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Political – Cabinet Rm – 18 January

Greenberg

June on – BC #s ↑
yet Dem Party ~~#s~~ ↓

Drama of 1st yr: BC vs the Congress

Need to be a governing Party
part of team c̄ C

Major switch from economy to crime
People feel freer to talk of crime –
Most impt: 40% crime 20% ec
↳ complete reversal ī 4 mos.

Priorities of Congress
Crime
fed def / cut spndg
health care

Yr ago – cut deficit was higher

How we deal c̄ deficit is challenge

1st tier: crime/

2nd tier: job training / welfare reform / REGO
camp finance – trade – spending ⇒ way down on list

Crime - People want to do anything
(3 strikes & you're out) at top
then
Asslt Ban
Limit Appeals
100,000 cops

2 themes: 1) Prosecute / Punish / Behind bars
2) Wage war - disarm criminals + police

If forced to choose - punishment + get off the street.

Mandy Crime isn't a partisan issue yet

SG It's to crime what insurance is to health care
- ie three strikes you're out -

No one owns the issue
BC - so i'll have 1st shot at it

Deficit -
BC favor over Repbs 17 pts
on cutting deficits/spdg

Fought for caps

Tested Bal'd Budget - 80% for

Welfare
Dems have strongest advantage over Repbs
next to health care
most compassionate view of welfare
+ believe Dem will combine toughness
+ willingness to help

BC Welfare
1.) Do like EITC -
marginal wage earners
2) Give all hlth care
3.) Pass persnl resp - id fathers
4) Two yrs → out
adqte training

4

Economy

To win in '94 –

Public trust Repubs in C over Dems
in the middle of a recovery

2/3 of people: no Δ, recession
1/3 " " – see good news

2 major groups c̄ economy –
1) Younger, non college males – see no recovery
14 pts drop in Party ID on ec.
2.) California – no amt of news

Separation of self + nation –
"You may not feel this yet, but ..."
People know of recovery but don't feel it.

⇒ They need a story abt the economy
1) Past story –
2) ~~They~~ didn't raise taxes
3) Need an econmc battle
that says something.

Reemployment message – Works
Seattle speech

Health Care

- Contradictory
- Support has been declining
  40% opposition

- Biggest uncertainty: how will it affect me?
  All parochial stuff
- Biggest drop → choice
- Probs = SRs, women
- Not opposed, but concerned

2 things work –
Leave Medicare alone
Full choice
No lifetime limits
Prescription drugs
ER pay 100% credits

Facts tgthr plus guarant'd private insurance

(characterizing it as rumpt

They don't know alternatives of other bills

Most powerful
- Illegal for ins. Cos. to refuse coverage

Insurance piece - has most power in explaining what's different in our plan.

Goal - make plan/ideas more popular + reassure seniors

* 65% - right course
* 60% - hopeful

If they perceive C is getting things done - perception of C will Δ.

Need to communicate unity

Radio - Quake/Cold
- Deficit

Weekend - Meet - Reno/ Brow
- Taco - Mitchell
- Brkley - Mach ?

SOTU - TP's
- Roll Out Mtg
* Cabinet
* Briefings

THE WHITE HOUSE

WASHINGTON

Political

GREENBERG RESEARCH INC

515 SECOND STREET NE
WASHINGTON DC 20002
TEL 202 547 5200
FAX 202 544 7020

DATE: June 24, 1993

TO: The assembled advisors

FROM: The assembled advisors

RE: POSITIONING FOR CONFERENCE

The strong message of the last two weeks needs to be enlarged now that we are going to conference. This is a new stage with new opportunities to establish the character of our plan -- but on its own terms and in comparison with the Republican alternatives. We still have two overriding goals -- to establish that this plan is good for the economy and that it is fair (i.e., we minimized the burden on the middle class).

The Dreyer memorandum sets out important communication tasks in the days after the Senate action and provides a longer term communication strategy into August. This memorandum focuses on the unveiling of our message -- immediately after Japan, as the conference begins its work. We must control the agenda which requires some actions now and a compelling message.

Clearing the Decks

Our launch will very likely be overshadowed by a cluster of emotional and "liberal" issues, unless we move immediately to clear the decks. We strongly urge you to resolve some of these before the trip and to delay others until a later time. None should be permitted to break during the week of July 12th. If we fail to act, the combination of gays, defense cuts, owls and Vietnam will destroy any pretense of being a "new kind-of-Democrat" and will block out any opportunity to define our economic plan:

- Gays in the military: This issue must be resolved before you leave for Japan. Aspin should continue to take the lead, aligning you with the Joint Chiefs and hopefully winning the support of Nunn and/or Frank.

- Base-closings: It will be difficult to sell our plan as good for the economy if the conference shares the news with base closings. If you intend to accept the recommendations, do so in a very short period, perhaps 48 hours.

