PLAN WILL
INCREASE HEALTH CARE OPTIONS FOR**

AMERICA'S SENIORS, AS WELL AS INCREASING AVERAGE SPENDING PER BENEFICIARY FROM \$4,800 THIS YEAR TO \$6,700 IN THE YEAR 2002.

DESPITE THAT FACT, THE WHITE HOUSE KEEPS ACCUSING REPUBLICANS OF "CUTTING" MEDICARE. ONLY IN WASHINGTON WOULD GOING FROM \$4,800 TO \$6,700 BE DEFINED AS A "CUT."

GOAL #3 IS TO BALANCE THE BUDGET. HOUSE AND SENATE

**REPUBLICANS HAVE AGREED ON A
HISTORIC SEVEN YEAR PLAN TO
BALANCE THE BUDGET, AND TO END
THE MORTGAGING OF THE FUTURE OF
OUR CHILDREN AND GRANDCHILDREN.**

**PRESIDENT CLINTON FOUGHT THE
BALANCED BUDGET AMENDMENT, BUT
THEN JUMPED ABOARD WITH WHAT HE
BILLED AS A TEN YEAR PLAN TO
BALANCE THE BUDGET. THE ONLY
PROBLEM IS THAT THE CONGRESSIONAL
BUDGET OFFICE SAYS IT WOULD LEAD**

**TO BIGGER DEFICITS THAN WE HAVE
TODAY.**

**BALANCING THE BUDGET INVOLVES
SOME TOUGH, CONTROVERSIAL
CHOICES. AND SO DOES PRESERVING,
PROTECTING, AND STRENGTHENING
MEDICARE. BUT LEADERSHIP MEANS
HAVING THE COURAGE TO LOOK
BEYOND THE NEXT OPINION POLL, AND
TO LOOK AT THE NEXT GENERATION OF
AMERICANS. AND THAT'S WHAT I'M
COMMITTED TO DO.**

OUR FOURTH AND FINAL GOAL FOR

**THE NEXT 60 DAYS IS TO CUT TAXES.
AND I BELIEVE A TAX CUT FOR
AMERICA'S FAMILIES--AND A
REDUCTION IN THE CAPITAL GAINS TAX
RATE--ARE JUST THE FIRST STEPS.**

**I WANT TO MAKE OUR TAX SYSTEM
FAIRER, FLATTER, AND SIMPLER, AND
WITH LOWER RATES. AND I'VE
ADVOCATED THROWING OUT OUR
ENTIRE TAX SYSTEM, AND STARTING
OVER FROM SCRATCH. BUT WE MUST
BE CAREFUL TO ENSURE THAT A NEW**

TAX SYSTEM DOES NOT SHIFT THE TAX BURDEN TO THE MIDDLE CLASS.

THROWING OUT OUR TAX SYSTEM MIGHT TAKE A WHILE. BUT IN THE MEANTIME, WE CAN MAKE SOME PROGRESS BY DRASTICALLY REDUCING THE ESTATE TAX, SO THAT AMERICANS WHO INVEST A LIFETIME OF SWEAT AND TOIL TO BUILD A FAMILY BUSINESS LIKE AN AUTOMOBILE DEALERSHIP, WILL BE ABLE TO PASS THE BUSINESS ON TO THEIR CHILDREN--WITHOUT FACING CRIPPLING TAX RATES.

**AND LET ME SAY THANK YOU TO THE
NATIONAL AUTOMOBILE DEALERS
ASSOCIATION FOR THEIR SUPPORT OF
MY ESTATE TAX LEGISLATION.**

**I UNDERSTAND THAT YOU ARE ALSO
CONCERNED ABOUT THE CONTINUATION
OF THE EXCISE TAX ON SO-CALLED
"LUXURY" AUTOMOBILES, AND ARE
URGING CONGRESS TO PHASE OUT THE
TAX OVER THE NEXT FIVE YEARS. WE
ARE ANALYZING A MYRIAD OF TAX
ISSUES THAT NEED TO BE ADDRESSED,
AND WILL CERTAINLY LOOK SERIOUSLY**

AT THIS ONE.

**BALANCING THE BUDGET AND
REDUCING TAXES SHOULD BE DONE, IT
CAN BE DONE, AND IT WILL IMPROVE
AMERICA'S ECONOMY AND INCREASE
JOB CREATION.**

**THE WHITE HOUSE IS NOW
PREDICTING 2.5% GROWTH FOR THE
REST OF THE CENTURY. THEY
CONGRATULATE THEMSELVES, BECAUSE
IN THEIR VIEW 2.5% GROWTH
REPRESENTS THE OUTER LIMIT OF
AMERICA'S ECONOMIC POTENTIAL.**

OUR WHOLE HISTORY TELLS US THAT AMERICA CAN DO BETTER, SINCE WORLD WAR II, OUR ECONOMY HAS AVERAGED 3% GROWTH. DURING THE REAGAN YEARS, WE AVERAGED NEARLY 4% GROWTH.

WHAT IS IT ABOUT AMERICA TODAY THAT MAKES PRESIDENT CLINTON BELIEVE WE CAN'T EVEN LIVE UP TO OUR PAST, MUCH LESS COMPETE WITH THE MOST DYNAMIC ECONOMIES IN THE WORLD?

WHY DOES PRESIDENT CLINTON

**BELIEVE OUR BEST DAYS ARE BEHIND
US?**

**WHATEVER HIS THINKING, I BELIEVE
HE IS PROFOUNDLY WRONG. I BELIEVE
THE ONLY BARRIER PREVENTING
AMERICA FROM REACHING HER FULL
POTENTIAL IS A FAILURE OF
LEADERSHIP, NOT A FAILURE OF PEOPLE.**

**TRANSFORMING WELFARE...SAVING
MEDICARE....BALANCING THE
BUDGET...AND REDUCING TAXES ARE
FOUR STEPS THAT WILL HELP AMERICA
REACH HER FULL POTENTIAL.**

**I THANK YOU FOR THE SUPPORT YOU
HAVE PROVIDED TO US IN THE PAST,
AND I HOPE YOU WILL STAND BESIDE US
AS WE ENSURE THAT AMERICA'S BEST
DAYS ARE STILL TO COME.**