

April 29, 1993

SCORECARD ON CLINTON'S FIRST 100 DAYS

To the best of my knowledge, the only [campaign commitment] I haven't been able to keep was to give some tax relief to the middle class because the deficit the week after the election was announced as being \$50 billion bigger than I thought it was. And I can't responsibly offer to cut anybody's taxes when the deficit is going up instead of down. That's not right and I can't do it.

Bill Clinton, Boston,
April 25, 1993

INTRODUCTION

After Bill Clinton was elected President last November, The Heritage Foundation released a series of fifteen special publications entitled *Memos to President-Elect Clinton*. Each *Memo* outlined the steps needed to implement a major promise made during the campaign. While the *Memos* did note legislative initiatives, they concentrated on the short-term administrative decisions that should be taken to shift policy in the direction Bill Clinton desired.

To be sure, there could be wide differences of opinion on many of the long-term strategic policy steps needed to fulfill a campaign pledge, such as the budget package to revive the economy. But many of the short-term administrative actions recommended by Heritage scholars were the steps virtually any Administration would need to take to fulfill a particular campaign pledge. For example, one *Memo* outlined the detailed actions necessary for the White House to fulfill Clinton's pledge to cut 100,000 civil service positions, given the complexities of existing law.

As Clinton's 100th day in office approached, Heritage scholars identified the actions that Americans could expect to have been taken within 100 days if the Clinton Administration seriously addressed certain campaign pledges. These have been assembled below and the relevant Administration decisions noted.

It is a sorry scorecard. Of 76 actions needed to take the first steps to fulfill important pledges chosen by Heritage, in only five cases could the Administration be awarded an "ACTION TAKEN" score.¹ In a staggering 56 cases the White House failed to take the necessary steps, and in only 15 cases could it be said that the Administration had made significant progress—yet less progress than could reasonably have been expected.

What is ironic is that Clinton promised to focus on domestic policy "like a laser." Yet he has taken none of the actions needed in the first 100 days to fulfill his commitments: just three actions were partially taken, while no action was taken on another 41. In domestic policy, Clinton pledges during the campaign to provide tax relief to the middle class, halve the deficit within four years, and trim regulation and the bureaucracy were soon abandoned. But in his first 100 days as President, Clinton has delivered a huge tax hike, budget tricks to mask spending increases, and more red tape and bureaucracy.

In foreign policy, Clinton has been dangerously slow out of the starting gate. That has meant confusion around the world about America's priorities and broad objectives. The only bright spot is Russia, where Clinton took clear steps to give tangible support to Boris Yeltsin's government.

In defense policy, Clinton's first 100 days have been little short of a disaster. Despite his pledge to develop a comprehensive national policy for America's defense he has not done so, but instead has become embroiled in a damaging dispute over homosexuals in the military—hardly the top priority in any rethinking of U.S. security interests. And rather than trim spending on defense in line with a thoughtfully developed defense reassessment, he has cut the defense budget by twice the amount he pledged in the campaign, in what seems to be little more than a policy of raiding defense to find cash for expensive new domestic programs. The result: a demoralized and confused American military.

"U" TURNS IN DOMESTIC POLICY

Clinton the campaigner was a very different man from Clinton the President. Clinton the campaigner pledged fiscal discipline, denounced George Bush as an overregulator, and stressed the importance of policies to foster entrepreneurship. But Clinton the President has in his first 100 days abandoned the "New Democrat" fiscal conservatism that helped win him the White House. For instance, he failed to take any of the executive actions available to him to force Congress to cut the deficit, or to create jobs on federal construction sites for low-skilled young Americans, and he lost no time in expanding the make-work jobs programs he criticized in the campaign. Moreover, he used definitional tricks to escape from his pledge to make immediate cuts in the bureaucracy.

By giving no real muscle to campaign commitments to freer trade, Clinton risks the collapse of the carefully negotiated free trade agreement with Mexico and the Uruguay Round of the GATT talks. Absent, too, in the first 100 days is any follow-through on his pledge to end welfare as a way of life and to foster empowerment in America's inner-city communities. On the campaign trail Clinton berated Congress for not enacting former

¹ In some cases, a similar action is needed to help accomplish more than one pledge. In these cases, the action is scored only once.

HUD Secretary Jack Kemp's programs to help the working poor to own their own homes. As President he gutted funds for these programs from his budget request. Clinton crisscrossed the country pledging radical reform of the welfare system. As President he appointed a Secretary of Health and Human Services with a long history of opposition to reform—and who even had to be reminded to discuss welfare changes at her confirmation hearing.

A DIRECTIONLESS FOREIGN AND DEFENSE POLICY

During President Clinton's first 100 days in office, his Administration has failed to articulate a coherent foreign policy or defense policy. While the Administration has sketched the broad outlines of its policies, it has not been forthcoming with detailed policy statements on specific issues.

A "bottom-up review" of defense policy is due to be completed this summer, yet many key jobs in the Pentagon have not been filled. Clinton's defense budget doubles the \$60 billion cut over five years that he pledged during the campaign. This draconian reduction in defense capability at a time of increasing global uncertainty poses additional risks to American security.

Moreover, the "top-down" approach to defense budget cuts means that defense policy has become purely budget-driven. The Clinton defense budget cuts will eventually undermine the ability of the U.S. to protect its security interests around the globe. The 40 percent reduction in the Strategic Defense Initiative (SDI) budget for fiscal year 1994 is particularly troubling; it will result in a strategic defense system that will defend only U.S. allies overseas and not Americans on U.S. territory. Moreover, to save money, the Administration plans to rely on less-capable reserve forces as a substitute for active forces. This certainly will weaken the combat-readiness of U.S. forces.

