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NEWS

FROM:

SENATE REPUBLICAN LEADER

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TAXES = BAD ECONOMIC NEWS

FACTORY ORDERS, CONSUMER CONFIDENCE, ECONOMIC INDICATORS,
HOME SALES: LATEST SIGNS CLINTON TAX PLAN BAD NEWS FOR ECONOMY;
WHITE HOUSE PLAN ON TRIAL -- VERDICT: GUILTY

As the President and Congressional Democrats busily work on the biggest tax increase in the history of the world, the American people are watching, and they don't like what they see.

Yesterday, we got an unmistakable message from the American people, who sent us a triple dose of shaky economic news -- another drop in the Index of Leading Economic Indicators, a plunge in consumer confidence to its lowest level in eight months, and a startling collapse in new home sales, down 21% in May, the largest drop in 13 years.

And if yesterday's news wasn't bad enough, today the Commerce Department reported that orders for manufactured goods fell 1.4% in May, down to the lowest level since last November, and marking the first three-month decline in more than two years.

After eagerly taking credit for an April increase in home sales, taking credit again for lower interest rates, interest rates that began tumbling during the Bush administration, the White House is now switching into another damage control spin cycle, trying to distance itself from all the bad economic news. President Clinton is even backing away from the Senate Democrats who barely squeezed through his huge tax package. According to President Clinton, what was a "victory" last week is now "not well-advised." Is it any wonder working America doesn't feel very good.

The Verdict from the American People

Let's face it, the White House can now make all the excuses it wants, but it can't escape the fact that the Clinton tax plan is "on trial" -- and the verdict of the American people is "guilty." While the President feverishly tries to wrap up the votes for his gigantic tax increase on Capitol Hill, he's not winning many votes on Main Street America.

I've been meeting lately with a lot of small businessmen and women, including several at breakfast this morning, and these employers who drive the American economy are scared to death -- when they're not laying off workers, they're putting hiring plans on hold and avoiding risk -- all because of the haunting Clinton tax increase. To put it simply, the Clinton tax increase promises to turn the American dream into a nightmare for millions of hardworking Americans.

Republicans Gain in New Poll

If the troubling economic news isn't enough of a wake-up call for the White House, a new ABC News/Washington Post poll revealing declining confidence in the White House ought to shake them up. According to the poll, 57% of the American people disapprove of the way the President is handling the economy; more people now give a thumbs down to his tax plan than approve of it -- 47% disapprove, 41% approve. A whopping two out of three Americans now fear that the final tax package will raise taxes too much and cut spending too little. And 40% now trust Republicans in Congress -- that's right, they trust Republicans -- more than the President to handle the economy, an eleven point surge for Congressional Republicans in a little more than two months.

Tax Assault on American Economy

So, despite all the Democrat maneuvering and all the happy talk about how good tax increases are for the economy, the American people haven't been fooled. They've compared the Clinton tax plan with the Republican cut-spending-first

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NO DOUBT ABOUT IT, THEY CLEARLY HAVE ANSWERS TO THESE CASES, AS IT WAS THEIR OWN PICTURES OF OUR MEN THAT APPEARED IN THEIR NEWSPAPERS AND MAGAZINES. WE MUST NOT REWARD VIETNAM FOR THEIR NON-ANSWERS WITH A \$140 MILLION DOLLAR BRIDGE LOAN.

IT APPEARS TO ME THAT TWO COUNTRIES THAT WILL BENEFIT FROM THE LOAN ARE JAPAN AND FRANCE. THEIR COMPANIES ARE READY TO DO WORK ON VIETNAM'S INFRASTRUCTURE AS SOON AS MONEY IS AVAILABLE TO PAY FOR THESE PROJECTS. THE UNITED STATES IS THE LARGEST CONTRIBUTOR TO THE INTERNATIONAL MONETARY FUND AND WE MAINTAIN A TRADE EMBARGO ON VIETNAM THAT COMES UP FOR RENEWAL IN SEPTEMBER. THE APPROVAL OF THE BRIDGE LOAN BY THE IMF WILL ONLY HELP OUR BUSINESS COMPETITORS, NOT OUR OWN COMPANIES. THIS IS ONE MORE REASON NOT TO APPROVE THE LOAN.

