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Series:	Baker, James A., III, Files
Subseries:	Public Correspondence Files

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THE HONORABLE JAMES A BAKER 3d
CHIEF OF STAFF

K Gordon Sandbach
173 East 91st Street
New York, N.Y. 10128
office: (212) 541 8650

October 4, 1992

The Honorable James A. Baker 3d
Chief of Staff
The White House
Washington, D.C. 20500

Dear Secretary Baker,

Why don't we just start with the fact that Perot seems to be a pathological liar, at least according to Ed Rollins. Apparently/^{he} publicly charged that he never hired Ed Rollins, that he had never even met with him. Rollins said this on Firing Line and one of the morning t.v. shows. He also said that Perot was the one who hired him and that, in fact, that they met every day down in Dallas. I tend to believe Rollins.

It's one thing to fudge a position, and quite another to just outright lie.

I'll bet that many people are willing to forgoe a small cut in income taxes to see that government use the money to stimulate the overall economy.

Bush's face in the early frames of the 'economic war' ad is too imposing. Not attractive at all. Even ugly. Almost a Big Brother type of image. Clinton's ads make him look quite Presidential. The fact that George Bush is the President is one of the strong things that he has to sell. Talk about the leadership that he has shown in the past - to offset all the negative talk about his Presidency. Give the past a better color, not just the future.

It is probably quite smart for Perot to buy some big pieces of network time. I would think that chasing around the country from state to state every day would not be nearly as effective in these latter weeks, and almost as expensive. You have to go for the whole thing right now, not just a state here and there.

You can talk about the fact that Perot does not seem to consider the consequences of his acts very thoroughly. Getting in to the campaign, getting out, and then getting back in again. I don't think that any of these three decisions were well thought out. Clearly a man of whimsey. You can't run a country --and the free world - by gut instinct. You do have to be able to work with others

Sandbach/Baker page 2 October 4, 1992

Here is an approach to take to 'change': America evolving as a country. The Federal response to major disasters is a good example. We were admittedly slow in responding to the hurricane that hit South Carolina. We learned something of a lesson and responded better to Andrew, and even faster and more effectively to the storm that hit Hawaii. We were responsive to peoples' needs. 'That is one of the hallmarks that I want to my next Administration.' We cared, and we stood up to be counted when it mattered most. We are learning by our mistakes, and will make every effort to see that they don't happen twice.

Here's an idea that will appeal to both the left and the right at the same time: mandatory literacy for all prison inmates who receive a sentence of six months or longer. Job search and some job training skills. "Yes, we are going to be tough on crime, but we are also going to give the criminals a chance to break out of their cycle of crime-dependancy. Open other possibilities to them. Most of these criminals are proud people. They don't want to admit that they cannot read and write, so they end up going right back to a life of crime. We are going to give them skills so that they might have a better chance of integrating back into society in a productive manner." Also, welfare as a way-station, not a way of life, as Clinton says. We want to do some good for people who need it the most. Same literacy and job skills. An America That Works. This is where the institutions will actually do what they were originally conceived of doing.

You should specifically address the 25% uncommitted voters, individually, as a whole, and by segments. You might say something like: "When you stand there in that voting booth, with your final decision right there in front of you, you are not really going to vote for Clinton, are you? The man with all those questions about his character? He is not the kind of person that you want as President, is he? Sure, the economy didn't do well, but there is no man alive or no Administration who could have done any better with it. You can be absolutely assured that we are doing everything that we (or any other Administration) can do to bring it back now, so basically it boils down to a question of character - and trust? Slick Willy? No way. He is not the kind of person that America needs and deserves as President.

Sincerely yours,

173 East 91st Street
New York, N.Y. 10128
office: (212) 541-8650

K. Gordon Sandbach

-Enclosed: excerpts of other letters with political ideas.

page 2 June 8, 1992

You can do a major assault on the viability and credibility of Perot's town hall meetings. What kind of people will tend to participate in them, and what the effect will be on U.S. politics. This is the heart of what he is all about - and I think that you can definitely hurt him here. The Dreamer, etc. It is essentially not a democratic process. It is only listening to the vocal few. What about the quiet people who go about their daily lives and don't choose to call into talk shows to help make the U.S. government run? Point up this fantasy of his as a perfect example of his lack of experience in the real world - especially the world of national politics.

Somebody should point out the lack of respect he demonstrated toward Rollins and Jorden when they were first brought into his camp. "They are not my handlers, they are my valets." That sounds about right. Sounds consistent with his perception of the rights and value of people in his life, as demonstrated time and again. It is no coincidence that there are very few blacks in or even around his campaign. Blacks tend to have good instincts about others' racial attitudes, and I sure don't see many of them around Perot. How could anybody say that a guy who has a haircut like that is a liberal?

"You want me to step down, just let me know and I will." So we are going to become another Banana Republic? Or Italy? Where is his commitment, gumption and staying power? Staying with a job until it is completed. Well, he does have this pattern of cutting out and leaving situations half done - or undone, as the case may be. Wall St., G.M. and others.

Here is a great idea for a cover story for Time Magazine: you can do it the week before his 'convention.' The story would declare that it is time for this Nation to examine it's heart and it's soul. It's character, if you will. Time for a reality check. We have given this little man so much power and adulation and we don't even know what he stands for - or what he wants. It reminds me so much of Germany in the 30's. People longing for a focus, a direction, some hope and optimism. Something to feel good about. We are getting sucked down exactly the same kind of psycho-emotional path. I am not saying that Perot is another Hitler, but there is an aspect there that frightens a great many people. And we just don't know what he is going to do with this power that he seeks.

page 3 June 8, 1992

"I don't know anything about Perot except that he is not a politician. That is enough for me" (recent Time Mag. article). That is frightening. Truly frightening, if you think about what is really going on here. This man is seeking to be the great power in the world - and we are just handing it to him without even getting any answers to our questions. Situations like this usually look fine until it is too late to go back...

On another subject: there are millions of people who either play golf or are generally familiar with the game in this country. Most of them know that you are supposed to play the ball that you hit. That to reach into your pocket for another is rather self-indulgent. Forgive me for saying this, but there are many who will view that second ball as a question of character. The President will probably bridle in a major way if someone mentions this to him, but it might be worth it.

Sincerely yours,

173 East 91st Street
New York, N.Y. 10128
tel: (212) 360-1109

K. Gordon Sandbach

Sandbach/

page 4 April 22, 1992

One of the great things that America stands for is hope. And faith that brings that hope to reality. We can restore hope, and then faith, in this country and we will all be stronger for it. The process feeds back on itself. If you choose the path of action suggested in this letter, Mr. Bush will be doing a lot for his Presidency, for his place in history - and for the country.

One last thought about character, vision and principle. Popular criticism of the President says that he lacks vision and principle. This is how that should be answered: Yes, he went against his 'no new taxes' pledge, but he did it for a higher principle, for the 'larger good of the Nation. He made a personal sacrifice in this matter that cost him dearly politically but he did it for the sake of a budget deal. He did it because he knew how important it was to try to bring the budget deficit under control. Here is a perfect example of attempt on his part to work with Congress in good faith - and it cost him. He was looking at the larger picture, the vision of the future of this country, if you will, and saw the danger. He took a short-term hit to try to help the longer term.

That famous 'line in the sand' in Saudi Arabia is another example of his vision and principle, and the fact that he was willing to act on his vision and principle, even in the face of significant popular and political opposition. He had the vision to see what a major problem Saddam Hussein would be and that he had to be stopped. He acted on the principle embodied in that vision. It took the rest of the world months to catch up to him. Set these last two paragraphs firmly in the minds of the American people. It is important for the President to be strengthened in this manner.

The way that you are starting to use repetition to apprise people of things and get points across is effective. You even have the commentators talking about the repetition - which further gets the point across. Sometimes it takes a while for 1) things to get across, and 2) to sink in.

Sincerely yours,


K. Gordon Sandbach

173 East 91st Street
New York, N.Y. 10128
tel: (212) 360-1109

CC:

April 14, 1992

Dear :

This is a follow-up to my letter dtd. April 13, 1992.

It is not only an insult to America and to all Americans and the process of democracy that Ross Perot is just trying to buy the election - and even bragging about it - but it is probably illegal. Well, the law hasn't been written yet, but I am sure that a Federal Court or even the Supreme Court would be interested in taking a look at this "the richest guy wins the White House" concept. That is not the way that things are supposed to work in this country.

I would think that an integral part of the process of getting elected to any office should be having to raise the funds to run the campaign. It is certainly a major way for a potential candidate to demonstrate his feasibility as a candidate. to demonstrate the amount of support he or she has. A free phone call on an 800 number so somebody can voice a protest doesn't have any meaning to me as a demonstration or either breadth or depth of support. An exit poll doesn't mean that much to me either, certainly not in the same way that people writing out checks does.

What is the next step? A bidding contest for the white House? Perot says that he will spend \$100mm, someone else is willing to spend \$200mm. What does he care? He has another \$2 billion in the bank. That will keep him in beans and rice for a while, even if he does lose the election. "Wouldn't it be great to live in the White House, fly around in Air Force One? Come on, let's make a run at it. What do we have to lose? We have more money than we could possibly spend anyway."

There ought to be a law..;

Sandbach,

page 2 April 14, 1992

The point is that there should be a relatively level playing field in Presidential elections. I know that you folks are good at raising money, so we don't want to hurt that, but a law or regulation should be created to bring a guy like Perot into line. You might set it up that no one can spend more than X% above the average ^{of the} money raised by the campaigns of the next (two) lowest fund raisers. I think that this makes some sense, and you can probably make a case for it.

I am a lawyer at heart, so I'll ponder this one a bit more.

Sincerely yours,

K. Gordon Sandbach
K. Gordon Sandbach

173 East 91st Street
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CC:

Sandbach/

page 2 April 12, 1992

Here are some thoughts on how to deal with him:

1) Who the hell does this guy think he is? He is just trying to buy the election, and he is even bragging about it. "Sure, I'll spend \$100MM, or whatever it takes." Is that what the office of the President is going for these days? That is an insult to America, to all Americans, to the office of the President - and to the process of Democracy. The richest guy wins. Is that the deal? That is not what this country is all about. It is the exact opposite of the principles of our Founding Fathers. What an insult? Why isn't anybody calling him on this?

2) He says that he wants to serve the people. That's B.S. too. If he were really interested in serving people, he would give the \$100mm to the homeless - where it can really do some good - rather than just fuel his ego trip. He should then run for public office where he has even a remote chance of winning, and he would actually place himself in a position where he might really do some good for another person. Run for Governor or the Senate, get on some Committees, write some legislation that would help people. Oh, he doesn't like committees? He would rather just do it himself? That is not quite how things work in Washington. There's that dictator aura again.

This is just a huge ego trip for him. If he were so interested in helping people, he would already be doing it. It always fascinated me that most of the totalitarian regimes in the world always said that they were doing it 'for the people,' and it seemed obvious they weren't. The leaders of those regimes were acting only in their own self-interest. It took the people of the Soviet Union 40 years to figure that one out. I think Jerry Brown means it to some extent when he talks in that vein, but my gut instinct says that Perot is a man that you have to keep a close eye on.

I don't get any of the feel of seasoned, balanced judgement that the President deploys in any of Perot's approach to things. You might allude to his penchant for taking things into his own hands a la the rescue mission to Iran and the showy Christmas gifts forray to Vietnam. He knew that he wouldn't get through even before the plane took off. I wonder what would happen if he ever got his hands on the C.I.A.

Many will say that it is a plus that Ross Perot doesn't owe anything to anyone politically, but it is also a minus because there is no set of checks and balances to work on him. It is actually pretty frightening to think of him as President.

Sandbach/ page 3 April 12, 1992

Perot was so confident that he had all the answers when he went marching down to Wall St. in the 70's to save DuPont, Gore Forgan, and the Street in general. Well, apparantly he not only didn't have all the answers, but he didn't even have any that worked. He finally left some time later with his tail between his legs - and with some big losses to show for the effort. Does he think that running the United States of America, and helping to manage the free world is any easier?

Ross Perot thinks that he can steal the mind and heart, and even the soul of America for \$100mm. It's as simple as that. Personally, I'm outraged. By saying "I'll spend whatever it takes" he is saying "I'll buy you America, just tell me what the price is." I don't know why nobody else has picked up on this.

If you can, check Perot's phone bills, or ask for copies to see if he is actually getting all the support that he says he is.

One last thing for now, a risk in the Campaign is the loss of the yuppie vote of the 80's. The money thing isn't working so well now, so they might turn back to their social conscience a little more: environment, abortion, human rights etc.

I hope that this letter is of some help to you. Good luck.

Sincerely yours,

K. Gordon Sandbach
K. Gordon Sandbach

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CC:

Eight State Rail Preservation Group

J. WALDOCK 107 GRANT COURT, OLEAN, NY 14760 (716) 372-0854
Fax 716-372-0854

NRN

Fax: 202-456-2461

Date: October 5, 1992

To: Jim Baker

Re: Publicity for President Bush

From: Jeanne Waldock, former District Director Republican
Party of 5 western NY counties

Jeanne Waldock

On Kathy Lee and Regis Philbin's Program this A.M., Monday October 5, a woman from Alma, Arkansas, answering a post card call about politics in Arkansas, said: "I don't like Clinton because he has raised taxes 250% in Arkansas." She said she didn't like him---a joke for President Bush on the 7:30 Tuesday's ABC's "Good Morning America" Program. (Ch. 7, New York)

M2N

Robert M. Stocking

3818 Morrison Street, N.W., Washington, DC 20015

October 4, 1992

Mr. James A. Baker III
The White House
Washington, D.C.

Dear Mr. Baker:

With a view that you may find Ross Perot presents as the extreme right, or far right, and that Clinton presents as liberal-left, I assume you would see the President as middle of the road, or as they say in Europe, centrist.

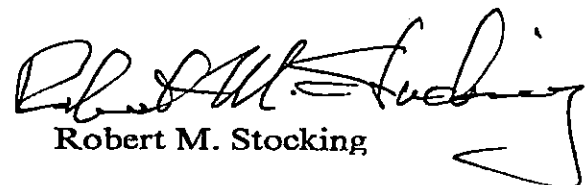
Although left-oriented environmentalism, as it is understood by the citizenry may seem to be a kindly and civic initiative, the owls of Washington state as well as wet-lands controversy, seem to have begun to undermine some aspects of the "movement." Thus, environmental extremism, as represented by Al Gore (who seems to be supported by Clinton), may offer an opportunity. For example, if, in the debates, the President could be positioned between his two opponents, Clinton on his left and Perot on his right, he would be in an excellent position to attempt to make peace between the warring factions, the one wanting to spend more, the other less, etc., etc.

Some citations from Europe might be useful. For example, "Environmentalism is like a watermelon, green on the outside, red on the inside." There are others. If you'd like, I'll search my files to see what I can find. At the moment, I submit a couple of paragraphs from an article by Jeane Kirkpatrick on socialist environmentalism published in the Washington Post April 27, 1992, thinking that some in your office might have missed it:

¶7 [U.S. money to eliminate world poverty:] "Sustainable development" is the concept that links a particular environmental doctrine to familiar schemes for redistribution of the world's wealth. It is the centerpiece of the new U.N.-based strategy for eliminating poverty, social inequality and injustice.

¶14 [U.N. to "regulate" U.S.:] This ideology assumes that the Third World has mainly rights and the developed world mainly obligations. It seeks large scale resource transfers as an answer to poverty and is not much concerned with economic growth. It assumes that international organizations have a right to regulate international behavior and redistribute the world's goods.

Sincerely,


Robert M. Stocking

The enclosed pamphlet
is intended to illustrate the
kind of writing I do.

method of confiscation, they only take money by parliamentary means, by enacting confiscatory tax laws often in accord with majority rule. But redistribution of the seized money (or goods) among their supporters violates the principle of exchange just as surely as in Serbia. Even if sanctioned by a majority, the oppression is just as tyrannical, whether a tyranny of one person or of many. Aristotle tries to show the difference between justice (or the rule of law) and a tyranny of the majority when he says:

If justice be the will of the majority . . . they will unjustly confiscate the property of the wealthy minority.⁷

Politicians (and closet politicians) who advocate equality for their supporters, but not for others (unequal taxes, for example) is like advocating freedom for themselves but not others. As constituting law, both are at least self-contradictory.

Exploitation paranoia: The exploitation pitch supposedly justifies--actually demands--the use of force or stealth against one "class" or faction which allegedly "exploits" (swindles) another faction. The "swindle" consists of having to pay another what he wants in order to persuade him to voluntarily part with his goods. In unbalanced individuals or groups, frustration may turn to anger and anger be projected on the other party or "class." It creates the paranoid delusion that these others are all against him, conspire to deceive him, are out to get him, destroy him and his kind or tribe or nation, and so on. Naturally, such a conspiratorial "class" must employ the "utmost ferocity and savagery" in suppressing and persecuting him, to quote a socialist "intellectual."

The alarming thing about this kind of paranoia is that it is "catching," that it can be taught to a normal person by true paranoiacs or by skillfully-designed paranoid propaganda. The other alarming fact is that it is malignant and often deadly. As world-famous psychiatrist, Dr. Karl A. Menninger, writes: "The murders of Garfield and McKinley were tragedies of the type."⁸ The paranoia of exploitation may help explain the hideous atro-

cities committed by political Mafias under a flaming banner of truth and justice.

Inter-nation paranoia: Foreign socialist politicians, like Kawame Ture of Africa, not only allege that the exchange economy in their own countries constitutes exploitation (swindling), but also claim that foreign trade similarly constitutes the swindling of poor nations by requiring them to pay for the goods they want to get.

Western foreign policy might benefit by literally teaching--to the Russian general staff (or military government), for example--freedom of value and market in an exchange economy, and particularly that stealing (confiscating) civilian property is socially counter-productive.

But advocating the creative power of an exchange economy to the East might be only marginally successful. After all, the "struggle" to get other people's property without paying for it has probably been endemic in society since the first human mutant split from the animal kingdom. ■

---Notes-----

1. Peter Maass, *Washington Post*, August 16, 1992.
2. Jim LeMay (Coast Community College), "Faces of Culture," PBS tape No. 115.
3. Plato: *Laws* (c.347 BC), *The Dialogues of Plato*, 1937, Random House, N.Y., 1937, v2, pg 411.
4. Barbara Vobejda, *Washington Post*, August 18, 1992.
5. Vladimir Lenin, *Selected Works of*, 1975, Progress Publishing Co., Moscow, v2, p303.
6. Lee Hockstader, *Washington Post*, June 23, 1991.
7. Aristotle, *Politics*, Book VI:3, Modern Library, N.Y., 1943, p262.
8. Karl A. Menninger, *The Human Mind* 1945, Garden City Publishing Co, N.Y., p92.

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If interested in participating in this educational project, write R. M. Stocking at the above address.

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PURSUIT OF REALITY

October, 1992

Vol. I, No. 6

Exchange Economy Creates New Wealth

Robert M. Stocking

"Along the roads gouged by mortar fire," wrote foreign correspondent Peter Maass from Bosnia in August, 1992, "unabashed farmers drive hay wagons heaped with rugs, sofas, lampshades and kitchenware. A wife or child of the farmer might be sitting in the wagon, smiling, wedged amid the belongings of a Slavic Muslim or Croat family forced to flee their homes with just a suitcase or two.

"Across the devastated swath of northern Bosnia-Herzegovina that Serb militia forces control, there is little activity aside from the ransacking of deserted and often shattered houses. Serb militiamen usually get first pick--the stereos and television sets. Local farmers take the bulky leftovers.

"The Serbs who control northern Bosnia are applying their brand of 'ethnic cleansing'--driving out Muslims and Croats with threats, intimidation and force. Sometimes, when the wind blows from a village where a 'cleansing' has taken place, there is the scent of death."¹

It seems at least a gross understatement to say that there are more civilized ways of acquiring other peoples' property.

Reciprocal exchange: Even today, deep in remote jungles, primitive tribes exchange goods, sometimes arrayed in feathers and the weapons of war (or law enforcement), spear and shield in hand. Social scientists have televised just such reciprocal gift-giving, which is apparently the pro-

tototype of an exchange economy. Anthropologists usually call it "balanced reciprocity," referring to a balance between the value of goods given and those received in return.²

The display of weaponry seems to suggest the alternative to exchange: War. It reminds us that there are only two ways of getting something away from someone else: either with or without his consent; either by persuasion or by force and theft. Long ago it was recognized that these alternatives led to fighting, killing and destruction.

Old Plato, a couple of millennia back, seemed to feel it was necessary to explain the desirability of peaceful society, to explain that peaceful interaction is widely preferred over the violence and suffering of war. He says:

And would he [a hypothetical judge] prefer that civil war be terminated by the destruction of one of the two parties, and by the victory of the other, or that peace and friendship should be re-established?³

The rhetorical question is of course answered in favor of peace and justice. It is interesting to note that he then, as we now, observe that many are tempted by violence and thievery.

Animal studies with chimpanzees have shown it is virtually impossible to teach animals the idea of exchange. Like Caesar, an animal wants; it sees; it takes. It can't understand the political value of exchange. But even among the most primitive of human societies, some still basically Stone Age cultures, the practice of this peaceful method of acquiring other peoples' property is widely practiced. The reason seems quite clear: Like animals, men can use force to get what they want. Unlike animals, humans have the unique ability to foresee the political consequences of such behavior, . . . usually.

The Magic of exchange: Although exchange may be the social way of getting other peoples' property, the drawback is producing something to do the exchanging with. This necessity is the real magic of the free market for it makes society doubly productive: Not only does the seller pro-

duce goods to sell, but also the buyer must produce goods with which to buy them.

In robbery, by contrast, only one party produces goods, the other just takes. If widely practiced, production (and everyone's real income) would decline. The process, in varying degrees, is clearly demonstrated in welfare states. In the extreme, as in Russia, society may be confronted with acute shortages and endless queues. A similar economy is developing in the United States where less people work in industrial production now than work for the government, most of which consumes much and produces little. As a result, enormous quantities of goods are imported (and enormous debt incurred).

The discipline of the market, then, is the requirement that one must---must---produce goods or services for exchange with others if he wants to participate as an honest citizen. Notice the extroversive thrust of this discipline: One must think about what other people will value, what they will want, what they will use. So serving their satisfaction, not his own, is what one works for. His satisfaction, in turn, is served by what he receives from them. Notice, also that these others, whoever they may be, must think about what he wants, what he values, what he uses.

Politicians today play the bribery game, seizing money from the minority and "redistributing" it to their followers (taking an appropriate sum for themselves in the process) which they like to describe as each person's proper share of all goods produced in the country. Lester Thurow is right when he says, this kind of politics is a "zero sum" game: It results in zero increase in wealth, but rather in the looting and splitting of what's left of it. He is remiss, however, concerning increased production of goods. The increase is an "added sum" game. When the quantity of goods in the market increases relative to the quantity of money in the market, prices decline. This way, everybody wins.

Russia against exchange: The hard-line Communists (vast numbers of whom still survive) understand clearly that Western economies are exchange economies consisting of freedom to exchange at values deemed advantageous by both parties. Many Social-Democrat politicians still peddle opposition to freedom of exchange and freedom of value. They may call themselves liberals, socialists or communists depending on what's politic, but the name doesn't really matter. What matters is that they seek authority---power---to seize other peoples' money (OPM) and get rich by bribing voters to support them. They call their political pitch an ideology or sometimes the welfare state. (Remember that a 1992 erstwhile candidate for president of the United States, Paul E. Tsongas, was, and may be still, a socialist.) Hard-line socialist ideology holds that freedom of exchange is an enemy that must be abolished, as set forth by one of their early and most revered mentors, Vladimir Lenin:

As regards socialism, it is well known that it consists in the abolition of the commodity economy. . . . As long as exchange remains, it is ridiculous even to talk about socialism.⁵

In Nicaragua recently, as in Serbia and Kuwait, we see how real "social" politicians may use political power to loot an entire country for their "troops" and themselves, as in this report of mass confiscation by Lee Hockstader:

The scope of [confiscation] was enormous, encompassing more than 1 million acres of farmland, about 10,000 houses, thousands of vehicles, office furniture, radio and television equipment and state-owned enterprises ranging from amusement parks to export-import companies. . . .⁶

Many social democrats use words like social, equality and economic justice to mask what most people recognize as retrogression to barbarism.

Welfare ideology: In the great industrial democracies of the West, by contrast, most social democrats have a far more refined approach to the use of force to get money: Instead of the East's

NEW

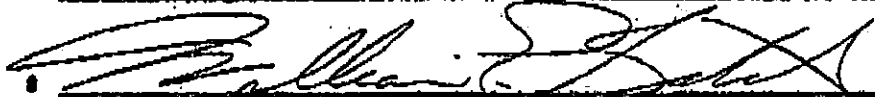
FAX COVER SHEET

FAX NO. : 202 - 456 - 2461 DATE OCTOBER , 1992

TO : CHIEF OF STAFF JAMES A. BAKER III

ATTENTION : MR. CHIEF OF STAFF BAKER III

SUBJECT : THE EXECUTION OF THE U.S. CONSTITUTION AND
THE PAYMENTS OF YOUR DEBTS
WHY ARE THESE SPIES PAID BY TAX PAYER'S DOLLARS
ALLOWED TO VIOLATE THE LAW FOR YEARS AND ABUSE
AN INNOCENT SENIOR CITIZEN IN SALEM OHIO?
AND FOR ELEVEN YEARS HAS BEEN DENIED THE RIGHT TO
VOTE AS A RESULT OF MASS CRIMINAL ACTIONS ON THE
VICTIM.... BECAUSE HE IS A CHRISTIAN *HELP*

SENDER : 
APOSTLE WILLIAM E. HATCH

NUMBER OF PAGES : 7 COVER SHEET + 6 = 7 PAGES

IF ALL PAGES NOT RECEIVED, PHONE or FAX 216 - 332 - 8454

MR. WILLIAM E. BATCH
326½ W. WILSON STREET
SALEM, OHIO 44460

OCTOBER 1, 1992

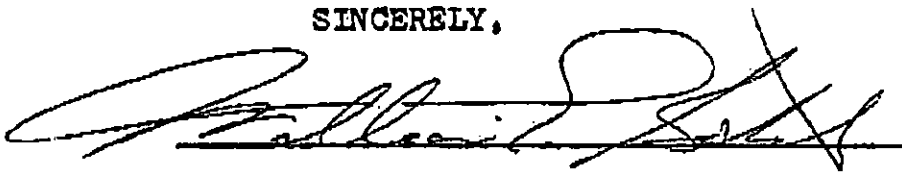
THE WHITE HOUSE
CHIEF OF STAFF
MR. JAMES A. BAKER III
1600 PENNSYLVANIA AVE.
WASHINGTON, D.C.

DEAR MR. CHIEF OF STAFF BAKER :

AS TO MY LETTER DATED SEPTEMBER 30, 1992 ENCLOSED IS A COPY OF THE
FRAUD IN THE UNITED STATES SUPREME COURT WHICH WAS SENT TO ME, WH
WHICH LED TO THE LIEN ON THE U.S. FEDERAL DISTRICT BANK NO. FOUR
IN CLEVELAND OHIO.

AND THE CRIMINAL ACTIONS OF SAID LIEN HAS NOT BEEN EXECUTED
AS TO LAW IN THE COURTS.

SINCERELY,

A handwritten signature in dark ink, appearing to read 'William E. Batch', written over a horizontal line.

WILLIAM E. BATCH

AN AMERICAN & THE DEFENDER OF THE UNITED STATES CONSTITUTION

web/web

cc: on/file

MR. WILLIAM E. BATCH
326½ W. WILSON ST.
SALEM, OHIO 44460

SEPTEMBER 30, 1992

THE WHITE HOUSE
CHIEF OF STAFF
MR. JAMES A. BAKER III
1600 PENNSYLVANIA AVE.
WASHINGTON, D.C.

DEAR MR. CHIEF OF STAFF BAKER :

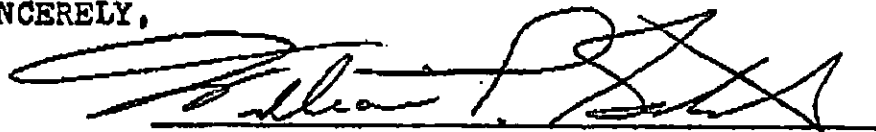
THE NOICE AND TERRORISM HAS DECLINED SOMEWHAT HERE BUT YOUR AIR-
CRAFT AND TRAINS ARE STILL PRESENT WITH DOMESTIC ABUSE, AS TO
THE TRANSMISSION MY OFFICE SENT YOU DATED AUGUST 25, 1992.

CONSEQUENTLY, MY OFFICE HAS NOT YET RECEIVED A CHECK FOR THE
TERRORISM HERE AS TO YOUR TRANSMISSION AND THE DAMAGES AS TO LAW.

AND ALSO MY OFFICE HAS NOT YET RECEIVED THE PAYMENT OF THE DEBT
FROM THE U.S. HOUSE APPROPRIATIONS COMMITTEE AS TO LAW.

