

Congress of the United States
Washington, DC 20515

January 17, 1996

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As we stated to you in our phone conversation earlier today, we are prepared to meet once you make a budget offer that moves in the direction of bipartisan common ground. In our budget, we have offered proposals in the major budget areas that are supported by bipartisan groups in the House and Senate. Now it is time for you to make a similar proposal to find bipartisan solutions.

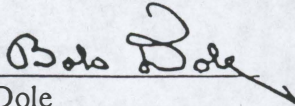
The budget debate is not just an exercise in arithmetic: it requires critical policy decisions. It is our duty to make fundamental changes in federal spending programs necessary to protect future generations of Americans. That's what honest leadership is all about.

Noted below are some of the key problems in your budget of January 6 that we have identified in our review of your proposal. As you begin to face the choices we have already had to make in our budget, we hope that you will specifically address these problems in any future budget proposals you make.

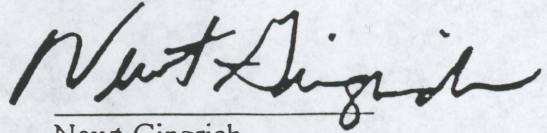
- o The savings in your budget are severely back-loaded. In fact, 95% of your proposed discretionary savings occur in the years 2001 and 2002 -- in short, leave the work to future Congresses and to future Presidents. "Spend now and save later" is not an answer to the budget stalemate.
- o In your presidential campaign, you promised to "end welfare as we know it," but your budget makes no real fundamental changes in this failed program.
- o Your plan goes backwards in controlling runaway entitlement spending -- one of the major reasons for the nation's budget deficit. Your budget allows entitlement programs to grow nearly double the rate in our budget.
- o Your budget fails to move Medicare into the 21st century and does little to extend the solvency of the program or to provide real health care choices to seniors.
- o Your proposal does nothing to move centralized power out of Washington and return decisionmaking to State and local communities.
- o Your budget does little to relieve the tax burden on hard-working middle class families.

Budgets are more than just numbers and that's why they require genuine leadership. We look forward to receiving a candid plan from you that moves towards bipartisan middle ground just as we have already done.

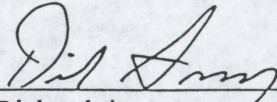
Sincerely,



Bob Dole
Senate Majority Leader



Newt Gingrich
Speaker of the House



Richard Armey
House Majority Leader