

June 2, 1986  
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CINCINNATI,  
OHIO

MAY 30, 1986

TO: SENATOR  
FROM: DALE  
SUBJECT: SPEECH TO THE GENERAL FEDERATION OF WOMEN'S CLUBS

THE MEETING IN CINCINNATI IS THE 95TH INTERNATIONAL CONVENTION OF THE GENERAL FEDERATION OF WOMEN'S CLUBS. THE EXPECT THERE TO BE MORE THAN 1500 WOMEN ATTENDING THE SESSION WHEN YOU SPEAK. IN ADDITION TO WOMEN FROM ALL OVER THE U.S., THERE WILL BE REPRESENTATIVES FROM 13 OTHER COUNTRIES.

THE FEDERATION IS THE OLDEST AND LARGEST WOMEN'S VOLUNTEER ORGANIZATION IN THE UNITED STATES. THEY HAVE HONORED MRS. DOLE IN THE PAST. AND THEY HAVE A VERY ACTIVE LEGISLATIVE ALERT PROGRAM.

YOU ARE SCHEDULED TO SPEAK FOR APPROXIMATELY 20 MINUTES, ON ANY SUBJECT YOU LIKE. BUT WHAT THEY WOULD MOST LIKE TO HERE IS "WHAT'S GOING ON IN WASHINGTON."

CONTACT PERSON, VIRGINIA WATSON (513-421-9100) (513-589-0756)

*OK*  
*Give me material*  
*How the Bill affects*  
*Women, etc.*  
*any other members*  
*interest to them*

TALKING POINTS  
WOMEN AND THE SENATE TAX BILL

- o The Finance Committee bill is a significant improvement over current law for low and moderate income. It spreads the tax burden more equitably, eliminates the tax burden on the poor and better bases taxation on ability to pay.

- o The bill would help low and moderate income women by:

- o Eliminating over six million poor people from the income tax rolls through significant increases in the standard deduction, personal exemption and earned income tax credit.

- o Assuring through indexing of these key provisions, that inflation will not erode the tax thresholds and push poor people back on the tax rolls.

- o Providing greater equity for single heads of household by treating them more like married couple families of the same size, by bringing standard deduction for heads of house much closer to the standard deduction for married couples.

- o Bringing tax relief to low and moderate income families who have born a disproportionate share of the tax burden in recent years.

- o Assuring that more women are covered by employer-provided pension through improvements in vesting, integration and coverage requirements.

TAX RATES

Only two rates: 15% and 27%. The 27% rate would begin at the following levels for taxable income:

Singles: \$17,600

Marrieds: \$29,300

Heads of Household: \$23,500

PERSONAL EXEMPTION

Set at \$2,000 for all taxpayers and dependents (\$1,900 in 1987). The exemption would be phased out between \$145,320 and \$185,320 for married couples, between \$87,240 and \$127,240 for singles and between \$111,400 and \$151,400 for heads of household.

The benefit of the 15% tax bracket would also be phased out for high-income taxpayers. The phase-out would occur between \$75,000 and \$145,320 for marrieds, between \$45,000 and \$87,240 for singles and between \$55,000 and \$111,400 for heads of household.



### THE LIABILITY CRISIS

- o Probably the biggest domestic problem after the Federal budget deficit is the so-called "liability crisis."
- o In our society, we have a basic preference that in many situations it is appropriate to spread the cost of a catastrophe broadly, rather than leaving the victim to bear the burden alone. That is the whole concept behind insurance, as you know better than I.
- o Sometimes it just doesn't make sense for the user of a product for example, to insure himself against the possibility that he may be hurt. Rather, we assume that the risk can be more appropriately spread by having the producer of a product assume the liability which he can in turn insure against. He can then spread the cost of the liability among all his customers in the form of higher prices.
- o However, in recent years, we have a number of major changes in the concept of liability have come together to cause a real crisis.
- o First, we are seeing a trend toward strict liability, regardless of fault or negligence of the producer of a product or performer of a service and regardless of contributory negligence on the part of the person who has been harmed.
- o Second, we have seen a trend to larger and larger jury awards which include more than just compensation for economic loss. They also often include pain and suffering and punitive damages. While some of these amounts make sense as true compensation for loss, some of these amounts are disguised attorney's fees and some are really fines against the defendant. This confusion in what is being compensated is making it difficult for insurance companies to price premiums and is causing shrinking coverage, as well as higher premiums.
- o That is not to say that the insurance industry has played no role in the problem. There are probably some pretty good arguments that insurance companies have been more interested in increasing market share than in pricing their premiums realistically. Now consumers are paying the price in higher premiums.
- o There are no easy solutions to these problems. No one should think that there are. We have to analyze some basic tenants of our tort system to see if they are appropriate in our

increasingly complex society. At the same time, we will have to review our insurance system as well as to see if improvements can be made.



