



Campaign Briefing

TODAY:

MESSAGE TO CONGRESS:
PASS BALANCED BUDGET
AMENDMENT

ISSUE 83

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HEADLINES

- Perot to testify before Senate committee. (Pg. 2)
- House Republicans propose health care plan. (Pg. 2)

TODAY'S SCHEDULE

President Bush meets with Norway Prime Minister Gro Harlem Brundtland.

NEWS IN BRIEF

CLINTON CALLS FOR "MASSIVE TAX INCREASE" Staying loyal to his Democratic tax and spend roots, Clinton said Wednesday that the federal government must impose "a massive tax increase" to overcome the deficit. *"The deficit is so large at the moment that the only way to do away with it in the next couple of years is a massive tax increase,"* Clinton told a national meeting of ABC television. *"We...need to get more revenues from the corporate sector,"* Clinton said. (UPI, 6/3)

"The Democrat front-runner's call for a 'massive tax increase' is further proof that national Democrats view taxes as the first resort," said Governor Carroll Campbell (R-SC). *"And that's why American voters would elect a Democrat president only as a last resort."* Campbell said that Clinton's call for a 'massive tax increase' to reduce the federal deficit is proof that the Democrat party has lost touch with the American public and the problems we face as a nation. (6/3)

American Jobs

PASS BALANCED BUDGET AMENDMENT AND PRESIDENT'S GROWTH PACKAGE

Today's release of an increase in the unemployment rate to 7.5% is disappointing, but other employment figures are looking brighter.

- A total of 350,000 new American jobs have been created since January.
- Payroll employment was up 68,000 in May.

Employment figures often lag behind other economic indicators, which have been very strong in the past several months.

- The Index of Leading Indicators rose 0.4 percent in April, its fourth straight advance.
- First quarter Gross Domestic Product was a strong 2.4%.
- Durable goods orders rose 1.4% in April, the fourth consecutive monthly increase. Industrial production was up 0.5 percent in April, the third straight advance.

BUSH: THE MOMENT IS AT HAND TO PASS THE BALANCED BUDGET AMENDMENT

In his press conference last night, President Bush called on Congress to pass a Balanced Budget Amendment: *"It is impossible to underestimate the importance of this decision: it will affect every other decision that the government makes from that moment on, and it will bear directly on the quality of life that we leave the generations who follow us."*

The upcoming vote offers a stark contrast between the status quo favored by the amendment's opponents or the chance to bring about "fiscal integrity" and make the federal government do what American families must do every day - live within their means.

The federal deficit now costs \$65,000 for every family of four. Passing the BBA would be the most important thing we can do to assure the long-term economic health of this country.

The President also discussed the goal of his trip to the Rio environmental summit next week saying, *"We have a superb record to take to that convention."* Bush attacked environmental extremists saying, *"...if they don't understand [my position] in Rio...too bad."*

Bush explained this is no time for politics as usual:

- *"I will be ready to join the fray after the conventions."*
- *"I am trying to get things done that will help this country. A balanced budget amendment is a good example of that."*
- *"I've vowed to keep my sights set on these legislative goals and on leading this country. And if I get into characterizing one opponent or another, I diminish my effectiveness in doing that."*

- Wholesale inflation is at 1.0 percent for the year. Consumer prices rose a slight 0.2 percent in April.

Unemployment typically increases slightly at the early stages of an economic recovery because more people are entering the workforce.

- People who were out of the job market begin looking for work -- businesses are cautious about hiring too quickly.
- Graduating students are entering the job market.
- As the economic recovery strengthens in the second half of the year, the unemployment rate will begin to decline.

If Congress would pass the Balanced Budget Amendment and the President's growth package, the employment outlook would be stronger.

- The President has proposed a growth package every year since 1989, yet the Congress has not acted.
- The Balanced Budget Amendment would force government to do what every American family does -- live within its means.

NEWS IN BRIEF continued

PEROT WILL TESTIFY ON TIES TO VIETNAM

Ross Perot will testify on June 30 before a Senate committee that will examine his involvement with Vietnam, according to the Wall Street Journal. Business arrangements with Vietnamese have been restricted by Treasury Department regulations.

