

February 26, 1993

TO: SENATOR DOLE
FROM: John Mugler
SUBJECT: Calls Regarding Clinton's New Tax Proposal

DATE:	OFFICE:	FOR:	AGAINST:
FEB. 16 & 17	HART OFFICE	50	943
FEB. 16 & 17	KANSAS OFFICES	22	500
SUB-TOTAL:		72	1443

*****POST SPEECH*****

FEB:	18 & 19	HART OFFICE	616	1134	> 1.4 to 1
FEB:	18 & 19	KANSAS OFFICES	735	783	
MON:	22	HART OFFICE	118	403	> 3.4 to 1
MON:	22	KANSAS OFFICES	42	135	
TUES:	23	HART OFFICE	22	261	> 8.5 to 1
TUES:	23	KANSAS OFFICES	30	185	
WED:	24	HART OFFICE	141	387	> 2.5 to 1
WED:	24	KANSAS OFFICES	62	130	
THUR:	25	HART OFFICE	23	238	> 7.6 to 1
THUR:	25	KANSAS OFFICES	33	188	
FRI:	26	HART OFFICE	51	371	> 5.2 to 1
FRI:	26	KANSAS OFFICES	35	79	
SUB-TOTAL:		1908	4294	2.25 to 1	

TOTAL:	FOR:	AGAINST:
	1980	5737

* 34 calls against Clinton's running track

FOR THE WEEK, CALLS RAN 4.3 to 1 AGAINST
CLINTON
PLAN

EVANS & NOVAK SPIN

- ◆ PEROT COMMISSION -- USA TODAY (ATTACHED) REPORTED EARLIER THIS WEEK THAT THE WHITE HOUSE MAY SOON LAUNCH A MASSIVE AUDIT TO IDENTIFY WASTE AND INEFFICIENCY THROUGHOUT GOVERNMENT. IF THE WHITE HOUSE IS SERIOUS ABOUT STREAMLINING GOVERNMENT, I KNOW JUST THE MAN TO GET HIS HANDS ON THE FEDERAL BOOKS -- ROSS PEROT. I URGE PRESIDENT CLINTON TO APPOINT ROSS PEROT TO HEAD UP ANY EFFORT HE MAY UNDERTAKE TO IDENTIFY GOVERNMENT WASTE.

- ◆ THE "POLITICAL STIMULUS" -- CALL ON CLINTON TO IMMEDIATELY ABANDON HIS PLANS FOR A DEFICIT-BUSTING ECONOMIC STIMULUS PACKAGE. THE GAME IS OVER. ABSOLUTELY NO SUPPORT, OR REASON, TO SPEND THE MONEY. LATEST ECONOMIC FIGURES FURTHER PROOF THAT BUSH RECOVERY IS UNDER WAY. AMERICANS CAN'T AFFORD \$16 BILLION TO PAY FOR PRESIDENT'S "POLITICAL STIMULUS." MANY ECONOMISTS NOW RECOGNIZE THAT THE BUSH RECOVERY IS WELL UNDER WAY, AND SUCH A STIMULUS WOULDN'T MAKE MUCH DIFFERENCE -- EXCEPT, OF COURSE, POLITICALLY. INSTEAD, CLINTON SHOULD FOCUS ENERGY AND ATTENTION ON PROVIDING THE DETAILS OF HIS DEFICIT-REDUCTION PACKAGE.

- ◆ CLINTON STIFLING DEBATE -- PRESIDENT CLINTON IS ENTITLED TO A DEBATE ON HIS PLAN. HE WAS ELECTED PRESIDENT, AND THE WHITE HOUSE'S "SHOW US SPECIFICS" ARGUMENT IS JUST A SMOKESCREEN TO STIFLE DEBATE. IF THE CLINTON PLAN IS SO GREAT, WHY ARE THEY TRYING TO SHIFT THE FOCUS SO QUICKLY TO ALTERNATIVES? THAT IS NOT IN THE INTEREST OF THE PEOPLE OF THE UNITED STATES. THERE'S NOTHING UNPATRIOTIC ABOUT ASKING LEGITIMATE QUESTIONS. NOW, WHITE HOUSE ALSO WANTS TO STIFLE DEBATE ON HEALTH CARE, WITH DEMOCRAT PLANS TO ROLL IT INTO CLINTON BUDGET -- A RAW POLITICAL CAMPAIGN TO LOCK OUT INPUT FROM AMERICAN PEOPLE. PRESIDENT CLINTON SHOULD WELCOME DEBATE -- WHAT ARE THEY AFRAID OF?

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CNN'S EVANS & NOVAK

Saturday, February 26, 1993

Taping at 10:30AM

Kristin will pick you up at the horseshoe in front of Hart at 10:10AM. Driving rust colored Volvo.

CONTACT: Susan Reichly 898-7619

Mc - Leher -
Son -
asked again this
Ed Ballen -

2/25/93
TAYLOR

CLINTON ECONOMIC PLAN
EVANS & NOVAK

Bush Recovery Statistics

- o Friday morning, the Commerce Department reported that GDP grew a striking 4.8% in the fourth quarter of 1992, notably faster than their previous estimate of 3.8%. The upward revision to GDP shows that the Bush recovery is accelerating.
- o Now, more than ever, I question the value of an economic stimulus package. I seriously doubt that a \$16 billion to \$18 billion stimulus package can do anything to help a \$6 trillion economy. This is simply a political stimulus that is intended to give the Clinton Administration credit for an already improving economy.

Response to Polls Supporting the President's Plan.

- o The initial reaction to the President's speech was fairly positive. It was a good political speech with more goodies than specifics.
- o Most Americans want to believe the President. They are willing to bite the bullet for their children and their grandchildren, but only if they know that every government program is taking the hit it deserves. That's where the Clinton plan falls short.
- o As the American people have learned more about the details of what is actually in the plan, they have gotten a little more skeptical about it. In my office the calls are now running 9-to-1 against the plan.
- o They people outside Washington, D.C. are beginning to understand that the President's program doesn't measure up.
 - They know that raising taxes to feed government programs will not create jobs.
 - They are beginning to realize that most of these taxes hikes are going to hit real people -- like truck drivers, shopkeepers, farmers, and senior citizens.
 - They understand that higher taxes on businesses will lead to higher prices and fewer jobs.
- o Even if the President's plan were adopted whole -- without amendment -- at the end of 4 years, taxes would be up, government spending would be up, and the deficit would be moving up again. [Safire chart]

CLARKSON
← TO
UPDATE

CALL
INFO.