PLEASE SEE WHY BOTH PAYMENTS HAS NOT BEEN MADE AS TO LAW....

SINCERELY,

A handwritten signature in dark ink, appearing to read 'William E. Batch', written over a horizontal line.

WILLIAM E. BATCH

we/web

cc: on/file

Exhibit C

OFFICE OF THE CLERK
SUPREME COURT OF THE UNITED STATES
WASHINGTON, D. C. 20543

October 21, 1983

VOL. 86-5953 PAGE 32

Mr. William E. Batch
Post Office Box 681
Salem, OH 44460

RE: William E. Batch v.
Warren Battis, Judge, et al.
82-6962

Dear Mr. Batch:

Your papers received October 3, 1983 are herewith returned. Your petition for a writ of certiorari was denied October 3, 1983 by the full Court. A copy of that order is enclosed.

Very truly yours,

ALEXANDER L. STEVAS, CLERK

By *Christopher W. Vaill*
Christopher W. Vaill,
Deputy Clerk

cdd
Encl.

*Forward letter with
jurisdiction as to law*

Exhibit D

SUPREME COURT OF THE UNITED STATES
OFFICE OF THE CLERK
WASHINGTON, D. C. 20543

VOL. 86-2953 PAGE 33

October 3, 1953

Mr. William E. Gatch
P.O. Box 681
Salem, OH 44460

Re: William E. Gatch
V. Warren Pettis, Judge, et al.
Nos. 52-6962

Dear Mr. Gatch:

The Court today entered the following order in the above
entitled case:

The petition for a writ of certiorari is denied.

Very truly yours,

Alexander L. Stevens, Clerk

*Found Court Order not as to
the Rules of the Court
note no signature*

Exhibit D

VOL. 86-3953 PAGE 34

Supreme Court of the United States

No. 82-6962

William E. Hatch,

Petitioner

Vs

Moran Bettie Judge et al.

ON PETITION FOR WRIT OF CERTIORARI to the United States
Court of Appeals for the Sixth Circuit, No. 82-1617.

ON CONSIDERATION of the petition for a writ of certiorari
herein to the United States Court of Appeals for the Sixth
Circuit.

IT IS ORDERED by this Court that the said petition be,
and the same is hereby, denied.

October 12, 1983

*This found Court Order does not
bear the signatures of the (7) Justices
to the Clerk's letter.*

WAIVER**RECEIVED****JUL 21 1983****OFFICE OF THE CLERK
SUPREME COURT, U.S.**

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1983

WILLIAM E. BATCH, PETITIONER

vs.

No. 82-6962

JUDGE WARREN BETTIS, ET AL., RESPONDENTS

WAIVER

The Government hereby waives its right to file a response
to the petition in this case, unless requested to do so by
the Court.


REX E. LEESolicitor General

JULY 21, 1983

cc: [SEE ATTACHED SERVICE LIST]

(Formerly G-56)

FORM OSG-13
DOJ 12-7-76
TOTAL P.07



NRW

PRICE HILL LAROSA'S • 4008 GLENWAY AVENUE • CINCINNATI, OHIO 45205
PHONE: 513/921-1221 • FAX: 513/471-1111

FACSIMILE COVER SHEET

TO: The White House ATTN: JAMES BAKER

FROM: Ed Gundrum ACCOUNT # _____

RE: To Build on The Military Issue. Is it
TRUE That only NEW YORK AND ARKANSAS NEVER
GAVE Desert + STORM VETS ANY Relief From STATE TAXES

THE FOLLOWING IS 1 PAGES INCLUDING THIS COVER SHEET. PLEASE CALL US IF YOU DO NOT RECIEVE ALL OF THE PAGES. *How Patriotic IS THAT*

THANK YOU

LAROSA'S PRICE HILL

Edward S. Gundrum

NRN

EDITOR'S COPY SYNDICATE

EDWARD H. SIMS, PUBLISHER

POST OFFICE BOX 532
ORANGEBURG, S.C. 29115
TELEPHONE: (803) 534-1110

POST OFFICE BOX 400
FAIRVIEW, N.C. 28730
TELEPHONE: (704) 628-1994

3803 PIN OAK STREET
SARASOTA, FL. 34232
TELEPHONE: (813) 366-2169

Oct. 5, 1992.

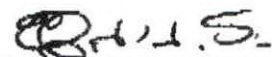
Attention: Caron Jackson
(For Chief of Staff Jim Baker)
The White House
Washington, D.C.

Dear Caron:

If you can find time to pass this on to Jim,
it might help (he probably knows this already but I mention):

The economic situation is Bill Clinton's most effective exploitation. In the debates upcoming, President Bush would do well to repeatedly stress that the economic downturn is worldwide, that it would have occurred whoever was in the White House, citing the Japanese and European recessions. The blaming of Bush for an inevitable worldwide situation after the successful Persian Gulf war, and so many good years, is political scapegoat hunting, about an economic situation all Americans should unite to correct-- and which the Democratic-controlled Congress failed to do.

Bests,



Edward H. Sims
Publisher

EHS/vb

house about 16,000, have strict

way, 36.

says. "They're watching u

'American spirit' will prevail, Bush says

By Jessica Lee
and Kirk Spitzer
USA TODAY

HOMESTEAD, Fla. — President Bush waded through the shredded remains of this city for three hours Tuesday, pledging federal aid for the physical recovery and preaching hope to the emotionally injured.

Bush said the lesson of the disaster is the hope communicated in "the propensity of the American people to help one another."

Bush encouraged young victims: "You lost a lot of stuff, a lot of toys. You've seen your mothers and your dads hurt. But you're going to bounce back. You're living in America, and the American spirit is going to lift you up."

University of Pittsburgh Professor Ted Windt, a specialist in political rhetoric, said the hurricane has given Bush an opportunity "to do something he hasn't done yet — use words to minister to the people."

Bush, who's had high negative poll ratings for being perceived as not caring about common people, impressed Marie Atkins, who lost her



By John Moore, AP
SHOWING CONCERN: President Bush talks to Justina Blance as he and his wife, Barbara, tour the area hit by Hurricane Andrew.

home. "I think he's great. It's very unique that he came here. It really shows that he cares."

Police and Secret Service agents blocked main roads through this hard-hit area, backing up traffic for miles. Hurricane victims were prevented from reaching relief centers; workers were delayed from repairing storm damage.

"He's just shut down a full day of recovery," said Scott Jager, 29, a volunteer from Charleston, N.C., who paid his way here to repair roofs.

Jager said he was trapped in traffic a quarter-mile from a home he was to repair.

Said postal worker Ruben Rodriguez, stuck in traffic with 25 volunteers and 10,000 Social Security, welfare and benefits checks: "All this because he wants to come here and shake hands? He's definitely not going to get a lot of votes."

Storm victims at Campbell

school had to wait an extra 30 minutes to get free radios so Bush would be present.

And Army troops cleaned up piles of donated clothing at the school. The clothes were trucked away before the visit, then trucked back after.

But Bush's words of comfort may help him where it counts: Florida with its 25 electoral votes is a must state this fall.

Bush did not remind victims that he knows what it's like to lose your home in a storm. A storm swept over Maine's southern coast last year, destroying half his family home.

"He could have said 'I know what it's like to come home and see my mementoes, letters I wrote to Barbara long ago and the home I built just washed out.' But he wouldn't do that. That is not what he believes," said Martin Anderson, a fellow at the Hoover Institution at Stanford University.



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FIRST IN WAR

FIRST IN PRIDE!

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NAVY LEAGUE/CENTRAL MARYLAND

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The Navy League

OF THE
UNITED
STATES

CENTRAL MARYLAND COUNCIL
P.O. BOX 2334
ROCKVILLE, MD 20852



CERTIFIED

P 318 112 339

MAIL



Hon. James A. Baker III
The White House
Washington, D.C. 20500

RETURN RECEIPT
REQUESTED

OCT 2 1992

PLEASE EXPEDITE





Robinson & Robinson Advertising Group, Ltd.

61 Arborway

Boston, MA 02130

Tel: (617) 524-3333

FAX: (617) 524-3211

September 30, 1992

To: Honorable James A. Baker III
Chief Of Staff
The White House
Washington, DC 20005

From: Jack E. Robinson II
Robinson & Robinson Advertising Group
61 Arborway
Boston, Mass 02130

Dear Mr Baker:

I attended the GOP Campaign College in 1972 after having been sponsored by Charlie Black, while he was at the Republican National Committee with Jacquie Irby as Director of the college. I proceeded after graduation to get the largest, state voter percentage (21%) for Richard Nixon in the **ONLY** state that he lost, Massachusetts.

Bill Clinton presently enjoys the largest lead that any Presidential challenger has held since the Truman-Dewey race over 44 years ago.

Black Americans are strongly, in the Clinton camp. 47% Clinton, however 53% are not. **WHY ARE WE ABANDONING THIS GROUP?** in many urban areas this is the "Clinton Margin" of victory.

Since 1991 I have written Clayton Yeutter and Bob Teeter. I have tried to penetrate the circle that guard Charlie Black and Fred Malek all to no avail.

The November Group has refused to accept or even review the TV and Radio Spots that we created especially to address this large Voter group. With the Magic Johnson resignation, it make the job of directing this voter segment to the President, a bit more difficult , however not impossible.

My firm have developed a **"WINNING CAMPAIGN FOR THOSE VOTERS"**,

Can we assist the President in this campaign?

I am a Republican, I have worked in every Republican Presidential Campaign since 1972, and have served on the National Black American Committee for all Republican Presidential Contenders since 1972.

NRN
per g conv.
w/ may
Lukens

I have also worked in my own State leading the
Massachusetts Black American's for Republican Contenders.

Jim , I am fighting hard to dispel the notion that many
Black American's hold, that the "Republican Candidate, George
Bush does not want Black Americans to publicly help in this
election".

Am I wrong?

Please advise, or let us help !!!

Sincerely,

Jackie

Jack E. Robinson- President
Robinson & Robinson Advertising Group Ltd.

cc: President George Bush

Bush/Quayle "92"

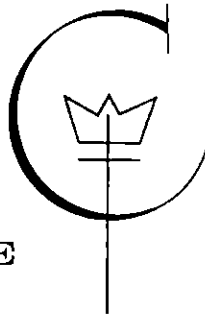
Bob Teeter
Charlie Black
Fred Malek

November Group
Clayton Wilhite

Martin Cohn

TELEGRAPHED---SEPTEMBER 30, 1992

NRN



CUMBERLAND COLLEGE

WILLIAMSBURG, KENTUCKY 40769-1372
PHONE (606) 549-2200
OFFICE OF THE PRESIDENT

September 25, 1992

Mr. James Addison Baker, III
White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Baker:

Bobby is a student here at Cumberland College.

And, he is probably going to save you money on your federal income tax return.

Incredible?

But true. Please let me explain.

Bobby (I've changed his name to protect his identity) is a student with parents who cannot afford to help him pay for his education.

You see, in the area where Cumberland College is located, the average family makes only \$4,673 in a year. That's right -- a year.

Bobby's dream is to become a doctor. But he's one of the 600 kids who needs a Workshop sponsor.

What's a Workshop? Well, it's where a successful person such as yourself pays a student's "salary" while they work for their degree . . .

. . . I mean really work for it -- by scrubbing floors, washing dishes, hauling trash, or anything. Believe me, Bobby is willing to do whatever it takes to stay in school.

He has nothing to go home to except to a life that I call "slow death."

What else would you call a future filled with poverty, unemployment and poor health care?

Like many of our students, Bobby grew up in meager surroundings, but Bobby will tell you he's one of the "lucky" ones . . . some families around here are living in abandoned cars and buses!

Page Two

In many ways, Bobby and the other young men and women applying for Workshops have already "beaten the odds" just by getting to Cumberland College . . . I'm sure you agree it would be a real tragedy to end their dream of a college education now -- after they've made it this far.

I know you appreciate the way some of our kids arrive on campus with little more than the shirts on their backs and carve out a college education from practically nothing at all.

You see, here in the Appalachian mountains -- the lowest income area in rural America -- our kids don't have "socio-economic problems." They have real problems.

Food. Clothing. Books.

And that's why our Workshop Program is so essential. We have around 600 students on the program and these kids actually want to work! You won't find them protesting the American way of life. Or expecting a free ride.

No -- this is serious business.

I wish you could see for yourself the great pride our young men and women take in themselves, and the great faith they have put into the American Dream.

That's why I hope you will fill out and mail the enclosed reply form today to sponsor a good kid like Bobby -- or Angie or Tim or Betty or Fred -- in our Workshop Program and let them work their way through school.

Your gift to our Workshop Program will bridge the gap between what the student earns and what it actually costs to provide them with a quality education.

No free ride. No handouts. Just an honest day's work in return for a college education.

And what does this have to do with your federal income tax return?

It's simple: Bobby will not be going on welfare. Instead, he is working his way through college -- the old-fashioned way.

So when you pay your income taxes he won't be a burden on you.

In fact, neither will Cumberland College because we are one of the precious few colleges left in the country operating without government handouts. We refuse to solicit or accept direct federal aid. And we even refuse to use low interest government loans.

Page Three

I am writing to you about all this because I'm hoping you will want to have a share in this most unusual college program by making a contribution to Cumberland College.

I promise you: your money will be stretched to maximum efficiency, not squandered away in wasteful handout programs.

Will you make a gift to our Workshop Program? Your money will be used to help provide the basic college expenses for a student.

And the student will work as much as possible without jeopardizing his or her studies.

Perhaps you can send \$25, or \$50, to help.

And if this most unusual college program strikes a responsive chord in your thinking, perhaps you can send even \$100 or \$1,000!

A gift of any size will be deeply appreciated -- and it certainly beats paying more taxes for federal handout programs that have already proved to be disastrous failures.

Our Workshop Program is working.

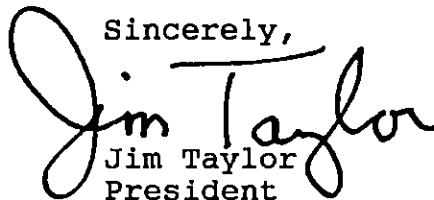
What's more, if you could send \$500 or more, I'll send you a picture and progress report of the student who receives your assistance.

But no gift is too small.

For now, let me express my appreciation to you for considering a gift to Cumberland College.

With your help, I won't have to send a kid like Bobby back home. Back to a life of unemployment and unfilled promise.

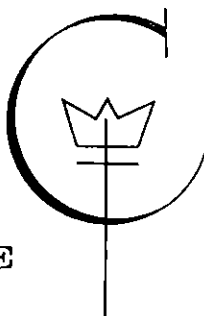
Sincerely,


Jim Taylor
President

JT/lgc

P.S. I promise you that your gift won't be eaten up in administrative costs. And I promise you that students like Bobby -- when given the opportunity -- will never be a burden on your tax return.

CUMBERLAND COLLEGE



WILLIAMSBURG, KENTUCKY 40769-1372
PHONE (606) 549-2200
OFFICE OF THE PRESIDENT

- - - - - REPLY MEMO - - - - -

TO: Dr. Jim Taylor
President
Cumberland College

FROM: Mr. James Addison Baker, III
White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

P92R

YES, I want to sponsor a specific student at Cumberland College.
Enclosed please find my contribution of:

/ / \$100 / / \$500 / / \$1,000 / / \$_____ (other)

YES, I want to help Cumberland College continue helping the
under-privileged people of Appalachia like Bobby. But I
cannot afford to sponsor a specific student at this
time. Please accept my contribution of:

/ / \$15 / / \$25 / / \$50 / / \$100 / / \$_____

Please make your check payable to:
Cumberland College.

Cumberland College students do not come here to play.

For many years Cumberland College has enrolled more students whose parents receive public assistance than any other private college or University in Kentucky. Most of these students come from families whose annual income falls beneath the poverty level, as defined by the federal government. But, it is important to remember that so-called poor families are often the richest in basic values which have made this nation great.

These students don't want a handout, don't believe in it, wouldn't take it. All they want is an opportunity to go as high as their dreams and abilities will take them.

Since 1889, Cumberland College has taught the values of promptness, industry, dependability and initiative through work assignments.

At Cumberland, motivation, ability, character, and purpose are the qualities that really count . . . not the amount of money a student or his parents might have.

Right now over 600 students work an average of 10 hours a week . . . that's 6,000 hours of student labor each week. We have others who qualify and who want to work, but we don't have enough money to employ them.

Cumberland students work in the college cafeteria, in the maintenance department, in Appalachian Outreach programs, as student assistants, photographers, postal clerks, part-time secretaries-- and the list could go on and on.

Workshops develop qualities of thrift and self reliance. All labor assignments depend on ability and need.

ENDORSEMENTS

"Cumberland College has placed the entire Appalachian area in its debt. I covet for her in the days ahead a unique role for leadership training for Appalachia, and pray that adequate support may be provided."



Patricia Neal
Actress

are Cumberland's graduates, there would be a void which could not be filled. That is what Cumberland College is doing, and that is what makes Cumberland College great.

I hope that you will join with me and others in your support of this institution.

"Since the founding of Cumberland College in 1889, the influence and educational activity of this institution have been substantial, even remarkable, throughout the Appalachian Area where it is located and where I live. During my lifetime I have noted the good services and strong radiation of this college.

Many, many underprivileged boys and girls of the Kentucky, Tennessee, and Virginia mountains have migrated to Cumberland College over the years. Here they have prepared at small cost to become teachers, preachers, homemakers, business and professional citizens in numerous communities and in widespread areas of human usefulness. The college has been a lighthouse of American patriotism and continuing service station for many common people who would like to be uncommon in their future attainments, achievements and careers."



Bert T. Combs
Former Governor of Ky.

Cumberland College is a shining city set on a hill serving boys and girls coming from the hills and hollows of Appalachia.

While I didn't attend Cumberland College myself, I do know of the service the college provides for many Appalachian youngsters who otherwise would not have had an educational opportunity.

If one were to remove all the medical doctors, attorneys, teachers, and other professional people from Eastern Ky. who



Eugene Siler
Former U.S. Congressman

TO ESTABLISH CREDIBILITY

Listed below is a random sample of foundations and corporations which have assisted Cumberland College:

- The George I. Alden Trust, Massachusetts
- The Allstate Foundation, Illinois
- The Andersen Foundation, Minnesota
- The Belk-Simpson Foundation, North Carolina
- The Carr P. Collins Foundation, Texas
- The Arthur Vining Davis Foundations, Florida
- The Samuel S. Fels Fund, Pennsylvania
- The J.M. Huber Corporation, New Jersey
- The IBM Corporation, New York City
- The Ireland Foundation, Ohio
- The Marcellus Joslyn Foundation, California
- The Kresge Foundation, Michigan
- The Norfolk and Western Railway, Virginia
- The E.O. Robinson Mountain Fund, Kentucky
- The Toms Foundation, Tennessee
- The Wardlaw Fund, Georgia
- The Wisconsin Centrifugal Corporation, Wisconsin

Because of the nature of Cumberland College, we must solicit on a national basis. The appeal at Cumberland College is, as it always has been, in terms of meeting tremendous human and educational need.

Cumberland College students come primarily from a twenty-county area here in the rugged mountains of Appalachia . . . an area where modern industry has yet to penetrate, where soil and terrain make farming arduous and unrewarding.

These people know what it is to be poor; they've never known anything else. Their children have grown up with hunger; yet they also hunger for knowledge, for a chance to better themselves and their community.

Among graduates and former students are two governors of the state of Kentucky, ministers and missionaries, primary and secondary teachers, college and university presidents, academic deans, legislators, business and professional people and others.

Ours is not a big college, nor will it ever be. But in those qualities that count: in ambition, in desire, in enthusiasm, in integrity, we'll pit our students against the world.

There is so much need to be answered, so much work yet to be done. We have never failed the youth of our Appalachians.

We hope we never will.



Cumberland College
Williamsburg, Kentucky 40769

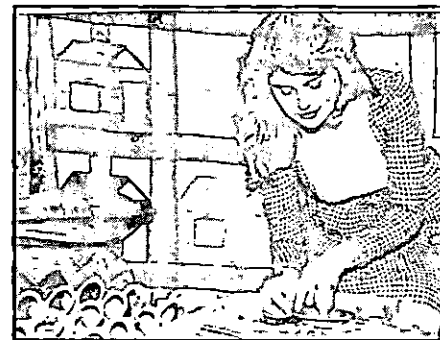
What's A Workshop?
It's...



"BUTCHER"



"BAKER"



"CANDLE-
 STICK
 MAKER"

....doing any job necessary.
A CUMBERLAND COLLEGE
WAY OF LIFE ...



NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



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POSTAGE WILL BE PAID BY ADDRESSEE

OFFICE OF THE PRESIDENT

CUMBERLAND COLLEGE

816 WALNUT STREET

WILLIAMSBURG KY 40769-9980





P92R

JAB 07A

September 23, 1992

Mr. James Baker
Chief of Staff
The White House
Washington, D.C. 20500

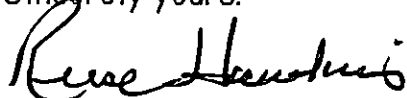
Dear Mr. Baker:

I am very disappointed in the Bush campaign. It is my hope that you will be the person to instill in the campaign whatever is needed to get it on the right track. I see a breath of hope in the current television advertisement and I gather you had a hand in it.

I am enclosing a letter I have just written to Mr. Richard Bond and a letter I wrote to our Gov. Campbell on July 20. As a voice from the grass roots, I want you to know my thoughts and suggestions.

I have always had a great respect for you and your accomplishments.

Sincerely yours.



Reese Hawkins
101 Blue Ridge Drive
Greer, S. C. 29651

Two Enclosures

September 23, 1992

Mr. Richard N. Bond
Chairman
National Republican Advisory Panel
310 First Street, S.E.
Washington, D. C. 20003

Greetings:

This letter is in response to a Questionnaire I just received from your headquarters.

I am enclosing a copy of a letter I wrote to Gov. Carrol Campbell, Jr. on July 20, 1992. This was instigated because I felt President Bush's campaign was not on track....he was not giving us substitutive reasons for supporting him with our efforts and vote. If he and those of you in charge of his campaign do not take an innovative approach, I believe our president will lose this election.

I felt strongly about this eight weeks ago as my suggestions in my letter to Gov. Campbell indicated. The current television advertisement touches on my suggestion about seeing as well as hearing. As the president speaks, points he emphasizes appear in words passed across the screen. I was impressed with this.

One cannot campaign on Domestic Issues, Foreign Policy Issues or other issues unless there is first a decision made on: How Shall We Communicate ? Once this is done one can move into specific facts. General statements will not suffice.

I am a 75 year old grass root. I have lived through a severe economic depression and I have seen good times. I saw shells from a Japanese ship straddle our destroyer.

The four trillion deficit has hardly surfaced in this campaign. This is a hole we have dug. We aren't shoring up the sides. If we keep digging the sides are going to fall in and smother us all. Blame will not solve this most important problem we have today. It enters the lives of every man, woman and child in our country. Why have we let it smolder? Bring it out in the open. Look at it. And then make long range plans to control and reduce it. Most of us will sacrifice in an equitable manner if we know the

hole we have dug will be gradually filled and we can feel the sun and see our shadows and look back on the level ground where the hole was.

I don't like what I see in Clinton or his program.

Can't some of you figure some way to make a turn around and put President Bush on a new track that will lead to his re-election? What is being done now will not do it.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Reese Hawkins".

Reese Hawkins
Greer 4th. Precinct
101 Blue Ridge Drive
Greer, S. C. 29651

Copy to: James Baker

July 20, 1992

The Honorable Carrol Campbell
Governor of South Carolina
State Capitol
Columbia, South Carolina 29200

Dear Governor Campbell:

We first met here in Greer when you were running for Congress. We met again when I was stuffing envelopes in your campaign headquarters in Greenville. I went house to house in Sugar Creek contacting the home owners on your behalf when you were running for governor.

I have a suggestion for the Bush campaign.

How does one communicate ?

In the old days there was the blackboard.

A teacher picked up a piece of chalk.

As she **talked** to those of us in the class she **wrote** the same message on the board.

We heard her message and more importantly we saw her message.

She in a sense spelled it out for us.

Why not use this same method on television today.

Don't just go on television and say,

" I had a program. I presented it to the democratic congress and they didn't pass it."

Do this:

- A. Have staff research each bill in the program President Bush sent to congress and develop a consise outline of it.
- B. As President Bush is verbally communicating this on television or in person to his audience (they are really students in his class),
- C. Have someone write this outline on the surface of a blackboard.

Then:

- D. Follow this with the voting record of the democratic congress who rejected his bill.
- E. Repeat this for each bill the President feels was an important part of his program.

Page 2

If this is done, I as a viewer or member of his class, will hear and see in a concrete way what he presented and the vote of the opposition who rejected it

What programs does President Bush propose for the next four years ?

Using this same method of communication President Bush can present what he proposes for the next four years.

Don't stop with this.

Dig into the record of Governor Clinton. Based on his record develop a program that will item by item refute his claims of great accomplishments during his years as governor.

Video presentations like this could be shown in county and state Republican group meetings

I recall how effective presentations by military leaders were in bringing us up-to-date on the progress of the Gulf War when they used charts to illustrate what was going on.

If President Bush is to wage a successful campaign, I think a method of communicating has to be developed with factual emphasis on his record and his plans for the future.

I personally do not want a kid or a "come-back kid" for our next president.

With best regards,

Reese Hawkins
Greer 4th. Precinct
101 Blue Ridge Drive
Greer, S. C. 29651

Mr. & Mrs. Reese Hawkins
101 Blue Ridge Drive
Greer, SC 29651



MR. James Baker
Chief of Staff
THE WHITE HOUSE
WASHINGTON, D.C. 20500



WAYNE L. DIETER and ASSOCIATES



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THE GREAT AMERICAN TAX FRAUD

It's as if almost everyone in the nation was duped in a giant shell game—but the deceit was perpetrated by our elected legislators. Here's how you lost out over 15 years of tax "cuts," and the voting records—for and against—of your Representative and Senators. Keep them in mind on election day. **BY JOHN K. MANOS**

Imagine that a car salesman told you he would cut \$1,000 from the price of a car in order to make the sale. If after you signed the contract, you discovered your purchase price included not only the \$1,000 you thought you were going to save but an additional \$150, what would you call it? "Fraud" would be one of the milder epithets. But that's a not-too-greatly exaggerated analogy for what the federal government—your elected Senators and Representatives, plus the executive branch—did to the vast majority of taxpayers during 15 years of tax "cuts."

Since 1977-78, the federal tax code has been changed so radically that its structure is essentially reversed from what it was throughout the years of unprecedented prosperity following World War II. Social

Security has been "rescued" twice, each time boosting the payroll tax due from employers and wage earners; two supply-side tax cuts have been enacted; and the entire tax code underwent a massive restructuring in 1986. The technical details of the numerous tax-law revisions can get complicated, but the bottom line is simple: Nine of 10 American families are paying *more* than they would have if none of the changes had taken place, and the federal government would be collecting some \$76 billion more each year than it does now. Put another way, if *none* of the changes enacted over the past 15 years had taken place, the vast majority of Americans—those between the poorest fifth and the richest 5 percent—would be paying lower federal taxes than they now do. After 15 years of tax "cuts" and

"reforms," the inflation-adjusted take-home pay of the great middle of the U.S. economy is actually a little less than it was in 1977.

If you're in that middle (in the income range between the bottom 20 percent and the top 20 percent, meaning you earn between about \$20,000 to \$48,000 annually in 1992 dollars), the percentage of your income that is paid to the federal government has risen as a result of a decade and a half of tax "cuts." In constant 1992 dollars, the lowest-earning 40 percent of the country lost ground—they're earning *less* in 1992 than they were in 1977, both pre- and after-tax. In fact, the people at the bottom of the scale (the poorest 20 percent of the population) experienced a substantial decline in inflation-adjusted income since 1977. In the meantime, the wealthiest 1 percent—earning an average of \$675,900 in 1992—saw their inflation-adjusted pretax incomes rise by 115 percent over the same period. The aftertax incomes of those in the fortunate 1 percent enjoyed a 136 percent increase. Not coincidentally, by 1989 the top 1 percent ended up with a greater total net worth than everyone in the "bottom" 90 percent.

In *Who Will Tell The People* (Simon & Schuster, 1992), William Greider gives a good explanation of what taxes really mean: "Aside from sending people to war or to prison, government's ability to make people involuntarily give over their money is its strongest exercise of authority over private citizens and their institutions." On recent evidence, it's hard to think anything but that this authority is being abused.

The Growth Of Inequality. Of course, everyone has always complained about taxes—it's hard at times not to resent paying them. What's different about the recent tax-code changes is that the majority of Americans now consider the way they are taxed *unfair*. In the early post-World War II years, a Gallup Poll found that 85 percent of Americans considered the progressive tax code to be fair. In 1984, a *Wall Street Journal* survey discovered that 80 percent of the people thought the precise opposite. Why? Because the *progressive* taxation of the post-War years—based on the idea that those who earned the most would pay the highest tax rates—was scrapped in favor of

what is essentially a *regressive* tax code, in which the burden on the wealthiest Americans has been drastically reduced and the burden on everyone else increased. Simply stated, the overriding goal of the U.S. tax code was switched from achieving equity to increasing returns on capital.

