

FACE THE NATION

TIME: 10:30 AM SUNDAY, LIVE  
(MAKEUP PERSON WILL BE READY AT 10:00 AM)

PLACE: SEAVIEW FIRST FLOOR MEETING ROOM

GUEST: LEON PANETTA WILL BE ON FIRST HALF OF PROGRAM, YOU HAVE  
SECOND HALF

ISSUES: CLINTON BUDGET/ECONOMIC PLAN, BOSNIA PLAN, JANET RENO,  
AIDS-INFECTED ALIENS

CBS WASHINGTON: CARIN PRATT, DENISE LI -- 457-4531 or 4481  
ON-SITE PRODUCER: ANDY TRIAY  
SATELLITE TRUCK: DAVID FRUITMAN -- 305-588-1111

### OVERVIEW

WITH CLINTON'S "STATE OF THE UNION" ECONOMIC ADDRESS, "FACE THE NATION" COULD WELL BECOME A FISHING EXPEDITION FOR TAX HIKES, SOCIAL SECURITY & COLA RAIDS, AND OTHER REVENUE RAISERS.

THEREFORE, IT IS ESSENTIAL THAT YOU STICK WITH YOUR THEME THIS WEEK ABOUT WAITING FOR PRESIDENT CLINTON TO TELL US. YOU'RE NOT ENDORSING ANYTHING...HOLD FAST AT ALL COSTS. ANY INDICATIONS OF WHAT YOU "COULD SUPPORT" WILL TURN INTO HAPPY STORIES ABOUT DOLE OKAYING SOCIAL SECURITY TAXES AND CUTS, AND AGREEING WITH CLINTON'S "TOUGH, COMPREHENSIVE" PACKAGE.

SPEAK POSITIVELY ABOUT WANTING THE PRESIDENT TO SUCCEED, AND THAT YOU ARE PLEDGED TO CUTTING THE DEFICIT, BUT ALSO TELL THE AUDIENCE WHAT YOU DON'T WANT TO SEE WEDNESDAY NIGHT:

1) BIG TAX INCREASES -- ON THE MIDDLE CLASS, ON SMALL BUSINESS, ON FAMILY FARMS WITH THE ESTATE TAX, AND REGRESSIVE ENERGY TAXES.

2) MORE MANDATES -- THE FAMILY LEAVE BILL WAS THE WRONG SIGNAL TO SEND TO BELEAGUERED STATES, CITIES AND TOWNS THAT ARE REELING FROM BIG GOVERNMENT.

3) AND YOU DON'T WANT TO SEE A TOTAL RETREAT ON THE SPENDING FRONT: ALL THE CLINTON TRIAL BALLOONS HAVE BEEN HIGHER TAXES & BIGGER MANDATES, BUT NO SPENDING CUTS. BIG TAXES ARE NOTHING BUT A LEAD BALLOON.

LET'S FACE IT, THE AMERICAN PEOPLE DON'T WANT TO SEE BILL CLINTON TURN INTO THE "DEFICIT PRESIDENT" WEDNESDAY NIGHT. BUT HE VERY WELL COULD IF HE RENEGES ON HIS CAMPAIGN PROMISES AND TURNS INTO THE SAME OLD LIBERAL DEMOCRAT, TRYING TO TAX AND SPEND THE DEFICIT AWAY. THERE'S NOTHING NEW -- OR MODERATE -- ABOUT THAT COSTLY PRESCRIPTION FOR FAILURE.

PLAYING OFF VALENTINES DAY, YOU EXPRESS FEAR THAT CLINTON IS ABOUT TO TURN VALENTINES DAY INTO HALLOWEEN.

SO FAR, THE PRESIDENT HAS HAD AN EASY TIME, WITH NO TOUGH CHOICES. LOTS OF PHOTO OPS. WELL, YOU CAN'T PHOTO OP THE DEFICIT AWAY. ON WEDNESDAY, IT'S TIME TO START LEADING AMERICA.

ALSO, PLUG AIDS-INFECTED ALIENS POLICY CHANGE -- WHITE HOUSE WANTS AMERICA TO BELIEVE THIS IS A NON-ISSUE, THAT IT'S GOING TO GO AWAY, THAT TALK SHOWS WON'T CARE, AND WHITE HOUSE & CONGRESSIONAL PHONES WON'T RING OFF THE HOOK. AMERICA HAS ENOUGH HELATH CARE PROBLEMS, WE DON'T WANT AMERICA TO BE THE WORLD'S "AIDS ASYLUM".

#

February 12, 1993

M E M O R A N D U M

TO: SENATOR DOLE  
FROM: NINA OVIEDO  
SUBJECT: GENERAL TAX TALKING POINTS

GENERAL

- PRESIDENT CLINTON MADE A LOT OF PROMISES ABOUT REDUCING THE DEFICIT. AND HE ALSO MADE A FEW PROMISES REGARDING NEW SPENDING PROGRAMS AND A MIDDLE CLASS TAX CUT.
- BUT REALITY IS SETTING IN, AND AS THE PRESIDENT SAID LAST WEEK IN HIS TOWN MEETING -- HE CAN'T FULFILL HIS CAMPAIGN PROMISES, EVERYONE MUST PITCH-IN.
- AND, REPUBLICANS STAND READY TO HELP -- BUT FIRST WE MUST SEE THE PROPOSAL -- WE HAVE NOT BEEN CONSULTED AND WE HAVE YET TO HEAR ANY SUBSTANCE -- ONCE WE SEE ENFORCEABLE SPENDING CUTS WE'LL BE PREPARED TO TAKE ACTION.

PERSONAL AND CORPORATE TAX INCREASES

- PRESIDENT CLINTON PROMISED TO "LOWER THE TAX BURDEN ON MIDDLE CLASS AMERICANS BY FORCING THE RICH TO PAY THEIR FAIR SHARE."
- BY ALL ACCOUNTS IT LOOKS LIKE THE TOP INDIVIDUAL TAX RATE WILL CLIMB TO AT LEAST 36%, MILLIONAIRES WILL FACE A SURTAX AND HIGH INCOME EXECUTIVES WILL NO LONGER HAVE A RIGHT TO BARGAIN FOR THEIR SALARIES -- NO MATTER HOW TALENTED, NO MATTER HOW EFFECTIVE. CORPORATIONS WILL ALSO FACE HIGHER TAXES.
- THE CLINTON ADMINISTRATION MAY WANT YOU TO THINK THAT A TAX INCREASES WILL FORCE THE RICH TO "PAY THEIR FAIR SHARE" BUT THE INCREASES WOULD HIT TAXPAYERS WITH UNINCORPORATED BUSINESSES -- SOLE PROPRIETORS, PARTNERSHIPS, S CORPORATIONS -- AMERICAN'S SMALL BUSINESSES, AND CORPORATE TAX INCREASES RAISE THE COST OF DOING BUSINESS.
- INSTEAD OF BUYING NEW EQUIPMENT OR CREATING NEW JOBS, THESE BUSINESS OWNERS WILL PAY MORE TAXES.

### ENERGY/CONSUMPTION TAXES

- THERE'S LOTS OF TALK ABOUT BROAD BASE ENERGY TAXES/ CONSUMPTION TAXES: GASOLINE TAXES, CARBON TAXES, OIL IMPORT FEES AND THE VAT.
- I DON'T NEED TO TELL YOU, BUT THESE ARE HARD DECISIONS. WE'RE NOT A SMALL COUNTRY -- THESE TAXES HIT DIFFERENTLY IN EACH REGION OF THE COUNTRY.
- TAKE THE GAS TAX. I UNDERSTAND THAT THE CHAIRMAN MOYNIHAN IS "WELL DISPOSED" TOWARDS A 25 CENT TAX INCREASE. LET'S SEE WHY...NEW YORKERS CONSUME ANNUALLY SOME 315 GALLONS PER CAPITA. IN KANSAS, WE CONSUME 462 GALLONS PER PERSON. THAT MEANS AT FOR A 10 CENT TAX INCREASE, NEW YORKERS WOULD PAY \$31.50 WHILE KANSANS WOULD PAY \$46.20. IN WYOMING, THEY WOULD PAY \$60 -- THE TAX IS REGIONALLY UNFAIR.
- BUT, IF YOU LOOK AT CARBON TAXES, BASICALLY A TAX ON COAL, KANSAS HAS VERY LITTLE COAL PRODUCTION AND RANKS 29TH IN COAL CONSUMPTION. MAYBE WE WOULDN'T SCREAM AS LOUDLY ABOUT THIS TAX AS SAY WEST VIRGINIANS.
- AS YOU MAY KNOW, ENERGY CHAIRMAN JOHNSTON HAS SPONSORED LEGISLATION CALLING FOR AN OIL IMPORT FEE. THE FEE COULD DO A NUMBER OF POSITIVE THINGS, BUT THERE ARE IMPORTANT TRADE IMPLICATIONS TO CONSIDER.
- AN OIL IMPORT FEE COULD RAISE SIGNIFICANT REVENUES -- AS MUCH AS \$35 BILLION OVER THREE YEARS FOR THE PROPOSED LEGISLATION -- AND IT WOULD BE QUITE FAVORABLE TO OUR DOMESTIC PRODUCERS -- WHO HAVE TAKEN IT ON THE CHIN FOR SO LONG.
- WHILE SOME WILL PROBABLY ARGUE THAT AN OIL IMPORT FEE IS GATT ILLEGAL, WE MAY BE ABLE TO DEFEND SUCH A FINDING ON THE GROUNDS THAT IT IS VITAL TO OUR NATIONAL SECURITY INTERESTS.
- ON THE OTHER HAND, NO DOUBT THAT WE WOULD BE CRITICIZED BY OUR TRADING PARTNERS FOR SPEAKING OUT OF BOTH SIDES OF OUR MOUTHS. HERE WE'RE TRYING TO CONVINCE OUR PARTNERS TO LOWER THEIR TRADING BARRIERS WHILE WE WOULD PUT ONE UP OURSELVES.
- IT MAY BE THAT THE ADMINISTRATION WILL GO FORWARD WITH A BROAD BASED ENERGY TAX OR SOME OTHER CONSUMPTION TAX -- BUT IT IS MY HOPE THAT THE PRESIDENT LOOKS HARD AT THE EFFECTS ON MANUFACTURING COSTS, CONSUMER PRICES, EXPORTS ... AND SUCH, BEFORE ENACTING LEGISLATION.

(S:\PUBLIC\GENTAX.PTS)

WALL STREET JOURNAL

February 12, 1993

## Taking Shape

Here's a summary of what's known so far about President Clinton's economic package:

### TAXES

- An increase in the top statutory marginal tax rate for individuals to 36% from the current 31%, a surtax on incomes above \$1 million and an increase in the personal alternative minimum tax rate from the current 24%.
- An increase in the top corporate income-tax rate to 36% from the current 34%, but an easing of the corporate alternative minimum tax.
- Reinstatement of the investment tax credit, possibly temporarily or limited to small companies, and tailored to reward purchases of plant and equipment beyond those that would have been made anyway.
- A reduction in the capital-gains tax for investments in certain small companies held for five years or more.
- Extension of the research and development tax credit and the tax credit for investors in low-income housing.
- Expansion of the earned-income tax credit for the working poor.
- Incentives to companies to invest in inner cities.
- A probable tax on 85% of the Social Security benefits paid to upper-income elderly, instead of the current 50%.
- A probable new energy tax, either a sales tax or a levy based on the heat content of fuels.

### SPENDING

- An increase in federal spending of about \$16 billion this year for a package of programs including extended jobless benefits, grants to cities and towns, stepped-up funding for immunizing children, treating tuberculosis and AIDS and for government "infrastructure" projects.
- Increased spending on Head Start, education, training and preventive health care.
- Shifting some federal science spending away from some big-ticket projects, possibly including the space station and the supercollider, and toward advanced computing, fiber optics and manufacturing technology.
- Trimming the growth in spending for some government benefit programs, without touching cost-of-living adjustments for Social Security.
- An across-the-board cut in administrative costs of 3% in 1994 and 14% over four years.
- A cut in fiscal 1994 defense spending of roughly \$8 billion below the Bush administration's plan, with deeper cuts in later years.
- A reduction in the federal work force of 100,000, or 4.7%, by 1995.
- A further shift in government borrowing away from long-term to short-term debt to save money.

February 12, 1993

M E M O R A N D U M

TO: SENATOR DOLE

FROM: NINA OVIEDO, DAVID TAYLOR, KATHY ORMISTON

SUBJECT: CLINTON'S "STATE OF THE ECONOMY" TALKING POINTS

CLINTON'S STATE OF THE ECONOMY (WEDNESDAY, FEB. 17)

- WE HAVEN'T BEEN CONSULTED -- SO IT'S HARD TO SAY WHAT THE PRESIDENT WILL ACTUALLY PROPOSE. BUT WE HAVE SOME SENSE OF DIRECTION FROM HIS TOWN MEETING LAST WEEK AND HIS MEETING WITH THE BUSINESS COMMUNITY LAST THURSDAY.
- WE UNDERSTAND THAT THERE WILL BE A TAX INCREASE FOR INDIVIDUALS FOR SOCIAL SECURITY RECIPIENTS, AND A CORPORATE TAX INCREASE. THERE ALSO MAY BE SOME "REWARDS" FOR "INVESTMENT."
- BUT I HAVE YET TO HEAR THE REAL DETAILS. ALL WEEK WE HEARD ABOUT THIS TAX AND THAT TAX -- FEWER DEDUCTIONS, FEWER BENEFITS MORE SACRIFICE. BUT I DON'T THINK WE CAN JUDGE THE PRESIDENT'S PROPOSAL UNTIL WE ACTUALLY SEE IT.
- I DON'T SEE THAT A STIMULUS PACKAGE OF SOME 10, 20, OR 30 BILLION DOLLARS WILL HELP A 6 TRILLION DOLLAR ECONOMY AND IN FACT IT COULD ADD TO THE PROBLEMS BY INCREASING THE DEFICIT.
- REPUBLICANS STAND READY TO HELP. BUT WE'RE WAITING TO SEE THE PRESIDENT'S PROPOSAL. WE'VE YET TO HEAR ANY REPORTS ON THE HARD CHOICES IN SPENDING. ONCE WE SEE THAT WE WILL HAVE IN PLACE ENFORCEABLE CONTROLS ON FEDERAL SPENDING WE WILL STAND READY TO HELP.

REPUBLICAN PRINCIPLES

- REGARDLESS OF WHO'S SAYING WHAT -- I THINK THAT REPUBLICANS IN THE SENATE HAVE AGREED ON SOME VERY BASIC PRINCIPLES TO JUDGE THE PRESIDENT'S PROPOSALS.
- FIRST, IF THE PRESIDENT WANTS REPUBLICAN SUPPORT, HE'S GOING TO HAVE TO TALK ABOUT SOME SPENDING CUTS. GOVERNMENT IS TOO BIG AND IT SPENDS TOO MUCH. IF YOU COMPARE THE 1980'S TO THE 1970'S, GOVERNMENT SPENDING AS A SHARE OF THE GDP WENT UP TWICE AS MUCH AS REVENUES. AND UNLESS THE PRESIDENT IS WILLING TO TAKE ACTION, GOVERNMENT SPENDING WILL RISE EVEN

FASTER IN THE YEARS AHEAD.

- SO, WE BELIEVE THAT ANY BUDGET PACKAGE MUST EMPHASIZE TOUGH, ENFORCEABLE CONTROLS ON FEDERAL SPENDING.
  - SECOND, I'M NOT SURE THAT A "STIMULUS PACKAGE" -- WHETHER IT'S TEN, TWENTY, OR THIRTY BILLION DOLLARS -- CAN HAVE ANY REAL IMPACT ON A SIX TRILLION DOLLAR ECONOMY.
  - SO, IF THE PRESIDENT PROPOSES A SHORT-TERM STIMULUS PACKAGE IT MUST BE TIED TO A TOUGH, ENFORCEABLE LONG-TERM DEFICIT REDUCTION PLAN.
  - THIRD, IF WE'RE GOING TO MAKE ANY TAX LAW CHANGES, REPUBLICANS BELIEVE THE CHANGES SHOULD ENCOURAGE MORE SAVINGS AND INVESTMENT.
  - FOURTH, REPUBLICANS SUPPORT POLICIES THAT WILL CREATE NEW, HIGH-PAYING JOBS. MORE MANDATES AND GOVERNMENT RED TAPE ARE NOT THE ANSWER. THEY DESTROY JOBS.
- OF COURSE LAST FRIDAY, THE PRESIDENT SIGNED A NEW MANDATE ON BUSINESSES [FAMILY AND MEDICAL LEAVE].
- FINALLY, WE SHOULD CONTINUE TO EXPAND MARKETS FOR OUR EXPORTS THROUGH OPEN AND FAIR TRADE POLICIES NOT PROTECTIONISTS MEASURES.

(S:\PUBLIC\CLINTAX.PTS)

# United States Senate

WASHINGTON, DC 20510

February 7, 1993

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

Dear Mr. President:

Republicans in the Senate applaud your commitment to deficit reduction. We look forward to working with you and your economic team in finding a way to reduce the projected deficits in half over the next four years.

As you make your final budget and economic policy decisions, however, we Republicans in the Senate have agreed on some basic principles we will use to judge your budget submission.

First, we believe your budget package must focus on restraining federal spending. Spending is the problem. Comparing the 1980's to the 1970's, spending as a share of the GDP (less interest costs) went up twice as much as revenues. More importantly, spending is projected to rise even faster in coming years.

Second, we fail to see how any short-term "stimulus" package of \$10 to \$30 billion can have any significant impact on our economy that is now experiencing a solid recovery. Republicans remain concerned that the economy already is experiencing a \$320 billion "stimulus" in the form of our annual deficit and such a package may simply add to that debt load. In any event, should you propose such a short-term stimulus package it must be tied to a real and enforceable long-term deficit reduction plan.

Third, Republicans believe that if our tax system is to be changed, it should move more toward encouraging savings and investment.

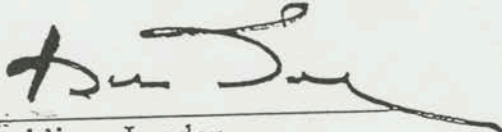
Fourth, Republicans believe that barriers to economic and job growth should be removed by reducing regulatory burdens and mandates, and increasing access to affordable capital.


Finally, Republicans also believe the U.S. should continue to expand markets for our goods and services abroad through open and fair trade policies.


The President  
Page Two


Again, we look forward to your economic and budget submission. The challenges are great, but working together they can be solved.

Sincerely,

  
Republican Leader

  
Chairman, Republican Policy  
Committee

  
Co-Chairman, Republican  
Economic Policy Task Force

  
Co-Chairman, Republican  
Economic Policy Task Force

February 11, 1993

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor

*David*

SUBJECT: Clinton's Deficit Strategy -- The \$50 Billion  
"Surprise"

Last night, Katie Rabkin, a middle class woman from Atlanta, told President Clinton, "I'm concerned about your campaign promise to not raise taxes for the middle class and how you intend to keep that promise." President Clinton responded:

"...I did put out a plan which didn't contain a middle-class tax increase. But, I also repeatedly said... [that] I refuse to say "read my lips." That's not responsible.

...We have been told since the election that the federal debt every year is going to be \$50 billion bigger than we were told it was before the election. Now I wish I could promise you that I won't ask you to pay any more, but I can tell you this.... Before I ask the middle class to pay, I am going to ask the wealthiest Americans and the companies who made money in the '80s and had their taxes cut to pay their fair share, and I'm going to cut more government spending."

Clinton's strategy on the deficit appears to have two parts. First, he will attack President Bush for hiding the problem with smoke and mirrors. Then, he will turn around, move the goalposts to fulfill his revised deficit reduction "goal" and blame any middle class tax hike on President Bush.

I still believe that we should not attack the President until he unveils his stimulus plan. Republican attacks could help unite the Democrats and there are some serious problems on the other side of the aisle. But, once the blueprint is public, you might want to try the following approach:

- Republicans are serious about reducing the deficit, but we oppose efforts to raise taxes to finance more government spending. [Perot supporters will agree.]
- Republicans want to create more jobs in the private sector by encouraging more saving and investment. Democrats want to create more jobs by forcing taxpayers to "invest" in more government.
- We want President Clinton to back up his tough talk on the deficit with real cuts in government spending.