After visiting Hanoi in 1987, ostensibly to secure the release of American POW's, Ross Perot sent an associate to Hanoi to discuss business opportunities with Vietnamese officials, reports ABC News. Vietnamese Foreign Ministry official Le Van Bang stated that Perot's associate made 13 trips to Vietnam to discuss business opportunities. According to Van Bang, the government of Vietnam gave Perot a "letter of intent" designating him a "business agent" to help procure American investment in Vietnam.

Former National Security Council official Peter Watson told ABC News that the trips undermined U.S. negotiations with Hanoi to obtain release of the POW's and were "inconsistent with the articulated and proffered interests of Perot to be helping on the POW and MIA issue." (ABC Evening News, 6/4, Wall Street Journal, 6/5)

GOP PROPOSE HEALTH CARE PLAN WHILE DEMS IN GRIDLOCK

House Democrats are unable to agree on any single health care plan. "Gridlock [is] a rather succinct way of putting it," said Rep. Fortney "Pete" Stark (D-CA). On Thursday House Republicans introduced a plan that would expand health insurance coverage by changing the private insurance market and targeting tax credits for the uninsured. House Minority Leader Robert H. Michel (R-IL) said the GOP plan could help provide coverage for as many as 20 million of the 36 million people who lack health insurance. Rep. Willis D. Gradison Jr. (R-OH) said, "Earlier this year, the President, in his health plan, pointed us on the right path. We should get on with the job we all know needs to be done. I believe that the Republican plan could pass the House if only the Democrats would let it go to the floor." (Washington Post, 6/5)

JAPAN OPENING SEMICONDUCTOR MARKET

President Bush's January trip to Japan to win trade concessions is continuing to pay off, increasing U.S. sales to Japan and creating new American jobs. On Thursday, the Electronic Industry Association of Japan pledged to increase purchases of foreign semiconductors, including American-made semiconductors. "We are pleased with this development," said Michael Moskow, Deputy U.S. Trade Representative. "This plan, if implemented effectively, will lead to a rapid increase of foreign market share in Japan," the president of Motorola's semiconductor group told reporters. (Wall Street Journal, 6/5)

STATEWATCH

CLINTON, PEROT OPPOSE NAFTA "President Bush has led the way on the Mexico Free Trade Agreement," said New Mexico Republican Party Chairman John Lattaizio. "Ross Perot and Bill Clinton are on the wrong side of an important issue of concern to New Mexico citizens. You can be certain that our campaign will focus on this issue in the 1992 campaign. We can do no less for the people of New Mexico."

The free trade agreement, which President Bush strongly supports, would create jobs for New Mexico via lower trade tariffs and removal of export barriers. Presently, trade between Mexico and New Mexico amounts to \$17 million a year. Lattaizio said Perot and Clinton are both being "derelict," because Perot opposes the agreement and Clinton has recently backed away from his commitment to the free trade accord in order to gain an endorsement from big labor. (6/4)

WHAT THEY'RE SAYING

CLINTON'S ARSENIO PERFORMANCE

"EMBARRASSING" "[Clinton] looked like a fat John Belushi wannabe... I don't think most Americans want to see their president wearing goofy ties and sunglasses and blowing on a saxophone, and then talking about smoking pot with a late-night TV host... I thought it was embarrassing." Torie Clarke, Bush/Quayle '92 Press Secretary (Washington Post, 6/5)

CASTRO AND THE DEMOCRATS "The Democrats have controlled Congress longer than Castro has controlled Cuba, and it's a toss-up who has done more damage -- Castro or the Democrats." Bob Bennett, Ohio Republican Party Chairman (AP, 6/4)

PEROT, THE GREATEST HUSTLER "No one I know would allow a building contractor to begin work without first getting an estimate, seeing the architectural plans and reviewing references and the quality of the person's work. Yet that is precisely what the greatest hustler in American politics, Ross Perot, is asking us to do by considering him for President of the United States." Columnist Cal Thomas (Washington Times, 6/4)

NO LONGER ALL THINGS TO ALL PEOPLE "As people get to know Mr. Perot a little more and when they finally get to hear where he stands on issues, he'll lose the all-things-to-all-people aura he has right now." Jeb Bush, Chairman, Florida Bush/Quayle '92 (AP, 6/4)

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