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Budget Reconciliation Package I. A - N [binder] [6]

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

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Clinton Presidential Records
Public Liaison
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FOLDER TITLE:

Budget Reconciliation Package I. A-N [binder] [6]

2012-0741-F
rs2732

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]
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OPL

FOR: ALEXIS

JUL - 8 1993

ECONOMIC PACKAGE/

BUDGET + BUSINESS

BRIEFING

DATE: 7/8

COMPILED BY:

plw

It's off to work we go

Political woes and economic wounds cast a shadow over the summit

President Clinton finally was able to find some time last week to start preparing for his debut as the leader of the world's industrial democracies. Soaking up information in daily 90-minute prep sessions, Clinton eagerly told his briefers that he wants to make sure his trip to the economic summit in Tokyo this week bears his personal stamp. When he gives a major economic speech at Tokyo's Waseda University, the president wants to take town-meeting-style questions from students. When he travels to South Korea after the summit to meet with President Kim Young Sam, the two leaders will go jogging. Clinton also told aides he is particularly eager to meet Canada's first female leader, Kim Campbell, whom he finds "spunky." And, being Bill Clinton, he is looking forward to some politicking. With the heads of the world's seven leading industrialized nations each bringing a different agenda, Clinton has told aides, "this is going to be like a National Governors' Association meeting."

But this week's economic summit is more likely to resemble Clinton's Renaissance weekends—all talk and no action. More than ever, each summiteer is besieged at home, hounded by bad economic news and sorely in need of a political win. The host, Japanese Prime Minister Kiichi Miyazawa, will soon be out of a job—a "dead body," in a rare display of Japanese bluntness. Britain's John Major is fighting for his political life; Italy's Carlo Ciampi seems doomed to the same brief half-life as most of his predecessors; Canada's Campbell will need all her spunk to win a year-end election. Germany's Bundesbank has called for deep cuts in government spending, and U.S. and Japanese, European and Canadian trade officials

prepared for the summit by fighting over textile and other tariffs.

Clinton officials are playing down expectations for Tokyo. "It's not going to be dramatic," says Treasury Secretary Lloyd Bentsen. Yet no one has more riding on the summit than Clinton: His attempts at leadership by consensus in Bosnia and elsewhere have only fueled fears among allies and adversaries alike that America is retreating from world leadership to lick its economic wounds.

Questions about the president's re-

solve, his successful attack on Iraq's intelligence headquarters notwithstanding, still dog him. Clinton's cold-war predecessors could prove their mettle by looking Soviet leaders in the eye and not blinking: Clinton must show he can rally the Western allies to less dramatic tasks—lowering trade barriers, helping Russia's reformers and halting weapons proliferation. The new item on his agenda is to get the G-7 countries talking about a pressing issue: structural unemployment in the industrialized coun-



UNITED STATES

The president needs to show that America is not abandoning world leadership.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA



JAPAN

A no-confidence vote has made him a "dead body" in Japan's political lexicon.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA



GERMANY

Germans seem ready for a new politik, and Kohl faces a tough 1994 election.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA

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tries—"the whole question of the emerging disconnect between economic growth and jobs," as he put it to a group of columnists last week. He is sure to find support from European leaders, whose countries are plagued by double-digit unemployment despite modest economic growth. But while he has tackled the U.S. budget deficit more forcefully than Ronald Reagan or George Bush and taken the lead in drumming up aid for Russia, Clinton may find economic summitry to be tough going. Among the issues:

■ **Trading places.** Like other presidents before him, Bill Clinton has dubbed Washington's ties with Japan the most important bilateral relationship in the world, and he arrives in Tokyo this week with a list of tough economic demands. He will meet with Japan's new opposition politicians as well as Miyazawa. But attempts to negotiate a framework for economic negotiations have stalled, and

Clinton can forget about cutting a deal with Miyazawa that involves big Japanese concessions. Lack of progress will have much to do with Japan's current political turmoil: The scandal-plagued Liberal Democratic Party that has ruled Japan for nearly 40 years has been shattered by a power struggle between its old guard and a younger generation of politicians (story, Page 35).

Traditionally, U.S. officials have applied pressure to Japanese politicians, who in turn have leaned on the country's entrenched bureaucrats to ease up on trade restrictions. Now there are no politicians to lean on. "You have to have someone to cut the deal with," says a State Department official. Clinton administration officials are hoping—but not assuming—Tokyo's unprecedented postwar political instability will, in time, lead to Japanese *perestroika*—the birth of a political process more sensitive to the needs of Japan's

own citizens, who will demand more domestic spending and greater access to low-priced imports.

■ **GATT attack.** The administration had hoped to use the Tokyo summit to make progress toward completion of the stalled General Agreement on Tariffs and Trade by December 15, when congressionally approved negotiating authority expires. Administration officials still believe small breakthroughs may be made—for example, on a proposal to cut global tariffs to zero in key sectors such as pharmaceuticals and medical equipment. But the chances seem remote that the summitters will make much headway on an agreement to lower tariffs on manufactured goods. Farm subsidies are another stumbling block: Some progress has been made toward breaking down European agricultural barriers, but presummit talks stalled and the weakened political positions of the summitters may make them reluctant to make any additional trade concessions.

With the trade negotiations sputter-

TOKYO SUMMIT



FRANCE

After 12 years on top, the longest serving summitter is now headed downhill.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA



UNITED KINGDOM

The least popular British leader in 50 years needs clear-cut gains in Tokyo.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA



CANADA

North America's best woman leader will fight an uphill battle in year-end elections.

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA



ITALY

Can the leader of Italy's 52nd postwar government outlast his predecessors?

APPROVAL RATING

ANNUAL GDP GROWTH

EMPLOYMENT GROWTH

MERCHANDISE TRADE BALANCE

GDP PER CAPITA

Source: OECD, Gallup, France

USN&WR - Basic data: OECD, MORI

USN&WR - Basic data: OECD, Gallup

USN&WR - Basic data: OECD, Gallup, Italy/DOXA

Clinton will use the summit to emphasize a global growth strategy — trying to get the allies to do more to rev up their stagnant economies. For instance, the administration wants Germany to lower interest rates even more than it did last week. But such efforts aren't likely to succeed. Indeed, even political questions — like getting the allies to sign on to joint communiqués on Bosnia and terrorism — are proving difficult.

■ Helping Yeltsin. Russian President Boris Yeltsin will attend the summit as an observer. But he may not be happy with what he observes. The United States has been pushing its G-7 partners to cough up a \$4 billion fund to help Russia privatize its vast, state-owned industries. And U.S. officials are optimistic that the Tokyo summit will mark Yeltsin's emergence "not as a stepchild of G-7 but as a world leader." However, thanks to allied recalcitrance, the fund is likely to start with only \$1.5 billion to \$2 billion; Japan's foreign minister has dismissed the very concept of a \$4 billion fund as "preposterous." Administration officials now are talking about dispensing aid in stages and putting the best face on the shortfall.

The Clinton administration did overcome allied reluctance on at least one initiative — the establishment of a G-7 office in Moscow to oversee the disbursement of whatever money the G-7 does get around to pledging. France had opposed the office as competition to its favored European Bank for Reconstruction and Development. But U.S. officials now say that the G-7 "Support Implementation Group," which will serve as a "bottleneck breaker," will be announced in Tokyo.

Although the International Monetary Fund last week agreed to release an initial \$1.5 billion to help transform Russia's economy, the overall aid package is likely to fall far short of what Russian officials say they need. Russian officials have forwarded a detailed plan to Tokyo that calls for easing the terms of a \$43.4 billion aid package agreed to in April and asks the G-7 countries to assume responsibility for \$6 billion in credits that Russia otherwise could be forced to repay.

For all these reasons, the Tokyo summit may be another intricately contrived kabuki ritual. That is not what Bill Clinton needs to improve his stature on the world stage. ■

■ U.S. NEWS

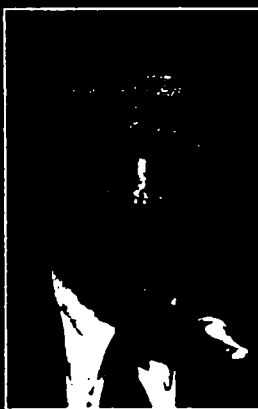
The making of a trade hawk

Clinton sided with advisers who want him to get tougher with Japan and encourage reform

Bill Clinton is playing all the angles. Consider last week's 90-minute meeting in the Oval Office with the likes of Secretary of State Warren Christopher, Sen. Bill Bradley, House Speaker Tom Foley and a handful of Japan experts. The high-powered discussion didn't linger on the usual economic issues. Instead, the focus was the nuances of Japanese custom. Should Clinton visit the family of Yoshihiro Hattori, the exchange student who was mistaken for an intruder and shot dead in Baton Rouge? The group scratched the idea of visiting the Hattori residence as too heavy-handed. Instead, Clinton will either meet the

family at a neutral setting or phone them. Another protocol question: Should the president visit a Japanese supermarket to underscore the outlandish prices and dearth of American goods? Forget it. Clinton at a checkout line would be too undignified. And the group decided against a presidential meeting with an American sumo wrestler. After all, some Japanese are queasy about a foreigner, or *gaijin*, dominating their national sport.

Last week's Oval Office symposium was another twist in the conversation Clinton has been having for many years about Japan and the United States. As he heads off to the Tokyo summit, the presi-



Secretary of Labor

Lobbied against setting numerical goals to measure Japanese trade compliance.

Argues that foreign ownership is benign in a borderless world economy.

Met Clinton on the ship to Oxford in 1968.



Chair, Council of Economic Advisers

The intellectual guru of the Clinton administration's tough trade policy.

On foreign ownership, she says: "They are not us." Clinton devoured her book, "Who's Bashing Whom?"

Trade Conflict in High Technology Industries



U.S. Trade Representative

As top trade negotiator, he is pursuing a hard line in his first foray into the trade wars.

Staff includes Tom Nides, former aide to House Speaker Tom Foley.

Chaired the Clinton Commission

dent takes with him a host of ideas formed by such sessions. Where has all this musing led him? Call it "The Making of a Trade Hawk." Last week, for instance, Clinton trade negotiators abruptly broke off talks with Japan on a framework for discussing trade: they felt the talks were going nowhere, though by week's end they were still saying such an agreement might emerge.

Starting at Oxford. Bill Clinton's thinking about Japan began in Oxford, England, where the Rhodes scholar was impressed by the German economic model of government involvement in everything from regulating trade to bolstering industries. Unlike Republicans, who saw laissez faire as an ideal, Clinton came to believe that government was central to economic growth—whether in Germany, Japan or Arkansas. On four trade missions to Japan as governor of Arkansas, Clinton saw how Tokyo's policies hurt America. He would trade business cards with Japanese industrialists—and return frustrated about his failure to open markets for Arkansas rice and poultry.

During the 1992 campaign, Clinton thought through Japan questions with

the help of Derek Shearer, a pal he met during his Oxford days and now an Occidental College international-relations professor. In putting together a syllabus for his newest student, Shearer sought

the counsel of like-minded trade policy "revisionists" such as former Reagan administration trade negotiator Clyde Prestowitz, who argues that Japan is not an open economy trapped in a protectionist body but a uniquely closed society that must be pried open. Among the favorite Prestowitz-Shearer notions was the use of numerical targets in which the Japanese would, for example, be required to buy a percentage of their semiconductors from the United States. Clinton enjoyed the hawkish line, even delighting in Michael Crichton's novel "Rising Sun," which portrays Los Angeles as a Japanese protectorate. As president, says one official, Clinton has "adopted the Prestowitz line."

He also has achieved a remarkable degree of consensus on Japan policy within the administration—in sharp contrast to the disarray that has marked other policies. Laura D'Andrea Tyson, who chairs the Council of Economic Advisers, Com-

merce Secretary Ron Brown and trade negotiator Mickey Kantor all speak from the same hard-line playbook, and a recent interagency review of Japan policy by Treasury Department official Lawrence Summers was quickly endorsed by other agencies. Expect that to continue with the appointment of Walter Mondale—a longtime critic of foreign trade practices—as ambassador to Japan.

"Who is us?" The man who did not sway Clinton was Labor Secretary Robert Reich, who was joined by State Department officials in encouraging a non-confrontational approach to Japan. Before they entered the administration, Reich and Tyson disagreed over whether it was a bad thing that Americans increasingly were working for foreigners. Reich said foreign ownership mattered little in a borderless world. "Who is us?" he asked. Tyson's piece was titled "They Are Not Us: Why American Ownership Still Matters." Inside the administration, Reich argued in a recent internal memo against Clinton's emerging policy of using those Prestowitz-style benchmarks to gauge Japanese progress on trade. Tyson and Reich deny their differences are serious. "It sounds like we're at loggerheads," says Reich, "but not at all." He

suggests that the academic disputes he and Tyson had over foreign ownership are secondary now that they are in office. And the final hawkish policy tilt is watered down enough so it is not a rout for Tyson.

While the battle for Bill Clinton's soul has been settled, the battle for Japan's has just begun. The ruling Liberal Democratic Party has lost a no-confidence vote in the wake of years of unending scandal and a recent power struggle. Numerous LDP members have broken away to form their own parties. Some Americans hope that the schism will lead to the birth of a Japan more open to imports. Clinton is skeptical that Japan's protectionist economy was about to be overhauled.

Still, Clinton is eager to open a dialogue with those he sees as agents of change. He says that "these political changes were a big plus for them and for us." After his aides scheduled a meeting with Japanese politicians—including breakaway LDP members—Clinton wondered: "Is an hour going to be enough?" No, he decided—and moved the meeting to the end of the day so he need not rush to his next appointment. That way he could continue the conversation into the night.

BY MATTHEW COOPER AND JIM IMBICO



TOKYO

SUMMIT



President, Economic Strategy Institute

Argues that Japan's unique closed economy will open only under tough U.S. pressure.

His book, "Trading Places," is the trade hawks' bible.

Briefed Clinton during the campaign.



Professor, International Relations

Assembled Clinton's summit syllabus, including Michael Crichton's "Rising Sun."

Coordinated Japan policy for Clinton campaign.

His sister, Brooke, works in the Clinton administration.



Next ambassador to Japan

As presidential candidate in 1984, he took a tough, some say protectionist, line.

His clout as a former vice president guarantees Tokyo will listen.

Clinton backed Mondale in '84 over Gary Hart.

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HOW THEY GOT THEIR DUCKS IN A ROW

At 3 A.M. on June 25, as the Senate was preparing to vote on its budget reconciliation package, Majority Leader George J. Mitchell, D-Maine, was in no joking mood.

Minority Leader Robert Dole of Kansas had just closed the Republican side of the debate with a typically acerbic line. Regardless of the outcome, he said, President Clinton "has already earned his place on Mount Taxmore." Mitchell pointedly replied: "For 12 years, we have laughed as the national debt has gone up. We have had jokes, not deeds. . . . It is now time for action."

Then, as the roll was called, Mitchell stood next to the clerks' desk in the front of the chamber, where he intently watched the tally sheet as each Senator's vote was recorded. His move left no doubt that Mitchell took the vote very seriously and would make sure there were no mistakes, through inadvertence or otherwise.

Nor did Mitchell leave any doubt that he was confident of the precise outcome. Shortly after the start of the 15-minute roll call, he used hand signals and a stage whisper to tell Vice President Albert Gore Jr., who'd just entered the chamber to preside, that the result would be 49-49. And he reminded Gore to cast a "yea" vote to break the tie. (A few minutes later, Gore, who isn't known for his light touch and was aware that the die was cast on the vote, scribbled a note, which a page delivered to Mitchell. "I'm wavering," it said. Mitchell smiled.)

As exhausted Senators awaited the outcome, the tension in the chamber was palpable. Earlier news stories reporting that the victory had been a done deal for several days were wrong and probably were spread by troublemaking Republicans. Mitchell and other leading Democrats later insisted. Even when they finally concluded a few hours before the vote that they would get the required 49 Democratic votes, the counters were unsure who they would be.

Sen. Joseph I. Lieberman, D-Conn., one of the undecideds, said that he didn't agree to vote in favor until 6 P.M. on the eve of the tally, after he'd had several conversations with both Clinton and Mitchell about the need for more tax incentives for business. "I began to feel that if I voted against it, I would bring it down," Lieberman said. "I didn't want to do that."

Despite their confidence about the outcome, Mitchell and his allies worried



mostly about the impact of defeat. For Clinton and the party, "that would have had more serious consequences" than would the details of the bill, said Sen. Thomas A. Daschle, D-S.D., a top Mitchell lieutenant.

The bill's passage showed not only Mitchell's firm control of the Senate on the economic package but also the growing deference that the Clinton White House pays to him on many issues. "There is no better way to persuade the President to do something in the Senate than to say that George Mitchell says it's a good idea," said Howard G. Paster, Clinton's chief legislative aide.

Though Mitchell and Clinton barely knew each other before last year's election, they apparently have grown comfortable with and readily accessible to each other. "I have been very candid with the President in private. . . . where I agree and disagree," Mitchell said in an interview. Clinton has not received "anywhere near the credit that he deserves" for the deficit reduction initiative, he added.

When his advisers privately suggested that he consider Mitchell for the Supreme Court vacancy, Clinton reportedly responded that he didn't want to be President without Mitchell as his Senate leader. At a June 19 fund-raising event in Maine for Mitchell's 1994 reelection campaign, Clinton called him "a genuine national treasure."

During the three weeks before the Senate vote, Mitchell was at the center of the planning for Democrats, working on sev-

eral related fronts. "He was an exceptional negotiator—patient, diplomatic, extremely well informed," Daschle said. "So much of this depended on our communication with the White House, where he has developed an extraordinary credibility. . . . And he had the lead role as spokesman. This was the most articulate and forceful that I have seen him, on the floor and with the media."

According to a compilation by Mitchell's office, he had 37 meetings—mostly with Senators—on the budget bill from June 7-24, in addition to innumerable telephone calls and other talks on the Senate floor. His effort to accommodate Lieberman's concerns, for example, began with a Sunday afternoon phone call. "He called me to take my pulse on the package," Lieberman said. They had several more discussions, including a meeting with a dozen Senators, to seek an agreement.

Another set of key meetings came with liberal Democrats who objected to the Finance Committee's added medicare cuts. Mitchell tapped John D. (Jay) Rockefeller IV, D-W.Va., as his liaison to resolve those details. He also was careful to maintain regular contact with Daniel Patrick Moynihan, D-N.Y., the chairman of the Finance Committee. But it seemed apparent that Mitchell had a better grasp of the specific issues and the internal politics, Democratic sources said.

Although the White House sought to play down Clinton's involvement, some or all of the Big Three—chief of staff Thomas F. (Mack) McLarty III, Treasury Secretary Lloyd Bentsen and Office of Management and Budget director Leon E. Panetta—attended a half-dozen strategy sessions in Mitchell's office.

Perhaps the most striking aspect of Mitchell's postmortem of the vote was his sanguine political assessment. He said that the GOP alternative was "completely phony," and he dismissed Dole's partisan analogy of the Senate GOP's 1985 budget plan, which led to an eight-seat Democratic gain the next year. But despite his standard refrain that "good policy is the best politics," he said that he's prepared to accept whatever is the outcome.

"Most of us [Senators] are here for a relatively short period of time," he said. "If I'm unable to do what I know in my heart and soul is right for our country, then what has all the effort and energy gone for?"

WHERE THE NEW TAXES HIT HOME

The poor will benefit, the rich will bear the burden, and everyone will pay a little at the pump

By BERNARD BAUMOHL

For the past four months, Bill Clinton's tax plan has been a moving target, making it difficult for taxpayers to calculate how it would affect them. But now is the moment for a quick snapshot—or two. The new taxes people will pay lie somewhere between two versions: the House's and the Senate's, which will be reconciled in the joint conference committee. In many ways, the two plans are quite similar. Both seek to raise about \$250 billion in new revenues. Most of the burden will fall on the wealthy.

In other ways, the plans diverge. Both versions increase the earned-income credit for the poor, but the House plan is more generous. The Senate plan is more congenial to the rich, phasing in its tax increases (from 31% to 39.6% for the top rate) over two years rather than hitting the wealthy with the full amount this year, as the House plan does. The most dramatic difference involves energy. The House plan's BTU tax would cost most families more than the Senate version's 4.3¢ increase in the gasoline tax. To see the impact each bill would have on different taxpayers next year, when fully phased in, TIME asked the accounting firm Coopers & Lybrand to calculate the income-tax consequences, and the firm KPMG Peat Marwick to gauge the energy-tax fallout.



A POOR FAMILY WITH TWO CHILDREN

A single parent earning \$16,000 would gain from a larger earned-income credit. Currently, this person would get a \$734 refund, because the credit would be larger than the taxes owed. That would jump \$636 under the House plan and \$494 in the Senate's. The family's energy taxes would rise \$89 in the House plan and \$35 in the Senate. Total impact: taxes down \$547 (House) to \$459 (Senate).

A RETIRED COUPLE WITH SOCIAL SECURITY INCOME

They take in \$55,000 annually, of which \$14,000 comes from Social Security. Under current law, only \$5,500 of the benefits is subject to taxation. But the House wants \$9,350 to be taxable, increasing their IRS bill \$578. The Senate raises the tax bite only \$158. Their energy-tax bill will go up \$59 under the Senate plan and \$141 in the House bill. Total impact: taxes up \$217 (Senate) to \$719 (House).