NOTE: I would make one change to your response on Larry King: we did not know "precisely" what the numbers were going to be last July, but we all knew that the problem was getting worse.

February 12, 1993

#### REPUBLICANS STAND READY TO WORK WITH THE PRESIDENT

- o We want to work with the President keep the economy moving, create millions of good, high-wage jobs that will last, and cut the deficit in half in 4 years by controlling government spending.

#### THE BUSH RECOVERY CONTINUES TO PICK UP STEAM

- Growth was up 3.8 percent in the 4th quarter of 1992 -- the LARGEST increase in 4 years and the 7th consecutive quarterly gain. This week, the consensus forecast of the 51 private sector Blue Chip analysts jumped to 3.1 percent for 1993 -- the highest levels since 1988.
- The productivity of American workers jumped 2.7 PERCENT IN 1992 -- the BIGGEST ANNUAL INCREASE IN 20 YEARS.
- U.S. economic growth was the HIGHEST of any major industrial nation in 1992.

#### Real GDP Growth in 1992 (Annual % Change)

<u>U.S.</u>	<u>Japan</u>	<u>Germany</u>	<u>European Community</u>	<u>Canada</u>
2.1	1.6	1.5	1.1	1.0

- MORTGAGE RATES DROPPED TO A 20-YEAR LOW THIS WEEK, and single-family unit housing starts are at the highest level since 1987.

#### REPUBLICAN CONCERNS

- o The unemployment situation has improved nationwide, but there are still some areas where people are hurting. Most economists agree that JOB CREATION has lagged behind other economic indicators.
- o An ill-conceived "stimulus" could undermine the momentum that is building in the economy. HIGHER TAXES and MORE GOVERNMENT MANDATES will NOT CREATE JOBS.
- o It is unlikely that a "stimulus package" -- whether it's \$15 billion, \$20 billion or \$31 billion -- can do much to help a SIX TRILLION DOLLAR ECONOMY. But, one thing is for certain: it will add to our \$300 BILLION DEFICIT.

#### GOVERNMENT IS TOO BIG AND IT SPENDS TOO MUCH

- o REPUBLICANS ARE SERIOUS ABOUT REDUCING THE DEFICIT, BUT WE OPPOSE EFFORTS TO RAISE TAXES TO FINANCE MORE GOVERNMENT SPENDING.

- o We want President Clinton to back up his tough talk on the deficit with real cuts in government spending.
- o We are hearing that the President's budget package may include \$1 in higher taxes for every \$1 in spending cuts. During his confirmation hearings last month, BUDGET DIRECTOR PANETTA said he favored deficit reduction that included \$2 in spending cuts for every \$1 of higher taxes.
- o The bipartisan group of governors has urged the President to go even further on the spending side -- Republicans agree.

#### DEMOCRATS VS. REPUBLICANS

- o Republicans want to help businesses create more jobs in the private sector by encouraging more saving and investment. Democrats believe that the best way to create jobs is to force taxpayers to "invest" in more government.

1 REU 02-10-93 10:58 EST 47 Lines. Copyright 1993. All rights reserved.  
AM-CLINTON-HEALTH 1STLD (SCHEDULED)

# **WHITE HOUSE CONSIDERING MEDICARE AND MEDICAID CUTS**

By David Lawsky

WASHINGTON, Reuter - President Clinton is considering tough new limits on federal health care spending and delaying plans to extend health coverage to all Americans in his drive to cut the budget deficit, a government source said Wednesday.

``There are only a handful of places for serious ... savings'' and among the areas are Medicare, Medicaid and other government health programs, the source, who declined to be identified, told Reuters.

Clinton has promised to cut the deficit by \$145 billion in fiscal 1997 -- a goal which the source said may be exceeded if the president takes the tough choices being considered.

The federal government last year spent an estimated \$253 billion on Medicare for the elderly, Medicaid for the poor and other health care benefits, according to the non-partisan Congressional Budget Office.

Outlays on those programs have been growing at an alarming rate and are expected to hit \$566 billion by the year 2000.

Putting tough new limits on such popular programs would be politically dangerous, but Clinton has little choice but to consider such a move since those outlays account for such a large chunk of the government's \$1.5 trillion budget.

The nation's governors have warned Clinton that he shouldn't rely too heavily on tax increases to reduce the deficit and should at least balance them with spending cuts -- advice the source said the president has taken to heart.

Clinton has said that getting control of health care costs is essential to any long-term plan to slash the \$300 billion plus budget deficit.

But experts had warned that any savings would be quickly gobbled up by his plan to extend health care coverage to the 35 million Americans who now don't have it.

To get around that, Clinton could delay universal coverage -- a strategy that would be possible under the managed competition approach to health care reform he's endorsed.

The consensus is that it would take three to five years to phase in universal coverage under managed competition, providing some breathing space for the administration.

Savings can be achieved by curbing growth in government health care programs, not actually cutting them back.

Medicare and Medicaid payments alone today account for 3.4 percent of total U.S. output of goods and services, according to the Congressional Budget Office. They are expected to reach 5.1 percent in 1998.

071 AP 02-10-93 07:45 EST 58 Lines. Copyright 1993. All rights reserved.

## **Economists See Fastest Pickup in Five Years<**

By JOHN D. McCLAIN=

Associated Press Writer=

WASHINGTON (AP) The U.S. economy, following a brisker-than-expected revival in the October-December quarter, will accelerate at its fastest pace in five years in 1993, some of the nation's top economists predicted today.

The consensus of the 51 analysts surveyed late last month by Blue Chip Economic Indicators calls for economic growth of 3.1 percent this year, up from the 2.9 percent forecast in the newsletter's December survey.

If so, that would be the fastest expansion since the economy grew 3.9 percent in 1988. It slowed as the recession neared and actually fell 1.2 percent in 1991 before squeaking out a 2.1 percent improvement last year.

"This made it possible for us to haul out our under-utilized green banner," said economist Robert J. Eggert, who edits the Sedona, Ariz., newsletter.

The newsletter uses different colors for its banner, or masthead. Green means the economy is expanding above long-range growth potential of 3 percent. Yellow signals low economic growth between zero and 2.9 percent, while red warns the economy may decline.

The survey participants represent banks, businesses, economic forecasting services, universities and Wall Street firms.

Eggert said the likelihood that President Clinton will propose "a modest boost in infrastructure spending and an investment tax credit" represented some of the reasons for the survey's optimism.

"The continuation of the corporate restructuring mania, a still-depressed commercial real estate sector and more defense industry cutbacks may act as a governor on growth this year," he added, "but their effects are waning."

"Most significantly, the sharp gains in the Index of Leading Economic Indicators during the past three months suggest the economy's improvement will be a lasting one," he said.

The index is the government's chief economic forecasting gauge. It jumped 1.9 percent in December, the biggest leap since a similar increase in April 1983, when the economy was emerging from the last recession.

The Blue Chip economists concur with Eggert's assessment. The consensus forecast calls for 3.3 percent growth in 1994.

But the forecasts are modest compared to the economic growth following the previous recession in 1981-82. The economy expanded 3.9 percent in 1983 and 6.2 percent in 1984.

Many economists are concerned that the employment situation will not improve significantly unless economic growth tops 3 percent. In fact, the Blue Chip survey projects a 7 percent jobless rate this year before dropping to 6.5 percent in 1994. It stood at 7.1 percent last month.

The Blue Chip banner was mostly red and yellow for the last four years, although it brightened into green for a brief period last June, when the Blue Chip economists also projected 3.1 percent growth in 1993.

But the economy lost momentum during the summer and the green banner faded to yellow until the current issue.

ROBERT J. SAMUELSON

# Does Anyone Know History?



Clinton's plan for an economic stimulus revives the discredited approach of fine-tuning

**R**emember fine-tuning? In the 1960s, it referred to the government's presumed ability to improve the economy's growth by small changes in tax and spending policies. Later, the concept fell into disrepute, because repeated fine-tuning spawned high inflation. Well, it's back in vogue. President Clinton's promised "economic stimulus" is classic fine-tuning. The program would, according to press reports, total between \$15 billion and \$31 billion and consist of extra public-works spending and tax "incentives" for business investment.

You wonder whether Clinton and his advisers have any sense of history. The president wants to be seen focusing "like a laser" on the economy, and maybe a stimulus plan conveys the desired image. But it's a bad idea for four reasons: (1) it isn't needed; (2) even if it were, it might not work; (3) if it does work—or is seen by the public to work—it would create a bad precedent for future policy, and (4) it distracts from what should be Clinton's main focus, reducing the budget deficit. Let's take the arguments one by one.

**The stimulus isn't needed.** The economy is much stronger than most commentators expected. Since June, output (gross domestic product) has risen at a 3.6 percent annual rate. Lower interest rates pushed up housing starts 19 percent in 1992 to 1.2 million units. Existing-home sales in December (at an annual rate of 4 million units) were the highest since 1979. Consumers are more confident, because they've repaid debts and because layoffs—despite some well-publicized job cuts—have dropped. Between July and December, initial weekly unemployment claims declined 21 percent. As companies became more profitable, they increased equipment investment by 7 percent in 1992. These strengths should offset possible weakness in exports and defense spending. Most economists expect growth of 3 percent in 1993, which would be much higher than in either Germany or Japan. In fact, U.S. growth could go as high as 4 percent, says Lawrence Kudlow of the investment banking firm Bear, Stearns.

**It might not work.** Economist David Wyss of DRI/McGraw-Hill, a forecasting firm, estimates that a \$20 billion stimulus program might create 400,000 to 500,000 jobs by the end of 1994. The extra increase in GDP would be about 0.5 percent. He doesn't see much impact until late 1993, because Congress probably wouldn't enact a plan before late spring. But any benefits could be entirely offset, Wyss reckons, if long-term interest rates rose by 0.3 percentage points (say, from 8 to 8.3 percent for mortgages). That would hurt housing and investment. Interest rates would rise if investors decided

that Clinton's policies—everything from the budget to his promise to index the minimum wage to inflation—have an inflationary bias.

**The stimulus might work—or seem to.** If the economy grows strongly, people might assume (even if they're incorrect) that the stimulus is the reason. With high unemployment (7.1 percent in January) and low factory utilization (79.3 percent in December), a little extra spending now shouldn't quickly raise inflation. But at most, a temporary stimulus has only a temporary effect on the economy; the effect stops when the new spending or tax cuts stop. The danger is that, whenever the economy slows in the future, Congress and the president would be tempted to repeat the exercise by increasing spending or cutting taxes. This sort of fine-tuning in the 1960s and 1970s—when reinforced by easy credit policies from the Federal Reserve—raised inflation. If the Fed doesn't cooperate, the main result is a higher budget deficit. And three decades of deficits haven't improved the economy's long-term growth rate.

**It distracts.** Folks, it's hard to trim the budget deficit if every sign of economic weakness serves as an excuse to raise the deficit. The federal budget exists to define and pay for the tasks of government. It's too cumbersome to be used aggressively to control the business cycle. The mixing of these two roles—the budget as an expression of government and the budget as a tool of economic management—has consistently confounded public understanding. Government can't easily influence business cycles, but its main tool for doing so ought to be monetary policy (the Federal Reserve's policies). Indeed, the Fed could cushion any depressing effects on the economy of the spending cuts or tax increases needed to reduce the deficit. In a \$6 trillion economy, though, these are likely to be modest.

By marrying "economic stimulus" and "deficit reduction," the president creates a monumental public-relations task of trying to explain what cannot easily be explained. If a bigger deficit is OK for 1993, why not for 1994 or 1995? Presumably, the president will argue that the faster economic growth generated by the stimulus will make disagreeable deficit reduction more palatable.

This political logic is less compelling than it seems. The winners from stimulus and the losers from deficit reduction aren't necessarily the same people. Highway workers might benefit, while defense workers might lose. Defense workers probably won't be mollified. There are practical problems, too. Any stimulus ought to be enacted quickly. Yet, this will be hard if it's tied to passage of a controversial deficit-cutting plan. But separating the two might undermine the credibility of the president's promise to control the deficit.

Curiously, Clinton has created this problem since the election. A stimulus package was not a big part of his campaign. The more the economic statistics improved—and the less the need for a stimulus—the more he committed himself to it. This may be a lapse in judgment or an effort to claim political credit for a recovery that was happening anyway. The usual justification is that the recovery isn't producing job growth. But it is, though grudgingly. The government has two regular employment surveys. Despite cuts at companies like IBM, one survey shows job growth of 1 million and the other 742,000 in the past year. The unemployment rate has dropped from a recent high of 7.7 percent in June. Steady economic growth combined with slow job growth is raising productivity (output per hour), the source of higher living standards. It increased 2.8 percent last year, the most since 1976.

The White House says that no "final" decisions have been made. If so, Clinton could still decide (and should) to leave fine-tuning where it belongs: on history's scrapheap.

# BACKGROUND

February 5, 1993  
9:00 p.m.

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor *David*

SUBJECT: Budget Observations

I urge you not to say anything about the budget games that Clinton could play with his stimulus package at this time. If he decides to proceed as I believe he will, the President may find that he has major problems on his own side of the aisle.

## Background:

Last year, Congress cut defense well below the 1993 defense discretionary cap. The exact size of the cut is unknown. There is a gray area -- mostly for "conversion" -- where funds were provided if the Secretary of Defense agreed to release them for certain purposes. Cheney opposed most of these provisions. Aspin supports most of them. Defense spending is roughly \$15 billion below the 1993 cap.

Rather than moving directly to tear down the firewalls to finance his proposal, Clinton could accomplish the same thing by using the escape hatch that was built into the 1990 Budget Agreement -- and declaring an "emergency". This action would move the spending in the bill outside the spending caps.

I believe that Panetta will do this to avoid a 60-vote point of order in the Senate (I double-checked) and allow the President to claim that his package is responsible. He could argue that total government spending would remain within the spending caps set in the 1990 Budget Agreement.

## Potential Problems with this Approach:

- o Once the President designates the package as an "emergency", his ability to restrain the Democrats greatly diminishes. There is a lot of pent up demand for more domestic spending.
- o Anyone opposing the package could argue that with 3.8 percent growth and a \$300 billion deficit, it is hard to justify an "emergency".
- o Combine this with Panetta's plan to get Congress to vote on a budget without the details, and you might see more than a few conservative Democrats up in arms.

February 5, 1993

M E M O R A N D U M

TO: SENATOR DOLE  
FROM: NINA OVIEDO  
SUBJECT: ECONOMIC/TAX TALKING POINTS

CLINTON'S STATE OF THE ECONOMY (WEDNESDAY, FEB. 17)

- WE HAVEN'T BEEN CONSULTED -- SO IT'S HARD TO SAY WHAT THE PRESIDENT WILL ACTUALLY PROPOSE.
- WE HEAR ITS A PACKAGE OF SOME \$30 BILLION -- HALF IN INCREASED SPENDING, HALF IN TAXES.
- WE HEAR THE SPENDING MAY BE USED FOR HIGHWAY CONSTRUCTION, A CHILDREN'S VACCINE PROGRAM OR SUMMER JOBS.
- ON TAXES -- WE HEAR A VARIETY OF THINGS: ITC, CAPITAL GAINS, PERSONAL AND CORPORATE TAX INCREASES, ESTATE TAX INCREASES, ALCOHOL AND TOBACCO EXCISE TAX INCREASES, GASOLINE TAXES -- EVERYTHING IS ON THE TABLE.

REPUBLICAN PRINCIPLES

- REGARDLESS OF WHO'S SAYINGS WHAT -- I THINK THAT REPUBLICANS IN THE SENATE HAVE AGREED ON SOME VERY BASIC PRINCIPLES TO JUDGE THE PRESIDENT'S PROPOSALS. IN FACT, WE'RE SENDING A LETTER TO THE PRESIDENT TODAY.
- FIRST, IF THE PRESIDENT WANTS REPUBLICAN SUPPORT, HE'S GOING TO HAVE TO TALK ABOUT SOME SPENDING CUTS. GOVERNMENT IS TOO BIG AND IT SPENDS TOO MUCH. IF YOU COMPARE THE 1980'S TO THE 1970'S, GOVERNMENT SPENDING AS A SHARE OF THE GDP WENT UP TWICE AS MUCH AS REVENUES. AND UNLESS THE PRESIDENT IS WILLING TO TAKE ACTION, GOVERNMENT SPENDING WILL RISE EVEN FASTER IN THE YEARS AHEAD.
- SO, WE BELIEVE THAT ANY BUDGET PACKAGE MUST EMPHASIZE TOUGH, ENFORCEABLE CONTROLS ON FEDERAL SPENDING.
- SECOND, I'M NOT SURE THAT A "STIMULUS PACKAGE" -- WHETHER IT'S TEN, TWENTY, OR THIRTY BILLION DOLLARS -- CAN HAVE ANY REAL IMPACT ON A SIX TRILLION DOLLAR ECONOMY.

- SO, IF THE PRESIDENT PROPOSES A SHORT-TERM STIMULUS PACKAGE IT MUST BE TIED TO A TOUGH, ENFORCEABLE LONG-TERM DEFICIT REDUCTION PLAN.
- THIRD, IF WE'RE GOING TO MAKE ANY TAX LAW CHANGES, REPUBLICANS BELIEVE THE CHANGES SHOULD ENCOURAGE MORE SAVINGS AND INVESTMENT.
- FOURTH, REPUBLICANS SUPPORT POLICIES THAT WILL CREATE NEW, HIGH-PAYING JOBS. MORE MANDATES AND GOVERNMENT RED TAPE ARE NOT THE ANSWER. THEY DESTROY JOBS.
  - OF COURSE LAST FRIDAY, THE PRESIDENT SIGNED A NEW MANDATE ON BUSINESSES [FAMILY AND MEDICAL LEAVE].
- FINALLY, WE SHOULD CONTINUE TO EXPAND MARKETS FOR OUR EXPORTS THROUGH OPEN AND FAIR TRADE POLICIES.

#### GENERAL

- PRESIDENT CLINTON MADE A LOT OF PROMISES ABOUT REDUCING THE DEFICIT. AND HE ALSO MADE A FEW PROMISES REGARDING NEW SPENDING PROGRAMS AND A MIDDLE CLASS TAX CUT.
- BUT REALITY IS SETTING IN, AND AS THE PRESIDENT SAID IN HIS INAUGURAL ADDRESS, HE REALIZES THAT HE CAN'T FULFILL THOSE PROMISES WITHOUT MAKING SOME VERY TOUGH, AND VERY PAINFUL DECISIONS.
- NO DOUBT THAT INCREASING TAXES -- ENOUGH TO REDUCE THE DEFICIT AND FINANCE HIS PROMISED SPENDING INCREASES -- WILL BE VERY PAINFUL, FOR HIM AND CONGRESS.

#### PERSONAL INCOME TAX

- PRESIDENT CLINTON PROMISED TO "LOWER THE TAX BURDEN ON MIDDLE CLASS AMERICANS BY FORCING THE RICH TO PAY THEIR FAIR SHARE."
- BY ALL ACCOUNTS IT LOOKS LIKE THE TOP INDIVIDUAL TAX RATE WILL CLIMB TO AT LEAST 36% AND MILLIONAIRES WILL FACE A SURTAX.
- THE CLINTON ADMINISTRATION MAY WANT YOU TO THINK THAT A TAX INCREASE WILL FORCE THE RICH TO "PAY THEIR FAIR SHARE" BUT THE INCREASE WOULD HIT TAXPAYERS WITH UNINCORPORATED BUSINESSES -- SOLE PROPRIETORS, PARTNERSHIPS, S CORPORATIONS -- AMERICAN'S SMALL BUSINESSES.

- INSTEAD OF BUYING NEW EQUIPMENT OR CREATING NEW JOBS, THESE BUSINESS OWNERS WILL PAY MORE TAXES.
- AT LEAST 60 PERCENT OF ALL JOBS CREATED ANNUALLY ARE CREATED BY SMALL BUSINESSES.