The Clinton Administration has yet to define its Latin America and Caribbean policy. While it claims that the North American Free Trade Agreement with Mexico and Canada will be a "top priority" and the center of its international trade policy, Clinton has so far failed to develop an effective strategy for promoting it to the American people and getting it passed through an increasingly protectionist Congress. Placing the region on the back burner will only lead to increased protectionism, regional economic stagnation, political turmoil, and an increase in such security threats as drug trafficking and terrorism. The Clinton Administration has a limited window of opportunity in which to act if it plans to improve U.S.-Latin American ties.

By contrast, Clinton recognized the urgency of assisting reform in Russia. The President was right to back Boris Yeltsin and to hold an early summit with the Russian president. However, the Administration must do more to use foreign aid to promote private entrepreneurship in Russia. If U.S. economic assistance is to succeed, more effort has to be put into designating efficient, private or public-private disbursement agencies on the U.S. end, and recipient enterprises on the Russian end. Also, more aid has to be provided to the non-Russian republics of the former Soviet Union.

In the days before his inauguration, Heritage staff called on Clinton to "calm fears in Asia and demonstrate your commitment to maintaining all the benefits of America's continued influence there...." Clinton, however, has heightened Asians' worries that the

U.S. will remain a dependable ally. By doubling the defense reductions he promised during his campaign, and setting a harsh tone for U.S.-Japan relations, Clinton has raised fears in Asia of a U.S. retreat from its 20th century role as a peacekeeper in the Pacific, and sharpened worries about protectionist trade policies.

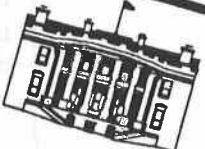
CONCLUSION

Bill Clinton's first 100 days must alarm those Americans who looked forward to a New Democrat in the White House, a Democrat who would understand the fears and aspirations of working families and would avoid the tax-and-spend philosophy of the past. The record to date is one of a politician who apparently has learned little from recent history. While speaking eloquently in the campaign of the need to restore the fiscal integrity of Washington, he has opened the tax and spending floodgates. Despite talk of insisting on responsibility in social programs, he is readying huge new entitlement programs for enactment. And rather than fostering stability in the world with a U.S. foreign and defense policy based on a clear vision, he has made the world less safe by dithering and by demoralizing America's armed forces.

While 100 days is far too short a period in which to pass judgment on Clinton's Presidency, it is long enough to justify deep concern.

Stuart M. Butler
 Vice President and
 Director of Domestic and
 Economic Policy Studies

Kim R. Holmes
 Vice President and
 Director of Foreign and
 Defense Policy Studies

REPORT CARD:	
	
William Jefferson Clinton	
Actions That Should Have Been Taken	76
Actions Taken	5
Actions Partially Taken	15
Actions Not Taken	56

From Memo to President-Elect Clinton No. 1

"An Action Plan to Create Jobs"

By Daniel J. Mitchell

December 14, 1992

Putting people first demands, above all, that we put America back to work....My national economic strategy will reward the people who work hard creating new jobs, starting new businesses and investing in our people and our plants here at home. To restore economic growth, we need to help free enterprise flourish, put our people back to work and learn again how to compete.

**Bill Clinton, *Putting People First:
A National Economic Strategy for America***

ACTION: Using executive authority, index the capital gains tax.

- x **ACTION NOT TAKEN.** The Clinton Administration proposes limited capital gains tax relief for small business. However, it permits only Subchapter C corporations to take advantage of a lower capital gains rate—only 20 percent of businesses in this country. Most new businesses are set up as sole proprietorships, partnerships, or Subchapter S corporations.

ACTION: By executive order, suspend the Davis-Bacon Act.

- x **ACTION NOT TAKEN.** Even worse, the Clinton Administration instead overturned the Bush Administration's suspension of the Act last fall. That suspension, intended to assist the rebuilding of the hurricane-hit areas of Florida, Louisiana, and Hawaii, opened up federal construction jobs for lower-skilled, often minority, Americans.

ACTION: Using executive authority, reinstate the Gramm-Rudman deficit reduction targets.

- x **ACTION NOT TAKEN.**

ACTION: Propose legislation to cut payroll and income tax rates.

- x **ACTION NOT TAKEN.** The Clinton Administration's budget proposes over \$300 billion in new taxes over the next five years, including hikes in personal income tax rates, corporate income tax rates, Medicare payroll taxes, Social Security benefit taxes, estate taxes, a broad-based energy tax, and higher gas taxes beginning in 1996. In addition, the Administration's Health Care Task Force is considering taxing some employee health benefits and a value added tax in order to pay for its health care proposal.

ACTION: Propose legislation to cap domestic spending.

- x **ACTION NOT TAKEN.** The Clinton Administration's budget would increase domestic spending by \$290 billion over five years, excluding net interest and savings and loan bailout costs.

ACTION: Propose real budget process reform legislation.

x **ACTION NOT TAKEN.**

ACTION: Veto mandated benefits legislation.

x **ACTION NOT TAKEN.** Less than three weeks into his presidency, Clinton signed into law the Mandated Family Leave bill.

ACTION: Promote school choice legislation and other real education reforms in Congress and in the states.

x **ACTION NOT TAKEN.** President Clinton is not expected to include it in the educational reform package sent to Congress. So low-income Americans will continue to have no effective choice of school. Clinton did exercise school choice personally by sending his own daughter to an exclusive Washington private school, costing approximately \$10,000 per year.

ACTION: Reject government make-work programs.

x **ACTION NOT TAKEN.** The Administration's now-withdrawn \$16 billion "economic stimulus" package contained make-work infrastructure and summer jobs programs. Moreover, the FY 1994 Labor Department budget calls for "one-stop career centers," increased Jobs Corps funding, and a new dislocated worker program.

