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Friday, March 6, 1992 [1]

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THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

MARCH 6th, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		MAYOR JAMES D. GRIFFIN	TOLD MRS. ROSE M.
INC	2:07 PM		OFC: BUFFALO, N.Y.	ZAMARIA-PRESUS
OUT	AM		716-851-4841	TRAVELING-MRS. ROSE
INC	PM			M. ZAMARIA TLKD WITH
OUT	AM			MS. SANDY KARN IN
INC	PM			MAYOR JAMES D.
OUT	AM			GRIFFIN'S OFC. 2:09
INC	PM			P.M.
OUT	AM			
INC	PM			
OUT	AM		MR. ROGER AILES	TOLD MRS. ROSE M.
INC	5:32 PM		WEST PALM BEACH, FL.	ZAMARIA 5:32 P.M.
OUT	AM		407-863-8666	CALL PASSED TO
INC	PM			WHITE HOUSE SIGNAL
OUT	AM			PRESUS OPR 5:32 P.M.
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

March 6, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	6:28 AM	6:48	Mrs. Barbara Bush New Orleans Sheraton Hotel New Orleans, Louisiana 504-525-2500	Tlkd-ok 6:42 AM
XNC	PM			
OUT	7:08 AM	7:26	Secretary James A. Baker III Secretary Brady's Office Washington, D.C. White House Signal 7-2125	Tlkd-ok 7:13 AM
XNC	PM			
OUT	8:00 AM	8:19	Conference Call: Prime Minister John Major Office, London, England	Tlkd-ok 8:02 AM via Secure Voice DVL
XNC	PM			
OUT	AM		General Brent Scowcroft Office, Washington, D.C. Secure Voice x7434	
INC	PM			
OUT	AM		Mr. Cornelius F. O'Leary White House Situation Room Secure Voice x7412	
INC	PM			
OUT	AM		Mr. Ralph H. Sigler White House Situation Room Secure Voice x7414	
INC	PM			
OUT	AM		Mr. Roy G. Whitman White House Situation Room Secure Voice x7414	
INC	PM			
OUT	8:33 AM	8:37	Mr. Edward L. Gaylord Allison Biblical Studies Center Oklahoma City, Oklahoma 405-478-0624	Tlkd-ok 8:36 AM via YANKEE ZULU
XNC	PM			
OUT	10:38 AM	10:46	Mr. C. Boyden Gray Office, Washington, D.C. 456-2632	Tlkd-ok 10:39 AM via Secure Satellite
XNC	PM			
OUT	AM		Governor Edwin W. Edwards En route Baton Rouge, Louisiana 504-335-9151	Tlkd-ok 2:50 PM via Cellular Phone via Secure Satellite
XNC	1:41 PM	2:52		
OUT	AM		Mr. Stanley S. Scott Residence, New Orleans, Louisiana 504-283-0636	Tlkd-ok 2:10 PM
INC	1:53 PM	2:11		

WASHINGTON

March 6 , 19⁹²

[illegible]

PRESIDENTIAL MOVEMENTS

Oklahoma City, Oklahoma
Baton Rouge, Louisiana
LOCATION Jackson, Mississippi

DATE 6 March 1992

TIME	MOVEMENTS
0834	Depart Sheraton Century Center Hotel via Motorcade
0856	Arrive Allison Biblical Studies Center
	Oklahoma Christian University of Science and Arts
1001	Depart Allison Biblical Studies Center
	Oklahoma Christian University of Science and Arts
	via Motorcade
1027	Arrive Tinker Air Force Base
1039	Depart Tinker Air Force Base via Air Force One
1214	Arrive Baton Rouge Metropolitan Airport
	Baton Rouge, Louisiana
1225	Depart Baton Rouge Metropolitan Airport via Motorcade
1243	Arrive Pete Maravich Arena, Louisiana State University
1317	Depart Pete Maravich Arena, Louisiana State University
	via Motorcade
1321	Arrive Faculty Club, Louisiana State University
1429	Depart Faculty Club, Louisiana State University
	via Motorcade
1449	Arrive Baton Rouge Metropolitan Airport
1501	Depart Baton Rouge Metropolitan Airport
	via Air Force One
1600	Arrive Allen C. Thompson Air National Guard Field
	Jackson, Mississippi
1615	Depart Allen C. Thompson Air National Guard Field
	via Motorcade

PRESIDENTIAL MOVEMENTS

LOCATION Jackson, Mississippi
Pensacola, Florida

DATE 6 March 1992

TIME

MOVEMENTS

EST

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, MARCH 6, 1992
6:00 A.M. EST EDITION

TRIP NEWS

BUSH ASKS CONSERVATIVES NOT TO ABANDON HIM -- President Bush, blasting through the South in hopes of wooing back disaffected Republican voters, appealed to conservatives Thursday not to abandon him in the South Carolina primary. (Columbia State)

BUSH 'SURE' HE, BUCHANAN WILL COME TOGETHER AT CAMPAIGN'S END President Bush, confident that he will win every Super Tuesday competition next week and eliminate any possibility of Patrick Buchanan taking the Republican nomination, said Thursday that he is "sure" that he and Buchanan will "get together" when the contest is over. (Boston Globe)

NATIONAL NEWS

DEMOCRATIC CANDIDATES BLAST BUSH ON ANTI-CRIME BILL STALL -- Gov. Clinton, Paul Tsongas and Sen. Harkin have denounced President Bush and the Republicans for blocking Senate action on a sweeping anti-crime bill. (UPI)

BUSH'S APOLOGY FINE, BUT CRITICS WANT ACTION -- President Bush's conservative critics Thursday welcomed his admission that he made "a mistake" when he broke his no-new-taxes pledge but said they want concrete proof that he really means what he says this time. (Washington Times)

NETWORK NEWS (Thursday evening)

CAMPAIGN -- Texas, which President Bush calls home, is his to lose, and he will have to battle heavy cynicism.

ECONOMY -- Evidence from big retail stores shows that shoppers are coming back.

VIETNAM -- Negotiators announced the U.S. will give Vietnam \$3 million a year in humanitarian aid, and Vietnam will do more to locate American MIA's.

TRIP NEWS.....A-1
NATIONAL NEWS.....A-4
INTERNATIONAL NEWS...A-10
NETWORK NEWS.....B-1

TRIP NEWS

BUSH ASKS CONSERVATIVES NOT TO ABANDON HIM

COLUMBIA -- President Bush, blasting through the South in hopes of wooing back disaffected Republican voters, appealed to conservatives Thursday not to abandon him in Saturday's South Carolina primary....

The Bush campaign here, headed by Gov. Campbell, had hoped to deliver a knockout blow to Patrick Buchanan's candidacy. But now, strategists are beginning to hedge their bets.

"It's going to be difficult" keeping Buchanan's vote below 30 percent, conceded Tucker Eskew, the governor's press secretary....

Billy Peters, a retired Columbia brick salesman, said Bush "told us everything we wanted to hear that was related to the homebuilding industry." Peters said he would vote for the President.

Terry Brown, a Columbia zoning administrator, isn't so sure, however. He said he was not only undecided about Bush, but is trying to decide whether to vote in the Democratic or Republican primary.

(Lee Bandy, Columbia State)

CONGRESS, ECONOMY TAKE BUSH PUNCHES

OKLAHOMA CITY -- The economy and Congress are the main problems facing the U.S., President Bush told about 200 people who gathered at Tinker Air Force Base to greet him Thursday as he began a campaign visit to Oklahoma.... Surrounded by Air Force personnel and civilian Tinker workers, Bush also said Saddam Hussein remains a nuisance who requires constant monitoring.

(Ellie Sutter, The Daily Oklahoman)

BUSH HOLDS SECOND-TERM PLANS CLOSE TO VEST

OKLAHOMA CITY -- As he crisscrosses the South seeking votes in upcoming primaries, President Bush repeatedly asks to be given "four more years," but says little about what he would do with a second term....

"The Administration's challenge, still, is to find definition and a clear raison d'etre for a second term," William Bennett said in a New York Times article Thursday....

In Bush's speeches there is no mention of how he would meet such daunting challenges as rebuilding the shattered political and economic structure of the old Soviet Union, or overcome growing racial and economic polarization at home. (Gene Gibbons, Reuter)

BUSH 'SURE' HE, BUCHANAN WILL COME TOGETHER AT CAMPAIGN'S END

MEMPHIS -- President Bush, confident that he will win every Super Tuesday competition next week and eliminate any possibility of Patrick Buchanan taking the Republican nomination, said Thursday that he is "sure" that he and Buchanan will "get together" when the contest is over....

Buchanan, meanwhile, traveled through the South and Southeast, saying that Bush is so weakened that his reelection would guarantee liberal Democratic domination of government for the next four years.

In Oklahoma City, Buchanan also spoke of the House's overwhelming defeat of Bush's budget proposal. This, he said, proved that the President has lost power and standing with Congress. "The President politically is as weak as a kitten," Buchanan said at a morning press conference at the Oklahoma State Capitol.

"Mr. Bush is a victim of his own policies of compromise, capitulation and cave-in to Congress to the point where they no longer take him seriously," Buchanan said.

(Michael Kranish & Chris Black, Boston Globe)

BUCHANAN SPOKESMAN COMMENTS TO SKINNER

MEMPHIS -- Hammered for his flip-flops over tax increases, President Bush billed himself Thursday as a leader willing to make tough decisions and said, "Life means nothing without fidelity to principles." He refused to criticize the harsh tone of Patrick Buchanan's campaign....

Samuel Skinner said Buchanan is harming the conservative cause and should just "pack it up and get on board." But Skinner said Buchanan may keep fighting because he is "not operating in what I would consider...a logical manner."

Buchanan's communications director, Jerry Woodruff, shot back: "Mr. Skinner should relax a little bit.... The issues we have raised...are all issues of legitimate interest and concern to not just Republican voters, but to independents and Reagan Democrats as well."...

Hoping to hold Buchanan in South Carolina to less than the 30 percent margins he's won elsewhere, Bush campaign spokeswoman Torie Clarke said, "This will be one of the better states for us."

(Terence Hunt, AP)

BUSH CAMPAIGNS IN SOUTH AS AIDES DEBATE STRATEGY

MEMPHIS -- President Bush raced across four Southern states Thursday in a series of nonstop, nondescript rallies that have left senior advisers arguing anew over the strategy, message and tactics of the struggling reelection effort.

Bush, facing five straight days of campaigning, raised with advisers what one aide called "serious concerns" about the length and purpose of this foray. "He's unhappy with the scheduling, he's unhappy with the speeches. He doesn't know what he's supposed to be doing out there," one official said....

Campaign officials are said to be unhappy with the quality of Bush's stump speeches, and the White House, once again, is searching for speechwriters....

One official described what he called "the fundamental inconsistency" in the Bush effort this week -- that regardless of how much Bush campaigns, some 30 percent of the primary voters are not casting ballots for him.

"Buchanan is purely a vehicle to protest" against Bush and against Washington, said one adviser, adding, "George Bush needs to be out there as President talking about the country's future, not running against Pat Buchanan."

"The campaign wants him out there campaigning because that's what candidates do," said one Administration official. "But some of us see these empty speeches, this running around, and say the more he campaigns the less good it does because it puts him right into the politician mode and not the presidential setting he should be."
(Ann Devroy, Washington Post, A15)

NATIONAL NEWS

BUSH TAKES CAMPAIGN BREAK

President Bush quits the campaign trail this weekend amid criticism that his frantic pace is frittering away his biggest asset -- the presidency....

"Enough is enough," said Robert Mosbacher, conceding that Bush has been running around too much. "This is just the prelim. The main bout's in the fall. You don't need to get worn out."...

Howard Baker, the former Tennessee senator, questioned the strategy of putting Bush on the stump so early. Baker said Bush must define his own role: "His instincts are better than his advice."
(Jessica Lee, USA Today, A4)

BUSH SAYS HE WILL NOT ATTACK BUCHANAN; CLINTON HITS HIS SILENCE

President Bush says he will not attack Patrick Buchanan but Gov. Clinton says Bush's silence has allowed anti-Semitism to creep into the presidential campaign.... Clinton charged that Bush has allowed anti-Semitism into the campaign by failing to speak out against Buchanan's remarks about Jews.

"The President should speak out against anti-Semitism wherever it occurs, and especially when it occurs in his own backyard, in his own party," Clinton said in an interview with the Jewish Media Group newspapers in Miami.... He also held Bush responsible for some anti-Semitism surrounding debate over U.S. loan guarantees for Israel.
(Irwin Arieff, Reuter)

BUSH DRAWS MOST 'FAT-CAT' CONTRIBUTIONS

President Bush has cornered the market on "fat cats" contributing to presidential campaigns, raising most of his money in \$1,000 individual packages. A USA Today/NBC News analysis shows:

Bush raised \$9.9 million in individual contributions -- 79 percent from donors who gave the maximum of \$1,000; Gov. Clinton raised 41 percent from \$1,000 contributors. Other candidates raised less: Buchanan, 26 percent; Tsongas, 31 percent, and Harkin, 15 percent.
(Judi Hasson, USA Today, A1)

ISRAEL ISSUES MAY WEIGH IN AT POLLS

The Mideast, often an uninvited candidate in Florida's presidential campaigns, gets its first major test Tuesday. For the first time since President Bush put on hold Israel's request for \$10 billion in loan guarantees, many Jews will vote in a primary....

"It's not going to be easy to get the Jewish vote to vote for the President this year," said Jay Kislak, a banker and GOP fundraiser in Miami....

"On the GOP side, Bush will do very well in Florida, especially in Miami," said Matt Brooks, who heads the National Jewish Coalition. "When you run against Pat Buchanan, you can't help but be enthusiastic."
(Johanna Neuman, USA Today, A4)

NO ONE PANDERS LIKE THE PRESIDENT

COLUMBIA -- When all else fails, candidates pander to the voters and President Bush is showing he's the king of "pandemonium." Whether he embraces local sporting heroes, delivers bones to political groups or doles out federal grants, the Bush style of voter pandering is in a class by itself....

Bush campaign spokeswoman Torie Clarke explained: "It's not pandering, it's connecting. You tailor your addresses to the audience."

Pandering or connecting, the past two weeks have provided some prime examples of Bush's voter courtship as he serenaded outraged conservatives who have rallied behind Patrick Buchanan....

"It makes us feel sort of that he knows us," said Dean Davidson of Greenville, S.C. "He sounds like one of us. He's not put on, so to speak, and that's what people like about him."...

This year, Bush is scrapping that "corny Southern stuff," said an aide, but the nation's "first angler" still is going fishing Saturday in Alabama as he hunts for the "bubba vote."

But, said political adviser Mitchell Daniels, "that's fine, that's authentic. He does better with people who know that's him talking." Be it connecting or pandering, few candidates excel like the President. (News Analysis, Paul Bedard, Washington Times, A1)

GULF WAR IS POTENT BUT NOT OVERPOWERING.
POLITICAL ISSUE IN SOUTH

CHARLESTON -- It is Bush country at the Citadel, the famous private military college here, where the lords of discipline do not cotton to politicians who fail to show the requisite respect for war.

In an otherwise rough political year for President Bush, he holds one trump card in South Carolina: his resounding victory as commander-in-chief of Operation Desert Storm....

But Bush may discover a year after his triumph in the Persian Gulf that even in the South the burnish of victory has begun to wear off. Although there is nostalgia for the sense of national triumph the war brought, the practical political effect is that it has been buried in angst over domestic problems and anger toward officials in power....

"The White House would love to make the Persian Gulf War its showcase, but Buchanan, by focusing on Bush's failings, has stopped the Bush campaign in its tracks," said Clemson University political analyst Charles Dunn. "Buchanan has prevented Bush from displaying his wares as a strong commander and international leader."

The fact that Saddam Hussein remains in power also does not sit well with many here. "It's becoming a little more apparent now that we didn't do enough there," said retired Lt. Col. Ben Legare, a Citadel alumnus who now works for the college administration. "We're still messing around with Saddam Hussein and, in the morning light, the war was not the success we first thought it was."...

"I can see the video of flag-waving, victory parades already," said University of South Carolina political analyst Earl Black. "Hollywood couldn't have come up with a better set for a Bush commercial."
(Amy Bayer, Copley)

QUAYLE IN TEXAS, BLASTS BUCHANAN

DALLAS -- Vice President Quayle, stumping through Texas on Thursday for his boss, said Patrick Buchanan is not winning the support of conservatives, but rather of disgruntled voters upset with the economy. "Liberals, moderates and conservatives are voting for Pat Buchanan in protest," Quayle said during a stop in San Antonio. "Pat Buchanan is not a serious presidential candidate. He is a presidential nuisance."

(David Jackson, Dallas Morning News)

DEMOCRATIC CANDIDATES BLAST BUSH ON ANTI-CRIME BILL STALL

Three candidates for the Democratic presidential nomination have denounced President Bush and the Republicans for blocking Senate action on a sweeping anti-crime bill. Gov. Clinton, Paul Tsongas and Sen. Harkin issued statements Thursday.

Rep. Schumer said at a news conference that the Republicans were on a "desperate search for a political issue" that he said "will inflict further damage to Bush's sliding popularity." Schumer was joined by Sen. Biden and Rep. Brooks....

"Now that Pat Buchanan is chewing on George Bush's right, the President has offered the Brady bill as a sacrifice to the ideological ax-grinders and the National Rifle Association," Schumer said....

Tsongas said, "As crime continues to wreak havoc on our city streets, Republicans continue to play politics with this important issue. It is time for the President and congressional Republicans to end this hypocrisy and enact the crime bill into law."

(Steve Gerstel, UPI)

BUSH'S APOLOGY FINE, BUT CRITICS WANT ACTION

President Bush's conservative critics Thursday welcomed his admission that he made "a mistake" when he broke his no-new-taxes pledge but said they want concrete proof that he really means what he says this time.

Some of the President's severest critics said they were unconvinced that he was sincerely remorseful for betraying his 1988 campaign promise. Even some of his strongest supporters said they wished he had admitted his mistake earlier and in a more "high-profile" forum.

"I don't see any evidence that the White House understands the problem of his political credibility or sees how to turn it around," said former budget director James Miller. "He seems to recognize his mistake for the wrong reasons."...

Most conservatives believe that Bush made his admission only because Buchanan was scoring political points against him in the primaries and not because he regretted its impact on the economy.

"He sounds like the kid who hit his younger sibling and said he was sorry he did it -- not because he did it, but because he got caught doing it," Miller said....

"I assume now that he will fire Brady and Darman, who were responsible for that mistake and compounded it," said Burton Pines of the Heritage Foundation. "Then we'll know he's pretty serious in admitting he made a mistake and wants to do something about it."

(Donald Lambro, Washington Times, A1)

A DEAL'S UNDOING STIRS DEFICIT FEARS
Bush's Pact Retreat Dismays Economists, and Some Advisers

Just 16 months ago, President Bush told a rally of Republican loyalists that it was time to grapple with the bloated federal budget deficit, even if it meant casting aside his 1988 "no new taxes" campaign pledge....

Today, Bush seems willing to borrow a little more from young people's futures to protect his own....

The revived "no new taxes" pledge may again prove to be widely popular. But with the federal government borrowing more than one in every four dollars it will spend this year, and with interest payments on the national debt eating up one of every seven dollars of federal spending, many of the President's own supporters were dismayed at his renunciation of the hard-won budget compromise.

And many economists criticized Bush's apparent renewal of his 1988 "read my lips" campaign pledge.

"I'm very sorry he said it," Herbert Stein, once an adviser to President Nixon and now an economist at the American Enterprise Institute, said of Bush's renunciation of the budget accord. Although he opposes Democratic tax plans under consideration, Stein said, "Taxation is a major instrument of economic policy and the President cannot forswear that instrument."

Alan Blinder, professor of economics at Princeton University, said "it was a shame" that the President denounced the budget accord, which Blinder said was "not such a bad deal."

"It is ludicrous to think that we're going to get this budget deficit solved without tax increases, and as long as the President holds to that line, we're not going to get anywhere," he said.

One Administration official lamented that even the budget compromise included "policies that are still pitifully weak." He said, "The budget deficit is totally out of control now and was totally out of control then. It's a disgrace."

(News Analysis, Steven Mufson, Washington Post, A1)

HOUSE APPROVES BUDGET SHIFTING
MONEY FROM DEFENSE TO DOMESTIC PROGRAMS

In its first confrontation this year over the "peace dividend" from the Cold War's end, the House Thursday night narrowly approved a \$1.5 trillion Democratic budget proposal that more than doubles the multibillion-dollar defense cuts sought by President Bush, and that seeks to shift most of the money to domestic programs.

House members voted 215-201 along party lines to approve \$91 billion in Pentagon cuts over the next five years....

"We have a changed world. This is a new era," said Rep. Panetta. "The American people are angry because...we act as if there is no change out there," he said.

Republicans lashed out at the new spending plan, charging that it would result in the loss of 300,000 more troops and leave the nation militarily unprepared. (Peter Gosselin, Boston Globe)

HOUSE DEMOCRATIC LEADERS PRESS FOR BUDGET CHANGE

The House Democratic leadership campaigned Thursday to push through legislation altering the 1990 budget agreement to allow the shifting of billions of dollars in defense savings to domestic programs next year.

Fifteen House chairmen, including Reps. Rostenkowski, Whitten, Dingell and Roe, signed a letter Thursday urging members to vote for the measure when it reaches the floor next week.

"America must increase its domestic investment levels -- both for private and public investment -- if we are to remain a preeminent world economic power," said the letter.

House leaders seeking to cash in on the "peace dividend" moved decisively to counteract a drive by Rep. Stenholm to kill the bill....

Rep. Foley acknowledged Thursday that opposition to the budget-altering measure runs high and that "my guess is it will be a close vote."

Foley said that under a fiscal 1993 Democratic budget resolution approved by the House Thursday night, some defense savings would go to deficit reduction. "The question is whether any of it should be applied to domestic investment, and I think some of it should," he said.

Rep. Penney said he voted with the leadership to adopt the budget plans but that he and others intend to vote against tearing down the walls next week. "There was an understanding we would help push the resolution through as a package and fight over whether to leave up the walls next week," said Penney.

(Eric Pianin, Washington Post, A4)

SKINNER, IRKED BY TAX DIFFERENCES,
CALLS MITCHELL 'CRASS POLITICIAN'

Samuel Skinner assailed Sen. Mitchell Thursday as "a crass politician...who puts politics above his country," escalating the already bitter battle between President Bush and congressional Democrats over taxes.

Skinner's remarks, in an interview with a small group of reporters, appeared to be part of a White House effort to confront Congress in hopes of making the President appear tough and to distract attention from Patrick Buchanan....

Noting that Democratic House leaders had to work hard to muster the votes to pass the House version of tax legislation, Skinner predicted that Mitchell would put "a lot of pressure...on to get enough votes up for this bill."...

Asked how that applied to Mitchell, Skinner said: "I'm not implying that he smells, I didn't say that. I said I can smell a crass politician. I'm not saying Sen. Mitchell smells; I don't want the headline to be 'Mitchell Smells.' But I would put him in the category of people who are playing crass politics with the American people's pocketbook."

"I respectfully submit that President Bush and his staff spend more time on solving the economic problems that have faced our country for nearly two years and less time on political name-calling," said Mitchell in a written statement. "The American people want action, not name-calling."

(John Yang, Washington Post, A9)

SKINNER ON THE JOB: BURNING UP THE BAD NEWS

Samuel Skinner showed Thursday that he knows how to handle unpleasant stories about his boss.

At a session with reporters from The Washington Post, New York Times, Wall Street Journal and Boston Globe, the scribes kidded him about some of the news magazines on his coffee table with cover lines highlighting Bush's problems. Skinner then gleefully took the front page of Thursday's Wall Street Journal, which had a critical story likening Bush's woes to Jimmy Carter's in 1980, and tossed it onto the glowing embers of his fireplace. He neatly place a log on top of it to the laughter of the reporters -- including the story's author.

As the paper smoldered and then exploded into flames, Skinner declared: "That story is up in smoke!"

("The Reliable Source," Washington Post, B3)

WATER ORDERED FOR CALIFORNIA CENTRAL VALLEY

President Bush has ordered the Interior Department to make 1 million acre feet of water available to farmers in California's drought-stricken Central Valley, a federal official said Thursday.... Rep. Miller said Bush's move was "financially and environmentally irresponsible" and "gave away our cushion of safety to the politically connected, taxpayer-subsidized growers of the Central Valley."

(AP, Washington Post, A8)

**FDA ADDS 50 JOBS TO SPEED BIOTECHNOLOGY DRUG REVIEW
Agency Names New Director For Center**

The FDA has taken steps to speed up the time it takes to review biotechnology drugs by adding 50 reviewers and appointing a new director to run the center that handles most such products, Commissioner Kessler announced Thursday.

Kessler also said the agency intends to take a "long, hard look" at the way its biotechnology review operation is organized and whether the process can be streamlined.

Kessler said the agency is aware that "the time taken up by the FDA review process can mean the difference between success and failure."...

"This is a strong signal of the commitment of the Bush Administration to the biotechnology industry," said Bruce Mackler, general counsel to the Association of Biotechnology Companies.

(Sandra Sugawara, Washington Post, D10)

MEDICARE MAY COVER INFLUENZA VACCINE COST

ATLANTA -- Federal health officials say the vaccination of senior citizens against influenza may become a Medicare-covered expense, following a four year study that found most elderly people will get a flu shot if they do not have to pay for it.

The Centers for Disease Control said Thursday that during the 1991-92 influenza season "physicians participating in the system vaccinated 72 percent of their eligible Medicare patients," compared with a vaccination rate of only 30 percent among all people over 65.

(Charles Taylor, UPI)

INTERNATIONAL NEWS

BAKER EXPRESSES FRUSTRATION WITH PALESTINIAN 'POSTURING' IN MIDEAST TALKS

Secretary Baker has privately criticized Palestinian negotiators at the Middle East peace talks for "posturing" and urged them to focus more on negotiating specific proposals with Israel than on their broader goal of establishing an independent state, Administration officials said Thursday.

A senior State Department official outlined Baker's concerns in a briefing to reporters. While urging all sides to get down to substantive negotiations, the official pointedly singled out the Palestinians.

"It seems that the Palestinians are more focused on the media than on the negotiations," the official said. "The Palestinians need to do more negotiating than posturing. In our view, they ought to have experts present their views as the Israelis did in this round."...

A second senior U.S. official said of the Palestinians: "It's fine and wonderful at the beginning; you have to put out your maximalist position." But, the official added, "having done that," Baker urged the Palestinians to "work on specifics" in the Israeli proposal, "pocket the gains" where possible, "and begin real negotiations."...

Assistant Secretary of State Edward Djerejian said "all parties remain engaged" and the Administration hopes to avoid a prolonged delay. "There is real substance on the table even if the parties have not found ways to explore the detail to start narrowing the gaps between their position," he said.

(David Hoffman, Washington Post, A16)

HURD: BRITAIN WOULD CONSIDER MILITARY STRIKE AT IRAQ

British Foreign Secretary Douglas Hurd said Thursday for the second time in five days, that his government would consider a military strike against Iraq if Saddam Hussein persists in defying the U.N. by refusing to destroy all of his country's weapons of mass destruction. Hurd told the BBC that pressure against Iraq must be maintained, AP reported, and he added, "We have not ruled out a military strike."

(Nora Boustany, Washington Post, A18)

EDITOR'S NOTE: "Census Worker Who Calculated '91 Iraqi Death Toll Is Told She Will Be Fired," by Barton Gellman, appears in The Washington Post, page A6.

DESPITE BAN, U.S. ARMS ARE SOLD TO PAKISTAN

Despite a ban on military sales to Pakistan by the U.S. government, the Bush Administration has quietly permitted the Pakistani armed forces to buy American-made arms from commercial firms for the last year and a half, according to classified documents and Administration officials.

(Murray Waas & Douglas Frantz, Los Angeles Times, A1)

**U.S. OFFERS MORE AID TO VIETNAMESE
FOR QUICKER RESOLUTION OF MIA ISSUE**

HANOI -- The U.S. agreed Thursday to give Vietnam more humanitarian aid in exchange for a faster resolution of the issue of missing Americans, but Hanoi called the sum modest and urged that the U.S. trade embargo be lifted.

Assistant Secretary of State Richard Solomon said he and Deputy Foreign Minister Le Mai had agreed on seven areas where Washington would provide a minimum of about \$3 million in annual aid. He said this would be in addition to \$6 million that U.S. non-governmental groups are giving Vietnam.

(Combined Dispatches, Washington Times, A1)

U.S. SHIFTS, AGREES TO EASE FIBER-OPTICS EXPORT CURB

In a reversal of policy, the U.S. Thursday agreed with its major allies to allow the former Soviet republics to buy state-of-the-art telecommunications equipment that had been long denied to the communist state, Administration officials said.

(Stuart Auerbach, Washington Post, D10)

**'AMAZING CHANGES' IN EAST EUROPE'S
'BEST-KEPT SECRET': BULGARIA**

SOFIA -- "America Backs Bulgaria," crowed the headline in today's Democratsia, the daily paper of the ruling political party.

The headline, over a report of a speech by Deputy Secretary of State Lawrence Eagleburger in Washington Wednesday, reflected Bulgaria's march from Communist pariah to respected member of the international community....

Eagleburger told a conference of potential American investors in Washington on Wednesday that two years of "amazing changes" have allowed Bulgaria, despite a bleak history of misrule, to join Poland, Hungary and Czechoslovakia in the first rank of post-Communist democratic states committed to capitalist reform.

"It is no exaggeration to say that Bulgaria under democracy has not only overcome the legacy of communism, it is in the process of overcoming the legacy of history," Eagleburger said. "The best-kept secret in Central and Eastern Europe will be a secret no more."...

"Money can be made in Bulgaria, a country with steady and stable democracy right at the place that connects Europe with Asia," said Prime Minister Dimitrov.

(Blaine Harden, Washington Post, A20)

4 FOREIGN NATIONS TO CONTRIBUTE \$400 MILLION TO SUPER COLLIDER

NEW ORLEANS -- Four foreign countries have agreed to contribute \$400 million to the Superconducting Super Collider, but a U.S. official said Thursday that Japanese participation remains vital -- and likely.

"It (completion of the collider) will be practically impossible to accomplish without the Japanese," said Joseph Cipriano, collider project manager for the DOE. "And the Japanese are asking intense questions of the sort that people who aren't interested don't ask."

(Ann Reifenberg, Dallas Morning News)

AID OFFICIALS ACCUSED OF DOCTORING RECORDS

House investigators are looking into allegations that officials at AID attempted to mislead Congress by falsifying records to turn foreign goods into buy-American purchases. The charges spring from an AID cable sent to agency officials worldwide, saying financial reports on foreign goods and services should be recorded as purchased from U.S. sources -- even if they came from foreign sellers. (Jerry Seper, Washington Times, A5)

A RETURN TO CAMBODIA

Cambodian refugee Sichan Siv, a member of the White House public liaison staff, returned to his native Cambodia Monday, 16 years after he escaped from the Khmer Rouge regime that killed most of his family. "It could be very emotional for me, but I look forward to going," said Siv, who joined an official U.S. delegation for three days of travel in the country. ("Talking Points," Washington Post, A21)

NETWORK NEWS

(Thursday evening, March 5)

CAMPAIGN

ABC's Peter Jennings: We're here at the ABC affiliate of Dallas, WFAA, because in several hours the remaining Democratic candidates will join us here for a nationally televised debate which to all intents and purposes puts them together for the last time before Super Tuesday, next Tuesday, when 11 states hold primaries or caucuses. And we say the remaining candidates because Bob Kerrey has decided to retire from the field.

ABC's Jack Smith reports that today, speaking to friends and supporters, Bob Kerrey was confident.

(Kerrey: "The only unelectable politician running for president of the United States is George Bush.")

Today, Bob Kerrey was humorous. In other words, today Bob Kerrey was everything he'd failed to be on the campaign trail. On paper he looked like just the sort of new Democrat to beat George Bush: a Vietnam War hero and a businessman that would be immune from the weaknesses that Republicans had successfully exploited in past Democratic nominees.

(Peter Hart, Democratic pollster: "Voters didn't understand what they were voting for. There were too many different things and there wasn't one thing that they understood about Bob Kerrey. That was his problem.")

As he headed back to Nebraska the man who looked so good on paper became a campaign casualty because he'd failed to connect where it counts, with voters.

ABC's Dr. Tim Johnson reports on Paul Tsongas health: There is no doubt about Tsongas' current general health. He swims every day and doctors have placed no limits on any activity. But could Tsongas' cancer return? Half of all cancer patients who go through bone marrow transplants will have a relapse the first year or two. But current data indicates that if the patient makes it past those critical years, like Paul Tsongas, the chance of recurrence drops rapidly toward zero. Sen. Tsongas now undergoes regular check-ups, including a very sophisticated new test that can detect just one cancer cell in every one million normal cells. So far everything is negative, which means that Tsongas can probably be declared cancer-free with more certainty than any other candidate.

Jennings reports on Texas: The candidate who wins here, Republican or Democrat, gets a lot of publicity and a lot of delegates to support him at the political convention this summer. And Texans need to be convinced. First, this is not New Hampshire. The landscape here is marked by modest signs of recovery. There hasn't been much campaigning here and a lot of Texans are just beginning to focus.

(Gary Acker, Mayor of Flower Mound: "We're probably inclined to be more concerned about the local scene than we are the national scene.")

