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Budget Reconciliation Package I. A-N [binder] [2]

2012-0741-F
rs2731

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(1) National security classified information [(b)(1) of the FOIA]
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- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Highlights Of Investments In The President's Economic Plan

I. The Investment Deficit

In the 1980's, while tax burdens increased on the middle class and federal deficits soared, public investment in America and the American people plummeted dramatically. As stated in Putting People First, "in the emerging global economy, everything is mobile: capital, factories, even entire industries. The only resource that's really rooted in a nation -- the ultimate source of all its wealth -- is its people. The only way America can compete and win in the 21st Century is to have the best educated, best trained workforce in the world, linked together by transportation and communication networks second to none."

The Clinton plan seeks to accomplish the challenging goal of increasing investments in education, technology, defense conversion, and crime prevention, at the same time that we are decreasing the deficit. This requires cutting spending that is not needed or can no longer be justified, to make room for investments in our future. Just as many American families have had to cut back on luxuries in order to invest in their children, government must do the same. Thus, the Clinton plan pays for every dollar of new investments by cutting spending somewhere else. **In fact, there are $3 in spending cuts for every $1 of new investments.** Simply put: The Clinton plan includes enough spending cuts to pay for all of its new investments and still have $250 billion left over for deficit reduction.

II. Investment Incentives Within The President's Reconciliation Package

The President's economic plan seeks to spur private-sector investment by reducing the deficit and providing targeted tax incentives. That is why the reconciliation includes both targeted growth incentives and the largest deficit reduction plan in our history.

A. The President's Economic Package Is Pro-Small Business:

- **More Than Double Small Business Expensing Incentives:** Following the President's lead, both the House and Senate have called for legislation to allow small businesses to expense immediately more than twice the $10,000 of business investment that is currently permitted. Under the House bill the threshold is increased to $25,000. Under the Senate bill the level is increased to $20,500. This will free up cash flow for small businesses and allow them to make new investments in training and equipment and to create new jobs.

- **New Small Business Capital Gains Exclusion:** The plan gives investors generous tax incentives to provide equity capital to productive small businesses, thus encouraging risk-taking and innovation. Half the long-term capital gains from investment in small businesses would generally be excluded from income and would not be subject to the alternative minimum tax.

- **Reducing The Cost Of Health Insurance Premiums For The Self-Employed.** The package extends the 25% deduction for health insurance premiums paid by the self-employed. The extension will last through the end of the year in anticipation of broad health care reform measures to be introduced by the Clinton Administration.

- **Tax-Exempt Financing For Small Business.** By extending qualified small-issue bonds and creating a new category of enterprise zone facility bonds, the plan provides certain small businesses with greater access to tax-exempt financing.

- **Small Issue Manufacturing And Farmers Bonds:** The plan extends the provision in current law that allows local jurisdictions to issue tax-exempt qualified small-issue bonds to finance manufacturing facilities or agricultural land and property purchases for first-time farmers.

- **"Super-Expensing" In Empowerment Zones.** The plan also increases from $10,000 to $75,000 the amount that small businesses located in ten "empowerment zones" may expense, and provides other incentives for small businesses located in our Nation's most distressed communities.

B. The President's Economic Plan Includes Pro-Growth Incentives For Large and Small Companies:

- **Modify AMT Depreciation Schedule:** This is an incentive for new capital investment. It provides relief on the tax treatment of depreciation deductions for corporations paying the corporate minimum tax, and is of enormous value to capital-intensive companies. By allowing such depreciation deductions to be accelerated considerably, the provision promotes capital investment.

- **Extend The R&E Tax Credit:** The plan fosters economic growth, technological development, and international competitiveness permanently by extending the research and experimentation credit. It extends the provision that provides a 20% credit for qualified research expenditures. It includes a new rule relating to start-up companies that will make it easier for new enterprises to qualify for the credit by simplifying and rationalizing the rules for computing research eligible for the credit.

- **Mortgage Revenue Bonds:** The plan extends the current law provision that permits local jurisdictions to issue tax-exempt qualified mortgage bonds to finance the purchase, rehabilitation, or improvement of, single-family, owner-occupied residences located within the jurisdiction of the issuer. This is an important financing tool for many first-time home buyers and an important stimulus for the housing industry.

- **Passive Loss Liberalization.** The plan provides relief to real estate professionals by allowing qualifying taxpayers to deduct from income certain losses from real estate activities in which they materially participate.

C. **The Reconciliation Bill Encourages Worker Training and Education:**

- **New Excel Accounts for College Access/Direct Student Loans:** The Clinton plan calls for a new program that will allow every young person who wants to go to college to receive an EXCEL Account that will allow him or her to take out money needed for college, and then pay it back as a small percentage of future income. This will allow young people to go into public service or try to start a new business without facing a crushing debt burden from college loans. In addition, the Clinton Administration has introduced legislation to overhaul the student loan system. By cutting out the middle-man, eliminating costly subsidies to private lenders, and lending directly to students, the Government will lower interest rates for students and save billions for the taxpayer. The program will be phased in over four years, and save taxpayers billions over the next five years.

- **School-To-Work Tax Credit:** This tax credit will provide important incentives to businesses to join in the President's effort to create new pathways to high-skill, high paying jobs for young Americans who choose not to go to college but still seek further training for a chosen trade or profession.

- **Employer-Provided Educational Assistance:** The plan extends the current law provision that excludes from gross income amounts paid by employers for workers' educational assistance.

- **Targeted Jobs Tax Credit:** The plan extends the current law provision that allows employers to claim a targeted jobs tax credit equal to 40% of up to $6,000 of first-year wages paid to members of certain targeted groups.

D. **The Reconciliation Bill Provides Work Incentives And Tax Relief For Low-Income Americans**

- **Rewarding Work By Increasing The Earned Income Tax Credit To Help Make Work Pay For The Working Poor.** By expanding and simplifying the earned income tax credit (EITC) significantly, the plan ensures that no American family with a full-time worker will be below the poverty line. America's poor will have greater incentive to work, and low-income taxpayers will receive larger direct payments to help them with basic living expenses. Extending the EITC to working poor taxpayers without children expands work incentives to additional Americans and increases equity.

- **Extend Low-Income Housing Credit Permanently:** By permanently extending the housing tax credit for new or substantially rehabilitated low-income rental housing, and providing more generous rules for projects developed in the 110 empowerment zones and enterprise communities that will be designated, the plan increases opportunities for affordable housing development by the private sector.

- **Empowerment Zones:** The President's Empowerment Zone proposal represents a new approach to the problems of distressed urban and rural communities. It gives local communities the incentives and regulatory flexibility they need to work with the private sector to develop comprehensive economic strategies to attract businesses, create jobs, make their streets safe, and empower people to get ahead. A total of 110 zones will be chosen through a competitive challenge grant process that will reward those communities that submit innovative comprehensive strategic plans that involves a partnership between government, private businesses and local residents of the targeted distressed areas. The 110 zones will receive an enterprise grant and a package of tax incentives designed to attract new business activity. Each zone will also receive special priority for participation in many innovative federal programs, including Community Development Banks, Community Policing and the Education Department's "enterprise schools" initiative.

E. The Reconciliation Package is Pro-Children:

In addition to the strong agenda for children in the President's overall package, the President's reconciliation proposal includes important investments in the health and well-being of all of our children.

- **Earned Income Tax Credit:** The President's expansion of the EITC ensures that no child whose parents work full-time will be raised in poverty.

- **Childhood Immunizations:** All American children should be assured of a healthy start through appropriate immunizations. The President's Budget calls for a 96% increase in the funding received by the Centers for Disease Control (CDC) for such activities. A recent CDC survey indicated that only about 60 percent of the Nation's children had received the recommended immunizations by age two. The President's FY 1994 request for CDC will focus resources on this group of children. The President's budget also increases funds for State immunization infrastructure support so that States can hire more clinic personnel and keep clinics open longer, allowing more children to receive immunizations on schedule. In addition, the Administration is working with Congress on legislation that will allow it to provide free vaccines to needy children.

- **Family Support And Preservation:** The House has approved major new child welfare services legislation proposed by the Administration. The proposed capped entitlement program would help prevent child abuse and help parents learn the skills and tools they need to help raise their children, such as parenting classes and assistance to families with at-risk children. The program would place special emphasis on preventing family dissolution and on reunifying families through supportive community-based interventions.

- **Child Hunger Prevention:** The Food Stamp Program is the Nation's first-line of defense against hunger. The Administration has proposed improving the Food Stamp Program by enacting the Mickey Leland Hunger Prevention Act. The initiative will reduce hunger among poor children, simplify and improve program administration, help prevent abuse of the Food Stamp Program, and help offset the effect of the proposed energy tax on low-income households. Most of the benefits would go to low-income families with children.

SMALL BUSINESSES WILL BENEFIT FROM THE CLINTON PLAN

The Clinton Economic Plan is fair and beneficial to small businesses. The vast majority of small businesses will come out ahead under the tax proposals in the Clinton plan.

THE CLINTON PLAN IS PRO-SMALL BUSINESS. Those who plow money back into their businesses for economic growth and expansion will be able to take advantage of tax incentives like the expensing provisions and the capital gains exclusion for investments in small business. Benefits include:

-- **Lower borrowing costs.** Markets have responded to the President's deficit reduction plan. Long-term interest rates are at a 16-year low, and mortgage rates are at a 20-year low.

-- **Increased expensing.** The President proposed more than doubling from $10,000 the investment that small business will be able to expense immediately.

-- **Special capital gains tax cut for investments in small and medium-sized businesses.** The President has strongly supported a new provision to cut capital gains taxes for new investment in businesses.

-- **Retroactive extension of the 25% deduction for health insurance premiums of the self-employed.**

-- **Retroactive extension of the ability of State and local governments to issue tax-exempt bonds for small businesses.**

THE CLINTON PLAN WILL SPUR JOB GROWTH: During the last four years, only one million private sector jobs were created -- just 20,000 a month. In the first five months of the Clinton Administration, 740,000 private sector jobs have been created ---over 140,000 jobs per month -- seven times the rate of the last Administration. Several independent analysts have projected that growth in the economy under the Clinton plan will create over 8 million jobs in the next four years. Furthermore, studies by the Joint Economic Committee and the National Venture Capital Association show that the President's capital gains cut for small businesses and his expensing provision will create at least an additional 200,000 jobs in small businesses.

ONLY 4.2% OF SMALL BUSINESS OWNERS THAT FILE INDIVIDUAL RETURNS WILL PAY MORE WHILE OVER 90% WILL RECEIVE OR BE ELIGIBLE FOR A TAX CUT. Some small business owners who are among the top 1% of taxpayers will have to pay more. But only 4.2% of the business owners who file individual returns -- proprietorships, partnerships or subchapter S corporations -- will be affected by the increases in individual tax rates, because only 4.2% of these returns show income over $180,000 a year. Over 90% of small businesses and subchapter S corporation owners will either receive or be eligible for a tax cut through increased expensing, a targeted capital gains tax cut or the extension of the 24% health insurance deduction for the self-employed.

ONLY THE TOP 1.2% WILL PAY INCREASED INCOME TAXES. The Clinton plan raises income taxes only on households who earn over $180,000 a year or individual filers who take in over $140,000 a year (adjusted gross income). No matter what your occupation, you will only pay more income tax if you have a yearly income of $180,000. And no family that makes less than approximately $180,000 will pay any higher income tax.

ONLY THOSE BUSINESS OWNERS WHO MAKE THE MOST WILL PAY MORE: Those 4.2% of business owners who will pay higher income taxes are quite well-off. The average business owner who will pay more makes $560,000 a year and nearly half (43%) of all income of these taxpayers goes to people who make over $1 million. Often these business owners are highly paid doctors, lawyers or investment bankers rather than owners of small businesses such as the corner store.

AGGRESSIVE ASSAULT ON THE CREDIT CRUNCH: The President has implemented more than 10 regulatory initiatives designed to increase lending to small and medium-sized businesses. These initiatives have cut unnecessary paperwork and regulations, increased bankers' ability to make "character" loans, and created an ombudsman so that regulatory mistakes get corrected. The bottom line is more business loans at lower interest rates.

MAJOR NEWSPAPERS SUCH AS THE WALL STREET JOURNAL AND THE NEW YORK TIMES HAVE EXAMINED REPUBLICAN CLAIMS THAT THE CLINTON PLAN IS BAD FOR SMALL BUSINESS AND FOUND THEM TO BE "SPECIOUS."

News reports confirm what we already know — that Republicans have been distorting the truth, claiming that the Clinton plan hurts small business, when, in fact, the income tax increases fall on only 4% of small business owners, while Republican plans eliminate tax cuts that could benefit over 90% of small business owners.

WALL STREET JOURNAL:

> "Having been battered in last year's presidential campaign as defenders of the wealthy, Republicans hardly want to oppose the president's proposed income tax increases head on and bemoan the burden on the nation's richest 1.2% of the population. So they're playing up the plight of small business. . . .
>
> **"But many of the Republican arguments are specious. Despite GOP claims that most of the burden of the higher rates would fall on small business owners, Joint Tax Committee data show otherwise. . . .**
>
> "[T]he higher income tax rates wouldn't affect the vast majority of small businesses, the Treasury Department says. About 300,000, or 4.2%, of the seven million taxpayers who are actively involved in S corporations, partnerships or sole proprietorships would be subject to the higher taxes. And many of those are upper-income investment bankers, doctors and lawyers –

hardly the image of small business owners evoked by some of the Republicans.

. . .

"A [Treasury] department analysis shows that the 300,000 active business owners who would be affected by the higher individual rates have income before itemized deductions averaging $560,000." [Wall Street Journal, 6/25/93]

THE NEW YORK TIMES:

"The Republicans maintain that a large portion of the higher tax rates the Democratic plan would impose on taxpayers with taxable income above $140,000 would fall on small businesses and would inhibit the owners from pouring money back into the business so they could expand and hire new workers. ...

"One problem with the argument is that many of these businesses are actually doctors, lawyers and other professionals -- not the sort of entrepreneurs normally associated with job creation.

"Another problem is that these businesses pay taxes only on their profits, after deductions are taken for expenses like paying wages to employees or making new investments to expand.

"The Republicans never quite explained why surgeons, or even the owners of hardware stores or canneries, should be taxed less on their income than someone who draws a salary from, say, the United States Treasury." [New York Times, 6/24/93]

WASHINGTON POST:

"The affected businesses include such affluent professionals as doctors, lawyers and accountants. If they were exempt from the personal rate increase, they would have a lower tax rate than corporate executives and other professionals who receive income in the form of salary." [Washington Post, 6/24/93]

THE NFIB (NATIONAL FEDERATION OF INDEPENDENT BUSINESS) HAS PREVIOUSLY GIVEN TESTIMONY STRESSING THE IMPORTANCE OF KEY PROVISIONS OF THE PRESIDENT'S PLAN: EXPENSING, TARGETED SMALL BUSINESS CAPITAL GAINS CUT, AND LOWER INTEREST RATES FROM DEFICIT REDUCTION

NFIB'S position on these provisions from that testimony is as follows:

- **DEFICIT REDUCTION:** *"Our members feel that there is very little the government can do right now to bring us out of the recession in the short-term and would focus on the deficit rather than cutting taxes."*

  The Clinton Plan is the largest deficit reduction plan in history -- $500 billion in deficit reduction over five years.

- **EXPENSING:** *"In the area of investment incentives, let me simply say that we're consistent. Simplicity is the key for the small business community. We prefer above all other things an increase in direct expensing." (emphasis added)*

  The President's plan would more than double from $10,000 the investment that small businesses will be able to expense immediately.

- **CAPITAL GAINS:** *"If you wanted to focus, though, on creation of small businesses and creation of jobs, I think that Senator Bumpers' proposal does an admirable job in that area."*

  The President's plan adopts the key provisions of that proposal.

  Source: Testimony of NFIB Vice President John Motley at Hearing of the Senate Finance Committee on "Economic Growth and the President's Proposals: Focusing on How the Proposals Will Affect the Economy, 2/13/92.

FACTS ON CLINTON BUDGET SPENDING/TAX RATIOS:

BOTH HOUSE AND SENATE SCORING CONFIRM A ONE-TO-ONE RATIO:

There are now two versions of the plan -- the House and the Senate plan.

The House Budget Committee has done an analysis of the House plan and found that their bill had $250 billion in cuts and $250 billion in taxes — exactly $1 to $1.

The Senate Budget Committee found that the package used more than a $1 to $1 ratio -- with $1 in spending cuts for every 92 cents in revenue increases.

Both versions of the Clinton plan result in approximately $500 billion in deficit reduction. There are $250 billion in spending cuts — roughly $100 billion in entitlement cuts; $100 billion in other spending cuts; and $50 billion in savings from interest we pay on the national debt.

There are over 100 cuts of $100 million or more in domestic programs in the Clinton budget.

DOLE & PACKWOOD INCORRECTLY DISPUTE THE $1 to $1 RATIO AND SAY THAT THE REAL TAX/SPENDING RATIO WAS 3:1 OR WORSE AND THAT THE DEFICIT REDUCTION WAS AS LITTLE AS $347 BILLION:

Senator Dole has tried to block change and President Clinton's leadership by distracting the American public from what is really at stake: the largest deficit reduction package ever proposed by a President. The Republicans should join the President in showing leadership on deficit reduction.

Senator Dole's calculation is inaccurate because: 1) it does not count discretionary spending cuts as spending cuts at all; 2) it does not count interest savings as spending cuts; and 3) it does not count first time user fees as spending cuts. Senator Dole includes only taxes and some entitlement cuts in calculating the 3:1 ratio.

Discretionary Spending Cuts: Senator Dole denies all of the plan's $100 billion in spending cuts that come from the caps and sequesters — even though the plan presents line-by-line cuts. He ignores 125 domestic discretionary cuts. **He states that there is no enforcement, ignoring the extension of the strict current enforcement procedures in the budget resolutions and the House Bill.**

- When Senator Dole spoke about the 1990 deficit reduction plan, he counted discretionary spending savings created by the same cap and sequester that is being extended in the Clinton plan. (See quotes on following page.)

Cuts in Paying Interest on the National Debt: Republicans say that cutting the interest government spends on the national debt is not a spending cut, and that we are wrong to count interest savings as a spending cut.

- Interest savings were used to calculate the total deficit reduction in 1990, and they were always considered spending cuts.

- The Kasich plan uses $50 billion in net interest in its "all spending cut/no taxes" House Republican alternative.

Fees: Some Republicans argue that user fees should not be seen as spending cuts. For years, every Administration -- Republican and Democrat -- has counted them as cuts.

- In 1985, Senator Dole was the point person on a deficit plan, in which they specifically counted fees as spending cuts.

- The 1990 bi-partisan plan had user fees, and they were clearly scored by the Republican Administration's OMB as spending cuts.

- The Kasich plan has fees and specifically lists them as spending cuts -- the plan boasts that it has no new taxes.

THERE IS NO REPUBLICAN LEADERSHIP -- WHILE THEY CRITICIZE THE RATIOS, THEY OFFER NO NEW SPENDING CUTS:

The Republicans offered nearly a dozen amendments to the Senate Finance bill and not one had any net spending cuts. The rest all increased spending.

The Republican response by Senator Packwood is that "we are not going to do [additional spending cuts] alone" because they do not want to take the hits of showing leadership. (Washington Post, June 19, 1993) Yet, President Clinton -- alone -- put out an entire deficit reduction plan of nearly $500 billion, with every cut and revenue raiser line-by-line, and year-by-year.

Investments In People And Technology In Entire Clinton Plan

The following are other key investments in the Clinton plan:

A. JOB TRAINING

- **Dislocated Workers Program:** Today the average American worker changes jobs eight times in a lifetime. The President wants to transform our current unemployment system to a reemployment system. The Clinton program calls for a new worker training initiative that will guarantee for the first time that workers who lose their jobs through no fault of their own will be given training to find new jobs. This new national initiative will replace a current system that is fragmented and has poor quality control with a new system designed to provide rapid access to basic assistance and training for anyone who has suffered permanent job loss.

- **One Stop Shopping:** If you want to learn and earn, why should you have to go to 14 federal agencies plus state and local organizations? One-Stop Shopping will create a network of convenient outlets that provide unified, simplified and sensible access to self-help job assistance as well as a clearinghouse for additional government and private assistance. Using bold experimentation at the state and local level, the program will provide Americans with an information highway to careers, training programs and financial aid.

- **Profiling Unemployed Workers:** Some people have a harder time than others finding new jobs. Unemployment insurance profiling identifies those who need extra help quickly, before their benefits run out. The plan will provide grants to states for automating identification and referrals by the fifth week of unemployment.

B. Economic Growth And Job Creation

- **Defense Reinvestment And Conversion:** President Clinton has announced a comprehensive five-year package to ensure that those people and communities that helped win the cold war are not left out in the cold. This effort includes a joint program of the Defense Department and the National Economic Council to provide economic development assistance to hard-hit communities, worker training to dislocated defense workers, and a new emphasis on dual-use technologies to ensure that the technological and scientific know-how that once went into winning the cold war is targeted toward creating civilian jobs and ensuring our economic security.

• **Technology Initiative:** The Administration's Technology Initiative, unveiled on February 22nd, will create high-wage jobs in the industries of the 21st century and increase U.S. economic growth and productivity. This initiative includes:

-- "information superhighways," which will enable Americans to access information in any form at any time, creating a $300 billion market for new products and services;

-- a national network of manufacturing extension centers to help America's 360,000 small- and medium-sized manufacturing firms adopt modern manufacturing techniques;

-- an extension of the R&E tax credit to spur private sector investment in cutting-edge technologies; and

-- development of "green" technologies to reduce pollution and conserve our natural resources.

• **Community Development Banks:** Across the country, many communities are deprived of credit and basic banking services. In these communities, credit-worthy small business and other lending needs go unmet. The President has introduced an initiative to create a national network of community development financial institutions that will begin to meet this need. The proposal, which will invest $382 million over five years, will provide start-up capital on a matching basis to community development financial institutions that have a primary mission of developing and serving a targeted, underserved area.

C. Education And Youth Training

• **Education Reform:** All American children need greater access to better education -- not just to make the American Dream more available, but to make the American economy more productive. The President's plan includes $3.2 billion over five years to support the legislative proposal known as GOALS 2000: Educate America Act. It is a downpayment on a national program of support for fundamental change in America's elementary and secondary schools. Most of the funds would help States and localities involve public officials, teachers, parents, students, and business leaders in designing systematic education reforms. The President's plan also includes substantial new funding for a SAFE schools initiative.

• **National Service:** The Clinton Administration has called for a new national service program that will allow tens of thousands of young people to pay for higher education by serving their community and their Nation as police officers, teachers, hospital workers, or drug and homeless prevention workers. This program combines two of this Nation's best ideas: the GI Bill and the Peace Corps. Beginning in 1994, those who participate in meeting community and national needs through the National Service program will be eligible to receive a $5,000 educational award for each year of service (up to a maximum of $10,000) payable toward educational expenses.

D. Children And Families

- **Head Start:** The President aims to provide full funding for the Head Start program which has proven results and is cost-effective. Studies have shown that preschoolers who participate in Head Start do better in school and become more productive adults. The program provides educational, social, medical and nutritional services to at-risk preschoolers so they can become problem solvers instead of problems. The President aims to make Head Start available to all children who need it.

- WIC: If our Nation is going to prosper, children will have to grow up healthy, not hungry. This special supplemental food program for Women, Infants, and Children (WIC) helps make sure that they do. By the end of FY 1996, all eligible children ages 1 to 4, including some 2 million who were not served last year, will be assisted.

E. Safe Neighborhoods, Safe Streets, Safe Schools

To combat increasing crime and associated violence, the President is requesting $390 million for 1994 for the Justice Department to implement a comprehensive crime initiative to hire police and promote public safety throughout America. At the core of this initiative is a new Federal/State Partnership program to assist States and localities in their fight against crime. The program supports community and neighborhood-oriented policing programs; a Police Corps program; and upgrading criminal records at the Federal and State levels. In addition, resources are requested to meet other Federal law enforcement needs such as the Bureau of Prisons' projected increase in the Federal prison population. The total 5-year investment to combat crime and associated violence is $4.4 Billion.

Police On Our Streets

Overall, the President's budget requests for the Justice Department include a five-year investment of $2.174 billion to increase police presence and to expand community policing dramatically. To meet the 100,000 new police pledge, this investment will be leveraged with $150 million in policing grants already approved by Congress, $500 million requested as part of the President's Empowerment Zones legislation and policing investments requested for other agencies — including HUD's proposed Community Partnerships Against Crime (COMPAC), the Department of Education's Safe Schools legislation, and the public safety component of the President's National Service proposal. Together, these proposals will offer state and local governments a full menu of options — and maximum flexibility —in putting more police on our streets.