Except for the very wealthiest Americans, *none* of the promised benefits of the tax-law changes materialized. Cutting the tax rates on the highest-earning individuals and corporations was sold to the public as a way to *increase* tax revenues (incredible as that may sound in retrospect): tax revenues promptly fell. The expected revenue increases were supposed to balance the federal budget and eliminate the national debt; deficits have been ever-larger, and the national debt has more than quadrupled, to \$4 trillion. The high-end tax cuts were promised to raise the level of investment in new plant and equipment in the United States; during the supply-side heyday, investment in industrial buildings and equipment *declined*.

In the process, the spoils of economic expansion, which had been shared out at

what was basically an equal rate (if at unequal levels) ever since the long post-WWII growth period began, were no longer distributed to all levels of the economy: A giant income shift occurred, with more money flowing to the top of the economic ladder. In simple terms, from about 1948 through the first oil shock in 1973, the rich got richer, but the poor got richer, too. Since 1978, only the rich have prospered as a group—*no one else has gained ground*.

In 1992, according to Washington, D.C.-based Citizens for Tax Justice (CTJ), the wealthiest 1 percent of the population will enjoy a total pretax income of \$678 billion; the next 4 percent will make an additional \$600 billion. Taken together, the pretax incomes of the top 20 percent of the population will total \$2.4 trillion, more than all the people in the remaining 80 percent combined.

In constant 1992 dollars, the inequity in income growth over the past 15 years is even more dramatic. The nonpartisan Congressional Budget Office calculates that the middle 20 percent—those who were earning an average of \$34,505 in 1977 (in

SEVEN MAJOR TAX VOTES: THE HISTORY OF A 15-YEAR SHELL GAME

As the article points out, the tax-code changes that raised your taxes were the result of bipartisan deceit—both sides of the Congressional aisle participated in the "tax-cut" bait-and-switch, and none of the major bills would have passed without substantial support from House Democrats. So a little history is in order. Here, without an excess of technical detail, is what the big changes were in the last decade and a half:

- **1977: Social Security amendments.** This is where your tax increase actually began, in the first Social Security "rescue" bill. Social Security was designed as a "pay as you go" program, but by 1977—in the face of rising inflation—it looked as though the system would be bankrupt. Set to begin in 1978, these amendments increased the wage base for Social Security payroll taxes. It also raised the tax rate for Social Security's Old Age, Survivors, Disability and Hospital Insurance (OASDI) trust fund. In 1977, this was set at 5.85 percent (due from both employer and employee), and it was gradually raised to 6.05 percent in 1978, 6.13 in 1979 and 1980, 6.65 in 1981, 6.7 for the 1982-84 period, 7.05 in 1985, 7.15 in the 1986-89 period, and 7.65 after that. In other words, it was set to peak at 15.3 percent—the amount due from the employer and employee combined.

The stated plan was to create a supposedly sacrosanct Social Security surplus against the future needs of retirees, when demographic shifts would have caused too great a burden on the smaller expected work force. In fact (and as

was the case with the second Social Security "rescue" bill, in 1983), the money was/is used for ongoing federal programs. It does a great job of making the annual federal deficit a little smaller, but it does nothing to solve future retirees' potential dilemma.

- **1978: 1978 Revenue Act.** This was actually the turning point in the tax code, which may disappoint those who want to blame everything on Ronald Reagan. The 1978 Revenue Act was the first supply-side tax cut, enacted by a Democratic Congress over President Carter's bitter objections. William Greider calls it the most regressive tax bill since the 1920s (and it would be outdone in 1981). A declining national productivity rate was seen at the time as a consequence of the cost of capital, and this became the philosophical underpinning for shifting the goal of the U.S. tax code from achieving equity to enhancing returns on investment.

The top capital-gains rate was reduced from about 39 to 28 percent, and the top corporate tax rate dropped two percentage points, from 48 to 46 percent. It also placed the business investment tax credit at 10 percent, when it had been scheduled to drop to between 4 and 7 percent.

- **1981: Economic Recovery Tax Act.** President Reagan's big supply-side tax cut rectified the "mistakes" of the 1978 bill—it didn't go far enough, in the opinion of ERTA backers—greatly expanding corporate and real-estate tax breaks, especially depreciation write-offs. Companies were allowed to buy and sell tax credits, and the real-estate provisions in particu-

lar created many new tax-shelter opportunities. Most corporate income taxes were expected to be wiped out by ERTA, and, in fact, the act's provisions made it possible for profit-making companies to actually enjoy a *negative* rate of tax: Profits notwithstanding, some major corporations received millions from the Treasury. There were many individual rate cuts, as well. The top personal tax rate was reduced from 70 to 50 percent, and the top capital-gains rate fell to 20 percent. The top "marginal" rate of 70 percent on unearned income was abolished.

At the same time, nothing was done to offset the inflation-driven "bracket creep" that moved lower-income people into higher tax brackets, and the scheduled increases in the Social Security payroll tax that especially hit lower- and middle-income families were left unchanged.

This was presented as an across-the-board tax cut with the specific goal of assisting capital formation. The theory was that tax cuts for the wealthiest Americans and for corporations would lead to greater investment in plant and equipment, which would ultimately create a larger tax base and hence greater tax revenues. In other words, it was a repeat of Andrew Mellon's maxim from the 1920s: "The prosperity of the lower and middle classes depends upon the good fortune and light taxes of the rich."

- **1982: Tax Equity and Fiscal Responsibility Act.** This was the first reaction to the supply-side changes of the preceding year, and while it was packaged as a compromise, it was an effort to scale back some of the excesses of ERTA. It nar-

1992 dollars)—will earn \$31,970 in 1992, or 7 percent less than 15 years ago. After taxes, the expected decline is 8 percent, because of a higher effective tax rate for the group. One fifth down, people earning an average of \$20,090 in 1992 are 10 percent behind their 1977 incomes, both pre- and after-tax. At the bottom of the pyramid—the 20 percent of wage earners making an average of \$8,130 in 1992—the pretax decline was 13 percent. And prior to 1986—when the 1981 Economic Recovery Tax Act rate hikes on the poor were stopped—the lowest fifth of the population was losing ground at a faster pace. It wasn't until 1990 that the tax increases on the poor were actually rolled back.

At the same time, the tax-code revisions duly voted into law by your elected Senators and Representatives in 1977, 1978 and especially 1981 enabled the incomes of those in the top 1 percent to rise from \$314,500 apiece in 1977 to an average of \$675,900 in 1992 (using constant 1992 dollars). At the same time, the portion of the nation's total income going to the wealthiest 20 percent rose from 46.4 to 52.6 percent.

In the meantime, most recent proposals for combating the uncontrolled federal deficit involve "fair" taxation—excise taxes that supposedly are shared by everyone. In actual dollar terms that is true. But such taxes are naturally regressive—equal dollars become an ever larger percentage of lower incomes. The same is true of Social Security taxes because there's an income ceiling. If the same amount is taken from both a \$55,000 salary and a \$200,000 salary, who's giving the larger percentage of total pay? In fact, a family of four has to enjoy a salary of \$60,000 or more before federal income taxes are greater than the total amount (from employer and employee) due to Social Security. It can also be reasonably argued that Social Security taxes hold your pay at a lower level than it would otherwise be, since the employer matches your contribution. The employer thus has an incentive to reduce your salary by that amount, to compensate for the outlay. If you are afraid the Social Security coffers will be empty by the time you retire (not an unreasonable fear, since the "surpluses" of the past 15 years are used for off-budget spending), that's money

stolen from your future.

Even an across-the-board tax cut—which has never happened—is regressive, because it naturally delivers the greatest benefits to those who have the most. That's essentially why a flat tax, for all of its apparent equality, is actually unfair: As a percentage of total dollars earned each year, the burden of a single tax rate falls most heavily on those who are least able to pay it.

Black Is White; "Cut" Means Increase. But what is most galling for anyone earning between \$20,000 and about \$85,000 yearly is a simple fact: Despite all the claims about "across-the-board" tax cuts, your taxes aren't lower. Compared to 1977, all but the poorest and very richest (top 5 percent) Americans now pay a higher share of their incomes in overall federal taxes.

If you're earning about \$20,000 in 1992, your total federal taxes consume 1.2 percent more of your income now than in 1977. If you're earning around \$32,000, your total taxes are just under 1 percent more of your income each year. Anyone paid between about \$48,000 and \$85,000 in 1992 is giv-

SEVEN MAJOR TAX VOTES: THE HISTORY OF A 15-YEAR SHELL GAME

rowed some corporate tax breaks (repealing the provision allowing the purchase and sale of excess tax credits), among other reforms. But it increased some excise taxes, and the gasoline tax was raised at the end of the year.

As Robert McIntyre, Director of Citizens for Tax Justice (CTJ) says, "Everything that's happened since 1981 has been in reaction to the 1981 bill," meaning that each of the tax-law compromises since then has been an effort to undo the big supply-side income shift. In this context, the 1982 act was the first of several attempts to restore equity to the tax code. McIntyre adds, "If the 1982 bill hadn't passed, there would have been no corporate income tax."

• **1983: The second Social Security "rescue."** This was the act that made a mockery of any notion of a low- or moderate-income tax cut, because it raised taxes by much more than the reduction of two years' earlier. In fact, in raising the payroll tax by \$200 billion, it was one of the largest tax increases in history. Yet it occurred without controversy, which couldn't be said of 1981's ERTA.

While it's hard to assign a "biggest sham" rating to any of these changes, this bill is certainly a top contender. That's because this huge tax increase was sold as insurance against the future needs of retirees, when in fact it's being looted to pay for current programs. Mindful of this reality, Senator Moynihan (D-N.Y.) suggested in 1990 that the regressive structure of Social Security be scaled back to previous levels. This unleashed a firestorm, and his proposal was killed.

Specifically, the 1983 rescue bill raised the wage base against which Social Security taxes are levied, and it accelerated the scheduled rate hikes—to 7.51 percent in the 1988-89 period, rather than 7.15 percent. At this point, *no one below the top 10 percent* was giving a smaller percentage of his or her paycheck to the federal government than in 1977. The bill also made taxable half of the benefits paid out to the wealthiest retirees.

• **1986: 1986 Tax Reform Act.** This was a gigantic restructuring of the tax code that had an interesting consequence among the wealthiest 1 percent of the country, according to CTJ's McIntyre: Half considered it the biggest tax cut they'd ever had, and the other half thought they'd taken it in the neck. The reason? The unhappy half were in tax shelters. The 1986 Tax Reform Act eliminated \$500 billion in shelters over a five-year period, repealing the investment tax credit and the capital-gains exclusion and cracking down on fake tax-shelter "losses." At the same time, the Act imposed an *alternative minimum tax* that made sure wealthy individuals and profitable companies would pay taxes.

The bill reduced personal tax rates to 15 and 28 percent, with a "bubble" of 33 percent for the "near-rich." For the half of the lucky individuals in the top 1 percent who were pleased, the drop to 28 percent was a substantial tax cut. The standard deduction and personal exemptions were increased, as was the earned-income tax credit for low-income working families. At the same time, the corporate tax rate was reduced to

34 percent from 46 percent.

The bottom line of the 1986 Tax Reform Act was this: Most families were given a small tax cut, and taxes were raised on those corporations and wealthy individuals who had been legally avoiding taxes since 1981. But the bill was specifically designed to do nothing about the federal deficit or national debt—it was touted as "revenue neutral," meaning no new money would be coming in. The public didn't buy it at the time—a Roper Poll found 77 percent of Americans believed the upper-income brackets were already paying too little—but it passed fairly easily.

• **1990: Deficit-Reduction Act.** This is the one President Bush says he regrets, calling it his biggest mistake. Simply, he agreed to raise taxes, contradicting his "Read my lips" campaign pledge. Of course, the reality is that total federal taxes for everyone but the richest Americans *had already been raised*, so President Bush is referring mainly to the increases that hit the wealthiest taxpayers. Gasoline, cigarette, alcohol and other excise taxes were raised, and a new top personal bracket was created between 31 and 32 percent, up from 28 percent. (The exception was capital gains, on which the top rate is 28.8 percent.) The individual minimum tax rate was raised from 21 to 24 percent, and the wage base for the 1.45 percent household-income portion of the Social Security payroll tax was increased from \$53,400 to \$125,000. Meanwhile, the earned-income tax credit for "working-poor" families was once again increased.

ing .2 percent more to the government now than in 1977. Thanks to the 1990 relief for the poor, the bottom 20 percent's taxes are half a percentage point lower than in 1977. For those in the 4 percentage points below the very top, the tax cut compared to 1977 rates is only 1.2 percent, but at least they received a cut. It's only in the top 1 percent that any truly meaningful tax cuts occurred—theirs fell 12.3 percent.

However, that 12.3 percent adds up to a lot of money. CTJ calculates it to be an average tax cut for everyone among the super-rich of \$83,457, which in turn adds up to a 30 percent reduction in what they would have owed in 1977 taxes. In fact, when CTJ compared 1992 tax revenues under 1977 law, adjusted for inflation, the overall tax break for the richest 1 percent of the population adds up to almost \$84 billion the Treasury won't collect in 1992. The other population segments that have actually seen tax cuts in the last 15 years—the poorest 20 percent and the 4 percent below the top—will respectively pay \$800 million and \$7 billion less than they would have under 1977 law, according to CTJ. The tax increases on everyone else produced a net revenue increase of \$16 billion. That means Congress and the executive branch raised

taxes on three of every four American families and managed to collect some \$76 billion less in federal taxes in the process (the \$92 billion in cuts for the fortunate few minus the extra \$16 billion from everyone else).

The impact of these selected (if huge) tax cuts on the federal deficit and the national debt is staggering. The federal budget has rarely been balanced by anyone (the last time was 1969), but every president prior to 1980 at least managed to make the total deficit consume a smaller percentage of the Gross National Product (GNP) during his tenure. Not so in recent years, and it's entirely a result of the reversal in the tax code. As a percentage of GNP, the federal deficit has doubled: In fiscal 1977-78, it was 2.8 percent of GNP; in fiscal 1992-93, it's 5.1 percent of GNP. CTJ calculates that the total cost of the supply-side tax cuts for the richest individuals and corporations explains the entire increase. Even though taxes on the middle classes were raised, there has still been an ever-larger revenue shortfall each year since the first supply-side cut. The total result is an additional trillion dollars in debt, according to CTJ. Because the shortages were covered by federal borrowing, and because the tax cuts have had a cumulative effect since 1978, CTJ estimates the 1992 cost in additional interest payments to be \$81 billion. Add that to the \$84 billion tax cut (in 1992) for the top bracket, and we have \$164 billion extra that needs to be borrowed in 1992. (CTJ published an excellent discussion of the consequences of the tax-law changes and their impact on the deficit and national debt. *Inequality & The Federal Deficit*. Contact Citizens for Tax Justice, 1311 L St., NW, Washington, DC 20005; 202/626-3780.)

Paying More To Get Less. Not only have the tax-code changes of the past 15 years increased your taxes—unless, as has been stressed enough, your income is in the top 5 or bottom 20 percent of the population—you're getting less back from the government. Since 1980, only three areas of government spending have seen increases (excluding Social Security): defense, the S&L fiasco, and interest on the national debt. Spending on everything else fell from 9.9 percent of GNP in 1980 to 7.4 percent—a drop of \$130 billion in 1990 dollars.

Midway through his aborted candidacy, H. Ross Perot noted that our trillions in national debt might be marginally acceptable if our bridges and roads had been improved with the money, if our streets were crime-free, if our schools were the best in the world. But since 1980, federal spending on justice and general government operations has fallen by 42 percent. Spending on

education and training has dropped by 40 percent. Spending on the environment and natural resources has fallen by 39 percent; on roads and transportation, spending fell 32 percent; on welfare and unemployment, it fell 21 percent.

In total, a typical family now receives an average of \$1,260 less in federal programs and services (again, excluding Social Security), even though their taxes have gone up. How could Congress ever have voted to allow such a degree of unfairness to become institutionalized?

It all started in 1977, with an increase in Social Security payroll taxes. Social Security taxes are by their nature regressive, since a middle manager currently earning about \$53,000 pays no less than the president of his company, who might be paid \$3 million. But the profound shift in the tax code—away from equity and toward capital formation, which naturally favors the rich—began in 1978.

Jimmy Carter was the last U.S. President to propose a progressive tax. In late 1977, he asked for higher capital-gains rates with lower individual rates. The Democratic Congress slaughtered the proposal on the floor of the House of Representatives. Even though many people these days want to blame the development of tax inequity on President Reagan alone (and to be sure, 1981's bill was inequitable by design), the huge income shift upward that began in 1978 was always bipartisan. The business tax cuts of 1981 were proposed by the Democratic leadership of the House: it was House Democrats who first proposed dropping the top tax rate (70 percent) on unearned income. William Greider points out that this last measure was absolutely contrary to the people's wishes—even the wealthy believe unearned income should be subject to a higher tax rate than earned income.

Our tax code is by nature "redistributionalist." When it was progressive, the basic idea was that the wealthiest would pay a greater share of their incomes to provide governmental programs and services that presumably benefit everyone. Thus, the money from the top of the economic pyramid was being redistributed downward in the form of governmental services.

Since 1978-1981, the underlying philosophy has been reversed—replaced by the belief that the greatest spoils of economic endeavor should remain in the hands of those with the greatest financial stake in their production. The idea, again, was that lower taxes on wealthy people and corporations would create an investment-led economic boom, and it was sold with the ridiculous claim that such tax breaks would

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reduce the federal deficit. In practice, nothing of the sort occurred.

Voting Against The Middle. Members of Congress and presidents have long campaigned against governmental incentive programs that have perverse effects or that make no rational economic sense. Most often, their complaints are about social programs. But these same politicians wholeheartedly endorsed creating nonsensical supply-side loopholes in the tax law that led to devastating economic distortions. With the stated goals of increasing savings and investment, the 1981 tax breaks for commercial construction (specifically, depreciation allowances) were so generous that a half-empty building could still make money. This, of course, set the stage for the real-estate bust of 1989-92. And, as if determined to make a bad bill worse, in 1982 Congress voted to let commercial banks and S&Ls invest in this crashshoot.

A study of the Congressional voting records on tax issues since 1977 is certainly revealing, particularly since so many of the people listed in our table are up for reelection this year. In fact, if space had allowed, a review of measures that *didn't* pass would be equally revealing, since bills attempting to reverse the shift in the tax burden from the wealthy to the less-fortunate were repeatedly defeated. We've concentrated here on the laws that affected your take-home pay, and their passage makes interest-

ing history (see the box on pages 68-69).

As you read it, some apparent contradictions immediately emerge. Some members of Congress who voted in favor of the first supply-side tax cut (1978) voted against the second in 1981. Those who believed the great supply-side experiment would work naturally voted in favor of each bill; perhaps some of those who changed stripes between the bills recognized that the 1981 bill went too far. As CTJ Director Robert McIntyre says, "There was no shortage of ideological debate over the 1981 act. There just weren't the votes [to defeat it]."

Just as interesting is what happened between 1981 and 1982. Throughout the process, various members showed absolute consistency, especially on the Republican side. The most consistent voters opposed each Social Security tax increase, voted in favor of each supply-side cut, and voted against each subsequent effort to limit the 1981 act's measures. But many in Congress voted in favor of both the 1981 and 1982 bills—meaning they helped pass the supply-side experiment and then immediately voted, in essence, to repeal parts of it. As you review the voting records, you'll see this occurring frequently among the Congressional Democrats.

There are three plausible explanations. First, the Congressional leaders (especially Democrats in the House) who worked to build the compromise bills that were voted into law would naturally add their votes in

favor—they helped create the laws. This is certainly the case with House Democrats such as Dan Rostenkowski (Ill.) and Richard Gephardt (Mo.). Second, many Representatives and Senators who voted in favor of the 1981 bill may have belatedly recognized that ERTA was essentially a giveaway to the rich with little or nothing for anyone else. And third, 1982 was an election year—everyone in the House had to face the voters in November.

Well, they have to face the voters again this year, along with a third of the Senate. As you check out the voting record of your Representative and Senators in the tables below, remember what really happened in the past 15 years, as opposed to what you were told would happen. You were promised a tax cut and the elimination of the federal deficit. What you got was a tax increase and a national debt so huge that literally no one knows how great a burden it will place on future generations. The consistent American expectation, that each generation would be able to bequeath a better life to the generation following it, has been replaced by an IOU. Who's going to pay it? Based on 15 years' evidence, and without a substantial change of heart (or change of membership) in Congress, the answer is already in: You, your children and your grandchildren will. **■**

John K. Manos is the Editor-in-Chief of CONSUMERS DIGEST magazine.

HOW DID YOUR ELECTED LEGISLATORS VOTE?

Because the only place the tax code is going to change is in Congress, you ought to know how your Senators and Representatives voted over the past 15 years. The tables on this and the following pages review the voting records of all the incumbent Senators and Representatives for the seven major tax bills covered in the accompanying article—every Representative listed is up for re-election, and each Senatorial candidate who is running in 1992 is marked by a bullet (●). The lists are organized alphabetically by state, with Representatives listed by district and Senators/Senate candidates in alphabetical order. Note that only Congressional candidates (and current Senators) who held national office during the relevant votes are included; two states have no applicable cases. Since many Senators and Senate candidates also served in the House of Representatives, the relevant House votes are listed for the individuals concerned (see the separate notes for the Senate voting records).

The dates listed for the votes are: 1977—first Social Security payroll-tax increase; 1978—1978

Revenue Act, the first supply-side tax cut; 1981—Economic Recovery Tax Act, the big supply-side change, with huge business/high-income tax cuts; 1982—Tax Equity and Fiscal Responsibility Tax Act, the first attempt to scale back the excesses of the 1981 ERTA; 1983—second Social Security payroll-tax increase; 1986—Tax Reform Act, massive tax-code restructuring, lowered top taxes but closed shelter loopholes and made sure wealthy individuals and profitable companies would pay taxes; 1990—excise-tax increases, top-bracket tax increases, and Social Security wage-base rise.

The symbols used throughout the tables are as follows: Y = a "Yes" vote, "paired for," or "announced for;" N = a "No" vote, "paired against," or "announced against;" — = not in office; ? = was in office but did not vote or otherwise make a position known. The source for these voting records is *The Congressional Quarterly*.

THE HOUSE OF REPRESENTATIVES

Member/Party (District)

	1977	1978	1981	1982	1983	1986	1990
ALABAMA							
Callahan/R (1)	—	—	—	—	—	Y	N
Browder/D (3)	—	—	—	—	—	—	Y
Bevill/D (4)	N	Y	Y	N	Y	Y	N
Flippo/D (5)	N	Y	Y	N	Y	Y	Y
Erdreich/D (6)	—	—	—	—	Y	Y	Y
ALASKA							
Young/R	N	Y	Y	N	N	N	N
ARIZONA							
Rhodes/R (1)	Y	?	Y	Y	—	—	N
Stump/R (3)	Y	Y	Y	N	N	Y	N
Kyl/R (4)	—	—	—	—	—	—	N
Kalbe/R (5)	—	—	—	—	—	Y	N

	1977	1978	1981	1982	1983	1986	1990
ARKANSAS							
Robinson/R (2)	—	—	—	—	—	N	N
CALIFORNIA							
Bosco/D (1)	—	—	—	—	N	N	N
Herger/R (2)	—	—	—	—	—	—	N
Matsui/D (3)	—	—	Y	Y	Y	Y	Y
Fazio/D (4)	—	—	N	Y	Y	N	Y
Pelosi/D (5)	—	—	—	—	—	—	Y
Miller/D (7)	Y	Y	?	Y	Y	Y	Y
Dellums/D (8)	Y	N	N	N	N	Y	Y
Stark/D (9)	Y	N	N	Y	Y	Y	Y
Edwards/D (10)	Y	N	?	Y	Y	Y	Y
Lantos/D (11)	—	—	Y	N	N	Y	Y
Mineta/D (13)	Y	Y	N	Y	Y	Y	Y
Shumway/R (14)	—	—	Y	N	N	Y	Y
Condit/D (15)	—	—	—	—	—	—	N
Panetta/D (16)	N	Y	Y	Y	N	Y	Y

	1977	1978	1981	1982	1983	1986	1990
PASHAYAN/R (17)	N	Y	Y	Y	N	Y	Y
Lehman/D (18)	—	—	—	—	Y	N	Y
Thomas/R (20)	—	—	Y	Y	Y	N	?
Gallegly/R (21)	—	—	—	—	—	—	N
Moorhead/R (22)	N	Y	Y	N	N	N	N
Beilenson/D (23)	Y	Y	N	Y	Y	Y	Y
Waxman/D (24)	Y	N	N	Y	N	Y	Y
Berman/D (26)	—	—	—	—	Y	Y	Y
Dixon/D (28)	—	—	N	N	Y	N	Y
Hawkins/D (29)	Y	N	N	N	?	Y	N
Martinez/D (30)	—	—	—	N	N	Y	Y
Dreier/R (33)	—	—	Y	N	N	N	N
Torres/D (34)	—	—	—	—	Y	Y	Y
Lewis/R (35)	—	—	Y	N	N	N	N
Brown/D (36)	Y	?	N	Y	N	Y	Y
McCandless/R (37)	—	—	—	—	Y	N	N
Dornan/R (38)	—	—	—	Y	—	Y	N
Cox/R (40)	—	—	—	—	—	—	N

CONGRESSIONAL TAX-VOTE RECORDS: 1977-1990

CALIFORNIA (Cont'd)	1977	1978	1981	1982	1983	1986	1990
Rahmabacher/R (42)	—	—	—	—	—	—	N
Packard/R (43)	—	—	—	—	Y	Y	N
Bates/D (44)	—	—	—	—	Y	Y	Y
Hunter/R (45)	—	—	Y	Y	N	Y	N

COLORADO	1977	1978	1981	1982	1983	1986	1990
Schroeder/D (1)	N	Y	N	N	Y	N	Y
Skaggs/D (2)	—	—	—	—	—	—	Y
Brown/R (4)	—	—	Y	N	N	Y	N
Hefley/R (5)	—	—	—	—	—	—	N
Schoefer/R (6)	—	—	—	—	—	N	N

CONNECTICUT	1977	1978	1981	1982	1983	1986	1990
Kennelly/D (1)	—	—	—	Y	Y	Y	Y
Gejdenson/D (2)	—	—	N	Y	N	N	Y
Morrison/D (3)	—	—	—	—	N	Y	Y
Shays/R (4)	—	—	—	—	—	—	N
Kawand/R (5)	—	—	—	—	—	Y	?
Johnson/R (6)	—	—	—	—	Y	Y	N

DELAWARE	1977	1978	1981	1982	1983	1986	1990
Casper/D*	—	—	—	—	Y	Y	Y

*Left House to run for Governor in 1992

FLORIDA	1977	1978	1981	1982	1983	1986	1990
Hutto/D (1)	—	—	Y	N	Y	N	Y
Gram/R (2)	—	—	—	—	—	—	N
McCallum/R (5)	—	—	Y	Y	Y	Y	N
Stearns/R (6)	—	—	—	—	—	—	N
Gibbons/D (7)	N	Y	Y	Y	Y	Y	Y
Young/R (8)	—	—	—	Y	Y	Y	N
Bilirakis/R (9)	—	—	—	—	Y	Y	N
Nelson/D (11)	—	—	Y	Y	Y	Y	Y
Lewis/R (12)	—	—	—	—	Y	N	N
Goss/R (13)	—	—	—	—	—	—	N

FLORIDA (Cont'd)	1977	1978	1981	1982	1983	1986	1990
Johnston/D (14)	—	—	—	—	—	—	Y
Shaw/R (15)	—	—	Y	Y	Y	Y	N
Ros-Lehtinen/R (18)	—	—	—	—	—	—	N

GEORGIA	1977	1978	1981	1982	1983	1986	1990
Hatcher/D (2)	—	—	Y	N	Y	Y	Y
Ray/D (3)	—	—	—	—	Y	N	Y
Jones/D (4)	—	—	—	—	—	—	N
Lewis/D (5)	—	—	—	—	—	—	Y
Gingrich/R (6)	—	—	Y	N	N	Y	N
Darden/D (7)	—	—	—	—	—	N	Y
Rowland/D (8)	—	—	—	—	Y	N	Y

HAWAII	1977	1978	1981	1982	1983	1986	1990
Saiki/R (1)	—	—	—	—	—	—	N
Mink/D (2)	—	—	—	—	—	—	Y