A SINGLE, YOUNG, COMFORTABLE PROFESSIONAL

Some groups will find no change whatsoever in their income-tax liability. Under current law, an individual earning a total of \$44,000 will end up with a taxable income of \$37,950 after using the personal exemption and standard deduction. At that level, the IRS will insist on receiving a check for \$7,753. The outcome would be the same under both the House and Senate bills. However, this person's annual energy tax, currently \$99, is scheduled to go up \$58 under the Senate plan and \$131 under the House bill.

How the Small

DAVE GOODRICH, WHO OWNS PART OF a small real estate firm in downtown Indianapolis, Indiana, ought to be happy right now. Thanks to the steady decline in mortgage rates, his business is growing rapidly. The company has nearly doubled its work force since 1986, while reinvesting roughly two-thirds of profits in new equipment and office space. But Goodrich worries a lot. His fear: a deficit-reduction package that will clobber many small firms like his. "This is a job-creating company that the government should help, not penalize," he complains. "I'd rather have Bush's recession than Clinton's tax increases."

Goodrich has plenty of company. Last week, after thousands of entrepreneurs unleashed a torrent of protest letters and faxes on Capitol Hill, President Clinton scrambled to offer reassurance. "Unless we are firmly committed to small-business growth, we cannot succeed as a country," he said in a hurriedly arranged appearance before a group of small-company executives. His message did little to silence their gripes, most notably the complaint that provisions in the House and Senate tax bills designed to soak the rich will drown small enterprises. That is because about 80% of businesses in the U.S. pay taxes at the same rate as individuals rather than corporations. While big companies will see

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A TWO-INCOME FAMILY, TWO KIDS

These taxpayers, who earn a total of \$66,000, not only use their personal exemptions but also itemize deductions to shrink their taxable income. The result is the same under both the House and Senate bills. Their federal income taxes of \$7,245 will be unchanged. Their energy-tax bill, currently \$124 a year, will go up \$73 under the Senate bill and \$170 in the House plan.



A WEALTHY COUPLE WITH TWO CHILDREN

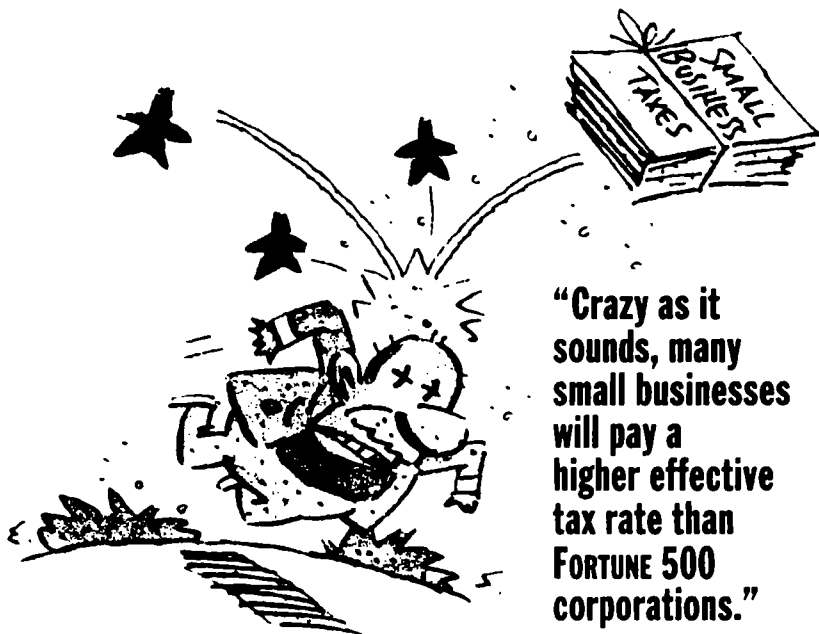
The well-to-do, including this family with \$300,000 of income, won't like what their tax attorneys will say. Under current law, no personal exemptions are allowed at that income level, but a typical number of itemized deductions could bring their taxable income down to \$255,757. At this point, the House version would increase their taxes \$6,865. The Senate bill is notably more sympathetic, asking for \$3,868. And don't forget the energy tax: up \$82 (Senate) to \$228 (House).

A HIGH-INCOME COUPLE WITH THREE CHILDREN

This family earns \$200,000, but exemptions and deductions cut their taxable income to \$149,692. Their tax bill will go up for two reasons: higher marginal rates and bigger Medicare payroll taxes. Under the Senate plan, their income taxes jump \$1,040; in the House bill, \$1,282. Their energy tax: up \$80 (Senate) to \$208 (House).



Small-Business Owner Gets Clobbered



"Crazy as it sounds, many small businesses will pay a higher effective tax rate than FORTUNE 500 corporations."

their income taxes rise just 1 percentage point, from 34% to 35%, prosperous small firms assessed at the individual rate will be hit with an increase from the current 31% to almost 40% in the top bracket. "Crazy as it sounds," says Jerry Jasinoski, president of the National Association of Manufacturers, "many small businesses will pay a higher effective tax rate than FORTUNE 500 corporations."

Entrepreneurs say the fallout is likely to hurt the whole economy, because in recent years America's 20 million small businesses have typically grown much faster than the big ones. Little companies currently employ 53% of the total U.S. work force, and during the past half-decade created virtually all net new jobs. Writes Michael Boskin, former chief economic adviser to President George Bush:

"The large increase in tax rates on small businesses will reduce their after-tax profits, a primary source of funds for business expansion in the sector of the economy that creates most jobs."

Small-business lobbyists supported the initial Clinton budget plan because it contained many incentives, including a capital-gains tax cut for investment in small firms, a permanent investment credit and tax breaks for hiring workers in poor neighborhoods. Many of those provisions were missing in the House or Senate version. However, both plans did increase a small-business write-off for plant and equipment purchases, from \$10,000 a year to \$25,000 in the House plan and to \$20,500 in the Senate's.

The last chance for revision will be in the House-Senate conference committee, where differences between the two bills will be reconciled. If small business fails to get a boost, it will mainly be testament to the lobbying clout of Big Business, which managed to escape its share of the burden by holding down corporate taxes and ducking the higher energy levies that Clinton had proposed. "We were done in on Capitol Hill," Bennie Thayer, chairman of the National Association for the Self-Employed, told a reporter. "Big Business once again got its way."

—By Adam Zagorin/Washington

Race decisions that backfire

The Supreme Court's decision finding North Carolina's congressional redistricting plan a "racial gerrymander" will probably have little effect on legislative district lines and may not reduce by even one the record number of 38 blacks now in the House. But it is the latest sign of the discomfort of many Americans with the practical results of "race-conscious state decision making."

As jurisprudence, the opinion, written by Justice Sandra Day O'Connor, does not rank high. O'Connor provides no clear test for distinguishing between black-majority districts that pass muster and those that do not. She clearly was repelled by North Carolina's 12th District, which stretches some 160 miles from Gastonia to Durham. The district is often no wider than two lanes of Interstate 85, excluding whites but collecting enough blacks to achieve a 53 percent black majority. "If you drove down the interstate with both car doors open," O'Connor quotes one legislator's hyperbole, "you'd kill most of the people in the district." But such districts are a logical result of the generally accepted interpretation of the Voting Rights Act promoted by a variety of groups—ranging from George Bush's Justice Department and the Republican National Committee to many federal courts and civil-rights groups.

The real impact. Even though the new ruling is a break with the past, its impact will be limited. The reason: New "majority-minority" districts like the 12th have mostly chosen representatives with political appeal that crosses racial lines. The 12th District's Rep. Mel Watt managed Harvey Gantt's nearly successful 1990 Senate race; Watt himself won in 1992 with 70 percent in a 53 percent black district. He would be a strong candidate in any district with a higher percentage of blacks than the state average of 22 percent. Indeed, a black-majority district with much neater lines could have been drawn, but North Carolina's Democratic legislators had another agenda to fulfill when they drew these lines: They wanted to protect white Democratic incumbents like House Administration Committee Chairman Charlie Rose. Another reason this ruling might not have much effect is that other states' redistricting plans to create majority-minority seats are very defensible. Some were adopted by courts; others have regularly shaped district lines and some won't be challenged by white Democrats for fear of

angering their black allies. That means any big changes flowing from O'Connor's ruling will not be felt until the next redistricting exercise in 2002.

The importance of this ruling, then, lies more in O'Connor's rhetoric. "Racial classifications of any sort pose the risk of lasting harm to our society," she writes. "They reinforce the belief, held by too many for too much of our history, that individuals should be judged by the color of our skin." The words don't automatically decide other cases. But they are a searing indictment of the racial decision making that elites of both political parties,

all branches of government and many private institutions have employed.

Such racial policies end up backfiring when they are stretched beyond common sense or public sentiment, just as the ridiculously elongated 12th District prompted Justice O'Connor's scorn. For years, a government-job skills test taken by 20 million applicants a year had results calculated separately by race, when this "race norming" was publicized in 1991, congressional Democrats recoiled, retreating from their longtime support. In North Carolina, Gantt, the Democratic Senate candidate in 1990, lost his lead in polls after Jesse Helms attacked him for making a \$450,000 profit on a 50% investment as a minority shareholder in a television station, under a racial pre-

ference approved by the Supreme Court. When the spotlight fell on the University of Pennsylvania's "judicial proceedings" to enforce a speech code aimed at stamping out criticism of affirmative action, the school's president, Sheldon Hackney, admitted to a Senate committee that the system he had endorsed and supported for years wasn't such a good idea after all.

Racial quotas and preferences are opposed by most voters, including half of blacks, as political scientist Seymour Martin Lipset has shown. But they have been imposed, often surreptitiously, by elites in set-aside, diversity and race-norming programs. O'Connor's decision is a vivid example of how elites recoil when they are forced to confront squarely the results of some race-conscious policies. Americans of all backgrounds ache to solve the problems of race. Maybe O'Connor's reassertion of colorblind fairness will put the nation back on the path of ideas embraced by Abraham Lincoln and Martin Luther King Jr.



Voting right. Rep. Mel Watt opposes the court's verdict.

O'Connor's words are a searing indictment of racial decision making.

MEDIA ALERT---MEDIA ALERT---MEDIA ALERT---MEDIA ALERT

FOR IMMEDIATE RELEASE
June 8, 1993

CONTACT: Victoria Wagman
(202) 479-6613

SENIOR GROUPS TO RESPOND
TO BUDGET AND TAX PROPOSALS
AT NEWS CONFERENCE ON JUNE 10

WHAT: News Conference about cuts in Medicare and Medicaid and caps on Social Security COLAs

WHEN: 10:00 A. M., Thursday, June 10, 1993

WHERE: 215 Dirksen Senate Office Building
1st and C Streets, N.E.
Washington, D. C. 20510

The Leadership Council of Aging Organizations (LCAO), a coalition of organizations representing millions of senior citizens, families, children and individuals with disabilities across the country will make an important announcement about budget and tax proposals on Thursday, June 10, 1993. The news conference will feature statements from consumer and membership groups addressing the difficult questions of probable winners and losers in the debate about the budget and the Federal deficit.

"The untold story in the debate about government spending and deficit reduction concerns the way in which the tax and program-cutting sacrifices will be distributed and shared among the American people," said Dr. Daniel Thurne, Chairman of LCAO.

The claim has been made that the "grass roots" have not been heard from in the current budget debate. The upcoming news conference is an opportunity for you to hear first-hand what organizations representing millions of Americans are saying about the distribution of the tax burden and program cuts in the current discussions on the budget.

copy To Mike Lux
Steve Hilton
ASAP 6:40 P 6/9/93



Democratic National Committee

FAX TRANSMITTAL COVER SHEET

DATE:

JUN - 9 1993

5:30 PM June 9

TO:

Alexis Herman

SUBJECT:

FROM:

Minyon Moore
Deputy Political Director
Director Constituency Outreach

If there are any problems receiving this transmission,
please call sender, (202) 863-7112



MORNING NEWS SUMMARY

Room 160 OEOb, Ext 7151

Thursday, May 27, 1993

ECONOMIC PLAN -- The Washington Post reports that House leaders reached an agreement with the conservative Democrats to limit entitlement, "in an important step toward adoption" of the President's budget package. The Wall Street Journal reports that the White House agreed to alter its energy tax to draw votes from oil-state lawmakers. After a lunch with Secretary Bentsen, several members of the Texas delegation tentatively called a news conference for today to announce their support. (WSJ)

"The White House, reeling from a disastrous week, approached the vote as a do-or-die situation." (WP) House Speaker Foley said, "I believe... we'll have sufficient votes to pass the bill." (USA Today)

Democrats had 185 firm votes yesterday, "71 members continued to brush off the president's appeals." (USA Today) By day's end yesterday, House leaders "were at least 20 votes shy of a sure majority." (NYT) House leaders "took heart" that only 15 Democrats have declared firm opposition to the plan. (WSJ)

White House officials said they saw "a good trend" but conceded the vote depends on whether they reach an agreement with the Rep. Stenholm (D-Tex.) group on their proposal to limit entitlement. (WP) House leaders said negotiations hit a snag yesterday afternoon, but Rep. Gephardt intervened "to get the talks back on track." (WP) The compromise being discussed would require the President and Congress to consider steps to control entitlement should spending exceed the levels projected in the Congressional budget resolution. (WP) Rep. Stenholm said, "I'm still optimistic we're going to find agreement." (USA Today) "Centrist Democrats seemed to harden their opposition." (WT)

"A potentially bigger headache" is the "crescendo" of lobbying efforts by the National Association of Manufacturers, the Chamber of Commerce, and the American Petroleum Institute to defeat the energy tax. (WP) During a meeting of 25 moderate and conservative Democrats, Sen. Boren (D-Ok.), urged them to seek a delay in the vote until House and Senate Democrats work out an alternative to the energy tax. (WP) A spokesperson for Sen. Boren said that Boren told the meeting that "one way to avoid" a repeat of the stimulus package defeat would be to delay the House vote. (WP) Rep. Penny (D-Minn.), said that resolving the entitlement-cap controversy would assure the President of crucial

votes, although House members are becoming increasingly concerned about the energy tax. (WP)

The President had three hours set aside yesterday for phone calls to uncommitted House members and House leaders. (WP)
"President Clinton, members of his cabinet, and loyalists in Congress spent the day twisting the arms" of uncommitted House Democrats. (NYT)

Rep. Rangel said, "The whole presidency is on the line."
(WP)

The White House dropped a request for an extra \$11.8 million in funds for its operations, "because they were worried the money would open up a wounded administration to more criticism." (WT)
However, the Wall Street Journal reports that the White House dropped about \$2 million in funds for a new telephone and computer system.

The Washington Post features a front-page profile of Rep. Rostenkowski that says, "But oh, what Clinton and deficit reduction have done for Rostenkowski," and, "The boss is back."

The Washington Post also features an article on the front page of its Style section entitled, "Just Another Failed Presidency?"

BUDGET EDITORIALS --

The New York Times says, "The Clinton plan, while hardly perfect, is the only proposal with a chance of majority support that would take a sizable chunk out of the deficit, protect the poor and invest in infrastructure and education," and "what's really at issue is the credibility of the Democrats as a governing party."

USA Today says, "Cutting the deficit may not be fun, but Congress must swallow hard and do it for a healthy economy."

The Washington Post says, "What Mr. Clinton has put before the House is a way of regaining control over public finance. The plan is fair...The right vote is aye."

The Wall Street Journal runs two editorials: the first says the list of corporate budget supporters shows "Big Business, Big Unions, Beltway pols and the public-spending lobby colluding to dump the burden on everyone else." The second editorial supports Sen. Boren's proposal and argues that government revenues remain the same at high and low tax rates.

The Washington Times also criticizes the companies that support the budget bill and lists their phone numbers "where readers can call to express their, um, appreciation."

The Des Moines Register says, "No credible alternative to the Clinton plan -- an alternative that provides real deficit reduction and that has a realistic plan of being passed -- has been offered," and if the budget fails to pass Congress, "Democrats will have proved they are unfit to govern."

The Boston Globe says, "it represents sound social and economic policy."

The Atlanta Constitution editorial is headlined, "Budget plan vital to nation," and says, "The vote must be yes."

SUPPLEMENTAL SPENDING BILL -- The House approved the \$931.5 million summer jobs bill and a \$1.8 billion supplemental spending bill providing money for federal jurors, U.S. military operations in Somalia, and a partial replenishment of a shortfall in the Pell college grant program. (WP)

BOSNIA -- Yesterday the Administration "moved forcefully to erase the impression left by a top State Department official that a new doctrine of reduced U.S. influence and leadership was in the works for the post Cold War period." (WP) "The White House repudiated an undersecretary of state..." (USA Today)

Dee Dee Myers said the official did not speak for the Administration and implied that the officials job was in jeopardy. (WP) Later, however, State spokesperson Boucher said "there are no steps being taken to discipline" the official, referred to now as "Brand X." (WP) Secretary Christopher also gave interviews stressing that America's international role is undiminished. (WP)

In Brussels, NATO defense ministers concluded a meeting without agreeing on how to carry out the safe haven plan. (WP) Secretary Aspin and NATO Secretary General Woerner described the safe haven plan as "an intermediate step" toward implementing the Vance-Owen plan. (WP) Bosnian President Izetbegovic told a U.N. mediator that his government would not accept the safe haven plan unless the U.N. sets a deadline for Bosnian Serb forces to return land gained in the past 14 months of fighting. (NYT)

Secretary Aspin said several U.N. resolutions would be necessary to flesh out and back the safe haven plan. (NYT) Secretary Aspin also emphasized that the Administration has not dropped the threat of tougher military measures against the Serbs, "but cast further doubt on the administration's willingness to use military force by saying the commitment to protect U.N. troops was 'inherited from our predecessors.' -- the Bush administration." (WP)

Serbs continued their attack on Maglaj, and a U.N. convoy was prevented from relieving Muslims in Mostar by Croatian forces. (NYT)

HEALTH CARE -- In her speech to the Service Employees Union, Hillary Rodham Clinton "urged cheering members...to push for health reform." (USA Today) She "assailed medical 'price gouging, cost shifting, and unconscionable profiteering' to enthusiastic, table-thumping union members." (WT, NYT A1)

Yesterday, a high-ranking Administration official described the amount of money needed to finance health care as "minor, a cigarette tax." (WP) The President's health advisers say most of the funds needed could be obtained by requiring employers to pay a percentage of their employees' coverage. (WP) The rest would come from redirecting money now paid by the federal government, employers and individuals to compensate hospitals for treating those who cannot pay their own bills and are not covered by Medicaid or Medicare. (WP)

In a speech to the Association of Private Pension and Welfare Plans, Ira Magaziner said the Administration wants to

"reapply" uncompensated care money to pay for the uninsured. (WP)
"Some in Magaziner's audience were skeptical." (USA Today)

In their speeches, Hillary Rodham Clinton and Ira Magaziner "laying out the main themes they will emphasize in trying to sell proposals that may mean greater cost or inconvenience for many Americans." (NYT)

TRAVEL OFFICE -- "One tumultuous week later, the White House is standing by very little of what it originally said about the Travel Office Seven." (WP) Administration and Democratic sources said Chief of Staff McLarty and others have had "informal" conversations about how to fix the White House staff. (WP)

The Washington Post also compares the recent action to a "similar controversy" in 1981, when Office of Administration head John Rogers launched an internal audit of the travel office. "The then-director retired and Billy R. Dale was selected to head the office. No other personnel changes were made and no coverage hit the front pages and evening news shows." (WP)

In a news conference, Charles Caudle, former president of Airline of the Americas accused Harry Thomason of misrepresenting the airline's relationship with the travel staff and denied allegations that Airline of the Americas let members of the press corps fly free on certain trips or paid kickbacks to the travel staff. (WSJ)

The front page of the New York Times features a profile of the Thomasons' and their efforts to defend themselves: "It has been a wild, wacky, stumbling, heart-wrenching week at the White House, where Mr. Thomason has a pass that allows him to roam freely in all nooks and corners and can be reached at an office in the East Wing simply by asking for him through the White House switchboard." (NYT)

The Los Angeles Times, in an editorial called "Disarray in the White House Staff," says the "fiasco" has become "the most visible and certainly the least defensible of the staff gaffes that are proving an increasing embarrassment to Clinton..." (LAT)

REINVENTING GOVERNMENT -- Yesterday, the Administration announced the start of a third major review of rules that govern classified information. (WP)

CAMPAIGN FINANCE -- The Senate defeated by 50 to 48 a Republican proposal to earmark revenue generated by the President's proposed tax on lobbyists for deficit reduction instead of campaign financing. (WP) The vote was "significant" in light of a potential Republican filibuster against the legislation. (WP) The Senate also approved by 85 to 12 a proposal to ban contributions from PACs in all federal elections, including House races. (WP)

ROSS PEROT -- The front page of the Washington Post and USA Today carry Ross Perot's criticism today. Perot said the President is so poorly prepared for the presidency that "you wouldn't consider giving him a job anywhere above middle

management." (WP) "Perot's sharpest attacks are personal." (USA Today)

The comments were made during an interview with David Frost released yesterday; PBS will air the interview Friday night. (WP) Perot said he would consider seeking the nomination of one of the major political parties if his "United We Stand" members "thought it was the right thing." (WP)

Perot's "criticism is symbolic of a larger problem for the administration, which is that Clinton's opponents feel increasingly emboldened in challenging a president whose popularity has plummeted over the past two months." (WP)

APPOINTMENTS -- The New York Times reports that an unidentified White House aide said the search for a Supreme Court Justice has narrowed to Judges Breyer and Newman and that they expect the President to decide by the end of next week.

