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DNC Grassroots Strategy [2]

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Clinton Presidential Records
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Divider Title: **3**

Letters in Support

Coalition of Southern California Asian Pacific Americans

National Committee to Preserve Social Security and Medicare

Consortium for Citizens with Disabilities

National Conference of State Legislatures

Food and Research Action Center

CORETECH

National Ass'n of REALTORS with 90 other signatures

CEO letter with 50 signatures

AFL-CIO 6 page packet including letter

Robert E. Denham - CEO of Solomon INC (also includes an op-ed piece in support of the President's plan)

Center on Budget and Policy

Sierra Club

Public Securities Association

Interfaith Impact

The Institute of Electrical and Electronics Engineers, Inc.

The American Jewish Committee

Opposing Boren Letter

American Hospital Association - this letter was also signed by:

- National Ass'n of Public Hospitals
- Catholic Health Ass'n
- American Ass'n of Retired Persons
- American Health Care Ass'n
- American College of Emergency Physicians
- National Committee to Preserve Social Security and Medicare
- National Ass'n of Psychiatric Health Systems
- National Ass'n of Children's Hospitals and Related Institutions
- Ass'n of American Medical Colleges
- Federation of American Health Systems
- National Ass'n of Rehabilitation Facilities
- American Ass'n of Homes for the Aging
- National Council of Senior Citizens

Supporting the Energy Tax

Letter from the Environmental Community

- American Rivers
- Environmental and Energy Study Institute
- Friends of the Earth
- National Audubon Society
- National Wildlife Federation
- Natural Resources Defense Council
- Public Citizen
- Union of Concerned Scientists

Article from Minneapolis-St. Paul Star Tribune with note from Congressman Martin Olav Sabo

UPDATED 5-26-93 1:00PM
DNC POLITICAL

Coalition of Southern California Asian Pacific Americans
February 21, 1993

As individuals from various Asian Pacific American organizations*, we enthusiastically endorse President Clinton's economic package as a new vision for the future of our country. We pledge our active support for the President Clinton's initiatives with the belief that its implementation will create positive economic and social change and significantly improve the quality of life for all Americans.

Rajen Anand, Asian Pacific Democratic Caucus

S. Bala, Hindu Tengh Society

Dr. Balasubramaniam, Hindu Temple Society

Marissa Castro, UCLA Filipino Alumni Association

John Chiang, Asian Pacific American Legislative Staff Caucus

Yuss Chang, Pacific Asian Consortium in Employment

Joy Chen, Kawes & Associates, Inc.

Lily Chen, Chinese American Democratic Club

Debbie Ching, Chinatown Service Center

Tong Soo Chung, TEC Asian Caucus

Richard Choi, Korean American Democratic Club

Mai Cong, Vietnamese Community of Orange County

Marcia Choo, Women's Organization Reaching Koreans (WORK)

Le Kim Dinh, Phoenix Club – Vietnamese American Democratic League

Sue Embrey, Manzanar Committee

Fred Fujioka, Japanese American Bar Association

Nathan Fong, Chinese American Citizens Alliance

Dolly Gee, Southern California Civil Rights Organization

Vince Gonzales, Philipino American Bar Association

Gerald Gubatan, Filipino American Democratic Club

Les Hamasaki, Amerasia Group

Sumi Haru, Asian American Journalists Association

Yvette Herrera, Asian Pacific Women's Network

Naomi Hirahara, Pacific Asian American Writers

Paul Husson, Federation of Indo-Amricans

Miya Iwataki, National Coalition for Redress and Reparations (NCRR)

Joel Jacinto, Search to Involve Filipino Americans

Maqbool Kadri, Indian Muslim Association

Jagdish Kariappa, Karnataka Cultural Association

Robert Kawahara, East/West Players

Bong Hwan Kim, Korean American Democratic Coaltion

Brian Kim, Korean American Coaltion

Candace Kim, Asian Pacifics for a New Los Angeles (APANLA)

Yoon Hee Kim, Korean American

Iku Kiriyama, National Japanese American Historical Society

George Kiriyama, Alliance of Asian American Educators

Korean American Grocers Association

Korean Youth & Community Center

Korean American Student Congress

Kathy Kubota, Asian Pacific Child Abuse Council

Alan Kumamoto, Asian Pacific American Advocates

Joanna Kumamoto, TEC Environmental Justice Committee

Anil Kumar, Interfaith Association

Ann Kusumoto, Leadership Development in Inter-Ethnic Relations

Colin Lai, Chinatown Public Safety Association

Ashok Lal, APAC

Dr. Dhilon Lal, Asian Pacific Island Educators

Lily Y. Lee, CARAL Diversity Committeee

Anil K. Mahajan, India Inter-Faith

Ramesh Mahajan, Little India Chamber of Commerce

Amir Mahida, South Bay Hotel/Motel Association

Mitchell Maki, Asian Pacific Social Worker Council

J.C. & Sonia Mallik, Federation of Indian Associations

Craig Minami, Japanese American Committee on Recovery

Chander Mittal, Overseas Friends of BJP

Barbara Miyamoto, Asian American Architects & Engineers

Ailee Moon, Korean American Social Workers

Royale Morales, Asian Pacific Immigrants and Refugees

Agnes Mu, Tavel Kingdom

Hasan Mulla, Society For Rural Assistance To India

Trisha Murakawa, Asian Concerns Committee

Cayleen Nakamura, Asian Pacific Heritage Month

George Nakano, Asian Pacific American Administrators

Howard Nakase, YN Landscape Concepts

National Association of Vietnamese American Scientists

Dr. Hoang Ngoc Con, Federation of Vietnamese Elected Officials

To Ngvuen, World Federation of Vietnamese Nationalists

Jill Nishi, JACL/APAN

Audrey Noda, Immediate Mobilization Pan-Asian Collective (IMPAC)

Rose Ochi, Japanese American Democratic Club

John Okanishi, JACL Civil Rights Caucus

Gordhan Patel, Gujarati Society

Edmund Pi, Chinese American Democratic Club

Toral & Ravji Patel, Indian Hotel/Motel Association

Ana Prasad, Indian Women In Business

Guru Prasad, Indian Toastmasters Club

David Quan, Southern California Chinese Lawyers Association

Violet Rabaya, Rabaya & Associates

Krishna Reddy, Gandhi Peace Foundation

Beth Renge, Renge Securities

Tony Ricasa, Asian American Education Commission

Bharati Rohil, Integrated Community Builders

Mangu Rohit, Asian-Indian Political Forum

Paul Rohit, Indo-Americans for Communal Harmony

Lani Sakoda, Asian Business Association

Sipra Sengupta, Bengali Association of Southern California

Praful Shah, Southern California Gujarati Cultural Society

Dale Shimasaki, Asian Pacific Americans in Higher Education

Sarv Singh, Chinmaya Mission

Jeff Su, West San Gabriel Valley Asian Pacific Democratic Club

Art Takei, Asian Pacific American Labor Alliance (APALA)

Om Tandon, Nirankari Mission

Angie Thao, Association of Vietnamese American Women of So. California

Shan Thever, Federation of Indian Organizations

Kiem Them, Unified Vietnamese Community Council

Meg Thornton, UCLA Asian American Studies Center

Jimmy Tokeshi, Japanese Americans Citizens League - PSW

Allison Tom, East/West Partnership

Tai Tran, Association of Vietnamese American College Teachers

Dr. Nao Truong, Institute of Legal Studies

Elizabeth Tsai, CHTC Products

David Tseng, Asian Pacific Bar of California

Hokon Tsrian Yun, Korean American Business Organization

Govind Vagasia, Federation of Indian Associations

Dr. Subash Vatve, Indian Medical Association

Ron Wakabayashi, California Asian Pacific Advocates

Bill Watanabe, Little Tokyo Service Center

Mike Watanabe, Asian American Drug Abuse Program

Larry Wong, Hawaiians of Norwalk

Leland Wong, The Ethnic Coalition (TEC)

Ron Wong, ACLU

Chris Wu, Mainland Chinese American Federation of Democracy

Toshiko S. Yoshida, Japanese American Democratic Club

*Affiliations provided for identification.

- Vietnamese American Voter League
- Nat. Council of Vietnamese Demo.
- Indo-Chinese Resettlement Cultural Center - S.J.
- CA. Filipino Am. Dem. Club
- Asian Indian Womens Network

~~Indochinese Resettlement & Cultural Ctr.~~
Khmer Society of San Antonio (TX)
Refugee Resource Center (Stockton)
Southeast Asian Youth Diversion Project

Democratic National Committee

FOR IMMEDIATE RELEASE
MAY 24, 1993

CONTACT: GRACE HO
(202) 863-8085

COALITION OF SOUTHERN CALIFORNIA ASIAN PACIFIC AMERICANS REJECT BOREN ALTERNATIVE; SUPPORT CLINTON

The coalition of Southern California Asian Pacific Americans reiterate their support for President Clinton's Economic Reconciliation Bill, and reject the Boren Alternative. President Clinton's plan reinvigorates the economy. Examination of the Boren Alternative reveals the opposition's intent to reinvigorate "trickle-down" economics of the past Republican Administrations; thereby, reinventing the status quo.

The Boren Alternative appears to offer a more attractive economic plan compared to the President's. However, careful examination of this alternative shows that it serves to perpetuate the economic policies of the Reagan and Bush Administrations which have proven unsuccessful to the Asian Pacific American community. It proposes false budget cuts.

This coalition accepts the hard decisions that the Clinton Administration must make in regards to higher taxes and investment spending. These decisions are necessary to address our country's social and economic realities. In excerpts from the prepared statement made on February 21, 1993 endorsing President Clinton's proposed economic plan, the coalition issued the following:

* <u>We accept President Clinton's marginal tax increases and proposed energy taxation plan.</u> As Americans we must cooperatively shoulder the responsibility of our nation's fiscal burdens and sacrifice for the greater good during these trying economic times.

* <u>We find great hope in the President's short and long-term initiatives to reinvigorate the economy.</u> As residents of Southern California, an urban center adversely impacted by the recessive nature of the economy, investment in our infrastructure and human resources is necessary to our revitalization.

* <u>We encourage the President's plan to invest significantly in human and social services programs.</u> As Asian Pacific Americans, we represent one of several underserved inner-city communities hurt by years of neglect. There is a desperate need for the President's

-more-proposed investments in drug prevention and treatment, youth employment, job training, and health care programs.

President Clinton's plan is critical to the economic and social vitality of the Asian Pacific American community. David Tseng of the Asian Pacific Bar of California said, "I feel extremely optimistic that the President's new package will finally begin to address the country's economic and social problems ignored during the last two administrations."

The coalition joined together as a network of social, political, business, and fraternal organizations to endorse President Clinton's proposed economic plan.

05/20/93 16:46 ☎1 202 822 9812 NATIONAL COMM

EXEC Cmte - F41 ⓪⓪

Distributed to Cmte on Gov't Operations

National Committee to
Preserve Social Security
and Medicare

May 20, 1993

The Honorable John Conyers, Jr.
Chairman, Committee on Government Operations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the nearly six million members and supporters of the National Committee to Preserve Social Security and Medicare, I strongly urge you to reject any attempt to cap entitlement spending. This pending Stenholm proposal only worsens the inequitable burden placed on seniors in the reconciliation bill recently reported by the Ways and Means Committee which includes a significant and unfair tax increase on Social Security benefits and substantial Medicare cuts.

An entitlement cap would be simply another attempt, like the unsuccessful automatic sequestration procedures under Gramm-Rudman-Hollings, and the procedures enacted in the Budget Enforcement Act of 1990, to somehow bring the budget under control without addressing the real underlying causes of the budget deficit. The current serious budget deficit situation is attributable to insufficient general fund revenues to cover appropriated spending on domestic discretionary programs and spiraling health care costs. The rapid increases in health care costs must be addressed in the context of comprehensive health care reform.

The notion that entitlement spending is responsible for the deficit turns out to be wrong when the issue is carefully considered. The Congressional Budget Office concluded in a 1992 report to the Budget Committees that total spending on entitlements grew rapidly as a percent of Gross Domestic product (GDP) from the early 1960's but "most of the increase occurred by 1975." In fact over the past decade, all of the components of entitlement spending, except for Medicare and Medicaid, have declined as a percentage of GDP. The rapid rate of growth in Medicare and Medicaid spending merely mirrors trends in the entire health care sector. If a cap were imposed on entitlements, uncontrolled increases in medical costs will force deep cuts in benefits to seniors and the disabled without addressing important health care policy decisions.

Further, the Stenholm entitlement cap proposal targets the Social Security trust fund as a source of deficit reduction even though the fiscal year 1994 trust fund surplus is projected to be $59.7 billion. Social Security does not contribute to the deficit. In fact, the trust fund surplus currently represents a major source of borrowing to fund non-Social Security spending.

America's seniors have made many sacrifices over the years for the goal of fiscal responsibility. Although seniors fully support efforts to reduce the federal deficit, they will not support efforts to target the Social Security trust fund as a source of deficit reduction or legislation which requires seniors to bear a disproportionate share of the burden of deficit reduction. Both the Social Security tax increase and the entitlement cap proposal must be rejected by Congress.

Sincerely,

Martha A. McSteen

Martha A. McSteen
President

2000 K Street, N.W., Suite 800 • Washington, D.C. 20006 • 202-822-9459

Consortium for Citizens with Disabilities

May 25, 1993

Dear Representative,

We, the undersigned members of the Consortium for Citizens with Disabilities (CCD) urge you to vote in favor of the Budget Reconciliation bill when it comes before the House this week. We also urge you to vote against any amendments which would cap entitlement programs.

The CCD is a working coalition comprised of consumer, advocacy, provider and professional organizations which advocate on behalf of people of all ages which physical and mental disabilities and their families. Since 1973, the CCD has advocated for federal legislation, regulations and funding which affect this population. More than 100 national organizations now belong to the Consortium.

Our objective is to assure that 43 million Americans with disabilities are fully integrated into the mainstream of our nation's life. However, all efforts to move toward this goal in Fiscal Year 1994 will be further frustrated if entitlement caps are arbitrarily placed on programs that provide fundamental supports to individuals with disabilities, such as Medicaid, Medicare, and Supplemental Security Income.

For example, the Medicaid program has long been a mainstay of health care, rehabilitation services and long term services for people with disabilities. From providing home and community based living arragements for individuals the mental retardation and other developmental disabilities, to ensuring appropriate early intervention and proeventative health services for children with disabilities, the Medicaid programs helps people with disabilities live more independent, productive lives.

Entitlement caps do not result in reforms which make these and other programs more accountable to the taxpayer. We urge you to support the Budget Reconciliation bill.

NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, N.W. SUITE 515 WASHINGTON, D.C. 20001
202-624-5400 FAX: 202-737-1069

May 18, 1993

Dear Representative:

The nation's state legislators recognize that the reduction of the federal deficit and the restoration of sound fiscal policy are critical to the economic future of America. Moreover, we understand that serious deficit reduction can only be achieved through spending reductions and tax increases. However, a proposal to cap federal entitlements as a means to reduce the deficit will not reduce the cost of these programs. It simply shifts the cost and burden to state and local governments in order to continue to provide the same level of benefits.

States are partners in the current delivery and funding of federal entitlement programs. For some time, states have been required to assume many of the increasing costs and burdens of these programs. While the growth of entitlements has adversely impacted the federal budget, a similar effect has occurred at the state level.

We urge you to reject caps on means-tested entitlement programs. The National Conference of State Legislatures strongly believes that the safety net for vulnerable populations must not be undermined. In addition, should federal caps be placed on these programs, we believe that statutory changes must be concurrently enacted to absolve states from legal obligations to provide services to entitled individuals.

It is imperative that states participate as full partners in reshaping entitlement programs and reducing their rate of growth as outlined in the attached statement of NCSL, the National League of Cities and the National Association of Counties. For additional information, contact Susan Wolfe (624-8670), Sheri Steisel (624-8693), or Michael Bird (624-8686).

Thank you for your consideration.

Sincerely,

Art Hamilton

Art Hamilton
House of Representatives, Arizona
President, NCSL

Denver Office 1560 BROADWAY SUITE 700 DENVER, COLORADO 80202 303-830-2200 FAX: 303-863-8003

F·R·A·C

FOOD RESEARCH
& ACTION CENTER

May 24, 1993

Dear Member of Congress:

We urge you to vote for the budget reconciliation bill when it comes to the House floor this week and to vote against amendments that would impose arbitrary caps on entitlement programs.

The budget reconciliation bill strikes an important balance toward the twin goals of deficit reduction and investments in families and children. It represents an important step in the fight to alleviate childhood hunger.

Specifically, this package includes the Mickey Leland Childhood Hunger Relief Act, which has twice before passed the House. The Leland Bill would make long overdue improvements in the Food Stamp Program, primarily for families on the brink of homelessness and those who are dependent on child support payments. Over 90% of its benefits would aid families with children, almost exclusively those with incomes below the poverty line.

Other features of the reconciliation package important to families include: expansion of the Earned Income Tax Credit (EITC) to assist working poor families, the Childhood Immunization Initiative (to permit states to purchase vaccines for needy eligible children) and the Family Preservation and Family Support provisions (for families with children at risk of being removed from their homes and for improved services to children in out-of-home care). Expansion of EITC and enactment of the Leland Bill would help to ameliorate the impact of any tax changes on the working poor.

A move to cap entitlements is ill-advised and, although not intended to do so, could threaten vital anti-hunger programs. Most experts agree that the root cause of increased costs lies in the area of health care. The answer is health care reform (for which consideration is imminent), not caps on nutrition programs for low-income, vulnerable populations.

As a nation, we have fallen woefully short of ensuring resources adequate to alleviate hunger and poverty. Family services and nutrition programs represent vital investments in a healthy and productive citizenry and are the hallmark of a caring society.

Passage of this budget reconciliation package would mark important progress toward reducing the deficit while at the same time providing for basic human needs.

We strongly urge you to vote for the budget reconciliation bill and against arbitrary caps on entitlement programs.

Sincerely,

Robert J Fersh

Robert J. Fersh
Executive Director

1875 Connecticut Ave., NW
Suite 540
Washington, DC 20009
TEL: (202) 986-2200
FAX: (202) 986-2525

CORETECH COUNCIL ON RESEARCH AND TECHNOLOGY

Kenneth R. Kay
Executive Director
(Preston Gates Ellis and Rouvelas Meeds)

Dr. Roland W. Schmitt
Chairman
(Rensselaer Polytechnic Institute)

Dr. Stanley Ikenberry
Vice-Chair
(University of Illinois)

Craig Fields
Vice-Chair
(Microelectronics and Computer Technology Corporation)

Bob Weyman
Vice-Chair
(Hewlett-Packard)

Peter F. McCloskey
Secretary
(Electronic Industries Association)

[illegible] Jacobs
Treasurer
(Digital Equipment Corporation)

Dr. Joseph A. Saloom
Founding Chairman
(M/A COM, Inc.)

May 19, 1993

The Honorable Dan Rostenkowski
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Rostenkowski:

On behalf of the Members of CORETECH, I am writing in strong support of the President's tax package as passed by the Ways and Means Committee. In preparation for your consideration of that package, we want to bring to your special attention the permanent R&D policies included in the legislation. These provisions make the R&D tax credit and 861-8 research allocation rules permanent. We believe these policies will serve to strengthen the domestic investment in U.S. R&D projects. For your information, I have enclosed a copy of the press release announcing our support of the legislation.

We hope that as you prepare to vote on this package next week, you will consider these R&D provisions carefully as they represent an important step forward in creating a permanent, stable, and strong environment for R&D in this country. It is only through stable R&D policies such as these that we can ensure our nation's leadership position in the global economy.

Sincerely,

RWSchmitt

Roland Schmitt
Chairman

Enclosure

1735 New York Avenue, N.W. Suite 500 Washington, D.C. 20006-4759 (202) 628-1700 Telex 904059 WSH Telecopy (202) 331-1024

CORETECH COUNCIL ON RESEARCH AND TECHNOLOGY

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Sincerely,

RWSchmitt

Roland Schmitt
Chairman

Enclosure

1735 New York Avenue, N.W. Suite 500 Washington, D.C. 20006-4759 (202) 828-1700 [illegible]

May 25, 1993

U.S. House of Representatives
Washington, D. C. 20515

Dear Member of Congress:

The undersigned 90 groups and the millions of Americans they represent support the President's plan as reflected in the budget reconciliation.

We support President Clinton's objectives of creating new jobs, encouraging growth and investment and reducing the deficit. We believe this package is a requisite first step in achieving our mutual goals and objectives.