IDAH0	1977	1978	1981	1982	1983	1986	1990
Craig/R (1)	—	—	Y	N	?	N	N

ILLINOIS	1977	1978	1981	1982	1983	1986	1990
Lipinski/D (3)	—	—	—	—	Y	Y	Y
Sapagmeister/D (4)	—	—	—	—	—	—	N
Hyde/R (6)	N	Y	Y	Y	Y	Y	N
Collins/D (7)	Y	Y	N	Y	N	Y	Y
Rostenkowski/D (8)	Y	Y	Y	Y	Y	Y	Y
Yates/D (9)	?	N	N	Y	?	Y	Y
Porter/R (10)	—	—	Y	Y	N	Y	N
Craze/R (12)	N	?	?	N	N	N	N
Fowell/R (13)	—	—	—	—	—	Y	N
Hastert/R (14)	—	—	—	—	—	—	N
Martin/R (16)	—	—	Y	Y	N	Y	N
Evans/D (17)	—	—	—	—	N	Y	Y
Michel/R (18)	N	Y	Y	Y	Y	Y	?
Durbin/D (20)	—	—	—	—	Y	Y	Y

ILLINOIS (Cont'd)	1977	1978	1981	1982	1983	1986	1990
Costello/D (21)	—	—	—	—	—	—	Y
Pashard/D (22)	—	—	—	—	—	—	Y

INDIANA	1977	1978	1981	1982	1983	1986	1990
Visclosky/D (1)	—	—	—	—	—	Y	Y
Sharp/D (2)	—	—	—	—	—	Y	Y
Hiler/R (3)	—	—	Y	N	Y	Y	N
Long/D (4)	—	—	—	—	—	—	N
Jantz/D (5)	—	—	—	—	—	—	N
Burton/R (6)	—	—	—	—	Y	N	N
Myers/R (7)	N	Y	Y	N	?	N	N
McCloskey/D (8)	—	—	—	—	Y	Y	Y
Hamilton/D (9)	Y	Y	Y	Y	Y	Y	Y
Jacobs/D (10)	N	N	N	N	Y	N	Y

IOWA	1977	1978	1981	1982	1983	1986	1990
Leach/R (1)	N	Y	Y	Y	Y	Y	Y
Tauke/R (2)	—	—	Y	Y	N	Y	N
Nagle/D (3)	—	—	—	—	—	—	N
Smith/D (4)	?	Y	Y	N	?	Y	Y
Lightfoot/R (5)	—	—	—	—	—	Y	N
Grandy/R (6)	—	—	—	—	—	—	N

KANSAS	1977	1978	1981	1982	1983	1986	1990
Roberts/R (1)	—	—	Y	Y	N	N	N
Slattery/D (2)	—	—	—	—	Y	Y	Y
Meyers/R (3)	—	—	—	—	—	Y	N
Glickman/D (4)	Y	Y	Y	Y	Y	Y	Y
Whittaker/R (5)	—	—	Y	N	Y	N	N

KENTUCKY	1977	1978	1981	1982	1983	1986	1990
Natcher/D (2)	Y	Y	Y	N	Y	Y	Y
Mazzoli/D (3)	Y	Y	Y	N	Y	Y	Y
Bunning/R (4)	—	—	—	—	—	—	N
Rogers/R (5)	—	—	Y	N	Y	Y	N

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CONGRESSIONAL TAX-VOTE RECORDS: 1977-1990

LOUISIANA	1977	1978	1981	1982	1983	1986	1990
Livingston/R (1)	N	Y	Y	Y	Y	Y	N
Baggs/D (2)	Y	Y	Y	Y	Y	Y	Y
Touzin/D (3)	—	—	Y	N	Y	Y	N
McCrory/R (4)	—	—	—	—	—	—	N
Huckaby/D (5)	N	Y	Y	Y	?	Y	Y
Baker/R (6)	—	—	—	—	—	—	N
Hayes/D (7)	—	—	—	—	—	—	N
Holloway/R (8)	—	—	—	—	—	—	N

MAINE	1977	1978	1981	1982	1983	1986	1990
Brennan/D (1)	—	—	—	—	—	—	Y
Snawey/R (2)	—	—	Y	Y	N	Y	N

MARYLAND	1977	1978	1981	1982	1983	1986	1990
Dyson/D (1)	—	—	Y	N	Y	N	N
Benulley/R (2)	—	—	—	—	—	N	N
Cardin/D (3)	—	—	—	—	—	—	Y
McKellen/D (4)	—	—	—	—	—	—	Y
Hoyer/D (5)	—	—	Y	N	N	N	Y
Hfume/D (7)	—	—	—	—	—	—	Y
Morella/R (8)	—	—	—	—	—	—	Y

MASSACHUSETTS	1977	1978	1981	1982	1983	1986	1990
Neal/D (2)	Y	—	—	—	—	—	Y
Early/D (3)	Y	Y	N	Y	N	Y	Y
Frank/D (4)	—	—	N	N	N	Y	Y
Atkins/D (5)	—	—	—	—	—	—	Y
McDonough/D (6)	—	—	N	N	N	Y	Y
Morley/D (7)	Y	N	N	Y	N	Y	Y
Kennedy/D (8)	—	—	—	—	—	—	Y
Loach/D (9)	Y	Y	N	Y	Y	Y	Y
Studds/D (10)	N	N	N	N	N	Y	Y

MICHIGAN	1977	1978	1981	1982	1983	1986	1990
Conyers/D (1)	Y	N	N	Y	?	N	Y
Upton/R (4)	—	—	—	—	—	—	N
Heary/R (5)	—	—	—	—	—	Y	N
Carly/D (6)	—	—	—	—	—	Y	N
Kildee/D (7)	Y	Y	N	Y	N	Y	Y
Vander Jagt/R (9)	N	Y	?	Y	?	Y	N
Schueren/R (10)	—	—	—	—	—	Y	N
Bono/D (12)	Y	N	N	Y	Y	Y	Y
Crockett/D (13)	—	—	N	N	Y	Y	Y
Ford/D (15)	Y	Y	N	Y	Y	N	Y
Dingell/D (16)	Y	Y	Y	Y	Y	N	Y
Lewis/D (17)	—	—	—	—	—	Y	Y

MINNESOTA	1977	1978	1981	1982	1983	1986	1990
Penny/D (1)	—	—	—	—	Y	Y	Y
Frenzel/R (3)	N	?	Y	Y	Y	N	N
Vento/D (4)	Y	Y	N	Y	Y	Y	Y
Sabo/D (5)	—	—	N	Y	Y	Y	Y
Sikorski/D (6)	—	—	—	—	—	Y	Y
Strangeland/R (7)	N	Y	Y	N	N	Y	N
Oberstar/D (8)	Y	Y	N	Y	Y	Y	Y

MISSISSIPPI	1977	1978	1981	1982	1983	1986	1990
Whitten/D (1)	N	Y	Y	N	N	Y	Y
Espy/D (2)	—	—	—	—	—	—	Y
Montgomery/D (3)	N	Y	Y	Y	Y	N	Y
Parker/D (4)	—	—	—	—	—	—	Y
Taylor/D (5)	—	—	—	—	—	—	Y

MISSOURI	1977	1978	1981	1982	1983	1986	1990
Clay/D (1)	Y	N	N	N	N	N	Y
Buechner/R (2)	—	—	—	—	—	—	N
Geachard/D (3)	Y	Y	Y	Y	Y	Y	Y
Skellton/D (4)	N	Y	Y	N	Y	Y	Y
Wheat/D (5)	—	—	—	—	—	Y	Y
Coleman/R (6)	N	Y	Y	Y	Y	N	N
Hancock/R (7)	—	—	—	—	—	—	N
Emerson/R (8)	—	—	Y	N	?	Y	N
Volkmer/D (9)	N	Y	Y	N	Y	Y	Y

MONTANA	1977	1978	1981	1982	1983	1986	1990
Williams/D (1)	—	—	N	Y	N	N	N
Martinez/R (2)	N	?	Y	Y	?	N	N

NEBRASKA	1977	1978	1981	1982	1983	1986	1990
Bereuter/R (1)	—	—	Y	Y	N	Y	N
Hoagland/D (2)	—	—	—	—	—	—	Y
Smith/R (3)	N	?	Y	Y	Y	Y	N

NEVADA	1977	1978	1981	1982	1983	1986	1990
Bilbray/D (1)	—	—	—	—	—	—	Y
Vucanovich/R (2)	—	—	—	—	Y	N	N

NEW HAMPSHIRE	1977	1978	1981	1982	1983	1986	1990
Smith/R (1)	—	—	—	—	—	Y	N
Douglas/R (2)	—	—	—	—	—	—	N

NEW JERSEY	1977	1978	1981	1982	1983	1986	1990
Hughes/D (2)	Y	Y	N	Y	Y	Y	Y
Pallone/D (3)	—	—	—	—	—	—	N
Smith/R (4)	—	—	Y	N	N	Y	N
Roukema/R (5)	—	—	Y	Y	Y	Y	N
Rinaldi/R (7)	—	Y	Y	N	N	?	N
Torricelli/D (9)	—	—	—	—	—	N	Y
Payne/D (10)	—	—	—	—	—	—	Y
Gallo/R (11)	—	—	—	—	—	Y	N
Courter/R (12)	—	—	Y	Y	Y	Y	N
Saxton/R (13)	—	—	—	—	—	Y	N

NEW MEXICO	1977	1978	1981	1982	1983	1986	1990
Schiff/R (1)	—	—	—	—	—	—	N
Skeen/R (2)	—	—	Y	Y	Y	Y	N
Richardson/D (3)	—	—	—	—	Y	Y	Y

NEW YORK	1977	1978	1981	1982	1983	1986	1990
Hochbrueckner/D (1)	—	—	—	—	—	—	Y
Downey/D (2)	Y	Y	N	Y	Y	Y	Y
Flake/D (5)	—	—	—	—	—	—	Y
Ackerman/D (7)	—	—	—	—	N	N	Y
Scheuer/D (8)	Y	?	N	Y	Y	Y	Y
Manton/D (9)	—	—	—	—	—	N	Y
Schumer/D (10)	—	—	N	Y	Y	Y	Y
Towns/D (11)	—	—	—	—	N	Y	Y
Owens/D (12)	—	—	—	—	N	Y	Y
Salazar/D (13)	Y	N	N	Y	Y	Y	Y
Molinaro/R (14)	—	—	Y	N	N	N	Y
Green/R (15)	—	Y	?	Y	Y	N	N
Rangel/D (16)	Y	Y	—	—	Y	Y	Y
Weiss/D (17)	Y	N	N	?	N	N	Y
Serrano/D (18)	—	—	—	—	—	—	Y
Engel/D (19)	—	—	—	—	—	—	Y
Lowey/D (20)	—	—	—	—	—	—	Y
Fish/R (21)	N	Y	Y	Y	Y	Y	Y
Gilman/R (22)	Y	Y	Y	N	N	N	N
McNulty/D (23)	—	—	—	—	—	—	Y
Salomon/R (24)	—	—	Y	N	N	Y	N
Boehlert/R (25)	—	—	—	—	Y	Y	Y
Walsh/D (27)	—	—	—	—	—	—	N
Slattery/D (30)	—	—	—	—	—	—	Y
Paxon/R (31)	—	—	—	—	—	—	N
LaFalce/D (32)	Y	Y	N	Y	Y	Y	Y
Houghton/R (34)	—	—	—	—	—	—	N

NORTH CAROLINA	1977	1978	1981	1982	1983	1986	1990
Valentine/D (2)	—	—	—	—	Y	Y	Y
Lancaster/D (3)	—	—	—	—	—	—	Y
Price/D (4)	—	—	—	—	—	—	Y
Neal/D (5)	Y	Y	Y	N	?	Y	Y
Coble/R (6)	—	—	—	—	—	Y	N
Rosa/D (7)	N	Y	Y	N	?	Y	Y
Hefner/D (8)	?	Y	Y	N	Y	Y	Y
McMillan/R (9)	—	—	—	—	—	Y	N
Balleger/R (10)	—	—	—	—	—	—	N
Clarke/D (11)	—	—	—	—	—	—	Y

OHIO	1977	1978	1981	1982	1983	1986	1990
Grudis/R (2)	N	Y	Y	Y	Y	Y	N
Hall/D (3)	—	—	Y	Y	N	N	Y
Oxley/R (4)	—	—	Y	Y	Y	Y	N
Gillmor/R (5)	—	—	—	—	—	—	N
DeWine/R (6)	—	—	—	—	N	Y	N
Lukens/R (7)	—	—	—	—	—	—	N
Kaptur/D (8)	—	—	—	—	N	Y	N
McEwen/R (10)	—	—	Y	N	N	Y	N
Kasich/R (12)	—	—	—	—	Y	Y	N
Sawyer/D (14)	—	—	—	—	—	—	Y
Regula/R (16)	N	Y	Y	Y	Y	N	N
Traficant/D (17)	—	—	—	—	—	—	Y
Applegate/D (18)	Y	?	Y	N	?	N	N
Oakar/D (20)	Y	Y	N	N	N	Y	Y
Stokes/D (21)	Y	N	N	N	N	?	Y

OKLAHOMA	1977	1978	1981	1982	1983	1986	1990
B. Smith/R (2)	—	—	Y	N	Y	Y	N
Wyden/D (3)	—	—	N	N	Y	Y	Y
DeFazio/D (4)	—	—	—	—	—	—	Y
D. Smith/R (5)	—	—	—	—	N	N	N

PENNSYLVANIA	1977	1978	1981	1982	1983	1986	1990
Foglietta/D (1)	—	—	N	Y	Y	Y	Y
Borski/R (3)	—	—	—	—	N	Y	Y
Weldon/R (7)	—	—	—	—	—	—	N
Kostmayer/R (8)	—	—	—	—	—	N	Y
Shuster/R (9)	N	Y	Y	Y	Y	Y	N
McBride/R (10)	Y	Y	Y	Y	Y	Y	N
Kanjorski/D (11)	—	—	—	—	—	—	Y
Munro/D (12)	Y	Y	Y	Y	Y	Y	Y
Coyne/D (14)	—	—	N	Y	Y	Y	Y
Ritter/R (15)	—	—	Y	N	N	Y	N
Walzer/R (16)	N	Y	Y	N	Y	Y	N
Gekas/R (17)	—	—	—	—	N	N	N
Walgreen/D (18)	Y	Y	N	N	N	Y	Y
Goodling/R (19)	N	Y	Y	Y	Y	Y	N
Ridge/R (21)	—	—	—	—	—	Y	N
Murphy/D (22)	N	Y	Y	N	N	N	Y
Clinger/R (23)	—	—	Y	Y	Y	Y	N

RHODE ISLAND	1977	1978	1981	1982	1983	1986	1990
Machille/R (1)	—	—	—	—	—	—	N
Schneider/R (2)	—	—	Y	Y	Y	Y	N

SOUTH CAROLINA	1977	1978	1981	1982	1983	1986	1990
Ravenel/R (1)	—	—	—	—	—	—	N
Spence/R (2)	N	Y	Y	N	N	N	N
Demick/D (3)	Y	Y	Y	N	Y	Y	Y
Patterson/D (4)	—	—	—	—	—	—	N
Spratt/D (5)	—	—	—	—	Y	Y	Y

SOUTH DAKOTA	1977	1978	1981	1982	1983	1986	1990
Johnson/D (all)	—	—	—	—	—	—	Y

TENNESSEE	1977	1978	1981	1982	1983	1986	1990
Guillen/R (1)	N	Y	Y	Y	Y	Y	N
Duncan/R (2)	N	Y	Y	H	H	Y	N
Lloyd/D (3)	—	—	—	—	—	Y	Y
Cooper/D (4)	—	—	—	—	Y	Y	Y
Clement/D (5)	—	—	—	—	—	—	Y
Gordon/D (6)	—	—	—	—	—	N	Y
Sundquist/R (7)	—	—	—	—	Y	N	N
Tanner/D (8)	—	—	—	—	—	—	Y
Ford/D (9)	Y	Y	H	Y	Y	Y	—

CONGRESSIONAL TAX-VOTE RECORDS: 1977-1990

VERMONT	1977	1978	1981	1982	1983	1986	1990
Smith/I (all)	—	—	—	—	—	—	Y
VIRGINIA	1977	1978	1981	1982	1983	1986	1990
Bateman/R (1)	—	—	—	—	Y	N	N
Pickett/D (2)	—	—	—	—	—	—	N
Bliley/R (3)	—	—	Y	N	Y	Y	N
Sisisky/D (4)	—	—	—	—	Y	N	Y
Payne/D (5)	—	—	—	—	—	—	Y
Parris/R (8)	—	—	?	N	N	N	N
Boucher/D (9)	—	—	—	—	N	N	Y
Wolf/R (10)	—	—	Y	N	N	N	N

WASHINGTON	1977	1978	1981	1982	1983	1986	1990
Swift/D (2)	—	—	Y	Y	Y	N	Y
Unsoeld/D (3)	—	—	—	—	—	—	Y
Foley/D (5)	Y	Y	Y	Y	Y	Y	?
Dicks/D (6)	Y	Y	Y	Y	Y	Y	Y
McDonnott/D (7)	—	—	—	—	—	—	Y
Morrison/R*	—	—	Y	Y	Y	Y	N
WEST VIRGINIA	1977	1978	1981	1982	1983	1986	1990
Mallahan/D (1)	N	Y	N	N	Y	Y	Y
Wise/D (3)	—	—	—	—	Y	Y	Y
Rahall/D (4)	Y	Y	N	Y	Y	Y	Y

WISCONSIN	1977	1978	1981	1982	1983	1986	1990
Aspin/D (1)	?	Y	?	Y	?	Y	Y
Kastenmeier/D (2)	Y	Y	N	Y	Y	Y	Y
Gunderson/R (3)	—	—	Y	Y	Y	Y	N
Kluczko/D (4)	—	—	—	—	—	Y	Y
Petri/R (6)	—	—	Y	Y	Y	Y	N
Obey/D (7)	Y	Y	N	Y	Y	Y	Y
Roth/R (8)	—	—	?	N	?	Y	N
Sensenbrenner/R (9)	—	—	Y	N	N	N	N
WYOMING	1977	1978	1981	1982	1983	1986	1990
Thomas/R (all)	—	—	—	—	—	—	N

THE SENATE

Notes: Each person listed below who is running in the election this year is marked with a bullet (●) in front of his or her name. Vice President Dan Quayle's Senate voting record is included for comparison with Democratic vice presidential candidate Albert Gore Jr. Senator/candidate names are footnoted as

follows: 1 = Voting record prior to 1990 from the House; 2 = left House to run for Senate—voting record from the House; 3 = voting record prior to 1986 from the House; 4 = voting record prior to 1983 from the House; 5 = voting record prior to 1981 from the House.

ALABAMA	1977	1978	1981	1982	1983	1986	1990
Heflin/D	—	—	Y	N	?	Y	N
● Shelby/D ¹	—	—	Y	N	Y	Y	N
ALASKA	1977	1978	1981	1982	1983	1986	1990
● Murkowski/R	—	—	?	Y	Y	Y	N
Stevens/R	Y	Y	Y	Y	Y	Y	Y
ARIZONA	1977	1978	1981	1982	1983	1986	1990
DeConcini/D	?	Y	Y	N	?	Y	N
● McCain/R ¹	—	—	—	—	Y	Y	N
ARKANSAS	1977	1978	1981	1982	1983	1986	1990
● Bumpers/D	Y	Y	N	N	Y	Y	Y
Pryor/D	—	—	?	N	?	Y	Y
CALIFORNIA	1977	1978	1981	1982	1983	1986	1990
● Boxer/D ²	—	—	—	—	Y	Y	Y
COLORADO	1977	1978	1981	1982	1983	1986	1990
● Campbell/D ²	—	—	—	—	—	—	N
CONNECTICUT	1977	1978	1981	1982	1983	1986	1990
● Dodd/D	—	—	N	N	Y	Y	Y
Lieberman/D	N	Y	Y	Y	?	Y	N
DELAWARE	1977	1978	1981	1982	1983	1986	1990
Biden/D	N	Y	Y	N	Y	Y	N
Roth/D	N	Y	Y	Y	?	Y	N
FLORIDA	1977	1978	1981	1982	1983	1986	1990
● Graham/D	—	—	—	—	—	—	Y
● Mack/R ¹	—	—	—	—	Y	Y	N
GEORGIA	1977	1978	1981	1982	1983	1986	1990
● Fowler/D ¹	Y	Y	?	Y	?	Y	Y
Hann/D	N	Y	Y	N	N	Y	Y
HAWAII	1977	1978	1981	1982	1983	1986	1990
Akaka/D ¹	Y	Y	Y	Y	?	N	Y
● Inouye/D	Y	Y	Y	N	?	Y	Y
IDAHO	1977	1978	1981	1982	1983	1986	1990
Craig/R ¹	—	—	Y	N	?	N	N
● Stollings/D ²	—	—	—	—	—	Y	N
ILLINOIS	1977	1978	1981	1982	1983	1986	1990
Simon/D ⁴	Y	Y	?	Y	—	N	N
INDIANA	1977	1978	1981	1982	1983	1986	1990
Coats/R ¹	—	—	Y	Y	Y	Y	N
Lugar/R	N	Y	Y	Y	Y	Y	Y
● Quayle/R	—	—	Y	Y	?	Y	—
IOWA	1977	1978	1981	1982	1983	1986	1990
● Grassley/R ¹	N	Y	Y	Y	Y	Y	N
Harkin/D ²	?	Y	N	Y	Y	Y	N
KANSAS	1977	1978	1981	1982	1983	1986	1990
● Dale/R	N	Y	Y	Y	Y	Y	Y
Kassebaum/R	—	—	Y	Y	Y	Y	Y
KENTUCKY	1977	1978	1981	1982	1983	1986	1990
● Ford/R	Y	Y	Y	N	Y	Y	Y
McConnell/R	—	—	—	—	—	Y	N

LOUISIANA	1977	1978	1981	1982	1983	1986	1990
● Breaux/D ¹	Y	Y	Y	N	Y	Y	Y
Johnston/D	Y	Y	?	N	?	Y	N
MAINE	1977	1978	1981	1982	1983	1986	1990
Cohen/R ¹	N	Y	Y	Y	Y	Y	N
Mitchell/D	—	—	Y	N	Y	Y	Y
MARYLAND	1977	1978	1981	1982	1983	1986	1990
● Mikulski/D ¹	N	Y	N	N	Y	Y	Y
Sabones/D	Y	Y	Y	N	?	Y	Y
MASSACHUSETTS	1977	1978	1981	1982	1983	1986	1990
Kennedy/D	Y	?	N	N	?	Y	Y
Kerry/D	—	—	—	—	—	Y	N
MICHIGAN	1977	1978	1981	1982	1983	1986	1990
Levin/D	—	—	N	N	Y	N	N
Kiegle/D	N	Y	Y	N	Y	Y	N
MINNESOTA	1977	1978	1981	1982	1983	1986	1990
Durenberger/R	—	—	Y	Y	Y	Y	Y
MISSISSIPPI	1977	1978	1981	1982	1983	1986	1990
Cochran/R	—	—	Y	Y	Y	Y	Y
Lotz/R ¹	N	Y	Y	Y	Y	Y	N
MISSOURI	1977	1978	1981	1982	1983	1986	1990
● Bond/R	—	—	—	—	—	—	Y
Danforth/R	Y	Y	?	Y	Y	Y	Y
MONTANA	1977	1978	1981	1982	1983	1986	1990
Baucus/D ³	Y	Y	?	N	Y	Y	N
Burns/R	—	—	—	—	—	—	N
NEBRASKA	1977	1978	1981	1982	1983	1986	1990
Exon/D	—	—	Y	N	N	Y	N
Kerry/D	—	—	—	—	—	—	Y
NEVADA	1977	1978	1981	1982	1983	1986	1990
● Reid/D ¹	—	—	—	—	Y	Y	Y
Bryan/D	—	—	—	—	—	—	Y
NEW HAMPSHIRE	1977	1978	1981	1982	1983	1986	1990
Smith/R ²	—	—	—	—	—	Y	N
NEW JERSEY	1977	1978	1981	1982	1983	1986	1990
Bradley/D	—	—	N	N	Y	Y	N
Lautenberg/D	—	—	—	—	Y	Y	N
NEW MEXICO	1977	1978	1981	1982	1983	1986	1990
Domenici/R	?	Y	Y	Y	Y	Y	Y
Bingaman/D	—	—	—	—	Y	Y	Y
NEW YORK	1977	1978	1981	1982	1983	1986	1990
● D'Amato/R	—	—	Y	Y	Y	Y	N
Moynikhan/D	Y	Y	Y	N	Y	Y	Y
NORTH CAROLINA	1977	1978	1981	1982	1983	1986	1990
Helms/R	?	?	Y	Y	?	Y	N
● Sanford/D	—	—	—	—	—	—	N
NORTH DAKOTA	1977	1978	1981	1982	1983	1986	1990
Burdick/D	Y	Y	Y	N	Y	Y	Y
● Dorgan/D ²	—	—	Y	Y	Y	Y	Y

OHIO	1977	1978	1981	1982	1983	1986	1990
● Glenn/D	Y	Y	Y	N	Y	Y	Y
Metzenbaum/D	Y	Y	?	N	?	Y	Y
OKLAHOMA	1977	1978	1981	1982	1983	1986	1990
● Nickles/R	—	—	Y	Y	N	Y	N
Boren/D	—	—	Y	N	N	Y	Y
OREGON	1977	1978	1981	1982	1983	1986	1990
● AuCom/D ²	N	Y	Y	N	Y	Y	Y
Harfield/R	Y	N	Y	Y	?	Y	?
● Packwood/R	Y	Y	Y	Y	?	Y	Y
PENNSYLVANIA	1977	1978	1981	1982	1983	1986	1990
● Specter/R	—	—	Y	Y	Y	Y	N
RHODE ISLAND	1977	1978	1981	1982	1983	1986	1990
Chafee/R	?	Y	Y	Y	Y	Y	Y
Pell/D	Y	Y	Y	N	Y	Y	N
SOUTH CAROLINA	1977	1978	1981	1982	1983	1986	1990
● Hollings/D	Y	N	N	N	N	Y	N
Thurmond/R	Y	Y	Y	Y	Y	Y	Y
SOUTH DAKOTA	1977	1978	1981	1982	1983	1986	1990
● Daschle/D ¹	—	—	Y	N	Y	N	Y
Pressler/R ¹	N	Y	?	Y	?	Y	N
TENNESSEE	1977	1978	1981	1982	1983	1986	1990
● Gore/D ³	N	N	N	Y	?	Y	Y
Sasser/D	Y	Y	Y	N	Y	Y	Y
TEXAS	1977	1978	1981	1982	1983	1986	1990
Bentsen/D	Y	Y	?	N	?	Y	Y
Gromm/D ¹	—	—	Y	Y	Y	Y	N
UTAH	1977	1978	1981	1982	1983	1986	1990
Hatch/R	N	Y	Y	Y	N	Y	N
● Owens/D ²	—	—	—	—	—	—	Y
VERMONT	1977	1978	1981	1982	1983	1986	1990
● Leamy/D	Y	Y	?	N	Y	Y	Y
Jeffords/R ¹	N	Y	N	Y	?	Y	Y
VIRGINIA	1977	1978	1981	1982	1983	1986	1990

A FOREST LAWN MORTUARY. GOOD REASON TO USE MORTUARY

Attorneys for all three defendants denied that their clients took part in the killing, calling the prosecution's key witness, admitted co-conspirator Carrie Chidester, 24, a "world-class liar."

In exchange for reduced charges, Chidester told jurors that Werner asked her to recruit killers.

In the weeks preceding the 1989 slaying, Deborah Ann Werner had complained about the hardships of caring for an aging and alcoholic father who was abusive and demanding. "Maybe I should smother him and make it look like a burglary,"



Tuesday, September 22, 1992 The Orange County Register B9

OPINION

THE ECONOMY

Why won't Bush bite the bullet on capital gains?

By William F. Buckley Jr.

First the shock came when Professor Lester Thurow was asked directly, in front of the camera, by Rep. Dick Armey: "Do you or do you not believe in indexing capital gains?"

His answer, his voice just slightly diminished — Professor Thurow is close to the Clinton Big Thinkers — was yes. The "yes" was soft-spokenly delivered, from which the audience was invited to believe that on this particular, Professor Thurow, one of the country's leading liberal economists, was removing himself from the Clinton team.

But then, on Sept. 12, Evans and Novak broke the story: In a private session with New York investors, Bill Clinton came out in favor of indexing capital gains.

What now engages the political attention is the dismaying failure of President Bush very simply to direct the Internal Revenue Service to calculate a capital

gain not on the basis of what you paid for your house 20 years ago, but on the equivalent sum of money measured by the inflation of the dollar between then and now.

An example used by the conservative politicians who sent a memorandum to the people in charge of crafting the political platform of the Republican Party at Houston: If 20 years ago you bought \$10,000 worth of IBM stock and you sold that same stock today for \$37,000, you would owe a capital-gains tax of more than \$10,000 to the government. But your profit, after inflation, would be zero.

The question was put to Bush publicly and privately, a dozen times at least over the past 12 months: Why do you not simply instruct the Treasury Department to order the realistic, as distinguished from the surrealistic, assessment of profits? The president declined to do so, on the grounds (it was everywhere reported) that he did not believe he had the legal authority.