#### SOCIAL SECURITY COLAs (DAVID TAYLOR)

- IN THE EARLY 1980S, THE SOCIAL SECURITY SYSTEM TEETERED ON THE BRINK OF INSOLVENCY. IN 1983, WE TOOK BIPARTISAN ACTION TO FIX THE SYSTEM AND PUT IT ON A SOUND FINANCIAL FOOTING WELL INTO THE 21ST CENTURY.
- SOCIAL SECURITY IS NOT CONTRIBUTING TO THE DEFICIT NOW OR INTO THE FORESEEABLE FUTURE.
- I DON'T THINK YOU'LL FIND MANY REPUBLICANS WILLING TO CUT BENEFITS OR DELAY COLAs. IN FACT, IT SOUNDS LIKE THE PRESIDENT MAY RUN INTO SOME PROBLEMS IN HIS OWN PARTY ON THIS ONE. CHAIRMAN MOYNIHAN HAS DECLARED THE PROPOSAL "UNACCEPTABLE."

#### CORPORATE INCOME TAXES

- NOT MUCH HAS BEEN SAID ABOUT INCREASING THE CORPORATE RATE. BUT DON'T HOLD YOUR BREATH. IT'S HARD TO IMAGINE AN INDIVIDUAL RATE INCREASE WITHOUT A CORPORATE INCREASE.
- SENATOR MOYNIHAN HAS SAID IT'S INEVITABLE.
- I WONDER WHAT AN INCREASE WOULD DO TO OUR COMPETITIVENESS?, JOBS?, GROWTH?

#### ESTATE TAXES

- I AM PARTICULARLY CONCERNED OVER THE TALK OF INCREASING CERTAIN ESTATE TAX PROVISIONS. ONE SUGGESTION, ORIGINALLY MADE BY THE DEMOCRATS TO PAY FOR A HEALTH CARE BILL, WOULD REDUCE THE CURRENT ESTATE TAX EXEMPTION OF \$600,000 TO \$200,000.
- THIS PROPOSAL SAYS THAT YOU CAN PASS ON \$200,000 TO YOUR CHILDREN WITHOUT INVOLVING UNCLE SAM. IT SOUNDS LIKE A LOT OF MONEY. BUT, LET'S THINK ABOUT IT.
- THERE ARE CLOSE TO 2 MILLION FAMILY FARMS IN THIS COUNTRY WITH AN AVERAGE VALUE OF \$252,000. THAT PRETTY MUCH TAKES CARE OF THE EXEMPTION.

- AND IT'S NOT JUST FARMERS. WHAT ABOUT LANDLORDS? FOR INSTANCE, IN KANSAS, THE VALUE OF LAND RENTED BY FARMERS AVERAGES OVER \$400,000. THAT MEANS MANY LANDLORDS LIVING IN THE CITY HAVE A SIZEABLE INTEREST IN HOW ESTATE TAXES WILL AFFECT THE VALUE OF THAT LAND.
- SMALL BUSINESSES AND EVEN HOME OWNERS WOULD BE HIT. THE MEDIAN PRICE OF A HOME IN THE U.S. IS ABOUT \$104,000. THAT GET'S YOU HALF-WAY THERE WITHOUT EVEN TRYING.
- STILL ANOTHER PROPOSAL THESE DAYS IS A CAPITAL GAINS TAX AT DEATH -- PROVIDING AN ADDITIONAL TAX ON THE DIFFERENCE BETWEEN THE CURRENT VALUE OF YOUR PROPERTY AND ITS BASIS, THE AMOUNT YOU PAID TO ACQUIRE IT.
- MANY FAMILIES HAVE HOPES OF KEEPING THEIR PARENTS' OR GRANDPARENTS HOMES, FARMS OR BUSINESSES. IT'S A FAMILY TRADITION.
- WE CANNOT PENALIZE FAMILIES IN THIS MANNER.
- YOU KNOW, THERE ARE TWO THINGS CERTAIN IN LIFE -- DEATH AND TAXES. I GUESS PRESIDENT CLINTON IS TRYING TO COMBINE THEM.

#### ENERGY/CONSUMPTION TAXES

- THERE'S LOTS OF TALK ABOUT BROAD BASE ENERGY TAXES/ CONSUMPTION TAXES: GASOLINE TAXES, CARBON TAXES, OIL IMPORT FEES AND THE VAT.
- I DON'T NEED TO TELL YOU, BUT THESE ARE HARD DECISIONS. WE'RE NOT A SMALL COUNTRY -- THESE TAXES HIT DIFFERENTLY IN EACH REGION OF THE COUNTRY.
- TAKE THE GAS TAX. I UNDERSTAND THAT THE CHAIRMAN MOYNIHAN IS "WELL DISPOSED" TOWARDS A 25 CENT TAX INCREASE. LET'S SEE WHY...NEW YORKERS CONSUME ANNUALLY SOME 315 GALLONS PER CAPITA. IN KANSAS, WE CONSUME 462 GALLONS PER PERSON. THAT MEANS AT FOR A 10 CENT TAX INCREASE, NEW YORKERS WOULD PAY \$31.50 WHILE KANSANS WOULD PAY \$46.20. IN WYOMING, THEY WOULD PAY \$60 -- THE TAX IS REGIONALLY UNFAIR.
- BUT, IF YOU LOOK AT CARBON TAXES, BASICALLY A TAX ON COAL, KANSAS HAS VERY LITTLE COAL PRODUCTION AND RANKS 29TH IN COAL CONSUMPTION. MAYBE WE WOULDN'T SCREAM AS LOUDLY ABOUT THIS TAX AS SAY WEST VIRGINIANS.
- AS YOU MAY KNOW, ENERGY CHAIRMAN JOHNSTON HAS SPONSORED LEGISLATION CALLING FOR AN OIL IMPORT FEE. THE FEE COULD DO A NUMBER OF POSITIVE THINGS, BUT THERE ARE IMPORTANT TRADE IMPLICATIONS TO CONSIDER.

- AN OIL IMPORT FEE COULD RAISE SIGNIFICANT REVENUES -- AS MUCH AS \$35 BILLION OVER THREE YEARS FOR THE PROPOSED LEGISLATION -- AND IT WOULD BE QUITE FAVORABLE TO OUR DOMESTIC PRODUCERS -- WHO HAVE TAKEN IT ON THE CHIN FOR SO LONG.
- WHILE SOME WILL PROBABLY ARGUE THAT AN OIL IMPORT FEE IS GATT ILLEGAL, WE MAY BE ABLE TO DEFEND SUCH A FINDING ON THE GROUNDS THAT IT IS VITAL TO OUR NATIONAL SECURITY INTERESTS.
- ON THE OTHER HAND, NO DOUBT THAT WE WOULD BE CRITICIZED BY OUR TRADING PARTNERS FOR SPEAKING OUT OF BOTH SIDES OF OUR MOUTHS. HERE WE'RE TRYING TO CONVINCE OUR PARTNERS TO LOWER THEIR TRADING BARRIERS WHILE WE WOULD PUT ONE UP OURSELVES.
- THERE'S MORE AND MORE TALK ABOUT A VAT AND MAYBE IT'S SOMETHING THAT SHOULD BE CONSIDERED BUT, IT IS VIEWED AS A EXTRA PAINFUL POLITICAL DILEMMA AND WOULD APPEAR TO TAKE SOME TIME BEFORE A PROPOSAL IS FULLY DEVELOPED, DEBATED AND LEGISLATED. I DO KNOW THAT MEMBERS ON BOTH SIDE OF THE AISLE ARE LOOKING INTO A VAT WITH CONSIDERABLE MORE INTEREST THAN BEFORE. [SENATORS DANFORTH AND BOREN SEEM TO HAVE TAKEN A LEAD ON THE ISSUE.]
- IT MAY BE THAT THE ADMINISTRATION WILL GO FORWARD WITH A BROAD BASED ENERGY TAX OR SOME OTHER CONSUMPTION TAX -- BUT IT IS MY HOPE THAT THE PRESIDENT LOOKS HARD AT THE EFFECTS ON MANUFACTURING COSTS, CONSUMER PRICES, EXPORTS ... AND SUCH, BEFORE ENACTING LEGISLATION.

M E M O R A N D U M

February 12, 1993

TO: SENATOR DOLE  
FROM: JIM MCMILLAN  
RE: EXTENSION OF UNEMPLOYMENT BENEFITS

BACKGROUND

You may want to start talking about the issue of extending unemployment benefits. Labor Secretary Reich has already said that the Administration intends to do another emergency extension and legislation is expected to be sent up with Clinton's economic program. Rumor is that the legislation will provide for an extension through to the end of the fiscal year.

The current emergency extension program expires March 6, 1993. As you know, there were also reforms to the permanent extended benefits program pushed by through by Bentsen along with the emergency extension. The purpose of those reforms was to make the permanent EB program easier for the states to trigger on to and more generous. While the national unemployment rate dropped to 7.1% last month, it is still higher than expected and there are serious problems with pockets of unemployment. In this connection, the Administration will urge that another emergency extension is necessary to help unemployed Americans who are out of work through no fault of their own.

TALKING POINTS

- I EXPECT THAT WE WILL BE SEEING THE ADMINISTRATION PUSH FOR LEGISLATION TO FURTHER EXTEND UNEMPLOYMENT BENEFITS.
- AS WITH PRIOR EXTENSIONS, THERE WAS ALWAYS A BATTLE OVER WHETHER AND HOW TO FINANCE THE EXTENSIONS. I HOPE THAT THE ADMINISTRATION, IN THEIR PACKAGE, WILL PAY FOR THE EXTENSION. WE DON'T WANT TO ADD TO THE DEFICIT AND CREATE FURTHER PROBLEMS FOR THE ECONOMY.
- WHILE WE SAW THE UNEMPLOYMENT RATE DROP LAST MONTH TO 7.1% FROM DECEMBER'S 7.3%, IT IS STILL TOO HIGH. EVEN MORE, HOWEVER, WE ARE SEEING SERIOUS PROBLEMS WITH RESPECT TO POCKETS OF UNEMPLOYMENT SUCH AS IN CALIFORNIA, NEW YORK, MARYLAND, AND OREGON.
- IN MY STATE OF KANSAS, WE ARE LOOKING AT BIG JOB CUTS WITH 1,700 JOBS FROM SEARS, UP TO 6,000 FROM BOEING, AND 400 JOBS FROM BEECH AIRCRAFT.
- I THINK THAT IF THERE IS AN EXTENSION OF BENEFITS, WE NEED TO START ADDRESSING THIS PROBLEM OF UNEMPLOYMENT POCKETS SO THAT OUR RESOURCES ARE TARGETED EFFICIENTLY.

BOB DOLE  
KANSAS

## United States Senate

OFFICE OF THE REPUBLICAN LEADER

WASHINGTON, DC 20510-7020

February 10, 1993

The Honorable Donna Shalala  
Secretary  
Department of Health & Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Shalala:

You have indicated that the Clinton Administration is preparing an executive order to reverse the policy generally barring aliens infected with the AIDS virus from entering the United States. The prospect of such a policy shift raises several troubling questions. These questions include but are not limited to:

Will people with the most advanced forms of AIDS be admitted? Who will care for these people should their physical condition worsen? Would these emigres be returned to their home country, or would taxpayers be forced to pay the astronomical cost of treatment for these patients, in effect establishing "health care asylum" in America? Will these AIDS patients add to the strain on our already overburdened health care system?

Is it wise to admit people to this country who may not be familiar with their responsibility to prevent the spread of AIDS? On top of the billions of dollars we have spent on AIDS research, our nation has invested untold millions of dollars to educate the public about the AIDS virus. Would the American taxpayer have to pay to educate these emigres, or are we willing to take our chances that these individuals will act responsibly? Would we be assured that none of these infected aliens had histories of sex crimes?

When America has faced a public health crisis, we have traditionally acted to limit cases of the infectious disease contributing to the threat. It is the responsibility of the U.S. Government to protect the well-being of our nation's people. While I realize some fears about AIDS are unfounded, I fail to see how bringing more people infected with AIDS into America will in any way contribute to the health and safety of the American public. It seems to me we have more than enough health care problems without adding to the crisis. The medical experts at the 300,000 member American Medical Association also oppose changing this policy.

In addition, it appears the current policy provision allowing infected aliens waivers for short-term visits for educational and humanitarian purposes is reasonable and adequate.

The Honorable Donna Shalala  
page 2

Unless you believe we have the AIDS crisis under control, I would advise you to resist this potentially explosive policy change. Furthermore, unless questions like those above can be adequately addressed, an executive order overturning current policy would likely precipitate Congressional action to safeguard the financial and physical health of the American taxpayer.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bob Dole", written in a cursive style.

BOB DOLE  
U.S. Senate Republican Leader

cc: The Honorable Stuart Gerson  
Acting Attorney General

# American Medical Association

Physicians dedicated to the health of America



## Statement

February 10, 1993

"WAFFLE"  
up date

### AMA SUPPORTS PUBLIC HEALTH SERVICE DECISION TO LIFT BAN ON HIV-INFECTED IMMIGRANTS

Statement is attributable to: James S. Todd, MD  
Executive Vice President  
American Medical Association

"The American Medical Association has long opposed a total ban on the travel of HIV-infected visitors to the United States. There is no sound scientific public health basis for the wholesale exclusion of HIV-infected persons traveling in the U.S.

"We are concerned, however, that large numbers of HIV-infected permanent immigrants could tax the resources of our already burdened health care system.

"Since current immigration law does not distinguish between travelers and permanent immigrants, we believe the best solution to this issue would be a legislative modification of the immigration laws so that exclusion of HIV-infected persons would be limited to permanent immigrants.

"However, as this is not currently under consideration, the AMA continues to assert that decisions on testing and exclusion of immigrants to the United States should be made only by the Public Health Service, based on the best available medical, scientific and public health information. Therefore, we support the PHS recommendation to lift the ban against HIV-infected immigrants."

#

For more information contact: Brenda Laukaitis 202/789-7447

515 North State Street  
Chicago, Illinois 60610  
312 464 4480

U. S. S E N A T O R

**DON NICKLES**

O K L A H O M A

FOR IMMEDIATE RELEASE

February 10, 1993

CONTACT: ERNIE SCHULTZ OR BROOK SIMMONS

202/224-5754

**NICKLES BLASTS CLINTON AIDS PROPOSAL**

OKLAHOMA CITY--Oklahoma Senator Don Nickles said today President Clinton's decision to admit immigrants with AIDS to this country is a serious mistake which will increase the spread of the disease and cost millions of dollars.

The White House announced earlier this week that Clinton will lift the current ban on U.S. entry for AIDS infected individuals.

"I think that's a serious mistake," Nickles said. "Those AIDS infected individuals who are sexually active or using needles will increase the spread of the HIV virus which the Center for Disease Control estimates now affects more than one million Americans. AIDS is a very expensive disease to treat and if we begin admitting people with the disease, many of these costs will be passed on to the taxpayer."

Nickles noted that these costs could grow still larger if President Clinton lives up to his campaign promise to admit Haitian refugees, among whom, according to press reports, there is a high incidence of AIDS virus infection.

"This is another example of the President paying off on a campaign promise to a special interest group," Nickles said.

WASHINGTON

# Immigration-AIDS showdown looms

By Marilyn Greene  
USA TODAY

President Clinton's promise to open U.S. borders to foreigners infected with the AIDS virus shapes up as a fight rivaling the controversy over homosexuals in the military.

The battle lines will be drawn next week, when Congress returns from recess.

"Unless you believe we have the AIDS crisis under control, I would advise you to resist this potentially explosive policy change," Senate Minority Leader Robert Dole, R-Kan., warned Health and Human Services Secretary Donna Shalala in a letter this week.

Dole vows to oppose lifting the current ban, possibly by tacking an amendment onto some piece of legislation in Congress. Sen. Jesse Helms, R-N.C., succeeded in waylaying a



Agence France-Press

**OSBORNE:** 'HIV-positive people pose no special risk'

similar proposal in 1987 with an appropriations amendment that passed unanimously.

Rep. Barney Frank, D-Mass., who is openly gay, is on the president's side. He says Clin-

ton's policy represents "a triumph" for former Health and Human Services director William Sullivan, who wanted to lift the ban in 1990 but was overruled by the Bush administration. "Sullivan has finally found a president to agree with him."

In three days this week, Dole's office received 301 calls on the issue, all but six opposed to lifting the ban.

"The Clinton White House probably thinks they can sneak this through," says Dole spokesman Walt Riker. "(But) once this is out, you'll see phones ringing off the hook."

AIDS activists are preparing for congressional opposition: "We're concerned some members will try to politicize it and keep the ban in effect," says Gregory King, spokesman for the Human Rights Campaign Fund, a gay lobby with 75,000

members.

Clinton says he'll also allow in foreigners with leprosy and syphilis. Tuberculosis still would justify exclusion.

The National Commission on AIDS estimates "well under 1,000" individuals infected with the AIDS virus will enter the country annually, says spokesman Tom Brandt. It's estimated about 1 million individuals in the USA are infected with the AIDS virus. The Centers for Disease Control and Prevention in Atlanta says there are 242,146 AIDS cases.

Applicants for entry still will have to comply with stringent U.S. immigration quotas and rules, including a requirement that an individual show he will not become a financial burden to the government. Exempted: those seeking political asylum.

Among the first to benefit are more than 200 Haitians

who qualify for political asylum in the USA but have been held at the Guantanamo Bay Naval Base in Cuba because they have the AIDS virus.

Based on averages, the tab for their treatment could run to \$100,000 each.

But June Osborne, chairman of the AIDS commission, discounts the argument that the new policy will be expensive: "Nobody is allowed into the United States who's costly to the American taxpayers. HIV-positive people pose no special risk, and shouldn't be treated any differently than anybody else."

But Dan Stein, director of the Federation for American Immigration Reform, is skeptical about the policy change: "If Clinton can't guarantee it's not going to cost a single red cent in unreimbursed medical expenses, it's a no-brainer."

RE NATIONAL NEWS  
PAGE B5

# Hill Republicans oppose change in HIV policy

By Joyce Price  
THE WASHINGTON TIMES

Senate Republican leaders say the Clinton administration's plan to accept immigrants infected with the AIDS virus could be disastrous both financially and from a public health standpoint.

"Unless you believe we have the AIDS crisis under control, I would advise you to resist this potentially explosive policy change," Senate Minority Leader Bob Dole said in a letter to Donna Shalala, secretary of health and human services.

Sen. Don Nickles of Oklahoma, chairman of the Senate Republican Policy Committee, said the proposed change in the immigration rules would be a "serious mistake" that would "increase the spread of HIV infection and cost millions of dollars."

The proposal would reverse a 6-year-old policy imposed during the Reagan administration to keep out foreigners infected with the human immunodeficiency virus, which causes AIDS.

Under existing regulations, foreign travelers can receive waivers to enter the country briefly for specific purposes. But the policy change would end the waiver system and prohibit the consideration of a person's HIV status in an application for residency in this country.

Rep. Bill McCollum of Florida, the ranking Republican on the House Judiciary immigration subcommittee, opposes the change.

"My boss's big fear is that it seems very much targeted at Haitians," McCollum spokesman Scott Brenner said yesterday.

Lifting the ban on people infected with HIV could affect 274 Haitian refugees being held at Guantanamo Bay, Cuba. Their bids for political asylum were held up because they have the AIDS virus.

"If the White House lifts the HIV ban, taxpayers will be stuck picking

up the multimillion-dollar tab. We will be forced to foot the bill not only for those on Guantanamo but for many of the HIV patients of the world," said Dan Stein, the executive director of the Federation for American Immigration Reform.

Mr. Stein cited a Centers for Disease Control and Prevention report that estimated the lifetime cost of treating an HIV patient at more than \$85,000. That would make the cost for those at Guantanamo more than \$22 million.

The offices of Mr. Dole and Mr. Nickles each received at least 200 calls about the proposed change; all were negative. Mr. McCollum's office received as many as 100 calls, all against the change. An aide to Rep. Marge Roukema, New Jersey Republican, said 120 calls came into her office, and "all of them were opposed to the change."

Officials of the American Medical Association, the world's largest physicians' organization, have denounced the Clinton plan.

Mr. Dole warned Miss Shalala that if HHS changes the policy without "adequately addressing" questions about the cost of caring for immigrants infected with HIV and public health risks associated with their entry, Congress will likely take action to "safeguard the financial and physical health of the American taxpayer."

Walt Riker, spokesman for Mr. Dole, said one possibility "could be to legislate rules and regulations of disease control" instead of allowing the HHS secretary to make those decisions.

The Immigration Act of 1990 directed the HHS secretary to review the list of diseases that bar entry into the United States.

