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OA/ID Number: 93005
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Folder Title:
[Public Correspondence] [8]

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Florida Department of Agriculture & Consumer Services

BOB CRAWFORD, Commissioner

The Capitol • Tallahassee, FL 32399-0800

9/21: Probbie Kilberg & Josh
Bolton will meet
with group per RBZ's

NRN - FILE.

Bmontagne

September 18, 1992

Honorable Jim Baker
The White House
Washington, DC

Dear Mr. Baker:

The potential impact of the North American Free Trade Agreement has been of great concern to Florida agriculture for many months. Our positions and concerns have been expressed repeatedly to the International Trade Commission, various Committees of Congress, and our U. S. Trade Representative's office. Regrettably, the final NAFTA agreement does not address these concerns.

My letter to you is to request a few brief moments in which I and major Florida agricultural leaders of citrus, fruits, vegetables and sugar may express to you our concerns and our strong request for modification to the North American Free Trade Agreement.

We will be in Washington on Tuesday, September 22, and Wednesday, September 23, to offer our comments and suggestions to various Congressional Committees. A brief audience to express the views of our \$6 billion agriculture industry would be greatly appreciated.

Thank you for your consideration of Florida agriculture's request.

Sincerely,

Bob Crawford
BOB CRAWFORD
COMMISSIONER OF AGRICULTURE

BC/rh



FRESH FAX

FROM: THE FLORIDA DEPARTMENT OF
AGRICULTURE AND CONSUMER SERVICES
BOB CRAWFORD
COMMISSIONER OF AGRICULTURE
THE CAPITOL, PL 10
TALLAHASSEE, FLORIDA 32399-0810
FAX # (904) 488-7585
PHONE # (904) 488-3022

Fresh *of Fresh* Florida

TO: Bridget Montaigne (White House)
FROM: Bob Crawford
DATE: 9/18/92
NO. OF PAGES (INCLUDING COVER) 2



HERE'S THE FRESHEST ...



Commerce Bank of St. Louis

8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3657

PETER F. MACKIE
Executive Vice President

September 3, 1992

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

Dear Mr. Baker:

Like many other fellow Hill School graduates, I have been following your career with great interest. Congratulations on your many accomplishments.

Part of the problem in the country today is that people do not understand why the economy is in its weak condition. To help address this problem and to help shape our own investment outlook last year we worked with a number of senior Wall Street consultants and developed the enclosed piece which deals with what we call "the long term outlook".

Tax policy drives most long term investment decisions (whether it be here in the United States or in Japan). The tax policy favoring debt creation over savings has led to the excess that has to be reversed.

I hope you will be favoring policies that support the incentive to save.

Best of luck in your new responsibilities.

Sincerely,

JAB-04

NRN

9/22 called (thomke)
said he
might
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POUS
agenda.

addressed
in POTUS
agenda

Investment Management Group



Commerce Bank

INVESTMENTS –
THE LONG TERM
OUTLOOK

Developed by Commerce Bank's
Investment Management Group
Asset Allocation Committee

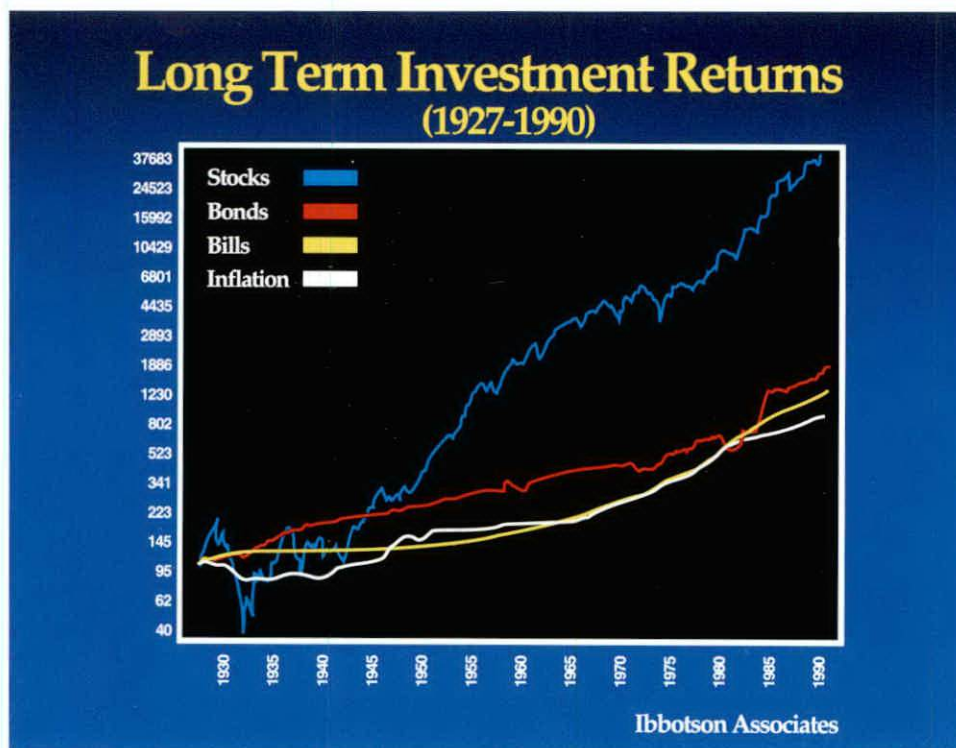
An address to the Missouri Association of Public Employee Retirement Systems Annual Conference
on October 17, 1991 in St. Louis, Missouri by Peter F. Mackie, Executive Vice President.

Our job today in the brief time allotted is to look at the economic and financial environment of the 1990's and assess the investment climate and its implication for asset allocation. We are pleased to have such an assignment because those of us responsible for investing funds such as retirement accounts,both plan fiduciaries and investment managers, are often accused of being too short term oriented. We at Commerce believe this long term approach is a critical aspect of our work and endeavor to do this analysis on an ongoing basis.

Before looking into the 1990's, it is necessary to quickly review historic investment returns in order to provide some perspective on the question of future returns. Additionally, we want to look closely at the economic environment of the 1970's and 1980's and the returns of various asset classes. It was during that time period that several major trends of the post-WWII period reached their peaks and have subsequently reversed. We believe those trends help explain to a significant degree the behavior of the various markets during these years. More importantly, we also see in the reversal of these trends implications for the economy and the prospective returns of the financial markets.

Now, in order to provide us with a common frame of reference, let's look at that historical record.

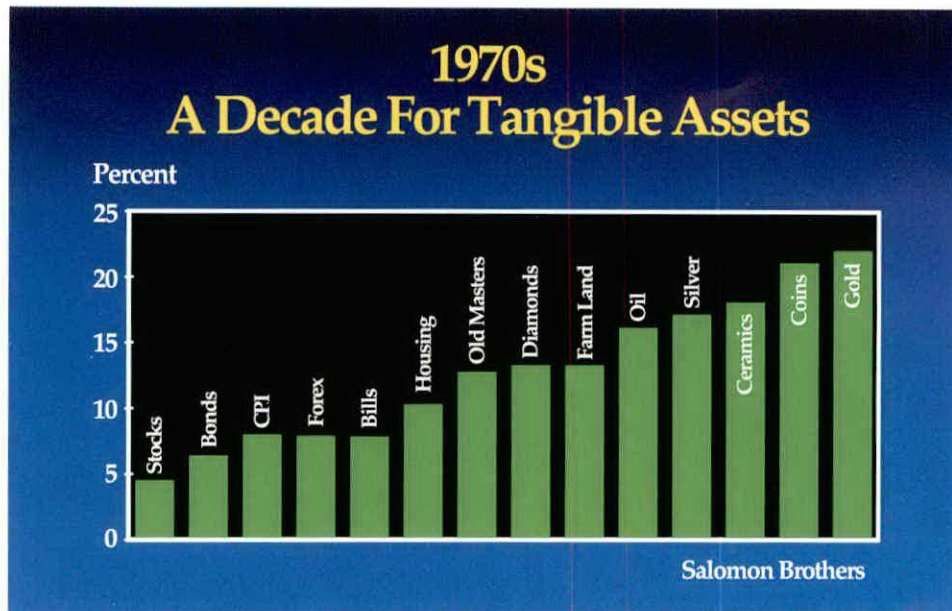
"... long term approach is a critical aspect of our work ..."



You have probably seen this information before. The main point is that over time stocks, or equities, have provided the highest returns, significantly greater than the next best asset class - long term bonds. Therefore, any account with a long term horizon must seriously consider maintaining a relatively high stock weighting in the normal allocation. As we all know, this greater return does not come without a price, ...which is greater volatility. During any particular short term period, the variation around this trend can be quite dramatic.

For our particular purpose today, let's look at two of those periods, the 1970's and 1980's. Although the use of decades is arbitrary, it does illustrate the differences rather clearly.

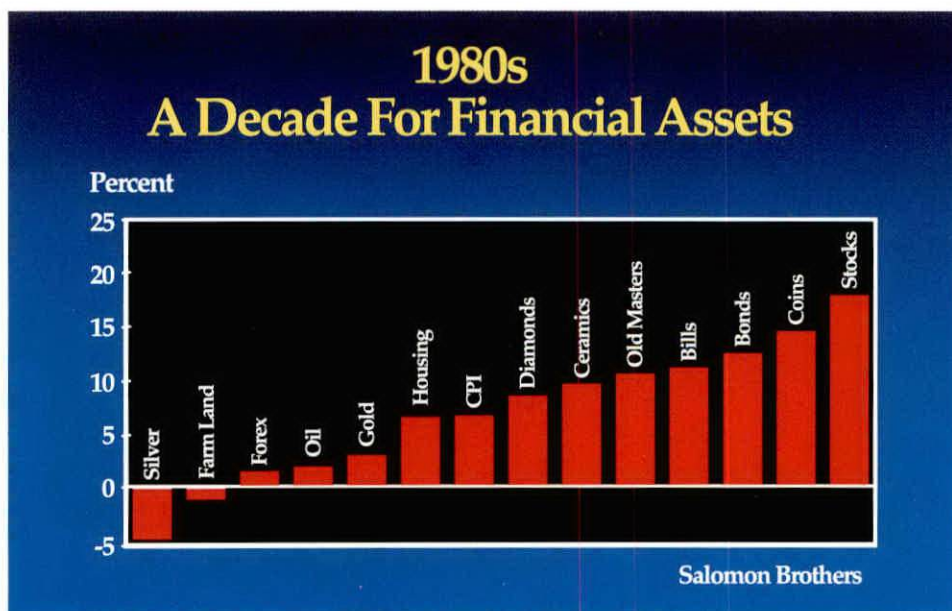
“The most significant force ... extraordinary acceleration in the rate of inflation in the 1970’s and, ... the gradual unwinding of inflation in the 1980’s.”



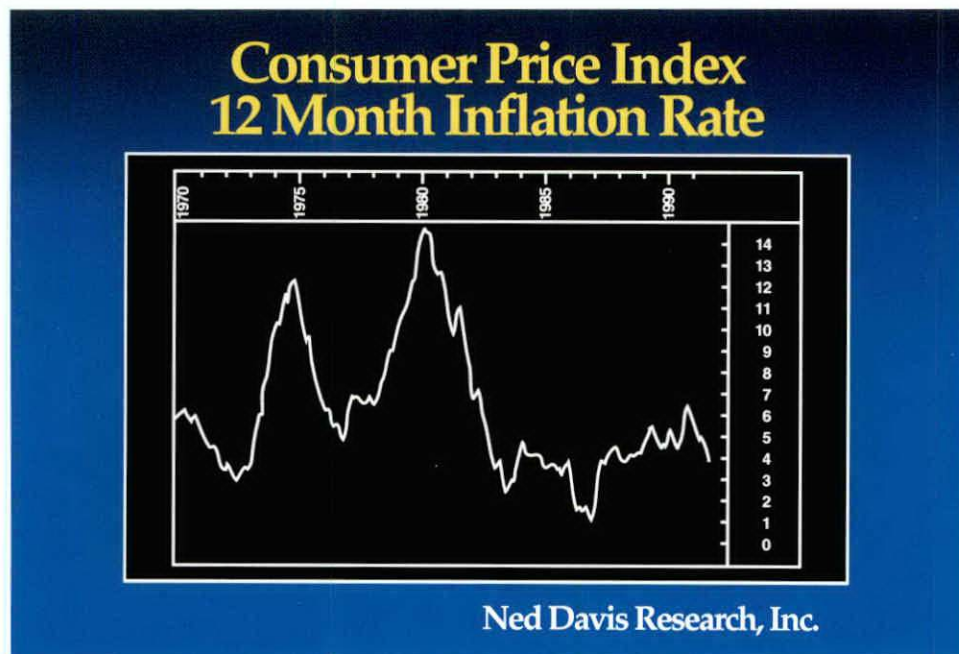
You will note on the left of the chart (above) that in the 1970’s the total return of stocks, or equities, was well below the long term average of approximately 10%. You also should note that the fixed income total returns were positive only because of ever rising coupons during the period. The return on a price basis was negative. After adjusting for inflation, ...returns for both stocks and bonds were negative for the decade. Note, finally, the returns of both stocks and bonds relative to gold, real estate, and other “hard” assets.

Now look at the 1980’s (below). The returns of financial assets, on the right of the chart, were not only significantly better both on a nominal and “real” basis (that is, after inflation), they were well above their historical averages. Also, compare these returns to those of “hard” assets - gold, real estate, etc.

What depressed financial asset returns relative to “hard” assets in the 1970’s and then caused that relationship to reverse in the 1980’s? Let’s quickly analyze what we believe were the major forces at work in the past twenty years, and then we should be better able to understand the dynamics most likely to shape the course of the 1990’s and future investment results.



The most significant force affecting investment returns during these years was the extraordinary acceleration in the rate of inflation in the 1970's and, ...subsequently, the breaking of that spiral and the gradual unwinding of inflation in the 1980's. As you can see from the accompanying chart, the rate of inflation, as measured by the Consumer Price Index, climbed in several steps, ...culminating with a peak rate in 1980 of 14% before beginning a decline carrying through today.



"... the acceleration of inflation was driven by the long term post-WWII credit cycle, both public and private."

We know that throughout history rising inflation generally has been negative for financial assets and, conversely, positive for "hard" assets. The reverse is also true. Therefore, as the chart on the returns of the various asset classes in the 1970's and 1980's indicated, that relationship held true to form during these periods.

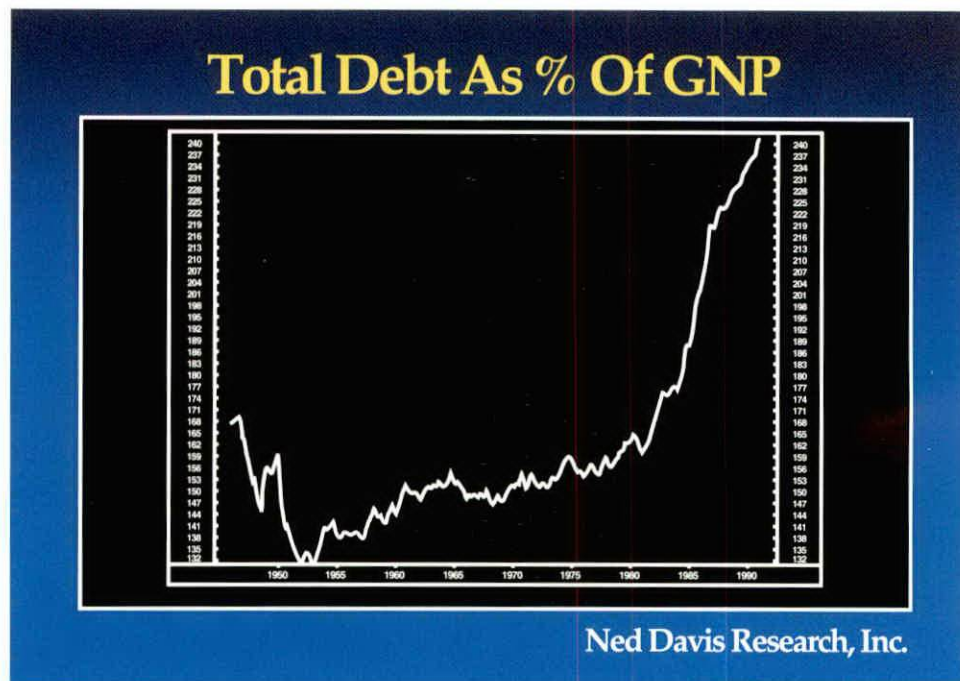
What factors have driven this inflationary roller coaster, and what are the implications?

Fundamentally, the acceleration of inflation was driven by the long term post-WWII credit cycle, both public and private. This was aided, in part, by a tax code which encouraged borrowing over saving. In the 1970's this process was further distorted by an expansive monetary policy, newer and easier sources of credit, interest rate deregulation, and a dollar which, free to float after 1972, floated mainly downward. Finally, the "baby boom" generation came of age during these years and entered the peak borrowing period of their lives.

It was during this same period, and partly in response to it, that OPEC delivered two major shocks to the world in the form of significant oil price increases. This added a supply induced inflationary bias to the system and helped solidify an inflationary psychology in the minds of most Americans.

As a result, debt growth *exploded* in the 1980's as Americans sought to take advantage of an expected persistence of high inflation and to maintain an increasingly costly lifestyle.

“... as debt accelerated in the 1980's, nominal economic growth actually slowed.”



Interestingly, although there is normally a close, positive relationship between credit growth and economic growth, as debt accelerated in the 1980's, nominal economic growth actually *slowed*. This implies that much of the debt which was taken on during this time was utilized for non-productive purposes - that is, consumption, housing, excess office buildings, and, as the total burden increased, to service existing debt. This whole process was fueled by even looser and more creative credit policies such as the "fifteen minute mortgage," asset backed lending, extended auto loans, and junk bonds. This, in turn, helped create the problems of the Saving and Loan industry, but that is a whole different story.