(SEE
SEPERATE
MEMO)

We are still waiting for the President to submit a budget.

- o During the campaign, Bill Clinton promised to begin his Administration with an explosive 100-day action period. He said:
 - "I intend to have a legislative program ready on the desk of Congress on the day after I'm inaugurated."
(Source: L.A. Times, June 24, 1992)
- o Section 300 of the Congressional Budget Act requires that the President submit his budget to Congress on the first Monday in February.
 - This new deadline was set in the Budget Enforcement Act of 1990. President Bush met it in 1991 and in 1992.
- o So far Bill Clinton has sent us a broad outline. But his budget plan is 26 days overdue, and we now understand that the legally-required "details" may be delayed until April.

The Democrats may resort to forcing votes before they give us the facts.

- o It now appears that the Democrats may force a vote on the Budget Resolution before the President submits his budget. This past week, Pete Domenici and I wrote the President about this. His response was:
 - "Last week, we submitted to the Congress a document entitled, "A Vision of Change for America," which includes more information than is needed -- or typically included -- in a budget resolution. therefore, I believe we should proceed with the budget process."
- o I appreciate the President's concern, but we are talking about legal requirements here. The fact is that the President's "Vision of Change for America" is no more a budget than Clinton's campaign document -- "Putting People First" -- was.
- o When I cast a vote on an issue, I like to know what I'm voting on.

Republicans have serious problems with the outline that has been provided to Congress.

- o Bill Clinton is a good salesman -- but I hope the American people check under the hood before they sign on to a \$360 billion tax increase.
- o The fact is that the President's plan does not measure up to the President's speech. It contains \$3 in new taxes for

every dollar of spending cuts. And most of these new taxes are not going to reduce the deficit -- they are being used to finance more government spending. [charts]

- o The plan contains \$178 billion in new spending and \$67 billion in tax breaks. Eliminate these taxpayer-financed giveaways -- that's \$245 billion, and you could get the same deficit reduction results as the Clinton plan with roughly one-third of the tax increases.
- o Bill Clinton is trying to use Ronald Reagan's successful game plan to get his agenda through Congress. The problem is he is using [FDR or?] Jimmy Carter's play book.

Same Old Tax and Spend

- o President Clinton claims to be a new Democrat. But raising \$360 billion in taxes and cutting an additional \$112 billion in defense -- below the \$75 billion cut that Congress approved last year -- to finance more government spending is not new.
- o And to top it off, Congress has already seen more than 80 percent of President Clinton's proposed cuts in the non-defense areas (includes mandatory savings) -- almost \$125 billion. They were originally submitted by Ronald Reagan or George Bush.
- o It wasn't too long ago that Democrats on Capitol Hill were calling these cuts "dead on arrival." It will be interesting to see if Bill Clinton can revive them.

The Clinton Plan is not dead, but it is in trouble.

- o No doubt about it, Bill Clinton is a good campaigner. But the campaign is over and he won. Now comes the hard part -- leading America.
- o This plan is in trouble.
 - The Democrats are delaying consideration of the spending giveaway package -- the so-called "stimulus" -- so that their members can claim they voted to cut spending before they vote to increase the deficit.
 - And they want to force a vote on the budget before we get a chance to look at the details.

Bob Dole



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
FEBRUARY 26, 1993

CONTACT: WALT RIKER
(202) 224-5358

BUSH RECOVERY

FOURTH QUARTER ECONOMIC GROWTH BEST IN FIVE YEARS; DON'T DERAIL RECOVERY WITH "POLITICAL STIMULUS"

ANNAPOLIS, MARYLAND -- Senate Republican Leader Bob Dole (R-Kansas) today issued the following statement regarding the Commerce Department's announcement that the U.S. economy grew at an annual rate of 4.8% in the fourth quarter of 1992, the best quarter of economic growth in five years. Dole was in Annapolis attending a Senate Republican retreat on health care policy.

"The quarter of most rapid economic growth in five years is further evidence the Bush recovery is well under way. Considering this good economic news, the last thing we need to do now is threaten the ongoing recovery by adding billions of dollars to the deficit with a so-called economic stimulus package, which is really nothing more than a political stimulus package."