WHAT ABOUT VIETNAM'S RECORD ON HUMAN RIGHTS? IT IS PITIFUL!! WE MUST NOT WASTE OUR LEVERAGE WITHOUT DEMANDING DEMOCRACY FOR 70 MILLION VIETNAMESE PEOPLE WHO HAVE TRULY SUFFERED FOR SO MANY YEARS. IF THE COMMUNIST VIETNAMESE WANT THE BENEFIT FROM HARD WORKING AMERICAN TAXPAYER'S DOLLARS, THEY MUST DEMONSTRATE THAT THEY IT UNDERSTAND AND VALUE THIS CONNECTION BY RESPECTING BASIC HUMAN RIGHTS AND ENDING DISCRIMINATION AGAINST THEIR OWN CITIZENS BASED ON THEIR PAST ASSOCIATION WITH THE UNITED STATES. MR. PRESIDENT, ACCORDING TO AMNESTY INTERNATIONAL AND ASIA WATCH, VIETNAM IS ONE OF THE WORLD'S MOST OPPRESSIVE REGIMES. IN MARCH OF THIS YEAR, THE INTERNATIONAL RED CROSS CLOSED ITS OFFICE IN HANOI BECAUSE ITS REPRESENTATIVES WERE NOT PERMITTED ACCESS TO POLITICAL PRISONERS.

IN 1975, COMMUNIST NORTH VIETNAMESE TOLD THE WORLD AS THEY MARCHED INTO SAIGON, THAT THEY WERE LIBERATING VIETNAM, BUT THE FACTS ARE, THAT UNDER THE RULE OF THE COMMUNIST NORTH VIETNAMESE, VIETNAM HAS BECOME ONE OF THE MOST OPPRESSED AS WELL AS ONE OF THE POOREST COUNTRIES IN THE WORLD! BECAUSE OF THESE DEPLORABLE CONDITIONS, MORE THAN ONE MILLION VIETNAMESE HAVE CHOSEN TO LEAVE THEIR COUNTRY TO ESCAPE THE COMMUNIST RULE. THE VIETNAMESE PEOPLE LOVE THEIR HOMELAND, AS THEY DID NOT LEAVE THEIR COUNTRY DURING THE FAMINE IN 1945 WHICH CAUSED ONE MILLION DEATHS FROM STARVATION, OR DURING THE 30 YEARS OF BITTER WARFARE THAT FOLLOWED.

NO DOUBT ABOUT IT, THE COMMUNISTS NOW HAVE DRIVEN THE VIETNAMESE PEOPLE FROM THEIR HOMELAND, FACING DANGER AND DEATH ON THE HIGH SEAS AND POSSIBLE MISTREATMENT IN REFUGEE CAMPS. MOST REFUGEES WOULD RATHER STAY IN THE REFUGEE CAMPS UNDER THE MOST DIFFICULT CONDITIONS THAN TO BE REPATRIATED TO VIETNAM. THESE GLARING FACTS SPEAK FOR THEMSELVES. WE CAN NOT REWARD SUCH CLEAR VIOLATIONS OF BASIC HUMAN RIGHTS BY ALLOWING THE LOAN TO VIETNAM. WE OWE IT TO THE MORE THAN 58,000 AMERICANS THAT FOUGHT AND DIED FOR THOSE RIGHTS.

WE SHOULD DENY VIETNAM ANY AID, CREDIT, OR BRIDGE LOANS FOR A MINIMUM OF ANOTHER YEAR TO ENSURE THAT THE ESTABLISHMENT AND GROWTH OF A DEMOCRATIC PARLIAMENTARY PROCESS IN CAMBODIA, FREE OF ASSASSINATION AND SABOTAGE AIMED AT NON-COMMUNIST PARTY MEMBERS, CAN TRULY BE ESTABLISHED. IT IS VITAL FOR OUR INTERESTS THAT WE MAKE SURE THAT THE COMMUNISTS ARE NOT JUST WAITING FOR THE ROADS AND PATHS TO DRY OUT AFTER THE RAINY SEASON, SO THEIR OPPRESSIVE WAR MACHINES CAN ONCE AGAIN ROLL. WE CAN NOT REWARD VIETNAM'S INTERFERENCE AND LIKELY AGGRESSION WITH A \$140 MILLION DOLLAR BRIDGE LOAN.

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