The Wall Street Journal reports that the President plans to bring in "a seasoned political operative to help rescue his problem-plagued presidency." Administration officials say top candidates are John Sasso, Harold Ickes, and Tony Coelho, although no final decisions have been made.

The White House and the Leadership Conference on Civil Rights defended the nomination of Lani Guinier to head the civil rights division at the Justice Department. (USA Today) Cheryl Halpern, chair of the National Jewish coalition, said, "Given her interpretation of the Voting Rights Act, she is an unacceptable candidate for this position." (WT A1)

Antoinette Cook's withdrawal from consideration for the chair of the FCC caused a "swirl of speculation over why one of the Clinton administration's best-qualified and best-connected candidates took herself out of the running." (WP)

GAYS IN THE MILITARY -- The military court in Japan sentenced Airman Helvey to life in prison today for the murder of Allen Schindler. (UPI)

Helvey had said the murder resulted from an outburst of temper and said "I did not attack him because he was a homosexual." (WP) The defense portrayed Helvey as a decent person who essentially went crazy that night. (WP) Helvey also expressed deep remorse for the crime, (WP) and "tearfully apologized to the victim's mother." (NYT/AP)

NAFTA -- In an interview with USA Today, U.S. Trade Representative Kantor said he expects negotiations with Canada and Mexico to be complete in July and that the treaty will be sent to Congress "sometime in the fall."

CHINA TRADE POLICY -- In an apparent effort to improve its human-rights image, Beijing released Xu Wenli, a dissident who had been imprisoned in solitary confinement for 12 years for his role as a democracy activist in the late 1970s. (WP) The release is also a bid for the 2000 Olympics. (NYT)

HAITI -- U.S. officials said sanctions will be tightened against Haiti's military regime. (WSJ)

Aristide's supporters, "angered by the failure of the Clinton administration and the United Nations to restore democracy," are losing hope in negotiations and fear a new wave of violence could "plunge the nation into chaos." (WP)

IRAN -- The Administration is preparing an effort to isolate Iran by persuading U.S. allies to cut off loans, investments, and arms sales "to what American officials regard as a permanently hostile government. (NYT A1)

EDUCATION -- A Washington Post editorial suggests the President to use Chapter I's \$6 billion to spur reform in the schools, saying, "A largely clueless Congress needs to hear from him again on this subject."

MAKEUP -- On its front page, the Washington Times reports that the White House apologized to New Hampshire television reporter Nanette Hansen after a White House aide asked her to put facial makeup on the President before interviewing him. Hansen said, "It was just a very uncomfortable situation." (WT)

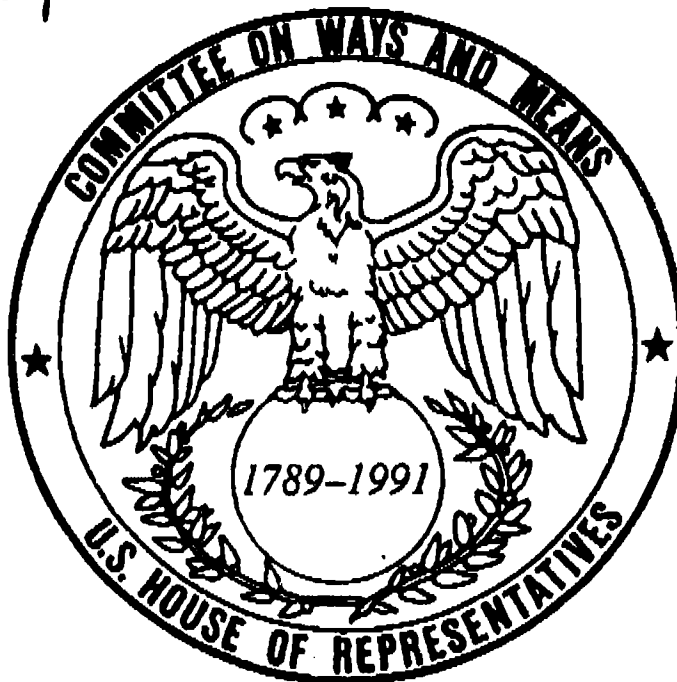
MEMORIAL DAY CEREMONY -- The President will speak at the Vietnam Memorial on Monday, "despite the risk that the visit could revive the debate over his draft record, which dogged his campaign." (NYT)

STEPHENS INVESTIGATION -- A civil inquiry by the Federal Reserve into holdings of the Stephens family of Arkansas "could prove embarrassing to the family's companies, a White House lawyer, and government regulators." (NYT)

FACSIMILE TRANSMITTAL COVER SHEET

BSAP

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to Steve &
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5/25/93



To Barbara Chow

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From Chuck Brain

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RECONCIL

**COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES**

FOR INFORMATION CONTACT JIM JAFFE OR PAT JONES

~~PRESS RELEASE~~

1102 Longworth House Office Building • Washington, DC 20515 • (202) 225-8933

DAN ROSTENKOWSKI, Chairman

For immediate release
May 25, 1993

Rostenkowski Releases List of Tax-Bill Backers

Ways and Means Committee Chairman Dan Rostenkowski today released a list of more than 140 organizations that support President Clinton's reconciliation package, which will be debated in the House later this week.

The list consists of more than 50 major businesses and more than 90 broadly-based organizations.

"This proves that there's broad support for this bill throughout the nation," Rostenkowski said, "despite criticism that's been voiced within the beltway. The American people realize that tax increases are a necessary component of any deficit-reduction package. And they realize also that we've come up with a fair plan that includes shared sacrifice."

"We seldom see taxpayers lobbying for a bill that will raise their taxes, but that is what is reflected in these letters," said Rostenkowski, predicting that "as these groups lobby to support their position, the votes we need will fall into place."

The letters are appended along with specific endorsements from six of the CEOs who signed the letter.

###

May 25, 1993

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

Dear Mr. Chairman:

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

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

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

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

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

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

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

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

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

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

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

WHAT CORPORATE EXECUTIVES ARE SAYING

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

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

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

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

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

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

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

**Clark Matthews
President and Chief Executive
Officer
Southland Corp.**

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

**Michael Walsh
Chairman and Chief Executive Officer
Tenneco Inc.**

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

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

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 Employees
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 Children's 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

Post-It™ brand fax transmittal memo 7671		# of pages > 3
To Ms. Alexis Herman	From Richard Leshar	
Co. White House	Co. U.S. Chamber	
Dept.	Phone # 463.5302	
Fax # 456-2923	Fax # 463.5327	

5/18/93

Alexis:

More on the same subject. This is my weekly column which is devoted to the same subject which we sent out to 500 newspapers about two months ago.

Dick Leshar



THE VOICE OF BUSINESS

HARD WON LESSONS

*by Dr. Richard L. Leshner, President
U.S. Chamber of Commerce*



"There is only one thing more painful than learning from experience," Dr. Laurence Peter said, "and that is not learning from experience."

When President Clinton called for "sacrifice" in his inaugural address, most observers assumed, based on experience, that he meant higher taxes. There immediately ensued a flurry of debate where the tax hikes would hit hardest, with most experts saying the gasoline tax was the most likely target. In other words, middle income workers who drive to work should be made to pay for Uncle Sam's continuing profligacy.

To be sure, Clinton did not mention tax increases, and his top economic advisors insist spending cuts will be part of the mix as well. Since then, the president has proposed a package of tax increases and spending cuts, with an invitation to Congress to suggest even more spending reductions.

That sounds fine, but experience teaches that Congress regards such discussions as a political game to divert public attention from its addiction to promiscuous spending. In 1982, President Ronald Reagan signed off on the largest tax increase in history in exchange for Congress' promise of spending cuts to be named later. The tax increases sailed through easily and quickly. We are still waiting to see the spending reductions.

President Bush fell for the same scam, even though he had to eat his

famous "read my lips" campaign no tax pledge. His purpose was to reduce the deficit. Today, the deficit is bigger than ever.

If Clinton makes the same mistake, it will be his undoing, and ours as well. It is the nature of Congress to spend money and not care about the consequences. Congress isn't one person concerned about the nation; it is 535 individual scrambling for a bigger share of the pie. Give Congress \$200 billion more in revenues, and it will hike spending by \$300 billion, and demand still more revenues. Only the president can put the nation's welfare ahead of parochial interests, and impose any discipline on federal finances.

The problem isn't taxing. It is spending, beginning with the entitlement programs that expand automatically, growing like a cancer on our economy. Only after we face up to the truly major items in the budget, can we make a credible effort to deal with lesser challenges, such as pork barrel waste. Any deficit solution that does not address entitlements is by definition a fraud.

On the other hand, the very power of the entitlement lobby affords Clinton an excellent opportunity. Were Clinton to curb entitlements, he would gain sufficient revenues and political momentum to sustain other parts of his agenda. It would be a risky road to travel, but it is the only one that offers the prospect of success. Unless the entitlements are dealt with, the deficit will continue to grow, and the economy will continue to stumble under its growing weight.

2/1/93

REVIEW & OUTLOOK

The Miffed Moderate

Rep. Dave McCurdy is an Oklahoma Democrat and a longtime friend of Bill Clinton. He seconded Mr. Clinton's nomination at the Democratic convention last year and stumped for his New Democrat agenda in 36 states. Now he's worried that the Clinton administration is ignoring warnings from moderate Democrats about a brewing Capitol Hill revolt against the President's tax increases and budget plan. Last Friday, Mr. McCurdy told the Daily Oklahoman that he himself would lead a drive to kill the Clinton energy tax and substitute a cap on entitlement spending.

Mr. McCurdy thinks the energy tax can be killed in the House and warns that other Clinton initiatives "are in real trouble." He says the tax bill's passage by House Ways and Means says nothing about how it will fare on the floor and the White House should be concerned. That's why he and the Mainstream Forum, a group of 70 House Democrats who belong to the centrist Democratic Leadership Council (which Mr. Clinton used to chair) will meet today with Howard Paster, the White House's assistant for legislative affairs. "I think he's going to hear an earful," he says.

Mr. McCurdy expresses frustration that Clinton aides seem to be dealing only with a "closed loop" of party liberals and aren't following the New Democrat campaign themes that elected Mr. Clinton. "They're listening to a small group of people who don't support a New Democrat agenda and weren't with Bill Clinton in the beginning," he told us.

Mr. McCurdy isn't the only moderate Democrat who wants Bill Clinton to end his detour to the left. Rep. Tim Penny comes from a rural Minnesota district that voted for Mr. Clinton, but also gave Ross Perot 27%. Mr. Penny says the folks back home are sending a clear message. "They want to cut spending and think the deficit isn't being adequately addressed," he told us. "They suffer from tax overload and think what's happening in Washington is the old tax and spend."

Mr. Penny is also concerned about the energy tax. "If it isn't part of a real program to cut the deficit, it will be viewed as an economic and political disaster in a couple years." He says the Clinton tax bill needs two amendments that would enforce real limits on entitlement spending and offer meaningful budget cuts. "George Bush failed to control spending and the deficit. We can't afford to have

the same thing happen on a Democratic President's watch," he warns. (It's worth noting that the Democrats did control Congress and held the power of the purse during that period.)

But Mr. Penny may not get a chance to even offer his amendments. In their zeal to ram the Clinton legislative program through, House leaders have engaged in an unprecedented muzzling of floor debate this year. In past years, the Rules Committee has routinely allowed bills to

be open to all relevant amendments. So far this year 10 of the 11 bills debated have had a "closed" rule sharply limiting amendments and debate.

Mr. Penny says these closed rules



mean that moderate Democrats such as himself "get no consideration" when bills come to the floor. He says that if moderates are shut out of the tax bill debate it could have "serious problems" in being passed. It also means House Democrats invite ridicule and derision when they stage a phony "rules" vote on the tax bill soon.

Many voters are starting to think that almost no Democrats can be trusted to tackle the budget in a responsible way. Ask Bob Krueger, the appointed Texas Senator who faces an uphill battle to keep his seat next month. Voters simply don't believe he means it when he rails against the Clinton budget.

Rep. McCurdy says the purpose of today's meeting with Mr. Paster is to help President Clinton "get back on the right track." We don't doubt that the White House could benefit by heeding this advice, and we're equally certain that Mr. Clinton's self-confident operatives will do no such thing.

As we've noted before, Mr. Clinton's agenda and the general tone of his administration create a big credibility problem for moderate Democrats. At some point these Democrats are going to have to recognize, as Mr. Clinton apparently has already concluded, that the party doesn't belong to them. It belongs to the liberals. They have all the troops. And that eventually leads one to wonder why the moderates are staying.

Amlet's
copy

THE WHITE HOUSE
WASHINGTON

March 3, 1993

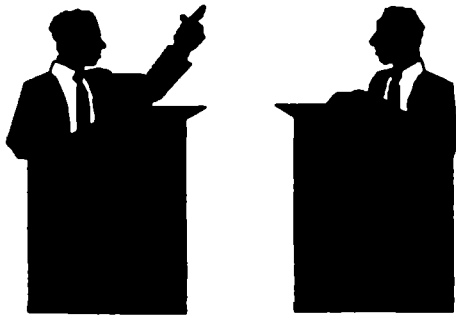
MAR - 4 1993

MEMORANDUM FOR WHITE HOUSE SENIOR STAFF

FROM: Howard Paster *HP*

SUBJECT: DPC Weekly Report

The attached is forwarded to you for your information



the public pulse

Americans on the Clinton Economic Program

According to the *Times Mirror* Center for the People & the Press survey that appeared in the *Los Angeles Times* on February 26, Americans continue to voice support for the economic program outlined by President Clinton in his address to a Joint Session of Congress.

In this survey, which was conducted February 20-23, 58% favored the President's economic plan, while 27% opposed.

Support for the proposal cut across all demographic categories.

- 84% of Democrats and 55% of Independents supported the President.
- 63% of those under the age of 30 and 56% of those older than 50 supported the plan.
- Broken down by region, 64% from the East, 58% from the Midwest, 57% from the South, and 56% from the West supported the plan.
- 49% of those who voted for Ross Perot liked what they heard.

Most did not expect to personally benefit from enactment of the proposal in the short run: 42% expected to be worse off financially a year from now, 33% expected to be better off, while 14% expected no change.

However, 50% expected to be better off financially three years from now, 32% expected to be worse off, while five percent expected no change.

Fifty-eight percent believed that the country as a whole will be better off financially in three years if Clinton's program is enacted.

Fifty-six percent approved of the job Clinton was doing, 25% disapproved, while 19% had no opinion.

"By and large, do you think of yourself as being part of the...?"

	NORC* Survey	Oct. '64
Middle class	51%	45%
Working class	29%	37%
Upper middle class	9%	11%
Lower class.....	8%	3%
Upper class.....	1%	2%

*National Opinion Research Center, University of Chicago

Sixty-four percent said that they had recently talked to their neighbors about the Clinton economic plan. Forty-five percent said those discussions were supportive of the President, while 46% were critical.

Surveys that appeared in *Time*, *Newsweek*, and *U.S. News and World Report* last week found broad support for the President's economic program. These polls, unlike the *Times Mirror* poll, were conducted a day or two after the President's address.

Time

Sixty-two percent of those polled for the survey that appeared in the March 1 edition of Time magazine favored the President's economic plan, while 27% did not.

Eighty-five percent wanted to see his "economic plan be given a chance to work."

Seventy-six percent felt that "Clinton's economic plan showed he wants a real change in the way the Federal government is run," while 20% did not.

Sixty-three percent believed that his "economic plan treated all Americans fairly," while 33% did not.

"Will spending cuts and tax increases have a big effect on you personally?"

Small effect.....	47%
Big effect	27%
No effect	18%

Forty-two percent felt that Clinton did not propose cutting enough Federal spending, 35% said he cut the right amount, while nine percent felt he proposed cutting too much.

Asked, "To reduce the Federal deficit, the government may have to cut benefits and programs, raise taxes or do both. Should people like you make these sacrifices?" The following agreed with this statement:

Feb. 18	71%
Feb. 10-11	53%

Support for energy taxes has increased. Forty-three percent now support higher taxes on all forms of energy, while 53% do not. For the survey conducted February 10-11, 23% supported increased energy taxes, while 74% did not.

Newsweek

In the poll that appeared in the March 1 edition of *Newsweek*, 59% of those surveyed said Congress should pass Clinton's economic program, while 33% did not.

Seventy-one percent said that it was very likely or somewhat likely that Congress will do so.

Sixty-five percent said the stimulus package was necessary, while 27% did not.

Fifty-seven percent approved of the job Clinton was doing, up from 51% at the end of January. Thirty-one percent did not, down from 32% at the end of January.

"Has what you saw or learned about Clinton's speech and economic plan made you more favorable or less favorable about Clinton, or didn't it change your opinion?"

No change	49%
More favorable	27%
Less favorable	21%

Forty-six percent felt that the proposed budget cuts were not enough, 39% believed that they were just about right, while 9% believed that they were too great.

Asked to choose between Clinton's proposed tax increases or deeper cuts in Social Security and Medicare, 71% favored the tax increases outlined by the Clinton administration, while 19% wanted to see deeper cuts in Social Security and Medicare.

Thirty-eight percent believed that the sacrifices called for under Clinton's program would be shared equally by all.

Sixty-five percent said they would be willing to pay more "taxes to pay for reforming and expanding health care in the United States," while 32% were not.

"How likely is it that President Clinton will propose additional taxes to pay for reforming and expanding health care?"

Very likely	45%
Somewhat likely	40%
Not too likely	9%
Not at all likely	3%

U.S. News

In this survey, which appeared in the March 1 edition of *U.S. News and World Report*, 54% of registered voters felt it was necessary for taxes to be raised to reduce the deficit, while 37% said unnecessary.

Fifty-eight percent didn't think Clinton's plan cut spending enough.

"What aspect of Clinton's plan makes you most likely to support it?"

Reducing the deficit	20%
Long-term economic growth	17%
Tax increases on the wealthy	14%
Increasing spending on education and other programs	13%
Stimulating the economy	9%
Spending cuts	9%
Tax increases on the middle class ...	1%

"What makes you the most likely to oppose Clinton's proposed economic package?"

Not reducing government spending enough	28%
Tax increases on the middle class ..	25%
Not reducing the deficit enough	10%
Cut spending on programs too much	6%
Tax increases on the wealthy	3%

Sixty-one percent agreed that Clinton is a different breed of Democrat.

meetings

markups

hearings



meetings & markups

Energy and Natural Resources Committee: business meeting, to consider pending calendar business, Wednesday, March 3, 9:30 a.m., SD-366.

hearings

Appropriations Subcommittee on Foreign Operations: hearings on issues and solutions for reforming foreign aid, Tuesday, March 2, 2:30 p.m., SD-192.

Appropriations Subcommittee on Transportation: hearings on proposed budget estimates for fiscal year 1994 for the Federal Railroad Administration, and the National Railroad Passenger Corporation (AMTRAK), focusing on high-speed rail, Thursday, March 4, 10 a.m., SD-192. (tentative)

Appropriations Subcommittee on Commerce, Justice, State, The Judiciary, and Related Agencies: hearings on FY 1994 Appropriations for the Judiciary, Wednesday, March 3, 10 a.m.

Banking, Housing, and Urban Affairs Subcommittee on Securities: hearings on proposed legislation to facilitate small business access to capital, Thursday, March 4, 10 a.m., SD-538. Witnesses: small business representatives, securities and venture capital industry representatives and SEC officials.

Commerce, Science, and Transportation Subcommittee on Consumer: hearings on issues relating to fraud in the automobile repair industry, Thursday, March 4, 9:30 a.m., SR-253.

Governmental Affairs Committee: hearings on environmental problems in the Federal Government, Thursday, March 4, 9:30 a.m., SD-342.

Governmental Affairs Subcommittee on Oversight of Government Management: hearings on S. 420, to amend section 207 of title 18, United States Code, to tighten the restrictions on former executive and legislative branch officials and employees, and S. 79, to restore public confidence in the performance and merits of elected officials and Federal employees, Friday, March 5, 9:30 a.m., SD-342.

Labor and Human Resources Subcommittee on Labor: hearings on why businesses are having to reduce or eliminate health benefits for retirees, and the effect on the retirees, Tuesday, March 2, 10 a.m.

Labor and Human Resources Subcommittee on Employment and Productivity: hearings on S. 456, to establish school-to-work transition programs for all students, Wednesday, March 3, 1:30 p.m., SD-430.

Rules and Administration Committee: hearings on S. 3, S. 7, S. 62, S. 87, and S. 94, Congressional election campaign finance reform proposals., Wednesday, March 3, 9:30 a.m., SR-301.

Small Business Committee: hearings on availability of credit for small businesses, Thursday, March 4, 9:30 a.m., SR-428A.

Veterans Affairs Committee: joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of the Veterans of Foreign Wars, Tuesday, March 2, 9:30 a.m., 345 CHOB.

Veterans Affairs Committee oversight hearings on the present and future role of veterans' health care system, Friday, March 5, 10:30 a.m., SR-418.

Intelligence Committee hearings on intelligence matters (closed), Thursday, March 4, 2:30 p.m., SH-219.

Joint Economic Committee hearings on employment-unemployment situation for February, Friday, March 5, 9:30 a.m., SD-628.

Joint Committee on the Organization of Congress hearings on congressional reform proposals, focusing on procedures for enforcing ethical standards, Tuesday, March 2, 3 p.m., SH-216.