F. Public Health And Health Research

- **AIDS, Women's Health, And Other Public Health Initiatives** These initiatives increase funding for HIV/AIDS research and treatment, as well as for programs addressing women's health issues, teenage pregnancy, and other efforts focusing on the leading causes of morbidity and mortality. These investment initiatives would provide substantial new funding for these programs over several years, including:

-- additional funds for the fight against HIV/AIDS, through the Ryan White program, for CDC HIV/AIDS prevention, and for NIH HIV/AIDS research.

-- additional funds to address women's health issues, including breast cancer research, breast cancer screening, family planning efforts, and research on women's health issues at NIH.

-- additional funds to reduce our Nation's voracious appetite for illegal drugs, for increased treatment availability and for drug prevention programs.

- **Rural Health Initiative:** The President's rural health initiative is designed to address the unique, and acute, problems faced by rural hospitals. It extends authority for demonstration projects for limited-service rural hospitals, special payments for small, rural Medicare-dependent hospitals, and classification of hospitals as Regional Referral Centers.

G. Environmental And Energy Technologies

- **Drinking Water State Revolving Funds:** The Safe Drinking Water Act sets rigorous health-based standards for drinking water systems. In recent years, these requirements have imposed a large financial burden on drinking water systems. The President has requested new funds to provide capitalization grants to States so that they in turn can provide low-interest and no-interest loans to municipalities that must improve their drinking water systems.

- **Clean Water State Recolving Funds:** The Administration has requested funds to capitalize Clean Water State Revolving Funds. These Funds would make low-interest loans to municipalities for construction of projects to address water quality problems and help municipalities comply with new legal requirements for controlling stormwater run-off and wastewater pollution.

- **Environmental Technology:** The President's Environmental Technology Investment Initiative would increase funding for environmental engineering and technology development. The focus of this initiative will be long-term research and pollution prevention by EPA, other Federal agencies, and the private sector. The goal is to develop more advanced environmental systems and treatment techniques that can yield environmental benefits and increase exports of "green" technologies.

- **Alternative-Fuel Vehicles:** This initiative provides $18 million in 1994, and $30 million per year from 1995 through 1998 for Federal purchase of alternatively-fueled vehicles or conversion of the Federal fleet.

H. Transportation And Infrastructure

- **Mass Transit Formula Capital Grants:** After twelve years of neglect, America suffers from a crumbling transit infrastructure. These grants, together with State and local investment, will be used to upgrade rail facilities and equipment, and replace rail rolling stock, thus beginning to eliminate the rail investment backlog. These funds will also support bus and van replacement and bus facility rehabilitation. The new vehicles, which are needed to replace the aging U.S. transit fleet, will be more reliable and more accessible to disabled persons.

- **Federal-Aid Highways/Intelligent Vehicle Highway Systems:** The President proposes to increase highway spending to improve conditions and performance on the Nation's most important roads, the National Highway System, which carry over 40 percent of all highway traffic. The proposal would also increase funding for the Intelligent Vehicle/Highway Systems (IVHS) program. This "smart cars/smart highways" program will improve traffic control systems, warn drivers of dangerous situations, and make more efficient use of the existing highway infrastructure. It will combine state-of-the-art communications, warning systems, electronic displays, and computer technology.

- **High-Speed Rail Transportation:** High-speed rail systems can meet the transportation needs of several of the Nation's high-density corridors. These systems could relieve congestion, improve air quality, reduce oil consumption and improve safety. The funds could be used to start upgrading High-Speed Rail Service in selected rail corridors outside the Northeast Corridor. Train speeds would be increased by over 30 percent. In addition, funds would be provided for prototype design of magnetic levitation (MagLev) transportation and research on new turbine engines. MagLev speeds could exceed 250 miles per hour.

I. Agriculture

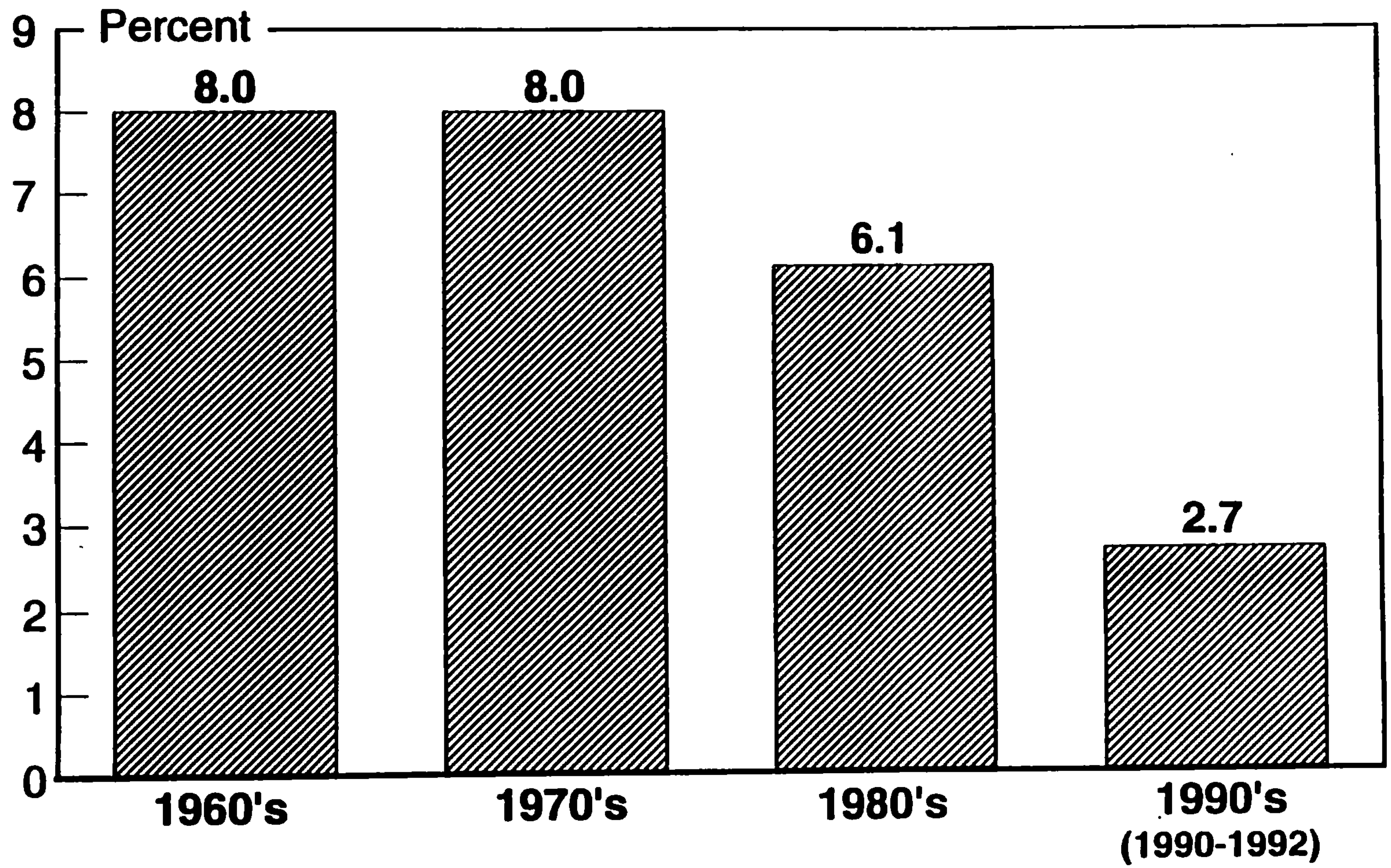
- **Equipment Expensing:** Under the President's plan to encourage small businesses to invest, farmers will be able to expense an increased amount of their capital investment. Agriculture is capital-intensive and good farming requires regular investments in productive capital, such as new and used equipment and machinery, special structures, motor vehicles, and farm and land improvement. The increased expensing reduces the cost of investment and frees up cash flow for use elsewhere on the farm.

- **Extending Small Issue Agriculture Bonds:** By extending this program, farmers entering agriculture can receive low interest rate loans from state, county or local governments to enable them to meet the high investment costs associated with beginning a farm operation. The government units raise the lower-cost funds through small-issue agricultural bonds, and most states with these loan programs depend upon these bonds to raise the funds for their programs. The Administration proposes to extend the right of state and local governments to issue these bonds, enabling entering farmers to meet the investment needs of their farm operations.

- **Extending The Health Insurance Deduction:** Because they are self–employed, farmers need comprehensive affordable health insurance; yet many cannot afford it. The Administration proposes to extend the 25 percent deduction for health insurance costs of self–employed workers and their families through at least December 31, 1993. This means continued savings for farmers.

Net Private Investment Has Fallen

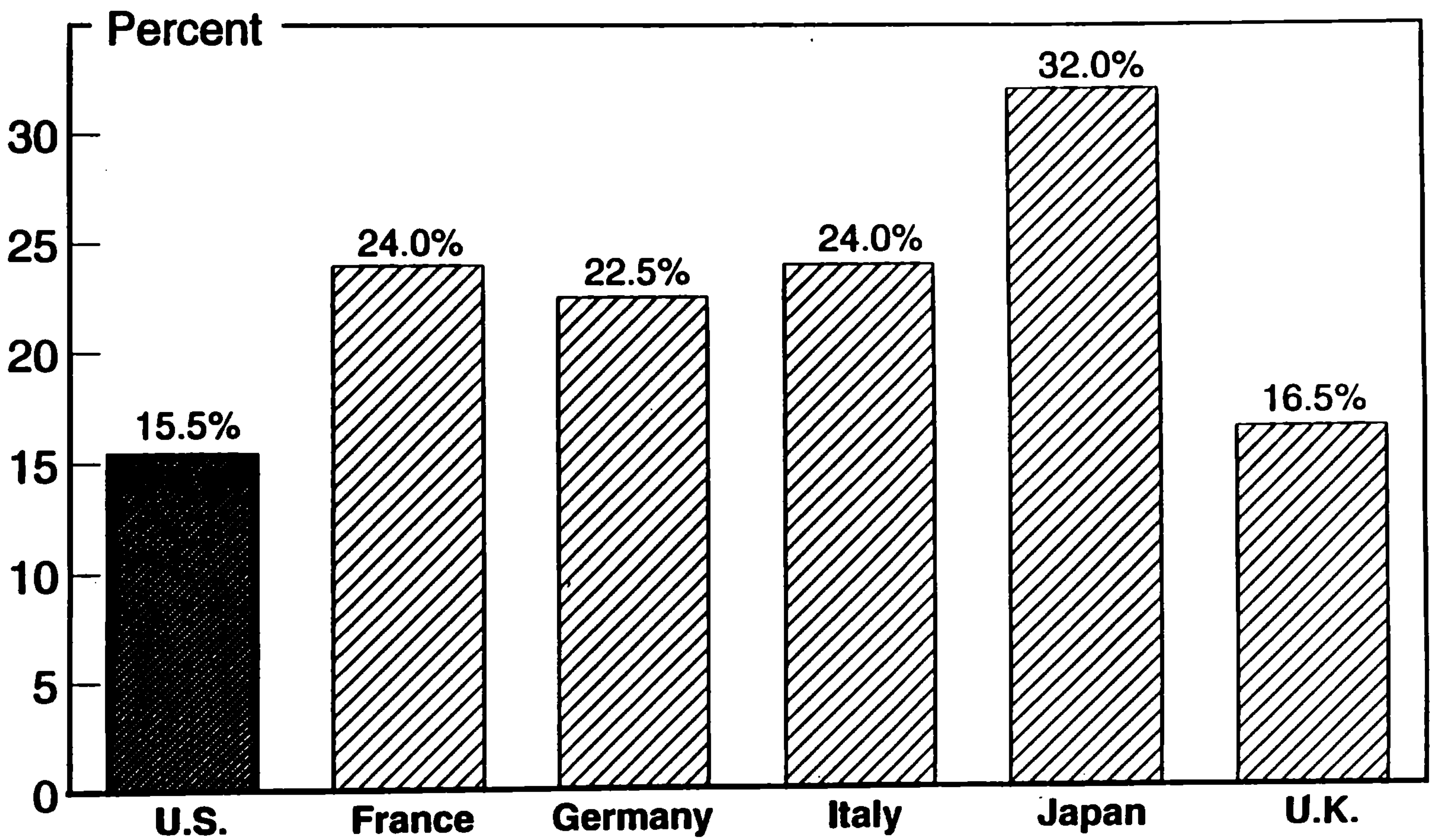
Total Private Investment as a Percent of NDP



Source: Bureau of Economic Analysis

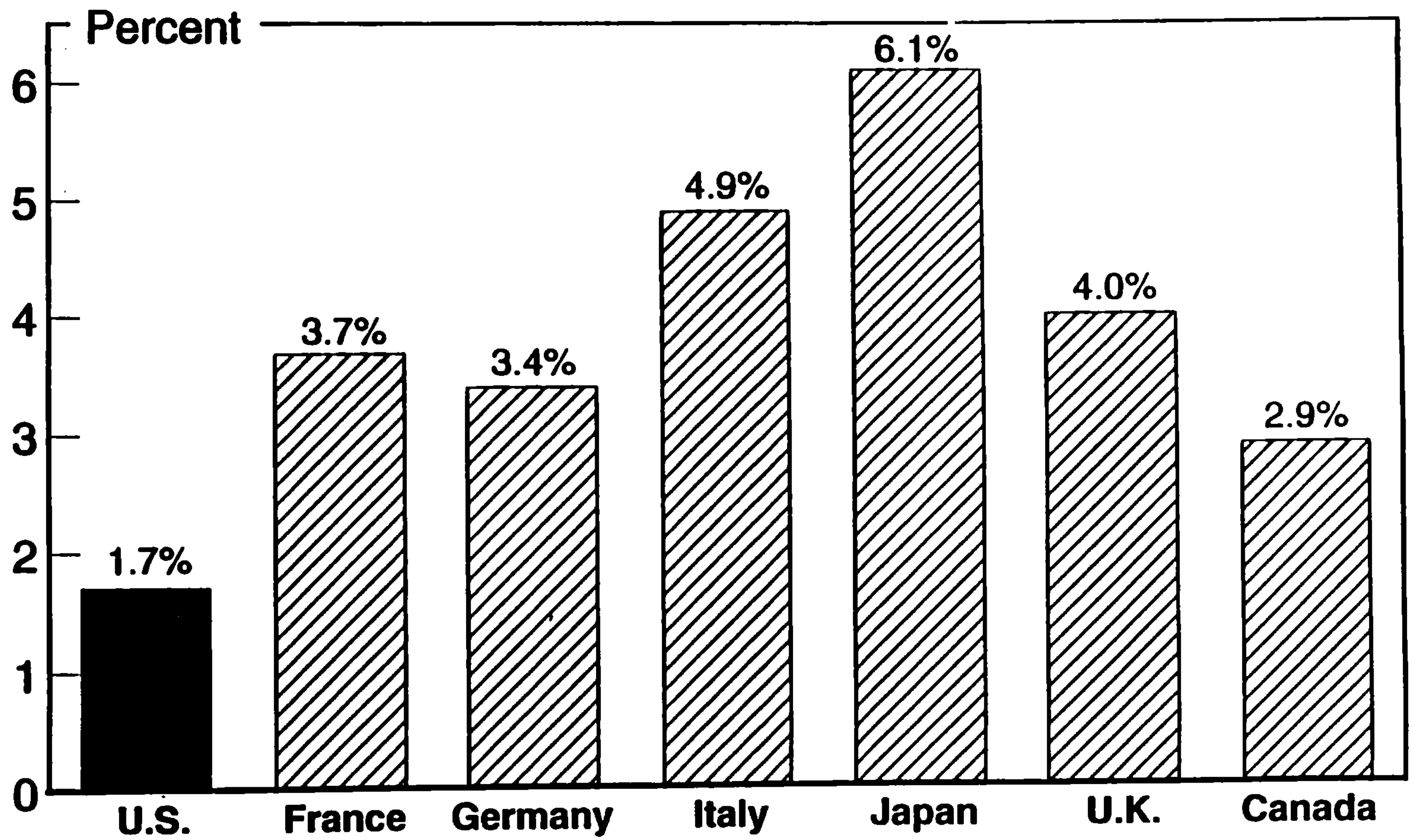
U. S. Invests Less Than Its Competitors

Gross average annual private investment as a percent of GDP
1980-92



Source: OMB

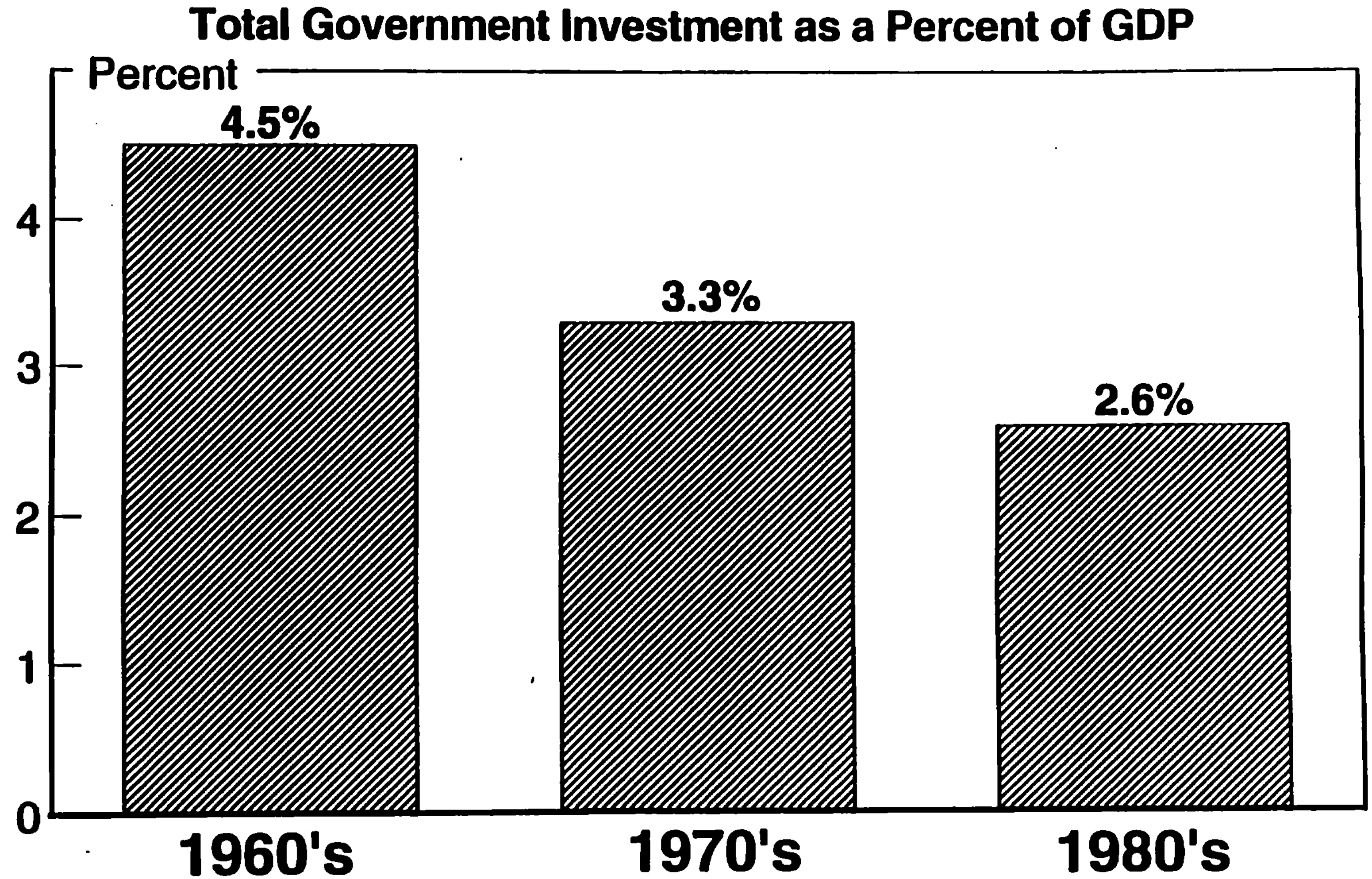
U.S. Public Investment Is the Lowest of the G-7 Countries



Public investment as a percent of GDP, 1990

Source: OECD

Public Investment Has Declined



Source: OMB

~~Minyon/Caren~~

BRIEFING MEMORANDUM

Mike FYI

TO: ALEXIS HERMAN, LEON PANETTA, ROGER ALTMAN
FROM: AMY ZISOOK, MARILYN DIGIACOBBE
DATE: JULY 19, 1993

BRIEFING: AFSCME Coalition and Realtors Coalition

DATE: July 19, 1993

LOCATION: Room 450, OEOB

TIME: 4:00 p.m.

PURPOSE: To further the President's economic plan. To brief the group on the strategy and message during Conference, so as to heighten their active support during this crucial period. We want to acknowledge the work they have done and "charge them up".

Ed Jayne of AFSCME, suggested it would be helpful to the coalitions for the speakers to discuss the following thorny issues: the Children's Initiative, Medicare cuts, Empowerment zones, Entitlement cap, energy tax and other tax initiatives.

PARTICIPANTS: AFSCME's "Invest in America" Coalition and the Realtors Coalition. Together they formed a coalition of 90 liberal, business, and other constituency groups who actively supported the House bill. Total participants will be 150-175.

AGENDA: Alexis Herman - Welcome. Introduce the speakers and act as the host and master of ceremonies to keep the program moving. **Thank AFSCME, the Realtors, and all the groups that joined with them, for their support of the President and their help on the House Bill.**

Roger Altman - Discuss where we are. Brief the group on the message and strategy during Conference. Explain the White House operation for the next 3 weeks. Thank them and ask for their continued support.

Leon Panetta - Outline the President's views on the plan. Specifically what this group sees as the thorny issues: Children's Initiative, Medicare cuts, Empowerment zones, Entitlement cap, energy tax and other tax initiatives.

Alexis Herman - Open the meeting up to questions. Emphasize the importance of their active support.