We urge you to support the budget reconciliation and to vote in favor of its passage.

Sincerely yours,

AFSCME
AIDS Action Council
American Agriculture Movement
American Association of Museums
American Council on Education
American Education Association
American Federation of Government Employees
American Federation of Teachers
American Insurance Association
American Planning Association
American Resort Development Association
American Seniors Housing Association
Americans for Democratic Action
Association of Local Housing Finance Agencies
Bread for the World
Brotherhood of Maintenance of Way Employes
Center for Community Change
Child Welfare League of America
Coalition on Human Needs
Coalition to Preserve the Low Income Housing Tax Credit
College and University Personnel Association
Communications Workers of America
Consumer Federation of America
Council for a Livable World
Council for Rural Housing and Development
Council on Research and Technology (CORETECH)
Defenders of Wildlife

Direct Selling Association
Environmental Action
Environmental and Energy Study Institute
Families USA
Friends of the Earth
Human Rights Campaign Fund
Institute for Responsible Housing Preservation
International Ladies' Garment Workers Union
International Union of Electronic, Electrical and Furniture Workers, IUE-AFL-CIO
Jim Walter Corporation
League of Conservation Voters
Manufactured Housing Institute
National Apartment Association
National Assisted Housing Management Association
National Association of Childrens' Hospitals and Related Institutions
National Association of College and University Business Officers
National Association of Community Health Centers
National Association of Home Builders
National Association of Homes & Services for Children
National Association of Independent Colleges and Universities
National Association of Life Underwriters
National Association of Real Estate Investment Trusts
National Association of REALTORS®
National Association of Retail Druggists
National Association of Social Workers
National Association of Targeted Jobs Companies, NATCO
National Audubon Society
National Coalition for the Homeless
National Consumers League
National Council of La Raza
National Council of Senior Citizens
National Council of State Housing Agencies
National Council on Independent Living
National Education Association
National Employment Opportunities Network, NEON
National Housing and Rehabilitation Association
National Housing Conference
National Leased Housing Association
National Marine Manufacturers Association
National Multi Housing Council
National Neighborhood Coalition
National Realty Committee
National Urban League
National Wildlife Federation
National Women's Law Center
Natural Resources Defense Council
NETWORK: A National Catholic Social Justice Lobby
NHP, Inc.
NRG Barriers/Saco Maine
Nuclear Information and Resource Service

Office of Management and Budget Watch
Parent Action
Peace Action
Physicians for Social Responsibility
Ryder Systems, Inc.
Truck Renting and Leasing Association
United Auto Workers
United Methodist Church, General Board of Church and Society
United Transportation Union
Valero Energy
Women Strike for Peace
Women's Action for New Direction
YWCA of the USA

Information From Nat'l Assoc. of REALTORS ⑦

Developing Grassroots Involvement on Budget Issues

Phase I -- Targeting

Background:

The Clinton economic plan should be supported for three key reasons: (1) It has a credible deficit reduction plan that includes spending cuts and tax increases; (2) It redirects federal spending in areas that invest in people for long-term economic growth; and (3) It fundamentally shifts the Reagan/Bush priorities that have guided federal policymaking for the last twelve years. For example, according to a Congressional Budget Office May 18, 1993 analysis, over 63% of the tax increases will be paid by those families with incomes of more than $200,000 a year. Less than 29% will be paid by families earning less than $100,000 (see charts on next page). Those earning $20,000-30,000 per year will pay $33 more in taxes, largely due to the energy tax.

Conservatives have launched a multi-million dollar campaign, including grassroots efforts, to scuttle parts of the Clinton economic plan. For example, Citizens for a Sound Economy has spent hundreds of thousands of dollars on defeating the Btu energy tax in the Senate. While these efforts exist, there are no similar initiatives *to support* the overall plan -- yet so much is at stake. A defeat of the Clinton economic plan would be interpreted as an affirmation of the Reagan/Bush years, supporting the trickle down economic decisions that have been guiding us. ***We can't let that happen.***

Objective:

The national coalition, chaired by AFSCME, U.S. Conference of Mayors, Coalition on Human Needs, and OMB Watch, has developed an effective inside-the-Beltway direct lobby campaign, but we need to complement it with a grassroots initiative. As votes draw near, we most often have a targeted list of Congressional members who are undecided or are leaning the wrong way. We need to develop a list of local advocates who are willing to make calls and write letters from targeted disctricts and states -- and we need to be able to communicate quickly with them so that these local groups can share information with us and receive updates from us.

Procedure:

(1) OMB Watch has the capability of sending out targeted FAX alerts (i.e., merging a relational database with a FAX board). For example, a FAX could be sent to people in five states, or three districts in two states by searching an activist database.

(2) OMB Watch has been collecting names of people outside the Beltway who are willing to be called upon at the last second to make calls, write letters, or take other action. This list needs to be expanded and reflect the diversity of national organizations that care about the Clinton economic plan and have been part of the national coalition.

(3) Just as OMB Watch has been sending FAX notices to some 300 national organizations on behalf of the national coalition, it has started sending FAX notices to state and community groups willing to take action, creating a Budget A-Team. In addition, OMB Watch will begin sending targeted FAX announcements to the Budget A-Team based on legislative targeting information developed by the national coalition.

(4) OMB Watch offers the targeted FAX alert service to national organizations willing to participate. OMB Watch agrees never to use the list of names contributed by other national organizations for its own fundraising purposes (except possibly to cover costs of sending alerts). We are not looking for lots of names; rather we want a selective list of people who definitely will take action. Messages sent to the expanded list will be reviewed and approved by the chairs of the national coalition or an established committee.

(5) For those national organizations willing to participate, please complete the attached form

2

identifying the names of individuals who should be added to the Budget A-Team list. Return the form to OMB Watch.

(6) For those national organizations not willing to participate, you will still receive the general FAX notices. Targeted legislative lists are available through the Coalition of Human Needs. We hope you will continue notifying your grassroots of the need to be involved.

(3)

Budget A-Team Return Reply Form

First Name______________________ Last Name______________________
Title______________________
Organization______________________
Address______________________
____
City______________________ State__________ Zip__________
Phone ______________________ Fax______________________
Congressional District______________________

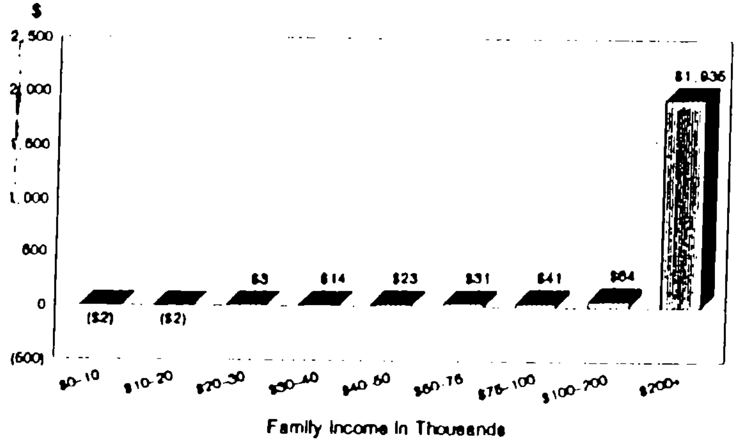
☐ I would be willing to participate as a local advocate. I understand that as votes draw near, I will be asked to make calls and write letters regarding budget issues.

I am willing to address issues on:

☐ State level
☐ District level

Return to:
OMB Watch
1731 Connecticut Avenue, N.W.
4th Floor
Washington, DC 20009

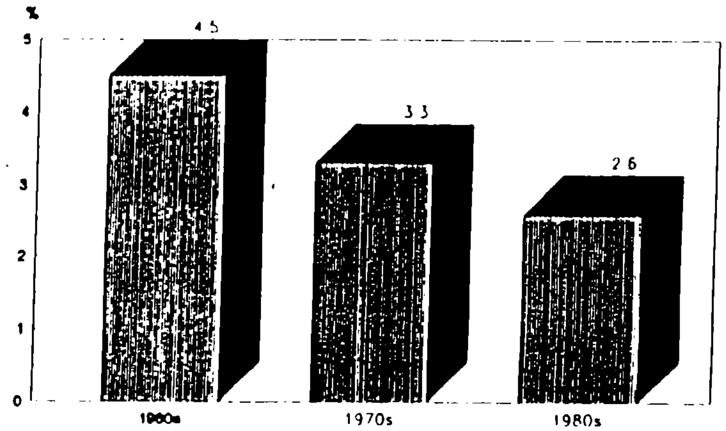
Changes In Average Monthly Taxes Based on House Reconciliation Bill in 1998



The richest 1% of families will have effective tax rates go from 28% to 33.1%, still below the 36.4% in the mid-1970s

Source Congressional Budget Office 5/18/93

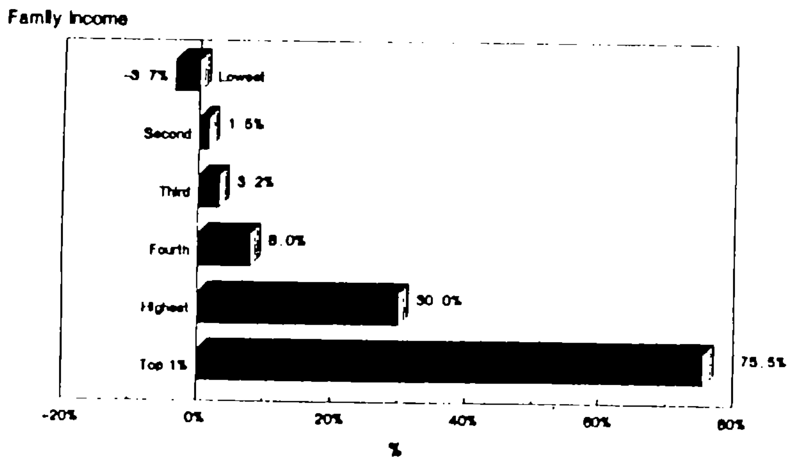
Public Investment as % of GDP



Defined to be fixed non-residential government capital & federal outlays for R&D

Source Department of Commerce

Changes in Real Income 1980-90



Source House Ways & Means Committee

CEO Letter

May 25, 1993

The Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

The undersigned companies commend you and your Committee for recent actions which improve the tax provisions of the reconciliation bill. We expect better economic results and better employment prospects to follow from the reported bill. We support the tax bill as restructured and reported by the Committee.

AFLAC Incorporated
AlliedSignal Inc.
Ameritech Corp.
Anheuser-Busch Companies, Inc.
Associated Financial Corp.

Avon Products, Inc.
Beneficial Corporation
B. P. America
Colgate-Palmolive Company
Delta Air Lines, Inc.

Dow Corning Corporation
Electronic Data Systems
Emerson Electric Co.
The GAP, Inc.
GenCorp Inc.

General Electric Company
General Mills, Inc.
General Motors Corporation
General Signal Corporation
Hallmark Cards, Inc.

Honeywell Inc.
Hughes Aircraft Company
IBM
Jim Walter Corporation
Kellogg Company

Levi Strauss & Co.
3M
Marriott Corporation
Mars Inc.
Mercantile Stores Co., Inc.

Owens-Corning Fiberglas Corporation
Philip Morris Companies, Inc.
PLY GEM Industries, Inc.
Premark International, Inc.
The Procter & Gamble Company

Puget Power Corp.
The Quaker Oats Company
Ryder System, Inc.
Sara Lee Corporation
Service Merchandise Co., Inc.

Southern California Edison Co.
Southern California Gas Co.
Southland Corp.
Southwest Airlines Co.
Tektronix, Inc.

Tenneco Inc.
Time Warner, Inc.
Valero Energy Corporation
The Walt Disney Company
Westinghouse Electric Corporation

WHAT CORPORATE EXECUTIVES ARE SAYING

"The Ways and Means Committee significantly improved the corporate provisions of the President's tax proposal, and we, therefore, strongly support H.R. 2141, the bill reported by the Committee. Although business will pay several billion dollars more under H.R. 2141, the tax structure is far better than the original proposal for investment and job creation."

E.L. Artzt
Chairman of the Board and Chief
Executive Officer
The Procter & Gamble Company

"By eliminating the investment tax credit and reducing the proposed corporate rate, the Ways and Means Committee substantially improved the corporate tax provisions in the reported bill. Their actions keep those provisions much closer to the bedrock principles of tax reform -- the broadest possible base with the lowest possible rates -- than did the original proposal and, therefore, we support H.R. 2141."

Bruce Atwater
Chairman of the Board and Chief
Executive Officer
General Mills, Inc.

"The tax bill, as modified by the Ways and Means Committee, improves the prospects for better economic growth and international competition."

Warren L. Batts
Chairman of the Board and Chief
Executive Officer
Premark International, Inc.

"I strongly support passage of the House budget reconciliation bill. The defeat of the package would mean chaos in the financial markets and would lead to an increase in interest rates. This, in turn, would slow economic growth and job creation."

Clark Matthews
President and Chief Executive
Officer
Southland Corp.

"The tax elements which were recently reported by the House Ways and Means Committee and supported by President Clinton represent a reasonable balance between the need to increase revenues, stimulate investment, and ensure the fairness of the tax system."

Michael Walsh
Chairman and Chief Executive Officer
Tenneco Inc.

"To create jobs and growth, the U.S. tax system should have the lowest possible uniform rates and no special preferences. By eliminating the investment tax credit and mitigating the increase in corporate rates, the Ways and Means Committee tax bill moves us in that direction and is worthy of support. However, we also believe that meaningful deficit reduction cannot be achieved without real spending cuts."

John F. Welch, Jr.
Chairman and Chief Executive Officer
General Electric Company

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

LANE KIRKLAND PRESIDENT

815 SIXT WASHI

Rick Bloomingdale
Dem. Nat'l Committee
Fax #: 863-8196

LEGISLA

MEMOI

TO: State Federations
Regional Directors
COPE Regional Directors

FROM: Robert M. McGlotten, Director
DEPARTMENT OF LEGISLA

DATE: May 24, 1993

RE: Budget Reconciliation

This week, the U.S. House of Representatives will debate and vote on a Budget Reconciliation package designed to implement the specifics of President Clinton's deficit reduction program. **YOUR IMMEDIATE ASSISTANCE IS REQUIRED TO ENSURE SUCCESSFUL PASSAGE OF THIS FAIR AND BALANCED PACKAGE OF SPENDING CUTS AND TAX INCREASES AIMED AT THOSE WHO CAN AFFORD TO PAY THEIR FAIR SHARE. CONTACT YOUR REPRESENTATIVES IMMEDIATELY TO URGE THEIR SUPPORT FOR THE PRESIDENT'S BUDGET RECONCILIATION PACKAGE.**

So that there is no confusion, let me make one point crystal clear. The Clinton Administration's reputation, and its future effectiveness on Capitol Hill, is riding on this critical vote! An Administration defeat could very well leave it wounded and would have a serious impact on our ability to win passage of Striker Replacement and Health Care Reform and many other of the labor movement's legislative priorities

Because of a sophisticated lobbying campaign based upon scare tactics and misinformation, Big Oil Companies and other multi-national corporate interests have succeeded in casting doubt in the minds of many Democratic members of the House as to the validity of this Reconciliation package. To set the record straight, <u>75% of the bill's net tax increases would affect taxpayers with incomes of over $100,000!</u> (see attached letter and chart).

Please make <u>personal</u> contact with your representatives immediately and report your findings back to Tom Owens in The Legislative Department (202/637-5246). Have local unions in your areas do the same. I have also included a listing of members who would not commit their support to the White House as of Friday, May 21.

PLEASE ACT IMMEDIATELY! A VOTE IS EXPECTED THURSDAY, MAY 27.

SENT BY:A. F. L. -C. I. O. ; 5-25-93 ; 11:13 ; WASH. D. C.→ 912028638196;#

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

LANE KIRKLAND
PRESIDENT

815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

THOMAS R. DONAHUE
SECRETARY-TREASURER

LEGISLATIVE ALERT!

(202) 637-5075

May 24, 1993

Dear Representative:

The AFL-CIO urges your support for the Budget Reconciliation Act of 1993, which is expected to come to the House floor this week. We believe this legislation equitably spreads the tax burden and is, on balance, a responsible plan for reducing the nation's deficit and improving the economy.

A recent report by the House Democratic Study Group very effectively illustrates the fact that tax increases are fairly distributed to those who can most easily pay them. CBO distributional tables indicate that over 63% of the tax increases will be paid by those families with incomes of more than $200,000 a year. Less than 29% will be paid by families earning less than $100,000.

By income group, families with incomes of less than $20,000 a year will on average pay about $2 a month less in taxes. Those between $20,000 and $30,000 will on average pay about $2.70 a month more, while those between $30,000 and $40,000 will pay $14 a month more. Those with incomes of $75,000 to $100,000 will pay $41 a month more, and even those with incomes of $100,000 to $200,000 will pay only $64 a month in added taxes. But the 1.5 million wealthiest families in America, those whose incomes are at least $200,000 a year, will be paying $1,935 a month more in taxes. The increase in the Earned Income Tax Credit (EITC) shields lower income families from an unfair burden under the new BTU tax proposals.

The AFL-CIO believes that a rush toward "spending cuts" as an alternative to the balanced approach reflected in the reconciliation bill is unwise. Further cuts in entitlement programs that are designed to help those who need help, in order to reduce a modest tax increase for all who can pay, is ill-advised. Medicare and Medicaid recipients, Social Security recipients, veterans, food stamp recipients and many other less fortunate groups should not be asked to foot the deficit reduction bill to make wealthier citizens more comfortable.

The AFL-CIO urges you to act quickly and favorably on the Budget Reconciliation Act, so that the Administration's economic plan--geared toward substantial job growth, deficit reduction and an investment in people--can begin to correct the disastrous economic mistakes of the past decade.

Sincerely,

Robert M. McGlotten

Robert M. McGlotten, Director
DEPARTMENT OF LEGISLATION

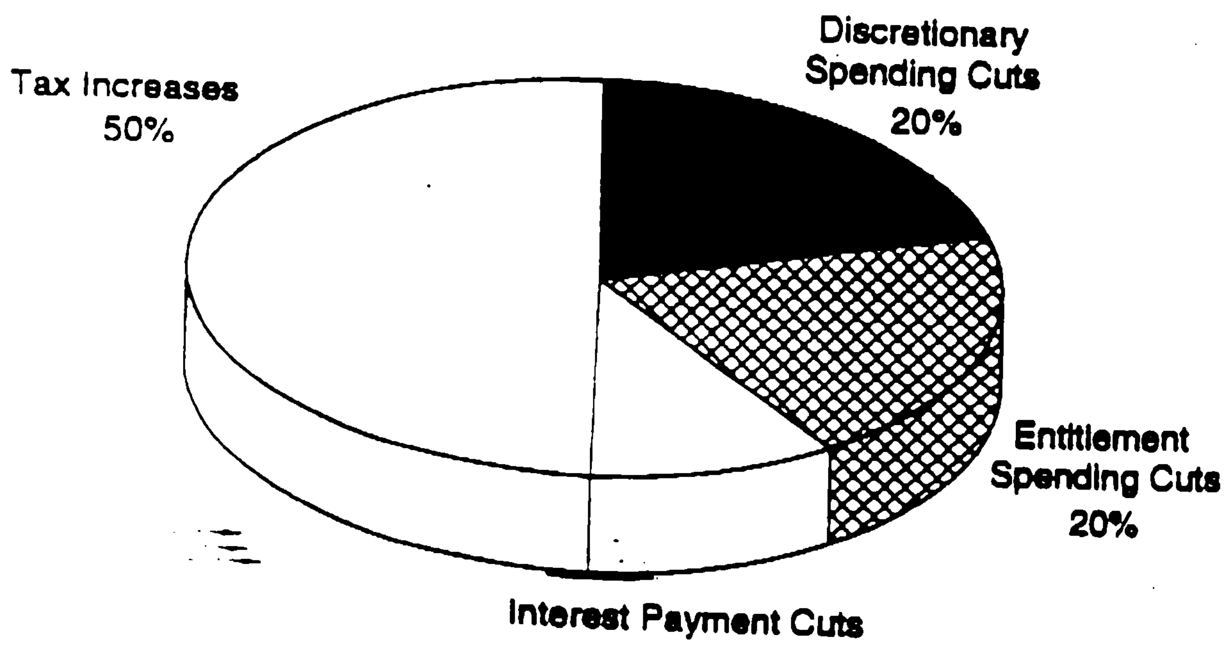
THE RECONCILIATION BILL

DSG Contact: Randall Dodd

On March 31, 1993, the House adopted the conference agreement on the budget resolution, calling for a $496 billion reduction in budget deficits over the next five years. $102 billion of that amount was to be achieved through cuts in discretionary spending programs contained in appropriation bills that will be considered over the next five years. The Congress will be subject to strict yearly caps on discretionary appropriations for each of the next five years to ensure that those savings are achieved. The resolution also called for $97 billion in entitlement cuts and $247 billion in new taxes. These actions, if adopted, are projected to save an additional $50 billion in interest payments.