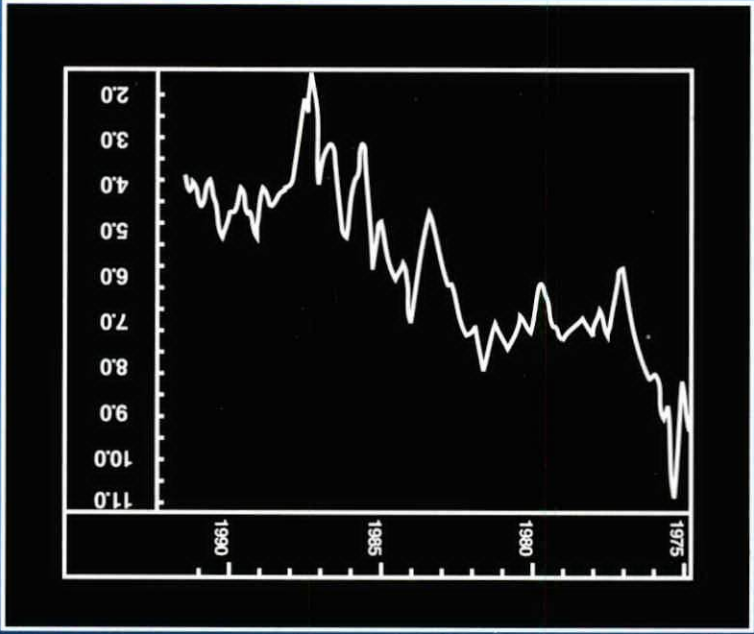
Ironically, most Americans in the 1980's were living and acting on perceptions which had been shaped by the post war acceptance of debt usage and the experience of the 1970's inflationary environment but, which were, by the mid 1980's, *no longer valid*.

A reversal of these inflationary biases was put in motion by the early 1980's through the determination of the Federal Reserve, led by Paul Volcker, and, in the case of energy, the laws of supply and demand. Additionally, much of the rationale for debt was starting to unwind as well. The Reagan tax cuts increased the after tax cost of debt. At the same time, bond investors, battered by their experience in the 1970's, drove yields on U.S. Treasury Bonds to historically high levels of 15%, thereby raising the real cost of borrowing and putting downward pressure on many inflated asset values. Finally, the Tax Reform Act of 1986, enacted during the Reagan administration, eliminated most of the breaks for tax shelters, ...real estate being the most significant.

This debt burden is a key factor in our outlook for the 1990's. As the consumer is two-thirds of GNP, how capable is he of carrying the economy as we move forward? In our view, not very! There are only three means by which the consumer can generate current consumption: ...higher incomes, ...increased borrowing, ...or reduced savings. On all three counts, we see a consumer sector that is constrained.

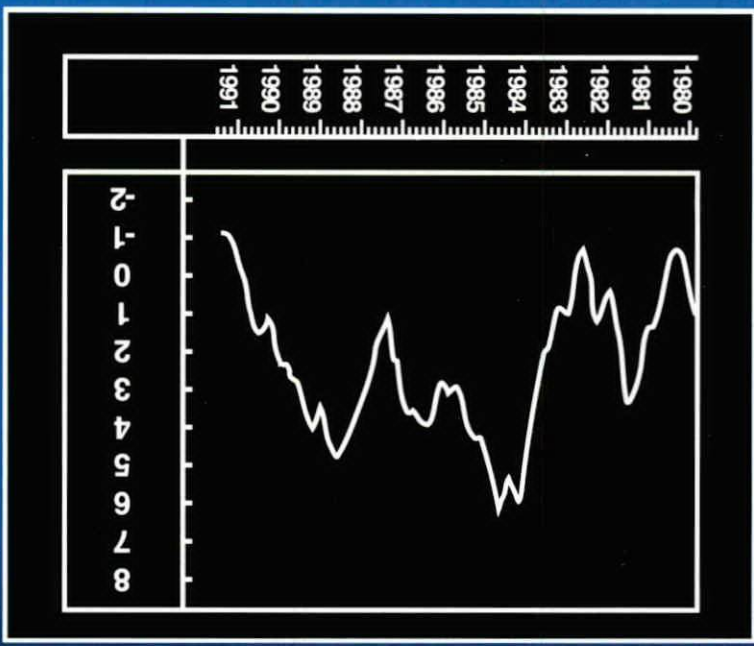
First of all, personal income growth has been slowing for many years and continues to slow, as you can see from this chart covering the decade of the 1980's. In fact, real income growth is now negative on a year-over-year basis.

Ned Davis Research, Inc.



Personal Savings Rate

Ned Davis Research, Inc.



Real Personal Income

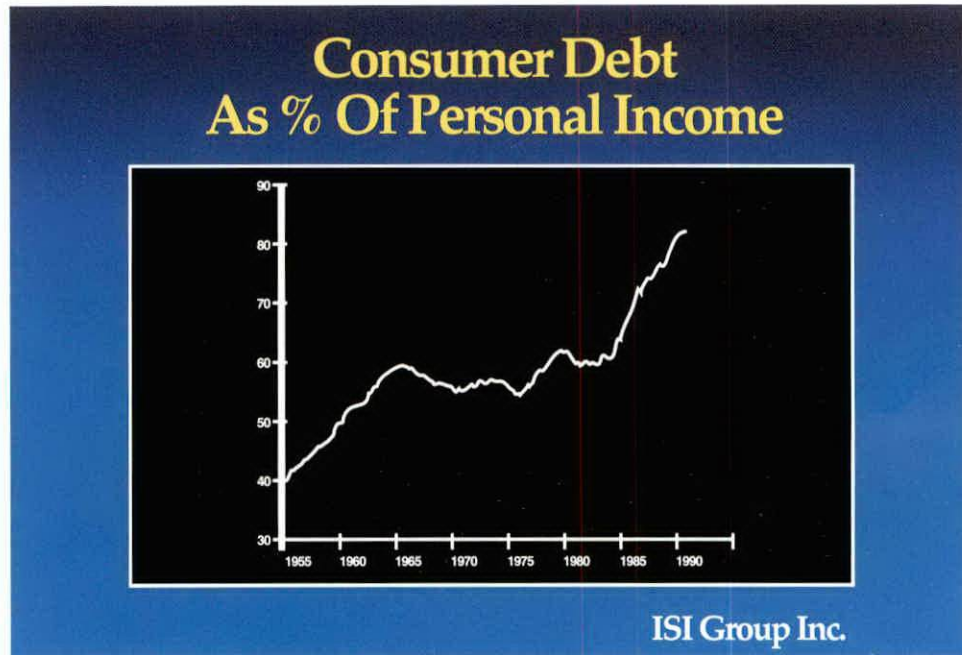
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"This debt burden is a key factor in our outlook for the 1990's."

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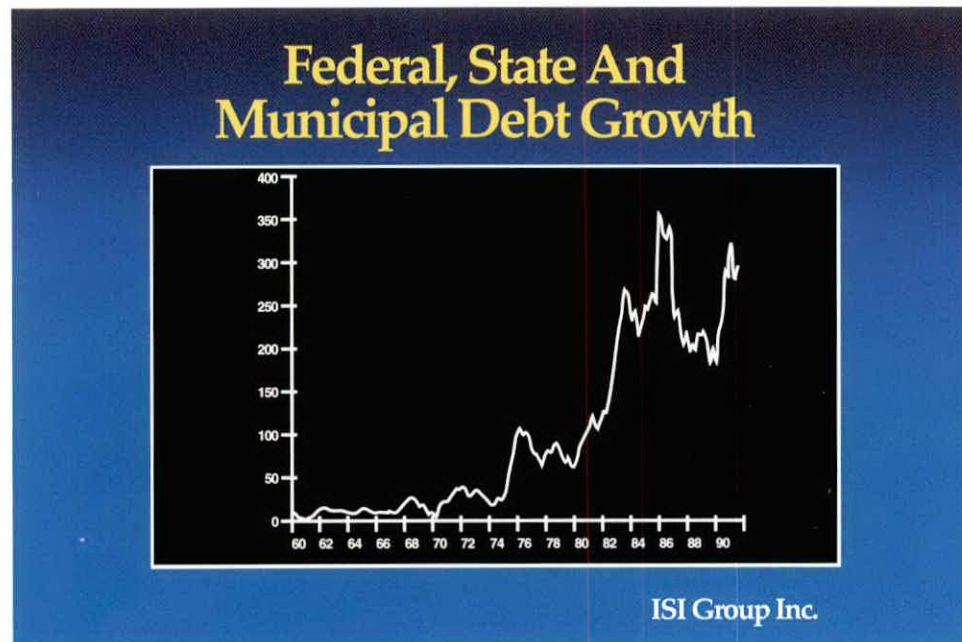
Secondly, during this same period, as illustrated here, the consumer has taken on significant amounts of debt relative to his income, and increased borrowing from these levels is most unlikely. In fact, it appears that reducing this current debt burden may be the new priority.

“... reducing this current debt burden may be the new priority.”



Finally, in trying to maintain his lifestyle, the consumer has been saving at such a low rate that there is little support for additional consumption from this source. (See chart on previous page.)

Well, if personal consumption seems unlikely to generate much economic growth, can we rely on traditional fiscal stimulus from the government? Given the current budget realities, and the fact that we are already adding more debt at a substantial rate as noted here, this would also seem unlikely.



Not only does the federal government seem to be in a poor position to provide any fiscal stimulus, we have had our taxes raised in November of last year at the federal level and, as you know, many states have also undertaken significant tax increases to deal with their own financial problems.

Where are these unfolding trends (or secular forces) taking us and what are the implications for the markets? Is this a typical post-WWII recession cycle with the usual implications for the markets, or, as they say, are things really different this time? Our view is that things are different *enough* that they, when taken in conjunction with several other factors which I am about to mention, will significantly shape the economic and market environment over the course of the 1990's. One well known Wall Street economist, Ed Hyman of ISI Group Inc., has drawn up a list of items which demonstrates that, indeed, things are different! Listen.

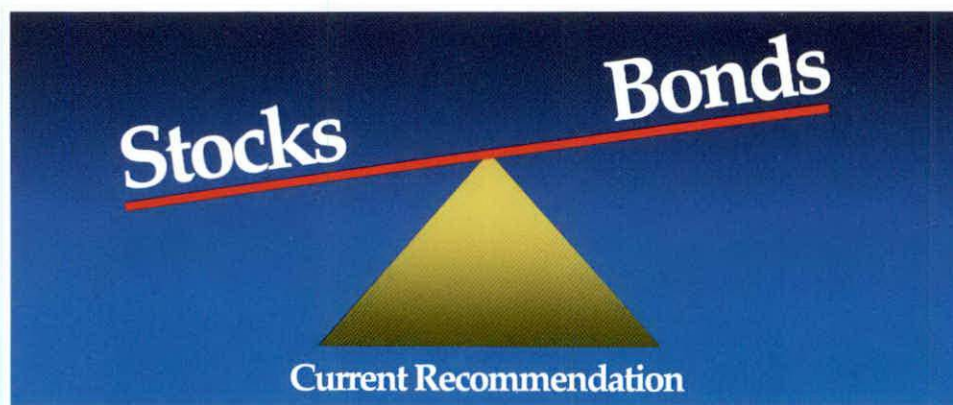
Personal interest income growth — *lowest on record*
Labor force growth — *lowest in 30 years*
Service sector employment growth — *lowest on record*
Private debt growth — *lowest on record*
Nominal personal income growth — *lowest in 30 years*
M2 money supply growth — *lowest in 30 years*
Total debt as a percent of GNP — *highest since the 1930's*
Business failures as a percent of GNP — *highest on record*
Bank loan and commercial paper growth — *lowest ever*
Effective tax rate 1991: 2nd quarter — *highest on record*
Bank and savings and loan asset growth — *lowest on record*
Nominal construction spending growth — *lowest on record*

"We believe the United States has entered a period of very modest real GNP growth."

We believe the United States has entered a period of *very* modest real GNP growth. This trend was already in place prior to the Iraqi war. In point of fact, real GNP has increased at slightly less than a 1% annual rate over the past three years. While we expect some improvement beginning in 1992, we envision real GNP growth persisting at *below* the 3% long term trend for several more years.

With this background and current market valuations, what can we conclude about the investment outlook? In doing this, we would like to break our outlook into two parts - the near term, by which we mean the next year or two, and the longer term which would take us into the second half of the decade.

As a result of these economic and valuation considerations, ...we believe that asset allocation should weight bonds over stocks in the *near term*.



Corporate profitability will remain under pressure this year but should begin to show positive growth next year. The rebound in profits, however, will be muted under our economic assumptions of low demand and weak pricing. Until earnings show signs of sustained improvement, we believe the outlook for the stock market is lackluster, at best, given its current high valuation.

One way to gain some perspective on the high valuation level of the equity market is to look at the price/earnings ratio on the S&P 500. The price/earnings ratio exhibits long cycles of rising, stable, or falling ratios based on trends in the economy and inflation. The decade of the fifties was a period of disinflation, providing a dramatic rise in price/earnings ratios. The fifties was very similar to the eighties in respect to rising P/E ratios and high equity returns. The decade of the sixties was a period of moderate inflation and economic growth, not unlike what we expect for the decade of the 90's. In the sixties the market traded between 14 and 19 times earnings, as you can see from this chart (next page).

When the market moved above 19 times earnings, corrections followed. With the market currently trading at 20 times earnings, it looks vulnerable to some form of correction.

“... we believe that asset allocation should weight bonds over stocks in the near term.”

S&P 500 Price/Earnings Ratio

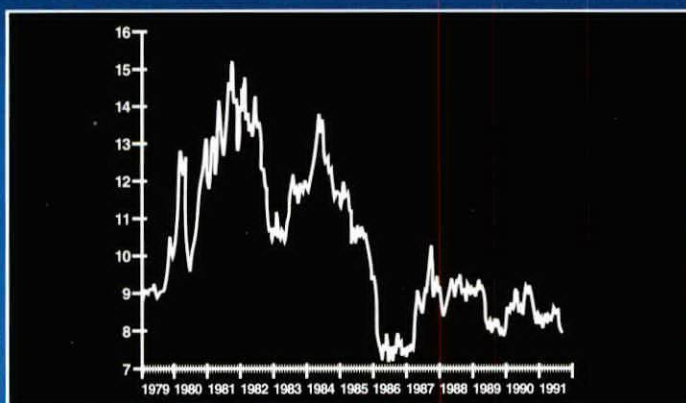


Ned Davis Research, Inc.

Corrections of overvaluation can come either through price (market decline) or time (an extended trading range allowing sufficient time for earnings to catch-up with price). Given the positive environment for inflation and interest rates, we believe, barring a major shock, we will experience the latter. This implies a market that continues to move within a trading range for an extended period of time. We believe that process began well over a year ago when the Dow first touched 3000. The decline which occurred last fall was the direct result of the Iraqi situation which we interpret as an anomaly. As an aside, this outlook also implies very careful stock selection for the equity portion of an account.

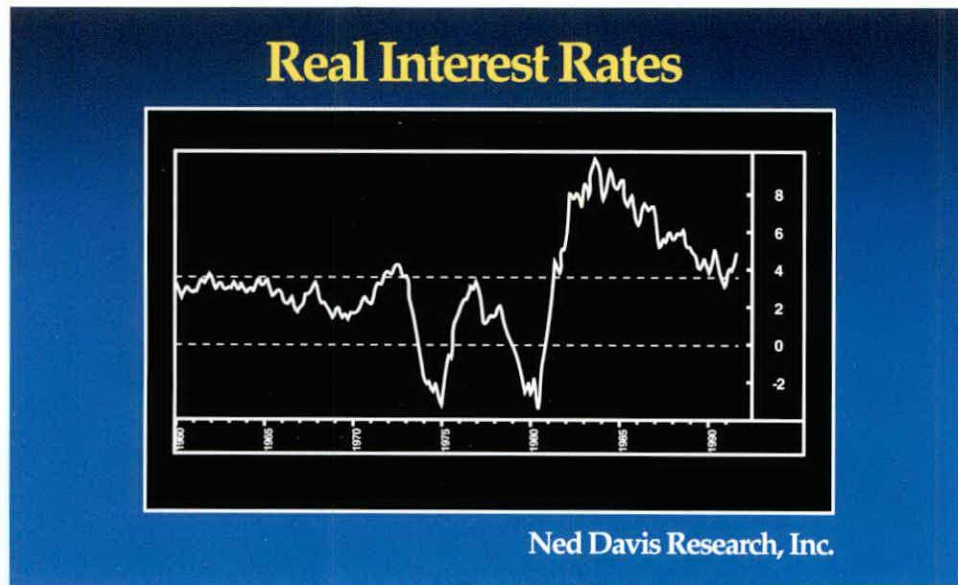
On the other hand, the outlook for the fixed income market remains attractive. Although returns will not approach those seen in the 1980's, potential returns of about 8 percent are still above the long term average of 4-1/2 percent and compare favorably with equities.

30 Year T-Bond Yields



ISI Group Inc.

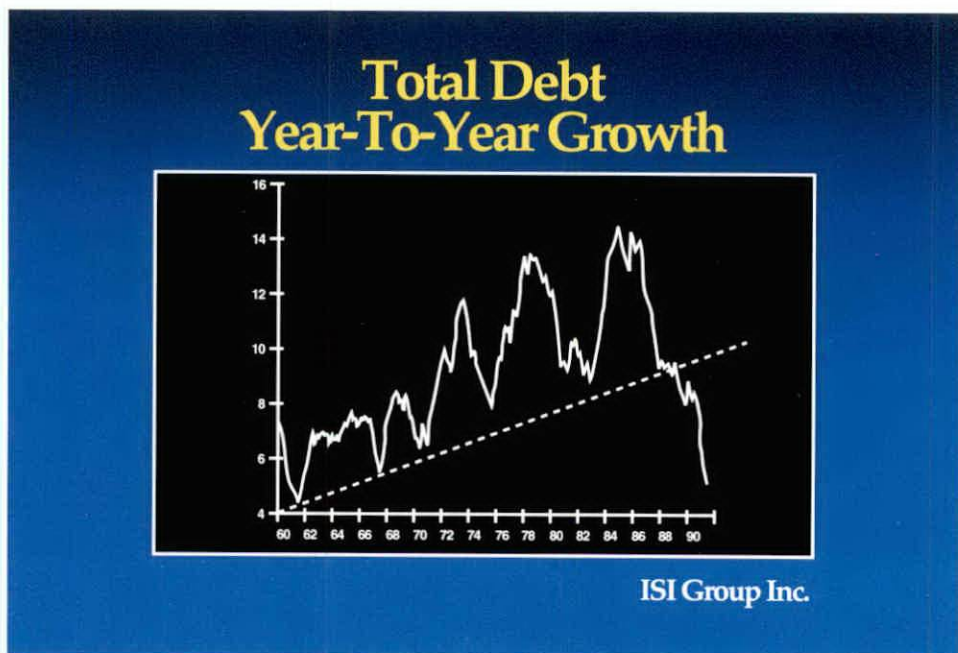
One method to measure the attractiveness of fixed income securities is to review the long term trend of "real" interest rates which is simply the difference between the yield on triple A long bonds and the current twelve month rate of inflation. This chart reflects real interest rates over the past thirty years.



"... the outlook for the fixed income market remains attractive."

With inflation projected to remain below 4% in the coming years, we expect to see "real" interest rates in the 3% to 4% range, as was the case in the sixties. That implies interest rates can still decline another 1/2% to 1% over the next year.