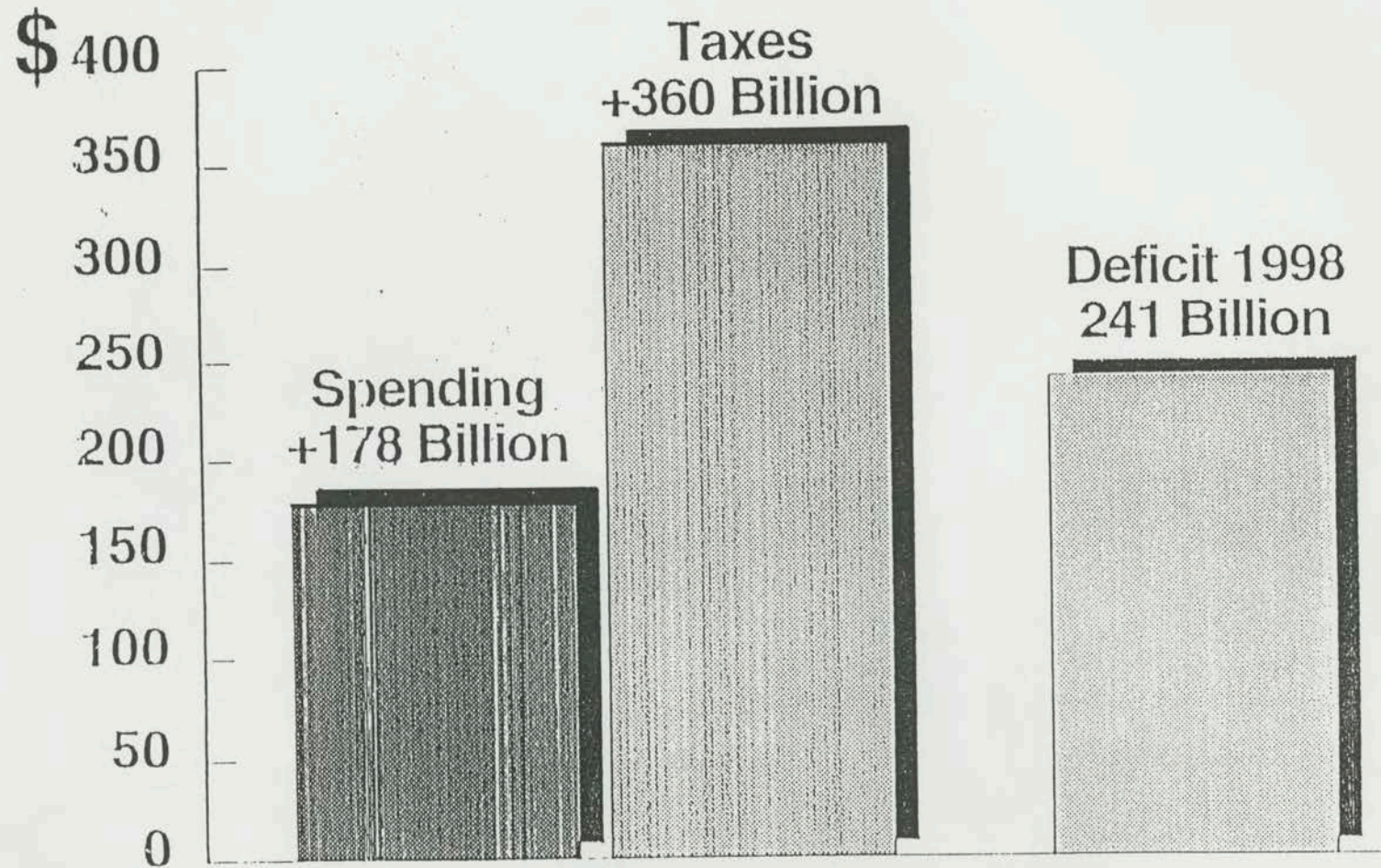
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CHARTS

Clinton Budget Plan

Spending, Taxes, Deficit Up!