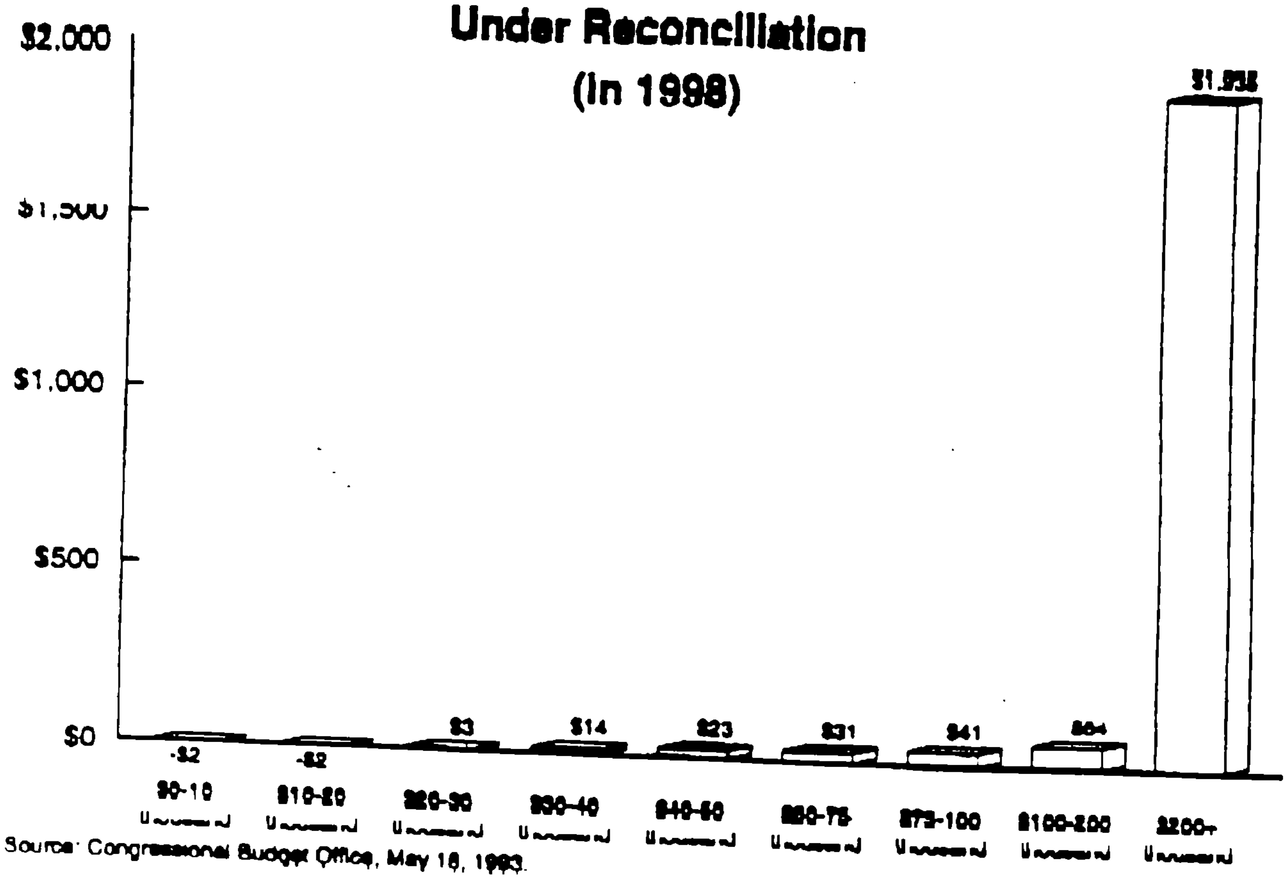
The entitlement spending cuts and the tax increases were to be accomplished through a special legislative package known as reconciliation. The budget resolution contained instructions to 13 House committees concerning the savings they were expected to make in order to attain the $343 billion deficit reduction target assumed for the reconciliation process. By last Friday, all 13 committees had completed committee action on legislation fully meeting their assigned deficit reduction targets. The full package of reconciliation spending cuts and tax increases will be considered on the House Floor next week.

How $496 Billion in Deficit Reduction Is Divided



Source: House Budget Committee.

Changes in Average Monthly T[illegible]
Under Reconciliation
(In 1998)

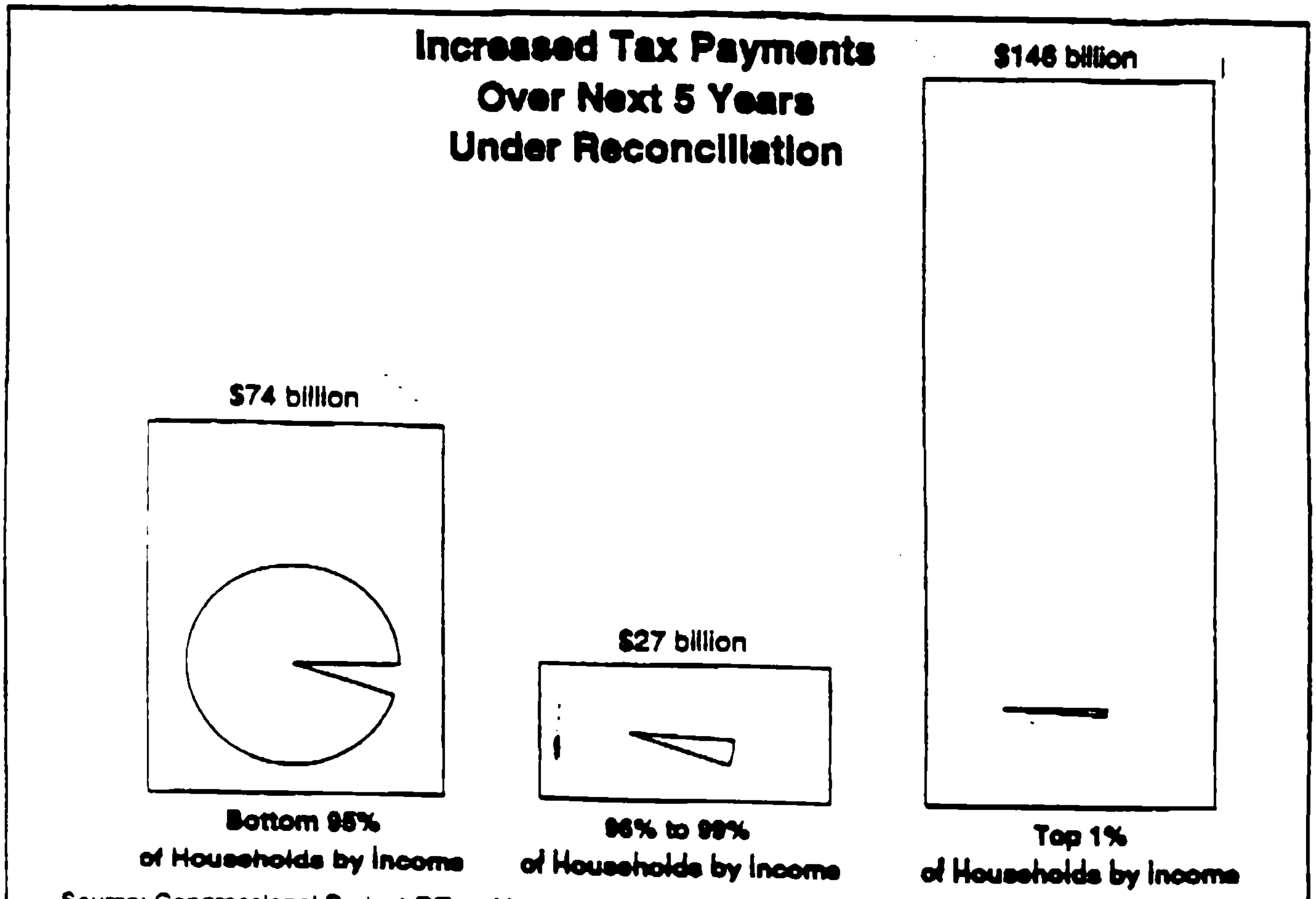


Source: Congressional Budget Office, May 18, 1993.

There has been an enormous amount of misinformation concerning the contents of this reconciliation legislation and the overall thrust of the deficit reduction effort. Far from only containing tax increases, the reconciliation bill contains a whopping $97 billion in cuts in entitlements. Furthermore, the overall deficit reduction package of $496 billion (as described above) contains $1 in spending reductions (including cuts in discretionary programs, entitlements, and interest payments) for every $1 in tax increases.

Most important to ordinary working families, the tax increases are for the first time in a long time concentrated on those Americans who can most easily pay them. Distributional tables completed by the Congressional Budget Office last night indicate that <u>over 63% of the tax increases will be paid by those families with incomes of more than $200,000 a year. Less than 29% will be paid by families earning less than $100,000.</u>[1]

By income group, families with incomes of less than $20,000 a year will on average pay about $2 a month less in taxes. Those between $20,000 and $30,000 will on average pay about $2.70 a month more, while those between $30,000 and $40,000 will pay $14 a month more. Those with incomes of $75,000 to $100,000 will pay $41 a month more, and even those with incomes of $100,000 to $200,000 will only pay $64 a month in added taxes. But the 1.5 million wealthiest families in America, those whose incomes are at least $200,000 a year and whose average income is more than $350,000, will pay a lot more. CBO estimates that in 1998 these families will be paying $1,935 a month more in taxes.



Source: Congressional Budget Office, May 18, 1993.

Under this legislation, the richest 1% of American families will give back most of the tax breaks they got during the 1980s. Their effective tax rate will rise from 28% to 33.1%. That is still well below the 35.4% effective tax rate which they paid on income in the mid-1970s.

The increased taxes and reduction in benefits which this package calls for must be balanced against the consequences of not acting on deficit reduction. The failure to enact these $496 billion in deficit cuts will add about $3,979 to the public debt for each of the 106 million households in the country.[2] A family in the very middle of the nation's income spectrum will pay about $11 in increased taxes in 1994, $54 in 1995, $98 in 1996, $141 in 1997, and $184 when the energy tax is fully phased in in 1998.[3] Altogether, such a family will pay about $488 in additional taxes over five years, while the per-family deficit reduction during that period is over eight times that size. If middle-income families believe that at some point in time the deficit imbalance left from the 1980s will have to be addressed, they must consider whether they are likely to get a better offer at some later date.

They should also consider the fact that the increased public borrowing, which will result if the package is rejected, will significantly impact interest rates. A $15,000 car financed at 7% instead of 8% will save a family $90 a year. A median-priced home financed at 7% instead of 8% will save about $800 a year. A typical middle-income family could easily save more in interest payments as the result of this plan than they would pay in increased taxes.

BUDGET RECONCILIATION BILL

HOUSE "TARGETS"

Alabama
Browder

Arkansas
Lambert

Arizona
Coppersmith

California
Dooley
Harmon
Lehman
Schenk
Tucker

Florida
Hutto

Georgia
Johnson
Rowland

Illinois
Costello
Poshard
Evans

Indiana
Long
Roemer

Kansas
Slattery

Kentucky
Barlow

Louisiana
Hayes
Tauzin

Michigan
Carr

Minnesota
Minge
Penny
Peterson

Missouri
Clay
Danner
Skelton
Volkmer
Wheat

Mississippi
Montgomery

New Hampshire
Swett

New Jersey
Hughes
Klein

New York
Maloney

North Carolina
Valentine

Ohio
Applegate
Fingerhut
Kaptur
Mann
Traficant

Pennsylvania
Holden
Margolies-Mezvinsky

South Dakota
Johnson

Tennessee
Clement
Cooper
Lloyd

Texas
Brooks
Chapman
Edwards
Geren
Green
Laughlin
Ortiz
Sarpalius
Stenholm
Tejeda
Wilson

Utah
Shepherd

Virginia
Byrne

Washington
Cantwell
Inslee
Kreidler

West Virginia
Mollohan

SALOMON INC

SEVEN WORLD TRADE CENTER, NEW YORK, NEW YORK 10048

Robert E. Denham
Chairman and
Chief Executive Officer

May 25, 1993

The Honorable Dan Rostenkowski
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

As one of the original corporate Chief Executives who endorsed the President's economic program, I want to commend you and your committee for recent actions which improve the tax provisions of the Reconciliation Bill. With the reduction of the deficit accompanied by the decline in long-term interest rates, we anticipate better long-term economic results to follow from the passage of the reported legislation.

I support the efforts of the President to achieve deficit reduction and the efforts you and the other members of your committee made to perfect this important legislation. I am taking the liberty of enclosing a copy of the op-ed piece I wrote in support of the President's program.

Sincerely,

Robert E. Denham

Robert E. Denham

Human Capital Investment in the
President's Economic Package:
Dancing with the One Who Brung You

Robert E. Denham
Chairman & Chief Executive Officer
Salomon Inc

The deficit-reducing impact of President Clinton's economic package, and the bond market's resulting display of confidence, have received abundant attention from financial commentators. In the long run, however, the most important economic impact of the package may be its shifting of funds toward production-enhancing human capital investments and away from military spending and other production-consuming activities.

Anyone who hires significant numbers of employees in skilled positions knows that many Americans are ill-prepared for the increasingly complex jobs that are being created. Meanwhile, layoffs occurring principally in less-skilled jobs or in jobs requiring obsolete skills are creating a growing pool of the hard-to-employ. In Salomon's businesses, which include securities and commodities trading, investment banking and oil refining, we have seen a steady migration toward jobs that demand increasingly complex skill sets. On our trading floors we need people with advanced math and economics degrees, not high school graduates who develop a "feel" for the markets. In administration and finance, we need advanced computing, accounting and mathematical analysis skills, not bookkeepers.

The same story, in different words, could be told by company after company across the United States, yet educational institutions and company training programs have responded slowly and ineffectively to the higher standards required by today's jobs. A recent study of illiteracy among young American adults found 38.5% unable to read at an 11th grade level and 20.2% unable to read at an eighth grade level. Schools have often been so swamped by the social needs of children growing up underfed, ill-housed and in the midst of drugs and violence that they have been unable to respond to their need for an increasingly complex education. Corporations have generally not taken on the responsibility for basic skills training, preferring to invest in more advanced and job-specific training for people who already have substantial basic skills. The realities of a cold war economy created a paradox that was becoming a trap: defense expenditures impaired our ability to afford human capital investments, while the failure to make these investments impaired our long-term security. Increasingly, we are living off the diminishing returns from past waves of human capital investments.

President Clinton's economic plan carries out a dramatic shift from expenditure to investment, particularly in the critical area of human capital. The human capital investment increases over four years include $8 billion for Head Start, $2.6 billion for the women, infants and children program, $7.4 billion for a national service program that will fund college education, $4.6 billion for work re-employment and training assistance, and $1.2 billion for apprenticeship programs. At the same time he proposes dramatic decreases in defense spending and other decreases in non-productive expenditures such as agricultural subsidies. Besides accomplishing the deficit reduction for which the President's program has been justly praised, these changes also make a meaningful start on the investments in human beings that are essential for our long-term economic security.

President Clinton has recognized that with the end of the Cold War it is possible to replace government programs driven by fear with programs that are inspired by hope. Governor Clinton became President Clinton by enunciating a vision of an America that demonstrates belief in its future by willingness to invest in that future today. During the remaining years of his Presidency there will be many events to distract him from this vision. As a guide to making the necessary choices about priorities, he needs only to remember the old country adage: "Dance with the one who brung you."

CENTER ON BUDGET AND POLICY PRIORITIES

The House Reconciliation Bill — Landmark Legislation to Address the Nation's Budget and Social Deficits

The nation faces three large deficits that threaten the nation's health and well-being. First, of course, is the large budget deficit, which can hamper long-term economic growth and make it difficult to find funds for emerging or long-neglected domestic needs. Second, there is an investment deficit — a shortage of government investment in areas where investments should be enhanced to make the economy more productive in the future. And third, there is a social deficit best reflected in the fact that the U.S. child poverty rate is double the rate in Canada and four times the average in western Europe.

For the past 12 years, most federal budget proposals either have made little progress in reducing these deficits or have sought to reduce the budget deficit in part by making the investment deficit or the social deficit worse. Meanwhile, due largely to economic factors, poverty rates have been rising, and income gaps between the wealthy and other Americans have become wider than at any point since the end of World War II.

The budget reconciliation bill coming to the House floor May 27 would decisively reverse past budget trends. It would substantially reduce the federal budget deficit. At the same time, it would make important progress in addressing the nation's other deficits, especially the social deficit as it affects poor children. And the legislation also would make the tax system more progressive; the bulk of its tax increases fall squarely on upper-income taxpayers while the earned income tax credit would be greatly expanded for low- and moderate-income working families.

The House reconciliation bill contains the following features.

Deficit Reduction

The bill reduces the deficit approximately $500 billion over the next five years. Some $250 billion of this amount is saved as a result of tax increases, while nearly $250 billion more is saved on the spending side of the budget.[1] The bill's entitlement and

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[1] The $250 billion in net revenue increases includes both the increase in the portion of Social Security benefits that are considered taxable income and the expansion of the earned income tax credit. If the Social Security provision is considered a benefit recapture rather than a tax increase, the overall tax increase would total about $220 billion over five years. If the Social Security provision is counted as a tax increase but the refundable portion of the earned income tax credit expansion is *not* counted as a tax cut — ~~and is~~ instead considered a spending increase — the overall tax increase in the bill would be closer to $275 billion.

777 North Capitol Street, NE, Suite 705, Washington, DC 20002 Tel: 202-408-1080 Fax: 202-408-1056
Robert Greenstein, Executive Director ★ Loring Henderson, Deputy Director

worker would be assured of being lifted to the poverty line if they also received food stamps.[3]

The bill's tax provisions would be highly progressive. Nearly two of every three dollars raised — 66 percent — would be paid by households with incomes of $200,000 a year or more. Three-quarters of the new revenues would be paid by those with incomes exceeding $100,000 a year. Only five percent of the new taxes would be paid by those with incomes below $50,000 a year even though they constitute the large majority of all U.S. households.[4]

The average household with income below $20,000 would receive a net tax cut, due to the affects of the earned income credit provision. The average household in the $20,000 to $30,000 range would face a net increase of only $24 a year. In the $30,000 to $40,000 range — which marks the middle of the U.S. income spectrum — the tax increase would be $161 a year, or between $13 and $14 a month.[5]

Only those with incomes over $200,000 a year would face large tax increases. Nevertheless, this group would still pay a lower percentage of its income in federal taxes than it did in 1977.

Overall, the tax provisions of the bill raise large amounts of revenue to help close the deficit while substantially helping the working poor, touching the middle class only lightly, and restoring to the tax code some of the progressivity it lost in the 1980s.

Spending Reductions

For the most part, the bill's entitlement reductions are carefully designed as well. The largest savings — some $50 billion over five years — would come from Medicare. These savings would affect doctors, hospitals, and other medical care providers rather than beneficiaries. The principal change in the student loan program would save funds by converting it to a "direct loan" program administered by the government and

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[3] This assumes that legislation is subsequently enacted indexing the minimum wage to inflation, a reform President Clinton endorsed in his campaign.

[4] These data come from the Congressional Budget Office. They reflect the effects of the tax provisions of the reconciliation bill (including the Social Security and earned income tax credit provisions) along with two measures to offset the impact of the energy tax on low-income households, the food stamp provisions of the reconciliation bill and the Administration's proposed increase in low-income energy assistance.

[5] The average tax increase on households with incomes between $30,000 and $40,000 would be $161. The average tax increase on the 20 percent of households in the middle of the income spectrum would be $182.

compared to the spending cuts. The net savings in the entitlement and discretionary programs area total nearly $200 billion over five years.[6]

Addressing the Social Deficit

The increase in the earned income tax credit is one of several ways in which the legislation addresses the social deficit. The reconciliation bill also contains the Mickey Leland Child Hunger Prevention Act, a long-sought piece of legislation that would raise food stamp benefits $7 billion over the next five years and target most of these benefits on poor children and their families. The food stamp component of the bill includes several provisions aimed at enabling more working poor families to participate in the food stamp program as well as provisions designed to raise benefits for families in severe need, such as families that face very high housing cost burdens and find themselves forced to choose between paying the rent and utilities and providing adequate food for their families throughout the month.