Minyon Moore / Caren Wilcox

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	[Personally Identifiable Information] [partial] (4 pages)	07/19/1993	b(6)

COLLECTION:
Clinton Presidential Records
Public Liaison
Alexis Herman
OA/Box Number: 2649

FOLDER TITLE:
Budget Reconciliation Package I. A-N [binder] [2]

2012-0741-F
rs2731

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

(1)

? REALTO

WHITE HOUSE BUDGET RECONCILIATION COALITION BRIEFING
MONDAY JULY 19, 1993 4:00 ROOM 450 OEOB

NAME	ORGANIZATION	DOB
Bill Signer	Chambers Associates	[redacted]
Steven Wechsler	National Realty Committee	[redacted]
Jeffrey DeBoer	National Realty Commitee	[redacted]
Jonathon kempner	National Multi-Housing Council	[redacted]
Don Campbell	National Multi-Housing Council	[redacted]
Dick Covert	National Apartment Association	[redacted]
Jim Arbury	National Apartment Association	[redacted]
Andi Carroll	American Resort Development Assoc.	[redacted]
Jim Rock	American Resort Development Assoc.	[redacted]
Edwin Jayne	AFSCME	[redacted]
Kent Colton	National Assoc. Homebuilders	[redacted]
Robert Bannister	National Assoc. Homebuilders	[redacted]
Leon Peace	National Assoc. Homebuilders	[redacted]
Philip Ola	International Council of Shopping Cntrs	[redacted]
Jodi Solsky	International Council of Shopping Cntrs	[redacted]
Jeanne Connelly	Champion	[redacted]
Donna Harman	Champion	[redacted]
Bob Landis	NAIOP Assoc. for Commercial R.E.	[redacted]
Paul Taylor	NAIOP Assoc. for Commercial R.E.	[redacted]
Joseph Mariano	Direct Selling Association	[redacted]
Teresa Jennings	Direct Selling Association	[redacted]
Nanine Meiklejohn	Coalition on Human Needs	[redacted] (b)(6)
Carol Hamilton	Coalition on Human Needs	[redacted]
Katherine Neas	Am. Assoc. of Univ. Affiliated Programs	[redacted]
Leon Shull	Americans for Democratic Action	[redacted]
Amy Isaac	Americans for Democratic Action	[redacted]
Andy Finch	American Assoc. of Museums	[redacted]
Michael Roarke	American Association of Museums	[redacted]
Brent Walker	Baptist Joint Committee	[redacted]
Sharon Cranford	Association of American Universities	[redacted]
Jerold Roschwald	Nat. Assoc. State Univ. & Land Grant Col.	[redacted]
Robert Salomon III	1300 Group	[redacted]
Suellen Galbraith	Nat. Assoc. Private Residential Resources	[redacted]
Kim Adler	Assoc of Junior Leagues	[redacted]
Ellen Vollinger	Food Research and Action Center	[redacted]
Mark Pelavin	American Jewish Congress	[redacted]
Robert Hardis	American Jewish Congress	[redacted]
Sandra Wurtz	Nat. Com. of Mental Heal Care Council	[redacted]
Sheldon Steinback	Am. Council of Education	[redacted]
Michael Aitken	College & University Personnell Assoc.	[redacted]
Catherine Pinkerton	Network	[redacted]
Glenn Petherick	National Housing & Rehabilitation Assoc.	[redacted]
Peter Bell	National Housing & Rehabilitation Assoc.	[redacted]
Letitia Chambers	Chambers Associates	[redacted]

(2)

Ken Parmelee	Rural letter Carriers Assoc.
Linda Goold	National Association of Realtors
Denise Bell	National Association of Realtors
Julie Nusbaum	National Council of Jewish Women
Todd Schafer	Economic Policy Institute
Robert Smucker	Independent Sector
Martin Hubert	Texas A & M
Todd Schafer	Economic Policy Institute
Robert Smucker	Independent Sector
Rosalie Kessler	American Arts Alliance
Greg Kubiak	Council for American Private Education
Anthony Freedman	Powell, Goldstein & Frazier
Victoria Rostow	Powell, Goldstein & Frazier
Alfred Kanitz	National Neighbor coalition
Rachel Mann Cohen	Council of Jewish Federation
Scott Berger	Council of Jewish Federation
Ken Fealing	Service Employees International Union
Stan Bregman	Truck Renting and Leasing
Marilyn Thompson	New York University
Kristina Baattama	New York University
David Kass	American Public Welfare Association
Kyllikki Kusma	Brownstein, Zeidman & Lore
Frank Monathan	U.S. Catholic Conference
Frank Shafroth	National League of Cities
Milton Wells	National Association of State Treasurers
Marcella Ost	National Association of State Treasurers
John mcEvoy	Nat. Council of State Housing Agencies
Barbara Thompson	Nat. Council of State Housing Agencies
Chris Cushing	Commonwealth Group
Howard Glicken	Commonwealth Group
John Vogt	Public Securities Association
Rebecca McAuliffe	Public Securities Association
Mark Decker	Nat. Assoc. Real Estate Investment Trusts
David Brandon	Nat. Assoc. Real Estate Investment Trusts
Richard Goldstein	Coal. to Preserve Low Inc. Hsng Tax Credi
Charles Edson	Coal. to Preserve Low Inc. Hsng Tax Credi
Segundo Mercado-Llorens	UFCW
Jean Hutter	UFCW
Mildred Gardner	Vanderbilt University
Tom Suttle	Inst. of Electrical & Electronics Engineers
Vin O'Neill	Inst. of Electrical & Electronics Engineers
Bob Boisture	National Assembly
Katherine Barton	Land Trust Alliance
Patrick Turner	Kilpatrick & Cody
Cynthia Woodside	Nat. Assoc. of Social Workers
Susan Hoechstetter	Nat. Assoc. of Social Workers
Martin Hight	Am. Soc. of Civil Engineers
Larry Smith	Griffin Johnson
Charles Perry	American Agriculture Movement
Brian Dougherty	Am. Assoc. Engineering Societies

(b)(6)

Karen Trimmer	Assoc. American University
Ira Rosenblatt	Nat. Coalition for the Homeless
Dawn Sydney	Nat. Coalition for the Homeless
Brenda Russell Nordlinger	Nat. Assoc. Homes & Services for Children
Eric Wentworth	CASE
Beverley Walker	Ryder Systems
Paul Marchand	American Assoc. of Retarded Citizens
Robert Williamson	American Society for Payroll Management
James Brunkenhoefer	United Transportation Union
Joy Higa	Volunteer Trustees
Laura Van Etten	Van Scoyoc
Christy Latimer	Van Scoyoc
David Senter	David Senter Associates
Frank Matheson	NAFEC
Pamela Roznoy	Am. Soc. Mechanical Engineers
Sharon Richard Cowan	Am. Soc. Mechanical Engineers
Patricia Smith	Nat. parent Network Disability
Rachel Farnham	Aiken Gump
Melanie Jackson	Assoc. Community College Trustees
George Ivey	Nature Conservancy
Karen Berky	Nature Conservancy
Jim Warner	Lee Toomey & Kent
Mary Barker	NACUBO
Mary Jane Calais	NACUBO
Gregory Jenner	Myer, Brown, Platt
Ronald Platt	Myer, Brown, Platt
Evan Migdail	Camp, Bates, Tate
Percy Williams	Soc. for Human Resources Management
Carol Hall	Soc. for Human Resources Management
Mary Anderson Cooper	Nat. Council of Churches
Alfred Sumberg	Am. Assoc. University Professors
Reba Raffaeli	Griffin Johnson
Karen Jeney	Nat. Pediatric HIV Resource Center
Susan Harris	Nat. Multiple Sclerosisl Soc.
Arnold Fege	Nat. PTA
Carolyn henrich	Nat. PTA
Steven Driesler	NAR
Jake Kuitwaard	NAR
Jill Masich	NAR
Ed Beck	Ed Beck Law Firm
Clarissa Mathews	Campaign for New Priorities
Jeanne Little	Nat. Tooling & Machinist
Robert Hennessy	OMB Watch
Noah Brown	
Judith Shaw	Nat. Easter Seal Soc.
Don Kramer	Nat. Easter Seal Soc.
Robert MacAltine	Nat. Urban League
Ann Speicher	Am. Soc. for Engineering Educ.
Steven Bailey	Gold & Liebengood
Lynda Walker	

[redacted] (b)(6)

(4)

Judith Waxman	Families USA
Durinda O'Brien	Families USA
Laura Fogt	Families USA
Thomas Shellabarger	U.S. Catholic Conference
Melissa Merson	Deloitte & Touche
Neil Reichenberg	International Personel Mgmt Assoc.
Richard Cruse	
Bill Schmidt	Epilepsy Foundation of America
Ghebre Selassie Mehreteab	NHP Foundation
Sheilah Hunt Wheeler	O'Bannon & Co
Jeffrey Thomas Sloan	O'Bannon & Co
Christine Churchill	O'Bannon & Co
Dennis Ross	Jim Walter Corp.
Jared Blum	PIMA
William Jelin	NRG Barriers
John Jay	NRG Barriers
John Ford	Kellogg Co.
Eben Tisdale	Hewlett Packart
Ellen Witman	Witman & Assoc.
Mary Margaret Bourdette	Child Welfare League
Marjorie Allen	AFSCME
June Alderton	Am. Soc. for Training and Development
Richard Alcalde	Alcalde & Assoc
Angela Plott	Alcalde & Assoc.
Thomas Birch	Nat. Assembly of State Arts Agencies
Anna Moser	Council for Rural Housing Development
Sean Meyer	Business for Social Responsibility
Marilina Sanz	City of New York
Eileen Sweeney	Children Defense Fund
Mike Farrell	Mortgage Bankers Assoc.
Peter Thomas	Am. Ac. of Physical Med. and Rehab.
Harold Colton	OMB Watch
Ann McNeil	Princeton University
Joanne Kane	Nat. Neighborhood Coalition
Stephanie Primarchi	ACCT Community College
Pronita Gupta	U.S. Student Assoc.
Jeremy Hoffman	U.S. Student Assoc.

[redacted] (b)(6)

amy
Amb

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

July 15, 1993

RICHARD L. LESHER
PRESIDENT

1615 H STREET, N.W.
WASHINGTON, D. C. 20062
202/463-5300

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

JUL 15 1993

Dear Mr. President:

The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, **opposes the budget reconciliation bill** currently in House/Senate conference and urges Congress to begin again.

From the beginning of this process, the Chamber has pursued a reasonable and responsible approach in working to secure a budget bill that would promote sustainable deficit reduction, enhance investment, boost productivity, and foster job growth.

As the budget process developed, surveys of our Board and membership reflected an increasing opposition to the bill's ratio of tax increases to spending cuts. It is now clear that the conference will not rectify this fundamental flaw with the plan. In addition, the final bill will offer insufficient incentives for investment and capital formation, particularly for small business, and promise only dubious long-term deficit reduction.

While somewhat different in their specifics, the House and Senate versions of the reconciliation bill offer little room for substantial improvement in conference. The conferees are operating under strict constraints imposed by the Budget Act and the parliamentary rules of each house. As a result, a significant shift in the mix of taxes and spending cuts is out of the question. Likewise, the revenue target virtually ensures that the final bill will contain a substantial energy tax and the surviving investment and capital formation initiatives likely will be inadequate to encourage real economic growth and job creation.

Our recommendation that Congress send this bill back to stage one is not so much a criticism of either party as it is an indictment of the budget process itself. It is becoming increasingly clear that the process itself is broken and in need of fundamental reform. We should take this opportunity to initiate a serious dialogue on how to make the budget process responsive to the nation's long-term economic needs.

We are well aware of the need to address the budget in a timely fashion; however, it is imperative that the legislation be done right. The Chamber stands ready to work with Congress and the Administration to fashion a reconciliation bill which truly advances our shared goals of deficit reduction and economic growth.

Sincerely,

Richard L. Lesher

Attachment

cc: Hon. Lloyd Bentsen
Hon. Alexis Herman
Hon. Leon E. Panetta
Hon. Robert E. Rubin
Hon. Laura D'Andrea Tyson

U.S. Chamber of Commerce
1615 H St., NW
Washington, DC 20062-2000

Media Relations Department (202) 463-5682

NEWS

FOR IMMEDIATE RELEASE — Contact: Thomas Love

U.S. CHAMBER OPPOSES BUDGET RECONCILIATION BILL

WASHINGTON, July 15 -- The U.S. Chamber of Commerce today urged Congress to reject the budget bill currently in conference and to draft a plan that promises real deficit reduction and safeguards economic growth.

"This decision was reached only after it became apparent that the limitations of the conference make it a virtual certainty that the conference package will contain an unfavorable mix of taxes and spending cuts, offer insufficient incentives for investment and capital formation -- especially for small businesses -- and promise only dubious long-term deficit reduction," Chamber President Richard L. Lesher said in announcing his organization's position.

From the beginning of this process, the Chamber has adopted a reasonable and responsible approach in working to secure a budget bill that would promote sustainable deficit reduction, enhance investment, boost productivity and foster long-term economic growth. Throughout this process, Chamber members consistently expressed concern over the administration's proposal. In numerous surveys taken over the last six months, the overwhelming majority of Chamber members opposed the administration's plan, citing a lack of sufficient spending cuts and an overdependence on taxes.

On June 9, the Chamber's board of directors adopted guidelines that call for the bill to embody a 2-to-1 ratio of spending cuts to revenue increases, contain the growth of entitlement spending without cost-shifting to the states or private sector and reflect a careful consideration of the interplay of this package with coming health-care-reform legislation.

"Our recommendation that Congress send this bill back for substantial reworking is as much a criticism of the process as it is a rejection of the product," said Chamber Chairman Ivan W. Gorr. "The credibility of the final package will depend crucially upon the inclusion of fundamental reform in the process."

Gorr called on Congress to adopt a plan to create a spending-reduction commission similar to the base-closing commission in order to remove politics from the picture. Such a proposal was introduced recently in the Senate by Connie Mack, and a similar proposal is expected to be offered in the House by John Kasich and Dan Miller.

Gorr said that while the need to address the budget in a timely fashion is important, it is absolutely imperative that the legislation be done right.

Lesher also reaffirmed the Chamber's willingness to work with Congress and the administration to create an acceptable substitute.

###

U.S. Chamber of Commerce

Washington, D.C. 20062-2000

Chronology of U.S. Chamber of Commerce Position

Feb. 18: Chamber surveys members of the Economic Policy, Energy and Taxation Committees, and the Small Business Council regarding the president's budget proposal.

Feb. 23: The Chamber's board of directors votes to approve a statement calling for expanded spending cuts and insisting that spending cuts be enacted before tax increases are considered. Chamber strongly supports tax incentives designed to encourage investment and lower the cost of capital for small businesses.

March 17: Pursuant to the board's position statement, the Chamber sends a letter to every member of the House of Representatives expressing concern that the budget resolution relies too heavily on revenue increases and too little on meaningful deficit reduction and insisting that spending cuts precede and be larger than any tax increases.

March 17: Pursuant to this policy position, the Chamber's director of tax policy testifies before the House Ways and Means Committee to urge greater reliance on spending cuts and to support tax incentives designed to encourage investment and lower the cost of capital.

March 24: Chamber sends a letter to every senator urging opposition to the $16 billion Supplemental Appropriations Bill, commonly referred to as the economic-stimulus package. The board notes that much of the proposed spending is in the outyears and that such new spending is out of place as the nation weighs the painful choices in the name of reducing the deficit.

April 6 : The Chamber surveys members of the Economic Policy and Taxation Committees and the Small Business Council regarding specific provisions in the president's budget proposal. The members are overwhelmingly critical of the ratio of spending cuts to tax increases.

-- more --

April: In a survey of Chamber members (Business Ballot), 80 percent of the respondents say that if they were members of Congress, they would oppose the president's package. In a similar survey of the readers of *Nation's Business*, 75 percent of the respondents say they believe the plan would hurt their businesses.

May 10: The Chamber's board of directors concludes that "President Clinton's economic program as presently constituted will not work" and votes to approve a statement calling for significant restructuring of President Clinton's economic plan. The board votes to oppose the Btu tax, the treatment of royalties as passive income and the increase in the top corporate tax rate and to support the small-business investment tax credit, modification of the corporate AMT, extension of the expiring tax provisions and allocation of research and experimentation expenses to the place of performance.

May: In a survey of Chamber members, 78.4 percent of the respondents oppose or strongly oppose President Clinton's budget proposal. In the same survey, 86 percent say they believe the president has failed to propose sufficient spending cuts.

May 27: The executive committee of the Chamber's board of directors votes to oppose the House version of the budget-reconciliation bill because the bill contains a significant energy tax that will stifle incentives to save and invest, further retarding economic growth.

June 23: The Chamber opposes the Senate version of the budget-reconciliation bill based on its failure to comport to the guidelines adopted by the board on June 9. The bill relies too heavily on tax increases, eliminates some worthwhile pro-growth incentives -- particularly for small businesses -- and likely will slow economic activity and do little to foster long-term deficit reduction.

July 9: The Chamber's board of directors decides to oppose the conference report on the budget-reconciliation bill after it becomes apparent that the conferenced bill would contain an unfavorable mix of taxes and spending cuts, offer insufficient incentives for investment and capital formation, and promise only dubious long-term deficit reduction.

Throughout this process, the Chamber staff consistently communicated with our membership and conveyed their positions on the budget plan to members of Congress and the administration.

"Open Secret"

38 Target → $

Jeanne K. Connelly
Vice President—Government Affairs

AMT

Champion
Champion International Corporation

1875 Eye Street, NW, Suite 540
Washington, D.C 20006
202 785-9888, Fax. 202 785-3286

Champion
Champion International Corporation

Jeanne K. Connelly

Alexis,

I thought you would be interested in seeing the attached letter from Democrats on Ways + Means to Mr. Rostenkowski regarding the AMT. We appreciate the President continuing to fight for this provision and we're trying to give him some help.

Thanks for your help, too!

— Jeanne

BARBARA B. KENNELLY
1st DISTRICT, CONNECTICUT

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON TRADE

COMMITTEE ON HOUSE ADMINISTRATION

COMMITTEE ON THE BUDGET

CHIEF DEPUTY MAJORITY WHIP

201 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-2265

ONE CORPORATE CENTER
HARTFORD, CT 06103
(203) 278-8888

Amy + Steve

Congress of the United States
House of Representatives
Washington, DC 20515

July 15, 1993

The Honorable Dan Rostenkowski
Chairman
Committee On Ways And Means
1102 Longworth HOB
Washington, D.C. 20515

Dear Mr. Chairman:

We are writing to urge you to insist on meaningful reform of the corporate Alternative Minimum Tax (AMT) during the House-Senate conference on budget reconciliation. As you know, many of us would have liked to provide additional AMT relief in the House bill, but because of revenue restraints, we were unable to do so. Nonetheless, we strongly support the goals and magnitude of the House passed AMT reform proposal.

The President's AMT proposal, as passed by the House, substantially reduced the tax penalty on longer lived assets which currently face up to a 22% higher cost of capital than those same investments would face under the regular tax. Many of these assets are exactly the kinds of assets which are needed to modernize our nation's factories and to increase productivity, both of which were the President's stated goals for AMT reform. The Senate passed bill takes away approximately 80% of the AMT relief provided to longer lived assets by the House passed bill. In our view, this will seriously diminish the amount of new job creating investment in basic manufacturing assets that would have taken place under the House passed bill.

The Senate passed bill, however, is superior in the amount of relief provided to shorter lived assets such as company auto fleets and computers which receive no benefit in the House bill. We believe this relief is also warranted. Therefore, as you go to Conference, we urge you to work to retain as much of the benefit of the original House passed bill as possible, while also providing fair and needed relief to shorter lived assets. Further, we hope that it would be possible to advance the effective date so as to encourage immediate rather than delayed investment. It is our hope that meaningful AMT relief can be provided that will encourage job creating investments by all AMT taxpayers.

The Honorable Dan Rostenkowski
July 15, 1993
Page 2

We are prepared to work with you and your staff to accomplish these objectives.

Sincerely,

Barbara B. Kennelly
Member of Congress

Michael A. Andrews
Members of Congress

Benjamin L. Cardin
Member of Congress

Mel Reynolds
Member of Congress

Bill K. Brewster
Member of Congress

William J. Coyne
Member of Congress

Gerald D. Kleczka
Member of Congress

Michael J. Kopetski
Member of Congress

Peter Hoagland
Member of Congress

Richard E. Neal
Member of Congress

Sander M. Levin
Member of Congress

Recon

Ryder System, Inc.
3600 NW 82 Avenue
Miami Florida 33166
305 593 3496

M. Anthony Burns
Chairman, President and
Chief Executive Officer

Amy
Steve

RYDER SYSTEM

July 20, 1993

JUL 22 1993

Ms. Alexis M. Herman
Director of Public Liaison
The White House
Washington, D.C. 20500

Dear Ms. Herman:

Ryder System's Director of Federal Affairs, Beverley Walker, attended a meeting with you at the White House this morning to discuss passage of the President's budget. At that time, she indicated to Steve Hilton that I would be happy to add my name to the list of chief executive officers supporting the President's economic plan. If you find that helpful, please go ahead and add my name.

As you know, Ryder supported the President's plan in both the House and Senate primarily because of the President's proposed revisions to the alternative minimum tax (AMT). We appreciate everything the President is doing to ensure that these provisions are included in the final bill. We also appreciate the remarks that you made this morning regarding AMT.

We look forward to continuing to work with you.

Sincerely,

Tony

MAB/ja

Aam H

BELLSOUTH

Daniel H. Murray
Director-Congressional Relations

Suite 900
1133 21st Street, N.W.
Washington, D.C. 20036
202 463-4156

Danny

July 19, 1993

JUL 21 1993

Ms. Alexis Herman
Assistant to the President
Director of Public Liaison
The White House
Washington, D.C. 20500

Dear Alexis,

Thank you for including me in your meeting this morning. On behalf of BellSouth, I am happy to advise you that we will be able to comply with your request for assistance in supporting the President's Deficit Reduction Plan.

On Wednesday, July 21 we have scheduled a meeting of our nine Assistant Vice Presidents for Legislative Affairs here in Washington, D.C. It is our intention to brief them on the need for support of the plan in accordance with the memorandum you presented this morning. They will then be prepared to ask for support from Members of Congress during their visits this week. They will meet with Members from our nine state service region which includes North and South Carolina, Georgia, Florida, Tennessee, Kentucky, Louisiana, Mississippi and Alabama.

If you have any questions, please feel free to call me at the office or at home. My home number is (703) 528-6439.

Very truly yours,

Danny

Daniel H. Murray

DHM:pam

BELLSOUTH

Daniel H. Murray
Director-Congressional Relations

Suite 900
1133 21st Street, N.W.
Washington, D.C. 20036
202 463-4156

July 19, 1993

Ms. Alexis Herman
Assistant to the President
Director of Public Liaison
The White House
Washington, D.C. 20500

Dear Alexis,

Thank you for including me in your meeting this morning. On behalf of BellSouth, I am happy to advise you that we will be able to comply with your request for assistance in supporting the President's Deficit Reduction Plan.

On Wednesday, July 21 we have scheduled a meeting of our nine Assistant Vice Presidents for Legislative Affairs here in Washington, D.C. It is our intention to brief them on the need for support of the plan in accordance with the memorandum you presented this morning. They will then be prepared to ask for support from Members of Congress during their visits this week. They will meet with Members from our nine state service region which includes North and South Carolina, Georgia, Florida, Tennessee, Kentucky, Louisiana, Mississippi and Alabama.

If you have any questions, please feel free to call me at the office or at home. My home number is (703) 528-6439.

Very truly yours,

Danny

Daniel H. Murray

DHM:pam

T/C to Amy Z.
ASAP
11:15a

BellSouth D.C., Inc.
1133 21st Street, N.W.
Suite 900
Washington, D.C. 20036
(202) 463-4100

Important Facsimile

TO: Alexis Herman

DATE: 7/20/93

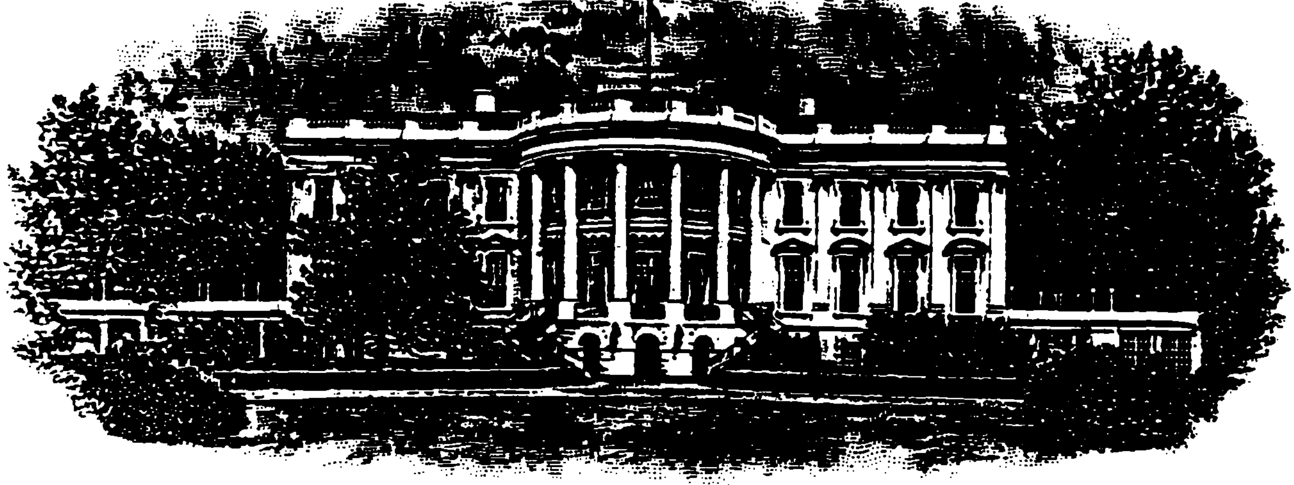
FAX NO: 456-2983

Number of pages (including cover) 2

FROM: DANNY MURRAY
(202) 463-4156
(202) 463-4196 fax

REMARKS:

This message is being transmitted by POLLY MARTIN.
If message is not clear, please call (202) 463-4158 right away.



OFFICE OF PUBLIC LIAISON

Alexis Herman, Director
(202) 456-2930
Fax (202) 456-6218

FACSIMILE TRANSMITTAL SHEET

Number of Pages (Including Cover) 3

To Amy Z + Steve

Fax Number

Office Number

Date 7/23/93

From Ruby

********** **COMMENTS** ***********

See Amy's note
on letter "right away."
You'll will note That on the
original fax sheet from
BellSouth, I faxed to you
Amy on 7/20/93 @ 11:15 a ASAP.

R

Alexis Herman
Ed Knight

Weyerhaeuser

2001 L Street N.W.
Suite 304
Washington, D.C. 20036
Tel (202) 293 7222

July 14, 1993

The Honorable Leon E. Panetta
Director
Office of Management and Budget
Old Executive Office Building
Washington, DC 20503

Dear Mr. Director,

Thank you for the crisp and candid overview of the reconciliation process yesterday. I found your analogy of the "three moving parts" to be a clear, and accurate, description of the current state of play.

I left the meeting with the impression that:

a) there will not likely be a broad based energy tax that will include industrial manufacturing,

b) the corporate rate will not exceed 35%,

c) you will do the best you can to alleviate AMT concerns,

d) spending cuts will be strictly enforced,

e) you will stay as close as possible to the $500 billion deficit reduction target.