What has happened is that two lawyers, who worked in the Justice Department's Office of Legal Counsel, together with a third lawyer, all of them members of the firm of Shaw, Pittman, Potts, & Trowbridge, have written a 90-page memorandum, the gist of which is that indeed the president has the authority to move as Bush ought to have moved — notwithstanding recent reports to the contrary.

The first question that arises is this: When Congress established the Internal Revenue system, did it specify that the "cost" of a property must be held to be measured, so to speak in perpetuity, by the cash-cost at the time of purchase? The answer to that is no, Congress never said any such thing.

The legal memorandum goes on to list additional facts that have been acknowledged as adding to the cost of an acquisition — to take the most obvious example, improvements on home property.

The next question to ask is whether a court, reviewing a Treasury regulation indexing capital gains, "would conclude that the agency's regulation was based upon a 'permissible' reading of the statute." If one applied universally recognized standards of justice, the answer is clearly yes, it is permissible unless it has been considered and rejected. No such

What now engages the political attention is the dismaying failure of President Bush very simply to direct the Internal Revenue Service to calculate a capital gain not on the basis of what you paid for your house 20 years ago, but on the equivalent sum of money measured by the inflation of the dollar between then and now.

rejection is on the record.

Moreover, Congress only a few years ago voted to index the rate at which income taxes are levied, which would indicate a disposition by Congress to acknowledge the justice of realistic assessments.

In fact, "the legislative and regulatory history of the Internal Revenue Code's capital-gains provisions affirmatively demonstrates that the Treasury has exercised, without objection from Congress, regulatory discretion in applying the concept of cost.... Nor does Congress's failure to enact any of the legislative indexation measures proposed in recent years reflect congressional 'acquiescence' in the Treasury's existing definition of 'cost.'"

And, finally, "the case law relating to the Treasury's interpretive discretion in the capital gains and analogous contexts

supports the conclusion that the concept of 'cost' is ambiguous and that the Treasury has administrative discretion to re-interpret it in a manner that better accords with economic reality and with the principles underlying the taxation of income."

President Bush, had he taken the initiative to index the tax earlier, might have dramatically made a point he has tried to make by other means, unsuccessfully.

Now that Clinton has come out in favor of indexing capital gains, a movement from the Oval Office will strike the public as much less bold than it might have been, done a month or so ago. Still, the idea is sound, the movement is almost certainly constitutional, and the only question left to ask is: Why the delay?

Mr. Buckley is a syndicated columnist.

WAYNE L. DIETER *and* ASSOCIATES

University Tower / 4199 Campus Drive / Suite 1060 / Irvine, California 92715

Mr. James Baker
White House
Washington, D.C. 20500



NRN

R. J. Phillips & Associates

Consulting Navalists

Post Office Box 137

*Wadsworth, Illinois
60083*

Telephone

(708) (312) 325-0218

28 September 1992

Mr. James Baker
C/O The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. Baker:

I wrote to you on 31 August. I am enclosing a copy of that letter.

In response to this letter, I received the enclosure. The letter from the campaign headquarters is totally irrelevant to the context of my letter, as have been all communications received from the staff of this administration. Is everyone associated with this administration totally out of touch with reality? It would be better to ignore a letter rather than irritate with such a response.

I have repeatedly stated that the ELITE mentality of Mr. Bush and his advisors seem to be unable to communicate with the American people. It is obvious that they have no comprehension of the nature of the average American citizen.

Even those partisans within the administration must by now realize that the campaign is in serious trouble and is running out of time.

I am still willing to meet with you at your convenience to discuss what, if anything, can be done to give Mr. Bush a chance at re-election.

Yours truly,

Joseph E. Purves
Joseph E. Purves

31 August 1992

Mr. James Baker
C/O The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. Baker:

Congratulations on your assumption of the control of Mr. Bush's re-election campaign.

I wrote a letter to Mr. Bush in February of this year in which I stated that he was in deep trouble because as a bona fide member of the elite structure of this country, he, his associates and advisors had no comprehension or understanding of the Middle Class. In response, I received a two page letter from a staffer that confirmed my statement.

When Mr. Perot entered the campaign, the resulting polls validated my position as between 30% to 35 % of the electorate were saying NO to both parties, their positions and their candidates.

We (those who supported Perot) feel strongly enough about this as to be willing to throw the election into the house unless one or both of the parties are willing to seriously address the problems of the nation and take positive efforts to put the nation back on a sound course.

The Republican Convention and Platform will not bring the disaffected back to the party; rather, they will reinforce the effort to make a meaningful vote of NO to both parties.

Mr. Bush, who is by far the best man, will lose this election either in the general election or through the President being chosen by the House unless he can relate to those of the Middle Class.

If you would care to discuss how to reverse this situation and address the concerns of the Middle Class, I am willing to meet with you in Washington or any other place you designate.



Yours very truly

Joseph E. Purves

THE WHITE HOUSE

Office of the Press Secretary
(San Diego, California)

For Immediate ReleaseJuly 14, 1992

STATEMENT BY THE PRESS SECRETARY

Today, President Bush ordered the General Counsel of his campaign to file a complaint with the Federal Election Commission against Floyd Brown and his Presidential Victory Campaign.

As the President has said, Floyd Brown's activities are despicable and have no place in the American political system.

We have made many efforts to shut down Floyd Brown and his committee. Beginning as soon as we learned of Mr. Brown's activities, we have taken every step legally and ethically permissible to repudiate and prevent his activities:

- On March 9, 1992, the General Counsel of Bush/Quayle 92 wrote to Mr. Brown at the President's direction demanding that he "immediately cease any and all activities" undertaken in any name that raises the possibility of confusing his efforts with those of Bush/Quayle 92;
- We have acted promptly to correct suggestions in the press that we condone Mr. Brown's activities, including letters to Newsweek Magazine and to CBS Evening News;
- Bush/Quayle 92 has sent letters to each of the 364 contributors listed on Mr. Brown's FEC Reports telling them "Citizens for Bush" is not affiliated with Bush/Quayle 92, and they can request their money back if they think they were misled. Ten contributors have sent us copies of their letters to Floyd Brown seeking refunds;
- President Bush's son George has sent letters to 85,697 of our major contributors informing them that "this group and its Chairman Floyd Brown have absolutely nothing to do with" Bush/Quayle 92, and strongly encouraged them "not to contribute to or support the Citizens for Bush organization."
- On July 9, 1992, our General Counsel informed Mr. Brown that we consider his latest advertisement "absolutely despicable," and demanded that he immediately withdraw the ads and shut down his telephone line.

In spite of our best efforts, he has refused to stop his activities. New evidence now available to us shows that he is misleading contributors into believing he is affiliated with our re-election campaign. He is not.

With today's action, we are moving closer to the goal of stopping Floyd Brown and his associates from their activities.

FAX



1030 15th St. NW
Washington, DC 20005
(202) 336-7080

Date: 4 October 1992

To: Marilyn Neuman

Organization: Chief of Staff's Office

Fax Number: 456-1121

From: Claire O'Donnell / Susan Griffith
Staff Secretary

Number of Pages to Follow: 2

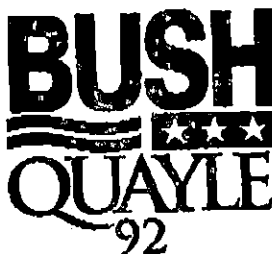
Fax Number 202/336-7328

Comments:

Confidentiality Notice:

The document accompanying this telecopy transmission contains information belonging to the sender which is confidential and may be legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please notify us by telephone to arrange for the return of the original document to us.

#60



Jul 24, 1992

program {Sal+ " "+F Name+" "+MI} *L N**Suf*
Title
Company
Address *Suite*
City, *State* *ZIP*

Dear *Sal* *L N*:

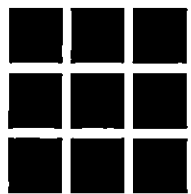
On behalf of President Bush, thank you for your letter. The President values your views, particularly on the issue of campaigning. Please be assured that your comments have been fully noted.

I hope the enclosed information is helpful to you and reassures you that President Bush, in no way, condones the activities and negative tactics of Floyd Brown.

Again, thank you for taking the time to share your concerns. With the President's best wishes and my own,

Sincerely,

Robert A. Mosbacher
General Chairman



Computer
Systems
Policy
Project

NRN

John Sculley Apple

Robert E. Allen AT&T

Eckhard Pfeiffer Compaq

James E. Ousley Control Data Systems

John A. Rollwagen Cray Research

Ronald L. Skates Data General

Robert B. Palmer Digital Equipment

John A. Young Hewlett-Packard

John F. Akers IBM

Edward R. McCracken Silicon Graphics

Scott G. McNealy Sun Microsystems

James G. Treybig Tandem

James A. Unruh Unisys

October 1, 1992

The Honorable James Baker
Chief of Staff
Executive Office of the President
1600 Pennsylvania, Ave., NW
Washington, DC 20500

Dear Mr. Baker:

The United States stands at a pivotal point in its history. The events that have taken place around the globe over the last several years have created significant international opportunities and challenges for the U.S. Moreover, our domestic economic situation presents a series of challenges which must be addressed.

As American computer systems companies operating in the global environment, we believe that U.S. industry and government together must focus on issues that affect us at home and abroad. The actions we take, whether independently or cooperatively, must be designed to bolster U.S. productivity, international competitiveness, and our standard of living. Furthermore, our actions must be designed to achieve long-term improvements.

Since the fall of 1989, CSPP has worked to develop public policy positions on important technology and trade issues that we believe can shape the future and strengthen our industry and the country. The enclosed report outlines those issues we recommend for the 103rd Congress. We hope this information is helpful.



September 16, 1992

Mr. Joseph E. Purves
R.J. Phillips & Associates
P. O. Box 137
Wadsworth, IL 60083

Dear Mr. Purves:

On behalf of President Bush, thank you for your good letter. The President is grateful for your support as he faces the challenges ahead. Please be assured that your comments have been fully noted.

In 1988, President Bush made a commitment to the American people to keep America strong and secure at home and abroad. Today, because of the President's leadership, Americans live in an era of unprecedented security -- the threat of nuclear war has been dramatically reduced -- and in an era that promises new opportunities for our children.

The President's reform agenda will create jobs and increase exports, revitalize America's schools, and stop legal abuse. Further, the President understands that Americans want safer neighborhoods, affordable health care, and policies that strengthen family values. The President needs your help to get the job done, and when the time arrives, you can be sure that he will be asking you to elect representatives to Congress who will fight for his program of reform.

President Bush has earned the American people's trust by securing for them a peaceful future. These same qualities of steady judgement and leadership make him uniquely qualified to tackle America's domestic challenges. With your support, a second Bush term will build a better America based on renewed opportunity, optimism and prosperity.

Again, thank you for writing and for your kind offer of service. Your message has been forwarded to the appropriate office within the Campaign. The President appreciates your concern and support, and he sends his best wishes.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fred Malek".

Frederic V. Malek
Campaign Manager

October 1, 1992

Page 2

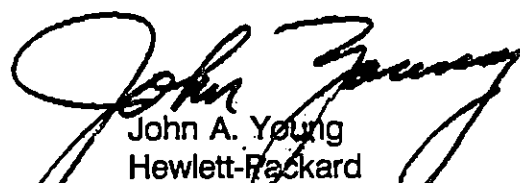
We look forward to working with you on these and other important issues in the months ahead.

Sincerely,


John Sculley
Apple Computer

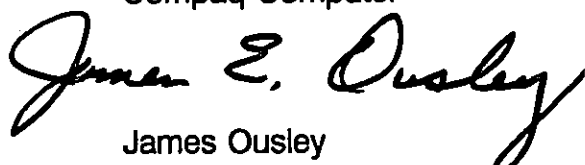

Robert Palmer
Digital Equipment

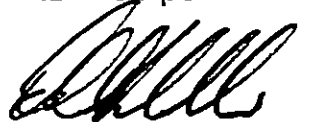

Robert E. Allen
AT&T Corporation

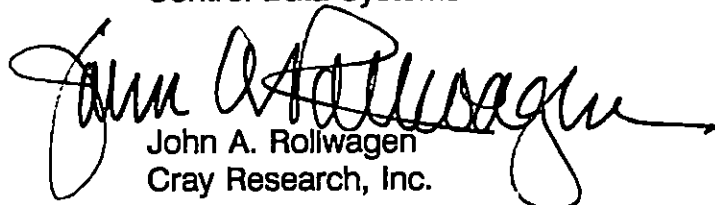

John A. Young
Hewlett-Packard

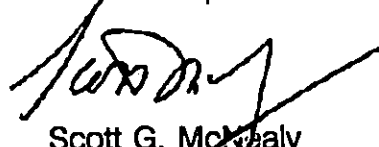

Eckhard Pfeiffer
Compaq Computer


John F. Akers
IBM Corporation


James Ousley
Control Data Systems


Edward McCracken
Silicon Graphics


John A. Rollwagen
Cray Research, Inc.


Scott G. McNealy
Sun Microsystems


Ronald L. Skates
Data General Corporation


James G. Treibig
Tandem Computers


James A. Unruh
Unisys

Enclosure

Computer Systems Policy Project

Apple

AT&T

Perspectives on U.S. Technology and Trade Policy:

Compaq

The CSPP Agenda for the 103rd Congress

Control Data

Cray Research

Data General

Digital Equipment

Hewlett-Packard

IBM

Silicon Graphics

Sun Microsystems

Tandem

Unisys

WHAT IS CSPP?

The Computer Systems Policy Project (CSPP) is an affiliation of chief executive officers of American computer companies that develop, build, and market information processing systems and software. CSPP's members include the chief executives of Apple, AT&T, Compaq, Control Data Systems, Cray Research, Data General, Digital Equipment, Hewlett-Packard, IBM, Silicon Graphics, Sun Microsystems, Tandem, and Unisys.

Upon forming CSPP in 1989, the CEOs made a commitment to work together to develop and personally advocate public policy positions on trade and technology issues that affect their industry, all high-technology industries, and hence, the nation. That commitment continues today.

To date, CSPP has issued the following reports which outline the CEOs' positions on a variety of issues.

- *Perspectives on Market Access and Antidumping Law Reform*, May 1990.
- *Success Factors in Critical Technologies*, July 1990.
- *Perspectives on U.S. Technology Policy, Part I: The Federal R&D Investment*, February 1991.
- *Perspectives on U.S. Technology Policy, Part II: Increasing Industry Involvement*, February 1991.
- *Expanding the Vision of High Performance Computing and Communications: Linking America for the Future* (Report and 7-Minute Video), December 1991.

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**Perspectives on U.S.
Technology and Trade Policy:**

The CSPP Agenda for the 103rd Congress

October 1, 1992

TABLE OF CONTENTS

Executive Summary	1
Introduction	2
Industry's Role	4
Government's Role	5
CSPP Recommendations for the 103rd Congress	6
■ Recommendation #1: Take Action to Increase the Nation's Return on the Federal R&D Investment	7
■ Recommendation #2: Expand the Research Agenda of the High Performance Computing and Communications Program	8
■ Recommendation #3: Create a New National Technology Challenge: A National Information Infrastructure for the Future	9
■ Recommendation #4: Implement Policies to Open Markets and Expand Trade	10
■ Recommendation #5: Enhance the Ability of U.S. Companies to Compete Globally	11
Appendices	
■ Appendix A: U.S. Corporate R&D by Industry	
■ Appendix B: U.S. Corporate R&D by Industry — Percent of Sales	
■ Appendix C: Share of R&D Spending by U.S. Industry Sector	
■ Appendix D: Share of R&D Spending by U.S. Industry Sector	
■ Appendix E: Total R&D Spending — United States	
■ Appendix F: U.S. Federal Government R&D Funding Trend	

Executive Summary

The computer industry was born in America over half a century ago. The industry's progress since then is an impressive example of an American success story. Over the years, U.S. companies have grown and developed in America and have contributed significantly to the overall economic health of the country. At the same time, they have gained a competitive edge and leadership position in what is now a global industry.

The success of the past, however, does not guarantee similar success in the future. The American computer industry is in the midst of an international competitive struggle. To maintain and improve its world leadership position, the U.S. computer industry must address the combined challenges presented by: 1) fierce competition; 2) increasingly shorter product life-cycles; and 3) foreign governments' support for their domestic computer industries.

The chief executives of thirteen leading American computer companies, the members of the Computer Systems Policy Project (CSPP), recognize that the primary burden for meeting those challenges and seizing new opportunities rests with each company. As a result, CSPP's member companies are taking independent actions to: 1) maintain a steady investment in R&D and innovation; 2) focus on commercialization; 3) emphasize quality; 4) compete globally; and 5) educate their work force.

Nevertheless, the U.S. government also has a role to play. Through its policies and practices, the government can create a supportive public policy climate and set an appropriate national tone that facilitates the industry's ability to succeed. In addition, the government can provide a research foundation for industry to build upon by continuing its commitment to basic research and focusing more attention on commercially relevant R&D.

To that end, CSPP recommends the federal government take the following actions during the 103rd Congress to bolster economic performance and build a solid technology and trade policy foundation for the future:

- Take Action to Increase the Nation's Return on the Federal R&D Investment;
- Expand the Research Agenda of the High Performance Computing and Communications Program;
- Create a New National Technology Challenge: A National Information Infrastructure for the Future;
- Implement Policies to Open Markets and Expand Trade; and
- Enhance the Ability of U.S. Companies to Compete Globally by Modernizing and Strengthening U.S. Antidumping Law and Modernizing the U.S. Export Licensing System.

Introduction: The U.S. Computer Industry

Made in America — The success of the computer industry is an example of the American entrepreneurial spirit at work. The computer industry was born in a university laboratory less than half a century ago. A ballroom-sized invention performed in minutes calculations that until then took dozens of people days to compute. Through American ingenuity and a commitment to continuously increasing efficiency, those same calculations are now performed in moments on computers that can fit in the palm of your hand or in your shirt pocket.

Today, computers and computer technologies are a pervasive and strategic element in the competitive marketplace. With power and speed once unimaginable, computers are on the desks and in the briefcases of scientists, students, and business people in virtually every industry. They are essential to the efficient production and operation of products from automobiles to airplanes and to the efficient functioning of businesses from grocery stores to banks.

Global Success — Perhaps more than any other industry in the United States, computer systems producers, and the high technology industry of which it is a part, are highly integrated into the global market system. In fact, there is quite possibly no other sector of the U.S. economy that contributes so much to, and depends so heavily upon, international markets for its domestic as well as its international success.

In 1991, CSPP companies had worldwide revenue in excess of \$140 billion, almost 60% of which was derived from outside North America. As information technology continues to develop into the 21st century and its value is realized around the world, the importance of overseas markets will continue to grow.

Future Outlook — The successful companies of the future will be globally competitive companies that provide seamless solutions to business prob-

lems and emphasize quality systems development and service. More and more, the real value of the computer industry is more than just manufacturing-based; it is knowledge-based as well. The industry's value-added, and the best prospect for ensuring its future success, is the technology used to power its products and the applications designed for those products. Moreover, the industry adds value through the jobs it provides, not only in manufacturing, but in high-quality, high-paying, knowledge intensive jobs in engineering, R&D, sales, marketing, and services, including repair, maintenance, and development of applications.

Challenges — To be counted among the successful companies of the future, U.S. computer companies must have access to global technology and a presence in markets around the world. Moreover, they must address various challenges presented by: 1) fierce competition; 2) increasingly shorter product life-cycles; and 3) foreign governments' support for their domestic computer industries.

■ **Fierce Competition.** The rapid pace of technological advancements and the computer industry's success in domestic and global markets make it one of the most fiercely competitive U.S. industries. Because technology and innovation are the primary products of the industry, and because there is no monopoly on either, there is always room for a new idea and a new company advancing that idea. The result is constant competition not only from foreign competitors, but from domestic rivals as well.

■ **Increasingly Shorter Product Life-Cycles.** In such a competitive environment, the speed with which any given company can bring a new product to the market increasingly determines the success or failure of multi-million dollar investments and the maintenance or loss of thousands of jobs.

Typically, companies that manufacture computer systems derive half their revenue from products that did not exist two years earlier. These incredibly short product life-cycles demand that the computer industry continuously develop new products based on innovative technologies. In addition, it demands increasingly efficient production as newer products impose price pressures on older designs which become quickly obsolete. As a result, research and development (R&D), the industry's primary resource in developing new technologies and processes, has always been and continues to be the foundation upon which the success of the industry is built.

■ **Foreign Governments' Support for Their Computer Industries.** The synergy between investment in R&D and the success of high technology industries is widely recognized by our international competitors. Much of the competition the U.S. computer industry faces from its foreign competitors comes from the degree of support foreign governments provide their domestic industries. This support is not just financial. It also includes foreign governments' commitments to setting national technology priorities and identifying and developing technologies of strategic importance to the economic well-being of the country.



Industry's Role

Clearly, the primary responsibility for meeting the challenges posed by the competitive domestic and international environment rests with each company. In response, American companies continue to: 1) invest steadily in R&D and innovation; 2) focus on commercialization; 3) emphasize quality; 4) compete globally; and 5) educate their work force.

Invest Steadily in R&D and Innovation —

The computer industry, like all corporate America, is in the midst of one of the most difficult economic periods in recent memory. Nevertheless, our industry increased its R&D spending in 1991. The U.S. semiconductor and computer industries invested \$18.6 billion in R&D, more than any other single industrial sector (see Appendix A). As a percentage of sales, the semiconductor and computer industries' investment in R&D was 8.7%, more than double the average for spending by all U.S. industry (see Appendix B). Overall, the broader electronics industry, including computers, accounted for 31% of all industrial R&D spending. Of that, the semiconductor and computer industries' spending alone accounted for 24% of all industrial R&D spending (See Appendices C and D).

Focus on Commercialization — Recognizing that the development of new technologies is only the first step, U.S. computer companies continue to expend significant efforts on turning those technologies into marketable products. Companies are working to bring various corporate departments such as research, development and marketing together early to speed the commercialization process; forming strategic alliances with other companies and universities; and capitalizing on the resources at the nation's federal laboratories. For example, this past spring, the CEOs in CSPP and the Secretary of Energy, Admiral James D. Watkins, signed a model Cooperative Research and Development Agreement (CRADA) designed to boost collaborative research efforts between the U.S. computer industry and the Department of Energy's (DOE) National Laboratories.

Emphasize Quality — Delivering quality products to their customers has made the industry competitive and will keep the industry competitive for the long-term. As a result, the computer industry has made quality a top priority by emphasizing internal programs and practices designed to ensure quality, beginning in the research phase and continuing through the development, manufacturing, delivery, and service phases.

Compete Globally — The computer industry has become one of the most competitive industries overseas by developing products that capitalize on available technology from around the world and that respond to the needs and expectations of its global customers. Overseas markets are the fastest growing markets for the computer industry. Gross revenue from sales by the U.S. computer industry is approaching \$200 billion, with almost 60% of those revenues derived from sales abroad. According to export figures featured in the June 29, 1992 issue of *Fortune Magazine*, six CSPP companies currently account for over 13% of all exports generated by the top 50 exporters in the country. The global success of the industry provides the constantly growing revenue base it needs to fund critical R&D. While almost 60% of the industry's revenues come from overseas, 61% of the industry's employees are located in the United States, and 90% of the industry's research and development is conducted here.

Educate the Work Force — The computer industry depends on technically proficient workers to design and develop new products, manufacture quality products, and design, install and use applications for computer technologies. To ensure an on-going, steady supply of skilled workers, computer industry companies have instituted and continue to expand their own worker training and education efforts. In addition, computer companies continue to participate in and establish programs to attract young students to careers in math, science, and engineering. In total, CSPP companies spend over \$2.25 billion per year to educate and train those they employ and to reach out to future generations of employees.

Government's Role

While the primary burden for competing successfully rests with industry, the federal government has a clear role to play. The government must implement supportive technology and trade policies and set an appropriate national tone that allows U.S. companies to innovate, create, and compete.

Technology — The federal government has always had a role in investing in research on technologies critical to its mission needs. Government research was, for example, instrumental to the early beginnings of the computer industry. Its role is just as crucial today.

In 1991, total U.S. R&D spending, both public and private, was \$151 billion (see Appendix E). U.S. government spending accounted for nearly half that total at \$66 billion, which was more than that of all of our major competitors' governments combined. Despite the fact that this is a significant amount, there is room for improvement.

For the last several years, about 60% of the government's R&D spending has been devoted to defense research (see Appendix F). Given world developments over the last few years, now is the time for the government to work with industry to increase the focus of the federal R&D investment on commercially relevant research. In addition, the government should work with industry to be sure public and private R&D spending priorities are more complementary. For example, while 24% of private industry spending was devoted to

computer-related R&D in 1991, the U.S. government allocated only 2% of its R&D budget to computer-related R&D (see Appendices C and D). During the same time, the governments of our international competitors recognized the importance of R&D in computing technologies and are investing billions of dollars in multi-year projects such as the Real World Computing Program and Teletopia Project in Japan; RACE, ESPRIT and EUREKA in Europe; and the POLIKOM Project in Germany. Better aligning U.S. government and private sector R&D spending priorities would improve the nation's return on its R&D investment and would provide the country with a stronger research base.

Trade — Through its trade policies, the U.S. government can either help or hinder the ability of U.S. companies to compete. To *help* companies compete, U.S. trade policies must recognize the global nature of the industry and the global nature of technology, and be designed to foster the flow of technology and products.

While this country has historically advocated policies that encourage open trade, other countries have not. For example, the European Community created high tariffs to protect their computer and computer component industries. The result was a decline in the competitiveness of the companies and a reduction in their global business. If the goal is a healthy, vital computer industry, trade policies must not create artificial borders and boundaries.

The CSPP Recommendations for the 103rd Congress

On the following pages, CSPP offers a series of specific recommendations to improve the federal government's technology and trade policies in the 103rd Congress. Taken together, these recommendations can help improve the ability of the computer industry to compete and bolster the country's domestic economic situation and international competitive position.

Nevertheless, the following recommendations will not have the desired effect unless they are complemented by the enactment of long-term policies to improve the overall business climate in the United States and to build a stronger U.S. educational system. CSPP maintains a limited agenda focused on technology and trade policy issues. As a result, CSPP's member companies work on business and education issues through a variety of other trade and professional associations. CSPP encourages the government to work with those organizations to create a sound business climate and policy framework that will

enable the following specific recommendations to improve our economic performance and help provide the necessary technology and trade policy foundation for the future:

- Take Action to Increase the Nation's Return on the Federal R&D Investment;
- Expand the Research Agenda of the High Performance Computing and Communications Program;
- Create a New National Technology Challenge: A National Information Infrastructure for the Future;
- Implement Policies to Open Markets and Expand Trade; and
- Enhance the Ability of U.S. Companies to Compete Globally by Modernizing and Strengthening U.S. Antidumping Law and Modernizing the Export Licensing System.

Recommendation #1

Take Action to Increase the Nation's Return on the Federal R&D Investment

To help improve national economic performance, the return on the federal research investment must be increased by making it more relevant to the private sector. CSPP recommends that the government work with industry to:

■ **Increase the Allocation of Funds to Commercially Relevant Technologies:** In addition to continuing its strong support for basic research, the federal government should work with industry to reallocate, over the next four years, \$5-\$10 billion more per year of its total R&D budget to research on pre-competitive, generic technologies. This can be accomplished in part by:

1. Developing and implementing model Cooperative Research and Development Agreements (CRADAs) that meet the needs of different industries, making it easier for companies to enter into collaborative research efforts with the government's research laboratories; and
2. Setting aside a portion of government laboratories' budgets for industry-driven cooperative research projects.

■ **Improve Federal R&D Budget Review Mechanisms and Increase Industry Involvement:** Budget crosscuts (summaries of major federal research initiatives that cut across the budgets of several different agencies) have proven very useful in assessing federal spending on various research projects. CSPP recommends that the government continue working with the private sector to develop and refine crosscuts of federal spending on generic technologies that can contribute to the improved economic competitiveness of the U.S. Furthermore, private sector advisory panels should be created such that they allow full participation by industry representatives in setting federal R&D priorities.

■ **Improve Government Incentives for U.S. R&D:** In today's global marketplace, promoting American innovation is critical. The U.S. government can enhance the incentive for U.S. companies to increase their spending on domestic R&D by making the R&D tax credit permanent and by permanently resolving the 861-8 research allocation issue by regulation. CSPP urges the government to demonstrate its commitment to a healthy and vital U.S. R&D enterprise by taking immediate action on these two important issues.

Recommendation #2

Expand the Research Agenda of the High Performance Computing and Communications Program

U.S. research on high performance computing and communications (HPCC) is a significant and critical undertaking by the federal government. CSPP believes HPCC technologies have the potential to provide the country with the foundation for an infrastructure that will help improve America's quality of life for the 21st century and beyond.

To date, CSPP has strongly supported Administration and Congressional HPCC initiatives and applauds the government's creation of a new, improved management structure for the current HPCC Program. As CSPP has advocated, the new structure provides a clear mechanism, which draws on private sector expertise, to coordinate, manage, and govern the implementation of the initiative. In addition, CSPP is pleased Congress is considering legislation that will begin to move the HPCC effort to a new level.