1993–1998



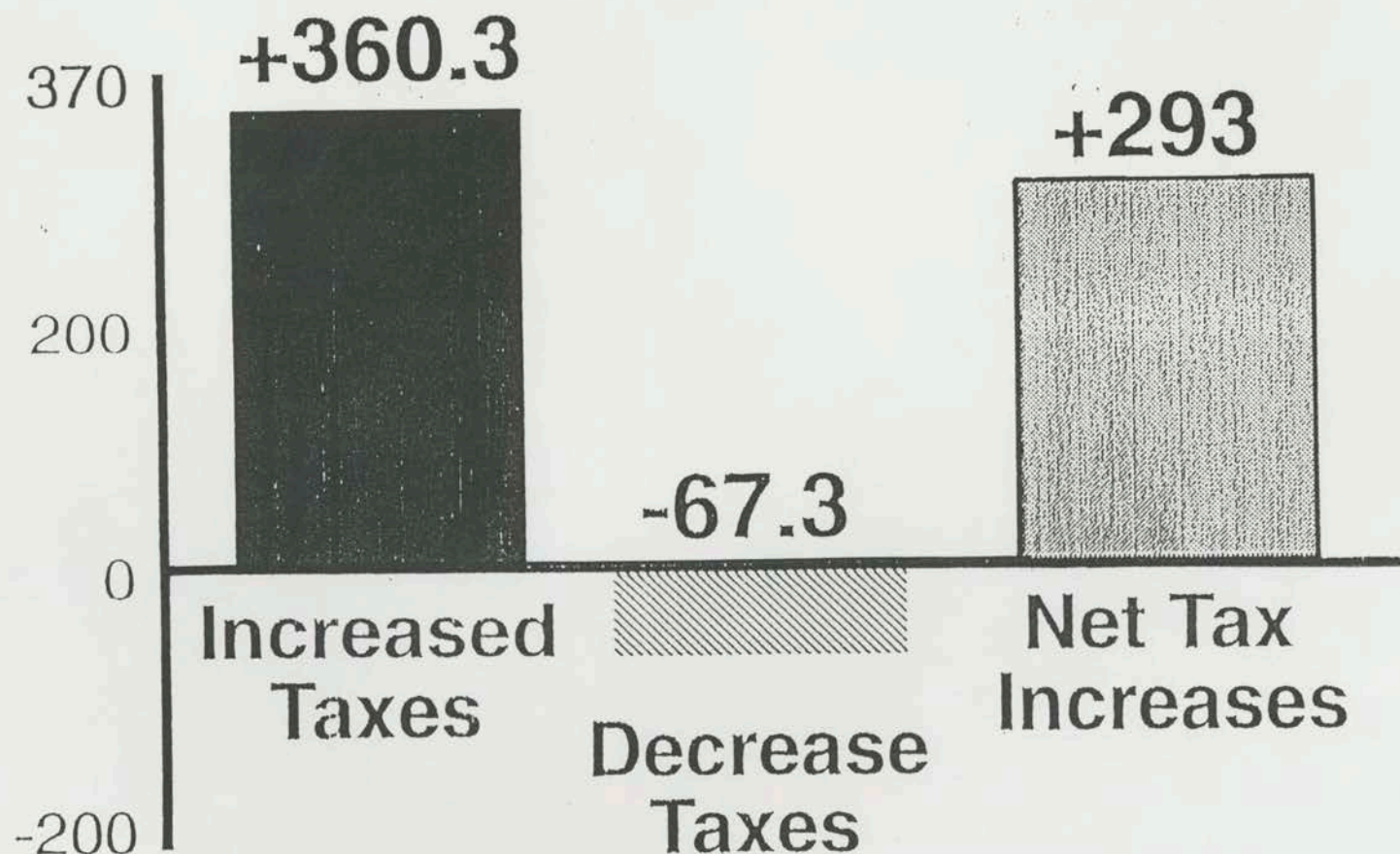
NOTE: Gross Spending, Gross Taxes

SOURCE: Senate Budget Committee, Minority Staff 2-23-93

Clinton Budget Plan

Tax Proposal

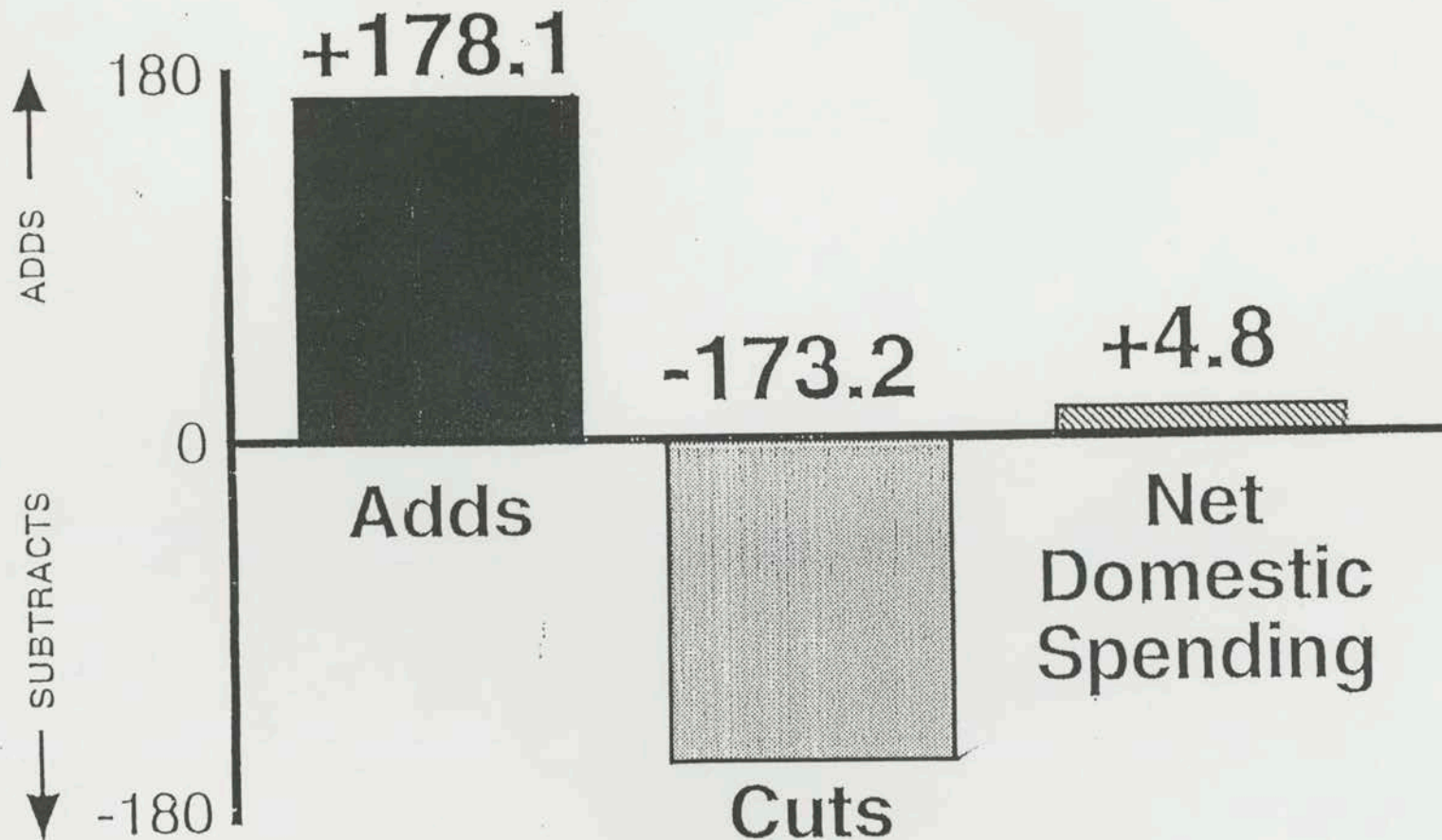
\$ in Billions
1993-1998



Clinton Budget Plan

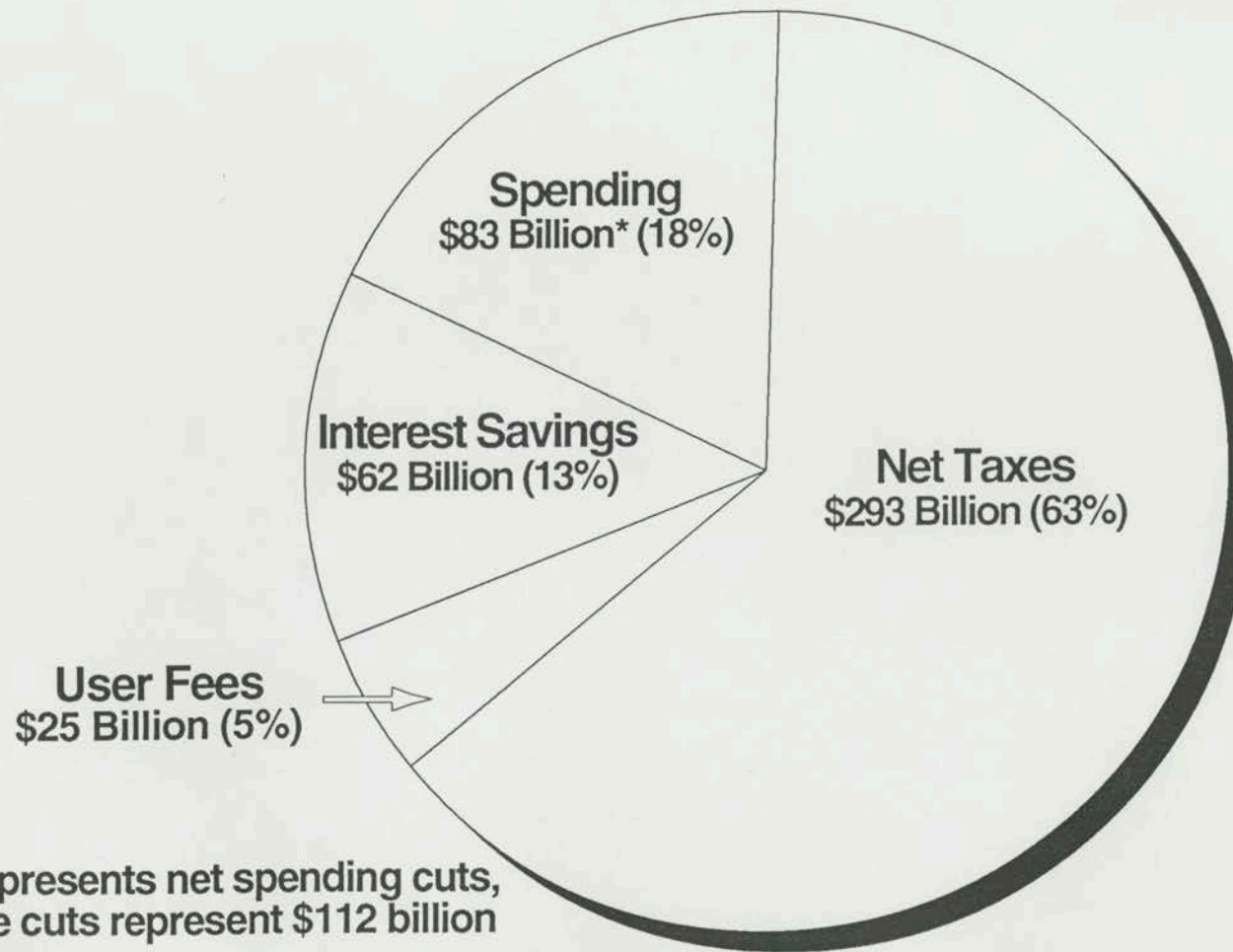
Domestic Spending Impact

\$ in Billions
1993-1998



Senate Budget Committee/Minority Staff 2/22/93

Distribution of Clinton's \$462 Billion Deficit Reduction Plan 1993-1998



*This represents net spending cuts,
Defense cuts represent \$112 billion

SOURCE: Senate Budget Committee, Minority Staff

Based on published data: A Vision of Change for America, Feb. 17, 1993

Clinton's Deficits

\$ BILLION

Deficit

1992 ACTUAL	290
1993	332
1994	262
1997	206
1998	241
2003	400

"STIMULUS"

TAXES

February 26, 1993

M E M O R A N D U M

TO: SENATOR DOLE
FROM: NINA OVIEDO
SUBJECT: FAMILY ECONOMIC INCOME -- revised memo

We have received several calls regarding the term "family economic income." (Apparently your field offices are getting quite a few calls.) This is a term used in the distribution chart attached to the Administration's Revenue Proposals.

ISSUE

The President has repeatedly said that families making under \$30,000 will not be hit by his tax increases. The \$30,000 is "family economic income" not adjusted gross income, a figure traditionally understood by taxpayers.

Most suspect that the \$30,000 amount translates to approximately \$20,000. This is what David Broder pointed out in his editorial. In your questions to Secretary Bentsen, you asked him to translate the FEI figure to AGI and taxable income.

BACKGROUND