Joint Committee on the Organization of Congress hearings on congressional reform proposals, focusing on the budget process, Thursday, March 4, 10 a.m., S-5 Capitol. Witness: Ross Perot.

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April 28, 1993

*NOT ADMITTED TO DC BAR.
**ADMITTED IN FRANCE ONLY.

Ms. Christine Varney
Cabinet Secretary
The White House
Washington, D.C. 20500

Dear Christine:

In the wake of last week's meeting that Anne Wexler put together, I have continued to think about an important question raised by you. The question was in response to my point (echoed by several others) that the President's message on the stimulus proposal had been lost in the media, which focused instead on the politics of the situation and the apparent return of "gridlock" to Washington. I mentioned specifically that, in my travels on business around the country, many persons had commented on the politics and the gridlock.

You responded, quite correctly, that it is difficult to get the media to pay attention to the message, because they seem to delight in focusing on the "battle" and the personalities, rather than on the substance. (This week's Leon Panetta situation helps to underscore your point.) You asked for ideas about how this media focus could be overcome.

I have one suggestion, which is not particularly novel, but which could be helpful to the President at this stage. Rather than trying to overcome the media's bias toward nonsubstantive, political stories, the White House

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Comments

Ms. Christine Varney
April 28, 1993

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should seek to turn this bias to its advantage. Feed the media stories on the politics and the gamesmanship of particular legislative situations, but do it on terms that make the President look strong.

The key to this approach, I think, is to seek for the President an image -- in media stories on legislation -- akin to that of President Johnson. In other words, the President should be seen as a master legislative strategist, twisting arms and cutting deals in order to get his legislative package passed.

Obviously, in order for this approach to work, there have to be some legislative successes. The groundwork, however, should be laid well in advance. I am sure that the President today meets, on a regular and informal basis, with Congressional leaders of both parties, but such meetings have received little (if any) attention in the press. The White House staff can make sure that a few key reporters are informed when the President has a Senator or Congressman over for drinks or to see a movie. The goal, of course, is to generate a few stories about how the President is directly involving himself in the hard, dirty work of getting legislation passed.

The President's informal meetings should include Republicans as well as Democrats. For the White House staff, the "spin" placed on Republican meetings would be not merely that the President is not taking Republicans for granted, but also that he does not (and cannot) take Democratic support for granted. As was pointed out in the meeting last week, the Democrats on the Hill are not necessarily going to be your friends, and the media should be writing about the internal issues of the Democratic Party in its stories of how the President is mastering the legislative process.

If the groundwork is effectively laid, by generating stories about difficulties with the Democrats and the President's wooing of Democrats and Republicans alike, the President's legislative successes will seem all the more significant. Thus, by using the media's own propensity to write about the game, rather than about the substance, White House victories on substance will become personal triumphs of the President, who (according to the media stories generated earlier) worked hard as a legislative strategist to achieve the result.

Ms. Christine Varney
April 28, 1993

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In the crazy world of Washington, the media stories and a few successes will have a synergistic effect on the battles farther down the road. Congressmen and Senators read the same Washington Post stories that the public reads, and they tend to believe them. Thus, if a few stories are generated that suggest the President is serious about becoming a legislative strategist in the LBJ mold, Congressmen and Senators will be that much more concerned about voting against the President. Their thinking will run something along the following lines: "If the Post says that the President knows what he's doing, he must really know what he's doing. And if that's the case, I'd better not take him on."

The foregoing are just a few thoughts and, as I said at the outset, not particularly novel ones. If done correctly, however, this approach would represent a subtle (almost undetectable) change in emphasis by the White House and would pay dividends later, as the more significant legislative issues come to the fore.

In closing, let me reiterate what I said to you and to Alexis at the meeting, about how much those who attended appreciated the opportunity. After working for Anne, I have spent the last twelve years in private practice, always working in what time I could spare to help a Democrat get elected to the White House. (In my case, this included working actively on certain "spin" and image issues, not dissimilar from those discussed above, at each of the last five Democratic National Conventions, including the last one, where I worked closely with Alexis.) We are all delighted that Bill Clinton has made it to the White House, and we want nothing more than to see him succeed.

I look forward to future meetings with you and the group.

Sincerely yours,



Phillip L. Spector

cc: Ms. Anne Wexler
Ms. Alexis Herman
Mr. Howard Paster

M E M O R A N D U M

TO: WHITE HOUSE STAFF Quersio
FR: RAHM EMANUEL
RE: POLLING ON ECONOMIC PLAN
DT: FEBRUARY 26, 1993

Attached please find a memo from Stan Greenberg regarding public reaction to the President's economic plan.

As you can see, the polls indicate that there is sustained public support for the President and his economic plan.

Please feel free to contact me to discuss the poll or any additional information.

GREENBERG-LAKETHE
ANALYSIS GROUP
INC515 SECOND STREET NE
WASHINGTON DC 20002
202 547 5200**DATE:** February 26, 1992**TO:** The White House**FROM:** Stan Greenberg**RE: THE CLINTON ECONOMIC PROGRAM**
Sustained Public Support

The President's economic program has received an extraordinary reception from the American people. The public watched his "Joint Session" address in record numbers and with an intensity of concentration unmatched in our time. And while the president proposed broad-based tax increases, his popularity rose sharply after the speech. The American people favor the program by very large margins, and their support has held steady through the entire week of Republican attacks.

This assessment is based on our own national surveys but also on the wave of media surveys: LA Times, CBS, CNN/Time, Newsweek/Gallup, ABC, U.S. News, and Times Mirror. All the surveys show the same pattern: high and steady public approval. The main points are summarized below:

- The public watched the speech in "Super Bowl" numbers and with extraordinary concentration. Times-Mirror states, "the Clinton program has received more public attention than any presidential policy or proposal in the history of Times Mirror's public interest surveys." Almost two-thirds have discussed the plan with friends and neighbors and 48 percent say they paid "very close" attention" (compared to 34 percent during the Bush-Congress budget deal).
- The speech changed the mood of the country: a 10 point increase in the percentage thinking the country is headed in the right direction.

The Clinton Economic Program

2

- By nearly 2.5 to 1, the public supports the Clinton economic program. Nearly every poll shows support over 60 percent (between 59 and 64) -- and unchanged a week after the speech. The program is opposed by just a quarter of the public, concentrated heavily among strong Republicans. Perot supporters are now big supporters of the Clinton economic program (61 to 24 percent).
- The President is winning the debate with the Republicans in Congress hands-down:

Nearly 70 percent say the Clinton program is "fair."

Nearly 75 percent say the Clinton program is "real change."

On "ideas," the public turns to the President, not the Republicans, by 56 to 24 percent -- a 32 point presidential advantage.

On addressing the problems of greatest concern, the public turns to the Democrats by 20 points over the Republicans.

- The President's popularity -- against all conventional wisdom -- rose sharply after presenting his economic program, including higher taxes. His positive job performance is now near 60 percent -- up 7 points (CNN), up 7 points (LA Times) and up 11 points (CBS). Indeed, the scope of Clinton's popularity is underestimated, because Republicans have become polarized and negative.

Among Democrats, Clinton's performance is viewed positively, by a 7 to 1 ratio.

Among independents, his performance is viewed positively, by a 3 to 1 ratio.

Clinton's biggest gains have been registered among Perot supporters.

The Clinton Economic Program

3

- The Republicans are in trouble: just 32 percent now remember voting for Bush; the Democrats enjoy a mid-teens advantage in party identification and a near 20 point advantage in addressing America's problems; Reagan's popularity has dropped sharply in the past 2 weeks. The Republican line-of-attack -- that this is "a typical liberal tax and spend" policy -- is the least plausible critique of the program.
- The biggest gains for Clinton, after the speech, came among seniors, moderate Democrats and Perot supporters. Support for the program cuts across regions of the country and even winning broad support among white southerners (56 to 35 percent).
- The public believes this is a balanced program where everybody is asked to contribute. They favor the economic stimulus program (81 percent) and the long-term investments; they want the stimulus to get the country moving even if there are signs of recovery (65 to 27 percent). People are happy that the deficit will be going down which they consider a major accomplishment.

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THE WHITE HOUSE
WASHINGTON

September 8, 1993

MEMORANDUM FOR MACK MCLARTY
GEORGE STEPHANOPOULOS
DAVID GERGEN
ALEXIS HERMAN
ROGER ALTMAN

FROM: HOWARD PASTER *HP*

SEP - 9 1993

SUBJECT: ATTACHED

During the heat of reconciliation we had the chance to see the Republican letter to the business people supporting the President. Frankly, I had forgotten about it until it was sent to me again this week by a friend.

Since we are in our most bipartisan mode of operation, there is nothing to be done about this but to bear it in mind, both to remember how the battle was fought and to appreciate all the more the folks who stayed with us.

Congress of the United States
Washington, DC 20515

July 29, 1993

Dear Gentlemen:

We realize that politics sometimes make strange bedfellows, but your support of the Clinton tax plan is nonetheless baffling.

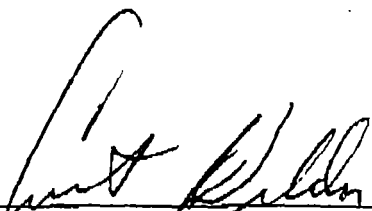
When more than sixty of our leading entrepreneurs sign on to a tax plan that raises taxes on every business in America, that increases federal spending, that adds over \$1 trillion to the national debt, and that penalizes capital formation on almost every level, it can truly be said that "a place at the table" is more important than the principles which you may bring to the table with you.

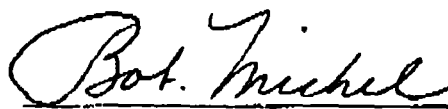
Your ability to speak for the business community has been severely compromised by your vigorous support of the Clinton tax plan. In order to get in the good graces of the White House, you are now willing to help pass a plan that will mean tremendous tax increases for thousands of small businesses that file Subchapter S personal income taxes.

Now that you have signed on so publicly to the Clinton agenda, will you also be supportive of the President's efforts to impose mandates and regulations on the business community, and to dramatically increase the minimum wage? If you are opposed to these plans, remember that by supporting the Administration you bear responsibility for helping to launch an assault on the private sector and hard working American families.

We regret that you have chosen to side with the most anti-capitalist, anti-taxpayer Administration in recent memory. Meanwhile, we will continue to fight for lower taxes, reduced spending, and smaller government.

Sincerely,


CURT WELDON, M.C.


ROBERT MICHEL, M.C.

Michael N. Castle
 Michael N. Castle, MC

Nancy L. Johnson
 Nancy L. Johnson, MC

Barbara E. Vucanovich
 Barbara E. Vucanovich, MC

Thomas W. Ewing
 Thomas W. Ewing, MC

Jim Lightfoot
 Jim Lightfoot, MC

Porter J. Goss
 Porter J. Goss, MC

William P. Baker
 William P. Baker, MC

Richard W. Pombo
 Richard W. Pombo, MC

John A. Boehner
 John A. Boehner, MC

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 David Dreier, MC

Donald A. Manzulla
 Donald A. Manzulla, MC

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 Joel Hefley, MC

Wayne T. Gilchrest
 Wayne T. Gilchrest, MC

Arthur Ravenal, Jr.
 Arthur Ravenal, Jr., MC

Howard Coble
 Howard Coble, MC

Duncan Hunter
 Duncan Hunter, MC

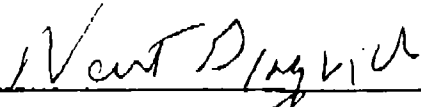
Bill Paxon
 Bill Paxon, MC

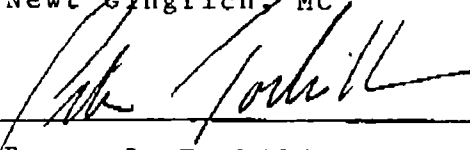
Bob Stump
 Bob Stump, MC

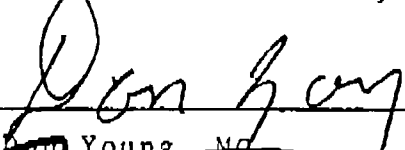
Bob Livingston
 Bob Livingston, MC

Richard M. Baker
 Richard M. Baker, MC

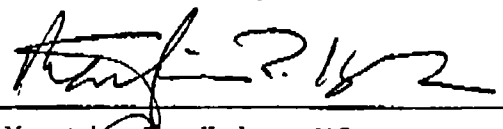
Fred Grandy
 Fred Grandy, MC

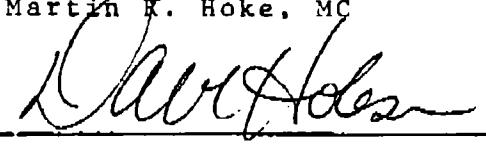

Newt Gingrich, MC

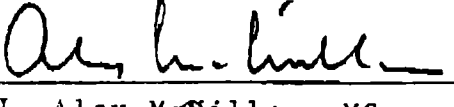

Peter G. Torkildsen, MC

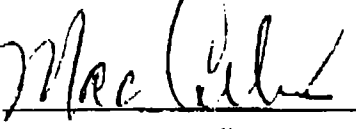

Don Young, MC

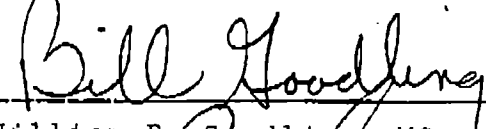

Rick Santorum, MC


Martin R. Hoke, MC

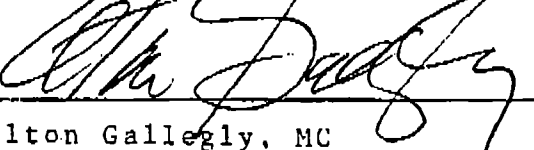

David L. Hobson, MC

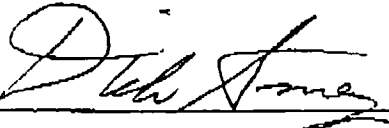

J. Alex McMillan, MC

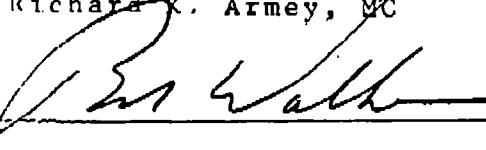

Michael A. "Mac" Collins, MC

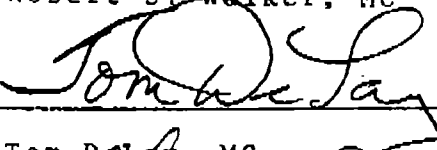

William F. Goodling, MC

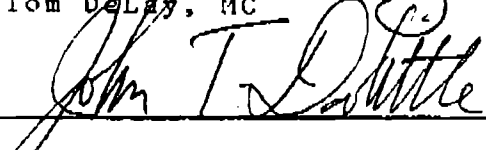

Robert F. (Bob) Smith, MC

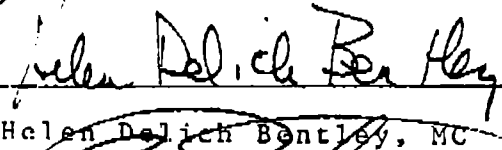

Elton Gallegly, MC

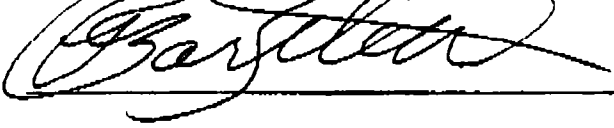

Richard K. Armey, MC

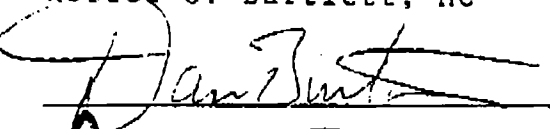

Robert S. Walker, MC

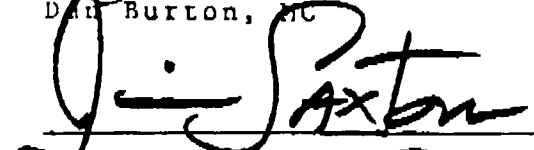

Tom DeLay, MC

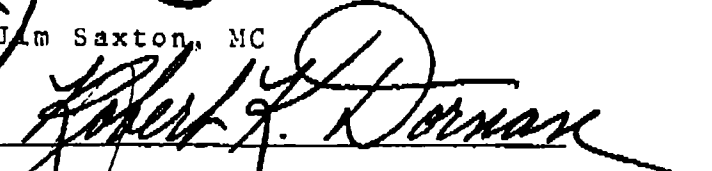

John T. Doolittle, MC

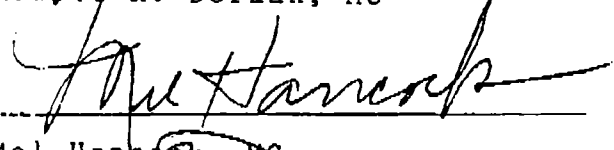

Helen Delich Bentley, MC

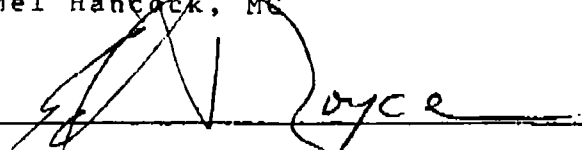

Roscoe G. Bartlett, MC


Dan Burton, MC


Jim Saxton, MC


Robert K. Dornan, MC


Mel Hancock, MC


Edward R. Royce, MC

Ben Gilman

Benjamin A. Gilman, MC

James C. Greenwood

James C. Greenwood, MC

Jack Quinn

Jack Quinn, MC

Randy "Duke" Cunningham

Randy "Duke" Cunningham, MC

Dana Rohrabacher

Dana Rohrabacher, MC

John J. Duncan, Jr.

John J. Duncan, Jr., MC

Wally Herger

Wally Herger, MC

Ronald K. Michtley

Ronald K. Michtley, MC

Carlos J. Moorhead

Carlos J. Moorhead, MC

Dan Schaefer

Dan Schaefer, MC

Stephen E. Buyer

Stephen E. Buyer, MC

Amo Houghton

Amo Houghton, MC

Sunny Callahan

Sunny Callahan, MC

John Linder

John Linder, MC

Scott L. Klug

Scott L. Klug, MC

Dave Camp

Dave Camp, MC

Jim McCrery

Jim McCrery, MC

Ernest J. Istook, Jr.

Ernest J. Istook, Jr., MC

Bob Inglis

Bob Inglis, MC

William H. Zeff Jr.

William H. Zeff, Jr., MC

Jim Pustad

Jim Pustad, MC

Frank R. Wolf

Frank R. Wolf, MC

Mike Bilirakis

Michael Bilirakis, MC

Ileana Ros-Lehtinen

Ileana Ros-Lehtinen, MC

John Myers

John T. Myers, MC

Lamar Smith

Lamar S. Smith, MC

Sam Johnson

Sam Johnson, MC

Bill Emerson

Bill Emerson, MC

Cass Ballenger

Cass Ballenger, MC

Craig Thomas

Craig Thomas, MC

Y. Tim Hutchinson

Y. Tim Hutchinson, MC

J. Dennis Hastert

J. Dennis Hastert, MC

James H. Quillen

James H. (Jimmy) Quillen, MC

John R. Kasich

John R. Kasich, MC

Jim Nussle

Jim Nussle, MC

George W. Gekas

George W. Gekas, MC

Henry J. Hyde

Henry J. Hyde, MC

Floyd Spence

Floyd Spence, MC

Tom Bliley

Thomas J. Bliley, Jr., MC

Charles H. Taylor

Charles H. Taylor, MC

F. James Sensenbrenner, Jr.

F. James Sensenbrenner, Jr., MC

Jim Bunning

Jim Bunning, MC

Dean A. Gallo

Dean A. Gallo, MC

Joe Knoellenberg

Joe Knoellenberg, MC

Mac Collins

Michael A. "Mac" Collins, MC

Hamilton Fish Jr

Hamilton Fish, Jr., MC

American Automobile Association



Washington Office

1440 New York Avenue, N.W.
Suite 200
Washington, D.C. 20005
202/942-2050

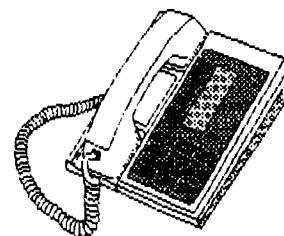
FAX 202/783-4788

TELEFAX

Date: August 3, 1993Deliver to: Alexis Herman

Organization: _____

Phone: _____

Fax: (202) 456-2983From: Sheila Davis

Pages
Including
Cover: _____

Message:

As requested, attached is letter to President
Clinton re: deficit reduction energy tax.

American Automobile Association



Washington Office

Darryl L. Wyland
Senior Vice President
Public & Government Relations

1440 New York Avenue, N.W.
Suite 200
Washington, D.C. 20005
202/942-2050

FAX 202/783-4788

July 27, 1993

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Mr. President:

The American Automobile Association has watched with growing disappointment as your stand against higher gasoline taxes has weakened like a levee on the Mississippi.

We supported you when you said during the campaign and later repeated as President that you opposed raising the gasoline tax because it would hurt the average American -- those least able to pay.

We even supported you when you proposed a broad-based energy or BTU tax, even though it would have raised the federal tax on gasoline. At least it would have spread the burden more fairly among all users of energy. And we recognized and shared your view that reducing the deficit was the responsibility of all Americans.

And we agreed with your assessment that the country needs to put people back to work. Putting money into badly needed highway and bridge construction would do that -- now more than ever after the terrible flooding in the Midwest.