From Memo to President-Elect Clinton No. 2

"How to Cut the Federal Bureaucracy"

By Donald Devine

December 14, 1992

We cannot put people first and create jobs and economic growth without a revolution in government. We must take away power from the entrenched bureaucracies and special interests that dominate Washington....

I will reduce the White House staff by 25 percent and challenge Congress to do the same....[I will] eliminate 100,000 unnecessary positions in the bureaucracy. I will cut 100,000 federal government positions through attrition...I will require federal managers and workers to achieve a 3 percent across-the-board administrative savings in every federal agency.

**Bill Clinton, Putting People First:
A National Economic Strategy for America**

ACTION: Institute on Inauguration Day a total freeze on federal hiring (except political appointments), accompanied by a 3 percent across-the-board administrative cut.

x **ACTION NOT TAKEN.** President Clinton did issue executive orders calling for a reduction of 100,000 government jobs by the end of 1995 and a 14 percent cut in federal administrative costs by 1997. But his FY 1994 budget inflates the base numbers from which he is cutting staff, making it easier to reach his target. And unlike an immediate freeze, it is not clear whether the cuts ever will be enacted, because the President defers most of the staff reductions to later years.

ACTION: Demand that Congress eliminate minimum staffing levels in all departments and agencies.

x **ACTION NOT TAKEN.**

ACTION: Reestablish Office of Personnel Management (OPM) monthly accounting of full-time equivalent (FTE) employment.

x **ACTION NOT TAKEN.**

ACTION: Demand from Congress the elimination of legislative limits on the number and functions of political appointees, and reduce the Executive Office of the President staff by 25 percent.

x **ACTION NOT TAKEN.** Clinton's press releases point to a 25 percent staff reduction but the fine print shows otherwise. To achieve his target, Clinton simply excluded the two largest units in the White House, including the most bloated, the Office of Management and Budget. In addition, he used as a base for comparison the point at which the Bush Administration was at its staffing peak rather than the last fiscal year. Moreover, the Clinton Administration has quietly asked Congress for \$11 million in supplemental funding this year for unanticipated expenses. In sum, total funding for the White House will increase from \$180.4 million (FY 1992 outlays) to \$185 million (FY 1994 proposed).

From Memo to President-Elect Clinton No. 5

"How to Expand World Trade to Spur U.S. Economic Growth"

By Bryan T. Johnson

December 30, 1992

The issue here is not whether we should support free trade or open markets. Of course we should....We simply cannot go backward when the rest of the world is going forward into more integrated econom[ies]. We cannot go inward when our opportunities are so often outward.

Bill Clinton, Remarks at North Carolina State University, Raleigh, North Carolina, October 4, 1992.

If we can make this [NAFTA] agreement work with Canada and Mexico, then we can reach down into the other market-oriented economies of Central and South America to expand even further....It will provide more jobs through exports. It will challenge us to become more competitive. It will certainly help Mexico....A wealthier Mexico will buy more American products. As incomes rise there, that will reduce pressure for immigration across the border into the United States....

I think that a major part of our economic future rests in building up a strong two-way trade with Latin America....I hope we can get a trade agreement with Chile. I'm very encouraged by what's going on in Argentina now.

Bill Clinton, Remarks at the Bipartisan Congressional Leadership Press Conference, November 19, 1992.

ACTION: Urge Congress to ratify the North American Free Trade Area (NAFTA) Agreement.

⌘ **ACTION PARTIALLY TAKEN.** The Clinton Administration does support passage of the NAFTA. But the Administration will not submit the NAFTA to Congress until successful negotiation of additional "parallel accords" concerning labor and the environment. In effect, this opens the NAFTA to renegotiation and gives special interests more opportunity to defeat the treaty in Congress. Moreover, by not pushing the agreement aggressively on Capitol Hill, the Administration has allowed NAFTA opponents to mobilize.

ACTION: Conclude the Uruguay Round of the General Agreement on Tariffs and Trade.

x **ACTION NOT TAKEN.** The Administration has been slow to act, missing an opportunity to wrap up the GATT talks and jeopardizing the agreements already secured. However, U.S. Trade Representative Mickey Kantor recently traveled to Europe in support of GATT, and Administration officials stated recently that they hope to conclude negotiations by December 15.

ACTION: Commence free trade area negotiations with Chile.

x **ACTION NOT TAKEN.** The Administration is waiting until after the NAFTA talks conclude. To be sure, the Administration has reaffirmed rhetorically the Bush Administration's commitment that free trade negotiations with Chile will follow the NAFTA, but officials have failed to give assurance that they will move quickly.

ACTION: Seek from Congress an extension of fast-track trade negotiating authority.

⌘ **ACTION PARTIALLY TAKEN.** The Administration on April 9 requested an eight-month extension of the fast track negotiating authority. However, this request was made for the GATT negotiations only and not for any other negotiations, such as free trade agreement with Chile.

From Memo to President-Elect Clinton No. 6
"A Strategy for Sound Housing Policy"
By Carl F. Horowitz, Ph.D.
January 12, 1993

We have to start indigenous economic development and housing strategies in these [inner city] areas. There are all kinds of housing programs that are at work that are empowering people. I think the Congress made a mistake in not passing more of Jack Kemp's housing initiatives to do more for low income working people, to give them the right to own their own homes and secure their own neighborhoods.

Bill Clinton, remarks at
Georgetown University, Washington, D.C.,
December 12, 1991.

ACTION: Continue former HUD Secretary Jack Kemp's agenda for giving residents of public and subsidized housing more control over their projects.