-more-

Jennings continues: A lot of people here believe that all the candidates cut and fit their campaign message too much to suit the local scene. Moreover, the mud-covered governor's race here two years ago has left many Texas citizens thinking that perhaps all politicians are a lesser form of life. In 1992, this place which George Bush calls home is his to lose. Still, for the Texas vote, he and the other candidates will have to battle their way through some pretty heavy duty cynicism. Among the Democrats, Clinton is the favorite. Texans do, after all, have something in common with New Hampshire -- a nagging concern that however much they care about any particular issue, the politicians may not be able to deliver. (ABC-Lead)

CBS's Dan Rather: And then there were four. As CBS News first reported yesterday afternoon, Bob Kerrey is out of the presidential race. The senator from Nebraska made it official today.

(Kerrey: "After New Hampshire I was delighted, or at least I appeared delighted, to say that I'd won a bronze. I then went on to South Dakota and was happy to be able to say that I won a gold. But after Tuesday I feel a little like the Jamaican bobsled team. We had a lot of spirit but unfortunately we didn't get a lot of medals.")

Kerrey, now considered a vice presidential possibility, said he would have no problem supporting any of the other Democratic presidential candidates. (CBS-5)

NBC's Tom Brokaw reports that Jerry Brown doesn't have much money, but he still is very much in this race, in his third run for the White House. Brown is running a low-budget, give 'em hell, anti-Washington crusade aimed at this year's angry voters.

(Brown: "The tax code in this country is what I call a banquet feast of corruption.")

"We're going to fight to make this stagnant, corrupt, unresponsive, decrepit leadership move aside."

"I want you to raise your hands if you have never given \$1,000 to an American politician ever in your lifetime.")

Is this re-born anti-politician the same Jerry Brown who raised tens of millions of dollars for California's Democratic Party, the former two-term governor, member of a political family -- this man an outsider?

(Brown: "Even to say outsider in reference to somebody who's been governor for eight years whose father was governor, whose sister is the elected treasurer, I'm not an outsider in the sense of who I've been and who I am. But rather my commitment is to the unrepresented.") (NBC-5)

NBC's Mike Jensen reports on Clinton's economics:

(Clinton: "The average working family's tax will go down about 10 percent, a savings of about \$350 a year, and I won't finance it with increasing the deficit. Instead, we will ask those earning over \$200,000 a year to pay some more.")

Economists say that wins votes but doesn't really help the economy. Those same economists give Clinton high grades for much of the rest of his economic program, things like a 50 percent cut in the capital gains tax for long-term investments in new businesses that create jobs in America; more government research money for development of new products instead of military equipment; defense spending to be reduced by 36 percent over the next five years.

Jensen continues: But Clinton also offers a slew of expensive goodies for almost every voting group.

(Clinton: "I want to spend more money on people on education and training and child care. I'm tired of people being told they're too rich to get college aid.")

"I think I've got a record second to none in helping farmers."

"We're going to have to provide a basic, fundamental health care package to all Americans.")

Clinton is quite specific about his spending programs, but the funding is something else.

(Jensen: "Where is the money going to come from for many of the things that you talk about in your economic program?")

Clinton: "First of all, if you look at the way we did raise taxes in Arkansas, I think that's the way the American people want them raised. If we raised taxes we dedicated the taxes, and we paid for an investment in the future. So the people got their money's worth.")

As governor of Arkansas Clinton raised taxes on gasoline and cigarettes and presided over a general sales tax increase. Now he's promising to cut taxes and use money from the defense budget. A lot of analysts say a \$90-billion-a-year cut is unlikely, and even if the entire defense budget were eliminated it would just about cover the annual budget deficit. But Clinton says it can all be worked out and that someone has to start looking out for the middle class. (NBC-7)

CHECK BOUNCING/CONGRESS

Brokaw: It turns out the congressional check-bouncing scandal is worse than first reported, much worse. Late today the House committee investigating the scandal reported in and the numbers are staggering: almost 20,000 bounced checks. Now the full House will decide whether to release the names.

NBC's Andrea Mitchell: The Ethics Committee reported that 355 current and former members had overdrawn their accounts in the House bank and recommended that the 24 worst abusers be named.

(Rep. McHugh: "I was rather shocked by the number of checks that were written and the size of the overdrafts in certain cases. As I said to some others, I don't know how some of these folks slept at night.")

The 24 worst offenders include five former congressmen and 19 current members. All had bounced at least one check of at least \$2,400 once a month for eight months.

(Rep. Kyl: "In numerous cases there are several hundreds of bad checks. The face amounts are in the six-figure range for many of these people.")

(Rep. Hansen: "I may say so, I don't mean any disrespect for my colleagues. I'm a little tired of them coming up to you on the floor and saying, 'Oh gosh, they didn't tell me.'")

The committee criticized House Sgt. at Arms Jack Russ who ran the bank and had at least one overdraft of more than \$10,000. Earlier this week Russ said he was mugged, shot in the face by an assailant. Police describe the circumstances as highly unusual. There was a call from dissenting members to release all the names immediately.

Mitchell continues:

(Rep. Bunning: "I don't think they think that will pass the smell test.")

It will be up to the full House next week to decide whether to disclose the names, which most people think could be a political death sentence for those involved.

Brokaw talks with Mitchell:

Brokaw: Isn't it likely that those members who are not guilty are going to insist that these names be disclosed?

Mitchell: It cuts both ways. There could be some big names on that list and there might be some effort by the leaders to cover that up. But the Republican leaders are now demanding full disclosure, and Democrats are telling me privately they think that the public pressure will mean they'll have to go along with it.

Brokaw: What about reform since this scandal was first disclosed?

Mitchell: They have shut down the House bank. That's probably the biggest reform, and they've taken other steps to try to reform some of those other abuses in the House. They're also calling for the appointment of a House administrator. (NBC-Lead, ABC-5, CBS-2)

KING BEATING TRIAL

Rather: Opening arguments today in the case of Los Angeles police accused of brutality. Millions of people around the world have already seen the amateur video of white police officers beating an unarmed black motorist. Today that videotape was seen through the eyes of the jury. (CBS-Lead, NBC-3)

IRAQ

Rather: Another warning today for Saddam Hussein. Britain said the allies have not ruled out a new military strike to force Saddam to comply with the U.N. cease-fire deal and give up his weapons of mass destruction. CBS's Allen Pizzey reports that there are no signs of Saddam's grip on power loosening. (CBS-9)

NBC's John Chancellor comments that Margaret Thatcher has been saying rude things about him Prime Minister Major, and Ronald Reagan has been more or less snubbing George Bush. And this week both Bush and Major are being forced to think about Saddam Hussein. An air strike against Saddam could become a political liability for the President and the Prime Minister. Voters might see it as an election-year stunt, a diversion from the bleak economic situation. Re-opening the war, even from the air, even with U.N. approval, might be politically risky. On the other hand, something needs to be done to make Saddam keep his word. (NBC-9)

ECONOMY

ABC's Diane Sawyer: There are still further indications today that the economy may be perking up. The latest evidence comes from the nation's big retail stores. After a dismal Christmas season there are signs that the shoppers are coming back.

ABC's Stephen Aug reports that overall, K-Mart sales last month were up more than 4 percent from a year ago. At Sears, where sales soared nearly 9 percent, they're selling more appliances. At Wal-Mart, the nation's biggest retailer, sales shot up 20 percent. Even though chain store sales were higher for the second month in a row, retail observers are still cautious. Analysts are cautious because this year's sales are compared with a year ago. When consumers were preoccupied with the Persian Gulf war, retail sales were terrible. And the ABC News/Money magazine consumer confidence survey continues to show that Americans are worried about the economy, their personal finances, and their own jobs. But if retail sales continue to rise, so should consumer confidence.

Sawyer: For a lot of Americans, though, it will take a long time for confidence to return. A record 13.5 million Americans are now on welfare. That's 2 million more than when the recession began nearly two years ago. (ABC-2, NBC-6, CBS-7)

AMERICA'S RICH

Rather: In America in the 1980s what President Reagan and those who support him called the Reagan Revolution put more money in the pockets of the rich. We already knew that. But a new study indicates that those who did best of all by far were the very richest of the rich.

CBS's Bob Faw reports that the new figures compiled by the CBO show that in the 1980s, for Americans of privilege, the music was very sweet. From 1977 to 1990, a staggering 60 percent of the increase in after-tax income in this country went to just one percent of all families -- those making at least \$310,000 a year. The numbers show the rich did get richer while the bottom 40 percent of families saw their income decline during the Carter-Reagan years, and the typical American family saw its income creep up just 4 percent. For that top 1 percent, incomes exploded, up 77 percent. (Clinton: "Look at this. If we don't have a new economic policy for the '90s, you're going to have more and more and more people working harder, making less, and the country losing its economic leadership.")

One reason so much wealth went to so few, while top income rates were slashed, compensation for executives skyrocketed. By 1990, according to one survey, bosses were making 120 times as much as an average worker. Fifteen years earlier they were making only 35 times more.

(Buchanan: "I don't believe in the politics of envy, and the fact that people who work hard and invest, and if they do it honestly and they're doing very well, I think that's terrific.") While there's some dispute about the meaning of the numbers, they virtually guarantee that the issue of tax fairness will be front-and-center in the presidential campaign. (CBS-3)

SOCIAL SECURITY

CBS's Bruce Morton reports that David Pritchett [sp], former deputy sheriff and corrections officer, can't work because he has emphysema. He applied for Social Security disability payments.

Morton continues: It took almost two years to process his claim while he lived in his cousin's garage. A congressional hearing heard today from Lewis Moore of Baltimore -- diabetes, high blood pressure, heart problems -- whose disability appeal has been pending since October 1990.

(Moore: "I have been homeless, living at church shelters in Baltimore.")

In fact, the problem keeps getting worse because the Bush Administration's budget won't let the Social Security Administration hire enough people to process all the claims. The backlog of disability claims reached 800,000 this fiscal year and should reach 1,300,000 next year.

(Pritcher: "There are people who are in need of what they have coming. What you got comin' you got comin'. That's prison jargon.")

Prison jargon, maybe. Washington bureaucracy jargon, no. (CBS-8)

U.S. AID TO VIETNAM/MIAS

Sawyer: In Hanoi, American negotiators announced the U.S. will give Vietnam \$3 million a year in humanitarian aid. In return, Vietnam will do more to locate the remains of Americans missing since the Vietnam war. (ABC-6)

MILKEN

Rather: Federal banking regulators tonight rejected the \$1.3 billion settlement offered by Michael Milken to settle government civil suits against him. The government says it needs more information before signing any deal with the jailed junk bond manipulator. The proposed deal would have left Milken and his family with a reported half-billion dollars at minimum. (CBS-4)

PAIN KILLERS

Brokaw: Every year more than 23 million surgeries are performed in this country, and today a panel of government experts said many doctors fail to prescribe enough pain killers.

NBC's Robert Hager reports that today the federal government said in a report that about half of all surgery patients suffer needlessly because doctors in hospitals don't pay enough attention to pain killer. Secretary Sullivan talked about myths: that pain builds character. Myth, he said. That infants don't feel pain -- another myth. That elderly patients have a higher tolerance for pain, or that pain killers are addictive. All myths.

(NBC-8, CBS-6)

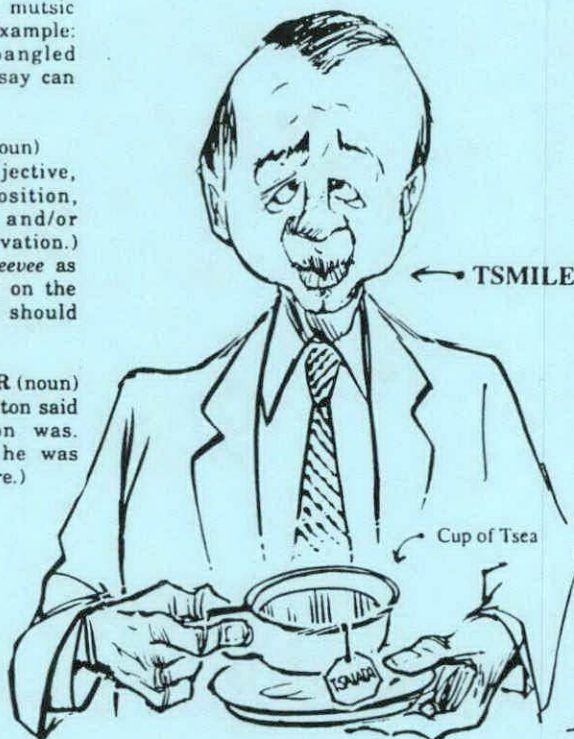
Friday Follies

The Tsongas Pronunciation Guide (a random tsample)

TSONG (noun)- mutsic
with wordts. Example:
The Tsar-tspangled
Banner, "Oh, Tsay can
you Tsee?"

TSELEVISION (noun)
(also verb, adjective,
adverb, preposition,
conjunction and/or
universal motivation.)
Abbreviation: Tseevee as
in, "I tsaw you on the
tseevee. You should
tsmile more."

BACKTSTABBER (noun)
- What Bill Clinton said
Jetsse Jackson was.
Then he said he was
Tsorry. (Oh, tsure.)



TSUPER TSUETSDAY -
A big deal down in the
Tsouth.

MATSSACHUTSETTS -
Tsenator Tsongas's
home tstate.

TSWIMMING - A tsport
which proves you have a
great deal of tstamina.
As in, "I tsaw you
tswimming on Tsunday,
tso I will vote for you on
Tsuetsday."

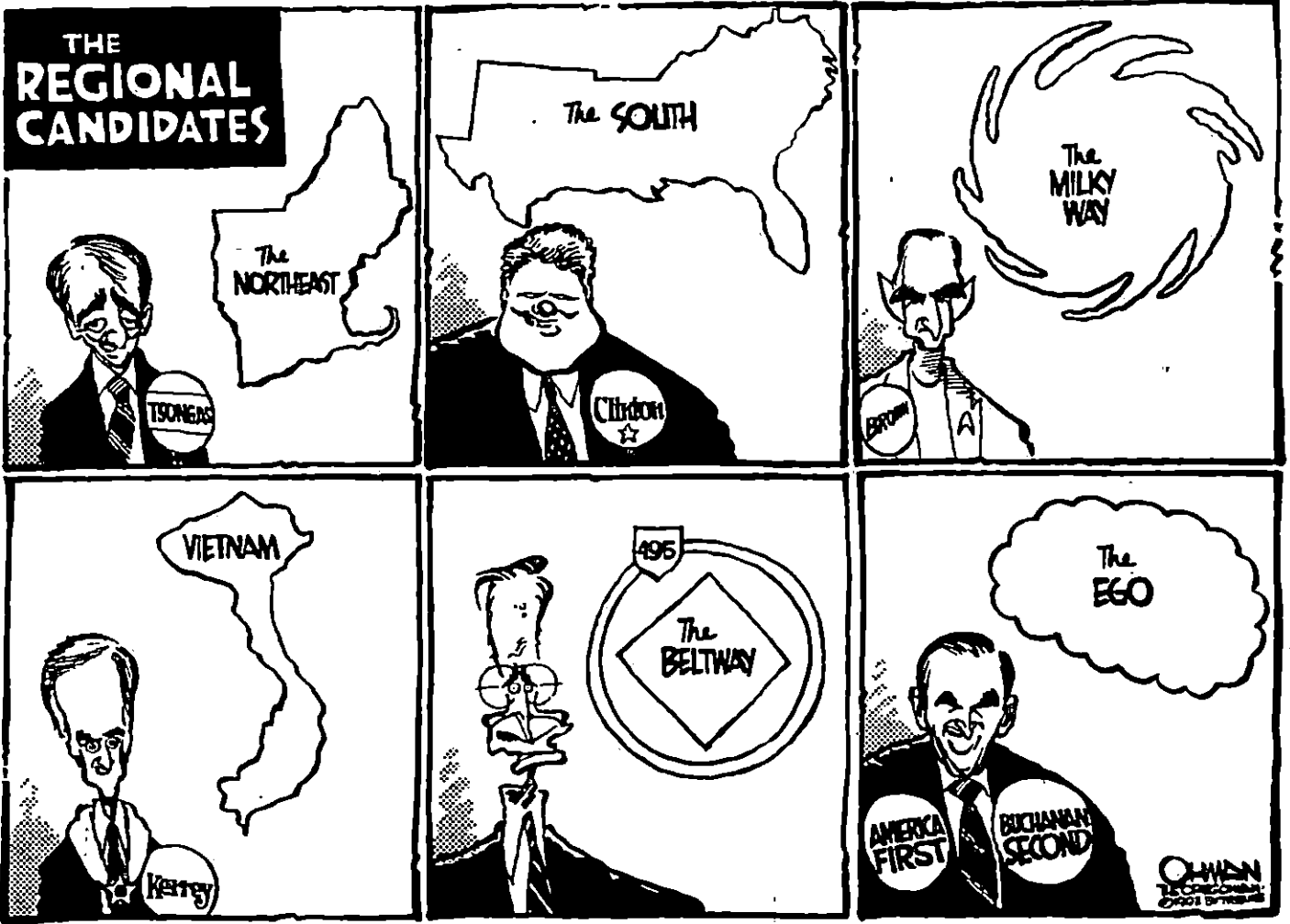
TSUSHI - what we will all
be eating if we don't get
rid of Butsh.

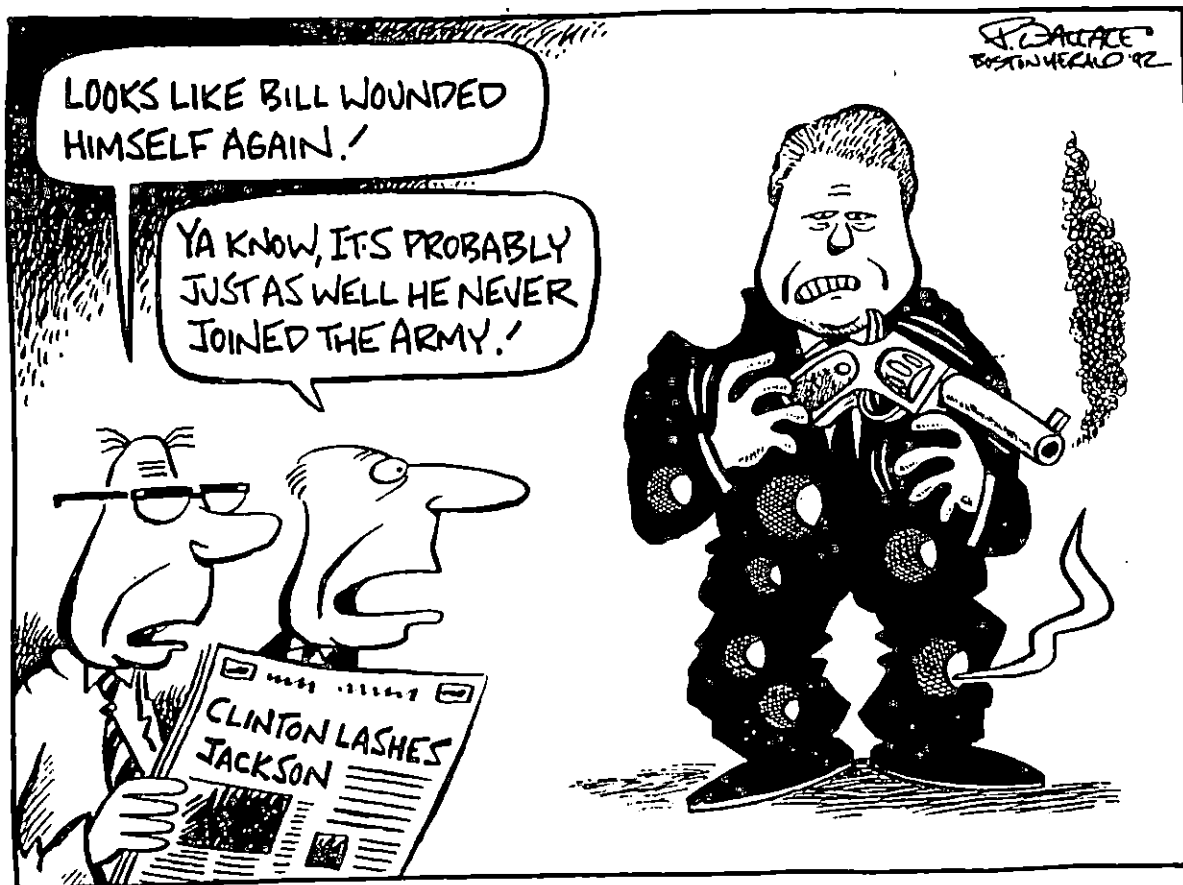
DAN RIGER
The Christian Science Monitor

- a look at politics through the eyes of the political cartoonist -

"I don't care a straw for your newspaper articles. My constituents don't know how to read. But they can't help seeing them damned pictures."
(William Marcy "Boss" Tweed speaking of Thomas Nast, 1871)

WHITE HOUSE NEWS SUMMARY SPECIAL EDITION
VOLUME IV ISSUE 9 -- March 6, 1992





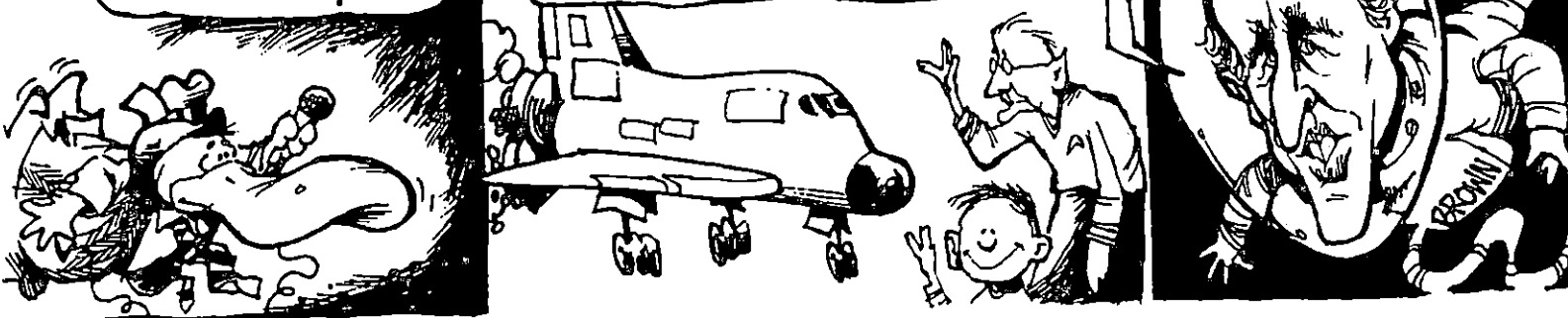
by Bruce Tinsley

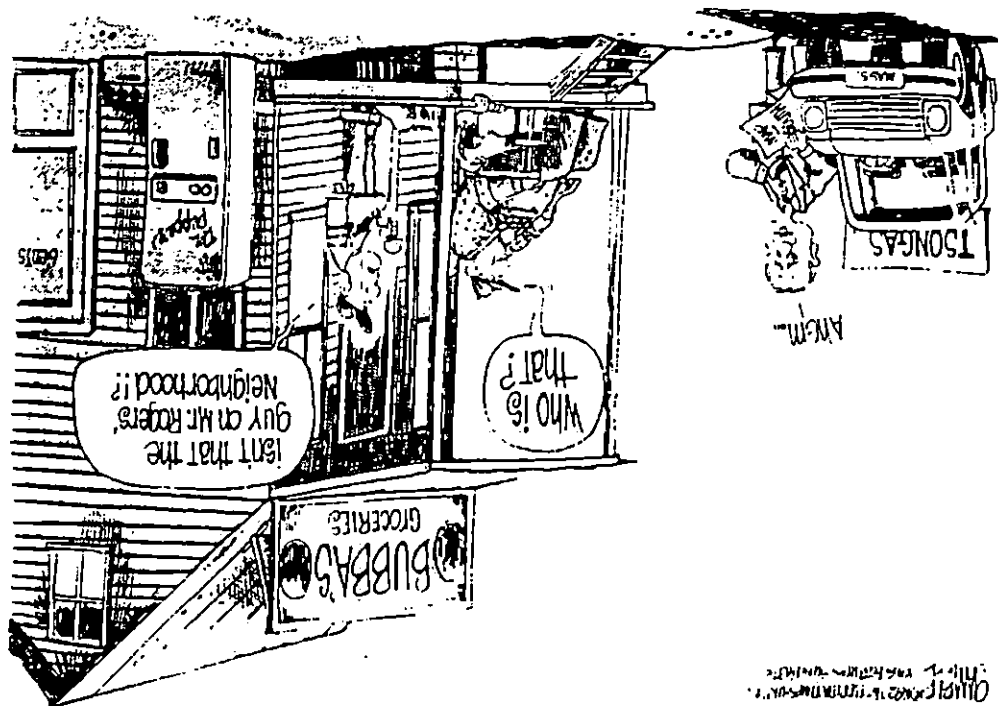
THE FILLMORE FILE

IT'S JUST NOT FAIR!
THE GOVT. CAN SPEND
LOTS OF MONEY ON...

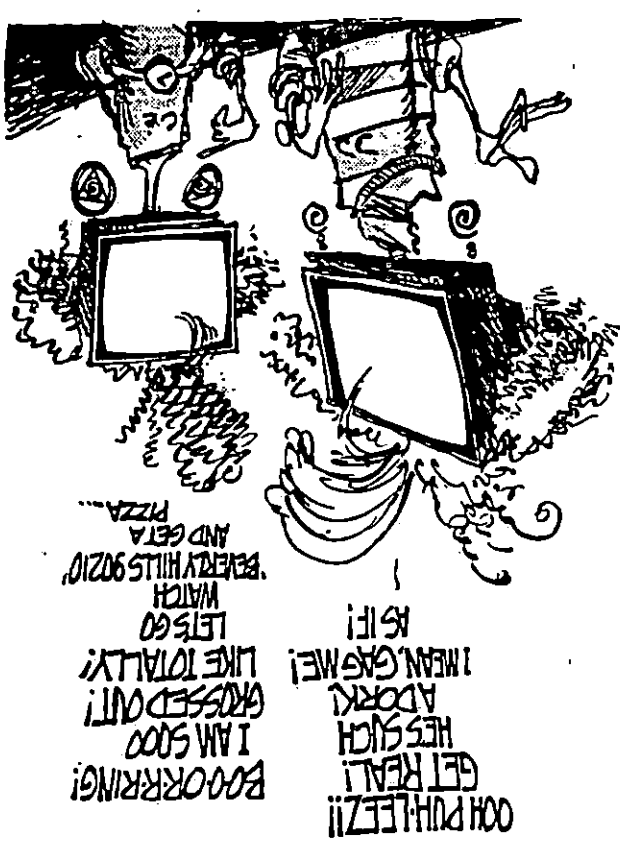
...THE SPACE PROGRAM,
AND A **STAR TREK**
EXHIBIT AT THE
SMITHSONIAN, BUT THEY'RE...

CUTTING OFF
MY CAMPAIGN'S
MATCHING
FUNDS!!





TV AMERICA PASSES ITS EVER-MATURE JUDGMENT



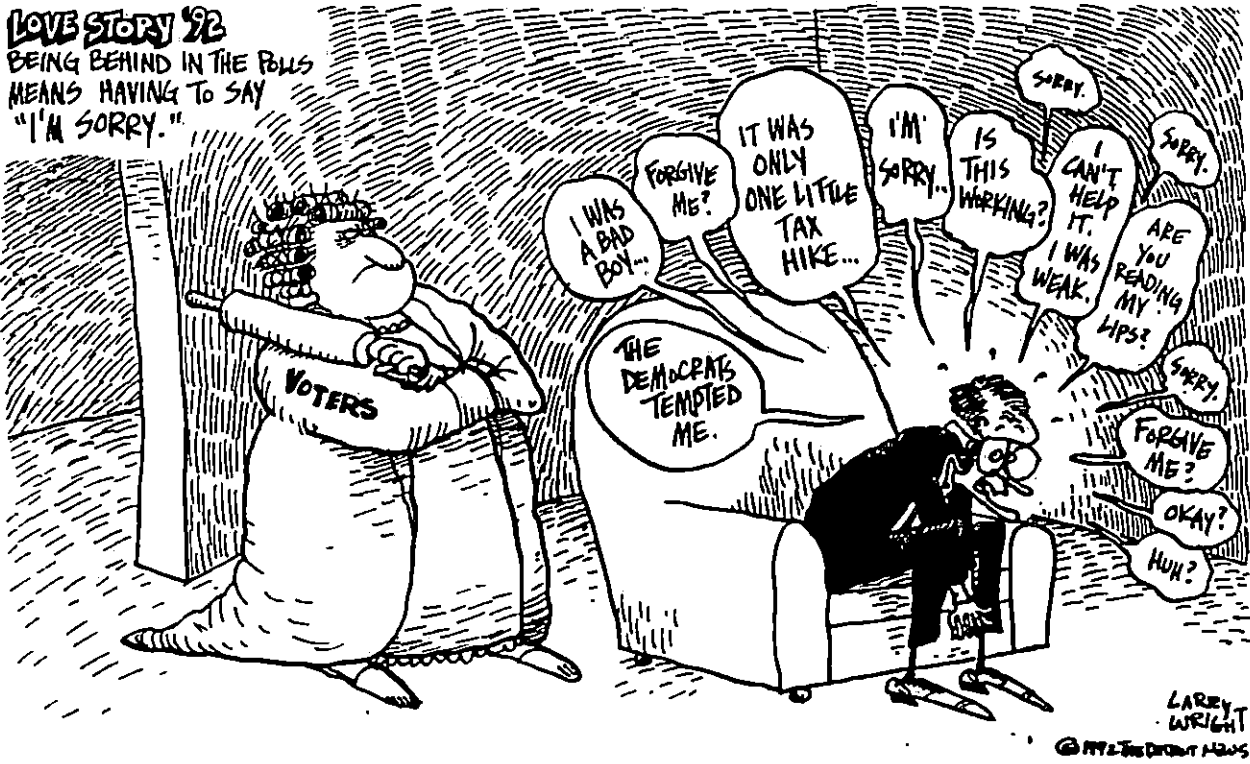
TIM BUZMAN
LAURENCE
ENTERTAINMENT

9



LOVE STORY '92

BEING BEHIND IN THE POLLS
MEANS HAVING TO SAY
"I'M SORRY."



Mike Luckovich
ATLANTA CONSTITUTION
© 92

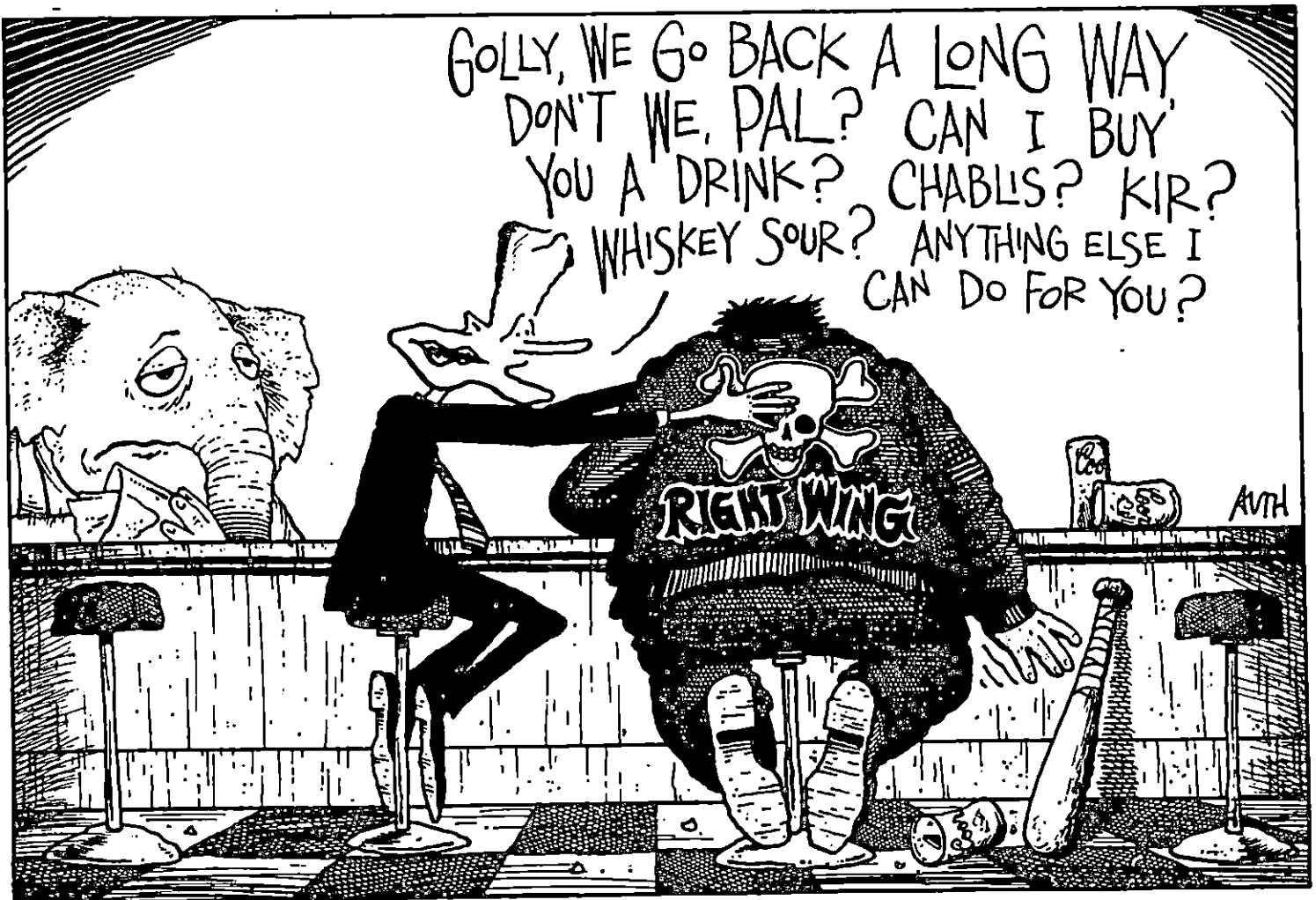
How am I supposed to
concentrate on driving
when you keep asking me
where I'm going?!