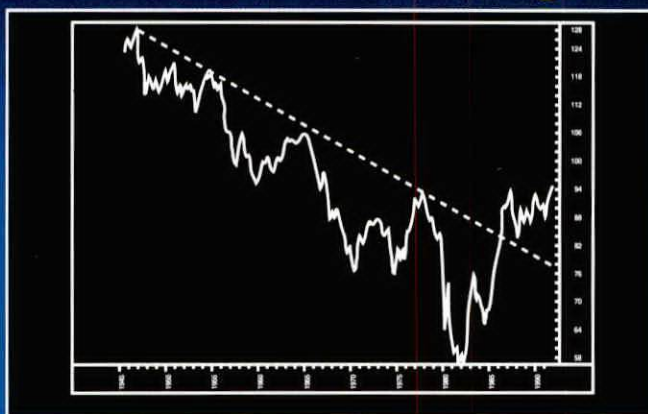
Supporting this outlook for bonds has been the sharp break in the post war credit cycle to which we alluded earlier.



As seen on this chart starting in 1960, which illustrates the year-to-year change in the growth of debt, we believe we have witnessed the end of the ever ascending peaks and troughs of debt growth which have characterized the post WWII period in the U.S. This is confirmed by the break in the post war bear market in bond prices as shown here. (See chart on next page.)

“... longer [term]
... gives broad
trends which make
us more optimistic
on the economy
and the equity
market ...”

Dow 20 Bond Average



Ned Davis Research, Inc.

It is our conclusion, ...that the early part of the 1990's has been, and will continue to be, dominated by slow economic growth as the credit explosion of the 1980's unwinds. This, in turn, will support the trend toward lower inflation. Against this background, we currently see the equity market as fully valued with greater opportunity over the near term in high quality, fixed income securities.

Now, turning our attention from the near term to the longer time horizon, we believe we have identified five broad trends which make us more optimistic on the economy and the equity market as we move toward mid-decade and thereafter. Let's briefly review these.

First, the U.S. will have been through a period in which the process of rebuilding consumer and corporate balance sheets will have been under way for some time. Personal savings is predicted to increase as the baby boom generation moves from their primary consumption period into their higher savings years. At the same time, we would expect to see them become more "mature", meaning more cautious, consumers. Borrowing should continue to slow, which in conjunction with various forms of refinancing at lower rates, will allow the consumer greater financial flexibility. Corporate debt, which also expanded dramatically, will be replaced with equity or lower cost debt, a process now underway. The financial system will consolidate; balance sheets will improve; and the system will be in a much stronger lending position. This whole process will put the U.S. on a much sounder financial footing supporting moderate growth in a low inflation environment.

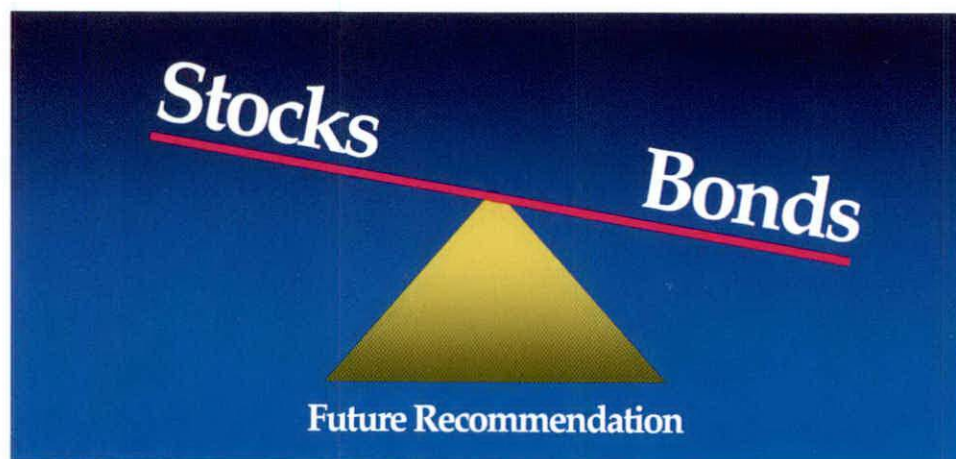
Second, the drive for greater business productivity will continue and expand. We have already seen dramatic gains in the U.S. manufacturing sector during the 1980's. This should continue given a difficult pricing environment and world wide competition. Recently, we have seen the service sector undergo the restructuring which hit manufacturing in the mid-1980's. This lower cost structure should allow for increased productivity from this sector which is far and away the largest in our economy. Within the next few years, the U.S., surprisingly, could be the lowest cost producer of goods and services among the industrialized countries. This has far-reaching implications for market share growth as well as profitability.

Third, as another surprise, we expect the real cost of oil to continue to decline with positive implications for growth and inflation. Several factors are at work here. A continuation of the trend toward increased efficiency in all energy consuming processes is one. This represents the ongoing reaction to the OPEC shocks of the 70's. An increase in the supply of oil is another as many countries around the world move to develop their resources to meet revenue demands. The Soviet Union is the most obvious example, but this is true even in energy rich countries such as Venezuela which is looking to increase production 40% by 1995. Also, increased environmental pressures will encourage greater use of natural gas, of which there is an abundance, thereby adding additional downward pressure on oil prices.

Fourth, we view the elimination around the world of Marxist disincentives to growth as very positive for long term, worldwide economic development. This will permit capitalist ideas and practices to flourish which will expand the opportunity for wealth generation and, subsequently, new markets.

Fifth, we see the continued integration of regional trading zones which has the effect of raising economic opportunities as various barriers to growth are reduced. The integration of Europe scheduled to take effect in 1992 is well underway. The U.S./Canada free trade agreement is currently being phased in and negotiations are in progress to include Mexico in an expanded free trade zone. The Asian economies will continue to integrate as Japan remains the financial center and the developing countries supply both production and labor resources and expanded markets. This process represents the next evolutionary step along the road to economic integration. We are moving from bilateral arrangements, to regional arrangements, and this process will ultimately lead us to a truly global economy.

In the environment outlined above, we would anticipate a period of relatively stable inflation and interest rates at levels somewhat below those which exist today. As these trends unfold, we would expect to *overweight equities* and *underweight bonds* as we move toward mid-decade, although the timing will depend on many factors.



Our equity recommendation would include both U.S. and foreign securities as several of the trends noted above will have favorable consequences for the world in general. In the increasingly competitive business environment, however, stock selection will be the key to superior performance, *not* the country. We would favor, however, overweighting the U.S. equity markets as the trends outlined above are supported by the following additional factors.

First, U.S. corporate earnings will begin to accelerate after several years of stagnation. This will be the result of the timely convergence of two factors: renewed economic growth at a *modest* pace fueled by the consumer and increased worldwide growth, ... *and* by greater productivity gained from a lower cost structure and a mature U.S. labor force.

Second, equities will continue to look more attractive relative to other investment alternatives. In a low inflationary environment, returns on real assets will continue to be unattractive. This will remain true in general for both residential and commercial real estate, as well as other "hard" assets. Following a period of above average performance for bonds in the early 1990's, we expect stocks and bond returns will move toward their long term averages. This, as we have seen, favors a higher commitment to stocks.

Returns on cash equivalents will also remain low. Funds currently held in short term instruments have grown dramatically in the 1980's as the returns have been extremely attractive. In essence, this is clearly an anomaly to the long term results which has allowed investors to "have their cake and eat it too." Over the next year or two, expectations that short rates will rise sharply again - a phenomenon people have been conditioned to expect - should finally dissipate, and much of the money held in short term instruments will migrate first to the fixed income market, which we are seeing now, and then to the equity market for the higher returns available over time.

As almost a mirror image to this phenomenon, equities remain at an historically low level as a percent of household financial assets indicating a large source of potential demand.

Third, we expect that despite our current difficulties, the U.S. will prove to be a very attractive place for foreign investment. It has become clear over the past several years that the economy of the Soviet Union is in shambles. The failure of the recent coup in Russia clearly demonstrates the bankruptcy

Our longer term conclusions:

- *Corporate Earnings Re-Accelerate*
 - *Financial Assets Continue Attractive*
 - *U.S. Markets Attractive*
 - *High Equity Valuation*
-

of Marxist-Leninist ideology. Against this background, and keeping in mind the success of the American led effort in the Persian Gulf, the United States has clearly emerged as the world's only remaining superpower. This, in turn, sets the stage for greater cooperation in matters of collective security and reduced geopolitical tensions.

We suspect, however, that the transition to a more Democratic political process and market economy will not be an easy one for the Soviets and the Eastern European countries. Concern over internal turmoil and the enormous financial strain this transition will put on Germany and the rest of Europe will likely enhance the attractiveness of the U.S. market. Any significant turmoil will focus attention on dollar denominated assets. Since foreign holdings of U.S. stocks are now at a very low level, such uncertainty may yield positive consequences for U.S. equity prices.

Finally, will lower interest rates, lower inflation, and stable economic growth, all within a framework of reduced military tensions, have an impact on valuation levels? In our view, they will! We believe such an environment translates into a lower risk free rate of return and a lower risk premium, thereby supporting equity prices at the upper end of the valuation range.

So there you have it. Near term we would overweight bonds relative to stocks and would maintain cash at minimum levels. Should things unfold as we currently project, we would expect to reverse that position at some point between now and mid-decade. Again cash would be held at a minimum level. Of course, we all know that we live in a rapidly changing world and that unforeseen events will often force a readjustment in ones thinking. That is why you hire investment managers such as ourselves to constantly monitor the markets and the events which shape them. We do believe, however, that the trends which we have identified will clearly influence the investment outlook in the coming years and must be carefully followed as we move through the decade of the 1990's.

██████████
"... stock selection
will be the key to
superior
performance ..."
██████████

Asset Allocation Committee

Investment Management Group



Commerce Bank

THE HONORABLE JAMES A. BAKER 3d

CHIEF OF STAFF

American
Agenda

NRN

Dear Secretary Baker,

Sorry that I couldn't type this...

I have tried for three days to get into the 800 no. for a copy of Agenda for America. Some luxury. Obviously thousands of calls. A lot of interest by the American people. Keep track of number of calls. Make phone bank available. Market the success the same way Perot did. "x thousand calls in just 24 hrs"

But let the people get
thro - and send out the book.
Talk about it. This is one
way that you can gather
ideas, energy and momentum - a
following of new people.

Sincerely,

K Jordan Sandbach.

173 EAST 91ST

NY NY 10128

O: 212 541-8650

9.16.92

Dear Secretary Baker,

Clinton answers on draft:

"Off the top of my head, and half way on the run..." If

you're telling the truth, you don't have to think about what you are saying.

Urgency and anger are not two emotions that the President portrays well on T.V. Quiet determination as urgency, and a controlled burn as anger.

Sandberg/Baker II

They will come across better
this way.

- Point out that Senate refusal to rebuild Homestead Base is pure politics. Shame! To do this to hurt the President, despite the cost in human misery for desperately needy people.
- We are seeing the beginning of the end of Clinton...
- Draw up a profile of all

Sandbach / Baker III

- the bills that the Pres. has submitted to Congress - especially over last year. It will show his profile of intent and action - and then extremely negative response.
- Demand to new economy on global basis. It is, and that also provides a context and a hedge.
 - It's time to start a public, national campaign to go after those 150-180 seats coming up this fall.

Sandbach/Baker III

Maybe tie it all together
with that Agenda for America
pub. Get local politicians to
subscribe to this path to success.
Now to come...

Sincerely yours,
K. Gordon Sandbach

1973 CHS. 9/54
NY. NY 10128
O: (212) 541-8650

If the President will use the
T.V. Method other former
President have used (Ronald Reagan
John Kennedy, Jimmy Carter)
he will be elected. A confident
air with a twinkle in their
eyes - smiling in an out-
going, friendly, in a nice
guy way. Use best positive
words with confidence +
Vitality in his expressions.
In other words self-mastery
He will be elected. These other
Presidents used it to their
advantage.

Bill Clinton is using it now

Mr. Baker,

Attached is a copy of a letter I
wrote to President Bush 9-11-92.
Please send me a handwritten
and hand signed one sentence
note telling me that you have
personally read this letter.
I want George Bush
re-elected.

JAB-07

I thank you
Carl W. Bates

(over please)
Important

1 of 2
9-11-92

NRN

CARL D. BATES
P.O. BOX 95
211 AVE. G
BRAZORIA, TX.
77422
409-798-9560

PRESIDENT BUSH;

CUTTING THE COST OF GOVERNMENT

I WROTE A DRAFT OF A LETTER PERTAINING TO THIS ISSUE ON 9-3-92. YOUR STATEMENT REGARDING THIS ISSUE ON 9-10-92 HAS CAUSED ME TO REVISE THIS LETTER. I AGREE WITH CUTTING OPERATING COSTS IN ALL BRANCHE OF GOVERNMENT, BUT I SUGGET A DIFFERENT APPROACH.

START NOW. MAKE THE CUT IN THE YOUR BRANCH OF GOVERNMENT TO SHOW THE CITIZENS JUST HOW SERIOUS YOU ARE. THEN CHALLENGE CONGRESS TO MAKE THE SAME CUTSS IN THE AREAS THEY CONTROL. THIS WILL GENERATE THE TRUST AND RESPECT YOU ARE TRYING TO GET FROM THE AMERICAN PUBLIC. IF CONGRESS DOE NOT FOLLOW YOUR LEAD, THEN YOU HAVE MORE AMMUNITION TO GET THEM OUT OF OFFICE. OTHER REPUBLICANS WILL FOLLOW YOUR EXAMPLE, BECAUSE THIS WILL HELP THEIR CHANCES OF BEING ELECTED.

IT MAY BE POSSIBLE TO SHIFT SOME OF THESE PEOPLE TO H.U.D. AND OTHER AGENCIES THAT PROBE CONTRACTOR, HOSPITALS, DOCTORS, ETC. FOR OVERCHARGES, FAULTY MATERIALS AND OTHER THEFTS OF TAXPAYERS MONEY. WHEN FOUND GUILTY OF THESE OFFENSES THEN THEY SHOULD BE FORCED TO RETURN ALL MONEY INVOLVED, WE KEEP ANY PARTS OR EQUIPMENT WE WERE OVERCHARGED FOR, A HEAVY FINE IMPOSED, AND THEY SHOULD BE PROHIBITED FROM ANY GOVERNMENT CONTRACTS OR PROGRAMS FOR A TERM NOT LESS THAN FIVE YEARS. THESE ABUSES MUST STOP. DO IT NOW DON'T, PROMISE IT FOR LATER.

I BELIEVE, SOLELY FROM WHAT I HAVE READ FROM THE "EXPERTS" ON THE SUBJECT, THAT BILLION OF DOLLARS CAN BE RECOUPED BY ELIMINATING THESE ABUSES. THIS MONEY CAN THEN BE USED TO CREATE JOBS. USE IT DIRECTLY FOR URBAN RENEWAL, HIGHWAY AND BRIDGES, LOW INCOME HOUSING, IN GENERAL JOBS FOR THE CITIZENS. SOME OF THE MONEY CAN BE USE AS DIRECT PAYMENT TO THE DEBT AND REDUCE THE AMOUNT OWED AND INTEREST ACCUMULATED. USE THIS MONEY FOR NOTHING BUT CREATING JOBS AND REDUCING THE DEFICIT.

THERE ARE NO NEW TAXES HERE. IF CONGRESS DOE NOT AGREE THEN YOU HAVE MORE AMMUNITION FOR GETTING THEM OUT OF OFFICE.

2 of 2
9-11-92

LINE ITEM VETO

A LINE ITEM VETO IS AN EXCELLENT IDEA. SINCE CONGRESS, IN ALL LIKELIHOOD, WILL NEVER AGREE TO GIVE THE PRESIDENT THAT POWER, WHY NOT ASK CONGRESS TO GIVE THEMSELVES THAT POWER? HOW? ANOTHER COMMITTEE, BUT A NECESSARY ONE.

THE DEMOCRATS IN THE HOUSE CAN ELECT TWO DEMOCRATS FOR THE COMMITTEE. THE REPUBLICANS CAN ELECT TWO REPUBLICANS FOR THE COMMITTEE. THE SENATE CAN ELECT TWO DEMOCRATS AND TWO REPUBLICANS IN THE SAME MANNER. THEN A CHAIRMAN CAN BE ELECTED IN THE FOLLOWING MANNER; BY A MAJORITY OF THE MEMBERSHIP OF THE HOUSE DEMOCRATS, A MAJORITY OF THE MEMBERSHIP OF THE HOUSE REPUBLICANS, A MAJORITY OF THE MEMBERSHIP OF THE SENATE DEMOCRATS, AND A MAJORITY OF THE MEMBERSHIP OF THE SENATE REPUBLICANS.

THE FINAL BILL CAN THEN BE SENT TO YOUR DESK FOR YOUR SIGNATURE OR YOUR VETO, AS YOU SEE FIT. THIS, I BELIEVE, IS THE CLOSEST TO A LINE ITEM VETO THAT CONGRESS WILL EVER GET. THIS IS BI-PARTISAN COOPERATION. I BELIEVE THE AMERICAN PEOPLE WILL SEE THAT YOU ARE TRULY WORKING FOR US AND WILL THROW THEIR SUPPORT BEHIND YOU.

GET THIS STARTED NOW. DON'T PROMISE ANYTHING, "JUST DO IT". IF CONGRESS DOESN'T COOPERATE, THEN YOU HAVE MORE AMMUNITION TO GET THEM OUT OF OFFICE.

PLEASE SEND ME A ONE LINE HAND WRITTEN AND HAND SIGNED NOTE TELLING ME THAT YOU HAVE PERSONALLY READ THIS LETTER.

THANK YOU



CARL D. BATES

*Copies sent to:
Representative Tom Delay
Senator Phil Gramm*

Carl W. Bates
P.O. Box 95
Anazonic Dr.
77422



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

Mr. Baker; FOREIGN AID

Attached is a copy of a letter
I sent to President Bush. Except
for the note I hand wrote to you,
they are the same. Please
send me a one sentence
note, hand written and signed,
telling me that you have
read the letter.

Phone # 409-798-9560

See note on
last page.