Now, you and some members of Congress want to raise the gasoline tax -- not for highways, but for deficit reduction -- a move that would put the entire burden on the very same motorists you said couldn't afford it.

Mr. President, we can no longer support you on this issue.

The federal gasoline tax has increased 360 percent over the last 11 years. New federal regulations will raise the price of gasoline by another 10 cents a gallon. It is unfair to ask motorists who don't have a political action committee to secure an exemption to foot the bill for deficit reduction, while other energy users with PACs are exempted.

It's a little like asking farmers and homeowners in the Midwest to pay a tax on sand.

Page 2
July 27, 1993
The President

On behalf of the 34 million members of the American Automobile Association, and in the interest of fairness, we urge you to veto any bill that increases federal gasoline taxes for deficit reduction.

Yours truly,


Darryl L. Wyland
Senior Vice President

THE WHITE HOUSE
WASHINGTON

Akers/Herna

July 28, 1993

MEMORANDUM FOR DISTRIBUTION LIST

FROM: Mike Lux

SUBJECT: AARP

At a reconciliation war room meeting a couple of days ago, I was told that we were planning on splitting the difference down the middle between the House and Senate versions of medicare cuts. I was also told to pass this information along to AARP and other key senior groups in hopes of getting their help, which I did. Based on this information, National Council of Senior Citizens agreed to endorse the budget bill and work very extensively on our behalf. Even more importantly, AARP and I began serious discussions about them endorsing the plan, which they could do if we throw in a couple of minor concessions on other issues.

Starting last night, I began hearing angry rumblings from AARP that the word on the Hill is that the administration is pushing for a number closer to the Senate amount of medicare cuts. If that is true, we genuinely risk a strong AARP denunciation of the plan.

Given that we are asking senior groups to do us a lot of favors right now (on rapid response, for example, today and last week), and given a big part of our message this week is holding the line on medicare cuts (i.e. Friday's event), AARP and other seniors groups attacking us on medicare cuts strikes me as a very big problem. It is a very real possibility right now. Can we pull together a meeting ASAP to resolve this issue?

THE WHITE HOUSE
WASHINGTON

ECOP

May 7, 1993

MEMORANDUM FOR DAVID DRYER AND ANNE WALKER

**FROM: STEVE HILTON, DEPUTY ASSISTANT TO THE PRESIDENT
OFFICE OF PUBLIC LIAISON**

SUBJECT: NEGATIVE REACTIONS TO ECONOMIC PACKAGE

Enclosed for your review and use are letters in from TRAC and NAM in opposition to the tax provisions of our economic package. As a general matter, we did not have a large volume of critical letters and statements.

As we discussed, we have culled from the attached, letters from those who are general supporters of the economic package and/or the President.

Please be mindful that NAM has expressed a strong and continuing interest in being supportive of our Health Care initiative. Additionally, some of NAM's members are prepared to support the economic package dependent upon minor modifications to the BTU tax. I leave it to your expertise to address NAM's opposition and yet remain sensitive to their potential future support. NAM could be an important and influential player on our behalf in the health care debate.

Also, a number of companies who are members of TRAC remain strong and vocal supporters of the economic package as a whole. As David and I discussed, we therefore should focus our rhetoric on the organization and not single out individual members of TRAC.

I hope the attached is helpful.

cc Alexis Herman

R/cc

April 7, 1993

MEMORANDUM

TO: ALEXIS HERMAN
FROM: DORIS MATSUI DOH
RE: STIMULUS PACKAGE

Concerns have been expressed to me from the education community regarding the possible outcome of the stimulus package. As they feel they are our "friends", they do not want to be taken for granted. They are particularly interested in the Pell education grants and the Chapter 1 funding. As a group, they have been performing their grassroots actions, and will continue to do so. However, they do feel that because they are our friends, they should not be taken for granted.

This apprehension has to be examined in light of the President's education budget for FY 94. The stimulus package was sort of a smoke screen for the education leaders. They felt that they could tell their members to support the stimulus package and then we will work out the details of the FY 94 budget. The FY 94 budget shows that there is no investment in 1994 for Chapter 1 and Pell, and that taken with cuts, there is no net investment in education. Furthermore, there will be no investment in existing education programs from age 6 through college graduation. The only increase they see is in unspecified new initiatives and National Service. They feel their members will be so disappointed if the stimulus package does not pass, that there might be a definite lack of enthusiasm for supporting the budget.

JULY 15, 1993

Allyn

JUL 16 1993

MEMORANDUM

FROM: ROGER ALTMAN, DEPUTY SECRETARY OF THE TREASURY

SUBJECT: ATTACKS ON THE PRESIDENT'S ECONOMIC PLAN AND
SMALL BUSINESS

I understand that groups opposed to the President's Economic Plan are now attacking the Plan on the grounds that it is bad for small business. Nothing could be further from the truth.

These groups rely on inaccurate data packaged with unscientific polls to make their case. These are the facts:

- **The Clinton Plan is pro-small business** and includes several provisions to create and grow small businesses -- including more than doubling the expensing provision, a targeted small business capital gains tax cut, and lower interest rates as a result of real deficit reduction, the lowest long-term interest rates in 16 years.

- The Plan is fair -- **96% of small businesses** are exempt from new income taxes.

- The 4% of small businesses who will pay higher income taxes are **not** mom-and-pop businesses. The average affected individual -- many of whom are doctors, lawyers, investment bankers and consultants -- makes **\$560,000 a year**.

- The President has launched an aggressive assault against the credit crunch to provide capital for small businesses to expand and create jobs. This initiative includes more than ten separate regulatory changes to get credit flowing.

- Major newspapers, including the Wall Street Journal and the New York Times have pronounced **opponents' attacks "specious"**.

- The National Federation of Independent Business (NFIB) has previously testified stressing the importance of the President's key small business proposals -- expensing, targeted small business capital gains cut and lower interest rates from deficit reduction.

•The Plan will create **8 million jobs** over the next four years. Studies show that two of the President's small business investments alone will create **200,000 small business jobs**.

I think you will find the attached pages useful in rebutting these attacks.

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 that 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 business.** The President has strongly supported a new provision to cut capital gains taxes for new investment in small 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 THE TOP 1.2% WILL PAY INCREASED INCOME TAXES. The Clinton plan raises income taxes only on households who take in 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 4.2% OF SMALL BUSINESS OWNERS THAT FILE INDIVIDUAL RETURNS WILL BE AFFECTED. 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 that 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. The other 95.8% of small businesses and subchapter S corporation owners will not be affected at all by increased income tax rates.

THOSE BUSINESS OWNERS THAT WILL PAY MORE ARE WELL-OFF AND OFTEN ARE DOCTORS, LAW PARTNERS, INVESTMENT BANKERS AND CONSULTANTS WITH LUCRATIVE PRACTICES: Those 4.2% of business owners who will pay higher income taxes are quite well-off. The average business owner that 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 vast majority of small businesses won't be affected and all income tax increases will fall only on the wealthiest 1.2% of Americans.

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:

- o **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.

- o **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.

- o **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.



STATEMENT

August 4, 1993

CLARIFICATION OF THE NATIONAL ASSOCIATION FOR THE SELF-EMPLOYED POSITION ON THE BUDGET RECONCILIATION BILL

Last night, August 3, President Clinton named the National Association for the Self-Employed (NASE) as an organization supporting the conference agreement on the budget reconciliation bill. The NASE does not support the bill.

On July 20, the NASE issued a public position statement stating that although it supported a number of provisions in the House and Senate versions of the Bill, it opposed other provisions and was awaiting the results of the conference report. We have issued no further statements.

The NASE hopes that when the budget reconciliation process is completed, a bipartisan group of small business supporters, including the President and the SBA Administrator, can move forward together to assist the nation's job-generating small businesses as they assist the nation's economic recovery.

###

"Serving the Needs of Small-Business America"

National Headquarters: 2121 Precinct Line Road • Hurst, TX 76054 • 1-800-232-NASE

MEMBERS VOTING NAY ON RECONCILIATION

<u>MEMBER VOTING</u> <u>NAY (38)</u>	<u>MEMBER</u> <u>1992 %</u>	<u>1992 %</u> <u>BC/GB/RP</u>
Andrews (NJ)	70	48/32/20
Baesler (KY)	61	41/42/16
Browder (AL)	62	41/47/11
Chapman (TX)	100	39/38/23
Clement (TN)	72	53/37/10
Condit (CA)	84	41/37/22
Coppersmith (AZ)	54	33/40/26
Danner (MO)	55	40/32/27
Deal (GA)	59	35/49/16
Edwards (TX)	67	36/41/23
English (OK)	68	34/43/23
Geren (TX)	63	38/35/28
Hall (TX)	60	28/41/30
Hayes (LA)	100	46/38/14
Holden (PA)	52	36/41/23
Johnson (SD)	71	37/41/22
Klein (NJ)	49	45/42/12
Laughlin (TX)	72	37/41/22
Lehman (CA)	47	38/43/18
Lipinski (IL)	63	41/39/20
Long (IN)	62	31/46/22
Maloney (NY)	51	69/23/07
Mann (OH)	51	43/43/14
Margolies-Mezvinsky (PA)	50	44/39/16
McHale (PA)	53	41/37/21
Minge (MN)	50	37/35/28
Orton (UT)	62	22/46/25
Pallone (NJ)	54	44/39/17
Parker (MS)	72	41/50/08
Pickett (VA)	56	35/48/17
Roemer (IN)	57	38/42/19
Rowland (GA)	56	41/44/15
Sarpalius (TX)	60	36/43/20
Skelton (MO)	70	37/38/25
Swett (NH)	63	40/37/22
Taylor (MS)	63	32/54/14
Traficant (OH)	84	50/26/24
Wilson (TX)	56	43/35/22

7-15-93

OTHER TARGET MEMBERS

Applegate
Barcia
Barlow
Bevill
Bilbray
Borski
Cantwell
Carr
Costello
Hilliard
Hutto
Inslee
Jacobs
Johnson (GA)
Lloyd
Long
Martinez
Montgomery
Murphy
Ortiz
Penny
Poshard
Sangmeister
Sharp
Torricelli
Valentine
Volkmer
Williams

STATE BREAKDOWN:

Texas: 7

New Jersey 3
Pennsylvania 3
California 2
Georgia 2
Indiana 2
Mississippi 2
Missouri 2
Ohio 2
1 each: Alabama, Arizona, Illinois, Kentucky, Louisiana, Minnesota, New York,
New Hampshire, Oklahoma, South Dakota, Tennessee, Utah, Virginia .

- Binford
- Pamela Linn
Re

1250,000

- Linn
- LITC / Capital Zone

SENATE TARGET LIST FOR RECONCILIATION

1. Richard Shelby
2. Frank Lautenberg
3. Sam Nunn
4. Richard Bryan
5. Bennett Johnston
6. Dennis DeConcini
7. Bob Graham
8. Bob Kerrey
9. Herbert Kohl
10. David Boren
11. James Exon
12. Joseph Lieberman
13. Dianne Feinstein
14. Howell Heflin
15. Fritz Hollings
16. Chuck Robb
17. Russell Feingold

Amre Recon

JESUIT CONFERENCE

the Society of Jesus in the United States
Office of Social Ministries

Stall
July 21, 1993

Ms. Alexis Herman
Office of Public Liaison
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

JUL 23 1993

Dear Ms. Herman:

I have enclosed for your information a copy of a letter signed by a number of religious groups to the Conference Committee on the Budget Reconciliation Bill. We feel strongly that the programs listed in that letter must be retained in the final version of the Budget Reconciliation.

A number of our groups have also written to the President urging him to stand firm in his support for these programs.

If there is anything we can do to be of assistance as the negotiations go on, please feel free to contact us.

Sincerely,

Peggy Comfrey C.S.J.
Peggy Comfrey, C.S.J.

July 16, 1993

COPY

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

Dear Representative Rostenkowski:

The undersigned religious groups are writing to you regarding our concerns about the Budget Reconciliation bill. We have supported the principles and much of the detail set forth in the Budget Resolution since the beginning. We saw this original economic blueprint as a fair and responsible way to cut the deficit, invest in the long-term economic well-being of the nation, and raise the revenues to accomplish that goal without hurting the most vulnerable among us, particularly poor families and children.

Our concern and interest in the Budget process is grounded in our faith which proclaims that we have a moral obligation to care for the rights and dignity of one another. This extends in a special way to those who are most poor and vulnerable in our society and whose interests often come last in the legislative process.

There are four provisions in particular which we would urge you to retain at funding levels in the original proposal in the final version of the Budget Reconciliation bill. Each of these is currently stronger in the bill as passed by the House of Representatives.

*** Mickey Leland Childhood Hunger Relief Act:** This would provide \$7.137 billion over 5 years to expand and improve the Food Stamp Program. Basically, it would raise food stamp benefits to a level more closely reflecting the actual current cost of buying food. It would help prevent homelessness by allowing poor families to deduct high shelter costs and not have to choose between housing and food. It would place a more realistic limit on the value of participants' vehicles. The Senate has dropped Leland completely from its bill. We urge that it be restored in the final version.

*** Earned Income Tax Credit (EITC):** The Senate bill reduces by \$10 billion the EITC increase of \$28 billion over 5 years proposed in the House version. It eliminates the extension of EITC to very low income childless workers, while a substantial number of families with one child would have their current EITC benefits reduced. The purpose of the proposed EITC increase was to assure that American families who work will not have to live below the poverty line. According to the Senate version a family of four with a full-time worker would still be left below the poverty line. We believe the EITC needs to be funded at an adequate level to make this promise a reality.

* **Childhood Immunizations:** The House bill provides broader coverage for children who are poor or who are uninsured for immunization. We support this broader eligibility criteria. We support a widespread effort to educate parents about the need for immunizing their children and to make it a realistic possibility that all children will receive the necessary immunizations to prevent avoidable diseases.

* **Family Preservation:** The House bill provides \$1.23 billion for family preservation and support services for at-risk families. This is less than proposed by the Administration and less than what was included in last year's tax bill, vetoed by President Bush. However, we would support at least this amount as an investment in helping families stay together when possible and to support the quality of services to children in out-of-home care when necessary.

We are also concerned that the size of cuts proposed for the Medicare program will inhibit efforts for health care reform and will result in diminishment of services for those who need them. We urge you to protect the Medicare program in the final version.

We appreciate the very difficult choices that must be made to achieve the goals envisioned in the Budget Resolution: long-term investment in the economic and social infrastructures of our country, substantial reduction of the deficit/debt. Achieving the goals obviously requires additional revenues. We urge you to make these choices with the common good in mind and in a progressive manner -- not inflicting further suffering on those who have already been disproportionately affected by the state of the economy in recent years.

Sincerely,

Jesuit Social Ministries, National Office

Presbyterian Church (USA), Washington Office

American Friends Service Committee

United Church of Christ, Office for Church in Society

Interfaith Impact for Justice and Peace

Lutheran Office for Governmental Affairs, Evangelical Lutheran Church in America

National Council of Churches

United Methodist Church, General Board of Church and Society

United Methodist Church, Women's Division, Office of Public Policy

Unitarian Universalist Service Committee

Church of the Brethren, Washington Office

Friends Committee on National Legislation

Church Women United

Christian Church (Disciples of Christ), Division of Homeland Ministries

Mennonite Central Committee, Washington Office

Unitarian Universalist Association of Congregations

Episcopal Church, Washington Office

American Baptist Churches, USA, Office of Governmental Relations

*Budget Reconciliation
Package***MEMORANDUM**

TO: Alexis Herman
FROM: Barbara Chow
RE: Charitable contributions
DATE: July 26, 1993

You asked me yesterday to check on the status of a tax provision affecting nonprofits and charitable contributions. I checked with Treasury and the only provision they were aware of is the permanent extension of the Pease provision. This is a provision in current law that requires that all taxpayers with an adjusted gross income in excess of a specified amount to reduce their itemized deductions by 3%.

Charitable organizations and others have raised concerns about the provision because they believe it discourages charitable contributions. Treasury disagrees with this assertion, arguing instead that the individuals for whom the Pease limitations apply are usually so wealthy that the deductions they claim for noncharitable mandatory expenditures (e.g. mortgage payments) are larger than the portion relating to charitable contributions. Thus, charitable contributions are not disadvantaged on the margin by the Pease provision.

In any event, the permanent extension of Pease is included in both House and Senate bills and is not in question in the conference report.

Please tell me if this is not the concern that Mrs. Dole raised and I'd be happy to research any other provisions.

TAX ANALYSTS' DAILY TAX

HIGHLIGHTS & DOCUMENTS

Volume 29, Number 36

Thursday, May 20, 1993

1993
FAR
ACT**SPECIAL SUPPLEMENT**103D CONGRESS
1st Session

COMMITTEE PRINT

WMCP
103-11COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVESFISCAL YEAR 1994
BUDGET RECONCILIATION
RECOMMENDATIONS OF THE
COMMITTEE ON WAYS AND MEANS
AS SUBMITTED TO THE COMMITTEE ON THE
BUDGET PURSUANT TO H. CON. RES. 64

MAY 18, 1993

Printed for the use of the Committee on Ways and Means by its staff

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1993

GP-550 GC

For sale by the U.S. Government Printing Office
Supervisors of Documents, Mail Stop 9999, Washington, DC 20540
ISBN 0-76-01

Post-It™ brand fax transmittal memo 7671		# of pages > 4
To Susan Smith	From Bob Smucker	
Co. ARC	Co.	
Dept.	Phone #	202/223-8108
Fax # 639-6116	Fax #	

Alternative minimum tax

An individual taxpayer is subject to an alternative minimum tax (AMT) to the extent that the taxpayer's tentative minimum tax exceeds the taxpayer's regular tax liability. A taxpayer's tentative minimum tax generally equals 24 percent of alternative minimum taxable income (AMTI) in excess of an exemption amount. The exemption amount is \$40,000 for married taxpayers filing joint returns, \$30,000 for unmarried taxpayers filing as single or head of household, and \$20,000 for married taxpayers filing separate returns, estates, and trusts. The exemption amount is phased out for taxpayers with AMTI above specified thresholds. These thresholds are: \$150,000 for married taxpayers filing joint returns, \$112,500 for unmarried taxpayers filing as single or head of household, and \$75,000 for married taxpayers filing separate returns, estates, and trusts. The exemption is completely phased out for individuals with AMTI above \$310,000 (married taxpayers filing joint returns) or \$232,500 (unmarried taxpayers filing as single or head of household).

Surtax on higher-income taxpayers

Under present law, there is no surtax imposed on higher-income individuals.

Itemized deduction limitation

Under present law, individuals who do not elect the standard deduction may claim itemized deductions (subject to certain limitations) for certain expenses incurred during the taxable year. Among these deductible expenses are unreimbursed medical expenses, unreimbursed casualty and theft losses, charitable contributions, qualified residence interest, State and local income and property taxes, unreimbursed employee business expenses, and certain other miscellaneous expenses.

Certain itemized deductions are allowed only to the extent that the amount exceeds a specified percentage of the taxpayer's adjusted gross income (AGI). Unreimbursed medical expenses for care of the taxpayer and the taxpayer's spouse and dependents are deductible only to the extent that the total of these expenses exceeds 7.5 percent of the taxpayer's AGI. Nonbusiness, unreimbursed casualty or theft losses are deductible only to the extent that the amount of loss arising from each casualty or theft exceeds \$100 and only to the extent that the net amount of casualty and theft losses exceeds 10 percent of the taxpayer's AGI. Unreimbursed employee business expenses and certain other miscellaneous expenses are deductible only to the extent that the total of these expenses exceeds 2 percent of the taxpayer's AGI.

The total amount of otherwise allowable itemized deductions (other than medical expenses, casualty and theft losses, and investment interest) is reduced by 13 percent of the amount of the taxpayer's AGI in excess of \$108,450 in 1993 (indexed for inflation). Under this provision, otherwise allowable itemized deductions may not be reduced by more than 80 percent. In computing the reduction of total itemized deductions, all present-law limitations applicable to such deductions are first applied and then the otherwise

allowable total amount of deductions is reduced in accordance with this provision.

The reduction of otherwise allowable itemized deductions does not apply to taxable years beginning after December 31, 1995.

Personal exemption phaseout

Present law permits a personal exemption deduction from gross income for an individual, the individual's spouse, and each dependent. For 1993, the amount of this deduction is \$2,350 for each exemption claimed. This exemption amount is adjusted for inflation. The deduction for personal exemptions is phased out for taxpayers with AGI above a threshold amount (indexed for inflation) which is based on filing status. For 1993, the threshold amounts are \$162,700 for married taxpayers filing joint returns, \$81,350 for married taxpayers filing separate returns, \$135,600 for unmarried taxpayers filing as head of household, and \$108,450 for unmarried taxpayers filing as single.

The total amount of exemptions that may be claimed by a taxpayer is reduced by 2 percent for each \$2,600 (or portion thereof) by which the taxpayer's AGI exceeds the applicable threshold (the phaseout rate is 2 percent for each \$1,250 for married taxpayers filing separate returns). Thus, the personal exemptions claimed are phased out over a \$122,500 range (which is not indexed for inflation), beginning at the applicable threshold.

This provision does not apply to taxable years beginning after December 31, 1996.

REASONS FOR CHANGE

To raise revenue to reduce the Federal deficit, to improve tax equity, and to make the individual income tax system more progressive, the committee believes that a higher marginal tax rate should be imposed on taxpayers with a greater ability to pay taxes. Additionally, the progressivity of the individual income tax system would be enhanced by creating a two-tier alternative minimum tax schedule for individual taxpayers and by permanently extending the existing limitation on itemized deductions and the phaseout of personal exemptions for higher-income taxpayers.