X **ACTION NOT TAKEN.** President Clinton's budget phases out the HOPE program, which supports tenant ownership of housing. HUD will cease offering planning grants under HOPE in 1993 and 1994. Moreover, Clinton proposes to transfer almost half of the 1993 HOPE appropriation (\$661 million) to two new separate programs, "Youthbuild" and a "Severely Distressed Public Housing" demonstration program.

ACTION: Press for legislation phasing out subsidies for construction, reconstruction, and rehabilitation of public and subsidized housing, and instead support wider use of vouchers and certificates.

X **ACTION NOT TAKEN.** In his FY 1994 budget proposal, Clinton proposes to renew expiring moderate rehabilitation contracts with vouchers. But, at the same time, he proposes 4,800 new public housing units and increases public housing operating subsidies by \$239 million. And as part of the Administration's "investment" initiative, Clinton proposes a \$511.4 million increase for the HOME program, which gives money to builders, not residents.

ACTION: Adopt the recommendations of the Advisory Commission on Regulatory Barriers to Affordable Housing.

X **ACTION NOT TAKEN.**

ACTION: Ignore calls to delay Resolution Trust Corporation auctions of residential properties.

X **ACTION NOT TAKEN.** The Clinton Administration has slowed down bulk sales of RTC assets by capping the size of real estate, securities or other assets sold at \$50 million.

From Memo to President-Elect Clinton No. 8
"How to Get Spending Under Control"
By Scott A. Hodge
January 15, 1993

No wonder all of us have had enough. Our government doesn't work....We cannot put people first and create jobs and economic growth without a revolution in government. We must take away power from the entrenched bureaucracies and special interests that dominate Washington....The answer for every problem cannot always be another program or more money. It is time to radically change the way government operates....

My plan will cut the deficit in half within four years, and assure that the deficit continues to fall each year after that.

Bill Clinton, Putting People First:
A National Economic Strategy for America

ACTION: Use the vote on raising the government's debt limit (expected in March) as a lever to force budget process reforms that will control spending.

X ACTION NOT TAKEN. The Clinton Administration supported passage of an amendment-free debt limit extension.

ACTION: Create a presidential commission to examine options for cutting federal spending, modelled after the Base Closing Commission.

X ACTION NOT TAKEN. The Clinton Administration opposes such a commission despite support from members of both parties on Capitol Hill, and policy research organizations ranging from The Heritage Foundation to the Progressive Policy Institute. He has instead appointed Vice President Gore to study red tape and government waste and report back this summer.

ACTION: Send early, unequivocal signals of your opposition to wasteful spending and your eagerness to eliminate it.

X ACTION NOT TAKEN. The Administration's budget and economic package contains dozens of wasteful programs that will reward special interest pork projects, but few real cuts. Opposition to wasteful spending has come from Congress, not the White House.

ACTION: End the use of "baseline" or "current services" budgeting technique in your first budget, and use this budget to educate taxpayers on how their money is being spent.

X ACTION NOT TAKEN. Not only is the Clinton Administration using "baseline budgeting," but officials are comparing their total deficit reduction to the un-capped baseline deficits. In other words, their baseline exceeds even the 1990 budget agreement spending caps. This gives them almost \$100 billion in artificial "savings" over five years.

ACTION: Seek legislation to extend for five years the "firewall" that currently separates domestic spending and defense spending, and eliminate the firewall that now separates domestic discretionary spending and domestic entitlement spending.

X ACTION NOT TAKEN.

From Memo to President-Elect Clinton No. 9

"Why Infrastructure Spending Won't Jump Start the Economy"

By Edward L. Hudgins, Ph.D.

January 15, 1993

As a prominent part of our commitment to put people first, we will create a Rebuild America Fund, with a \$20 billion Federal investment in each year for four years....

**Bill Clinton, Putting People First:
A National Economic Strategy for America**

ACTION: Suspend the 1931 Davis-Bacon Act, which mandates that higher wages be paid to workers on federally funded construction projects even when adequate, lower wage labor is available.

x **ACTION NOT TAKEN.** (See "An Action Plan to Create Jobs.")

ACTION: Instruct the Transportation Secretary to develop guidelines for selling airports to the private sector and to publicize the benefits of privatization to the local governments that own the airports.

x **ACTION NOT TAKEN.**

ACTION: Urge Congress to repeal Section 13(c) of the Urban Mass Transportation Act of 1964.

x **ACTION NOT TAKEN.**

From Memo to President-Elect Clinton No. 11

"Why You Were Right in Calling for a Line-Item Veto"

By Steven Schwalm

January 18, 1993

I strongly support the line-item veto, because I think it's one of the most powerful weapons we could use in our fight against out-of-control deficit spending.

**Bill Clinton, quoted in "Just Do It," The Wall
Street Journal Editorial, February 26, 1992.**

ACTION: Include a line-item veto constitutional amendment in the legislative program submitted to Congress for enactment during the first 100 days of your Administration.

x **ACTION NOT TAKEN.**

ACTION: Continue discussions with congressional leaders on enhanced rescission authority only as an interim measure which may be useful during the amendment ratification process.

⊗ **ACTION PARTIALLY TAKEN.** President Clinton supports enhanced rescission authority, but not as an interim step to a constitutional amendment.

From Memo to President-Elect Clinton No. 12

"A Comprehensive Urban Policy:

How to Fix Welfare and Revitalize America's Inner Cities"

By Robert Rector

January 18, 1993

Let's make welfare a second chance, not a way of life. I want to erase the stigma of welfare for good by restoring a simple, dignified principle: no one who can work can stay on welfare forever.

It's time to honor and reward people who work hard and play by the rules....that means providing opportunity, demanding responsibility, and ending welfare as we know it.

Bill Clinton, "On Rewarding Work" (Clinton campaign document)

ACTION: Take steps that will achieve a comprehensive reform of the welfare system.