"Family economic income" (FEI) is a theoretical broad-based income concept used by economists to attempt to measure "true/theoretically correct" income. FEI is determined by adding to AGI: any unreported and underreported income, IRA and Keogh deductions; life insurance; Social Security and AFDC payments, employer-provided fringe benefits and tax exempt interest. Also added to this figure is "imputed rent on owner-occupied housing - a "rental amount" equal to what a family would pay if they rented instead of owned their home.

It is this "imputed rental income" that has everyone up in arms. Apparently, many outside the beltway are confused and think that we will now be taxing their "rental value."

PRESIDENT REGAN'S TREASURY I AND II PROPOSALS ALSO USED FEI.
(BUT HE WAS PROPOSING TAX CUTS.)

February 26, 1993

M E M O R A N D U M

TO: SENATOR DOLE

FROM: NINA OVIEDO

SUBJECT: TAX NOTES -- ADMINISTRATION'S REVENUE PROPOSALS

- WE RECEIVED THE OFFICIAL SUMMARY OF THE ADMINISTRATION'S REVENUE PROPOSALS THURSDAY MORNING.
- THE DOCUMENT IS 71 PAGES. THAT IS ALL THE DETAIL WE HAVE, 71 PAGES FOR \$360 BILLION DOLLARS IN TAX INCREASES.
- THE ADMINISTRATION CLAIMS THAT FAMILIES MAKING UNDER \$30,000 WILL NOT BE HIT BY HIS TAX INCREASE PRIMARILY BECAUSE HE IS ALSO EXPANDING THE "EARNED INCOME TAX CREDIT."
- THE DESCRIPTION OF THE EARNED INCOME TAX CREDIT IN THE OFFICIAL DOCUMENT READS: "A DETAILED PROPOSAL WILL BE INCLUDED IN THE PRESENTATION OF THE ADMINISTRATION'S BUDGET."
- HOW CAN WE ANALYZE THIS PACKAGE WHEN THERE ARE NO DETAILS ACCOMPANYING ONE OF THE LARGEST REVENUE LOSERS.
- LIKEWISE FOR ENTERPRISE ZONES.
- AS EVERYONE KNOWS, "THE DEVIL IS IN THE DETAILS."
- BEFORE THE WASHINGTON POST/ ADMINISTRATION ASKS FOR REPUBLICANS TO BE MORE SPECIFIC, I THINK IN ALL FAIRNESS WE SHOULD SEE ALL THE SPECIFICS OF MR. CLINTON'S PLAN.
- WE WON'T BE DEVELOPING AN ALTERNATIVE UNTIL WE KNOW EXACTLY WHAT THE PRESIDENT IS PROPOSING.