EXPLANATION OF PROVISION

New marginal tax rates

The bill imposes a new 36-percent marginal tax rate on taxable income in excess of the following thresholds:

Filing status	Applicable threshold
Married individuals filing joint returns	\$140,000
Heads of households	\$127,500
Unmarried individuals	\$115,000
Married individuals filing separate returns	\$ 70,000
Estates and trusts	\$ 5,500

30% AG > 108,000

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For estates and trusts, the 18-percent rate will apply to income up to \$1,500, the 28-percent rate will apply to income between \$1,500 and \$3,500, and the 31-percent rate will apply to income between \$3,500 and \$5,500. Under this modified tax rate schedule for estates and trusts, the benefits of the rates below the 39.6-percent surtax-included rate (described below) for 1993 will approximate the benefits of the 15- and 28-percent rates for 1993 under present law.

As under present law, the tax rate bracket thresholds are indexed for inflation. However, indexing of thresholds for the 36-percent rate will apply to taxable years beginning after December 31, 1994.

Alternative minimum tax

The bill provides a two-tiered graduated rate schedule for the AMT for taxpayers other than corporations. A 26-percent rate will apply to the first \$175,000 of a taxpayer's AMTI in excess of the exemption amount, and a 28-percent rate will apply to AMTI more than \$175,000 above the exemption amount. For married individuals filing separate returns, the 28-percent rate will apply to AMTI more than \$87,500 above the exemption amount. The bill will increase the exemption amount to \$45,000 for married individuals filing joint returns, to \$33,750 for unmarried individuals, and to \$22,500 for married individuals filing separate returns, estates, and trusts.

Surtax on higher-income taxpayers

The bill provides a 10-percent surtax on individuals with taxable income in excess of \$250,000 and on estates and trusts with taxable income in excess of \$1,500. For married taxpayers filing separate returns, the threshold amount for the surtax will be \$125,000. The surtax will be computed by applying a 39.6-percent rate to taxable income in excess of the applicable threshold. Under this method of computation, unlike a simple 10-percent increase in tax liability, capital gains income will not be subject to tax at a rate in excess of the current 28-percent maximum rate. The thresholds for the surtax will be indexed for inflation in the same manner as other individual income tax rate thresholds for taxable years beginning after December 31, 1994.

Itemized deduction limitation and phaseout of personal exemptions

The bill makes permanent the provisions that limit itemized deductions and phase out personal exemptions.

EFFECTIVE DATE

The provision is effective for taxable years beginning after December 31, 1992. Withholding tables for 1993 will not be revised to reflect the changes in tax rates. Penalties for the underpayment of estimated taxes will be waived for underpayments of 1993 taxes attributable to these changes in tax rates.

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2. Provisions to prevent conversion of ordinary income to capital gain (sec. 14206 of the bill)

a. Rec characterization of capital gain as ordinary income for certain financial transactions (sec. 14206(a) of the bill and sec. 1268 of the Code)

PRESENT LAW

Under present law, the maximum rate of individual income tax on ordinary income is 31 percent. Interest from a loan generally is treated as ordinary income.

Gain or loss from the sale or exchange of a capital asset generally is treated as capital gain or loss. Net capital gain (i.e., net long-term capital gain less net short-term capital loss) of an individual is subject to a maximum tax rate of 28 percent. Generally, capital losses are not deductible against ordinary income.

REASONS FOR CHANGE

The committee is aware that taxpayers are able to enter into transactions the economic substance of which is indistinguishable from loans in terms of the return anticipated and the risks borne by the taxpayer. However, because of their form, these transactions may permit the taxpayer to take the position for tax purposes that his return is capital gain rather than ordinary income. The committee is concerned that, because of the increased differential between the rates of tax on ordinary income and capital gain that results from this bill, taxpayers may enter into such transactions for purposes of avoiding the intended higher rates on ordinary income. Accordingly, the committee believes that providing rules that would treat gain from such transactions as ordinary income is appropriate.

EXPLANATION OF PROVISION

Under the provision, capital gain from the disposition of property that was part of a "conversion transaction" would be recharacterized as ordinary income,¹⁰ with certain limitations discussed below. No inference is intended as to when income from a conversion transaction is properly treated as capital gain under present law.

A conversion transaction is a transaction, generally consisting of two or more positions taken with regard to the same or similar property, where substantially all of the taxpayer's return is attributable to the time value of the taxpayer's net investment in the transaction. In a conversion transaction, the taxpayer is in the economic position of a lender—he has an expectation of a return from the transaction which in substance is in the nature of interest and he undertakes no significant risks other than those typical of a lender. However, a transaction is not a conversion transaction subject to the provision unless it also satisfies one of the following four criteria: (1) the transaction consists of the acquisition of property

¹⁰ This ordinary income will continue to be treated as gain from the sale of property for purposes such as the graduated business income tax for less-than-qualified corporations and the gross income requirement for regulated investment companies.

by the taxpayer and a substantially contemporaneous agreement to sell the same or substantially identical property in the future; (2) the transaction is a straddle, within the meaning of section 1092¹⁷; (3) the transaction is one that was marketed or sold to the taxpayer on the basis that it would have the economic characteristics of a loan but the interest-like return would be taxed as capital gain; or (4) the transaction is described as a conversion transaction in regulations promulgated by the Secretary of the Treasury.

Under the provision, gain realized by a taxpayer from a conversion transaction that would otherwise be treated as capital gain will be treated as ordinary income (but not as interest) for all purposes of the Internal Revenue Code. The amount of gain so recharacterized will not exceed the amount of interest that would have accrued on the taxpayer's net investment for the relevant period at a yield equal to 120% of the "applicable rate". This limit is subject to appropriate reduction to reflect prior inclusion of ordinary income items from the conversion transaction or the capitalization of interest on acquisition indebtedness under section 263(g). The "applicable rate" is the applicable Federal rate under section 1274(d) at the time the taxpayer enters into the conversion transaction (if the conversion transaction has a definite term) or the Federal short term rate determined under section 6621(b) (if the conversion transaction has an indefinite term).

For example, assume that X purchases stock for \$100 on January 1, 1994, and on that same day agrees to sell it to Y on January 1, 1996 for \$115. Assume that the applicable rate is 5%.¹⁸ On January 1, 1996, X delivers the stock to Y in exchange for \$115 in satisfaction of their agreement. Assume that under current law X would have recognized a capital gain of \$15. Under the provision, \$12.36 of that amount would be recharacterized as ordinary income (i.e., 120% of 5% compounded for two years, applied to an investment of \$100).

In determining a taxpayer's net investment in a conversion transaction, the source of the taxpayer's funds generally will not be taken into account. Assume in the above example that X borrowed \$90 of the purchase price of the stock from a bank and was required under section 263(g) to capitalize \$10 of interest on that debt into the cost of the stock. Then X's net investment in the transaction will still be \$100, even though X's basis is \$110 to reflect the capitalized \$10 of interest. However, of the gain of \$5, only \$2.36 will be recharacterized as ordinary income under the provision. This is because the limitation amount of \$12.36 will be reduced by the \$10 of capitalized interest.

A special rule is included for situations in which the taxpayer has a built-in loss with respect to property that becomes part of a conversion transaction. Assume that, prior to January 1, 1994, X had purchased the stock in the previous example for \$150, and had used that stock as part of a conversion transaction entered into on January 1, 1994, when the stock's value had declined to \$100. Under these facts, the stock would be treated as having a \$100 basis for purposes of this provision, and the results would be the

same as in the example, except that X would also recognize the \$50 built-in loss when the asset was delivered to Y. The character of that \$50 loss would not be affected by this provision.

Amounts that a taxpayer may be committed to provide in the future generally will not be treated as an investment until such time as such amounts are committed to the transaction and unavailable to the taxpayer to invest in other ways. For example, assume that on January 1, 1994, X enters into a long futures contract committing X to purchase a certain quantity of gold on March 1 for \$1,000. Also on January 1, 1994, X enters into a short futures contract to sell the same quantity of gold on April 1 for \$1,000. Under these contracts, X is not required to make any investment at the time they are entered into, but is required to make a "margin" deposit (which may or may not bear interest), as security for his obligations thereunder. Suppose X terminates both contracts on February 1 for a net profit of \$2. No part of that \$2 is subject to recharacterization under this provision, since X has no investment in the transaction on which the \$2 could be considered to be an interest equivalent return.

A taxpayer's net investment in a conversion transaction generally will be the aggregate amount invested by the taxpayer in the conversion transaction less any amount received by the taxpayer as consideration for entering into any position held as part of the conversion transaction, such as when the taxpayer is the grantor of an option. For example, suppose that on January 1, 1994, X acquires publicly-traded common stock for \$100 and, on the same day, grants Y a call option on the same stock for \$100, exercisable any time prior to February 1, 1995. Y pays X a premium of \$10 for the call option. At the time X grants Y the call option, there is no substantial certainty that Y will exercise the option. Under these facts, X's net investment in the transaction comprised of the stock purchase and the granting of the option would be \$90 (i.e., the \$100 paid for the stock minus the \$10 received for granting the option). X's return on that investment will be \$16 if Y exercises the call option (the excess of \$106 of sales proceeds over the net investment of \$90). However, if Y does not exercise the option, X's return will be the difference between \$90 and the value of the stock on February 1, 1995. The transaction consisting of the stock purchase and the grant of the option is one in which X takes on a risk not typical of a lender and is not a conversion transaction.

EFFECTIVE DATE

The provision is effective for conversion transactions entered into after April 30, 1993.

¹⁷ Except that stock also is treated as personal property in defining a straddle for purposes of the conversion transaction provision.

¹⁸ For simplicity, the applicable rate is assumed to be compounded on an annual basis.

Elizabeth Dole's Office

25% limit on
Charitable deduction
to income
P.2
S. 170
S. 170

Talking Points: Exempting Charitable Deductions from the 3% Floor

- I am concerned about a provision, supported by the Administration, that reduces the value of the charitable deduction for taxpayers with incomes over \$100,000. This is euphemistically known as the 3% floor.
- Strong tax incentives are a vital element in encouraging charitable contributions -- the lifeblood of our organizations. While the charitable deduction alone does not cause people to give, it is decisive in determining how much they give. For every \$1 the government "forgoes" because of the charitable deduction, the charitable sector gains between \$1.09 and \$1.29. The 3% floor, enacted as a temporary measure in 1990, has begun to erode tax incentives for giving.
- Charitable contributions are not a drain on the Treasury. In 1989 individuals contributed \$97 billion to a wide variety of services and causes that serve public purposes. The "cost" to Treasury was \$13 billion for the tax deductions individuals claimed for those \$97 billion in contributions.
- The 3% floor has set a dangerous precedent by taxing charitable contributions. Until the enactment of the floor (in 1990), the U.S. tax code had always supported the principle that charitable contributions -- money freely given to serve public purposes -- should not be taxed. The 3% floor, for the first time, challenged this longstanding principle.
- Our society, not the individual taxpayer, benefits from the charitable deduction. The charitable contribution is a kind of voluntary tax to provide goods and services for the benefit of the public. The taxpayer, rather than the government, decides the amount of the tax and to what purposes it will be devoted. However, the taxpayer derives no profit from the contribution, and no longer has the money for her or his own personal use.
- Charitable deductions are the only "discretionary" deductions included in the 3% floor, and they account for only \$200 million of the \$2.4 billion raised by the floor. The floor affects state and local taxes, mortgage interest payments and charitable deductions. Reducing charitable contributions is the only way a taxpayer can lessen the impact of his or her increased tax obligations resulting from the 3% floor.
- Once a floor is established on a tax deduction, Congress is almost always inclined to increase it. We must not allow the charitable deduction to have the same fate as the medical deduction which has seen its floor increase to the point that taxpayers now can deduct only one half of what they could twenty years ago.

FYI --

- Status: The Budget Reconciliation Act (H.R. 2264), currently being debated in Congress, includes a provision that would make the floor permanent. This effort comes on the heels of several unsuccessful attempts to extend the floor in 1992. The 3% floor originally was set to expire in December of 1995.
- Example: A person making \$250,000 annually can now deduct only that portion which exceeds \$4,500 (3% of [\$250,000 minus \$100,000]). This taxpayer would qualify for a full charitable deduction only if her/his payments for state and local taxes and mortgage interest payments were more than \$4,500. If not, her/his charitable contributions would be counted toward reaching the \$4,500 floor, thus reducing the value of the deduction.

Recon/ negative

By hand
to Amy

Genentech, Inc.

July 27, 1993

JUL 27 1993

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

Dear Mr. President:

It is with a sense of sadness that I write to decline your invitation to attend a luncheon tomorrow at the White House. I cannot, in good conscience, lend my support to an economic package that in its current posture is so disastrous for Research and Development.

As you know, over the past 5 years Genentech has been the most R&D intensive firm in the United States (on a per employee basis and as a percentage of revenues). It is exactly this type of investment in our Nation's future competitiveness that needs to be encouraged and nurtured. Yet today, we stand on the precipice of a legislative Dunkirk. The Senate has passed a bill that would gut the R&D credit and now in conference the House has proposed receding to the Senate. It is my understanding that this was done with the Administration's blessing.

When you said in the campaign and in your budget that you favored a permanent R&D credit, I believed you. When I met with Vice President Gore and Treasury Secretary Bentsen within the last few weeks and they promised to fight for a permanent R&D credit, I believed them. Now I am left with a sense of profound disappointment. More importantly, because of the lack of continuity in the credit, as we look forward to future R&D activity, I will have substantially less money with which to hire scientists and will have little faith in the stability of the R&D credit.

From the very beginning of this budget process, I have been supportive of the overall goals of your plan even though some of its features call for additional corporate taxes. I have expressed concern about the deferral features in a constructive manner. Now it appears that the winners in this legislative battle will be those interests who adamantly opposed your plan.

The Honorable William J. Clinton
July 27, 1993
Page Two

I deeply regret having to decline your invitation, but it would not be responsible to our scientists and researchers to accept.

With regards,



G. Kirk Raab
President and Chief Executive Officer

GKR/saw

cc: Vice President Gore
Robert Rubin
Lloyd Bentsen
Ron Brown
Robert Reich

NCC ECON. PKG
CONGRESSIONAL
Chamber of Commerce

Congress of the United States
Washington, DC 20515

March 25, 1993

Dr. Richard Leshner
President
Chamber of Commerce of the
United States of America
1615 H Street, N.W.
Washington, D.C. 20062

Dear Dick:

In the interest once again of serving as an alarm bell ringing in the night, we wanted to alert you to a rapidly spreading frustration and anger with the Chamber's failure to take an aggressive posture on the Clinton economic program. We have discussed this matter on several occasions so we felt that we owed it to you to bring it to your attention before we pass the point of no return.

Despite all of the House Republican Leadership's effort, during last week's key votes on the Democratic Leadership's budget resolution and on the so-called "stimulus" supplemental spending package, the Chamber was nowhere to be seen. In fact, the Chamber's absence was conspicuous by its lack of presence and activity. Silence speaks volumes.

The Chamber's current posture is disturbing. We have had several brutally frank discussions about it. We thought we had a clear understanding of the consequences, both short- and long-term, of the Chamber's current activities, or lack thereof, and believed that our discussions were productive.

However, several incidents since then have led us to believe otherwise. Congressman John Boehner, in his capacity as Chairman of the Conservative Opportunity Society, invited Dr. William Archey and other key officials to their weekly meeting to urge them to take an active position. We met with you again yesterday. Members came away from both sessions more exasperated than they were before the meetings.

The Chamber's apparent unwillingness to adopt an aggressive posture is even more disturbing when you contrast it to your position throughout the 1980s, when you were at the vanguard of those business groups that marshalled public support for the Reagan economic program, which triggered an economic boom of historic proportions.

To make matters worse, your refusal to weigh in strongly on the Clinton economic program stands in stark contrast to many other business organizations, such as the National Federation of Independent Business and the National Association of Manufacturers. Even though

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the NFIB and NAM faced daunting odds, they still lobbied hard and remained true to their core principles of lower taxes, less government spending and smaller government.

Your current posture is unacceptable. Judging by the comments of many of our colleagues, we have a feeling that this situation is about to hit a critical mass. Tactical decisions made in today's political environment will reverberate for years; once made, the ramifications could be quite severe.

Given the urgency of the situation and potential consequences, we wanted to warn you again of the stakes involved in your current position.

This has become a Republican Leadership issue. We intend to pursue our plans to see what we can do to make the Chamber a more effective advocate for free-market, pro-growth economic policies. Any concrete suggestions that you might have about how to rectify this situation quickly would be more than welcome.

Thank you very much.

Sincerely,

New Director

Bob Michel

Dick Aron

Tom DeLay

Henry Hyde

Bill McColl

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

IVAN W. GORR
CHAIRMAN OF THE BOARD

1015 H STREET, N.W.
WASHINGTON, D. C. 20062-2000
202/659-6000

March 31, 1993

The Honorable Richard K. Armey
United States House of Representatives
Washington, D. C. 20515

Dear Mr. Armey:

This letter is in response to your March 25, 1993, letter to Dr. Richard Leshar signed by you and Congressmen Michel, Gingrich, DeLay, McCollum and Hyde regarding the U.S. Chamber's position on President Clinton's proposed economic program.

The Chamber Board considered President Clinton's proposed economic program at its February 22, 1993, meeting. The Board reviewed the then-available details of the plan and received input from our policy committees and surveys of our membership. At that meeting, the Board adopted its position, which remains in effect today. As we have testified, the President's proposal relies far too much on tax increases and not enough on spending cuts. We need to learn from history that spending restraint is the key to long-term deficit reduction. Time and time again increased taxes have been used not for deficit reduction, but to fund ever higher levels of government spending. This must not happen again. If Congress is willing to make the hard spending choices, then the Chamber will assess those choices and look seriously at a complete package, provided such a package will still preserve the economic recovery. Contrary to the assertion in your letter, the Chamber has been both visible and active in promoting this position on the President's plan.

As more details of the plan become available, our policy committees and the Board will continue their review and will adopt positions accordingly. We will work with both the Congress and the Administration to ensure that the final product is as pro-business and pro-economic growth as possible. Our members have instructed us to work with all the involved parties to help fashion the best possible legislation. We are active and outspoken against those features of the plan that are inimical to the business community and similarly supportive of those that are helpful.

*This letter was addressed
individually to Congressmen
Armey, Michel, Gingrich,
McCollum, & Hyde.*

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- 2 -

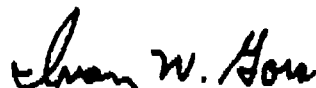
While your misrepresentation of the Chamber's position is troubling, another aspect of your letter and other communications is far more disturbing. We infer from various statements in your letter that if we do not adopt positions acceptable to you, we will suffer the "consequences." This apparent attempt to dictate to us what our policies should be is deeply offensive. Although you imply otherwise, we sincerely hope these tactics are not condoned by either the Republican Party or the many responsible and thoughtful Republican legislators.

The irony of your approach will not be lost on our members -- that a small group of legislators, who espouse the principle of limiting government interference in business, is attempting to interfere in the democratic policy-making process of a business organization. The Board has full confidence that the Chamber staff is properly carrying out Chamber policy.

Your letter also conveys the impression that you believe the Chamber is meant to be an unofficial arm of the Conservative Opportunity Society. Our 215,000 members represent the broad diversity of the American business community. They include Republicans, Democrats, Independents, conservatives, moderates and liberals. Our members are unified by their interest in creating and preserving the best business climate, and we have been -- and will remain -- determined to safeguard that interest whether or not our positions are pleasing to any political party or policy group.

The Chamber's mission is to represent the interests of its members, as determined by them, as effectively as possible. To that end we will work with you and all of your colleagues in Congress in an atmosphere of mutual respect to advance the interests of the American business community.

Sincerely,



Ivan W. Gorr

cc: All House Republicans

THE WHITE HOUSE
WASHINGTON

March 10, 1993

MAR 11 1993

Ms. Julia Akins Clark
Counsel
Federal Labor Relations
Professional and Technical Engineers
701 Georgia Avenue
Suite 701
Silver Spring, Maryland 20500

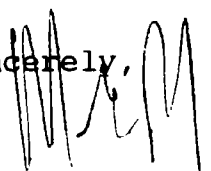
Dear Ms. Clark:

Thank you for taking the time to send me a copy of the Professional and Technical Engineers testimony on the President's economic plan. I appreciated your calling your concerns to my attention.

For your information, I have shared a copy of the materials you sent with Rahm Emanuel, Assistant to the President for Political Affairs and Alexis Herman, Assistant to the President for Public Liaison. Please be assured that I will keep your concerns in mind as we work towards final passage of the economic plan.

Best regards.

Sincerely,



Howard G. Paster
Assistant to the President
for Legislative Affairs



INTERNATIONAL FEDERATION OF

PROFESSIONAL AND TECHNICAL ENGINEERS

8701 GEORGIA AVENUE, SUITE 701

/ SILVER SPRING, MD 20910

/ (301) 565.9016

March 2, 1993

MAR 5 1993
MAR 4 1993

Howard G. Paster
Assistant to the President
Legislative Affairs
White House, Room Two WW
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. Paster:

Enclosed please find a copy of our testimony in regarding the President's intentions with respect his budget proposals as they directly affect federal employees. As stated therein we believe federal employees are being asked to bear an unfair share of the burden of deficit reduction spending cuts. This is not to say that our members are unwilling to share in the necessary sacrifice to reduce the federal deficit and strengthen our economy. We ask only that the Administration's planned sacrifices be fairly distributed.