Richard Kenney, spokesman for the Immigration and Naturalization Service, said there's considerable legal debate over whether the HHS secretary alone can remove HIV and AIDS from that list.

## Clinton to Lift Ban on H.I.V.-Infected Aliens

By PHILIP J. HILTS  
Special to The New York Times

WASHINGTON, Feb. 8 — The Clinton Administration said today it would soon remove infection with the AIDS virus from the list of conditions that restrict people from entering the United States.

Officials of the Department of Health and Human Services said they are reducing the number of diseases on the list to one, infectious tuberculosis. The others, including AIDS, syphilis and leprosy, will be eliminated on the grounds that they are not spread casually and people who have them are not a threat to public health.

The White House said tonight that President Clinton had already instructed the Department to remove the restriction, which would fulfill an important campaign promise, but that no timetable had been set. "This is an issue the President is concerned about and working on," said George Stephanopoulos, the White House communications director, "but we have no decision yet on timing."

### Preparing for Change

Officials at the Department said today they are ready to change the rule soon by publishing it in the Federal Register.

Advocates for people with AIDS have fought the rule since it went into effect in 1987, saying the policy is discriminatory, violates visitors' privacy, is an

affront to their dignity and an international embarrassment. The restrictions also provoked outrage among public health officials, who said there was little reason to fear allowing people infected with H.I.V., the virus that causes acquired immune deficiency syndrome, into the country.

The 1992 International Conference on AIDS, originally scheduled to be held in Boston, was moved to Amsterdam amid an outcry over the restrictions.

Jeffrey Levi, legislative director for AIDS Action Council, the lobbying group representing AIDS organizations in Washington, said today the action was "long overdue."

"It's a welcome sign that public-health decisions are now being made on the basis of public health, not on politics," he said. He said the action brings the United States "back into the family of nations."

With the exception of South Africa, no industrialized countries restrict the entry of people infected with the AIDS virus, although about 50 countries, including China and some Arab countries, restrict or bar their entry.

But a spokesman for Representative Marge Roukema, a New Jersey Republican who is a leading opponent of removing AIDS from the list, said she feared that the action would "expose people in this country to the virus through another avenue." She said she also feared that immigrants with the disease would end up burdening the

American health-care system.

Since the policy has been in effect, about 600 people a year have been barred from the country; some of them did not previously realize they were infected.

Though the issue is one of high importance to advocates for the rights of AIDS patients and homosexuals, the action would most immediately affect 274 Haitians, most of them infected with the AIDS virus, who have been languishing for months in a detention camp at Guantanamo Bay, Cuba.

One White House official, speaking on the condition that he not be identified, said, "My sense is the situation in Haiti is moving up the timetable on it."

### On a Hunger Strike

The refugees, in the 12th day of a hunger strike they started to protest their plight, were all questioned last year and found, preliminarily, to be political refugees who would normally be allowed to enter the United States. But action by H.H.S. to officially remove the H.I.V. virus from the restrictive list is only the first step in admitting the Haitians.

The Justice Department must also agree to consider the refugees now in Guantanamo in the same legal category as those who have already been admitted to the United States.

Books of The Times: Weekdays

# Dropping AIDS ban irks doctors

By Joyce Price  
THE WASHINGTON TIMES

The American Medical Association yesterday denounced the Clinton administration's decision to end an immigration policy that bars people with AIDS from entering the United States.

"We simply cannot afford this policy. . . . We do not need any more AIDS patients," Dr. M. Roy Schwarz, the American Medical Association's senior vice president for science and education and chairman of its AIDS Task Force, said in a telephone interview yesterday.

"It is the view of the AMA that permanent immigrants should be tested for HIV, and, if they test positive, not be permitted to immigrate," Dr. James Todd, executive vice president of the 300,000-member association, said in a statement.

HIV, the human immunodeficiency virus, causes AIDS.

Dr. Schwarz said the new policy, which the Clinton administration announced yesterday, "doesn't make

see AIDS, page A8

## AIDS

From page A1

any sense" when there is not enough money to care for all U.S. AIDS patients and "we're talking about capping rising health care costs."

The AMA officials commented after a White House announcement that it would make good on a Clinton campaign pledge to reverse the 6-year-old policy, imposed by the Reagan administration, that included HIV and AIDS on a list of diseases for which entry can be blocked.

Press secretary Dee Dee Myers said no timetable had been set for lifting the ban. But she said flatly that Mr. Clinton intends to overturn it.

The Department of Health and Human Services, acting on advice from infectious disease experts, also recommended removing syphilis and leprosy from the list of diseases that are grounds for denying people entry to this country, a top aide said.

The only disease left on the entry list under the revised policy would be infectious tuberculosis. The

United States is battling a resurgence of TB in its inner cities.

Health officials said yesterday that HHS Secretary Donna E. Shalala has sent the proposed change in immigration rules to the Office of Management and Budget. The Justice Department also must approve.

Miss Shalala is the second HHS secretary in recent months to seek an end to the INS regulations barring entry by foreigners positive for HIV. Her predecessor, Dr. Louis W. Sullivan, also sought a change.

He first did so in 1991 but was blocked by the Justice Department, which cited more than 30,000 letters protesting the change. Dr. Sullivan tried again after the November election. But President Bush left office without acting on the proposal.

The New York Times reported that about 600 people a year have been prevented from entering the United States since the restrictions were imposed in 1987. But the Immigration and Naturalization Service could not confirm those figures.

Dr. John Bartlett, chief of infectious diseases at Johns Hopkins

Medical Institutions, "agreed that AIDS is a "very expensive disease" but said he does not believe the policy change will have much of a financial effect.

"I don't think it will have a big impact. I don't think that many people will come to the United States to get HIV care," Dr. Bartlett said.

Under existing INS policy, people testing positive for HIV can enter the United States for brief periods of time for specific purposes, via waivers. The policy change would end the need for waivers and also eliminate HIV status as a determinant for longer-term residency, according to Lynora Williams, spokeswoman for the AIDS Action Council.

The latter change worries Rep. J. Roy Rowland, Georgia Democrat, a physician. Dr. Rowland serves on the National Commission on AIDS, a panel that has long opposed the existing restrictions.

"We already have an overburdened health care system," Dr. Rowland said. "It doesn't make sense to let in more people who will become an additional burden."

CNN CROSSFIRE Transcript #766

Air Date: February 11, 1993

**CNN CROSSFIRE**  
**Lifting the AIDS Ban?**

**ANNOUNCER:** Live from Washington, Crossfire. On the left, Mike Kinsley. On the right, Pat Buchanan. Tonight, Lifting the AIDS Ban? In the crossfire, Republican Representative Lamar Smith of Texas, member of the Immigration Subcommittee; and Michael Maggio, cooperating attorney for the Center for Constitutional Rights.

**MIKE KINSLEY:** Good evening. Welcome to Crossfire. Since 1987, the United States has banned people infected with the AIDS virus from entering the country. No other advanced country in the world has such a ban, except South Africa. During the Bush administration, the Department of Health and Human Services favored lifting the ban, saying it was medically unjustified, but the Justice Department blocked any change. Now the Clinton administration is committed to lifting that ban, possibly soon. Critics say lifting the ban will promote the spread of this fatal disease. They also say that letting in people with AIDS will be a costly burden on American health care. Why, they ask, should America take that risk and undertake that cost? That's the crossfire. Pat?

**PAT BUCHANAN:** Mr. Maggio, at the same time we're trying to contain this fatal disease, why would you introduce into the U.S. new sources of infection?

**MICHAEL MAGGIO,** Center for Constitutional Rights: The fact of the matter is people come into the United States every single day infected with the AIDS virus. I know that you might prefer to have people tested for the AIDS virus at the airport, but as it stands, people have come in with AIDS as long as we have the disease. What we need to do is listen to the public health officials, not the politicians, when it comes to how we ought to deal with the AIDS virus.

**BUCHANAN:** Mr. Maggio, I think what you ought to do is you ought to try answering the question. The question is, when you have an epidemic of a dangerous, deadly disease, when we are told we are all at risk, why would you knowingly bring into the United States hundreds and hundreds of people who are carriers of this infection and who could pass it on and kill American citizens?

**Mr. MAGGIO:** You just showed you don't understand the facts when you say we're all at risk. I don't feel I'm at risk. I'm married and I don't use drugs. I don't know whether you're at risk. The point is this, people have been coming in with AIDS as long as there has been the virus. People will—

**BUCHANAN:** Why would you increase the number?

**Mr. MAGGIO:** We aren't increasing the number.

**BUCHANAN:** Sure, you are. You're going to let them in, even if you know it.

**Mr. MAGGIO:** It's the same. You know what? They come in anyway, and let me explain to you how. Most people who come into the United States are non-immigrants. They are tested for AIDS. People can—

**BUCHANAN:** I know that. Mr. Maggio, 600 people last year with AIDS were stopped and not allowed into the country. Let's assume half are active homosexuals, 300 people. They have 10 contacts a year. That's 3000 occasions in one year when those people could pass the disease on.

**Mr. MAGGIO:** That's quite an assumption, quite assumption.

**BUCHANAN:** Well, I mean, if you read the statistics, that's quite low.

**Mr. MAGGIO:** Quite an assumption, 600 out of a million immigrants. How many immigrants did we have last year, Congressman, a million?

**Rep. LAMAR SMITH, (R-TX) Immigration Subcommittee:** We had a million immigrants, but as Pat just said, we don't know how many people are coming into this country with AIDS. The problem is that the individuals with the AIDS virus constitute a threat to public health and a drain on the public treasury.

**KINSLEY:** Well, Congressman—

**Rep. SMITH:** Wait a minute. It's a threat to the public health because everybody admits this is a disease that is serious, that can be spread, that continues to be spread. It's a drain on the public treasury because these individuals cost \$100 to \$200,000 each to treat.

**KINSLEY:** All right. I think you've raised the two issues. Let's put the public treasury issue aside—

**Rep. SMITH:** No, no.

**KINSLEY:** Just for a second, we'll get back to it, and take the public health issue.

**Rep. SMITH:** OK.

**KINSLEY:** Now, the American Medical Association came out today flatly in favor of lifting the ban. They said there's "no sound scientific public health basis for this ban." Now, do you know something the AMA doesn't know?

**Rep. SMITH:** Yes, I do, and I know something that the American people know as well, and it's called common sense. For them to say that we cannot exclude people with AIDS, they have to certify, as the President has to certify, that it is not a communicable disease with public health significance. There is—I don't know of a single American who is going to say that—

**KINSLEY:** Look, do you know—can you name me—

**Rep. SMITH:** —it's not a communicable disease with public health significance.

**KINSLEY:** Look, the AMA is certainly wrong about some things.

**Rep. SMITH:** By the way, the AMA—

**KINSLEY:** Can you name me—

**Rep. SMITH:** The front page of *The Washington Times* day before yesterday—

**KINSLEY:** The front page of *The Washington Times* was flatly wrong about that. The AMA—

**Rep. SMITH:** Well, I like to quote myself from the AMA representative.

**KINSLEY:** Here's the press release

**BUCHANAN:** Well, the press release—we had two doctors at the AMA—

**KINSLEY:** "AMA supports public health service decision to lift ban on HIV infected immigrants."

FEB 12 '98 13:49

FROM CNN CRO

**Rep. SMITH:** You talk to the physicians in the field at the hospitals who have to treat these individuals when they walk in the door at a cost to the unwilling American taxpayer of \$100,000.

**KINSLEY:** Name me one, just one, public health official or public health expert who is in favor of this ban, because as far as I know there aren't any. There are plenty of politicians.

**Rep. SMITH:** Well, we have lots of doctors. They're all public health experts.

**Mr. MAGGIO:** The only people in favor of the ban are those that are hysterical about AIDS in general.

**KINSLEY:** And politicians who are trying to make a lot of cheap points.

**Rep. SMITH:** Oh, no, no.

**BUCHANAN:** Let me agree with him on one thing. I do think there's a lot of propaganda and hysteria about AIDS. I don't really believe we're all at risk, but there's no doubt—this is the truth. Let's take tuberculosis. It is becoming epidemic in New York and other areas, so is hepatitis. The major spreaders of tuberculosis are people who get AIDS and therefore become vulnerable to all these diseases and carry them and spread them, contagious as well as infectious. Why would you add—last year they kept out 600 people with AIDS—why would you even add 600 more people who are going to be carriers of the AIDS virus, as well as countless other diseases, if they stay permanently in the United States? Why do it?

**Mr. MAGGIO:** Let me give you one reason.

**BUCHANAN:** How does it help our country?

**Mr. MAGGIO:** You asked, and let me give you an answer. I represent a woman who's a U.S. citizen, and her son, who is an intending immigrant, has AIDS. One reason why we ought to have that man here is so that he can live and ultimately die in dignity with his mother. It's called being humanitarian.

**KINSLEY:** Let me—take that one.

**Mr. MAGGIO:** The United States cannot become an AIDS shelter for the world, and if we have a policy that says people can come in regardless of whether or not they have AIDS, that's going to encourage a lot more than the 600—

**KINSLEY:** You know, you're living in a dream world—

**Rep. SMITH:**—that have been coming in.

**KINSLEY:** You're living in a dream world, Congressman.

**Rep. SMITH:** It encourages those people to come in. We have tens of millions of people waiting on the list today that are healthy, why not let them in? Why let the—

**KINSLEY:** There's a misconception here. You know, even if this ban is lifted, it doesn't mean anyone with AIDS can come in. You still have to get in, and as Mr. Maggio will tell you, most people who want to come to the United States cannot get in. What we're really talking about is family reunification cases.

**Rep. SMITH:** No, we're not. Those are individuals—when you open up the doors, think of yourself as a person in a third world country, poor country—

**KINSLEY:** You can't get in.

**Rep. SMITH:** No, you can get on the waiting list. You can get in.

**Mr. MAGGIO:** No, you can't. Congressman, it doesn't happen.

**BUCHANAN:** Congressman, there's 270 AIDS sufferers, HIV positives right down there in Haiti that they're trying to bring into the United States.

**KINSLEY:** They're not in Haiti.

**BUCHANAN:** Excuse me, Guantanamo.

**KINSLEY:** They're in prison in Guantanamo. That's the point, Pat.

**BUCHANAN:** Why would you want to bring 270 people with AIDS into the United States? I don't understand it.

**Mr. MAGGIO:** It might be a little more cost effective than treating them in Cuba.

**BUCHANAN:** If you're trying to protect us from AIDS—

**Mr. MAGGIO:** We have them there. They're our responsibility as refugees.

**Rep. SMITH:** Cost effective at \$100,000 a person?

**KINSLEY:** Congressman, what do you propose to do about these 270? Let me explain to the viewers who they are. These are people who have been certified as legitimate political refugees, no question of economic refugees. There they are. They can't go back to Haiti. We know that. What do you propose to do to these 270 people?

**Rep. SMITH:** Michael, why should they be treated any differently than the tens of millions of other individuals who might be refugees who want to come to this country?

**KINSLEY:** They are refugees.

**Rep. SMITH:** The only difference is—OK, they are refugees. The only difference is they happen to be at Guantanamo Base. Why should they be admitted to this country to continue—

**KINSLEY:** What do you propose to do to them?

**Rep. SMITH:**—with this disease or to go—

**KINSLEY:** Keep them in Guantanamo for the rest of their lives?

**Rep. SMITH:** They're going to cost the American taxpayer—

**KINSLEY:** They're going to cost—they're our prisoners. We're not going to treat them for AIDS down there?

**Rep. SMITH:** They're not our prisoners. They came over here voluntarily, were picked up in the Gulf.

**Mr. MAGGIO:** So what should we do with them?

**KINSLEY:** Send them in—

**Mr. MAGGIO:** I'm interested in Mike's question. What should we do with them?

**BUCHANAN:** I'd send them back.

**Rep. SMITH:** I would, too.

**BUCHANAN:** I would send them back. I'd tell the military—

**Mr. MAGGIO:** You'd violate international law.

**BUCHANAN:** I'd send them back. I'd tell the military, you leave every single one of them alone, and we'll hold you to it. It's the same position—

**Mr. MAGGIO:** And that's a violation of international law.

**Rep. SMITH:** The same position as another refugee—

**Mr. MAGGIO:** Violation of international law.

**Rep. SMITH:** One other thing I want clear up—

**BUCHANAN:** I don't care—I care about the United States of America—

**Mr. MAGGIO:** You don't care about that.

**BUCHANAN:** —you know, not some law—

**KINSLEY:** Hold on, hold on. Go ahead, Congressman.

**Rep. SMITH:** America is not the only country that rejects individuals who have AIDS for immigration purposes.

**KINSLEY:** No, South Africa.

**Rep. SMITH:** No, no, not South Africa. I just checked with the State Department. The four countries who accept the most, largest number of immigrants, the United States, Canada, Australia, and Germany all have restrictions on individuals that have AIDS.

**KINSLEY:** We do not have—

**Rep. SMITH:** The Western countries you're talking about that don't have any restrictions are the countries that accept the fewest levels of immigrants of any kind.

**KINSLEY:** I'm sorry. Canada does not restrict people flatly for having AIDS, neither does Germany.

**Rep. SMITH:** Yes, they— I just checked. If they're there for more than 90 days—

**KINSLEY:** Well, this is a factual question. One of us if wrong. We'll find out afterwards.

**BUCHANAN:** But let me ask you. What is the positive benefit to the American community of bringing in people infected with a dangerous and deadly and communicable disease?

**Mr. MAGGIO:** You're not bringing them in. Most of them are already here.

**BUCHANAN:** Well, no, no. We're talking about immigration right now.

**Mr. MAGGIO:** I'm talking about immigration. Most of them are either here or they're coming here to join family members.

**BUCHANAN:** If you want to protect your country from AIDS, and I think we would all agree— why would you not send them back if they— many of them, as you know, if not most of them, got the disease one way, and it's the same way they can transmit it. They are carriers and transmitters of the most—

**Mr. MAGGIO:** But you're assuming they're going to transmit it. You're assuming that these 600 people who have been told they have AIDS and know they're going to die are going to go and say—

**BUCHANAN:** How do you think they got it?

**Rep. SMITH:** You can't lock them up.

**Mr. MAGGIO:** The last thing that's on their mind, I'm sure, unless you have some psychopath with AIDS is going out and infecting other people.

**BUCHANAN:** How do you think they've been getting it, fellow? You got a million of them.

**Rep. SMITH:** How are you going to prevent it from happening? Are you going to lock these people up? How are you going to prevent them from continuing to spread AIDS?

**KINSLEY:** Let me ask you. What are you going to do about Mr. Maggio's client, the woman whose son is dying of AIDS, wants to come and die in this country with his mother?

**Rep. SMITH:** Well, under current law, as Mike knows, under current law, if you're a close family member where

you're coming for a short term as a visitor, you can come into the United States. We're not talking about those individuals. We're talking about individuals who are coming in as immigrants—

**KINSLEY:** So you're going to let this guy in?

**Rep. SMITH:** —who don't have any family members.

**KINSLEY:** For how long?

**Rep. SMITH:** For these few people, humanitarian reasons, I would let them in.

**KINSLEY:** That's— how many? There's probably 600 of those.

**Rep. SMITH:** No. There's not.

**Mr. MAGGIO:** That's what it is.

**KINSLEY:** That's who most of them are.

**Mr. MAGGIO:** You know what I find interesting? You guys are conservatives here.

**Rep. SMITH:** They can come in already—

**Mr. MAGGIO:** Hold on. You're the conservatives, right? And conservatives are opposed to unnecessary government regulation and not spending money when we don't have to, and you're—

**BUCHANAN:** And you're the—

**Mr. MAGGIO:** What you're suggesting is, is that we spend a lot of money unnecessarily on this issue.

**Rep. SMITH:** We're also in favor of public health and—

**BUCHANAN:** And you're for constitutional rights, and one of them is the right to life. When we come back, will Bill Clinton open America's door to the hundreds of thousands of Haitians who are there in Haiti and who are beginning to knock?

[Commercial break]

**BUCHANAN:** Welcome back. We're debating the impending decision of President Clinton to allow HIV positive immigrants into the United States. The Clintonites say it is in our noblest tradition. Republicans say the liberals have lost their minds. Our guests, Republican Lamar Smith of Texas, who is on the Immigration Subcommittee, and Michael Maggio is an attorney with the Center for Constitutional Rights.