In addition, the legislation contains an important child immunization initiative that provides federal financing to enable states to purchase vaccines at reduced prices and to provide immunizations free of charge to children who are eligible for Medicaid or who lack health insurance coverage for immunizations. The reconciliation bill also includes the Family Preservation Act, which is designed to help troubled families with children work out their problems and stay together so that the children in these families do not have to be placed in foster care. In addition, the bill contains Medicare provisions to assist rural hospitals, many of which face financial difficulties.

Conclusion

The House reconciliation bill represents a major policy breakthrough. If the bill fails, an opportunity to make such major progress in reducing both the budget deficit and the investment and social deficits — and to do so in a balanced manner that has such a modest impact on middle-income households — may not come again for years.

May 25, 1993

[6] The bill contains $189 billion in net savings over five years in entitlements and discretionary programs and $45 billion in debt service savings. Another $16 billion in savings comes from debt management reform, which will lower interest payments on government borrowing.

SIERRA CLUB

408 C Street, N.E. Washington, D.C. 20002 202·547·1141

May 25, 1993

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the Sierra Club's 600,000 members, I urge you to support the President's energy tax when it comes to the House floor. The Administration's proposed BTU tax is a good first step towards reducing our wasteful use of polluting energy. Our society is already paying hidden energy costs in the form of air and water pollution, nuclear waste, oil spills and military risks. It is time to incorporate these societal costs of energy use into the market pricing of energy.

The BTU tax as proposed by the Administration is a fair and balanced plan, with offsets for lower income families. The delicate balance of the tax must be preserved. We urge you to resist any attempts to further amend the tax, because each exemption provided for an industry or a fuel source compromises the environmental integrity of the BTU tax and risks regional equity.

The BTU tax will reward investments in efficiency and discourage energy waste in the transportation, electric utility and industrial sectors of the economy. Encouraging efficiency and emerging renewable energy sources will help to advance our national goals of carbon dioxide stabilization and pollution prevention.

To remain competitive as the international community begins to confront global warming, the U.S. must take back the lead in developing energy efficiency measures and renewable energy sources. Many of the technological innovations in these fields originated in this country, but promoters were forced to go overseas for funding. The BTU tax can give U.S. industries the push they need to fully explore and implement these technologies.

The Administration's BTU tax proposal provides offsets for families with lower incomes. Increases in the Food Stamp and Low-Income Home Energy Assistance Programs complement the tax, as does the expanded Earned Income Tax Credit. It's also important to note that energy pollution itself is very regressive because polluting operations like coal-fired power plants and nuclear waste facilities are likely to be located in low-income areas.

We urge you to support the BTU energy tax. It will help move our nation towards deficit reduction and cleaner sources of energy.

Sincerely,

Debbie Sease

Debbie Sease
Legislative Director

"When we try to pick out anything by itself, we find it hitched to everything else in the universe." *John Muir*

National Headquarters: 730 Polk Street, San Francisco, California 94109 (415) 776-2211

05-25-93 03:53PM [64] P2

Public Securities Association
1445 New York Avenue, N.W.
8th Floor
Washington, D.C. 20005
(202) 434-8400 Fax (202) 737-4744

PSA

May 25, 1993

The Honorable Thomas S. Foley
U.S. House of Representatives
1201 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Speaker:

This week the House of Representatives will consider the Budget Reconciliation Act of 1993. This will clearly be one of the most significant votes of the 103rd Congress. Significant because its outcome will signal the willingness of Congress to begin addressing the ever-spiraling Federal budget deficit.

The Public Securities Association (PSA) is the international trade association of banks and brokerage firms which deal in municipal securities, U.S. government and Federal agency securities, mortgage and other asset-backed securities, and money market instruments. In other words, PSA represents the fixed income securities markets. These markets rise and fall on movements in economic indicators, as well as changes in monetary and fiscal policy.

While there is no consensus among economists about the directness of the relationship between the Federal deficit and interest rates, there is no question that the bond markets have reacted favorably to the commitment to deficit reduction on the part of the President and the Congress in recent months. Unfortunately, this focus has begun to turn to the familiar tone of gridlock that so plagued the last several years.

Clearly, the budget reconciliation bill that will be considered later this week by the House is not a perfect bill. There are many provisions that different Members of Congress and constituency groups (including PSA) would like to see dropped, modified or even added.

However, House passage of budget reconciliation is crucial to keeping the deficit reduction process alive. It is hoped by many that through this legislative process more spending cuts will be added. Similarly, many Members of Congress and organizations want to address specific problems with particular provisions in the legislation. Killing the bill at this stage will not meet any of those goals. It will only exacerbate the current problems facing our nation and our economy.

Thank you for your attention to this very important issue.

Sincerely,

Micah S. Green
Executive Vice President

May 20, 1993

ACTION
InterfaithIMPACT

ACTION Vol. 3 No. 4 • InterfaithIMPACT • 110 Maryland Avenue, NE, Washington, D.C. 20002 • (202) 543-2800 • Editor: R. Greenwood

Budget Process enters critical Reconciliation Phase

House Reconciliation Bill includes over $33 billion in aid for poor families over the next five years

ISSUE

The Federal Budget process is at a critical point. If the investments in families and children recommended by President Clinton and passed by Congress in the broad outlines of the Budget Resolution are to become reality, now is the time to act. The Budget Reconciliation bill -- in which tax laws and entitlement programs are changed, or reconciled, to achieve five year deficit-reduction targets set in the congressional budget resolution -- is scheduled for a vote on the floor of the House of Representatives on May 27. The Budget Resolution contains over $33 billion over the next five years in programs benefiting poor families and children

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ACTION

Call your Representative today to urge her/him to vote for the Budget Reconciliation legislation. Call or write your Senators urging them to support similar Reconciliation legislation, including the programs listed below, when it comes before the Senate in mid to late June.

Capitol Switchboard (202) 224-3121

The Honorable (name)
United States Senate
Washington, DC 20510

BACKGROUND

The national priorities reflected in the annual Budget Resolution, as proposed by President Clinton and approved by the Congress, require additional legislation to translate them into specific changes in taxes, spending, and program policy. Reconciliation legislation makes the needed tax, revenue or basic program changes (especially in entitlement programs) to meet budget goals, accounting for budget savings and deficit reduction.

The Budget Resolution passed by Congress contains over $33 billion over the next five years in programs for poor families and children. This represents a greater commitment to assisting families in need than has been seen for a long time. Among programs included in the Reconciliation bill which deserve support are:

The "Budget Reconciliation" legislation -- which contains funding for the Mickey Leland bill, the Earned Income Tax Credit, Childhood Immunization, and family support and preservation services -- is scheduled for a vote on the floor of the House of Representatives on May 27.

Recycled Paper

Senate Agriculture Committee Members *will consider the Mickey Leland Childhood Hunger Relief Act.*

Leahy (D-VT), Chair
Baucus (D-MT)
Boren (D-OK)
Cochran (R-MS)
Conrad (D-ND)
Coverdell (R-GA)
Craig (R-ID)
Daschle (D-SD)
Dole (R-KS)
Feingold (D-WI)
Grassley (R-IA)
Harkin (D-IA)
Heflin (D-AL)
Helms (R-NC)
Kerrey (D-NE)
Lugar (R-IN)
McConnell (R-KY)
Pryor (D-AR)

• **The Mickey Leland Childhood Hunger Relief Act** will increase benefits available to families with children. The Act will raise food stamp benefits to a level more closely reflecting the actual cost of purchasing food. It will raise, with inflation, the current $4,500 limit on the fair market value of a family's car, enabling families to keep a car which is crucial to finding and maintaining a job today. The bill will encourage the collection and payment of child support. Another provision will allow families with children to deduct housing costs which exceed 50% of their income from their taxes like elderly and disabled households do presently. ($7 billion*)

• **Earned Income Tax Credit** will raise the maximum tax credit to $3,370 for eligible families with two or more children. This is about $1,400 more than the current maximum. This expansion also includes an increase for families with one child and even for childless workers with low incomes. ($23 billion*)

• **Childhood Immunization Initiative** will permit states to use federal funds to purchase vaccines for children who are eligible for Medicaid, are uninsured, or are underinsured (those whose health insurance does not cover vaccines) at a price negotiated by the federal government with the drug companies. States will be able to use their own funds to buy vaccines at the same price for insured children in their states. ($2.1 billion*)

• **Family Preservation and Family Support provisions** will help to provide services to at-risk families, so that children do not need to be removed from their homes. It will also improve the quality of services to children in out-of-home care. ($1.5 billion*)

A similar process of Reconciliation will start in the Senate in early June. Before the entire Reconciliation bill goes to the Senate floor, the Earned Income Credit, the Childhood Immunization Initiative and the Family Preservation programs will be considered by the Senate Finance Committee and the Mickey Leland Childhood Hunger Relief Act will be considered by the Senate Agriculture Committee. Members of these two committees need to be contacted soon to assure that these programs are included in the Senate Reconciliation Bill. A full Senate vote is expected before the July 4 recess.

Senate Finance Committee Members *will consider the Earned Income Tax Credit, Childhood Immunization, and Family Preservation and Support provisions.*

Moynihan (D-NY), Chair
Baucus (D-MT)
Boren (D-OK)
Bradley (D-NJ)
Breaux (D-LA)
Chafee (R-RI)
Conrad (D-ND)
Danforth (R-MO)
Daschle (D-SD)
Dole (R-KS)
Durenberger (R-MN)
Grassley (R-RI)
Hatch (R-UT)
Mitchell (D-ME)
Packwood (R-OR)
Pryor (D-AR)
Riegle (D-MI)
Rockefeller (D-WV)
Roth (R-DE)
Wallop (R-WY)

FOR MORE INFORMATION

Contact Peggy Comfrey, Jesuit Social Ministries, (202) 462-7008

* Over the five year period covered by the bill.

AMERICAN FEDERATION OF TEACHERS, AFL-CIO
ALERT
A SPECIAL PUBLICATION FOR RETIREE LEADERS

Stop the Soc. Sec. COLA Cap & Medicare Cuts!

A key group of Republicans and conservative Democrats have introduced a plan to kill President Clinton's energy tax and called for a radical overhaul of the President's budget to cap Social Security cost-of-living adjustments and cut Medicare and Medicaid.

In the Senate, Senator David Boren (D-Okla.), backed by a large bloc of Republicans, has introduced an amendment to eliminate the Clinton energy tax and slash critical domestic program such as Social Security COLAs, Medicare and Medicaid. The cut in the COLA alone comes to $23 billion. It would take 2% of all Social Security benefits over $600 a month.

President Clinton was right on target, calling Boren's plan "a $40 billion shift from wealthy Americans right on to the people just above the poverty line, the elderly and working poor."

In the U.S. House of Representatives, Congressman Charles Stenholm (D-Tex.) and a coalition of conservative Democrats and Republicans, including House Republican leader Bob Michel (R-Ill.), plan the same kind of cuts in Social Security and entitlement programs when the House considers the 1993 Budget Reconciliation Bill next week.

The President's budget and deficit-reduction proposals are the only real plans to cut the deficit. The other proposals are just camouflage for shifting the tax burden to working people and the poor--the hallmark of the Reagan-Bush years.

Pure and simply, these proposals are a windfall for oil companies, like those in Oklahoma, and the well off. (Sen. Boren also proposes cutting the capital gains tax by indexing it and delaying introduction of the higher income tax rates for the wealthy.) All at the expense of the living standards and health care of more than 30 million senior citizens on fixed incomes and millions of low-income people.

If successful, the measures could unravel the entire deficit reduction package and undercut the President's once-in-a-generation health care reform plan even before it is formally introduced.

Every tax dollar in the President's budget package goes to reduce the deficit. It already contains over 200 specific spending cuts. Cuts that will reduce the deficit by approximately $250 billion over five years. The administration bill also has more than $100 billion in entitlement cuts.

The Congressional Budget Office found that 75% of the taxes the President has proposed fall on the 6.5% most well-off American families--those making more than $100,000 a year.

A vote on the measure in the House could come as early as the week of May 24. Call your U.S. Representatives and Senators today in their state and district offices and in the capital at 202-224-3121. Tell them that you support the President and oppose the Boren and Stenholm/Michel amendments.

A list of key undecided U.S. Representatives is included. Please make a special effort to contact those in your state or district as well as members of the Senate Finance Committee who are also listed.

Thank you.

289

May 21, 1993

RACHELLE HOROWITZ

AMERICAN FEDERATION OF TEACHERS
AFL•CIO

555 NEW JERSEY AVENUE, NW
WASHINGTON, DC 20001
202-879-4400

ALBERT SHANKER
PRESIDENT

EDWARD J. McELROY
SECRETARY-TREASURER

May 25, 1993

On behalf of the 820,000-member American Federation of Teachers, I urge you to support the Budget Reconciliation Act of 1993 when it is considered on the House floor this week. After 12 years of inaction on the deficit, this legislation offers a specific and detailed plan to reduce the deficit and increase investment in the American economy.

In addition, the Budget Reconciliation Act shifts the tax burden from middle-class Americans to those who can most easily afford it. According to the Congressional Budget Office distribution tables, over 63% of the tax increases contained in the Act will be paid by families with incomes of more than $200,000 a year. Less than 29% will be paid by families earning less than $100,000.

The Budget Reconciliation Act also correctly balances tax increases with spending cuts. It contains $1 in spending reductions--including cuts in discretionary programs, entitlement and interest payments--for every $1 in tax increases.

The bottom line is that the Budget Reconciliation Act is a necessary step in efforts to correct the mistakes of the past 12 years of trickle-down economics. I urge you to act quickly and favorably on this legislation.

Sincerly,

Albert Shanker
President

AS:jm

May 21, 1993

MEMORANDUM

TO: AFT Executive Council
100 Largest Locals
Legislative/COPE Liaisons

FROM: AFT Legislation

RE: President Clinton's Economic Package

President Clinton's economic package is under attack again in the Congress. The first battle will be in the House of Representatives where there are votes scheduled for this Tuesday and Thursday. However, opposition is being orchestrated from the Senate where Sen. David Boren (D-Okla.) and John Danforth (R-Mo.), are trying to eliminate the President's proposed energy tax and rehaul the Administration's budget proposal. They are hoping to influence the House vote next week by scaring House democrats into voting against the plan.

BACKGROUND

After 12 years of inaction on the deficit, Bill Clinton quickly put forth a specific and detailed plan to reduce the deficit and increase investment in the American economy. The plan is thorough and comprehensive. It will cut $496 billion from the deficit, with $225 billion in spending cuts.

The Boren-Danforth alternative is a return to Reagan-style trickle-down economics. It will cut social security benefits for 27 million middle-class Americans. It will cut $15 billion from the Earned Income Tax Credit, which benefits 14 million working families trying to stay above the poverty line. Finally, $50 billion of the tax cuts proposed by Boren and Danforth are almost exclusively for upper-income Americans--those with incomes well over $100,000.

The Boren-Danforth plan also eliminates President Clinton's proposed Btu energy tax, a measure that will raise about $70 billion over the next five years by taxing most forms of energy. Despite Boren's objections--which reflect the powerful energy lobby--the Btu tax is fair and will generate the revenue needed to reinvest in education, health and social programs and the nation's infrastructure.

According to the Treasury Department and the Congressional Budget Office, in 1994 a family making $40,000 will pay only $1 more a month. By the time the tax is fully phased in, it will only raise families' annual combined bills for gasoline, home heat and electricity by between $100 and $150.

In response to attacks on his economic plan President Clinton said in a May 20 White House news conference: "It's basically a $40 billion shift way from wealthy Americans right on to people just above the poverty line--the elderly and the working poor."

WHAT YOU CAN DO

Call your Senator and Representative--regardless of party affiliation--and urge them to support President Clinton's economic plan. The phone number for the Capital is (202) 224-3121; just ask for your members' offices.

Once you know your members' positions, please call AFT Legislation at 1-800-238-1133 ext. 4452 and let us know.

IEEE

UNITED STATES ACTIVITIES

Promoting Career and Technology Policy Interests of Electrical, Electronics & Computer Engineers

May 25, 1993

IEEE-USA Office
(202) 785-0017

"Information Line" Recording
(202) 785-2180

FAX
(202) 785-0835

The Honorable Neil Abercrombie
United States House of Representatives
Washington, DC 20515

Dear Representative Abercrombie:

The Institute of Electrical and Electronics Engineers, Inc. - United States Activities (IEEE-USA) is a strong supporter of President Clinton's efforts to reduce the budget deficit, encourage economic growth and productive investment, create jobs, and promote U. S. economic and technological competitiveness.

President Clinton's deficit reduction package as contained in the Omnibus Budget Reconciliation Act of 1993 (HR 2141) includes many provisions that are particularly important to IEEE's U. S. members. As reported by the Budget Committtee, the reconciliation package would authorize a permanent extension of the $5250 tax exclusion for employer provided educational assistance; a permanent extension of the research and experimentation tax credit; targeted capital gains incentives for investment in small businesses; and a major revenue raising provision that would permit the Federal Communications Commission to use auctions to assign portions of the public radio spectrum to commercial users.

On behalf of IEEE's 250,000 U. S. members, ***IEEE-USA urges you to support these provisions*** as you consider the President's deficit reduction package as contained in the Omnibus Budget Reconciliation Act of 1993.

Sincerely yours,

Charles K. Alexander, Jr, Ph.D., P.E.
Vice President, Professional Activities
and
Chairman, United States Activities Board

The American Jewish Committee
OFFICE OF GOVERNMENT AND INTERNATIONAL AFFAIRS
1156 Fifteenth Street, N.W., Washington, D.C. 20005. Telephone (202) 785-4200. Fax (202) 785-4115

May 25, 1993

The Honorable Neil Abercrombie
United States House of Representatives
Washington, DC 20515

Dear Representative Abercrombie,

As an organization committed to fair and effective social policy and to easing the burden on working families, the American Jewish Committee urges you to vote in favor of the Budget Reconciliation bill when it comes before the House this week. The bill is critically important to our nation's social and economic well-being. We urge your support for the measure and your opposition to any amendment that would hinder its passage. The bill provides for investments in America's children and families, and includes necessary but limited funding for foreign aid, including aid to Israel, while addressing the goal of deficit reduction.

The Reconciliation package includes a major expansion in the Earned Income Tax Credit, which would help supplement low wages for low- and moderate-income working families, lifting millions of the working poor above or closer to the poverty line.

The Reconciliation package also includes the Mickey Leland Childhood Hunger Relief Act, which would provide desperately needed food assistance to families with children by allowing them to subtract their high shelter costs in calculating their eligibility for food stamps, as is currently the practice for elderly and disabled persons. The Leland bill, together with the Earned Income Tax Credit, would dramatically increase the health and well-being of this nation's low-income, vulnerable families.

The Reconciliation package, crafted along lines proposed by President Clinton, represents a change in federal spending priorities with a true commitment to investing in our nation's children. The American Jewish Committee urges you to help working families provide for themselves by supporting this responsible deficit-reduction measure.

Thank you for your consideration of our views.

Sincerely,

Alfred H. Moses
President

American Hospital Association
National Association of Public Hospitals
Catholic Health Association
American Association of Retired Persons
American Health Care Association
American College of Emergency Physicians
National Committee to Preserve Social Security and Medicare
National Association of Psychiatric Health Systems
National Association of Children's Hospitals
and Related Institutions
Association of American Medical Colleges
Federation of American Health Systems
National Association of Rehabilitation Facilities
American Association of Homes for the Aging
National Council of Senior Citizens

May 20, 1993

The Honorable Richard K. Armey
U.S. House of Representatives
Washington, D.C. 20515-4326

Dear Congressman Armey:

As a broad coalition of organizations, we strongly urge you to reject any attempt to place caps on Medicare, Medicaid, or other entitlement spending during House consideration of the budget reconciliation measure.

Imposing caps on Medicare and Medicaid spending, as well as other entitlements, would arbitrarily restrict spending on health care without any rational basis and avoid dealing with the reasons for health care cost inflation. By not addressing the underlying causes for the growth in health spending, this proposal would aggravate, rather than relieve, the defects inherent in our health care system. Spending caps would not spur necessary fundamental change in the health delivery system so that it is more patient-centered, but would simply lock in the status quo without any real reform.

