

PRINCIPLES OF HEALTH CARE REFORM  
APRIL 5, 1993

THE AMERICAN PUBLIC SHOULD EXPECT US, THEIR ELECTED REPRESENTATIVES, TO SEEK SOLUTIONS THAT MAINTAIN THE FOLLOWING SIX PRINCIPLES. THESE PRINCIPLES SHOULD BE USED TO EVALUATE ANY PLAN PUT FORWARD BY THE ADMINISTRATION OR BY REPUBLICANS IF THEY ARE FORCED TO DEVELOP THEIR OWN ALTERNATIVE.

1.     PROTECT QUALITY -- THERE IS A REASON OUR HEALTH SYSTEM IS THE ENVY OF THE WORLD -- WHY PEOPLE FROM EVERY COUNTRY IN THE WORLD SEND THEIR YOUNG PEOPLE HERE TO BE TRAINED, TO DO RESEARCH; WHY THEY FLOCK HERE TO YOUR HOSPITALS FOR CARE -- THE REASON IS QUALITY. THANKS TO OUR SEARCH FOR QUALITY AND EXCELLENCE, WE HAVE DEFEATED PLAGUES, MADE SPARE PARTS FOR NEARLY EVERY BODY ORGAN, YOUR INTENSIVE CARE NURSERIES AND CAN SAVE THE LIFE OF THE SMALLEST, FRAILEST NEWBORN. IN OUR WISH TO LOWER COSTS AND BETTER MANAGE OUR RESOURCES, LET'S NOT THROW AWAY OUR MEDICAL MIRACLES.
  
2.     INCREASE ACCESS, PRESERVE CHOICE, AND FLEXIBILITY -- CONSUMERS, NOT THE GOVERNMENT, SHOULD BE THE ONES TO MAKE CHOICES ABOUT WHERE THEY GET THEIR CARE AND FROM WHOM. AT THE HEART OF OUR FREE MARKET SYSTEM, IS OUR ABILITY TO CHOOSE. IN HEALTH CARE, AS IN NO OTHER INDUSTRY, THAT CHOICE IS CRITICAL TO MAINTAINING QUALITY

HEALTH CARE FOR YOU AND YOUR FAMILY. AND CRITICAL TO MAINTAINING CHOICE IS FLEXIBILITY IN ANY SYSTEM. WHETHER ITS THE ABILITY TO CHOOSE BETWEEN HOSPITAL BASED CARE OR HOME BASED CARE -- OR THE ABILITY TO DESIGN A SYSTEM SPECIFICALLY GEARED TO THOSE IN RURAL AMERICA -- WE MUST ALLOW THOSE CHOICES AND THAT TARGETING OF RESOURCES.

3. PRESERVE JOBS -- THIS MAY BE ONE OF OUR TOUGHEST CHALLENGES. WE ALL AGREE THAT WE HAVE TO INCREASE THE NUMBER OF PEOPLE IN THE COUNTRY WHO HAVE ACCESS TO HEALTH CARE AND HEALTH INSURANCE. SOME WILL ARGUE THAT MANDATES ON EMPLOYERS IS THE ONLY OPTION. BUT WHAT WE CAN'T AFFORD TO DO IS PUT OUR PEOPLE OUT OF WORK BY MANDATING AND TAXING SMALL BUSINESS OUT OF BUSINESS. EVERY SMALL EMPLOYER I TALK TO DESCRIBES THE PRECARIOUS FINANCIAL SITUATION THEY ARE IN -- ANOTHER PAYROLL TAX - - ANOTHER MANDATE COULD PUT THEM OVER THE EDGE. KEEPING PEOPLE AT WORK AND KEEPING OUR ECONOMY GROWING IS THE BEST PRESCRIPTION FOR BETTER HEALTH CARE BENEFITS.

4. NO GOVERNMENT CONTROLLED CARE -- ITS A SHAME THAT SOME CRITICS HAVE TO BE REMINDED, BUT WE ARE NOT SWEDEN OR GERMANY OR EVEN CANADA -- AND WE DON'T WANT TO BE. YES, WE'VE GOT REAL PROBLEMS. BUT THEY REQUIRE AMERICAN

SOLUTIONS. MANAGED COMPETITION -- AS IT HAS BEEN DESCRIBED TO ME -- BUILDS ON THE PRIVATE SECTOR AND HELPS PEOPLE MAKE BETTER CHOICES ABOUT THEIR FAMILIES AND WHAT THEY NEED. THE GOVERNMENT SHOULD BE THERE TO HELP THOSE WHO NEED IT AND HAVE NO OTHER RESOURCES -- IT'S NOT THERE TO CONTROL OUR LIVES. YES, PEOPLE WANT THE SECURITY THAT AN ILLNESS WON'T BANKRUPT THEM. BUT, AMERICANS DON'T WANT SOCIALISM WHICH SOME ARE TRYING MIGHTILY TO INSTITUTE WHENEVER THEY CAN.

5. CONTROL COSTS NOT CARE -- GLOBAL BUDGETS AND PRICE CONTROLS TRANSLATE INTO REDUCED QUALITY AND RATIONED CARE. CONTROLS ON THE PRICES OF HEALTH CARE ONLY POSTPONES THE NECESSARY CONFRONTATION WITH THE UNDERLYING DEMAND THAT HAVE PRODUCED THEIR INCREASE. UNFORTUNATELY, CONTROLS ARE INEVITABLY TARGETED AT THE SYMPTOMS NOT THE CAUSES. LET'S CREATE AN ENVIRONMENT TO REDUCE COSTS AND UTILIZATION THROUGH A BETTER, MORE APPROPRIATE USE OF SERVICES. LET'S PUT RESPONSIBILITY ON NOT ONLY PROVIDERS, BUT ALSO ON EMPLOYERS AND EMPLOYEES TO USE CARE WISELY. LETS ENCOURAGE PREVENTION -- LETS ENCOURAGE BETTER MANAGEMENT OF CARE AND RESOURCES. LETS CHANGE FINANCIAL INCENTIVES NOT SHUT THEM DOWN.



6. REAL TORT REFORM -- IN NO OTHER INDUSTRIALIZED COUNTRY DO HEALTH CARE PROVIDERS CONFRONT THE DAY-TO-DAY THREAT OF LITIGATION. IT'S NO WONDER PHYSICIANS AND NURSES AND OTHERS FIND IT HARD TO SAY NO WHEN A PATIENT DEMANDS ANOTHER TEST, OR ORDER A TEST SO AS TO AVOID THE CHARGE THEY DIDN'T DO ENOUGH. THAT'S NO WAY TO DO BUSINESS.

NOW, LET ME BE CLEAR -- NO DOUBT THAT MISTAKES ARE SOMETIMES MADE AND SOME PATIENTS ARE FULLY DESERVING OF PROTECTION UNDER THE LAW, AND ARE DUE PROPER COMPENSATION. BUT AT SOME POINT, REASON MUST RULE. IT'S LONG PAST TIME FOR THE DEMOCRAT MAJORITY ON CAPITOL HILL TO STAND UP TO THE TRIAL LAWYERS ASSOCIATION AND SAY, ENOUGH IS ENOUGH! IT'S ALSO TIME FOR US TO CREATE A LEGAL ENVIRONMENT THAT ENCOURAGES HOSPITALS AND OTHER INSTITUTIONAL PROVIDERS TO USE THEIR RESOURCES IN WAYS THAT REDUCE COSTS, MAXIMIZE ACCESS AND REWARD INNOVATION.

*Bob Dole*



NEWS

U. S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
MARCH 24, 1993

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## HEALTH CARE REFORM

DOLE OUTLINES SIX GUIDING PRINCIPLES FOR REAL REFORM:  
ISSUE CRIES OUT FOR BIPARTISAN COOPERATION;  
EXCLUDING REPUBLICANS "BAD POLITICS, BAD POLICY, BAD SIGNAL"

WASHINGTON -- THE FOLLOWING ARE REMARKS PREPARED FOR DELIVERY BY SENATE REPUBLICAN LEADER BOB DOLE TO THE AMERICAN MEDICAL ASSOCIATION AT THE MAYFLOWER HOTEL IN WASHINGTON, DC:

I CAN'T HELP BUT THINK THAT IF HISTORY TURNED OUT A LITTLE DIFFERENTLY, I, TOO, MIGHT HAVE BEEN A MEMBER OF THE A.M.A. AS A HIGH SCHOOL STUDENT IN RUSSELL, KANSAS, I WANTED TO BE A DOCTOR. I WORKED AT A LOCAL DRUG STORE, WHERE THE WHOLE TOWN SEEMED TO PASS THROUGH DAY AFTER DAY. I HAVE TO TELL YOU, OUR DOCTORS REALLY IMPRESSED ME.

I WAS ABLE TO SEE THE DIFFERENCE THAT THESE SMALL-TOWN DOCTORS MADE, AND THE RESPECT IN WHICH THEY WERE HELD. AND IT WAS A SHORT STEP FROM ADMIRING DOCTORS TO WANTING TO BE ONE.

I WENT TO COLLEGE WITH THE INTENTION OF GETTING A MEDICAL DEGREE -- BUT WORLD WAR II CHANGED THAT -- AND I SPENT THE YEARS AFTER THE WAR BEING A PATIENT FOR DOCTORS, INSTEAD OF STUDYING TO BE ONE.

AND I WILL NEVER FORGET THE EFFORTS OF ONE VERY SPECIAL DOCTOR -- HAMPAR KELIKIAN -- WHO NOT ONLY REFUSED TO TAKE A PENNY FOR THE SEVEN OPERATIONS HE PERFORMED ON ME -- BUT WHO ALSO INSTILLED IN ME A PHILOSOPHY OF MAKING THE MOST OF WHAT YOU HAVE.

AND, SINCE REPUBLICANS HAVE ONLY THE SKETCHIEST OF DETAILS ON WHAT THE WHITE HOUSE IS DOING TO REFORM HEALTH CARE, I GUESS I WILL USE THAT PHILOSOPHY TODAY, TO PREDICT WHAT WILL HAPPEN THIS YEAR IN THAT AREA.

### THE CLINTON TASK FORCE

THE PRESIDENT'S HEALTH CARE TASK FORCE IS IN FULL SWING, AND MRS. CLINTON HAS SOME VERY BRIGHT POLICY EXPERTS WORKING WITH HER TO HELP HER CRAFT A HEALTH PROPOSAL TO BE DELIVERED TO CONGRESS IN EARLY MAY.

RECENTLY, THIRTY-FIVE REPUBLICAN SENATORS MET WITH THE FIRST LADY TO HEAR HER IDEAS AND TO SHARE OUR THOUGHTS AND CONCERNS ABOUT APPROACHES TO HEALTH CARE REFORM.

WHAT QUICKLY BECAME EVIDENT DURING OUR MEETING IS THAT MRS. CLINTON -- AND THE PRESIDENT -- WILL SUFFER NO SHORTAGE OF ADVICE IN THIS ENDEAVOR. SENATE REPUBLICANS HAVE BEEN DEEPLY IMMERSSED IN THE ISSUE, TOO. WE'VE HAD A HEALTH TASK FORCE HARD AT WORK FOR THE PAST TWO YEARS, AND I SAY WITH PRIDE THAT SOME OF MY REPUBLICAN COLLEAGUES TAKE A BACKSEAT TO NO ONE WHEN IT COMES TO HEALTH CARE EXPERTISE AND COMPASSION.

