

# A Point-by-Point Look at the GOP 'Contract With America' With AM-Democrats, Bjt

ROBERT GLASS November 18, 1994

Undated (AP) \_ Before the midterm congressional elections, more than 300 Republican candidates signed a sweeping "Contract With America." It promises, among other things, welfare reform, tough crime-fighting laws, higher defense spending, a capital gains tax cut and votes on constitutional amendments requiring a balanced budget and term limits.

House Republicans have pledged to pass the 10-point plan during the first 100 days of the new, GOP-controlled Congress starting in January.

President Clinton has said he will cooperate with the Republican majority, but he and other Democrats say the sheer magnitude of the GOP plan would cause skyrocketing deficits.

A verbatim text of the contract's introduction and the 10 bills to be introduced in the next Congress, with brief comment added:

#### INTRODUCTION

On the first day of the 104th Congress, the new Republican majority will immediately pass the following major reforms, aimed at restoring the faith and trust of the American people in their government:

FIRST, require all laws that apply to the rest of the country also apply equally to the Congress;

SECOND, select a major, independent auditing firm to conduct a comprehensive audit of Congress for waste, fraud or abuse;

THIRD, cut the number of House committees, and cut committee staff by one-third;

FOURTH, limit the terms of all committee chairs;

FIFTH, ban the casting of proxy votes in committee;

SIXTH, require committee meetings to be open to the public;

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SEVENTH, require a three-fifths majority vote to pass a tax increase;

EIGHTH, guarantee an honest accounting of our federal budget by implementing zero baseline budgeting.

Thereafter, within the first 100 days of the 104th Congress, we shall bring to the House floor the following bills, each to be given full and open debate, each to be given a clear and fair vote and each to be immediately available this day for public inspection and scrutiny.

# 10 BILLS TO BE INTRODUCED BY GOP MAJORITY

# 1. THE FISCAL RESPONSIBILITY ACT

A balanced budget tax limitation amendment and a legislative line-item veto to restore fiscal responsibility to an out-of-control Congress, requiring them to live under the same budget constraints as families and businesses.

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COMMENT: Supporters say a constitutional amendment is necessary because Congress has shown itself unwilling to balance the federal budget. To do that would require \$500 billion to \$700 billion in spending reductions over about five years. Republicans have yet to list the programs they would want to cut to find those savings.

# 2. THE TAKING BACK OUR STREETS ACT

An anti-crime package including stronger truth-in-sentencing, "good faith" exclusionary rule exemptions, effective death penalty provisions and cuts in social spending from this summer's "crime" bill to fund prison construction and additional law enforcement to keep people secure in their neighborhoods and kids safe in their schools.

COMMENT: Republicans objected to Democratic-inspired social programs such as night basketball included in the crime bill passed by the last Congress. Instead of prevention efforts, Republicans favor tougher penalties to deter criminals.

# 3. THE PERSONAL RESPONSIBILITY ACT

Discourage illegitimacy and teen pregnancy by prohibiting welfare to minor mothers and denying increased AFDC (Aid to Families With Dependent Children) for additional children while on welfare, cut spending for welfare programs and enact a tough two-years-and-out provision with work requirements to promote individual responsibility.

COMMENT: Republicans say the government could save \$50 billion over five years by welfare reform alone. White House chief of staff Leon Panetta has expressed optimism that the administration and Republicans could reach agreement on welfare reform, but questioned the notion of rebuilding all anti- poverty programs from ground up.

# 4. THE FAMILY REINFORCEMENT ACT

Child support enforcement, tax incentives for adoption, strengthening rights of parents in their children's education, stronger child pornography laws and an elderly-dependent-care tax credit to reinforce the central role of families in American society.

COMMENT: A response to conservative demands for legislation promoting core family values. Democrats, saying they are equally pro-family, have sought to make this issue their own.

# 5. THE AMERICAN DREAM RESTORATION ACT

A \$500-per-child tax credit, begin repeal of the marriage tax penalty and creation of American Dream Savings Accounts to provide middle-class tax relief.