I thank you

Carl D. Bates

CARL D. BATES
P.O. BOX 95
211 AVE. G
BRAZORIA, TX.
77422

PRESIDENT BUSH;

I HAD A HEART TRANSPLANT AUG.6,1992. THIS IS THE FIRST TIME I HAVE HAD TO SEND THIS LETTER. I WOULD LIKE TO SEE YOU AS PRESIDENT AGAIN. I HAVE HEARD ENOUGH PEOPLE THE LAST MANY YEARS TO GIVE YOU AN ACCURATE ASSESSMENT OF WHAT THE OVERWHELMING MAJORITY REALLY WANT. I WOULD APPRECIATE A HAND WRITTEN SENTENCE SIGNED BY YOU CONFIRMING THE FACT THAT YOU HAVE READ THIS LETTER. IF I DON'T RECEIVE THE LETTER THEN I WILL CONCLUDE THAT YOU DID NOT READ THE LETTER. I WILL THEN SEND A COPY TO BILL CLINTON. I DO NOT TRUST BILL CLINTON AS MOST PEOPLE I TALK TO DO NOT. THESE PEOPLE LOOK TO HIM ONLY AS A LAST RESORT. IF YOU ACT NOW AND DO NOT JUST SAY YOU WILL DO THIS OR THAT LATER, THEN YOU WILL WIN RE-ELECTION BY A MARGIN YOU CAN NOT NOW IMAGINE.

JOB AND A "LIVABLE INCOME".

WHAT CAN BE DONE TO HELP WITHOUT NEW TAXES OR SPENDING BILLS? TECHNICAL TRAINING TO SEEK A HIGHER PAYING JOB. HOW? A FEDERAL GUARANTEED STUDENT LOAN PROGRAM WITH LOW INTEREST PAYMENTS PATTERNED AFTER THE ONE OFFERED IN TEXAS. THE BANKS LOAN THE MONEY AND THE GOVERNMENT GUARANTIES REPAYMENT. FREE GRANTS ARE ALSO GIVEN. NO NEW TAXES OR SPENDING HERE. OFFER THEM TO PEOPLE MAKING \$30,000 DOLLARS OR LESS PER YEAR.

MORE IDEAS; INSTEAD OF SELLING GOVERNMENT SURPLUS ITEMS AT GIVE AWAY PRICES, WHY NOT DONATE THEM. DONATE THE USE OF UNUSED GOVERNMENT AND OR MILITARY FACILITIES TO BUSINESS TO BE USED EXCLUSIVELY AS TECHNICAL TRAINING FACILITIES. WHAT IS IN IT FOR BUSINESSES? IF THEY DONATE THE QUALIFIED TEACHING PERSONNEL AND ANY OTHER EQUIPMENT NEEDED FOR THE TECHNICAL TRAINING THEN THEY WILL HAVE THE EXCLUSIVE RIGHT TO "RECRUIT" A CERTAIN NUMBER OF PEOPLE IN EACH CLASS THEY SUCCESSFULLY GRADUTE BEFORE THEY CAN BE APPROACHED BY ANY OTHER COMPANY.

OFFER THIS TRAINING TO MILITARY PEOPLE BEFORE THEY ARE DISCHARGED SO THEY CAN HAVE A SKILL TO FIT THE JOB MARKET. OUR MILITARY ALREADY HAS MANY TRAINING CENTERS IN PLACE. BUSINESSES CAN ALSO PARTICIPATE IN THIS PART OF THE JOBS PROGRAM BY SUPPLYING THE QUALIFIED TRAINING PERSONNEL WHERE NEEDED. OFFER THE SAME INCENTIVES. DON'T LET THEM OUT AND SEE THEM IN THE UNEMPLOYMENT LINE.

THESE SAME TECHNICAL TRAINING OPPORTUNITIES CAN BE OFFERED TO WELFARE RECIPIENTS, HIGH SCHOOL STUDENTS IN JUNIOR AND SENIOR YEAR, AND THE UNEMPLOYED. MAKE IT POSSIBLE FOR THE UNEMPLOYED TO BECOME ELIGIBLE FOR WELFARE BENEFITS TO HELP THEM SURVIVE UNTIL THEY COMPLETE THEIR TRAINING AND OBTAIN A JOB WITH A "LIVABLE INCOME".

YOU CAN'T GET A JOB IF THERE AREN'T ANY OUT THERE. HOW DO WE CREATE JOBS? TRY THIS. IF U.S. COMPANIES ARE MANUFACTURING OR ASSEMBLING PRODUCTS IN FOREIGN COUNTRIES,

105

THEN THEY MUST MEET THE 80% TEST. IF 80% OR MORE WORK IS DONE HERE IN U.S.A., THEN IT WILL BE CONSIDERED AMERICAN MADE. IF LESS THAN 80% THEN THE PRODUCT IS CONSIDERED FOREIGN MADE AND MUST SHOW IN WRITING ON THE PRODUCT IN A LOCATION EASILY SEEN EXACTLY WHAT PERCENTAGE OF THE PRODUCT IS MADE IN U.S.A. (TRUTH IN ADVERTISING) ALSO THE BUSINESS MUST PAY ALL TAXES AND OR TARIFFS THAT ARE APPLICABLE TO THE FOREIGN COUNTRY WHERE THE WORK IS BEING DONE. TAXES AND OR TARIFFS ARE TO BE APPLIED ON A SLIDING SCALE ACCORDING TO THE PERCENTAGE OF MANUFACTURING AND OR ASSEMBLING BEING DONE IN THAT COUNTRY. IF THE BUSINESSES DO NOT WANT TO MOVE THE WORK BACK TO THE U.S.A. THEN THEY CAN PAY FOR THE PRIVILEGE TO SELL HERE JUST LIKE ALL OTHER FOREIGN COUNTRIES. USE THESE TAXES AND TARIFFS COLLECTED IN THIS MANNER EXCLUSIVELY TO CREATE JOBS IN THIS COUNTRY. REBUILD INNER CITIES, HIGHWAYS, LOW INCOME HOUSING, ETC.

NO NEW TAXES HERE AND NO NEW SPENDING. GOVERNMENT, BUSINESS AND CITIZENS MUST WORK TOGETHER TO BRING THIS GREAT COUNTRY BACK TO A POSITION OF PROSPERITY AND OPPORTUNITY THAT WILL KEEP US AS THE WORLD'S LEADING ECONOMY.

A "LIVABLE INCOME" IS THE KEY TO RESTORING PRIDE IN OUR CITIZENS SO THEY WILL HAVE TIME TO DEVOTE TO THEIR "FAMILIES" AND THEIR "VALUES". THE OVERWHELMING MAJORITY OF OUR CITIZENS WANT TO "PAY THEIR OWN WAY". THEIR PRIDE IS AT ISSUE. ACT NOW TO GIVE THEM THAT CHANCE, THEN GET THEM ALL IN THE VOTING GAME. IF YOU ACT NOW THEN I BELIEVE BILL CLINTON WILL BE WONDERING WHY HE IS 20-30 POINTS BEHIND IN THE POLLS.

SINCERELY,

CARL D. BATES

Mr. Baker,

If anyone objects to the U. S. Government guaranteeing bank loans to U. S. Citizens for jobs training, then ask them how the U. S. Government can refuse to do so. If we can guarantee bank loans to several foreign countries (Israel, Russia, Etc.), why can we not guarantee bank loans to our own countrymen? I am making the letters short because I will be mailing views on other issues.

Next up: Line Item Veto and Cutting The Cost of Government. These pertain to deficit reduction.
I thank you

Carl Bates
P.O. Box 95
211 Ave. A
Bayou Vista, Tx.
77422

09/10/92 WASHINGTON, D.C. 8 SEP 11:45



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

The White House - fax 202 456 2461

21 Sep/92: Deming Research Group
at University of Hawaii
Fax 808 955 3027JAMES BAKER - Personal - Please TransmitURGENT BUSINESS TUESDAY 22nd.Jim

Call The Triple Play!

...pursuant our discussions June Reunions:

"Engaged System" For American Recovery. . .

1. Call The Play; Bush to Stempel to UAW

"STOP THE GM STRIKE - STOP STALLING AMERICAN RECOVERY!

PRESIDENTIAL ORDER ALL PARTIES TO THE WHITE HOUSE . . .

For informal jawboning in Rose Garden . . .

With GM's 'Coach' - Non-Partisan Close Affiliation GM 10 Years with Stempel:

Dr. W. Edwards Deming's Message -

"Optimize The System At GM - For The Country. . .

"GM Now Readied For American Recovery. . .

"STOP politically inspired influence!"

2. Precedents - Truman, Kennedy "stopped the steel". . .

Now, "stop the GM steal".

3. Call "The Coach" - Deming - 'your neighbor' at 4924 Butterworth Place

as "The Baruch of Presidential, non-partisan Counsel",

Deming - 'The Baruch of Our Century'.

"NEWSMAKERS"

"Omen of New Trust in American Recovery!"

"One-up on Clinton's 'Lansing'."

"The Only Debate Worth Calling:

Optimizing - Engaging The Non-Partisan System

By Business. By Labor. By Governance . . . AS ONE!

For American Recovery...So Goes GM - So Goes The Nation!"

Full . Texts FOR YOUR USE being prepared by DRG.

Will Fax to you soonest.

Aloha!

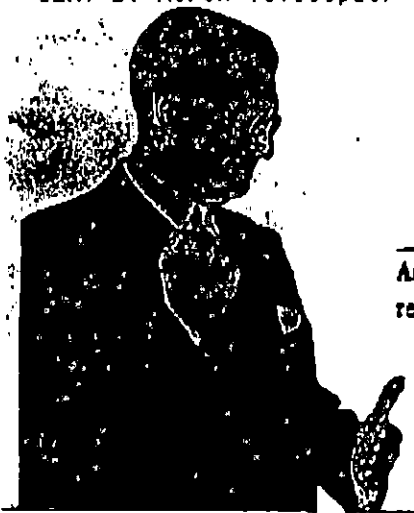
For Deming Research Group

NRN

Bernard Baruch . . . On The Park-Bench . . .

With Presidents . . . Wilson to FDR to Eisenhower . . .

As vigorous as ever, the "grand old man" of finance reveals his straight-from-the-shoulder opinions



SO . . . DEMING ON THE PARKBENCH WITH BUSH

"The Baruch of The Century . . . Senior Counsellor - 92 in '92."

"The Baruch of Economic Productive Growth. . . Master Of The American Idea."

THE OPTIMISTS' STATEMENT - 'For The World To See' -

"IF System Followed . . .

Now For New Jobs Creating Productive Economic Growth
IN TWO YEARS.....AND AHEAD!"

THE WARNING TO MANAGERMENTS - Business & Governance -

"The chance of successfully improving our position
in the future under the present system of management
is non-existent . . .

We suffer from...failure to understand
cooperation in a system."

W. EDWARDS DEMING, PH.D.
COUNSELLOR IN ECONOMIC & MANAGEMENT POLICY

WASHINGTON 20018
4834 BUTTERWORTH PLACE

Tel. 202 363 8552. Fax. 363 3501.

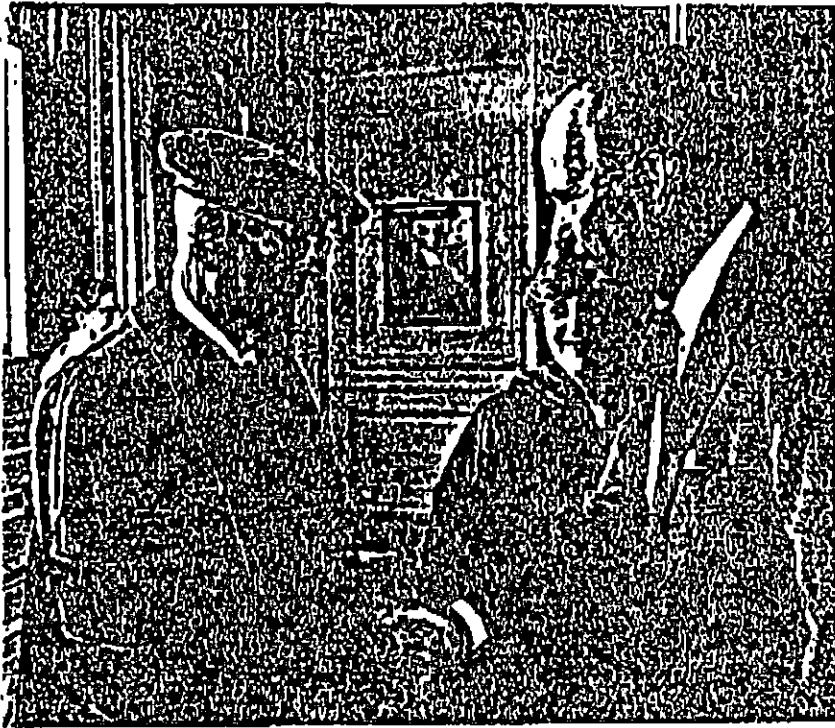
Nobel Nomination -

The Deming Nomination For The Nobel Peace Prize

To - The Norwegian Nobel Committee, Oslo January 1992.



As a senior counsellor, teacher, and researcher, Deming at 81 years of age has done more for maintaining peace in the last fifty years than any other single person alive today. . . .



W. EDWARDS DEMING

*For the past four decades, you have been the champion of quality management.
You have developed a theory of management, based on scientific and statistical principles,
in which people remain the least predictable and the most important part.
Your scholarly insights and your wisdom have revolutionized industry.
Yale is proud to confer upon you the degree of*

DOCTOR OF LAWS

W. Edwards Deming...

More than any other one individual, Dr. Deming has given the west a vision of quality—and he is providing the tools with which to achieve it.

Born in 1900, Dr. Deming was educated at the University of Wyoming, the University of Colorado, and Yale University, where he received his doctorate in mathematics and physics in 1928.

He began work at the Agriculture Department in 1928, and there he first became interested in matters of quality control, editing a series of lectures given by his friend and colleague, Dr. Walter A. Shewhart.

In 1939, he joined the Census Bureau as head mathematician and statistician. Here he developed his fundamental concepts of quality control in both manufacturing and non-manufacturing environments and began giving lectures on quality control across the United States. Unfortunately, industrialists did not respond effectively to his efforts at that time.

In 1947, Dr. Deming first visited Japan, and on his many subsequent trips, he taught to the Japanese managers and engineers the statistical theories and practices necessary to successfully implement quality control. The Japanese response has become legendary.

In 1980, Dr. Deming was featured in an NBC White Paper, *If Japan Can, Why Can't We?* That program marked the beginning of the quality revolution in American industry. More recently, he has been featured on the PBS program, *Quality or Else*.

Today, Dr. Deming is honored worldwide as the "Father of the Third Wave of the Industrial Revolution." More than 20,000 people hear his message every year, and his teaching is influencing the world in manufacturing, education, service industries, and government.

The World of
W. Edwards
DEMING

Second Edition

Cecelia S. Killian

DRAFT For Professional, Background Use ONLY
NOT FOR RELEASE Or Publication.

ECONOMICS FOR THE TIME :

Economic Development, System Theory & Mindset

For Internal Use Only -

Prepared On The Occasion Of The World Development Congress,
Washington, D.C. 17 - 20 September 1992:
The Hon. Lady Margaret Thatcher, Honorary Chair

Sponsor: CNN - Ted Turner

Oxford, 15 August 1992.

Correspondence may be directed to The Authors,
The Deming Research Group, c/o Professor Richard W. Chadwick - Dept Pol Sci,
Univ. of Hawaii at Honolulu, Hawaii (HI 96822); Tel. 808 946 0580. Fax 949 0517.

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THE AMERICAN SENIOR ECONOMIC ADVISORY COUNCIL

LETTERHEAD

STATEMENTS TO "THE COMMON AIM"

THE ECONOMIC PACKAGE '92 AND BEYOND

The Deming Research Group - non-political, voluntary - private -
deliberately with no endorsement or approval by Dr. Deming -
- entirely based in Deming Teachings and Research of The Group.

Correspondence may be directed to The Authors,
The Deming Research Group, c/o Professor Richard W. Chadwick - Dept Pol Sci,
Univ. of Hawaii - Honolulu, Hawaii (HI 96822); Tel. 808 946 0580. Fax 949 0517.

Letterhead Proposed

1992

 THE AMERICAN SENIOR ECONOMIC ADVISORY COUNCIL

Executive Committee

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Donald Petersen
- Emeritus Governor & CEO
George Romney
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- Emeritus President
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and CEO - Bird-Johnson -
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- Comptroller-General Charles Bowsher
- Secretary of Veterans Affairs -
Edward Derwinski

 "Renewing The American Dream"

 Serving The Common Aim Leadership Vision - Non-Political - Voluntary

Letterhead - "Explained" -

1992

THE AMERICAN SENIOR ECONOMIC ADVISORY COUNCILExecutive Committee

- Donald Petersen -- Chair -
Authentic Top American
Management - Deming-Taught
For Ford Co. turnaround.
- George Romney -
For The 1st Transformation
for Product-Market Needs
1954 - 1962.
- H. Ross Perot -
"Hero" of Business Managements,
dared to try GM with Principles
to save the current collapse.
- Dr. John Brademas -
Emeritus President
New York University -
Dr. Deming's 52-year Home-Base.

Honorary

- President Reagan - For Leadership Vision
and National Medal of Technology -
Awarded to Dr. W. Edwards Deming 1987.
- J. Peter Grace - For Voluntary Commission
on Federal Waste Control.

Ex Officio

- Secretary of Commerce -
Hon. Barbara Franklin
As Custodian of Non-Political Encouragement
of Excellence - Baldrige Awards,
- Small Business Administration
Funding New Economic Growth.
- Asst. Secretary of Education -
Hon. Diane Ravitch - Professor of History
and Education - Columbia University
Teachers College.
- Secretary of Housing - Hon. Jack Kemp.

Members

- Earl Conway - P & G Deming-Taught
Company-wide - World-wide.
- Dr. Robert Stempel - GM
For Courage to "call the game"
For The New Headstart American
Economic Rebirth - Deming-Taught.
- Ted Turner - CNN
For Courage and Experience
In New Enterprise -
"Re-wiring America and World".
- Charles A. Orem -
CEO - Bird-Johnson,
U.S. Chamber of Commerce-
Deming-Advocate.

Honorary Members For Service

- Dept of Defense - Air Force Logistics
Lt-Gen MacDonald - For "Desert Storm"
Advance Preparation by Deming Methods.
- Comptroller-General & OMB -
Charles Bowsher - For modest advances.
- Secretary of Veterans Affairs -
Hon. Edward Derwinski -
For allowing Deming-Taught
Implementation.

"Renewing The American Dream"**Serving The Common Aim Leadership Vision - Non-Political - Voluntary**

The Statements To The Common Aim -

1992

The Romney Statement -

No great nation has ever achieved plenty, comfort and leisure, and remained great.

We confront a fateful global challenge as other nations mount a competitive might built by emulating the economic miracle we created.

Our deficit-fueled prosperity has weakened discipline and dangerously increased social instability.

It is vital for citizens ... to subordinate their partisan affiliations and economic interests to their God-given responsibilities ... they alone have the right to use under the constitution, - 1992.

The American Institute of Management Statement -

Meanwhile, we face in the United States, a continuation of the legislative spendthrift practices.

Our social order is in complete disarray.