### EXCLUDING GOP & OTHERS A BIG MISTAKE

BUT UNFORTUNATELY THE DESIRE FOR BIPARTISAN COOPERATION SEEMS TO HAVE FALLEN FAR SHORT OF REALITY. NOTWITHSTANDING PRESIDENT CLINTON'S INITIAL INDICATION THAT HE WANTED TO INCLUDE EVERYONE IN THIS EFFORT AT REFORM -- THE REPUBLICANS IN THE HOUSE AND SENATE HAVE BEEN EXPLICITLY EXCLUDED. BUT APPARENTLY WE AREN'T THE ONLY ONES.



IN MY VIEW, THE SECRECY SURROUNDING THE DRAFTING OF THE PRESIDENT'S PLAN, AND THE EXCLUSION OF REPUBLICANS AND OTHERS THE WHITE HOUSE HAS BRANDED AS "SPECIAL INTERESTS", IS A BIG MISTAKE: IT'S BAD POLITICS, ITS BAD POLICY, ITS A BAD SIGNAL TO BE SENDING TO ALL THOSE AMERICANS WHO ARE EXPECTING ACTION. THE HEALTH CARE CHALLENGE IS BIGGER THAN ANY ONE GROUP -- BIGGER THAN THE WHITE HOUSE -- AND THE SOONER WE ALL GET INVOLVED THE BETTER.

NO DOUBT ABOUT IT, HEALTH CARE IS AN ISSUE THAT CRIES OUT FOR BIPARTISAN COOPERATION. IT WILL BE NEARLY IMPOSSIBLE TO PASS ANY MAJOR REFORM WITHOUT IT. AND BIPARTISAN DOESN'T MEAN SIMPLY PICKING OFF THREE REPUBLICANS SO THAT THE DEMOCRAT MAJORITY CAN RAM A PLAN THROUGH CONGRESS.

#### THE COST ISSUE

IT IS HARDLY NEWS THAT HEALTH CARE COSTS HAVE SPIRALED OUT OF CONTROL -- WE ARE RAPIDLY APPROACHING THE ONE TRILLION DOLLAR MARK FOR HEALTH CARE SPENDING. AND, AS YOU KNOW, THIS SPENDING IS CLOSELY LINKED TO THE DEFICIT -- WITH ENTITLEMENT PROGRAMS GROWING AND GROWING EACH YEAR, ALONG WITH THE NUMBER OF UNINSURED.

EVERYONE WANTS TO KNOW WHY HEALTH CARE COSTS KEEP GOING UP. FOR LEADERS AND EXPERTS, THE ANSWER IS THAT THE COST ISSUE IS A COMPLEX ONE. THEY REFER TO FACTORS SUCH AS DUPLICATION OF TECHNOLOGY AND SERVICES, DEFENSIVE MEDICINE, TOO MANY REGULATIONS, MOUNTAINS OF PAPERWORK, HEALTH COSTS ASSOCIATED WITH CRIME AND DRUG ABUSE, AND AN AGING POPULATION.

BUT, ACCORDING TO A RECENT SURVEY FROM GALLUP, THE AMERICAN PEOPLE CAN SUM UP THE COST ISSUE IN ONE SIMPLE WORD: GREED. THE SURVEY SHOWS THAT AMERICANS BLAME THE HIGH COSTS ON UNNECESSARY TESTS, OVERPAID DOCTORS, AMBULANCE-CHASING MALPRACTICE LAWYERS, WASTEFUL HOSPITALS, AND OVERPRICED PHARMACEUTICALS. FROM THE PUBLIC'S PERSPECTIVE, WE DON'T HAVE A COST PROBLEM, WE HAVE A "PROFITS" PROBLEM.

THE AMERICAN PEOPLE BELIEVE THAT OUR HEALTH CARE SYSTEM IS RIDDLED WITH WASTE AND GREED. THEREFORE, NO ONE IS EAGER TO TALK ABOUT HARD CHOICES. NO ONE WANTS TO GIVE UP ANYTHING. AND NOT MANY WANT TO CONSIDER CHOICES THAT RAISE THEIR OWN COSTS OR REDUCE THE SERVICES THEY GET. THE HARD FACTS ARE, IF WE ARE GOING TO IMPROVE THE LOT OF SOME -- OTHERS WILL HAVE TO DO WITH CHANGES IN WHAT THEY GET TODAY. BUT THAT IS NOT AN EASY PLAN TO SELL.

#### THE LESSON OF THE CATASTROPHIC CARE DEBATE

A GOOD EXAMPLE OF THAT IS THE CATASTROPHIC HEALTH CARE LEGISLATION THAT CONGRESS PASSED IN 1988. WE THOUGHT IT WAS A PRETTY GOOD IDEA. WE SAID TO THE PEOPLE WHO HAD MONEY, THAT THEY OUGHT TO PAY A LITTLE MORE. I THOUGHT IT MADE A LOT OF SENSE, AND WAS GOOD LEGISLATIVE POLICY. IT WAS A TOUGH DECISION, BUT IT PASSED CONGRESS BY AN OVERWHELMING MAJORITY. LESS THAN A YEAR LATER, IT WAS REPEALED BECAUSE THE PEOPLE WHO WERE GOING TO HAVE TO PAY MORE HAD A VERY EFFECTIVE LOBBY. THEY TOLD US HOW THEY EARNED THESE BENEFITS, AND HOW EVEN THOUGH THEY MIGHT HAVE SOME MONEY, THEY SHOULDN'T HAVE TO PAY ONE MORE CENT. AND LET'S FACE IT, WHEN THE SENIOR CITIZENS SPEAK UP, CONGRESS LISTENS -- AND THEN IT CHANGED SOME VOTES. WHAT LOOKED LIKE COMMON SENSE REFORM WAS QUICKLY REPEALED.

SO THE LESSON WE LEARNED THEN, AND WHAT WE ARE LEARNING NOW, IS THAT AMERICANS STILL WANT MORE CARE, MORE QUALITY, MORE ACCESS, BUT AT LOWER COSTS. SO, WHAT DO WE DO?

I BELIEVE WE ALL SHARE THE SAME GOALS -- UNIVERSAL ACCESS FOR ALL, IN A SYSTEM THAT CONTAINS COSTS WHILE PRESERVING CHOICE AND THE HIGH QUALITY OF CARE.

WE ALL WANT TO SEE HEALTH CARE REFORM -- WE ALL KNOW THAT WE CANNOT SUSTAIN OUR CURRENT RATE OF SPENDING -- AND WE ALL KNOW THAT WE MUST FIND A WAY TO BRING EVERYONE INTO THE SYSTEM.



THE GUIDING PRINCIPLES OF REFORM

THE AMERICAN PUBLIC SHOULD EXPECT US, THEIR ELECTED REPRESENTATIVES, TO SEEK SOLUTIONS THAT MAINTAIN THE FOLLOWING SIX PRINCIPLES. THESE PRINCIPLES SHOULD BE USED TO EVALUATE ANY PLAN PUT FORWARD BY THE ADMINISTRATION OR BY REPUBLICANS IF THEY ARE FORCED TO DEVELOP THEIR OWN ALTERNATIVE.

1. PROTECT QUALITY -- THERE IS A REASON OUR HEALTH SYSTEM IS THE ENVY OF THE WORLD -- WHY PEOPLE FROM EVERY COUNTRY IN THE WORLD SEND THEIR YOUNG PEOPLE HERE TO BE TRAINED, TO DO RESEARCH; WHY THEY FLOCK HERE FOR CARE -- THE REASON IS QUALITY. THANKS TO OUR SEARCH FOR QUALITY AND EXCELLENCE, WE HAVE DEFEATED PLAGUES, MADE SPARE PARTS FOR NEARLY EVERY BODY ORGAN, AND CAN SAVE THE LIFE OF THE SMALLEST, FRAILEST NEWBORN. IN OUR WISH TO LOWER COSTS AND BETTER MANAGE OUR RESOURCES, LET'S NOT THROW AWAY OUR MEDICAL MIRACLES.
2. PRESERVE CHOICE -- CONSUMERS, NOT THE GOVERNMENT, SHOULD BE THE ONES TO MAKE CHOICES ABOUT WHERE THEY GET THEIR CARE AND FROM WHOM. AT THE HEART OF OUR FREE MARKET SYSTEM, IS OUR ABILITY TO CHOOSE. IN HEALTH CARE, AS IN NO OTHER INDUSTRY, THAT CHOICE IS CRITICAL TO MAINTAINING QUALITY HEALTH CARE FOR YOU AND YOUR FAMILY. AS SOON AS WASHINGTON STARTS CALLING THE SHOTS ON HEALTH CARE, WE'RE ALL IN DEEP TROUBLE.
3. PRESERVE JOBS -- WE ALL ARGUE THAT WE HAVE TO INCREASE THE NUMBER OF PEOPLE IN THE COUNTRY WHO HAVE ACCESS TO HEALTH CARE AND HEALTH INSURANCE. WHAT WE DON'T WANT TO DO IS PUT THEM OUT OF WORK BY MANDATING AND TAXING SMALL BUSINESS OUT OF BUSINESS. MAKING INSURANCE AFFORDABLE AND AVAILABLE, CREATING JOBS, KEEPING PEOPLE AT WORK AND KEEPING OUR ECONOMY GROWING IS THE BEST PRESCRIPTION FOR BETTER HEALTH CARE BENEFITS.
4. NO GOVERNMENT CONTROLLED CARE -- ITS A SHAME THAT SOME CRITICS HAVE TO BE REMINDED, BUT WE ARE NOT SWEDEN OR GERMANY OR EVEN CANADA -- AND WE DON'T WANT TO BE. YES, WE'VE GOT REAL PROBLEMS. BUT THEY REQUIRE AMERICAN SOLUTIONS. MANAGED COMPETITION -- AS IT HAS BEEN DESCRIBED TO ME -- BUILDS ON THE PRIVATE SECTOR AND HELPS PEOPLE MAKE BETTER CHOICES ABOUT THEIR FAMILIES AND WHAT THEY NEED. THE GOVERNMENT SHOULD BE THERE TO HELP THOSE WHO NEED IT AND HAVE NO OTHER RESOURCES -- IT'S NOT THERE TO CONTROL OUR LIVES. AMERICANS DON'T WANT SOCIALISM BUT IT SEEMS THIS ADMINISTRATION IS TRYING MIGHTILY TO INSTITUTE IT WHENEVER IT CAN.
5. CONTROL COSTS NOT CARE -- GLOBAL BUDGETS AND PRICE CONTROLS TRANSLATE INTO REDUCED QUALITY AND RATIONED CARE. CONTROLS ON THE PRICES OF HEALTH CARE ONLY POSTPONES THE NECESSARY CONFRONTATION WITH THE UNDERLYING DEMAND THAT HAVE PRODUCED THEIR INCREASE. UNFORTUNATELY, CONTROLS ARE INEVITABLY TARGETED AT THE SYMPTOMS NOT THE CAUSES. LET'S CREATE AN ENVIRONMENT TO REDUCE COSTS AND UTILIZATION THROUGH A BETTER, MORE APPROPRIATE USE OF SERVICES. LET'S PUT RESPONSIBILITY ON PROVIDERS, EMPLOYERS AND EMPLOYEES TO USE CARE WISELY.
6. REAL TORT REFORM -- WITH NO RELIEF IN SIGHT FROM THE CONSTANT THREAT OF COSTLY LITIGATION, WE HAVE TO FIND A WAY TO FINALLY REFORM THE SYSTEM. IN NO OTHER INDUSTRIALIZED COUNTRY DO HEALTH CARE PROVIDERS CONFRONT THE DAY-TO-DAY THREAT OF LITIGATION. IT'S NO WONDER PHYSICIANS FIND IT HARD TO SAY NO WHEN A PATIENT DEMANDS ANOTHER TEST, OR THE PHYSICIAN SIMPLY ORDERS ANOTHER TEST TO AVOID QUESTIONS LATER. THAT'S NO WAY TO DO BUSINESS.