Many of our members living in high cost areas such as the District of Columbia and other major cities cannot meet their basic survival needs on their present salaries. These individuals are also at risk of losing their health insurance simply because they cannot pay their share of the rising premium costs which would be increased further under the President's proposals. It does not make sense to try to solve an economic crisis by pricing increasing numbers of federal employees out their health insurance program.

We want to work with you because our people want you to succeed in your broader economic goals. Thus we are willing to discuss compromise. To do that effectively we need a willingness on your part to listen and evidence to show our people that the President's plan fairly treats federal workers.

We are free to discuss these issues with you at any time and look forward to working to support the President's economic plan once we are satisfied that federal workers are treated fairly in the context of the entire budget.

Sincerely,

Julia Akins Clark, Counsel
Federal Labor Relations



INTERNATIONAL FEDERATION OF

PROFESSIONAL AND TECHNICAL ENGINEERS

8701 GEORGIA AVENUE, SUITE 701

/

SILVER SPRING, MD 20910

/

(301) 565.9016

TESTIMONY OF JAMES E. SOMMERHAUSER

PRESIDENT

**INTERNATIONAL FEDERATION OF PROFESSIONAL AND
TECHNICAL ENGINEERS, AFL-CIO**

BEFORE THE

**POST OFFICE & CIVIL SERVICE SUBCOMMITTEE
ON**

COMPENSATION AND EMPLOYEE BENEFITS

March 3, 1993

TESTIMONY OF

JAMES E. SOMMERHAUSER, PRESIDENT
INTERNATIONAL FEDERATION OF PROFESSIONAL
AND TECHNICAL ENGINEERS

GOOD AFTERNOON CHAIRWOMAN NORTON AND MEMBERS OF THE SUBCOMMITTEE. THE REAGAN-BUSH ERA IS GONE. THE CLINTON-GORE ADMINISTRATION HAS ARRIVED AND BROUGHT WITH IT AN ECONOMIC PLAN THAT IS RIGHT IN ITS LARGE SCOPE AND IN MOST OF ITS DETAIL.

THIS ADMINISTRATION IS PROVIDING LEADERSHIP THE NATION DESPERATELY NEEDS. BUT WITH THIS LEADERSHIP **MUST** COME THE RESPONSIBILITY OF EQUITABLY DISTRIBUTING THE BUDGET CUTS WHICH LOOM OMINOUSLY ON THE HORIZON.

WORKING AMERICANS ARE READY TO SACRIFICE TO RESTORE THIS NATION TO ITS FORMER LEVEL OF EXCELLENCE. WE RECOGNIZE THAT BY DOING SO, IT BENEFITS THIS GENERATION AND ALL FUTURE GENERATIONS.

FEDERAL EMPLOYEES, TOO, ARE PREPARED TO SACRIFICE. BUT THE CUTS PROPOSED, IN THEIR TOTALITY, UNFAIRLY SINGLE THEM OUT TO BEAR A DISPROPORTIONATE BURDEN. THERE MUST BE A BETTER WAY FOR THE GOVERNMENT TO MEET IT'S FISCAL NEEDS. ONCE AGAIN, FEDERAL EMPLOYEES ARE BEING PLACED ON THE CHOPPING BLOCK TO BE HACKED AWAY IN A TIME OF CRISIS.

OUR UNION REPRESENTS 22,000+ FEDERAL EMPLOYEES IN THE DEPARTMENTS OF NAVY, AIR FORCE, ARMY, INTERIOR, NASA, AND THE CONGRESSIONAL RESEARCH SERVICE. OUR MEMBERS ARE PRIMARILY ENGINEERS, TECHNICIANS, AND SCIENTISTS. FEDERAL EMPLOYEES HAVE SUFFERED ECONOMIC HARDSHIPS AS A RESULT OF PAST BUDGET CUTS. THOSE CUTS SHRANK OUR PAYCHECKS, WHICH DEVASTATED OUR FAMILIES, DIMINISHED WORKPLACE PRODUCTIVITY, AND DEMORALIZED OUR PEOPLE.

THE PLAN FOR AN ACROSS-THE-BOARD FREEZE OF GOVERNMENT-WIDE RAISES IN 1994, AND THE REDUCTION OF RAISES FOR THREE YEARS THEREAFTER, WILL EXTOLL A HIGH PRICE ON GOVERNMENT WORKERS. THEN, INCLUDE THE DELAY OF COMPARABILITY PAY, WHICH AFTER A 30 YEAR EFFORT WAS FINALLY WON ONLY TWO YEARS AGO, AND THE BURDEN IS INCREASED. WHAT WILL HAPPEN TO THE FEDERAL WORKERS AT LOWER LEVELS WHOSE PAY CANNOT EVEN ASSURE THE MOST BASIC SURVIVAL?

OUR CLERICAL MEMBERS, SOME OF WHOM ARE CONTRACT ANALYSTS AND WORK WITH MULTI-MILLION DOLLAR CONTRACTS, ARE PAID SO LITTLE, THEY QUALIFY FOR FOOD STAMP ASSISTANCE. SOME INDIVIDUALS HAVE QUIT THEIR FEDERAL JOBS BECAUSE THEY COULD SURVIVE BETTER ON WELFARE THAN BY WORKING FULL-TIME FOR UNCLE SAM AND PAYING FOR CHILD CARE. OUR CLERICAL MEMBERS, EMPLOYED BY YOU IN THE CONGRESSIONAL RESEARCH SERVICE, MUST DECIDE EACH MONTH WHETHER TO PURCHASE NEEDED HEALTH CARE OR CLOTHING ON A BUDGET THAT BARELY COVERS THE COSTS OF FOOD AND RENT IN THE WASHINGTON, D.C. AREA.

NOT SURPRISINGLY, SOME FEDERAL WORKERS WILL MORE THAN LIKELY

HAVE TO REMOVE HEALTH CARE FROM THEIR BUDGETS IF \$25.00 MORE PER MONTH IS TACKED ON TO THEIR INSURANCE PREMIUMS, OVER THE TOP OF REGULAR PREMIUM INCREASES. WHILE THE GOVERNMENT CHOPS \$700 MILLION OFF THE COSTS OF THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM, HOW MANY MORE FAMILIES WILL BE FORCED TO JOIN THE MILLIONS OF PEOPLE CURRENTLY WITHOUT ADEQUATE HEALTH CARE?

IS NOT THE CIRCUMSTANCE OF LOSING A PARENT OR SPOUSE ENOUGH HARDSHIP WITHOUT CUTTING CHILD OR SPOUSE SURVIVOR BENEFITS?

THE UNIONS AT ANY BUSINESS THAT IS IN TROUBLE DO NOT **"JUST SAY NO"**. OUR MEMBERS ARE READY TO SACRIFICE, BUT ANY SUCH SACRIFICE MUST BE FAIR. THEREFORE WE OFFER THE FOLLOWING COUNTER TO THE PRESIDENT'S PROPOSAL.

1. OUR MEMBERS WOULD **RELUCTANTLY** ACCEPT A ONE YEAR PAY FREEZE RELATING TO THE GOVERNMENT WIDE PAY RAISE SCHEDULED FOR JANUARY 1994.
2. OUR MEMBERS WOULD **EVEN MORE RELUCTANTLY** ACCEPT THE REDUCED FORMULA FOR GOVERNMENT WIDE PAY RAISES FOR 1995, 1996, AND 1997.
3. THE LOCALITY COMPARABILITY PAY SURVEY AND APPROPRIATE LOCALITY INCREASES MUST GO FORWARD AS SCHEDULED IN 1994.
4. FOR ANY AGENCY OR ACTIVITY THAT WILL REMAIN IN BUSINESS REPLACE THE PROPOSED "REDUCTIONS IN WORK FORCE SIZE BY ATTRITION" WITH SPECIFIC DOLLAR TARGETS; MODIFY LAW AND/OR REGULATION TO ALLOW THE AFFECTED WORK FORCE LATITUDE TO REACH THOSE TARGETS THROUGH NEGOTIATION BETWEEN THE

AFFECTED WORK FORCE AND THE AFFECTED MANAGEMENT. AN ENFORCEMENT MECHANISM OF PROPORTIONAL ACROSS THE BOARD REDUCTIONS-IN-FORCE OF MANAGERS AND EMPLOYEES WOULD BE A LAST RESORT, IF THE DOLLAR TARGETS ARE NOT MET.

5. CREATE A GOVERNMENT WIDE "STOPPER LIST" TO COVER ANY GOVERNMENT EMPLOYEE WHO BY ACTION OF FUNDING TERMINATION, BASE CLOSURE, OR FAILURE TO MEET BUDGET TARGETS MUST BE LAID OFF. THIS "STOPPER LIST" **MUST** ACT AS A REAL BARRIER TO HIRING FROM OUTSIDE WHEN THERE IS A DISPLACED EMPLOYEE WHO MEETS THE BASIC QUALIFICATIONS FOR THE POSITION. NO "SPECIAL HIRING WAIVERS" OR OTHER GAMES ALLOWED.

6. HOLD OFF ON THE CHANGES TO HEALTH INSURANCE FINANCING (\$25 CO-PAY) WHILE THE NATIONAL HEALTH INSURANCE REFORM EFFORT GOES FORWARD. THIS PROVIDES ADDED EMPHASIS TO MAKE THIS EFFORT SUCCEED.

7. LOOK AT THE FUNDING END OF THE FORMULA, AS OPPOSED TO CUTTING SURVIVOR BENEFITS. IF A FUNDING SOLUTION OF EQUAL VALUE CAN NOT BE FOUND, THEN LOOK AT BENEFITS CUTS.

AS WITH THE PRESIDENTS ECONOMIC PROPOSAL, THIS OFFER IS A PACKAGE. WE BELIEVE THAT THIS PACKAGE HAS THE ADVANTAGE OF RELYING MORE ON THE PEOPLE WHO HAVE THE GREATEST KNOWLEDGE, AND THE GREATEST SELF INTEREST, TO MAKE IT WORK. AS WITH THE PRESIDENT'S ECONOMIC PROPOSAL, WE ARE WILLING TO CONSIDER ALTERNATIVES TOWARD THE SAME GOAL. I AM HERE TODAY BECAUSE I BELIEVE YOU, CHAIRWOMAN NORTON AND THE OTHER MEMBERS OF THE SUBCOMMITTEE, UNDERSTAND AND HAVE A SINCERE DESIRE TO ADDRESS THE PROPOSED CUTS FACING FEDERAL WORKERS, AND TO ACHIEVE AN

EQUITABLE SOLUTION THAT MEETS NATIONAL NEEDS, WITHOUT TRAMPLING THE
NEEDS OF A LOYAL WORK FORCE. WE WILL WORK WITH YOU IN ANY MANNER
POSSIBLE, BUT **THE TIME TO ACT IS NOW!** GIVE US A VEHICLE AND WE WILL DO
EVERYTHING IN OUR POWER TO MAKE IT RUN.

THANK YOU.

Amy
✓ DMH

March 7, 1993

MEMORANDUM FOR ALEXIS HERMAN

FROM: HOWARD PASTER *HP*

Senator Dole is calling a meeting of the CEOs of companies - tobacco, alcoholic beverages, trucking, etc. - that have long opposed excise tax increases. I am not certain exactly what he is doing since we didn't go down that road, but thought I ought to pass this along to you.



**THE
FERTILIZER
INSTITUTE**

501 Second Street, N.E., Washington, D.C. 20002

TEL: 202/675-8250

FAX: 202/544-8123

GARY D. MYERS
President

*from
Steve Hilton*

MEMORANDUM

DATE: February 8, 1993

TO: Agriculture Leaders

FROM: Gary D. Myers *[Signature]*

RE: Farmer Taxes

The Clinton Administration, in conjunction with Congress, is currently considering a variety of new taxes and will likely include an energy and/or environmental tax in the President's budget proposal in his State of the Union Address February 17.

Energy taxes hit farmers twice. Environmental taxes also hit farmers twice. Each tax is levied on farmers' use of energy or input tools and on the production of those input tools. Thus, if both energy and environmental taxes are enacted, farmers would pay four new taxes.

It is urgent that all those involved in agriculture contact their Senators and Representatives to let them know the impact such taxes would have on agriculture. Please call or write the Washington, D.C. office of your elected officials and contact the district office and ask to meet with the Congressman during his/her next trip to the district.

Enclosed is a summary of the impact such taxes would have on farmers' use of fertilizer. In addition to this information, let your Congressman know the impact additional taxes of this kind could have on your business, including the jobs and economic impact your business contributes to the local area.

It is vital that Congress get input now from those who work in agriculture. Please send me a copy of any letters you send to your elected officials, and feel free to contact our office if you want more detailed information.

Also, remember that Congress reads newspapers. Please contact your local newspaper or send a letter to the editor on the impact of these new taxes on your local community and rural area.

ENVIRONMENTAL/ENERGY TAXES: FOUR HITS ON FARMERS

Energy and environmental taxes would have a major economic impact on the profitability of farmers. Both energy and environmental taxes are double taxes on farmers: Farmers pay higher input costs and direct taxes on energy used on the farm. If both environmental and energy taxes are enacted, farmers would be hit four times. The following examples illustrate the potential additional tax burden on farmers' production inputs should a broad-based energy tax or environmental tax be signed into law in the 103rd Congress.

Energy Taxes on Farmers

	Potential Annual Tax on Farmers
Carbon Taxes	\$45-\$225 million
Rep. Stark of California introduced H.R. 804, phasing in a 48 cents/MCF tax on natural gas.	
A carbon tax on production of 1-ton of ammonia = \$3.26 to \$16/ton. In 1992 U.S. production of ammonia was 14 million tons	
Btu Taxes	\$600 million
Agriculture uses more than 1.5 trillion Btu's of energy each year. A Btu tax of \$.40 per MMBtu is equivalent to a 5 cent/gallon gasoline tax.	
Gasoline Taxes	
Each 5-cent increase in the federal gasoline tax costs farmers \$600 million. Proposals for a gas tax range up to 50 cents/gallon.	\$600 million - \$6 billion

Environmental Taxes on Farmers

Input Use Taxes	
Rep. Studds proposes to tax farmers to pay for city sewer systems.	
Fertilizer Tax = 1.7 to 3.2 cents per nutrient pound or \$28-\$52 per ton of anhydrous ammonia.	\$500 million
Pesticide Tax = 46 cents per pound of active ingredient.	\$500 million
Waste tax = \$2.26 per pound of pollutant, adding cost to the production of fertilizer.	\$250 million

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NOTES

Divider Title: _____

The White House Office of Public Liaison

Alexis M. Herman, Director

Phone (202) 456-2930

Fax (202) 456-6218

Facsimile Transmittal Sheet

Number of Pages (Including Cover) 21

To Mignon Moore / Karen Wilcox

Fax Number 863-8196

Office Number 863-8137

Date 7/18/93

From Marilyn D. Jackel / Amy Zisch

***** COMMENTS *****

Briefing memo for tomorrow's
meeting.

(Signature)

*7
recovered
17/18/93
- 2 brief notes
80 lines - P*

Caren

OPL BRIEFING MEMORANDUM

TO: ALEXIS HERMAN, BOB RUBIN
FROM: AMY ZISOOK, MARILYN DIGIACOBBE
DATE: JULY 19, 1993

BRIEFING: DC Reps Working Group

DATE: July 19, 1993

LOCATION: Roosevelt Room

TIME: 11:00 a.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 should emphasize our message of job creation and economic growth.

The main objectives of this meeting are:

- (1) Gain input from the group on what's happening on the outside.
- (2) Ask the group for their input on how they would proceed.
- (3) Ask each attendee to recruit support from 3-5 people in their industry and other friends in the business community.

PARTICIPANTS: The Washington representatives of companies that have been supportive of the economic plan. The companies represented are American Airlines, ARCO, American Stock Exchange, Apple, Anheuser-Busch, Ford, Nation's Bank, TRW, US West, Time Warner, The Limited, Salomon Brothers, and Xerox. Total number of participants is 15.

AGENDA: Alexis Herman - Welcome and outline the objectives of the meeting.

Bob Rubin - Discuss where we are, and ask what issues they see as still on the table. Make clear, though, that we are not going to negotiate for people's support.

Alexis Herman - Ask the group for their input on how they would proceed. Discuss our message and strategy for Conference. Solicit their active support.

Caren Wilcox

DC REPS WORKING GROUP MEETING
MONDAY, JULY 19, 1993
ROOSEVELT ROOM, 11:00 A.M.

1. Mr. Mike Andrews
Director
Salomon, Inc.
1455 Pennsylvania Avenue, NW
Suite 350
Washington, DC 20005
Phone(o): 202-879-4116
2. Mr. Michael S. Berman
Duberstein Group
2100 Pennsylvania Avenue, NW
Suite 350
Washington, DC 20037
Phone(o): 202-728-1100
3. Mr. Tim Boggs
Vice President
Time Warner Inc.
800 Connecticut Avenue, NW
Suite 800
Washington, DC 20006
Phone(o): 202-457-8582
4. Ms. Letitia Chambers
President
Chambers Associates
1625 K Street, NW
Suite 200
Washington, DC 20006
Phone(o): 202-857-0670
5. Mr. Michael Farren
Vice President
Xerox Corporation
490 L'Enfant Plaza East
Suite 4200
Washington, DC 20024
Phone(o): 202-646-8285
6. Mr. Claude Fontheim
The Limited, Inc.
Phone(o): 202-429-2217
7. Mr. Elliot Hall
Vice President, Washington Affairs Office
Ford Motor Company
1350 Eye Street, NW
Washington, DC 20005
Phone(o): 202-962-5371
8. Mr. Robert Healy, Sr.
ARCO
1333 New Hampshire Avenue, NW
Suite 1001
Washington, DC 20036
Phone(o): 202-457-6200

9. Ms. Tamara Hirschfeld
Executive Director, Government Relations
American Stock Exchange
2101 L Street, NW
Suite 401
Washington, DC 20037
Phone(o): 202-887-6880
10. Mr. James Johnson
Vice President, Government Affairs
Apple Computer
1550 M Street, NW, #1000
Washington, DC 20005
Phone(o): 202-872-6260
*Note: attendance not confirmed yet
11. Mr. Richard F. Keating
Vice President
Anheuser-Busch Companies, Inc.
1776 I Street, NW
Suite 200
Washington, DC 20008
Phone(o): 202-293-9494
12. Mr. J. Mark Leggett
Government Affairs
Nation's Bank
Nation's Bank Corporate Center
Charlotte, NC 28255
Phone(o): 704-386-5739/8536
13. Ms. Laramie McNamara
Director, Federal Relations
TRW Inc.
1001 North 19th Street
Suite 800
Arlington, VA 22209
Phone(o): 703-276-5037
14. Mr. Dale Snape
General Manager
The Wexler Group
1317 F Street, NW
Washington, DC 20004
Phone(o): 202-638-2121
15. Mr. H. Laird Walker
Vice President
US West, Inc.
1020 19th Street, NW
Suite 700
Washington, DC 20036
Phone(o): 202-429-3101
16. Ms. DeeGee Wilhelm
American Airlines
1101 17th Street, NW
Washington, DC 20036
Phone(o): 202-857-4233

Caren

OPL BRIEFING MEMORANDUM

TO: ALEXIS HERMAN, ROGER ALTMAN, ED KNIGHT
FROM: AMY SISOOK, MARILYN DIGIACOBBE
DATE: JULY 19, 1993

BRIEFING: Business Government Reps / Industry Meeting

DATE: July 19, 1993

LOCATION: Indian Treaty Room

TIME: 12:00 noon

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 should emphasize our message of job creation and economic growth. Note that all of the attendees have been asked to recruit support.

The main objectives of this meeting are:

- (1) Gain input from the group on what's happening on the outside.
- (2) Communicate strongly the message that passing a package is crucial to job creation and economic growth. Emphasize the alternative will be devastating to the economy.
- (3) Ask each attendee to recruit support from 3-5 people in their industry and other friends in the business community.

PARTICIPANTS: Business government affairs representatives, some of whom who have been supportive of either the President or one of the bills. It is certainly not a partisan "Clinton" group.

AGENDA: Alexis Herman - Welcome and outline the objectives of the meeting.

Roger Altman - Discuss where we are and ask what issues they see as still on the table. Make clear, though, that we are not going to negotiate for people's support. Communicate the job creation message. Solicit their active support.

Alexis Herman - Ask attendees to recruit support from 3-5 people within their industries.

Caren Wilcox

BUSINESS SUPPORTERS (VIA INDUSTRY) MEETING
MONDAY, JULY 19, 1993
INDIAN TREATY ROOM, 12:00 P.M.