The House Ways and Means Committee, in its reconciliation package, already recommends significant savings from the Medicare program beyond that called for in the budget resolution--$50.6 billion over five years as opposed to the budget resolution figure of $48.3 billion--through a two-year freeze in provider payments. Likewise, the reconciliation package approved by the House Energy and Commerce Committee achieves $28.1 billion in savings over five years from the Medicare Part B program, and $8.2 billion from the Medicaid program.

Any future budget savings can only come through restructuring the delivery system as it relates to Medicare and Medicaid and the rest of the health care system. The imposition of arbitrary caps on entitlement programs simply continues the pattern of ratcheting down reimbursement rates to providers, and fails to move us in the direction of comprehensive health care reform and a restructured delivery system.

Further cutbacks in Medicare and Medicaid spending in the form of an entitlement cap could only have an adverse impact on beneficiaries' access to care, and on the ability of providers to continue offering the same level of high quality care, as well as exacerbate the shifting of costs from the Medicare and Medicaid programs to the private sector.

While we recognize the difficulties of achieving meaningful deficit reduction, we do not believe that placing arbitrary caps on entitlement spending should be a basis for accomplishing this end. It will neither result in sound health policy nor lead to comprehensive reform and restructuring of the health care delivery system. We, therefore, strongly urge you to reject any effort to place caps on entitlement spending as part of the budget reconciliation bill.

Sincerely,

The Above-listed Organizations

AMERICAN RIVERS * ENVIRONMENTAL AND ENERGY STUDY INSTITUTE
FRIENDS OF THE EARTH * NATIONAL AUDUBON SOCIETY
NATIONAL WILDLIFE FEDERATION * NATURAL RESOURCES DEFENSE COUNCIL
PUBLIC CITIZEN * UNION OF CONCERNED SCIENTISTS

May 25, 1993

Support the Energy Tax: Fight Pollution, Reduce the Deficit

Dear Representative:

The undersigned environmental groups urge you to support the energy tax reported by the House Ways and Means Committee as part of President Clinton's comprehensive economic plan.

The time has come to get serious about both the deficit and pollution. The energy tax, passed out of the House Ways and Means Committee on May 13, will go a long way toward addressing these critical issues.

The tax is a valuable and important piece of the overall deficit reduction package. Although the current version is significantly weaker than President Clinton's first proposal, the energy tax retains much of its environmental benefit. In particular the tax will help the U.S. meet its commitment to reducing global warming emissions to 1990 levels by the year 2000.

The energy tax is designed to embody the principle of shared sacrifice by being broad-based and fair to all sectors and regions of the nation. The tax is linked to provisions to protect low-income families and households.

Most importantly, the energy tax is an historic step in transferring the burden of taxation from social "goods" like work, income, investment, and production to social "bads" like pollution and inefficiency.

We respectfully request your support for the energy tax. In addition, we ask you to oppose any effort to erode the revenue potential or environmental benefits of the tax through exemptions for specific interests.

Sincerely,

Jane Perkins
President
FRIENDS OF THE EARTH

On Behalf of:

Dale Pontius
Vice President for Conservation Programs
AMERICAN RIVERS

Ken Murphy
Executive Director
ENVIRONMENTAL AND ENERGY STUDY INSTITUTE

Ronald J. Tipton
Vice President for Government Relations
NATIONAL AUDUBON SOCIETY

Jay D. Hair
President
NATIONAL WILDLIFE FEDERATION

John Adams
Executive Director
NATURAL RESOURCES DEFENSE COUNCIL

Bill Magavern
Director, Critical Mass Energy Project
PUBLIC CITIZEN

Alden Meyer
Legislative Director
UNION OF CONCERNED SCIENTISTS

DAWN → 543-4710

MARTIN OLAV SABO
5th District, Minnesota
Rayburn House Office Building
Washington, D.C. 20515
(202) 225-4755

462 Federal Courts Building
110 South 4th Street
Minneapolis, Minnesota 55401
(612) 348-1649

COMMITTEE ON BUDGET
Chairman
COMMITTEE ON APPROPRIATIONS
Subcommittees:
Defense Transportation
Treasury-Postal Service-General Government
DEPUTY MAJORITY WHIP

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 25, 1993

Dear Colleague:

I thought you might be interested in this editorial that appeared in my hometown paper, Minneapolis-St. Paul Star Tribune, today.

Sincerely,

Martin

Martin Olav Sabo
Member of Congress

Stick with Btu tax

There is an oil barrel full of reasons President Clinton should stick with his proposed Btu tax against the unkind cuts of a few Senate Democrats, led by oil Sen. David Boren and natural gas Sen. David Breaux. Three are fairness, efficiency and 20 billion badly-needed bucks.

An energy tax based on heat content of fuels as measured in British thermal units (Btu's) was not our initial favorite among energy-tax options. Along with presidential candidates Tsongas and Perot, we preferred a substantially increased gasoline tax. But the special genius of Clinton's Btu approach is fairness. In addition to fossil fuels, it covers nuclear and hydroelectric power, which also have negative environmental side effects, and it produces the most regionally balanced tax effect. Such balance should mean political acceptance.

The political horse that Boren, Breaux and now interloper Perot are riding is a growing concern that Clinton's budget is short on spending cuts outside of the military. Depending upon Clinton's final health-care proposal, that concern may be legitimate, but the energy tax is the wrong battlefield. It is needed no matter what.

The Btu tax is a broad-based sin tax like no other. When consumers or businesses buy gasoline, oil or electricity, they are also buying air pollution, radioactive waste, global warming and — in the case of oil — trade deficits. Energy taxes reduce all these nasty side effects, with the added feature — unlike any other tax — of encouraging efficiency that can offset the cost of the tax. A timely new study by the Institute for Local Self Reliance asserts that the Btu tax's 6 percent price increase can be offset through investments in efficiency that pay back in as little as three years.

So-called deficit hawks like Sen. Boren and gadfly Perot are disingenuous. Controlling entitlement and health-care costs are essential, but so are the revenue increases and efficiency investments the Btu tax provides. This is not an either-or debate. If the deficit is to be cut, some broad-based taxes must go up because that's where the serious money is: $20 billion a year for the Btu tax. Energy price increases are also the best way for the nation to meet its environmental commitments.

The Btu tax nearly painlessly raises funds, discourages pollution and encourages efficiency, a win for the economy, trade deficits and the environment. Boren, Breaux and Perot should get off their gassed and oiled political machines and support what is good for the country. That is what the last election was all about.

Clinton Presidential Records
Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Divider Title: **4**

TO: Chairman Wilhelm

FROM: Alice Travis

RE: House activities today

DATE: May 26, 1993

Based upon the updated head count this morning, DNC and Intergovernmental Affairs covered the following activities:

1) Faxed Action Alert to Democratic Legislative Leaders in the targeted states, with talking points and a sample press release, encouraging them to call their Members and Senators and to release statements, faxing them to their Members and to us.

2) Ohio. Mayor Mike White agreed to call Fingerhut, and will likely release a statement. Still having quite a problem with the BTU Tax on the city, but is trying to be helpful. Treasurer Mary Ellen Withrow is releasing a statement, calling in a radio actuality and phoning at least Applegate and Strickland, with whom she has good relationships and possibly phoning Kaptur, Fingerhut, and Mann.

3) California. Mayor Susan Golding referred us to Councilwoman Valerie Stallings, who will likely phone Schenk, and perhaps do a release. I placed call to Schenk directly. Placed call to Tony Coehlo, to request that he phone Dooley, Lehman, and Condit.

4) Illinois. Called Mayor Daley's Chicago office. They are phoning Durbin, and Evans on behalf of the mayor. Will try to get the Mayor to phone Durbin directly.

5) Missouri. Governor Carnahan has called and/or met with Danner (won't move), Skelton (looks good), and Wheat (will make his own decision based on his bid for Senate). Continuing to lobby, per DGA.

6) Held a conference call with State Party Chairs at 5:00 p.m. to discuss the reconciliation vote. Call will be used to revitalize their efforts in lobbying Members and to brainstorm on last minute strategies to bring undecided members on board. Went through entire target list state by state. they will call their members and report back to DNC Political desks with updates/feedback.

7) DGA held a 4:30 pm conference call with Democratic Governors and their chiefs of staff on the topic of health care. On this call, Craig Smith discussed the importance of the Governors putting out press releases, and holding press conferences regarding the Reconciliation package.

8) Talked to USCM about releasing a statement of opposition to Boren-Danforth, so the mayors can have some cover if they agree to support the Presidents plan over the Boren proposal. No decision yet on whether they feel comfortable doing this. They have sent out a fax to their members explaining how the President's Plan will affect them financially (negative). They do not support BTU taxes, but do not want to act against the President, so have decided to remain quiet.

9) NCSL called regarding the entitlements agreement/discussions. They still have strong objections to a cap on entitlements, and are prepared to mobilize against any plan touting them.

10) IGA phoned the Conference of Lt. Governors to see if they would do a release and to get a read on how they feel about the Plan. NCLG Executive Director is investigating.

11) NACO's Bob Fogel, Democratic Party Liaison, called regarding their ongoing concerns around BTU. I told him the White House has a copy of their resolutions and that Regina has updated the appropriate individuals. NACo is not actively participating in the Reconciliation efforts.

12) Mark Schwartz, Oklahoma City Councilman, called to discuss Boren, but in the meantime will call McCurdy to urge his support now that BTU is not taken at the wellhead.

BULLETIN

URGENT ACTION FAX

TO: Democratic Legislative Leaders

FROM: David Wilhelm, DNC Chairman
Alice Travis, Director of Intergovernmental and DNC Affairs

DATE: May 26, 1993

President Clinton has asked for your help! We must urge Congress to pass our economic plan and turn this country around now.

Please call your Congressmember and Senators directly, issue a press statement, and fax a copy of your press statement to your Congressmember and the DNC. (Talking points about the plan and a sample press statement are included with this fax.)

THIS IS URGENT! AS YOU KNOW THE VOTE IS SCHEDULED FOR TOMORROW.

If you have any questions, please call the Intergovernmental Affairs office at one of the following phone numbers:

Sky Gallegos	202/863-8113
Sylvion Seffel	202/863-8011
Alice Travis	202/863-8024

Please fax your press statement to the Intergovernmental Affairs office at 202/863-8196.

LOCAL AND STATE GOVERNMENTS - ECONOMIC IMPACT

HIGHLIGHTS OF THE CLINTON PLAN: TOUGH BUT FAIR

- Cuts $496 billion from the deficit: $250 billion through spending cuts.
- Provides three dollars in spending cuts for every dollar in new investment.
- Administrative and Federal payroll savings of $24.2 billion.
- Streamlines education programs, saving $2.2 billion.
- Eliminates unnecessary commissions, special purpose grants, and outdated programs.
- Cuts $100 billion in targeted entitlements.
- Provides Earned Income Tax Credit increase for working poor families.
- Increases taxes on upper income households. 62 percent of the higher taxes would fall on the top 1 percent of households; 73 percent on the top 5 percent.
- Income tax increase only affects couples with a taxable income exceeding $145,000 and single individuals with an income over $115,000.
- Creates a Deficit Reduction Trust Fund which ensures that the net revenues and entitlement and discretionary spending cuts targeted for deficit reduction ($496 Billion) are legally bound to this purpose and cannot be diverted to spending.

THE BOREN-DANFORTH PLAN: TRICKLE DOWN ECONOMICS FOR STATES AND LOCALITIES

- Caps the ***federal*** share of mandatory entitlement spending. This will not reduce the cost of the programs because the level of mandated benefits that states must provide does not change. It simply shifts the cost burden to state and local governments.
- Shifts billions of dollars in Medicaid and Medicare costs to the states, compelling state and local governments to raise their taxes.
- States are given no protections or opportunities to make changes in currently mandated programs as a result of increased costs. Thus, the programs become unfunded mandates, resulting in increased state and local taxes.
- Shifts the burden of deficit reduction from those at the high end of the income scale to those at the low end. This includes an across the board capital gains tax cut.
- Reduces Earned Income Tax Credit expansion for working poor families by $15 billion, affecting 14 million working families trying to stay above the poverty line.
- Cuts social security benefits for 27 million middle-class American seniors.

President Clinton's Bold Economic Plan is Fair, Tackles the Deficit, and Generates Jobs.
The Alternative Budget Plan is a Return to Trickle-Down Economics

The country has suffered for more than a decade under the burden of trickle-down economics. We have watched our debt explode while the rick took a tax cut and hard-working middle class Americans took it on the chin.

Finally we have a President who has stepped up to face the challenge. He has offered a plan to put America back to work, to bring about real long-term deficit reduction and create economic growth. The President's plan is the largest deficit reduction package in history -- $496 billion over 5 years. It contains more than $250 billion in specific, line-by-line spending reductions. Further, it reduces the deficit fairly. According to the Congressional Budget Office, 62% of all new revenues the President has asked for will be paid by the richest 1% of Americans, and 75% of the revenues will be paid by the top 6%.

But those who would preserve the status quo have offered another plan which represents the special interests and not the national interest. It is a return to trickle-down economics, reducing $50 billion in taxes on the wealthy, and transferring that burden to seniors and hard working families just above the poverty line. They would cut social security benefits for 27 million Americans, reduce Medicare and Medicaid by $114 billion below the President's plan, and cut $15 billion from the Earned Income Tax Credit, which benefits 14 million working families.

Furthermore, the President's opponents want to cap the **federal** share of mandatory entitlement spending. This will not reduce the cost of the programs because the level of mandated benefits that states must provide does not change. It simply shifts billions of dollars in Medicaid and Medicare costs to the states, compelling state and local governments to raise taxes.

We elected Bill Clinton to bring change to America. He has begun already, shifting our budget priorities from wasteful spending to vital investment and deficit reduction, and changing the way Washington works. Now we need to support him and make the change a reality for the millions of Americans who need it. Twelve years of trickle-down is enough. The American people want more, and the American people deserve more.

To: Chairman Wilhelm, Craig Smith, Minyon Moore, Ertharin Cousin
From: Alice Travis
Date: May 25, 1993
Re: Reconciliation Activities

Below are some of the activities and information which the IGA and DNC Affairs Division has generated and/or gathered during the past 24 hours around the reconciliation plan.

1. Created an "Action Alert" which was immediately included in the Secretary's Office mailing to the DNC, including State Chairs and Vice Chairs, Organization members, democratic elected officials groups, and DNC members (approx. 550). Includes response tear off and background information on reverse side.

See attachment 1 - Action Alert.

2. Breakdown by State, City, and County of congress members whose votes are in question.

3. Update of above with local elected officials for all regions other than the South. The South is being handled by the White House IGA.

See attachment 2 - State Lists.

4. FAX to Mayors in key targeted CD's based on attachment B, a request for press statements, telephone calls to congress members, radio talk show call ins, and other activities. Also produced separate talking points for local officials. Requested fax returns of press statements.

See attachment 3 - Mayors' FAX and Information Sheet.

5. Field and Constituency Departments distribution of breakdown to facilitate inclusion of elected officials and other groups in their activities.

6. Prepared for possible conference call with Chairman and State Chairs. Ann Fishman has put phone company on alert. Multi fax readied. Tentative call time 5 pm Wednesday.

See attachment 4 -- MEMO on Conference Call.

UPDATE: Chairman will make call at 5 pm 5/26/93.

7. National Organizations update:

a. I met with Regina and Jeff at the White House and discussed with them in detail the problems local elected officials have with the BTU and entitlement caps. Previously I had faxed them various resolutions re these issues. They have incorporated these concerns into their report.

Attachment 5 - Statements in Opposition to BTU

b. We have since been told by our sources in these organizations that a letter was sent to the White House requesting a meeting about the BTU. (This letter, we believe, was signed by all the national organizations plus some groups representing school and transportation districts, government finance officers association, and the State Treasurers Assoc.)

Attachment 6 - Letter

c. Today the meeting is taking place with Bob Rubin.

d. NACO - Larry Naake in the meeting with Rubin. NACO is focussing its efforts on the Senate. After the recess they will probably come out against the Boren plan and issue statements, letters to senators, etc.

e. NCSL - They did a statement urging legislators to call their senators asking them NOT to vote for Boren. They have sent a letter to the President expressing their dismay re the BTU tax. They reaffirmed their 1992 position on entitlement, which is a joint statement with NLC and NACO.

Attachment 7 - Anti-Boren Statement
Attachment 8 - Copy of position on entitlements

f. MAYORS - The Executive Director stated the organization's opposition to the BTU to a meeting of Cabinet IGA staff. They are in the process of formulating positions on the current economic legislative options.

8. Talked with Katie Whelan to coordinate activities with those of the Democratic Governors.

See attachment 9 -- DGA Packet.

9. Democratic Governors are having a conference call on Health Care tomorrow at 4:30. We have arranged for David Wilhelm to participate in the call for a brief update on the reconciliation situation, if his schedule allows.

BULLETIN

URGENT ACTION ALERT

TO: DNC Members

FROM: David Wilhelm, DNC Chairman

DATE: May 25, 1993

President Clinton has asked for your help! We must urge Congress to pass our economic plan and turn this country around now.

Please call your Senators and Representative immediately and urge them to vote for the Clinton plan. (Talking points about the plan are included on the back of this memorandum.)

So that we can record your activities and pass this information on to the White House, please call us at the following numbers with your report, or send the report form to the fax number or address listed below.

Call in your report to: Al Thompson at 202/479-5142 or Rick Boylan at 202/479-5144

Fax the report form to: DNC Affairs at 202/479-5129

Mail the report form to: Alice Travis, Director of Intergovernmental and DNC Affairs
430 South Capitol, SE
Washington, DC 20003

✂ -

Urgent Action Alert Report Form

DNC Member: ____________________ State: ____________________

I called Senator: ____________________ and Senator: ____________________

I called my Representative: ____________________

Comments and Feedback: ____________________

____

____

Excerpts from recent Morning Briefings on President Clinton's Economic Plan

- **The President's economic plan** is a fair, comprehensive and tough-minded way to bring down the deficit and put the American people back to work. The Clinton package cuts $496 billion from the deficit, with $225 billion in spending cuts. Included in the spending cuts are $100 billion in entitlement cuts.

- **The Boren-Danforth budget plan** is a return to trickle-down economics. After 12 years where we made the economy more unequal and unfair, now is not the time to shift $40 billion in the President's plan from upper income people and onto people barely above the poverty line -- seniors and the working poor.

Here is a partial list of some of the tough but fair cuts included in the President's plan:

- **$100 Billion in Entitlement Cuts:** The plan gives over 30 specific cuts in medicare and Medicaid that reduce the deficit by $56 billion; Agriculture entitlements are cut by $3 billion; Federal worker entitlements are cut by $11 billion; Through FCC spectrum auctions we save $7 billion.

- **Cuts in Discretionary Spending:** Pay reduction for Federal employees by $13.2 billion; Administrative cuts by $11 billion; Cutting 100,000 federal workers saves $10.2 billion; Nuclear reactors R&D saves $1 billion; Consolidating overseas broadcasting saves $894 million; Streamlining education programs saves $2.2 billion.

- **Eliminating Programs:** Dozens of Highway Demonstration projects; Special Purpose HUD grants; Dozens of NOAA Demonstration projects; The current and outdated student loan program; Earmarked SBA grants; Unnecessary commissions.

What a Yes Vote Means: Restoring Tax Fairness to America

- The Congressional Budget Office estimates that 62 percent of the higher taxes would fall on the top 1 percent of households; 73 percent falls on the top 5 percent.
- Only high income families are affected by the major parts of the tax plan: higher individual income taxes, lifting the Medicare-payroll tax cap and higher corporate income taxes.
- There will be no income tax increase unless taxable income exceeds $145,000 for a couple or $115,000 for a single person.
- Over the last 15 years, the most affluent Americans, the top one percent, have had their tax burden fall by 20 percent, while the middle class saw no tax relief.
- During the 1980s, the very affluent got very large tax cuts up-front -- the top rate was cut from 70 to 50 percent -- middle and lower income tax cuts were diluted by years of inflation-driven "bracket creep."

The Deficit Reduction Trust Fund

- This is what the Deficit Reduction Trust Fund does: it locks in $496 billion in deficit reduction and throws away the key. It gives the American people a legal guarantee that all of the new revenues raised by the President's plan will go to deficit reduction.

- The President's Deficit Reduction Trust Fund provides a legally binding guarantee that locks in the savings from the President's five year deficit reduction plan. It ensures that all of the net revenues and entitlement and discretionary spending cuts are targeted for deficit reduction are legally bound to be used only for deficit reduction and can never be diverted to spending programs.