Based upon that understanding, I just wanted to let you know that it represents a formulation that we would be very likely to support. We agree strongly on the need for deficit reduction and, given the current political situation, believe that what you outlined yesterday is a reasonable and acceptable approach.

We will remain close to the process with the hope that the direction taken by the conference committee reflects the above outline. If so, we will be in a position to support final passage of the President's plan.

Thank you again for the excellent briefing. It was extremely helpful.

On another matter, I was pleased to be asked to serve on the President's Commission on White House Fellowships. President Clinton has shown a strong interest in the program, and is encouraging key members of the Administration to provide opportunities for this year's Fellows.

I understand that OMB may not offer such a position. Given the central role that your office plays in all that the Administration plans to do, that would seem to be the loss of a unique opportunity. Could I ask that you reconsider having, and funding, a White House Fellow position? (It might be helpful to note that Colin Powell was the OMB Fellow in 1972-73!)

Thanks for your consideration.

Best regards,

Fred

Frederick S. Benson, III
Vice President

American Federation of Labor and Congress of Industrial Organizations

815 Sixteenth Street, N.W.
Washington, D.C. 20006
(202) 637-5000

July 14, 1993

Dear Conferees:

The AFL-CIO is deeply concerned that the conference on H.R. 2264, the Budget Reconciliation Act of 1993, result in the promotion of economic and employment growth in this country and give strong support to President Clinton's plans for rebuilding our competitive position through investments in our physical and human infrastructure.

As important as deficit reduction is, there is nothing magic about $500 billion in deficit reduction over five years. The decisions of this conference should have the aggregate effect of both reducing the deficit and allowing the President's select investments in programs that rebuild our infrastructure and generate jobs to move forward.

The AFL-CIO understands that the conference on H.R. 2264 will be difficult. We believe that the enactment of a fair and balanced reconciliation bill is essential for the nation's economic recovery. The AFL-CIO can support a reconciliation bill that contains reasonable spending cuts as well as progressive taxes. But we also feel that any budget enforcement provisions applied to the appropriations process should fully accommodate the President's investment spending initiatives.

The President presented Congress with an economic program that balanced specific spending reductions and revenue increases with targeted infrastructure investments to revive the economy. It would be devastating to the hopes of Americans who are depending on a revived economy if the Congress only embraced the deficit reduction and ignored or trivialized the investment side of the President's program.

Following are the AFL-CIO's specific concerns on the issues about which you will be making decisions in this conference.

The AFL-CIO remains concerned about the reduction in Medicare and Medicaid. Experts agree that either the House or Senate versions will result in cost shifting to the private sector. Further, these cuts will reduce the amount of revenue that will be available for the overhaul of the health insurance system.

The AFL-CIO supports the tax increases for individual taxpayers based on the ability to pay, especially the inclusion of capital gains in the 10% surcharge for individuals making over $250,000. However, we are concerned that because the capital gains rate remains at 28%, the permanent higher individual rates increase the distinction between salary income and investment income. It is our strongly held view that wage income and investment income should be taxed at the same rate.

We support a permanent extension of employer-provided educational assistance, low income housing credit, the House amendment to deny Section 936 tax benefits to "runaway plants", and a new $150,000 cap on pension compensation but with both a revised indexing provision and with the Senate amendment allowing a temporary collective bargaining exemption.

We also support a long-term extension of Trade Adjustment Assistance, the permanent transfer of general funds to tier 2 railroad retirement and the Senate provision removing tax benefits for the exportation of unprocessed logs but with revenues from this change returned to the affected areas. Of major importance is the expansion of the earned income tax credit, including coverage for the working poor without children, and food stamp reform. We also support the House provision for the technical correction in the formula for the Emergency Extended Benefit U.I. program and the provision providing for a 75% federal share for the regular Extended Benefits Program.

The AFL-CIO opposes the new business tax incentives. These include: elimination of the business alternative minimum tax, expansion of capital gains for small businesses, expansion of the expending provision and the refusal to lift the corporate rate to 36% as is done with the individual maximum rate. We oppose the long-term extension of GSP without modifications and the inclusion of the new tax treatment of intangible assets, which has the potential to lower tax revenue in out years and reignite merger and acquisition activity.

The House proposal on school to work tax credit is unnecessary and harmful. While we still have reservations about the establishment of enterprise zones, at a minimum, any new proposal in this area should have strong [illegible]-job dislocation prohibitions.

Further, we are concerned about several other issues. The conference should consider making employer-provided legal assistance permanent, and should eliminate the provision repealing the longstanding "stock for debt" exception in Section 108 of the Internal Revenue Code that has been a key ingredient in Chapter 11 bankruptcy reorganizations. Further, we urge the conference to consider the employment impact of the reduction on the limit for the deduction of business meals and entertainment expenses.

The AFL-CIO supports the House-passed compromise on revenue foregone. We also support the restoration of locality pay for federal employees effective January 1994. Locality raises promised under the 1990 Federal Employees Pay Comparability Act would begin to close the 30 percent gap between federal pay for rank-and-file workers and their counterparts in the private sector.

We also support the House Interior Committee provision that limits grants to the Commonwealth of the Northern Mariana islands until oppressive labor conditions in the local garment industry are eliminated.

In conclusion, the AFL-CIO urges the conferees to develop a balanced package that meets the objective of fair deficit reduction while creating jobs in the United States through necessary government investment.

Sincerely,

Robert M. McGlotten, Director
DEPARTMENT OF LEGISLATION

Recon

NAHB

...ional Association
of Home Builders
Government Affairs
1201 15th Street, NW
Washington DC 20005

Amy & pmix

FAX COVER SHEET

DATE: 21 July '93 NUMBER OF PAGES (INCLUDING THIS PAGE)

TO: Alexis Herman

JUL 21 1993

COMPANY: White House

TELEFAX: 456-2983

ROM: Bob Bannister — NAHB

TELEFAX NO.: 202 822-0572 -- WASH, DC

IF THIS MESSAGE IS NOT RECEIVED CORRECTLY PLEASE CALL - 202-822-0470

MESSAGE: Per our discussion here are both the proposed report language and the proposed colloquy. Neither Senator Boxer nor Chairman Moynihan have agreed as of yet. If you need anything else, please call Jerry Howard 822-0470

THANKS Bob.

PROPOSED

COLLOQUY

BETWEEN

SENATOR BARBARA BOXER

AND

CHAIRMAN DANIEL PATRICK MOYNIHAN

SENATOR BOXER:

Mr. President:

I rise out of concern over a provision of the Omnibus Budget Reconciliation Act of 1993 which, if enacted in its present form, would be unduly harmful to taxpayers, including home builders and land developers, by denying the tax deduction for legal and other expenses paid in obtaining zoning, building and other such approvals from local councils and government units by classifying such actions as "lobbying". To that end, I would like to engage in a colloquy with my colleague, the distinguished Chairman of the Finance Committee, Senator Moynihan on this most important subject.

SENATOR MOYNIHAN:

Mr. President:

The distinguished Senator from California is referring to Section 8222 of the Senate passed revenue provisions of the bill which provides that no deduction is allowed for amounts paid for the purpose of influencing legislation before Congress and Federal agencies, as well as State and local legislative bodies. As defined in the bill, covered legislation also includes action by any local council, or similar governing body. Thus, the Finance Committee reported that the provision does not apply to attempts to influence actions of State or local executive branch or administrative bodies.

SENATOR BOXER:

Nevertheless, Mr. Chairman, I am sure that you would agree that the plain language of the bill is not sufficiently clear. In this regard, Mr. Chairman, am I correct in my understanding that amounts paid in connection with obtaining changes in local land use rules, and actions by specialized governmental boards, councils or agencies with jurisdiction over land use and other issues (for example with respect to obtaining zoning variances for sewer connections and building permits, etc.) are not, and should not be, covered by this legislation and should remain deductible.

SENATOR MOYNIHAN:

Yes, Senator Boxer, that is correct. And I might go on to point out that, Secretary Lloyd Bentsen has so indicated in testimony before the House Committee on Ways and Means during consideration of this legislation before that body. I would like to submit for the record the Secretary Bentsen's letter of May 11, 1993 addressed to Representative William M. Thomas responding to a list of questions concerning the Administration's proposal to deny the deductions for lobbying expenses.

For informational purposes, I quote from that correspondence. In response to the questions: "Are deductions to be denied under your proposal for costs of lobbying state or local legislative bodies? Will deductibility be determined on the basis of the state or local government's organization?" the Secretary responds as follows. "Under the proposal, the cost of attempting to influence legislation by a state or local government will not be deductible. 'Legislation' for both Federal, and State and local governments will be defined as under section 4911(e)(2) of the Internal Revenue Code."

"These rules generally look to the structure of the government, but they provide some blanket exceptions to promote fairness and uniformity. For example, under the regulations for section 4911(e)(2), changes in local land use rules are generally not legislative, nor are actions by a school board or any other specialized governmental board or agency."

SENATOR BOXER:

Then, Mr. Chairman, from your statement am I also correct in my understanding that it is the intention of the Senate that a blanket exemption should be provided to permit deductions for these appropriate business expenses to continue as under current law.

SENATOR MOYNIHAN:

Yes, Senator Boxer, that is correct.

SENATOR BOXER:

I thank you, Mr. President, for your indulgence and distinguished Chairman of the Committee on Finance for engaging in this colloquy.

PROPOSED REPORT LANGUAGE ON ZONING AND LAND USE CHANGES

The Committee intends that zoning and land use changes shall be considered administrative functions with regard to specifically described parcels or tracts of real property regardless of whether actual legislative or ordinance changes are required under local or state law. As a result, the disallowance of the deductibility of lobbying expenses excludes expenses in connection with zoning, land use or similar actions before zoning boards or similar special purpose boards as defined under current regulations. Likewise, any consideration or action by a state legislature, city council, county board or similar body regarding any zoning or land use shall be considered an action of a zoning board or other special purpose body whether or not such action or consideration is "legislative" in character or substance, i.e., such action shall not be considered legislation for this period.

Deborah W. Veverka, CFA
Vice President
Pension Fund Investments

Honeywell Inc.
Honeywell Plaza
P.O. Box 524
Minneapolis, MN 55440-0524
612 951-0305
612 951-0123 Fax

June 22, 1993

I am writing to express Honeywell's opposition to the Metzenbaum ERISA amendment which was added to the budget reconciliation bill by the Senate Labor Committee. The amendment would subject non-fiduciary third-parties to lawsuits under ERISA. We oppose the amendment because it will unnecessarily increase the cost of operating our pension plans.

Costs will increase because the price of services from third party experts would increase substantially. These third-party experts are necessary for the operation of a modern pension plan and their services are paid for by the plans. In addition, the bill would increase the risk of operating plans by imposing new civil penalties.

The amendment is unnecessary because under an ERISA plan pensioners already have extensive rights of redress against plan fiduciaries including the employer who sponsors the plan. (ERISA forces fiduciaries who have violated their duties to make plan participants whole for losses created as a result of their wrongdoing.)

Honeywell maintains defined benefit pension plans which cover over 80,000 active and retired participants. Defined benefit plans are very popular with employees because the employer bears the risk of investing the assets which pay retirement benefits and because the employer can generally provide these benefits more cheaply than the employee could save for them on their own.

Unfortunately, the cost of providing retirement benefits through defined benefit plans has been steadily rising over recent years. As a result, many employers have shifted to other types of pension plans where employees bear the investment risk and where the cost of running the plan is low and more predictable. While the ideal mix of defined benefit and defined contribution plans is not clear, we clearly do not need legislation to unnecessarily persuade more employers to shift away from defined benefit plans.

ERISA has built a good record of protecting pension plan participants by creating standards and penalties for plan fiduciaries. The Metzenbaum amendment was drafted hastily and it has not had public hearings. We believe that the amendment could have far reaching and negative impacts on pension plan participants. If Congress intends to overhaul ERISA, it should do so only after careful consideration of any ramifications.

Sincerely,

D. W. Veverka

Deborah W. Veverka

DWV/hr

ROUTING SLIP

DATE	TO	FROM
1	Craig Zisook	~~Susan~~
	Pls. have your	To: Steve
	interns draft a	I responded
	response for yours	already!
	and my review	
	ASAP	6-14

Steve

Ruby,

City of East Point
Georgia

2777 EAST POINT STREET
EAST POINT, GEORGIA 30344
765-1000

PATSY JO HILLIARD
MAYOR

JOSEPH JOHNSON, JR.
CITY MANAGER

COUNCIL MEMBERS

JOHNNY FOWLER
RUSSELL A. "TONY" WIDENER — WARD A

TIMOTHY COOPER
BETTY LANE — WARD B

BARBARA C. BROWN
MELVIN A. PITTMAN — WARD C

JOSEPH HECKSTALL
C. ANN DOUGLAS — WARD D

May 24, 1993

Steve

JUN 10 1993

Ms. Alexis Herman
Assistant to the President
for Public Liaison
White House
Washington, D.C. 20500

MAY 27

Dear Alexis,

As per our conversation on Tuesday, April 27, 1993 at the Friends of Spelman forum, please find attached a copy of a letter to Congressman John Linder and a copy of his response. The initial letter dated May 13, 1993 was also mailed to all of the Congressional members from the state of Georgia.

I would like to know from you, the best way to respond to Congressman Linder's letter of response. As you know, I am in support of President Clinton 100% and will do all in my power to assist him in making this administration productive.

I anxiously await your suggestions.

Sincerely,

Patsy Jo Hilliard

Patsy Jo Hilliard
Mayor, City of East Point

PJH/ks

Enclosures

City of East Point

Georgia

2777 EAST POINT STREET
EAST POINT, GEORGIA 30344
765-1000

PATSY JO HILLIARD
MAYOR

JOSEPH JOHNSON, JR.
CITY MANAGER

COUNCIL MEMBERS

JOHNNY FOWLER
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TIMOTHY COOPER
BETTY LANE — WARD B

BARBARA C. BROWN
MELVIN A. PITTMAN — WARD C

JOSEPH HECKSTALL
C. ANN DOUGLAS — WARD D

May 13, 1993

The Honorable Congressman John Linder
1605 Longworth House Office Building
Washington, D.C. 20515

SUBJECT: President Clinton's Jump Start Program

Dear Honorable Congressman Linder:

Please accept this letter as formal notice that I, as Mayor of the City of East Point, Georgia, strongly support the President's Jump Start Program. There is a serious need for the Jump Start Program to be implemented as it would assist in the expansion of economic development opportunities in Georgia, with infrastructure improvements, and ultimately the creation of temporary and permanent jobs. Please relate the need for this program to your Congressional associates.

Sincerely,

Patsy Jo Hilliard

Patsy Jo Hilliard
Mayor, City of East Point

PJH/ks

JOHN LINDER
4TH DISTRICT, GEORGIA

1605 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1004
202-225-4272

HOME OFFICE:
3003 CHAMBLEE-TUCKER ROAD
SUITE 140
ATLANTA, GA 30341
(404) 936-9400

Congress of the United States
House of Representatives
Washington, DC 20515-1004

COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
SCIENCE, SPACE, AND TECHNOLOGY
VETERANS' AFFAIRS

May 18, 1993

The Honorable Patsy Jo Hilliard
Mayor
City of East Point
2777 East Point Street
East Point, Georgia 30344

Dear Mayor Hilliard:

Thank you for your kind letter of May 13th with respect to President Clinton's economic proposal. I think he could not be more wrong.

I have yet to find a single economist, or anyone else for that matter, who could point to any year when a tax increase improved that economy. As recently as 1990 we dramatically increased taxes, mostly on the wealthy, and revenues flattened out as the economy stalled. We added a luxury tax to get more money from the rich and the rich stopped buying luxuries. 25,000 jobs were lost in the boating industry and income taxes from those workers and the profits of the companies for which they worked disappeared. In fact, the tax increases of 1982, 1984, 1987 and 1990 were all passed specifically to reduce the deficits and the deficits increased.

On the other hand the tax reductions of 1921, 1962, and 1981 all helped create growth giving us new jobs, new taxpayers and new revenues. It is still a fact that federal revenues doubled between 1980 and 1992. Unfortunately our appetite for spending more than doubled and here we are.

I understand the President's desire to spend money for job growth, but last month the private economy created 340,000 net new jobs and left no dent in the treasury. Clinton's plan to create 300,000 new jobs will leave a large dent.

It is hard to take a proposal seriously when it is presented in such a misleading way. We were promised $2 in cuts for $1 in new taxes. When all is sorted out, however, it now appears to be about $4 in taxes for each $1 in cuts. When I say sorted out, I mean treating tax and fee increases as tax and fee increases and not as spending cuts as they were presented.

My mail inclines me to believe that the original support for this proposal was based on a belief that "70% of all taxes would come from people with family incomes exceeding $100,000." That sentence was made possible by creating an income status called Family Economic Income, (FEI). FEI is determined by adding to one's adjusted gross income any fringe benefits one receives, unrealized growth in pension plans, unrealized capital gains, unrealized growth in a child's education fund and the rental value of your home among other things. Taxes will not levied against FEI. This entire charade was created to support the sentence about where 70% of the money will originate. That is being less than honest with the American people. As the details of the proposal become clear, that initial support turns into opposition. Over 75% of my constituents who have written on the issue oppose it.

I feel no obligation to produce a comprehensive alternative until we are shown Clinton's specifics. My office has been trying since the speech to get the details on his 150 specific cuts to no avail. Even Sam Nunn expressed exasperation last week regarding his inability to get any detail on the defense cuts. I do not believe that $7.9 billion in cuts itemized as "streamlining the bureaucracy" offers sufficient specificity.

With kindest personal regards.

Sincerely,

John Linder
Member of Congress

JL:rdh

Champion
Champion International Corporation

Jeanne K. Connelly

cc Amy
cc Steve

AMH
S/Recon

Alexis,

I wanted to bring his letter to your attention because, as you know, AMT reform is the reason Champion is supporting the President's economic plan.

We certainly hope the White House would oppose any effort in the Senate to cutback on the AMT relief which the President proposed + the House ~~passed~~.

Thanks for your help.

— Jeanne

June 8, 1993

The Honorable Lloyd Bentsen
Secretary of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

Dear Mr. Secretary:

We are writing to express strong support for the President's corporate Alternative Minimum Tax (AMT) reform proposal. As you have correctly identified, the current AMT significantly reduces the amount of investment that can be made by capital intensive companies.

Recent studies indicate that as a nation we are not investing at a rate necessary to ensure the long-term competitiveness of America's basic industries. Furthermore, this lack of investment is restricting economic growth and limiting the creation of new jobs. In fact, without AMT reform, as many as 350,000 more jobs will be lost during this decade.

The President's AMT reform proposal will lessen the burden on investments which create new jobs and improve economic growth. At the same time, it preserves the fundamental tenet of the AMT which is to ensure that profitable companies continue to pay some tax in every year. Most importantly, however, this proposal will go a long way toward remedying the current law problem of companies who are losing money, yet are forced to borrow money to pay the AMT.

We appreciate your recognition of these problems and thought you should know of our support for this proposal.

Sincerely,

Air Transport Association
American Airlines, Inc.
American Automobile Manufacturers Association
American Council for Capital Formation
American Forest & Paper Association
American Iron and Steel Institute
American Mining Congress
ARMCO
Association for Manufacturing Technology
Bethlehem Steel Corporation
B.F. Goodrich

Boise Cascade Corporation
Bowater Corporation
CBI Industries, Inc.
Champion International Corporation
Chemical Manufacturers Association
Chrysler Corporation
Coastal Corporation
CSX Corporation
DeCarolis Truck Rental, Inc.
Delta Air Lines
Dow Chemical Company
DuPont Company
Edison Electric Institute
Equipment Leasing Association
FINA, Inc.
FMC Corporation
Ford Motor Company
Georgia-Pacific Corporation
Inland Steel Industries, Inc.
James River Corporation
LTV Corporation
Mead Corporation
McDonnell Douglas Corporation
Mitchell Energy & Development Corporation
Mobil Corporation
Modular Building Institute
National Association of Convenience Stores
Olin Corporation
Potlatch Corporation
Potomac Electric Power Company
Riverwood International
Ryder System, Inc.
Sea-Land Service, Inc.
Scott Paper Company
Texaco Inc.
Texas Utilities Company
Truck Renting and Leasing Association
Union Camp Corporation
United Airlines
UNOCAL Corporation
UPS Truck Leasing
USX Corporation

June 1, 1993

MEMORANDUM FOR JOHN PODESTA

FROM: ALEXIS HERMAN

SUBJECT: ADDITIONAL RECONCILIATION THANK YOU LETTERS FROM THE PRESIDENT TO BUSINESS LEADERS

Attached please find an additional list of 12 key business leaders who supported the President's reconciliation package. They should receive the same letter as the list submitted on Friday, May 28th. Attached is a copy of that draft letter.

Please coordinate with Flo McAfee or Marilyn DiGiacobbe of my staff. Thank you for your assistance.

cc: Mack McLarty
Roy Neel

AmH
2 groups of Thank yous already sent out on Reconciliation
R

Mr. C. Michael Armstrong
Chairman & CEO
Hughes Aircraft Company
Building C1, Mail Station A111
P.O. Box 80028
Los Angeles, CA 90080-0028
Michael

Mr. Edmund Carpenter
CEO
General Signal Corporation
1 Highridge Park
P.O. Box 10010
Stamford, CT 06094
Edmund

Mr. Finn M.W. Caspersen
Chairman of the Board & CEO
Beneficial Financial Corporation
100 Beneficial Center
Peapack, NJ 07977
Finn

Mr. Mickey Drexler
President
The GAP, Inc.
1 Harrison
San Francisco, CA 94105
Mickey

Mr. Forrest Mars
Co-President
Mars, Inc.
6885 Elm Street
McLean, VA 22101
Forrest

Mr. John Mars
Co-President
Mars, Inc.
6885 Elm Street
McLean, VA 22101
John

Mr. Clark Matthews, II
President & CEO
Southland Corporation
P.O. Box 711
Dallas, TX 75221
Clark

Mr. Mark McConaghy
Partner in Charge
Price Waterhouse
1801 K Street, NW
Washington, DC 20006
Mark

Mr. Keith McKennon
CEO
Dow Corning Corporation
P.O. Box 994
Midland, MI 48686
Keith

Mr. Neil Offen
President
Direct Selling Association
1776 K Street, NW
Suite 600
Washington, DC 20006
Neil

Mr. Richard Sarman
CEO
Southern California Gas Company
555 West 5th Street
Los Angeles, CA 90013-1011
Richard

Mr. A. Thomas Young
CEO and President
Martin Marietta
6801 Rockledge Drive
Bethesda, MD 20817-1877
Thomas

May 28, 1993

Dear

I deeply appreciate your support for our economic growth and deficit reduction plan. Only with the support of the business community, can we effectively begin to deal with the financial deficit that is hampering both our economy and the public's confidence in our government.

I will do whatever I can to persuade and remind the American people that the tough choices we made were the right decisions. For years, we heard a lot of talk about the deficit; with your support this Congress was given the strength to do something meaningful about it.

Your continued support will help ensure a more prosperous future for all Americans. Together we can continue to establish a policy that will reduce the deficit and in turn build a better future for all Americans.

Sincerely,

(Bill Clinton)

June 1, 1993

MEMORANDUM FOR JOHN PODESTA

FROM: ALEXIS HERMAN

SUBJECT: RECONCILIATION THANK YOU LETTERS FROM THE PRESIDENT TO CONSTITUENCY GROUPS

Attached please find a draft thank you letter and a list of key organization leaders as well as individuals who supported the President's reconciliation package.

Please coordinate with Flo McAfee or Marilyn DiGiacobbe of my staff. Thank you for your assistance.

cc: Mack McLarty
Roy Neel

June 1, 1993

Dear

I deeply appreciate your support for our economic growth and deficit reduction plan. We can now begin to effectively deal with the financial deficit that is hampering both our economy and the public's confidence in government.

Your continued support will help enable us to move forward. Together we can establish a policy that will reduce the deficit and in turn build a better future for all Americans.

Thank you for your support.

