

TO: Senator Dole  
FR: Kerry

RE: Associated Builders and Contractors

\*Audience of approximately 300-400 ABC members attending legislative conference.

\*Other speakers at the breakfast include Congressman Goodling and Senator Nickles--who will be speaking when you arrive.

\*They are expecting 5-10 minutes of remarks. Their top issues are balanced budget, tax relief, and regulatory reform.

**LET ME JUST SAY RIGHT UP FRONT  
THAT AMERICA'S SMALL BUSINESS  
COMMUNITY COULDN'T ASK FOR A  
BETTER FRIEND THAN DON NICKLES.**

**AS A SMALL BUSINESSMAN  
HIMSELF, DON CAME TO THE SENATE  
KNOWING FIRST HAND THE DANGERS  
OF OVER TAXATION AND OVER  
REGULATION, AND HE'S BEEN  
FIGHTING FOR FREE ENTERPRISE EVER  
SINCE.**

**I'VE HAD THE PRIVILEGE TO SPEAK  
TO THIS GROUP MANY TIMES IN THE  
PAST. BUT I HAVE NEVER STOOD  
HERE AS THE PRESUMPTIVE  
REPUBLICAN NOMINEE FOR PRESIDENT  
OF THE UNITED STATES, AND I'M  
OBVIOUSLY PLEASED TO BE HERE IN  
THAT CAPACITY.**

**BECAUSE I AM RUNNING FOR  
PRESIDENT, SOME MAY THINK WHAT I  
HAVE TO SAY HERE THIS MORNING IS  
POLITICS. BUT IT'S NOT. BECAUSE**

**YOU KNOW FROM MY RECORD THAT  
I'VE DELIVERED ON MOST OF THE  
THINGS I'VE TALKED WITH YOU ABOUT  
IN THE PAST. AND YOU KNOW THAT  
MY COMMITMENT TO AMERICA'S  
SMALL BUSINESS COMMUNITY HAS  
BEEN LONG TIME, IT'S BEEN  
CONSISTENT, AND IT HAS NEVER  
WAVERED.**

**IT CERTAINLY DIDN'T WAVER IN  
1993 WHEN PRESIDENT CLINTON  
INFLICTED THE LARGEST TAX**



**INCREASE IN HISTORY ON THE  
AMERICAN PEOPLE AND THE  
AMERICAN SMALL BUSINESS  
COMMUNITY. EVERY REPUBLICAN IN  
THE HOUSE AND SENATE OPPOSED  
THAT INCREASE.**

**AND LATER THIS WEEK, THE  
HERITAGE FOUNDATION WILL BE  
RELEASING AN ECONOMIC STUDY  
SUMMARIZING THE ECONOMIC  
DAMAGE OF THIS INCREASE.**

**AND WHAT THE STUDY MAKES  
CLEAR IS THAT THERE IS A "CLINTON  
CRUNCH," WHICH HAS RESULTED IN  
LOST JOBS, LOST OPPORTUNITIES,  
AND STAGNANT WAGES.**

**\* 1.2 MILLION ADDITIONAL PRIVATE  
SECTOR JOBS**

**\* \$208 BILLION IN ECONOMIC  
OUTPUT**

**\* 40,600 NEW BUSINESS STARTS**

**\* \$112 BILLION IN WAGES AND  
SALARIES**

**\* \$264 BILLION IN DISPOSABLE  
INCOME**

**\* \$138 BILLION IN PERSONAL  
SAVINGS**

**\* 1.3 MILLION NEW CAR AND LIGHT  
TRUCK SALES**

**\* \$42.5 BILLION IN DURABLE GOOD  
ORDERS**

**PRIORITY #1 OF THE DOLE  
ADMINISTRATION WILL BE TO GAIN  
BACK SOME OF THOSE LOSSES.**

**SPEAKING OF TAXES, I KNOW QUITE  
A FEW PEOPLE IN THIS ROOM ARE  
SELF-EMPLOYED AND ONE OF THE  
FIRST THINGS THIS CONGRESS DID  
WHEN REPUBLICANS TOOK CONTROL  
LAST JANUARY WAS TO MAKE  
PERMANENT THE HEALTH INSURANCE  
DEDUCTION FOR THE SELF EMPLOYED,  
AND TO RAISE IT FROM 25% TO 30%.**

