March 8, 1994

Dear Colleague:

I thought you would be interested in the attached memorandum on the tax increases called for in the Clinton health plan. This analysis has just been completed by the Alexis de Tocqueville Institution in Arlington, Virginia.

The time is fast approaching when Congress will have to begin making decisions in the health care debate. This excellent analysis explains why the massive level of new taxes envisioned in the Clinton plan would be an economic disaster.

One reason I fought so hard to ensure that all government mandated health care reform would be on-budget was so the American people could clearly see the expansion of government that is envisioned under the Clinton plan.

This memorandum confirms my worst fears. The Clinton health reform plan would be by far the largest tax increase in history. By the year 2004, when the proposal is fully implemented, federal tax revenues will have increased by more than 27 percent above currently forecast levels. A tax increase of this magnitude during peacetime is unprecedented.

As we begin taking votes on health care reform, each of us should reflect on whether we really want to increase the size and power of government so drastically.

Sincerely,

Wayne Allard