CSPP believes that federal and private investments in HPCC technologies will be maximized by increasing the focus on how current research on HPCC technologies can benefit individual Americans and businesses. To that end, CSPP recommends that the government enhance and expand the HPCC research agenda to:

■ **Provide the Foundation for an Information and Communications Infrastructure of the Future:** The HPCC Program includes research to deploy a high-speed research and education network (NREN). CSPP believes this research can be leveraged to provide the foundation for a much broader communications and information infrastructure for the future. That broader infrastructure would not only bring the benefits of HPCC technologies to bear on scientific and engineering problems, but on difficult social and economic problems as well. To that end, CSPP recommends that the government fund the current HPCC research program at the level in the budget request and allocate additional funds

for research needed to enable a broader communications and information infrastructure for the future.

■ **Bring the Benefits of HPCC Technology to Individual Americans in Health Care, Education and Lifelong Learning, and Manufacturing:** The federal government is committed to promoting a healthier, more educated, and more productive citizenry, and to improving the productivity and quality of the nation's manufacturing enterprise. CSPP recommends that the government and private sector work together to be sure HPCC technology helps meet these goals. Specifically, CSPP recommends the government expand the HPCC budget in FY '94 to include funds within the Departments of Health and Human Services and Education, and at the National Institute of Standards and Technology, to begin research needed to solve problems in health care, education, and manufacturing, respectively. In addition, CSPP recommends allocating additional funds to the current HPCC agencies (National Science Foundation, Defense Advanced Research Projects Agency, National Institutes of Health, the Department of Energy, and others as appropriate) to expand their efforts in these areas.

■ **Create Technology Demonstration Projects:** CSPP also recommends that the federal government work with relevant industry groups, future user groups, research and educational institutions, and state and local governments to develop technology demonstration projects to test the ability of an advanced communications and information infrastructure to support applications in health care, education and manufacturing. Government support for such demonstration projects will help drive private sector investments in developing and producing applications. In a separate paper to be released this fall, CSPP will provide more detail about the research needed in each of the areas and will suggest possible technology demonstration projects.

Recommendation #3

Create a New National Technology Challenge: a National Information Infrastructure for the Future

The U.S. faces a challenge that is as significant as the challenge we faced when Sputnik was launched in 1957. The current challenge is to enhance our future prospects for economic prosperity, an improved quality of life, and our global competitive leadership. Meeting this new challenge will require the same level of national cooperation and commitment that led us to win the space race.

As we enter the Information Age, our best resource is our ability to create and exchange information, technology, and ideas. Today, we have an edge. The U.S. leads the world in its communications infrastructure and in the development of supercomputers and important computing and software technologies. In addition, the HPCC Program will provide a critical, initial research foundation. However, this is not enough. We must elevate and accelerate our effort. The United States needs to make a national commitment to capitalize on our leadership position and build upon the research foundation provided by the HPCC Program to create a new national information infrastructure for the future.

Creating a new national information infrastructure will require improving upon and linking together current communications, information, and human resource capabilities. More importantly, it will require developing new capabilities to enable broad access to a variety of public and private information resources and enable transmission of text, images, and video to anyone, anywhere, at any time. To realize the comprehensive information infrastructure of the future, CSPP recommends that the federal government work with industry to:

■ **Make the Drive for a National Information Infrastructure the New National Technology Challenge:** The President and Congress should challenge American industries, universities and laboratories to form a public/private partnership to create the new information infrastructure. The goal should be to immediately begin implementing a nationwide high speed communications and knowledge infrastructure capable of bringing the benefits of computing and communications technologies to bear on social and economic areas

of widespread concern such as health care, education and lifelong learning, and manufacturing.

■ **Adopt an Industry/Government Vision and Milestones to Measure Progress:** The government should work with industry, academia, potential users, and other interested parties to develop a vision for the future computing, communications, and information infrastructure, and a set of milestones to measure progress toward reaching that common vision. CSPP is currently working to develop our industry's vision of a future information infrastructure and plans to issue a report in mid-1993 that will describe that vision and the steps we believe are necessary to move the country toward that vision.

■ **Address Public Policy, Political, and Regulatory Issues:** A widely accessible, reliable, and useful national information infrastructure based on fair and open competition will require addressing a range of networking policy issues from interoperability, security, and broad access to copyright protection and availability of federal information. During the 103rd Congress, the federal government should establish fora where these and a myriad of other relevant public policy issues can be addressed by experts from a range of industries, potential users and consumers, and the federal government. CSPP also recommends that federal and state governments work with industry to ensure that various political and regulatory hurdles preventing the implementation of an information infrastructure are addressed in an open, timely, and systematic manner.

■ **Effectively Manage the Public/Private Partnership to Foster Commercialization:** The government should encourage the near-term implementation of the new information infrastructure by: 1) facilitating access to and ensuring compatibility/interworking among multiple private and public networks; 2) investing in pre-competitive technologies needed to make the national information infrastructure possible, including addressing interoperability and human factors issues; and 3) assisting disadvantaged users in obtaining access to the information infrastructure.

Recommendation #4

Implement Policies to Open Markets and Expand Trade

To be competitive, U.S. high technology industries need access to the major markets of the world to earn the returns needed to sustain capital investment and critical research and development. CSPP recommends that the U.S. government continue its commitment to opening markets around the world to U.S. goods and services by creating effective multilateral and bilateral agreements that focus on results, not managed trade. Specifically, CSPP recommends that the government:

■ **Successfully Conclude the Uruguay Round of Trade Negotiations:** The most important step that the United States can take to improve market access worldwide is to strengthen the General Agreement on Tariffs and Trade (GATT). Since open markets are one of the principal benefits of an effective multilateral system, the U.S. government should make every effort to successfully conclude the current negotiations on the Uruguay Round of trade negotiations. In particular, CSPP urges the government to be sure the final agreement includes a reduction in the very high European Community tariffs on computer parts and semiconductors.

■ **Implement an Effective North American Free Trade Agreement:** CSPP actively supports actions to open markets around the world. CSPP urges the government to implement the

NAFTA because it recognizes the realities of the global marketplace and will promote the growth and expansion of markets for U.S. computer products in Mexico and Canada.

■ **Implement the Japan Public Procurement Agreement:** The U.S. government also should focus on bilateral market access initiatives. In particular, the U.S. government should seek aggressive implementation of the January 1992 agreement by the Japanese government to open its public sector computer market to foreign products. This agreement is critical because it directly addresses a significant problem: CSPP found that while foreign computer manufacturers have established a major share position in Japan's private sector mainframe market (41%); the foreign share of the Japanese national government mainframe market is only 0.4%. CSPP urges the U.S. government to continue working with the computer industry to define the most appropriate mechanisms for measuring progress under this agreement.

■ **Continue Efforts to Broaden U.S. Companies' Access to the Japanese Semiconductor Market:** In accordance with the 1991 Semiconductor Trade Agreement with Japan, CSPP urges the U.S. government to continue working to ensure that Japan continues progress toward an open market for U.S. semiconductors.

Recommendation #5

Enhance the Ability of U.S. Companies to Compete Globally

The ability of U.S. computer companies to compete globally is critical to the future health and vitality of the industry. The U.S. government should work with industry to be sure its policies and practices do not act as a disincentive to global competition. In particular, CSPP recommends that the U.S. government:

■ Modernize and Strengthen the U.S.

Antidumping Law: Modernizing and strengthening the U.S. antidumping law is a major trade policy priority for CSPP for two reasons: 1) CSPP members are highly integrated into the global trading system, sourcing from and selling to every major market in the world. Our ability to compete globally is significantly affected by the antidumping law in the U.S. and foreign countries; and 2) effective antidumping law is one element of the high technology business environment necessary to nurture a healthy U.S. high-technology enterprise.

CSPP believes antidumping law should be an effective remedy for injuriously unfair pricing, no more and no less. Above all, CSPP believes antidumping law should be balanced and should not interfere with ordinary business practices, particularly practices vital to maintaining a strong U.S. high technology industry. CSPP outlined its initial position on antidumping law reform in its May 1990 report, *"Perspectives on Market Access and Antidumping Law Reform."* CSPP recommends that the U.S. government begin working with industry to modernize and strengthen the U.S. antidumping law to reflect the realities of the current global marketplace.

■ **Modernize the U.S. Export Licensing System:** To be effective and to prevent negative effects on U.S. industry, government regulations must keep pace with the rapid rate of technological advancements. CSPP is concerned that technological change is outpacing U.S. government export control policy.

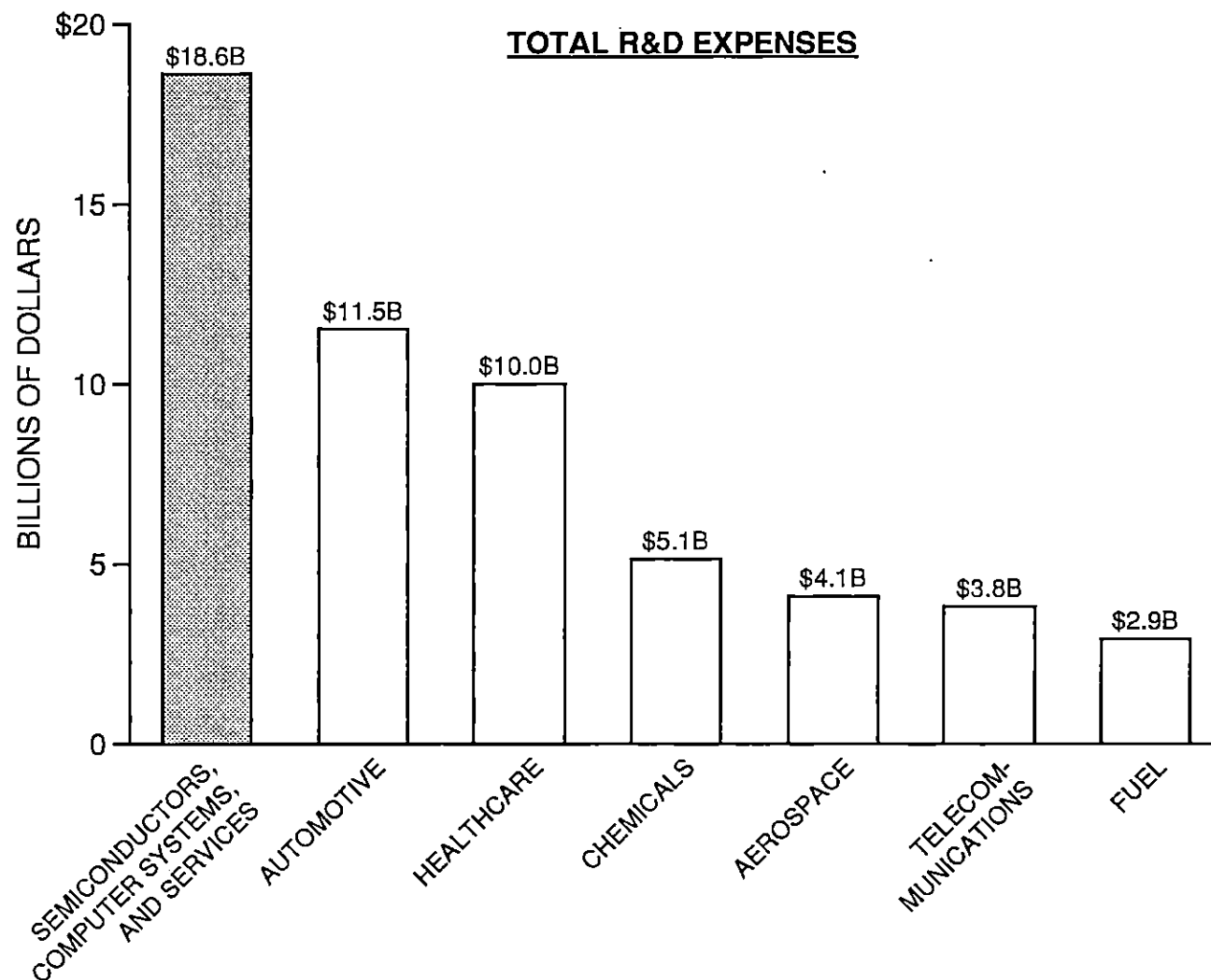
Export control regulations based on older generations of technology may actually create or subsidize foreign competitors by reducing or eliminating the ability of U.S. companies to compete in viable markets. For example, the performance threshold for supercomputers as currently defined by U.S. export control regulators is so low that it currently includes systems that perform at less than 1% of the speed of the top of the line machines. As a result, even single chips used in desk-top workstations are, in some cases, currently defined as supercomputers. Prohibiting U.S. exports of these chips does not protect a particularly high-level technology, it simply restricts U.S. sales. In another example, the government is currently seeking to control the export of software with encryption capabilities. This software is heavily in demand and widely available throughout the world. Limiting exports of products with these features simply places U.S. companies at a disadvantage by prohibiting U.S. companies from selling their products overseas. It does not control this technology.

CSPP recommends that the U.S. government, working with industry, regularly and systematically revise its export regulation definitions to reflect the most recent technological developments. Moreover, any controls over the export of computer technology should be multilateral, not unilateral, in nature.

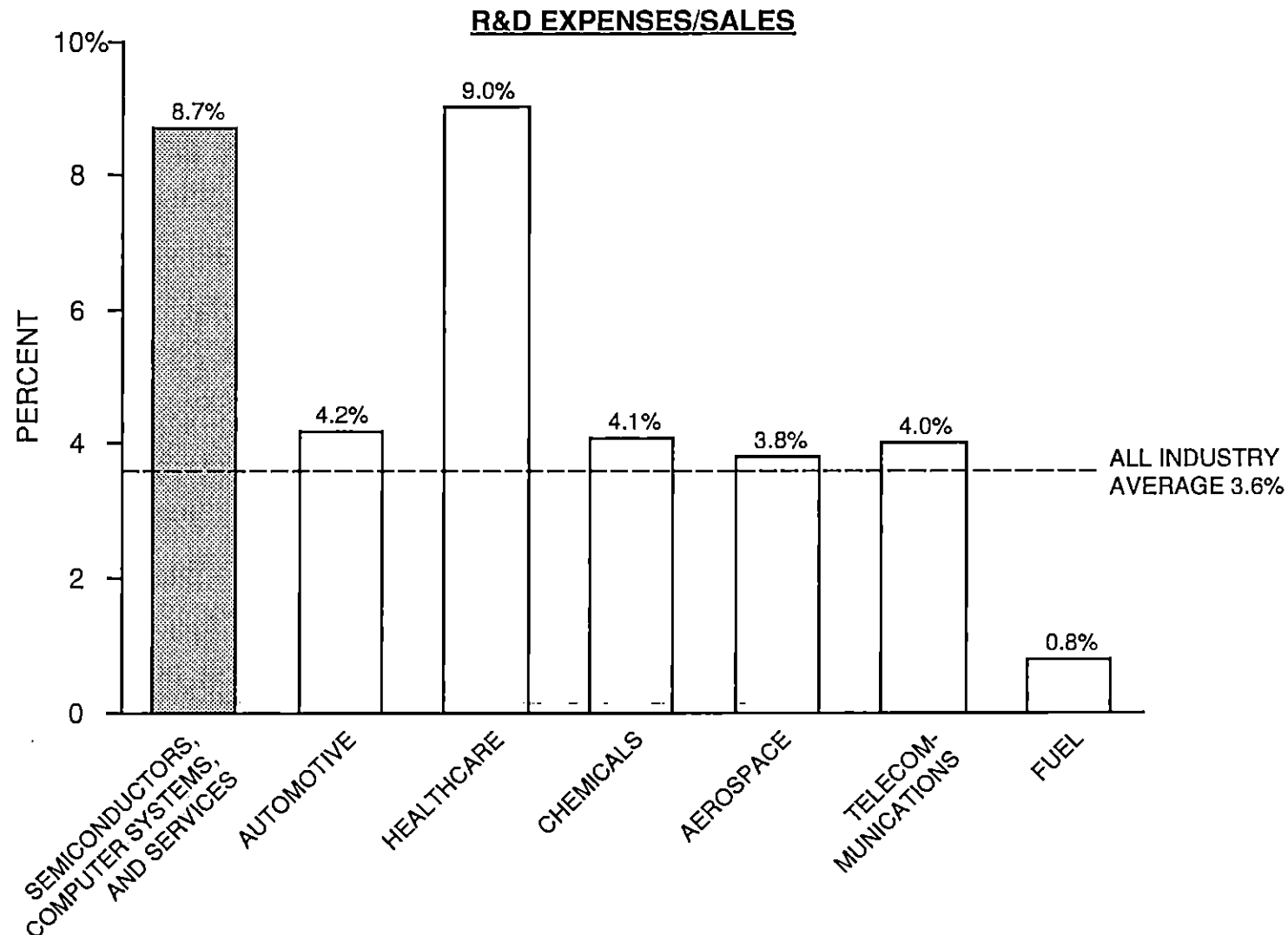
APPENDICES

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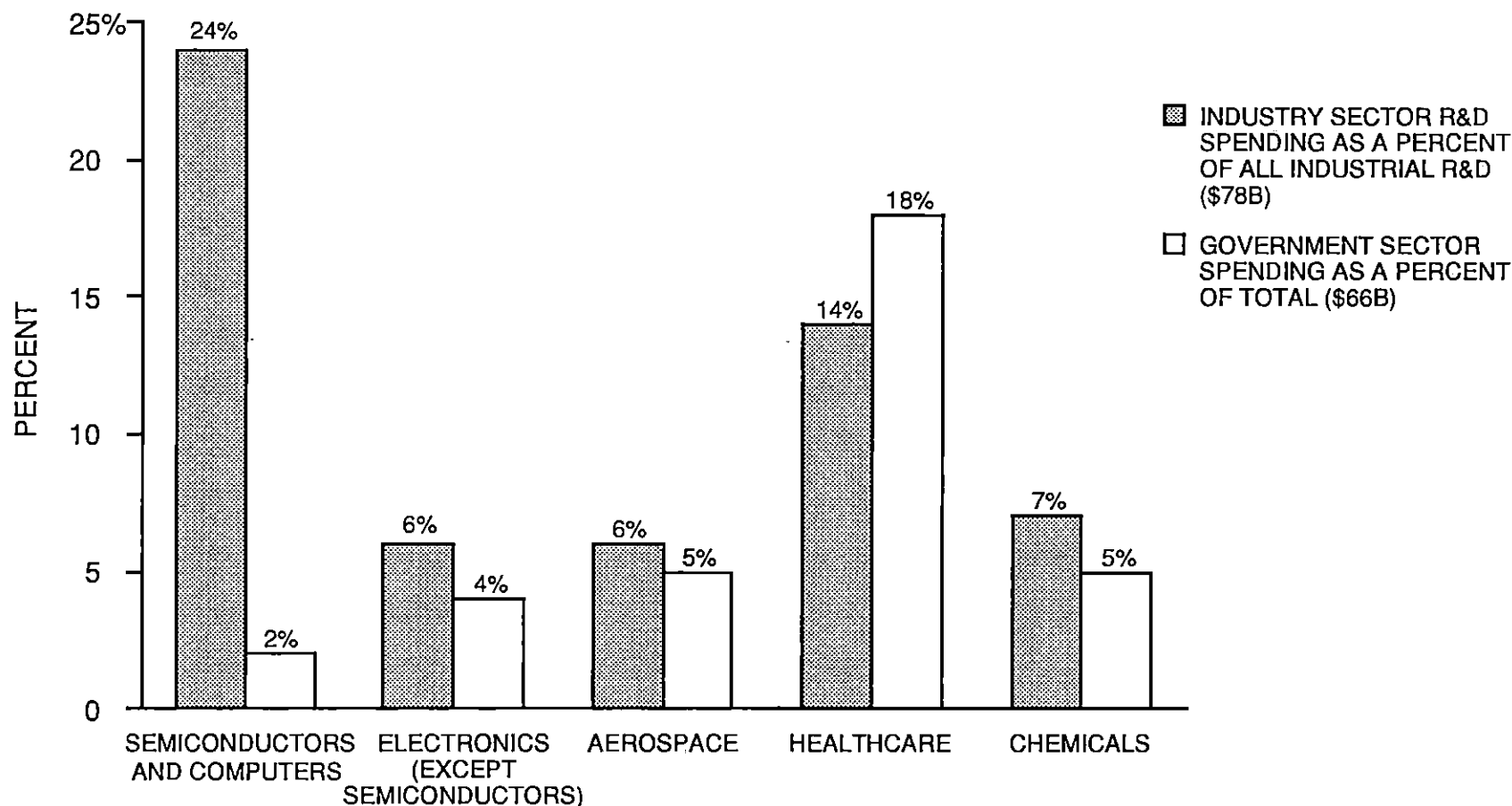
In 1991, the U.S. semiconductor and computer industry invested more in R&D than any other single industrial sector – \$18.6 billion.



While the average spending on R&D as a percent of sales for all U.S. industry was only 3.6% in 1991, the semiconductor and computer industry percent was more than double at 8.7%.



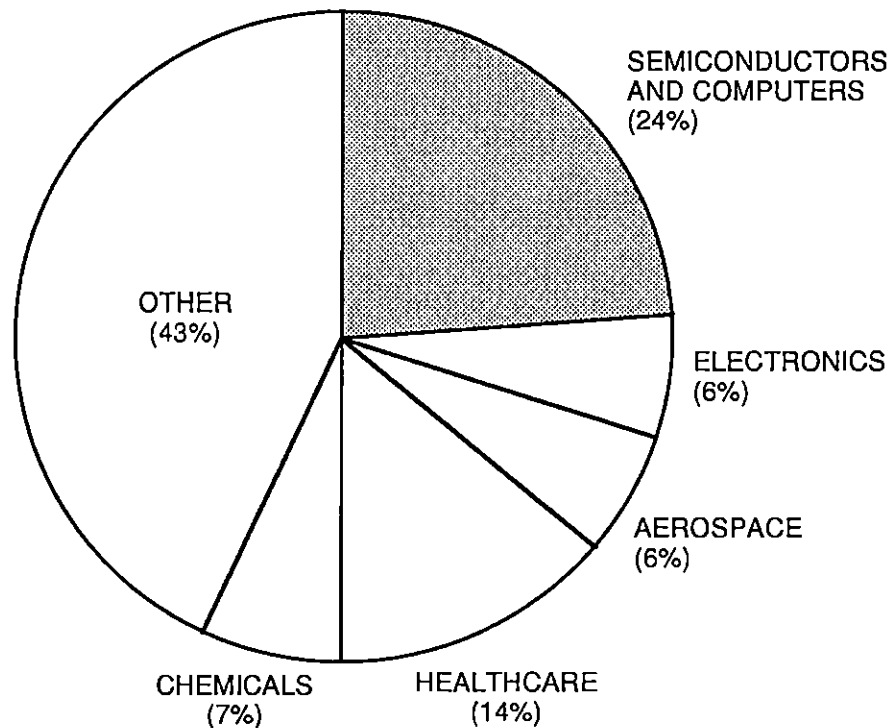
Though the U.S. semiconductor and computer industry performed 24% of all private sector R&D in 1991, the U.S. government allocated only 2% of its R&D budget to computer-related R&D. The broader electronics sector, including computers, spent about \$23.3B on R&D in 1991 - about 30% of total private sector expenditures - while the government devoted only 6% of its budget to electronics-related R&D.



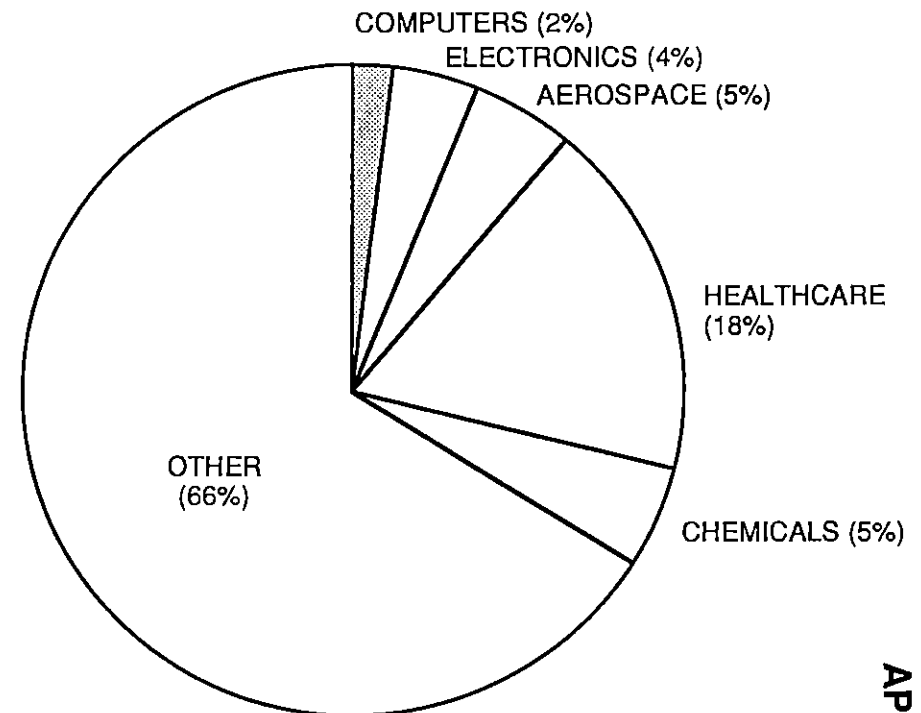
SOURCE: NATIONAL SCIENCE FOUNDATION, BUSINESS WEEK (COMPUSTAT), AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

Though the U.S. semiconductor and computer industry performed 24% of all private sector R&D in 1991, the U.S. government allocated only 2% of its R&D budget to computer-related R&D. The broader electronics sector, including computers, spent about \$23.3B on R&D in 1991 - about 30% of total private sector expenditures - while the government devoted only 6% of its budget to electronics-related R&D.