- Forest: Delay the recommendation if possible.

- Vietnam: We dare not act to recognize Vietnam now, even in the form of eligibility under international lending institutions. This is too good a story: anti-military and anti-war president recognizes Vietnam, as he wars with Joint Chiefs of Staff about forcing gays into the military. We do not need this. Without regard to policy, this decision must be delayed until after these other issues are resolved.

The Character of the Clinton Economic Plan

This memorandum lays out a number of bold options for characterizing and comparing our economic plan. These options are still under discussion and being researched. But the presentation already provides us with important talking points that may be helpful over the next few days.

Comparison One: Bold action versus Just politics

Clinton's plan cuts the deficit by 500 billion dollars -- a 100 billion dollars more than the plan offered by the Republicans and more than the plan offered by Ross Perot. Bill Clinton and the Democrats have acted to get our house in order, the first step toward a healthy economy and the creation of new jobs. The Republican leadership in Congress waited 4 months, offering no plan for the economy or deficit, and only submitted a plan one day before the vote. They are just playing politics. It is time for leaders to take responsibility and serious action to put our house in order.

Comparison Two: Fair and balanced versus Slamming the middle class

The Clinton/Senate plan achieves major deficit reduction -- paid for with major spending cuts (5 of every 10 dollars), higher taxes on the wealthy (4 of every 10) and the lowest possible taxes on everybody else (1 of every 10). The Senate plan asks for only (24) dollars a year -- only (24) dollars a year -- from the average middle class family. Ninety percent of the taxes are paid by people earning over $140,000. The Republicans also propose to cut the deficit, not by cutting waste and not by asking the wealthy to contribute anything. They put the entire burden of deficit reduction on the middle class, seniors and the working poor.

Hurting the middle class (options for emphasis)

Slashes health care spending, including Medicare and veterans benefits, and asks all seniors to pay higher premiums and higher payments for their health care (something Clinton specifically opposed).

Addendum: While the Clinton plan holds down the growth of Medicare spending, the Republican plan actually cuts Medicare for the elderly.

Eliminates critical economic programs, including a major cut back in defense diversification and the elimination of all incentives to help small businesses create jobs.

Cuts college aid.

Cut backs funding for police, the FBI and immigration control agents.

Eliminates all new funds for worker training and retraining.

Eliminates tax relief for low wage, full-time workers.

Cuts funding for childhood immunization, Head Start, and infant health programs.

Protecting the privileged (options for emphasis)

Cut taxes for those earning over $200,000 by $23,750 a year; it wipes out the millionaire surcharge and cuts corporate taxes.

Restores tax breaks that allow corporations to deduct multi-million dollar executive pay and to deduct lobbying expenses -- tax free.

DRAFT

MEMORANDUM

TO: THE PRESIDENT
THE VICE PRESIDENT
HILLARY RODHAM CLINTON
MACK McCLARTY
GEORGE STEPHANOPOULOS
DAVID GERGEN
MARK GEARAN

FROM: YOUR POLITICAL ADVISORS

RE: A SUGGESTED STRATEGY FOR CONFERENCE ON RECONCILIATION

DATE: JUNE 24, 1993

While we recognize that we are neither legislative strategists nor economic policymakers, we believe there is an optimal political endgame for reconciliation.

The Senate Finance Committee bill reduces the deficit by $516 billion over five years, exceeding even our toughest target by $16 billion. At the same time, the Finance bill only taxes the middle class about $24 billion over five years. Here are a couple of thoughts:

1. Reducing the deficit by "only" $492 billion will allow us to come within a whisker of our own (artificial) target **and not tax the middle class at all**. The rationale for the turnaround is as obvious as it is true: the middle class is now paying their fair share in the form of far deeper cuts in middle class entitlement programs than the President originally proposed. (Of course, the other option is to replace the $19 billion additional cut in Medicare and reduce the deficit by $497 billion. We prefer eliminating the middle class tax, as it is more likely to make health care palatable.)

2. The problem with this is that the presence of taxes on the middle class is hardly the only problem we have with the Finance bill. It cuts our EITC, eliminates the Bumpers capital gains reduction for small business incentives, as well as expensing for small business, passive loss and other incentives to create jobs in the real estate sector -- not to mention the loss of empowerment zones, which the Congressional Black Caucus will insist on reinstating.

   An increase in the top corporate rate (difficult, but possible) would bring in $15 billion. Reduction in 936 and the amortization of goodwill (which will be played as pro-takeover and against what we campaigned on), can scare up a little extra cash, all of which should be applied toward restoring some of the above-cited job-generating incentives. Which projects should be reinstated and at what level is, of course, dependent upon the priorities of the President and the politics of the Conference Committee.