The crew runs the ship of state.

Business Leadership is at the mercy of the underdogs, preference interest groups usurping administrative power by political means.

- Jackson Martindell, Chairman.

- 1974.

The Deming Statement -

It is Management's Responsibility to Improve The System.

Our country is in a crisis, an invisible crisis of

No Leadership to The Common Aim by Knowledge of The System -

The Management of each system to Common Aim

In Communities Across The Nation,

By Cooperation Among Components - not by Adverse Competition.

By Local Re-Lease of Energies in Local Task Forces of Leadership

Composed of Business Talent Teamed with Funding Talent,

Implementing New Enterprises in Old Industries and New Risk Ventures.

With National Leadership Vision at The Top -

With Voluntary Senior Guidance to Local Community Task Forces,

New Spirit and New Funding will Create New "Jobs-Jobs-Jobs" Across The Land -

In '92 and Beyond . . .

. . . The Leadership For The Momentum of American Re

For The American Dream Ahead!

- 1992.

The Statements To The Common Aim -

1992

The Nobel Nomination of Deming For Peace Prize '92 -

As a senior counsellor, teacher, and researcher,
Deming at 91 years of age has done more for maintaining peace
in the last fifty years than any other single person alive today.

You have conquered, as it were, a whole nation
by kindness, love and human sympathy,
. . . in the service for the cause of international peace and goodwill.

1992

The American Senior Economic Advisory Council"The Economic Package '92"

The only two Sources of Economic Growth and "Deficit Reduction"
For Assured Tax Revenue are -

- | | |
|----------------|----------------------------|
| 1 - Enterprise | ... 20% of Tax Collections |
| 2 - Wages | ... 80% of Tax Collections |

For New Tax Revenue, it takes ...100% NEW MONEY
 =====

That is The Leadership Message - 100% New Money.

That is The Major Issue Not Yet Addressed - Campaign '92.

"Headstart For Rebirth"A. Money and Talent Teamed

In Local Task Forces of Business Talent with Funding Talent
 and Local Senior Advisory Councils

With Incentive to Risk for Common Aim - "Jobs-Jobs-Jobs".

B. Congress Lifting The Overburden on Business

- 1 - Correcting The Healthcare Coverage, Stabilizing The Costs -
 ...obscures The Major Issue - Releasing The Energies
 for New Money to Pay The Taxes.

- 2 - Combining The Issues in One Bill - "Compensation for Compliance"

Allows The Healthcare Correction.

Allows The Enterprise Correction.

- 3 - Deferred Convertible 5-year Notes -

Incentive for Old Money to Venture Risks in Local Teamed Taskforces.

Tax and Interest from 5-year Returns - No penalty going in.

Incentive for Business Talent and New Jobs

Generating 5 years of Taxes from New Wages Earned.

CONCERNS OF A CITIZEN.

NYT, 27 Feb 1992

An American For America.

Shortly before he died, Edsel Ford voiced views about his company that were contrary to those of his father. A reporter asked, "Why haven't you said this before?" Edsel replied, "Because I was never asked."

Years ago I told the country, "We've been brainwashed," referring to our tragic involvement in Viet Nam. Since then, I'm no longer asked about presidential elections.

But I'm a profoundly concerned citizen and I've paid for this ad to tell why I am voicing my concern at this time.

My experience convinces me that David Halberstam is right in his book The Next Century when he said: "Our political debate does not accept the new equation, that the years of easy affluence are over. It turns on the idea that everything is as it used to be... We have become a nation divided: Our political system is still based philosophically on the glory days of hegemony, but our economic (and social) system is stumbling clumsily in the early days of the new international economy. The result is a society oddly oblivious of its new realities, a people and a nation living above their heads, and politicians who dare not tell the truth to the population."

The Buchanan vote in New Hampshire and the inconclusive Democratic result have created a volatile political environment that opens the door for people power to replace money, special interests and the media in selecting who will become president next January.

People should "seize the moment" because we face an historical challenge never previously surmounted by any great nation.

No great nation has ever achieved plenty, comfort and leisure, and remained great. We confront a fateful global economic challenge as other nations mount a competitive might built by emulating the economic

miracle we created, and then improving on it.

This is occurring at a time when our competitiveness has been seriously weakened. It has been weakened by excessive power of corporate management focused on short-term benefits, promoting monopoly, diverting money for job creation into government expenditures. This deficit-fueled prosperity has weakened discipline and dangerously increased social instability.

It is vital for citizens who are concerned about the future of America to subordinate their partisan affiliations and economic interests to their God-given responsibilities as citizens—responsibilities and rights they alone have the right to use under the constitution. If only a small percentage of "We the People" across the nation use their 1992 vote as Americans for America, it will decide the outcome of the presidential election.

Patrick Henry said, "I know not what course others may take..." But I know what I'm going to do. I'm going to do everything possible to ensure that the Democrat or Republican or Independent candidate who is elected as president will restore power to the people and lead them in doing what's necessary for America to educate, be competitive, resume economic growth, provide economic opportunity and enjoy social stability.

America Can't Wait Four More Years To Face Reality! By then it could be too late.

We need 1992 Americans for America who agree on these facts:

1. Our principal problems are within and not without.
2. America's unprecedented success has spawned unprecedented problems: in particular, horrendous

social problems.

3. Too many of our children are not being educated and trained for the future.
4. To remain great we must again emphasize politically, economically and socially those basic methods that made us great in the first place.
5. It is the individualism that freedom permits that makes superior American teamwork possible.
6. It is free competitive enterprise that produces the greatest economic progress—not, primarily, government regulation and control.
7. The power of monopolies and excessive special interests stifle education, economic growth and social problem solving.
8. It is people helping people, not money, that most effectively solves social problems.
9. Excessive reliance on government to solve social problems has become counterproductive.
10. No family, no enterprise, no government can continue to spend beyond its income, as we are doing, without becoming dependent, bankrupt or impoverished.

I've written this to encourage you to determine your own voting criteria and identify yourself as a 1992 American for America. This is not an effort to establish an organization nor to solicit funds.


George Romney


Lenore Romney
"I agree!"

(Michigan's 1970 Senatorial candidate defeated by incumbent Senator Phil Hart.)



George Romney - Board Member of both the Commission on National Community Service (created by Congress and appointed by the President) and the private nonpartisan Points of Light Foundation, Cabinet member, 1969 - 73 Presidential Candidate, 1967 - 68 Three-term Governor of Michigan, 1963 - 69 Chairman of Citizens for Michigan, 1938 - 80 CEO, American Motors, 1954 - 62, whose Rambler was the first successful compact car. Managing Director, Automobile Manufacturers Association and Automotive Council for War Production, 1940 - 48. George Romney, 1640 East Valley Rd., Bloomfield Hills, MI 48303.



W. Walter Liang
Special Assistant
(415) 744-6402
Fax: 744-6671

OSCAR WRIGHT
Regional Administrator

U.S. Small Business Administration
71 Stevenson Street, 20th Floor
San Francisco, CA 94105-2939

September 21, 1992

NRN

Mr. Ron Kaufman
Special Assistant to the President
White House
Old Executive Bldg., Rm. 130
Washington, D.C. 20500

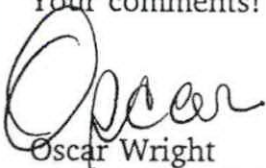
Dear Ron:

I hope this note finds you and your family well. To say the least, GOP politics in California is a web of complexity. As you well know the sluggish economy, abortion and the aerospace decline, compounded by a fractured party to some extent, has left us with a less than desirable scenario. However, many of us simply will not concede California so easily. I have worked very hard with the Presidential Task Force and SBA to respond expeditiously to the May civil disorder. However, we must now move on to more urgent matters involving the President and the general perception of the California populace. We can't turn the economy around in seven short weeks, however, the essence of the President's plan for the next four years, the public's perception of that plan (how its marketed) and Clinton's character must be brought into focus in California. It's a matter of trust, character and jobs.

We have tried diligently to crack the negative articles in the Los Angeles Times. Enclosed is the best yet. However, I intend to move the focus statewide, including Los Angeles, highlighting onerous government regulations and their negative impact on small firms, minority and women enterprises and lenders. I have strategically selected fourteen cities to give speeches, press briefings and editorial opinions. The linkage is the President's moratorium on regulations and a call to local municipalities to do the same. I intend to quickly establish the California Small Business Network. Just recently, I addressed the Merchants and Manufacturer's Association and was received well. Our theme is "Unchain Small Firms: One Less Regulation, One Hundred More Jobs".

Ron, I sincerely believe we can galvanize a latent constituency in a state that has a proclivity towards "underdog, grassroots politics".

Your comments!



Oscar Wright
Regional Administrator

✓cc: James Baker, Chief of Staff, White House

LOS ANGELES TIMES, September 19, 1992

SECTION B, PAGE 1

page one of two



KEN LUBAS / Los Angeles Times

Oscar Wright, regional director of the Small Business Administration, in front of locked businesses in South Los Angeles.

The Wright Vision

■ **Relief: Small Business Administration official comes home to South-Central to unveil post-riot package. Critics say that despite his enthusiasm and credentials, he lacks influence in Washington.**

By CARLA RIVERA
TIMES STAFF WRITER

As a boy growing up in Los Angeles 30 years ago, Oscar Wright was deeply affected by the changing nature of his South-Central neighborhood.

Once a thriving community that supported small, family-owned businesses, the area began to decline as poverty, crime and drugs gained a foothold.

Today, many of the stores that Wright and his family patronized are boarded up, defaced with graffiti and the unsub-

tle artwork of gang members. Across the street from his old junior high, the burned hulk of a corner mini-mall stands as a testament to the frustration and rage that erupted in three days of civil strife last spring.

But as the San Francisco-based regional director of the Small Business Administration, the brash young boy who impressed everyone with his maturity and vision may now be in a position to make far-reaching changes in his old neighborhood.

"I lived next door to one of the lead singers with the Platters. Miles Davis used to live down the street," Wright said, recalling some of the luminaries who shared his stomping grounds around 58th Street and Vermont Avenue. "There were a lot of role models back then. We only had to take advantage of it all."

This week, Wright, 43, was back in Los Angeles, outlining a package of post-riot measures aimed at stimulating

the kind of modest entrepreneurship he believes is crucial for recovery. The measures include:

- Inauguration in Los Angeles of a new Small Business Administration program offering prospective small-business owners a revolving line of credit. The program also will relax loan requirements, allowing the use of equipment and machinery as collateral, for example.

- A pilot program establishing business information centers in the city's low-income communities. The centers will be staffed with loan specialists and will provide access to computerized electronic bulletin boards offering a variety of how-to catalogues, industry trends and complete business plans.

- A 16% increase in the amount of money available for small-business loans, which will be offered next year in Los Angeles.

- A 200% increase nationwide in funding next year for the SBA's micro-loan

Please see BUSINESS, B8

LOS ANGELES TIMES, September 19, 1992

SECTION B, PAGE 8

page two of two

B8

SATURDAY, SEPTEMBER 19, 1992

METRO NEWS

BUSINESS: Official Details Post-Riot Relief Package

Continued from B1

program, which provides loans of up to \$25,000. Los Angeles' share of the \$45 million pot has not yet been determined, Wright said.

In addition, Wright is organizing an "economic summit" in Los Angeles next month that he hopes will bring together federal, state and local officials with business leaders and citizens to discuss long-term recovery strategies. Wright sees the summit evolving into monthly community forums, sponsored by churches or the local ethnic press, at which government agencies will have a visible role.

Wright says the "new vision" emerging in the wake of the riots is one that not only will energize the community, but will demand changes in how government responds. Los Angeles, he believes, can be a testing ground for all types of economic experiments.

"Organizations like the SBA will now have to take government to the people," he says with characteristic fervor. "We have to be a government that is more aggressive, more outreach-oriented, but only in response to the people saying this is what they want."

While many in Los Angeles applaud Wright's enthusiasm, they are not so sure in this political year that he has the ear of an Administration that, its critics believe, would just as soon write off Los Angeles and its urban needs. Nor are they convinced that Wright's unrelenting focus on small-business development is the right approach.

"It's great they want to relax criteria and make more loans available, but to believe it's going to contribute a huge number of jobs or revitalize the community is simply flawed," said Mary Ochs, a Los Angeles legal aid attorney who specializes in economic issues. "The fact is most small businesses don't succeed. . . . People in the community are saying they need more funding for community centers and youth programs and other kinds of things."

Others complain that while

Profile: Oscar Wright

Wright, the regional director of the U.S. Small Business Administration, is hoping to use his post to encourage economic renewal in the South Los Angeles neighborhoods where he grew up.

Born: Oct. 31, 1948

Residence: Sacramento.

Education: Bachelor's degree in political science from Cal State Los Angeles.

Career highlights: In 1983, appointed by Gov. George Deukmejian as executive director of the state Office of Small Business. In 1990, appointed by President Bush as administrator of Region IX of the Small Business Administration, covering California, Arizona, Nevada, Hawaii, Guam, American Samoa and the Marshall Islands.

Interests/Hobbies: Golf, reading, writing.

Family: Married, with three children.

Quote: "I can't wait until after the November election because I don't want politics to be a part of this. I think the next four years promises to be an era of resurgence. It's not a question of the recovery of Los Angeles; redefining Los Angeles is more the issue."

Wright is proposing programs, he has failed to pursue changes in existing regulations that would make it easier for riot victims to obtain loans. For example, business owners say that what they need most is an increase in the loan limit from \$500,000 to \$1 million and a relaxation of credit qualifications.

To these pleas, Wright has answered that such modifications require congressional action, saying victims must take their case to Washington.

But he has failed to mollify many critics of SBA procedures.

"We don't need more programs," said Joseph Kung, a spokesman for a group of Korean-American business owners who suffered riot

losses. "We need access to the ones that already exist and could help us."

City officials who have dealt with Wright describe him as well-meaning but question his influence.

"I think he is genuinely concerned and interested, but the SBA is not an agency that has typically taken the lead in provoking change," said Los Angeles Deputy Mayor Linda Griego. "I think his role is one to take the messages back to Washington. And he does a good job. But I don't think he's always listened to."

Wright has no patience for such criticism, insisting that he and the Bush Administration are on the same wavelength.

"I've sat down with the President a number of times, and I believe we share the same philosophy of empowerment and local entrepreneurship. . . ." he said. "I see the President giving us the resources, but it is people like myself and local citizenry who will define how those resources are used."

Wright, however, is careful to couch his "new vision" philosophy in nonpartisan terms, insisting it is not a question of Democrats versus Republicans. He says Democratic presidential nominee Bill Clinton has a few good ideas, but slyly suggests that the Arkansas governor would be best positioned to implement them in his home state.

Wright has an unlikely ally in state Sen. Diane Watson (D-Los Angeles), who crushed him when he competed for her 28th District Senate seat in 1982. The two eventually became friends.

"I think what has evolved is a learning situation and a sharing situation," said Watson of her relationship with Wright. "We've had very little entree into the Republican Party and Oscar has been one to listen."

The conservative Republican's attempted conquest of her heavily minority district was doomed to fail, says Watson. Among other controversial stands, Wright opposed affirmative action, busing to achieve school integration and other social programs.

But the run gave Wright the exposure he needed to make a rapid ascent in GOP circles.

During the campaign, Wright, who switched parties in the late 1970s, won political and financial backing from some of President Ronald Reagan's top advisers. In 1983, he was appointed by Gov. George Deukmejian as director of the state Office of Small Business and then became California's first small-business advocate. In 1990, Bush named him SBA regional administrator for four Western states and Pacific Island territories.

Although Wright will not say it, he doesn't seem surprised at his success.

Like many other African-Americans, Wright's parents migrated to Southern California from the South—in their case, Spartanburg, S.C.—in the late 1950s looking for a better life. He says he was instilled with a sense of pride and purposefulness by his father, one of his heroes.

After graduating with good grades from John Muir Junior High, Wright refused to enter nearby Manual Arts High School, instead tangling with the school board until he was allowed to transfer to Dorsey High, where he considered the educational opportunities to be better.

"From an early point it's been clear there is no ceiling for Oscar Wright," said Celes King III, a local bail bondsman and another notable black Republican, who has helped Wright during key points in his career. "He grew up out here in an unprotected world. And because of that has an understanding of the realities of being out here."

During a recent stroll near his old junior high, Wright said he wants to change some of those realities by reawakening an entrepreneurial spirit in low-income communities.

"How many other young Americans are inside this school," he asked, "who might one day be great business leaders or potential Presidents but who, when they walk out, see only urban blight and no hope?"

JAB 08

(DEBATES)

9/22 CJ thanked by phone
(noted that JAB
remembered his mom.)

704/295-4646

NRN

ROBERT S. REEBIE
60 INVERNESS ROAD
PINEHURST, NORTH CAROLINA 28374

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

September 5, 1992

Dear Mr. Baker:

While we have never met, I was raised to know of your mother and father as Aunt Bonner and Uncle Jim. You see, I was born in 1921 in Houston as Robert S. Wharton, son of Earl and Kathryn Wharton. Some years after my father died in 1924, in Chicago my mother remarried Arthur Reebie who adopted us and my name was changed. However, Mother's Texas friends and my Uncle Clarence Wharton had been so wonderful to her that I remember as a young child return visits with many so called "aunts" and "uncles" among the Bluffers, Nelms, Cains, etc.

Now I write to suggest an alternative approach to the debates being proposed between President Bush and Governor Clinton. I believe it would serve the President much better to conduct his own TV meetings as a way of regaining the campaign initiative and a more positive image. Whether called, 2-3 two hour Ben Franklin style pro-&-con discussions of 2-3 key issues selected by the President, could provide the following benefits:

- o President display a new, constructive approach for the future:
 - Raise controversial issues for public analysis and debate;
 - Inform participants and public of all pro-&-con arguments;
 - Fairly and non-politically evaluate all viewpoints;
 - Depolarize previous firmly held and publicized positions;
 - Display evaluated arguments in a convincing manner which fosters consensus among both debaters and viewing public.
- o Permits President to be more constructive and effective than competing in competitive, combative TV debates:
 - Appear to seek, with open mind, agreement on needed action programs blocked by presidential and congressional politics; health, line veto, authorizations, subsidies, amendment;
 - Provide a basis, following each meeting, for publication of the pro-&-con results of the meeting in the press or flyers.

I offer this suggestion because it has proven effective for me in bringing the members of a 400 member business organization to the level of consensus on complex issues necessary to obtain needed programs from various legislatures and commissions.

The attachments describe such a program and copies of a pro-&-con analysis on controlling congress expense authorizations and term limitations. In addition, please find a draft of a candidate evaluation suggestion which might yet be reduced and re-edited in time for this election.

