

The Associated Press  
Senate Budget Committee Chairman Pete Domenici, R-N.M. (left), and Senate Majority Leader Bob Dole said Wednesday the future of America's children are at stake as lawmakers try to balance the budget.

# Tax cut eliminated as Senate nears approval of budget plan

By The Associated Press  
WASHINGTON — Republican senators abandoned their effort to ensure that taxes will be cut in their balanced-budget plan Wednesday as the Senate neared approval of a landmark GOP outline for shrinking government and eliminating the deficit.

Six days after the House adopted a similar outline, the Senate edged toward blessing its blueprint for killing and reshaping hundreds of programs and erasing annual shortfalls by 2002. Senate Republicans said their measure would save nearly \$1 trillion over the next seven years; the House version claims \$1.4 trillion in savings because it also includes a tax cut.

Senate Majority Leader Bob Dole, R-Kan., had cleared the Senate's decks of other major action, hoping the budget's approval would dominate evening television news coverage. But Democrats were forcing votes on dozens of amendments, and a peeved Dole announced late Wednesday that

passage of the spending plan would be delayed until today.

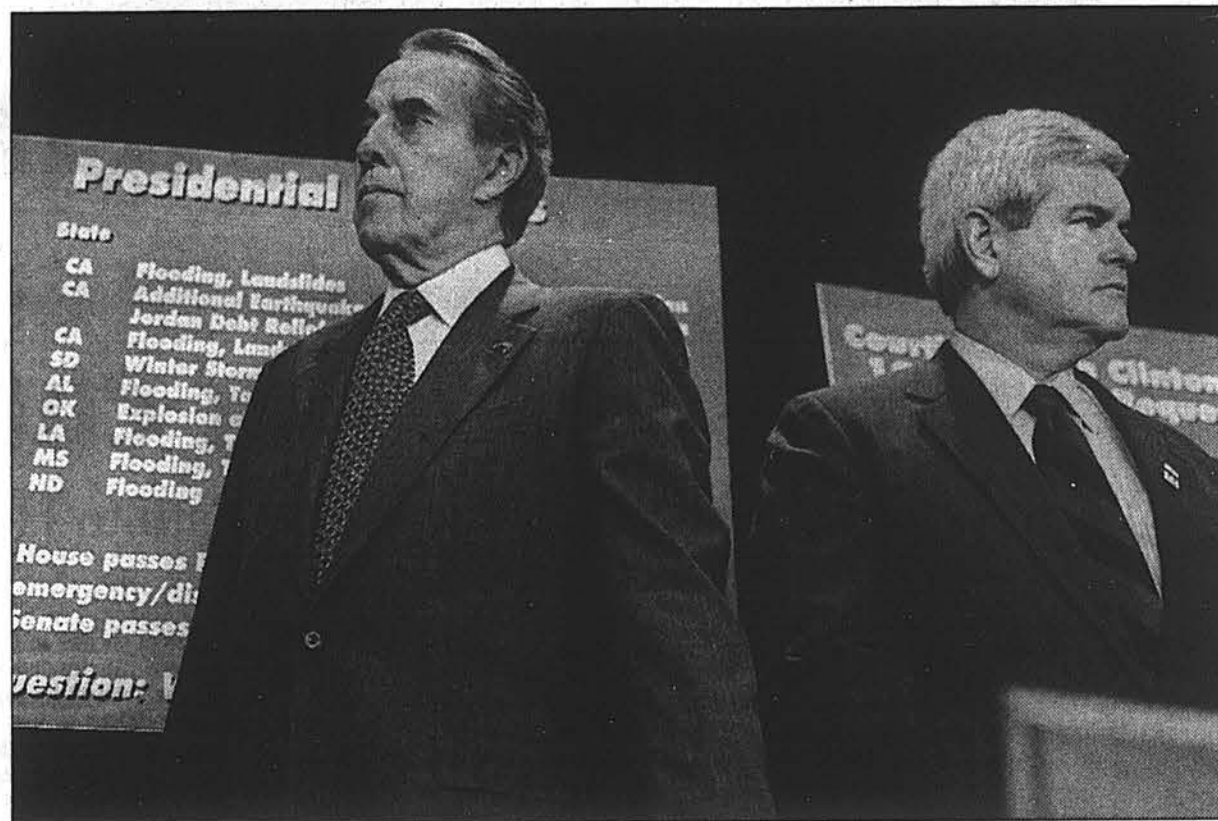
Democrats said their amendments were designed not for delays but to draw contrasts between their own priorities and those of Republicans. One by Sen. Barbara Boxer, D-Calif., requiring that 90 percent of the tax cuts go to people earning less than \$100,000, fell by a mostly party-line 54-46.

A day after Sen. Phil Gramm, R-Texas, was defeated in an effort to insert tax cuts into the budget, several senators said Dole had concluded that a second attempt would fall short as well. Unlike the House, many Senate Republicans kept on eliminating the deficit say tax cuts would make it harder to balance the budget.