- x **ACTION NOT TAKEN.** President Clinton calls for radical change in the welfare system, but has done almost nothing to achieve it. His choice for Secretary of Health and Human Services, Donna Shalala, has a long record of advocating the expansion of traditional welfare spending and opposing work requirements on welfare recipients. Clinton's first-year budget contained some \$30 billion in new spending on conventional welfare programs of the sort he has proposed to end—but he requested none of funds needed to implement his welfare reforms.

ACTION: Improve inner-city education by supporting real school choice.

- x **ACTION NOT TAKEN.** (See "An Action Plan to Create Jobs.")

ACTION: Create jobs by signing enterprise zone legislation.

- x **ACTION NOT TAKEN.** In February, Clinton called for enterprise zone legislation. But he did not propose enactment of a zone program in his FY 1994 budget.

ACTION: Launch a War on Crime.

- x **ACTION NOT TAKEN.** Clinton actually has taken steps backward. His budget calls for a reduction in planned prison construction, thus ensuring that there will be more dangerous repeat felons on the streets.

ACTION: Lead a campaign to restore moral values and personal responsibility within inner-city communities.

- x **ACTION NOT TAKEN.**

From Memo to President-Elect Clinton No. 14

"How to Help the Environment Without Destroying Jobs"

By John Shanahan

January 19, 1993

I believe it is time for a new era in environmental protection which uses the market to help us get our environment back on track—to recognize that Adam Smith's invisible hand can have a green thumb...[In] certain settings, this results-oriented approach can cut compliance costs, shrink regulatory bureaucracies, enlist corporate support, take environmental policy away from the specialists and lobbyists, and open it up more to the general public.

**Bill Clinton, remarks at Drexel University,
Earth Day, April 22, 1992.**

ACTION: Factor real exposure levels into decisions to list sites for Superfund cleanup.

x ACTION NOT TAKEN.

ACTION: Within 100 days, open up the relevant government archives on global warming to researchers, subject to national security concerns.

x ACTION NOT TAKEN.

ACTION: Press for new legislation to replace CAFE automobile fuel economy standards with pollution fees.

x ACTION NOT TAKEN.

ACTION: Within the first 100 days, issue an executive order requiring the government to pay owners of wetlands the value of their confiscated property rights when development is denied to protect societally beneficial wetlands.

x ACTION NOT TAKEN.

ACTION: Within the first 100 days, issue an executive order to eliminate most of the current costly regulations affecting solid waste disposal and require financial assurances from operators of landfills.

x ACTION NOT TAKEN

From Memo to President-Elect Clinton No. 15
"Realistic Options for Reducing the Burden of Excessive Regulation"
By William G. Laffer III
January 19, 1993

Expanding regulations threaten to overwhelm the nation's entrepreneurs and divert them from the task of building strong, innovative companies. While loudly complaining about crushing government regulations, Bush and Quayle have piled one regulation after another on the backs of America's entrepreneurs.... Under George Bush, the number of employees devoted to issuing and enforcing federal regulations has increased from 104,000 to a stifling 125,000.

The Bush/Quayle penchant for overregulation has not gone unnoticed. The conservative Heritage Foundation recently concluded that "although President Bush often complains about the burden placed on the economy by excessive regulation, only Richard Nixon in the last two decades has done more to add to this burden."

Clinton/Gore on Small Business and Entrepreneurship

I am going to stop handing down mandates to you and regulating you to death.

Bill Clinton, remarks before the
U.S. Conference on Mayors, Houston, Texas,
June 22, 1992

ACTION: Wait at least six months before imposing any new regulations.

- X ACTION NOT TAKEN:** The Administration in fact has begun to extend its regulatory reach. Examples: It is calling for higher fuel efficiency standards for light trucks and mini-vans. It has undone some Bush Administration efforts to deregulate biotechnology research. And the Administration is pressing General Motors to recall 4.7 million pickup trucks because of suspicions that side-mounted fuel tanks pose a fire hazard. Major airlines, the cable TV industry, and pharmaceutical manufacturers are among the likely near-term targets of federal mandates.

ACTION: Before implementing any new regulations, undertake a comprehensive review of all existing federal regulations to look for ways to reduce their total burden to the economy.

- X ACTION NOT TAKEN.**

ACTION: Revitalize the Office of Information and Regulatory Affairs (OIRA) and use it as your personal agent to review all regulations promulgated by the executive branch, to make sure that the agencies use the least burdensome means possible to achieve the desired regulatory trends.

- X ACTION NOT TAKEN.** The President has only recently named an Administrator for OIRA, and she has yet to be confirmed by the Senate. It is too early to predict whether or not she can revitalize OIRA to counter Vice President Gore's already strong role in regulatory review.

ACTION: If you decide to repeal Executive Order 12291, which requires agencies to consider overall costs and benefits of proposed regulations, do not abandon the principle of cost-benefit analysis.

- x **ACTION NOT TAKEN.** The White House does plan to scrap the order, and is working on how to overhaul the Reagan/Bush executive orders governing regulatory review. Still in question is whether cost-benefit analysis will be included. Meanwhile, Vice President Gore reportedly is overseeing an interagency project to create a White House system for reviewing major rule proposals.

ACTION: To limit the total cost imposed on the economy by federal regulation, establish a regulatory budget.

- x **ACTION NOT TAKEN.**

FOREIGN AND DEFENSE POLICY STUDIES

From Memo to President-Elect Clinton No. 4
"A Plan For Preserving America's Military Strength"
By Baker Spring
December 28, 1992

I pledge to maintain forces strong enough to deter and when necessary to defeat any threat to our essential interests.

Bill Clinton, remarks at
Georgetown University,
December 12, 1991

ACTION: Set a floor on the overall size of the military.