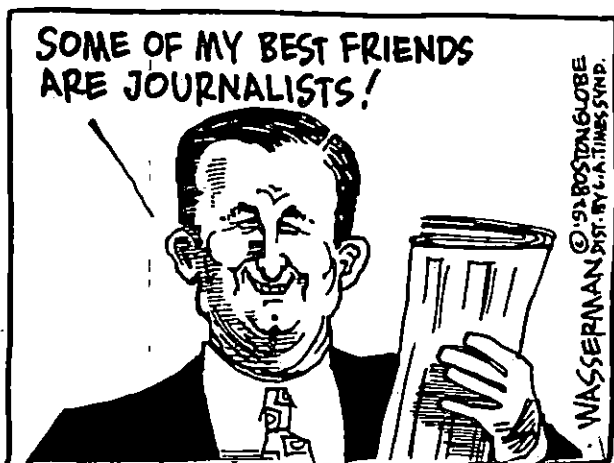
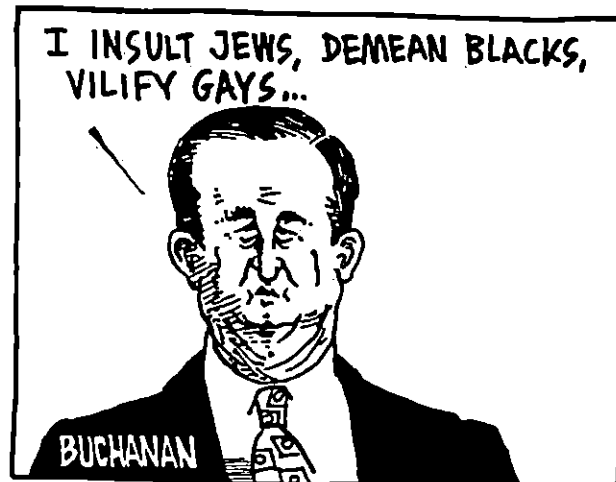
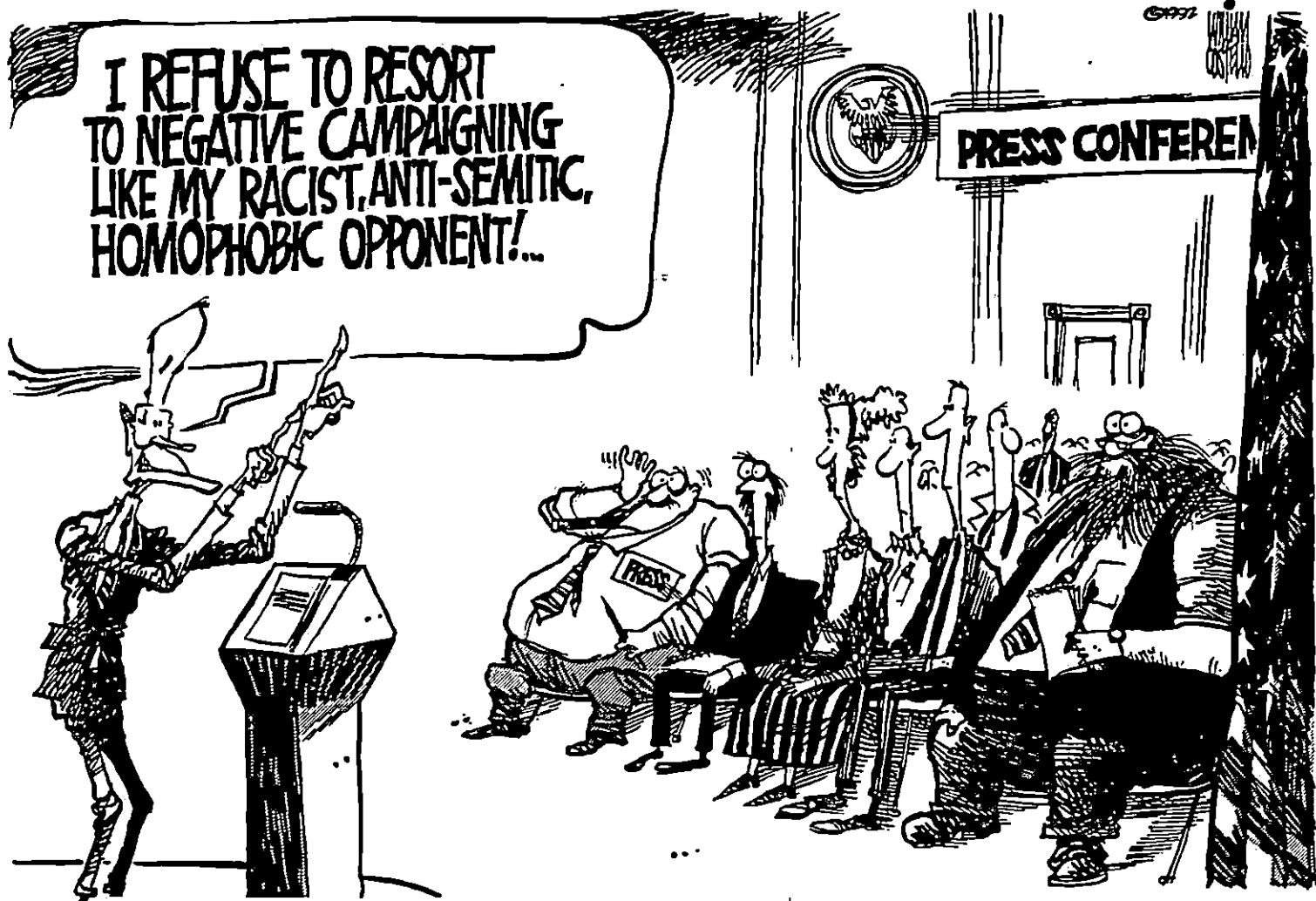


UNITED FEATURE SYNDICATE DAYTON DAILY NEWS

THANKS FOR YOUR SUPPORT, RON....



GOLLY, WE GO BACK A LONG WAY,
DON'T WE, PAL? CAN I BUY
YOU A DRINK? CHABLIS? KIR?
WHISKEY SOUR? ANYTHING ELSE I
CAN DO FOR YOU?





IF SADDAM HUSSEIN IS
THE "NEW HITLER",
WHY WERE YOU PERSONALLY
WORKING TO PROVIDE HIM
WITH TECHNOLOGY AND
LOAN GUARANTEES
FROM 1984 TO AS
LATE AS 1990?

WELL, UM,
HE WAS STILL
ONLY A
"NEW KAISER
WILHELM"
AT THE
TIME.....



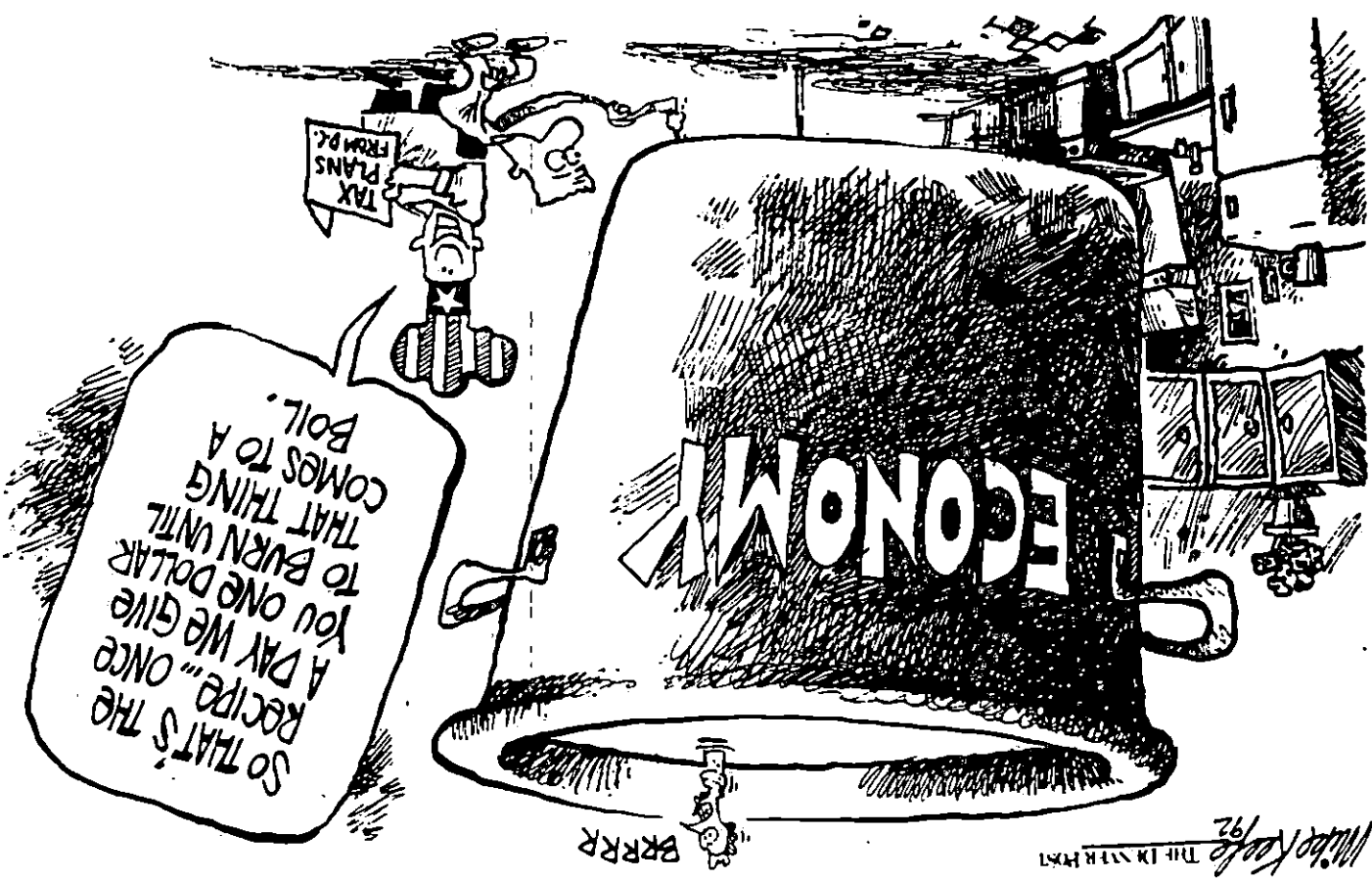
SACKS

"ON THE ONE HAND, CONSUMER CONFIDENCE IS DOWN--ON THE OTHER HAND...
 "CONSUMER SPENDING IS UP--ON THE OTHER HAND....UNEMPLOYMENT IS UP--ON TH...."

© 1992



ECONOMISTS



SO THAT'S THE
 RECIPE...ONCE
 A DAY WE GIVE
 YOU ONE DOLLAR
 TO BURN UNTIL
 THAT THING
 COMES TO A
 BOIL.

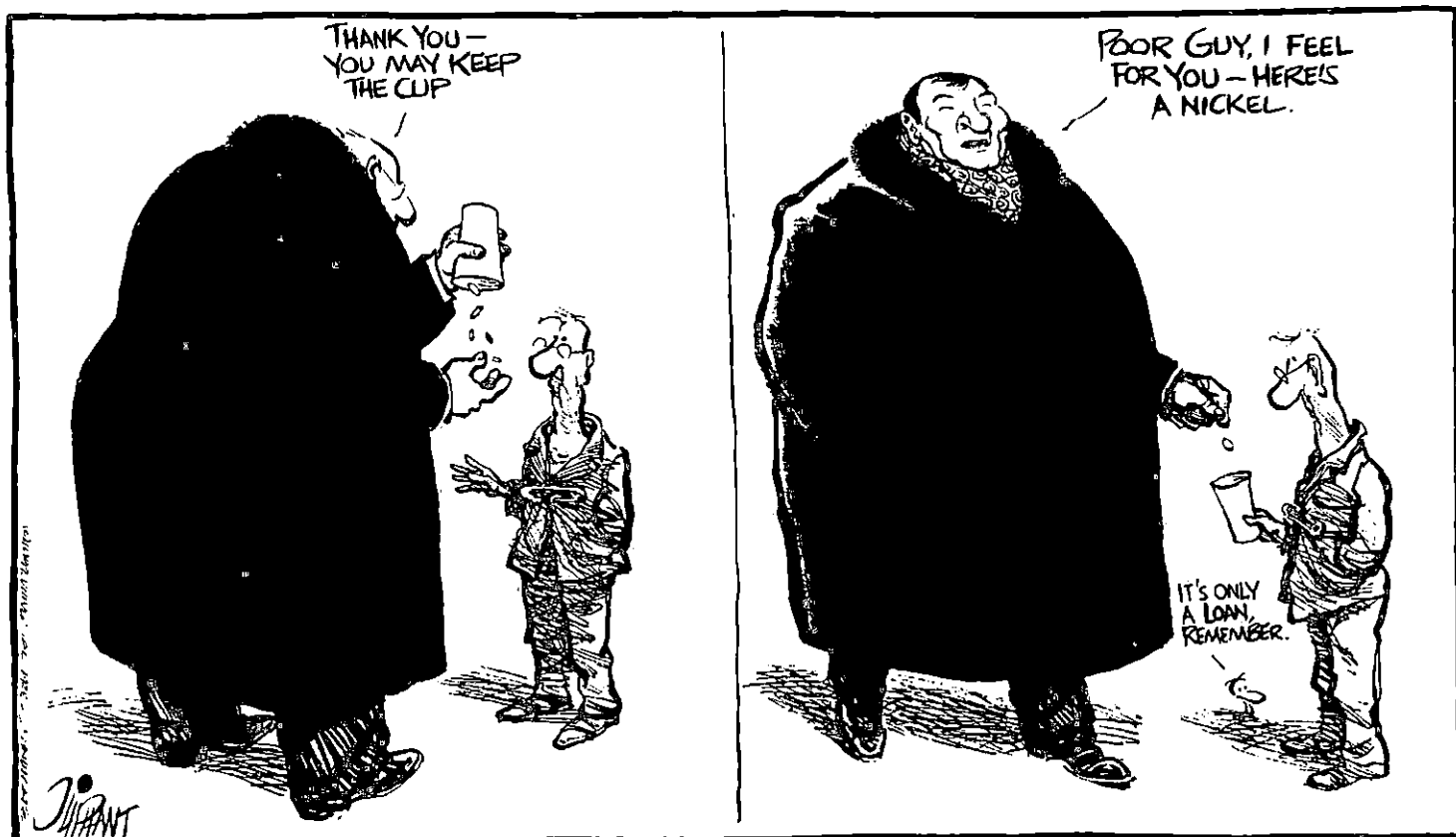
TAX
 PLANS
 FROM D.C.

BRRR

Mike Keefe THE INK HORN 1/92



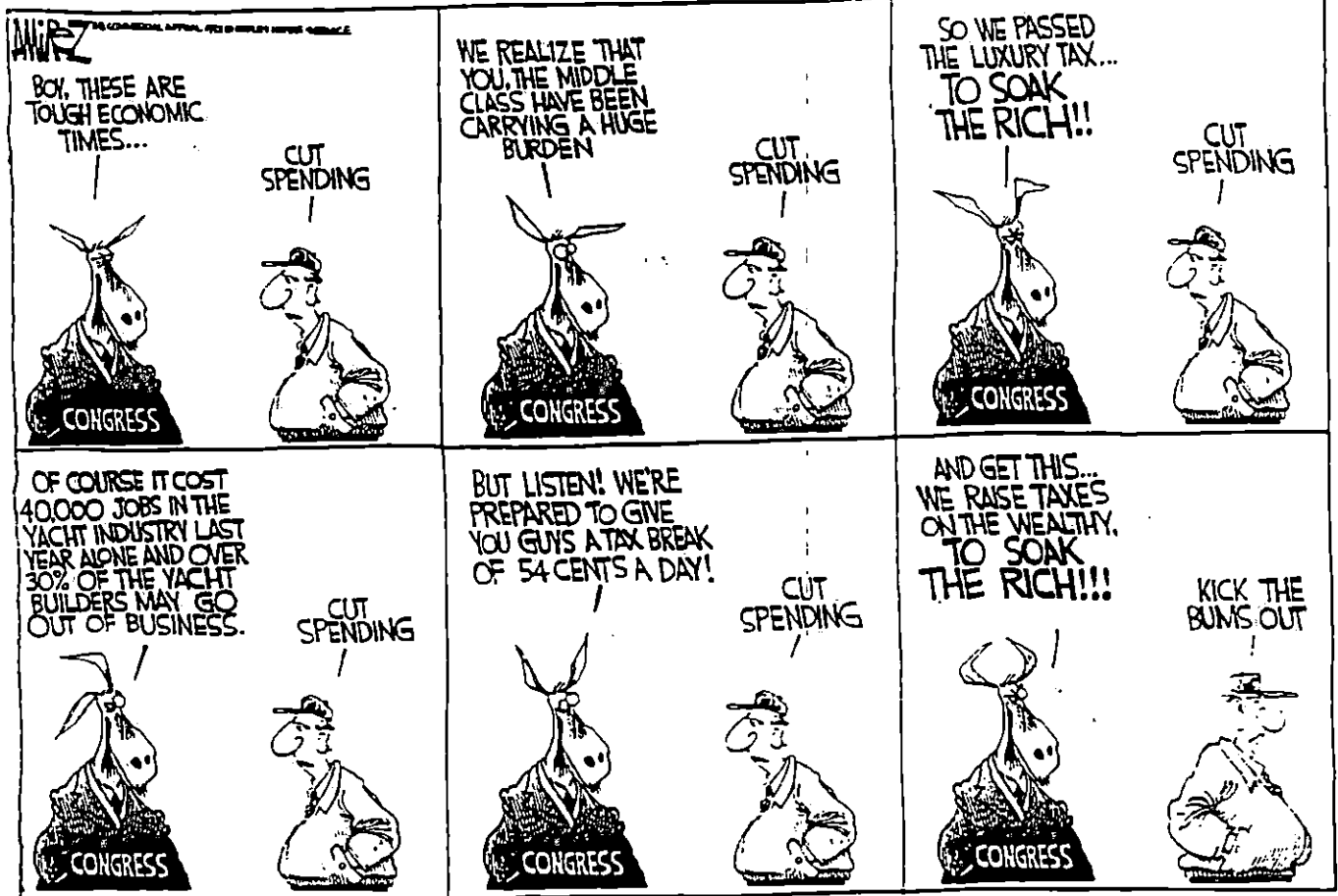
THEIR DOMESTIC ECONOMY A SHAMBLES, WORKERS STREAM ACROSS THE RIO GRANDE IN SEARCH OF WORK...

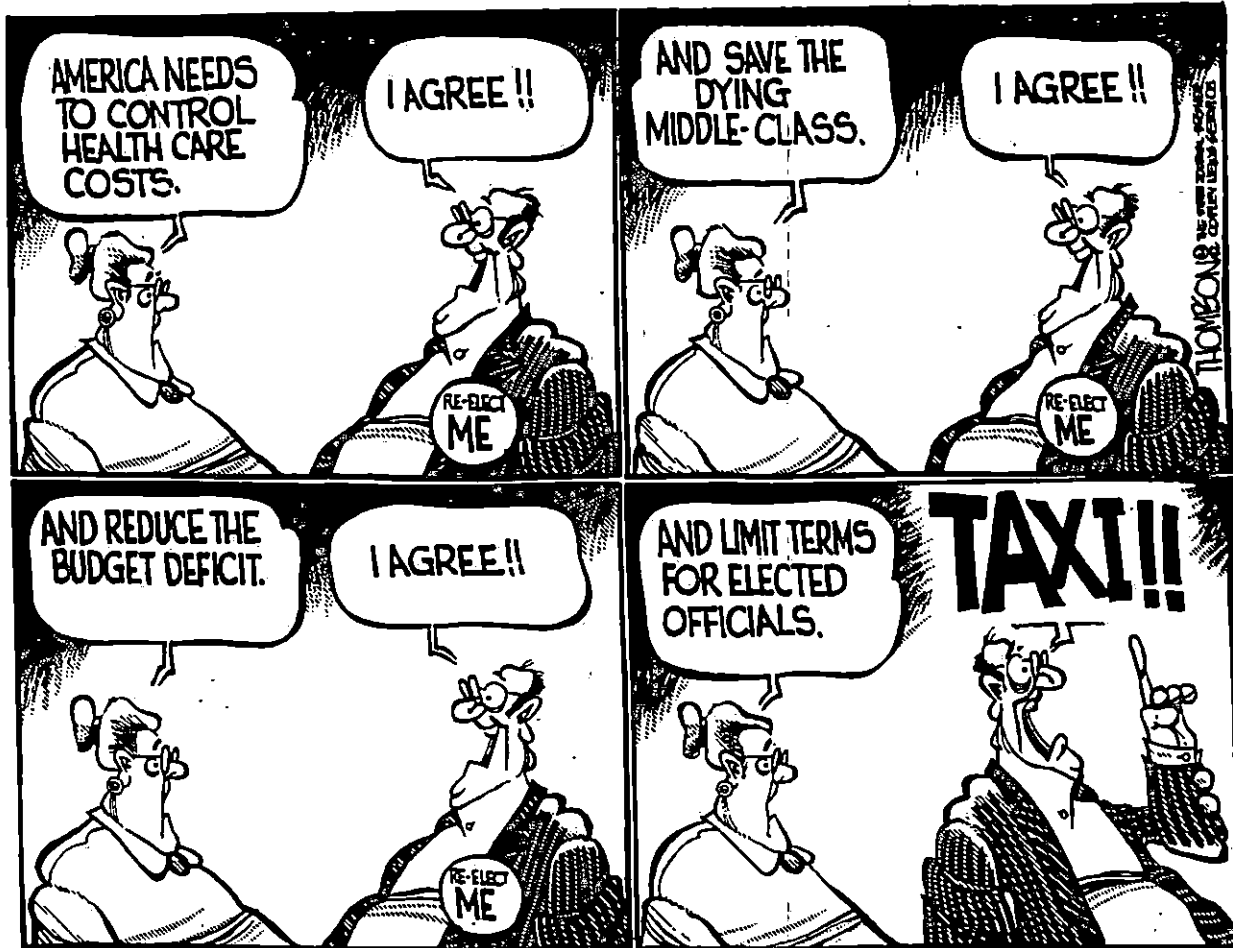


REPUBLICANS

— A TAX BILL —

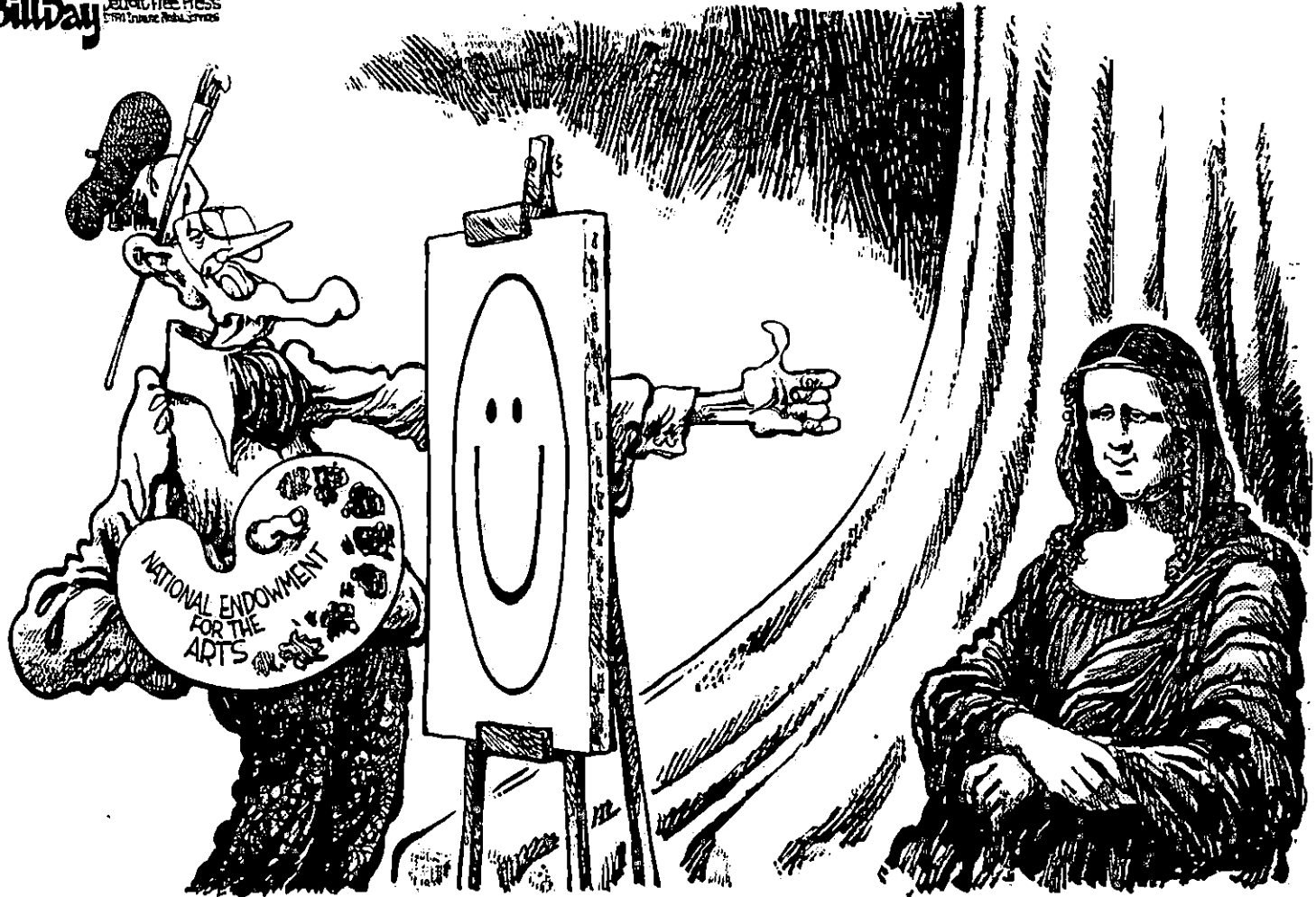
DEMOCRATS







BillDay Detroit Free Press
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HULME
NEA



"Y'ALL COME OUT WITH YOUR HANDS UP OR WE'LL ESTABLISH
A HEMISPHERIC COUNCIL THAT WILL MEET SEVERAL TIMES A YEAR!"



GAMBLE ©1992 THE FLORIAN TIMES UNION
KNOX PATRICKS SPECIAL

©1992 SAN DIEGO UNION TRIBUNE
COPLEY NEWS SERVICE

SKELLY



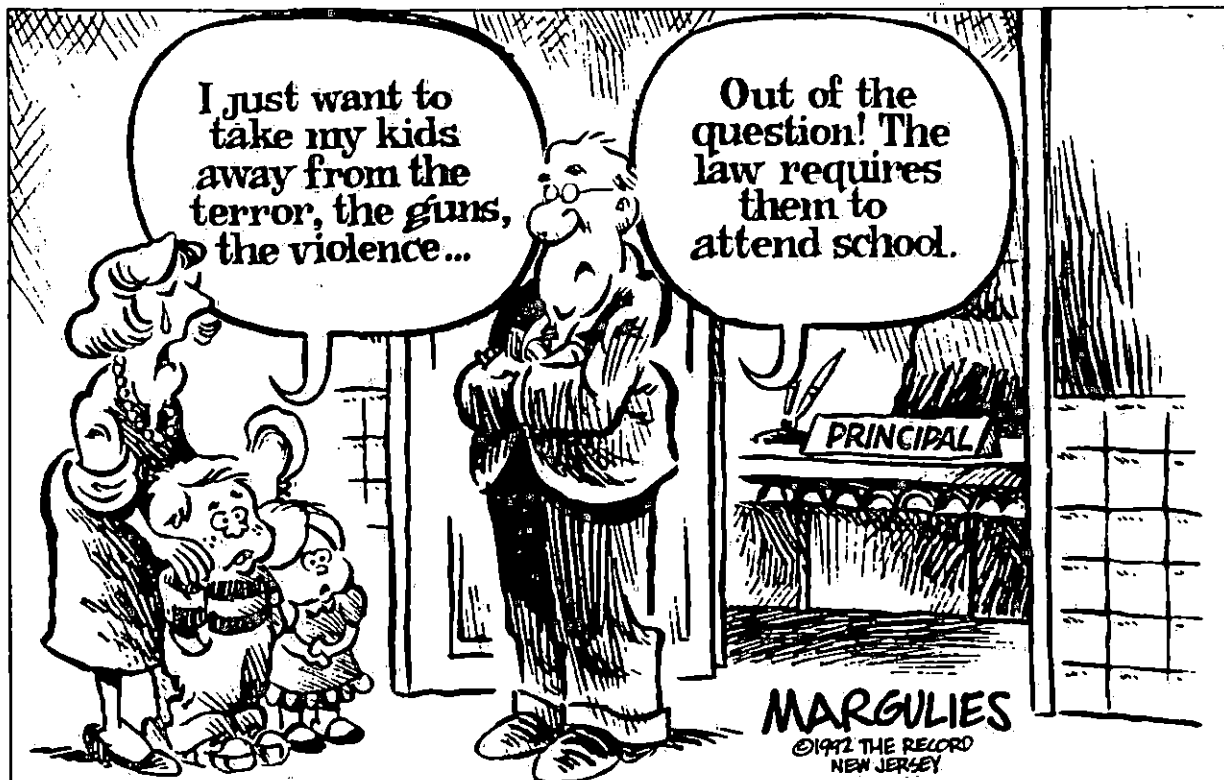
PICK YOUR FAVORITE ELVIS STAMP:



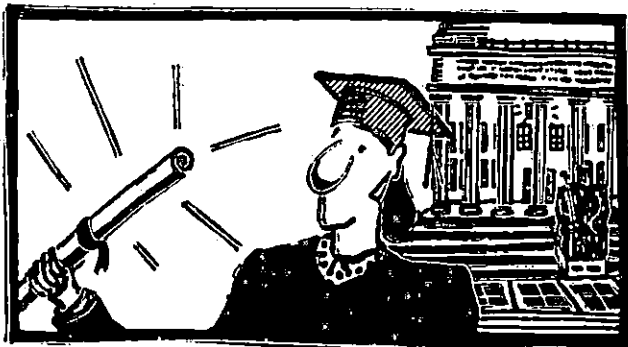
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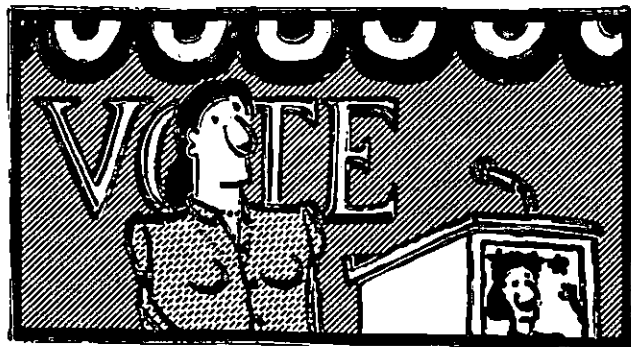
"A BIG WRITE-IN VOTE FOR A SLIM WHITMAN STAMP
WOULD CERTAINLY SERVE AS A WAKE-UP CALL FOR ELVIS."



WOMEN ARE OBTAINING MORE AND MORE GRADUATE AND DOCTORATE DEGREES EACH YEAR. THEY'RE BECOMING LAWYERS AT RECORD RATES.



THEY'RE TAKING CONTROL OF AREAS PREVIOUSLY DOMINATED BY MEN: FINANCE, ENGINEERING, MEDICINE AND POLITICS.



THEY'RE ADVANCING MUCH FASTER THAN MEN. IN SHORT, IT LOOKS LIKE WOMEN WILL SOON BE RUNNING THE DAY-TO-DAY BUSINESS OF AMERICA.



MEN WIN AGAIN!



--- Friday --- March 6, 1992 ---

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--- THE DAILY BRIEFING ON AMERICAN POLITICS ---

Updated Each Morning At 11:50

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282 North Washington Street, Falls Church, VA (703) 237-5130

=====

NIGHTLINE IS THE RIGHT TIME

"Final Four" meet in last debate before Super Tuesday. Brown takes advantage of "free-form" format, new standing, but Clinton deflects his shots on boot camp photo, civil rights record. Tsongas gets it on all sides on Wall St. image. (#2)

SC: THIS TIME IT'S PERSONAL
Gov. Campbell puts prestige on line for Bush, but "arm-twisting" angers some. Buchanan hunts anti-Campbell vote. (#3)

WILD WEST WEEKEND (#4)

NV: Gov. stumps for Clinton, but Tsongas gets L.V. Mayor.
AZ: Brown on the ground.