THAT'S WHY ITS TIME FOR THE DEMOCRAT MAJORITY TO STAND UP TO THE TRIAL LAWYERS AND SAY, ENOUGH IS ENOUGH! ITS ALSO TIME FOR US TO CREATE A LEGAL ENVIRONMENT THAT ENCOURAGES CONSOLIDATION AND COORDINATION IN THE HEALTH CARE SYSTEM -- NOT JUST CONFRONTATION..



CONCERNS ABOUT MANAGED COMPETITION

THIS YEAR, AS YOU KNOW, WE ARE DISCUSSING MANAGED COMPETITION, WHICH SOME SAY WILL CONTROL COSTS WHILE BRINGING EVERY AMERICAN INTO THE SYSTEM. I HAVE TO BELIEVE THAT MANY AMERICANS -- INCLUDING SOME IN GOVERNMENT -- ARE UNCERTAIN OF WHAT MANAGED COMPETITION IS, OR HOW IT REALLY WORKS. I, FOR ONE, HAVE QUESTIONED HOW MANAGED COMPETITION WILL WORK IN RUSSELL, KANSAS, OR ANY RURAL AREA, OR INNER CITY, WHERE THERE ARE ONLY ONE OR TWO DOCTORS.

AND, THERE IS CONCERN BY MANY THAT MANAGED COMPETITION WILL REDUCE THE ABILITY OF AMERICANS TO CHOOSE THEIR PROVIDERS, OR WILL LEAD TO RATIONING OF CARE. THESE ARE ISSUES THAT WILL HAVE TO BE ADDRESSED.

THE CHALLENGE NOW 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.

PERHAPS THE REAL CHALLENGE IS TO ACCOMPLISH THIS WITHOUT RAVAGING THE ECONOMY -- WITHOUT HURTING BUSINESS -- AND WITHOUT FURTHER STRAINING OUR BANKRUPT ECONOMY. IT'S PRETTY EASY TO PROMISE EVERYBODY EVERYTHING, BUT THAT KIND OF PROPAGANDA WILL ONLY MAKE THE CRISIS A PERMANENT ONE.

PEOPLE WANT SOLUTIONS, NOT POLITICS

THIS DEBATE CAN NOT DISINTEGRATE INTO A POLITICAL CONTEST. IF IT DOES, THE AMERICAN PEOPLE WILL BE THE LOSERS. THE AMERICAN PEOPLE WANT ANSWERS AND SOLUTIONS, AND THEY DON'T CARE WHICH PARTY TAKES CREDIT. CLEARLY, WE HAVE TO WORK TOGETHER -- PROVIDERS, BUSINESS, INSURERS, CONSUMERS, AND THE GOVERNMENT.

I AM CONVINCED THAT REFORM CAN TAKE PLACE -- AND I AM CONVINCED THAT IT CAN BE DONE WITHOUT CREATING MORE REGULATIONS OR ANOTHER GOVERNMENT PROGRAM.

NO DOUBT ABOUT IT, THE ADMINISTRATION AND CONGRESS MUST WORK TOGETHER ON REFORMING OUR NATION'S HEALTH CARE SYSTEM. AND REPUBLICANS ARE READY TO ROLL UP OUR SLEEVES AND FACE THE DIFFICULT DECISIONS THAT MUST BE MADE.

GIVEN THE PRIORITY THE PRESIDENT HAS GIVEN TO RESOLVING THE HEALTH CARE CRISIS, HOW HE HANDLES SUCH DIFFICULT NEGOTIATIONS WILL BE A REAL TEST OF HIS LEADERSHIP ABILITIES.

THE REPUBLICAN COMMITMENT

I CAN ASSURE YOU THAT REPUBLICANS CONTINUE TO BE FULLY COMMITTED TO REFORMING OUR HEALTH CARE DELIVERY SYSTEM. WE CONTINUE TO MEET ON A WEEKLY BASIS AND WILL REMAIN COMMITTED UNTIL HEALTH CARE COSTS ARE CONTAINED AND ALL AMERICANS HAVE ACCESS TO THE SYSTEM. WE MAY BE LOCKED OUT OF THE WHITE HOUSE, BUT WE'RE NOT LOCKED OUT OF THE DEBATE. IF THE WHITE HOUSE THINKS IT CAN GO IT ALONE -- THAT IT CAN EXILE REPUBLICANS, INDEPENDENTS AND ROSS PEROT SUPPORTERS -- THAT IT CAN STIFF THE A.M.A. AND EVERY OTHER GROUP OF PROFESSIONALS -- THEN IT'S TIME TO TELL THE WHITE HOUSE IT NEEDS A CHECK-UP.

AS I CONCLUDE, I WOULD LIKE TO THANK ALL THOSE WHO ARE ON THE FRONT LINES OF HEALTH CARE DELIVERY IN THIS COUNTRY. I CONGRATULATE YOU AND THANK YOU FOR YOUR EFFORTS, AND LOOK FORWARD TO WORKING WITH YOU.

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## HEALTH CARE TALKING POINTS APRIL 5, 1993

- ◆ RECENTLY, THIRTY-FIVE REPUBLICAN SENATORS MET WITH THE FIRST LADY, HILLARY RODHAM CLINTON, TO DISCUSS HEALTH CARE REFORM. DURING OUR MEETING, MRS. CLINTON EMPHASIZED THE PRESIDENT'S STRONG COMMITMENT TO REFORMING AMERICA'S HEALTH CARE SYSTEM. WE WELCOMED HER INPUT AND HER CANDOR ABOUT THE WORK OF THE WHITE HOUSE TASK FORCE.
- ◆ WHAT BECAME EVIDENT DURING OUR MEETING IS THAT MRS. CLINTON -- AND THE PRESIDENT -- WILL SUFFER NO SHORTAGE OF ADVICE IN THIS ENDEAVOR.
- ◆ SENATE REPUBLICANS HAVE BEEN DEEPLY IMMERSSED IN THE ISSUE OF HEALTH CARE REFORM FOR OVER TWO YEARS NOW, SINCE THE CREATION OF OUR HEALTH TASK FORCE, ABLY CHAIRED BY SENATOR CHAFEE.
- ◆ IF ONE POINT WAS EMPHASIZED MORE THAN ANY OTHER DURING OUR MEETING IT IS THAT, NO DOUBT ABOUT IT, HEALTH CARE IS AN ISSUE THAT CRIES OUT FOR BIPARTISAN COOPERATION. IT WILL BE NEARLY IMPOSSIBLE TO PASS ANY MAJOR REFORM WITHOUT IT.
- ◆ WHILE WE WELCOME CONTINUED MEETINGS WITH THE FIRST LADY AND OTHER MEMBERS OF THE TASK FORCE, WHAT IS ESSENTIAL TO THIS PROCESS IS THAT THESE GATHERINGS MOVE FORWARD FROM "GET-TO-KNOW-YOU" SESSIONS, TO REAL BIPARTISAN SUBSTANTIVE NEGOTIATIONS ON RESPONSIBLE HEALTH CARE REFORM.
- ◆ WE HAVE EXPENDED ENORMOUS RESOURCES TO BUILD THE FINEST HEALTH CARE DELIVERY SYSTEM IN THE WORLD. UNFORTUNATELY, IT IS A SYSTEM THAT FAILS TO INCLUDE ALL AMERICANS AND THAT IS CONSUMING MORE AND MORE OF OUR RESOURCES.
- ◆ WHILE MY COLLEAGUES AND I ARE JUST AS EAGER TO ADDRESS THESE VERY REAL PROBLEMS IN OUR SYSTEM, WHAT CONCERNS US -- AND WHAT WE EMPHASIZED TO THE FIRST LADY -- IS THAT WE NOT DESTROY WHAT WE KNOW TO BE THE GOOD AND STRONG POINTS OF OUR CURRENT SYSTEM -- OR IGNORE THE REALITIES OF THE NEEDS OF A DIVERSE POPULATION IN A COUNTRY THE SIZE OF OURS.
- ◆ WE ALSO NEED TO PAY SPECIAL ATTENTION TO THE NEEDS OF OUR RURAL POPULATION. RURAL HEALTH CARE IS NOT A MINIATURE VERSION OF URBAN HEALTH -- I HAVE QUESTIONED FOR SOME TIME HOW MANAGED COMPETITION WILL WORK IN RUSSELL, KANSAS, FOR EXAMPLE, WHERE THERE ARE ONLY A COUPLE OF DOCTORS.
- ◆ 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.

- ◆ PERHAPS THE REAL CHALLENGE IS TO ACCOMPLISH THIS WITHOUT RAVAGING THE ECONOMY -- WITHOUT HURTING SMALL BUSINESS -- AND WITHOUT FURTHER STRAINING OUR THINNING BUDGET.
- ◆ 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 REMAIN COMMITTED UNTIL HEALTH CARE COSTS ARE CONTAINED AND ALL AMERICANS HAVE ACCESS TO THE SYSTEM.



*Bob Dole*

NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER



FOR IMMEDIATE RELEASE  
MARCH 29, 1993

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## KSU/SALINA PROJECT

IT'S OFFICIAL! -- KSU/SALINA AVIATION PROJECT A DONE DEAL;  
DOLE SECURES FINAL \$6 MILLION FOR HIGH-TECH TRAINING CENTER

WASHINGTON -- Kansas Senator Bob Dole announced today that he has personally secured the final \$6 million in Pentagon funding to complete Salina's long-awaited \$7.7 million high-tech aviation training and maintenance center, a cooperative Defense Department venture with Kansas State University.

"This is a perfect three point landing, the successful completion of a two-year effort to bring this state-of-the-art training and research facility to Kansas," Dole said, who had previously secured the initial \$1.7 million to get the project off the ground.

During a recent meeting with Les Aspin, President Clinton's Secretary of Defense, Senator Dole stressed the importance of the Salina project.

"I'm pleased Secretary Aspin agrees that the Salina defense conversion project is a winner, a model partnership between higher education, national security and a community dedicated to economic development. Thanks to this vital project, K-State/Salina will be leading the way to establishing the first-ever international pilot training standards. Two administrations -- Republican and Democrat -- have now endorsed the importance of this priority project to America's military, retraining our men and women in uniform for the challenges of the 21st century.