Let's talk about the cost now, if we may, of folks, and we're talking now about individuals, immigrants who come into this country who we know are HIV positive or have full blown AIDS. Why should the American taxpayers, who have to take care of their own national family, be— have this burden imposed upon them of \$100 to \$200,000 per AIDS patient who comes into the country, when they're having a terrible time taking care of our own people?

**Mr. MAGGIO:** Generally they don't, and let me explain why. First of all, to administer the current law, the one that's going to be changed, probably costs more just in pure administration than it would to care for the 600 people who've come in with AIDS. Second—

**KINSLEY:** Who haven't come in.

**Mr. MAGGIO:** Well, who haven't come in AIDS, exactly.

**Rep. SMITH:** How could it cost more than \$100,000 a person for administrative cost?

**KINSLEY:** No, you have to administer the cost for all the people you test, not just the ones who turn out to have AIDS.

**Mr. MAGGIO:** Exactly, and processing all the papers of immigration. Immigration has a billion-dollar budget right now, Congressman.

**Rep. SMITH:** Let me explain. There's a million people in the United States right now with the virus, one million people. You know what the cost of that is? \$100 billion plus. Now, are we saying the American taxpayer can afford to pay that and more—

**KINSLEY:** No, what he's saying, Congressman, is that the cost of administering this law is more than the cost of treating the people who would get in if you didn't have this silly law.

**Mr. MAGGIO:** And there's one other thing the Congressman—

**Rep. SMITH:** I don't see how it could be possible.

**Mr. MAGGIO:** One other thing you have to keep in mind, Congressman, a law that you folks made on Capitol Hill says that persons can't immigrate to the United States or they can't even come as visitors or students if they're likely to become a public charge.

**Rep. SMITH:** I was hoping you'd bring that up. You know why I was hoping you'd bring that up, Mike?

**Mr. MAGGIO:** Why?

**Rep. SMITH:** Because you probably know, as I know, you know how many people were excluded because of the danger that they might become a public charge in 1990, the last year for which we have figures? Zero, zilch, none.

**Mr. MAGGIO:** Not true.

**Rep. SMITH:** No people were excluded because of—

**Mr. MAGGIO:** Not true.

**Rep. SMITH:** And the year before that, there were three people.

**Mr. MAGGIO:** Congressman, you want me to have their family members—

**Rep. SMITH:** I just checked this.

**Mr. MAGGIO:** —start calling your office tomorrow?

**Rep. SMITH:** You know why that is?

**BUCHANAN:** Let's talk about—

**Mr. MAGGIO:** I don't know where you're checking.

**KINSLEY:** You have some personal experience—

**Mr. MAGGIO:** Of course, I do.

**Rep. SMITH:** No, the law is meaningless.

**Mr. MAGGIO:** People get turned down every single day for visas for likely to become a public charge, and I will be happy to get your phone number and have their family members call you.

**BUCHANAN:** You're going to have to do that afterwards. Let's talk about Haitian immigrants. Mr. Clinton himself has backed down before his inauguration when the great boat lift was about to begin with tens of thousands, maybe hundreds of thousands of Haitian immigrants pouring into Florida. Do you think we should open our doors to that boat lift from Haiti, if it involves tens of thousands and hundreds of thousands of Haitians?

**Mr. MAGGIO:** I think that we have to begin abiding by international law in how we treat the Haitian refugees. By that, I mean people have to be given an opportunity to apply for asylum and show whether or not they're refugees. It's not a question of opening our doors. We have a history—

**BUCHANAN:** Mr. Maggio—

**Mr. MAGGIO:** We have a history in the Caribbean of opening our doors to refugees from Cuba. The only difference I really see between the Cubans and the Haitians is skin color and possibly ideology.

**BUCHANAN:** Well, let me explain to you.

**Mr. MAGGIO:** What's the difference?

**BUCHANAN:** First, 20 percent of the Cubans are black who are refugees. Secondly, they are shot in the Florida straits if they're caught. Third, if the Haitian immigrants are political refugees in fear of their life, they can pick up and walk next door into the Dominican Republic. They don't got to get on a boat and go 500 miles to the United States.

**KINSLEY:** You just said you wanted to send a bunch of them with AIDS back to Haiti with some baloney about telling the police not to shoot them.

**BUCHANAN:** I said-- no, listen, the United States has got enough— listen, I think we ought to lift the embargo on Haiti and not destroy the economy of that little country.

**KINSLEY:** All right. We're getting far afield. Let's get back to AIDS for a second. You know, Congressman, this notion that the United States would be flooded with people with AIDS looking for free treatment if we lifted this ban is sort of hilarious because the United States is the only major country in the world that doesn't supply guaranteed health care for everyone. Why wouldn't these people from the third world go to France, go to Germany—

**Rep. SMITH:** Mike, you know as well as I know that the United States has a reputation for providing the best health care possible. They also know that the American taxpayer will pick up the tab.

**KINSLEY:** Have you ever—

**Rep. SMITH:** All they have to do is go into a hospital—

**KINSLEY:** --asked a foreigner what they think about American health care?

**Rep. SMITH:** If you go to a hospital today — you check with any physician you know — and you come in and you are tested and you are found to have AIDS or have the AIDS virus, you are declared an emergency and the taxpayer picks up the tab. That's why those individuals want to come to America.

**KINSLEY:** Let me try once more. Why would they come to America and not to Germany or France where there's no problem at all, no controversy at all and everyone is known to guarantee health care to everyone?

**Rep. SMITH:** Mike, for all I know they may want to go to those countries, too. All we know is we have millions of people who are trying to get into the United States. We happen to be a mecca for most of the people in the world.

**KINSLEY:** But millions of people can't get into the United States, irrespective of whether we have this ban or not. That's just a fantasy of yours.

**Rep. SMITH:** But more are going to be encouraged if we have a policy that says we're going to let you in—

**KINSLEY:** How do these other countries manage?

**BUCHANAN:** Mr. Maggio, let's get back to where I think you probably will agree, which is, let's get back to tuberculosis, and we all agree people that tuberculosis, because

FEB 12 '93 13:52

FROM CNN CROSSFIRE

that's contagious as well as infectious—

**Mr. MAGGIO:** That remained—

**BUCHANAN:** That remains on the list, but the reason that tuberculosis is spreading and hepatitis are spreading is because AIDS patients, because their immune system is collapsed, become victimized by these diseases. They contain them, keep them, they can't get rid of them, and so they spread them. So in a sense, are you even inviting a spread of the tuberculosis epidemic, if you allow voluntarily people you know who have AIDS in the United States?

**Mr. MAGGIO:** The numbers are so insignificant. You talked about 600 out of a million immigrants, and out of hundreds—

**BUCHANAN:** Well, Michael Kinsley was talking the other night, if just one life were lost in a car wreck, then it costs \$500 million to GM. All the money that would be involved—

**KINSLEY:** What are you talking about?

**BUCHANAN:** I'm talking about what you were talking about the other night, the tradeoff of cost for lives.

**KINSLEY:** I said of course there's a tradeoff of cost for lives.

**BUCHANAN:** All right. How much for these lives of people dying of tuberculosis and AIDS and the disease being spread in the United States?

**Mr. MAGGIO:** Pat—

**KINSLEY:** You know, we have more AIDS in this country than any other country in the world. We are exporting AIDS. The idea that we're trying to protect ourselves from foreigners with infection is insane.

**Rep. SMITH:** Mike, may I ask you a question? OK. In order for us to change the policy, Mr. Clinton has to say that AIDS is not a communicable disease of significant health import. Do you agree with that? Do you think most Americans say AIDS is not—

**Mr. MAGGIO:** The doctors say so, the doctors say so.

**Rep. SMITH:** —a communicable disease of significant health import?

**KINSLEY:** It is not communicable in the sense that tuberculosis is.

**Rep. SMITH:** Well, then why are worried about the spread of it throughout the United States? Why are we having— spending all this money? Why are we having a drug czar?

**KINSLEY:** It's not communicable in the sense that tuberculosis is, and every public health official agrees.

**Rep. SMITH:** Well, not in the same sense, but—

**BUCHANAN:** It's not contagious, it's infectious.

**KINSLEY:** Let's take a break. When we come back, we're going to— we talked about Haitians. We're going to talk a little about Cubans.

*(Commercial break)*

**KINSLEY:** Congressman Smith, you're concerned about the cost of treating people with AIDS who come into this country as immigrants if this rule is lifted. A million people come into this country every year. Surely at least 600 of them must have serious cases of cancer, which is equally costly to treat. Should they be kept out, too?

**Rep. SMITH:** Mike, I'm glad you brought that up, because

it's interesting to me how much we spend on research for AIDS compared to individuals with cancer.

**KINSLEY:** That's interesting, but how about answering my question?

**Rep. SMITH:** No, no, I'll answer your question. We spend five times as much on AIDS as we do for cancer, and 54 times as much on AIDS as heart disease.

**KINSLEY:** Great, now answer my question.

**Rep. SMITH:** OK, now why is it— what was your question?

**KINSLEY:** Why should you be so hysterical about the cost of treating people who come with AIDS, when—

**Rep. SMITH:** I'm not hysterical.

**KINSLEY:** Well, let me ask you. Should we ban people who want to come into this country who have cancer, knowing that the medical treatment might be very expensive?

**Rep. SMITH:** The cancer costs and the heart disease costs are not near what they are with AIDS, nor are they spread the same way.

**Mr. MAGGIO:** Not true.

**Rep. SMITH:** The other—

**KINSLEY:** Oh, come on. Why don't you just say that you're hung up on AIDS?

**Rep. SMITH:** No, no. The other point is I think someone should speak up for the American taxpayer who is paying \$100 to \$200,000 per individual.

**KINSLEY:** And I'm saying why don't you speak up for the American taxpayer in the case of cancer?

**Rep. SMITH:** And the other point has to go with the procedure itself. This— the AIDS was put on the list to keep immigrants out in 1987 by act of Congress. Why shouldn't we have a full and open debate in Congress to take it off the list? Why should Mr. Clinton get away with it on this unilateral decision?

**Mr. MAGGIO:** Congressman, I just say that I find it very interesting that you and Mr. Buchanan are so concerned about public health. Are you in favor of universal health care? I mean, your concern— these guys are concerned about public health all of a sudden.

**BUCHANAN:** I'm in favor of keeping infectious and contagious diseases away from the public, and if you are not, go right ahead and say so in the camera.

**Mr. MAGGIO:** I said that I am, too, but the fact of the matter is, of the 600 people that have it— I mean, our clients that have it, for example, are the woman that got it at Georgetown University hospital in heart surgery—

**BUCHANAN:** All I'm saying, Mr. Maggio—

**Mr. MAGGIO:** —before she got her green card, and her U.S. citizen kid has it, too.

**BUCHANAN:** Let's say it is—

**Mr. MAGGIO:** Should we keep her out when she got it in surgery at Georgetown?

**BUCHANAN:** Look, if you got 600—

**KINSLEY:** That's another good one.

**BUCHANAN:** If you've got 600 people here—

**Mr. MAGGIO:** She got it here, in an operation.

**BUCHANAN:** —many of them— Mr. Maggio, if you got 600 people, let's say half of them are gay activists.

**Mr. MAGGIO:** Oh, come on, please.

**BUCHANAN:** Well, how do you think they get the disease? They don't all get it from transfusions. More than half of those who die are gay activists.

**Mr. MAGGIO:** They're activists?

**BUCHANAN:** They still are.

**Mr. MAGGIO:** They're not only gay, they're activists?

**BUCHANAN:** They're active gays.

**Rep. SMITH:** Mike, you can't—

**Mr. MAGGIO:** They're active gays? I see.

**BUCHANAN:** That's right.

**Rep. SMITH:** You can't say you're concerned about the public health in not letting these individuals in, when, in fact, they are going to transmit the disease when they get here. You can't lock them. They're going to—

**Mr. MAGGIO:** What do you mean they're going to— how do you say they're going to transmit it? You know, they're—

**KINSLEY:** All right. These two guys will argue off the show, and we'll argue on the show in just a minute. Thank you, Congress Smith. Thank you, Mr. Maggio.

**Mr. MAGGIO:** My pleasure.

**KINSLEY:** We'll be back.

*[Commercial break]*

**KINSLEY:** This is your last reminder. John Sununu returns on Monday, but Pat won't be going far, and he'll be back on alternate weeks. Pat?

**BUCHANAN:** Michael, look, if AIDS is an epidemic, and it's a dangerous and infectious and fatal disease, and you want to minimize it to the degree possible, it is insanity to let in young males who are carrying that virus with them if you want to contain it.

**KINSLEY:** Pat, the AMA, Dr. Louis Sullivan, George Bush's HHS Secretary, every major public health official, Anthony Fauci, who's dedicating his life to trying to eradicate AIDS, they all think this ban is nonsensical. Every other country in the world thinks that. Are they crazy or are you crazy?

**BUCHANAN:** You're giving up public health and safety for political correctness.

**KINSLEY:** I didn't notice an answer to my question. From the left, I'm Mike Kinsley. Good night for Crossfire.

**BUCHANAN:** From the right, Pat Buchanan. Join us tomorrow night for another edition of Crossfire.

**KINSLEY:** And *PrimeNews* is next. I hear Clinton's nominated another Attorney General. So what else is new? Here's Bernard Shaw.

**BERNARD SHAW.** *PrimeNews:* How irreverent, Michael. Thank you. Coming up, on *PrimeNews*, a new nominee for Attorney General. We'll have an in-depth look at Janet Reno's career. Just as with her royal subjects, the queen is now subject to a commoner's common complaint, paying taxes. And higher taxes could be looming for U.S. corporations and their highly paid executives. Those stories and more next on *PrimeNews*.

Copyright © 1993 by Cable News Network, Inc.

## Recent Transcripts Available:

12/1/92	#714	A Cartoon Crossfire
12/2/92	#715	Running on Empty: The Budget
12/3/92	#716	Send in the Troops to Somalia?
12/4/92	#717	A Fighting Chance in Somalia?
12/7/92	#718	There's No Place Like Home for the Homeless
12/8/92	#719	The Moral Majority?
12/9/92	#720	Mission Impossible in Somalia?
12/10/92	#721	The Dream Team for the Clinton Administration?
12/11/92	#722	Schott Out of the Park?
12/14/92	#723	A Meeting of the Minds in Little Rock
12/15/92	#724	Charting the Economic Course
12/16/92	#725	Is Food Enough in Somalia?
12/17/92	#726	Never Again in Bosnia?
12/18/92	#727	The Right Move for the GOP?
12/21/92	#728	A Setback for Peace?
12/22/92	#729	The Colorado Boycott
12/23/92	#730	Team Players for Clinton
12/24/92	#731	The Presidential Pardon
12/25/92	#732	Tales of '92
12/28/92	#733	Pennies From Heaven: Taxing Religion?
12/29/92	#734	Contra-dictions?
12/30/92	#735	The Cuba Question
12/31/92	#736	A Sneak Preview of 1993
1/1/93	#737	What's So Funny About 1992?
1/4/93	#738	Questioning the Cabinet
1/5/93	#739	Absence or Malice in the "Home Alone" Case?
1/6/93	#740	No Dice in Illinois!
1/7/93	#741	The Power Game
1/8/93	#742	Back to Iraq?
1/11/93	#743	Promises, Promises?
1/12/93	#744	The Waiting Game in Iraq
1/13/93	#745	Attack on Iraq
1/14/93	#746	Is the Clinton Administration on the Right Track?
1/15/93	#747	The Talk Show Showdown
1/18/93	#748	Great Expectations for Bill Clinton?
1/19/93	#749	What's Next for Iraq?
1/20/93	#750	President Clinton
1/21/93	#751	The Hand That Rocks The Cradle
1/22/93	#752	The Week That Was for Bill Clinton
1/25/93	#753	About Face on Gays in the Military?
1/26/93	#754	Over a Tax Barrel?
1/27/93	#755	What Happened to the Honeymoon?
1/28/93	#756	Is the Public Calling the Shots?



Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
FEBRUARY 10, 1993

CONTACT: WALT RIKER  
(202) 224-5358

## CLINTON BOSNIA PLAN

### CLINTON PLAN ON BOSNIA FALLS SHORT: DOLE CALLS FOR TOUGHER INTERNATIONAL ACTION

WASHINGTON -- SENATE REPUBLICAN LEADER BOB DOLE ISSUED THE FOLLOWING STATEMENT IN RESPONSE TO THE CLINTON ADMINISTRATION'S PLAN TO DEAL WITH THE ONGOING WAR IN BOSNIA-HERCEGOVINA:

"The Clinton plan is more old than new. It's a disappointment because it is far less than the tough action he promised during the campaign. His plan won't be near enough to stop the bloodshed and ethnic cleansing, so I doubt the Serbs will back off.

"I support the President's decision to send a special envoy to the negotiations in New York, but I believe that the Vance/Owen plan is fundamentally flawed and thus, we should not build on it. The Vance/Owen plan doesn't need minor editing, it needs a major overhaul.

"The immediate enforcement of the no-fly zone is long overdue. As for possible U.S. troop commitments, in my view, we need to know a lot more about the details of any plan, its enforcement mechanisms, the potential role of U.S. forces and the participation of other countries, before a decision can be made on whether to send U.S. troops -- and even then I am seriously concerned about the wisdom of getting involved on the ground in Bosnia-Herzegovina. Let's not forget, this is a U.N. problem, not just a U.S. problem.

"In the absence of military pressure on Serb forces -- such as the threat of NATO air strikes and lifting the arms embargo against the Bosnian government -- there is little hope that the killing of civilians will stop. Since last April we have watched the destruction of Bosnia-Herzegovina while negotiations dragged on.

"The Clinton plan does not address the question of how to stop this brutal war and prevent its spread into Kosova and Macedonia. Clearly economic sanctions have not worked to date, so tightening these sanctions can't be expected to produce significant results.

"Basically what is needed is a whole new approach, not just words, but real action, tough measures against the perpetrators of this aggression. I hope the Clinton plan works, but I'm not optimistic."

###



906 AP 02-10-93 10:37 EST 86 Lines. Copyright 1993. All rights reserved.

**Clinton Weighing Use of U.S. Troops for Peacekeeping in Bosnia<**

By BARRY SCHWEID=

AP Diplomatic Writer=

WASHINGTON (AP) The Clinton administration is ready to unveil a four-part plan for ending ethnic warfare in Bosnia-Herzegovina that could send U.S. military forces to the fractured Balkans in a peacekeeping role, senior administration officials say.

Secretary of State Warren M. Christopher will announce the peace initiative with diplomatic, military, economic and humanitarian components this afternoon, the officials said.

Reginald Bartholomew, a career foreign service officer who is the U.S. ambassador to NATO, was expected to be named special envoy to deal with the crisis.

White House spokeswoman Dee Dee Myers said ``as of right now there are no specific plans to deploy troops,`` But she also said the United States ``will be willing to enforce whatever agreement might be reached.``

She said the plan ``will build on`` a plan formulated by former Secretary of State Cyrus R. Vance and Lord Owen that called for establishing 10 autonomous zones in Bosnia.

Thomas McLarty, Clinton's chief of staff, interviewed on ``CBS This Morning,`` refused to comment on any specifics of the plan, but said Clinton ``has a careful plan.`` Asked whether U.S. troops would be used, McLarty said, ``he'll be very judicious.``

Senior U.S. officials, who spoke on condition of anonymity, stressed that Clinton had no intention of injecting U.S. troops into the conflict. The officials said they might be used in a peacekeeping role but only as part of a U.N. or NATO force.

Also, the officials said there was no decision on whether U.S. ground troops would be part of such a peacekeeping operation, and under no circumstances would they be sent there unilaterally.

``It is an initiative by President Clinton to engage the United States directly and aggressively in trying to bring about peace,`` said one of the officials.

Clinton last week called the Vance-Owen plan unfair to the Muslims, who account for more than 40 percent of the former Yugoslav republic's population. The American envoy evidently would have the authority to make alterations that might be more acceptable to the beleaguered Muslims.

More than 18,000 people have died in 11 months of fighting and tens of thousands have been left homeless and hungry. The United States assigns much of the blame to a Serbian ``ethnic cleansing`` campaign. Bosnian Serbs backed by Serbian regular forces control more than 70 percent of the country.