SUPER TUESDAY POLLS

FL: Clinton-Tsongas tied at 24%; Clinton UNFAV 40%. (#5)
TX: Clinton by 18%. (#6)

SHOWING BOUNCERS THE DOOR

House Ethics Cmte targets 19 current and 5 ex-Reps. for disclosure. GOP promises fight for longer list. Sgt.-at-arms Russ noted as one of top non-member Bank offenders. (#23)

SPOTLIGHT

NEW MATH, DEM STYLE

Some say it's over (see below) but others foresee brokering. Dem \$-man Duane Garrett on Clinton-Tsongas battle: In the "spirit of Tammany Hall, there will be deals cut all over Madison Square Garden." (#17)

Computers are devoid of Big MO and EMotion, but The HOTLINE has 3 simulations on Michelangelo's Birthday:

SCENARIO I: 2/1 home area strength by both, 55/45
Tsongas pull in north, and 3-way split in CA + West.

SCENARIO II tilts north to Clinton by 50/30.

SCENARIO III reverses the tilt to Tsongas.

Each scenario takes added deals for a win. (#17)

The HOTLINE Index panel's first look at the Electoral College says NYC's nod may be worth the dealing. (#1)

===== QUOTE OF THE DAY =====

"Clinton will be the nominee in two weeks."

-- Mario Cuomo, N.Y. DAILY NEWS, 3/6. (#10)

THE APN BULLETIN BOARD

FROM TODAY'S GREENWIRE: 66 percent of atmospheric scientists surveyed believe human-induced global warming is occurring.
FROM TODAY'S DAILY REPORT CARD: Sec/Ed Alexander changes his tune on role of arts and music in America 2000.
FROM TODAY'S ABORTION REPORT: MI informed consent has no side smiling -- passes House w/out requiring photo of fetus.

HOTLINE/DATABASE INDEX

WHITE HOUSE '92

HOTLINE INDEX: Panel sees Bush losing 5 of 9 big states. (#1)
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SENATE WATCH

CT: Burnham lead shrinks; Dodd rating still neg. (#20)
FL: Graham looks pretty darn safe. (#21)
SC: Reax show Hollings' comment bombed. (#22)

ON THE HOUSE

HOUSE CHECK-BOUNCING: The fuse is lit. (#23)

POLL UPDATE

WSJ/NBC: Attitudes on taxes. (#24)

TV MONITOR (#25)

???? OVERLOOKED ???? ?

A Houston-based group called Republicans for Responsible Decisions is pushing a "big tent" resolution at the preliminary TX GOP precinct caucuses 3/10. The resolution aims to strike ALL references to abortion from the TX GOP platform. The group's finance chair: Kathi Mosbacher, daughter of Bush campaign chair Robert Mosbacher. (HOUSTON CHRONICLE, 3/5)

*1 HOTLINE INDEX: PANEL SEES BUSH LOSING 5 OF 9 BIG STATES
(The INDEX is the HOTLINE's equivalent of the college football Coaches' poll -- a periodic composite rating of the '92 race by a bipartisan panel of 50 HOTLINE contributing analysts.)

DEMS: The 4 remaining Dem candidates are rated from 1 to ten (weak to strong) on 11 key factors, including an "X Factor" of the panelist's choice. The current ratings reflect the conventional wisdom of a tight two man race.

	10/1	11/5	12/11	1/22	2/13	3/6	COMMENT
CLINTON	56.2	56.6	68.1	77.2	60.5	81.0	57% say nominee
TSONGAS	37.2	31.9	38.0	45.1	66.4	79.4	19% say it's him
BROWN	44.4	45.5	37.8	32.7	30.2	50.9	In all the way
HARKIN	62.2	59.0	57.8	53.4	50.1	33.5	Steady decline

Here is the 3/6 composite 1-10 rating for all 5 Dems on 11 categories:

	BROWN	CLINTON	HARKIN	TSONGAS
NAME ID	6.4	8.1	4.6	7.5
\$-RAISING	2.9	7.8	2.2	6.7
MESSAGE	5.6	6.3	3.0	7.0
PERSONNEL	2.8	7.2	3.0	4.9
TV IMAGE	4.2	6.5	2.9	5.3
JR TUES.	5.5	6.7	2.3	6.7
SUP. TUES	2.9	7.6	1.6	5.5
COVERAGE	3.9	7.0	2.2	7.4
COMMITMENT	5.7	7.9	4.5	7.8
CHARACTER	3.7	3.7	3.5	7.7
BIG MO	3.5	6.2	1.4	6.8

GOP: Following Index practice, no measurement like the above is attempted among Bush, Buchanan, and Duke, because unlike the Dems, they start from such a different base and any such measurement would be inherently misleading.

ELECTORAL COLLEGE: We asked the panel to pick the winner between Bush and the Dem nominee in the nine largest states. Were the Index panel the Electoral College, Bush would win FL, NJ, OH and TX (with 93 electoral votes) and the Dem would take CA, IL, MI, NY and PA (with 150 electoral votes). EXAMPLE: DEM CA consultant Gina Glantz believes the president will lose CA to Tsongas because of "Bush Gay-bashing, Tsongas' pro-choice message, and voter attitudes toward the Wilson administration." EXAMPLE: GOP TX consultant Karl Rove says "no Democrat has been elected while losing TX and none of the Democrats can carry TX against home-state favorite Bush, no matter how much they fantasize he's not a real Texan."

*2 DALLAS DEBATE: BROWN COMFORTABLE IN 3RD MAN-IN ROLE

"In a feisty but civil debate," the last such event before Super Tuesday, "the four major ... candidates cross-examined one another ... on their economic and fiscal plans and jostled for labor and minority support." Throughout the debate, broadcast nationally on ABC during "Nightline's" 11:30p time-slot (but taped earlier), Brown "was the aggressor, assailing the other candidates on their records. But his rivals, who have tended to deal gingerly with Brown in the past, fired back at a candidate who has picked up steam" since his CO victory (Lehigh/Wilkie, BOSTON GLOBE, 3/6). There was "very little attention to, or mention of, regional issues ... The closest they came to dealing with specific Southern issues was their explanations of how they

would create new jobs for people who lose defense-related work" (Attlessey, DALLAS MORNING NEWS, 3/6). Of the "Final Four," the "frontrunners" -- Clinton and Tsongas -- "worked at being presidential"; Brown "was confrontational"; and Harkin "was a counterpuncher" (Connelly, SEATTLE POST-INTELLIGENCER, 3/6). Brown and Clinton "thrived" under the "free-form format." Harkin "survived and Tsongas, well, he got a check mark for attendance (Bark, MORNING NEWS, 3/6).

PRE-DEBATE DEBATE: The taping was delayed 45 minutes, "when the candidates balked at accepting a last-minute change in the format" proposed by ABC. According to Harkin adviser Don Sweitzer, when they arrived, the candidates were told by ABC News pres. Roone Arledge and moderator Peter Jennings "that ABC wanted each candidate, in turn, to face 20 minutes of questioning from his opponents. ... All the candidates except Brown rejected the change in format" (Broder/Von Drehle, W. POST, 3/6). Clinton and Tsongas aides "objected the loudest." ABC even prepared to rerun an old "Nightline," but an agreement was reached when ABC said Jennings would ask some questions. "In the end, the debate pretty much turned out the way ABC and Jennings wanted it" (Bark, MORNING NEWS, 3/6). W. POST reports some heard Clinton adviser James Carville "threaten a walkout" (3/6).

CIVIL RIGHTS: In a "key debate showdown," Brown accused Clinton "of engaging in racist politics." He "questioned [Clinton's] civil rights record and claimed he used 'a bunch of Willie Hortons' in a photo opportunity" (3/6). Clinton "indignantly denied" that the photo taken of him and Sen. Sam Nunn in front of black inmates at a GA boot camp "had any resemblance" to the '88 ad. Clinton called boot camp "an alternative to prison that gives arrested youths a chance to 'get their lives back together.' But Brown insisted that the depiction of the black youths with Nunn and Clinton 'looking like Colonial masters' sent a message of racial bias." Clinton responded to Brown's charge that he failed to pass a civil rights law in AR: "Jerry, chill out. You're from California, chill out. Nobody has a better civil rights record than I do" (W. POST, 3/6). Brown's "rhetorical missile appeared to misfire" (GLOBE, 3/6).

BROWN: For the first time in the Dem debates, Brown "was effective in turning the debate to some of the issues on which he has managed to win one primary ... and keep his campaign going" (Witcover, Balto. SUN, 3/6). "The emergence of Brown as a force in the race became apparent minutes after the debate began" (Battenfeld, BOSTON HERALD, 3/6). "At one point, Brown waxed poetic about the decline and fall of the Roman Empire, but most of the debate stayed focused on the present" (Yoachum, S.F. CHRONICLE, 3/6). Clinton and Tsongas "appeared to be holding back their attacks." Harkin and Brown "were less restrained" (Leubsdorf, DALLAS MORNING NEWS, 3/6). "Brown and his proposals came in for more attention and criticism than in earlier debates -- probably because his surprise victory in Colorado has given him credibility" (Shogan, L.A. TIMES, 3/6). Brown's rivals "strongly objected to [his] characterization of them as influenced by big-money contributors." Harkin: "You can't sit there with a straight face and paint us all as corrupt" (BOSTON HERALD, 3/6); Harkin, also: "What we need is a president who hasn't been sitting on the sidelines like you have" (S.F. CHRONICLE, 3/6).

DEM-ONOMICS: Tsongas "came under attack for his economic plan, which includes a capital gains tax cut and investment incentives. His rivals branded the proposal 'trickle-down'

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economics. ... Tsongas stuck by his guns, however, saying the wealthy would pay for his capital gains tax break and that the venture capital created would help struggling small and start-up businesses" (Shogan, L.A. TIMES, 3/6). Clinton's "ammunition" was a newly-released congressional report which showed that wealthy Americans had the highest income growth in the 80s. Clinton "charged Tsongas' business tax incentives would benefit Wall Street -- not working people": "Wall Street tripled in the 80s. That's not where the real economy is." Tsongas "refuted the charge by saying he would hold executives to a 'much higher standard of accountability." Tsongas, to Clinton: "You misunderstand it. I know how these things work" (BOSTON HERALD, 3/6). After Clinton cited the wealth report, Brown "jumped in, terming Clinton the 'grand champion' of \$1,000-a-plate fund-raisers, with Tsongas a 'distant second' but gaining" (Bark, D. MORNING NEWS, 3/6). Tsongas "didn't deny" that a cap-gains tax cut would help the rich, but he added, "as president, he would fight for a law that protected directors of corporations from lawsuits from shareholders only interested in short-term profits." Clinton agreed but added it's "also important to give shareholders direct say over the grossly high executive pay that corporate managers give themselves." Harkin cited a bill he introduced that would empower shareholders to set executive pay, but also take away tax benefits for a corporation that pays an executive more than \$500K. Citing "Avis," an employee-owned company, Brown called for "greater empowerment of trade union, people employees" (Cannon, KNIGHT-RIDDER, 3/6).

A.M. TV: ABC's Von Fremd: "The candidates were encouraged to ask each other questions and feel free to interrupt. Front-runners [Tsongas and Clinton] mixed it up on the merits of a middle class tax cut. Brown took Clinton to task on [AR's] record on civil rights. In past debates the candidates have shied away from talking about foreign policy because it's George Bush's strong suit. Last night they seemed eager to take him on" (3/6). CBS' Scott Pelley: "Last night's debate may have been the most important yet ... [it] lacked the kind of attacks we had seen in earlier contests. The candidates largely failed to define the differences among them. The differences that did emerge seemed to center on the economy. ... Brown drew the largest difference. ... After Super Tuesday there is likely to be a dominant front runner" (3/6). NBC's Jim Cummins: "For a time it seemed like they were ganging up on Tsongas who opposes a tax cut for the middle class but favors a reduction in the capital gains tax. The others said that is nothing more than the trickle-down economics of the Reagan era. Tsongas struck back, ridiculing the tax cut, which he repeatedly said amounts to less than a dollar a day. He said that does nothing for somebody who is unemployed. There was some conflict over civil rights. Clinton is considered the frontrunner in many of the Super Tuesday states, largely because he has a coalition of black and white supporters in the South. But [Brown] challenged Clinton's record ... especially his failure to pass a state's civil rights bill. But in the end all the democrats took aim at their favorite targets, George Bush and Ronald Reagan" (3/6). W. POST's E.J. Dionne on the Clinton/Brown "chill out" exchange: "[Clinton] probably got the better of the exchange. ... Clinton kind of managed to convey what he's trying to convey to both a black audience and a downscale white audience which is 'I'm compassionate ... and I'm tough.'" ABC's Cokie Roberts: "He doesn't really have a competitor in that field. No one of the

others ... is likely to gain the black vote" (3/6).

*3 SOUTH CAROLINA: CAMPBELL TAKES HEAT FOR GOP "ARM-TWISTING"

Bush, "blasting through" the South "in hopes of wooing back disaffected" Republicans, "appealed to conservatives" at an address to a group of homebuilders. Though Bush "never mentioned" Buchanan, a "couple of barbs were obviously aimed" at him (Bandy, Columbia STATE, 3/6). In Columbia, he "sought to angle character themes into his remarks": "Sometimes you have to make the tough calls. The presidency is not a popularity contest. Life means nothing without fidelity to principles." Bush skipped a planned luncheon with his SC co-chair, Gov. Carroll Campbell as the two went for a 2-mile jog (Hoover, GREENVILLE NEWS, 3/6). Campbell, who "delivered" SC for Bush in '88, has put this "personal political reputation and prestige on the line" for Bush. But he has "alienated some Republicans in the process." The "arm-twisting has been fierce, causing some ill will in Republican ranks." One "veteran state GOP senator": "Some of Carroll's people have been telling us that a vote for Bush is a vote for Campbell. And a lot of people who would vote for Bush object to that. It's liable to hurt the total margin for Bush." Campbell, "told a certain anti-Campbell elements wants to embarrass him ... by voting for Buchanan": "That's okay with me." Campbell also fired up Buchanan's camp two weeks ago at a Southern GOP meeting when he called Buchanan a "son of a bitch" and he suggested Buchanan would go to hell. Campbell later apologized for the remark. The Buchanan camp has tried to "capitalize on the flap" with a button: "I'm a Campbell S.O.B. Buchanan '92" (Bandy, STATE, 5/6). Duke was not too well received before 400 students at Francis Marion College: He was "drowned out" by a group of students chanting: "No more Duke!" (Greene, STATE, 3/6). Horry Co. GOP co-chair Charlene Winkler, on apathy: "I think Pat Buchanan has helped drum up a lot of interest, and people are going to be spurred to vote" (STATE, 3/6). Campbell and Sen. Strom Thurmond (R) will campaign for Bush today, while Duke will be in Spartanburg and Anderson (STATE, 3/6). PHILA. INQUIRER: "Dissent in former Bush stronghold" (3/6).

DEMS: Rival camps "began wooing" Kerrey supporters. While Clinton "jumped out in front" by netting a "half dozen" lawmakers supporting Kerrey, Tsongas and Harkin also expressed hope of getting some. Tsongas' sister, Thaleia, "met with supporters" throughout SC. USC's Earl Black "said any impact from Kerrey's pull-out may be negligible since his support appeared minimal in the state, but Clinton could benefit the most. "Kerrey coordinator Ben Gregg: "It'll be scattered -- there doesn't seem to be any consensus on where everyone will go" (Flach, GREENVILLE NEWS, 3/6). While "no one doubts" Clinton will win tomorrow, his campaign has been "slow to gain widespread support." Black notes most uncommitted Dems fall into two categories: "Those who were waiting to see if Clinton could win in Georgia, and blacks who are not excited about any of the Democratic candidates": "Now that Clinton has won Georgia, it puts him in a position to win big [SC] and propel him into a Southern sweep on Super Tuesday." Clinton is the only one to air TV ads, and Clinton SC pol. dir. Judie Miller "said he shouldn't have any problem" netting over 50%. "But others aren't so sure." Harkin coordinator Kevin Gray, who organized SC for Jackson in '88: "The black vote is the wild card here. Blacks who say they are for Clinton need to think about that. ... Harkin is a lot more philosophically in tune with Rev. Jackson." Though "Tsouth Carolina for Tsongas"

signs have been "popping up around Columbia," his SC bid "comes at the last minute" (Waters, Memphis COMMERCIAL APPEAL, 3/6). Allendale Co. Dem chair Frank Solomon "said there is particular apathy among blacks for lack of a candidate to excite them": "If Gov. Cuomo had been in this race, he would have really turned them out" (Surratt, STATE, 3/6). Harkin has scheduled stops in several cities and Clinton will join ex-Gov. Dick Riley (D) and "other state Democratic leaders for an election eve rally" in Columbia (STATE, 3/6).

*4 WEEKEND WONDERLAND

ARIZONA (3/7, Dems only): L.A. TIMES headline: "To Arizona, Demos' Race a Yawner." Tsongas, "who led in the only statewide pre-caucus poll, was buoyed this week by endorsements from the mayors of the state's two largest cities, Phoenix and Tucson." He pays a "last-minute" visit to AZ today "to increase his visibility and drum up new support in the wake" of Kerrey's withdrawal. Clinton "has mounted a strong direct-mail and phone-bank operation." Brown spent yesterday at college campuses (Feldman, 3/6). Many suggest it will be a "duel between Clinton and Tsongas." The Brown and Harkin camps "hope to capitalize on Kerrey's departure. Brown will be the only Western candidate, while Harkin's supporters are casting him as 'ideologically compatible' with Kerrey. ... Harkin appears to have strong support from Arizona labor as well, but Kerrey had the support of Arizona's firefighters, a potent political force. It is uncertain where that support will go." Clinton AZ head state Sen. Chuck Blanchard "said Tsongas might have the edge ... based on the fact that he appears to have put more money into the state than other camps." Brown, who PHOENIX GAZETTE's Pat Flannery calls the "wild-card, had backers holding "videotape parties" last night and continuing tonight (3/6).

NEVADA (3/8): Kerrey's withdrawal "sent his ... supporters scattering in all directions ... no single rival gained." Las Vegas Mayor Jan Laverty Jones "moved overnight from undecided to supporting" Tsongas after he "gave her a morning call." Rep. James Bilbray (D-1) "planned" to vote for Clinton, "but wasn't sure if he would formally endorse" him. Sens. Harry Reid (D) and Richard Bryan (D) "both said Clinton called Wednesday to solicit their support, but they were not going to endorse anyone." AG Frankie Sue Del Papa "said she was leaning toward Tsongas, but wasn't planning any formal endorsement." Gov. Bob Miller already endorsed Clinton and "encouraged Kerrey supporters to back Clinton": "The caucus system is real hard. It isn't as much a reflection of popular support as much as it is organization." NV Dem chair Richard Segerblom: "The union types will probably split between Clinton and Brown. Some good government types will probably go for Tsongas." Kerrey NV coordinator Dan Hart "speculated Brown will benefit because 'the timing of his visit here Wednesday and his success in Colorado': "He's always had residual populist strength here because of his tenure as governor of California" (Morrison, LAS VEGAS REVUE-JOURNAL, 3/6). "Look for Clinton to win here Sunday, but don't be surprised by strong showings for Tsongas and Brown" (Ralston, REVIEW-JOURNAL, 3/5).

*5 FLORIDA: POLL SHOWS DEM DEAD HEAT

The FL Opinion poll, conducted 2/27-3/2 for the N.Y. TIMES FL newspapers, surveyed 845 registered voters; margin of error +/- 3%. Dem sample: 421 likely voters, +/- 5%. GOP: 352 LVs, +/- 5% (GAINESVILLE SUN, 3/6).

DEM PRIMARY

Clinton	24%
Tsongas	24
Brown	7
Kerrey	6
Harkin	5
Undec.	34

GOP PRIM	ALL	CON	MOD	LIB	FAV / UNF	GENERAL	ALL	DEM	GOP
Bush	68%	66%	68%	70%	71% / 19%	Bush	39%	18%	67%
Buchanan	17	18	17	21	20 / 38	Dem	33	53	10
Undec.	15	16		9		Depends	19	20	16
						DK	9	9	7

BITS: ORLANDO SENTINEL's Mitchell calls the environment, taxes, minorities, and gay rights the four issues "the visiting band of inside-the-beltway types may not know we out-on-the-peninsula types care about" (3/5). Tsongas FL dir. Rob Schroth called the Miami Omni Hotel to leave a message for someone: "Please have him call Rob Schroth at Paul Tsongas headquarters." Clerk: "How do you spell that?" Schroth: "T-S-O- ..." Clerk: "No. How do you spell Schroth? I know how to spell Tsongas" (MIAMI HERALD, 3/5). Tsongas' health "surfaced as an issue in the 'condo coast' retirement communities," as Tsongas aides say retired people are "asking questions about whether Tsongas is fully recovered" from cancer. Tsongas is concentrating on retirees since they "constitute about one-third" of the primary vote and were mostly "born elsewhere and do not regard themselves as southerners" (O'Rourke, MCCLATCHY/SACRAMENTO BEE, 3/6). MIAMI HERALD editorial: FL's heterogeneity makes "a good electorate upon which to test both the problems that beset the nation, and the ideas that the candidates are offering as solutions" (3/5). Tsongas FL director Linda Vaughan: "We need a win in Florida. And, if not a win, at least a strong second." USA TODAY's Adam Nagourney writes FL "could very well give enough votes to Paul Tsongas to strip some of the glory from Clinton's evening" (3/6). Evans/Novak write Tsongas is "within reach of a Florida upset" (N.Y. DAILY NEWS, 3/6). W.S. JOURNAL, N.Y. TIMES, and WASH. POST all examine FL -- the "main battlefield" on Super Tuesday. WSJ's Shribman: "With a rough split" of FL's 19 CDs, the primary "may produce no decisive victor." The delegate-apportionment rules used to great effect by Dukakis '88 have been changed: "In short, in [FL] and elsewhere, the notion of a state 'victory' is deceiving and the race is structured for inconclusive results, if not for an impasse" (3/6). NYT's Rosenbaum: "By all accounts," Clinton and Tsongas "are now running neck and neck" in FL. Tampa mayor Sandy Freedman on the Clinton camp: "The best campaign organization I have ever seen" (3/6). W. POST's Wm Booth examines demographics of the "weirdest state in the union" (3/6).

*6 TEXAS: TSONGAS MOVES TOWARD CLINTON

Mason-Dixon Political/Media Research surveyed 811 registered voters 3/3-4; margin of error +/- 3.5%. Dem subsample: 290 LVs, +/- 7%. GOP: 256 LVs, +/- 7%.

DEM PRIM.	ALL	BLA	WHI	HISP	MEN	WOM	FAV / UNF	BUSH	JOB
Clinton	42%	43%	45%	36%	47%	37%	44% / 19%	Excell.	10%
Tsongas	24	18	29	22	20	28	37 / 21	Good	36
Brown	7	5	6	12	6	8	15 / 44	Fair	38
Harkin	2	1	2	2	2	2	14 / 21	Poor	16

Kerrey	1	0	2	2	1	1	12 / 19
Undec.	24	33	16	26	24	24	

GOP PRIM.	FAV / UNF	GENERAL W/D	W/O	Bush	57%	Bush	62%
Bush 75%	78% / 14%	Bush	55%	56%	Tsongas	31	Harkin 26
Buch 16	24 / 46	Clinton	30	32			
Duke 2	9 / 77	Duke	4	--	Bush	62%	
Und. 7		Undec.	11	12	Brown	21	

All four Dems were in TX for the Dallas debate last night. S.A. EXPRESS-NEWS header: "Tsongas shoots for 2nd in Texas" (3/5). "'Bubba' probably will swallow hard and vote for Bill Clinton." Tsongas "says he can equal" his 24% GA showing there. Ex-Ag Commis. Jim Hightower (D): "It's a one-week campaign. And that's a give-away to Clinton. ... Not only is he familiar here but people have a comfort level with him. He speaks the language." Dem consultant George Christian: "[Clinton] has been shot. He's bleeding. ... Clinton is going to win Texas. It's just a question of how much" (Nichols, USA TODAY, 3/6). N.Y. TIMES' Apple on Kerrey's withdrawal: "That should make it easier for the anti-Clinton vote to coalesce around Mr. Tsongas, as should the negligible campaigns mounted here by" Brown and Harkin (3/6). ABC's Peter Jennings on the TX GOP race: "In 1992 this place which George Bush calls home is his to lose. ... The mudcovered governor's race here two years ago has left many Texas citizens thinking that perhaps all politicians are a lesser form of life" (3/5). N.Y. TIMES' Apple: "The biggest threat to the President is not meeting the high expectations." TX GOP chair Fred Meyer: "I think the President will win big and end the other two guys' campaigns" (3/6).

*7 OTHER SUPER TUESDAY: DE, LA, MS, RI, TN

DELAWARE: WILMINGTON NEWS-JOURNAL editorial notes 30% of GOP primary voters "are refusing to endorse their sitting president." On the Dem side, Clinton "is chortling" about getting 70% of GA's black vote. "What he doesn't mention is that black voter turn-out was abysmal ... That means black people voted with their silence in [GA]. For a candidacy depending on African-American support, that is not a good sign. ... Tsongas has won the most primaries. A good guess is that he will add [DE] to his list of victories" (3/5). NEWS-JOURNAL's Ralph Moyed bemoans the Dem field, and wishes Sen. Joe Biden (D-DE) had run again: "I'm angry that he screwed up and forgot to use his footnotes in some of his 1988 campaign speeches, and I'm angry that he chose to wait until 1996. Maybe the best thing that could happen to the nation is for none-of-the-above to win and for the Democrats to have a brokered convention. In which case, let's hear it for Mario" (3/5).

LOUISIANA: "To a remarkable degree, Buchanan, who has become the rallying point for conservatives upset with President Bush, sounds like a carbon copy of Duke, who has been denounced by Buchanan, Bush, and other Republicans because of his long history" in the KKK. But on "issue after issue -- welfare, taxes, government spending, racist quotas, immigration, affirmative action, trade and aid to Israel -- Buchanan and Duke hold indistinguishable positions." But Buchanan, in LA, "grew testy and tried to dismiss a question about the comparison to Duke": "You go down any list of issues and I can find two or three where he's right there with Harkin. When Harkin comes to town, nail him cold for it" (Bridges, N.O. TIMES-PICAYUNE, 3/6).

Lafayette ADVERTISER's Decker, on Buchanan's speech to 500 in Vermillionville, writes, "Long on charm, Buchanan was short on specifics when it came to Louisiana's oil and gas industry. He says he opposes an oil import fee, but hasn't studied issues like the oil depletion allowance and investment incentives" (3/5).

MISSISSIPPI: Mason-Dixon Political/Media Research surveyed 803 registered voters 3/3-4; margin of error +/- 3.5%. Dem subsample: 302 LVs, +/- 6.9%. GOP: 268 LVs, +/- 7%.

DEM PRIM.	ALL	BLA	WHI	MEN	WOM	FAV / UNF	BUSH JOB PERF.
Clinton	60%	66%	55%	56%	64%	52% / 13%	Excell. 21%
Tsongas	8	2	12	9	7	22 / 17	Good 40
Brown	7	7	7	8	6	18 / 34	Fair 23
Harkin	5	6	4	3	7	10 / 16	Poor 16
Kerrey	1	0	2	1	1	18 / 16	
Undec.	19						

GOP PRIM.	FAV / UNF	GENERAL W/D	W/O	Bush	63%	Bush	64%
Bush 77%	83% / 5%	Bush	58%	59%	Tsongas 19	Harkin 17	
Buch 12	29 / 39	Clinton	25	27			
Duke 5	16 / 61	Duke	5	--	Bush	66%	
Und. 6		Undec.	12	14	Brown	16	

RHODE ISLAND: Kerrey's departure "will benefit" Tsongas in the RI primary, as 20 Dem state Sens. and Kerrey RI manager Leo Perotta "announced their support for Tsongas. Perotta "said several national convention delegate candidates will likely join him." Also, Harkin 2nd CD coordinator Rbt Donley "said he, too, would support Tsongas (McKay, PROVIDENCE JOURNAL-BULLETIN, 3/5).

TENNESSEE: GOP: Bush used a "red, white and blue Federal Express plane as a backdrop" and invoked its slogan "in his verbal war with Congress" over their tax proposal: "If Congress wants to send that bill to me, I will veto it absolutely, positively overnight." Bush is "expected to win by a wide margin," especially since Buchanan and Duke "have only a few delegates on the ballot while Bush has a full slate." Bush also gave a "nod" to the other Memphis institution, Elvis: "Americans are faced with a momentous decision this year and I would never presume to tell you how to vote. It must be between you and your conscience which Elvis should be on the postage stamp" (Waters, COMMERCIAL APPEAL, 3/6). With Buchanan's protest "amply delivered, the challenge" for Buchanan in TN and MS is to "convince voters he really can win." He has made one swing through the 2 states and has "not yet begun running" TV ads in either state. TN spokesperson Jeanette Henderson said Buchanan's advisers are "encouraging his national campaign to "stay with positive ads" in TN: "We feel there's insufficient knowledge out there of who Pat Buchanan is and what he stands for and that is the message we'd like to see." Bush-backer/Sen. Trent Lott (R-MS): "Buchanan has got some messages that carry a lot of weight" (Locker, COMMERCIAL APPEAL, 3/6). DEMS: Brown will tour TN today with Jesse Jackson (COMMERCIAL APPEAL, 3/6). Tsongas will be in TN 3/9, Clinton will visit 3/7, and wife Hillary will "sweep the state" today (Memphis COMMERCIAL APPEAL, 3/5).

*8 MARCH 17 AND BEYOND: IL, MI, CT,

ILLINOIS: CHICAGO SUN-TIMES header: "Illinois primary likely to spawn Dems' nominee." With Super Tuesday "unlikely to narrow" the field, IL "will be crucial in determining the nominee," as a candidate can prove "electability." Dem consultant Bob Squier: "Illinois is going to be the OK Corral."

As an "added attraction," IL has its uncommitted "Draft Cuomo" slate on the ballot (Sweet, 3/5). IL and MI "have become distinctly defining moments," and within IL, "the suburbs will become a key battlefield" (Doubek, Arlington Heights DAILY HERALD, 3/5). One Brown worker: "This is not Gov. Moonbeam anymore. People in [IL] are starting to realize this is someone who is for real" (Rodriguez, DAILY HERALD, 3/5). CHICAGO SUN-TIMES, WLS-TV, and the IL Dem Party will sponsor a one-hour candidates' forum 3/15 to air live at 6:00p (CST). Clinton, Tsongas and Brown have confirmed; Harkin "is considering participation" (Sweet, SUN-TIMES, 3/6).

MICHIGAN: A "sparse crowd of about 80" went to see his rally on the southern coast," as Duke "kicked off his presidential campaign with a much more strident race-baiting message than he used" in his LA gov. race. "Despite the factual lapses, Duke's message is well-received by the small but enthusiastic crowds that greet him." MI GOP chair Mike Burton: "He has not had much of an impact. We felt he had an opportunity to get 15 percent. It's really hard to predict." Duke spokesperson John Hill: "Buchanan may pull some of Duke's voters, who are too shy to vote for him, but Duke will get the hard-core working-class group" (Woodlee, DETROIT NEWS, 3/6). Rep. John Conyers (D-01), an '84 and '88 Jackson supporter, "feels so uncomfortable with all the Democratic presidential candidates that he is telling his constituents to write in his name as a favorite son": "I don't want my people to stay home because they don't have a candidate." In fact, only 13 congressional, 11 state House, and 2 state Sens have endorsed. Rep. Sander Levin, an '88 Gephardt backer, said he is waiting "for one of the candidates 'to address the issues that are critical to Michigan." While Levin said it's "possible" another candidate will enter the race, he "thinks it more likely" a present contender will be the nominee (Ryan, NEWS, 3/5).

CONNECTICUT: Quinnipiac College surveyed 570 registered voters 2/24-3/4; margin of error +/- 5%. Subsamples: 195 Dem RVs; 174 GOP RVs (both +/- 6%) (Quinnipiac release, 3/5). Primary: 3/24

DEM PRIMARY	NOW	2/4	GOP PRIMARY	NOW	2/4
Tsongas	29%	12%	Bush	67%	68%
Clinton	12	28	Buchanan	17	17
Brown	11	11	Duke	1	3
Kerrey	6	8	Undec.	15	12
Harkin	2	3			
Agran	1	1	BUSH JOB PERF.		
Undec.	40	37	Exc.	4%	Fair 40%
			Good	24	Poor 8

*9 TSONGAS: "FINE-TUNES" MESSAGE, "RELUCTANTLY" HITS CLINTON
Tsongas has been "getting advice to adjust his platform to give it more appeal to working-class Democrats he so far has failed to attract. But he's rejected that counsel. Instead, he has decided to find some different audiences, switch stage props and fine-tune his message -- not change it -- to better convey how his economic revival plan would benefit average wage-earners": "We're broadening the message. It's all in the language." Tsongas "must reach out to other segments of the electorate to hold his own in the South and position himself for victories in the pivotal" IL and MI primaries. Analysts say he needs to present his program "in more palatable terms." Dem

consultant Greg Schneiders: "So far, he's told people about the pain that's needed to get them to the promised land, but he hasn't told them much about how great it will be for average Americans once they get there. ... I'm not sure Paul Tsongas is up to it" (Richter, L.A. TIMES, 3/6). Dem consultant David Axelrod "says Tsongas' suburban target voters are just 15% of [IL Dems], but if he 'tries to change his message, he'll be seen as just another politician'" (W.S. JOURNAL, 3/6).