**AND THANKS TO MY AMENDMENT  
TO THE HEALTH CARE BILL THE  
SENATE PASSED LAST WEEK, THAT**



**DEDUCTION WILL INCREASE TO 80%  
OVER THE NEXT 10 YEARS. SO THIS  
CONGRESS IS TRYING TO ALLEVIATE  
SOME OF THE DAMAGE CAUSED BY  
PRESIDENT CLINTON'S TAX INCREASE.**

**I KNOW A LOT OF YOU ALSO TAKE  
NOTE OF THE INTEREST RATES.**

**THERE'S AN OLD SAYING THAT IF  
YOU LAID ALL THE ECONOMISTS IN  
AMERICA END TO END, THEY STILL  
WOULDN'T REACH A CONCLUSION.  
WELL, ONE THING ON WHICH ALL**

**ECONOMISTS AGREE IS THAT A  
BALANCED BUDGET WILL RESULT IN  
LOWER INTEREST RATES.**

**I WAS DISAPPOINTED THAT  
PRESIDENT CLINTON STOOD IN THE  
WAY OF A BALANCED BUDGET  
AMENDMENT TO THE CONSTITUTION.  
AND I WAS DISAPPOINTED THAT HE  
VETOED THE FIRST BALANCED BUDGET  
IN A QUARTER-CENTURY.**

**AS PRESIDENT, I WILL DO  
EVERYTHING IN MY POWER TO SEND A**

**BALANCED BUDGET AMENDMENT TO  
THE STATES, AND I WILL PUT AMERICA  
ON THE PATH TO A BALANCED  
BUDGET--AND TO LOWER INTEREST  
RATES.**

**BY THE WAY, WHEN PRESIDENT  
CLINTON VETOED OUR BALANCED  
BUDGET, HE ALSO VETOED A  
REDUCTION IN THE CAPITAL GAINS  
TAX RATE. AND NO DOUBT ABOUT IT,  
THAT REDUCTION WOULD HAVE  
STIMULATED INVESTMENT, ECONOMIC**



**GROWTH, AND BUILDING AND  
CONSTRUCTION.**

**AND WHEN HE VETOED OUR  
BALANCED BUDGET, HE ALSO VETOED  
ESTATE TAX REFORM, WHICH IS  
IMPORTANT TO MANY WHO HAPPEN  
TO OWN A FAMILY BUSINESS. IT'S  
HIGH TIME WE HAD A TAX SYSTEM  
THAT ALLOWED SURVIVING SPOUSES  
TO HOLD ON TO THEIR HOMES AND  
FARMS AFTER THE DEATH OF THEIR  
SPOUSE.**



**MAKE NO MISTAKE ABOUT IT, BOTH  
A REDUCTION IN THE CAPITAL GAINS  
TAX RATE AND ESTATE TAX REFORM  
WOULD BE REALITIES IN A DOLE  
ADMINISTRATION.**

**AND SOMETHING ELSE THAT  
WOULD BE A REALITY IN A DOLE  
ADMINISTRATION IS REGULATORY  
REFORM--AN ISSUE I KNOW WHICH IS  
OF GREAT IMPORTANCE TO THIS  
GROUP. PRESIDENT CLINTON LIKES TO  
TALK ABOUT HOW MANY**

**REGULATIONS VICE PRESIDENT GORE  
HAS CUT. BUT THE FACT IS THAT  
PRESIDENT CLINTON STANDS IN THE  
WAY OF TRUE COMMON SENSE  
REGULATORY REFORM.**

**BEFORE I GO THIS MORNING, I ALSO  
WANT TO SAY A WORD OR TWO  
ABOUT MEDICARE--AN ISSUE OF  
IMPORTANT TO MANY OF YOUR  
PARENTS, AND ONE THAT WILL BE  
IMPORTANT TO YOU AS WELL, ONE  
DAY.**

**TWO YEARS AGO, THE MEDICARE TRUSTEES--THREE OF WHOM ARE MEMBERS OF THE PRESIDENT'S CABINET--REPORTED TO PRESIDENT CLINTON AND CONGRESS THAT MEDICARE WOULD BE BANKRUPT BY THE YEAR 2002.**

**FROM THE DAY THE MEDICARE TRUSTEES ISSUED THEIR REPORT, REPUBLICANS HAVE WORKED TO PRESERVE AND STRENGTHEN MEDICARE. WE PROPOSED TO DO THIS**



**NOT BY CUTTING MEDICARE--BUT BY  
SLOWING ITS RATE OF GROWTH.  
UNDER THE REPUBLICAN PLAN  
ADOPTED BY CONGRESS, ANNUAL  
SPENDING PER MEDICARE BENEFICIARY  
WOULD INCREASE FROM \$4,800 THIS  
YEAR TO MORE THAN \$7,200 IN 2002.**