Bob Reebie

Secretary Baker JAB-07A

9/14/92

NRN

Your efforts are very evident as the tide appears to turn for President Bush. Here are several that need attention or emphasis.

Sincerely,
Tom Greenaway

Tom R. Greenaway
1461 Fulton Street
San Francisco, CA 94117

PROPOSED REPUBLICAN TV DEBATE PROGRAM
To Replace Debates Between Candidates

BACKGROUND

The Ben Franklin Pro-&-Con Concept Has Recently Proven Successful In Bringing Positive Action On Public Issues

- o By de-polarizing previous firmly held positions
 - All viewpoints must be considered
 - These viewpoints are evaluated by the advocates themselves
 - The evaluated results are displayed in a convincing manner
- o By bringing consensus as needed:
 - To seek legislation, regulation in state and federal matters
- o By presenting proposals in a convincing manner
 - Plus assurance each proposal is truly in the public interest

OBJECTIVES**1. Focus Attention Of Voting Citizens Upon Vital American Issues**

- o Hold meetings where participants discuss selected key issues
 - Develop a **proposal for beneficial action** for review
- o Seek to educate the voters, not hold a plebiscite
- o Enable voters to evaluate candidates
 - **Evaluate on voter concerns, not candidate offerings**
 - Focus candidate self interests upon meeting voter positions

2. Inform Voters Of Viewpoints And Relevant Facts On Issues & Proposals

- o Seek input from interested and informed discussion participants
- o Seek facts from reliable sources, and then present them clearly

3. Display And Evaluate Viewpoints In A "Ben Franklin" Pro-&-Con Format

- o A pro-&-con format clearly displays the discussion results
 - Obtains the benefits of outline and billboard type formats
 - What the eye can see clearly helps the mind absorb easily
- o Only by reviewing all viewpoints will conclusions be widely accepted
- o Evaluating the importance of viewpoints keeps the analysis in focus
 - Value each viewpoint as critical, important or minor
- o Evaluation by discussion participants themselves
- o Organized review de-polarizes previous firmly held positions

STATEMENT OF PROPOSED ACTION

----- <u>PRO POINTS</u> -----	----- <u>CON POINTS</u> -----
Critical points	Critical points
-----	-----
Important points	Important points
-----	-----
Unimportant/Strawman points	Unimportant/Strawman points

4. Obtain Consensus On Key Issues And Proposals

- o A need to limit the number of issues considered each election year
 - Issues of such size as to be meaningful
 - Issues with potential for significant improvement
 - Issues which wherein voter approval appears possible
- o The number of issues on which voters could be educated
 - Develop pro-&-con charts
 - Gain consensus on a proposition according to tilt of evidence
 - Show direction of tough choice when consensus is elusive
 - Reduce the scope of a proposition when the need is found

5. Publish Final Pro-&-Con Charts In Newspapers, Magazines, Mailings, Etc.

- o Stimulate more complete voter review than TV permits

6. Develop Scoree Sheets To Evaluate Candidate Positions Vs Voter Positions On Voter Selected Issues (whether or not such selections and positions were preceded by Ben Franklin style discussions)

- o Brief description of each voter position (5-10 per election)
 - Import value points ascribed to each position
- o Positions for voters to score each candidate on each issue
 - Voter to credit the amount of value points deemed appropriate

7. Encourage Semi-Weekly Surveys Of Voter Scoring Of Candidates

- o Offer more meaningful polls than current popularity polls
 - Relate to issues (like batting/fielding averages to baseball)
- o Provides media with important, meaningful information
 - Involves media in constructive coverage of campaign
- o Tells candidates how their voters view their positions
 - Forces candidates to discuss voter issues & state their positions
- o Measures changes in voter views of candidates during campaign
 - Voters themselves evaluate candidates, not United We Stand

OPERATING PROCEDURES

1. Inform Voters Of Pertinent Facts and All Viewpoints On Selected Issues

- o Seek factual information from available sources
 - Academic institutions
 - Private "think tank" research organizations
 - Governmental agencies
 - Legislators and staffs
- o Develop outlines, tables, charts, etc. to present pertinent information as clearly as possible (see over)
 - Example 1: Effect of taxes and welfare on employment (Fortune Magazine chart vs. political statements)
 - Example 2: Social security benefits verses recipient contributions (National Taxpayers Union vs. common beliefs)

2. Display and Evaluate Viewpoints In A "Ben Franklin" Pro-&-Con Format

- o Seek all viewpoints concerning positive action programs from informed sources in open meetings or from written submissions
 - Citizen voters
 - Spokespersons for citizen, business, professional, etc. groups,
 - Information sources listed above

3. Inform Voters Of Pertinent Facts and All Viewpoints On Selected Issues

o Seek factual information from available sources

- Academic institutions
- Private "think tank" research organizations
- Governmental agencies
- Legislators and staffs
- Owners Of America staff research

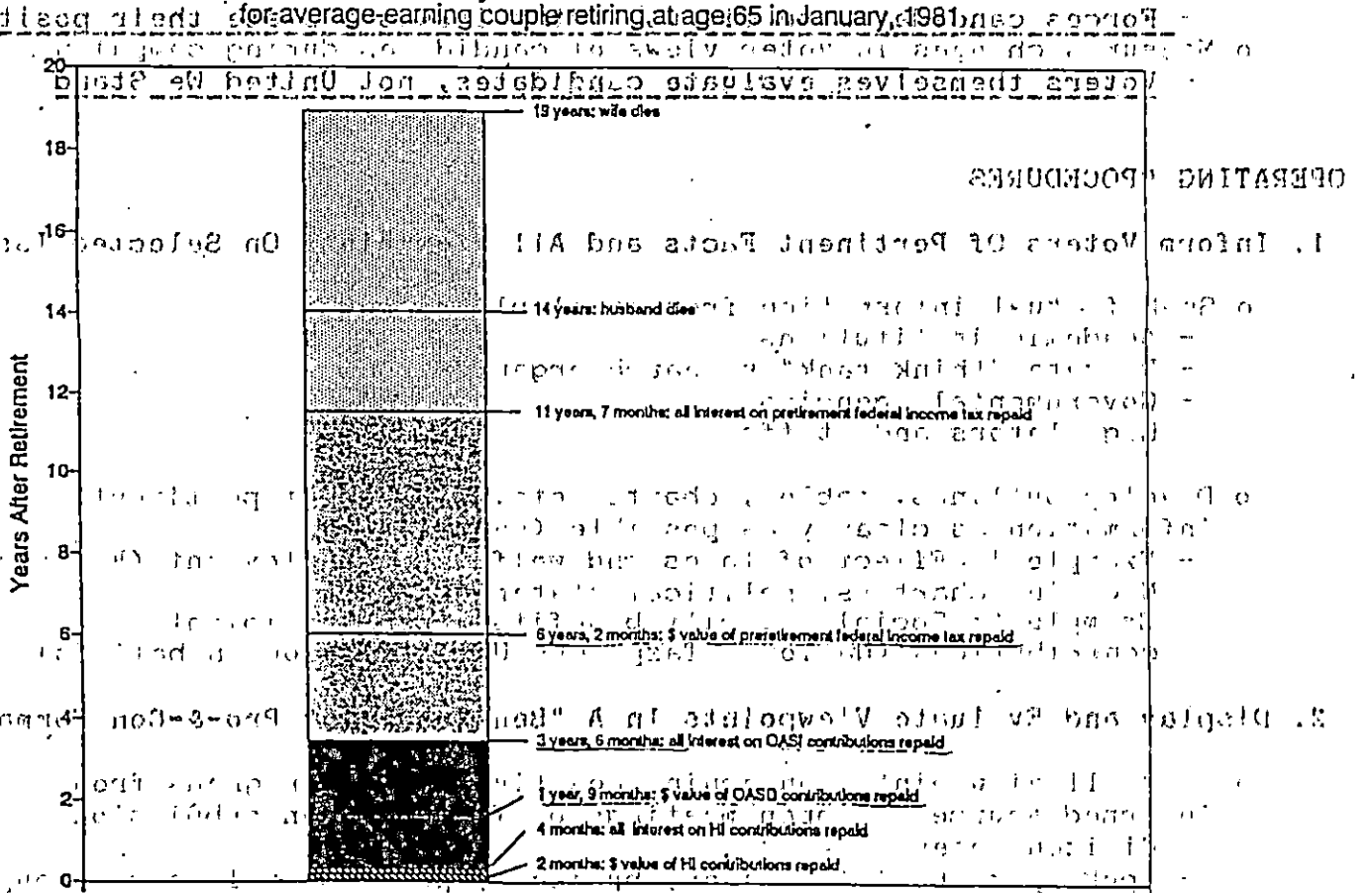
o Develop outlines, tables, charts, etc. to present pertinent information as clearly as possible

- Example 1: Effect of taxes and welfare on employment (Fortune Magazine chart vs. political statements)

- Example 2: Social security benefits vs. recipient contributions (National Taxpayers Union vs. common beliefs)

COMING UP SHORT		
ANNUAL INCOME	WELFARE MOTHER	WORKING MOTHER
Welfare	\$5,052	NONE
Food stamps	\$2,427	\$2,503
Earnings	NONE	\$8,000
Earned income tax credit	NONE	\$1,384
GROSS INCOME	\$7,479	\$11,887
Work-related expenses	NONE	\$1,900
Social Security tax	NONE	\$612
Paid child care	NONE	\$2,700
DISPOSABLE INCOME	\$7,479	\$6,675
POVERTY THRESHOLD FOR FAMILY OF THREE	\$10,857	\$10,857

Benefit Payback on Tax Contributions



3. Hold 2-3 TV Meetings, One On Each Priority Issue

- o Plan a two hour meeting (even if TV coverage for 1st hour)
 - Invite an informed and participating audience

- o President Bush
 - Open meeting, explain objectives and procedures
 - Explain the issue and proposition to be discussed

- o President Bush or moderator
 - Request comments, one per participant until all who wish to comment have had one chance, then allow a round of second points, etc. until each participant has made all of his/her points
 - Moderator must judiciously limit discussion of each point until it has been fairly heard and placed on the pro-&-con chart in one of three levels (critical, important, minor) or combined with a previous point. When disagreement arises concerning a point's appropriate level of importance, it would be decided by a vote of the participants.

- o President Bush
 - Assess results of meeting (or possible need for a second session)
 - Where more review may be needed - on what points
 - Where the original proposition needs modification
 - Where the results may need editing for clarification
 - Plans for publication of the results
 - Announce date and issue of the next Issue Meeting
 - Close the meeting

5. Publish Results

- o Draft pro-&-con results in a format to gain attention and clarity
 - Billboard style with effective mixture of type fonts, boldness, spacing, color, etc.

- o Offer to media: newspapers, magazines, plus radio & TV commentators

- o Print, distribute and mail flyers

- o Purchase advertising space in selected newspapers and magazines
 - Effective page sizes, including double-truck opposing pages

PROPOSITION: THAT CONGRESS REQUIRE THAT ALL BILLS TO AUTHORIZE EXPENDITURES MUST BE CONSIDERED ALONE OR COMBINED WITH OTHER AUTHORIZATION BILLS PERTAINING TO THE SAME FUNCTION IN A BIENNIAL BUDGET AND CANNOT BE ATTACHED TO UNRELATED LEGISLATION.

PRO: AFFIRMATIVE	CON: AGAINST
<p>CRITICAL/VITAL</p> <ol style="list-style-type: none"> 1. Grouping authorization legislation by Budget Function will help clarify and set the nation's spending priorities. 2. Attachment of authorization bills of questionable merit to unrelated legislation avoids adequate public review and has been a major factor in causing "budget busting" expenditures. 3. The attachment of authorization bills to legislation of high public value can prevent a Presidential needed to hold the nation's expenditures within its revenues. 4. Biennial budgeting offers many significant opportunities for greater efficiency in government operations (e.g military). 	<p>CRITICAL/VITAL</p>
<p>IMPORTANT/SIGNIFICANT</p> <ol style="list-style-type: none"> 1. This legislation will give voters confidence that their money is being well spent on accepted programs and thus may assist Congress in raising taxes or reducing unreasonable benefits. 2. Requiring that authorization legislation be considered only under one of the 19 largely homogeneous Budget Functions, already vetoable by a President, will obtain much of the good of the widely desired line item veto, without its objections. 3. This legislation would largely regain for the Presidency the counterbalancing fiscal veto power vis-a-vis Congress as originally intended by the Constitution but negated by recent congressional "christmas tree" attachment of special interest legislation to general purpose legislation. 4. Adoption of this expense authorization procedure could become a prelude to a Balanced Budget amendment to the Constitution. 5. This procedure would not prohibit authorization of expenses for special interests wherein open disclosure and debate could display their merits in the general public interest. 	<p>IMPORTANT/SIGNIFICANT</p> <ol style="list-style-type: none"> 1. The current 19 Budget Functions need to be increased at some date to 40-50 functions in order to obtain a clearer, more homogeneous definition of the activities included in an authorization bill.
<p>LOWER IMPORT/SOLVABLE/QUESTIONABLE</p> <ol style="list-style-type: none"> 1. The relating of expenditure authorization bills to a single Budget Function will facilitate the congressional task of relating both general and specific tax revenues to each specific Budget Function. 2. This procedure would facilitate the budget process and explanation to the voting public of the need for, and validity of tax legislation. 	<p>LOWER IMPORT/SOLVABLE/QUESTIONABLE</p> <ol style="list-style-type: none"> 1. Because of a reluctance of many Congressmen to enact a restriction on their spending powers, this legislation may need to await a Constitutional amendment requiring a balanced budget or limiting the congressional terms of office.

PROPOSITION: THAT NORTH CAROLINA LEGISLATORS OFFER ITS VOTERS IN 1992 A REFERENDUM ON LIMITING THE TERMS OF ITS U.S. SENATORS TO TWO TERMS OF 6 YEARS EACH AND ON LIMITING THE TERMS OF ITS U.S. REPRESENTATIVES TO TWO TERMS OF 4 YEARS EACH UNTIL SIMILAR CHANGES BE MADE IN THE U.S. CONSTITUTION.

PRO: AFFIRMATIVE	CON: AGAINST
<p>CRITICAL/VITAL</p> <ol style="list-style-type: none"> 1.The need to foster a "citizen Congress" concerned with the good of the nation rather than a "career Congress" more concerned with re-election. 2.The failure of Congress to enact budgetary legislation in an election year indicates a need to extend the terms of Representatives to four years and to permit re-election only once for both Senators and Representatives. 3.Obtaining a vital Balanced Budget Amendment or a Line Item Veto appears require prior limits on congressional terms. 	<p>CRITICAL/VITAL</p>
<p>IMPORTANT/SIGNIFICANT</p> <ol style="list-style-type: none"> 1.Experience in industry, government and the Congress shows that two terms will allow many legislators to become informed and competent enough after 2-4 years to assume committee leaderships and continue effective programs. 2.Long terms permit legislators to become beholden to special interests who help finance re-elections, especially senior committee chairmen. 3.A constant need for re-election encourages wasteful "pork barrel log rolling" expenditures to gain the support of other legislators. 4.Without a re-election focus, the large staffs of legislators could be reduced and yet be more effectively applied to current issues. 5.Shorter terms will facilitate reorganization of Congress and reductions of the number of committees and their costly staffs. 6.Reduction or abolishment of PACs, honorariums and franking will not adequately reduce unequal election powers of incumbent legislators. 7.Continued re-election of incumbent Representatives has frustrated the intent of the two-year term, namely a constant infusion of new views. 8.The maximum possible election of 1/2 the House and 1/3 the Senate every two years will keep Congress adequately responsive to the electorate. 9.Constant re-election gives congressmen "seniority" power to be used in a constituency's special interest, even when against the general interest. 10.Periodic removal of politicians responsible for uneconomic commitments would facilitate unbiased "sunset" reviews. 	<p>IMPORTANT/SIGNIFICANT</p> <ol style="list-style-type: none"> 1.Programs which often take more than 8-12 years to come to fruition may not receive the original level of support from later legislators. 2.The relative-strength of the government bureaucracy vis-a-vis the Congress may be increased because of the probable longer terms of employment. 3.The power of long term congressmen, under current seniority rules, to maintain party discipline would be lost, and thus some of the ability of a party to gain its programs could be diminished.
<p>LOWER IMPORT/SOLVABLE/QUESTIONABLE</p> <ol style="list-style-type: none"> 1.Adequate continuity of programs will be assisted by experienced committee and governmental personnel who will remain. 2.The nation can easily provide enough service oriented candidates to refill a 535 member Congress every 8-12 years, because of the enhancement of employment value following Congressional service and because many organizations will grant leaves of absence for legislative service. 3.There is at least an equal chance that newly elected legislators will be as competent across the board as those whose terms expire, as well as being more familiar with current private sector concerns. 4.Those competent legislators displaced by term limits will have highly valuable options available in industry or further government service. 	<p>LOWER IMPORT/SOLVABLE/QUESTIONABLE</p> <ol style="list-style-type: none"> 1.Some highly competent long term legislators will be retired from their current positions. 2.Because of a lack of a desire by most congressmen to limit his/her tenure, a constitutional amendment may well require a state-by-state process. 3.Attempts to limit terms of office are really desired by the party out of power in order to turn out the incumbents of the party in power. 4.North Carolina may experience a short term loss of the advantageous power of its "seniority" legislators if they are terminated before other states enact their own term limits or a constitutional amendment is enacted.

1992 ELECTION - CONGRESSIONAL CANDIDATES - EVALUATION SCORE SHEET

OBJECTIVE

This Candidate Evaluation Score Sheet is intended to encourage, even force, candidates for the United States Congress to focus upon a limited number of timely issues and positions now being raised by constituent voters rather than upon candidate views of matters which they discuss in order to gain voter approval. (A similar sheet is available to evaluate three possible presidential candidates).

The success of this citizen effort to obtain a more effective Congress will be determined by the extent:

1. That newspaper & TV media recognize that Candidate Evaluation Score Sheets produce results & data far more informative, interesting and important than popularity polls because issue Score Sheets relate to politics in the same realistic way that batting and fielding averages truly relate to baseball.
2. That Representative and Senate candidates come to recognize that their election success will depend largely upon the positions which they voice and the commitments they make with regard to the basic issues and positions used by their constituent voters to evaluate the candidates.
3. That local press and TV media use issue Score Sheets as the basis for bi-weekly surveys of voter evaluations. As candidates seek to improve any unfavorable voter scores of them, by moving toward voter positions, the voters will have additional chances during a campaign to re-evaluate the candidate positions and commitments on issues before the final election.
4. That publication of sample voter evaluation on each issue serves to inform the general citizenry of issues deemed pertinent to the current election. Publication may also stimulate interest in learning more about these issues and encourage more citizens to vote in the election.