NEW AD: Now airing in FL, his new spot "refers" to Clinton, and says "some people will 'say anything' to get elected" (Kolbert, N.Y. TIMES). It accuses Clinton of "knowingly distorting" his views, "and asks voters to send a message by rejecting negative campaigning." This ad "is far milder than several alternatives that were also filmed, and could still be used at a later date." Tsongas aides "went out of their way" to portray Tsongas as reluctant to run the ad. Dem consultant Ray Strother: "Tsongas is doing the right thing, saying ... 'I don't want to do this, take this.'" Strother says Clinton's "taunts" make him "look like a bully" (3/6). Tsongas aides expect Clinton to "unleash a flurry of attack ads" in FL, shaping up as the "key contest." Two of the anticipated Clinton ads hit Tsongas on his COLA freeze vote, and compare him to Bush and Buchanan (BOSTON HERALD, 3/6).

NATURAL GAS: In TX, Tsongas "touted his plan to provide tax incentives to small oil and gas producers." In this energy plan, the incentives would be funded by his "controversial" gas tax. He said "the major thrust of his plan was to encourage conservation, the use of clean fuels ... and to reduce the nation's dependence on foreign oil" (Rugeley/Mathis, HOUSTON CHRONICLE, 3/6). B. GLOBE's Lehigh/Wilkie note Tsongas "regularly inveighs against tax breaks for special interests" (3/6). The oil/gas tax break pitch "could appeal to voters" in TX, LA, and OK (Leubsdorf, DALLAS MORNING NEWS, 3/6). Tsongas "abandoned his 'I'm no Santa Clause' guise long enough ... to offer some goodies to the hardpressed natural gas industry. ... Tsongas insisted he was not guilty of creeping Santaclausism" (3/6). Tsongas was endorsed by a group of FL enviros led by author/Everglades activist Marjorie Stoneman Douglas (Tsongas release, 3/6).

THE "L" WORD: Second of a three-part BOSTON HERALD series notes he "has never wavered from the positions that made him one of the most liberal members of Congress" (Battenfeld, 3/6). W. POST's Grove examines the effect of Tsongas' support from the gay community in his southern campaign. GOP consultant Greg Stevens: "It's a negative, no question about it. ... the very type of voter who is at the heart of the Tsongas coalition is not receptive to that message ... the old-line [Dem] vote that has moved over to the [GOP] side in past election cycles." Ex-TX AG Jim Mattox (D) disagreed, noting active gay support for Gov. Ann Richards (D), who defeated him in the '90 Dem primary (3/6).

HEALTHY NOTE: ABC's medical correspondent Timothy Johnson: "Tsongas can probably be declared cancer-free with more certainty than any other candidate" (3/5).

WHERE'S IT COMING FROM? Header over N.Y. TIMES' Dowd: "Tsongas Mystified by His Own Magic" (3/6). Atlanta pollster Claibourne Darden: "It is mysterious, and that is all you can say. He has the presence of a computer nerd, and he looks like a homeless person" (Lehigh, B. GLOBE, 3/6). He is endorsed by the BOSTON PHOENIX (3/6 issue).

*10 CLINTON: CUOMO SAYS CLINTON IN TWO

Mario Cuomo predicted Clinton "would sew up the [Dem] nomination within two weeks and indicated he would campaign enthusiastically for Clinton if he becomes the nominee" (Nelson, N.Y. DAILY NEWS). Cuomo made the prediction "immediately after" Kerrey dropped out; he said Clinton "would not be damaged" by the tapes of his conversations made by a former lounge singer. Cuomo: "That personal stuff is not going to mean anything. It will be a sign of his strength that he overcame it" (3/6). More on Clinton: "He's still supple enough to move to the left or the right. I'm not mocking him." On Tsongas: "I like Paul, but he has got to beat Clinton in [MI & IL] after Clinton wins all those Southern votes" (BOSTON GLOBE, 3/6).

DRAFT MEMO: N.Y. POST's Orin/Kranes report a "newly surfaced document strongly suggests" Clinton asked ex-Sen. J. Wm. Fulbright's (D-AR) staff to "pull strings to help him avoid the Vietnam draft in 1969." The memo by then-Fulbright aide Lee Williams was first obtained by the ARKANSAS DEMOCRAT-GAZETTE from the Fulbright archives at U-AR. It refers to both Clinton and ROTC Col. Eugene Holmes; author Williams told the POST he did not remember the memo, and Clinton "in no way ever asked me to intervene on his behalf" (3/6).

MORE: CNN's Ken Bode continued his outline of Clinton's tenure as Gov., focusing on critics on education, taxes, and enviro issues (3/5). NBC outlined Clinton's economic program. NBC's Mike Jensen: "Clinton is quite specific about his spending programs but the funding is something else" (3/5). Clinton officially unveiled his national energy policy, "designed to reduce dependence on foreign oil, encourage conservation, and promote ... natural gas" (Clinton release, 3/5). NBC's Mike Jensen looks at his economic policies: "It's vintage Clinton, characterizing his middle class tax cut as 'unpopular' and 'courageous' with a bit of press bashing thrown in. He's especially sensitive about the label 'Slick Willie' that some writers and political opponents have pinned on him. ... He's very smooth and he knows how to work a crowd. [Clinton on the stump]. Clinton said he'd pay for his programs by slashing the defense budget by 36%. Analysts say that kind of cut is not likely. ... There's quite a bit of difference between [Tsongas' and Clinton's economic program]. With Tsongas it's a bit like taking a cold shower -- he's calling for sacrifice and belt tightening. With Clinton it's more like a steam bath -- it envelopes you and makes you feel good until you go back out into the cold" (3/6).

*11 BROWN: COLLEGE CROWDS; THE "UNLIKELY OUTSIDER"

Shedding his turtlenecks in favor of a blue suit, Brown stumped through TX drawing "large, enthusiastic student-dominated crowds" at college rallies in San Antonio, Austin and Dallas (Yoachum, S.F. CHRONICLE). At UT, Brown "denounced" the S&L scandal, the "wealthy elite" in DC and nuclear power. The crowd "cheered" and chanted, "Down with Bush," and "Hey, hey, ho, ho, George Bush has got to go." At SMU, the crowd was "slightly more reserved," but Brown seemed "even more charged up," using the medfly problem from his Gov. days to "illustrate" that "human health" was his "first priority," as he delayed malathion spraying, "even though doing so threatened [CA's] abundant fruit crops." He then "threw in" an unexpected lighter note: "I vetoed a tax on beer. A small point, but I thought it might make some sense of connection." The crowd cheered (3/6). N.Y. TIMES' Johnson writes, Brown's offbeat style of campaigning has "made a

virtue of eccentricity" (3/6). Yoachum: "It is not Jerry Brown who has changed -- it is the reaction of those around him" (S.F. CHRONICLE, 3/6). L.A. TIMES' Miller writes, though Brown has now gained some credibility, even he admits he "has a long way to go before he becomes more than a wild card. At this stage, he resembles a man riding a wave of national political discontent, uncertain how big it is or where it will next break." The "more conservative" Southern states "do not look as promising" as CO, but Brown hopes to do better than expected in TX, FL and "possibly" MS. MI, with its "troubled" economy, is a "major" target, but mostly the campaign "races on, one day at a time, to an unpredictable future" (3/6). In NV, Culinary Workers Local 226, whom Brown joined in their picketing, is prepared to back him, especially now that Kerrey is out. On the state level, the union's endorsement is expected to "carry a great deal of weight" (Shemeligian, L.V. SUN, 3/6). KNIGHT-RIDDER's Mark Gunther examines the media treatment of Brown pre-and post-CO (3/6). HOUSTON POST's Gravois and K.C. STAR's Worsham profile him (3/6). NBC's Andrea Mitchell profiled Brown: "An unlikely choice to be playing the role of political outsider ... Is this the same Jerry Brown who raised tens of millions of dollars as chairman of his state party, a member of a famous political family -- this man, an outsider? ... Ironically, he tells people to vote for him because of his years in office." Brown to a crowd: "Your main job as American citizens during election time is to let your brain be a passive receptor plate for deceptive television ads." Mitchell: "For months his no-frills campaign was ridiculed or at best ignored. But in [ME and CO] his anti-nuclear, environmental message damaged Paul Tsongas. ... And people are now responding to his other cheap proposals -- a 13% flat tax rate. Suddenly he has a chartered jet, big crowds, media attention ... His shoestring operation can keep on going, right through the last primary, in his home state of California, so he could have a lot of leverage at the convention" (3/6).

*12 KERREY: GRACEFUL EXIT FUELS SPECULATION, IMPACT UNCERTAIN
Giving a "relaxed and smooth" speech and answering questions with "wit, traits sometimes missing from his" campaign, Kerrey took "full responsibility" for his failed bid (Kotok, OMAHA WORLD-HERALD, 3/6). "Out of money after a jolting series of defeats," he ended "a once-promising presidential campaign that never managed to kick into gear" (Peterson/Tumulty, L.A. TIMES, 3/6). He "wistfully bowed out ... telling supporters he'd been too late in clinching one vital ingredient: a connection with voters" (Baer, Balto. SUN, 3/6). He "bowed out ... with grace, smiles -- and touches of the Kennedyesque humor that his fans had hoped to see more often" (Orin, N.Y. POST, 3/6). "A graceful speech sprinkled with wit" (Hess, PHILA. INQUIRER, 3/6). Mario Cuomo: "That was a shame. He is a man of great character and they say character shows, but not in those damned primaries" (Nolan, BOSTON GLOBE, 3/6). W. POST. HEADER: "Kerrey Departs, Having Found His Voice a Little Too Late" (3/6).

ANOTHER TIME: "Many Democratic professionals" continue to view Kerrey as one of Dems' "brightest presidential prospects, despite his lackluster showing" (Peterson/Tumulty, L.A. TIMES, 3/6). He bowed out with a "conciliatory tone" that could put him on everybody's short-list for VP. Though he said he wasn't "enthusiastic" about the idea, he "could be an attractive foil" to Quayle (Shepard, COX/ATLANTA CONSTITUTION, 3/6). He "strongly" suggested he will run again in '96 and; when asked if he might

run again someday, he replied, "Yes" (Whittle, DALLAS MORNING NEWS, 3/6). The "finale" in NE "looked and sounded more like the beginning" of a '96 bid than the end of his '92 bid, as his brother and sister held aloft shirts that said "19 Run Bob Run 96" (Kotok, WORLD-HERALD, 3/6). Dem consultant Greg Schneiders: "I don't think he's hurt himself at all by what he's done" (Baer, Balto. Sun, 3/6). S.D. UNION header: "Kerrey not finished as vice-presidential possibility and future president" (Condon, COPLEY, 3/6).

WHAT NOW: His exit leaves the race "focused" on Tsongas and Clinton and is "widely believed to help Clinton" (Orin, N.Y. POST, 3/6). Dem analyst Bob Beckel said any "small" advantage from the withdrawal would be split between the two. Tsongas would benefit by being able to "tap Kerrey's money base, especially" in L.A. As for Clinton, he could benefit "simply by not having Kerrey around to remind people that [Kerrey] was the big war hero while Clinton was avoiding the draft." Dem pollster Peter Hart: "A smaller field tends to benefit Clinton," as Kerrey's message "more closely paralleled Clinton's," but the demographics of Kerrey voters "are closer to those who are backing Tsongas" (Hess, PHILA. INQUIRER, 3/6). His "small following" in the upcoming states is "likely" to be split between Clinton and Tsongas (Kasindorf, N.Y. NEWSDAY, 3/6). His departure "left few rewards" for the remaining Dems; his share of the vote was so small that "there is little to fight over" (Hess, PHILA. INQUIRER, 3/6). Dem consultant Bob Squier said Clinton and Tsongas were "courting" Kerrey's "key" supporters, but there would be little else: "There are no votes to get. If there was, he'd still be in the race" (Oman, ARKANSAS DEMOCRAT-GAZETTE, 3/6). Because he "touched on themes" that crossed into all the Dem campaigns, "no one contender is likely to get a significant boost" (Moss, WASH. TIMES, 3/6).

*13 BUSH: WILLING TO KISS & MAKE UP, BUCHANAN NOT PUCKERING

Bush said "he is willing to bury the hatchet" with Buchanan, but Buchanan "continued to hammer away" at him, saying Bush had "lost his clout on Capitol Hill" (McDonald, HOUSTON CHRONICLE, 3/6). Buchanan cited the House's overwhelming defeat of Bush budget as proof: "The president politically is as weak as a kitten. Mr. Bush is a victim of his own policies of compromise, capitulation and cave-in to Congress to the point where they no longer take him seriously" (BOSTON GLOBE, 3/6). He warned Bush's renomination would mean "four more years with a liberal Congress that dominates the government and rolls over the president" (HOUSTON CHRONICLE, 3/6). But he "took a half-step back from his earlier assertion" that Bush should withdraw: "He should find some common ground with me. ... If he does and gets nominated, he can win the Buchanan Brigades and win re-election" (Hallow/Bedard, W. TIMES, 3/6). Bush attempted to deflect one of Buchanan's "strongest criticisms" -- that he has no convictions. He told SC Homebuilders Assn "life means nothing without fidelity to principles" (BOSTON GLOBE, 3/6). Bush suggested he and Buchanan would be able to "set aside their differences" once the primary is over. (HOUSTON CHRONICLE, 3/6). "Sensing" a Super Tuesday win may be a "formidable obstacle" for Buchanan, the Bush camp is planning to cut back Bush's 6-day southern swing by two days (Jehl/Gerstenzang, L.A. TIMES, 3/6).

IN SEARCH OF ANSWERS: On the issue of Bush losing ground, Dem pollster Celinda Lake said "the problem is Bush was elected when the public was in a Stay-the-Course mood, wanting a

continuation of the Reagan policies." KNIGHT-RIDDER's Warren writes, "Many of the assessments by Bush's advisers suggest Bush's problem is not his message but the flawed messenger who needs to sharpen his rhetoric, look into the camera, stop flubbing his sound-bite lines and quit ad libbing geeky statements." One Bush "confidant": "There's this perception of a man who really has lost his grip on leadership. If I hear him say 'compassion' again, I'll throw up." Warren concludes, "For Bush, the good news of this political season has been scarce. But the fact remains: For the president to be denied a second term, he has to lose to somebody, and so far no Democrat has emerged as a lethal threat" (3/6).

DAMNED IF YOU DO: His acknowledgment he made a "mistake" on the tax issue has prompted many to revisit earlier "flip-flops." Numerous papers, including HOUSTON CHRONICLE, BOSTON GLOBE, and DALLAS MORNING NEWS 3/6 and Cleveland PLAIN DEALER, CHICAGO SUN-TIMES and N.Y. TIMES 3/5 have highlighted Bush's position changes on civil rights, affirmative action and abortion, as well as taxes. BOSTON HERALD editorial: "Whenever the president makes a promise, voters will wonder if he'll keep that commitment the way he kept the '88 pledge" (3/6). Balto. SUN editorial header: "Bush: Read His Lurches" (3/6). N.Y. TIMES editorial header: "President Noodle" (3/5).

OF NOTE: Bush is planning "a series of regulatory changes and initiatives crucial to businesses in states that hold primary elections over the next two weeks." (e.g.: The EPA intends to drop a pollution-control proposal in MI that is fiercely opposed by the auto industry) (Davis/Gutfeld, W.S. JOURNAL, 3/6).

TV: NBC's Jim Miklaszewski: "Bush extended an olive branch to the conservative challenger. ... Despite the peace overtures, don't look for Buchanan to be a frequent visitor in the Bush [WH]. According to one official: "We don't want Buchanan, we just want his votes" (3/6). Ex-DE Gov. Pete du Pont (R): "We've had ten good years with low taxes, with restrained government spending, with deregulation. That has pretty much been abandoned by the Bush administration." On rumors that he would support Buchanan: "I'm not going to endorse Pat Buchanan. I don't agree with his protectionist philosophy, I don't agree with his immigration policy, I don't agree with his kind of 1930s isolationist view of America." du Pont said he would support Bush "if he gets a program in place that begins to make some sense." Sen John Danforth (R-MO) on Bush bashing: "I think the easiest thing in the world [to do] is to try to use the body of George Bush as a stepping stone to the 1996 election." Larry King: "Do you think Pete is doing that?" Danforth: "I think there are those who are doing it." du Pont on '96: "I'm not gearing up for '96, but it's very important, very important to get the record straight ... [Bush's] economic policies are not the policies of the [GOP] platform." On Brady & Darman: "I don't think you can have a new economic policy using the architects that created the disaster in the first place" ("Larry King," CNN, 3/5). NBC's Chancellor: If an air strike is needed to destroy Iraqi weapons facilities, it "could become a political liability for [Bush]. ... Voters might see it as an election-year stunt, a diversion from a bleak economic situation" (3/5).

*14 BUCHANAN: GET OUT, GET OUT, WHEREVER YOU ARE

RNC chair Rich Bond publicly questioned Buchanan's racial and religious tolerance and issued a "less-than subtle" warning that his participation in the convention depends on "the nature

of his campaign" and "how he wants to proceed after he's mathematically eliminated" from the race. Bond urged him to "prepare to make a gracious exit from the contest." Buchanan commun. dir. Jerry Woodruff: "Buchanan is no doubt shivering with fear at this very moment" (Page, N.Y. NEWSDAY, 3/6). WH spokesperson Marlin Fitzwater also delivered a "veiled threat" to Buchanan, saying his future in the GOP "would be determined by how he acts in the campaign." Buchanan denied his attacks were weakening Bush (BOSTON GLOBE, 3/6). Quayle, stumping in TX, said Buchanan is "not winning the support of conservatives, but rather of disgruntled voters upset with the economy": "He is not a serious presidential candidate. He is a presidential nuisance." Quayle "even went so far as to challenge Buchanan's ideological credentials, saying his 'protectionism, isolationism' and opposition to the Persian Gulf war do not represent true conservatism." Buchanan had "a few unkind words" for Quayle earlier this week: "I was fighting for Barry Goldwater and conservatism back in the 1960s when Dan Quayle was still playing spin-the-bottle." Buchanan will campaign in TX today (Jackson, DALLAS MORNING NEWS, 3/6).

BACKLASH: He was "heckled" for being "just like Duke" by at least a dozen students during his speech at the Univ. of OK yesterday (Smith, COX NEWS, 3/6). N.Y. POST header: "Next three on Supreme Court may be liberals -- thanks to Buchanan" (3/6). W.S. JOURNAL reports Buchanan may be damaging himself while he damages Bush. His negative ratings have doubled to 34% since December (3/6). Columnist A.M. Rosenthal: "Many conservatives, in their anger about Mr. Bush and the recession, are tolerating a man whose values dishonor them" (N.Y. TIMES, 3/6).

*15 DUKE: MAYBE HE SHOULD HAVE STAYED IN LA

"Overshadowed" by Buchanan's success, Duke's campaign "seems on the verge of flunking" its first test 3/7 in SC (West, BALTO. SUN, 3/6). Duke himself admitted as much saying he has only a "slime chance" of winning the nomination and "acknowledging his chances in SC are 'practically nil'" (Paolantonio, PHILA. INQUIRER/MIAMI HERALD, 3/5). Duke went to SC "facing a political fate worse than death. Indifference." LA analyst John Maginnis: "Buchanan ... is the perfect foil to Duke. He has the message without the baggage" (Applebome, N.Y. TIMES, 3/6). LA Coalition Against Racism and Nazism dir. Lance Hill: "We may well be looking at the end of David Duke's political career" (Nichols, USA TODAY, 3/6). And, his problems go "far beyond" SC. His \$-raising has had a slow start, a "threadbare" organization and Buchanan's "strength" seem to have "sapped" Duke's campaign, even in LA where he is expected to trail Buchanan (N.Y. TIMES, 3/6). Duke did predict he'd "do well" in OK, TX and MS, but also said he will not run as an independent in the Fall (PHILA. INQ. 3/5).

*16 PEROT: FLOATS INDEPENDENT FALL CANDIDACY ON CNN

CNN's Bernard Shaw reports H. Ross Perot "says he's received cases of cards and letters urging him to run for president." Clip of Perot on "Larry King Live" 2/20: "I will not run as either a Democrat or a Republican ... If you're that serious, you the people ... you register me in 50 states." Perot on why he has not put his name on the primary/caucus ballot: "I have no desire to be in political light ... I'm action oriented. I think I might be a square peg in a round hole." Perot repeated the announcement: "If ordinary people, not orchestrated, not directed, but on their own initiative, put me on the ballot as an

independent in all 50 states, then we'll strap it on and go." Perot would not handicap the other candidates: "I respect them for climbing in the ring and running ... this is politics at it's lowest form, what can you say nasty about someone else" (CNN, 3/5).

***17 DEM NOMINATION: CAN ANYONE GET THERE FROM HERE?**

MORE TALK OF BROKERED PROCESS: S.F. EXAMINER's John Jacobs writes more Dem analysts are saying the Dems may not have a nominee "until a deal is cut on the convention floor." He warns if new Clinton revelations arise, or if Clinton stumbles in TX, or if Tsongas wins FL the Dem race "can see-saw back and forth for months." Brokering also is aided by Brown and the Dem rule of delegates for any candidate winning 15% in a CD; if a CD has 4 delegates and Clinton wins 60% of the vote, Tsongas 25% and Brown 15% -- the delegates would be split 2-1-1. DNC Treasurer/Rep. Bob Matsui (D-CA): "It's still early, but I don't see anyone gaining enough momentum or delegates." Dem \$-raiser Duane Garrett: "Unless Clinton does a total blow-out on Super Tuesday and then wins [MI] and [IL] the following week, we've got a brokered convention ... In the true spirit of Tammany Hall, there will be deals cut all over Madison Square Garden." Jacobs points out that, of course, "the two delegates with the most delegates, presumably Clinton and Tsongas, could go into a room and emerge as the Democratic ticket" (3/5). Jesse Jackson is said to be musing about it. NEWHOUSE's Alan Ota writes the "Democratic prince without a throne" could be in the "catbird seat" ready to play the broker role -- and extract a price such as Statehood for DC to give him "an inside track" on a "real" Senate seat (3/5). WILMINGTON NEWS-JOURNAL's Ralph Moyed considers a brokered convention likely and adds: "Let's hear it for Mario" (3/5). Balto. SUN's Roger Simon reminds us Cuomo will address the Washington & Lee Univ. mock convention in VA tomorrow (after Michael Dukakis tonight) and could be drafted (at W&L) on the 2nd ballot if the first is deadlocked. The mock convention, an effort at realistic measurement of the actual process, has picked every winner but one since 1952 (3/6).

HOTLINE COMPUTER SIMULATIONS: The HOTLINE has projected the Dem convention delegate count using three forms of assumptions. Starting with today's existing delegate count, three scenarios for future contests were tested. All scenarios assume Brown, Clinton and Tsongas are in to the end and that Harkin is in at least through MI (3/17), where he would pull 20%. The scenarios assume a different voting and delegate split among the candidates in each region of the country. The delegate splits below apply the rule that delegates are divided proportionally among candidates receiving 15% or more in a congressional district.

SCENARIO I assumes a 2-1 home region dominance for both Tsongas and Clinton, a Tsongas 45-35% lead in the north and Rust Belt, and a 3-way split with Brown in California and the west.

SCENARIO II assumes a 50-30% Clinton lead in the North and Rust Belt and only a 55-45% Tsongas lead in New England.

SCENARIO III assumes a 50-30% Tsongas lead in the North and Rust Belt and only a 55-45% Clinton lead in the South.

Key: B=Brown, C=Clinton, T=Tsongas, U=Undecided.

ASSUMED DELEGATE SPLITS IN FUTURE CONTESTS:

	SCENARIO I				SCENARIO II				SCENARIO III			
	B	C	T	U	B	C	T	U	B	C	T	U
New Eng. States	-	33%	67%	-	-	45%	55%	-	-	33%	67%	-

So. States	-	67%	33%	-	-	67%	33%	-	-	55%	45%	-
North/Rust Belt	15%	35%	45%	5%	15%	50%	30%	5%	15%	30%	50%	5%
Western states	33%	33%	33%	-	33%	33%	33%	-	33%	33%	33%	-

RESULTING TOTAL DELEGATE COUNTS:

	SCENARIO I	SCENARIO II	SCENARIO III
Jerry Brown	10.8%	10.8%	10.8%
Bill Clinton	40.3	45.1	35.8
Tom Harkin	2.3	2.3	2.3
Bob Kerrey	.5	.5	.5
Paul Tsongas	34.9	30.1	39.4
Uncommitted	6.9	6.9	6.9

NOTE: The scenarios are not intended as predictions; they are intended to measure rational assumptions about candidate success. Obviously the scenarios do not factor in sudden candidate momentum -- or unusual factors in individual states -- or a dramatic near-convention swing of the undecided delegates (or those pledged to other candidates) to either of the front-runners. Nor is any assumption made about the entry of a new candidate or organization of a draft movement.

*18 PRIMARY VOTES TO DATE

As compiled by the MIAMI HERALD (3/5):

Clinton	567,926	38%	Bush	713,719	65%
Tsongas	466,425	31	Buchanan	357,282	32
Brown	176,253	12	Others	21,739	2
Kerrey	123,488	8	Uncommitted	13,716	1
Harkin	81,288	5			
Uncommitted	58,039	4			
Others	24,657	2			

*19 PRESIDENTIAL CANDIDATE MEDIA MARKET SCHEDULES

	3/6	3/7	3/8	3/9	3/10
BROWN 213/449-1992 I. Wachtel	Memph., TN Jack., MS Miami, FL	Talahasse FL WY, AZ	FL NV		
CLINTON 501/372-1992 D. Myers	Houstrn, TX Tampa, FL SC, LA, TN	TN FL MO	TX	FL	Chicago, IL
HARKIN 301/656-1992 L. Voles	SC	OH	OH DC		
TSONGAS 617/422-0100 B. MacKenzie	Phoenix, AZ, Fort Lauder, FL	Miami, FL	FL ABC's Brinkley		
BUCHANAN 703/790-9292 G. Mueller	San Antonio, Dallas, TX	N.O., LA Gulfport, MS	MA RI	MS	MS MI
BUSH 202/336-7080	B.R., LA Jacksn, MS				

T. Clarke	Montg,AL				

DUKE					
504/831-7745	SC	MA	LA	LA	LA
L. Otillio					

===== SENATE WATCH =====

*20. CONNECTICUT: BURNHAM LEAD SHRINKS; DODD RATING STILL NEG.

Quinnipiac College surveyed 570 registered voters from 2/24-3/4; margin of error +/- 6%. GOP primary sample: 174 GOP RVs; margin +/- 6% (Quinnipiac release, 3/5). Candidates: Sen. Chris Dodd (D), Gulf vet/state Rep. Chris Burnham (R), ex-House Min. Leader Bob Jaekle (R).

GOP PRIMARY	NOW	2/4	DODD JOB PERF.	NOW	2/4
Burnham	23%	34%	Excellent	5%	7%
Jaekle	15	18	Good	38	34
Undec.	51	42	Fair	41	46
			Poor	17	14

*21 FLORIDA: GRAHAM LOOKS PRETTY DARN SAFE

Mason-Dixon Political/Media Research surveyed 807 registered voters 2/28-3/1; margin of error +/- 3.5% (MIAMI HERALD, 3/6). Candidates: Sen. Bob Graham (D), ex-Rep. Bill Grant (R), Rob Quartel (R).

		FAV / UNFAV	ID	GRAHAM JOB RATING
Graham	59%	59% / 18%	97%	Excellent 16%
Grant	21	12 / 4	48	Good 49
Quartel	--	2 / 2	12	Fair 29
				Poor 4

*22 SOUTH CAROLINA: REAX SHOW HOLLINGS' COMMENT BOMBED

Sen. Fritz Hollings' (D) "joke" about the atomic bomb and "lazy and illiterate American workers" has "touched off a firestorm of protest." Yomiuri Simbum, Japan's largest newspaper, header: "Is the U.S. countering the 'laziness remark' with an atomic bomb?" Japan Confederation of Atomic-and-Hydrogen Bomb Sufferers dir. Yoshio Saito: "This kind of remark can not be permissible to the people of the nation that suffered the world's first and only atomic bombings" (Nickerson, BOSTON GLOBE, 3/5). Japan chief gov't spokesman Koichi Kaato: "A joke that uses the atom bomb can not be said to be a good joke" (AP/Columbia STATE, 3/5). House Maj. Leader Dick Gephardt: "[The comment] was racial. It will be deeply resented in Japan" (ST. LOUIS POST-DISPATCH, 3/5). SC GOP chair Barry Wynn: "Hollings responded to our country's trade imbalance with his usual arrogance" (GREENVILLE NEWS, 3/5). CHARLOTTE OBSERVER editorial called Hollings' comment "offensive" and "pandering" to America First ideas: "Mushroom clouds won't do much for American competitiveness. Being the toughest guy in the unemployment line is not much of a goal for our kids or our country" (3/5). N.Y. TIMES editorial: "There's nothing funny about 200,000 human beings incinerated by nuclear weapons. ... In contrast to the hasty apologies from Japan that have followed every high-level insult made there, the Senator tells questioners: 'I'm glad I said it.' Even a belated apology would be welcome" (3/6).

*23 HOUSE CHECK-BOUNCING: THE FUSE IS LIT

"A divided House ethics committee, relying on bitterly debated standards that immediately came under fire as too lax, yesterday announced that 2 current and former House members had 'routinely and repeatedly' bounced checks at the House bank." In a 10-4 vote, the cmte "recommended that their names be released," but that the House "take no disciplinary action" (Sirica, N.Y. NEWSDAY, 3/6). THE STANDARDS: A House member "with an account for all 39 months was considered to be an abuser if overdrafts exceeded his or her net pay in eight months." Special subcmte chair Matthew McHugh (D-NY) "defended net monthly pay as the standard that House Bank employees had used as a permissible advance against salary deposits": "This is not a standard that would be used by the local commercial bank, by the local savings and loan association. But it was, unfortunately a standard that was used by this bank for many, many years." McHugh acknowledged the standard was "very subjective" and the product of a subcmte compromise (W. POST, 3/6). The list would be made public after a 10-day waiting period, during which time members would have a chance to rebut the charges with McHugh and ranking GOPer UT Rep. Jim Hansen (L.A. TIMES, 3/6).

FLOOR FIGHT: GOP dissenters on the cmte "vowed to go to the floor with alternative resolutions -- possibly calling on the House to identify all 355 account holders who had bounced at least one check during the 39-month period" from 7/88-9/91 that the cmte studied. The 4 dissenting GOPers -- Reps. Kyl (AZ), Bunning (KY), Johnson (CT) and Hobson (OH), charged that sticking with the cmte's standards would "ignore scores of serious abusers -- including one member who has bounced more than 800 checks" since 7/88 and others "who had overdrafts totaling more than \$600,000. McHugh said the most serious offender had exceeded the cmte's standard in 35 of 39 months (NEWSDAY, 3/6).

NO ONE'S SAFE: According to Kyl, nearly 200 members "were overdrawn by more than a month's salary and scores of members wrote hundreds of bad checks." The 10-4 split "signaled a bruising floor fight next week with potentially serious consequences for members of Congress who already fear strong anti-incumbent sentiment in this election year" (Eaton, L.A. TIMES, 3/6). McHugh said 296 current members and 59 former ones "were overdrawn at least once" during the 7/88-9/91 (W. POST, 3/6). W. TIMES reports 66 members wrote bad checks totaling more than \$10.8 million" in the time-frame. Kyl told the TIMES, "We had people who wrote 600, 700 and 800 checks that weren't covered." But they "are among 42 who would not be publicly disclosed 'because their overdrafts did not equal a month's pay over an eight-month period." House Min. Whip Newt Gingrich (R-GA) said GOPers are "going to insist upon the disclosure of the entire" list of 66, but he stopped short of calling for the names of all 355 bouncers. He cited "common mistakes" in check-book balancing and the "failure" of House sergeant-at-arms Jack Russ "to credit members' deposits on time" (3/6). McHugh "was 'rather shocked' by the magnitude of the bad checks": "I don't know how some of these folks slept at night" (PHILA. INQUIRER, 3/6).

QUOTES: Rep. Hansen (R-UT): "The political ramification of this is absolutely awesome." Rep. Bunning (R-KY): "I don't think it can pass the smell test" (mult., 3/6). From "gang of seven" (frosh GOPers) -- Rep. Nussle (IA): "Whitewash." Rep.

Santorum (PA): "completely unacceptable" (L.A. TIMES, 3/6). Rep. Frank Riggs (R-CA) "said outside criminal probes may be needed" (USA TODAY, 3/6). W.S. JOURNAL's Paul Gigot, noting the first defeat of an incumbent this year, Rep. Byron (D-MD), writes '92 could be the most "anti-incumbent year since 1980 and maybe since the Watergate year of 1974. ... Best of all, Congress is acting like Congress, raising taxes and stonewalling on the check-kiting scandal" (3/6).