- x **ACTION NOT TAKEN.** All indications are that defense policy is now budget-driven. Clinton's defense budget, which doubles the \$60 billion cut over five years he pledged during the campaign, is certain to produce a force structure that is much smaller than the American people were given to expect during the presidential campaign.

ACTION: Develop a regional-based strategy whereby specific forces are committed to project power to specific regions.

- x **ACTION NOT TAKEN.** Secretary of Defense Les Aspin has talked about a regional-based strategy, but has yet to announce an allocation of forces.

ACTION: Continue to produce, not just develop, new generations of weapons.

- x **ACTION NOT TAKEN.** The Clinton budget would reduce the military procurement account to \$45.5 billion in fiscal 1994, a 17 percent reduction from fiscal 1993 levels. The \$38.6 billion research and development account is reduced by 1 percent. This budget puts the U.S. on the path to spending as much on research and development as procurement. This is an unhealthy ratio, which eventually will undermine the ability of the U.S. to field high technology weapons.

ACTION: Set dates for the deployment of defenses against both short-range and long-range missiles.

- x **ACTION NOT TAKEN.** No dates have been set. Indeed, the 40 percent reduction in the Strategic Defense Initiative budget for fiscal 1994, if reflective of future cuts beyond 1994, will at a minimum delay significantly the deployment of defenses against short-range missiles and leave no viable deployment options for defenses against long-range missiles.

ACTION: Establish a new policy for ensuring U.S. access to and control of space in the event of conflict.

- x **ACTION NOT TAKEN.** No such policy has been announced yet. The Administration's plans may emerge this summer as a part of the "bottom-up" review.

ACTION: Retain an effective military force focused on its mission.

- x **ACTION NOT TAKEN.** The Administration has fallen short in this area. With the Administration moving toward admitting openly gay men and women in the armed forces and putting women into combat, unit cohesion will suffer. In both the Army and Air Force, Clinton has proposed force reductions for fiscal 1994 that are indicative of a policy of relying on less-well-trained, less-combat-ready reserve forces.

From Memo to President-Elect Clinton No. 7

"An Agenda for Latin America and the Caribbean"

By Michael G. Wilson

January 13, 1993

One of the strengths of any democracy is the continuity it allows our governments as our leaders change....I want you to be assured that I intend to build on the relationships of the past four years and make the next four years even stronger in the cooperation for our mutual commitment to democracy and economic progress.

Bill Clinton, Address to the Rio Group of Latin American Leaders, Argentina, December 1, 1992,

ACTION: Pledge strong support for the North American Free Trade Agreement and for continued close ties with Mexico.

⌘ **ACTION PARTIALLY TAKEN.** The Administration continues to send mixed signals on the NAFTA. Since the inauguration, Clinton and several of his Cabinet members, including Commerce Secretary Ron Brown and Treasury Secretary Lloyd Bentsen, have pledged the Administration's strong support for the free trade pact between the U.S., Canada, and Mexico. However, the White House has not yet developed a plan to get the NAFTA passed through Congress, where opposition is growing daily.

ACTION: Announce the U.S. intention to negotiate a free trade agreement with Chile.

x **ACTION NOT TAKEN.** While Clinton has mentioned his interest in negotiating a free trade agreement with Chile on several occasions since taking office, he has offered no formal commitment to such a pact.

ACTION: Ask Congress to extend "fast track" trade negotiating authority.

⌘ **ACTION PARTIALLY TAKEN.** The Clinton Administration requested an eight-month extension of the fast track trade negotiating authority on April 9. However, this request was made only for the GATT negotiations. The Administration gave in to the labor unions and other protectionists by not extending it for bilateral trade agreements with Latin American countries like Chile that are ready to begin negotiations.

ACTION: Promote the Enterprise for the Americas Initiative (EAI), or a similar program of spreading free trade in the Western Hemisphere.

⌘ **ACTION PARTIALLY TAKEN.** The Clinton Administration reiterated its support for the EAI during a March 30 speech by Larry Summers, the Undersecretary of the Treasury-designate for International Affairs. The EAI, first proposed by George Bush on June 27, 1990, is a far-reaching program to create a hemisphere-wide free trade zone, spur foreign investment in Latin America, and reduce the region's debt burden. Summers, however, conditioned the Administration's support for the initiative on the protection of workers' rights and the environment throughout the Americas. This may slow the process of expanding free trade in the Americas.

ACTION: Lift the U.S. embargo on Haiti, help negotiate a political compromise between supporters of ousted Haitian President Jean-Bertrand Aristide and the current government in Port-au-Prince, and spur free market reforms in Haiti.

⌘ **ACTION PARTIALLY TAKEN.** To its credit, the Clinton Administration has upheld George Bush's executive order banning the entry of Haitian "boat people" into the U.S. If Clinton had reversed the Bush policy, as he claimed he would during the campaign, it would have triggered a massive wave of Haitian economic refugees fleeing to U.S. shores. The Administration, however, has not lifted the embargo, as it should, thereby further undermining the Haitian economy and the economic livelihood of innocent Haitians.

ACTION: Increasingly isolate the Castro regime and encourage regional democracies to pressure Havana to reform its political system.

- ✓ **ACTION TAKEN.** The Clinton Administration deserves high marks on its Cuba policy. During his confirmation hearings on January 12 and 13, Secretary of State Warren Christopher told the Senate Foreign Relations Committee that the Clinton Administration would strongly enforce the 1992 Cuban Democracy Act, which isolates Castro economically while encouraging a greater exchange of information between Cuba and the outside world.

ACTION: Remove the remaining sanctions on the government in Peru.