"There's no need to run the risk of unraveling the coalition of support for final passage" for the budget, said Sen. Thad Cochran, R-Miss.

Both the House and Senate would extract the bulk of their

savings from Medicare, Medicaid and welfare. Farmers, students, veterans and urban mass transit systems would receive less aid and scores of other programs — including the Department of Commerce — would disappear.



Associated Press  
**Going different directions?** Senate Majority Leader Bob Dole and House Speaker Newt Gingrich meet reporters on Capitol Hill Thursday to discuss the federal budget. Senate Republicans passed their version of a seven-year budget outline on Thursday. Like the version previously passed by the House, the Senate budget resolution would end deficit spending in seven years. Unlike the House, the Senate did not include any tax cuts in its budget plan. /1A

# Dole gets help from foundation

## Tax-exempt group defines the issues

By The Associated Press  
WASHINGTON — A tax-exempt foundation created by Bob Dole raised \$4 million last year and has begun spending it on projects useful to a presidential campaign — polling, issue papers and television ads.

The head of the Better America Foundation said the group is not directly assisting Dole's presidential campaign. But he acknowledged the group solicits Dole's ideas, shares its work with him and meets regularly with his Senate staff to "see where the foundation can help."

"Yes, there might be some things we do that Dole talks about in the campaign," said Executive Director Jim Whittinghill, who served on Dole's Senate staff for eight years before moving to the foundation. "At some point it's hard to separate."



Under federal tax laws, the foundation cannot advocate the election of a particular candidate.

The affiliation between the foundation and Dole allows the GOP presidential hopeful to receive indirect support — access to poll results and issue studies — without having to limit contributions and identify donors, which he would have to do if the money were contributed directly to his campaign.

Among its polling efforts, the foundation asked voting-age Americans to rank issues in order of importance to them. Such polls are often done by political candidates.

Many of the foundation's top employees previously worked on Dole's Senate staff or for his political action committee, and at least one now works for the Kansas Republican's presidential campaign.

The aide, Royal Roth, had been deputy finance director of Campaign America, the political action committee started by Dole. In January, Roth's role as the foundation's finance director was announced. And in March, he turned up on the payroll of Dole's presidential exploratory committee.

"What you have is the very real possibility that there can be conflicts of interest," said Josh Goldstein, director of the Center for Responsive Politics. "This is going to undermine the idea of full disclosure of campaign funding."

Dole created the foundation in February 1993. Its purpose, as stated in the articles of incorporation: "to promote and advocate values and principles espoused by the Republican Party."

# Perot invites Clinton, Gingrich, Dole to meeting

Los Angeles Times/Washington Post Service  
WASHINGTON — Ross Perot announced plans Thursday for what would become the first major debate of the 1996 campaign, inviting President Clinton, House Speaker Newt Gingrich and Senate Majority Leader

Bob Dole to attend his organization's meeting in August.

The purpose of the Aug. 11-13 Dallas gathering of United We Stand America is to establish a set of priorities and principles for measuring candidates in 1996, according to UWSA executive director Russ Ver-

ney. But lurking in the background is the question of Perot's own political future and the issue of whether UWSA should attempt to form a third party.

Dole has accepted and his presidential campaign officials see it as a rare opportunity to appear opposite

the president. A Perot official said Gingrich has accepted, but his spokesman said it is not on the official calendar yet. Clinton has not yet responded, but White House officials said the invitation is under consideration.

Perot has talked in recent months

about helping to create a third party if the two major parties fail to deliver on significant economic or governmental reform and he has been noncommittal about whether he has ruled out another run for president in 1996.

But Verney said Thursday that while a third party option is attractive to many Americans, including UWSA members, it may be unwise to pursue it.

Verney said there are a number of practical reasons to avoid pursuing a third party. He said, for example, it would be difficult to prevent ending up with "Lyndon LaRouche or David Duke as Senate candidates on your ballot." He also said that unless there were a way to assure adequate funding, third party candidates would have difficulty competing against Republicans and Democrats in general elections.

# Dole foundation just happens to aid ... Dole

By David Morris  
Associated Press Writer  
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Roth did not immediately return a telephone message left for him Thursday.

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See DOLE, Page 2

# Dole

Continued from Page 1  
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Internal Revenue Service records show the foundation started raising money slowly but with big plans. In 1993, Better America reported raising \$235,000 but told the IRS it expected to raise \$2.75 million in 1994.

With the help of a stylish brochure that included drawings of Dole, Ronald Reagan, George Washington and Richard Nixon, the foundation eclipsed its goal and raised more than \$4 million.

Its latest filing shows it had spent nearly \$1.5 million through the end of 1994.

The IRS granted tax-exempt status to the foundation. But because it is classified as a social welfare organization, donors cannot deduct contributions from their taxes. They can, however, keep their contributions from public view, a fact the foundation stressed in the brochure:

"There are no limits on the amounts an individual or corporation may contribute, there is no requirement for public disclosure of contributors and names of the donors will not be disclosed."

The foundation refused a request that it release its donor list.