"This funding will purchase state-of-the-art equipment for an advanced materials testing laboratory, computers, flight simulators, and up to 10 aircraft with advanced avionics manufactured by another Kansas aviation leader, Beech Aircraft," Dole continued.

"The funding will be available for the purchase of 6 Beech Bonanzas, 3 Beech Barons, and one Beech Sundowner -- so this is also good news for the proud workers at Beech in Wichita," Dole added.

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*Bob Dole*



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
MARCH 25, 1993

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## RENO'S "MARCH MASSACRE"

DOLE BLASTS CLINTON'S DISMISSAL OF US ATTORNEYS:  
DEPARTMENT'S LEADERSHIP IN QUESTION AS  
JUSTICE TAKES BACK SEAT TO POLITICS

Nearly twenty years ago, when Watergate Special Prosecutor Archibald Cox and Attorney General Eliot Richardson were fired from their posts, the press railed about the so-called "Saturday-night massacre."

Yesterday, we witnessed the "March massacre," as Attorney General Janet Reno--in an unprecedented house-cleaning--gave all 93 U.S. Attorneys their walking papers.

Justice is not a factory good that can be mass produced with the turn of a switch.

Rendering justice requires people, and the considered judgements of those with experience and some expertise.

With yesterday's announcement, one wonders whether there is anyone at Justice who fits this bill.

No Deputy Attorney General has been nominated.

There are no Assistant Attorneys General heading the Criminal, Civil, Tax, Antitrust, and Civil Rights divisions.

We don't have a Solicitor General.

And now all 93 U.S. Attorneys have been given their pink slips.

### Bad Timing

President Clinton certainly has the right to select his own U.S. Attorneys, as do all presidents. But that's not the point.

The point is that firing all 93 U.S. Attorneys, at a time when the Justice Department is woefully lacking in leadership, is bad-timing--pure and simple.

No matter how you look at it, the firing of each and every U.S. Attorney will disrupt ongoing investigations and prosecutions.

### Judicial Logjam

It will lower morale. And with the top posts in Washington unfilled and a Supreme Court nomination on the horizon, it's anybody's guess when new U.S. Attorneys will be confirmed and on the job.

Obviously, politics had a big role to play here.

But the bottom line is this: the President's political--and yes, impatient--desire to select his own U.S. attorneys will force much of the Department's important work to come to a screeching halt.

Justice will suffer.

### Who's Calling Shots?

Who's calling the shots on Constitution Avenue anyway?

Is it Janet Reno, who says that dismissing the U.S. Attorneys was a "joint decision" with the White House? Is it the White House Counsel Bernard Nussbaum? Or is it a gentleman named Webster Hubbell, an old friend of the President, who roams the halls of Justice as the official White House liaison officer?

Earlier this month, when I voted to confirm Ms. Reno, I commended her for her law enforcement background and for her poise, but I also said that I would be watching her performance closely.

I am watching, and so far, I am not impressed.

For those of us interested in a Justice Department where political considerations take a back seat--an interest the Attorney General herself claims to share--the March massacre is a big disappointment.

# # #



*Bob Dole*



NEWS

U.S. SENATOR FOR KANSAS

FROM:

SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE  
MARCH 26, 1993

CONTACT: WALT RIKER  
(202) 224-5358

## HEARINGS ON "MARCH MASSACRE"

DOLE URGES JUDICIARY COMMITTEE PROBE OF  
UNPRECEDENTED DISMISSAL OF US ATTORNEYS;  
FORD, CARTER & REAGAN TOOK ONE-AT-A-TIME APPROACH

WASHINGTON -- Citing "serious questions to which the American people deserve answers," Senate Republican Leader Bob Dole today urged the leaders of the Senate Judiciary Committee to hold hearings on Attorney General Janet Reno's unprecedented simultaneous dismissal of all 93 U.S. Attorneys.

In a letter to Chairman Joe Biden and Ranking Republican Orrin Hatch, Dole argued that the "March Massacre" house cleaning "is a severe blow to the administration of justice in this country," and that "the American people deserve a Justice Department that takes a back-seat to politics, and one that functions efficiently." The text of the letter follows:

Dear Joe and Orrin:

I am writing to urge you to convene hearings to review Attorney General Janet Reno's unprecedented decision to dismiss all 93 U.S. Attorneys.

No one questions the President's right to select members of his own Administration. That's a given. In the past, however, Presidents have replaced U.S. Attorneys gradually, recognizing their unique role as the nation's top federal prosecutors. Presidents Ford, Carter and Reagan, for example, all chose to replace U.S. Attorneys one-at-a-time, as their four-year terms expired or as replacements were found.

Quite simply, the simultaneous dismissal of all 93 U.S. Attorneys raises some serious questions to which the American people deserve answers:

1. Who authorized the dismissal? Was it the Attorney General acting alone, or were White House officials involved as well?
2. In light of the inevitable disruption to pending investigations and prosecutions, why was the decision made in the first place? Were political considerations paramount? Were the institutional needs of the Department of Justice taken into consideration?
3. Will the temporary replacements be career prosecutors? Other political appointees? Will they be subject to Senate confirmation? If not, will there be an opportunity for the Senate to review the backgrounds of the temporary replacements, who will be given the enormous responsibility of dispensing justice, handing down indictments, and yes, maybe ruining a few innocent lives in the process?
4. Does the Attorney General herself know who the temporary replacements will be? And when does she expect to name permanent replacements? Does she have a timetable in place?

This is serious business. The American people deserve a Justice Department that takes a back-seat to politics, and one that functions efficiently. In this Senator's view, the Attorney General's decision to clean house last Tuesday--at a time when there is no Deputy Attorney General, no Solicitor General, no Assistant Attorneys General for any of the Department's major divisions--is a severe blow to the administration of justice in this country.

Thank you for your prompt attention to this matter.

Sincerely,

*Bob Dole*

BOB DOLE



April 2, 1993

M E M O R A N D U M

TO: SENATOR DOLE  
FROM: NINA OVIEDO  
SUBJECT: BTU ENERGY TAX (updated 4/2/93)

The following summarizes current law, the President's proposal, and some statistics from API.

CURRENT LAW

Current law does not impose a broad based energy tax. Excise taxes are imposed on motor fuels used for highway transportation, special motor fuels used in motor boats, diesel fuels used in trains and aviation fuel used in noncommercial aviation. Excise taxes also are imposed on coal from domestic mines and on crude oil received at domestic refineries and petroleum products entered into the U.S. Except for the motor fuels tax, these excise taxes are relatively minor revenue items.

For the most part, the revenues are deposited in various trust funds to finance specific Federal public works, environmental, or benefit programs. The motor fuels tax also has a deficit reduction portion (2.5 cents per gallon) that is not dedicated, but is retained in the General Fund.

PRESIDENT'S PROPOSAL

Rates. The President's proposal imposes an excise tax on fossil fuels (coal, oil, natural gas) at a basic rate of \$.257 per million Btus. It also includes a supplemental tax on oil -- .342 per million Btus.

Fuels Covered. The tax would also be imposed on hydro and nuclear generated electricity and on imported electricity. Additionally, the tax would be imposed on imported taxable products at a rate equal to the average tax imposed equivalent domestic products. All tax amounts would be indexed for inflation after 1997.

Exemptions. Nonconventional fuels (solar, geothermal, biomass and wind), alcohol fuels (ethanol and methanol), exported taxable products and non-fuel uses of fossil and alcohol fuels, including coke and feedstocks, would be exempt. Home heating oil will be exempt from the supplemental tax on oil.



**Collection Points.** The collection point for the tax would be the refinery "tailgate" for oil, the "citygate" for natural gas (i.e., the local distribution company), the minemouth for coal, the utility for hydro and nuclear generated electricity and the importation point for imported electricity and imported taxable products. Exemptions and credits would be provided for nonfuel use and exports.

**Effective Date.** The Btu tax is phased-in. Beginning July 1, 1994 -- one-third the rate specified. Beginning July 1, 1995 -- two-thirds the rate; and the full rates beginning July 1, 1996.

#### **REPORTS FROM API**

The following are some key points noted by API.

- When fully phased-in, the BTU tax would reduce the nation's gross domestic product by some \$35 billion a year and cost American some 700,000 jobs.
- The Administration has estimated that the tax will raise \$22 billion a year when fully phased-in on July 1, 1996. API says that the estimates are far too low. Americans use 6.2 billion barrels of oil annually -- API estimates that oil alone would raise \$21.5 billion.
- U.S. industries and workers would become less competitive, especially energy-intensive industries such as steel, aluminum, lumber and agriculture.
- The differences that consumers and industries of different regions would pay are considerable. The average impact of the BTU tax ranges from \$652 a year for a four-person household in the Southwest to \$390 a year for a Mid-Atlantic family.



REPUBLICANS SEEK ECONOMIC GROWTH, DEFICIT REDUCTION  
BY RESTRAINING GOVERNMENT, NOT PEOPLE

A DIFFERENT VISION OF CHANGE FOR AMERICA

MR. PRESIDENT, SINCE THE BEGINNING OF THE CLINTON ADMINISTRATION, THE AMERICAN PEOPLE HAVE WITNESSED TWO VERY DIFFERENT VISIONS FOR AMERICA -- THE DEMOCRATS VISION OF HIGHER TAXES, MORE SPENDING AND MORE GOVERNMENT MANDATES, AND THE REPUBLICAN VISION OF SUSTAINED ECONOMIC GROWTH, LESS GOVERNMENT SPENDING AND FEWER HEAVY-HANDED WASHINGTON MANDATES.

NO SINGLE DEBATE HAS REVEALED THE STARK CONTRAST BETWEEN THESE TWO VISIONS MORE CLEARLY THAN THE DEBATE OVER PRESIDENT CLINTON'S BUDGET PLAN.

MAKE NO MISTAKE. REPUBLICANS WANT TO WORK WITH THE PRESIDENT TO KEEP THE ECONOMY MOVING, CREATE MILLIONS OF GOOD, HIGH-WAGE, PRIVATE SECTOR JOBS THAT WILL LAST. WE WANT TO HELP THE PRESIDENT ATTACK THE DEFICIT WITH REAL, ENFORCEABLE CONTROLS ON GOVERNMENT SPENDING. BUT, I AM AFRAID THAT THE DEMOCRAT MAJORITY IS ON THE VERGE OF MAKING A TERRIBLE MISTAKE BY ENTHUSIASTICALLY SUPPORTING THIS TAX-HEAVY BUDGET PLAN.

THE FIRST STEP IN THE PROCESS

THE BUDGET RESOLUTION IS ONLY THE FIRST STEP IN THE CONGRESSIONAL BUDGET PROCESS. IT DOES NOT HAVE THE FORCE OF LAW, BUT IT DOES PAVE THE WAY FOR TAX AND SPENDING BILLS LATER IN THE YEAR. THE DISTINGUISHED CHAIRMAN OF THE APPROPRIATIONS COMMITTEE HAS EXPLAINED HOW THIS RESOLUTION WILL AFFECT DISCRETIONARY SPENDING. BUT, SINCE THE PRESIDENT'S ECONOMIC PLAN RELIES PRIMARILY ON TAX INCREASES TO REDUCE THE DEFICIT, THE FATE OF THE PLAN WILL BE, IN LARGE PART, DETERMINED BY THE SENATE FINANCE COMMITTEE.