Sincerely,

(Bill Clinton)

Mr. Robert Blancato
National Italian American Foundation
666 11th Street, NW
Suite 800
Washington, DC 20001
Bob

Mr. Bob Burkett
The David Geffen Foundation
9130 Sunset Boulevard
Los Angeles, CA 90069
Bob

Mr. Dick Davidson
President
American Hospital Association
50 F Street, NW
Suite 1100
Washington, DC 20001
Dick

Mr. Horace Deets
Executive Director
AARP
601 E Street, NW
Washington, DC 20049
Horace

Dr. John Epps
Executive Secretary
Omega Psi Phi Fraternity, Inc.
2714 Georgia Avenue, N.W.
Washington, DC 20001
John

Reverend Walter Fauntroy
National African American Clergy Committee
1025 Connecticut Avenue, N.W.
Washington, DC 20036
Reverend Fauntroy

Dr. Fred Faye
2054 Main Street
Concord, MA 01742
Fred

Ms. Denise Figueroa
President
National Council on Independent Living (NICL)
Troy Atrium
4th and Broadway
Troy, NY 12180
Denise

Mr. David Graceson
A. Phillip Randolph Institute
1444 I Street, N.W.
Suite 300
Washington, DC 20005
David

Honorable Frank Guarini
One Journal Square Plaza
Jersey City, NJ 07306
Frank

Mr. Roger Kingsley
American Speech-Language Hearing Association
10801 Rockville Pike
Rockville, MD 20852
Roger

Mr. Lawrence Landry
Associate Consultants
1726 M Street, N.W.
Suite 600
Washington, DC 20036
Lawrence

Ms. Rose McKinney
Executive Director
Delta Sigma Theta Sorority, Inc.
1707 New Hampshire Avenue, N.W.
Washington, DC 20009
Rose

Ms. Martha McSteen
President
National Committee to Preserve Social Security and Medicare
2000 K Street, NW
Suite 800
Washington, DC 20006
Martha

Ms. Sacha Millstone
Women's National Democratic Club
1526 New Hampshire Avenue, N.W.
Washington, DC 20036
Sacha

Ms. Katherine Neas
American Association of University Affiliated Programs
8630 Fenton Street
Suite 410
Silver Spring, MD 20910
Katy

Mr. Ed Pena
President
LULAC
Lee Plaza, Suite 805
8601 Georgia Avenue
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Hollywood Women's Political Caucus
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Marge

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Hugh

Mr. Reid Wilson
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Reid

Mr. Paul Yzaguirre
President
National Council of La Raza
810 First Street, N.E.
Suite 300
Washington, DC 20002
Paul

amH

COPY

May 28, 1993

MEMORANDUM FOR JOHN PODESTA

FROM: ALEXIS HERMAN

SUBJECT: RECONCILIATION THANK YOU LETTERS FROM THE PRESIDENT TO BUSINESS LEADERS

Attached please find a draft thank you letter and a list of key business leaders who supported the President's reconciliation package.

Please coordinate with Flo McAfee or Marilyn DiGiacobbe of my staff. Thank you for your assistance.

May 28, 1993

Dear

I deeply appreciate your support for our economic growth and deficit reduction plan. Only with the support of the business community, can we effectively begin to deal with the financial deficit that is hampering both our economy and the public's confidence in our government.

I will do whatever I can to persuade and remind the American people that the tough choices we made were the right decisions. For years, we heard a lot of talk about the deficit; with your support this Congress was given the strength to do something meaningful about it.

Your continued support will help ensure a more prosperous future for all Americans. Together we can continue to establish a policy that will reduce the deficit and in turn build a better future for all Americans.

Sincerely,

(Bill Clinton)

Mr. Livio DeSimone
Chairman and CEO
3M
3M nter Building 220-14W-04
St ul, MN 55144-1000
Livio

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Procter & Gamble

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Dana

FAX COVER SHEET

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Telephone (202)393-3405

Panafax UF-250 (202)393-4606

DATE: 5/26/93

PAGES (INCLUDING COVER SHEET) 2

TO: Alexis Herman
FAX 456-6218

FAX #

FAX #

FAX #

FAX #

FROM: R. MARVIN WOMACK TELEPHONE:(202)393-3404

COMMENTS

Please call Irene Bond at (202)393-3400 if you have any problems with this transmission. Thank you.

Procter&Gamble

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May 26, 1993

Alexis Herman via fax
Assistant to the President
Old Executive Office Building
Room 122
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Reconciliation Tax Bill

You probably know that Procter & Gamble has lobbied very hard in favor of H.R.2141. Earlier this week, we contacted about 50 House Members both in writing and in person, soliciting their vote in favor of the bill reported by the Ways and Means Committee.

At his lunch with the business leaders at the White House today, the President specifically asked our Chairman, Ed Artzt, to solicit six members from Ohio. We had contacted a number of these Members earlier -- but following the lunch we again made calls to seek their vote for the bill. On behalf of Mr. Artzt, here's a report on how we came out with those six Members:

David Mann - Against
Marcy Kaptur - Undecided
Doug Applegate - Undecided
Ted Strickland - Favor
Eric Fingerhut - Against
Jim Traficant - Undecided

We also made some additional calls this afternoon on other Members who were on the undecided list. Here's the outcome of that effort:

Roy Rowland - Undecided
John Tanner - Undecided
Alan Wheat - Leans Favor
Scott Baesler - Leans Against

We will keep plugging away right up to the time of the vote.

Marvin Womack

ANHEUSER-BUSCH COMPANIES

VIA FAX 456-6409

May 26, 1993

Maria Tio
White House Media Affairs

Please call me to confirm receipt. If I can be of any further assitance, please do not hesitate to call.

RRH.
Rich Keating

Please mention
- Augie Busch, Anheuser Busch
- Bob Denham, Salomon Brothers
- Red Poling, Ford Motor Company
- Bob Eaton, Chrysler !

Anheuser Busch Companies, Inc.
Republic Place
1776 I Street, NW
Suite 200
Washington, D.C. 20006

STATEMENT BY AUGUST A. BUSCH III
CHAIRMAN OF THE BOARD AND PRESIDENT
ANHEUSER-BUSCH COMPANIES, INC.

"WE BELIEVE THAT PASSAGE OF THE PRESIDENT'S BUDGET RECONCILIATION PACKAGE, AS ADOPTED BY THE HOUSE WAYS AND MEANS COMMITTEE, IS IN AMERICA'S BEST INTEREST. THE PRESIDENT'S PACKAGE PRESENTS AN OPPORTUNITY TO LOWER THE DEFICIT THROUGH FAIRLY APPLIED SPENDING CUTS AND REVENUE INCREASES.

BRINGING THE DEFICIT UNDER CONTROL IS OF UTMOST IMPORTANCE TO OUR COUNTRY'S ECONOMIC FUTURE. WHILE NO ONE WANTS TO PAY HIGHER TAXES, THE TIME HAS COME TO WORK TOGETHER TO BRING ABOUT A HEALTHY ECONOMY AND AN IMPROVED STANDARD OF LIVING FOR ALL AMERICANS. WE BELIEVE THE PRESIDENT'S PACKAGE WILL MOVE US TOWARD THAT GOAL."

Envio

bancários

Arca

BTU

R'cc / Recon

COPY

~~CONFIDENTIAL~~

May 25, 1993

MEMORANDUM FOR ROY NEEL

From: Alexis Herman
Subject: American Energy Alliance Press Conference

Spokespeople

Dick Lesher, Chamber of Commerce
Jerry Jasinowski, National Association of Manufacturers
Jack Farris, National Federation of Independent Businesses
Jim Miller, Citizens for a Sound Economy

What They Said

- AEA is opposed to tax increases as a substitute for spending cuts.
- The President's bill will cause 400,000 - 600,000 lost jobs and hit the middle class hardest.
- This bill will slow growth and increase inflation.
- This bill is unfair to regions -- particularly agriculture (effects on fertilizer and aluminum were cited) and energy-intensive states.
- The impact on health and cost-shifting is a legitimate concern; HOWEVER, the **overriding** concern is the deficit.

Alternatives

Support entitlement caps

Support spending cuts and government downsizing

* Support cutting the **growth of spending** (proposed adjusting spending according to CPI).

* Support reduction of government payroll (cut 100,000 in 4-5 years), reduction of overhead, "we don't care what is cut, whether it is the Supercollider or Federal Labs..."

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 13526
Sec. 3.2(C) Initials: DB **Date:** 10/17/16

NOTE: this is a group that is united against the BTU tax only. Dick Lesher of Chamber and Jerry Jasinowski made this point very clear.

Political Strategy

Intense effort will be focused on House freshmen. The strategy includes calls, employee letters on behalf of their companies, ads, press events, TV.

OPL Follow-Up

We have attached the letter to Rostenkowski in support of the President's proposal as well as the letter from the coalition that will be released at 11:00am this morning.

cc: Secretary Bentsen
Mack McLarty
Howard Paster
Leon Panetta
George Stephanopoulos

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

May 24, 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.
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.

Lucky Stores, Inc.
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 Gas Co.
Southland Corp.
Southwest Airlines Co.
Tektronix, Inc.
Tenneco Inc.

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

THE WHITE HOUSE

WASHINGTON

May 24, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: ALEXIS M. HERMAN

SUBJECT: OUTREACH STRATEGY ON RECONCILIATION

We are pursuing a four part strategy in coordination with the DNC. Each part has a communications strategy for interviews and op-eds, a Hill strategy for letters and phone calls to Congressmen and office visits, and a District strategy for press conferences, visits and phone calls.

1. **BUSINESS STRATEGY**

   Approximately 40 CEOs who worked closely with Chairman Rostenkowski are co-signing a letter to be sent to all Members of Congress. The list will be complete and the letter finalized and sent at 5:00 PM today. Attached is a partial list.

   Mack McLarty, Bob Rubin, Roger Altman, and I are calling these CEOs and other CEOs who have been supportive of the package and asking them to reach-out as well.

   Additionally, the CEOs are being fed to Communications for National and Local media interviews and op-ed pieces.

   Public Liaison briefings are focused on Reconciliation. Events such as the Seniors Proclamation Signing Ceremony will have a Reconciliation message. We will take the attendees to a post-signing briefing to reinforce your message. The Auto event on Wednesday will also have a reconciliation message.

2. **GENERAL OUTREACH - REALTORS**

   The National Association of Realtors has organized a coalition of associations, business, environmental, seniors, etc., to work to pass the package.

   They too, will have a letter completed this afternoon with approximately 50 signatures. Attached is a draft of the letter and partial list of co-signers.

   The members of this coalition polled Democratic House members on Friday and found 60% solidly with us, 20% with us but concerned that we would compromise them, and 20% (mostly Southern) solidly against us.

The Realtor's group is holding press conferences in 50 states and is continuing Hill visits today, and through the reminder of the week.

3. **HEALTH CARE GROUPS**

Two Health Care Reform Coalitions are working vigorously against the Boren-Danforth Bill because of the massive cost shifts that will take place if that bill goes into effect, and because it will hinder Health Care Reform. The National Leadership Coalition on Health Care, a coalition of big auto-makers, steel companies and food processors is sending two letters to Congress tomorrow, one from the co-chairs of the coalition and the other from CEOs. They were to have a press conference but because they are divided on the BTU tax they decided against it.

The American Hospital Association has formed a coalition of consumer groups, seniors and health care providers which will hold a press conference tomorrow, as well as fax a letter to all Members of Congress.

4. **BASE GROUPS**

In addition to coordinating the lobbying efforts of the above groups, the DNC is working with base groups -- the working poor, Labor, African-Americans, Latinos, Jewish groups, etc., on a 50 state strategy, including in-state press conferences, phone banks, letters to Members of Congress, and Hill visits. Further, the DNC, working with Intergovernmental Affairs, has instituted a "grasstops" strategy where 10 influential individuals from each congressional district will contact targeted Members within the next 48 hours.

We are feeding opinion leaders in all of the above-described segments to Communications for media interviews as the day(s) progress.

An inter-office group will meet at 6:00 PM this evening for a progress report and the coordination of next steps.

cc Mack McLarty
Roy Neel

Attachment

LIST "A"

Support Econ. Agg 5/13/93

AlliedSignal
Ameritech Corporation
Avon Products, Inc.
Beneficial Corporation
B. P. America

Colgate-Palmolive Company
Dow Corning Corporation
Electronic Data Systems
Emerson Electric Co.
GenCorp Inc.

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

Honeywell Inc.
IBM
Kellogg Company
Levi Strauss & Co.
Mars Inc.

3M
Owens-Corning Fiberglas Corporation
Philip Morris Companies, Inc.
PLY GEM Industries, Inc.
Premark International, Inc.

Sara Lee Corporation
Tenneco, Inc.
The Procter & Gamble Company
The Quaker Oats Company
Time Warner, Inc.

Walt Disney
Westinghouse Electric Corporation

32

LETTER AS MODIFIED
SIGNATURES AS OF NOON, MAY 21 —

May 25, 1993

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

Dear Member of Congress:

The undersigned 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,

National Association of Realtors
Truck Renting and Leasing Association
Ryder Systems, Inc.
Association of Local Housing Finance Agencies
Coalition to Preserve the Low Income Housing Tax Credit
Council for Rural Housing and Development
Institute for Responsible Housing Preservation
National Leased Housing Association
Friends of the Earth
Natural Resources Defense Council
American Agriculture Movement
NHP, Inc.
Environmental and Energy Study Institute
National Association of Social Workers
United Transportation Union
National Apartment Association
AFSCME
National Multi Housing Council

TO SIGN ON TO THIS LETTER, CONTACT LINDA GOOLD (202) 383-1083 OR MIKE HUSSEY (202) 383-1021.

OUR FAX # IS (202) 383-7540.

RESPONSE CUTOFF: 5:00 P.M. MONDAY, MAY 24.

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Amit
WAS This
Sent to
Mack?

Done
5/24/93

FYI

May 10, 1993

MEMORANDUM FOR MACK MCLARTY

From: Alexis Herman
Subject: Business Strategy

I. Background

As you are aware, the business community's support for the administration's initiatives has diminished since the our very strong start in February. I think it is important, before I recommend a strategy to regain the support of the business community, to describe the various reasons for that diminished support:

1. The Republican filibuster of the stimulus package negatively impacted the business community's view of our ability to succeed with our initiatives;

2. There is anxiety in the community concerning the tax component of the economic package. Those business leaders who vocally supported the economic package at announcement were later surprised by some of the details of the tax components of the plan --e.g., the royalty provision.

3. The community also is concerned about rumors and reports in the press surrounding health care. They are especially anxious about the potential cost of our initiative, but they also are concerned that business is not consulted as decisions are made;

4. Importantly, many in the community concur with the press reports that the administration lacks focus and that competing priorities are preventing the President from moving his principle initiatives.

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 13526
Sec. 3.2(C) Initials: PB **Date:** 10/17/16

Despite the above described concerns, there are several positive factors continuing to work in our favor. First, the President is still viewed as a very credible leader that is extraordinarily well versed on the issues. Second, key administration officials retain important relationships with influential business leaders (you, Bob Rubin, etc.). Third, the community still feels it has good access to the administration (except possibly on tax issues). Lastly, and significantly, Mrs. Clinton's presentation to the Business Council helped to "stop the hemorrhaging" generally, and allayed a number of fears about the health care initiative.

II. Action Plan

There is still ample opportunity to regain our momentum and to enhance it if we make use of the positives described above and address some of the negatives issues as well. The following represents a strategy to regain the support of business leaders for both the economic package and the health care initiative:

1. In coordination with Bob Rubin, Secretary Bentsen will hold a meeting with CEO's, as early as today, on administration modifications to the reconciliation package.

2. I have compiled a list of 5 CEO's we will invite to meet with the President while he is at Fordham University. Our goal is to garner positive comments on reconciliation (Welch -G.E., Artz - Proctor & Gamble - Schnell - G.M., Allaire - Xerox, Gorman - TRW).

3. Building on the First Lady's successful Williamsburg meeting with the Business Council, we are fulfilling the First Lady's commitment to develop a business working group that will include leaders of the business community, including the Council, to discuss issues surrounding the President's health initiative.

4. Bob Rubin and Leon Panetta will continue their periodic breakfast meetings with influential CEO's.

5. We will schedule a meeting with the President and the Business Roundtable for June 9. Bob Rubin and Leon Panetta have agreed to host a breakfast with the Roundtable leaders as a "lead-in" to the presidential meeting.

6. OPL has developed a telephone and press release outreach strategy to leading CEO's -- to commence Wednesday. This initial effort will herald reconciliation package modifications beneficial to the business community. We also are holding White House briefings this week with small businesses on reconciliation and health initiative.

7. With the President on-the-road more often, we have an opportunity to reach regional and local business leaders. Working with Marsha Hale, we will insure that a certain number of invitations to the President's events are made available to business leaders.

8. OPL will continue to hold a bi-monthly meeting with Washington representatives of companies who have been supportive. This permit us to gather intelligence and receive feedback on the President's initiatives.

9. OPL is institutionalizing its communications with agency contacts to insure a continual feedback process regarding business issues. To this end, we will be conducting weekly conference calls with contacts at the following agencies:

Treasury
Commerce
Labor
USTR
SBA
DNC

10. OPL is developing a list of former business leaders who are now a part of the administration to illustrate to the business community that we have government officials with business sensitivity.

11. To insure that the President's rhetoric towards the business community is moderated, Bob Rubin and I will review drafts of presidential speeches.

III. <u>Next Steps</u>

At a later date, we need to discuss a long term strategy for the business community. I am not sure there are any "big issues" that will engage the them after we address health care. NAFTA and regulatory reform are obvious possibilities. It is my sense that welfare reform and national service are not. My goal is to insure that we maintain our momentum with this important constituency.

Attachment

THE ROSTY GROUP

STATE	COMPANY	LAST NAME	FIRST NAME	TITLE	CITY	PHONE(O)
	Associated Financial Corporation					
	Hughes Aircraft Company	Armstrong	Mr. C. Michael	Chairman & CEO		703-284-4230
	Jim Walter Corporation	Ross	Mr. Dennis			
	Puget Power Company					
CA	Levi Strauss and Co.	Haas	Mr. Robert	Chairman and CEO	San Francisco	415-544-6133
	Lucky Stores, Inc.	Decker	Ms. Judith	Communications Manager	Dublin	415-833-6000
	The GAP, Inc.	Drexler	Mr. Mickey	President	San Francisco	
	Tosco Refining Company	Farner	Ms. Ann	Director, Govermnet Relations	Concord	510-602-4110
	Walt Disney Company	Eisner	Mr. Michael	Chairman	Burbank	818-560-1000
		Wells	Mr. Frank	President and CEO	Burbank	818-560-1000
CT	General Electric	Welch, Jr.	Mr. John	CEO	Fairfield	203-373-2971
	General Signal Corporation	Carpenter	Mr. Edmund	CEO	Stamford	203-357-8800
DC	3M	Donelson	Mr. Andrew J.	Manager, Government Relations	Washington	202-331-6948
		Hutton Peterson	Mrs. Helen	Government Relations Manager	Washington	202-331-6976
	Allied Signal, Inc.	Cole	Mr. Kenneth W.	Vice President	Washington	202-662-2650
	Anheuser-Busch Companies, Inc.	Keating	Mr. Richard F.	Vice President	Washington	202-293-9494
	BP America, Inc.	Gore	Mr. John		Washington	202-457-6574
		Rountree	Mr. William	Vice President, Federal Government Affairs	Washington	202-785-4888

THE ROSTY GROUP

STATE	COMPANY	LAST NAME	FIRST NAME	TITLE	CITY	PHONE(O)
DC	Electronic Data Systems	Sweeney	Mr. William	Director, Government Relations	Washington	202-637-6700
	General Electric	Barrie	Mr. Robert W.	Manager, Federal Legislative Relations	Washington	202-637-4471
		Peter	Mr. Phillips S.	Vice President, Corporate Government Relations	Washington	202-637-4455
	General Mills Inc.	Bird	Mr. Robert S.	Director, Washington Office	Washington	202-737-8200
	General Motors Corporation	Johnston	Mr. James D.	Vice President, Industry Government Relations	Washington	202-775-5090
	Hallmark Cards, Inc.	Evans	Ms. Rae Forker	Staff Vice President, National Affairs	Washington	202-659-0946
	Marriott Corporation	Ladd	Mr. W. Donald	Vice President, Government Affairs	Washington	301-280-1073
		Marriott, Jr.	Mr. J. W.	Chairman, President and Chief Executive Officer	Washington	301-380-9000
	Procter & Gamble	Womack	Mr. R. Marvin	Vice President, National Government Relations	Washington	202-393-3404
	Southern California Gas	Freer	Mr. David W.	Manager, Federal Government Affairs	Washington	202-822-3700
	Time-Warner Inc.	Boggs	Mr. Tim	Vice President	Washington	202-457-8582
DE	Beneficial Financial Corporation	Caspersen	Mr. Finn M.W.	CEO	Wilmington	302-798-0800
FL	Ryder Systems Inc.	Burns	Mr. M. Anthony	Chairman, President & CEO	Miami	305-593-3496

THE ROSTY GROUP

STATE	COMPANY	LAST NAME	FIRST NAME	TITLE	CITY	PHONE(O)
FL	Ryder Systems Inc.	McDonald	Ms. Gail M.	Senior Vice President	Miami	305-593-3403
GA	AFLAC Incorporated	Henry	Mr. Michael	Senior Vice President, Director of Government Relations	Columbus	706-323-3431
	Delta Air Lines	Allen	Mr. Ronald	CEO	Atlanta	404-765-2600
	Delta Airlines	Bevis	Mr. Harold	Vice President, Public Affairs	Atlanta	404-715-2458
IL	Ameritech	Weiss	Mr. William	Chairman & CEO	Chicago	312-750-5000
	Quaker Oats Company	Smithburg	Mr. William	Chairman	Chicago	312-222-7202
	Sara Lee Corporation	Bryan, Jr.	Mr. John H.	Chairman	Chicago	312-558-8501
		Lauer	Mr. Bob		Chicago	
MI	Dow Corning Corporation	Reed	Mr. L.A.	CEO	Midland	517-496-4000
	General Motors Corporation	Smith, Jr.	Mr. John F.	Chairman & CEO	Detroit	313-556-5000
	Kellogg Corporation	Langbo	Mr. Arnold	Chairman	Battle Creek	616-961-2204
MN	3M	DeSimone	Mr. Livio	Chairman and CEO	St Paul	612-733-1110
	General Mills Inc.	Atwater, Jr.	Mr. H. Brewster	Chairman and CEO	Minneapolis	612-540-3341
	Honeywell Inc.	Renier	Dr. James	Chairman and Chief Executive Officer	Minneapolis	612-951-2249
MO	Anheuser-Busch Companies, Inc.	Busch	Mr. August A.	Chairman of the Board & President	St. Louis	314-577-3316
	Emerson Electric Company	Knight	Mr. Charles F.	Chairman and CEO	St. Louis	314-553-2203
	Hallmark Cards, Inc.	Hockaday	Mr. Irvine	President and CEO	Kansas City	816-274-4381
NJ	Allied Signal, Inc.	Bossidy	Mr. Lawrence A.	Chairman & CEO	Morristown	201-455-2000

THE ROSTY GROUP

STATE	COMPANY	LAST NAME	FIRST NAME	TITLE	CITY	PHONE(O)
NY	Avon Products, Inc.	Preston	Mr. James E.	Chairman	New York	212-546-8613
	Colgate-Palmolive	Mark	Mr. Reuben	CEO	New York	212-310-2944
	IBM	Gerstner	Mr. Louis	Chairman	Armonk	914-765-4761
	Phillip Morris Company, Inc.	Miles	Mr. Michael	Chairman and Chief Executive Officer	New York	212-880-3044
	PLY GEM Industries, Inc.	Silverman	Mr. Jeffrey S.	Chairman, President & CEO	New York	212-832-1550
	Time-Warner Inc.	Levin	Mr. Gerald M.	Chairman, President & CEO	New York	212-484-8001
OH	Gencorp Inc.	Reynolds	Mr. A. William	Chairman	Fairlawn	216-869-4400
	Owens Corning Fiberglass	Hiner	Mr. Glen	Chairman	Toledo	419-248-6518
	Procter & Gamble	Artzt	Mr. Edwin	Chairman	Cincinnati	513-983-3138
		Smale	Mr. John	Chairman, Executive Committee	Cincinnati	513-983-1100
PA	Westinghouse Electric Corporation	Clark	Mr. Gary	Chairman	Pittsburgh	412-642-3808
TN	Service Merchandise Co., Inc.	Zimmerman	Mr. Raymond	CEO	Nashville	615-660-6000
TX	Southland Corporation	MAtthews, II	Mr. Clark	CEO	Dallas	214-828-7011
	Southwest Airlines	Kelleher	Mr. Herbert		Dallas	214-904-4110
	Tenneco, Inc.	Walsh	Mr. Michael	Chairman	Houston	713-757-2131
	Valero Energy Corporation	De La Garza	Mr. Luis	Vice President, Corporate Relations	San Antonio	210-246-2000
VA	Hughes Aircraft Company	Wheeler	Mr. Larry	Director, Government Relations	Arlingotn	703-284-4203
	Mars. Inc.	Stegemann	Mr. E.J.	Vice President	McLean	703-821-4900