**IF YOU BELIEVED WHAT PRESIDENT  
CLINTON HAD TO SAY, HOWEVER, YOU  
WOULD HAVE THOUGHT THAT  
INSTEAD OF INCREASING MEDICARE  
SPENDING FROM \$4,800 PER**



**BENEFICIARY TO \$7,200 PER  
BENEFICIARY, REPUBLICANS WERE  
TRYING TO THROW AMERICA'S  
SENIORS OUT ON THE STREETS. AND  
TO THE PRESIDENT'S CREDIT AS A  
PUBLIC SPEAKER, A LOT OF  
AMERICANS BELIEVED WHAT HE WAS  
SAYING.**

**THERE IS, HOWEVER A VERY BIG  
DIFFERENCE BETWEEN LEADING AND  
MISLEADING. REPUBLICANS CHOSE TO  
LEAD--AND WE SUFFERED IN THE**

**POLLS BECAUSE OF IT. PRESIDENT  
CLINTON CHOSE TO MISLEAD--AND HE  
GAINED IN THE POLLS BECAUSE OF IT.**

**BUT AS IS NOW BEING MADE VERY  
CLEAR, THE PRESIDENT'S GAIN CAME  
AT THE EXPENSE OF THE MILLIONS  
AND MILLIONS OF AMERICANS WHO  
DEPEND ON MEDICARE.**

**WE NOW HAVE LEARNED THAT  
MEDICARE'S HOSPITAL INSURANCE  
TRUST FUND, WHICH PAYS HOSPITAL  
BILLS FOR THE ELDERLY AND**

**DISABLED, LOST \$4.2 BILLION--THAT'S  
BILLION WITH A "B"--IN THE FIRST  
HALF OF THE CURRENT FISCAL YEAR.  
THOSE LOSSES ARE MORE THAN 100  
TIMES LARGER THAN THE \$35.7  
MILLION LOSS THE TRUST FUND  
EXPERIENCED ALL LAST YEAR.**

**THE \$4.2 BILLION LOSS IS ALSO IN  
STARK CONTRAST TO THE ROSY  
SCENARIO COMING OUT OF THE WHITE  
HOUSE LAST YEAR. AS PART OF THEIR  
ATTEMPT TO LEAD THE PUBLIC TO**



**BELIEVE THAT REPUBLICANS CONCERN  
WITH MEDICARE WAS "MUCH ADO  
ABOUT NOTHING," THEY PREDICTED  
THAT THE MEDICARE TRUST FUND  
WOULD TAKE IN \$45 MILLION MORE  
THAN IT WOULD SPEND IN THE  
CURRENT FISCAL YEAR. OBVIOUSLY,  
THE WHITE HOUSE WAS AS OFF BASE  
IN ITS ECONOMIC PROJECTIONS AS  
THEY WERE IN THEIR POLITICAL  
ACCUSATIONS.**



**AND IT'S NOW PROJECTED THAT  
THE HOSPITAL INSURANCE TRUST  
FUND WILL NOT RUN OUT IN 2002 AS  
THE TRUSTEES ORIGINALLY  
PROJECTED. INSTEAD, IT WILL RUN  
OUT IN 2000 OR 2001.**

**IT'S MY HOPE THAT IN THE FACE OF  
THESE ALARMING NEW NUMBERS, THE  
PRESIDENT WILL CHOOSE THE PATH OF  
LEADING RATHER THAN THE PATH OF  
MISLEADING.**

**THERE ARE 189 DAYS UNTIL  
ELECTION DAY. AND BEFORE TOO  
LONG, PRESIDENT CLINTON AND I WILL  
BOTH BE ON THE CAMPAIGN TRAIL  
FULL TIME. AND THEN YOU'LL MAKE  
THE JUDGMENT. YOU'LL DETERMINE  
THE FATE OF AMERICA FOR THE NEXT  
FOUR YEARS. YOU'LL SIZE US UP.  
YOU'LL LOOK AT OUR RECORDS--LOOK  
AT WHAT WE'VE SAID. DO I AGREE OR  
DO I DISAGREE? AND YOU'LL DECIDE  
WHO HAS THE EXPERIENCE AND WHO**

**HAS THE QUALIFICATIONS TO PROVIDE  
THE LEADERSHIP AS WE GO INTO THE  
NEXT CENTURY. AND I'M CONFIDENT  
YOU'LL MAKE THE RIGHT DECISION.**