## TALKING POINTS - JUNIOR LEAGUE

### CIVIL RIGHTS RESTORATION ACT/GROVE CITY

-One issue which continues to be of key importance to me is the impact of the Supreme Court's Grove City decision on Federal civil rights protections, including Title IX, the only comprehensive Federal ban against sex discrimination in education.

-As you know, in the House of Representatives, two versions of the Civil Rights Restoration Act have been approved by the appropriate committees and are awaiting floor action. Consideration of these bills has been delayed, however, because various issues have not yet been resolved. The major controversy seems to center on those sections of the Title IX regulations which deal with abortion coverage under health plans offered by education institutions.

-In the Senate, the Civil Rights Restoration Act is pending in the Labor and Human Resources Committee, as is another measure I have introduced, the Civil Rights Amendments Act, which is also designed to restore civil rights coverage to its pre-Grove City status.

-Whether the Congress will be able to develop and enact into law consensus legislation during the remainder of this Congress remains an open question in light of pressing economic problems, the contentiousness of an election year, and the sensitive nature of this issue. But Grove City does remain among this Senator's priorities, and I am hopeful that at some point, we can develop a consensus bill.

### Economic Equity Act

-Senator Durenburger has once again introduced the Economic Equity Act, which I know is a priority item with many organizations like this one who are concerned with women's economic issues.

-In the last Congress, I was pleased to have played a pivotal role in securing the enactment of reforms to our private pension system and child support enforcement program which will be of significant economic benefit to millions of women.

-In this Congress, I have introduced, as a separate bill, that part of the Economic Equity Act which deals with equal credit opportunity. Specifically, the bill would require the Federal Reserve Board to narrow the carte blanche exemptions currently contained in its equal credit opportunity regulations for commercial credit transactions. The bill is intended to enhance minority and women entrepreneurs' ability to combat discrimination when they have been denied credit to start or expand a business because of their sex, marital status or the color of their skin.

-This bill, which Senator Byrd and a large, bipartisan group of Senators have cosponsored, is currently pending in the Banking Committee. I have urged the Committee to take a hard look at the bill and the many reported instances of discrimination in business credit transactions which the bill is designed to address.



June 2, 1986

BUDGET TALKING POINTS

o House/Senate budget conferees will begin meeting in earnest this week to try to resolve differences between the two versions of the 1987 spending plan. Although both meet the \$144 billion deficit target set by the Gramm-Rudman-Hollings law they achieved that goal in different ways. The two key differences involve defense spending and revenue increases.

o The Senate budget was a bipartisan effort. 38 Republicans and 28 Democrats voted for the revamped Domenici-Chiles budget.

o And the budget we approved is an honest, straightforward attempt to deal with economic realities -- not by making defense a whipping boy and not by tax overkill.

o Unfortunately, the same cannot be said for the House budget, which the House passed yesterday 245-179. The House budget has a \$138 billion deficit figure for 1987, but it was achieved by gutting defense spending. This budget decreases 1987 spending authority to \$285 billion from the administration's original \$320 billion request.

o Many think the Senate went too far when it reduced defense to \$301 billion -- but the House's \$285 billion level is totally irresponsible and totally unrealistic.

o The Senate faced up to the promise it made to deficit reduction when it passed Gramm-Rudman-Hollings. We did not turn our back on the budget process, we were not willing to roll the dice and hope that the Gods will save us from sequester. Now, it's up to the House to be responsible as well.

o It is in every one's best interest to get a budget resolution in place so that Congress can complete work on all of its fiscal business, from appropriations bills, to deficit reduction, to tax reform.

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o The Senate's budget, though far from perfect, is a far superior product than the House plan.

o First, our defense budget though \$19 billion below the administration's request, and below the level I would like to see, is at least responsible.

o Second, unlike the House we made substantial reductions in non-defense spending. In 1987 alone, we saved an additional \$8.7 billion in these programs -- and over the next three years, these program reforms will yield \$25 billion in savings.

o Finally, we reluctantly agreed to revenue increase of \$10.6 billion in 1987, \$45 billion over three years. These revenue increases could be handled without raising taxes. And there is the possibility we could use a surplus from tax reform for this purpose.

o With the exception of defense, I think the differences between the House and Senate budgets are fairly narrow and should be easy to resolve. The defense issue, is critical. however, and the Senate leadership, including Senate Budget Committee Chairman Domenici, have pledged to the President that we will do everything in our power to hold to the Senate's defense spending level.