INDUSTRY SECTOR R&D SPENDING AS A PERCENT OF ALL INDUSTRIAL R&D (\$78B)



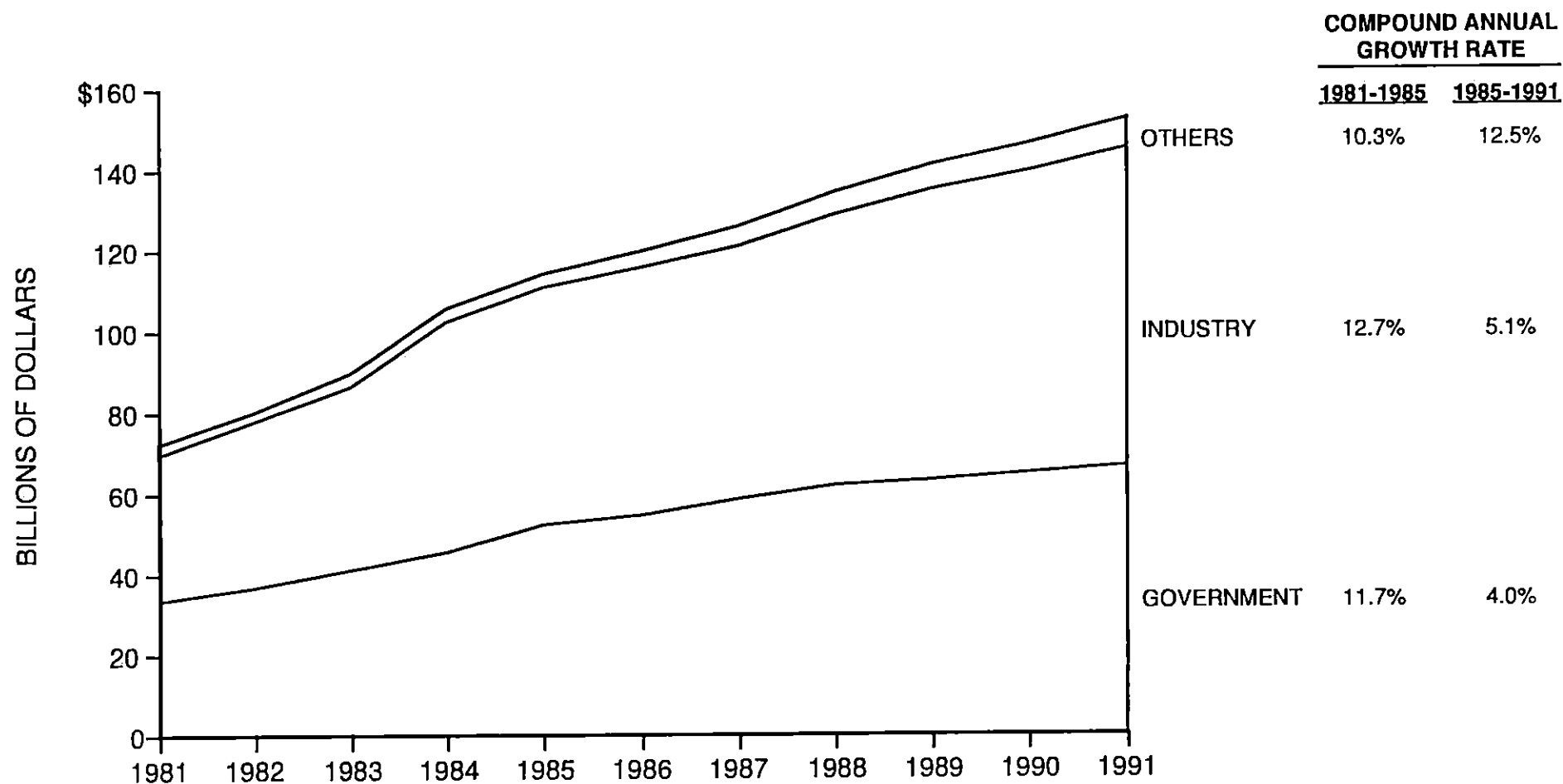
GOVERNMENT SECTOR SPENDING AS A PERCENT OF TOTAL (\$66B)



SOURCE: NATIONAL SCIENCE FOUNDATION, BUSINESS WEEK (COMPSTAT), AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

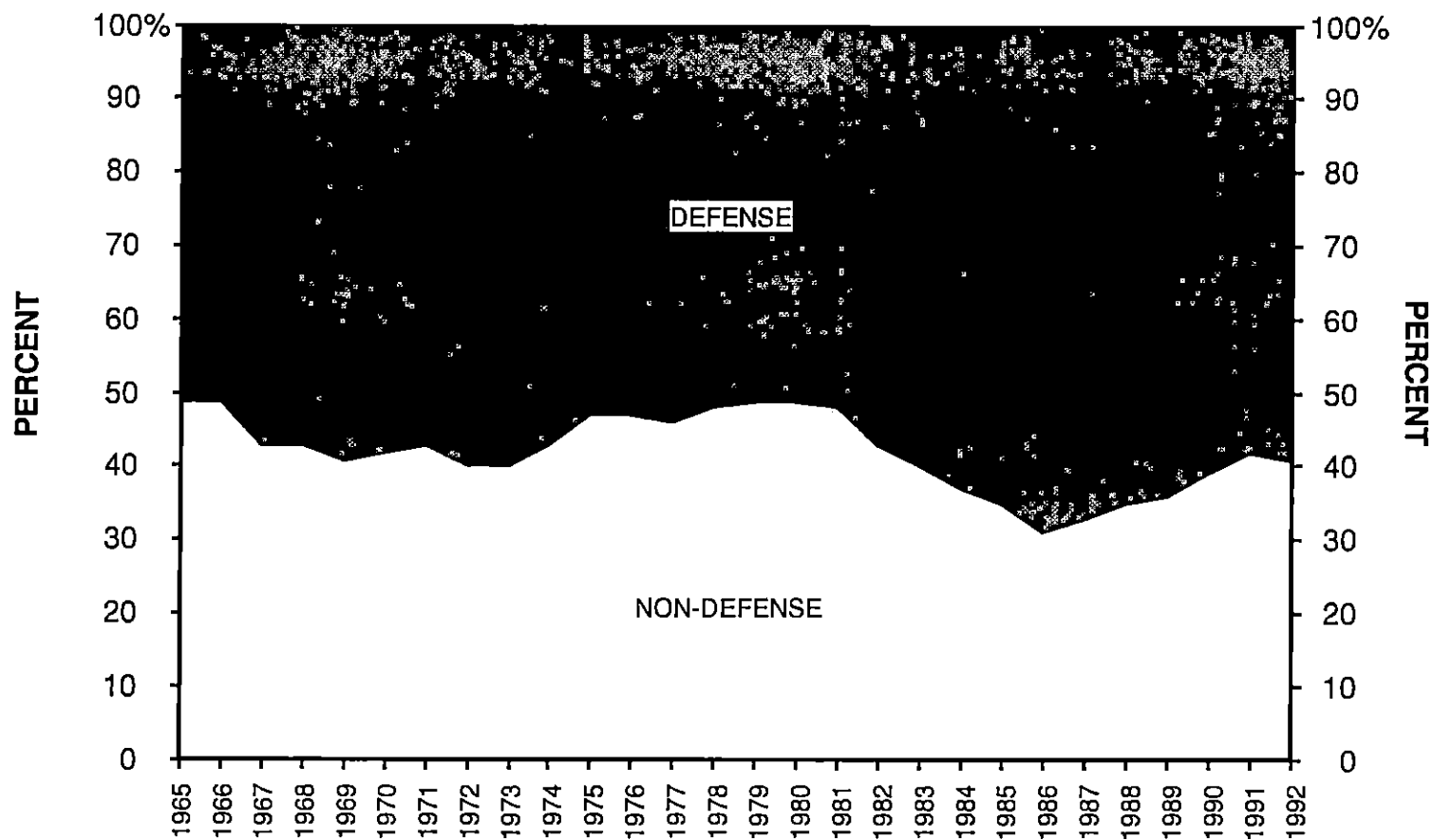
TOTAL R&D SPENDING - UNITED STATES

The overall level of R&D spending in the United States is substantial - about \$151 billion (1991) a year, split almost evenly between industry and government. In 1991, the U.S. private sector spent \$78 billion on R&D, while the federal government's investment was \$66 billion.



U.S. FEDERAL GOVERNMENT R&D FUNDING TREND (DEFENSE VERSUS NON-DEFENSE)

While U.S. government spending on R&D has increased significantly in absolute levels over the last 25 years, defense R&D (largely development) has shifted from a historical share of 50% of total R&D spending to a high of about 70% in 1986. It has dropped to about 60% of federal R&D spending since then.



SOURCE: NATIONAL SCIENCE FOUNDATION

224-GCC76359.NK

Sept. 30, 1992

WINNING IS MERELY A MATTER OF GAINING AND RETAINING MOMENTUM.

FROM: Brad Cochran
P.O. Box 4267
S. Daytona, FL 32121

con fi den tial

NIRN

TO: President George Bush
V. Pres. Dan Quayle
Chief of Staff James Baker
Sec. of Labor Lynn Martin
HUD Sec. Jack Kemp

Sen. Robert Dole
Rep. Newt Gingrich
Robert Teeter, cam. chrmn.
R. A. Mosbacher, gen. chrmn.
Mary Matalin, dep. cam. chr.

Dear Key GOP Members:

Although logical criteria are ample which indicate that your side is pursuing a losing course -- and there'll soon be no tomorrow -- you really can't afford to be second best in seeking to reelect President Bush. While he might yet defy the odds and win, it's the kind of bet you only make verbally.

With a month to go, you must now face facts, or you could be in the waning period to the practical destruction of the Republican party for the next 12 to 20 years.

Despite Mr. Bush's confidence, and it's true that he's not that far behind in current national polls, the meaningful statistics say otherwise. For example:

FACT #1: Governor Clinton leads overwhelmingly -- by 12 to 1 -- in state polls involving leads of 15 points or more. Included on his side are California and New York. The President only has Utah.

FACT #2: Governor Clinton has amassed about 375 electoral votes, according to veteran political sources. The 163 remaining votes for Mr. Bush are much more marginal than his rival's. Whereas Texas is conceded to the President, the latest Lone Star State poll shows Mr. Clinton has the lead there. And the Sunshine State, which had business failures soar by some

20% in July over the same period last year -- plus lingering unhappiness over the handling of Hurricane Andrew--- is no , sure thing, although it's also listed for Bush-Quayle. (NOTE: It's easy to become deluded, even euphorically so, when mostly addressing partisan audiences -- but cheers don't win races.)

FACT #3: Being reasonably close in national polls, within 10 points or so, can be seriously misleading. In both state and national election canvassing, around 1,000 answers are tallied. Thus, whereas a national poll still has only the same 1,000 responses ... the state polls provide some 50,000 replies. Collectively, of course, that's a nationwide poll of 50 states at 1,000 answers each. And in state polls up to now, GOVERNOR CLINTON COULD GIVE THE PRESIDENT BOTH CALIFORNIA AND NEW YORK ... AND STILL WIN COMFORTABLY!!

MY REASONING behind the GOP being neutralized in national politics well into the 20th Century is this: If the "rule by mule" occurs -- and it looks like a certainty with only a month to go -- a lengthy smear campaign is almost sure to develop. Democrats will likely declassify most anything and everything -- unfavorable to Republicans -- which now reposes in our nation's archives. And they can dish it all out like choice dessert ... over a period of years.

There have been many suppressed incidents involving the Reagan and Bush regimes since 1980, which have never yet been satisfactorily explained to the public. There have been scandals, distortions, cover-ups, wars (of sorts) and a demoralizing recession of over 2 years.

Runaway budget problems have been alarming. America has been assessed with some \$3 trillion of new debt in the last 12 years ... to add to the \$1 trillion that had been registered over a period of more than 200 years. We now havee unconscionable interest payments, approaching \$1 billion a day!

The Democrats held sway in every presidential election back in the Thirties and Forties. They have only managed to win 3 of the top 10 battles (just 1 of the last 6) over the past 40 years -- and they undoubtedly harbor much bitterness.

If the Republican party fails to pull this one out in the next 30 days or so, Democrats figure to make them pay and pay and pay ... for perhaps the next 2 decades. Even worse, the Reagan, Bush, Nixon administrations could be recalled in infamy every 4 years ... for centuries to come.

For too long now, President Bush and his emissaries have been beating a dead horse. To the public's satisfaction, Bill Clinton has transcended his faults ... as far as this election is concerned. Whether he has fibbed, faked, fudged or fallaciously responded to queries, he has been accepted as the better man for the White House job at this point ... by a substantial amount of prospective voters. The Arkansas Governor has undergone months of grueling and testing. He won't be defeated by wasted rhetoric at this point.

To the more important question, Can he yet be beaten in this race? ... I'm sure that he can. I doubt, however, that the winning spirit, the transformation of issues necessary to snatch victory from defeat ... can suddenly be imbued in the minds of people chasing a lost cause. Jack Kemp would likely be amenable to change, and the President should be ... as all athletes know the power of momentum.

In any event, you can continue to face an unhappy situation with the courage of an ostrich ... or you can decide to help the President win this election by doing the right thing -- giving the people the CHANGE and JOBS they seek, even though the time gap is narrowing dangerously. Once again, I'll provide ample ammunition for an explosive last quarter (or inning). This time, think first from the public's viewpoint.

The masses want no more of promissory messages, and that is their emphatic message. Thus, I suggest that the President go on national television (maybe radio, too) with a turnaround speech that has solid substance for all. This speech will require humility, not assertiveness; it will show enlightened awareness, not mere intuition; and it will also show that his program to revitalize America is comprehensive and conclusive, not just conjecture.

In introducing new ideas for CHANGE and millions of JOBS as early as next year, nothing on the table already needs to be altered in any way. Let's just say, this is a belated bonus for the people, a clever coup d'etat, or as they might note on Broadway ... a timely coup de theatre.

This is not meant as a speech per se, but mainly as the approach and format to help gain winning momentum for Mr. Bush.

"Good evening. I want to talk tonight to voters especially, because I have a lot of things on my mind which should be discussed with you.

"America has lived under the threat of a sudden, devastating attack on our country ... ever since the end of World War II. For the better part of the past 45 years, we have existed in a state of an uneasy peace. We have been forced to concentrate on preparedness -- at a prohibitive cost -- hoping to avoid a nuclear war that could strike us at home. Although extremely expensive, we could not become complacent and face the prospect of losing ... what became known as the Cold War.

"At the end of WW2, or as Archie Bunker would say, 'The big one' ... we know that the communist Soviet Union had absorbed hundreds of top German scientists. This greatly concerned us, as a hoped-for, enduring period of peace ... did not seem at all sure for the United States. The Soviets had leaders at that period with conquest on their mind, and there

was no doubt that they had both the technological brainpower and the wherewithal to soon be producing long-range rockets with nuclear warheads. These deadly missiles would have cataclysmic potential ... capable of destroying entire cities in the United States. Thus, we were forced to engage in a lengthy and costly Cold War.

"LAST YEAR, our preparedness and patience finally paid off. Communism in the USSR collapsed.

"Thanks to America, democratic reform has pretty much swept around the globe in recent years ... greatly diminishing the threat of another world war for many years to come.

"As the sole surviving superpower today, we are looked up to by many lesser nations ... and we are obligated by circumstances and position to assist others -- as best we can, whenever we can.

"We are now in an era of globalization, and we must become, and remain, a principal participant. To our benefit, thankfully, this means that the need will exist for many years beyond the 20th Century ... for America to serve as the chief supplier of dozens of raw materials and finished products to scores of nations throughout the world.

"OUR COUNTRY is well respected everywhere, and we can now assume a leadership role that will assure our exports, in the near future, will favorably exceed our imports ... over the balance of the Nineties and into the 21st Century.

"This is one of the bonuses that accrues to a king-of-the-hill, and we now have an experienced team in the field with top-level connections on every continent. This is not the time -- with America ready to bust out with a booming economy -- to be considering substitutes as replacements over those who have cemented essential relationships worldwide.

"We'll have a ready market most everywhere ... for most everything we raise or manufacture, and we're soon going to get the United States working again with a bang. As early as 1993, we'll create at least a few million JOBS ... and the industrial sector will hopefully match that amount.

"I KNOW NOW that I've spent too much time being involved with the problems of other countries. Although it served a worthwhile purpose -- and it will pay off for us -- I was wrong to overlook our own nation's problems ... and that won't happen again. My main concern, if you'll give me the opportunity, will be to promote business activity on the homefront ... and enough JOBS to reduce our unemployment total by 50% in 1993.

"In bringing the Cold War to a conclusion, however, it should be noted that America has now eliminated a scorpion-like scourge from the world's area of greatest concern ... and for the first time in nearly half a century, we no longer are at swords' points with the evil communist empire.

"We've witnessed the fall ... of the detestable Berlin Wall, and we've likewise successfully resolved the problem of hostages in captivity. And we're pursuing every possibility within reason to assure that all missing Americans, military personnel or otherwise, have been returned to us. Seldom a day goes by that we are not making inquiries somewhere as to the possible whereabouts of those who are still unaccounted for.

"YES, I've made some mistakes that won't be repeated ... but through it all, AMERICA NOW STANDS TALLER IN THIS WORLD THAN EVER BEFORE IN OUR HISTORY. And we finally can again sleep peacefully at night, free of a threat of war -- so we have accomplished some extremely worthwhile objectives.

"Tonight, I'm asking you to give me another chance to help restore our country's economy ... from a position of sluggishness to one of vibrancy. We have been successful in

resolving or alleviating pressures abroad. I assure you, we can do much better at home ... and I'd like to lead that resurgent recovery. I have the energy, desire and the programs to get our nation's wheels spinning again ... in every state. 'Let George do it' ... and I guarantee we'll get the job done to your satisfaction.

"For several months now, and even as far back as a few years ago, we have had interesting programs under our scrutiny. Some of them will aid all veterans who have had at least one year's service; others will benefit many millions of women; and still others will benefit all workers, along with a large segment of Social Security recipients ... and everyone in America henceforth who is victimized in a major emergency or a disaster.

"This administration knows what needs to be done, and how to get it done, and with your support, it will be done.

"ELECT ME as your President again and we'll create a new Cabinet post ... as Secretary of Emergency Aid. (I haven't asked him yet, but General Schwarzkopf would be ideal for such a position.) As part of this elaborate assignment, every state in America would have solid storage facilities built ... with floor space ranging from 100,000 square feet to one million square feet. These special supply-and-equipment granaries will be heavily stocked with necessities so as to provide almost immediate aid. In as little as hours, or even minutes -- conditions permitting -- essential food and materials will be rushed to needy victims throughout the United States. Hurricanes, earthquakes, tornados and other causes of major damage will always be a threat to peaceful existence ... but in the future, we'll be better prepared to respond pronto.

"ELECT ME as your President again, and I'll push next year ... for a vacation plan in the U.S. that will offer all full-time workers up to 4 weeks of paid leave every 12 months.

Several nations in Europe already provide 5 weeks with pay each year, so it's time we started catching up with the industrialized world. The plan could be phased in by degrees in the same manner as the minimum wage law.

"ELECT ME as your President again and we'll try to reach some degree of accord ... on the abortion issue. I recognize the seriousness of this problem, and both sides have merit to their positions, so the issue might never be satisfactorily resolved in all quarters. I will propose a bill in 1993, however, whereby married women who are U.S. citizens ... will be rewarded with \$1,000 cash for each legitimate birth of theirs delivered. Hopefully, at least for those who might seek an abortion because of lack of money, this will assist in making a decision in favor of the child. And for those gals who might not take advantage of this childbirth bonus, let me assure you that I am in sincere sympathy with you. I solicit your vote, and I promise to have additional changes to report on this issue ... during the first half of next year.

"ELECT ME as your President again, and we'll pay a permanent tribute to those who serve our nation's military -- in fair times and foul -- with lasting pensions. For all who have served at least one year up to 5 years, and been honorably discharged, I will propose a payment of \$1 per month ... with a possible 50% bonus for duty periods served outside of the U.S. While only a token form of our appreciation, it would mean an extra \$25, \$50 or more to millions of service veterans. The monthly payments would become effective at 60 years of age.

"ELECT ME as your President again, and we'll seek a realignment of the Social Security system ... so as to establish a base whereby all properly qualified SS recipients will at least be able to live at the poverty level. Today, millions of sons and daughters are practically forced to help out their aging parents, and that frequently creates other problems. We are too concerned a nation to continue to allow many of our

elders to go to their graves with unhappy memories ... and often, too, with empty stomachs.

"ELECT ME as your President again, and we'll launch a mission to chart and explore ... the ocean floor. This would be an exciting educational adventure, as salient secrets of past, present and future history could be extensively catalogued for the first time. Also, rather than dispatching just one unit at a time -- as in outer space -- we could send several teams simultaneously from different coastal points ... in both the Atlantic and Pacific waters. A unique universe lies in the marine kingdom around and below us -- a cosmos of plants, animals and minerals ... as well as lost real estate, ships and treasures of historical significance and inestimable value. Total survival might be attainable in either of our surrounding oceans, and from the youngest student to the oldest adult it would certainly be a fascinating experience to bring to our people -- and all people. There just might be sources of incredible revenue available -- such as mining gold and silver commercially -- and the cost would be relatively modest.

"NONE OF THE AFOREMENTIONED would be alarmingly expensive, perhaps a top of \$10 billion annually for one or 2 of them ... and no government costs for a couple of others. Everything mentioned would be readily affordable. Here's why: We're going to create a lot of savings ... while simultaneously energizing our economy to record-shattering levels of revenue.

"ELECT ME your President again, and I will introduce a dramatic program ... whereby the United States will henceforth become mainly concerned with hemispheric countries. In such a situation, America's largesse and other aid would be principally bestowed on needy nations in North and South America. I will likewise suggest that Europe and Asia do likewise. While globalization is with us to stay, and we shall conduct business and retain excellent relations worldwide, it is imperative that we slash our foreign aid budget substantially.

This is not to be interpreted as a move toward isolationism. And we will, of course, be in daily contact with most of the world via our foreign embassies and ambassadors. Practically every major country, however, is experiencing some degree of financial distress ... and America will initiate the action that will help return all of us to normalcy. This move will also include the United States military withdrawing all of its troops from Europe and Asia -- except those committed to a United Nations security force -- by the end of 1993. All of our troops thereafter will be stationed mainly in North and South America ... and certain island locations. Nothing about this repositioning plan will preclude our nation from assisting others, or continuing to do business around the globe. But I intend to get our country back on track economically ... as rapidly as possible, and this move will effectuate a savings of many billions of dollars.

"ELECT ME your President again, and we will start reducing our federal bureaucracy next year. I'm sure you recently read that the Post Office Department has announced a cutback of 40,000 employees ... in order to trim losses. And you might have noticed that when British Petroleum had a second-quarter loss of \$1 $\frac{1}{2}$ billion, it followed that news up in August with a hasty schedule to lay off 10% of its workers ... worldwide. That included 2,000 in the United States. And even Sears now plans to sell some of its businesses in order to raise \$3 billion for the reduction of corporate debt. We'll be creating millions of JOBS soon, but right now I'm announcing a blanket 10% cutback of employees in all federal bureaus ... and an additional termination of 10% of U.S. bureaus -- around the country and world. Both will occur as of 1993. And additional billions of dollars will be saved. Concurrently with the diminishing of work forces, and by utilizing some of the monies realized therefrom ... we will be helping to create employment for many more workers, as well as providing a climate more conducive to business expansion throughout our nation.

"ELECT ME your President again, and America will embark on an undertaking to become the international mecca for family fun and excitement. All 50 of our states will be involved with at least one facility ... in a theme park plan known as the Pavillion Project.

"This will be an estimated \$35 billion construction program, covering both the building of 61 theme parks, along with necessary infrastructure. The smallest parks will cost around \$250 million apiece. California will receive the largest slice of this entertainment pie ... with \$4 billion in construction. Texas, Florida and New York will all get chunks amounting to over \$2 billion each. Illinois, Michigan, Ohio, Pennsylvania and New Jersey are all slated to get sums of \$1 billion. Several others will be in the \$500 million range.

"Over a half-million JOBS will be created from the Pavillion Project alone, and both during the building period and once in operation ... a \$6-an-hour minimum wage will be paid. As economists espouse, for every job created by a new employer, an additional 2 jobs will result in the community. Thus, this theme park plan will develop 1½ million new jobs in a hurry.

"EVEN MORE IMPORTANT, with your vote for me in November, I will see to it that construction is started nationwide on these camaraderie centers ... as of next summer.

"Let me take a moment to tell you some of the background of the Pavillion Project -- and I might first note that several Democratic mayors, congressmen and governors, including my opponent, have shown no appreciation for this vast entertainment chain ... and the abundance of JOBS that it will provide.

"A few years ago, a senior citizen from Florida first brought his theme park project to my attention. While it appeared to be interesting, it also seemed somewhat limited at that time for America to become involved. We thanked him and

encouraged his continued effort.

"At a meeting arranged by the U.S. Embassy in 1989 in Mexico City, this Floridian met with a high-ranking Mexican official for 2 days ... at the Palacio Nacional -- a complex of government offices, including that of President Carlos Salinas de Gortari.

"After a discussion in regard to building several Pavillion theme parks around Mexico, he was informed that 3 top-level government officials liked his project very much -- and would like it even more if he could provide the funding. Lack of money concluded that brief episode.

"A former Mayor of Miami bolstered his hopes by telling him that ... 'The Pavillion is an ideal project -- exactly what we need here.' Once again, lack of funding impeded his hopes of having the Sunshine State gain these theme parks.

"Just last year, Texas studied the project over 6 months. A chief business development specialist, working in the office of the Governor of Texas, had high regard for the program, stating ... 'I think that the Pavillion is tremendous! It would be good for Texas.' Money was again the main deterrent.

"The media will receive further details, but I'm happy to announce that via a tax-free bond issue -- for all 50 states -- the Pavillion Project can be constructed in America ... at no cost whatsoever to either federal or state governments. Furthermore, all profits derived, along with normal assessment charges -- expected to reap many more billions of dollars -- will be earmarked exclusively for the federal, state and county governments.

"A 5% deduction from the revenue monthly of all parks ... will retire the \$35 billion bond issues during the balance of the Nineties. And the rate of interest will be 7%.

"While there will be many interesting, diverse, fun-for-all attractions, this extensive network of theme parks will also serve as the storage site for emergency supplies and equipment ... as referred to earlier. And students from all of our nifty-fifty will henceforth be able to participate in interstate sports competition ... as well as educational, social, artistic and several other events.

"You know what they say about 'all work and no play,' well America will become the largest fun forum the world has ever known -- and tourists by the hundreds of millions, from all over the world, will regularly look forward to visiting one or more of these family theme parks.

"In winding this down for now, I wish to assure you that all of the programs I have mentioned in recent weeks and months ... will be scheduled for early attention in 1993. And monthly reports will be issued as to the progress that all programs are making.

"I have tried my best at all times to do a top job for our people and country. Occasionally, however, others have benefited from our efforts moreso than we have. As with a contagious disease, sometimes nations are afflicted by unexpected conditions, and they experience a period of sickness ... before rebounding to a full and revitalized recovery.

"Although being guilty of error on the home front, we have helped to bridge a gap of possibly decades or even centuries ... in helping to oust communism and instill democracy around the globe. It won't be easy for many countries making the conversion ... to immediately reap full dividends of enjoying the benefits of unbridled liberty, but by working in harmony with each other -- as we must to maintain world peace -- we'll all get along together much better in the future than we have in the past.

"If you now find it in your heart to forgive me for my recent domestic shortcomings, I can lead an economic renaissance in the United States over the next 4 years ... that will create boom conditions from coast to coast. I have the soundest programs at my disposal to restore our economy to even better times than we have ever known in the past.

"I hope you'll give me the chance to implement these plans, as they'll get America perking again -- pronto. Those who have faced war have no compunctions about tackling the biggest jobs in peace ... and we have a pervasive program to launch the turnaround which must be made promptly.

"Thank you for your attention, and God bless America."

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THAT'S IT! (And I'm bushed!) It's a package that our country will understand and appreciate. And it's the one best opportunity to reelect President Bush ... and provide the GOP with a chance to make amends for many faults.

Our economy guarantees that the Republicans have been wrong for over 2 years ... and, with no worthwhile programs to please the majority of voters, you're still wrong in now depending on stale rhetoric to save the day.

You're in a now-or-never situation, and you have a choice to continue bashing and trashing the opposition ... or catering to the innermost desires of our people. Of prime concern to all of you, I'm sure, is what's best for America. I hope on this occasion you all get together and arrive at the right decision.

I'm available for discussion.

Sincerely,



Brad Cochrane

608 - 123rd Ave SE
Lake Stevens, WA 98258

September 30, 1992

NRN

Mr. Jim Baker
Chief of Staff
Executive Office of the President
The White House
1600 Pennsylvania Ave
Washington, D.C. 20500

Dear Mr. Baker:

The President is losing my fellow Republicans. They want change, and they want leadership.

The President isn't communicating the importance of foreign affairs to domestic matters. Under his leadership great things have transpired in the former USSR and Eastern European nations, and in the Middle East. His leadership against Iraq in protection of Kuwait and Saudi Arabia was outstanding. He is doing great work in the Western Hemisphere with NAFTA and the various Latin America trade agreements and initiatives. Finally, his accomplishments at home in education and other programs aren't insignificant. None of this has been communicated to the voters.

It is a matter of education and clarification, I feel. Mr. Bush has given far too much publicity to Mr. Clinton, and too little to himself - that is good. Also, I fear his attacks on Congress make it appear that he lacks leadership.

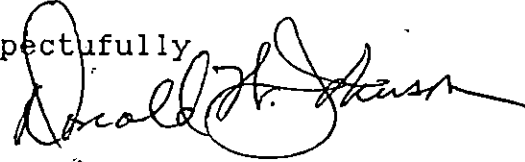
The people yearn for leadership and new solutions to old problems. Many are heading for Clinton, but hopefully wait for something positive out of Bush.

Enclosed are a few ideas, while not new, certainly deserve consideration, and maybe trial. If any of these are presented to the public, I suggest they be couched in terms that indicate that we will "explore," "pursue," "consider," etc.

My document is double spaced for quick scanning.

This requires no response, unless you wish to pursue ideas.

Respectfully



Donald W. Johnson

ENC

Cy: Gail Wilensky, M.D.

AMERICA - A PLAN OF ACTION

People demand strong leadership and action for a re-newed, positive America.

Here are ideas how to do it. Explanatory material follows.

(Note that one area supports or complements another. For example, health care cost is affected by education, transportation and communications.

HUMAN RESOURCES

People are our most valuable resource, therefore, must be the primary component of National Security. We must do everything necessary to help them attain their maximum potential, at any age, under any condition. The ideal is an adult who enjoys the maximum physical, mental, social and economic well being. They will attain that ideal only with the best health and educational programs. All else flows therefrom.

HEALTH CARE:

People must have the best preventive and medical health care. The true cost of health care is not known, under the present system. The true cost will be less under the ideal system, and the quality of life will be better. (See Health Care supplement.)

EDUCATION:

Inadequate education is the root of all of our decaying systems. Most of us graduated from the same system, and are unable to think right. This resulted in our present problems, and our inability to correct them. Good education is necessary for the re-structuring of other troubled systems, and is vital for America's survival.

Also, schools are now the extended family, but don't know it. They must assume responsibility for children from pre-natal (in some instances), until they are out of high school. It will save billions of dollars in crime, delinquency, drugs, health costs, etc., and, in the end, will increase revenue. The cost of doing nothing, is the greatest cost. (See Education supplement.)

TRANSPORTATION:

Transportation decisions are made without adequate facts, and without considering cost/benefits. A Standard Cost per passenger mile for each transportation mode must be known. Transportation impacts health care and other costs. (See Transportation supplement.)

FEDERAL TAXATION

No one knows the true cost of the federal income tax. IRS's cost is known (the proposed 1993 budget, roughly \$17 billions, is about double the 1988 one), but the added cost of other government activities involved with the tax is not, nor is the cost to the tax payer and to business. (See Federal Taxation supplement.)