JACK RUSS: The Ethics cmte also "criticized" Russ, recovering from a gunshot wound he said he received in a robbery attempt near his Capitol Hill home. Russ was faulted "for mismanaging the bank, failing to implement recommended reforms and for bouncing several checks himself." Russ' overdrafts totaled more than \$10K for the '88-91 period, according to McHugh one "of the worst cases" among non-House bank users. "The criticisms of Russ raised questions about his future as a top officer of the House" (Cooper/Pincus, W. POST, 3/6). The POST also runs a story on Russ' shooting under headline: Police Continue Probe of 'Unusual' Attack on Russ" (3/6).

TV: CBS' Bob Schieffer reports Speaker Tom Foley (D-WA) and Gingrich are among the 355 with recorded overdrafts: "One reason that the first cries of cover-up came from freshman members. ... Whether any more information about this becomes public is not yet clear but even the innocent here ... know this is going to be heavy baggage to carry into an election year (CBS, 3/5). ABC's Cokie Roberts: "No matter what the full House decides next week, the names of all check bouncers will eventually get out" (3/5). NBC's Tom Brokaw: "It turns out the congressional check bouncing scandal is worse than first reported, much worse." NBC's Andrea Mitchell: "Democrats are telling me privately they think the public pressure will mean that they will have to go along with [GOP demands for disclosure]" (3/5). NBC's Henry Champ: "It's hard to see in this election year how anything but full disclosure will satisfy the public, political opponents, the media and those other members of Congress whose dealings with the bank were on the up and up" (3/6).

===== POLL UPDATE =====

*24 NBC/WSJ: ATTITUDES ON TAXES

(1000 RVs, interviewed by Hart/Breglio 2/28-3/2, margin of error +/- 3%, WALL STREET JOURNAL release to HOTLINE 3/5)

QUESTION: "Which of the following tax proposals would you favor the most?

"Plan A, supported by President Bush and most Republicans in Congress, includes a capital gains tax cut; a tax cut to businesses that invest in new equipment this year; a tax credit to first-time home buyers; and a new tax incentive for people who save.

"Plan B, supported by many Democrats in Congress, includes a more limited capital gains tax cut; a tax cut for middle-class families; a tax cut for businesses that invest in new equipment this year; and a tax increase on upper-income individuals."

Plan A	28%
Plan B	65

MORE ON TAXES: By 52/40 they feel Congress should pass a tax cut to help stimulate the economy; by 45/44 "even if it increases the federal budget deficit;" 78% favor raising taxes on people making \$200K/year; by 48/42 they favor the Bush proposal of cutting the tax rate on capital gains; by 37/8 people would feel less favorable toward Bush if he vetoes a Congressional tax cut plan; 86% would not believe a presidential candidate who promised not to raise taxes if elected.

ON VOTING FOR CONGRESS: By 52/37 they favor giving a new person a chance rather than feeling "your representative deserves to be re-elected;" by 38/30 they say they will voter for the Dem candidate for Congress over the GOP.

ALSO: By 23/72 the public disapproves of the president's job on the economy; by 28/22 they think the Democratic Party would do a better job than the Republicans in dealing with the economy; by 35/26 they prefer the Democrats to the GOP on dealing with taxes.

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===== TV MONITOR =====

*25 THIS MORNING: ABC's "GMA" hosted and WASH. POST's E.J. Dionne and ABC's Cokie Roberts on last night's debate. NBC's "Today" profiled Brown. "CBS This Morning" interviewed TX Dems at a diner on their Super Tuesday preferences (3/6).

LAST NIGHT: CBS led with the Rodney King trial, NBC led with the House check bouncing scandal. ABC and PBS' "MacNeil/Lehrer" led with Kerrey's withdrawal. CNN led with the increase in retail sales; "Crossfire" hosted media critic Charles Wiley and Cmte for the Free Press' Jane Kirtley; "Larry King Live" hosted Sen. John Danforth (R-MO) and ex-DE Gov. Pete du Pont (R). ABC's "PrimeTime Live" examined the firing of San Antonio reporter Brian Karem after he persistently questioned Bush (3/5).

SPECIAL REPORTS: Buchanan on the Congressional Budget Office's "Rich Getting Richer" study: "I don't believe in the politics of envy. And the fact that people who work hard and invest -- if they do it honestly, I think that's terrific" (CBS, 3/5). CBS' Mark Phillips on the issue of sex and politics: "Any candidate playing the political game this year runs the risk of landing into trouble if he's committed any indiscretion in the past. ... No proof necessary" (3/5). CNN's Brooks Jackson on the increase in congressional challengers as part of the anti-incumbent mood: "Most challengers [lose]. But the road to Washington for all challengers looks a lot smoother" (3/5).

LAUGHS: Dennis Miller on Buchanan: "After losing 2-1 to the President in the last several primaries, Pat Buchanan is asking for Bush to withdraw from the campaign. He's also demanding Gen. Grant to surrender and for Buffalo to be given the Super Bowl trophy." On Buchanan's past writings now under scrutiny: "What the hell is this country coming to when a man's held responsible for the things he says?" On WH spokesperson Marlin Fitzwater calling Buchanan "loony tunes": "He's got a point there. If Buchanan's elected, th-th-th-that's all folks." On Kerrey's withdrawal: "What was Kerrey thinking out there winning the Medal of Honor when he should have been back home dodging the draft." On the Japanese response to Sen. Fritz Hollings' (D-SC) Hiroshima gibe: "They weren't surprised because atomic bombs are just a lazy man's weapons" ("Dennis Miller Show," 3/5). NBC's Johnny Carson on Brown's new slogan: "Brown. It's easier to say than Tsongas" ("Tonight," 3/5). David Letterman on Kerrey: "Who?" On Brock Adams: "Earlier today he was granted asylum at the Kennedy compound in Florida" ("Late Night," NBC, 3/6).

===== TV SOUNDBITE =====

"Jerry, chill out. You're from California, chill out."
-- Clinton in the Dallas debate, disputing Brown's interpretation of a photo of Clinton in front of black inmates in GA,
ABC, 3/6

#

Presidential Phone Calls

Aboard Air Force One



DATE: 3-6-

TIME: 5

incoming / outgoing

46

WITH: Roger Ailes

SUBJECT: just checking in

Pat
give him an olive
branch -

when fall comes will
be together

FOLLOW UP: stay on your deal

letters from kids
a book -

letters

Presidential Phone Calls

Aboard Air Force One



DATE: 3- -92 TIME: 8¹³
incoming / outgoing

WITH: Bill Bennett

SUBJECT: (Key supporters)

Get Tsongas on Veto

" " " Cap Cans

" Regain Your Support "

" Series of Steps to Prove it "

= anti-bigotry =

- Let us define

FOLLOW UP: regain peoples confidence

don't want the haters

don't want the haters

Presidential Phone Calls

Aboard Air Force One



DATE:

3-6-

TIME:

2:55 PM

incoming / outgoing

WITH:

Gov. Eddie Edwards
country call

SUBJECT:

You'll get 75% of vote
next fall

you're good shape Tuesday

"Thanks for our help last
fall" - I say "I support
FOLLOW UP: Romney" He says
"Best thing you did for
me get him to go GOP"

He offered to see me W.H.
yesterday told him no - it's
political. I apologize
for this

Presidential Phone Calls

Aboard Air Force One



DATE: 3-6 TIME: 3
incoming / outgoing

WITH: Pat Hyland

SUBJECT: (Mrs. Robert)

He died
Condolence call

'been sick liver
cancer"

FOLLOW UP: _____

THE WHITE HOUSE
WASHINGTON

32 MAR 6 P5:31

March 6, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL K. SKINNER *AKA*
SUBJECT: YOUR QUESTIONS OF MARCH 5

With regard to your memorandum regarding some questions that have arisen following the State of the Union, I would advise you of the following:

1. Intangible Drilling Costs. I believe that this issue has been resolved to the satisfaction of the independent drilling industry. Treasury is working with Senator Nickles and others to make sure that most of the concerns are dealt with.
2. Charitable Contributions. I have forwarded to you a statement concerning our current position regarding charitable contributions. Treasury and the affected charitable and religious organizations had a meeting yesterday, and that seems to be on track. Our current proposal is on hold and will be modified to meet most of their concerns.
3. AMT Provision/Capital Gains. The issue here is how to raise enough revenue to support some of the changes. Many of the changes suggested by the capital gains proponents were made in the Michel/Archer proposal presented to the Ways and Means Committee. There are still other changes that should be made if we could find the revenues.
4. Investment Tax Credit. We did put a deadline in the investment tax allowance in order to encourage immediate investment (and hence have an immediate effect on the economy). If we were to extend the effective date we would have to find additional revenues, and it may not provide the acceleration provisions necessary.
5. First-Time Home Buyers Credit. Your understanding of the \$5,000 credit is correct. I have asked Treasury to cost out a provision that would allow the \$5,000 credit to be taken up front. Currently our bill does not provide for it. Our provisions for the real estate industry are not as generous as Rep. Andrews' bill, H.R. 1414, but they do not cost as much. I have asked Treasury to present to you the cost differences between our proposal and H.R. 1414.
6. Life Insurance Industry. It is my understanding that the life insurance industry is not only upset about our annuity tax proposal but also our effective date. You will be meeting with Secretary Brady on Monday, and he can discuss the policy arguments for this proposal.

Desk
met with Brady
on this
all

BUSH 11/25/92 14:00:00

2

7. Securities Industry. Treasury believes there are valid reasons for our market-to-market approach. I will ask Secretary Brady to discuss this with you in his meeting on Monday as well.

Brady Library Photocopy Preservation

TALKING POINTS FOR 3:30 MEETING

1. In putting together the Budget package including both the short-term growth package and long-term incentives (e.g., flexible IRAs, R&D credit, deduction for student loan interest), we

- Did not want to increase the deficit;
- Did not want to increase income taxes;
- Did not want to impose a broad-based tax such as an energy or value-added tax; and
- Did not want to create tax shelters.

2. We needed some revenue gainers to avoid the charge that the revenue losers were all paid for by "smoke and mirrors" accounting changes.

3. The Budget contained revenue losers totalling \$34 billion (1992-1997) without the family tax allowance.

The family tax allowance cost about \$24 billion (1992-1997).

Total revenue losers were approximately \$58 billion.

4. Revenue gainers totalled about \$29 billion (with \$15 billion from capital gains (\$6.9 billion) and HI extension to State and local employees (\$8.1 billion)).

In picking the other revenue gainers the objective was

- to select items to promote a level playing field among types of investments and among financial institutions;
- to avoid broad-based revenue increases.

5. Revenue raising proposals that were taken off the table:

A. Individual income tax increases:

- Tax rate increases;
- Millionaires surtax;
- Limit itemized deductions, e.g., home equity interest;
- Extend PEP and Pease provisions of 1990 Budget Act;
- Limit other individual deductions, e.g., business meals, club dues, sporting tickets;
- Withholding on pensions;
- Withholding on independent contractors;
- Estate tax increases;
- Tax capital gains at death.

B. Corporate tax increases:

- Corporate rate increase;
- Reduce deduction for business meals, entertainment expenses, etc.;
- Limit deductions for interest.

C. Excise tax increases:

- Tobacco or alcohol taxes;
- Gasoline or other energy taxes;
- Securities transfer tax;
- Telephone tax increase;
- Airport tax increase.

6. This left targeted tax increases where certain investments or industries enjoy a competitive advantage, for example, securities industry, credit unions, certain life insurance industry products; or compliance measures.
7. The other option was to make deeper cuts in mandatory spending cuts than called for in your budget to pay for the revenue losers, but Congress has been unwilling to endorse even the cuts we have proposed. In addition, we did not want to propose further cuts in Medicare.

Question 1

What is the current status of the intangible drilling costs issue as it relates to AMT preferences?

Answer

The Administration is clearly on record supporting changes to the alternative minimum tax (AMT) treatment of intangible drilling costs (IDC's) incurred by independent oil and gas producers ("independents").

- > Speech by President Bush (3/5/92); Letter from Secretary Brady (3/2/92); mark-up statement by Assistant Secretary Goldberg (3/3/92).

We are working with industry representatives to develop a specific proposal. Based on revenue and policy considerations, the proposal:

- > should cover only IDC's;
- > should be limited to independents;
- > should not completely repeal AMT treatment of IDC's.

We must recognize the potential fall-out from any proposal because other industries (e.g., airlines, paper companies, heavy equipment manufacturers, and the automotive and steel industries) are also seeking AMT relief.

The revenue cost of various proposals under consideration ranges from \$300 million to \$1.5 billion through 1997.

Question 2

What is the status of the AMT provision as it relates to our capital gains proposal?

Answer

The Administration's proposal would reduce the tax on long-term capital gains to 15.4% -- its lowest rate in 50 years.

The Reagan Administration never proposed a specific capital gains tax cut. During that Administration, the top tax rate on capital gains went from 28% to 20%, and back up to 28%.

Under the Administration's proposal, more than 98% of all taxpayers with capital gains would not pay any AMT.

Unlike prior law and all prior proposals, the Administration's current proposal would expressly exclude certain gains from the AMT.

- > Sales of personal residences, family farms, timber and oil and gas properties, commercial real estate, and small businesses would never be subject to the AMT.

The sales of publicly traded securities could trigger liability for the AMT. However, as a practical matter:

- > Virtually all senior citizens and working families who invest in the stock market would not be subject to the AMT.

Any additional AMT carve-out would be characterized by the Democrats as follows:

- > It would only benefit the super-rich (taxpayers with average incomes over \$300,000);
- > It would benefit wall street traders and corporate raiders.

The revenue cost of an additional carve-out for all gains on assets held for more than 3 years would be \$5.5 billion through 1997. The revenue cost of excluding all capital gains from the AMT would be \$6.2 billion through 1997.

Question 3

What is the basis for our proposal to tax large credit unions and thrifts, and why is there so much resistance to it?

Answer

Our proposal would not change the tax treatment of thrifts and savings and loan associations.

Credit unions engage in the same business activities as thrifts and savings and loan associations.

Credit unions are tax exempt; their direct competitors (primarily, thrifts and banks) are subject to tax.

They all do the same thing -- they should all be taxed the same way.

The Reagan Administration first proposed taxing credit unions like thrifts in 1985.

While credit unions can dress up their claims, they have not challenged our proposal on economic or tax policy grounds. The only real objection is that they like their preferential treatment under current law.

The Administration's proposal would only tax credit unions with more than \$50 million in assets.

> Less than 6% of all credit unions would be subject to tax; more than 94% would still be tax exempt.

We estimate that the proposal would raise approximately \$1.1 billion through 1997.

Question 4

What would be the costs related to an extension of the time period for our investment tax allowance?

Answer

The investment tax allowance (ITA) proposal covers binding contracts between February 1, 1992 and December 31, 1992, if the property is placed in service by June 30, 1993. The cost of the current proposal is \$2.9 billion through 1997.

If the placed in service date were extended to December 31, 1995, the cost would increase to \$3.7 billion (an increase of \$800 million).

If the placed in service date were extended to December 31, 1997, the cost would increase to \$4.3 billion (an increase of \$1.4 billion).

Factors to keep in mind in considering these changes:

- > The ITA is intended as a short-term, temporary incentive that will accelerate the recovery by encouraging businesses to speed up their investments in capital equipment.
- > Many business taxpayers place a higher priority on other tax law changes (e.g., AMT relief for capital intensive industries; expensing for small business).

Question 5

What would be the costs of taking our \$5,000 first-time homebuyers' credit and allowing the purchaser to take it up front?

Answer

The current proposal permits eligible taxpayers to take half the credit on their 1992 returns, and half on their 1993 returns (with the ability to carry forward any unused credit). An alternative would be to permit taxpayers to claim the full credit for 1992 (with the ability to carry forward any unused amount).

The revenue costs of these alternatives are:

Fiscal Year	Credit spread over 1992/93	Full credit during 1992
1992	-0.2	-0.4
1993	-2.1	-3.8
1994	-2.7	-1.5
1995	-0.9	-0.3
1996	-0.1	-*
1997	-*	-0.1
Total	-6.0	-6.1

Background

It has been suggested that we enhance the proposal by allowing taxpayers to receive the credit at the time they actually purchase their homes. As a practical matter, it would be expensive and difficult for the government to make such payments. We believe that taxpayers can deal with the situation by adjusting their withholding, making temporary withdrawals from savings, and short-term loans.

Question 6

What are the cost differences between our passive loss provisions and those contained in H.R. 1414?

Answer

Fiscal Year	Current Administration Proposal	H.R. 1414
1992	-0.1	-0.3
1993	-0.4	-1.0
1994	-0.4	-1.0
1995	-0.4	-1.0
1996	-0.5	-1.0
1997	-0.6	-1.0
Total	-2.5	-5.3

There are two primary differences between the Administration's current proposal and H.R. 1414.

- > Our proposal covers only newly constructed and rehabilitated projects, while H.R. 1414 covers new and existing real estate.
- > Our proposal is limited to taxpayers who are actively engaged in the real estate development business, while H.R. 1414 covers taxpayers involved in any aspect of the real estate industry (most notably, independent realtors, appraisers, accountants and lawyers).

There may be good reasons for extending our proposal to cover existing real estate. The additional cost of that change (above our current proposal) would be \$1.7 billion through 1997.

However, there is no justification for extending the proposal beyond those actively involved in real estate development. As a matter of economic and tax policy, real estate developers should be treated the same way under the passive loss rules as other businesses.

In contrast, there is no economic or tax policy reason for letting certain taxpayers make tax shelter investments simply because they provide services to the real estate industry.

Question 7

What is the logic behind our proposed tax treatment of annuities?

Answer

As a preliminary matter, our proposal does not change the long-standing tax law provisions favoring life insurance as an incentive to protect against uncertain life expectancies.

The annuities proposal would simply limit the favorable treatment to true annuities (i.e., annuities with substantial life contingencies).

The so-called annuities that would be affected by our proposal have no substantial life contingency. They are virtually identical to, and are marketed in direct competition with, other savings and investment vehicles which do not enjoy the same favorable tax treatment (e.g., CD's, savings accounts, money market funds).

- > Marketing materials focus primarily on tax benefits relative to other investment vehicles. For example: the after-tax return on so-called annuities is far greater than the after-tax return on CD's, but only because of their favorable tax treatment. Unlike other investments, annuities let the holder decide when to pay taxes. These claims have nothing to do with the traditional purpose for purchasing true annuities.

The so-called annuities that would be affected by our proposal are the same as after-tax IRA's under current law -- except that they circumvent the annual contribution and withdrawal limits.

The industry has argued that annuities are savings vehicles for middle class families. It is important to put these claims in perspective.

- > Most annuity contracts involve initial investments of less than \$30,000.
- > However, the majority of all equity interests in annuities exceed \$500,000.
- > Our proposal could be limited to annual annuity purchases in excess of \$30,000 per year/per person without a substantial impact on the revenue estimate.

We estimate that the annuities proposal would raise approximately \$1.7 billion through 1997.

Question 8

What is the basis for our mark-to-market proposal for securities dealers?

Answer

Under current law, securities dealers can take tax losses on their securities that have declined in value, while not recognizing income on their securities that have gone up in value.

For tax purposes, this gives securities dealers the "best of both worlds" -- they deduct their inventory losses but don't pay tax on their inventory gains.

In contrast, for financial accounting purposes, they are required to reflect economic reality: they mark-to-market all of their securities, thereby recognizing all gains and losses.

The Administration's mark-to-market proposal reflects economic reality and eliminates a tax subsidy that serves no economic or tax policy objective. It does so in a way that is administrable and does not create artificial incentives to hold or sell assets.

We estimate that the mark-to-market proposal would raise approximately \$4.0 billion through 1997.

PACKAGE 1

(Dollars in Billions)

A. Jobs/Investments				B. Homebuyers/Families/Savings			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Cost	Cost	Cost
Capital Gains (President's Plan)	0.5	3.1	9.0	Flexible IRA -- (rollover provision)	*	*	(\$4.4)
Passive Loss Rules for Active Investors	(0.2)	(0.5)	(2.8)	Penalty Free IRA for First-Time Homebuyers	*	(0.1)	(0.4)
Increase Depreciation Expensing by 10% for 1 year	(4.2)	(2.3)	(2.0)	\$2,000 First-Time Homebuyers Credit for			
Liberalize AMT Depreciation	(0.1)	(0.4)	(1.5)	<i>purchase of a newly constructed home (1yr)</i>	*	(0.3)	(0.3)
Extend R&D Tax Credit and Allocation Rules (1 1/2 yrs)	(0.4)	(1.3)	(2.6)	Mortgage Revenue Bonds (1 1/2 yrs)	*	*	(0.3)
Low Income Housing Credit (1 1/2 yrs)	*	(0.2)	(1.7)	Permit losses to carry over to new basis in			
Extend Targeted Jobs Tax Credit (1 1/2 yrs)	(0.1)	(0.2)	(0.5)	principal residence	*	*	*
Farmer Bonds (1 1/2 yrs)	*	*	*	Total	\$0.0	(\$0.4)	(\$5.4)
Enterprise Zones (President's Plan)	*	(0.1)	(1.9)				
Repeal Boat and Airplane Luxury Tax	*	*	(0.2)				
Total w/o Capital Gains	(\$5.0)	(\$5.0)	(\$13.2)				

Revenue Losers				Revenue Gainers			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Gain	Gain	Gain
A. Jobs/Investments	(\$5.0)	(\$5.0)	(\$13.2)	Compliance Raisers:			
B. Homebuyers/Families	0.0	(0.4)	(5.4)	-- Withholding of 10% on taxable pension distrib.	\$1.8	\$1.8	\$6.2
Subtotal	(\$5.0)	(\$5.4)	(\$18.6)	-- Charities to report gifts in excess of \$500	*	0.1	0.9
				-- 45-day processing rule for all returns	*	0.1	0.7
Miscellaneous				Total Compliance Raisers	1.8	2.0	7.8
Charities (Appreciated Property--AMT)	*	*	(0.6)	Disallow Interest Deductions on Corporate			
Business Energy Credit (1 1/2 yrs)	*	*	(0.1)	Owned Life Insurance (COLI) Loans	0.1	0.2	2.7
Orphan Drug Credit (Permanent)	*	*	*	Mark to Market--Securities, 4yr phase-in	0.8	1.4	7.0
Special Needs Adoption	*	*	*	Prohibit Double Dipping by Thrifts	1.1	0.3	1.5
Tax Simplification (Revenue Neutral)	*	*	*	Treat Large Credit Unions as Thrifts for Taxes	0.1	0.2	0.8
Total	(\$5.0)	(\$5.4)	(\$19.3)	Tax Annuities for a term certain	*	0.1	1.9
				Repeal Diesel fuel exemption for boats	*	*	0.1
				Expand 3% communications tax	*	0.2	1.2
				Subtotal	\$3.9	\$4.4	\$23.0
				Capital Gains (President's Plan)	0.5	3.1	9.0
				Total	\$4.4	\$7.5	\$32.0
				Revenue Surplus/(Shortfall) wo/ cap. gains	(\$1.1)	(\$1.0)	\$3.7
				Revenue Surplus/(Shortfall) w/ cap. gains	(\$0.6)	\$2.1	\$12.2

PACKAGE 2

(Dollars in Billions)

A. Jobs/Investments				B. Homebuyers/Families/Savings			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Cost	Cost	Cost
Capital Gains (President's Plan)	0.5	3.1	9.0	Flexible IRA -- (rollover provision)	*	*	(\$4.4)
Passive Loss Rules for Active Investors	(0.2)	(0.5)	(2.8)	Penalty Free IRA for First-Time Homebuyers	*	(0.1)	(0.4)
Increase Depreciation by 20% for 1 year (or equivalent capital expense)	(9.4)	(4.8)	(4.1)	Mortgage Revenue Bonds (1 1/2 yrs)	*	*	(0.3)
Liberalize AMT Depreciation	(0.1)	(0.4)	(1.5)	Permit losses to carry over to new basis in principal residence	*	*	*
Extend R&D Tax Credit and Allocation Rules (1 1/2 yrs)	(0.4)	(1.3)	(2.6)	\$5,000 First-Time Homebuyers Credit for purchase of any first home -- (1 year)	(0.6)	(5.3)	(5.0)
Low Income Housing Credit (1 1/2 yrs)	*	(0.2)	(1.7)	Casualty Loss on Sale of Personal Residence	*	(0.4)	(1.9)
Extend Targeted Jobs Tax Credit (1 1/2 yrs)	(0.1)	(0.2)	(0.5)	Permit Deduction of Student Loan Interest	(0.3)	(0.5)	(2.1)
Farmer Bonds (1 1/2 yrs)	*	*	*	Total	(\$0.9)	(\$6.3)	(\$14.1)
Enterprise Zones (President's Plan)	*	(0.1)	(1.9)				
Repeal Boat and Airplane Luxury Tax	*	*	(0.2)				
Total w/o Capital Gains	(\$10.2)	(\$7.5)	(\$15.3)				
Revenue Losers				Revenue Gainers			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Gain	Gain	Gain
A. Jobs/Investments	(\$10.2)	(\$7.5)	(\$15.3)	Compliance Raisers	\$1.8	\$2.0	\$7.8
B. Homebuyers/Families	(0.9)	(6.3)	(14.1)	Mark to Market -- Securities, 10yr phase-in	0.3	0.6	4.0
Subtotal	(\$11.1)	(\$13.8)	(\$29.4)	Disallow Interest Deductions on Corporate Owned Life Insurance (COLI) Loans	0.1	0.2	2.7
Miscellaneous				Prohibit Double Dipping by Thrifts	1.1	0.3	1.5
Charities (Appreciated Property -- AMT)	*	*	(0.6)	Treat Large Credit Unions as Thrifts for Taxes	0.1	0.2	0.8
Business Energy Credit (1 1/2 yrs)	*	*	(0.1)	Tax Annuities for a term certain	*	0.1	1.9
Orphan Drug Credit (Permanent)	*	*	*	Repeal Diesel fuel exemption for boats	*	*	0.1
Special Needs Adoption	*	*	*	Expand 3% communications tax	*	0.2	1.2
Tax Simplification (Revenue Neutral)	*	*	*	Subtotal	\$3.4	\$3.6	\$20.0
Total	(\$11.1)	(\$13.8)	(\$30.1)	Reduced Spending (Plug)	7.0	7.0	14.0
				Capital Gains (President's Plan)	0.5	3.1	9.0
				Total	\$10.9	\$13.7	\$43.0
				Revenue Surplus/(Shortfall) wo/ cap. gains	(\$0.7)	(\$3.2)	\$3.9
				Revenue Surplus/(Shortfall) w/ cap. gains	(\$0.2)	(\$0.1)	\$12.9

PACKAGE 3

(Dollars in Billions)

A. Jobs/Investments				B. Homebuyers/Families/Savings			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Cost	Cost	Cost
Capital Gains (President's Plan)	0.5	3.1	9.0	Flexible IRA -- (rollover provision)	*	*	(\$4.4)
Passive Loss Rules for Active Investors	(0.2)	(0.5)	(2.8)	Penalty Free IRA for First-Time Homebuyers	*	(0.1)	(0.4)
Increase Depreciation Expensing by 10% for 1 year	(4.2)	(2.3)	(2.0)	Mortgage Revenue Bonds (1 1/2 yrs)	*	*	(0.3)
Liberalize AMT Depreciation	(0.1)	(0.4)	(1.5)	Permit losses to carry over to new basis in principal residence	*	*	*
Extend R&D Tax Credit and Allocation Rules (1 1/2 yrs)	(0.4)	(1.3)	(2.6)	Middle Income Tax Relief (\$1,200 personal exemption per child -- 1 yr) or (alternatively \$1,000 exemption per return -- 1 yr, would score similarly) (Est.)	(7.5)	(3.2)	(10.7)
Low Income Housing Credit (1 1/2 yrs)	*	(0.2)	(1.7)	Total	(\$7.5)	(\$3.3)	(\$15.8)
Extend Targeted Jobs Tax Credit (1 1/2 yrs)	(0.1)	(0.2)	(0.5)				
Farmer Bonds (1 1/2 yrs)	*	*	*				
Enterprise Zones (President's Plan)	*	(0.1)	(1.9)				
Repeal Boat and Airplane Luxury Tax	*	*	(0.2)				
Total w/o Capital Gains	(\$5.0)	(\$5.0)	(\$13.2)				

Revenue Losers				Revenue Gainers			
	1992	1993	'92-'97		1992	1993	'92-'97
	Cost	Cost	Cost		Gain	Gain	Gain
A. Jobs/Investments	(\$5.0)	(\$5.0)	(\$13.2)	Compliance Raisers	\$1.8	\$2.0	\$7.8
B. Homebuyers/Families	(7.5)	(3.3)	(15.8)	Mark to Market -- Securities, 10yr phase-in	0.3	0.6	4.0
Subtotal	(\$12.5)	(\$8.3)	(\$29.0)	Disallow Interest Deductions on Corporate			
				Owned Life Insurance (COLI) Loans	0.1	0.2	2.7
Miscellaneous				Prohibit Double Dipping by Thrifts	1.1	0.3	1.5
Charities (Appreciated Property -- AMT)	*	*	(0.6)	Treat Large Credit Unions as Thrifts for Taxes	0.1	0.2	0.8
Business Energy Credit (1 1/2 yrs)	*	*	(0.1)	Tax Annuities for a term certain	*	0.1	1.9
Orphan Drug Credit (Permanent)	*	*	*	Repeal Diesel fuel exemption for boats	*	*	0.1
Special Needs Adoption	*	*	*	Expand 3% communications tax	*	0.2	1.2
Tax Simplification (Revenue Neutral)	*	*	*	Subtotal	\$3.4	\$3.6	\$20.0
Total	(\$12.5)	(\$8.3)	(\$29.7)	Reduced Spending (Plug)	7.0	7.0	14.0
				Capital Gains (President's Plan)	0.5	3.1	9.0
				Total	\$10.9	\$13.7	\$43.0
				Revenue Surplus/(Shortfall) wo/ cap. gains	(\$2.1)	\$2.3	\$4.3
				Revenue Surplus/(Shortfall) w/ cap. gains	(\$1.6)	\$5.4	\$13.3

PACKAGE 4

(Dollars in Billions)

A. Jobs/Investments				B. Homebuyers/Families/Savings			
	1992	1993	'92-'97		1992	1993	'92-'97
	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>		<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Capital Gains (President's Plan)	0.5	3.1	9.0	Flexible IRA -- (rollover provision)	*	*	(\$4.4)
Passive Loss Rules for Active Investors	(0.2)	(0.5)	(2.8)	Penalty Free IRA for First-Time Homebuyers	*	(0.1)	(0.4)
Investment Tax Credit 8% 1992 only	(13.3)	(11.2)	(27.2)	\$2,000 First-Time Homebuyers Credit for			
Liberalize AMT Depreciation	(0.1)	(0.4)	(1.5)	purchase of a newly constructed home (1yr)	*	(0.3)	(0.3)
Extend R&D Tax Credit and Allocation Rules (1 1/2 yrs)	(0.4)	(1.3)	(2.6)	Mortgage Revenue Bonds (1 1/2 yrs)	*	*	(0.3)
Low Income Housing Credit (1 1/2 yrs)	*	(0.2)	(1.7)	Permit losses to carry over to new basis in			
Extend Targeted Jobs Tax Credit (1 1/2 yrs)	(0.1)	(0.2)	(0.5)	principal residence	*	*	*
Farmer Bonds (1 1/2 yrs)	*	*	*	Middle Income Tax Relief Plus (Plug)	(17.5)	(22.5)	(43.5)
Enterprise Zones (President's Plan)	*	(0.1)	(1.9)	Total	(\$17.5)	(\$22.9)	(\$48.9)
Repeal Boat and Airplane Luxury Tax	*	*	(0.2)				
Total w/o Capital Gains	(\$14.1)	(\$13.9)	(\$38.4)				

Revenue Losers				Revenue Gainers			
	1992	1993	'92-'97		1992	1993	'92-'97
	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>		<u>Gain</u>	<u>Gain</u>	<u>Gain</u>
A. Jobs/Investments	(\$14.1)	(\$13.9)	(\$38.4)	Disallow Interest Deductions on Corporate			
B. Homebuyers/Families	(17.5)	(22.9)	(48.9)	Owned Life Insurance (COLI) Loans	0.1	0.2	2.7
Subtotal	(\$31.6)	(\$36.8)	(\$87.3)	Prohibit Double Dipping by Thrifts	1.1	0.3	1.5
				Tax Annuities for a term certain	*	0.1	1.9
Miscellaneous				Repeal Diesel fuel exemption for boats	*	*	0.1
Charities (Appreciated Property--AMT)	*	*	(0.6)	Subtotal	\$1.2	\$0.6	\$6.2
Business Energy Credit (1 1/2 yrs)	*	*	(0.1)				
Orphan Drug Credit (Permanent)	*	*	*	Reduced Spending (Plug)	7.0	7.0	14.0
Special Needs Adoption	*	*	*	Capital Gains (President's Plan)	0.5	3.1	9.0
Tax Simplification (Revenue Neutral)	*	*	*	Total	\$8.7	\$10.7	\$29.2
Total	(\$31.6)	(\$36.8)	(\$88.0)				