IN THE FINANCE COMMITTEE, WE WILL BE SHOOTING WITH REAL BULLETS. NO SENSE OF THE SENATE RESOLUTION CAN CHANGE THE FACT THAT WE ARE BEING TOLD TO PRODUCE 81 PERCENT OF THE DEFICIT REDUCTION IN THIS ENTIRE PLAN. EVEN FOR THE DEMOCRATS ON THE FINANCE COMMITTEE WHO WILL VOTE TODAY IN FAVOR OF THE PRESIDENT'S PLAN, RAISING TAXES BY \$273 BILLION AND CUTTING MANDATORY SPENDING BY \$35 BILLION WILL BE DIFFICULT. WITH AN ELEVEN-TO-NINE VOTE MARGIN IN THE FINANCE COMMITTEE, PRESIDENT CLINTON, THE DEMOCRAT LEADERSHIP, AND CHAIRMAN MOYNIHAN WILL HAVE THEIR HANDS FULL TRYING TO PUSH THE PRESIDENT'S ECONOMIC PLAN AND ITS BIG NEW TAXES THROUGH COMMITTEE INTACT. THERE MAY BE A NUMBER OF OPPORTUNITIES FOR BIPARTISAN EFFORTS TO REMOVE SOME OF THE WORST FEATURES OF THE PRESIDENT'S PLAN. THE SOCIAL SECURITY TAX INCREASE AND THE SO-CALLED BTU TAX IMMEDIATELY COME TO MIND.

A VICTORY FOR THE PRESIDENT

PASSAGE OF THIS BUDGET RESOLUTION IS A VICTORY FOR PRESIDENT CLINTON AND A VICTORY FOR THE DEMOCRAT LEADERSHIP IN CONGRESS -- BUT, IT IS A BIG LOSS FOR THE HONEST, HARD-WORKING MEN AND WOMEN



OF AMERICA. I PREDICT THAT MANY OF MY DEMOCRAT COLLEAGUES IN THE SENATE WHO DECIDE TO FALL IN LOCK-STEP BEHIND THE PRESIDENT AND CELEBRATE TODAY'S POLITICAL VICTORY WILL REGRET THAT DECISION TWO YEARS FROM NOW.

#### THE INFORMATION GAP

MR. PRESIDENT, MOST AMERICANS WANT AN END TO GRIDLOCK IN WASHINGTON. AS THE DISTINGUISHED MAJORITY LEADER HAS STATED TIME AND TIME AGAIN, THEY WANT US TO GIVE THE PRESIDENT A CHANCE. BUT, MOST AMERICANS DO NOT KNOW WHAT IS IN THIS PLAN, AND VERY FEW OF THEM UNDERSTAND THAT THIS ECONOMIC BLUEPRINT IS VERY DIFFERENT FROM ANYTHING THEY HEARD DURING THE CAMPAIGN LAST FALL. THE REASON IS SIMPLE: THE DETAILS -- THE LEGALLY REQUIRED DETAILS -- HAVE NOT BEEN MADE PUBLIC.

THERE ARE A LOT OF QUESTIONS THAT REMAIN UNANSWERED, BUT WE DO KNOW THIS -- BY ADOPTING THIS RESOLUTION WE ARE CLEARING THE WAY FOR THE LARGEST TAX INCREASE IN HISTORY -- \$273 BILLION OVER 5 YEARS. WE ARE CLEARING THE WAY FOR \$115 BILLION IN NEW DOMESTIC SPENDING -- THAT IS AN INCREASE ABOVE INFLATION.

MOST AMERICANS WANT THE PRESIDENT TO SUCCEED. THE LATEST POLLING INFORMATION SUGGESTS THAT THE AMERICAN PEOPLE SUPPORT THE PRESIDENT'S GOOD-SOUNDING RHETORIC BY A MARGIN OF ALMOST TWO-TO-ONE. PRESIDENT CLINTON HAS BEEN SUCCESSFUL IN CONTROLLING THE INFORMATION THE AMERICAN PEOPLE ARE GETTING ABOUT HIS PLAN, BUT HE IS NOT GOING TO BE ABLE TO SUSTAIN THE INFORMATION BLACKOUT FOR LONG.

ONCE THE FACTS ARE OUT AND THE AMERICAN PEOPLE LEARN WHAT IS IN THE CLINTON PLAN, I THINK A LOT OF THOSE WHO ARE NOW GIVING THE PRESIDENT THE BENEFIT OF THE DOUBT WILL CHANGE THEIR MINDS ABOUT HIS ECONOMIC PLAN.

#### WHAT AMERICANS WANT

ONE RECENT POLL SHOWED THAT TO REDUCE THE DEFICIT, THE AMERICAN PEOPLE CHOOSE SPENDING CUTS OVER TAX INCREASES BY A RATIO OF FOURTEEN-TO-ONE. REPUBLICANS AGREE.

WE UNDERSTAND THAT THERE ARE A LOT OF AMERICANS WHO MAY BE WILLING TO BITE THE BULLET AND PAY MORE TAXES IN ORDER TO REDUCE THE DEFICIT. BUT, WHEN THEY LEARN THAT 77 PERCENT OF THE DEFICIT REDUCTION IN THE PRESIDENT'S PLAN COMES FROM TAX AND FEE INCREASES -- INCLUDING A BIG CHUNK FROM THE POCKETS OF HONEST, HARD-WORKING, MIDDLE CLASS AMERICANS, A LOT OF THEM ARE GOING TO CHANGE THEIR MINDS.

#### REPUBLICAN PRIORITIES

REPUBLICANS WANT TO KEEP THE ECONOMY MOVING. REPUBLICANS WILL OPPOSE POLICIES THAT COULD STALL THE RECOVERY THAT IS UNDER WAY. WE WANT TO CREATE MILLIONS OF GOOD, NEW JOBS THAT WILL LAST. WE WANT TO HELP BUSINESSES CREATE JOBS IN THE PRIVATE SECTOR BY ENCOURAGING MORE SAVING AND INVESTMENT.



REPUBLICANS WANT TO CUT SPENDING FIRST. WE ARE SERIOUS ABOUT REDUCING THE DEFICIT, AND WE WANT PRESIDENT CLINTON TO BACK UP HIS TOUGH TALK ABOUT FISCAL DISCIPLINE WITH REAL CUTS IN GOVERNMENT SPENDING. DURING THIS DEBATE, REPUBLICANS IN BOTH THE HOUSE AND THE SENATE HAVE DEMONSTRATED WITH OUR VOTES AND OUR AMENDMENTS, THAT WE ARE WILLING TO BACK UP OUR TOUGH TALK ON THE DEFICIT WITH TOUGH CHOICES.

BEFORE THE PRESIDENT AND THE DEMOCRATS IN CONGRESS FORCE THE FARMER, THE SHOPKEEPER, THE NURSE, THE TRUCK DRIVER, AND THE SENIOR CITIZEN TO REACH INTO THEIR POCKETS AND MAKE A "CONTRIBUTION" TO DEFICIT REDUCTION -- BEFORE THE AMERICAN PEOPLE ARE ASKED TO SEND MORE OF THEIR HARD-EARNED MONEY TO WASHINGTON -- REPUBLICANS WANT TO MAKE SURE THAT EVERY GOVERNMENT PROGRAM TAKES THE HIT IT DESERVES.

### THE DEMOCRATS' PRIORITIES

MR. PRESIDENT, WE HAVE HEARD THE DEBATE. I WOULD JUST REMIND YOU OF THE HIGHLIGHTS OF THE PRESIDENT'S PLAN, AS MODIFIED BY THE DEMOCRATS IN CONGRESS. ACCORDING TO THE INDEPENDENT CONGRESSIONAL BUDGET OFFICE -- PRESIDENT CLINTON'S OFFICIAL BUDGET SCOREKEEPER, SEVENTY-SEVEN PERCENT OF THE DEFICIT REDUCTION IN THEIR PLAN COMES FROM HIGHER TAXES AND USER FEES -- \$273 BILLION IN NET NEW TAXES AND \$18 BILLION IN HIGHER USER FEES.

DURING THE 1992 PRESIDENTIAL CAMPAIGN, CANDIDATE CLINTON PROMISED \$3 OF SPENDING CUTS FOR EVERY DOLLAR OF TAX INCREASES. THE BIPARTISAN NATIONAL GOVERNORS ASSOCIATION RECOMMENDED \$2.75 IN SPENDING CUTS FOR EVERY DOLLAR OF TAX INCREASES. PRESIDENT CLINTON AND THE DEMOCRAT LEADERSHIP IN CONGRESS ARE NOW ENDORSING A PLAN THAT ASKS THE AMERICAN PEOPLE TO "CONTRIBUTE" \$3.38 IN HIGHER TAXES AND FEES FOR EVERY DOLLAR OF SPENDING CUTS.

### GUTTING DEFENSE

EVENTS IN RUSSIA OVER THE PAST TWO WEEKS REMIND US THAT THE WORLD IS STILL A DANGEROUS AND UNCERTAIN PLACE. YET, THE DEMOCRATS UNDER THE LEADERSHIP OF PRESIDENT CLINTON WANT TO GUT DEFENSE WITH \$75 BILLION IN ADDITIONAL CUTS. THAT IS \$75 BILLION ABOVE AND BEYOND THE CUTS APPROVED BY PRESIDENT BUSH AND CONGRESS LAST YEAR.

### GROWING GOVERNMENT

ONLY THREE PERCENT OF THE SAVINGS IN THE DEMOCRATS' DEFICIT REDUCTION PLAN COMES FROM NON-DEFENSE PROGRAMS. THE DEMOCRATS ARE ASKING TWO-THIRDS OF THE GOVERNMENT TO "CONTRIBUTE" A GRAND TOTAL OF \$11 BILLION OVER 5 YEARS TO REDUCE THE DEFICIT. EARLIER TODAY, SENATE DEMOCRATS WERE ARGUING IN FAVOR OF A SPENDING STIMULUS THAT WOULD INCREASE THE DEFICIT BY ALMOST TWICE THAT AMOUNT FOR PRESIDENT CLINTON'S SPENDING STIMULUS PACKAGE.

THE FACT IS THAT THE DEMOCRATS' ECONOMIC PLAN IS NOT A PLAN



TO REDUCE THE DEFICIT. IT IS NOT A PLAN TO CONTROL SPENDING. AND, IT IS NOT A PLAN TO KEEP THE ECONOMY MOVING. IT IS A PLAN TO RAISE TAXES TO FINANCE MORE GOVERNMENT SPENDING -- PLAIN AND SIMPLE.

#### WHAT ABOUT JOBS?

HIGHER TAXES DO NOT CREATE JOBS. THEY NEVER HAVE, AND THEY NEVER WILL. HIGHER TAXES WILL DESTROY JOBS.