SPENDING CUTS-backgrd

02-25-93 04:06 PM FROM S B C MINORITY TO SHELIA BURKE

P01



Pete V. Domenici - Ranking Member, NM
Charles E. Grassley, IA
Don Nickles, OK
Phil Gramm, TX
Christopher S. Bond, MO
Trent Lott, MS
Hank Brown, CO
Slade Gorton, WA
Judd Gregg, NH

634 Dirksen Senate Office Building • Washington, D.C. 20510 • (202) 224-6988

FOR IMMEDIATE RELEASE:
February 25, 1993

CLINTON PLAN RECYCLES SAVINGS PROPOSALS

WASHINGTON -- More than 80-percent of the non-defense savings achieved in President Bill Clinton's budget plan, are derived from recycled Reagan and Bush Administration proposals or the 1990 Budget Agreement, according to a U.S. Senate Budget Committee minority staff analysis.

Approximately \$125 billion, or 84-percent, of President Clinton's \$149 billion five-year, non-defense savings (including discretionary and mandatory, but not user fees) have been previously proposed by either President Reagan or President Bush in a budget or are an extension of the savings in the 1990 Budget Agreement.

It is somewhat ironic that President Clinton is presenting the Democratic Congress with a list of "150 new cuts" at least 78 of which were previously proposed by past Republican administrations and immediately dismissed or rejected. A few years ago these were "dead on arrival," but now they're "bold initiatives."

The specific proposals may vary and may not be identical to proposals offered by previous administrations, but they are made in the same areas.

For example, President Clinton has proposed larger reductions in international security assistance than President Bush proposed. And President Reagan's proposals to terminate or reduce a number of programs exceed those recommendations offered by President Clinton. These include the Export-Import Bank, the Appalachian Regional Commission, and the Power Marketing Administrations.

Attached are a series of tables that break down President Clinton's deficit reduction proposals by category. These tables use the estimates from President Clinton's budget.

RECYCLED REAGAN/BUSH DEFICIT REDUCTION PROPOSALS (Millions of dollars)		
Proposal	1994	Total 1994-98
<u>Non-defense discretionary:</u>		
Eliminate Trade Adjustment Assistance for firms	-1	-44
Reduce health professions curriculum assistance grants	-14	-116
Reduce EPA wastewater treatment grants	-109	-6,311
Freeze Appalachian Regional Commission	-1	-32
Terminate State Justice Institute	-3	-68
Terminate TVA fertilizer and community development	-42	-240
Reduce REA loan subsidies	-27	-545
Eliminate cooperative state research service (CSRS) earmarked research grants	-4	-142
Eliminate CSRS earmarked facilities construction	-3	-146
Eliminate earmarked special extension grants	-13	-69
Eliminate Agricultural Research Service earmarked facilities construction	-1	-34
Terminate National Oceanic and Atmospheric Administration (NOAA) demonstration projects	-30	-293
Reduce funding for Corps of Engineers water projects	-85	-250
Reduce funding for Bureau of Reclamation water projects	-18	-186
Eliminate HUD special purpose grants	-5	-853
Eliminate low priority Transportation programs and projects	-129	-1,749
Eliminate Small Business Administration (SBA) earmarked grants	-44	-431
Reduce 7(a) SBA loan subsidies	-58	-526
Reduce development-oriented foreign food aid	-30	-336
Reform crop insurance through area-yield	-105	-728
Reduce ACIF farm loans 25%; replace with guarantees	-3	-42
Phase out impact aid "b" payments	-39	-553
Reduce strategic petroleum reserve by one-third	-55	-59
Reform major Veterans construction	-7	-434
Reduce Export-Import Bank	-3	-301
Cut White House and Office of National Drug Policy Staff	-20	-172
Reduce international security assistance	-84	-2,526
Freeze Federal pay (COLA minus 1% in out-years)	-1,290	-10,764
Cut 100,000 federal employees	-788	-8,896
Other administrative savings	-676	-11,252
Streamline government	-604	-12,124
Subtotal: non-defense discretionary	-4,291	-60,222

RECYCLED REAGAN/BUSH DEFICIT REDUCTION PROPOSALS
(billions of dollars)

SUMMARY TABLE

Proposal	1994	Total 1994-98
<u>Non-defense discretionary</u>		
Past Reagan/Bush proposals	-4.3	-60.2
<u>User Fees</u>		
Past Reagan/Bush proposals	-0.5	-8.8
Extension of 1990 Budget Agreement	---	-2.3
Subtotal user fees	-0.5	-11.1
<u>Mandatory Spending</u>		
Past Reagan/Bush proposals	-3.1	-38.1
Extension of 1990 Budget Agreement	-0.1	-26.2
Subtotal user fees	-3.2	-64.4
<u>Revenues</u>		
Past Reagan/Bush proposals	-1.1	-6.5
Extension of 1990 Budget Agreement	---	-20.7
Subtotal revenues	-1.1	-27.2
<u>Totals</u>		
Past Reagan/Bush proposals	-9.0	-113.6
Extension of 1990 Budget Agreement	-0.1	-49.2
GRAND TOTAL	-9.1	-162.9

NOTES:

- o Revenue increases are shown as a negative because they reduce the deficit.
- o Details may not add to totals due to rounding.

RECYCLED REAGAN/BUSH DEFICIT REDUCTION PROPOSALS (continued)
(Millions of dollars)