Revenue Surplus/(Shortfall) wo/ cap. gains	(\$23.4)	(\$29.2)	(\$67.8)
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POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years 1994	1995	1996	1997	1992-97
		(\$ billions)						
REVENUE-RAISING PROPOSALS								
A. Compliance Raisers (1)								
1. Require mandatory withholding of 10% on taxable pension distributions (effective 5/1/92)		1.8	1.8	0.5	0.6	0.7	0.8	6.2
2. Require payor of mortgage interest to an individual to furnish individual's social security number on Schedule A to Form 1040.		*	*	*	*	*	*	0.1
3. Require charitable institutions to report charitable gifts in excess of \$500 to the IRS. (Schedule A itemization of gifts over \$500 would be required.)		*	0.1	0.2	0.2	0.2	0.2	0.9
4. Expand 45-day processing rule to all returns and refund claims. (Currently, IRS does not pay interest on original income tax returns showing a refund due if it processes the refund within 45 days of receiving the return; the proposal would extend the rule to other taxes and all amended returns and refund claims.)		*	0.1	0.1	0.1	0.2	0.2	0.7
B. Corporate Sector Raisers								
1. Reduce deductible percentage of business meals & entertainment expenses from 80% to:								
a. 70%		0.6	1.1	1.2	1.3	1.6	1.9	7.7
b. 65%		1.0	1.8	1.9	2.1	2.5	2.9	12.3
c. 60%		1.5	2.6	2.7	3.0	3.5	3.9	17.2
2. Disallow interest deductions on corporate-owned life insurance (COLI) loans. (Under current law, interest incurred on loans used to purchase tax-exempt investments is not deductible. However, this rule does not apply to life insurance. Corporations have achieved the same result by purchasing policies covering their entire work force then borrowing out the cash value each year. The proposal would treat such plans as equivalent to purchase of a tax-exempt investment but would leave the inside build-up rule for life insurance undisturbed.)		0.1	0.2	0.3	0.5	0.7	0.9	2.7
3. Conform tax accounting for marketable securities to book accounting rule adopted in 1973 (i.e., require marketable securities to be marked-to-market annually rather than reported on lower of cost or market basis). The conforming would be done ratably over 4 years.		0.8	1.4	1.6	1.8	1.0	0.4	7.0
4. Prohibit double dipping by thrifts acquired in 1988 deals, as recommended in 1991 Treasury report (effective 1/1/91)								
a. OTA		1.1	0.3	0.1	-0.0	-0.1	0.2	1.5
b. JCT		0.5	0.3	0.2	0.1	-0.1		1.0

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years 1994	1995	1996	1997	1992-97
		(\$ billions)						
5. Treat large credit unions as thrifts for tax purposes		0.2	0.3	0.3	0.3	0.3	0.3	1.6
a. Assets greater than \$10 million		0.1	0.2	0.2	0.2	0.2	0.2	0.8
b. Assets greater than \$100 million								
C. Individual Raisers								
1. Extend Pease and PEP for 1996 and 1997		--	--	--	--	3.3	6.2	9.5
2. Tax annuities for a term certain (e.g., 5 yrs. or 10 yrs. without a life contingency) in the same manner as a bond issued for the same period		*	0.1	0.2	0.4	0.5	0.6	1.9
D. Excise Tax Raisers								
1. Communications (telephone) excise tax modernization - Until recently, it was thought that the telephone excise tax would be phased out; however, Congress has now made the tax permanent. In light of this development, there are gaps in the coverage of the tax that reflect the fact that the tax has not been updated for modern technology and exemptions that have no apparent justification now that the tax has been made permanent.								
a. Extend 3% communications tax to digital transmissions, satellite dishes, earth stations, CPU, and PCX combinations and repeal the exemption for coin-operated telephones.		*	0.2	0.2	0.2	0.2	0.3	1.2
b. Extend 3% communications tax to cable television		0.2	0.3	0.4	0.4	0.4	0.5	2.2 (JCT)
c. Extend 3% communications tax to all spectrum (new and old) users not already subject to tax. [Note: The spectrum auction in last year's budget and proposed by Sen. Dole would raise \$1.5 billion but would apply only to NEW spectrum.]		0.9	1.0	1.1	1.2	1.3	1.4	6.8
2. Repeal diesel fuel exclusion for boats (offsets boat luxury tax repeal)		*	*	*	*	*	*	0.1
3. Repeal exemption for gasoline used in an off-highway business use including air transportation of persons or property for hire but not noncommercial aviation (effective 7/1/92). [This proposal is being refined to be a possible offset for repeal of the aircraft luxury tax.]		*	0.2	0.2	0.2	0.2	0.3	1.2
4. Repeal exemption for diesel fuel and special motor fuel sold for use in an off-highway, non-farm business		0.3	1.2	1.2	1.2	1.1	1.1	6.1
E. Securities transaction excise tax (STET) - .1% rate (excludes trading of Treasury, Federal Agency, and State and Local securities)		2.5	3.6	3.9	4.1	4.3	4.5	22.9

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years 1994 1995		1996	1997	1992-97
		(\$ billions)						
F. Capital Gains (effective 2/1/92)								
1. President's proposal (10%/20%/30%)		0.5	3.1	2.1	1.1	1.2	1.0	9.0
2. Prospective President's proposal (10%/20%/30%) with mark-to-market option (2/1/91 to 12/31/91)		0.4	1.8	-0.9	-1.2	-0.7	-0.8	-1.4
3. Prospective President's proposal (15%/30%/45%) with mark-to-market option (2/1/91 to 12/31/91)		0.7	3.0	-1.7	-2.1	-1.4	-1.5	-2.9 ***
4. Prospective President's proposal (15%/30%/45%), with 20% exclusion for assets held 3+ years, which are sold or marked-to-market between 2/1/91 and 12/31/91		1.0	4.3	-2.1	-2.6	-1.7	-1.6	-2.7 ***
5. President's proposal that applies only to gains reinvested in noncollectible assets within 60 days (IRS could find proposal very difficult to enforce)		0.5	3.1	2.1	1.1	1.2	1.0	9.0 ***
6. Prospective President's proposal (15%/30%/45%) with		0.5	2.2	-1.6	-1.9	-1.3	-1.3	-3.4
a. 20% exclusion for timber held by individuals for at least 3 years		-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.6
b. \$100,000 lifetime exclusion for old assets held at least 3 years		-2.8	-18.0	-12.6	-10.5	-9.5	-8.1	-61.5
TOTAL EFFECT:		-2.4	-15.9	-14.3	-12.5	-10.9	-9.5	-65.5 ***
7. Japanese plan - Taxpayer may pay either tax based on a 35% exclusion or 1% of gross sales price for assets held at least 1 year		-3.7	-25.7	-30.9	-36.4	-41.4	-46.2	-194.2 ***
8. Modified Breaux plan - If President's capital gains cut does not produce targeted revenues in 4 years, provision automatically expires		0.5	3.1	2.1	1.1	1.2	1.0	9.0 ***

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years		1994	1995	1996	1997	1992-97
				(\$ billions)						
REVENUE LOSERS										
A. Extender List (2)										
1. Research and Development (R&D)										
a. Extend R&D credit		-0.2	-0.8	-1.4	-1.6	-1.8	-2.1	-7.8		
I. Permanent		-0.2	-0.8	-0.5	-0.1	-0.1	-*	-1.7		
II. 1-1/2 years										
b. Extend R&D allocation rules		-0.2	-0.5	-0.7	-0.7	-0.7	-0.8	-3.5		
I. Permanent		-0.2	-0.5	-0.3	--	--	--	-0.9		
II. 1-1/2 years										
c. Extend R&D credit/allocation but require taxpayer to elect one provision or the other effective 1/1/93. (Change thereafter with consent of IRS.)		-0.3	-1.1	-1.6	-1.9	-2.2	-2.5	-9.6		
I. Permanent		-0.3	-0.9	-0.6	-0.2	-0.1	-*	-2.2		
II. 1-1/2 years										
2. Extend small industrial bond exception only for new farmers, keeping limit at \$250,000 per issue (other small issues would expire).		-*	-*	-*	-*	-*	-*	-*		
a. Permanent		-*	-*	-*	-*	-*	-*	-*		
b. 1-1/2 years										
3. Targeted Jobs Tax Credit (TJTC)		-0.1	-0.2	-0.2	-0.1	-*	-*	-0.5		
a. Extend TJTC for 1-1/2 years		-0.1	-0.3	-0.4	-0.2	-0.1	-0.1	-1.1		
b. Extend TJTC for 1-1/2 years and expand eligible hires to include unemployed who have exhausted a full 26-week entitlement to unemployment (would require rules to prevent fire and hire)										
4. Appreciated property - AMT		-*	-*	-0.1	-0.1	-0.1	-0.1	-0.4		
a. Expand and extend charitable contributions relief by excluding gifts of appreciated property from AMT tax base		-*	-*	-*	-*	-*	-0.1	-0.2		
b. Allow corporations to treat all charitable contributions as domestic source deductions.										
5. Mortgage revenue bonds		-*	-*	-0.1	-0.1	-0.2	-0.3	-0.7		
a. Permanent		-*	-*	-0.1	-0.1	-0.1	-0.1	-0.3		
b. 1-1/2 years										
6. Low-income housing credit		-*	-0.2	-0.4	-0.7	-1.0	-1.4	-3.6		
a. Permanent		-*	-0.2	-0.3	-0.4	-0.4	-0.4	-1.7		
b. 1-1/2 years										

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years 1994	1995	1996	1997	1992-97
		(\$ billions)						
7. Business energy credits								
a. Permanent		-*	-*	-*	-0.1	-0.1	-0.1	-0.3
b. 1-1/2 years		-*	-*	-*	-*	*	*	-0.1
8. Orphan drug credit								
a. Permanent		-*	-*	-*	-*	-*	-*	-*
b. 1-1/2 years		-*	-*	-*	-*	-*	-*	-*
SUBTOTAL - PERMANENT EXTENSION OF CERTAIN EXPIRING PROVISIONS (ITEMS 1c, 2a, 3a, 4, 5a-8a)		-0.5	-1.6	-2.4	-2.9	-3.6	-4.4	-15.4
SUBTOTAL - 1-1/2 YEAR EXTENSION OF CERTAIN EXPIRING PROVISIONS (ITEMS 1a, 1b, 2b, 3a, 4, 5b-8b)		-0.6	-1.8	-1.5	-0.8	-0.7	-0.7	-6.0
B. Growth Options (other than capital gains)								
1. Real Estate items								
a. Allow penalty-free withdrawals from IRAs for first-time homebuyers (1992 budget proposal)		-*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4
b. Allow 5%-of-purchase-price credit for purchase of a newly-constructed principal residence between 2/1/92 and 10/31/92, limit \$2,000 (similar to section 44 of 1976 Code) - (recapture if sold within 3 years)								
I. Apply to any homebuyer		-0.1	-1.0	*	0.1	0.1	--	-1.0
II. Limited to first-time homebuyers (have not owned home within last 3 years)		-*	-0.3	*	*	*	--	-0.3
III. Limited to first-time homebuyer and applies to purchase of any first home		-0.2	-2.1	0.1	0.1	0.1	--	-2.0
c. Allow 10%-of-purchase-price credit for purchase of a newly-constructed principal residence between 2/1/92 and 10/31/92, limit \$5,000 (similar to section 44 of 1976 Code) - (recapture if sold within 3 years)								
I. Apply to any homebuyer		-0.3	-2.5	0.1	0.2	0.1	--	-2.3
II. Limited to first-time homebuyers (have not owned home within last 3 years)		-0.1	-0.7	*	*	*	--	-0.7
III. Limited to first-time homebuyer and applies to purchase of any first home		-0.6	-5.3	0.2	0.3	0.3	--	-5.0
d. Allow losses on sales of personal residences as casualty losses (i.e., fully deductible to extent in excess of 10% of AGI)		-*	-0.4	-0.4	-0.4	-0.4	-0.3	-1.9

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years 1994	1995	1996	1997	1992-97
		(\$ billions)						
e. Revise passive loss rules								
I. Republican Conference proposal (netting allowed if 500 hours and 50% of time spent on real estate)		-0.6	-1.4	-1.0	-1.0	-0.8	-0.8	-5.6
II. Allow taxpayer to treat all real estate development operations in which he actively participates as a single trade or business (i.e., allows current netting of gains and losses). However, real estate development for this purpose would include only:		-0.2	-0.5	-0.4	-0.5	-0.6	-0.7	-2.8
i. Construction, renovation, and management of real property								
ii. Lease-up and sale of property in which the taxpayer owns a fee interest equal to 10% or more at all times; and								
iii. Rental of real property developed by the taxpayer.								
f. Allow rollover of full tax basis on sale of home at a loss (Current law restricts rollover to sales proceeds of home sold.)		-*	-*	-*	-*	-*	-*	-*
2. Savings Incentives								
a. Family Savings Accounts (FSAs) (1992 budget proposal)		-*	-0.2	-0.6	-1.1	-1.5	-2.0	-5.4
b. Plus rollover option for direct contribution IRA (i.e., no rollover IRAs) -- entire rollover taxed over 4 years		*	*	-0.4	-0.8	-1.3	-2.0	-4.4
c. FSA proposal as in 1992 budget with rollover and no income limits		*	0.1	-0.4	-1.0	-1.6	-2.5	-5.4
3. Investment Credits/Expensing								
a. Incremental ITC -- 5% credit on new equipment (other than buildings and their structural components) placed in service after 4/1/92 in excess of base. Base in 1991 is equal to average investment in such property for 1989-91 (in 1991 dollars). Three-year property receives a 3-1/3% credit. Basis would be reduced by credit allowed and subject to general business credit limitations.								
I. 1-year		-1.6	-1.5	-*	-*	*	*	-3.0
II. 1-year, base in 1991 is not indexed to 1991 dollars		-2.4	-1.8	-*	-*	*	0.1	-4.1 ***
III. 1-year, base in 1991 equals 90% of 1989-91 average (in 1991 dollars)		-3.7	-3.1	-0.1	-*	0.1	0.1	-6.8
IV. 1-year. In addition, allow 10% credit for businesses (other than professional service businesses) with gross receipts of less than \$1 million in 1991 (i.e., 15% altogether)		-1.8	-1.7	-*	-*	*	0.1	-3.5 ***

NOTE: All of these proposals will require difficult-to-administer anti-abuse rules to prevent artificial creation of new entities to claim the credit.

POSSIBLE OPTIONS

01/23/92
10:31 AM

Fiscal years

1992

1993

1994

1995

1996

1997

1992-97

(\$ billions)

b. 1-year increase in expensing from current \$10,000 to \$100,000, with no phaseout	-7.0	-4.6	3.9	2.2	1.6	0.6	-3.3
c. 1-year full expensing of equipment (but not land, buildings, or structural components of buildings), with carryforward, non-refundable	-38.5	-17.8	19.7	11.5	8.3	4.8	-12.1
d. Allow additional first-year depreciation equal to 10% of purchase price for equipment purchased between 2/1/92 and 12/31/92 (could be described as partial expensing)							
I. Additional depreciation applies in same year as purchase (1992)	-4.2	-2.3	1.9	1.1	0.9	0.6	-2.0
II. Additional depreciation applies 1 year after purchase (1993)	1.1	-2.7	-2.5	1.0	0.8	0.5	-1.7
e. Eliminate the ACE depreciation adjustment on equipment purchased after 2/1/92 for purposes of the corporate AMT. (This eliminates one of two depreciation adjustments in the corporate AMT and should provide an incentive for corporations that will not benefit from an ITC.)	-0.1	-0.4	-0.4	-0.3	-0.2	-0.2	-1.5
f. Allow a corporation (other than an S corporation) to elect to defer for 3 years up to the lesser of 10% of federal income tax liability for 1992 or the firm's investment in equipment in 1992							
I. Limit to corporations with less than \$1 million in gross receipts in 1991	-0.4	-0.3	--	0.4	0.3	--	--
II. No gross receipts limit	-4.1	-2.8	--	4.1	2.8	--	--
4. Other							
a. Repeal luxury taxes							
I. Boats	-.*	-.*	-.*	-.*	-.*	-.*	-0.1
II. Airplanes	-.*	-.*	-.*	-.*	-.*	-.*	-0.1
b. Enterprise zones							
I. 1992 budget proposal	-.*	-0.1	-0.2	-0.3	-0.5	-0.8	-1.9
II. Rostenkowski proposal	-.*	-.*	-0.2	-0.4	-0.6	-0.8	-2.0
c. Allow deduction for interest paid on student loans	-0.3	-0.5	-0.4	-0.4	-0.5	-0.5	-2.1
d. Allow exclusion of employer-provided transit passes from income							
I. Increase \$21-per-month limit to \$65-per-month (with cliff)	-.*	-.*	-.*	-.*	-.*	-.*	-0.1
II. Increase \$21-per-month limit to \$65-per-month (eliminate cliff)	-.*	-.*	-.*	-.*	-.*	-.*	-0.1

POSSIBLE OPTIONS

01/23/92
10:31 AMFiscal years
1992 1993 1994 1995 1996 1997 1992-97

(\$ billions)

e. Allow a deduction for interest of up to \$7500 per return per year,
phase-out home equity deductions over 3 years.

I. Unindexed

II. Indexed in years after 1992

-6.8 -11.8 -12.4 -12.9 -13.5 -14.1 -71.5 very
preliminary
not availablef. Allow up-to \$2,000 deduction on consumer interest (home-equity loans reduced
by consumer interest deduction dollar-for-dollar)-4.8 -8.2 -8.6 -9 -9.4 -9.8 -49.8 very
preliminaryg. Allow up-to \$2,000 deduction on auto-loan interest (home-equity loans reduced
by auto-loan interest deduction dollar-for-dollar)-2.1 -3.6 -3.7 -3.9 -4.1 -4.2 -21.6 very
preliminaryh. Allow interest deduction for auto-loans originated after 2/1/92,
\$1,000 limit, (home-equity loan reduced dollar-for-dollar)-0.2 -0.6 -1.1 -1.4 -1.5 -1.6 -6.4 very
preliminaryi. Allow interest deduction for auto-loans originated between 2/1/92 and 12/31/92,
\$1,000 limit (home-equity loan reduced dollar-for-dollar)-0.2 -0.4 -0.4 -0.3 -0.1 0.0 -1.4 very
preliminary

j. Increase child-care credit \$50 per month (from current \$200) (eff. 1/1/93)

-- -0.2 -0.2 -0.2 -0.2 -0.3 -1.1

5. Middle-Class Tax Relief

a. Allow wage earners to exclude 50% of social security taxes paid
from taxable income, up to a maximum exclusion of \$1000 per worker.
The exclusion is phased-out between \$30,000-\$40,000 (single),
\$40,000-\$50,000 (hh), and \$50,000-\$60,000 (joint).
There is no refundability feature.

I. Permanent

II. 1-year

III. 2-year

IV. Permanent, phase-out ranges are \$32,260-\$42,260 (single and married
filing separately), \$48,390-\$58,390 (hh), and \$64,520-\$74,520 (joint)-2.2 -4.5 -4.7 -4.8 -4.9 -4.9 -26.1
-2.2 -2.2 -- -- -- -- -4.4
-2.2 -4.5 -2.3 -- -- -- -9.0
-4.3 -8.8 -9.2 -9.6 -10.0 -10.4 -52.2b. Increase personal exemption by \$1,200 per child and change
rounding rules to nearest \$10 (Wolf)

I. 1-year

II. Permanent

-7.5 -3.2 -- -- -- -- -10.7
-7.5 -10.9 -10.9 -10.8 -12.1 -12.2 -64.4

POSSIBLE OPTIONS

	01/23/92 10:31 AM	1992	1993	Fiscal years			1992-97
				1994	1995	1996	1997

* raises less than \$50 million

-* loses less than \$50 million

-- negligible effect

- (1) Two revenue-raising compliance proposals are not included: (a) withholding on independent contractors (Commissioner Goldberg would include), and (b) business information reporting.
- (2) On the extender list, three items were not included: (a) employer-provided educational assistance, (b) group legal services, and (c) self-employed health insurance (to be included in health package).

PRELIMINARY DRAFT

REVENUE OPTIONS

AS SUGGESTED BY VARIOUS PARTIES

NOTE: INCLUSION OF AN OPTION
DOES NOT IMPLY SUPPORT BY ANY PARTY

REVENUE OPTIONS

Revenue estimates are preliminary and subject to change.
Interaction between proposals if combined may affect estimates.
Proposals are estimated to be effective 1/1/91
unless otherwise specified.

A. Revenue raising items from the Administration Budget.

NOTE: Capital gains proposals are covered in category H.

1. Airport and Airway Trust Fund.

a. Continue tax at current levels.

JCT	.9	1.6	1.7	1.8	2.0	--	8.0
OTA	0	0	0	0	0	--	0

For baseline receipts scoring, OMB assumes that the Airport and Airway taxes will be extended without reduction by the trigger. CBO assumes that the trigger will take effect for purposes of determining its baseline. This difference accounts for the difference in scoring.

b. Repeal trigger and increase air passenger tax to 10% (from 8%), air freight tax to 6.25% (from 5%), the noncommercial aviation gasoline tax to 15¢/gallon (from 12¢), and the noncommercial jet fuel tax to 17.5¢/gallon (from 14¢).

JCT	1.3	2.3	2.5	2.7	3.0	--	11.8
OTA	.5	.8	.9	.9	1.0	--	4.1

As in 1a, different baseline scoring rules account for the difference in the estimates.

2. a. Require property and casualty companies to utilize estimated salvage in computing losses (Budget proposal). Effective 1/1/90.

JCT	.5	.3	.3	.2	.1	--	1.4
OTA	.5	.3	.3	.2	.1	--	1.4

b. Same proposal with fresh start.

JCT	.3	.2	.2	.1	.1	--	.9
OTA	.3	.2	.2	.1	.1	--	.9

3. a. Allow excess pension funds to be used to pay retiree health benefits. (Budget proposal: this proposal is similar to the provision which passed the House last year.)

JCT	.3	.5	.2	*	*	--	1.0
OTA	.3	.6	.3	*	*	--	1.2

- b. Allow transfers from overfunded pension plans for current year retiree health expenditures (provision passed by Senate last year)

JCT	.6	.4	.4	.3	.3	--	2.0
OTA	.4	.2	.1	.1	*	--	.8

NOTE: In addition, there will be staff work on a possible alternative provision.

4. Increase ad valorem fee on shippers (Harbor Maintenance Tax).

JCT	.3	.3	.3	.4	.4	--	1.7
OTA	.3	.3	.3	.4	.4	--	1.7

5. Extend social security to state and local employees.

- a. Budget proposal.

JCT	1.6	2.3	2.4	2.6	2.8	--	11.7
OTA	2.2	2.4	2.5	2.7	2.9	--	12.7

- b. Budget proposal with exclusion for students.

JCT	1.3	1.9	2.1	2.2	2.4	--	9.9
OTA	1.8	2.0	2.1	2.3	2.5	--	10.7

Possible expenditure offsets to 5a or b:

- * Increase retirement test by \$1,200

JCT
OTA

- * Other social security amendments such as those proposed by the Ways and Means Social Security Subcommittee not to exceed \$500 million in cost over 5 years.

6. Extend Medicare tax to all state and local government employees.

	JCT	OTA
1.7	1.7	1.7
1.6	1.6	1.6
1.6	1.6	1.6
1.7	1.7	1.7
1.6	1.6	1.6
8.2	--	8.4

NOTE: In addition to the foregoing, the Budget contained the following items:

IRS management reforms

OTA	
2.5	1.1
.5	*
-.4	--
3.7	

Stabilize payroll tax deposit rules

OTA	
.9	2.2 - 3.1
*	*
--	--
*	*

The payroll tax proposal is important administratively but was not considered for deficit reduction purposes.

7. a. Make telephone excise tax permanent.

JCT	OTA
1.5	1.5
2.6	2.6
2.8	2.8
2.9	3.0
3.1	3.2
--	--
12.9	13.1

- b. Speed up collection

JCT	OTA
.1	.1
*	*
*	*
*	*
--	--
.1	.1

NOTE: The Senate and House utilize Item 7 for child-related legislation.

- B. Compliance proposals and LUST Fund extension.

8. Impose withholding on pension payments.

JCT	OTA
2.4	3.1
1.0	1.5
1.1	1.7
1.2	2.1
1.4	2.4
--	--
7.1	10.8

9. Improve compliance for employers of household employees.

JCT	OTA
*	*
.1	.1
.1	.1
.1	.1
--	--
.4	.4

10. Improve reporting by foreign-owned entities with U.S. operations (H.R. 4308 and S. 2410)

- a. Extend reporting rules adopted in 1989 (6038A) to open years for corporations and extend rules to branches.

JCT	*	*	.1	.1	.1	--	.3
OTA	*	*	.1	.1	.1	--	.3

- b. Allow IRS to extend unilaterally statute of limitations for foreign-owned entities.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

11. Extend LUST fund tax. Effective 9/1/90.

- a. Permanent extension with no ceiling.

JCT	.1	.1	.1	.1	.1	--	.5
OTA	.1	.1	.1	.1	.1	--	.5

- b. 5-year extension with no ceiling.

JCT	.1	.1	.1	.1	.1	--	.5
OTA	.1	.1	.1	.1	.1	--	.5

- c. Permanent extension with \$1.5 billion ceiling.

JCT	.1	.1	.1	.1	.1	--	.5
OTA	.1	.1	.1	.1	.1	--	.5

C. Rates.

12. 33% top rate: Eliminate 5% phase-out of 15% bracket and exemptions, create third bracket of 33% at beginning point of current phase-outs, limit capital gains rate to 28%.

JCT	4.0	7.9	9.0	10.2	11.4	--	42.5
OTA	5.7	10.2	10.5	11.0	11.6	--	49.0

13. 35% top rate: Eliminate 5% phase-outs, create third bracket of 33% at beginning point of current phase-out, create fourth bracket of 35% at end point of current phase-out (assuming 2 exemptions for joint and head of household returns), limit capital gains rate to 28%.

JCT	5.8	11.3	12.7	14.6	16.2	--	60.4
OTA	8.0	14.2	14.8	15.5	16.3	--	68.8

14. Repeal 5% phase-out (bubble): Eliminate 5% phase-out, leaving a single top bracket of 28%.

JCT	-4.8	-9.1	-10.2	-11.3	-12.7	--	-48.2
OTA	-4.9	-8.6	-9.6	-10.4	-11.1	--	-44.5

15. Repeal 5% phase-out, modified: Eliminate 5% phase-out, but deny personal and dependency exemptions to taxpayers with AGI in excess of \$113,000 (single) and \$193,400 (joint). These thresholds will be indexed beginning in 1992.

JCT	-3.8	-7.5	-8.4	-9.3	-10.3	--	-39.3
OTA	-3.9	-6.9	-7.7	-8.3	-8.9	--	-35.7

16. 31% top rate: Eliminate 5% phase-out, create third bracket of 31% at beginning point of current phase-out, limit capital gains to 28%.

JCT	.5	1.2	1.4	1.7	2.0	--	6.9
OTA	1.4	2.6	2.5	2.5	2.5	--	11.5

D. Energy and Environmental.

17. Increase motor fuel taxes by 15¢ gallon. Effective 10/1/90.

	<u>Current Tax</u>						<u>Proposal</u>
Gallon of gasoline	9¢						24¢
Gallon of diesel	15¢						30¢
JCT	15.0	14.4	14.1	14.4	14.5	--	72.4
OTA	14.1	14.4	14.3	14.1	14.3	--	71.2

18. Increase motor fuels taxes by 10¢ gallon with one-half dedicated to deficit reduction; one-half to trust fund. Effective 10/1/90.

	<u>Current Tax</u>						<u>Proposal</u>
Gallon of gasoline	9¢						19¢
Gallon of diesel	15¢						25¢
JCT	10.1	9.7	9.6	9.8	9.9	--	49.1
OTA	9.5	9.7	9.7	9.6	9.8	--	48.3

Net deficit reduction:

JCT	[Depends on outlays
OTA	from trust fund.]

19. Broad-based energy tax imposed on all fuels including petroleum, natural gas, coal, and electricity generated by hydro-electric and nuclear facilities. Exports of such fuels would be exempt and imports would be taxed. In addition, if the price of a manufactured product reflects energy costs as a major component, consideration will be given to providing that the tax would be partially rebated upon export and an appropriate tax imposed on imports of such product. Fuels used as feedstocks would not be taxed. OTA effective date is 10/1/90; JCT effective date is 1/1/91.

- a. Imposed on a 5% retail price ad valorem basis, using retail price as a base for electricity.

JCT	9.7	14.5	15.4	16.2	17.1	--	72.9
OTA							

- b. Imposed on a 5% retail price ad valorem basis, using fuel prices to utilities as base for electricity.

JCT	8.1	12.1	12.7	13.3	14.0	--	60.2
OTA	10.5	11.4	11.9	12.4	12.9	--	59.0

With anticipated price impact based on OTA estimates:

	<u>Tax</u>	<u>Current price</u>	<u>Implicit Rates</u>
Gasoline (gal.)	\$.053	\$ 1.067	5%
Heating oil (gal.)	.032	.874	3.7%
Natural gas (000 cf)	.295	5.90	5%
Coal (short ton)	1.65	32.97	5%
Monthly residential electric bill	.82	60.00	1.4%

- c. Imposed on a BTU-equivalent base.

JCT	10.6	15.9	16.0	16.1	16.2	--	74.9
OTA	10.9	11.7	11.9	12.1	12.3	--	59.0

With anticipated price impact based on OTA estimates:

	<u>Tax</u>	<u>Current price</u>
Gasoline (gal.)	\$.025	\$ 1.067
Heating oil (gal.)	.028	.874
Natural gas	.207	5.90
Coal	4.19	32.97
Monthly residential electric bill	1.90	60.00

- d. Imposed on a modified BTU base (reduced impact on coal).

JCT							
OTA	10.9	11.7	11.9	12.1	12.3	--	59.0

With anticipated price impact based on OTA estimates:

	Tax	Current price
Gasoline (gal.)	\$.030	\$ 1.067
Heating oil (gal.)	.033	.874
Natural gas	.243	5.90
Coal	1.81	32.97
Monthly residential electric bill	2.23	60.00

20. Impose oil import fee of \$5/barrel with exemption for Canada capped at average imports between 1985-1988.

JCT	6.4	8.3	8.3	8.7	9.3	--	41.0
OTA	6.9	9.0	9.3	9.6	9.8	--	44.6

21. Impose tax on lead. Current price, approximately \$.50/pound. Effective 10/1/90.

- a. \$.50 per pound.

JCT	.6	.9	.8	.7	.6	--	3.6
OTA	.6	.8	.8	.7	.7	--	3.6

- b. \$1.00 per pound.

JCT	1.2	1.7	1.3	1.1	.8	--	6.1
OTA	1.1	1.4	1.2	1.0	.9	--	5.6

- c. \$1.25 per pound.

JCT	1.5	2.0	1.5	1.1	.8	--	6.9
OTA	1.3	1.7	1.4	1.2	1.0	--	6.6

22. Impose \$7 per ton tax on virgin newsprint. Effective 10/1/90.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

NOTE: Due to baseline conventions of OMB and CBO, reauthorization of the Superfund will not be scored as raising revenue in the budget period.

NOTE: In addition, staff inquiries are underway to determine whether other chemicals should be added to the CFC excise enacted last year.

E. Other Excise Taxes.

23. Tobacco. Effective 10/1/90.

- a. Double all existing tobacco taxes (e.g., cigarettes from 16¢ to 32¢ per pack).

JCT	2.8	3.0	3.0	2.9	2.9	--	14.6
OTA	2.6	2.8	2.7	2.7	2.7	--	13.5

- b. Double existing tax and index commencing 1992.

JCT	3.0	3.5	3.7	3.9	4.2	--	18.3
OTA	2.7	3.0	3.3	3.6	4.2	--	16.8

- c. Index tobacco taxes from current levels commencing 1991.

JCT	.1	.2	.3	.4	.6	--	1.6
OTA	.1	.2	.2	.2	.3	--	1.0

24. Alcoholic Beverages. Effective 10/1/90.

- a. CBO Report option: increase distilled spirits tax from \$12.50/gallon to \$16/gallon (25 cents/oz.) and impose equivalent tax by alcohol content on beer and wine.

JCT	7.2	7.3	7.4	7.6	7.6	--	37.1
OTA	6.4	6.8	6.9	7.0	7.0	--	34.1

Impact on price of:

	<u>Current tax</u>	<u>Option</u>
6 pack of beer	\$.16	\$.72
Bottle of table wine	\$.03	\$.90
Bottle of distilled spirits	\$2.00	\$2.56

- b. Increase \$12.50/gallon rate on distilled spirits to \$15.00/gallon (increases tax as if indexed from 1985 when last increased).

JCT	.4	.5	.5	.5	.5	--	2.4
OTA	.5	.5	.5	.6	.6	--	2.7

Impact on price of:

	<u>Current tax</u>	<u>Option</u>
Bottle of distilled spirits	\$2.00	\$2.40

- c. Double current tax on beer and wine.

JCT	1.4	1.5	1.5	1.5	1.5	--	7.4
OTA	1.4	1.5	1.5	1.5	1.5	--	7.4

Impact on price of:

	<u>Current tax</u>	<u>Option</u>
6 pack of beer	\$.16	\$.32
Bottle of table wine	\$.03	\$.06

- d. Double current tax on beer and wine and index them until they reach level of tax on distilled spirits imposed on an alcohol equivalent basis.

JCT	1.5	1.7	1.8	1.9	2.1	--	9.0
OTA	1.4	1.6	1.7	1.8	1.9	--	8.4

Impact on price of:

	<u>Current tax</u>	<u>Option</u> <u>(1991)</u>
6 pack of beer	\$.16	\$.32
Bottle of table wine	\$.03	\$.06

25. Impose a securities transfer excise tax (STET). The base proposal would exempt original issues of all securities and Treasury and state and local bonds. Other exemptions for agricultural commodities and short-term money-market instruments are being considered. Effective 10/1/90.