NOTES ABOUT ISSUES LISTED ON THE EVALUATION SCORE SHEET:

- A. The need for Congress to act next term in two basic areas:
 - Adopt concepts needed to gain sound national finance status (items 1-3)
 - o Eliminate "pork" expenditures from costly omnibus bills whose other benefits may merit congressional approval and thus cause many valued Representatives and Senators to become wasteful "over spenders";
 - Adopt concepts vital to congressional effectiveness & trust (items 4,5).
- B. The need to recognize basic economic and political truths..
 - Today's unemployment will be difficult to overcome:
 - o More than recession, due to technology displacing jobs, foreign competition, military and business force reductions;
 - o Short run, government can offer only compensation and training
Extended compensation should involve work on infrastructure;
 - o Government focus itself and business on the long range -
President can propose, but only Congress can enact programs;
Encourage private enterprise as best source of new jobs.
 - Granting tax benefits to raise private investment in productivity and job creation, plus funding of any new vital public interest programs, requires that Congress reduce or eliminate unnecessary, outdated programs it previously granted to a wide range of special interests - - before planning to raise taxes, whether to cover expenses, or to reduce the deficit, the debt, or consumption not in the national interest.
- C. The need to reduce or end unneeded and wasteful, old, special interest programs in order to finance vital new programs (items 6-9,11 and 10,12,13)
 - Sunset laws should annually re-examine the need to continue subsidies
 - Inform retired citizens that most couples receive Social Security paybacks equal to return of both their own and their employer's original contributions, plus interest, within 4 years after age 65 retirement. Thereafter, benefits, often unneeded, must be paid by the next 1-3 generations with fewer and fewer worker contributors per retiree. - workers whose family dependent tax deductions remain at 1960-70 levels. Elders receive 11 times more federal funds than young under 18 years.

SCORING METHOD:

- A weighted value for each issue is listed to the right of it.
- Each voter must determine the percent credit to be given each candidate:
 - o Zero if a candidate view is unknown or if opposed to the voter position;
 - o The voter's assessment of percent credit when the candidate equivocates;
 - o Full 100% credit when candidate commits to act positively next term.
- Enter the score for each candidate opposite each issue position.
- Total the score for each candidate as of the date of the evaluation.

1992 NATIONAL ISSUES PROJECT

CANDIDATE SCORES

SCORE SHEET FOR EVALUATION OF CONGRESSIONAL CANDIDATES

SENATE HOUSE

State _____ Congr. Distr. No. _____

Evaluation Date _____ Scorer _____

ISSUES SELECTED FOR CONGRESSIONAL ACTION 1992-93

VALUES

GOVERNMENT REORGANIZATION - GATEWAY TO EFFECTIVENESS & PUBLIC TRUST

1. Congress enact law authorizing a President to veto single items in a federal budget or authorization bill, with override by a 60% House vote.
2. Congress act to control spending by requiring all bills authorizing expense be adopted alone or combined with other expenditure bills pertaining to the same Budget Function, and not attached to unrelated legislation:
 - o Expand current 19 Budget Expense Functions for clearer definition, then group them by relationships to aid public understanding & prioritizing;
 - o Congress act to reorganize its committees and sub-committees by Budget Function Groups and specific Budget Functions to aid staff reductions.
3. Congress enact law (or seek Constitutional amendment) requiring its Budgets be balanced, but permit a deficit only by a 70% vote of both houses and only with a plan for recovery from the deficit condition within 2-4 years:
 - o Budgets to be calculated without considering reserve funds (e.g. Social Security, FDIC, etc.);
 - o Budgets to hold expense growth to population growth, plus inflation, whenever service of the national debt exceeds 5% of the federal budget.
4. Congress act to prohibit all special interest PAC contributions and limit personal campaign gifts at \$1000 to a candidate and \$5,000 to a party.
5. Congress act to terminate its exclusion from general public laws, eliminate unproductive free perks, and reduce its expenses and staff 25% by FY 1994.
 - o Congress act to reduce its retirement benefits and perks to bring them in line with commercial executives of the same salary and tenure levels.

AMERICA'S DEMOCRATIC ECONOMY

6. Congress act in 1993 to authorize President to sell federal assets no longer needed for pre-WWI defense, agriculture, etc. plus outstanding loans on the basis that the sale funds be used only to reduce the federal debt.
7. Congress act to gradually reduce Defense expenses below \$200 billion per year by FY 1997. Cancel equipment and bases not requested by Pentagon.
 - o Base plans on reducing US personnel stationed in Europe and Asia, plus Presidential negotiation of greater expenditure sharing by our allies.
8. Congress act to reduce total subsidy payments 5% each year until FY 1996. Focus on special interest programs no longer worthy of public interest support: agriculture (large farms); water; HUD public housing; ICC; FDIC (large/multiple deposits); ExImBank; Amtrak; REA; large/2nd mortgages.
9. Congress freeze civilian agency overhead budget level for 2 years.
10. Congress individually enact investment incentives for production & jobs:
 - o Reduce to 10% tax on capital value gains of investments held 5 yrs, - Index inflation before calculating appreciation gain;
 - o Tax credits for R&D in industries essential to the nation's technical progress or industries suffering subsidized foreign competition;
 - o Allow facilities depreciation to increase with inflation and re-establish accelerated depreciation of high-tech equipment;
 - o Establish, in poor and urban areas, enterprise zones which would be free of federal taxes for 5 years for each new business;
 - o Encourage citizens themselves to save for retirement or emergencies with IRAs paid with after-tax incomes but tax free upon withdrawal.

AMERICA'S HUMAN RESOURCES

11. Congress maintain Social Security and Medicare benefits, plus military and government pensions, but limit growth to draw closer to original intents:
 - o Colas to be suspended for one year and thereafter limited to a consumer price index appropriate for elder and retired citizens;
 - o Insure no needy retiree be deprived of income, but apply income tax on 85% of benefits to single incomes over \$30,000 and couples over \$40,000;
 - o Continue Medicare coverages but raise its medical insurance premiums 25% for individuals with incomes over \$30,000, and couples over \$40,000.
12. Congress apply funds saved from excessive or costly elder programs, plus other expense savings, to assist the young in becoming healthy, capable, and productive citizens more able to resist drugs and crime:
 - o Provide refundable tax credits of \$1200 per child 0-6, \$800 per child 7-18 to return family support to the effective levels of 1960-70;
 - o Education in middle & high schools about citizen responsibilities and about the risks of AIDS, teenage pregnancy and single parenthood;
 - o Prenatal care for poor pregnant women, plus encouragement of a 6-12 month maternity leave by employers of 50 or more workers;
 - o Nutrition, health and day care for all needy children 0-6 years old through federal vouchers redeemable by approved agencies;
 - o In test areas, provide parents with vouchers to supplement costs in 1-12 schools of their choice, to stimulate educational competition.
13. Congress enact aid to Health Programs which include 6 basic factors:
 - o Acceptance that fairness requires beneficiaries to pay income taxes on employer care, just as independents pay for care out of taxed income;
 - o Recognition that employer health payments (vs beneficiary payments) makes US business uncompetitive with foreign firms which do not pay for care;
 - o Encouragement of government and large employers to expand their current programs to evaluate available private care services and to recommend, to employees & others, those providers which meet basic criteria;
 - o Reduction and control of costs by making the beneficiary responsible for choosing from several benefit-&-cost packages (even if paid by/through an employer), thus using buyer interest and competition to make quality care services widely available and affordable for all but the needy;
 - o Requirement that all health care providers accept all new applicants, with US government vouchers for the needy poor and for high cost ill;
 - o Federal establishment of appropriate lists of required basic service packages to which providers could add coverages desired by the market;

	VALUES			
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TOTALS	100			

ROBERT S. REEBIE
60 INVERNESS ROAD
PINEHURST, NORTH CAROLINA 28374



09/10/92 WASHINGTON, D.C. 200 #C7 12:55

Mr. James Baker
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington DC 20500



National Association
of Manufacturers

Jerry J. Jasinowski
President

*NRN
Legis-Affairs
will call
NAM on
this*

September 15, 1992

The Honorable James A. Baker III
Chief of Staff
The White House
Washington, DC 20500

Dear Jim:

I would like to call to your attention a policy action which could be taken by the President that would help support U.S. exports. An amendment is being offered to the Defense authorization bill which would set up a program in the Defense Department to provide financing for defense exports.

Because Congress may act on this matter at any time this week, I would like to seek your active support for this amendment and would appreciate an opportunity to discuss it with you either on the telephone or in person.

The amendment which is being offered by Senators Dodd, Rudman, Pell and Dole would provide \$65 million to support export financing for defense products. This \$65 million would be leveraged to support nearly a \$1 billion in exports.

It is important to realize this amendment would not only help maintain an adequate defense manufacturing base but also support nearly 22,000 direct and 17,000 indirect jobs. It would seem to us that this is the type of policy action which the Administration should be supporting.

Unfortunately, the signals the business community have received so far from various White House and departmental officials have been decidedly mixed. I, therefore, would urge you to clearly announce the Administration's support for this amendment. This should be the first step taken.

In addition, the Office of Management and Budget (OMB) has thrown an unnecessary hurdle in the path of this amendment by arguing that any defense export finance facility must be scored against the international (function 150) rather than the defense account (function 050) in the federal budget. This program is to be run out of the Defense Department using funds appropriated and authorized to the Department. It should be scored against function 050. If it isn't, it will probably be impossible to secure Congressional approval.

The Honorable James A. Baker III
September 15, 1992
Page Two

If this issue is to move forward, it must be dealt with promptly by the White House.
I would urge you to make sure this happens immediately.

Sincerely,


President
National Association of Manufacturers

cc: Brent Scowcroft/NSC
Richard Darman/OMB
Dick Cheney/Defense
Barbara Franklin/Commerce

NOTE FOR FILE - 9/22

Secretary Baker approved Kimmitt's quoting the circled paragraph in his speech. Zoellick concurred, Scowcroft was given a copy. Caron Jackson notified Kimmitt. (Videotape request was denied.)

B. Thompson



EMBASSY OF THE
UNITED STATES OF AMERICA
BONN

September 10, 1992

THE AMBASSADOR

The Honorable Margaret deB. Tutwiler
Assistant to the President
The White House
Washington, D.C. 20500

Dear Margaret:

I called you earlier this month to make sure that you received the answer I gave to John Rogers concerning your personal papers. If any question remains on that subject, please do not hesitate to contact me.

Bob Zoellick's office has forwarded to you the videotape request I received from General Motors. General Motors is looking for a 15-30 second Presidential video that would be played at the September 23 grand opening of the GM/Opel plant in Eisenach in the state of Thuringia, which was formerly part of the GDR. This event is sure to attract major German, European, and international press coverage. Speakers will include Chancellor Kohl and GM President and Chief Operating Officer, John F. Smith.

If the President is doing any non-political tapings, I think this one should be given a close look. A suggested text would be as follows:

During the historic years of 1989 and 1990, Americans took special pride in supporting the process that led to the reunification of Germany. That process continues today, and America wants to continue to do its part. Last year in Berlin, Jim Baker underscored our commitment by stating: "I have no doubt that before too long this part of Germany will be one of the foremost engines in Europe. On that day, I believe Americans and Germans will be standing on the shop floor together." Today, that statement is a reality. It is thus with pride and confidence in our common future that I send to you today the very best wishes of the American people on this special occasion.

I would like to let General Motors know soon whether there is any chance for such a video. The best number to reach me is 011-49-228-3391.

Very best wishes, from both Holly and me.

Sincerely,

Bob

Robert M. Kimmitt

cc: Bob Zoellick

NRN

*suggestions
offer of
service*

Carl E. Anderson, M.D.
180 Claremont Ave., Apt 21
New York, NY 10027
(914) 422-5693
September 11, 1992

James A. Baker III
Chief of Staff
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mr. Baker:

I am a child psychiatrist who is a member of the Presidential Roundtable. I am writing to give you a copy of some materials I have sent to President Bush and Senator Phil Gramm, concerning some ideas and suggestions for domestic policy and campaign strategy. As I describe in the enclosed letter to President Bush, I am interested in being of service to the President in developing ideas for domestic policy, especially concerning children and families, and in helping with the re-election effort.

Please make use of the enclosed ideas and suggestions and inform me as to how I can be of most assistance to you and President Bush.

Thank you for your consideration.

Sincerely yours,

Carl E. Anderson, M.D.

Carl E. Anderson, M.D.

Carl E. Anderson, M.D.
180 Claremont Ave., Apt. 21
New York, NY 10027
(914) 422-5693
September 11, 1992

The Honorable George Bush
President of the United States
c/o Ron Kaufmann
Deputy Director, Office of Public Policy
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear President Bush:

I am a child psychiatrist who is a member of the Presidential Roundtable. I am writing you in followup of a discussion I had with Senator Phil Gramm concerning my interest in being of assistance to you in developing ideas for domestic policy, especially concerning children and families. Senator Gramm asked for a written description of my ideas, which I provided to him at the Republican National Convention.

I am writing to give you a copy of these ideas and suggestions. I am doing this in order to help advance and expand your policy agenda concerning children and families, to help make it clear to the American people that you have an excellent domestic policy agenda and to help ensure your and Vice President Quayle's re-election.

I am enclosing my CV, which shows that currently I am participating in a fellowship program in public psychiatry at Columbia-Presbyterian Medical Center. Prior to that I served as assistant unit chief of the Children's Day Hospital at The New York Hospital-Cornell Medical Center, Westchester Division, in White Plains, NY. During my work there, it became clear to me that the way I could help those children the most was not to work with them directly, even though I enjoyed that, but instead to multiply my efforts by trying to improve government policy relating to children and families.

After I finish my fellowship, I plan to work as a policy advisor. My primary professional goal is to serve as an advisor to you on issues of policy concerning children and families. Issues of particular interest to me include promoting the integrity and unity of families, breaking the cycle of welfare and dependence (promoting individual initiative and self-reliance), preventing and providing early intervention for children's problems (especially behavior problems), providing for a better coordinated system of services and programs for children, increasing safety and decreasing crime, and advancing equal opportunity for all, regardless of racial or other differences.

Please make use of these ideas as you see fit and please share them with Vice President Quayle and other members of your staff. I am also forwarding a copy of these materials to your Chief of Staff, James A. Baker III. I am very interested in your feedback and your suggestions as to how I can be most helpful in further developing your domestic policy. I am available to further elaborate and extend these ideas and, in addition, I can help with ideas for speeches, public appearances, and ads.

I strongly urge that you, Vice President Quayle, and the other Republican leaders give serious attention to the ideas and suggestions I've offered because they suggest ways of addressing some of our nation's serious problems and also ensuring a Republican victory in November. I've put a great deal of time and effort into developing these ideas and suggestions.

Thank you for your consideration.

Sincerely yours,

Carl E. Anderson, M.D.

Carl E. Anderson, M.D.

(914) 422-5693

CARL E. ANDERSON, M. D.
CHILD, ADOLESCENT, AND ADULT PSYCHIATRY

499 N. BROADWAY
SUITE 2C

WHITE PLAINS
NEW YORK 10603

CURRICULUM VITAE

Carl E. Anderson

OFFICE ADDRESS:

499 N. Broadway, Suite 2C
White Plains, NY 10603
(914) 422-5693

HOME ADDRESS:

180 Claremont Ave., Apt. 21
New York, NY 10027
(212) 749-4899

EDUCATION:

M.D., 1983, Cornell University Medical College
M.A., 1979, University of Michigan, Personality Psychology and
Psychobiology
B.A., 1975, Harvard College, cum laude, Psychology and Social
Relations

LICENSES:

New York

PRESENT APPOINTMENTS:

1992- Fellow in Public Psychiatry, Columbia-Presbyterian
Medical Center
1992- Visiting Clinical Fellow, Columbia University

PREVIOUS APPOINTMENTS:

1990-92 Assistant Unit Chief, Children's Day Hospital, The New
York Hospital-Cornell Medical Center, Westchester
Division
1990-92 Clinical Affiliate in Psychiatry, New York Hospital
1990-92 Instructor in Psychiatry, Cornell University Medical
College
1990-92 Coordinator, Course on Child Development and
Psychopathology for PGY-III Residents, The New York
Hospital-Cornell Medical Center, Westchester Division
1991-92 Preceptor, Psychopathology Course for Second Year Medical
Students, Cornell University Medical College
1989-90 NIMH Postdoctoral Research Fellow, Child Psychiatry, New
York State Psychiatric Institute
1989-90 Assistant Clinical Attending Psychiatrist, Columbia-
Presbyterian Medical Center
1987-89 Fellow in Child Psychiatry, Columbia-Presbyterian Medical
Center
1988-89 Consulting Psychiatrist, Brooklyn Center for Families in
Crisis
1983-87 Resident in Psychiatry, Duke University Medical Center

- 1986-87 Consulting Psychiatrist, Randolph County Mental Health Center, Asheboro, NC
- 1976-79 Teaching Assistant, University of Michigan, Psychology, Courses on Human Motivation and Behavior Modification

PUBLICATIONS:

Anderson, C.E. and Weissman, M.M., "Family studies of affective disorders," chapter to appear in Depression in Children and Adolescents, eds. H.S. Koplewicz and E. Klass, London:Harwood Academic Publishers, in press.

Kushner, M., Anderson, C., and Hauser, W., "Transient global amnesia: A case-control study," abstract, Annals of Neurology, 1982, 12:85-86.

BOOK REVIEWS

Manic-Depressive Illness, by F.K. Goodwin and K.R. Jamison, Journal of Suicide and Life Threatening Behavior, in press.

UNPUBLISHED MANUSCRIPTS:

Anderson, C.E. and Valenstein, E.S., "Amygdaloid kindling and sexual behavior in male rats," 1979, University of Michigan.

Taylor, S.E., Fiske, S.T., Close, M.M., Anderson, C.E., and Roderman, A.J., "Solo status as a psychological variable: The power of being distinctive," 1977, Harvard University.

PRESENTATIONS:

Workshop, "Milieu, family, and classroom approaches in the management of aggressive behavior in the day treatment setting," in symposium, "Aggressive and violent behavior in children and adolescents: Multidisciplinary perspectives and treatment approaches," The New York Hospital-Cornell Medical Center, Westchester Division, 1991.

Grand Rounds, clinical presentation, The New York Hospital-Cornell Medical Center, Westchester Division, 1991.

Child Psychiatry Rounds, research fellow presentation, "Family studies of affective disorders," Columbia-Presbyterian Medical Center, 1990.

Child Psychiatry Rounds, clinical presentation, Columbia-Presbyterian Medical Center, 1988.

Psychiatry Grand Rounds, "Big brother/big sister organizations: What do they accomplish?" Duke University Medical Center, 1987.