The President has urged the Members of Congress to adopt his balanced economic plan -- a plan that relies on cutting spending, cutting entitlements and making the tax code more fair.

<u>Significant Spending Cuts:</u> There are three dollars in spending cuts for every new dollar in investment; There are over 200 specific spending cuts that will reduce the deficit by approximately $250 billion over five years; Every tax dollar in the bill goes to deficit reduction; The plan tackles entitlement programs with over 30 specific cuts in Medicare and Medicaid that will reduce the deficit by $56 billion; The plan cuts waste in government by cutting administrative costs by $11 billion and cutting $10.2 billion from the federal payroll; The plan eliminates programs such as unnecessary commissions, special purpose HUD grants and the current and outdated student loan program.

<u>Fair and Progressive Taxation:</u> The Congressional Budget Office found that *75% of the taxes we raise fall on the 6.5% most well-off families* -- those that make over $100,000; According to a study by the Arthur Anderson accounting firm, a family of three making $25,000 would actually see their taxes fall by several hundred dollars; The energy tax does not even go into effect until the summer of 1994, and when it does it will be phased in in three equal states over three years. In 1994, a family making $40,000 will pay only $1 a month more. In 1995, only $7 and then only $17 a month when it is fully phased in.

<u>Lower Interest Rates Offset Tax Increase:</u> Long-term interest rates are at their lowest in 20 years (They are 7.43% today, while on November 6, 1992 they were at 8.29%); A family who refinance their 10% $100,000 mortgage at 7.5% saves $175 a month or $2,100 a year; According to a bipartisan poll, 74% of people in their 30s now believe that home ownership is accessible. It was only 47% one year ago.

To: Chairman Wilhelm, Craig Smith, Minyon Moore
From: Alice Travis
Date: May 25, 1993
Re: House Votes

The following names were given as possible questions re: their upcoming economic package vote. We have broken them down by state, identified the major cities and counties in their districts, and forwarded this information to the White House IGA. In addition, we will be coordinating with our field desks in this targeting effort. Jeff Watson at the White House IGA will be focussing on the South, we will concentrate on the rest of the country. *Denotes new member.

ALABAMA
Browder (CD3) - Anniston/Calhoun County

ARIZONA
*Coppersmith (CD1) - Tempe/Maricopa County
Mayor Harry Mitchell (D)
PH:(602)350-8225/FX:(602)350-8990
Mayor Paul Johnson (D-Phoenix)
PH:(602)262-7111/FX:(602)256-3325
Mayor Coy Payne (Chandler)
PH:(602)786-2200/FX:(602)786-2209
Mayor Quentin Tolby (R-Glendale) Supportive of econ plan
PH:(602)435-4250/FX:(602)931-5542
Mayor Willie Wong (D-Mesa)
PH:(602)644-2388/FX:(602)644-2175

ARKANSAS
*Lambert (CD1) - Jonesboro/Craighead County

CALIFORNIA
Condit (CD18) - Modesto/Stanislaus County
(REPUBLICAN)
Mayor Susan Hammer (D-San Jose)
PH:(408)277-4237/FX:(408)277-3868
Dellums (CD9) - Oakland/Alameda County
Mayor Elihu Harris (D)
PH:(510)238-3141/FX:(510)273-4731
Mayor Frank Jordan (D-San Francisco)
PH:(415)554-6141/FX:(415)554-6160
Dooley (CD20) - Visalia/Tulare County
Mayor Peter Carey
PH:(209)738-3313/FX:(209)627-9155
*Harmon (CD36) - LA/LA County
Mayor Tom Bradley (D)
PH:(213)485-2121/FX:(213)680-3435
Lehman (CD19) - Fresno/Fresno County
Mayor Karen Humphrey (D) Was not re-nominated
PH:(209)488-1561/FX:(209)237-4010

*Schenk (CD49) - San Diego/San Diego County
Mayor Susan Golding (R) Was supportive of econ plan
PH:(619)236-6330/FX(619)236-7228
*Tucker (CD37) - Compton/LA County
Mayor Bernice Woods
PH:(301)605-5591/FX:(301)

COLORADO
Schroeder (CD1) - Denver/Denver County
Mayor Wellington Webb (D)
PH:(303)640-2721/FX:(303)640-2329
Mayor Paul Tauer (R-Aurora) Was supportive of econ plan
PH:(303)695-7015/FX:(303)695-7123
Mayor Linda Morton (R-Lakewood) Was supportive of econ plan
PH:(303)987-7040/FX:(303)987-7063

FLORIDA
*Deutsch (CD20) - Pembroke Pines/Broward County
Peterson (CD2) - Tallahassee/Leon County
*Thurman (CD5) - Inverness/Citrus County

GEORGIA
Darden (CD7) - Marietta/Cobb County
*Deal (CD9) - Gainesville/Alachua County
*Johnson (CD10) - Athens/Clarke County
Rowland (CD8) - Macon/Bibb County

ILLINOIS
Collins (CD7) - Chicago/Cook County
Mayor Richard Daley (D)
PH:(312)744-3300/FX:(312)744-2324
Mayor Bobby E. Thompson (D-North Chicago)
PH:(708)578-7778/FX:(708)578-1220
Durbin (CD20) - Springfield/Sangamon County
Mayor Ossie Langfelder (D)
PH:(217)789-2200/FX:(217)789-2117
Evans (CD17) - Moline/Rock Island County
Mayor Allen McCaulley
PH:(309)797-0461/FX:(309)797-0479
Lipinski (CD3) - Chicago/Cook County
Mayor Richard Daley (D)
Poshard (CD19) - Marion/Williamson County
Mayor
Sangmeister (CD11) - Joliet/Will County
Mayor Arthur Schultz
PH:(815)740-2495/FX:(815)740-1221

INDIANA
Long (CD4) - Ft. Wayne/Allen County
Mayor Paul Helmke (R) Was supportive of econ plan
PH:(219)427-1111/FX(219)427-1115
Roemer (CD3) - South Bend/St. Joseph County
Mayor Joseph Kernan
PH:(219)284-9261/FX(219)284-9892

KENTUCKY
*Baesler (CD6) - Lexington/Fayette County
*Barlow (CD1) - Paducah/Mccracken County

LOUISIANA
Hayes (CD7) - Lafayette/Lafayette County
Tauzin (CD3) - Houma/Terrebonne County

MAINE
Andrews (CD1) - Portland/Cumberland County
Mayor Charles W. Hollow
PH:(207)874-8941/FX:(207)874-8649

MICHIGAN
*Barcia (CD5) - Saginaw/Sagninaw County
Mayor Henry N. Nickleberry (D)
PH:(517)759-1400/FX:(517)759-1606
Carr (CD8) - East Lansing/Ingham County
Mayor Liz Schweitzer
PH:(517)337-1731/FX:(517)337-7372

MINNESOTA
*Minge (CD2) - Montevideo/Chippewa County
Mayor
Penny (CD1) - Owatonna/Speele County
Mayor Stan T. Christ (D-Mankato)
PH:(507)387-8600/FX(507)388-7530

MISSISSIPPI
Montgomery (CD3) - Meridian/Lauderdale County
Parker (CD4) - Jackson/Hinds County
Taylor (CD5) - Gulfport/Harrison County
Whitten (CD1) - Charleston/Tallahatchie County

MISSOURI
Clay (CD1) - St. Louis/no county
Mayor Freeman Bosley (D)
PH:(314)622-3201/FX:(314)534-4929
*Danner (CD6) - Kansas City/Jackson County
Mayor Emanuel Cleaver II (D)
PH:(816)274-2595FX:(816)622-4061
Skelton (CD4) - Blue Springs/Jackson County
Mayor Gregory Grounds
PH:(816)228-0110/FX(816)228-0204
Volkmer (CD9) - Hannibal/Marion County
Mayor
Wheat (CD5) - Kansas City/Jackson County
Mayor Emanuel Cleaver II (D)

NEVADA
Billbray (CD1) - Las Vegas/Clark County
Mayor Jan Laverty Jones (D)
PH:(702)229-6241/FX:(702)385-7960

NEW HAMPSHIRE
Swett (CD2) - Concord/Merrimack County
Mayor William Veroneau
PH:(603)225-8500/FX:(603)228-2724

NEW JERSEY
Andrews (CD1) - Somerdale/
Mayor
*Klein (CD8) - Paterson/Passaic County
Mayor William J. Pascrell, JR. (D)
PH:(201)881-3300/FX:(201)523- 6237
Hughes (CD2) - Linwood/
Mayor
*Menendez (CD13) - Jersey City/Hudson County
Republican
Pallone (CD6) - Long Branch/Monmouth County
Mayor Adam Schneider (D)
PH:(908)222-7000/FX(908)222-1516
Torricelli (CD9) - Hackensack/Bergen County
Mayor John F. Zisa
PH:(201)646-3940/FX:(201)646-8059

NEW YORK
*Maloney (CD14) - Manhattan/New York County
Mayor David Dinkins (D)
PH:(212)788-3000/FX:(212)791-9628

NORTH CAROLINA
Lancaster (CD3) - Goldsboro/Wayne County
Neal (CD5) - Winston-Salem/Forsyth County
Valentine (CD2) - Durham/Durham County

OHIO
Applegate (CD18) - Stubenville/
Mayor
*Fingerhut (CD19) - Willoughby Hills/(Cuyahoga County?)
Mayor Michael R. White (D-Cleveland)
PH:(216)664-2220/FX(216)664-2815
Kaptur (CD9) - Toledo/Lucas County
Mayor John McHugh (D)
PH:(419)245-1001/FX:(419)245-1090
*Mann (CD1) - Cincinnati/Hamilton County
Mayor Dwight Tillery
PH:(513)352-6284/FX:(513)352-1541
*Strickland (CD6) - Portsmouth/Scioto County
Mayor
Traficant (CD17) - Youngstown/Mahoning County
Mayor Patrick J. Ungaro
PH:(216)742-8701/FX:(216)743-1335

OKLAHOMA
English (CD6) - Oklahoma City/Oklahoma County
McCurdy (CD4) - Norman/Cleveland County

OREGON
DeFazio (CD4) - Eugene/Lane County
Mayor Jeff Miller
PH:(503)687-5010/FX:(503)341-5894

PENNSYLVANIA
*Holden (CD6) - Reading/Berks County
Mayor Warren H. Haggerty, Jr.
PH:(215)655-6000/FX:(215)372-3722
*Klink (CD4) - N Huntingdon Twp/Westmoreland County (Pittsburgh)
Mayor Sophie Masloff (D-Pittsburgh)
PH:(412)255-2626/FX:(412)255-2687
*Margolies-Mezvinsky (CD13) - Philadelphia/Philadelphia County
Mayor Edward Rendell (D)
PH:(215)686-2181/FX:(215)686-2170
*McHale (CD15) - Bethlehem/Northampton County
(Republican)
Murphy (CD20) - Charleroi/
Mayor

SOUTH DAKOTA
Johnson (statewide)

TENNESSEE
Clement (CD5) - Nashville/Davidson County
Cooper (CD4) - Shelbyville/
Lloyd (CD3) - Chattanooga/Hamilton County
Tanner (CD8) - Union City/Opion County

TEXAS
Brooks (CD9) - Beaumont/Jefferson County
Chapman (CD1) - Sulphur Springs/Hopkins County
de la Garza (CD15) - McAllen/Hidalgo County
Edwards (CD11) - Waco/Mclennan County
*Fields (R) (CD8) - Houston/Harris County
Geren (CD12) - Ft. Worth/Tarrant County
*Green (CD29) - Houston/Harris County
Hall (CD4) - Rockwall/Rockwall County
Laughlin (CD14) - Victoria/Victoria County
Ortiz (CD27) - Corpus Christi/Nueces County
Sarpalius (CD13) - Wichita Falls/Wichita County
Stenholm (CD17) - Stamford/
*Tejeda (CD28) - Tejeda/

UTAH
Orton (CD3) - Provo/Utah County (REPUBLICAN)

VIRGINIA
*Byrne - (CD11) - Annandale/Fairfax County
Pickett (CD2) - Virginia Beach/no county
Sisisky (CD4) - Portsmouth/no county

WASHINGTON

*Inslee (CD4) - Yakima/Yakima County
Mayor Pat Berndt
PH:(509)575-6050/FX:(509)575-6107

*Kreidler (CD9) - Puyallup/Pierce County
Mayor

WEST VIRGINIA

Mollohan (CD1) - Morgantown/Monongalia County

WISCONSIN

*Barrett (CD5) - Milwaukee/Milwaukee County
Mayor John O. Norquist (D)
PH:(414)278-2200/FX:(414)278-3191

BULLETIN

URGENT ACTION FAX

TO: Democratic Elected Officials

FROM: David Wilhelm, DNC Chairman
Alice Travis, Director of Intergovernmental and DNC Affairs

DATE: May 25, 1993

President Clinton has asked for your help! We must urge Congress to pass our economic plan and turn this country around now.

Please call your Senators and Representative immediately and urge them to vote for the Clinton plan. (Talking points on why the Clinton plan is best for the American people are included. Additionally, they outline the negative affects of the alternative proposal.)

Please also hold press conferences, call radio talk shows, and release statements on the need to pass the economic package.

So that we can record your activities and pass this information on to the White House, please call us at the following numbers with your report, or send the report form to the fax number listed below.

Call in your report to: Sky Gallegos at 202/863-8113 or Sylvion Seffel at 202/863-8110

Fax the report form to: Intergovernmental Affairs at 202/863-8196

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Urgent Action Alert Report Form

Office Holder: ____________________ City/State: ____________________

I called Senator: ____________________ and Senator: ____________________

I called my Representative: ____

☐ Enclosed is my press statement.

LOCAL AND STATE GOVERNMENTS - ECONOMIC IMPACT

HIGHLIGHTS OF THE CLINTON PLAN: TOUGH BUT FAIR

o Cuts $496 billion from the deficit: $250 billion through spending cuts.

o Provides three dollars in spending cuts for every dollar in new investment.

o Administrative and Federal payroll savings of $24.2 billion.

o Streamlines education programs, saving $2.2 billion.

o Eliminates unnecessary commissions, special purpose grants, and outdated programs.

o Cuts $100 billion in targeted entitlements.

o Provides Earned Income Tax Credit increase for working poor families.

o Increases taxes on upper income households. 62 percent of the higher taxes would fall on the top 1 percent of households; 73 percent on the top 5 percent.

o Income tax increase only affects couples with a taxable income exceeding $145,000 and single individuals with an income over $115,000.

o Creates a Deficit Reduction Trust Fund which ensures that the net revenues and entitlement and discretionary spending cuts targeted for deficit reduction ($496 Billion) are legally bound to this purpose and cannot be diverted to spending.

THE BOREN-DANFORTH PLAN: TRICKLE DOWN ECONOMICS FOR STATES AND LOCALITIES

o Caps the ***federal*** share of mandatory entitlement spending. This will not reduce the cost of the programs because the level of mandated benefits that states must provide does not change. It simply shifts the cost burden to state and local governments.

o Shifts billions of dollars in Medicaid and Medicare costs to the states, compelling state and local governments to raise their taxes.

o States are given no protections or opportunities to make changes in currently mandated programs as a result of increased costs. Thus, the programs become unfunded mandates, resulting in increased state and local taxes.

o Shifts the burden of deficit reduction from those at the high end of the income scale to those at the low end. This includes an across the board capital gains tax cut.

o Reduces Earned Income Tax Credit expansion for working poor families by $15 billion, affecting 14 million working families trying to stay above the poverty line.

o Cuts social security benefits for 27 million middle-class American seniors.

To: Chairman Wilhelm
From: Alice Travis
Re: Conference Call on Reconciliation with State Party Chairs
Date: May 25

There has been some discussion about you conducting a conference call for Party Chairs to give talking points, rally the troops, and recommend action on the eve of Thursday's vote.

We have tentatively scheduled the call for 5pm Wednesday, May 26. Ann Fishman has alerted the phone company and is prepared to multi fax to the State Parties.

Decision Deadline is 5pm tonight. This will accommodate finalizing phone company needs and getting the information out to the Chairs.

There are pros and cons to the call:

1. Because of timing, it occurs rather late in the game. This may frustrate some of State Chairs and give the appearance of disorganization or panic. On the other hand, in a "campaign mode" it is not an unusual practice.

2. There is not a great deal that can be done at that point. On the other hand, last minute calls can be generated to the recalcitrant members, morning radio talk shows can be monitored, and any breaking events can be explained.

3. Many of the state chairs have already been contacted by the desks for the press conferences they are setting up. This may seem like a duplication of efforts. On the other hand, they always like to hear from the Chairman rather than staff.

4. The congress members in question do not come from all of the states and a general conference call does not afford the opportunity to target. The list of congress members in question is rather long to read over the phone. On the other hand, Chairs should have gotten specific information from their desk. This call would be designed to rally last minute general support.

I come down on the side of "this is a good thing to do" but not a "must do," depending on your other obligations and/or priorities. It is always good DNC politics to reach out to State Chairs, particularly when such an important issue is at risk and when they may be feeling generally apprehensive. However, there may be more pressing politics and strategies that need your attention.

You MUST let me know by 5pm today.

Thanks.

5

SUPPORT EXEMPTION OF COUNTIES, STATES AND LOCAL GOVERNMENTS FROM PROPOSED ENERGY TAX

WHEREAS, NACo has been a strong advocate for, and participant in, intergovernmental partnerships with federal, state and municipal governments; and

WHEREAS, President Clinton has proposed an energy tax based on BTU's which would be paid by most consumers including counties, states, cities and other local governments; and

WHEREAS, the tax would be phased in over a three year period and would be fully in effect in 1997; and

WHEREAS, it is estimated by the Joint Congressional Committee on Taxation that approximately 13 percent of the revenues from the tax would come from state and local governments which is estimated to amount to $3 billion a year when fully implemented; and

WHEREAS, the cost of this tax will result in the need for other local governments to increase property taxes, sales taxes and service fees or to reduce local services to its citizens; and

WHEREAS, this would result in double taxation of citizens in order to raise the revenue projected in the Energy Tax proposal; and

WHEREAS, the burden on counties, cities and states is particularly onerous at this time when most of these governments are still experiencing the adverse effects of the recession:

THEREFORE, BE IT RESOLVED that the National Association of Counties strongly urges Congress to respect the traditional standards of reciprocal tax immunity between federal, state and local levels of government; and

BE IT FURTHER RESOLVED that Congress should exempt states, counties, cities and other local governments from having to pay this tax.

Adopted by NACo Board of Directors
May 14, 1993

Also: League of Cities, NASL, Govs, Conf. of Mayors, Towns + Townships are planning actions or resolutions

National Association of Counties
May 14, 1993

ESTIMATING COUNTY COST OF THE PROPOSED ENERGY TAX

In calculating the cost of the proposed energy tax, you need to determine the amount of energy used by your county and then convert energy units, to British Thermal Units (Btu). The table below shows the Btu content for energy resources subject to the tax. After you have determined the converted MMBtu (1 million Btu's), multiply it by the basic Btu tax rate ($0.268 per MMBtu). For petroleum products, add a supplemental tax of $0.342 per MMBtu.

For example, if your county purchased 50,000 gallons of gasoline, the tax would be 50,000 gal x 0.125 x ($0.268 + $0.342) = $3,812.50

Btu CONVERSION FACTORS

Energy Resources	Unit	Heat Content MMBtu/unit
Propane	gal	0.0915
Gasoline	gal	0.125
Kerosene	gal	0.136
Diesel	gal	0.13869
Distillate (#2)	gal	0.13869
Residual (#6)	gal	0.150
Coal	tons	24.0
Natural Gas	ccf	0.1024
Electricity	MWH	3.412

Key: MMbtu = 1 million Btus
ccf = 100 cubic feet
MWH - Megawatt hour - 1000 KWH

NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, N.W. SUITE 515 WASHINGTON, D.C. 20001
202-624-5400 FAX: 202-737-1069

May 19, 1993

Honorable Bill Clinton
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

I am writing to express the dismay of the National Conference of State Legislatures (NCSL) regarding proposals, that are currently being circulated as Congress considers reconciliation legislation , to substitute an increase in the motor fuel tax for the proposed energy tax, as a means of raising general revenues for the federal government.

NCSL is opposed to an increase in the federal motor fuel excise tax if revenues generated from such an increase are diverted into the general fund for non-transportation spending. State legislators believe that the "user fee" nature of the current motor fuel tax must be preserved. We believe motor fuel tax revenues appropriately must be reserved for transportation programs, particularly in light of the current underfunding of federal transportation programs.