A RECENT STUDY BY THE NATIONAL CENTER FOR POLICY ANALYSIS PROJECTS THAT THE TAX INCREASES IN THE CLINTON PLAN WOULD SUBSTANTIALLY REDUCE INVESTMENT IN THE U.S. ECONOMY. THE STUDY SUGGESTS THAT IF THE CLINTON PLAN IS ADOPTED, LONG-RUN ECONOMIC GROWTH RATES WILL DROP 0.4 PERCENTAGE POINTS AND NATIONAL OUTPUT WILL BE \$260.6 BILLION LOWER OVER 5 YEARS THAN THEY WOULD BE IF WE REJECT THE PRESIDENT'S PLAN. THE STUDY SUGGESTS THAT IF THE CLINTON PLAN WERE ADOPTED, THE U.S. ECONOMY WOULD CREATE 1.4 MILLION FEWER JOBS OVER THE NEXT 5 YEARS THAN IF WE SIMPLY REJECTED THE PLAN.

FEDERAL RESERVE CHAIRMAN ALAN GREENSPAN TESTIFIED LAST WEEK -- AND I QUOTE -- IT IS IMPORTANT TO RECOGNIZE THAT TRYING TO WHOLLY, OR SUBSTANTIALLY, ADDRESS A STRUCTURAL BUDGET DEFICIT BY INCREASING REVENUES... IS MORE LIKELY TO FAIL THAN TO SUCCEED -- END QUOTE. I AGREE WITH CHAIRMAN GREENSPAN. UNFORTUNATELY, IT APPEARS THAT PRESIDENT CLINTON AND THOSE WHO SUPPORT HIS PLAN DO NOT.

MR. PRESIDENT, THE FINANCIAL MARKETS ARE BEGINNING TO GRASP THE FULL MEANING OF THE CLINTON ECONOMIC PLAN AND THE IMPACT THAT A RECORD \$273 BILLION TAX HIKE COULD HAVE ON THE U.S. ECONOMY. EARLIER THIS WEEK, THE CONFERENCE BOARD'S INDEX OF CONSUMER CONFIDENCE DROPPED FOR THE THIRD STRAIGHT MONTH. LOWER CONSUMER CONFIDENCE AND LOWER-THAN-EXPECTED INCREASES IN THE COMMERCE DEPARTMENT'S LEADING ECONOMIC INDICATORS ADD TO INDICATIONS THAT THE ECONOMY'S PROGRESS THIS YEAR MAY FALL BELOW THE BRISK PACE SET IN THE FINAL QUARTER OF 1992. A NUMBER OF ECONOMISTS POINT TO WORRIES ABOUT A TAX HIKE AS A MAJOR FACTOR CONTRIBUTING TO THE SLOWDOWN.

THE MARCH BLUE CHIP SURVEY OF 50 PRIVATE ECONOMIC FORECASTERS SHOWS THAT THE CONSENSUS FORECAST OF REAL GDP GROWTH IN 1994 FELL TWO-TENTHS OF A PERCENTAGE POINT. THE PANEL MEMBERS CITED -- AND I QUOTE -- THE POTENTIALLY NEGATIVE EFFECTS ON THE PACE OF ECONOMIC GROWTH STEMMING FROM THE CLINTON ADMINISTRATION'S PLAN -- END QUOTE -- AS A REASON FOR THEIR LOWER GROWTH PROJECTIONS.

MR. PRESIDENT, HERE IS THE BOTTOM LINE. HIGHER TAXES MEAN THAT BUSINESSES AND CONSUMERS WILL HAVE LESS MONEY TO SPEND. IT ALSO MEANS THAT MOST OF THOSE COMPANIES THAT MADE THE TOUGH DECISIONS -- TO CUT THEIR DEBT LOAD AND STREAMLINE -- IN ORDER TO INCREASE THEIR COMPETITIVE POSITION AND ARE NOW POISED FOR EXPANSION, WILL EITHER REDUCE OR DELAY DECISIONS TO HIRE NEW EMPLOYEES IF THEY SEE HIGHER TAX BILLS ON THE HORIZON.



### A CLOSED-DOOR, PARTISAN PROCESS

THE PRESIDENT'S ECONOMIC PLAN WAS DEVELOPED BEHIND CLOSED DOORS. THERE HAS BEEN NO REAL CONSULTATION, NO REAL OPPORTUNITY FOR REPUBLICAN INPUT. IN FACT, WE ARE BEING FORCED TO VOTE ON THIS BUDGET BLUEPRINT BEFORE WE GET A CHANCE TO SEE THE LEGALLY-REQUIRED DETAILS.

WHEN WE CRITICIZED THE PRESIDENT'S PLAN BECAUSE IT RELIES TOO HEAVILY ON TAX INCREASES, WE WERE TOLD TO "PUT UP OR SHUT UP" WITH SPECIFICS. WELL, WE MET THE PRESIDENT'S CHALLENGE -- WE OFFERED A BETTER WAY TO CUT THE DEFICIT THROUGH SPENDING RESTRAINT, NOT BIG TAX INCREASES.

### THE SENATE REPUBLICAN ALTERNATIVE

LAST WEEK, 33 REPUBLICANS AND THE DISTINGUISHED JUNIOR SENATOR FROM ALABAMA, SENATOR SHELBY, JOINED ME IN INTRODUCING A COMPREHENSIVE ALTERNATIVE TO THE PRESIDENT'S TAX-AND-SPEND PLAN. THE DIFFERENCES BETWEEN OUR BIPARTISAN PROPOSAL AND THE DEMOCRAT LEADERSHIP'S TAX-AND-SPEND PLAN COULD NOT BE MORE CLEAR. IT WAS A CHOICE BETWEEN RECORD-BREAKING TAX INCREASES AND RECORD-BREAKING SPENDING CUTS.

OUR ALTERNATIVE HIGHLIGHTS THE FUNDAMENTAL DIFFERENCE REPUBLICANS HAVE WITH PRESIDENT CLINTON'S ECONOMIC PROGRAM. WE PREFER TO REDUCE THE DEFICIT BY ASKING BIG GOVERNMENT, NOT THE AMERICAN PEOPLE, TO SACRIFICE. OUR PLAN INCLUDES \$406 BILLION OF TOUGH, REAL, SPENDING CUTS. WHEN YOU INCLUDE INTEREST SAVINGS, OUR PLAN WOULD REDUCE THE DEFICIT BY \$460 BILLION OVER 5 YEARS.

OUR AMENDMENT WOULD HAVE ELIMINATED ALL OF THE PRESIDENT'S SPENDING INCREASES. WE WOULD REQUIRE THAT ANY FUTURE SPENDING INCREASES BE PAID FOR EACH YEAR WITH ADDITIONAL SPENDING CUTS.

OUR AMENDMENT WOULD HAVE ELIMINATED THE PRESIDENT'S ENTIRE RECORD TAX INCREASE -- ALL THE TAX INCREASES AND ALL OF THE TAX CUTS. WE ELIMINATED ALL OF HIS PROPOSED USER FEES.

OUR AMENDMENT INCLUDED ALL OF PRESIDENT CLINTON'S PROPOSED MANDATORY AND DISCRETIONARY SPENDING CUTS EXCEPT THAT WE REDUCED HIS PROPOSED DEFENSE CUT BY \$20 BILLION TO DEFENSE OVER 5 YEARS TO ALLOW FOR A MORE ORDERLY BUILD-DOWN. EVEN WITH THIS CHANGE, OUR PLAN WOULD HAVE CUT DEFENSE BY \$129 BILLION BELOW CURRENT LEVELS OVER 5 YEARS.

WE ADDED A NON-DEFENSE DISCRETIONARY SPENDING FREEZE THAT PROVIDED FOR A \$500 MILLION INCREASE -- AN "INVESTMENT" AS THE PRESIDENT LIKES TO CALL IT -- NEXT YEAR FOR CHILDHOOD IMMUNIZATION AND THE WOMEN INFANTS AND CHILDREN (WIC) NUTRITION PROGRAM.

AND, WE ADDED A CAP ON MEDICARE AND MEDICAID SPENDING THAT WOULD ALLOW SPENDING FOR THESE PROGRAMS TO INCREASE FOR POPULATION, PLUS INFLATION, PLUS AN ADDITIONAL 4 PERCENT EACH YEAR FOR 4 YEARS, AND POPULATION, PLUS INFLATION PLUS AN ADDITIONAL 2 PERCENT IN THE 5TH YEAR. TAKEN TOGETHER, THE CAP WOULD ALLOW SPENDING FOR THESE PROGRAMS TO GROW BY ROUGHLY 12 PERCENT PER YEAR FOR THE FIRST 4 YEARS, AND 10 PERCENT IN YEAR 5.



### REAL DEFICIT REDUCTION

THE MOST RECENT CONGRESSIONAL BUDGET OFFICE ANALYSIS OF THE PRESIDENT'S PLAN CONCLUDES -- AND I QUOTE -- THE PROPOSALS OUTLINED IN A VISION OF CHANGE FOR AMERICA... ARE NOT SUFFICIENT TO SOLVE THE LONG-RUN [DEFICIT] PROBLEM. BOTH CBO AND THE ADMINISTRATION ESTIMATE THAT, UNDER THE PRESIDENT'S POLICIES, THE DEFICIT WOULD DECLINE ONLY THROUGH 1997 AND THEN RESUME ITS RISE. BY THE ADMINISTRATION'S OWN PROJECTIONS, THE DEFICIT WOULD REACH ABOUT \$400 BILLION, OR 4 PERCENT OF GDP, BY 2003 -- END QUOTE. THE PRESIDENT'S PLAN AS MODIFIED BY CONGRESSIONAL DEMOCRATS HAS THE SAME FATAL FLAW. CBO ESTIMATES THAT THE DEMOCRATS' BUDGET PLAN WOULD REDUCE THE DEFICIT TO \$201.9 BILLION BY 1998, BUT DEFICITS WOULD RISE IN FUTURE YEARS. BY CONTRAST, OUR PLAN WOULD HAVE CUT THE 1998 DEFICIT TO \$168.4 BILLION IN 1998, AND BECAUSE OUR PLAN CONTAINS THE TOUGH MEDICINE NEEDED TO CONTROL FEDERAL SPENDING, THE DEFICIT WOULD CONTINUE MOVING TOWARD BALANCE IN FUTURE YEARS IF OUR PLAN WERE ADOPTED.

UNFORTUNATELY, THOSE AMERICANS WHO WANT US TO MAKE THE TOUGH CHOICES NEEDED TO GET THE DEFICIT UNDER CONTROL LOST WHEN 55 SENATE DEMOCRATS JOINED HANDS TO DEFEAT OUR AMENDMENT.

### CONCLUSION

MR. PRESIDENT, LET THE RECORD SHOW THAT WHEN YOU TAKE AWAY ALL THE SLICK PACKAGING, WHEN YOU FORGET ALL THE TALK ABOUT "NEW DEMOCRATS" AND "PUTTING PEOPLE FIRST," YOU SEE TWO VERY DIFFERENT VISIONS FOR AMERICA.

THE AMERICAN PEOPLE KNOW THAT THERE IS MORE THAN ONE WAY TO REDUCE THE DEFICIT. REPUBLICANS GAVE THE SENATE A CLEAR CHOICE -- SPENDING RESTRAINT VS. RECORD TAX INCREASES. IT IS REGRETTABLE THAT THE DEMOCRAT LEADERSHIP HAS DECIDED TO IGNORE THE URGENT APPEALS OF THE AMERICAN PEOPLE FOR REAL CHANGES AND REAL GOVERNMENT SACRIFICE, AND INSTEAD OFFERED THEM A WARMED-OVER PLATE OF TAX-AND-SPEND AND BUSINESS-AS-USUAL.