Proposal	1994	Total 1994-98
User Fees		
Extend certain agriculture user fees	-14	-75
Meat & Poultry fees	-104	-520
Increase recreation fees	-57	-346
Permanently extend hardrock mining holding fees	-80	-400
Establish a Bureau of Alcohol, Tobacco, and Firearms user fee	-5	-25
Increase Securities Exchange Commission registration fees	-47	-259
Set Veterans housing loan fees at 2%	-153	-785
Phase-in increased inland waterway fees	-35	-1,280
Charge fee for State SSI administration	-50	-710
Auction Federal Communications Commission spectrum	---	-4,420
Subtotal: user fees	-545	-8,820
Mandatory Spending		
Reform power marketing administrations (PMAs)	---	-300
Permanently extend mineral net receipt sharing	-40	-217
Target CCC farm subsidies with incomes below \$100,000	-75	-610
Complete payment of outstanding postal liabilities (FEHB portion and COLA adjustments)	---	-1,041
Reform crop insurance program through area-yield	---	-1,003
Require States to share default costs	-80	-596
Implement Veterans housing down-payment for second and subsequent uses	-17	-85
Institute Medicare fee limits over 65 (FEHB)	-12	-102
Reduce indirect medical education rate to 5.65% (Medicare)	---	-3,540
Put hospitals on a calendar year update (Medicare)	-1,000	-6,030
Set laboratory rates at market levels (Medicare)	-390	-4,480
Eliminate skilled nursing facility return on equity payments (Medicare)	-110	-730
Durable medical equipment options (Medicare)	-75	-685
Uniform secondary payor threshold (Medicare)	-127	-1,292
Implement single fee for surgery (Medicare)	-50	-510
Reduce hospital update (Medicare)	-550	-7,050
Enhance identification of third party liability (Medicare)	---	-1,250
Direct medical education (Medicare)	-350	-1,680
Reduce physician update (Medicare)	---	-2,075
Reduce doctor fees except primary care (Medicare)	-200	-1,675
Outpatient department cut at 10% (Medicare)	---	-1,115
Part B premium above 25% (Medicare)	---	-2075
Subtotal: mandatory spending	-3,076	-38,141

RECYCLED REAGAN/BUSH DEFICIT REDUCTION PROPOSALS (continued)		
(Millions of dollars)		
Proposal	1994	Total 1994-98
Revenues		
Mark to mark for security dealers	-457	-4,446
Prohibit double-dip related to FSLIC assistance	-581	-1,720
Institute Commodity Futures Trading Commission (CFTC) processing fees	-55	-301
Subtotal: revenues	-1,093	-6,467
Extension of 1990 Budget Agreement Mandatory Spending Savings		
10% Capital reduction (Medicare)	---	-1,530
Secondary payor (Medicare)	---	-3,170
Outpatient Services (Medicare)	---	-1,550
2% Laboratory fee update (Medicare)	-30	-1,310
Medicare part B premium at 25%	---	-7,400
Veterans IRS income verification	---	-197
Pensions for Medicaid nursing home patients (Veterans)	---	-300
Veterans medical care cost recovery	-46	-1,595
Veterans prescription charge and/or copayments	---	-42
Extension of Veterans resale loss provision	-19	-102
End lump sum	---	-8,329
Extend assessments on "non-program" agricultural commodities	---	-725
Extension of 1990 Budget Agreement User Fee Savings		
Customs user fees	---	-1,740
Extend tonnage duty fees	---	-205
Extend patent and trademark fees	---	-346
Extension of 1990 Budget Agreement Revenue Increases		
Limitation on itemized deductions (Pease)	---	-9,400
Personal exemption phaseout (PEP)	---	-3,400
Extend gasoline tax (25 cents/gallon that goes to general fund)	---	-7,873
Subtotal: Extensions of 1990 Budget Agreement Savings	-95	-49,214
GRAND TOTAL	-9,100	-162,864

NOTES:

- o Budget proposals and estimates are taken from President Clinton's budget plan, "A Vision of Change for America", February 17, 1993.
- o Revenue increases are shown as negative because they reduce the deficit.
- o In most instances, President Clinton's proposals are not identical to proposals made by either President Reagan or President Bush. In those instances, however, President Reagan or Bush made similar proposals in those areas.

EVANS AND NOVAK -- BOSNIA TALKING POINTS (2/26/93)

AIR DROPS

IT'S A SMALL STEP, BUT A STEP IN THE RIGHT DIRECTION; SOME OF THESE AREAS IN EASTERN BOSNIA HAVE BEEN CUT OFF FROM THE WORLD FOR TEN MONTHS; THE U.N. AID EFFORT HAS DEPENDED ON THE COOPERATION OF SERB FORCES -- THE SAME FORCES THAT ARE TRYING TO SHELL AND STARVE PEOPLE AS PART OF THEIR ETHNIC CLEANSING STRATEGY. THIS IS THE FIRST TIME ANYONE HAS TAKEN ACTION IN SPIITE OF THE OPPOSITION OF SERB FORCES -- AND, THAT IS SIGNIFICANT.

NATO/ALLIED PARTICIPATION

I WOULD LIKE TO SEE THE ALLIES PARTICIPATE, BUT THERE IS A LOT OF DIVISION WITHIN NATO ON THIS MATTER, AS THERE HAS BEEN FROM THE VERY BEGINNING. IT IS ALSO CLEAR THAT THE FIRST CONCERN OF THE BRITISH AND FRENCH IS THE SAFETY OF THEIR TROOPS; THEY HAVE BEEN VERY RELUCTANT TO DO ANYTHING THAT COULD BE INTERPRETED AS PROVOKING THE SERBS. UNFORTUNATELY, THIS POLICY HAS MADE THE U.N. EFFORT INEFFECTIVE AND THE PEOPLE OF BOSNIA HAVE SUFFERED AS A RESULT.

FURTHER STEPS

I WOULD LIKE TO SEE THE PRESIDENT TAKE FURTHER STEPS, IN PARTICULAR, LIFTING THE ARMS EMBARGO AGAINST THE BOSNIAN GOVERNMENT. IT'S NOT A FAIR FIGHT -- THE BOSNIANS HAVE THE RIGHT TO SELF-DEFENSE UNDER INTERNATIONAL LAW -- AND IT'S THE ONLY REALISTIC WAY OF MINIMIZING THE INVOLVEMENT OF OUTSIDE FORCES. IF ARMED, THE BOSNIANS COULD DEFEND THEIR OWN AID CONVOYS. IF OUR ALLIES WITH TROOPS ON THE GROUND REMAIN OPPOSED TO LIFTING THE EMBARGO, THEY SHOULD PULL THEIR TROOPS OUT.