RECONCILIATION: UNCOMMITTED MEMBERS

State	Last	First	Phone	Code
AL	Cramer	Bud	4801	
	Browder	Glen	3261	
AR	Lambert	Blanche	4076	Woman
AZ	Coppersmith	Sam	2635	
CA	Dooley	Calvin	3341	
	Schenk	Lynn	2040	Woman
	Lehman	Richard	4540	
	Tucker	Walter	7924	AA
CO	Schroeder	Pat	4431	Woman
FL	Thurman	Karen	1002	Woman
	Deutsch	Peter	7931	
	Peterson	Pete	5235	
	Hutto	Earl	4136	
GA	Darden	George (Buddy)	2931	
	Rowland	Roy	6531	
	Bishop	Sanford	3631	AA
	Deal	Nathan	5211	
IL	Costello	Jerry	5661	
	Durbin	Dick	5271	
	Lipinsky	William	5701	
	Evans	Lane	5905	
	Sangmeister	George	3635	
	Poshard	Glenn	5201	
	Collins	Cardiss	5006	Woman
IN	McCloskey	Frank	4636	
	Roemer	Tim	3915	
	Long	Jill	4436	Woman
KS	Glickman	Dan	6216	
	Slattery	Jim	6601	
KY	Baesler	Scott	4706	
	Barlow	Tom	3115	
LA	Hayes	James	2031	
	Tauzin	William	4031	
	Fields	Cleo	8490	
MA	Meehan	Marty	3411	
MI	Barcia	James	8171	
	Carr	Bob	4872	
MN	Minge	David	2331	
	Penny	Timothy	2472	
	Peterson	Collin	2165	
	Skelton	Ike	2876	
	Danner	Pat	7041	Woman
	Volkmer	Harold	2956	
	Clay	Bill	2406	AA
	Wheat	Alan	4535	AA

RECONCILIATION: UNCOMMITTED MEMBERS

State	Last	First	Phone	Code
MS	Whitten	Jamie	4306	
	Montgomery	G.V.	5031	
	Taylor	Gene	5772	
	Parker	Mike	5865	
NC	Lancaster	Martin	3415	
	Neal	Stephen	2071	
	Valentine	Tim	4531	
	Clayton	Eva	3101	Woman
NH	Swett	Dick	5206	
NJ	Pallone	Frank	4671	
	Andrews	Robert	6501	
	Menendez	Robert	7919	
	Torricelli	Robert	5061	
	Klein	Herbert	5751	
	Hughes	Bill	6572	
NV	Bilbray	James	5965	
NY	Maloney	Carolyn	7944	Woman
	Nadler	Jerrold	5635	
OH	Mann	David	2216	
	Kaptur	Marcy	4146	Woman
	Applegate	Douglas	6265	
	Strickland	Ted	5705	
	Fingerhut	Eric	5731	
	Traficant	James	5261	
OK	English	Glenn	5565	
	McCurty	Dave	6165	
OR	DeFazio	Peter	6416	
PA	Klink	Ron	2565	
	Murphy	Austin	4665	
	Marjorie	Margolies-Mezvinsky	6111	Woman
	McHale	Paul	6411	
	Holden	Tim	5546	
SD	Johnson	Tim	2801	
TN	Clement	Bob	4311	
	Tanner	John	4714	
	Lloyd	Marilyn	3271	Woman
	Cooper	Jim	6831	
TX	Ortiz	Solomon	7742	
	Brooks	Jack	6565	
	Sarpalius	Bill	3706	
	Laughlin	Greg	2831	
	Geren	Peter	5071	
	Wilson	Charlie	2401	
	Hall	Ralph	6673	
	Tejeda	Frank	1640	
	Chapman	Jim	3035	
	Edwards	Chet	6015	
	Stenholm	Charles	6605	

RECONCILIATION: UNCOMMITTED MEMBERS

State	Last	First	Phone	Code
[illegible]	Green	Gene	1688	
UT	Orton	William	7751	
	Shepherd	Karen	3011	Woman
VA	Sisisky	Norman	6365	
	Pickett	Owen	4215	
	Byrne	Leslie	1492	Woman
	Scott	Robert	8351	AA
	Boucher	Rick	3861	
WA	Inslee	Jay	5816	
	Cantwell	Maria	6311	Woman
	Kreidler	Mike	8901	
WV	Mollohan	Alan	4172	

ARCO

Facsimile Transmission

Cost center

Date 5/25/93

Outgoing

To Bill Burom -

Location

Alexis Herman

Ed Knight

From Bob Schuh

Location Ann Wexler

Number of pages 3 + cover

Time

FROM BOB HEALY - ARCO

Comments

Operator's initials

Incoming	
To	
Location	
From	
Location	
Number of pages	
Time	☐ a.m. ☐ p.m.
Comments	
Operator's initials	

ARCO-1189-C (12-87)

Cmcy
5
AMW

MAY 26 1993

1

DATE: May 25, 1993

SUBJECT: Oklahoma Trip Proposal

FROM/LOCATION: R. Healy/457-6253
PHONE:

TO/LOCATION: Alexis Herman
PHONE: Bill Burton
Ed Knight/Treasury

While there are a number of steps which could be taken to help correct the current condition, the number one priority is to secure passage of the reconciliation bill with as many of its components parts in tack as possible.

It has been my view for a long time that what counted in this process is the end product: the deficit number. If the President comes out okay on this number, then the whole process is a victory. I still hold that predominant view, but subsequent events have modified my thinking on the importance of the BTU tax. The challenge to this tax can not be ignored or easily compromised away.

Presidential strength and credibility has somehow gotten laid on the line for this tax, giving it an importance far beyond that which it should have. That is the bed we are in. And, the outlook is not great.

Something other than an "expected" House of Representatives victory must be done; the real test so goes the story is in the Senate.

By this time, I am certain that the White House staff is looking at the option of a Presidential speech before the Senate begins mark-up.

The problem with a Presidential Television speech/address to the country is that without a context such an address often lacks, drama, engagement, and fullness. And, with the current poll ratings about the program and the President, an Oval Office Address alone might bite the dust.

But, an Oval Office Address, not as a one shot speech but as part of a context, might positively impact the country and the legislative process.

Here is what I suggest:

1. **Make a Presidential Trip/Tour to Oklahoma.**

Some of the best moments of the campaign came when the President was going against the grain. Traveling to Oklahoma for a "frank discussion" with Okies about the economic package and the BTU tax--traveling to the heart of Energy country--clearly goes against the grain. This type of trip helps enhance the President's reputation as a different kind of political leader...one not afraid to confront his critics...carry his message to the opposition...communicate his ideas to friend and foe alike (ugh, if I ever use that phase again.)

While in Oklahoma might think of doing some of the following:

A. **Invite Boren and McCurdy along on the trip.** This gesture will be respected and dumfound critics. It shows a certain amount of class. And, trying to do a Shelby on either of them won't work. McCurdy, after all, walked the streets of New Hampshire for the President. Don't get into debate with them...invite them to the speeches...after all they asked for a dialogue...where better than right before their constituents.

B. **Address the Oklahoma Legislature.** Good speech for CNN/C-Span nets to carry. Major defense/offense for economic program. Etc.

C. **Speak before the Tulsa Chamber of Commerce.** This is lion's den time.

D. **Make a Visit to the Philips Petroleum HQTRS** in Bartlesville, Okla. Philips CEO Silas is a strong non-strident industry leader with convictions and who also happens to be the current Chairman of the American Petroleum Institute. Perhaps a talk before the Philips employees.

2. Do A Town Meeting in Omaha, Nebraska.

Nebraska is the home of two other Senators who have suggested major changes in the program. Invite them to the program. Be generous about it. But, be firm. Do this town meeting the next night after the Oklahoma swing.

3. Appear before the Senate Democratic Caucus.

Reason is self-evident.

4. Focus Saturday Radio address on the topic.

5. Do Oval Office Speech before the Mark-up and vote begins.

Now there is a context. The President has been going against the grain. He is standing up for individual rights and against the special interest. He is fighting for his program. He has confronted his bipartisan critics. Etc.

There is a variation on this sequence which might be considered. Do the speech to the nation from Oklahoma...that, of course, changes the stage setting somewhat. But, there is a certain drama to it that might be appealing.

Is there a risk to this suggestion? Of course. One might say that "never do this kind of thing unless success is set-up in advance..." "...looks too cute or too contrived" is another set of criticisms. Each, in its own way is valid.

Politics, however is risk. And, at this stage, whether this proposal is a risk that is too weighty or out weighed is for those in the White House to judge.

May 24, 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. ✓
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 - NO

Electronic Data Systems - NO
Emerson Electric Co. ✓
The GAP, Inc. - NO
GenCorp Inc.
General Electric Company ✓

General Mills, Inc. ✓
General Motors Corporation ✓
General Signal Corporation - NO
Hallmark Cards, Inc. ✓
Honeywell Inc. ✓

Hughes Aircraft Company
IBM
Jim Walter Corporation
Kellogg Company
Levi Strauss & Co.

Lucky Stores, Inc. NO
3M
Marriott Corporation
Mars Inc. NO
Mercantile Stores Co., Inc.

Owens-Corning Fiberglas Corporation
Philip Morris Companies, Inc. NO
PLY GEM Industries, Inc.
Premark International, Inc.
The Procter & Gamble Company

Puget Power Corp. NO
The Quaker Oats Company
Ryder System, Inc.
Sara Lee Corporation
Service Merchandise Co., Inc. NO

Southern California Gas Co.
Southland Corp. NO
Southwest Airlines Co.
Tektronix, Inc.
Tenneco Inc.

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

Ryder Commercial Leasing & Services
One Marquis Plaza
5315 Campbells Run Road Suite 190
Pittsburgh, Pennsylvania 15205
412 787 8334

RYDER

May 21, 1993

The Honorable John D. Rockefeller, IV
United States Senate
Washington, D.D. 20510

Dear Senator Rockefeller:

On behalf of Ryder System, I urge your support of President Clinton's economic package as passed by the Ways and Means Committee.

Ryder supports the package because it contains modest reform of the Alternative Minimum Tax (AMT). In fact, AMT relief is essential to our overall support of the plan. While continuing to ensure that profitable companies pay tax, the President's proposal will lessen the tax burden on investments which have hindered economic growth.

We support the Administration's efforts to reform AMT and ask you and your Senate Finance Committee colleagues to support the President's effort to create new jobs and spur economic growth.

Sincerely,

Bruce C. Hager

Bruce C. Hager
District Manager

cc: The Office of Congressional Liaison
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

AMT
Tim w/ HOWARD's office wants to know if you'd make the call to Hager to see if Hager could call his Cong. to support the President. Tim says there are renegade Cong (ie Klink) and Hager could make the call.
R

- Thompson / Cun
- Fidel
- Kempton
- McCurry
- Gumbert
- Carr / Blank
- Bzaler // Hume
- Daniel / Olthe
  Ohio
- Carter-Chief
  Texas
  Flor
  NJ

Ryder Commercial Leasing & Services
One Marquis Plaza
5315 Campbells Run Road
Pittsburgh, Pennsylvania 15205

RYDER

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The Office of Congressional Liaison
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

THE MORE THAN 1300 MEMBERS OF THE AMERICAN ENERGY ALLIANCE

A C Products Incorporated
A/R Packaging Corporation
A. B. Rote & Company
A.E. Boyce Company Incorporated
A.O. Smith Corporation
A.R.T. Associates Incorporated
ABCO Engineering Corporation
AC International
Accu-Tube Corporation
Accurate Brazing Company
Accurate Castings Incorporated
Ace Rubber Products Incorporated
Ace Wire Spring & Form Company Incorporated
Acme Manufacturing Company
Acme Parts Incorporated
Acme-National Heat Treating Incorporated
Actofoil Poly Bad Company
Ad Team Incorporated
Adapto Incorporated
Adchem Corporation
Addison Biological Laboratory Incorporated
Adena Tool Corporation
Advance Graphics Equipment
vance Screw Products Corporation
.dvanced Heat Treating Incorporated
Advanced Thermal Technologies Incorporated
Advanced Window Systems Incorporated
Aero Exports Trading Corporation
Aerospace Athletic
Aetna Machine Company
Ag Processing Incorporated
Air Filtration Company Incorporated
Air Master Systems Incorporated
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AK-WA Incorporated
Akron, Ohio Citizens for Political Reform
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Alabama Forestry Association
Alabama Metal Industries Corporation
Alabama Nursing Home Association
Alabama Oilmen's Association
Alabama Power Company
Alabama Trucking Association Incorporated
Alaska Tool Company Incorporated
Alexvale/Hickory Furniture
Alfa Color Incorporated
All Color Press Incorporated
All Star Distributing Incorporated
Allegheny Fire Apparatus
egheny Metalworking
Allied Molded Products Incorporated
Allstate Medical Products Incorporated
Almega/Truflex Incorporated
Alon Processing Incorporated
Alpha Plastics Company
Alpha Steel Treating Company
Alta Photographic Incorporated
ALTEC Industries Incorporated
ALU-FAB Corporation
Aluma-Glass Industries Incorporated
Aluminum Extruders Council
AMAC Enterprises Incorporated
Ambrit Industries Incorporated
Amcast Industries
Amco
American Architectural Manufacturers Association
American Asphalt Paving Company
American Boiler Manufacturers Association
American Capacitor Corporation
American Chrome & Chemicals Incorporated
American Conservative (The)
American Corrosion Services Incorporated
American Council of Education
American Dairy Products Institute
American Electric Power Service Corporation
American Farm Bureau Federation
American Fiber Manufacturers Association Incorporated
American Foundrymen's Society
American Gear Manufacturing Association
American Hardware Manufacturers Association
American Institute of Merchant Shipping Claims
American International Company
American Lab & Systems
American Lawn Mower Company
American Lighting Association
American Machine & Gear Incorporated
American Machine & Tool Company
American Metal Treating Incorporated
American Nuclear Energy Council
American Oilfield Divers Incorporated
American Petroleum Institute
American Polarizers Incorporated
American Portland Cement Alliance
American Star Cork Company
American Steel Treating
Americans for Tax Reform
AMMAC Incorporated
Amoco Corporation
AMP Incorporated
AmSource
Anchor Industries Incorporated
Anchor Tool & Die Company
Andoco Incorporated
Anel Industries Incorporated
Apache Products Incorporated
Apex Plastic Industries Incorporated
Applied Process Incorporated
Arizona Public Service Company

Arkwin Industries Incorporated
Armstrong Brothers Tool Company
Armstrong World Industries
ARE Industries Incorporated
Artee Industries Incorporated
Artisan Industries Incorporated
ARVCO Container Corporation
Ash Grove Cement Company
Ashland Oil Incorporated
Ashly Audio Incorporated
Associated Fiberglass Engineers
Associated Industries of Kentucky
Associated Industries of Massachusetts
Associated Industries of Missouri
Associated Industries of Kentucky
Associated Natural Gas Corporation
Associated Petroleum Industries of Pennslyvania
Association of Commerce & Industry of New Mexico
Association of Concerned Taxpayers
Association of Higher Education Facilities Officers
Astro Manufacturing Company Incorporated
Atlantic Marine Incorporated
Atmosphere Annealing Incorporated
Auburn Foundry Incorporated
Auburn Vacuum Forming Company Incorporated
Aurora Air Products
Ausco Products Incorporated
Autoclave Engineers Incorporated
on USA Incorporated
tec Industries Incorporated
Aztec Wire Incorporated
B & B Refractories Incorporated
B.F. Wehmer Company Incorporated
B.H. Payne & Company Incorporated
B&D Molded Products Incorporated
Bachman Company (The)
Ball Corporation
Bammer Labs Incorporated
Barbett Industries Incorporated
Barbour Timber Incorporated
Barer Hughes Incorporated
Barney Machinery Company
Baroid Corporation
Baron Industries Incorporated
Bay City Platers Incorporated
Bay Corrugated Container Incorporated
Beaver Heat Treating
Beckman Instruments Incorporated
Beistle Company (The)
Bemel Industries Incorporated
Benham Press Incorporated
Bennett Heat Treating & Brazing Company Incorporated
Berry Contracting Incorporated
Bethlehem Area Chamber of Commerce
z Paperchem Incorporated
tz Process Chemicals Incorporated
Bigbee Steel Buildings Incorporated
Biosources International
Bitrode Corporation
Black Hills Trucking Incorporated
Blyler Offset
Bo Gray Casing Company Incorporated
Bokum Tool Company Incorporated
Bolle Metal Fabricating Incorporated
Bollman Hat Company
Bonell Manufacturing Company Incorporated
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Boston Edison Company
Bowater Incorporated
Boyd Coatings Research G Incorporated
Braddock Metallurgical-Alabama
Brick Institute of America
Brite Metal Treating
Brockway Pressed Metals Incorporated
Brondt Distributors of Harrisburg Incorporated
Broussard Rice Mill Incorporated
Brown and Williamson
Brown Pacific Incorporated
Brown's Bakery Incorporated
Bruce Packing Company Incorporated
Brunswick Transportation Co. Inc./Maineline Tours
Buckeye Die & Engineering Company Incorporated
Buckeye Pretzel Company Incorporated
Buffalo Flange Incorporated
Buiter Tool & Die Incorporated
Bulman Products Incorporated
Burgess-Norton Manufacturing Company
Burkes Home Center
Burroughs-Wellcome Company
Business & Institutional Furniture Manufacturers Ass'n
Business Council of New York State Incorporated
Butler Manufacturing Company
Byington Steel Treating Incorporated
Bytel Incorporated
C. Lever Company Incorporated
C.J. Winter Machine Works Incorporated
C&L Aluminum Foundry Incorporated
Cal G. Griffith, Jr. Agency Incorporated
Cal-Doran Division
Calcasieu Refining Company
Calculagraph Company
Calhoun Foundry Company Incorporated
California Expanded Metals
Canada Dry Bottling Company
Canton, Ohio Citizens for Political Reform
Capitol Aggregates Incorporated
Captive Fashions
Carbery Fabrication Company Incorporated
Carbide Probes Incorporated
Carbone of America-Graphite Moterils Division
Cardinal Steel Supply
Carolina Commercial Heat Treating Incorporated
Carolina Cook Industries Incorporated
Carolina Power & Light Company
Carolina Truss & Manufacturing Company Incorporated
Carpenter Technology Corporation
Carter's Concrete Block Incorporated
Cascade Corporation

Castex Industries Incorporated
Cattron Incorporated
Cauttrell Enterprises Incorporated
EC Controls Company Incorporated
edar Shake & Shingle Bureau
Celltron Incorporated
Celotex Corporation
Cement Kiln Recycling Coalition
Cemetery Association of Pennsylvania
Central Illinois Public Service Company
Centre Lime & Stone Company Incorporated
Centro Manufacturing Company Incorporated
Century Place Incorporated
Certified Metal Craft
CFC International
CGR Products Incorporated
Chalet Desserts
Chant Engineering Company Incorporated
Charles E. Larson & Sons Incorporated
Chartiers Land Company
Chem-Cast Ltd.
Cherokee Steel Fabricators Incorporated
Cherry Corporation
Chester-Jensen Company Incorporated
Chevron Corporation
Chicago Flame Hardening Company
Chickasaw Distributors Incorporated
Chicot Manufacturing Company
ili Plastics Incorporated
risty Industries Incorporated
Christy Minerals Company
Chrome Craft Corporation
Cincinnati Steel Treating Company
Cincinnati, Ohio Citizens for Political Reform
Circle Boring & Machine Company
Circuit Services Incorporated
Citizens Against a National Sales Tax/VAT
Citizens for a Sound Economy
Citizens For Limited Government in St. Louis
Citizens For Political Reform
City Laundering Company
Cives Corporation
CKE Incorporated
Clark Grave Vault Company
Clements Food Company
Cleveland Foundry & Manufacturing Company Incorporated
Cleveland, Ohio Citizens for Political Reform
Cloud Printing Company
CLPI Incorporated
Clutch Products Incorporated
CMS Energy Corporation
CNC Industries Incorporated
CO2 Incorporated
Coalition on Energy Taxes
astal Hardwoods Incorporated
oastal Lumber Company
Coastal Manufacturing Incorporated
Coating Sciences Incorporated
Coen Company
Coil Specialty Company
Cold Spring Gravite Company
Coleman Steel Treating
Colman Electronic Products Incorporated
Colonial Pipeline Company
Colony Papers Inc.
Colorado Association of Commerce & Industry
Colorado Container Corporation
Colorado Molded Products Incorporated
Coltec Industries
Columbia County Industrial Development Authority
Columbia Vista Corporation
Columbus, Ohio Citizens for Political Reform
Commercial Industrial Photographers Incorporated
Committee To Inform The American Public
Commonwealth Edison
Commwealth Industries
Concrete Industries Incorporated
Consolidated Counter Corporation
Consolidated Papers Incorporated
Construction Fasteners Incorporated
Consumers Power Company
Continental Forge Company
Continental Heat Treating
Continental Mineral Process Corporation
Continuous Coating Corporation
Control Works Incorporated
Cook Induction Company Incorporated
Cook Specialty Company
Cooper Industries Incorporated
Coors Brewing Company
Coos Bay Fabrication & Machine Incorporated
Copper & Brass Fabricators Council Incorporated
Corr Pak Corporation (The)
Corrosion Engineering Incorporated
Corry Micronics Incorporated
Corvallis Tool Company
Cost Effective Coatings Incorporated
Council for Citizens Against Government Waste
Cranston Machinery Company Incorporated
Crellin Incorporated
Crispys Incorporated
Crosby Company
Cross Electronics Incorporated
Cross Exploration Industries Incorporated
Cross Pointe Paper Corporation
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Custom Stamping & Manufacturing Incorporated
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CW Maine & Sons
CWS Fashions
Czarnowski Exhibits Incorporated
D. Davis Kenny Company
D&W Incorporated
Dakota Granite Company

Damascus Steel Casting Company
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Dan Chase Taxidermy Supply Company Incorporated
an Gernatt Gravel Products Incorporated
Danco Machine
Daniel Weaver Company (The)
Dapha Ltd.
Davco Manufacturing Corporation
David A. Smith Printing Incorporated
Davis-Lynch Incorporated
DeAngelis Carbide and Tooling Incorporated
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Defiance Metal Products
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Delaware Valley Landscape Stone Incorporated
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Dennis Wettlaufer Logging
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Detroit Steel Treating Company
DeVan Sealants Incorporated
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Diamond Shamrock Incorporated
Dicey Mills Incorporated
Diehl Incorporated
etz Laboratories Incorporated
illen Products Company
Dillon Floral Corporation
Dismas Pumps
Divine Brothers Company
Domino Sugar Corporation
Donovan Heat Treating Company
Doron Precision Systems Incorporated
Downing Displays
DR Sperry & Company
Drever Company
Drive Train Industries
DSA/Phototech Incorporated
Du-Mont Company
Duke Power Company
Duncan Enterprises
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Dura-Bond Protective Coating Company Incorporated
E.W. Keith & Associates
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Ember Industries Incorporated
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Empire Comfort Systems
Empire District Electric Company (The)
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Empire Tool & Manufacturing Company Incorporated
Employers Association of Florida
Employers Resource Council (The)
Emulso Corporation (The)
Engineered Heat Treating Incorporated
Engineered Precision Casting Company
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Enrg-Lok Company
Entech Engineering Incorporated
Environmental Elements Corporation
Environmental Elements Corporation
Environments Incorporated
Epworth Manufacturing Company Incorporated
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Erie Steel Treating Incorporated
Erie Strayer Company
Ervin Industries Incorporated
Essential Pet Manufacturing
Ethyl Corporation
Ettline Foods Corporation
Euclid Heat Treating Company
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Exact Incorporated
Exolon-Esk Company
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Exxon Corporation
Fabricon International Incorporated
Family Research Council
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Ferno Washington Incorporated
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Fiber Resources Incorporated
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Fin-X Incorporated
FINA Incorporated
First Fleet Corporation
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Flextek
Florence Concrete Products Incorporated
Florida Conservative Union in Tampa
Florida Power Corporation
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Fluid-Air Components Incorporated