The U.S. initiative is the product of a three-week review by the president and his senior foreign policy advisers. The Muslims had hoped Clinton would provide them with weapons, but the officials said there would be no lifting of the embargo the United Nations imposed on all sides.

However, the officials said, Christopher will announce U.S. support for a tightening of the U.N. trade embargo against the federation of Serbia and Montenegro. And, they said, he would call

for enforcement of the ``no-fly'' zone the Security Council imposed over Bosnia last year.

There have been some 400 Serbian military flights in the past three months but no attacks from the air on Muslim forces or civilians.

The Bush administration also favored a new Security Council resolution to threaten force against Serbian violators but could not muster a coalition to approve it. Russia, for one, was unwilling to threaten the Serbs, with whom Moscow historically has had close ties.

Another component of the U.S. strategy to be revealed by Christopher is a stepped-up relief effort to aid war victims.

``We want to see what we can do to alleviate human suffering,'' an official said, who, like the others quoted, spoke on condition of anonymity.

The Balkans are gripped by icy winter. Food and energy supplies are short. Bosnian cities are under Serbian anti-aircraft attack.

Vance, the U.N. mediator, and Owen, the European Community negotiator, have tried to bring Muslims and Serbs together on a cease-fire arrangement. But the Serbs, as well as the Muslims, rejected the idea of setting up ethnic zones, and the Muslims also turned down cease-fire terms last month.

The Balkans war has presented Clinton with his toughest foreign policy challenge since taking office. His advisers and outside analysts are concerned the fighting in Bosnia could spill over to other countries such as Greece.

On Tuesday, Richard Boucher, the State Department spokesman, admonished Serbia for its military buildup in Kosovo and called on Belgrade to restore the autonomy of the enclave, which has a predominantly Albanian population.

## THE WHITE HOUSE

WASHINGTON

NAME: Janet Reno

PRESENT POST: State Prosecutor  
Dade County, Florida

EDUCATION: A.B. Cornell University  
LL.B. Harvard University

Janet Reno is the State Prosecutor for Dade County, Florida, one of the toughest crime areas in the nation. Ms. Reno has served the 11th Judicial Circuit of Florida in this capacity since she was appointed fifteen years ago by Governor Askew. She was the Florida's first woman state prosecutor and has been reelected five times, (1978, 1980, 1984, 1988 and 1992).

Prior to her appointment in 1978, Reno was a partner with the Miami based law firm of Steel, Hector & Davis where she served for two years. Prior to Steel, Hector & Davis, Reno acted as the Administrative Assistant to the Prosecutor for the State Prosecutor's Office from 1973-1976.

Reno is the former Staff Director to the Florida House of Representatives Judiciary Committee. Prior to working for the state legislature, Reno was in private law practice for eight years as an associate with Brigham & Brigham and then as partner with Lewis & Reno.

Reno has served on numerous committees and ABA task forces in Florida. In 1992, she served on the ABA task force to research strategy for removing racial and ethnic bias from the judicial system. She acted as a member of a statewide AIDS task force in 1988. In 1979 she functioned as the Chair of the Governor's Council for the Prosecution of Organized Crime. From 1976 to 1978 she served as a member of the Judicial Nominating Commission, to the Eleventh Judicial Circuit of Florida.

Ms. Reno has been recognized throughout Florida for service to the legal profession and to her community. The Florida Network of Victim/ Witness Service honored her in 1989 with the James Fogarty Award in honor of outstanding dedication and service to victims of crime. In 1980, she was named Citizen of the Year by the Grand Jury Association. In 1990, she was selected as Public Citizen of the Year by the National Association of Social Workers, Miami-Dade Unit.

TEL:

Feb 10.93 13:58 No.006 P.02

JOHN B. THOMPSON

ATTORNEY AT LAW

P.O. BOX 73

CORAL GABLES, FLORIDA 33114

(305) 666-4366

February 10, 1993

TO WHOM IT MAY CONCERN:

Re: Potential Attorney General Nominee, Janet Reno

As briefly but as thoroughly as I can state it in this space, Janet Reno, Dade County State Attorney, is widely reputed to be and is, in my opinion, based upon what I know to be credible evidence, a closeted and sexually-active lesbian.

She has been blackmailed on the issue of her lesbianism by a radio station in this market into not prosecuting that station for its criminal activity. In the wake of her being blackmailed, I turned to the FCC for a remedy against the station's criminal activity and thus secured the first-ever criminal decency fines ever levied in the history of the FCC. The FCC vindicated my assertions.

The revealing experience with Reno led me to run against her for the office of State Attorney, and I was her Republican opponent in the general election in 1988, which she, of course, won. I called a press conference in my campaign and provided the proof thereof that she is a closeted lesbian. Every single news entity in attendance spiked the story.

During our campaign, we had a televised debate in which she said, in response to the moderator's question about what would be her highest priority in office, Reno said: "My highest priority is to protect the rights of the guilty, not to convict the guilty." Reno considers the police to be the problem, not the criminals. She has a track record of prosecuting police, without justification, for alleged excessive use of force. That is why the FOP, which represents the police rank and file, endorsed me, a political novice for the job. Talk to any police officer down here and you will find that she has demoralized the police force. Her demoralization of the FBI and other federal law enforcement agencies will be palpable.

She has the worst conviction rate of any state attorney in the state of Florida. She has described drug use as a medical problem, not a criminal justice problem. The Miami Herald has described her as "a frustrated social worker," and that same paper today, in the most bizarre editorial I have ever seen, endorses Reno for the Attorney General's spot but notes that her record in prosecuting official corruption is a disaster. She has always passed on the opportunity. The Herald suggests that maybe as an Attorney General (I am not making this up) she can prove that she has the courage to

TEL:

Feb 10.93 13:58 No.006 P.03

pursue corruption. Great. On the job proving ground with the country as the guinea pig.

Back to the lesbian issue: I have given to the President's personal attorney, Sam Jones, who was a classmate of mine and Al Gore's at Vanderbilt Law School and who was my best friend in law school, written warning two weeks ago that nominating Reno would be a disaster for the President and for the country. It seems to me that if I were pursuing some kind of partisan, narrow agenda here, the smartest thing for me to have done was to lay in the weeds on Reno and then spring all this on the Clinton crowd once she was nominated. I put the interests of the country ahead of such a ploy.

I have today given Sam Jones, as well as certain people connected with the senate Judiciary Committee, the name, phone number, and beeper number of a call girl who purportedly, repeatedly, had sex for money with Janet Reno at her home. A woman called a radio program I was a guest on yesterday and stated that Reno approached her in a bar, asked her to have sex with her, and asked her if she was with an escort service. I never once mentioned the information I had that Reno's alleged preference was to use call girls from escort services. It makes sense, however, since using someone engaged in criminal activity allows the prosecutorial user, Reno, to use the power of her office to shut you up should you try to go public, etc.

I have given Clinton's people the name of Michael Thomas, Ft. Lauderdale businessman who told me his wife, Rachel, left him to have a lesbian live-in affair with Janet Reno. Louis Stinson, a Brickell Avenue lawyer in Miami who represented Mr. Thomas in the divorce, has confirmed. I have the name and badge number of a Metro Dade police officer, who, while on a stake out in Sundaes on the Bay Restaurant on Key Biscayne, viewed Reno falling down drunk making out with another woman in a restaurant booth.

A private investigator has provided the above information about the call girl, and it seems to check out. When I called the woman, she denied that her pseudonym is Crystal, but then a third party called her number listed in South Florida Personal Companions (a call girl magazine) and verified that I had, when I called her today, used her correct code name, Crystal, and that she was frightened about what seems to be coming her way regarding Reno. She has been busted three times for prostitution, according to my source.

(Duke)

I have gotten this above information now into the hands, as I say, of the Senate Judiciary people. Clinton's people have it, and it appears that they are pursuing a course of "plausible deniability"--avoiding talking to me in order that they can say they know nothing about it. The Clinton higher-ups will not call me to debrief me, and they may be so frightened by this latest trial balloon, which has turned into the Hindenburg, that they are trying to figure out how to dump Reno without turning into

TEL:

Feb 10, 93 13:59 No.006 P.04

screaming warriors Patricia Ireland and the others who blindsided the President with Reno and her considerable baggage.

I am willing to swear under oath and to take a polygraph to confirm that what I am saying is true. I'm not in the habit of making such things or anything of any nature up. The risks in this situation of making up one scintilla of this up are too great.

By way of reference, I am the attorney who went after 2 Live Crew and then was hired by Ollie North's Freedom Alliance to nail Ice-T and Time Warner. A letter from Col. North is attached. Please advise what else you need to know about my background. I was named by The Advocate, the publication that outed Patricia Ireland, as "the gay community's public enemy number one" in 1990. I received with Oliver North the ACLU's 1992 "Censor of the Year" award. I wear both of these intended epithets as badges of honor. Judge my character by my enemies, if you will.

In sum, Janet Reno is a closeted lesbian who is inimical, openly, to the law enforcement community. She was, by the way, the successor to Richard Gerstein, the most powerful and most respected politician in the history of South Florida. He was Dade State Attorney immediately prior to her reign. Gerstein said, and I know because it was on the front page of The Miami Herald when Gerstein died this past year: "No homosexual can be a prosecutor because of the blackmail option." Janet Reno has been blackmailed. The Mafia will dance in the streets if she becomes the top cop. Patricia Ireland is already dancing with her Washington female lover.

Best,

Jack  
Thompson



82ND STORY of Level 1 printed in FULL format.

Times Publishing Company  
St. Petersburg Times

March 24, 1991, Sunday, City Edition

SECTION: NATIONAL; HIDING THE PAST; Pg. 13A

LENGTH: 619 words

HEADLINE: Drug arrest came before a life in law

BYLINE: DAVID BARSTOW

DATELINE: ST. PETERSBURG

BODY:

The sting began with a meeting between an undercover narcotics detective and a St. Petersburg Junior College student, who boasted that he could supply Quaaludes by the thousands.

Money and drugs changed hands in a South Pasadena parking lot on April 14, 1983 \$ 2,800 for 1,400 pills. To the delight of Pinellas sheriff's deputies, the student's two suppliers showed up for the transaction. All three were arrested on charges of sale and possession of methaqualone.

"It was a lot of money and a lot of Quaaludes," recalled Sgt. Chuck Kanehl.

Which is why Kanehl was so astonished when he heard years later that one of the suppliers he had arrested, Eugene R. Cipriano, was working as a prosecutor in Miami. Even more astonishing to Kanehl, Cipriano was assigned to Dade County's "drug court" for first-time drug offenders.

"I mean, stop and think about it," Kanehl said. "The guy was a drug dealer, and there he is a prosecutor in drug court. I couldn't believe it."

Cipriano's path to the Dade State Attorney's Office can be traced to 1985, when he convinced a Pinellas judge to seal all records of his drug arrest, no contest plea and sentence of probation.

The prosecutor objected, noting the large amount of drugs. Cipriano countered that he had cooperated with investigators who wanted to know the identity of his source. The judge sided with Cipriano.

Weeks later, he entered Stetson University's College of Law. He graduated in the top 25 percent of his class and made the honor roll, his resume says.

\* Did Dade State Attorney Janet Reno know about Cipriano's criminal past when she hired him in March 1988? Reno said Florida's sealing law makes it a crime for her to answer. All she would say is: "He's a good prosecutor."

Personnel records available to the public in Dade County include no mention of his drug arrest. On his application in Dade, he was asked if he had ever been arrested. The answer space is blank. A background investigation, completed



St. Petersburg Times, March 24, 1991

three months after he was hired, doesn't note the drug case.

Reno said that some personnel information about Cipriano is being withheld from the public under the secrecy provisions of the sealing law.

Sgt. Kanehl remembers being contacted a few years ago by one of Reno's investigators, who wanted to know details of Cipriano's arrest.

"I couldn't believe that they were looking at him (for a job)," Kanehl said.

Cipriano, 31, agreed to be interviewed for this story but changed his mind and hired a lawyer to try to stop publication. He's still a prosecutor, but is no longer assigned to drug court.

The lawyer, Frank Quintero Jr., said Cipriano has "paid for his mistake entirely and turned his life around and made something of himself.

"His reviews by his superiors have shown that he is both qualified and competent in his work. He took advantage of an opportunity and made the best of it."

Quintero said Cipriano has disclosed his criminal history "at every criminal justice agency where he has applied."

Cipriano did just that in 1987 when he applied for a job with Pinellas-Pasco State Attorney James T. Russell: "It is not something that I am proud of," he wrote, "but it did provide an opportunity for me to redress my moral values and set my goals and priorities in order."

Three weeks later, Russell's chief assistant wrote Cipriano a terse, two-line letter, advising him: "We appreciate your interest, however, we have no position for you."

TYPE: SERIES

KEYWORD: comp article law

TALKING POINTS ON  
HEALTH CARE REFORM  
FEBRUARY 5, 1993

- PRESIDENT CLINTON HAS SAID HE IS STRONGLY COMMITTED HIMSELF TO REFORMING AMERICA'S HEALTH CARE SYSTEM. HE WILL SUFFER NO SHORTAGE OF ADVICE IN THIS MISSION. LAST YEAR THERE WERE MORE THAN THIRTY HEALTH REFORM PROPOSALS IN CONGRESS, NONE OF THEM HAD ENOUGH SUPPORT NECESSARY TO PASS.
- NO DOUBT ABOUT IT HEALTH CARE IS AN ISSUE THAT CRIES OUT FOR A BIPARTISAN COOPERATION. IT WILL BE DIFFICULT TO PASS ANY MAJOR REFORM WITHOUT IT.
- THE ISSUES ARE NOT SIMPLE NOR INEXPENSIVE BUT THEY MUST BE ADDRESSED.
- FOR TOO LONG WE HAVE EXPENDED ENORMOUS RESOURCES TO BUILD THE FINEST HEALTH CARE DELIVERY SYSTEM IN THE WORLD -- UNFORTUNATELY, MANY IN OUR COUNTRY, OFTEN THOSE MOST IN NEED -- DO NOT HAVE ADEQUATE ACCESS TO THE SYSTEM.
- HOWEVER, WHILE ANXIOUS TO ADDRESS THE REAL PROBLEMS WITH THE SYSTEM, LET'S NOT DESTROY WHAT WE KNOW TO BE GOOD OR IGNORE THE REALITIES OF THE NEEDS OF A DIVERSE POPULATION IN A COUNTRY THE SIZE OF THE U.S.
- THE INABILITY TO REACH CONSENSUS SEEMS TO BE TRUE WITHIN THE PRESIDENT'S TEAM AS WELL. SO FAR, HIS HEALTH CARE ADVISORS HAVE NOT FOUND A RATIONAL AND AFFORDABLE WAY TO EXPAND HEALTH CARE COVERAGE TO ALL AMERICANS. SO HE HAS TURNED TO HIS WIFE, HILLARY, TO HELP DEVELOP A PLAN.
- AS A KEY ADVISOR ON HEALTH CARE, I AM HOPEFUL MRS. CLINTON WILL BE WILLING TO WORK WITH ME AND MY COLLEAGUES ON CAPITOL HILL. IF SHE IS WILLING TO MAKE HERSELF AVAILABLE TO US, THEN I AM HAPPY TO HAVE HER BECOME ACTIVE IN THE ISSUE AND I LOOK FORWARD TO WORKING WITH HER.
- A WEEK AND A HALF AGO SENATOR CHAFEE AND I HAD OUR FIRST MEETING WITH THE FIRST LADY ~~THIS PAST THURSDAY~~. WE ALL EXPRESSED A WILLINGNESS TO WORK TO REACH A CONSENSUS SO THAT HEALTH CARE REFORM BECOMES A REALITY THIS YEAR RATHER THAN MERELY A CAMPAIGN TOOL AS IT WAS LAST YEAR.
- I EXPRESSED MY CONCERN TO THE FIRST LADY THAT MANY WITHIN AND OUTSIDE THE ADMINISTRATION ARE LARGELY FOCUSED ON THE NEEDS OF URBAN AREAS -- AND QUICKLY FORGET THE VERY SPECIAL CONCERNS OF RURAL FRONTIER COMMUNITIES.
- I ALSO EMPHASIZED THAT IN RURAL AREAS, HOSPITALS ARE MORE THAN JUST A PLACE TO GET CARE -- THEY OFTEN ARE THE FINANCIAL AND SPIRITUAL BACKBONE OF THE COMMUNITY.

- MY REPUBLICAN COLLEAGUES AND I HAVE WORKED ON THIS ISSUE FOR MANY YEARS. WE HAVE A NUMBER OF CONCRETE PROPOSALS AND SUGGESTIONS WHICH WE BELIEVE WILL IMPROVE THE SYSTEM. BUT, WE DO NOT HAVE ALL THE ANSWERS. ANYONE WHO HAS ATTEMPTED TO WORK THROUGH HEALTH CARE REFORM HAS QUICKLY COME TO REALIZE THE COMPLEXITY OF THIS ISSUE.
- THE CHALLENGE IS TO DEVELOP A FAIR AND EQUITABLE HEALTH CARE STRATEGY TO MAKE HEALTH CARE AVAILABLE TO ALL AMERICANS THROUGH A COMPETITIVE PRIVATE SECTOR HEALTH CARE SYSTEM -- WITH THE GOVERNMENT SERVING AS A BACK UP FOR THOSE WHO HAVE NO ACCESS TO PRIVATE INSURANCE.
- THIS MUST BE DONE WITHOUT RAVAGING THE ECONOMY -- WITHOUT HURTING SMALL BUSINESS -- AND WITHOUT FURTHER STRAINING OUR THINNING BUDGET. I BELIEVE THIS CAN BE DONE WITHOUT CREATING YET ANOTHER GOVERNMENT PROGRAM, HUGE DEFICITS, MORE REGULATIONS, OR MASSIVE TAX INCREASES ON THE AMERICAN PEOPLE.
- AS A GROUP, REPUBLICANS CONTINUE TO BE FULLY COMMITTED TO REFORMING OUR HEALTH CARE DELIVERY SYSTEM. WE CONTINUE TO MEET CONSISTENTLY ON A WEEKLY BASIS AND WILL WORK TO STRENGTHEN OUR PROPOSAL UNTIL HEALTH CARE COSTS ARE CONTAINED AND ALL AMERICANS HAVE ACCESS TO THE SYSTEM.

TRADE:

-- Unless something happens late Friday or Saturday, the Clinton Administration seems content to follow the Bush trade policy for a while. The President left Detroit without any mention of trade and nothing but good wishes came out of the meeting with the Japanese Foreign Minister. According to the trade community, the new Principal Deputy at USTR will be the man who was the Bush Administration's trade Ambassador at GATT in Geneva for four years -- Rufus Yerxa, former Rostenkowski Ways and Means staffer.

--- The level of defaults in the Russian credit guarantee program is now \$290 million. Secretary Espy says we need to stay in the market and will make some recommendations to the President.

-- Banking Committee Chairman Henry Gonzalez has scared some exporters and commodity groups with talk that he will investigate the credit guarantee program for the former Soviet Union. What we need now is some serious thinking about the future and how to compete with the EC and other exporters in what is potentially a very wealthy country, not more demagoguery on the House floor such as Gonzalez engaged in over the Iraqi grain credits.

-- Espy's positive attitude is welcome but it takes more players from the Administration to handle the issue as it involves not just Agriculture but Treasury, State and NSC. President Clinton needs to move on getting someone named to manage our relations with the former Soviet Union. As of yesterday, Senate Foreign Relations had not received any new nominations for key Under Secretary and Ambassadorial positions.

-- President Clinton wants an extension of fast track authority -- length not specified -- to keep on with the GATT talks. This is a practical step but somebody ought to persuade the EC to adopt a "fast track" as well. Throughout the more than six years of talks, the US has been ready to deal and the EC falls into squabbling among its 12 member countries and three or four levels of government which need to approve every step. Clearly the EC strategy has been to stall and hope for more concessions from the US and other trading partners.

-- The Administration now indicates it will present a NAFTA agreement to Congress in late Spring or Summer after the three "side deals" are negotiated. President Clinton has to be careful about the side deals because if he makes a change in the basic agreement to satisfy any one group, he will have a hundred more groups wanting the same favor, not to mention the changes that Mexico and Canada will want in return.

