

June 12, 1990

TO: SENATOR DOLE
FROM: CAROLYN SEELY
SUBJECT: SPEECH TO PENNSYLVANIA CITIZENS' GROUP (SENATOR SPECTER)

On Wednesday, June 27, 1990, you have agreed to speak to a group of Senator Specter's constituents and staunchest supporters (Democrats as well as Republicans). About 150 Pennsylvanians are expected to attend. Approximately 80% will come from Philadelphia; approximately 90% will be Jewish. You spoke to them last in 1986.

The group will spend the morning in White House briefings. Secretary Baker, Mrs. Bush and Colin Powell are on the agenda so far. In addition to your talk, the afternoon includes Senators Garn, Kennedy and Heinz. The final event is a reception at the Ronald Reagan Center.

You have been asked to speak for approximately 10 minutes and to allow another 10 minutes for Q&A. The suggested topic is capital gains and tax increases. However, any summit news or other current issues would be equally appropriate.

Wednesday - June 27
Carolyn

Arlen Specter

United States Senate

Washington, D.C. 20510

May 18, 1990

The Honorable Robert Dole
Republican Leader
United States Senate
Washington, D.C. 20510

Dear Bob:

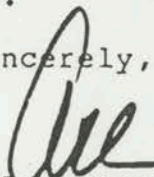
I would very much appreciate it if you would speak to my Pennsylvania Citizens' group on Wednesday, June 27, 1990.

The meeting will be held in SR325.

Our group will be in from 3:30-5:00 p.m. and my secretary will coordinate with yours on a mutually-convenient time.

Again, my thanks.

Sincerely,



Arlen Specter

AS/kr

P.S. I would appreciate it if you would speak on a subject which I have entitled: "Tax Increases? Capital Gains Reduction?"

Of course, the subject is your choice.

SENATOR,
Would you like to speak to Senator Specter's group on Wednesday, June 27, between 3:30 and 5:00 p.m.?

YES

NO

Sylvia 9012

June 1990

TALKING POINTS

TAXES/CAPITAL GAINS

- O THE PRESIDENT AND CONGRESSIONAL LEADERS HAVE BEGUN NEGOTIATIONS ON A MULTI-YEAR DEFICIT REDUCTION PLAN WITH NO PRECONDITIONS. EVERY SOLUTION IS IN ORDER -- SPENDING CUTS, ENTITLEMENT REFORM, AMENDMENTS TO THE BUDGET PROCESS AND NEW TAXES.
- O I HOPE THAT, AS THESE DISCUSSIONS PROGRESS, WE WILL BE ABLE TO NEGOTIATE AT THE TABLE, RATHER THAN IN THE PRESS. THAT IS WHY I HAVE CALLED FOR A "RHETORIC CEASE FIRE" SO THAT WE CAN CONCENTRATE ON REDUCING THE DEFICIT, NOT WINNING THE NEXT ELECTION.
- O ALTHOUGH THE REPUBLICAN NEGOTIATORS AGREE WITH THE PRESIDENT THAT THE BEST WAY TO REDUCE THE DEFICIT IS THROUGH SPENDING CUTS, RATHER THAN NEW TAXES, ONE TAX INCREASE HAS THE SUPPORT OF THE PRESIDENT AND A MAJORITY OF THE MEMBERS OF CONGRESS. THAT IS A REDUCTION IN THE MAXIMUM CAPITAL GAINS TAX RATE.
- O THE PRICE FOR CAPITAL GAINS RELIEF IN A SUMMIT AGREEMENT MAY BE A FAMILY SAVINGS INCENTIVE, AS PROPOSED BY THE PRESIDENT, OR AN EXPANDED IRA, AS PROPOSED BY SEVERAL SENATORS. NEVERTHELESS, IT IS LIKELY THAT SOME CAPITAL GAINS INCENTIVE WILL PASS THIS YEAR.
- O IF AMERICA IS TO REMAIN COMPETITIVE WITH JAPAN OR A UNITED EUROPE, WE MUST REDUCE OUR EXCESSIVE COST OF EQUITY CAPITAL WHICH IS LIMITING EXPANSION, MODERNIZATION AND NEW INVESTMENT IN AMERICAN BUSINESS.