FMC Corporation
Foltz Machine Incorporated
Food Instrument Corporation
od Services Management Association
Ford New Holland Incorporated
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Forging Industry Association
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Forms Manufacturers Incorporated
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Foseco Incorporated
Foundry & Steel Incorporated
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Fox Valley Tool & Die Incorporated
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Franklin Manufacturing & Supply Incorporated
Franklin Steel Treating, Incorporated
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Fries Flowers Incorporated
Fristam Pumps Incorporated
Frit Industries Incorporated
G. McMillan & Company
Gables Engineering Incorporated
Gadsden Machine & Roll Company Incorporated
Gadsden Metal Finishing Incorporated
Gagne & Son Concrete Block Incorporated
Gagne Precast Incorporated
yean Equipment Company Incorporated
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Gardner Screw Corporation
Garland Food Distributers Corporation
Gasket Manufacturing Company
Gast Manufacturing Corporation
Gehl Company
General Aluminum & Chemical Corporation
General Bindery Company
General Converting Incorporated
General Refractories Company
General Surface Hardening Incorporated
General Tire Incorporated
Geneva Steel
Genie Trucking Line Incorporated
Genmar Industries Incorporated
Gentex Corporation
Geon Company (The)
George H. Porter Steel Treating Company
Georgia Gulf Corporation
Georgia Marble Company
Georgia Power Company
Gerhold Concrete Company Incorporated
Gilardi Foods
Gillette Company (The)
Glen Auto
nn O. Hawbaker Incorporated
Globe Fire Sprinkler Corporation
Globe International
Globe Mfg. Co\Globe Firefighters Suits
Glover Machine Company
GM Nameplate Incorporated
Goodyear Tire & Rubber Company
Gordon Terminal Service Company
Governair Corporation
Grable & Sons Metal Products Incorporated
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Grain Processing Corporation
Grainger Manufacturing Incorporated
Grede Foundries Incorporated
Green Bay Packaging Incorporated
Greene Manufacturing Company
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Gregory Manufacturing Company Incorporated
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GSI Incorporated
GT Development Corporation
Guardian Industries Corporation
Gulf Lumber Company
Gulf Power Company
Gulf States Asphalt Company Incorporated
Gulf States Utilities Company
Gypsum Association
H & M Metal Processing Company
H&R Plastics Incorporated
Habot Steel Company Incorporated
Hadady Machining Company
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Haltermann Incorporated
Hammersmith Manufacturing & Sales Incorporated
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Hancock Wood Engineering Incorporated
Handi-Work Productions Incorporated
Hanington Bros. Incorporated
Hannay Reels
Hansen-Balk Steel Treating Company
Harbison-Walker Refractories
Hardwood Lumber Company
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Harrop Industries Incorporated
Hartford Sand and Gravel Company
Haskell of Pittsburgh Incorporated
Haug Die Casting Incorporated
Hawkeye Steel Products Incorporated
Hawthorne Electric Incorporated
Hayes Heat Treating Corporation
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HCC Incorporated
Head Manufacturing Incorporated
Heat Transfer Equipment Company
Heat-Treating Incorporated
Heatbath Corporation
Heiting Tool & Die Incorporated
Hellwig Products Company Incorporated
Heraeu Electro-Nite Company
Heritage Metal Finishing Incorporated
Herr & Sacco Incorporated
Hi-Tech Metallurgical
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Hi-Tech Rubber Incorporated
Hi-Tech Steel Treating Incorporated
Hi-Temp Incorporated

Hibco Plastics Incorporated
Hickes Associates Incorporated
Higgins Propane Incorporated
ighway Users Federation for Safety and Mobility
Hinderliter Heat Treating Incorporated
HMT Incorporated
Hoechst Celanese Corporation
Hofmann Industries Incorporated
Hohmann & Barnard Incorporated
Holland Manufacturing Company
Honda of America
House-Autry Mills Incorporated
Houston Industries Incorporated
Houston Lighting & Power Company
Howard/McCray Refrigerator Company Incorporated
Howard Refrigerator Company Incorporated
Hrubetz Oil Company
Hudson Industries Corporation
Hudson Screw Machine Products Company
Hughes Company Incorporated
Hugo Bosca Company Incorporated
Humane Manufacturing Company
Humboldt Manufacturing Company
Humco Laboratories Incorporated
Hunt Oil Company
Hunter Millworks Incorporated
Hussey Seating Company
Hutchens Industries Incorporated
drothrift Corporation
Squared R Element Company
I-K-I Manufacturing Company Incorporated
ICT Manufacturing Incorporated
Illinois Manufacturers' Association
Illinois Oil & Gas Association
Illinois Petroleum Marketers Association
Imperial Defense Systems Incorporated
Imperial Schrade Corporation
Independent Oil Producers Agency
Indiana Die Molding
Inductotherm Industries Incorporated
Industrial Coating Incorporated
Industrial Dielectrics Incorporated
Industrial Heat Treating & Metallurgical Company Incorporated
Industrial Heating Equipment Association
Industrial Products Company
Industrial Steel Treating Company
Industry & Commerce Association of South Dakota
Infitec Incorporated
Inspectorate America Corporation
Insul Company
International Association of Diecutting & Diemaking
International Association of Geophysical Contractors
International Oil Corporation
International Staple, Nail and Tool Association
erstate Fittings Incorporated
Interstate Tool Corporation
Ion Tech Incorporated
Iowa Association of Business and Industry
Ironbound Heat Treating Company
Ironcraft of Omaha
Irrigation Association
ISA Manufacturing Incorporated
Isolation Technologies
Iten Industries
J. & L. Oil Incorporated
J. Meyer & Sons Incorporated
J.C. Wells & Sons
J.E. Baker Company (The)
J.F. Heat Treating Incorporated
J.F. Helmold Incorporated
J.J. Babbitt Company Incorporated
J.W. Rex Company
J&L Structural Incorporated
Jack Young Associates Incorporated
Jasco Tools Incorporated
JCM Industries Incorporated
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Jessop Steel Company
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John Berger & Son Company
John C. Muller Incorporated
John W. Hancock Jr. Incorporated
John Wilde & Brothers Incorporated
Johnson Truck Bodies
Jomac Incorporated
JSJ Corporation
Justiss Oil Company Incorporated
K & D Heat Treat Incorporated
K-D Lamp Company
Kalas Manufacturing Incorporated
Kam Controls Incorporated
Kaneb Pipe Line Company
Kansas Chamber of Commerce and Industry
Kansas Paint & Color Company
Kauffman Products Incorporated
Kay Automotive Graphics
Keibler-Thompson Corporation
Kelly-Springfield Tire Company
Ken-Tex Corporation
Kenco Engineering Company Incorporated
Kendale Industries Incorporated
Kenfair Manufacturing Company
Kennametal Incorporated
Kentucky Chemical Industry Council
Kevton Incorporated
Keystone Consolidated Industries Incorporated
Kimray Incorporated
King Lumber Company Incorporated
Kiper Enterprises Incorporated
Kiva Container Corporation
Klemco Eng. Incorporated
Knapheide Manufacturing Company (The)
Koch Industries Incorporated
Kohler Awning Incorporated
Kopp Glass Incorporated
Kraissl Company Incorporated
Krieble Associates
Kurz-Hastings Incorporated
Kutco Printing & Products Incorporated
Kutsher's Country Club

L.S. Starrett Company
LANAR Industries Incorporated
Lancaster Malleable Castings Company
ance Incorporated
Landstrom Black Hills Gold
Lanman & Kemp Barclay & Company Incorporated
Laser Imaging Systems Incorporated
Lawrence-McFadden Company Incorporated (The)
Leather Industries of America
Leisters Furniture Incorporated
Leitelt Iron Works
Lennox International Incorporated
Levy Incorporated
Lindberg Corporation
Lindberg Heat Treating
Llano Feed Mill Incorporated
LM&E Company Incorporated
Lo-Temp Brazing Company Incorporated
Lone Star Food Stores
Lone Star Heat Treating Corporation
Lone Star Industries Incorporated
Loopco Industries Incorporated
Lord Corporation
Los Angeles Boiler Works Incorporated
Loudspeaker Component
Louisa Publishing Company
Louisiana Association of Business & Industry
Louisville Plate Glass Company
we-Mar Manufacturing Company
ukens Incorporated
Lundell Manufacturing Corporation
Lyle Industries
Lyman-Richey Corporation
Lyon Metal Products Incorporated
M.H. Whittier Corporation
M.L. Weeks Incorporated
M&W Marine Services Incorporated
Mack Trucks Incorporated
Mackenzie Manufacturing Incorporated
Maehr Manufacturing Incorporated
Magnode Corporation
Magnum Induction
Maier's Bakery
Maine Machine Products Company
Maine Motor Transport Association
Maine Test Borings Incorporated
Manth-Brownell Incorporated
Manufacturers Association of The Jamestown Area Inc.
Manufacturers' Agents National Association
Manufacturers' Association of Mid-Eastern Pennsylvania
Mar-Jon Candles
Marathon Oil Company
Marble King Incorporated
Markel Corporation
rkey Machinery Company
Marley Company (The)
Marshall Air Systems Incorporated
Mart Corporation (The)
Massachusetts Conservative Caucus
Massachusetts Steel Treating
Master Manufacturers Incorporated
Materials Transportation Company
Matric Limited
MATX Incorporated
Mauch Laboratories Incorporated
Maxon Corporation
May Fabricating Company Incorporated
May Fabricating - Mississippi Incorporated
May Fabricating - Oklahoma Incorporated
Mayfair Mills Incorporated
McAlpin Industries Incorporated
McCauley Metal Products
McCormick & Company Incorporated
McGard Incorporated
McGlinchey's Bar & Grill
McGuckin & Pyle Incorporated
McInnes Steel Company
McSweeney's, Incorporated
Mearl Corporation (The)
Med-Tek Incorporated
Medical Specialties Incorporated
Medusa Corporation
Meloon Foundries Incorporated
Mercury Tool & Machine Incorporated
Mercy Hospital
Merit USA
Merrill Manufacturing Corporation
Mertz Incorporated
Mestek Incorporated
Met-Tek, Incorporated
Metal Improvement Company
Metal Treating & Research Company
Metal Treating Institute
Metal-Matic Incorporated
Metalkraft Industries
Metallurgical Processing Incorporated
Metallurgical, Incorporated
Metals Engineering, Incorporated
Meter Engineers Inc.
Metrock Steel & Wire Company Incorporated
Metropolitan Heat Treat Incorporated
Michigan Manufacturers Association
Micro-Tronics Incorporated
Microcomputer Concepts Incorporated
Microphor Incorporated
Mid Michigan Container Corporation
Mid-Continent Oil & Gas Association (MS/AL Div.)
Middough Association Incorporated
Midway Industries Incorporated
Midwest Automation Incorporated
Midwest Industries Incorporated
Midwest Metal Products Incorporated
Mil-Craft Manufacturing Incorporated
Miles Fiberglass and Plastics
Millipart Incorporated
Minnesota Department of Public Service
Minnesota Mining and Manufacturing Company
Minnesota Power
Minnesota Service Station Association
Mississippi Power Company

Missouri Heat Treating Incorporated
Missouri Propane Gas Association
Mixer Systems Incorporated
obil Oil Corporation
Mod-I-Set Plastics Incorporated
Modern Heat Treating & Forging, Incorporated
Modern Industries Incorporated
Modern Iron Works Incorporated
Modern Steel Treating Incorporated
Modesto Welding Products
Monadnock Paper Mills Incorporated
Montgomery & Partners Incorporated
Montgomery County Chambers of Commerce
Monticello Hardwood Incorporated
Morris & Lee Incorporated
Motor Products-Owosso Corporation
Mountain Hardwoods Incorporated
MPC Plating Incorporated
Mrs. Gerry's Kitchen Incorporated
Mull Drilling Company Incorporated
Mullins Lumber Company Incorporated
Murphy Oil Corporation
Murray Ohio Manufacturing Corporation
Nalco Chemical Company
Nancy King Textiles Incorporated
National Air Transportation Association
National Association of Band Instrument Mfrs.
National Association of Convenience Food Stores
tional Association of Manufacturers
.ational Association of Mirror Manufacturers
National Association of Food Equipment Manufacturers
National Association of Aluminum Distributors
National Cement of California Incorporated
National Clay Pipe Institute
National Conservative Student Review
National Cooperative Refinery Association
National Federation of Independent Business
National Glass Association
National Gypsum Company
National Housewares Manufacturers Association
National Lime Association
National Metal Processing Incorporated
National Oilseed Processors Association
National Petroleum Refiners Association
National Private Truck Council
National Retail Hardware Association
National Starch and Chemical Company
National Stone Association
National Taxpayers Union
NCH Corporation
Nebco Incorporated
Nebraska Chamber of Commerce & Industries
Nebraska Concrete & Aggregates Association
Nebraska Cooperative Council
mo Industries Incorporated
New Jersey Porcelain Company Incorporated
New Mather Metals Incorporated
Nielson & Associates Incorporated
Nina Enterprises
Nitro-Vac Heat Treating
Nolt's Ponds Incorporated
Non-Ferrous Founders' Society
Nooter Corporation
Nor-Cote Incorporated
Norcal Metal Fabricators
Norco Products
Norgren Company
North American Die Casting Association
North American Philips Corporation
North Eastern Safety Products Incorporated
North Metal & Chemical Company
Northern Stainless Fabricating Incorporated Technologies
Northern States Power Company
NPES: The Association for Suppliers of Printing
& Publishing Technologies
Nu-Tek Plastics Company
Nylok Fasterner Corporation
O-Z/Gedney Company
Oceaneering International
Ohio Gratings Incorporated
Ohio Metallurgical Service, Incorporated
Oil Dynamics Incorporated
Oklahoma Taxpayers Union in Oklahoma City
Old Carolina Brick Company
Olde Masters
Olin Corporation
Olson Industries Incorporated
Omega Metal Treating
Orange-Sol Incorporated
Oregon Corporation
Oregon Steel Mills Incorporated
Otter Tail Power Company
Overwraps Incorporated
Ovid Bell Press Incorporated (The)
Owens-Illinois Incorporated
Owosso Group (The)
P.D. Investments Incorporated
P.T.E Incorporated
PAC Rite Corporation
Pace Foods Incorporated
Pace Precision Products Incorporated
Pacific Metallurgical Incorporated
Pack Metal Products Company
Packaging Electronics & Devices
Paige Floor Covering
Palladin
Pan American Building Material Corporation
Par Craft Marking Products
Parade Packaging Materials Company
Parallel Transportation Services Incorporated
Parker-Danner Company
Paul E. Lehman Incorporated
Peanut Butter and Nut Processors Association
Pearson's Incorporated
Peavey Electronics Corporation
Pedrick Tool & Machine Company
Peerless Alloy Incorporated
Pemco Die Casting Corporation
Pennsy Supply Incorporated
Pennsylvania Foundrymen's Association

Pennsylvania Independent Petroleum Producers
Pennsylvania Manufacturered Housing Assn
Pennsylvania Manufacturers' Association
ennsylvania Precision Cast Parts Inc.
Pennsylvania Recreational Vehicle & Company Associates
Perlick Company
Permagile Industries Incorporated
Permian Enterprises Incorporated
Perzy Heat Treat, Incorporated
Pestco Incorporated
Peterson-Kruse Incorporated
Petrochemical Energy Group
Petroleum Communications Incorporated
Petroleum Equipment Suppliers Association
Petrolite Corporation
Petrowax
Pfaltzgraff Company (The)
Pharmachem Corporation
Philadelphia Electric Company
Philadelphia Rivet Company
Philadelphia Tramrail Company
Phillips Petroleum Company
Phillips Supply House Incorporated
Phoenix Color Corporation
Phoenix Heat Treating Incorporated
Phoenix International Corporation
Phoenix Tube Company Incorporated
Picker Parts Incorporated
edmont Associated Industries Incorporated
iedmont Heat Treating Corporation
Pinnacle West Capital Corporation
Pitt-Tex, Incorporated
Pittsburgh Flexicore Company Incorporated (The)
Plainfield Stamping Il. Incorporated
Plantation Pipe Line Company
Plaskolite Incorporated
Plastic Mold Technology
Plastic Products Company Incorporated
Plouse Machine Shop Incorporated
Plumley Companies
PneuDraulics Incorporated
Pollution Enterprises Incorporated II
Polycraft Incorporated
Port Towsend Paper Corporation
Poudre Pre-Mix Incorporated
Powcote, Incorporated
Power Engineering & Manufacturing Ltd.
Power Technology Incorporated
Powerine Oil Company
Pratt & Austin Company Incorporated
Praxair, Incorporated
Precision Heat Treating Corporation
Precision Heat Treatment Company Incorporated
Precision Metal Forming Association
ecision Tube Company Incorporated
. ressed Steel Tank Company Incorporated
Prince Castle Incorporated
Private Database Systems Incorporated
Profiles of Pennsylvania
Progressive Equipment Corporation
Progressive Polymer Incorporated
Propane Gas Association of Nebraska
Pruet Oil Company
PTL Electronics Incorporated
Pullift Corporation
Quaker Sales Corporation
Quaker State Corporation
Quality Custom Kitchens Incorporated
Quality Heat Treat Incorporated
Quality Snack Foods Incorporated
Quanex Corporation
Queen Carpet Corporation
Quick Point Incorporated
R & R Heat Treating
R.E. Uptegraff Manufacturing Company
Raber Packing Company
Racine Heat Treating Company Incorporated
Radix Wire Company
Radoll Designs
Ram Forge & Steel Incorporated
Rapid Pattern and Plastics
Raschel Fashion Interknitting Ltd.
Rauland-Borg Corporation
Reading Country Club
Reading Precast Incorporated
Recreation Vehicle Industry Association
Red Devil Incorporated
Red Hill Grinding Wheel Corporation
Redman Equipment & Manufacturing Company
Refra Products Incorporated
Refractories Institute (The)
Reid Petroleum Corporation
Reitech Corporation
Reliance Elevator Company
Reptile Connection (The)
Republic Refining, Ltd.
Republican Engineered Steels Incorporated
Res-Tech Corporation
RESCO Products Incorporated
Restful Knights Incorporated
Reva Plastics Corporation
Riker Products Incorporated
Riley Incorporated
Rinker Oil Corporation
Riverdale Plating & Heat Treating Company
Riverside Chemical Company Incorporated
Robin Rose Ice Cream & Chocolate
Robinson Enterprises
Rochester & Pittsburgh Coal Company
Rocky Mountain Oil & Gas Association
Rockydale Quarries Corporation
Roncari Industries Incorporated
Root Spring Scraper Company
Roots Division of Dresser Industries Inc.
Rosco Manufacturing Company
Rostone Corporation
Rotelle Incorporated
Rotex Sales
Roussel Environmental Services Incorporated
Rowan Companies Incorporated

Royal Appliance Manufacturing Company
Rudd Company Incorporated
Ruffin & Payne Incorporated
utland Plywood Corporation
Safe Lite Die Casting Incorporated
Saginaw Processing & Supply Company
Sakrete Incorporated
Sales Promotion Printing Incorporated
Salt Institute
Sandmeyer Steel Company
Sani-Dairy Division of Pennsylvania Traffic Company
Sauereisen Cements
Savannah Electric and Power Company
Scarrott Metallurgical Company
Schiffli Lace & Embroidery Manufacturers Association Inc.
Schleicher & Company Incorporated
Schucker Construction Company
Schultz's Incorporated
Schulze Manufacturing
Scot Forge Company
Screw Machine Products Company Incorporated
Seal Fleet Incorporated
Sealing Devices Incorporated
Sebright Products Incorporated
Selmax Corporation
Service Station and Automotive Repair Association
Seymour Manufacturing Company Incorporated
Sheets Tool & Manufacturing Incorporated
elby Industries Incorporated
herman Tool & Gage, Incorporated
Sherrill Corporation (The)
Siemens Gammasonics Incorporated
Silica-Source Technology Corporation
Silver Users Association
Simakas Company Incorporated
Singer Furniture Company
Ski-Die Incorporated
Skytop Brewster Company
Smith Electrochemical Company
Smith Systems Incorporated
Snyder Packaging Incorporated
Society of American Florists
Solar Atmosphere Incorporated
Solar Metal Treating Corporation
Somat Corporation
Sonoco Products Company
South Dakota Farm Bureau
Southchem Incorporated
Southeastern Heat Treating
Southern "Quikrete" Products Incorporated
Southern Alloy Corporation
Southern Champion Tray Company
Southern Company (The)
Southern Equipment Company
ithern Indiana Gas & Electric Company
outhern Nuclear Operating Company
Southwest Medical Packaging Incorporated
Southwestern Motor Rebuilders Incorporated
Spartanburg Steel Products Incorporated
Special Products & Manufacturing
Specialty Castings Incorporated
Specialty Heat Treat, Incorporated
Specialty Steel Treating Incorporated
Spherex Incorporated
Squires-Belt Material Company
St. Mary Galvanizing Company Incorporated
Stahl Headers Incorporated
Stainless Products Incorporated
Stallion Boot Company (The)
Stamets Tool and Engineering Incorporated
Stan-Blast Abrasives Company Incorporated
Standard Golf Company
Standard Heat Treating Company
Stanley Rockwell Company
Stanley Tools
Star Expansion Company
Star Hydraulics Incorporated
Star Screw Products Incorporated
Starrfoam Manufacturing Incorporated
State Heat Treat Incorporated
Steel Company Incorporated
Steel Equipment Specialists Incorporated
Steel Forgings Incorporated
Steel Incorporated
Steel Tank Institute
Sterling Casting Corporation
Sterling Chemicals Incorporated
Sterling Engineering Corporation
Stone Container Corporation
Stora Papyrus of Newton Falls Incorporated
Storey Sawmill & Lummber Company Incorporated
Stratagene
Straubel Paper Company
Streator Brick Systems Incorporated
Sturtevant Incorporated
Stutz Company (The)
Sumter Packaging Corporation
Sun Corporation Development Company
Sun Manufacturing Incorporated
Sun Precast Company Incorporated
Super Vacuum Manufacturing Company Incorporated
Superior Conbustion Burners & Parts Inc.
Superior Container Incorporated
Superior Graphite Company
Superior Hardsurfacing Company Incorporated
Superior Metal Treating & Equipment Incorporated
Superior Technical Ceramics Corporation
Swan's Wilbert Vault Incorporated
Sweepster Incorporated
Sykes Scholtz Collins Lumber Incorporated
Syracuse Plastics Incorporated
T.A. Pelsue Company
T.M. Cobb Company
T.W. Garner Good Company
T&W Company/Engineering Supplies
Tal-Car Incorporated
Talk O' Texas Brands Incorporated
Tamaqua Cable Products Corporation
Tank Accessories Incorporated
Tastysnack Incorporated

Taylor Milk Company Incorporated
Taylor Packing Company Incorporated
Tecumseh Products Company
'elecommunications Industry Association
'elect Incorporated
Ten-Tec Incorporated
Tennessee Association of Business
Terry Machine Company
Texaco Incorporated
Texas Association of Business
Texas Heat Treating Incorporated
Texas Utilities Electric Company
Therm-Tech of Waukesha Incorporated
Thermal Specialties Incorporated
Thermal Treatment Center Incorporated
Thermal-Vac Technology Incorporated
Thermcraft Incorporated
Thomas Hardware Parts & Fasteners
Thorne Equipment Corporation
Tiger Corporation
Timken Company (The)
Titan Industries
Toledo, Ohio Citizens for Political Reform
Toluca Garment Company
Tool-Die Engineering Company (The)
Top Flight Incorporated
Transcend Corporation
Trayer Products Incorporated
'RC Industries Incorporated
'ent Incorporated
Tri-Way Control Systems Incorporated
Triangle Brass Manufacturing Company Incorporated
Triangle Container Corporation
Trico Metal Products Incorporated
Triple/S Dynamics Incorporated
Trojan Heat Treating Company Incorporated
Troutman Chair Company
Troy Chemical Industries Incorporated
Truck Components Incorporated
True Blue Patriots
True Drilling Company
Turri's Italian Foods Incorporated
21st Century Plastics Corporation
Twin City Leather Company Incorporated
Twin City Steel Treating Company Incorporated
U.S. Borax, Incorporated
U.S. Business and Industrial Council
U.S. Chamber of Commerce
U.S. Cheese Makers Association
U.S. Custom Harvesters Incorporated
U.S. Zinc Corporation
UFE Incorporated
Ultra-Mold Corporation
Ultrafab Incorporated
'tramation Incorporated
.ion Chill Mat Company
Union Electric Company
Union Gear & Sprocket Corporation
Union Texas Petroleum Corporation
Unionvale Coal Company
United Abrasive Incorporated
United Brass Manufacturers Incorporated
United Knitting Machine Company Incorporated
Utility Fuels Incorporated
V.A.W. of America Incorporated
Vac-Met Incorporated
Val-Kro Incorporated
Val-Tex
Valley Industries Company
Valmont Industries Incorporated
Valve Manufacturers Association
Van Waters & Rogers Incorporated
Varflex Corporation
Viking Industries
Villa Roma Resort Hotel
Vimasco Corporation
Virginia Manufacturers Association
Visitec Company
Voith Hydro Incorporated
Vollrath Group Incorporated
Volz Environmental Services
W.B. Simmons & Company
W.J. Bullock Incorporated
W.S. Darley & Company
W.T. Storey Incorporated
Walker Brothers Lumber Company
Walters Industries Incorporated
Ward Engineering Incorporated
Ward-Davis Incorporated
Warminster Fiberglass Company
Warren Manufacturing Company
Warren, Ohio Citizens for Political Reform
Waterman Industries Incorporated
Watry Industries Incorporated
Waukesha Cutting Tools Incorporated
Waymire Drum Company Incorporated
Weatherly Casting & Machine Company
Weathervane Window Incorporated
Webco Industries Incorporated
Wells Aluminum
West Engineering Company Incorporated
West Pennsylvania Power Company
West Virginia Steel Corporation
Western Connecticut Industrial Council Incorporated
Western Fabricators Incorporated
Whirlwind Incorporated
Will & Baumer Incorporated
Will Burt Company
Will-Burt Company
Williamsburg Soap & Candle Company
Win Systems Incorporated
Windway Capital Corporation
Winnebago Industries Incorporated
Winston Heat Treating, Incorporated
Wire Belt Company of America
Wisconsin Manufacturers & Commerce
Wisconsin Public Service Corporation
Wisconsin Steel Industries Incorporated
Wise Company Incorporated
Wood Brothers & Halstead Lumber Company

Wood Machinery Manufacturers of America
World Electronics
Wright & McGill Company
York Drilling Company Incorporated
York Steel Company Incorporated
Yorktowne Paper Mills Incorporated
Youngstown, Ohio Citizens for Political Reform
Z-World Incorporated
Zieger & Sons Incorporated
Zurn Industries Incorporated

[1317 as of May 24, 1993 11:48am]

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CHRYSLER CORPORATION

Robert G Liberatore
Vice President
Washington Affairs

May 10, 1993

MAY 13 1993

Ms. Alexis M. Herman
Director of Public Liaison
Room 122 Old Executive Office Building
Washington, DC 20500

Dear Alexis:

I wanted you to see the positive way our chairman, Bob Eaton, is characterizing our relationship with the Clinton-Gore Administration. We recognize that you are making a major effort to reach out to the auto industry, and believe that you deserve public credit for doing so.