- ✓ **ACTION TAKEN.** The Clinton Administration on March 18 approved the release of a \$105 million bridge loan provided by the U.S. and Japan to the Fujimori government in Peru. The loan is intended to help Peru pay off its debt arrears with the International Monetary Fund (IMF) and World Bank. By paying off its arrears, Peru once again became eligible to receive new loans from the international financial community to support its free market reform and anti-narcotics programs. Nevertheless, a ban on U.S. anti-drug and military assistance to Peru remains in effect pending a review of that country's human rights policies.

ACTION: Demand that Nicaragua reform its political and economic systems. This should include stricter conditions on the disbursement of U.S. aid and demands for military, police, and judicial reforms.

- x **ACTION NOT TAKEN.** The Clinton Administration announced the release of the remaining \$50 million in U.S. aid to the Chamorro government in Nicaragua on April 2. This was the final installment of a two-year \$731 million U.S. aid package to Managua. The Clinton Administration states that the Chamorro government "is taking a number of steps that are vital for the consolidation of democracy." While U.S. aid money and influence can be used constructively in Nicaragua, the timing of this aid release was premature. The Clinton Administration should have withheld aid until concrete measures were taken to remove top Sandinista officials from the Nicaraguan army, police, and courts, and until greater progress was made in solving the political murders of Contra leaders and other innocent citizens.

ACTION: Continue to fight Latin America's drug cartels and terrorist groups.

- x **ACTION NOT TAKEN.** The Clinton Administration has yet to develop its anti-narcotics and terrorism policy for Latin America and the Caribbean. However, there has been some discussion at the White House, Justice Department, and State Department about cutting anti-narcotics programs in the region and funneling more money into drug rehabilitation and education programs in the U.S.

From Memo to President-Elect Clinton No. 10

"Demonstrating A U.S. Commitment to Asia"

By Seth Cropsey

January 18, 1993

Today's economic realities will require the U.S. and other countries to meet pressing needs at home....

Bill Clinton, from a letter of congratulations to the newly elected President of the Philippines, Fidel Ramos

ACTION: Use personal diplomacy to demonstrate U.S. commitment to Asian security.

- X ACTION NOT TAKEN.** Indeed, Clinton has done the opposite. Reversing the policy of all his post-World War II predecessors, Clinton made it clear in his first meeting with Japanese Prime Minister Kiichi Miyazawa that such economic issues as Japan's trade surplus with the U.S. are his first concern in Washington's relationship with Tokyo.

ACTION: Resist trade protection in dealing with Japan.

- ⌘ ACTION PARTIALLY TAKEN.** So far, the Administration has resisted protectionism but it has not resisted repeated references to how, when, where, and why to apply it. For example, although no quotas have yet been put into place, the Clinton Administration has declared that the 1986 agreement Washington exacted from Tokyo to purchase a specific amount of American semiconductors is a good model for the future.

ACTION: Encourage a unified and democratic Korea.

- ⌘ ACTION PARTIALLY TAKEN.** The biggest challenge to Korean unification is North Korea's nuclear weapons program. While Bill Clinton pays lip service to the long-standing alliance between Washington and Seoul, his plan to double the size of defense cuts he promised during last year's campaign casts universal doubts on the future strength of the U.S. military. Such doubts will hurt Clinton's ability to lead an international coalition or convince Kim Il-sung that the U.S. could—if necessary—take unilateral action to stop North Korea from becoming a nuclear power.

ACTION: Protect Taiwan's security and encourage its worldwide diplomatic recognition.

- ⌘ ACTION PARTIALLY TAKEN.** A Clinton sub-cabinet appointee in confirmation hearings before the Senate Foreign Relations Committee has reaffirmed Washington's long-standing position that Taiwan and China resolve their differences peacefully. Clinton's willingness to ensure Taiwan's security and push for its inclusion in such international fora as the GATT has not been determined.

ACTION: Advance human rights in China by supporting Beijing's economic reforms.

- X ACTION NOT TAKEN.** The most effective way to advance the Chinese people's human rights is by supporting the economic freedoms which are turning China's coastal provinces into the fastest growing economic region on earth. After his elec-

tion on November 3, Clinton acknowledged George Bush's prudence in continuing to grant China most-favored-nation status, but since inauguration the President has not said what he intends to do about renewing China's MFN trading status with the U.S.

From Memo to President-Elect Clinton No. 3
"Averting a Failure of U.N. Peacekeeping in Cambodia"
By Richard D. Fisher
December 15, 1993

Renegade forces such as the Khmer Rouge in Cambodia...continue to endanger the peace....A primary task for American policy in the future will be to determine ways to work with Asian nations to form a broad consensus on how to reduce regional tensions and contain regional threats to security.

Bill Clinton, responding to a questionnaire
from *The Asian Wall Street Journal Weekly*,
October 26, 1992

ACTION: Press the United Nations Transition Authority in Cambodia (UNTAC) to protect all electoral candidates.

⊗ **ACTION PARTIALLY TAKEN.** The U.S. has pushed UNTAC to increase its military patrols to protect candidates who are campaigning for office in the national elections scheduled for May. But UNTAC continues to balk at curbing the government's coercive ministries which have used their powers to threaten, and in some cases kill, opposition candidates.

ACTION: Give direct assistance to democratic forces in Cambodia.

x **ACTION NOT TAKEN.** The Clinton Administration has no declared policy that supports democratic forces in Cambodia.

ACTION: Prepare for UNTAC's possible failure by warning China and Vietnam not to assist their respective clients, the Khmer Rouge and the Phnom Penh government.

x **ACTION NOT TAKEN.** The Administration has warned neither China nor Vietnam of any consequences should fighting resume in Cambodia.

From Memo to President-Elect Clinton No. 13
"An Action Plan for Promoting Reform in Russia"
By Ariel Cohen
January 18, 1993

...[The] gravest threats are most likely to occur in the following areas. First, the spread of deprivation and disorder in the former Soviet Union, which could lead to armed conflict among the republics or the rise of a fervidly nationalistic and aggressive regime in Russia, still in possession of thousands of long-range nuclear weapons.

