

April 11, 1987

## TRADE ISSUES IN GEORGIA

1. Textiles. Very important in northern part of state, such as Dalton. Whole delegation in on textile bill. Industry is not doing badly, but sees a chance to do a whole lot better if they can get imports down.

2. Highway bill. Contained funds for Talmadge bridge in Savannah, important to farmers who want better shipping arrangements for their exports. Congressman Swindle joined in override effort because farmers so upset about veto.

3. General. Feeling that lower taxes, less regulation would solve trade problems like other economic problems.

27 March 1987

### BUDGET TALKING POINTS

o There they go again. Both Budget Committees got down to the business of drafting next year's budget this week. And guess how they're going to reduce the deficit -- by raising taxes.

o Nearly half of the deficit reductions -- \$11.5-18.5 billion in the Senate plan, and \$18 billion in the House's -- would come from tax increases.

o That might not be so bad, but on top of that the Democrats have thrown in the towel on meeting the Gramm-Rudman-Hollings deficit target. Instead of getting down to \$108 billion, which is the mandated level, these Democratic plans would result in a deficit around \$134 billion.

o We must keep the promise we made when we adopted Gramm-Rudman-Hollings. And we must do so without raising taxes, without threatening our national security capability, and without harming programs for the elderly, needy and handicapped.

o Every spring we begin this ritual of budget writing, spending weeks in committee, weeks on the floor of both the House and Senate, adopting a fiscal blueprint that we then go on to ignore. Something's go to give if we are ever to put our fiscal house in order.

o One answer -- though not a cure-all -- is to reform the budget process itself. And this week I joined former Senate Budget Committee Chairman Pete Domenici in co-sponsoring a package of budget process reforms.

o Though it includes many technical changes, the key feature would be for us to go from a one-year, to a two-year budget cycle. This would give us the opportunity to try some long-range planning, and allow committees the opportunity to focus on policy making instead of accounting.

o If we could pass this bill, and if Congress would finally adopt a Constitutional amendment requiring a balanced federal budget, we would have gone a long, long, way toward insuring that future generations live free of the burden of our debt.

Then Congress made a crucial commitment when it adopted the Gramm-Rudman-Hollings balanced budget law -- a commitment to put this government's fiscal policy on the right track.