1. Delta *
2. Sara Lee *
3. Levi Strauss *
4. Archer Daniels Midland Company *
5. Hughes Aircraft Company *
6. Mr. Theodore Austell
Tenneco
7. Mr. William Ball *
National Soft Drink Association
Washington, DC
8. Mr. Laurance Bankowski
Corning Inc.
9. Mr. Robert W. Barrie
Manager, Federal Legislative Relations
General Electric
1331 Pennsylvania Avenue, NW
Suite 800N
Washington, DC 20004
Phone(o): 202-637-4471
10. Mr. Frederick S. Benson, III
Vice President, National Affairs
Weyerhaeuser Company
2001 L Street, NW
Suite 304
Washington, DC 20036
Phone(o): 202-293-7222
11. Mr. Michael S. Berman
Dubarstein Group
2100 Pennsylvania Avenue, NW
Suite 350
Washington, DC 20037
Phone(o): 202-728-1100
12. Mr. Hugh Carey *
W.R. Grace
13. M. E. Carino
Bethlehem Steel

14. Mr. John J. Castellani
Vice President, Government Relations
Tenneco
701 Pennsylvania Avenue, N.W.
Suite 610
Washington, DC 20004
Phone(o): 202-638-2800
15. Ms. Jeanne K. Connelly *
Vice President, Federal Government Affairs
Champion International Corporation
1875 Eye Street, NW
Suite 540
Washington, DC 20036
Phone(o): 202-785-9888
16. Mr. Allan D. Cors *
Senior VP & Director of Government Affairs
Corning Inc.
1455 Pennsylvania Avenue, NW
Suite 500
Washington, DC 20004
17. Mr. Don Crane
Procter & Gamble
18. Ms. Lynn Cutler
The Kamber Group
1920 L Street, NW
Washington, DC 20036
Phone(o): 202-223-8700
19. Mr. Michael Farren
Vice President
Xerox Corporation
490 L'Enfant Plaza East
Suite 4200
Washington, DC 20024
Phone(o): 202-646-8285
20. Mr. Claude Fonthelm
The Limited, Inc.
Phone(o): 202-429-2217
21. Mr. Bob Griffin
Chrysler
22. Mr. Elliot Hall
Vice President, Washington Affairs Office
Ford Motor Company
1350 Eye Street, NW
Washington, DC 20005
Phone(o): 202-962-5371
23. Ms. Judith Hoffman
Procter & Gamble
24. Mr. J. Richard Iverson
President
American Electronics Association

1225 Eye St. NW
Suite 950
Washington, DC 20005
Phone(o): 202-682-9110

25. Mr. James D. Johnston *
Vice President, Industry Government Relations
General Motors Corporation
1660 L Street, NW
Suite 401
Washington, DC 20036
Phone(o): 202-775-5090
26. Mr. Richard F. Keating *
Vice President
Anheuser-Busch Companies, Inc.
1776 I Street, NW
Suite 200
Washington, DC 20008
Phone(o): 202-293-9494
27. Mr. Gerald Lederer
United States Telephone Association
28. Ms. Shelley A. Longmuir *
Senior Counsel, Government Affairs
United Airlines
1707 L Street, NW
Suite 300
Washington, DC 20036-4202
Phone(o): 703-892-7410
29. Ms. Susan Lord
Spring Industries
Phone(o): 202-736-2188
30. Mr. Chuck Ludlum *
Biotech Industry Association
31. Ms. Laramie McNamara
Director, Federal Relations
TRW Inc.
1001 North 19th Street
Suite 800
Arlington, VA 22209
Phone(o): 703-276-5037
32. Mr. Manley Molpus *
President
Grocery Manufacturers Association of America
1010 Wisconsin Avenue, NW
Washington, DC 20007
Phone(o): 202-337-9400
33. Tracy Mullins *
American Retail Federation
34. Mr. Dan Murray
Bell South

35. Mr. Randy Nuckolls
Pepsico
36. Mr. John Sodolski
President
United States Telephone Association
900 19th Street, NW
Suite 800
Washington, DC 20006
Phone(o): 202-835-3100
37. Mr. Eben S. Tisdale *
Vice President, Federal Corporate Affairs
Hewlett-Packard Company
900 17th Street, NW
Suite 1100
Washington, DC 20006
Phone(o): 202-785-3666
38. Mr. William E. Wickert, Jr.
Vice President, Federal Affairs
Bethlehem Steel Corporation
1667 K Street, NW
Suite 600
Washington, DC 20006
Phone(o): 202-775-6200
39. Ms. DeGee Wilhelm
American Airlines
1101 17th Street, NW
Washington, DC 20036
Phone(o): 202-857-4233
40. Mr. R. Marvin Womack *
Vice President, National Government Relations
Procter & Gamble
801 18th Street, NW
Suite 400
Washington, DC 20006
Phone(o): 202-393-3404
41. Mr. Douglas C. Worth *
IBM Corporation

* Note: attendance not yet confirmed for these persons

OPL BRIEFING MEMORANDUM

Caren
TO:
FROM:
DATE:

ALEXIS HERMAN, LAURA TYSON
AMY ZISOOK, MARILYN DIGIACOBBE
JULY 19, 1993

BRIEFING: Small Business Association Presidents

DATE: July 19, 1993

LOCATION: Roosevelt Room

TIME: 2:30 p.m.

PURPOSE: The main objectives of this meeting are:

- (1) Prepare for the President's luncheon meeting with Small Business Owners on Wednesday.
- (2) Deliver the job creation message on Conference and solicit their support.
- (3) Have a general discussion on other issues of interest such as health care and NAFTA.

PARTICIPANTS: The presidents of small business associations. The associations represented are the Natl. Lumber and Building Material Dealers, Natl. Small Business United, Natl. Assoc. of RV Parks and Campgrounds, Natl. Assoc. of Women Business Owners, American Road and Transportation Builders, Small Business Legislative Council, and Natl. Assoc. for the Self Employed. Each association represented has at least one member attending the luncheon with the President on Wednesday.

AGENDA: Alexis Herman - Welcome and outline the objectives of the meeting.

Laura Tyson - Discuss where we are on Conference, and ask what issues they see as still on the table. Make clear, though, that we are not going to negotiate for people's support.

Alexis Herman - Solicit their support in general and in specific for Wednesday's Small Business events. Broaden the discussion to cover other issues of concern to small business such as health care and NAFTA.

Caren Wilcox

MEETING OF SMALL BUSINESS ASSOCIATION PRESIDENTS
(WEDNESDAY LUNCH PREP)
MONDAY, JULY 19, 1993
ROOSEVELT ROOM, 2:30 P.M.

1. Mr. Gary Donnelly
Executive Vice President
National Lumber and Building Material Dealers Association
40 Ivy Street, SE
Washington, DC 20003
Phone(o): 202-547-2230
2. Mr. John Paul Galles
Executive Vice President
National Small Business United
1155 15th Street, NW
Suite 710
Washington, DC 20005
Phone(o): 202-293-8830
3. Mr. David Gorin
Executive Vice President
National Association of RV Parks and Campgrounds
11307 Sunset Hills Road
Suite B-7
Reston, VA 22090
Phone(o): 703-471-0143
4. Ms. Virginia Littlejohn
Executive Director
National Association of Women Business Owners (NAWBO)
600 South Federal Street
Suite 400
Chicago, IL 60605
Phone(o): 312-922-0465
5. Dr. T. Peter Ruane
President
American Road and Transportation Builders Association
501 School Street, SW
Eighth Floor
Washington, DC 20024
Phone(o): 202-488-2722
6. Mr. John Satagaj
Small Business Legislative Council
1156 15th Street, NW
Suite 510
Washington, DC 20005
Phone(o): 202-639-8500
7. Mr. Bennie L. Thayer
National Association for the Self Employed
101 15th Street, NW
Suite 400
Washington, DC 20005-5002
Phone(o): 202-466-2100

*Note: attendance not confirmed yet

TEL: 202-456-6218 JUL 18 93 0745 NS-002 1.00
OPL BRIEFING MEMORANDUM

Minyon
Caren
TO:
FROM:
DATE:

ALEXIS HERMAN, LEON PANETTA, ROGER ALTMAN
AMY ZISOOK, MARILYN DIGIACOBBE
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] [6]

2012-0741-F

rs2732

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]

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REALTO

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

Handwritten:
Mack
C. [unclear]

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

(b)(6)

(2)

Ken Parmelee
Linda Goid
Denise Bell
Julie Nusbaum
Todd Schafer
Robert Smucker
Martin Hubert
Todd Schafer
Robert Smucker
Rosalie Kessler
Greg Kublak
Anthony Freedman
Victoria Rostow
Alfred Kanitz
Rachel Mann Cohen
Scott Berger
Ken Fealing
Stan Bregman
Marilyn Thompson
Kristina Baattama
David Kass
Kyllikki Kusma
Frank Monathan
Frank Shafroth
Milton Wells
Marcella Ost
John McEvoy
Barbara Thompson
Chris Cushing
Howard Glicker
John Vogt
Rebecca McAuliffe
Mark Decker
David Brandon
Richard Goldstein
Charles Edson
Segundo Mercado-Llorens
Jean Hutter
Mildred Gardner
Tom Suttle
Vin O'Neill
Bob Bolsture
Katherine Barton
Patrick Turner
Cynthia Woodside
Susan Hoechstetter
Martin Hight
Larry Smith
Charles Perry
Brian Dougherty

Rural letter Carriers Assoc.
National Association of Realtors
National Association of Realtors
National Council of Jewish Women
Economic Policy Institute
Independent Sector
Texas A & M
Economic Policy Institute
Independent Sector
American Arts Alliance
Council for American Private Education
Powell, Goldstein & Frazier
Powell, Goldstein & Frazier
National Neighbor coalition
Council of Jewish Federation
Council of Jewish Federation
Service Employees International Union
Truck Renting and Leasing
New York University
New York University
American Public Welfare Association
Brownstein, Zeldman & Lore
U.S. Catholic Conference
National League of Cities
National Association of State Treasurers
National Association of State Treasurers
Nat. Council of State Housing Agencies
Nat. Council of State Housing Agencies
Commonwealth Group
Commonwealth Group
Public Securities Association
Public Securities Association
Nat. Assoc. Real Estate Investment Trusts
Nat. Assoc. Real Estate Investment Trusts
Coal. to Preserve Low Inc. Hsng Tax Credit
Coal. to Preserve Low Inc. Hsng Tax Credit
UFCW
UFCW
Vanderbilt University
Inst. of Electrical & Electronics Engineers
Inst. of Electrical & Electronics Engineers
National Assembly
Land Trust Alliance
Kilpatrick & Cody
Nat. Assoc. of Social Workers
Nat. Assoc. of Social Workers
Am. Soc. of Civil Engineers
Griffin Johnson
American Agriculture Movement
Am. Assoc. Engineering Societies

(b)(6)

Karen Trimmer
Ira Rosenblatt
Dawn Sydney
Brenda Russell Nordlinger
Eric Wentworth
Beverley Walker
Paul Marchand
Robert Williamson
James Brunkenhoefer
Joy Higa
Laura Van Etten
Christy Latimer
David Senter
Frank Matheson
Pamela Roznoy
Sharon Richard Cowan
Patricia Smith
Rachel Farnham
Melanie Jackson
George Ivey
Karen Berk
Jim Warner
Mary Barker
Mary Jane Calais
Gregory Jenner
Ronald Platt
Evan Migdail
Percy Williams
Carol Hall
Mary Anderson Cooper
Alfred Sumberg
Reba Raffaelli
Karen Jeney
Susan Harris
Arnold Fege
Carolyn Henrich
Steven Driesler
Jake Kuitwaard
Jill Masich
Ed Beck
Clarissa Mathews
Jeanne Little
Robert Hennessy
Noah Brown
Judith Shaw
Don Kramer
Robert MacAlpine
Ann Spelcher
Steven Bailey
Lynda Walker

Assoc. American University
Nat. Coalition for the Homeless
Nat. Coalition for the Homeless
Nat. Assoc. Homes & Services for Children
CASE
Ryder Systems
American Assoc. of Retarded Citizens
American Society for Payroll Management
United Transportation Union
Volunteer Trustees
Van Scoyoc
Van Scoyoc
David Senter Associates
NAFEC
Am. Soc. Mechanical Engineers
Am. Soc. Mechanical Engineers
Nat. parent Network Disability
Aiken Gump
Assoc. Community College Trustees
Nature Conservancy
Nature Conservancy
Lee Toomey & Kent
NACUBO
NACUBO
Myer, Brown, Platt
Myer, Brown, Platt
Camp, Bates, Tate
Soc. for Human Resources Management
Soc. for Human Resources Management
Nat. Council of Churches
Am. Assoc. University Professors
Griffin Johnson
Nat. Pediatric HIV Resource Center
Nat. Multiple Sclerosis Soc.
Nat. PTA
Nat. PTA
NAR
NAR
NAR
Ed Beck Law Firm
Campaign for New Priorities
Nat. Tooling & Machinist
OMB Watch

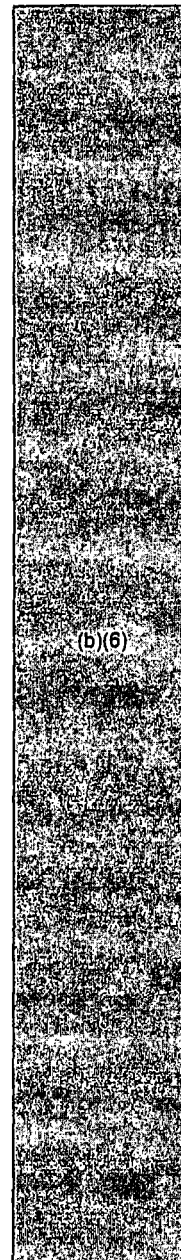
Nat. Easter Seal Soc.
Nat. Easter Seal Soc.
Nat. Urban League
Am. Soc. for Engineering Educ.
Gold & Liebengood

(b)(6)

Judith Waxman
 Durinda O'Brien
 Laura Fogt
 Thomas Shellabarger
 Melissa Merson
 Neil Reichenberg
 Richard Cruse
 Bill Schmidt
 Ghebre Selassie Mehreteab
 Shellah Hunt Wheeler
 Jeffrey Thomas Sloan
 Christine Churchill
 Dennis Ross
 Jared Blum
 William Jelin
 John Jay
 John Ford
 Eben Tisdale
 Ellen Witman
 Mary Margaret Bourdette
 Marjorie Allen
 June Alderton
 Richard Alcalde
 Angela Plott
 Thomas Birch
 Anna Moser
 Sean Meyer
 Marilina Sanz
 Eileen Sweeney
 Mike Farrell
 Peter Thomas
 Harold Colton
 Ann McNeil
 Joanne Kane
 Stephanie Primarchi
 Pronita Gupta
 Jeremy Hoffman

Families USA
 Families USA
 Families USA
 U.S. Catholic Conference
 Deloitte & Touche
 International Personnel Mgmt Assoc.

 Epilepsy Foundation of America
 NHP Foundation
 O'Bannon & Co
 O'Bannon & Co
 O'Bannon & Co
 Jim Walter Corp.
 PIMA
 NRG Barriers
 NRG Barriers
 Kellogg Co.
 Hewlett Packard
 Witman & Assoc.
 Child Welfare League
 AFSCME
 Am. Soc. for Training and Development
 Alcalde & Assoc
 Alcalde & Assoc.
 Nat. Assembly of State Arts Agencies
 Council for Rural Housing Development
 Business for Social Responsibility
 City of New York
 Children Defense Fund
 Mortgage Bankers Assoc.
 Am. Ac. of Physical Med. and Rehab.
 OMB Watch
 Princeton University
 Nat. Neighborhood Coalition
 ACCT Community College
 U.S. Student Assoc.
 U.S. Student Assoc.



(b)(6)

Alexis —

NOTES FOR BRIEFING --CW

EMPHASIZE THAT DNC IS WORKING WITH HOUSE AND SENATE LEADERSHIP AS WELL AS THE WHITE HOUSE

DUE TO TECHNICAL ISSUES GRASSROOTS COORDINATION NEEDS TO BE DONE BY OUTSIDE GROUPS AND DNC. CENTRAL PHONES FOR REPORTING WILL BE DNC, ALTHOUGH REPORTS CAN BE GIVEN TO WHITE HOUSE, BUT WHITE HOUSE CANNOT DIRECT A TURN AROUND.

GENERAL OVERVIEW OF NEEDS FROM LOBBYISTS AND CLIENTS FOR SUPPORT

ASSIGNMENT OF LOBBYISTS

LETTERS FROM CEOS AND PLANT MANAGERS

OP-EDS BY LEADERS OF COMPANIES AND ORGANIZATIONS

TELEPHONING BY CEOS AND PLANT MANAGERS TO BEGIN JULY 26

* TEAM LEADERS ASK THEM TO IDENTIFY 3-5 INDIVIDUALS FROM THEIR INDUSTRY OR OTHERS WHO SUPPORT THE BILL.

ROSTY GROUP UTILIZE PRICE WATERHOUSE WITH US FOR ACTION.

UTILIZE REALTORS IF POSSIBLE TO CONVENE MEETING

USE AFSCME/OMB WATCH GROUP FOR FOLLOW UP

HOLD FOLLOW UP MEETINGS - THURSDAY, JULY 22 TO ASSIGN CALLS ON MEMBERS OF CONGRESS TARGETS OR ALL DEMS?

HOLD FOLLOW UP REPORT BACK MEETINGS LATE TUESDAY, JULY 27.

HOLD LARGE BRIEFING AND FOLLOW UP MEETING FRIDAY, JULY 30.

BEGIN WAR ROOM REPORTING PROCESS -

HOLD LARGE BRIEFING TUESDAY, AUGUST 3.

CONTINUE TO OPERATE WAR ROOM UNTIL VOTE.

HOUSE AND SENATE LEADERSHIP AND WHITE HOUSE ARE LOOKING FOR ACCOUNTABILITY, RESPONSIBILITY, REAL CALLS, REAL OP-EDS AND REAL PUBLICITY HELP.

WE CAN GET REAL ECONOMIC CHANGE AND A NEW DIRECTION FOR THE COUNTRY IF WE ALL WORK TOGETHER.

Have



5/25

What the WH is Doing

- VP making calls
- Pres. meets w/Whips, Freshman, + leadership today
- Cabinet making calls to members on relevant Authorizing and Appropriation Comm.
- Political + D/C generating labor letters
- Intergovernmental - Editorials from some Governors
- OPL
 - 4 CEOs for Press Availability
 - Working w/Communications
- ↓ Message Events today + tomorrow
 - Auto Event (1:30)
 - President to make reconciliation remarks
 - If Big 3 CEO present, they will make remarks as well
 - Seniors Signing (5pm)
 - Pres to make remarks
 - Possible briefing
 - CEO lunch (Wed)
 - Most willing to speak to Press
- Media Advisories done for all Events
- CEO calls
 - Mark, Rubin, Altman, Alexis

DNC

- Grassroots
 - Citizen Action - 10 States
 - ACORN
 - Realtors
- Grasshops
 - 10 phone calls from opinion leaders in districts
- Disabled
 - Letter
- African American
 - Include them in the Realtors Group
 - Phone calls
 - NAACP - Action Alerts
 - telegrams to all members
- Seniors
 - Press Release
 - leaflets
- Environmental
 - No part of Realtors

Business

- Rostkowski Group - 50 Companies (sent to Rusty)
- Realtors - 80 organizations
- Small Group Press Releases

Health Care

Hospitals letter sent, Waiting for Reform Coalition letter

with
page
made

Recall

Thank you - It worked

Copy + note

who went / who didn't

How to take the long for
hygiene

Henry Cole

I Omen

II Photo /

III Sth of Phy - Refs Steps

✓ Ellen / Liki

✓ Conference List for fund

✓ House to send to District Part

✓ One week notice 3 days
notice

Bernie
Tom O'Rand

John Morris

-7070- bef 6 feb 1942
ste 72

model

sent to
 & into new place
 Dear Cathy has of course
 of good old stuff to
 Dear baby of Ontario
 being part
 of the
 sent to?
 Buffalo
 (Stamps)

Leading Study vs a lot Hence DKC

Co. Retail Store

Ken

Phy Ch

~~Chit - 100~~

Fin

NEA

Ernest H. [unclear]

[Handwritten signature]

As a sample for the soil

[Handwritten signature]

Col. H. H. H. H.

1) 15/12/2020

[Handwritten signature]

2) One page strategy

entry the constant
the desks

3) Phone Bank

3 days

pay for the rail

Dr. B. F. Kelly

5) Trans Res

Alexis -

7/13/99



Leon had to leave before I could ask about the employee moving expense deduction. I hope the President's proposal (House provision) will win out in conference --- over the Senate, which added a \$10,000 cap. The cap is harmful to promoting folks, especially women + minorities, with families who need to be moved to the new locations. And also harmful at a time when jobs need to be relocated -- to save them. Mimi

MIMI FELLER

Alexis

BRIEFING AGENDA

5:30 p.m. JULY 14, 1993

Room 450 Old Executive Office Building

VICE PRESIDENT GORE

TREASURY SECRETARY LLOYD BENTSEN

General update on President's economic plan. Tokyo wrap-up

NATIONAL ECONOMIC COUNCIL CHAIRMAN ROBERT RUBIN

Reconciliation as part of a broader plan to change economic course

COUNCIL OF ECONOMIC ADVISORS CHAIRMAN LAURA D'ANDREA TYSON

Economic update

OMB DIRECTOR LEON PANETTA

Reconciliation overview

ASST. TO THE PRESIDENT FOR LEGISLATIVE AFFAIRS HOWARD PASTER

Legislative overview

DEPUTY TREASURY SECRETARY ROGER ALTMAN

Administration strategy: "The Well"

ASST. TO THE PRESIDENT FOR PUBLIC LIAISON ALEXIS HERMAN

Outreach strategy

PAUL BEGALA

Message summary

VICE PRESIDENT GORE

8070 of the
- 6000
We had - 6000
200
2 to 1

Important

Did Barney sign off
on Gay Policy today?

Donna

Wed
Sept

you
Lance
Key
Richter