Regards.

Sincerely,

RGL:pt
Attachment

Chrysler Corporation
1100 Connecticut Avenue NW Suite 900
Washington DC 20036
202 862 5447

DETROIT FREE PRESS, April 28, 1993

Bob Eaton: Taking a team approach to building Chrysler's future

On Jan. 1, **Robert Eaton,** 53, replaced Lee Iacocca as Chrysler Corp.'s chairman and chief executive officer. Eaton was named to Chrysler's top spot after earning rave reviews as head of General Motors Corp.'s European division.

Eaton recently met with the Free Press editorial board. An edited transcript of that discussion follows.

Your contribution —

What do you hope will be distinctive about the Eaton contribution to (Chrysler)?

Eaton: I don't have any desire to put a [illegible]lar stamp on the company. It's [illegible]ifficult to build a strong team if you try to do that.

Didn't Lee (Iacocca) do that?

Eaton: There wouldn't be a Chrysler without Lee Iacocca. It survived because of that extremely strong personality, that was able to get the government and the state and everybody else behind Chrysler. So I'm not suggesting that's anything but extremely positive.

I'm different. I couldn't do that if I wanted to. Fortunately, I don't. I say it all the time: The one and only thing that Chrysler has, that nobody else has, is our people.

Competition and trade

— *Are the fundamentals of the competition with the Japanese changing?*

Eaton: I don't see any change in the openness of their market. Our ability to penetrate their market, even as we have become far more competitive from purely a price standpoint, has not changed significantly. The $49-billion trade deficit with Japan alone is more than one million jobs.

We have got to stop talking about trade deficits and talk about job deficits. The way we are going to revitalize our economy is by becoming more competitive, getting more exports and a better-trade balance than we've got today.

With the dollar plummeting against the yen and the Japanese automakers already announcing that they are raising their prices, does this create a temptation to raise your prices as well?

Eaton: No. We are going to continue to raise price as our cost goes up. But if you look at the data, we have been substantially less than (the Consumer Price Index), and we expect to be less than CPI going forward.

What do you expect on trade policy? Have you doped out what the change in administrations is likely to mean?

Eaton: We have had more interchange with this administration in 75 days than we had in the last four years. And I think that is nothing but positive for the industry and our company.

The No. 1 advantage that Japan has over the U.S. is that their government, their industry and their work force have fundamentally the same objectives and work together in a harmonious, cooperative fashion. Europe is somewhere in between the U.S. and Japan. The U.S. has traditionally had an adversarial relationship between government and industry, between government and labor, industry and labor.

We are trying very hard to work with this administration. That doesn't mean we expect things to go our way. It simply means that we would like to get a good understanding, a good agreement on the data, and then try to work out what is best for the country. We are working to build a stronger partnership with our work force.

You spoke about a job deficit in this country. How well-founded are the fears th[illegible]e North American Free Trade A[illegible]nt) would add to that deficit?

Eaton: In our business, we are absolutely confident it will be a net plus here. The cost of a vehicle built here and sold here is less than the cost of a vehicle built in Mexico and sold here. Because of the transportation costs down and back, it more than offsets the labor costs.

And we would assume that through NAFTA there will be a reduction in the labor-cost difference over time. We have adequate capacity here. We are not going to be putting in capacity down there and closing down capacity here, because of the huge cost to do that.

People don't seem to understand that we can build all of the product we want (in Mexico) today and bring it into this country. No limitations whatsoever. We have a 2½-percent duty, but that is absolutely insignificant.

But we can't build product here and take it there. We have a product shortage in Mexico. We don't have a[illegible]e capacity to fulfill the market d[illegible]. We don't have any Jeeps built do[illegible]here. We don't have LH (models) built down there. We don't have the New Yorker built down there.

With NAFTA, we would be able to ship those vehicles down there. It's open one way now. NAFTA makes it open two ways. We'd be adding jobs in this country.

The environment —

What kinds of things would you like to see on environmental legislation?

Eaton: We have been quite strong pushing for (higher) gasoline taxes as opposed to (increases in Corporate Average Fuel Economy standards). The price of fuel is such an insignificant cost of owning a vehicle that there isn't a significant incentive for consumption reduction.

As a result, we have 25 to 50 percent more energy utilization than any other country in the world. I don't think that makes good sense from an environment standpoint or a natural resources standpoint.

In Europe, I used public transportation every single week. I found it to be terrific. When I went to town, I would not even think about driving. Parking was about $6 an hour. When I went to fill up the fuel tank, it was $50. I thought about the way I used a vehicle.

Where I came from (in Europe), the smallest car had more profit in it than the largest car. But small cars were sold for different reasons. Here they are sold only on price. And you have to sell so many of them because of CAFE. There are just huge differences that come out of market-based incentives to achieve societal objectives, as opposed to a command-and-control approach.

I think we are using far too much fuel. We are polluting far too much. When the customer has a fundamentally different desire than what is society's best interest, you have a problem.

If you could get one harmonious concession from (the U.S. Environmental Protection Agency), what would it be?

Eaton: The rest of the world does a heck of a lot better job of maintaining their vehicles. They have inspection and maintenance programs. There aren't any cars in Japan more than about four years old. You never see vehicles on the road that have dented-up fenders or are rusted out because they simply do not allow them.

We ignore safety equipment most places, and we don't do very much on emissions. We have to start putting on-board diagnostics (on vehicles) pretty soon, and have them on everything by 1997. There is a tremendous amount of sophistication necessary to do that as the emissions regulations get tighter and tighter.

It is a very bad buy for society, because you can do the same thing from the environmental standpoint with inspection and maintenance programs. Nobody pays these bills but the customer. We don't even know for sure how to do all of it yet. We'll find a way, but it will be at a hell of a cost.

How much?

Eaton: The cost of the overall regulations were in the $1,200-$2,000 area (per car). We absolutely do not disagree with the objective to continue to reduce emissions, to improve the environment, whether it's our plants or anything else. And to continue to reduce consumption. How do you do that best for society, at least the most cost-effective way?

The $1,200-$2,000 cost is just the cost of emissions? Or is that the total cost of all government environmental (regulations)?

Eaton: That is the last Clean Air Act that was passed in 1990.

Health care — *What is the impact of health care costs?*

Eaton: Our biggest concern is health care. We've been very vocal about the need for reform. From a competitive standpoint, it's the biggest external issue facing the industry.

We are running a $500-600 competitive disadvantage (per car) to the transplants and to the imports. We are pleased to see this administration take it on. We don't underestimate how difficult it is going to be.

Cont.

What do you think of some of the proposals coming out of Washington — possibly a value-added tax to pay for the plan?

Eaton: I support the value-added-tax approach. I lived with it for four years, and think it is an extremely good way to cover a lot of the things that need to be covered by federal taxing.

We export vehicles to Europe. We pay all of the taxes on those vehicles, all the social costs associated with them. And when we get over there, you have to pay the VAT.

Whereas when they send a vehicle here, anything exported doesn't have a VAT. And we also pay a 10-percent duty on any passenger car we take to Europe. Whereas they pay 2½ percent when they come here. So we would very much like to see a VAT tax, and quite frankly have it cover a lot more than just health care.

We have encouraged the administration to define as quickly as possible when the new taxes are going to start. The uncertainty is a bigger problem than the reality will be once people ultimately come to grips with it.

If you could design the health care delivery system that would work best from Chrysler's point of view, what would you put in place?

Eaton: I would go toward a managed system that has a national budget. It would be a single-payer system financed by VAT. We as a country are concerned about national involvement. But I don't think there is another alternative, given the fact that (health care costs) represent 14 percent of the (gross domestic product) and are going to 20 percent at a hell of a rampant rate. We just have to do something about it.

What percentage of your labor cost does that represent?

Eaton: About 19 percent. It's the fastest growing element of cost we have, period.

New products — *What's got you most pumped up about your product lineup?*

Eaton: We have a significant advantage in every single one of our new vehicles. The U.S. cars and Japanese cars were starting to get a little bit of a common look. We are stepping away from that.

We can afford to be different. We don't need to have everybody like all of our vehicles. There is some excitement in being able to do that, as opposed to having to go down a line where you can't afford to alienate people.

The Ram pickup, the Viper, the Prowler, those things are fun and a little bit out of the mainstream. We can do that because of our size.

What are your ambitions on market share?

Eaton: I believe that concentrating on market share is wrong. I'm going to concentrate on improving profitability, concentrate on outstanding products, quality and cost and customer satisfaction. If you do those jobs right, the market share will fall out.

TAX REFORM ACTION COALITION

1725 K STREET, N.W., WASHINGTON, D.C. 20006 • (202) 872-0885

① AMA
② Amy

May 6, 1993

MAY - 6 1993

The President
The White House
Washington, DC 20500

Dear Mr. President:

As the Ways and Means Committee begins to mark-up the Budget reconciliation legislation, the members of the Tax Reform Action Coalition (TRAC) want to ensure that the Administration understands the deeply felt and broadly based concern shared by its membership over the substantial increase in tax rates embodied in your economic proposals. To that end, the Coalition would very much appreciate the opportunity for a representational cross-section of our members to meet with you to discuss these concerns as soon as possible.

TRAC was formed in 1985 by six business associations and corporations committed to enacting federal tax reform legislation which would substantially reduce the then-existing high nominal individual and corporate tax rates in return for a large-scale elimination of special preferences in the tax code. TRAC enthusiastically supported the 1986 Tax Reform Act because of the substantial reduction in marginal tax rates it provided in return for base broadening.

The Coalition's membership grew rapidly and, by the time the Tax Reform Act of 1986 was enacted, TRAC's membership totaled 250 corporations and associations. All told, the Coalition's original membership represented more than 100 of the FORTUNE 500 industrial companies and over one million businesses nationwide. Today, TRAC is even more broad-based, with over 330 association and corporation members. A current membership roster is enclosed.

The economic package currently before Congress for consideration would increase both the top individual and corporate tax rates while reinstating some tax preferences, with the declared hope of thereby stimulating the economy in the short term and keeping it growing over the long term. While economic growth is a matter of concern to all of TRAC's members, it was in fact a conclusion of the Tax Reform Act debate that a high-rate, specially preferenced tax law had become a retardant of economic growth. Lower rates were enacted because America's tax law was the agent of economic inefficiency and had come to treat similarly situated taxpayers in an illogical and counterproductive fashion.

TRAC strongly opposes the proposed increases in the tax rates for several reasons. First and foremost, the reinstatement of higher rates and tax preferences will reverse the fundamental compact which was the basis of the Tax Reform Act. The support of TRAC for the 1986 Tax Reform Act did not come without cost for many of its members.

According to the Joint Committee on Taxation, the broadening of the tax base in the '86 Act increased corporate income taxes by $120 billion over a five year period. However, creating a more rational and balanced tax system for American businesses was felt to be worthy of support. Since 1986, investment decisions have been driven by market opportunities rather than special incentives and preferences. TRAC has expressed itself in defense of these propositions on several occasions since 1986, most recently when President Bush indicated a willingness to entertain increased tax rates in conjunction with an expanded capital gains tax preference.

Second, it is important to note that the five point increase in the top individual rate will have a profoundly negative effect on those substantial number of small businesses which file and pay taxes on their business-related earnings as individuals. Therefore, the increase in both the top corporate and individual tax rates will substantially reduce cash flow which is desperately needed by both large and small businesses to create jobs and stimulate the economy.

Finally, contrary to assertions that the corporate tax increase is necessary to ensure that businesses pay their "fair share" of the tax burden, corporate America already pays an average effective tax rate that is twice as high as before the 1986 Act according to a recent GAO study and more than three times that of individuals. Specifically, the latest report on corporate tax rates from the GAO notes that the average U.S. effective income tax rate for companies increased dramatically as a result of the 1986 Tax Reform Act. We believe, therefore, that additional tax rate increases on business constitute a significant threat to the job-creating sector of the economy.

Mr. President, while we share your commitment to ensuring a strong U.S. economy, the arguments for maintaining the marginal tax rates that were the linchpin of the 1986 Act are considerable. We hope to have the opportunity to discuss this critical matter with you at your earliest convenience.

With all best wishes.

Respectfully submitted,

THE TAX REFORM ACTION COALITION

by: Alan M. Kranowitz
Executive Secretariat

Enclosure

TAX REFORM ACTION COALITION (TRAC)

STEERING COMMITTEE

American Business Conference
American Dental Association
American Home Products Corporation
American Insurance Association
American Management Systems, Inc.
American Trucking Associations
Amway Corporation
Apple Computer, Inc.
BP America, Inc.
Beneficial Management Corporation of America
Computer & Business Equipment Manufacturers Association
Consolidated Freightways Incorporated
The Dial Corporation
Du Pont Company
E-Systems, Inc.
Electronic Industries Association
Eli Lilly & Company
Fleming Companies, Inc.
Florists' Transworld Delivery Association
Food Marketing Institute
'eral Electric Co.
.eral Mills, Inc.
Georgia-Pacific Corporation
W.R. Grace & Company
Grocery Manufacturers of America
Harris Corporation
Hershey Foods Corporation
Household International
I B M Corporation
International Mass Retailing Association
Kellogg Company
Kmart Corporation
The Kroger Company
Levi Strauss & Company
Merrill Lynch & Company
National-American Wholesale Grocers' Association
National Association of Chain Drug Stores
National Association of Wholesaler-Distributors
National Federation of Independent Business
National Restaurant Association
National Retail Federation
National Soft Drink Association
NYNEX
PepsiCo, Inc.
Pharmaceutical Manufacturers Association
Philip Morris Incorporated
Printing Industries of America
Procter & Gamble Manufacturing Company
'lston Purina Company
R Nabisco, Inc.
Roadway Services, Inc.
Sara Lee Corporation
Sun Company, Inc.
United Technologies Corporation
UST Inc.
Wine & Spirits Wholesalers of America
Winn-Dixie Stores Incorporated
Yellow Freight System, Inc. of Delaware

TAX REFORM ACTION COALITION (TRAC)

GENERAL MEMBERSHIP

Air Conditioning & Refrigeration Wholesalers
Air Delivery Service Incorporated
Air Transport Association
Air Van North American
Allentown-Lehigh (Pennsylvania) County Chamber of Commerce
Altier & Sons Shoes Incorporated
American Association of Advertising Agencies
American Electronics Association
American Express Company
American Foundrymen's Society
American Furniture Manufacturers Association
American Institute of Merchant Shipping
American Machine Tool Distributors Association
American Meat Institute
American Movers Conference
American Nurses Association
American Paper Machinery Association
American Pipe Fittings Association
American Supply Association
American Traffic Safety Services Association
American Veterinary Distributors Association
' -rican Wholesale Marketers Association
ance Parts Distributors Association
. ..nore (Oklahoma) Chamber of Commerce
Arkansas Freightways
Armstrong World Industries, Inc.
Associated Equipment Distributors
Association for Suppliers of Printing and Publishing Technologies
Association of American Railroads
Association of Floral Importers of Florida
Association of Steel Distributors
Automotive Parts Rebuilders Association
Automotive Service Industry Association
Aviation Distributors & Manufacturers Association
B. F. Fields Moving & Storage
Batesville Area (Indiana) Chamber of Commerce
Bearing Specialists Association
Beatrice Companies Inc.
Beauty & Barber Supply Institute
Bechtel Group, Inc.
Bicycle Wholesale Distributors Association
Biscuit & Cracker Distributors Association
Campbell Soup Company
Can Manufacturers Institute
Carlton Trucking Company Incorporated
Carolina Freight Corporation
Ceramic Tile Distributors Association
Chilton Corporation
CIC Plan
:ens for a Sound Economy
..e Clorox Company
Columbia Motor Express Incorporated
Computer Dealers & Lessors Association
Consolidated Papers Incorporated
Contractual Carriers Incorporated
Coors Brewing Company
Copper and Brass Servicenter Association
Coshocton (Ohio) Area Chamber of Commerce
Council for Periodical Distributors Association
Craig Transportation Company
Criber Truck Leasing Incorporated
Crouse Cartage Company
Crowley Maritime Corporation
D. L. Merchant Transport Incorporated
Dart Trucking Company Incorporated
De Fazio Express Incorporated
Dobson Mover
Eddie Bauer Incorporated
Edison Electric Institute
Edmac Trucking Company Incorporated
Electrical Apparatus Service Association
Electrical-Electronics Materials Distributors Association
Elmer Buchta Trucking Incorporated
Engine Service Association
Equifax, Inc.
Fairmont Area (Minnesota) Chamber of Commerce
Farm Equipment Wholesalers Association
Federal Express Corporation
Federated Department Stores Incorporated
Federation of American Health Systems
Fluid Power Distributors Association
FMC Corporation
Food Industries Suppliers Association
Foodservice Equipment Distributors Association
Fort Howard Corporation
Friedl Fuel & Cartage Incorporated
GenCorp
General Delivery Incorporated
General Merchandise Distributors Council
General Mills Incorporated
General Nutrition Incorporated
Grass Valley and Nevada County (California) Chamber of Commerce
Greater East Dallas (Texas) Chamber of Commerce
Greater San Diego (California) Chamber of Commerce
Greater Seattle (Washington) Chamber of Commerce
Greater Syracuse (New York) Chamber of Commerce
Greenfield Transport Incorporated
Griffin Distributing
Hardwood Plywood Manufacturers Association
Hartford Dispatch & Warehouse Company Incorporated
Health Industry Distributors Association
Hewlett-Packard Company
Hobby Industry Association of America
Hospital Corporation of America
Household Goods Forwarders Association of America
Independent Medical Distributors Association

Independent Sealing Distributors
Independent Xray Dealers Association
Industrial Distribution Association
Institute of Industrial Launderers
Insulation Contractor Association of America
International Association of Plastics Distributors
International Communications Industries Association
International Hand Protection Association
International Hardware Distributors Association
International Sanitary Supply Association
International Snowmobile Industry Association
International Truck Parts Association
International Wholesale Furniture Association
Irrigation Association
Kelly Services Inc.
Kemp Furniture Industries Incorporated
Kent (Washington) Chamber of Commerce
King Transfer Incorporated
King Van & Storage Incorporated
Krenn Truck Lines Incorporated
Lacy's Express Incorporated
Land Trucking Company Incorporated
Larmore Incorporated
Loctite Corporation
Machinery Dealers National Association
Manitowoc-Two Rivers Area (Wisconsin) Chamber
`Commerce
.terial Handling Equipment Distributors Association
Materials Research Corporation
Matterson Associates Incorporated
The Maxwell Company
McCourt Cable Systems
McRae's Incorporated
Metro Milwaukee (Wisconsin) Association of Commerce
Metropolitan Life
Mid-West Truckers Association
Minnesota Trucking Association
Mississippi Chemical Corporation
Monroeville Area (Pennsylvania) Chamber of Commerce
Montana Power Company
Moore & Son Trucking
Motorcycle Industry Council
Music Distributors Association
National Aggregates Association
National Appliance Parts Suppliers Association
National Association of Aluminum Distributors
National Association of Brick Distributors
National Association of Chemical Distributors
National Association of Container Distributors
National Association of Electrical Distributors
National Association of Fire Equipment Distributors
National Association of Floor Covering Distributors
National Association of Flour Distributors
National Association of Hose and Accessories
)istributors
.ational Association of Meat Purveyors
National Association of Recording Merchandisers
National Association of the Remodeling Industry
National Association of Service Merchandising
National Association of Sign Supply Distributors
National Association of Solar Contractors
National Association of Sporting Goods Wholesalers
National Association of Truck Stop Operators
National Association of Water Companies
National Association of Wholesale Independent Distributors
National Beer Wholesalers Association
National Building Material Distributors Association
National Business Forms Association
National Commercial Refrigeration Sales Association
National Electrical Manufacturers Association
National Electronic Distributors Associaton
National Fastener Distributors Association
National Food Brokers Association
National Food Distributors Association
National Frozen Food Association
National Grocers Association
National Independent Poultry and Food Distributors Association
National Industrial Glove Distributors Association
National Lawn & Garden Distributors Association
National Locksmith Suppliers Association
National Marine Distributors Association
National Medical Enterprises
National Moving & Storage
National Paint Distributors
National Paper Trade Association
National Private Truck Council
National Ready Mixed Concerete Association
National Sash & Door Jobbers Association
National School Supply & Equipment Association
National Screw Machine Products Association
National Solid Wastes Management Association
National Spa & Pool Institute
National Tire Dealers & Retreaders Association
National Tooling & Machining Association
National Truck Equipment Association
National Utility Contractors Association
National Welding Supply Association
National Wheel & Rim Association
National Wholesale Druggists' Association
NCR Corporation
New Berlin (Wisconsin) Chamber of Commerce
Newark (Ohio) Area Chamber of Commerce
North American Heating & Airconditioning Wholesalers
North American Horticulture Supply Association
North American Wholesale Lumber Association
Odisco Transportation
Optical Laboratories Association
Opticians Association of America
Oracle Corporation-Government Affairs
Outdoor Power Equipment Distributors Association
PACCAR Incorporated
Pennsylvania House
Pet Industry Distributors Association
Petroleum Equipment Institute
Petroleum Marketers Association of America

.sburgh & Clinton County (New York) Chamber of Commerce
Power Transmission Distributors Association
Precision Metalforming Association
Priority Freight System Incorporated
Produce Marketing Association, Inc.
The Quaker Oats Company
Red Lobster Inns of America
Red Star Truck Lines
Safety Equipment Distributors Association
Salt Institute
Servicestation and Automotive Repair Association
Shared Medical Systems
Shoe Service Institute of America
Slidell (Louisiana) Chamber of Commerce
Small Business of America Inc.
South Hills Movers Incorporated
Specialty Equipment Market Association
Specialty Tools and Fasteners Distributors Association
Square D Company
St. Lucie County (Florida) Economic Development Council
Steel Service Center Institute
Suspension Specialists Association
The Talbots Incorporated
Tarzana (California) Chamber of Commerce
'ecommunications Industry Association
ile Care Allied Trades Association
Unifi Incorporated
United Fresh Fruit & Vegetable Association
United Products Formulators & Distributors Association
Valmont Industries, Inc.
W. H. Fitzgerald Incorporated
Walgreen Company
Wallack Freight Lines Incorporated
Wallcoverings Association
Ward Transport Incorporated
Ward Trucking Incorporated
Warehouse Distributors Association for Leisure and Mobile Products
Warren Trucking Company
Washington Water Power Company
Water & Sewer Distributors Association
Water Systems Council
Waukegan/Lake County Chamber of Commerce
Western Suppliers Association
Wheeler Transport Service
Whirlpool Corporation
White Sulphur Springs Chamber of Commerce
Wholesale Florists & Florist Suppliers of America
Wholesale Stationers' Association
William E. Stowe & Associates
The Williams Companies, Inc.
nfield (Illinois) Chamber of Commerce
odworking Machinery Distributors Association
Woodworking Machinery Importers Association
Zayre Corporation