REPUBLICANS STAND READY TO HELP THE PRESIDENT AND THE DEMOCRAT LEADERSHIP HEAR THE MESSAGE FROM THE VOTERS, AND OFFER THE KIND OF REAL CHANGE THAT WILL HELP RESTORE THEIR FAITH IN GOVERNMENT.

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**Bob Dole**



**NEWS**

**U.S. SENATOR FOR KANSAS**

**FROM:**

**SENATE REPUBLICAN LEADER**

FOR IMMEDIATE RELEASE  
APRIL 13, 1993

CONTACT: WALT RIKER  
(202) 224-5358

## **STIMULUS UPDATE: WHITE HOUSE SNOW JOB**

CLINTON'S LATEST SNOW JOB DIVERTS ATTENTION  
FROM RECORD-BREAKING BLIZZARD OF NEW TAXES

WASHINGTON -- Senate Republican Leader Bob Dole today issued the following statement regarding the dip in March retail sales figures which many analysts attribute to the massive mid-month blizzard:

"Trying to exploit blizzard-affected retail sales figures as an excuse for Bill Clinton's so-called stimulus package is just the latest White House snow job.

"If anything, consumers are getting more and more worried about being buried under a record-breaking blizzard of new taxes from the Clinton administration.

"It's time to get out the snow shovel to clear away the drifting rhetoric of a White House which continues to ignore the appeals of the American people to cut spending and pay for new programs without adding to the deficit."

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April 2, 1993

MEMORANDUM TO THE REPUBLICAN LEADER

FROM:

David Taylor

*David*

SUBJECT: Preparing for Lower-Than-Expected Economic Growth

Although President Clinton inherited an economy in recovery, there are signs that in 1993 and 1994 the economy may be more sluggish than projected earlier this year.

- o Last month, the consensus Blue Chip growth forecast for 1994 dropped by a few tenths of a percentage point. One of the reasons cited for the change was "the potentially negative effects on the pace of growth stemming from the Clinton Administration's plan."
- o Earlier this week, the Conference Board announced that its consumer confidence index dropped for the 3rd straight month. A number of economists have pointed to concerns about a major tax increase as a factor contributing to the decline.
- o This week, the Commerce Department's index of leading economic indicators increased for the fifth time in six months, but the 0.5 percent increase was lower than expected.

Potential Political Implications:

If Congress fails to enact the spending "stimulus," President Clinton and Congressional Democrats will try to blame any economic sluggishness on those who opposed the "stimulus." But, it is inconceivable that a \$19 billion spending stimulus could offset the economic impact of a \$273 billion tax hike. The fact is that concern about the economic impact of a record tax increase is contributing to the slowdown.

To maximize your ability to blame Clinton's economic policies for any slowdown that does occur, you might want to drop the argument that this supplemental is not needed because the economy is strong and growing. Instead, the focus on the "stimulus" should be that this is the first vote measuring commitment to real deficit reduction.

- o Immediately following the adoption of the President's "deficit reduction" plan, the Democrat leadership is asking us to approve a spending bill that would increase the 1993 deficit by waving a magic wand and shouting "emergency".
- o What does this say about their commitment to deficit reduction? Whatever happened to "cut spending first"?

Copies to: Sheila Burke Jim Whittinghill Kathy Ormiston



April 5, 1993

### MARKET REACTIONS TO THE CLINTON ECONOMIC PLAN

DESPITE ALL THE 1992 CAMPAIGN RHETORIC, PRESIDENT CLINTON INHERITED AN ECONOMY IN RECOVERY. ALMOST EVERY STATISTIC SINCE NOVEMBER CONFIRMED THAT FACT. THAT'S WHY THE RECOVERY CAN RIGHTLY BE CALLED THE "BUSH RECOVERY."

SINCE THE INAUGURATION, WALL STREET, BIG AND SMALL BUSINESSES, AND AMERICA'S CONSUMERS WERE HOPEFUL THAT PERHAPS THE NEW PRESIDENT COULD BUILD ON THE BUSH RECOVERY. FOR A WHILE, THERE WAS HOPE, HOPE BASED MORE ON PRESIDENT CLINTON'S CLEVER SALESMANSHIP THAN ANYTHING SUBSTANTIVE. BUT, THEN SOMETHING HAPPENED. THE DETAILS STARTED EMERGING -- DETAILS ABOUT BILL CLINTON'S ECONOMIC PLAN THAT PROVED THAT HE WAS NOT A "NEW DEMOCRAT" -- HE WAS AN "OLD DEMOCRAT," A DEMOCRAT WHO SEES TAXING AND SPENDING AS THE ONLY ANSWERS TO A SLUGGISH ECONOMY.

#### THE IMPACT OF CLINTONOMICS

THERE ARE SIGNS THAT THE ECONOMY MAY BE MORE SLUGGISH THAN PROJECTED EARLIER THIS YEAR, I BELIEVE THAT THERE IS A SIMPLE EXPLANATION FOR THE MARKETS' ACTIONS, AND YOU CAN SUM IT UP IN ONE WORD: CLINTONOMICS.

THE FINANCIAL MARKETS ARE BEGINNING TO GRASP THE FULL MEANING OF THE MISGUIDED CLINTON ECONOMIC PLAN AND THE IMPACT THAT A RECORD TAX INCREASE -- \$291 BILLION IN HIGHER TAXES AND USER FEES -- COULD HAVE ON THE U.S. ECONOMY.

ON TOP OF THAT CONCERN COMES ANOTHER DISTRESSING SIGNAL. IMMEDIATELY FOLLOWING THE VOTE ON THE PRESIDENT'S \$440 BILLION DEFICIT REDUCTION PLAN, THE DEMOCRATS ARE PUSHING \$19.6 BILLION MORE DEFICIT SPENDING FOR A POLITICAL STIMULUS PACKAGE. TO ME, THIS BILL RAISES SERIOUS QUESTIONS ABOUT THE DEMOCRATS' COMMITMENT TO CUT SPENDING AND REDUCE THE DEFICIT. REPUBLICANS WANT UNCLE SAM TO PUT HIS CHARGE CARD AWAY. IF THIS BILL IS NECESSARY, THEN THE DEMOCRATS SHOULD BE WILLING TO PAY FOR IT. IT'S THAT SIMPLE -- IT IS A BASIC PHILOSOPHICAL DIFFERENCE.

LET'S FACE IT, WHILE THE AMERICAN PEOPLE ARE STARTING TO TUNE INTO THE DEFICIT REDUCTION CHANNEL IN RECORD NUMBERS, THE DEMOCRATS ARE STILL GLUED TO THEIR FAVORITE NETWORK -- "PORK-TV."

#### THE EFFECTS OF A RECORD TAX HIKE

LET'S LOOK AT SOME OF THE EARLY RETURNS ON CLINTONOMICS.

LAST WEEK, THE CONFERENCE BOARD'S INDEX OF CONSUMER CONFIDENCE DROPPED FOR THE THIRD STRAIGHT MONTH. THE COMMERCE DEPARTMENT'S INDEX OF LEADING ECONOMIC INDICATORS INCREASED FOR THE FIFTH TIME IN SIX MONTHS, BUT THE INCREASE WAS LOWER THAN EXPECTED.

THE LABOR DEPARTMENT REPORTED THAT 22,000 PRIVATE SECTOR JOBS DISAPPEARED IN MARCH, FACTORY OUTPUT SLOWED, AND EXPORTS WEAKENED. ON FRIDAY, THE DOW JONES INDUSTRIAL AVERAGE DROPPED 68 POINTS.

I AM NOT HERE TO WRING MY HANDS AND SUGGEST THAT THE SKY IS FALLING. IT IS NOT. BUT, ALL OF THIS INFORMATION DOES SUGGEST



THAT THE ECONOMY'S PROGRESS THIS YEAR MAY FALL BELOW THE BRISK PACE SET IN THE FINAL QUARTER OF 1992. I AGREE WITH THOSE ECONOMISTS WHO POINT TO WORRIES ABOUT A TAX HIKE AS A MAJOR FACTOR CONTRIBUTING TO THE SLOWDOWN.

THE MARCH BLUE CHIP SURVEY OF 50 PRIVATE ECONOMIC FORECASTERS SHOWED THAT THE CONSENSUS FORECAST OF REAL GDP GROWTH IN 1994 FELL TWO-TENTHS OF A PERCENTAGE POINT. THE PANEL MEMBERS CITED -- AND I QUOTE -- THE POTENTIALLY NEGATIVE EFFECTS ON THE PACE OF ECONOMIC GROWTH STEMMING FROM THE CLINTON ADMINISTRATION'S PLAN -- END QUOTE -- AS A REASON FOR THEIR LOWER GROWTH PROJECTIONS.

THE DEMOCRATS HAVE GLEEFULLY POINTED TO ALAN GREENSPAN AS A KEY SUPPORTER OF THE PRESIDENT'S PLAN. BUT, I WOULD REMIND MY COLLEAGUES THAT ON MARCH 24TH, FEDERAL RESERVE CHAIRMAN ALAN GREENSPAN TESTIFIED BEFORE THE SENATE FINANCE COMMITTEE. HE SAID -- AND I QUOTE -- IT IS IMPORTANT TO RECOGNIZE THAT TRYING TO WHOLLY, OR SUBSTANTIALLY, ADDRESS A STRUCTURAL BUDGET DEFICIT BY INCREASING REVENUES... IS MORE LIKELY TO FAIL THAN TO SUCCEED -- END QUOTE. I AGREE WITH CHAIRMAN GREENSPAN. UNFORTUNATELY, IT APPEARS THAT PRESIDENT CLINTON AND THOSE WHO SUPPORT HIS PLAN DO NOT.

#### HIGHER TAXES WILL NOT CREATE JOBS

HERE IS THE BOTTOM LINE. \$291 BILLION IN HIGHER TAXES AND FEES MEANS THAT BUSINESSES AND CONSUMERS WILL HAVE \$291 BILLION LESS TO SPEND AND INVEST OVER THE NEXT 5 YEARS. IT ALSO MEANS THAT MOST OF THOSE COMPANIES THAT MADE THE TOUGH DECISIONS -- TO CUT THEIR DEBT LOAD AND STREAMLINE -- IN ORDER TO INCREASE THEIR COMPETITIVE POSITION, THOSE COMPANIES THAT ARE NOW POISED FOR EXPANSION, WILL EITHER REDUCE OR DELAY DECISIONS TO HIRE NEW EMPLOYEES IF THEY SEE HIGHER TAX BILLS ON THE HORIZON.

#### THE INFORMATION BLACKOUT

LAST WEEK, SENATE REPUBLICANS WERE FORCED TO VOTE ON THE PRESIDENT'S BUDGET PLAN WITHOUT ALL THE LEGALLY REQUIRED DETAILS. THAT WAS AN UNPRECEDENTED MOVE ON THE PART OF PRESIDENT CLINTON AND THE DEMOCRAT LEADERSHIP TO TRY TO PUT THE PRESIDENT'S PROGRAM IN PLACE BEFORE PEOPLE UNDERSTAND WHAT IS IN IT. BUT, THEY ARE NOT GOING TO BE ABLE TO SUSTAIN THE INFORMATION BLACKOUT FOR LONG.