Bill Clinton, remarks at
Georgetown University,
December 12, 1991

ACTION: Appoint an ambassador to Russia who is knowledgeable about the problems confronting the reformers and who has sufficient political weight to command an open channel of communication with you.

- ✓ **ACTION TAKEN.** Clinton appointed Thomas Pickering as the next U.S. ambassador to Russia in March. However, his nomination was stalled in the Senate. There has been no American ambassador in Moscow since November, when Robert Strauss resigned.

ACTION: Designate a high-level official to coordinate U.S. government policy toward Russia and the other Newly Independent States.

- ✓ **ACTION TAKEN.** Although the Administration has designated former journalist Strobe Talbott as Ambassador at Large for Commonwealth of Independent States affairs, it remains to be seen whether Talbott will prove to be an effective policy coordinator. Talbott lacks government experience and is handicapped by the fact that he is based at the State Department, not at the White House.

ACTION: Link U.S. assistance to continued progress on economic reforms in Russia, including: ending hyperinflation; achieving full convertibility of the ruble; continued progress in privatization and scaling back the size of the military-industrial complex.

- ✗ **ACTION PARTIALLY TAKEN.** While promises of aid to Russia have been made, the Administration has not explicitly and unequivocally linked U.S. assistance to progress on economic reform.

ACTION: Ensure that U.S. and multilateral assistance promotes the creation of a market economy. Whenever possible, foreign aid should be directed primarily to the private sector. Government-to-government aid should not be used for government operations, but for creating a private market economy.

- ✗ **ACTION PARTIALLY TAKEN.** While lip service was paid to this principle, a large infusion of cash is earmarked for the Russian government. This money will be used to purchase Western heavy equipment for Russian state-owned enterprises. Little thought has been given to such questions as how, where, by whom and to whom the aid is to be disbursed.

ACTION: Press for greater coordination among the Western aid programs, including a functional division of responsibilities between America and its allies.

⊗ **ACTION PARTIALLY TAKEN.** While the U.S. provided leadership for the Western effort to aid Yeltsin's reformers, there has not been much coordination beyond the joint announcement of the G-7 aid package on April 17.

ACTION: Link continued assistance to Russia to its observation of arms control agreements signed by the U.S.S.R. and Russia. Hard-line opposition to the recently signed START II is mounting in the Supreme Soviet, and further reductions in Russia's conventional forces are being resisted.

✗ **ACTION NOT TAKEN.** The aid issue has not been linked to Russia's observing START, INF, and CFE agreements.

ACTION: Insist that Ukraine give up the nuclear weapons on its territory and become a non-nuclear state.

✓ **ACTION TAKEN.** The Administration has demanded that the Ukrainians give up their nuclear weapons.

ACTION: Press for continued Russian troop withdrawals from Eastern Europe and the Baltics and observation of agreed-upon deadlines.

⊗ **ACTION PARTIALLY TAKEN.** Because its attention has been focused on Russia, the Clinton Administration has done very little to ensure Baltic independence. Russia has linked withdrawal of its troops from the Baltic states with Baltic concessions on continued Russian control of ports and military industry factories, and citizenship for Russians now living in the Baltic states. Despite Russian footdragging, the U.S. continues to call for Russian troop withdrawals; no concrete steps have been taken to assure those withdrawals.

ACTION: Insist that minority rights be respected throughout the region, including rights of the Russian minorities in the non-Russian republics. Violations of minority rights are one of most likely causes of conflict within these new states and between them.

✗ **ACTION NOT TAKEN.** The Clinton Administration has demonstrated little understanding of the minorities situation in the former Soviet Union. Russia is most vociferous regarding the rights of ethnic Russians in the Baltic states and Ukraine, using it as a battering ram against the former republics. There are also at least eighteen million non-Russians in Russia, whose rights are almost never mentioned, and have to be equally respected.

ACTION: Oppose the spread of Iranian and other Muslim fundamentalist influence in Central Asia. The U.S. should support the efforts of pro-Western powers, such as Turkey, to provide assistance in building democratic institutions and market economies in these areas.

⊗ **ACTION PARTIALLY TAKEN.** The Administration thus far has given very low priority to cooperation with Turkey and other states to encourage the emergence of stable, democratic, free market states in Central Asia.

ACTION: Prevent the unauthorized sale or transfer by the NIS of nuclear weapons, materials, know-how, and technology, as well as other weapons of mass destruction.

Ⓢ **ACTION PARTIALLY TAKEN.** Although the Clinton Administration has stated that nuclear proliferation is a high priority issue, it has not yet clearly articulated its proliferation policies. More attention needs to be paid to monitoring the movements of the materials, technology, and personnel needed to construct nuclear weapons and other weapons of mass destruction, to prevent them from reaching rogue Third World regimes.

ACTION: Foster good relations with both Russia and Ukraine and promote Russian-Ukrainian reconciliation.

x **ACTION NOT TAKEN.** Very little has been done to bolster U.S. relations with Ukraine, the second largest republic of the CIS. More U.S. attention should be given to the security needs of Ukraine, as the neo-imperialist voices in Moscow grow in strength.

All Heritage Foundation papers are now available electronically to subscribers of "Town Hall," the conservative meeting place, and "NEXIS," the on-line data retrieval service. For information about Town Hall services, please call 1-(800) 441-4142. On Nexis, The Heritage Foundation's Reports (HFRPTS) can be found in the OMNI, CURRNT, NWLTRS, and GVT group files of the NEXIS library and in the GOVT and OMNI group files of the GOVNEWS library.