- a. .003 rate

JCT	4.2	6.1	6.4	6.8	7.1	--	30.6
OTA	5.6	7.4	8.2	8.5	9.0	--	38.7

- b. .0015 rate

JCT	2.1	3.1	3.2	3.4	3.6	--	15.4
OTA	3.5	4.9	5.4	5.6	5.9	--	25.3

F. Luxury Excise Taxes. Effective 10/1/90.

26. Tax 10% of the purchase price, net of thresholds:

Automobiles - \$25,000
 Boats and yachts - \$25,000
 Furs - \$500
 Private aircraft - no threshold.

JCT	.5	.6	.6	.7	.8	--	3.2
OTA	.5	.6	.6	.7	.7	--	3.1

27. Tax 10% of the purchase price, net of thresholds:

Automobiles - \$30,000
 Boats and yachts - \$30,000
 Electronics - \$1,000
 Jewelry - \$1,000
 Furs - \$500

JCT	1.2	1.9	2.1	2.2	2.2	--	9.6
OTA	1.1	1.8	1.9	2.0	2.1	--	8.9

W. J. J. 0.9 1.5 1.7 1.8 1.9 7.4

G. Itemized Deductions.

28. Impose a limit on the amount of deductible state and local income taxes.

a. \$15,000 limit.

JCT	.8	5.4	5.6	6.2	6.8	--	24.8
OTA	1.5	5.0	4.6	5.0	5.4	--	21.5

b. \$10,000 limit.

JCT	1.0	6.6	6.8	7.5	8.3	--	30.1
OTA	1.9	6.5	6.0	6.5	7.0	--	27.9

c. \$5,000 limit.

JCT	1.4	9.4	9.6	10.5	11.6	--	42.5
OTA	3.0	10.1	9.4	10.3	11.3	--	44.1

29. Impose a floor on deduction of state and local income taxes.

a. 1% of adjusted gross income.

JCT	.6	4.1	3.3	3.5	3.8	--	15.2
OTA	1.6	4.8	3.4	3.6	3.8	--	17.2

b. 2% of adjusted gross income.

JCT	1.2	7.8	6.8	7.4	7.9	--	31.0
OTA	3.1	9.7	7.7	8.1	8.5	--	37.1

30. Reduce deduction for total itemized deductions by 10% of modified adjusted gross income (AGI) in excess of \$100,000.

JCT	1.7	11.4	11.7	12.9	14.1	--	51.7
OTA	4.2	15.0	15.0	16.5	17.9	--	68.8

31. Impose a limit on total itemized deductions.

a. \$100,000 limit.

JCT	1.2	7.8	8.3	9.1	9.9	--	36.3
OTA	1.9	6.8	5.7	5.6	5.6	--	25.4

b. \$75,000 limit.

JCT	1.4	9.2	9.8	10.6	11.7	--	42.0
OTA	2.5	8.5	7.6	7.6	7.6	--	33.8

c. \$50,000 limit.

JCT	1.8	11.8	12.7	13.9	15.2	--	55.4
OTA	3.6	12.4	11.2	11.3	11.4	--	50.0

d. \$25,000 limit.

JCT	3.0	19.9	21.1	23.0	25.0	--	92.0
OTA	7.0	24.0	22.1	22.4	22.6	--	98.1

32. Include employer's cost of medical insurance above \$250/\$100 per month cap in income if wages exceed \$100,000.

JCT	.2	.4	.4	.5	.6	--	2.1
OTA	.2	.4	.4	.5	.6	--	2.1

33. Include employer's cost of group term life insurance in income if wages exceed \$100,000.

JCT	.1	.1	.1	.1	.1	--	.5
OTA	.1	.1	.1	.1	.1	--	.5

34. Reduce maximum loan for home equity indebtedness deduction from \$100,000 to \$50,000. Effective 7/16/90. Grandfather existing loans.

JCT	*	.1	.2	.2	.2	--	.7
OTA	*	*	*	.1	.1	--	.3

H. Business Deductions.

35. Reduce deduction for business meals and entertainment from 80% to 50% of costs.

JCT	2.0	3.4	3.6	3.9	4.1	--	17.0
OTA	2.1	3.7	3.9	4.2	4.5	--	18.4

36. CBO Advertising option: Require amortization of 20% of advertising costs over 4 years (remaining 80% would continue to be currently deductible).

JCT	2.9	4.8	3.7	2.4	1.5	--	15.3
OTA	3.6	5.1	3.5	2.1	1.2	--	15.5

37. Require life insurance companies to amortize policy acquisition costs over 10 years. 5-year phase-in. (This proposal is sometimes referred to as "deferred acquisition cost" or "DAC".)

JCT	.7	2.0	3.2	4.5	5.7	--	16.1
OTA	.7	1.9	3.1	4.3	5.6	--	15.6

NOTE: The staffs have been directed to make sure that this proposal fairly taxes both segments of the life insurance industry.

I. Capital Gains and Other Savings and Investment Proposals (unless otherwise stated, all capital gains proposals are estimated effective 10/1/90).

38. Budget proposal: 30% exclusion for individual assets held 3 years, 20% exclusion for individual assets held 2 years, 10% exclusion for individual assets held 1 year, phased in.

JCT	3.6	-4.2	-3.5	-4.3	-3.1	--	-11.5
OTA	4.9	2.8	1.2	1.7	1.4	--	12.0

39. a. Allow 30% exclusion for individual capital assets held more than 1 year or indexing for inflation after 12/31/90.

JCT	4.1	-2.4	-3.0	-4.9	-5.5	--	-11.7
OTA	3.3	2.3	-.4	-1.9	-2.1	--	1.2

b. Same exclusion for corporate assets.

JCT	-.9	-1.5	-1.6	-1.7	--	-7.3
OTA	-.3	-1.0	-1.4	-1.8	-2.0	--

40. a. Allow 30% exclusion for individual capital assets held more than 1 year and indexing for inflation after 12/31/90.

JCT	4.0	-3.3	-4.4	-7.0	-8.2	--	-18.9
OTA	2.2	1.2	-1.6	-5.6	-6.9	--	-10.7

b. Same exclusion for corporate assets.

JCT	-.9	-1.8	-1.8	-1.9	-2.2	--	-8.6
OTA	-.3	-1.0	-1.9	-2.7	-3.2	--	-9.1

41. a. Allow a 5% exclusion for each year of holding on individually-held capital assets to maximum of 7 years (i.e., maximum exclusion, 35%) or indexing for inflation occurring after 12/31/91 on assets held at least 2 years.

JCT	2.3	-1.2	-1.8	-3.6	-4.4	--	-8.7
OTA	2.2	2.8	1.9	.6	-.1	--	7.4

b. Allow a 1% rate reduction for corporate assets for each 3 years held to a maximum of 15 years, 5%.

JCT	-.7	-.7	-.8	-.8	-.9	--	-3.9
OTA	-.2	-.3	-.4	-.5	-.5	--	-1.9

42. Allow indexing of basis for inflation occurring after 12/31/91 for individual assets held at least 1 year.

JCT	*	*	-.3	-1.5	-2.7	--	-4.5
OTA	.2	-.1	-1.1	-1.8	-1.9	--	-4.7

43. Allow a 15% exclusion for individual assets held at least 1 year.

JCT	1.3	-.7	-.8	-1.0	-1.2	--	-2.4
OTA	2.2	2.8	1.8	1.4	1.2	--	9.4

44. Allow a 20% exclusion for individual assets held at least 2 years, phased in.

JCT	1.4	-1.0	-1.4	-1.6	-1.6	--	-4.2
OTA	2.2	1.2	1.6	1.1	.9	--	7.0

45. Allow a 30% exclusion for individual assets held at least 3 years, phased in.

JCT							
OTA	3.2	.6	-.1	1.2	.5	--	5.4

46. Allow a 45% exclusion for individual assets held at least 1 year.

JCT	3.7	-3.2	-5.6	-8.1	-8.3	--	-21.5
OTA	3.7	2.3	-.2	-1.9	-3.1	--	.8

47. Allow a lifetime exclusion of \$125,000 in capital gains for assets held at least 3 years (would not affect existing exclusion for residence sales by those over 55).

JCT	-7.5	-5.4	-4.1	-3.6	-3.5	--	-24.1
OTA	-4.7	-14.1	-4.9	-4.8	-4.7	--	-33.1

48. Tax capital gains of foreign shareholders in U.S. corporations with 10% or greater interest (H.R. 4308 and S.2410 provision).

JCT	.1	.2	.2	.2	.1	--	.8
OTA	.1	.2	.2	.2	.1	--	.8

49. Impose a 10% excise tax on gains recognized on securities held less than 30 days, 5% excise tax on gains recognized from securities held 30 days or more days and less than 6 months.

JCT	*	.2	.5	.5	.6	--	1.8
OTA	*	.7	1.1	1.3	1.4	--	4.5

50. Allow IRA contributions of up to \$2,000 per year for those taxpayers currently ineligible of which one-half would be currently deductible. Allow withdrawal without penalty for first-time home purchase or education.

JCT	-1.2	-3.3	-3.8	-4.3	-4.9	--	-17.4
OTA	-.7	-3.4	-3.8	-4.1	-4.5	--	-16.4

51. Administration family savings account proposal: Allow contributions of up to \$2,500 (\$5,000 family) per year for taxpayers with AGI of less than \$120,000 joint, \$100,000 head of household, \$60,000 single. Distributions would be tax-free if held in account for 7 years or more.

JCT	-.2	-.6	-1.0	-1.3	-1.8	--	-5.0
OTA	-.2	-.7	-1.0	-1.3	-1.7	--	-4.9

52. Restore pre-1986 IRAs.

JCT	-2.5	-7.1	-8.0	-9.1	-10.2	--	-36.9
OTA	-1.0	-5.0	-5.9	-6.4	-6.9	--	-25.2

53. Allow withdrawal without penalty from IRAs for first-time home purchase or education.

JCT							
OTA	-.4	-.5	-.5	-.4	-.4	--	-2.2

54. Allow up to \$10,000 withdrawal without penalty from IRA for first-time home purchase if price of home does not exceed median price in area (Budget proposal).

JCT	-.2	-.2	-.2	-.1	-.1	--	-.9
OTA	*	-.1	-.1	-.1	-.1	--	-.4

55. IRA/FSA Combination:

a. Allow taxpayers the option of:

- * contributing up to \$1,000 annually to an IRA of which 50% would be deductible if above current IRA limits or
- * contributing up to \$1,250 (\$2,500 family) to a family savings account with the same rules as option 55.

Both alternatives would be available only to taxpayers with AGI of less than \$100,000 joint, \$80,000 head of household, and \$50,000 single.

JCT							
OTA	-.5	-1.2	-1.3	-1.4	-1.6	--	-6.0

b. Allow taxpayers the option of:

- * contributing up to \$2,000 annually to an IRA of which 50% would be currently deductible if above current IRA limits or
- * contributing up to \$2,000 to an FSA (\$4,000 family) of which 50% of interest would be taxable on withdrawal after 7 years.

JCT							
OTA	-.5	-2.5	-2.8	-3.0	-3.3	--	-12.1

c. Allow taxpayers the option of:

- * full deduction for up to \$2,000 contribution to an IRA (i.e., restore pre-1986 law) or
- * \$2,000 contribution to family savings account (\$4,000 family).

JCT							
OTA	-.9	-4.9	-5.4	-5.9	-6.2	--	-23.3

56. Increase current law IRA phase-outs.

a. \$10,000 increase.

JCT	-.3	-.7	-.8	-.8	-.8	--	-3.4
OTA	-.2	-.8	-1.0	-1.0	-1.2	--	-4.2

b. \$25,000 increase.

JCT							
OTA	-.4	-1.9	-2.1	-2.3	-2.3	--	-9.0

57. Enterprise zones: Administration budget proposal.

JCT analysis concluded that the Administration proposal was too unspecified to estimate with confidence.

OTA	-.1	-.2	-.3	-.5	-.8	--	-1.9
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58. Enterprise zones: H.R. 5190.

JCT	*	-.2	-.4	-.6	-.8	--	-2.0
OTA	*	-.2	-.4	-.6	-.8	--	-2.0

NOTE: In addition to the foregoing, small business investment incentives (including estate freezes), energy tax incentives, disability provisions, and similar proposals may be considered in the course of the legislative process.

J. Low income relief provisions: To address progressivity concerns, various low-income relief provisions may need to be considered. Since these will have to be tailored to meet an emerging package, specific proposals are not described here but could be expected to include expansions of the earned income tax credit, direct rebates, standard deduction increases, or reductions in low-end thresholds or rates. For illustrative purposes, the EITC provisions of the House and Senate child care bills are included here:

59. House: Under the House proposal, the earned income tax credit (EITC) would be expanded to include adjustments for family size and the presence of young children. Using the present law income breakpoints, the credit rate would be increased according to the number of eligible children in the family as follows:

Number of Children	Credit Percentage	Phaseout Percentage	Projected Maximum Amount
1	17%	12%	\$1,211
2	21%	15%	\$1,496
3	25%	18%	\$1,780

Families would also be entitled to a supplemental credit equal to six percent of earned income (maximum credit: \$427) if they have children under the age of six. The House bill would also phase-out the child and dependent care credit for families with incomes above \$70,000.

a. EITC - Family Size Adjustment.

JCT	-.3	-2.9	-3.1	-3.4	-3.6	--	-13.3
OTA	-.3	-3.1	-3.3	-3.5	-3.7	--	-14.1

b. EITC - Young Child Supplement.

JCT	-.1	-1.1	-1.2	-1.3	-1.4	--	-5.2
OTA	-.1	-1.3	-1.4	-1.5	-1.6	--	-6.0

c. Phase-out Child and Dependent Care.

JCT	.1	.3	.3	.4	.5	--	1.5
OTA	.1	.3	.4	.4	.4	--	1.6

60. Senate: First, a young child supplement would be added to the EITC for families with children under the age of 4 and incomes less than \$15,000 (maximum credit of \$750 if 2 or more children under age 4; \$500 if one child). Second, the child and dependent care credit would be made 90% refundable. Third, families with income less than \$18,000 could be entitled to a 50% credit for health insurance expenditures, up to a maximum credit of \$500.

a. EITC.

JCT	-.1	-.6	-.7	-.7	-.8	--	-2.8
OTA	-.1	-.8	-.9	-.9	-1.0	--	-3.6

b. Child and dependent care tax credit.

JCT	-.1	-1.1	-1.1	-1.2	-1.3	--	-4.9
OTA	*	-.9	-1.0	-1.0	-1.0	--	-4.0

c. Medical insurance credit.

JCT	*	-.6	-.6	-.7	-.8	--	-2.9
OTA	*	-.4	-.5	-.6	-.6	--	-2.2

- K. Expiring provisions. Except for item 65, all restore last year's sequester. Except for the R&E allocation rules, all are effective commencing 1/1/91. The R&E allocation rules are effective for tax years beginning after 8/1/90.

61. Permanent extension.

a. Employer-provided educational assistance.

JCT	-.3	-.3	-.3	-.4	-.4	--	-1.7
OTA	-.3	-.3	-.4	-.4	-.4	--	-1.8

b. Group legal services.

JCT	-.1	-.1	-.1	-.1	-.1	--	-.5
OTA	-.1	-.1	-.1	-.1	-.1	--	-.5

c. Health insurance for self-employed.

JCT	-.3	-.3	-.4	-.4	-.5	--	-1.8
OTA	-.2	-.4	-.5	-.5	-.6	--	-2.2

d. Mortgage revenue bonds.

JCT	*	-.1	-.1	-.2	-.3	--	-.8
OTA	*	-.1	-.1	-.2	-.3	--	-.7

e. Small-issue manufacturing bonds.

JCT	*	-.1	-.1	-.2	-.3	--	-.6
OTA	*	-.1	-.1	-.2	-.2	--	-.6

f. R&E allocation rules.

JCT	-.5	-.7	-.8	-.8	-.9	--	3.7
OTA	-.4	-.7	-.8	-.8	-.9	--	-3.6

g. R&E tax credit.

JCT	-.9	-1.2	-1.3	-1.4	-1.6	--	-6.4
OTA	-.5	-1.0	-1.1	-1.3	-1.6	--	-5.5

h. Low-income housing credit.

JCT	-.2	-.4	-.7	-1.1	-1.4	--	-3.7
OTA	-.1	-.4	-.7	-1.0	-1.4	--	-3.6

i. Targeted jobs tax credit.

JCT	-.1	-.2	-.3	-.4	-.4	--	-1.4
OTA	-.1	-.2	-.3	-.3	-.4	--	-1.3

j. Business energy credits.

JCT	-.1	-.1	*	*	*	--	-.2
OTA	-.1	-.1	*	*	*	--	-.2

k. Placed-in-service date for nonconventional fuels (section 29).

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	-.1

l. Orphan drug testing credit.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

TOTALS:	JCT	-2.2	-3.2	-4.1	-4.9	-5.7	--	-20.3
	OTA	-1.8	-3.4	-4.1	-4.8	-5.9	--	-19.9

62. Permanent, no restoration of last year's sequester.

a. Employer-provided educational assistance.

JCT	-.2	-.3	-.3	-.4	-.4	--	-1.6
OTA	-.2	-.3	-.3	-.4	-.4	--	-1.6

b. Group legal services.

JCT	-.1	-.1	-.1	-.1	-.1	--	-.5
OTA	-.1	-.1	-.1	-.1	-.1	--	-.5

c. Health insurance for self-employed.

JCT	-.2	-.3	-.4	-.4	-.5	--	-1.7
OTA	-.1	-.4	-.5	-.5	-.6	--	-2.1

d. Mortgage revenue bonds.

JCT	*	*	-.1	-.2	-.3	--	-.6
OTA	*	-.1	-.1	-.2	-.3	--	-.7

e. Small-issue manufacturing bonds.

JCT	*	*	-.1	-.2	-.3	--	-.6
OTA	*	-.1	-.1	-.2	-.2	--	-.6

f. R&E allocation rules.

JCT	-.5	-.7	-.8	-.8	-.9	--	-3.6
OTA	-.4	-.7	-.8	-.8	-.9	--	-3.6

g. R&E tax credit.

JCT	-.5	-1.0	-1.2	-1.3	-1.6	--	-5.6
OTA	-.5	-.8	-1.0	-1.3	-1.7	--	-5.3

h. Low-income housing credit.

JCT	-.1	-.3	-.6	-1.0	-1.3	--	-3.4
OTA	-.1	-.3	-.6	-.9	-1.3	--	-3.2

i. Targeted jobs tax credit.

JCT	-.1	-.2	-.3	-.4	-.4	--	-1.3
OTA	-.1	-.2	-.3	-.3	-.4	--	-1.3

j. Business energy credits.

JCT	*	-.1	*	*	*	--	-.2
OTA	*	-.1	*	*	*	--	-.2

k. Placed-in-service date for nonconventional fuels
(section 29).

JCT	*	*	*	*	*	--	-1.1
OTA	*	*	*	*	*	--	-1.1

l. Orphan drug testing credit.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

TOTALS:	JCT	-1.4	-2.8	-3.8	-4.7	-5.7	--	-18.6
	OTA	-1.5	-3.1	-3.8	-4.7	-5.9	--	-19.0

63. 3-year extension.

a. Employer-provided educational assistance.

JCT	-3.	-.3	-.3	-.1	*	--	-1.0
OTA	-.3	-.3	-.3	-.1	*	--	-1.0

b. Group legal services.

JCT	-.1	-.1	-.1	*	*	--	-.3
OTA	-.1	-.1	-.1	*	*	--	-.3

c. Health insurance for self-employed.

JCT	-.3	-.3	-.4	-.1	*	--	-1.1
OTA	-.2	-.4	-.5	-.3	*	--	-1.4

d. Mortgage revenue bonds.

JCT	*	*	-.1	-.2	-.1	--	-.4
OTA	*	-.1	-.2	-.1	-.1	--	-.5

e. Small-issue manufacturing bonds.

JCT	*	*	-.1	-.2	-.2	--	-.5
OTA	*	-.1	-.1	-.1	-.1	--	-.4

f. R&E allocation rules.

JCT	-.5	-.7	-.8	-.3	*	--	-2.3
OTA	-.5	-.7	-.8	-.3	*	--	-2.3

g. R&E tax credit

JCT	-.9	-1.2	-1.3	-.7	-.3	--	-4.4
OTA	-.6	-.8	-1.1	-.7	-.3	--	-3.5

h. Low-income housing credit.

JCT	-.2	-.4	-.7	-1.0	-1.1	--	-3.3
OTA	-.1	-.4	-.7	-1.0	-1.1	--	-3.3

i. Targeted jobs tax credit.

JCT	-.1	-.2	-.3	-.3	-.2	--	-1.1
OTA	-.1	-.2	-.3	-.2	-.1	--	-.9

j. Business energy credits.

JCT	-.1	-.1	*	*	*	--	-.2
OTA	-.1	-.1	*	*	*	--	-.2

k. Placed-in-service date for nonconventional fuels (section 29).

JCT	*	*	*	*	*	--	-.1
OTA	*	*	*	*	*	--	-.1

l. Orphan drug testing credit.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

TOTALS:	JCT	-2.2	-3.1	-4.0	-3.4	-2.8	--	-15.7
	OTA	-2.0	-3.2	-4.1	-2.8	-1.7	--	-13.7

64. 5-year extension.

a. Employer-provided educational assistance.

JCT	-.3	-.3	-.3	-.4	-.4	--	-1.7
OTA	-.3	-.3	-.4	-.4	-.4	--	-1.8

b. Group legal services.

JCT	-.1	-.1	-.1	-.1	-.1	--	-.5
OTA	-.1	-.1	-.1	-.1	-.1	--	-.5

c. Health insurance for self-employed.

JCT	-.3	-.3	-.4	-.4	-.5	--	-1.8
OTA	-.2	-.4	-.5	-.5	-.6	--	-2.2

d. Mortgage revenue bonds.

JCT	*	-.1	-.1	-.2	-.3	--	-.8
OTA	*	-.1	-.1	-.2	-.3	--	-.7

e. Small-issue manufacturing bonds.

JCT	*	-.1	-.1	-.2	-.3	--	-.6
OTA	*	-.1	-.1	-.2	-.2	--	-.6

f. R&E allocation rules.

JCT	-.5	-.7	-.8	-.8	-.9	--	3.7
OTA	-.4	-.7	-.8	-.8	-.9	--	-3.6

g. R&E tax credit.

JCT	-.9	-1.2	-1.3	-1.4	-1.6	--	-6.4
OTA	-.5	-1.0	-1.1	-1.3	-1.6	--	-5.5

h. Low-income housing credit.

JCT	-.2	-.4	-.7	-1.1	-1.4	--	-3.7
OTA	-.1	-.4	-.7	-1.0	-1.4	--	-3.6

i. Targeted jobs tax credit.

JCT	-.1	-.2	-.3	-.4	-.4	--	-1.4
OTA	-.1	-.2	-.3	-.3	-.4	--	-1.3

j. Business energy credits.

JCT	-.1	-.1	*	*	*	--	-.2
OTA	-.1	-.1	*	*	*	--	-.2

k. Placed-in-service date for nonconventional fuels (section 29).

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	-.1

l. Orphan drug testing credit.

JCT	*	*	*	*	*	--	*
OTA	*	*	*	*	*	--	*

TOTALS:	JCT	-2.2	-3.2	-4.1	-4.9	-5.7	--	-20.3
	OTA	-1.8	-3.4	-4.1	-4.8	-5.9	--	-19.9

65. Extend FUTA surtax. Effective 1/1/91.

JCT	.7	1.1	1.1	1.1	1.2	--	5.2
OTA	.8	1.1	1.1	1.2	1.2	--	5.4

THE WHITE HOUSE

WASHINGTON

March 6, 1992

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MEMORANDUM FOR CABINET SECRETARIES AND AGENCY HEADS

FROM: SAMUEL K. SKINNER
Chief of Staff

SKS

SUBJECT: Correspondence

As you know, President Bush places a very high priority on ensuring the timely and responsive answering of all mail addressed to him. A February 24 memo to your Chiefs of Staff from Phillip Brady and Ede Holiday sought to underscore the attention the President expects to be given to Presidential mail that is referred to departments and agencies for response.

Recently, the President has also expressed concern that mail being sent directly to department and agency heads is not receiving prompt reply. Although I appreciate that answering mail places a burden on your resources, please take appropriate steps to ensure that all mail to the Executive Branch is answered promptly and responsively.

Thank you for your cooperation.

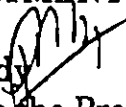
THE WHITE HOUSE

WASHINGTON

February 24, 1992

MEMORANDUM FOR THE CHIEFS OF STAFF OF EXECUTIVE
DEPARTMENTS AND AGENCIES

FROM:

Phillip Brady 
Assistant to the President and Staff Secretary

Ede Holiday 
Assistant to the President
and Secretary of the Cabinet

SUBJECT: White House Correspondence

Previously, a memorandum was sent to each of you expressing the high priority that President Bush places on the timely and responsive answering of all mail that is addressed to him. This includes Presidential mail that is referred to departments or agencies for response.

Recently, we have noticed an increase in the amount of overdue White House correspondence at the departments. Therefore, this seems to be an appropriate time to readdress this issue.

Letters to the President

Official letters and letters of significant interest to the President are first logged into the White House Correspondence Control system. Those letters that we feel can best be answered by the department having primary responsibility for the issue are then assigned to that department for action. We ask that these letters be answered directly or returned to the White House with a draft reply ***within nine working days***. If your department responds directly, a copy of the response, the ***original*** incoming letter and other backup material must be returned to the White House for our files.

We also forward to you letters from the general public that deal directly with your department's area of expertise or responsibility. Although these letters are not tracked, we ask that they, too, be answered promptly -- even if the only possible response is to thank the writer for sharing his or her views. These letters deserve prompt replies no less than letters that require a more detailed response.

At the current time, our records (attached) indicate that your department has _____ documents that are overdue, with the oldest document being _____ overdue. Recognizing that you may have already responded to the individual, we request the following actions be taken:

- On correspondence already answered, attach a copy of your outgoing letter and return the incoming letter and all backup material.
- On correspondence handled by telephone, annotate the attached report to reflect that fact and return the original letter.
- On correspondence that has not been acted on, please do so within 10 working days of this memorandum.

After acting on the attached report, please return the annotated report and the copies of documents to Charlie Horvath, Deputy Director, Office of Presidential Messages and Correspondence, OEOB, Room 90.

Summary

The volume of the President's mail is extremely high -- approximately 50,000 pieces per week, and we recognize that requests for assistance in answering some of that mail places an added burden on your resources. Nevertheless, the President expects all of us, whether at the White House or elsewhere in the Federal government, to respond promptly to each letter, and we appreciate your help.

For any further information on handling White House correspondence, please feel free to contact Shirley M. Green, Special Assistant to the President for Presidential Messages and Correspondence, x7610.

Thank you.



Aboard Air Force One
March 4, 1992

To: Sam Skinner
From: The President
Subject: Governor Chiles Letter

Thanks for the information on the Chiles letter. One thing in Governor Chiles letter disturbs me:

"...After repeated attempt to reschedule the Tallahassee meeting, I joined the entire Florida Congressional Delegation on November 20, 1991 in writing to Attorney General Barr to request that the Tallahassee meeting be rescheduled. To date, we have received no response."

This is the kind of insensitive bureaucratic stone-walling that is bad!!! Please be sure we have some machinery in this department for at least replying to mail!!!

If we can't have a meeting for NSC reasons, fine, but we should at least tell them. How about a memo to all departments reminding them to answer mail, especially Governors and members of Congress!

MATERIALS FORWARDED TO THE PRESIDENT
March 10, 1992

ACTION

1. Acceptance of Resignation Letter for John Tuck, Under Secretary of Energy
2. Personnel Selection - National Commission on America's Urban Families
3. H.J. Res. 350 - Irish-American Heritage Month
4. Personnel selection -- Commission on the Status of Women, thirty-sixth session (to residence)

CLASSIFIED

INFORMATION

1. Porter Memo re Wetland Losses
2. Holiday Memo re Federal Task Force on Homelessness and Severe Mental Illness
3. Block Schedule

REMARKS

1. United Negro College Fund Dinner - Cards
2. American Society of Association Executives
3. Swearing In of Andy Card
4. Nixon Library Speech

SCHEDULE

1. And accompanying briefing papers

THE WHITE HOUSE
WASHINGTON

DATE: 3/4/92

TO: *The President*

FROM: ROSE ZAMARIA *RZ*
Deputy Assistant to the President

*Your brother, Bucky, called
to say that Robert Hyland,
Head of CBS Radio in St. Louis,
died.*

Wife, Pat

FF (314) 434-1120

*Bucky said he was a
strong supporter of yours.
We have no record of him.*

THE WHITE HOUSE

WASHINGTON

March 6, 1992

TO: Marlin Fitzwater
THROUGH: Rose Zamaria
FROM: Jan Burmeister

SUBJECT: "Authors" and "Researchers" Contacting Members of
the President's Family

Incidents are on the rise of people contacting members of the President's extended family claiming to be authors or researchers working with authors on "a book to be published." Unknown to us, they could be free lancers yet without publishers or even just seekers of information under various auspices.

Can someone check out these inquiries as they occur so we can give family members the guidance they seek? The two current callers are:

1) Dr. Bruce Perry (215) 296-0799

Calls himself a "professor of research," and has been phoning aunts, uncles and cousins since early January (seven by our count). He has actually interviewed one cousin, and now wants appointments in Florida with Uncles Jim and Lou Walker. He says the book that is being written was supposed to be mainly about the President's father, but they've expanded it to include George Bush as well. Some of his questions, according to the cousin, were about the marriage of Dorothy and Prescott Bush (dates, etc.), why Senator Bush retired from the Senate, and could he interview the President's mother. His address is: 270 Swede Ford Road, Malvern, Pennsylvania 19355.

2) Herbert Parmet (718) 225-8999 or (518) 325-5575

Called Jonathan this week wanting an interview about the President. Jonathan says there have been more callers, but he has turned them all down.

Thank you for your help.

daily
Rose,
✓ If you approve,
please forward to
Marlin. Here's a
copy for you, too.
Robin
*Sent to marlin -
copy for you - Budget*


THE DAILY OKLAHOMAN

E. K. GAYLORD (1873-1974)

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Friday, March 6, 1992

For President Bush

IT'S time for Americans to express appreciation to President George Bush. The recent Bush-bashing, which has affected the president's approval ratings, unbelievably ignores some of the most profound achievements in our nation's history.

Communism lies buried on the scrap heap of history. Don't forget that Bush policies played a big part in the downfall.

Eastern Europe and the Baltic states are free. The Berlin Wall is gone. The Soviet Union no longer exists. Bush policies hastened the unbelievable transformation.

President Bush presided over the Persian Gulf War, which remains one of the most successful military operations in U.S. history.

Firm action by Bush deposed Panamanian dictator Manuel Noreiga and deported him to justice in American courts.

Bush's actions have brought warring Middle East countries to the peace table for the first time in history.

In short, the world is a different and better place since George Bush took charge. The hope of lasting world peace has never been brighter.

Critics complain he was slow to endorse the downfall of the Soviet Union. They fail to recognize caution was in order to make sure the Soviet nuclear arsenal did not fall into the hands of untrustworthy people.

Detractors say he should have hunted down and deposed Saddam Hussein, forgetting the gulf war was not a unilateral action, but a United Nations effort. Obviously, the United Nations made a mistake at the operation's end — but an American takeover of the operation would have been a grievous foreign policy error.

Supporters of Israel remain angry over Bush gestures to Palestinians. Americans should be glad foreign policy decisions are being made in Washington instead of Jerusalem.

The economy has been the source of most of Bush's problems. The fact is, the economy is now on the upswing, despite refusal of the Democratic Congress to even consider sound proposals by Bush.

Blame for the dismal state of the economy over the last few years can be laid directly at the doorstep of congressional Democrats. Voters can share the blame for failure to give Bush a Congress with which he can work. Few presidents have been so hamstrung by a hostile legislative branch.

Fickle Americans who castigate President Bush should be ashamed. He deserves a round of applause.

Oklahoma Republicans should lead the way in next Tuesday's presidential primary by giving our president a ringing vote of approval.

New Oil Finds Opposed

...ports President Bush' ...
...ention that drilling c ...
...f the refuge c ...
...d with

THE WHITE HOUSE

WASHINGTON

March 5, 1992

MEMORANDUM FOR RON KAUFMAN

Deputy Assistant to the President
for Political Affairs

THROUGH:

DEBRA R. ANDERSON

Deputy Assistant to the President and
Director of Intergovernmental Affairs

FROM:

DAVID J. DECHERD

Special Assistants to the President
for Intergovernmental Affairs

PRESIDENT CLINTON'S GOVERNOR WALTERS (D-OK)

Walters' office has
been requesting a five to fifteen minute
meeting with the President this afternoon/evening.
The Governor would like to
discuss Oklahoma and return all
matters received at the White
House. The President is more
likely to meet the Governor at the
Governor's mansion.
This is not a

for Walters' son,
of anti-depressant
for over a week. In
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by the media's
scrutiny of

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BEST COPY AVAILABLE
By PLM (NLGB) on 7/2/18

not to be used for official purposes

called him 7:50 AM
3-6-
pleased
he supports Clinton