COMMENT: During his 1992 election campaign, Clinton promised a middle-class tax cut but abandoned the pledge

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after saying federal deficits looked worse than he thought. The administration has yet to rule out, however, that it will propose a broad tax reduction in next year's budget.

# 6. THE NATIONAL SECURITY RESTORATION ACT

No U.S. troops under U.N. command and restoration of the essential parts of our national security funding to strengthen our national defense and maintain our credibility around the world.

COMMENT: Republicans say U.S. defense spending, as a percentage of gross domestic product, has dropped to its lowest level since World War II, threatening military readiness. They complain that U.N. peacekeeping missions are eating up too much of the defense budget.

# 7. THE SENIOR CITIZENS FAIRNESS ACT

Raise the Social Security earnings limit, which currently forces seniors out of the work force; repeal the 1993 tax hikes on Social Security benefits and provide tax incentives for private long-term care insurance to let older Americans keep more of what they have earned over the years.

COMMENT: The bill would increase to \$30,000 the amount of earned income a retiree could receive before Social Security benefits are curtailed.

# 8. THE JOB CREATION AND WAGE ENHANCEMENT ACT

Small business incentives, capital gains cut and indexation, neutral cost recovery, risk assessment-cost-benefit analysis, strengthening the Regulatory Flexibility Act and unfunded mandate reform to create jobs and raise worker wages.

COMMENT: Republicans have long argued for a cut in the tax on profits from sales of stocks and other investments as a way to encourage economic activity. With calculations that the Democratic-controlled Congress has used for years, the plan would cost \$56 billion over five years.

# 9. THE COMMON SENSE LEGAL REFORM ACT

"Loser pays" laws, reasonable limits on punitive damages and reform of product liability laws to stem the endless tide of litigation.

COMMENT: Supporters say such laws are needed to protect the health industry and manufacturers from exorbitant claims. Frivolous cases would be discouraged, they say, because losers would have to pay court costs. The bill will face stiff opposition from the legal profession and consumer groups.

#### 10. THE CITIZEN LEGISLATURE ACT

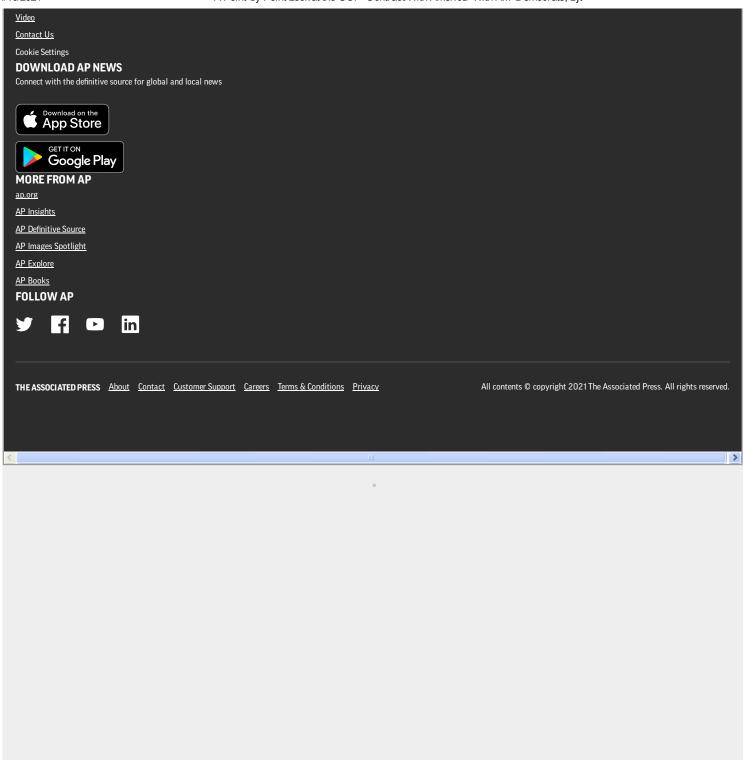
A first-ever vote on term limits to replace career politicians with citizen legislators.

COMMENT: A constitutional amendment would require a two-thirds vote of the Senate and House, and many lawmakers undoubtedly would oppose limiting their own terms. The House could instead pass term-limit legislation, but Clinton has vowed to veto any such bill.

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