NCSL recognizes that difficult choices must be made to address the deficit and for the federal government to meet its social and economic responsibilities. Proposals to increase motor fuel taxes, for non-transportation purposes, however, raise serious concerns for the states. A higher motor fuel tax, diverted to non-transportation purposes, would reduce receipts to the transportation trust funds, as purchases of fuel are dampened by higher prices. Moveover, state revenues also would decline, as decreased purchases for fuel reduce yields on corresponding state taxes. Diversion of motor fuel tax receipts would disrupt fundamentally the state-federal partnership in financing the nation's transportation needs.

NCSL strongly urges that you reject any proposal that would increase the federal motor fuel excise tax in the absence of a clear dedication of the receipts to appropriate transportation trust funds.

Sincerely,

William T. Pound

William T. Pound
Executive Director

BW/mmr

6

National Conference of State Legislatures
National Association of State Treasurers
National League of Cities
National Association of Counties
U.S. Conference of Mayors
Government Finance Officers Association
American Public Transit Association
National School Boards Association

May 24, 1993

The Honorable Robert Rubin
Assistant to the President
National Economic Council
The White House
Washington, D.C. 20506

Dear Mr. Rubin:

Our organizations represent a diverse constituency of public officials who support an exemption from the Btu Energy Tax for state and local officials.

This new excise tax is another federally mandated cost that raised the specter of job layoffs, program cuts and tax and fee increases at a time when most governments are still experiencing the adverse effects of the recession and have already endured sizeable spending cuts and tax increases.

The national economic recovery will be stymied if state and local government resources are diverted to finance the federal deficit. The Btu tax will impose a significant new financial burden on states and localities, and, most importantly, it will violate a long-standing and deeply held principle -- the principle of reciprocal tax immunity.

We have heard from numerous jurisdictions who have calculated the cost impact of this new tax. Large and small alike are shocked to learn that this tax would apply to them -- especially since they are exempt from other federal excise taxes, including the federal gasoline and diesel fuel excise taxes. They steadfastly believe they are partners with the federal government -- not federal taxpayers. Diverting approximately $10 billion in tax payments from 1994 to 1998 to the federal government was not the new partnership they envisaged.

We would like the opportunity to present our views on this matter and are requesting a meeting as soon as possible.

Sincerely,

Milton Wells
Federal Relations
National Association of State Treasurers

William T. Pound
William T. Pound
Executive Director
National Conference of State Legislatures

Larry E. Naake
Larry E. Naake
Executive Director
National Association of Counties

Donald J. Borut
Executive Director
National League of Cities

Jeffrey L. Esser
Jeffrey L. Esser
Executive Director
Government Finance Officers Association

Tom Cochran
J. Thomas Cochran
Executive Director
U.S. Conference of Mayors

Thomas A. Shannon
Executive Director
National School Boards Association

Jack R. Gilstrap
Executive Vice President
American Public Transit Association

MAY 21 '93 18:45 P.4/4

NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, N.W. SUITE 515 WASHINGTON, D.C. 20001
202-624-5400 FAX: 202-737-1069

ART HAMILTON
HOUSE MINORITY LEADER
ARIZONA
PRESIDENT, NCSL

DON SCHNEIDER
CHIEF CLERK OF THE SENATE
WISCONSIN
STAFF CHAIR, NCSL

WILLIAM POUND
EXECUTIVE DIRECTOR

May 18, 1993

Dear Representative:

The nation's state legislators recognize that the reduction of the federal deficit and the restoration of sound fiscal policy are critical to the economic future of America. Moreover, we understand that serious deficit reduction can only be achieved through spending reductions and tax increases. However, a proposal to cap federal entitlements as a means to reduce the deficit will not reduce the cost of these programs. It simply shifts the cost and burden to state and local governments in order to continue to provide the same level of benefits.

States are partners in the current delivery and funding of federal entitlement programs. For some time, states have been required to assume many of the increasing costs and burdens of these programs. While the growth of entitlements has adversely impacted the federal budget, a similar effect has occurred at the state level.

We urge you to reject caps on means-tested entitlement programs. The National Conference of State Legislatures strongly believes that the safety net for vulnerable populations must not be undermined. In addition, should federal caps be placed on these programs, we believe that statutory changes must be concurrently enacted to absolve states from legal obligations to provide services to entitled individuals.

It is imperative that states participate as full partners in reshaping entitlement programs and reducing their rate of growth as outlined in the attached statement of NCSL, the National League of Cities and the National Association of Counties. For additional information, contact Susan Wolfe (624-8670), Sheri Steisel (624-8693), or Michael Bird (624-8686).

Thank you for your consideration.

Sincerely,

Art Hamilton

Art Hamilton
House of Representatives, Arizona
President, NCSL

A C T I O N   A L E R T

National Conference of State Legislatures

William T. Pound
Executive
Director

444
North
Capitol
Street, N.W.
Washington, D.C.
20001
(202) 624-5400

May 20, 1993

ENTITLEMENT CAP THREATENS SEVERE COST SHIFT TO STATES

The House of Representatives is seriously considering proposals that would place a cap on all entitlements (including AFDC and Medicaid) as part of budget reconciliation legislation that will be considered during the middle of next week. Texas Representative Charles W. Stenholm's proposal would place a limit on federal entitlement expenditures only and not remove any legal obligations on states to provide services. Under the proposal, federal entitlement funds would cease immediately at the cap at any time throughout the year and states would have no advance notice or opportunity to make program changes. House leadership is currently negotiating with Representative Stenholm on a possible compromise that might address his budget enforcement concerns while protecting state budgets and ensuring a minimum safety net.

Senator David L. Boren (Oklahoma) has offered a budget reconciliation proposal with Senator John C. Danforth (Missouri) in his effort to defeat President Clinton's proposed energy tax. Senator Boren's plan shifts even greater costs to states by setting entitlement caps far below Representative Stenholm's levels. States are given no protections or opportunities to make program changes. The proposal also raises $31 billion by reducing the federal share for AFDC and Medicaid for 13 states -- Alaska, California, Connecticut, District of Columbia, Hawaii, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York and Virginia. Senator Boren reduces federal medicaid matching funds for disproportionate-share hospitals, raises $31 billion through a medicaid managed care mandate on states and proposes additional medicare cuts. The proposal also eliminates all food stamp improvements, reduces the Earned Income Tax Credit expansion for working poor families and proposes COLA limitations for civilian and military annuities and on social security benefits.

Both of these proposals would have severe and negative consequences for state budgets and seriously threaten the provision of safety net services. Both would doom the prospects for comprehensive national health care and welfare reform. <u>It is critical that all members of your delegation be contacted immediately by phone or fax to oppose any cap on entitlement programs, especially the Boren proposal in the Senate.</u> Please contact Susan Wolfe, Sheri Steisel, Joy Wilson or Michael Bird at NCSL, 202/624-5400, for further information. Attached is a copy of NCSL's letter in opposition.

This alert has been sent by fax to SPA Coordinators and mailed to members of the Committees on Human Services, Health and Federal Budget and Taxation and fiscal officers.

"Action Alert" is a publication of the NCSL Office of State-Federal Relations
...

National Conference of State Legislatures

NATIONAL LEAGUE OF CITIES

National Association of Counties

Joint Statement on Entitlement and Mandatory Spending Reform

October 22, 1992

As leaders of state, county, and municipal government, we recognize that the reduction of the federal deficit and the restoration of sound fiscal policy are critical to the economic future of America. The continuing deficit and the mounting national debt sap public confidence in government, and impede the ability of government to respond to real crises.

Total federal entitlement and mandatory spending now comprise more than 60 percent of the U.S. budget. Many programs have been growing at a rapid rate. Health care costs now comprise more than one-fourth of mandatory spending; meaningful entitlement reform cannot be accomplished without comprehensive reform of our nation's health care system. While serious deficit reduction may require reducing federal entitlement or mandatory spending, means-tested entitlements should continue to provide at least a minimum level of assistance to low-income households.

State, county, and municipal governments are participants in the current delivery and funding of federal entitlement and mandatory programs. For some time, we have been required to assume many of their costs and burdens. As disastrous an impact as the growth in entitlement programs has had on the federal budget, it has already had an even more adverse impact on state, county, and municipal governments that have less fiscal flexibility. Capping the federal share of mandatory spending does not reduce the cost of these programs. It simply shifts the cost and burden to state and local governments in order to continue to provide the same level of benefits.

It is imperative that we participate as full partners in reshaping entitlement programs and reducing their rate of growth. Therefore, we call upon Congress and the Administration to adhere to the following principles:

1. **Representatives of state, county, and municipal government must be full partners in the decision-making process and be included in the development of new federal approaches to entitlement programs.**

2. **Every mandatory spending program and entitlement, including tax expenditures, and new revenue proposals must be open to review and discussion.**

3. **Entitlement "reform" must not simply cap federal contributions or transfer program costs to state and local governments, but must take into account the fiscal conditions and impact of changes on the entire intergovernmental system.**

4. **Given the current and future demographic realities and public resource constraints, policy makers need to redefine the right to services. Eligibility criteria for entitlement programs should be reviewed to ensure that programs are acutely sensitive to need a d give equitable attention to children and families.**

(over)

5. **Should the federal government cap or reduce state or local government-administered means-tested entitlement programs, such action must be accompanied by statutory and/or regulatory changes to existing law that would authorize options for state and local governments to restructure, reduce or limit services, eligibility and/or payments to beneficiaries. There should be incentives for states and local governments to demonstrate innovative programs to reform the current system.**

6. **If state or local government-administered means-tested entitlement programs are capped or reduced without corresponding program changes, state and local governments must be absolved from legal obligations to provide services to entitled individuals.**

9

DEMOCRATIC GOVERNORS' ASSOCIATION

MEMORANDUM

TO: DEMOCRATIC GOVERNORS

FROM: GOVERNOR DAVID WALTERS

RE: FEDERAL BUDGET RECONCILIATION

DATE: 20 MAY 1993

Last week, the House Ways and Means Committee passed the President's deficit reduction package; that bill will now move on to the House floor for a vote. After the House passes the bill, the Senate will take up consideration of the package. The House and Senate leadership have invested a great deal in securing passage of the President's plan, and it is almost impossible to overestimate the importance of its passage to the President.

The House leadership is in the midst of a major effort to secure passage of the budget reconciliation bill. They have asked the DGA to ask its members to help build support among their delegations for the budget package. As you probably have heard, that package is under attack from both Republicans and a small group of conservative Democrats. To help you counter that attack, we have prepared the attached talking points. We urge you to use these talking points in discussions with your congressional delegations.

Please call Katie Whelan or Jake Siewert at the DGA 202/479-5153 if you have any questions about this material. Thank you very much.

430 South Capitol Street, S.E. • Washington, D.C. 20003 • (202) 479-5153 • FAX (202) 479-5156

TALKING POINTS ON BUDGET RECONCILIATION -- PRESIDENT CLINTON'S DEFICIT REDUCTION PACKAGE

SPENDING CUTS ARE SIGNIFICANT AND REAL

There are three dollars in spending cuts for every new dollar in new investments. In other words, for every new dollar in new investments -- in programs for more cops on the beat, national service, immunizations and defense conversion -- nearly two additional dollars in spending cuts go to deficit reduction. There are 200 cuts in spending programs; and $ 250 billion in deficit reduction through spending cuts.

SPENDING CUTS TO FUND DEFICIT REDUCTION AND NEW INVESTMENT

In the reconciliation plan alone, there were enough entitlement cuts to fund $ 100 billion in deficit reduction and pay for important new investments in our people, including childhood immunization, family preservation, empowerment zones, direct student lending, the Mickey Leland Hunger Bill, and an expansion of the earned income tax credit that would ensure that every parent who worked 40 hours a week and had a child at home would not be in poverty.

THE ENERGY TAX IS MODEST AND PHASED-IN

The energy tax does not even go into effect until the summer of 1994, and when it does, it will be phased in three equal stages over three years. In 1994, a family making $40,000 will pay only $1 a month; in 1995, only $7 and then only $17 a month when it is fully phased in according to both the Treasury and the Congressional Budget Office.

THE DEFICIT TRUST FUND

The Deficit Trust Fund ensures that savings go to deficit reduction. It locks in $ 496 billion in deficit reduction and throws away the key. It gives the American people a legal guarantee that all of the funds will go to deficit reduction. It is a needed enforcement provision, because currently the budget law the President inherited does not have a way of locking in the deficit savings that come from taxes and entitlement cuts.

LOWER INTEREST RATES OFFSET TAX INCREASES

Long-term interest rates are at their lowest in 20 years. They are 7.43% today, while on November 6, 1992 they were at 8.29 %. The family that refinances their 10% $100,00 mortgage at 7.5% saves $175 a month or $2,100 a year.

FAIR AND PROGRESSIVE TAXATION

The overwhelming majority of these taxes fall on the most well-off
Americans. Indeed, the Congressional Budget Office found that 75%
of the taxes we raise fall on the 6% most well-off families --
those that make over $100,000. Second, we use increases in such
things as energy assistance and the Earned Income Tax Credit so
that families with incomes under $30,000 are (on the whole) held
harmless. According to a study by Arthur Anderson, a family of
three making $25,000 would actually see their taxes fall.

BOOST FOR THE WORKING POOR

The package includes a provision which would expand and simplify
the Earned Income Tax Credit. Families with one qualifying child
would receive a maximum credit of $2.062; families with two or more
qualifying children would receive a maximum credit of $2,685 in
1994, and $3,371 for taxable years 1995 and thereafter. This
expansion of the Earned Income Tax Credit will provide a big boost
for the working poor and should lessen demand for the social
services that states provide for those living in poverty.

STATES WILL NOT SEE REVENUES DROP OFF

Unlike the 1986 tax reform, this package will not have a
significant impact on the ability of states to generate their own
tax revenues. This package will have a minimal effect on the
federal tax base that many states use in their own tax calculations
and will not lead to a drop-off in state income tax revenues.

DEMOCRATIC GOVERNORS' ASSOCIATION

MEMORANDUM

TO: DGA CONTACTS
WASHINGTON REPRESENTATIVES

FROM: KATIE WHELAN
JAKE SIEWERT

RE: TALKING POINTS ON DANFORTH-BOREN PLAN

DATE: 21 MAY 1993

Yesterday, Senators David Boren (D-OK) and John Danforth (R-MO) offered an alternative to the Clinton economic plan. According to President Clinton, the Boren-Danforth Plan would eliminate the BTU tax and shift about $40 billion of deficit reduction from wealthy Americans to those just above the poverty level -- the elderly and the working poor. Treasury Secretary and former Senate Finance Chairman Bentsen has stated yesterday that the Boren-Danforth amendment "will never make it out of the Finance Committee." In a statement released yesterday, Secretary Bentsen said the following:

> They'll [Boren and Danforth] never get more than a handful of Republicans to vote for the tax increases on the upper brackets and not more than a handful of Democrats will vote for their Social Security cuts. The choice before us is clear: we will either face up to the job of cutting the federal deficit or back away from it. Time and again over the previous twelve years, we saw Congress and the White House back away, but we cannot afford that now. We must not allow ourselves to be distracted, as in the past, by claims that there is a better way to reduce the deficit somewhere out there on the horizon. Sad experience should have taught us that those alternatives unfailingly prove either unworkable or politically impossible.

We have attached some talking points on the difference between the President's plan and the Boren-Danforth amendment for your review. Please share it with your press office. We hope you find it informative.

430 South Capitol Street, S.E. • Washington. D.C. 20003 • (202) 479-5153 • FAX (202) 479-5156

5/20/93

TALKING POINTS ON BOREN-DANFORTH

Finally, we see some of what an alternative would look like.

THE CLINTON/GORE PLAN:

* The Clinton package cuts $496 billion from the deficit, with $255 billion in spending cuts and $241 billion in tax increases. Included in the spending cuts were $100 billion in entitlement caps.

* There are three dollars in spending cuts for every dollar in new investments.

* 75% of tax increases fall on the top 6% of Americans according to the CBO. The plan we had was strong, but fair. The only tax that affected middle class America was a BTU tax. Yet, we increased the Earned Income Tax Credit to benefit 10 million working families. The tax does not even take affect until the summer 1994. When it does, it is phased in three years. It would cost the average family making $40,000 only $1 a month in 1994, $7 a month in 1995, and $17 a month in 1997. Families making under $30,00 would, on the whole, be held harmless.

THE BOREN-DANFORTH ALTERNATIVE:

* They acknowledge that the Clinton plan has significant net spending cuts. They say the Clinton plan has $174 billion in net spending cuts, while the actual number is $255.

* They claim to cut $122 billion in taxes, while adding $163 billion in spending cuts.

But lets look closer:

* They cut Social Security benefits for 27 million middle class Americans, who now find that if they get $7,200 in benefits to live on, some in Washington believe they should have their COLAs cut on everything over that by 2%.

* Another $15 billion is cut in the Earned Income Tax Credit, which benefits 14 million working families trying to stay above the poverty line.

* $50 billion of the taxes they cut are taxes that are nearly exclusively for upper income Americans -- those with incomes of well over $100,000.

* On top of the $56 billion already included in the President's plan, they are asking for an additional $114 billion in Medicare and Medicaid cuts. Some of these cuts might be

reasonable in the context of paying for a health care plan. In the absence of such a plan, they will simply be hard on states, the poor and the elderly. In particular:

1) It will cause hardship to millions of Americans, while leading to major cost-shifting to the private sector, thereby further driving up the cost of health care for average Americans.

2) States will lose at least $31 billion in Medicaid and AFDC matching funds. Their specific health care cuts and AFDC cuts are designed to hit the poor and elderly disproportionately hard, and put tremendous burdens on states and put pressure on them to raise state and local taxes to make up the federal cuts.

3) If these cuts are made without health care reform, they will amount to a direct cut on the poor and the elderly.

4) This entitlement cap could jeopardize rational attempts in health care reform to control spending. It will make it extremely hard to pay for national health reform, since they would be crudely taking away significant potential health care savings now to make up for their policy changes.

EXAMPLE OF WHAT THEY CUT AND WHAT THEY PAY FOR

If you want to know the type of choices this plan makes, consider the following three choices they make:

1. **TAX CUT**: They take away $29 billion from the Clinton deficit reduction plan by lowering the Medicare increase on individuals making over $130,000.

   HOW THEY CUT: They have to pay for most of it by cutting the Social Security benefits of 27 million Social Security recipients who receive benefits of over only $7,200 a year.

2. **TAX CUT**: An across-the-board capital gains tax cut, on top of the new one the President has already proposed. This will benefit the wealthiest Americans overwhelmingly without ensuring that it is targeted to job creating small businesses.

   HOW THEY PAY FOR IT: They cut $15 billion from the Earned Income Tax Credit, a program that goes to 14 million working families in danger of being below poverty line.

3. **TAX CUT**: They get rid of the energy tax. The BTU does have costs for many Americans. Yet, our energy tax holds harmless families under $30,000. It does not even start until July 1994. It phases in over three years after that, costing the average

family making $40,000 only $1 a month in 1994, $7 a month in 1995 and $17 a month when fully phased in during FY1997.

HOW THEY PAY FOR IT: This is paid for with $114 billion in entitlement cuts. Most of it comes from Medicare and Medicaid, which -- in the absence of national health reform -- will cause major shifting of costs to the states and the private sector. The result? The shift to the private sector will raise the costs of health care for average families and businesses, while the shift to the states will pressure the raising of state and local taxes. Most of all, it is a hard hit at the poor and the elderly

ADDITIONAL BACKGROUND ON BOREN-DANFORTH

- If this Cap stays limited to Finance Committee programs, it will potentially hit these programs.

Medicare
Medicaid
Military and Civilian Retirement
Disability (SSI)
Unemployment Compensation
Title XX Social Services
AFDC
Child Support Enforcement
Trade Adjustment Assistance
Foster Care and Adoptions Assistance
Child Care
Vaccine Injury Compensation
Black Lung Benefits

- Other programs that could be hit with a full-entitlement cap, include

Social Security
Guaranteed Student Loans
Veterans Pensions and Benefits
Farm Price Supports
Title XX Social Services
Military and Civilian Retirement
Food Stamps
Child Nutrition

- The Administration has already proposed substantial cuts in entitlement spending.