#### THE PORKBARREL SPENDING STIMULUS

THE MARKETS ARE NOT REACTING TO THE PRESIDENT'S \$19.6 BILLION PORKBARREL SPENDING STIMULUS. I DON'T THINK THAT \$19.6 BILLION MORE DEFICIT SPENDING CAN DO MUCH TO HELP A SIX TRILLION DOLLAR ECONOMY. BUT, ONE THING IS FOR CERTAIN: IT WILL ADD TO OUR \$319 BILLION DEFICIT. AND, THAT IS DISTRESSING NEWS TO AMERICAN TAXPAYERS AND FINANCIAL MARKETS ALIKE.

#### TAX-AND-SPEND AND BUSINESS-AS-USUAL

THE MARKETS ARE REACTING TO \$291 BILLION WORTH OF HIGHER TAXES AND USER FEES. PEOPLE OUTSIDE WASHINGTON, D.C. ARE BEGINNING TO UNDERSTAND THAT DESPITE ALL THE SLICK PACKAGING AND THE GOOD-SOUNDING RHETORIC, THE PRESIDENT'S RECIPE FOR DEFICIT REDUCTION IS NOTHING MORE THAN A MIXTURE OF TAX-AND-SPEND AND BUSINESS-AS-USUAL.



REPUBLICANS SUPPORT CHANGE -- CONSTRUCTIVE, POSITIVE CHANGE. CHANGE THAT KEEPS THE ECONOMY MOVING. CHANGE THAT CREATES JOBS. CHANGE THAT CUTS SPENDING AND REDUCES THE DEFICIT.

WE OFFERED A PLAN TO DO JUST THAT. IT WOULD HAVE CUT THE DEFICIT BY \$460 BILLION OVER 5 YEARS WITHOUT RAISING TAXES. FIFTY-FIVE SENATE DEMOCRATS VOTED TO DEFEAT OUR VERSION OF REAL CHANGE.

THE CLINTON PLAN DOES NOT SOLVE THE DEFICIT PROBLEM. IT WILL NOT KEEP THE ECONOMY MOVING. AND IT WILL NOT CREATE JOBS.

#### CONCLUSION

IT IS AMAZING HOW SO MANY DEMOCRATS CAN STAND ON THE SENATE FLOOR AND SAY WITH A STRAIGHT FACE THAT STOPPING A \$19.6 BILLION PORK BARREL SPENDING BILL IS SOMEHOW BAD FOR THE ECONOMY.

THE GOOD NEWS IS THAT THE AMERICAN PEOPLE KNOW BETTER. THEY ARE WATCHING AND THEY ARE WAITING FOR LEADERSHIP. IF CONGRESS DOESN'T HAVE THE GUTS TO STOP THIS KIND OF SHAMELESS SPENDING, THEN WE CAN EXPECT MORE TROUBLING TRENDS FROM AN ECONOMY THAT ALREADY HAS TOO LITTLE CONFIDENCE IN CONGRESS.

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Republican  
National  
Committee

Halley Barbour  
Chairman

April 13, 1993

MEMORANDUM FOR REPUBLICAN LEADERS

FROM: HALEY BARBOUR

SUBJECT: TAX DAY TALKING POINTS

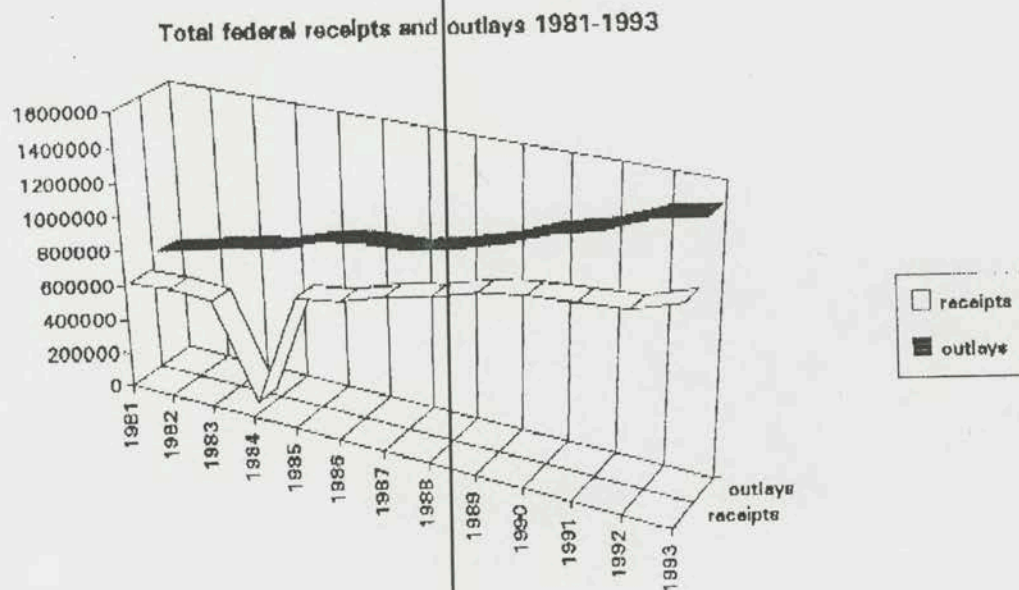
Here are the talking points for your April 15 news making. I hope you'll use them to continue delivering the Republican message. Thank you.





## Background Material For April 15 Talking Points

- Senator Moynihan called Bill Clinton's tax increase "The largest tax increase in the history of public finance in the United States or anywhere else in the world." (Source: *Congressional Record*, 3/18/93)
- Federal Revenues increased by over 94 percent between 1981 and 1993, but over the same period, however, government spending increased 120 percent. (Source: *Economic Report of the President*, 1992, p386-387)



- *Candidate Clinton* once said, "Four hundred dollars -- people say it's not very much money. I think it's a lot of money. It's enough for a mortgage payment." (Source: Democratic Presidential Debate, January 19, 1992)
- Clinton's proposed energy tax alone, middle class tax payers are facing a tax increase of almost \$500. (Source: American Petroleum Institute and the House Budget Committee Minority staff)
- Senior citizens who work and earn as little as \$25,000 a year are faced with a huge new tax on their social security benefits. For many seniors, the tax increase will be as high as \$600 a year, in addition to the other middle class tax increases Clinton has proposed. (Source: *A Vision of Change* proposes raising the tax on social security benefit from 50 percent to 85 percent. For a family receiving \$12,000 a



year in social security benefits, that works out to *at least* a \$600 a year tax increase.)

- Since World War II for every dollar Congress increased taxes, it spent \$1.59. (Source: Joint Economic Committee, Minority Staff)
- The Reagan Bush expansion created 20 million new jobs. (Source: BLS, Employment Data 1992)
- Income tax revenues increased 80.1 percent between 1981 and 1993. Revenues from the corporate income tax increased 68.8 percent, while regressive excise tax revenues increased by only 17.7 percent (Source: Economic Report of the President, 1992)
- The rich paid a larger share of the taxes than they paid before the Reagan-Bush tax cuts. In 1981 the bottom 50 percent of taxpayers paid 8 percent of total federal taxes, by 1988 they paid only 6 percent. (Source: *The Tax Foundation*, 1989)
- Over six million working poor were removed from the tax rolls entirely. (Source: *New York Times*, 9/26/86)
- The top 1 percent of taxpayers were paying 18 percent of total income taxes in 1981, but by 1988 they accounted for 28 percent of total income taxes. (Source: *The Tax Foundation*, 1989)
- Inflation fell from 12.5 percent in 1980 to 3.3 percent in 1991. (Source: *New York Times* 1/28/93)
- Economic growth, from 1982 to 1990 averaged 4.2 percent (Source: *Wall Street Journal*, *A Settling of Accounts*, 10/12/92)
- Since the start of the Reagan-Bush economic expansion in late 1982, real gross domestic product rose \$1.1 trillion, adding nearly one-third to the size of our economy. The rise in U.S. GDP was greater than the total level of GDP in Germany. Real per capita income rose 15.7 percent. Over 50 percent of people in the lowest income quintile group moved up into the middle and highest income quintile groups. (Source: *Setting the Record Straight*, Senate Republican Budget Committee Minority Staff, July 1992)
- Over 50 percent of people who were in the lowest income group (bottom 20 percent) at the start of the decade had moved up into the middle and higher income groups by the end of the decade (Source: *Business Week*, 7/13/92, U.S. Treasury Study on Income 1991)



- WTIC radio in Hartford, CT - requesting 5 minute interview over the phone this morning, or anytime today en route/ or in Connecticut.

Contact: Steve Siveno 203-522-1080 or 1-800-388-0262



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SENATOR, ROBERT DOLE, ET AL. - FAX: 202-224-8952

RE: GUEST EDITORIAL IN THE WALL ST. JOURNAL  
BY JUDE WINNISKI - "THE GOP: A DEFINING MOMENT":BILL CLINTON BECAME PRESIDENT UNDER FALSE PRETENSES.  
KNOWING THAT THE ROSS PEROT PROGRAM WAS AROUSING  
PUBLIC ENTHUSIASM, HE PRETENDED TO ADOPT IT, ASSURING  
VOTERS THAT HIS PRESIDENCY WAS THE ONLY PRACTICAL  
WAY OF ACHIEVING THIS "CHANGE".SURELY, IT IS OBVIOUS TO ALL THAT IF PRESIDENT CLINTON  
RAN ON THE PLATFORM WHOSE DETAILS HE IS NOW REVEALING,  
HE WOULD HAVE ENDED UP AS AN ALSO-RAN.NOW, FATE HAS CREATED A "PHALANX" IN THE SENATE  
CAPABLE OF FORCING THE PRESIDENT AND CONGRESS TO  
BRING ABOUT AUTHENTIC CHANGE.IF THIS PHALANX STANDS ITS GROUND AND PERMITS  
ONLY THE ADOPTION OF THE BASIC PEROT PROGRAM  
- (INCLUDING HIS APPROACH TO SOLVING THE HEALTH  
CARE PROBLEM) - IT WILL NOT FALL APART AS CLINTON'S  
"CLASS-STRUGGLE" CROWD HOPES. IT WILL, IN FACT, BE  
STRENGTHENED BY DEFECTIONS OF CONSERVATIVE DEMOCRATS.  
("UNITED WE STAND, AMERICA" SHOULD SEE TO THAT.)AND IF ATTEMPTS ARE MADE TO INTIMIDATE ITS MEMBERS,  
THE COME-BACK MUST BE: "WE'LL HOLD OUR GROUND  
TILL THE NEXT ELECTION - IF NEED BE - AND THE PEOPLE  
CAN DECIDE WHO REALLY REPRESENTS THEIR INTERESTS - NOW  
THAT EVERYTHING IS COMING OUT IN THE OPEN."ROSS PEROT WANTS THE TAX SYSTEM COMPLETELY  
REVAMPED AND GEARED TO JOB CREATION.THEN, THE CHANCES WILL BE GOOD THAT MR. WINNISKI'S  
OBJECTIVE (AND MINE) WILL BE REALIZED.

ALL, IF THE "PHALANX" HOLDS ITS GROUND.!

FAX: 1-305-525-8800

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