Taxes are a cost to corporations and other businesses, and are passed on to the consumer. Business also has the cost of withholding taxes for the government. This is skulduggery, and must stop. A simple, federal retail sales and service tax - with no exceptions - is proposed, to be collected by existing State systems. (The poor can use vouchers, until they are retrained.)

GOVERNMENT

Decisions must be based on management accounting practices. Facts must be collected, alternatives identified, then the true cost of each (including the cost of doing nothing) determined. A rational decision can then be made. [There are about 5,000 CMAs (Certified Management Accountants) in the U.S.] The result will be government that has a sound fiscal policy, provides benefits where needed, yet stays out of unplanned debt.

PAGE 4.

TELECOMMUNICATIONS:

There must be a modern fibre optic telecommunications system to every home and business. It could save \$ billions in health care alone.

The foregoing are only some of the nation's problems that must be faced.

Donald W. Johnson
608 - 123rd Ave., S.E.
Lake Stevens, WA 98258
REV 9/28/92

SUPPLEMENT:

TRANSPORTATION

Transportation is a component of National Security, and is an integral part of good land use planning. Good planning determines what the ideal community will be in the future, then identifies objectives to gain that ideal.

As part of that ideal, we must have the best transportation for the movement of people and goods. That is now based upon roads, although we are increasingly turning to rail. Many discredit rail, saying that it costs too much, yet we don't know how much auto transport costs.

To make sound transportation decisions, we must use objective data. I suggest that we develop a Standard Cost per passenger mile for each mode of transportation for a particular route.

For example, to figure the Standard Cost between Everett and Seattle: Start with the cost of land acquisition, include the cost of lost property tax and production revenue, say for one hundred years, discounted to present value. Then add in the cost of construction, maintenance, policing, medical costs, parking, etc., plus the cost of water (oil drippage, tire grindings, etc.) and air pollution. Finally, add medical costs due to death and injury. Now determine the cost per passenger mile.

PAGE 6.

Do the same for bus and rail. Bus is similar to auto, but, e.g. has the added cost of park and ride (and their water run-off and pollution).

Rail costs will vary considerable depending upon the route. A route going down I-5 will have a different ridership and cost, than a route going underground at population/commercial centers. The latter will generate revenue from mixed-use real estate surrounding the stations.

With the Standard Costs per passenger mile for each proposed system, you have a logical, objective basis to determine the best system for that stretch of transport.

Transportation has a major impact on run-off and air and water pollution. The auto, of course, is the worst. A major part of the problem is that auto transport primarily relies on oil. This makes us dependent mainly on the Middle Eastern nations, and threatens our national security.

All new federal and state autos must use natural gas. It is less polluting than gasoline, is safer, cheaper and maintenance costs are lower. It is available worldwide, and can be made out of sewage and other waste. Result: less pollution, lower costs and the National Security threat is removed.

PAGE 7.

The Interstate Highway system has saved billions of dollars in medical costs, according to a physician on the McNeil-Lehrer Report. Mass transit would save more. Again, management accounting could determine the bottom-line cost.

REV 9/28/92

SUPPLEMENT:

FEDERAL TAXATION:

No one knows the true cost of the federal income tax.

We know the cost of the Internal Revenue Service, but we don't know the cost of all associated services, e.g. tax courts, postal service, Congressional committees, GAO, CBO, etc.

We also don't know the costs of productive time lost by individuals and firms maintaining records required by IRS, preparing reports, storage space, audits, bookkeepers, CPAs (preparation of reports and costs associated with audits), plus the loss of revenue from small businesses because of time consumed by audits and other tax related activities.

Further, it costs employers to maintain staff to handle withholding tax for the government. That withholding amounts to a confiscation of personal property. It is held by IRS, paying no interest, for the rest of the year - money taken out of production.

In recent years, Congress has increased those costs by almost yearly tax laws that not only changed the rules, but often did it retroactively. Thus, what was legal when you did it, is now illegal! The 1986 tax law was the coup de grace, hitting real estate, a key industry, with great damage to all.

There aren't enough rich to make a big difference if we confiscated all of their money. Corporations, of course, pay no tax, for taxes are a cost of doing business, therefore are passed on to the consumer.

After listening to discussion at the last White House Conference for Small Business in Seattle, I came to the conclusion that there is only one tax that is simple and equitable - a federal sales tax on all products and services. (Give the poor vouchers, but also retrain them, enabling them to get a job, or a better one. This reduces costly social programs, and results in added revenue - year after year.)

A VAT tax has been proposed. The consumer pays the VAT added to that product, as with any tax, and it costs the government heavily to re-imburse the manufacturers. VAT is too cumbersome, therefore, costly. A sales tax meets the needs best, it is simple and fair, and the collection system already exists at the State level. \$1 billions will be saved, more money for productive use.

PAGE 10.

SUPPLEMENT:

GOVERNMENT

If the above ideas are enacted, there will be a reduction in costs, due to revamping, elimination or restructuring of programs. We must return to the concept of National Security, and restructure or upgrade all systems vital to national security, e.g. education, health, transportation, communications, defense and industry. The over-riding national security component is human resources, which must be maximized by top-notch health and educational systems.

Government's philosophy must be that of Lincoln, do that which the citizens can't do well for themselves.

Government must eliminate unnecessary jobs and programs, starting with Congress and federal agencies. I suggest that federal employees be retired at full retirement, if they can document that their job is not necessary.

We have almost wiped out our shipbuilding and ship repair capability (we have lost yards and skills), and this will come back to haunt us. It has weakened our national security, and is going to become very costly.

One of the costs of reducing personnel strength in the military is the loss of education and training provided to millions of low income youth. Many young people don't know what they want to do, nor what is available to them, until they are exposed to the opportunities in the military. They then become valuable civilian resources to the nation - for decades. Civilian programs won't work as well, for they can't reproduce the military life.

Further, the government must adopt modern management practices, including management accounting.

Management accounting would require that facts be collected, alternatives be identified, then each alternative's cost be determined. The alternative cost of doing nothing must always be determined. Thus, the true cost of programs would be known.

It would help reveal that education and health, for example, are actually investments that, in the end, generate revenue.

[Certified Public Accountants (CPAs) are well known, for they deal with budget and tax matters. Certified Management Accountants (CMAs) are not well known, for they are used mainly in industry. I have never seen them in government.]

(No page 12.)

SUPPLEMENT:

EDUCATION

The nation awakens to the need to restructure our educational system - the root of national problems. It costs far more to do little, than to do what we must, i.e. develop a vision of the ideal educational product - a person - thirty or so years from now, then take steps to overcome obstacles to that ideal.

Situation:

1. SCHOOLS ARE NOW THE EXTENDED FAMILY. They no longer just teach "things." They must oversee childcare from pre-natal through K-12. New mothers must be taught to bond with their baby, and must learn how to "mother." Tots must develop a good self-image. Schools must be open from early A.M. to late P.M., and must operate twelve months a year, to allow time for adequate education and for child care and development. These will help eliminate problems now sapping kids and the nation, e.g. sex, drugs, latch-key" activity, inhumane humans, etc., and it will save \$ Billions.

2. EDUCATION IS AN INVESTMENT. Congress and legislatures must treat and fund education as an investment, and as an integrated system. Each level of school must flow into the next, without costly repetition.

3. TEACHERS AND PRINCIPALS MUST BE EMPOWERED. They must be professionals, and must be treated and paid as such.

4. MODERN PEDAGOGICAL METHODS MUST BE USED. The plant and organization must be staffed and designed for those methods.

5. CURRICULA MUST SERVE THE FUTURE. Curricula must serve tomorrow's needs for all people, of all ages. All students need to learn to think, must have a sound basic education and must have vocational training. College bound students need VocEd, to help pay their way. Others don't go to college until much later, therefore, all need a good academic foundation.

6. DEVELOP THINKERS. Liberal arts - with four years of mathematics - should be emphasized in college, to provide the nation's innovative thinkers and problem solvers, and to build a base for future top scientists and other leaders.

7. ATTITUDES MUST BE CHANGED. All K-12 students should wear uniforms. (Designer jeans must go!) Parents must be welcomed - and participate - as part of the educational team. Colleges of education and school boards must be re-structured or be eliminated. We must re-discover the wonder of ideas and the stimulus and satisfaction of learning, then transmit that ideal to the children. Basic science and liberal arts are musts. We must learn to respect our freedom and the responsibility it imposes. We must learn to value commitment to others, and the ethics that it implies. We must become humane humans.

Financing Examples:

1. Many of the most important changes won't cost anything, i.e.: empowerment, modern pedagogy, parent involvement, attitude, etc.
2. Management accounting must be used to show the TRUE cost of a program or project. Alternatives must be identified, true costs determined for each (including the true cost of doing nothing), then a rational decision be made.
3. Crime rates will be reduced, releasing funds for education now increasingly needed for law enforcement, courts and prisons.
4. Health care costs will drop, for educated people will lower morbidity rates, e.g. AIDS, auto deaths, lung cancer.
5. As graduates of the new system move into the work force, there will be less unemployment and underemployment. This will generate more revenue for the government and the economy, and reverse the down-trend in per capita income.
6. More students will go to graduate school and become professors. The U.S. will regain its former posture in science and technology - again with more revenue.

7. The billions (\$30 to \$50 billion) now spent by industry to teach employees what should have been taught in school, can go to schools - a new partnership of great benefit to all.

8. We have costly problems, now sapping the nation's economic vitality. The educated adult of the future should be able to evaluate the problem, develop constructive solutions, cost out alternatives, then choose the best. Billions of dollars will be saved, and America will re-gain some of its dream.

(See Addendum attached.)

EDUCATION - ADDENDUM:

Recomendation: That Snohomish County schools teach agriculture, and that it be done with the help and cooperation of local farmers. Academics can be taught in the classroom, but there should be a hands-on portion on a farm. The farmers should be paid, and maybe the students should be also.

Why Agriculture? Agriculture embraces numerous subjects, from the academic side to the practical. For example, Mathematics: Surveying a plat, laying out a drainage ditch, painting the barn, building a shed, planning a budget, figuring feed conversion... English: Planning, budgeting, communicating with others, reading reference and education material, government reports... Biology: Breeding cattle, calving, choosing species of grasses, feed conversion, etc. (Anatomy, physiology, botany, embryology, cytology, microbiology, agronomy, genetics...). Vocational: Welding, engine repair, carpentry, etc.

In Snohomish County, we still have beef and dairy farms, egg processors, and others. Most could be used in the educational project. By combining agriculture with education, we might save two valuable institutions - our farms and our kids.

But "Ag" can do more. It can instill and develop an ethical way of life. Anytime you care for animals, you are committed. Once

a child has taught a calf how to drink from a bucket, they have become committed. Once a child has worked on the farm with adults, it has built a self image that will be hard to degrade. Once a child has applied academic subjects to a real-time situation, it will know the value of education, - and the community will have gained a very valuable adult - the ideal of our vision of a good education.

Besides the tremendous opportunity to stimulate our students, "ag" is economically important. In Washington State, the top forty commodities in 1989 generated almost \$4,000,000,000 (Milk was #1, with almost \$600,000,000). Agriculture contributes \$1.3 billion to state exports, and employs 350,000 people in jobs created or induced by agriculture.

(The January, 1992, of the The Dairyman, tells about a dairy farm that has been owned and operated commercially by a high school district in California for forty years. Although intended to teach students how to operate a dairy, it teaches students many of the things we list above. About 75% of their students go on to college.)

SUPPLEMENT:

HEALTH CARE

BACKGROUND:

I have been associated with health care, directly or indirectly, for over 50 years, and worked at jobs from orderly to administrator. I have friends, and know others, with Alzheimer's and other wasting diseases. Never have I really known what that situation was like, nor known what U.S. medical care has become, until my wife became an invalid.

I have been flooded with paper from Medicare, the insurance company, the bank and the providers. I have had to give up my civic and volunteer activities and go out of business. Still I can't keep up. My expenses not covered by any program will run into the \$1 thousands annually. (I don't know how people who accept help through COPE, or similar pauperizing programs, make it, for they have no money left to pay bills that NO program helps with.) Even worse, medical, nursing and home care has deteriorated.

Human resources should be the primary component of national security. Health care is of primary import to those resources,

and education is second, for an uneducated society isn't going to be able to maintain the other national security components, e.g transportation, communications, etc. Good health care, therefore, is vital to all that follows, but our health care system is facing a crisis, and that threatens national security.

PRESENT SYSTEM: The patient is no longer of primary concern, but is just that part that enables the system to continue, i.e. a feedback system of insurance companies, lawyers, providers and government. Physician's fees are up, of course, because the system boosts their costs.

The medical profession is the only profession where the government is, in effect, setting fees. That fee is so low, that, if a physician participates, he or she must "crank" more patients through each day to generate the income to afford the system. That means he or she cannot practice good medicine, i.e. take an adequate history, do an adequate examination, give the patient adequate time. In short, the physician is hobbled, and the patient suffers.

(My physician quit private practice July 1, 1992. He refuses to participate in a system in which he cannot practice medicine properly. He says that there are others who are making the same decision. This is a national tragedy - and a disgrace.)

No one likes the present health care system, yet our leaders

waste time trying to determine which bandaid to use - the Canadian system, play or pay, or ...? They refuse to look at the true problem.

ACTION: We face a crisis. We must act - now! We must determine the ideal care for any patient, then develop the best system to provide that care. It can be done.

Here are a number of ways to cut costs, and provide good care:

1. Eliminate the paper mill. All care, and its documentation, should key on the social security number and transfer of funds and documents should be done electronically. The patient only needs the final bill.

2. Simplify.

- a. Treat all, for any condition, as determined appropriate by the attending physican. (Certainly there are crooks, but you don't need a sledge hammer to smash a gnat.)

- b. Eliminate all of the present insurers. (They are bureaucratic, poorly administered, therefore, costly.)

- c. Reduce the government health care agency to an oversight role. (For the same reason as the foregoing.)

3. Practice preventive medicine.

a. Reward for good safety and preventive health practices.

Detect cancers, etc., early. when they are easier to nip in the bud. Research cost-effective detection methods.

b. The Interstate Highway System has saved \$1 billions in medical costs, according to one physician. Mass transit would do even more.

c. Driver's licenses shouldn't be available until age 18, and then contingent on satisfactory high school attendance and conduct.

d. Autos result in more death and maiming than wars. Add a medical tax to autos to help cover the costs.

e. The true cost of the auto is not known, but is subsidized by all citizens. (Roads: Figure the cost of lost property taxes and productive income of the land over 50 years or so, plus the cost of building, maintaining and policing the highway. The cost of water (oil drips and tire grindings, trash) and air pollution (exhaust and gasoline fumes), and the cost of run-off (wherever the auto goes, it must have a space, usually paved.)

Autos are the most dangerous mode of transportation. (About 50,000 per year killed, and about 1.5 million injured, many of them disabled for life. Think of the cost of lost revenue, medical care, etc.)

If the auto owner had to pay his or her share of the cost, it would reduce driving and, thereby, lower health care costs from accidents and pollution.

f. Schools should teach hygiene, safety, nutrition, ethics, etc. Schools should be responsible for prenatal care for low income people, and should provide child care, for a fee. (Low income can use vouchers.) Schools should be open from early morning to late evening, twelve months a year. All of this would save \$1 billionsly in the cost of crime, medical care, government costs (welfare, child services, etc.), and America would regain its high quality of life.

g. Health problems should be detected early, thus treating situations before they result in more expensive care. It would result in less premature death, and fewer major surgeries. It would result in longer, more productive lives.

3. Use good management accounting, now seldom - if ever - used.

a. Alternatives must be identified, their true cost determined, and then a logical decision made.

b. For every newborn, deposit federal funds in a trust account to be used for that person for catastrophic or long term care.

Example: \$200 @10% compounded annually for 60 years would be over \$60,000 (almost \$160,000 at age 70).. \$1,000 would become almost \$800,000 at age 70. Infant and other mortality would increase the fund.

4. Organize a health insurance system operated by an independent corporation or trust (similar to FNMA). Citizens now pay directly or indirectly close to \$4,000 per year for medical insurance. Instead, let them pay for their own routine medical care. Hospitalization, and expensive diagnostic procedures would be paid by the national fund - directly to the provider.

Funding for the insurance would be from the initial government deposit at birth. Until the national fund is built up, citizens would pay an insurance premium. The total premium would be less than is paid now, the result of the new, simplified system. Vouchers, tied to training, would be used by low income people.

5. Private practice must remain. Politicians or bureaucrats should not dictate the practice of medicine - directly nor indirectly.

6. Good nursing care and better hospital and clinic administration must be promoted.

Examples of recent care: a. Visits to a local hospital always requires waiting to check in, either for lab work or admission. Whether or not you appear several times in one day, it's the same, cumbersome procedure. b. RN's do Aids jobs - at RN pay. c. RNs treating a patient, yet obviously had not read the chart. d. A patient on special diet, gets the regular diet. e. The bed wet from a leaking I.V. that contained medication. The nurse said she knew it, but didn't have time to tend to it.

7. The present home care system must be revamped. It is costly, and poorly run. It should receive a close examination by qualified people.

8. Eliminate complicated regulatory restrictions. They cost \$1 billions.

9. Malpractice would be covered by the national insurance, with each case resolved administratively. The present system regulates physician fees, but not attorneys.

10. Relieve the employer of medical care costs. It makes no sense. It is one more cost that has to be passed to the consumer. Most jobs are with small firms. Many, at best, are not stable, and government added costs already make it difficult to survive or to compete.

These are a few suggestions that would provide better medical care at lower cost. The billions of dollars saved will result in a healthier society, and we will all benefit economically - a better quality of life for us all.



PRESIDENTIAL TASK FORCE ON LOS ANGELES RECOVERY

10/11 - called;
thanked - he'll get
a copy of AAR
from Campaign.

NRW

David Kearns, Co-Chair
Deputy Secretary
U.S. Department of Education

David Beightol
Executive Director

Al DelliBovi, Co-Chair
Deputy Secretary
U.S. Department of Housing
and Urban Development

September 28, 1992

James Baker
Chief of Staff
The White House
Washington, D.C. 20500

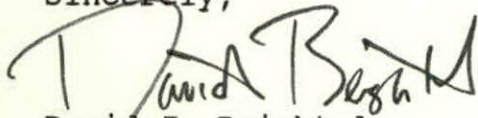
Dear Secretary Baker:

You may remember me as the guy who ran Governor Tommy Thompson's D.C. office prior to serving as liaison to governors at the White House. In addition we used to run into each other fairly often on the golf course in Chevy Chase (it always rains when I see you there).

The purpose of this note is to give you my perspective from Los Angeles, regarding how the President's message is resonating. Since you and your team have arrived, I've seen a vast improvement (Detroit speech, Enid, Oklahoma Speech and North Carolina speech are on target). We are now defining the difference between the President and his opponent. It looks as though we are coming closer to a view I offered last winter/spring (please see attachment 1). I know this message works because I use it in every one of my numerous meetings and speeches.

Finally, while I know Bob Grady is keeping you and your staff informed on our activities out here, I've also included our list of accomplishments and Action Plan. This task force is making a difference. We can still win this state. This state will not pull the lever for three liberals at the top of the ticket (Clinton, Feinstein, Boxer).

Sincerely,


David J. Beightol
Executive Director

(Attachment 1)

The following represents something I put together early last spring in response to my frustration of learning our own Governors say "Bush has no vision". Some were able to use this as part of their surrogate efforts. Since many of our Governors have strong records in various components of this piece, it would be easy for them to help us "sell" the following.

My View:

George Bush is the only candidate with the vision and resolve to lead America into the new world order (or the collapse of the Soviet Union and Warsaw Pact). No other Candidate has the experience to prepare and lead America to take advantage of the new world market opportunities created by these emerging Democracies. In order to take advantage of these markets, America must be competitive. No candidate can match Bush's record preparing Americans to be competitive. Remember, two-thirds of the growth in GNP last year was due to exports.

Here is some of the President's competitiveness record. Please note these are only the things that came to mind quickly. Obviously more details need to be provided. This is not meant to be comprehensive, the order does not signify importance.

1. **TRANSPORTATION**
Passed a comprehensive intermodal transportation plan to prepare American Commerce for challenges ahead.
2. **DRUGS**
Comprehensive plan working to eliminate drug use in schools and workplace thereby making America more competitive.
3. **NATIONAL ENERGY STRATEGY**
Comprehensive plan to make our energy industry more competitive.
4. **EDUCATION**
Comprehensive plan developed after calling Education Summit with the nation's Governors to set National goals for our students. America 2000 program to implement goals. To date, Congress has thwarted the President's legislative attempts for new American schools and school choice. Again, this is essential to our future competitiveness if we expect to continue as world's largest exporter.
5. **HEALTH CARE REFORM**
Comprehensive market-oriented approach which will make the U.S. health care system more efficient, thereby decreasing costs for U.S. business, which in turn increases competitiveness in world markets. Also, tort reform is part of this package which will provide cost saving throughout the system.

6. **COMPETITIVENESS COUNCIL/REGULATORY REFORM**

Extremely effective organization created by the President and headed by Vice President Quayle that has received universal praise from the business community for its work eliminating unnecessary federal regulation and other burdensome interferences.

7. **WELFARE REFORM**

The President has created a new White House entity which will provide "one-stop shopping" for states seeking federal waivers with their welfare reform ideas. With the states being the laboratories of Democracy, this entity encourages the development of welfare reform initiatives. For every individual we get off welfare, the U.S. becomes more competitive.

8. **CLEAN AIR ACT**

This was probably the most far reaching piece of environmental legislation in two decades. George Bush broke the log jam in Congress by offering a revolutionary innovative market-oriented approach to cleaning up our air. One attestation to this act is now the United Nations has adopted the President's approach of "trading credits" as something that should be practiced world-wide. This act makes U.S. business more competitive because it's less a burden on U.S. than the old approaches. It also will create new market opportunities overseas as we export the technologies developed as we go through this process. Finally, this market-oriented approach involves "trading credits" where a new industry will be created.

9. **INVESTMENT**

Many items in the President's growth package have been offered to Congress in the last few years, including capital gains tax reduction. This year, we added the 1st time home buyer \$5000 tax credit. We increased the R&D tax credit. We decreased regulations for the biotech industry (an industry in which we are still the world leader).

10. **INTERNATIONAL TRADE**

With the United States being the world's largest exporter and recognizing the two-thirds of the growth in GNP last year was created by exports, the President understands the need to open more world markets. George Bush has been personally involved in trying to resolve the Uruguay GATT Round and has had a leadership role in the Free Trade Agreement with Canada as well as the proposed FTA with Mexico. He has said he hopes to extend this to the Latin and South American countries. Despite media criticism, we opened several markets in Japan as well.

11. **INTERNATIONAL EDUCATION**

Through the Peace Corps and other Agencies under George Bush we are educating our youth about how to understand our potential trading partners (especially in the emerging democracies). These programs will make the next generation of Americans even more competitive than their predecessors.

12. FAMILY INITIATIVES

Many of the originally well intentioned social programs of the liberal establishment have contributed to the "breakdown of the family" especially in our urban poor community. The President has created a commission to find solutions to this problem. We cannot continue to be competitive in the world marketplace if the welfare state cycle continues to contribute to the breakdown of the family.

13. OPPORTUNITY SOCIETY

Several economic incentives have been provided to the poor so they can be productive members of society. Included are Enterprise Zones (Congress has stifled) and HUD HOPE program (Congress gutted funding) among others. These are just a few examples of the common sense plans George Bush has to help provide the poor a chance to break the welfare cycle.

The aforementioned takes George Bush from Cold War President to New World Order President. This vision/plan gives my generation the hope of achieving the American Dream. This kind of theme should be used in George Bush's closing in debates. This new world order message is Bush's equivalent to Reagan's "shining city on a hill" vision.

File?



Victor Weingarten Company INC.

801 Second Avenue

New York, N. Y. 10017

212/830-0700 697-1811

FAX 212-697-1812

NRN

September 21, 1992

Mr. James Baker
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. Baker:

The election is over. The President has lost. The radical right has destroyed the Republican Party in 1992 and have also destroyed a thoroughly decent, good man who took the wrong advice.

You have been burdened by Pat Buchanan, Reverend Robertson, Phyllis Schaffly, Clarence Thomas and, also, Dan Quayle who brings not a single vote to the Republican Party.

The problem now is how best to cut your losses and emerge as a realistic competitor for the next go around.

Forget about trashing Clinton. He is going to be President for the next four years. Keep the welfare of the country in mind.

Concentrate now on preparing for the Congressional races two years from now. Cut the radical right adrift. They cannot help the Republican Party, nor can they be elected for anything on their own. They appeal to a fringe assortment of haters and they have nothing in common with George Bush.

Prepare to make a run for the Presidency yourself. You have the stature and credibility and experience in foreign affairs and you emerge from this campaign wholesome and clean and you can set your own agenda.

Face up to the fact that the Democrats are probably going to sweep this election, and with it a bunch of women in the Senate and House. Recognize that the country has changed; that working mothers are a huge voting bloc and cannot be denigrated by Marilyn Quayle.

I can go on, but I am sure your polls tell the story. Get out of this race as gracefully as you can, and you should assume the leadership role for the next go around.

With best wishes,

Sincerely,

Victor Weingarten

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9/30 -
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to Mary Winters

James Mullins
MR. JAMES BAKER, CHIEF OF STAFF
WHITE HOUSE
WASHINGTON DC 20005

THIS IS A DUPLICATE OF THE FOLLOWING MESSAGE:

1-000634S271 ICS IPMRNCZ CSP
2126737685 FRB TDRN NEW YORK NY 49 09-27 1228P EST
PMS MR JAMES BAKER CHIEF OF STAFF RPT DLY MGM, DLR
WHITE HOUSE
WASHINGTON DC 20005

DEAR MR BAKER,

I AM FORMER MANAGER NIXON CAMPAIGN 1968, I AM LISTED IN WHO'S
WHO OF AMERICAN WOMEN AND I AM AVAILABLE IMMEDIATELY TO WORK
IN THE BUSH CAMPAIGN. REFERENCES AVAILABLE FROM FORMER MANAGERS
1968 CAMPAIGN.

SINCERELY,

SHIRLEY MCCLINTOCK
541 EAST 20 ST
NEW YORK NY 10010
TELEPHONE 212-673-7685
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NRN

copy sent to
Teeter's
office

The Honorable James A. Baker 3d
Chief of Staff/ Senior Counselor to the President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

September 29, 1992

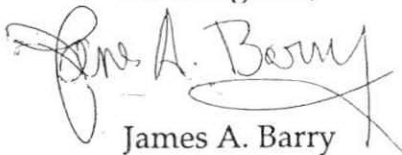
Dear Mr. Baker:

WHYY-TV12 (PBS in Philadelphia) is quite anxious to host one, two, or all three debates. Our recommendation is that each debate be scheduled for a Sunday evening. We are prepared to organize a debate at any time and could do so with less than 48 hours' notice.

To bring this "debate" to Philadelphia, WHYY has designed a flexible format that combines the traditional question period with a round table discussion segment. (There would be specific questions and time limits for answers. The questioners would be journalists representing ABC, CBS, CNN, and NBC. This would be moderated by a PBS anchor and some cross-talk would be encouraged between the Candidates.)

This format is evolving and WHYY would welcome any suggestions you might offer concerning the debate content.

Kind regards,


James A. Barry
Producer/ Director

cc: Bruce L. Christenson
President and Chief Executive Officer
Public Broadcasting Service (PBS)



Hon. Eldon Rudd
MEMBER OF CONGRESS
1976-1987

NRN

September 25, 1992

PERSONAL

The Honorable Jim Baker
Chief of Staff to President Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Jim:

Enclosed herewith is a copy of a letter dated September 25, 1992, which I wrote to Governor Bill Clinton of Arkansas.

It is my hope that Governor Clinton will be confronted with this question, possibly in debate. I am certain it will find its way into the media.

With best good fortune to you and to our President.

Your friend,

Eldon
Eldon Rudd

ER:mg
Encl.

cc: The Honorable John McCain
The Honorable Jesse Helms
The Honorable Bob Stump

Eldon Rudd
P.O. Box 873
Scottsdale, AZ 85252

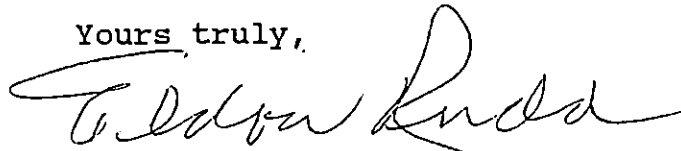
September 25, 1992

The Honorable William Clinton
Governor of the State of Arkansas
Capitol Building
Little Rock, Arkansas 72201

Dear Governor Clinton:

With so much being written and said about military service in America, I would like to ask you this question: Considering that most Presidents of the United States of America in recent years have had to order military intervention in our national interest, what would you do if members of the Armed Services refused to participate, claiming the action conflicted with their conscience? Would you grant them executive clemency from court martial?

Yours truly,



Eldon Rudd

ER:mg

Hon. Eldon Rudd

P.O. BOX 873

SCOTTSDALE, ARIZONA 85252



The Honorable Jim Baker
Chief of Staff to President Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

PERSONAL