I didn't choose to--I tried to put off the gays in the military issue for six months. Senators in the other party wanted it dealt with now. They saw it as a way to delay family leave and to throw the whole federal government into debating that. I actually spent very little time on the issue myself. I met with the joint chiefs on a number of issues, including that. I met with the Senate Democrats from the Armed Services Committee. But I was frankly appalled that we spent so much time the first week talking about that instead of how to get the economy going again.

It wasn't my idea. My agreement with the Joint Chiefs was to study the issue for six months so we could focus immediately on the economy. Thank goodness that's what we're now doing.

BONDS: Wouldn't you have been better off--I'm sorry, Ann. Go ahead.

BISHOP: That's all right, Bill. We're sending it back to Detroit, anyway. I'm sure Kelly is satisfied with the answer.

PRESS RETURN TO CONTINUE OR ENTER A REQUEST.

# CNN

The CNN Building, 820 First Street, NE, Washington, DC 20002

Transcripts: Journal Graphics, Inc., 1535 Grant Street, Denver, CO 80203

Press contact: Alexandra Constantinople (202) 515-2922

## Larry King Live

### Sen. Bob Dole Responds to the President

MARY TILLOTSON ..... Host

Guest:

Sen. BOB DOLE (R-KS), Minority Leader

Senior Executive Producer ..... TAMARA HADDAD

Copyright © 1993 Cable News Network, Inc. ALL RIGHTS RESERVED. This transcript may not be produced in whole or in part without permission. Condition of use: credit CNN's Larry King Live for the use of excerpts.

Transcripts can be ordered by check, money order or credit card. To order by credit card: (800) 831-9000. Be sure to indicate air date and subject or participants. All orders must be prepaid.

All CNN transcripts are available on Mead Data Central's LEXIS/NEXIS Services. For information call: 800-227-4908.

Transcribed by Lois Washington for Journal Graphics, Inc.

This transcript has not yet been checked against videotape and cannot, for that reason, be guaranteed as to accuracy of speakers and spelling of names. (LW)

LARRY KING LIVE Transcript #760  
Air Date: February 10, 1993

## Sen. Bob Dole Responds to the President

**ANNOUNCER:** Welcome to Larry King Live. Tonight: Bob Dole weighs in — A follow-up to tonight's town meeting. Now that President Clinton has taken his pitch straight to the people, Washington's highest-ranking Republican tells whether Congress is buying what the President is selling. Now, here's Mary Tillotson, sitting in for Larry King.

**MARY TILLOTSON:** Good evening, and thanks for being with us.

Presidents for years have dabbled or flirted or wrestled with television. This President just married the medium. Bill Clinton's Detroit town meeting was unlike anything a sitting Chief Executive has ever done before. Audiences in Seattle, Atlanta, and Miami were hooked up via satellite and millions watched Mr. Clinton discuss jobs and the economy with ordinary citizens. Modern technology may let the President take his message directly to the people, but he cannot bypass Congress if he really wants action. And he cannot ignore tonight's guest — Senator Bob Dole, the highest-ranking Republican in the U.S. government, who is joining us this evening from New York.

Senator Dole, thanks very much for being with us. Since it is Larry King Live, would you like to start this hour by announcing you're running for president in '96 — if enough people call?

**Sen. BOB DOLE (R-KS), Minority Leader:** [laughs] Yes, right. That's a long way off.

But, no, I think President Clinton — That was great PR. I'm not certain — He didn't say "No" to anybody, so I don't know how he's going to pay for all this.

**TILLOTSON:** If there had been any sort of lingering middle-class hopes of a tax cut, did he dash them tonight?

**Sen. DOLE:** Well, I think he got — He's trying to prepare the middle-class Americans that there's not going to be a tax cut, yes. I think it's a preliminary sort of getting people ready for the fact that it's not going to happen.

**TILLOTSON:** Which may not sit well with him. He insisted he didn't give a "Read my lips" promise, but, certainly, earlier in the campaign he led some people, like the young woman who questioned him about it, to believe that he would, if elected, give her a tax cut.

**Sen. DOLE:** Right.

**TILLOTSON:** Did you find it interesting that he did get many questions on health care, reflecting the emphasis the administration, itself, has given to that problem?

**Sen. DOLE:** No, I think that — You know, the economy is the biggest single problem. Next to that is health care. And I hope and I think it's going to be — I hope it's going to be a bipartisan effort. Republicans think we have a lot of

good input. We're concerned about health care, too, and it's something we ought to address.

Now, it's not going to be easy. President Clinton said it wasn't going to be easy, but he said, in effect, he's going to fix all these things, and I just hope that we can. It's not that we don't spend enough money on health care. It's perhaps we don't spend it in the right places.

**TILLOTSON:** Did you get any sort of hints from his answers tonight as to where he and the task force under Mrs. Clinton may be heading? He talked about increasing pools of insurance recipients, for example. Where do you think he may be going, from what you heard him say tonight?

**Sen. DOLE:** Well, it's difficult to tell. I think it's still — He said he's going to have something in 100 days from the day he took office. That's, in effect, what he's told us. That's what Mrs. Clinton indicated to me this past week. I'm not certain anybody knows, and I don't think we ought to be staking out parameters now and saying, "This is going to be here, and this is going to be here," until we've really looked at all the options. And I think President Clinton is probably doing about the right thing. Let's take our time, get it right; because if we don't get it right it's not going to pass the Congress.

**TILLOTSON:** Do you have any doubts that, if he puts together something that does pass Congress, he's going to have to include some pretty stringent cost controls? That's always been what scared business about getting involved with any sort of massive government coverage, isn't it?

**Sen. DOLE:** No question about it. You're going to have to have cost containment, and it's going to be tough. As you know, we have all these bills in Congress, but most of them leave out the line on "How do we pay for it?" — Democrats and Republicans. So if we're going to pay for this — And he's right; if we don't deal with it, it's going to affect the economy the next several years. But we've got to figure out how to do it and how to do it without wrecking the system.

Let's face it, we've got a health care delivery system now that does a pretty good job for 300 million Americans. We've got to reach out and pick up the 37 to 40 million that don't have affordable and accessible care. But in the process, we want to keep the good parts of the present system.

**TILLOTSON:** Do you have any doubt, Senator Dole, that if you reach out and pick up those 30, 40 million who aren't covered it's going to cost more, even with cost containment?

**Sen. DOLE:** It's going to cost a great deal, but keep in mind that all those 30 to 40 million aren't in the poverty class. Some are young people. They don't think they're ever going to get sick. They don't buy insurance. I think you're going to see some of that. And if you, in effect, reach out and bring in more people into some kind of a managed competition program — There are a lot of people who could be in now who are not in, but the bottom line is there are probably going to be maybe 15 million that we're going to have to go out and subsidize their premiums, and that's going to cost money.

But as the President pointed out — paperwork, that's a big cost item. President Bush and Secretary Sullivan, I think, had pretty well got that in place, on how to reduce the paperwork. We can save billions right there. But

care. And we're going to have to make some very difficult decisions, and Congress is going to have to be ready to bite more than one bullet if they're going to pass a health care bill.

**TILLOTSON:** The President got a couple of questions tonight about the controversy over whether homosexuals should be allowed into the military knowingly by the military. He sounded defensive, I thought, and perhaps also disingenuous, when he said he was appalled that a whole week had been occupied by this. Do you think it really caught him by surprise? Or what went on with that?

**Sen. DOLE:** Well, I don't know. He called me the other day and thanked me for not holding up the family-leave bill, so somebody— Either I got the wrong message, or he did. But we didn't hold up anything. We did have a debate, and it's going to be debated again in about six months. You know, in my view, serving in the military is not a right. We exclude people because of their age, because of their weight — a lot of reasons that people are excluded, or discriminated against, if you want to use that word. And I think it's a mistake. We think it'll be revisited. My view is I don't know why he raised it at this time, but he did. He didn't raise the issue— We didn't raise the issue; he did. And we had the debate. Had he not raised it, it never would have been discussed.

And I think now he's saying he's going to let people with AIDS come into America and maybe stay on a permanent basis. That's not going to sit well with the American people. How are we going to pay for it? Who's going to pay the bill? I mean, in my view, there are some of these decisions that are being made that ought to be postponed forever.

**TILLOTSON:** Well, we're going to take a break on that, Senator.

We'll be right back, though, with more from Senator Bob Dole just in a minute. This is Larry King Live. Stay with us.

**Pres. BILL CLINTON:** [at Detroit town meeting] I wish I could promise you that I won't ask you to pay any more, but I can tell you this: Look what I'm doing. I'm doing my best to keep my campaign commitments. I have, first of all, started by cutting the government. I cut the White House staff by 25 percent yesterday. I bet that's never happened in the lifetime of anybody in this audience. And it's real cuts. Today, I announced \$9 billion in cuts in the central administration of the federal government.

[Commercial break]

**TILLOTSON:** Welcome back to Larry King Live.

Senate Republican Leader Bob Dole continues with us from the Waldorf Hotel in New York this evening, talking about President Clinton's performance.

The administration today announced, Senator Dole, as you well know, before the President started his town meeting tonight, that they are going to dispatch Reginald Bartholomew (sp?) to take part in the negotiations over what we used to call Yugoslavia. Do you think that's going to throw the fear of God into the Serbs and Slobodan

Milosevic in Belgrade and suddenly they're going to be ready to deal now?

**Sen. DOLE:** No. You know, I want to support President Clinton in this area because I think he was right in the campaign to say we ought to lift the arms embargo and maybe even use some air power. Negotiations have been going on for 10 months. The so-called Vance-Owen plan has gotten us nowhere. All we're doing is dividing up a country while they've been killing innocent women and children, raping the women.

Milosevic is not going to listen. They'll, in effect, thumb their nose at this proposal. But at least it's getting engaged. Maybe this is a start. And I'm like President Clinton; I don't want to commit ground forces, but I do think we ought to lift the arms embargo. It's not a fair fight now. And if we're not going to do anything else, at least we ought to give the Moslems a chance to defend themselves and protect their families and their homes.

**TILLOTSON:** Well, you certainly don't think he went as far as he could have, even tonight? Those things you suggested stop short of committing ground troops.

**Sen. DOLE:** Right. No, he had about a five-point plan, but much of it— I support sending someone there. I support getting involved in negotiations, but let's face it, we've had Cy Vance there — who I think is an outstanding American — trying to negotiate. I know that the Bush administration was sort of holding off to give Vance a chance, but really all they were doing is carving up Bosnia in 10 different pieces.

So if we don't do something now, if the Serbs don't get the message — the Serb leaders, not the Serbian people — then we're going to have to deal with it later when they get down to Kosovo. We've got two million Albanians who could be the next victims. And it just seems to me that the Bush administration didn't act quickly enough 10 months ago, a year ago, and now President Clinton seems to be backing away again from another campaign promise.

**TILLOTSON:** Well, President Bush finally did, before he left office, draw that line in the sand at the border of Kosovo and tell Milosevic that if the Serbs attack there—

**Sen. DOLE:** Right.

**TILLOTSON:** —that that would trigger— could trigger U.S. military action. Was it an oversight on the part of the Clinton administration not to reiterate that?

**Sen. DOLE:** Well, it may have been implied. I don't want to be critical. I sort of felt this was one area that I might be able to help President Clinton in this particular area, and I certainly don't— I'm going to reserve judgment. I hope everything works, but if it does it then it's going to be more slaughtered innocent men, women, and children.

Now, we don't want to get involved in every dogfight in the world. We may not have a dog in this fight, but we will have if something doesn't happen. We could involve Albania, Greece, Turkey, Macedonia. So, you know, it could spread unless Milosevic understands that we're serious, and I don't think he's going to take this seriously.

**TILLOTSON:** We've got a call from Santa Monica. We'll let them in on the discussion.

California, go ahead — Santa Monica.

**1st CALLER:** (Santa Monica, California) Yes, I've been a Republican for years, and this year I changed to the Democratic Party. And I was wondering if Senator Dole will support the President to avoid gridlock, so we can overcome all of our problems and move ahead once and for all?

**Sen. DOLE:** Well, not if you mean will I support everything that President Clinton advocates. You know, I'm not certain people really want us to do that, whether you're a Democrat or a Republican. I hope you come back into the Republican Party. But, you know, if there are some things you don't like, you'd better hope that there are some of us in Congress — Republicans and Democrats — there to slow it down or to change it or to modify it.

I think gridlock's been overused, overplayed. Right now, we're seeing gridlock among the Democrats. They've, in effect, said we can't do anything with entitlement programs on the deficit. We've got some who are for or against a gas tax. We've got some who won't support President Clinton on campaign finance reform. See, when President Bush was there, they were getting all these free votes, because they knew President Bush would veto some of this legislation. Now they have to be responsible, and it's much more difficult.

So I'm not going to say there's never going to be gridlock. You may hope that we slow down some things you may not agree with. Right now, it's very easy for President Clinton. He's still sort of in this honeymoon period. But when it gets into the real legislating process, you may be calling me to say, "Please, slow this legislation down."

**TILLOTSON:** The lady does have a point, though, doesn't she, Senator Dole? You're going to have a little bit more delicate dance to do, aren't you, with a Democrat in the White House—

**Sen. DOLE:** Oh, sure.

**TILLOTSON:** —balancing, looking like a principal Republican, versus what Democrats will say is obstructionism?

**Sen. DOLE:** Right, and that's not our purpose. I want to assure the caller. I'm not there to obstruct. But I went back tonight— In fact, I read a statement that former governor of New York Teddy Roosevelt said, that our first obligation is to the United States of America; our second obligation is to support the President of the United States, whatever his party may be, when he's right, when it serves the interests of the United States. And equally important is to oppose the President of the United States when it doesn't serve the interests— oppose the President when he doesn't serve the interests of the United States.

So I think we understand what we need to do. And I've had a couple of visits with President Clinton. He's been in politics a long time. He's never had to deal with many Republicans, because in Arkansas there were only a handful in the state legislature.

**TILLOTSON:** Well, we're going to take another break, but we'll be back with more of the talk with Senator Bob Dole right after this. This is Larry King Live in Washington. Stay with us.

**Pres. CLINTON:** [at Detroit town meeting] I didn't choose to— I tried to put off the gays in the military is-

sue for six months. Senators in the other party wanted it dealt with now. They saw it as a way to delay family leave and to throw the whole federal government into debating that. I actually spent very little time on the issue, myself. I met with the Joint Chiefs on a number of issues, including that; met with the Senate Democrats on the Armed Services Committee. But I was, frankly, appalled that we spent so much time the first week talking about that, instead of how to get the economy going again.

(Commercial break)

**TILLOTSON:** Welcome back.

We're talking about President Clinton's first electronic town hall meeting, and we're talking with the Senate's top Republican, Bob Dole, who's in New York tonight.

Senator, the President for the last couple of days has been talking about cutting the cost of running the government. What do you make of that? Largely symbolic? And is Congress going to meet him and cut there, as he suggested?

**Sen. DOLE:** Well, I think we'll call him and raise him, as they say in poker. I mean, ours isn't going to be symbolic. We're actually going to cut dollars out of the Congressional staff budget. I've met with Senator Mitchell on this. So we're not going to try to play numbers games and put detailees back in other government agencies.

And first, I want to applaud President Clinton, even though it's symbolic. I think the American people need to understand that we're willing to do it. But I want to see his budget. I want to see what his budget says, not what the numbers and the charts say. No, yes, Congress is going to do, I think, as well or better, and it's going to be real. We're going to take money out of the pot, and that means we're going to have fewer employees.

**TILLOTSON:** Can you tell us about what savings you might be looking at — ballpark figure?

**Sen. DOLE:** Well, we're looking at 10 percent this year, 10 percent next year — a total of 25 percent. And I think that's going to have a real impact. I think we'll be, certainly, leaner but, hopefully, just as efficient. Let's face it, the Congressional staffs have grown tremendously the past 10 to 20 years. They've slowed in the last few years. But I think Senator Mitchell, the Majority Leader, and I have talked about it. We think we can do it without having any adverse effect on efficiency.

**TILLOTSON:** Dollar figure you could put on that sort of cut—?

**Sen. DOLE:** Well, I should have the figure. I don't have it. It's up in the millions of dollars, obviously, and we hope the House will do the same.

**TILLOTSON:** Do you know how you're going to achieve that? There's been a lot of conversation for the last few years about so many overlapping committees on Capitol Hill.

**Sen. DOLE:** Yes. Well, I think we can eliminate some of those committees. We've got a couple on the Senate side, at least three — Indian Affairs, Aging, and Small Business. They don't have any legislative jurisdiction. They're just committees that have sprung up and grown and the

02/11/93 16:46

202 898 7686

LARRY KING LIVE

staff has grown. They're all very worthwhile committees, but they can provide the same service in another committee with legislative authority.

Now, whether or not we'll eliminate those depends on what the joint— We have a joint committee now, I might tell the viewers, a joint committee — a bipartisan committee — looking at Congress, how we can streamline Congress, make it more effective. And that committee hopes to report in the next several months. And I believe we're going to carry out most of their recommendations. I don't know what they are yet, but I hope one is going to be that we only have a six-month-a-year session, and the rest of that year we're back in our states and back in our districts living under the laws that we've passed and talking to people in our states.

**TILLOTSON:** Back to the system before air conditioning, in other words?

**Sen. DOLE:** That's right.

**TILLOTSON:** We've got a caller who's been patiently waiting in McLean, Virginia.

Go ahead.

**2nd CALLER:** *(McLean, Virginia)* Yes, Senator Dole?

**Sen. DOLE:** Yes.

**2nd CALLER:** It's a real honor to speak to you, sir. My question is, whenever Bill Clinton is questioned about the middle-class tax cut his instant reply is that he was made aware of the budget deficit being \$50 billion more than he expected. I, personally, heard you, yourself, as well as Sam Donaldson, say that the Democrats were well aware of this in August and that they just refused to admit it or acknowledge it. Could you clarify? Did the Democrats know what the actual budget deficit was going to be?

**Sen. DOLE:** Well, the Democrats knew in August. It came from what we call the Congressional Budget Office. That's controlled by Democrats in the Congress. Mr. Reichauer [sp?] is the director of the Congressional Budget Office. They had this "Put People First" program, and they didn't want to go back and change the numbers, but they knew in August the numbers were going to be worse than they had anticipated. So to say now that it's suddenly sprung on him, I think, is being a little disingenuous and not leveling with the American people.

You know, I respect the President but, let's face it, he's very good at telling people everything they want to hear. We'll see how tough the decisions are going to be and how much sacrifice is going to be made, particularly starting with government. We want the government to sacrifice first, not the people. But he knew precisely what those figures were in August before the election.

And I must say, we're talking about a stimulus package. We don't know the details yet. But the Bush recovery is well underway. Everything that President Bush, when he was a candidate, said would happen is happening. We've got good growth. We've got higher productivity. We've got higher car sales, more housing starts. Most of the leading indicators are up. Things are doing very well, and we're told today that it's going to sustain itself and be the best recovery we've had for several years. So my view is we don't need to add \$30 billion to the deficit and call it a

stimulus package.

**TILLOTSON:** So you think, Senator Dole, that when he was telling voters back in the campaign he was going to cut their taxes if they were middle-class folks, he knew he wasn't going to be able to?

**Sen. DOLE:** Well, he knew he had a big— I mean, I don't want to say what he— You know, I don't know what he knew, but he did know that the deficit was not as he said it was and, you know, let's face it, that's a fact. Everybody knows it. I'm certain if the Democrats in Congress knew it in August, he certainly knew it and so— But that's history.

**TILLOTSON:** And we can interpret those facts any way we want, right?

We have a call from Winston-Salem, North Carolina. Go ahead.

**3rd CALLER:** *(Winston-Salem, North Carolina)* Hello. I'm on the air now?

**Sen. DOLE:** Hello.

**TILLOTSON:** Yes, you are. Go ahead.

**3rd CALLER:** OK. This past week, many Republicans have criticized Bill Clinton's town hall format, which is politically risky for any elected official — to be live and, you know, vulnerable to any questions. Is this objection because people now have unbiased and uncensored access to the President?

**Sen. DOLE:** I don't think anybody that I know of — and I keep pretty close tabs — has been objecting or criticizing him going out and meeting with the people. Most of us do it all the time, but we have real town hall meetings. We don't have any way to determine what the questions are going to be or anything, to sort of stage it. We go right out in our counties and whoever shows up gets to ask questions. We don't limit the questions, and we don't say that you can't have a hostile person come in the audience, as they said in Clinton's audience.