Medicare savings	-$48.0 billion
Medicaid savings	-$8.3 billion
Agriculture programs	-$3.0 billion
COLA delays for military retirees	-$2.3 billion
COLA delays for civilian retirees	-$.8 billion
End Lump Sum retirement benefit for Federal employees	-$8.8 billion
Pay restraint and other reductions for Federal workers	-$49.8 billion
Veterans programs	-$2.8 billion

Health Care spending is the fastest rising entitlement program. Our health care plan will directly take on the issue of how to control these runaway costs. Furthermore, an inflexible entitlement cap could jeopardize rational attempts in health care reform to control spending.

EFFECT OF A MEDICAID CAP ON STATES

The House of Representatives is considering legislation that would place a cap on entitlements including Medicaid. The Medicaid program is funded through a state/federal partnership where the federal government pays approximately 56 percent of the program and states pay 44 percent. This program has seen growth in the last two years of almost 30 percent each year -- growth that was both unprecedented and unanticipated. While Governors agree that this growth is unsustainable for both the federal government and the states, an entitlement cap that places a limit only on federal expenditures is no solution.

Budgetary Impact. To help get a sense of what would happen from a "Stenholm" entitlement cap we looked back at 1991. If you make the assumption that entitlement caps were in effect in the 1991 budget resolution the Medicaid budget cuts would have been huge over the 1991 to 1995 period. They would have been so large that they would have forced both draconian cuts and huge tax increases at the state level. A total of $4 billion or 7.5 percent would have had to be cut in 1991, growing to $25 billion or almost 24 percent by 1995. (See attached Table 1). Over five-years it would have totalled $76 billion. The state-by-state estimated cuts are shown on Table 2. Such cuts would both make a shambles out of the Medicaid program and/or cause a fiscal crisis for every state. This is what can happen from formula approaches which do not represent good public policy decisions.

Program Impact. If Congress is successful in imposing this cap, states will have no choice but to make severe cuts in the program in anticipation of federal shortfalls. What does this mean? Poor people will receive less care. For example:

- States will eliminate coverage to certain optional groups currently receiving care in Medicaid.
- A majority of services offered through Medicaid are at state option. States will decide to eliminate some of those programs such as prescription drug benefits, medical transportation, optometric services and many others.
- Among those services that states cannot eliminate, states will reduce benefits. For example, the number of physician visits paid by Medicaid will be reduced, states will only pay for limited hospital stays.
- Finally, states will be forced to reduce reimbursement rates to providers and access to care will be reduced.

Despite these draconian measures, states will also be forced to either raise revenues to cover the reduced federal funding for the program, or to find scarce funds from other programs such as education, welfare or infrastructure.

The growth of Medicaid and Medicare are symptomatic of endemic problems with our nation's health care system. Capping Medicaid will do nothing to address those more substantive problems and will, to a greater extent, exacerbate the situation by increasing existing cost shifts to the private sector, states, and local government.

Governors believe that Congress and the administration will soon address the health care problem. A component of that solution will be reduced costs of publicly funded health care. Changes in the Medicaid program must be considered only as part of that national reform. The Governors' strongly support a managed competition approach and want to work closely with Congress to implement such a reform package.

We strongly encourage you to vote against a cap on the Medicaid program.

TABLE 2
Hypothetical Reductions in Federal Medicaid Payments Assuming 1991 Baseline Cap
(federal fiscal years, dollars in millions)

	1991	1992	1993	1994	1995	Total
ALABAMA	$62	$178	$236	$275	$344	$1,095
ALASKA	7	18	32	32	41	130
ARIZONA	38	120	204	240	300	902
ARKANSAS	43	111	157	189	236	736
CALIFORNIA	336	1,000	1,446	1,780	2,225	6,787
COLORADO	32	89	157	171	214	663
CONNECTICUT	58	177	234	232	352	1,102
DELAWARE	7	19	25	32	40	122
DIST OF COL	19	49	72	83	103	325
FLORIDA	140	358	609	849	1,061	3,017
GEORGIA	94	248	376	509	637	1,864
HAWAII	11	29	41	49	62	192
IDAHO	12	32	47	61	76	228
ILLINOIS	97	335	518	620	775	2,345
INDIANA	88	238	409	474	592	1,801
IOWA	39	94	135	174	217	658
KANSAS	31	89	134	143	178	575
KENTUCKY	84	222	303	375	468	1,452
LOUISIANA	118	428	576	827	1,034	2,982
MAINE	29	69	106	126	157	488
MARYLAND	58	164	210	262	328	1,021
MASSACHUSETTS	177	350	456	551	688	2,221
MICHIGAN	147	351	531	647	809	2,484
MINNESOTA	71	170	259	327	408	1,235
MISSISSIPPI	51	147	197	254	318	967
MISSOURI	78	231	291	368	460	1,427
MONTANA	14	32	46	59	74	224
NEBRASKA	20	50	73	94	118	355
NEVADA	7	30	45	57	71	210
NEW HAMPSHIRE	15	89	47	77	96	325
NEW JERSEY	121	391	536	648	810	2,505
NEW MEXICO	22	64	93	120	149	448
NEW YORK	614	1,593	2,318	2,806	3,509	10,840
NORTH CAROLINA	107	266	414	532	664	1,983
NORTH DAKOTA	12	31	43	58	72	215
OHIO	179	463	694	879	1,099	3,315
OKLAHOMA	47	120	163	205	256	790
OREGON	34	82	125	151	189	581
PENNSYLVANIA	191	569	759	882	1,103	3,503
RHODE ISLAND	27	67	88	103	128	413
SOUTH CAROLINA	71	179	252	295	369	1,165
SOUTH DAKOTA	11	29	42	55	68	206
TENNESSEE	101	267	423	583	729	2,103
TEXAS	203	640	991	1,298	1,623	4,756
UTAH	21	52	79	101	127	379
VERMONT	10	25	31	39	48	153
VIRGINIA	51	128	190	232	290	891
WASHINGTON	65	181	270	330	413	1,259
WEST VIRGINIA	35	117	203	305	381	1,041
WISCONSIN	92	195	279	353	441	1,350
WYOMING	5	14	21	25	31	95
PUERTO RICO	5	12	15	17	21	70
VIRGIN ISLANDS	0	0	0	1	1	2
TERRITORIES	0	1	1	1	1	4
TOTAL	$4,000	$11,000	$16,000	$20,000	$25,000	$76,000

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5

Divider Title: ______________________________

To: David Wilhelm
Fr: DNC Media Affairs
Da: Tuesday, May 25, 1993
Re: Media Affairs Strategy on President Clinton's Economic Plan

The following is a memorandum outlining the main components of the aggressive media affairs strategy to be undertaken by the DNC Media Affairs Office to gain support for passage of President Clinton's economic plan.

Beginning this week, we would like to launch an aggressive television satellite campaign into targeted media markets. This campaign will utilize Cabinet Secretaries and Chairman Wilhelm and will continue throughout the next three weeks. The DNC media affairs has outlined similar proposals for the Senate and House leadership to employ.

In addition, we would like to launch an aggressive national radio actuality campaign sending Congresspersons, state and local elected officials and spokespeople representing various constituencies (business, labor ...) into targeted media markets. The DNC Media Affairs office is also structuring an aggressive radio talk show program that will use as many Democratic spokespeople as possible including Chairman Wilhelm, Congresspersons, and DNC Senior Staff. This program targets both national and large regional talk shows.

The Morning Briefing, which is faxed daily across the country, is now focused primarily on economic talking points. In addition, each day DNC Media Affairs faxes daily economic updates to a comprehensive list of radio talk shows nationwide.

We have now begun an intense and aggressive three week minority and specialty media campaign in support of President Clinton's economic plan.

We would like to utilize the Congressional Leadership in an effort to get both Congresspersons and Senators to bring families who will be affected by the President's plan into the galleries to be a part of the policy making process. In addition, we would like to set up press conferences with these families and the Congressional leadership following passage of the plan.

Over the next three weeks you will be doing key political media including the McLauglin Group, Inside Politics, Crossfire and additional talk show/interview formats.

Democratic News

Democratic National Committee

FOR IMMEDIATE RELEASE
MAY 26, 1993

CONTACT: CATHERINE MOORE
202/863-8020

A FEW FACTS ON THE BTU TAX

May 26, 1993

Background: Yesterday, the American Energy Alliance, a coalition of business groups announced a "full-court" lobbying press in the House of Representatives against the BTU tax. Today, House Republican Leader Michel and others are scheduled to hold a press conference in opposition of the BTU tax.

A CHOICE BETWEEN ENDING GRIDLOCK OR MORE OF THE SAME

* Once again, we have special interests circling the wagons in Washington, attacking a critical piece of the President's plan for deficit reduction and not having the courage to come up with specific alternatives of their own.

* It's easy to criticize painful choices and ignore the reality of twelve years of runaway federal deficits. President Clinton has had the courage to "step up to the plate" with a specific, fair economic plan that will achieve $500 billion in deficit reduction through $255 billion in spending cuts and $241 billion in tax increases that rely overwhelmingly on those who can most afford to pay.

* AEA and many Republicans won't specify what tough choices they would make to reduce the deficit. They simply say they are "broadly supportive" of alternatives like the Boren/Danforth plan, which would cut Social Security benefits for 27 million middle class Americans, dramatically cut benefits to 14 million working families, and make severe cuts in Medicare and Medicaid -- all to avoid a moderate, broad-based BTU tax and to cut taxes for the most well off Americans.

* And opponents are using the worst kind of scare tactics and distortions to fight the BTU tax. Here is the truth about the tax:

- more -

THE BTU TAX WILL HAVE A MINIMAL IMPACT ON JOBS

* The AEA claims that the BTU tax will eliminate 400,000 to 600,000 jobs. But they are choosing to ignore the beneficial effects of the entire economic plan in bringing down deficits.

* The President's economic package has already had the effect of lowering longterm interest rates by more than the amount that would be needed to offset the effect of the BTU tax. While the interest rate on the 30-year treasury bond was 7.76% on November 6, 1992 it was 7.01% yesterday.

* An independent economic forecasting firm, Data Resources Inc., found that it would not take much to offset the effect of the BTU. For example, it found that if interest rates fell by as little as .35% in 1997, when the tax is fully phased in, the BTU would have no effect on GDP or jobs for that year. [Data Resources Inc. analyses conducted for EPA]

* The misleading cries about job losses is particularly ironic when you consider the cost of staying with the status quo. Since July of 1990 we've just barely recovered the jobs we lost during the recession and we have not increased the overall number of jobs -- despite adding 5 million more adults to the population. We've had no additional jobs in three years and unemployment at 7% or higher for the last 17 months.

* President Clinton's plan for deficit reduction is necessary to bring down interest rates and free up new money for longterm investments. His plan will create almost 8 million jobs by 1996. We can choose this path or we can choose gridlock and the status quo.

THE BTU TAX WILL HAVE A MODEST IMPACT ON FARMERS

* The Ways and Means Committee amended the President's BTU tax proposal to allow motor fuels used on farms to be taxed at lower rates in 1994 and 1995. Full rates for such fuels would not apply until 1996.

* Many average family farmers will actually come out ahead under the Clinton Plan. Although the BTU tax will impose some costs, those costs are more than offset by other benefits of the President's economic plan for farmers -- like increased expensing, extension of small issue agricultural bonds, expansion of the EITC and extension of the health insurance deduction.

* For example, a Kansas farm family making $18,700 a year would **gain** an average of $792 a year under the Clinton Plan. A Wisconsin family farmer making $21,000 a year would **gain** an average of $433 a year. [Treasury Department Analyses]

— more —

THE BTU TAX IS FAIR AND WILL HAVE A MODEST IMPACT ON MIDDLE INCOME FAMILIES

* 75% of the tax increases proposed by the Clinton Administration fall on the top 6% of Americans according to the CBO. The BTU tax is the only tax proposed by the Clinton Administration that affects the middle class. But it is modest and phased in and does not affect families making less than $30,000.

* Because of offsetting increases in energy assistance and the Earned Income Tax Credit, on the whole, working families with incomes under $30,000 will be held harmless.

* The effect of the BTU tax on other families is modest. The energy tax does not even go into effect until the summer of 1994, and then it is phased in over three years. It would cost the average family making $40,000 yearly only $1 a month in 1994, $7 a month in 1995, and $17 a month in 1997.

LOUISIANA WILL BENEFIT UNDER THE ECONOMIC PLAN

* Several critics have asserted that the BTU tax would reduce the prosperity of energy-intensive Louisiana. But again, opponents are relying on studies that do not take account of the beneficial effects of the entire Clinton Plan.

* The Treasury Department estimates that Louisiana will experience a **net gain** of $528 million in 1997 under the entire Clinton Economic Plan. The costs of the BTU tax to Louisiana in 1997, when it is fully phased in, are more than offset by other benefits, like stronger economic growth due to declines in longterm interest rates, an expanded EITC, and increased investments for life-long learning programs and other business investment incentives.

BUSINESSES AND ENVIRONMENTAL GROUPS SUPPORT THE BTU TAX AND ECONOMIC PLAN

* Scores of businesses support President Clinton's economic plan, including his tax proposals, because they recognize that real deficit reduction is necessary and that it is good for economic growth.

* Many CEO's, including Bob Eaton of Chrysler, Steve Wolf of United Airlines, August Busch of Anheuser-Busch and Bob Denham of Salomon Brothers, support the President's Economic Plan.

- more -

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* Just this week 50 of the top corporations in the country wrote Rep. Rostenkowski commending the tax provisions in the reconciliation bill that reported out of the House Ways and Means committee, including the BTU tax. These corporations said, "We expect better economic results and better employment prospects to follow from the reported bill. We support the tax bill as restructured and reported by the Committee." These business supporters include:

  --Avon Products
  --Colgate-Palmolive
  --Delta Airlines
  --Dow Corning
  --The GAP
  --General Electric
  --General Motors
  --Honeywell Inc.
  --IBM
  --3M
  --Marriott Corporation
  --Philip Morris
  --Proctor and Gamble
  --Sara Lee Corporation
  --Southwest Airlines
  --Time Warner
  --The Walt Disney Company
  --Westinghouse Electric Corp.

* Just yesterday, 90 industry, community, labor, environmental, and education groups representing millions of Americans wrote members of Congress to tell them that they support the President's economic plan as reflected in the Budget Reconciliation.

* Numerous environmental groups have come out in support of the Economic Plan, including the Natural Resources Defense Council, Friends of the Earth, the League of Conservation Voters, the National Audubon Society and the National Wildlife Federation.

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TO: Chairman Wilhelm
FR: Ken Segel (Policy)
RE: Activities in direct support of reconciliation
DT: May 25, 1993

Here is the short list of our shop's efforts to support reconciliation, especially the political department's grassroots and elite outreach efforts:

1) Morning Briefing: Every day for the last two weeks, we have focused the DNC Morning Briefing on the reconciliation bill, pushing the "big picture" message with lots of supporting detail. When "Comments on the President's Schedule," has wandered in topic, we have kept the Morning Briefing focused on the package.

2) One-page summaries: Lucas has produced one-page talking points summaries on the plan as a whole and the deficit reduction trust fund.

3) Seniors flyer: At the request of political, we have produced a one-page flyer contrasting the Boren-Danforth alternative and the President's package for seniors. This is being adapted state-by-state.

4) As usual, we have been gathering and distributing public information in support of the President's plan from throughout the Administration.

5) And last, but not least, the speech drafts we have produced for you in recent weeks have been especially heavy on the fight for the President's economic program.

The Morning Briefing

Tuesday May 25, 1993

THE RIGHT PLAN AT THE RIGHT TIME

The President continues to lobby Congress to pass his economic plan. After 12 years of increasing deficits and decreasing investment, the President's program fundamentally changes our economic direction by dramatically reducing the deficit while creating jobs for the American people.

WHAT A YES VOTE MEANS: RESTORING TAX FAIRNESS TO AMERICA

* The Congressional Budget Office estimates that **62 percent of the higher taxes would fall on the top 1 percent of households; 73 percent falls on the top 5 percent.**

* Only high income families are affected by the major parts of the tax plan: higher individual income taxes, lifting the Medicare-payroll tax cap and higher corporate income taxes.

* There will be no income tax increase unless taxable income exceeds $145,000 for a couple or $115,000 for a single person.

* Over the last fifteen years, the most affluent Americans, the top one percent, have had their tax burden fall by 20 percent, while the middle class saw no tax relief.

* During the 1980s, the very affluent got very large tax cuts up-front -- the top rate was cut from 70 to 50 percent -- middle and lower income tax cuts were diluted by years of inflation-driven "bracket creep."

THE DEFICIT REDUCTION TRUST FUND

* This is what the Deficit Reduction Trust Fund does: it locks in $496 billion in deficit reduction and throws away the key. It gives the American people a legal guarantee that all of the new revenues raised by the President's plan will go to deficit reduction.

* The President's Deficit Reduction Trust Fund provides a legally binding guarantee that locks in the savings from the President's five year deficit reduction plan. It ensures that all of the net revenues and entitlement and discretionary spending cuts that are targeted for deficit reduction are legally bound to be used only for deficit reduction and can never be diverted to spending programs.

* What we hear from people all over the country is that people are willing to accept entitlement cuts and even fair tax increases if they can be assured that all of it will go to deficit reduction and that Congress cannot change its mind. The President has a real and specific deficit reduction package that will reduce the deficit by $496 billion. That is undisputable and the Trust Fund is a guarantee to the American people that the government will follow its own orders.

*** THE RIGHT PLAN AT THE RIGHT TIME**

After 12 years of inaction and talk on the deficit, we finally have a President who has stepped up to face the challenges that face America. The President's plan is a specific and detailed plan to reduce the deficit and create jobs for the American people.

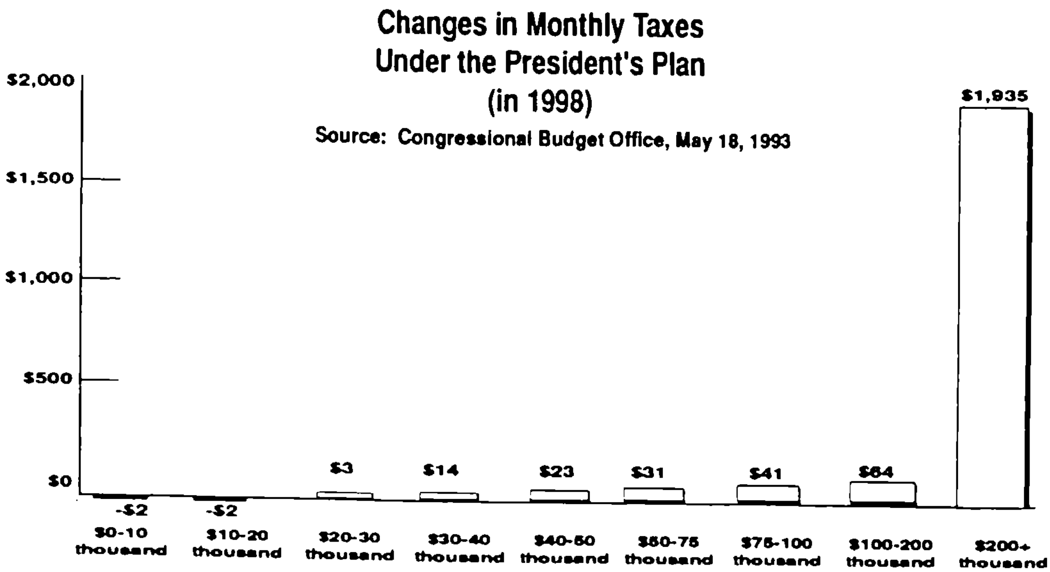
The Plan:

* Contains the largest deficit reduction package in history -- $496 billion over 5 years.
* Contains more than a dollar of spending cuts for every new dollar in taxes, and three dollars in spending cuts for every dollar of new investment.
* Reduces the deficit fairly. 62% of all new revenues the President has asked for will be paid by the richest 1% of Americans, and 75% of the revenues will be paid by the top 6%.

*** The Washington Post Knows This Is The Right Plan.**

> "This President...has courageously done what his predecessors notoriously did not do. He has proposed a restoration of fiscal discipline .... [P]erhaps the best measure of the program's fairness is the range of groups that have found things not to like." -- The Washington Post - 5/26/93.

*** The Non-partisan Congressional Budget Office Shows How Fair The President's Plan Is.**



Meanwhile, the President's Opponents' Plan Represents the Special Interests and not the National Interest by:

* Cutting $50 billion in taxes on the wealthy and transferring that burden to seniors and hard working families just above the poverty line.
* Cutting social security benefits for 27 million Americans.
* Cutting $15 billion from the Earned Income Tax Credit, which benefits 14 million working families.

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