BOSNIA NEGOTIATIONS

THE ADMINISTRATION HAS SAID THAT IT WANTS THE TALKS TO RESUME (VICE PRESIDENT GORE WILL PROBABLY ASK BOSNIAN PRESIDENT IZETBEGOVIC TO RETURN HIS DELEGATION TO THE TALKS AT THEIR MEETING ON SATURDAY). I AM PLEASED THAT THE U.S. HAS NAMED AN ENVOY TO THE TALKS, AMBASSADOR REGGIE BARTHOLOMEW, WHO IS A SKILLED DIPLOMAT. BUT, I THINK THAT WE NEED TO RETHINK THE PEACE PLAN ITSELF. THE VANCE/OWEN PLAN IS CRITICALLY FLAWED: (1) IT RATIFIES THE ETHNIC PARTITION OF THE COUNTRY -- LEAVING ETHNICALLY-CLEANSSED AREAS UNDER SERBIAN CONTROL; (2) IT ABOLISHES THE DEMOCRATICALLY ELECTED GOVERNMENT AND ESTABLISHES A COUNCIL WHICH WOULD BE PARTIALLY APPOINTED BY SERB LEADER AND ALLEGED WAR CRIMINAL KARADZIC (KARE-AH-JICH); THIS IS NOT JUST BAD FOR THE PEOPLE OF BOSNIA, BUT A BAD PRECEDENT TO SET FOR OTHER AREAS OF THE WORLD WHERE SMALL COUNTRIES ARE THREATENED BY AGGRESSIVE NEIGHBORS. BECAUSE OF THE HISTORIC TIES BETWEEN RUSSIA AND SERBIA, I AM CONCERNED THAT RUSSIAN PARTICIPATION, COULD MAKE THE TALKS MORE COMPLICATED.

JIM SASSER, TENNESSEE, CHAIRMAN

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United States Senate

COMMITTEE ON THE BUDGET
WASHINGTON, DC 20510-6100

February 25, 1993

LARRY STEIN, STAFF DIRECTOR
G. WILLIAM HOAGLAND, MINORITY STAFF DIRECTOR

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

Dear Mr. President:

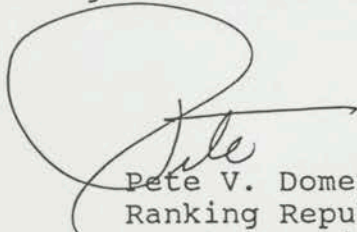
Republicans in the Senate want to fully cooperate with you and the Democratic Congressional Leadership in setting the legislative time schedule for the 103rd Congress. We fully appreciate the majority's rights to set a time schedule to consider your legislative proposals.

We Republicans also want to provide your economic and budget plan a fair hearing in the upcoming schedule. While we may disagree with the emphasis on tax increases over spending cuts in the outline presented to the joint session of Congress on February 17, as you know, the full budget proposal has yet to be submitted to Congress.

Within the last week, representatives from your Administration have testified before Senate Committees stating that many of your plan's details have yet to be developed. It is our understanding, however, that Congressional Democratic Leadership, acting at your request, has decided to proceed with the adoption of a Fiscal Year 1994 concurrent budget resolution prior to the transmittal of your budget. Reports indicate that the 1994 budget will not be sent to the Congress until early April.

With a full understanding of the tremendous burden you face in leading this country, we respectfully request that you and the Democratic Leadership reconsider the decision to proceed with this schedule. We believe it is critical to the budget and appropriation process that your account level detail be available to the Congress before it begins deliberating on a concurrent budget resolution.

Sincerely,



Pete V. Domenici
Ranking Republican Member
Senate Committee on the Budget



Bob Dole
Republican Leader
United States Senate

Copies: Majority Leader George Mitchell
Speaker Tom Foley

THE WHITE HOUSE

WASHINGTON

February 26, 1993

Dear Mr. Leader:

Thank you very much for your letter concerning the budget process.

I appreciate knowing your views, but I see no reason not to proceed on the current schedule of enacting a concurrent budget resolution. Last week we submitted to the Congress a document entitled, "A Vision of Change for America," which includes more information than is needed -- or typically included -- in a budget resolution. Therefore, I believe we should proceed with the budget process. Deficit reduction is too important a task to delay even for a few weeks.

I look forward to working with you on these and other issues in the future, and to seeing you at lunch on Tuesday.

With best wishes,

Sincerely,



The Honorable Bob Dole
Minority Leader
United States Senate
Washington, D.C. 20510

TRADE/ECON.-Clint.spch

TRADE/ECONOMICS

PRESIDENT CLINTON'S SPEECH AT AMERICAN UNIVERSITY FRIDAY HAD NO SPECIFICS ABOUT HIS PLANS FOR GATT, NAFTA, RUSSIAN DEBT OR ANY OTHER TRADE AND ECONOMIC ISSUE.

MOST OF IT COULD HAVE BEEN DELIVERED ANY TIME DURING THE REAGAN AND BUSH ADMINISTRATIONS:

"... WE ARE WOVEN...INTO THE FABRIC OF A GLOBAL ECONOMY."

"... OPEN AND COMPETITIVE COMMERCE WILL ENRICH US AS A NATION."

EXPORTS CUT THE TIME OF THE RECENT RECESSION IN HALF.

"... THE UNITED STATES IS STILL THE WORLD'S STRONGEST ENGINE OF GROWTH AND PROGRESS." (What about that campaign rhetoric on how bad off we are in comparison to other industrialized countries?)

"... THE WORLD LOOKS TO US TO BE THE ENGINE OF GLOBAL GROWTH AND TO BE THE LEADERS."

"... IF WE BELIEVE IN THE BONDS OF DEMOCRACY, WE MUST RESOLVE TO STRENGTHEN THE BONDS OF COMMERCE."

"WE WILL WELCOME FOREIGN INVESTMENT IN OUR BUSINESSES...WE WELCOME THE SUBSIDIARIES OF FOREIGN COMPANIES ON OUR SOIL."

"TOO MANY OF THE CHAINS THAT HAVE HOBBOLED US IN WORLD TRADE HAVE BEEN MADE IN AMERICA." (Probably won't go over well with the labor unions.)

THE PRESIDENT ALSO TALKED ABOUT THE IMPORTANCE OF CONCLUDING GATT AND NAFTA AND OF SUPPORTING RUSSIAN ECONOMIC RECOVERY, RECALLING THE MARSHALL PLAN.