But as far as I know, the Republicans haven't criticized this. We may, but we haven't done it yet. We think we should have equal time, and that's, in essence, what we're having now. But we don't have near the audience, but at least we have a chance to talk about what he said at his town meeting. He said a lot of things.

**TILLOTSON:** Senator Dole, I want to ask you, because you're a guy who— People like me ask you questions. As a reporter, I don't think about any difference between an event that's live and an event that's taped. I mean, it's live for you and me when we sit and do an interview, and if it's on videotape what the audience ultimately is going to see was live for you and you answered. Do you, as a politician, make any distinction in the way you handle an audience or respond to a question whether it's—

**Sen. DOLE:** Oh, no.

**TILLOTSON:** Yes, it's live for you regardless, right?

**Sen. DOLE:** No, I think the point was, as far as I know, we're not criticizing President Clinton on having town meetings. He could go a step further and adopt the Perot plan, and that's have some feedback. We don't have any feedback yet from the American people. But as long as you're telling everybody precisely what they want to hear, it's great public relations. But sooner or later, a year from

now or a year and a half from now, it'll be a little different, but that's fine. I think we ought to have more town meetings. I hope sometimes he'll invite some Republicans to go along, and Democrats.

**TILLOTSON:** Well, I think there are some television viewers who somehow think you or I handle ourselves differently if it's live or Memorex, and I've not seen that.

We're going to take another break, but we'll be right back with more of your calls. I'm Mary Tillotson. Larry King Live will continue in just a minute.

**Pres. CLINTON:** *[at Detroit town meeting]* There's been some good news and bad news since I won the election. The good news is that productivity of American firms is up, people are buying houses because interest rates are down, consumer confidence is up since the election. I like that. People think things are going to be better. There's been some bad news. With all these economic improvements, we aren't generating new jobs, and the deficit of this country is about \$50 billion a year bigger than I was told it was going to be.

*[Commercial break]*

**Pres. CLINTON:** *[at Detroit town meeting]* I never selected her to be Attorney General. There was a press report that she was, and I regret—I think she was treated quite unfairly in this whole thing. I have a high regard for her. But she was one of three or four people I was considering. She knowingly hired an illegal alien. Now, I think that she did not do anything illegal. She knew the person providing childcare was doing something illegal, but she didn't.

**TILLOTSON:** Welcome back.

Our subject is President Clinton's made-for-TV town hall. That was a snippet of it. Senator Bob Dole of Kansas is with us this evening from the Waldorf Hotel in New York.

Senator Dole, do you think Kimba Wood was treated unfairly? And if she was, could it be perhaps some persons in the Clinton White House who treated her unfairly?

**Sen. DOLE:** Well, my view is she would have been confirmed. It seemed to me that she followed the law. And I don't know Kimba Wood at all. I know that she has a good reputation and has done a good job as a federal judge. But I think in this case there might have been an overreaction at the White House by someone. President Clinton said she was not the nominee, but at least that was a leak that appeared in the press, and they're generally fairly accurate. But in any event, whether she was or not—

**TILLOTSON:** Would you repeat that again, Senator Dole?

**Sen. DOLE:** Generally fairly accurate, I said. But, you know, my view was she would have been confirmed had her name been sent up. I think there's a big distinction between her case and the case of Zoe Baird.

**TILLOTSON:** What do you read into this? Was someone contemptuous of the public and thought they would not make a distinction with Zoe Baird?

**Sen. DOLE:** I don't know. I mean, as I said before, it was probably a public relations problem. But had the President weighed in and pointed out the distinction— You

know, I think we were all sort of caught napping in the Zo Baird case. She's a very fine person, but had this problem. And Congress, like everybody else, was saying, "Oh, well this is no big deal," but the American people said, "It's a big deal," and the phones were ringing off the hook. I don't think that would have been the case with Judge Wood.

**TILLOTSON:** We've got a call from Clifton, Virginia. Go ahead.

**4th CALLER:** *[Clifton, Virginia]* Hi. Yes, Senator, I wanted to know what the actual case is with Hillary and the involvement in the sunshine laws with her public announcement of all the meetings that she's supposed to have and her public agenda.

**Sen. DOLE:** Right, there was a question raised by Congressman Klinger [sp?] on the House side — a Republican — on whether or not she's complying with the law that says you can't have private meetings, particularly since she's not a government employee. Now, whether or not anything will come of that, I don't know.

My view is that, you know, let's give Hillary Clinton a chance. I met with her last week. I think she's very sincere, wants to do a good job. We want to work with her. I understand today she called my wife; wants to get the Red Cross involved, too. So, you know, that doesn't concern me too much at this point. Now, if it gets to be a point where you have nothing but private meetings and the press or the public is excluded, particularly, then I think we're going to have a problem.

**TILLOTSON:** Without betraying any confidences you would consider private—

**Sen. DOLE:** Right.

**TILLOTSON:** —can you give us a sense of how Mrs. Clinton is being received on Capitol Hill?

**Sen. DOLE:** Well, I think the first impression was very good. I think I speak for Democrats and Republicans. You know, obviously, we want to be courteous. We want to treat her with respect, as we should, and we will. And that doesn't mean we may not have differences. And I think particularly Republicans may not be intimidated as much as, say, Democrats might be, or members of the Cabinet, if she's, in effect, stepping on their turf. But this is a big, big problem, and we need all the help we can get. Republicans— We've been working with Senator John Chafee. He's been sort of our leader on health care— Senator Dave Durenberger from Minnesota. And we want to work together. We want to be helpful. So as far as I'm concerned, it's still very early. President Clinton deserves a chance, Mrs. Clinton deserves a chance, and I hope we deserve a chance to try to work out these problems.

**TILLOTSON:** We've got a call from Richmond, Virginia. Go ahead, Richmond.

**5th CALLER:** *[Richmond, Virginia]* Senator, this country is financially broke because Congress and the federal government have spent too much money, and now the President wants us to send more tax dollars to Washington. Will the Republicans have the fortitude to draw the line in the sand and say, "Absolutely not?"

**Sen. DOLE:** Our policy is that we're going to— You know, we don't have enough votes. We hope to have more. We

hope to have one in Texas if we win that special election. It would give us 44 out of 100. That would be enough to do a lot of business. As far as I'm concerned, our policy should be, and our policy is, that before we start talking about any revenue increases, any more taxes, we ought to look at spending restraint. Let's cut spending first.

Now, President Clinton has said this, but I've got a feeling that he's going to raise corporate taxes, which means we're not going to be as competitive, if you're a businessman or woman, a corporation. And he's going to raise taxes on the middle class, instead of cut taxes, either through a gas tax or something else. So I think, until we see his package on the 17th of February, we don't know for certain. But I can pledge to you that we're going to be putting our emphasis on spending restraint.

**TILLOTSON:** The President said, no, he did not want a balanced budget amendment, this evening. He said, yes, he does want a line-item veto law passed by you folks. Do you think that's likely to fly in Congress?

**Sen. DOLE:** A line-item veto?

**TILLOTSON:** Yes, sir.

**Sen. DOLE:** Well, he has a very powerful opponent in the distinguished president *pro tem.* of the Senate, Senator Robert Byrd, who believes — sincerely believes — that it's an infringement on the appropriations process and a limitation of the appropriate influence Congress should have. Without Senator Byrd onboard, it's going to be very difficult. But, again, if President Clinton really means this and really wants to fight for it, maybe there's some way we can work it out so that it can be passed.

I support the line-item veto. I also support a balanced-budget amendment. And if we don't do it in Congress, there may be a constitutional convention called. Ross Perot is working hard to get two more states to ask for a constitutional convention where they can consider a balanced-budget amendment. The American people want responsible government, and that means less spending. That's their first — Nobody's asking for more taxes. There's not enough. You can't get enough out of the rich to solve the problem. You can't get enough out of corporations, or they're going to pass it on to middle-class consumers. And so it seems to me we have to look at spending restraint.

**TILLOTSON:** I understand that many states — I think Arkansas is one of them — do have balanced-budget amendments. But is there really an analogy between a state where you have both a legislature and a governor, presumably, fairly intimately involved with their own voters, and a Congress where you have disparate interests from all over the country? Isn't the control and the negotiating power you have with the administration solely in that ability to craft where the money goes?

**Sen. DOLE:** Well, that's part of it. I think, too, in states — particularly in Arkansas; it was a one-party state. I mean, there are a handful of Republican senators and state representatives — but just a handful, not enough to make any difference. So you really had one-party rule, so it wasn't too difficult to be the governor in the state of Arkansas if you were a Democrat — pretty hard if you

were a Republican.

But you know, that's one of the powers that Congress has — negotiating. But again, you know, if President Clinton — I've said this many times. If he's serious about deficit reduction and he puts the emphasis on spending restraint, then I think we all have a responsibility. Let's go back to the lady who called in from California. Our priority, our first priority, is to serve the interests of the United States, not either political party.

**TILLOTSON:** We've got a call from Johnson City, New York. Go ahead.

**6th CALLER:** [Johnson City, New York] Senator Dole, I've always been an admirer of yours. I'm a Democrat. My question is, have you and the other Senate leaders and House leaders in the Republican Party been invited to the White House to discuss with President Clinton the economic problems, the deficit, and health care? And if so, or if not, how frank would those discussions be?

**Sen. DOLE:** Well, I think we will be invited. We've had no input on the economic so-called stimulus package and, as far as I know, none on the big deficit-reduction package. We've had preliminary discussions on health care. We had a visit with President Clinton at the White House with what we call the joint leadership. Democrats and Republicans. And last week, we had a brief meeting with Mrs. Clinton on health care.

But you know, I hope it's more than just eyewash. I mean, I hope it's going to be meaningful and going to be in-depth conversations. I have every reason to believe it will be, so we're ready to cooperate. We're ready to help. I think the country cries out for solving problems, and I hope I'm a problem-solver, and I want to be helpful.

**TILLOTSON:** We're going to take one more break, but we'll be back with more in just a minute. This is Larry King Live in Washington. Don't go away.

**Mrs. HILLARY RODHAM CLINTON:** [at Capitol Hill news conference; February 8, 1993] The President has said for more than a year that major health-care reform legislation is essential to meet the economic demands as well as the human demands of this country. And any kind of change that will meet those demands in a realistic way will require people to do things differently.

[Commercial break]

**TILLOTSON:** Welcome back.

Senate Minority Leader Rob Dole is our guest this evening. He's joining us from New York.

And if we can get back to a little bit earlier in the day before the President's electronic town hall, Senator, General Colin Powell, Chairman of the Joint Chiefs of Staff, did the sort of talk-show circuit this morning and insisted he is not, as he put it, crosswise with the administration — but certainly suggested as well; implied he may be leaving that job a little bit sooner than some people had thought. How long do you think he's going to stay at the Pentagon?

**Sen. DOLE:** Well, I don't know. I haven't talked to General Powell. He's done an outstanding job as Chairman of the Joint Chiefs. He's a great American and we're proud of him. He may, you know, for just reasons of business or

whatever, leave a month or two early. That's what I've heard him quoted as saying, but I don't have any inside knowledge. But certainly, he deserves the plaudits of all Americans for the job he's done.

**TILLOTSON:** He says he's not interested in politics, even local tax assessor. Would you recommend it as a future line of work, if he chooses to leave the military?

**Sen. DOLE:** Oh, I used to kid him. I said— Because he spent some time in Fort Leavenworth, which is in Kansas. I said, "Don't come back here and run against me for the Senate." He'd have wiped me out. But in any event, you know, I've joked with him about politics, about Vice President, President. He disclaims any interest, but I hope that's not the case. I think he would have a real opportunity, a real future, and I hope it's in the Republican Party.

**TILLOTSON:** Well, you've made your pitch for that tonight.

**Sen. DOLE:** Yes. Right.

**TILLOTSON:** We've got a call from Phoenix, Arizona.

Go ahead, Phoenix.

**7th CALLER:** *[Phoenix, Arizona]* Yes, hi, Senator. Explain to me— I've been a Republican for quite a few years and put a lot of money into the Republican Party. How can you support Packwood and his alleged sexual harassment of women and, at the same breath in the same interview, be against the lifting of the ban on homosexuality, when the greatest problem in the military is the heterosexual sexual harassment of male to female in the military?

**Sen. DOLE:** Well, I'm against any discrimination. With reference to Senator Packwood, I've said — and every time I've made a public statement — that, you know, we have an ethics committee. He's agreed to cooperate with the ethics committee. It's three Republicans, three Democrats. And I think they have a right to exercise their judgment before we start saying what ought to happen to Senator Packwood. I have also said — and I think it's correct — there is some degree of partisanship involved, because some of the people leading the efforts against Senator Packwood— In fact, one lady ran against him in 1974 for the Senate. But having said that, what he did was not— was wrong. He's going to be judged by his peers. But we ought to wait and see what his peers say.

I don't see any connection between that and lifting the ban on gays. I'm not a gay-basher. I don't believe in discrimination. But, you know, I think there has been discrimination in the armed services for a long, long time — as I said, whether you're too tall, too short, over-age, overweight, color-blind, disabled, whatever. And this— In my view, it's a mistake to make those changes now. And what President Clinton has done by saying we're not going to ask Question Number 27 about sexual preference, whether you're bisexual or homosexual— A lot of people are going to come into the service now and we're going to spend hundreds of thousands and millions of dollars training these people. Then, if somebody finds out later they may be homosexual, they can still be kicked out. So it's not fair to them, and it's not fair to the American taxpayer. What President Clinton has done has, in fact, made it worse.

He's going to spend a lot of money training people who may later be rejected because of their sexual orientation.

**TILLOTSON:** But, Senator, doesn't the caller have a point that if the military, as many of them have argued, would say that one reason to exclude homosexuals is because of the unease that that would cause among heterosexual men, that there is some irony when you look at the lack of aggressiveness with which the military pursued the Tailhook investigation?

**Sen. DOLE:** Oh, no doubt about it. No, I don't mean to discredit the caller. I think he made a good point. Whether it's people in the service or people in Congress or people generally, certainly harassment has become a big, big problem in America and a big, big issue. And in fact, one of the— Well, it gets beyond harassment. One of the first bills I introduced this year was on domestic violence, abuse of women — hundreds of thousands of women abused every year by their husbands or whoever, and with not much redress.

So I don't disagree with the caller, but I don't see a real connection there between Senator Packwood— who's going to have his day in court, so to speak, and then judgment will be rendered.

**TILLOTSON:** One more break, but we'll be right back with more of your calls.

**Pres. CLINTON:** *[at Detroit town meeting]* Don't forget, it's no accident that World War I started in this area. There are ancient ethnic hatreds that have consumed people and led to horrible abuses. You know about it — the rapes of the women, the murders of the children, all these things you have read about. We've got to try to contain it, and I think we have to be very strong— much stronger standing up to aggression. We've got to get the heavy weapons out of utilization. You had implied that. We've got to toughen the embargo against the Serbs. We ought to open a United Nations war-crimes inquiry, and we ought to enforce that no-fly zone against Serbian aircraft.

*[Commercial break]*

**TILLOTSON:** Welcome back.

Our guest tonight is Senator Bob Dole. He's in New York, and our next call is in Hampton, Virginia.

Go ahead, Hampton.

**8th CALLER:** *[Hampton, Virginia]* Good afternoon, or good evening, Mister— Missus, and the good Senator.

**Sen. DOLE:** Thank you.

**8th CALLER:** My question— The electronic technicality in the White House— Couldn't that meeting tonight have been held from the Oval Office, to save the trip from Air Force One and all the expense for such electronic technology? All those millions could have spent *[sic]* lowering the deficit rather than raising it.

**Sen. DOLE:** Right, it could have been held in the White House. I think the President wanted to get out with the people, so he could have gone right outside in the District of Columbia or driven to Maryland or Virginia. I think it would have had the same impact because you had him going to Seattle and Miami and Atlanta, Georgia. But he may have made a commitment earlier to go to Detroit. I

don't know the details. But the answer is, obviously, it could have been held somewhere else at less expense, but the President chose to go to Detroit, and that's his call.

**TILLOTSON:** And Michigan did vote for him, right?

**Sen. DOLE:** I understand they may have. I thought he might say a thing about minivans or trucks up there tonight— didn't do that. But in any event, certainly, that's his call.

**TILLOTSON:** Next call — speaking of calls — Groton, Connecticut. Go ahead. You're on.

**9th CALLER:** *[Groton, Connecticut]* Yes, Senator Dole, I have a comment and a question. It seems to me and a lot of other Americans that you have been very critical of President Clinton so far and his new administration on some of the things he's trying to change. Why were you so silent over the last 12 years when so many things were neglected by President Bush?

**Sen. DOLE:** Well, I don't think I've been very critical. In fact, President Clinton indicated— called me the other day to thank me for not holding up the family-leave bill and thank me for some other things that we've been doing. But I am the Republican leader, and we do have an obligation to be the loyal opposition. And we're going to find areas— In fact, I'm willing to work with him in many areas. But we have a two-party system in America. It would be terrible if we all had the same view and the same idea.

And my responsibility when President Bush and President Reagan were there when I was the leader was to try to be the leader. Where I disagreed, I had a chance to have input. I don't have that opportunity now with President Clinton. But you may find— Don't judge everybody in the first three weeks. I haven't tried to judge President Clinton or his administration. I've said on this program tonight, give him a chance, give him some time, give Mrs. Clinton time. These are big, big, tough problems. And if he's serious about what he wants to do, then we'll be with him, but we've got to get specific. We can't just be out making—

**TILLOTSON:** Senator, we're going to have to—

**Sen. DOLE:** —talking about generalities.

**TILLOTSON:** We're going to have to take a break.

**Sen. DOLE:** Yes.

**TILLOTSON:** But we'll be right back. I'm Mary Tillotson. Stay with us.

**Pres. CLINTON:** *[at Detroit town meeting]* What we're going to try to do with this health care plan is to make sure that everybody, whether employed or unemployed, has access to a basic package of comprehensive benefits. Every other country in the world — advanced country — does this. Every industrialized country but South Africa does this — everybody. And yet, we spend 30 percent more of our income on health care than anybody else.

Now, if you have access to health care in America, it's the best in the world. There are a lot of good things about it. But there are ways to give people a choice of doctors, high-quality care, and do it for lower cost.

*[Commercial break]*

**TILLOTSON:** Welcome back.

I've only got a couple of minutes left but, Senator Bob Dole, if we could return briefly to Bosnia, do you see any likelihood that, absent either U.S. and/or other military forces intervening on the ground, that the bloodshed there is going to stop? And unless ground forces are sent in, do you see Milosevic conceding, and do you see any likelihood that the U.S. government will send U.S. military forces in on the ground to Bosnia?

**Sen. DOLE:** Not unless it's in a peacekeeping— I think, as President Clinton pointed out, if you have a negotiated peace, then we might be part of a force to keep the peace, but not to go in with ground forces and try to take direct action against the Serbs or anyone else. That's why I think, if we do anything, it'll be air power. Some say you can't do it just with air power, but we haven't tried. We haven't really enforced the no-fly zone, and I think that's an option we ought to consider.

And we ought to do something about lifting the arms embargo if we can't do anything else — unless the parties agree on a settlement; then I think we have to weigh in on the side of the Moslems.

**TILLOTSON:** Does what the Europeans and the United States have done thus far amount to eyewash to give the appearance of doing something while they do nothing?

**Sen. DOLE:** Well, I think they've tried very hard. I certainly think Cy Vance and Lord Owen were doing the best they could. But it's a tough, tough nut to crack and, as the President said tonight, the ethnic hatreds there have been there for a long, long time. Probably, the result is eyewash. The bottom line is eyewash. The Europeans failed. So far, the negotiations have failed. I'm not certain our entry is going to change it, but I think it's worth taking the chance.

**TILLOTSON:** Senator Dole, we're all out of time. Many thanks to you.

**Sen. DOLE:** Thank you.

**TILLOTSON:** Senate Republican Leader Bob Dole of Kansas, who kindly joined us tonight from his hotel in New York.

That's Larry King Live for this evening. Larry's going to be back tomorrow night with Labor Secretary Robert Reich. Thanks for joining us. CNN world news is next. Patrick Greenlaw and Susan Rook are up. Thanks for being with us. Good night.

Copyright © 1993 Cabin News Network, Inc.