CURRENT PROFESSIONAL COMMITTEES

- 1991- Advisory Council, Children's Core Service System, Westchester County Department of Community Mental Health

1990- Advisory Committee, Rhinelander Children's Center,
Children's Aid Society, New York, NY

**PREVIOUS COMMITTEES, NEW YORK HOSPITAL-CORNELL MEDICAL CENTER,
WESTCHESTER DIVISION:**

1991-92 General Faculty Council, Cornell University
Medical College
1990-92 Child and Adolescent Psychiatry Education Council
1990-92 Child and Adolescent Psychiatry Rounds Committee
1990-92 Special Review Committee
1990-92 Utilization Review Committee

OTHER PREVIOUS PROFESSIONAL COMMITTEES:

1991-92 Chairman, Sub-Committee on Children and Families,
Regional Planning Advisory Council, Hudson River
Region, New York State Office of Mental Health
1985-87 Resident Representative, Psychiatry Residency Education
Committee, Duke University Medical Center
1985-87 Duke Representative, Members-in-Training Committee, North
Carolina Psychiatric Association
1985-87 Chairman, Psychiatry Psychotherapy Loan Fund Committee,
Duke University Medical Center

PROFESSIONAL ORGANIZATIONS:

American Academy of Child and Adolescent Psychiatry
New York Council on Child and Adolescent Psychiatry
American Psychiatric Association
American Medical Association

OTHER ORGANIZATIONS:

1989- Program Committee, Harvard Club of New York City
1985-87 President, Harvard Club of the Research Triangle, NC
1985-87 Director, Duke Companions, a big brother/big sister
organization

Carl E. Anderson, M.D.

POLICY AND CAMPAIGN IDEAS AND SUGGESTIONS

SOLVING PROBLEMS

Individual responsibility for change

People are blaming the President as if he's to blame for all the problems in this country and as if he's the only one that can improve the situation. We are looking for the quick fix and we are asking the President to do something while we act helpless and sit back and watch instead of getting involved. The positive and negative parts of this country are everyone's responsibility and the President can only point the way to a better America. Many good things are being done, but unfortunately the negative things are emphasized more than the positive ones. We can't expect that all problems will be solved immediately because they are very complex. However, we can map out a strategy for bringing about positive change, which can start immediately. It starts with each American having faith in our country and pledging to do what he or she can do to improve the country, to work harder, to focus on strengths rather than on weaknesses, to be more loving towards other people, and to be more tolerant of people of different races and ethnic backgrounds, genders, disabilities, and other individual differences. Instead of complaining about the President, about what he has or hasn't done or should or shouldn't do, focus on what you can do yourself to make America a better country.

Importance of people becoming involved with constructive change rather than just complaining

We have had the problem of individuals and groups doing less than they can do to bring about constructive change so that they can point to problems and use them as tools for gaining personal or group political power or financial gain. Too many policies have been developed with the hidden goal of advancing the cause of the people promoting them and not the cause of the people they are allegedly designed to help. For example, a political/religious leader might criticize other people for not doing enough to solve the problems of poverty, saying that if he himself had that leadership position, he would solve these problems. At the same time, he may be doing nothing to solve these problems himself. If he actually did something constructive now, he would not have negative conditions as a bargaining tool for gaining political/financial advantage. We must point this out when it is happening and put pressure on ourselves and each other to do what we can do now to improve our country, instead of just complaining.

Spiritual problem

We don't have an idea or change problem or a Presidential problem in this country as much as we have a spiritual and moral problem. We should encourage people to pray for a spiritual and moral renewal in this country because without such a renewal, new ideas will accomplish little.

Understanding problems in depth

We must understand problems in depth and develop careful responses to them. Many programs developed in the past have been well-meaning, but have been based upon a superficial understanding and simplistic assumptions.

Learning from the past, but concentrating on the present and future

We should study the past and learn as much as we can from it, in terms of what has worked and what hasn't. At the same time, we should concentrate less on problems and injustices from the past and more on present realities and future possibilities.

Improving current programs

Some of the programs that government has developed to solve social problems have actually made these problems worse. These programs had their uses in the past, but the problems have changed and it is time now to revise our national social policy agenda and develop new programs.

New ideas

The President can move quickly into the perceived role of the proposer of change, with the probable result that people complaining and asking for change will resist suggestions for change. The President can focus on this and say, "You asked for change, but you really don't want it."

Individual involvement

-When people confront the President about what he is or is not doing, he should reflect this back on them, asking them what they are doing and giving them suggestions as to how they can become involved. He can say, "Great. Let's get going." Many people would like to help, but don't know how.

-Individuals should be asked to volunteer their services and expertise in a variety of ways. To facilitate this, volunteer centers, with telephone hotlines, could match volunteers with useful things they can do.

-Non-professional people can be very helpful and can do some things currently being done by professionals, e.g., in providing some healthy relationships which currently are being provided by therapists and case managers.

Task forces

To create a process for facilitating change, the President could assemble a team of advisors, organized in task forces in different policy areas, e.g., families and children, promotion of work and initiative, health, education, and increasing lawful behavior. There could be community, regional, and national task forces which could include people with a variety of levels of expertise and political backgrounds. They could be asked to analyze current problems and propose strategies for approaching them. Task forces at different levels could communicate with each other. The President could meet regularly with the national task forces and could visit the community and regional ones. The purpose of these task forces would be to involve Americans in finding solutions to problems as an alternative to Americans acting helpless and criticizing the federal government. The issues of America should be the issues of Americans.

Battle plan

The President could portray the current domestic situation as a "war" and then draw up a "battle plan". Television ads could say, "The man who brought you victory in Desert Storm is taking on an even more difficult enemy: hopelessness, despair, family disintegration, homelessness, and crime in America. It is time to declare war and set up a battle plan." Then, the "battle team" could be announced and their could be regular "war briefings". Individuals could be enlisted in fighting this "war." We could call out the "reserves", consisting of all Americans seeking to improve our country.

Communicating with Americans: understanding, caring, and encouragement

It is important for the President to clearly demonstrate to Americans that he understands and cares about them and that communicating with them is important to him. The President could invite individual Americans to talk with him at The White House, which would demonstrate that he is accessible and is interested in listening. He could convey the idea that he is trying to understand problems better and will use this understanding in devising solutions to problems. People are critical of the President when they feel hopeless and are worried about the future. He should let them know he understands how they feel and should give them encouragement and outline specific steps he is taking and will take in order to address their concerns. Americans want to hear that things will be okay.

-A useful slogan would be, "We must bring America back. America has lost its way and must find it again."

Expansion of current domestic policy agenda

While proposing new ideas, the President should make it clear that he is not developing a new plan for domestic policy, but is expanding and more clearly articulating his current plan.

UNIFIED APPROACH TO PROBLEMS

The President should stress the importance of focusing on our common goals and objectives as Americans and setting aside our differences. We must have a unified approach to problems, involving people of all parties, races, ethnic backgrounds, ages, genders, socioeconomic levels, educational backgrounds, professional and work backgrounds, disabilities, and people with other differences. If individuals or groups will not become involved in constructive ways, then this should be pointed out. We must all work together if we are to solve our problems. Let us have a unified assault on problems, instead of passive blaming and backbiting.

Suggestions

-The Republican party can take the lead in promoting a bipartisan approach to problems, with politicians from both parties working together to formulate policy, concentrating on areas of agreement on important issues. Republicans can invite Democrats to join them in improving the country, instead of just blocking the President's policy ideas and being oppositional.

-Federal agencies should work as closely as possible together, e.g., concerning families and children, in order to accomplish more with less duplication and lower cost.

-Special task forces can be established to bring about better federal interagency coordination, e.g., a task force on children and families.

-Federal agencies should work as closely as possible with state and local agencies. As much as possible should be done by the communities themselves.

-Task forces can be established in order to bring about better coordination of federal, state, and community efforts.

FEDERAL GOVERNMENT AS FACILITATOR

More government isn't the solution to our problems. Government should be seen as a facilitator of change, but not as responsible for all change. The policy ideas described here can be implemented by the federal government or the federal government can encourage state and local government and private organizations to implement them, with the federal government providing assistance.

Suggestions

-The federal government should encourage individuals, organizations, foundations, and churches to help with problems that traditionally have been considered the responsibility of the federal government. The federal government can help with finding solutions to problems and can help with identifying non-government resources and integrating them with government resources. Much of the work should be done at a local level, with local

money.

-The federal government could create a national clearing house of information and resources concerning domestic issues and constructive change.

-Research on policy issues should be strongly supported so that we can have a rational basis for making policy decisions and we can have an idea of what will and will not work before we commit a great deal of money to new initiatives. Money should not be spent for new programs or added to old programs without a careful analysis of how effective current programs are and which new programs probably will be the most effective.

EFFICIENT USE OF RESOURCES

Resources are limited and we must make the best use of the resources we have. We must not throw money at problems (deluding ourselves that we are accomplishing something), but should spend money in a thoughtful and focused way. We should remember that our most important resource is the American people.

Suggestions

-Money for new programs can be taken from existing programs and services which are the least effective.

PROMOTING INDIVIDUAL INITIATIVE AND WORK AND DECREASING DEPENDENCE

We must affirm the idea that people are responsible for their own lives. Too many people avoid taking responsibility for their own actions and, instead, blame other people for their own problems. Too many people expect their lives to be perfect and feel someone else is to blame, and should pay for it, if things don't work out perfectly. Life isn't easy and we harm people when we try to make their lives too easy. Government can't and shouldn't take on the responsibility of making people's lives easy and perfect. If people aren't allowed to fail, they won't be able to succeed. Government can help people to do things for themselves, but when government does too much, people become too dependent. Public assistance programs enslave people when they bring about dependence.

Nothing for nothing

-People should receive money for doing something rather than for doing nothing. If people receive money for doing nothing, they don't value this money and they lose their self-respect and sense of challenge in life. People should not be forced to work; it should be their choice. However, if they don't work, they shouldn't receive any money. Work must be a prerequisite for receiving public assistance, or else there will be a negative

effect on the attitudes of people already working.

Suggestions

- "Work" can consist of something productive, no matter how minor. There should be extremely few people who can't do anything whatsoever. For example, even quadriplegic people can do productive things.
- People who are unemployed could receive money for efforts in finding jobs, which is a productive activity.
- People shouldn't receive services for nothing, e.g., health services or child care. They should pay something, even if only a small amount.

Gradual decrease in benefits, facilitating people getting off public assistance programs

- When people do more, they should have more money.
- As people on public assistance do more, there should be a gradual, instead of a sudden, decrease in benefits, which will make it less threatening for people to get off public assistance.

Job training and programs

- We should promote vocational training, which should start at a young age. Not everyone should go to college.
- We should develop programs like the WPA and the CCC (the Civilian Conservation Corps) in order to improve our country while giving jobs to people currently receiving public assistance. Most of the money currently spent on public assistance programs could be channeled into job programs, so that no one would receive any money unless he or she did something productive. Everyone should be able to do something productive, e.g., minimal manual labor or, for certain groups like the retarded, sheltered workshops.
- The federal government could provide assistance to people searching for jobs, e.g., setting up employment centers, which could provide information about available jobs and also job and career counseling. People could be helped with developing job skills and writing resumes. There could be support groups for people who are unemployed and are looking for work.

Promoting business

We should promote business growth and entrepreneurship.

Suggestions

- Government could develop a clearing house of information on businesses people can develop, provide education about setting up businesses and proper business practices, and provide consultants concerning business problems.
- Business people, currently working or retired, could provide information and encouragement to people trying to

set up businesses.

-Loans could be provided for people setting up businesses, which they must pay back. An effective technique has been to give loans to people in groups, such that the group helps the individual to be responsible in using and paying back the loan.

STRENGTHENING THE FAMILY

We need policies to promote family unity rather than family disintegration. Children need families. They need both mothers and fathers. Mothers can't raise children alone (Ellwood). One parent can't do the work of two.

Suggestions

-We should develop classes to help people learn how to become better parents, e.g., learning effective discipline techniques so they will be less likely to abuse their children.

Family planning

Whether or not abortion is legally allowable, it's still an awful thing. We should concentrate less on the issue of abortion and more on educating people in planning their families and in becoming more responsible in their sexual lives and in parenting. Families should be planned and not just be accidents.

Suggestions

-The President could say he supports the Constitution as applied to the issue of personal reproductive rights and as interpreted by the Supreme Court. The President could remain neutral on the issue of abortion and could offer ideas about alternatives to unplanned pregnancy.

-We should educate children and adolescents about responsible sexuality and parenting. We should promote delayed initiation of sexual activity for adolescents, not just safe or safer sex.

-Children and teenagers must have constructive activities available, to give them more alternatives to sexual behavior.

-The media should be urged to present more images of positive and non-sexual friendships and relationships.

Mothers and children

Suggestions

- We should stop the association between having children and receiving benefits. Mothers should not receive anything for nothing. They should receive money only for work or for participation in educational programs, regardless of how many children they have.
- Child care could be provided for mothers receiving public assistance, but this should be child care that the mothers pay for, even if at a reduced rate. A voucher system could be used to pay for child care, i.e., mothers could receive these vouchers for working or for doing something else productive (rather than reproductive).
- For mothers who have additional children while receiving public assistance, these children might receive food, child care, and medical care directly, but these mothers should not receive additional cash assistance payments.

Fathers and children

Children need fathers. Therapists, caseworkers, and coaches can help, but they are not substitutes for fathers. We should stop blaming fathers as being the major cause of family disintegration. Many absent fathers probably would like to become more involved, but don't know how to do this. Even if some fathers are very much to blame, we will help them to become more involved by encouragement, rather than blame, and by incentives for involvement and disincentives for non-involvement. Mothers should take more responsibility for their sexual lives and should help fathers to become more involved by being more positive and less blaming.

Suggestions

We need:

- More research on the causes of father absence and the effects of this on children.
 - Classes on responsible fathering.
 - More incentives for increased involvement of fathers.
 - Support groups for absent fathers.
- Fathers should be forced to provide child support. Information on fathers could be required as a prerequisite for mothers receiving public assistance.

When one or both parents are absent or neglectful

All children need to be cared for by responsible and caring adults. If one or both parents are not available or are neglectful, other adults in the community can and should assume positive parenting roles. Children need real people in their lives more than they need therapists or caseworkers.

Suggestions

- Improve foster parent programs.
- Support programs, like Big Brothers/Big Sisters and Foster Grandparents, in which non-professionals provide healthy adult relationships for children.

Activities for children

Children and teenagers need constructive activities which help them learn, develop healthy relationships, and stay occupied, so they can avoid crime, drugs, and sex.

Suggestions

- Support after-school activity programs and organizations such as Boys' and Girls' Clubs and Boy Scouts and Girl Scouts.

IMPROVING HOUSING ARRANGEMENTS

"Homelessness" is a very complicated problem. People are "homeless" for a variety of reasons, not just because of a lack of government subsidized housing. The federal government can help as a facilitator, can help with ideas and information concerning housing, and can help coordinate different housing initiatives (federal, state, and local; public and private). Much can and must be done on a local level.

Suggestions

- Develop a term as an alternative to "homeless", which is misleading and simplistic.
- Support research to analyze the causes of "homelessness" and the effectiveness of programs designed to help "homeless" people.
- Policies should be developed which encourage people to stay in their homes and not give them incentives for leaving their homes, as in New York City where people who were classified as "homeless" received priority for public housing.
- Treatment of "homeless" people with mental illness and/or substance abuse should be a priority, much of which can be done by community mental health agencies.

IMPROVING HEALTH CARE

We must recognize that we cannot have the ultimate in health care available for everyone at a low cost. We must set some priorities.

Suggestions

-The federal government can help to design a health care system which provides a basic level of health care for everyone and which can serve people not covered by current private and public health care programs. There could be two levels of health care available: a basic level of care available for everyone, which would be primarily preventive and would keep costs down, and expanded levels of health care which people could provide for themselves through private health insurance or personal resources.

-An important principle is that people shouldn't receive health services for nothing. People should pay something, even if only a small amount. This will help them to place greater a value on the services they receive, will help them to be less dependent, and will help them to be more responsible in the use of these services.

INCREASING SAFETY AND DECREASING CRIME

Involving firearm organizations and lobbies with efforts to increase safety and decrease crime

-The President should avoid talking about gun control (because Americans don't like the idea of "control") and should talk instead about a campaign to increase safety and security and to protect families and children, while preserving the lawful right to bear arms.

-We should challenge firearm organizations and lobbies to help make America a safer place. We should help them to focus on the responsible use of guns (everyone agrees with that) and the protection of children and families and steer away from the issue of gun control.

-We should support legislation to preserve the constitutional lawful right to bear arms in order to allay fears that limitations on the most deadly weapons will lead to a limitation on the lawful use of guns.

Prevention of criminal behavior

-We need more research on the causes and prevention of criminal (antisocial) behavior. Research findings can be used in developing policy and programs.

-The federal government should become more involved with preventing problems from developing rather than primarily reacting to them. Early focused intervention can prevent antisocial behavior from beginning. Preventing conduct disorder (the childhood form of adult antisocial behavior) from developing in the first

place will, in the long run, save more money and be more effective than trying to control criminals whose behavior has already developed and solidified.

- Promote healthy families and keep children occupied with productive activities so that they won't associate with criminals or become involved with crime.

- Promote programs which involve the juvenile justice system in early intervention with children and adolescents with behavior problems in order to keep these problems from worsening (e.g., the PINS program in New York).

Immediate consequences for criminal behavior

- Have immediate consequences for antisocial behavior, even for minor things. For example, there should be strong responses to the first offense, especially for children and teenagers.

- Have immediate trials and sentencing.

Separate adolescent and adult criminals

- Keep teenagers and children away from adult criminals in the justice system, to stop them from learning worse antisocial behavior and to prevent children and adolescents from seeing themselves as "criminals." Instead, they should see themselves as having behavior problems which must stop and must be replaced by more constructive behavior.

IMPROVING PRISONS

Prisons should modify criminal behavior and should promote positive individual change (being rehabilitative).

Research

- We need more research concerning which types of prison programs are most effective and which alternatives to prisons are most effective.

Location

- Ideally, prisons would be located in rural settings, because they would provide a healthy physical environment, but they shouldn't be so remote that it is difficult for family members to visit.

Physical structure

- Prisons should have adequate space, both inside and outside.

-Space should be provided for exercise/athletics.

Rehabilitative programs

Behavior modification

-Prisons should use a behavior modification program, e.g., reinforcement of positive behavior and extinction of negative behavior. There should be a graded system of rewards, such that prisoners would receive basic things automatically but must work in order to earn additional things, e.g., better food and accommodations or special privileges. In addition, such techniques as a token economy could be used.

Problem solving

-Problem solving techniques should be taught, especially in order to help people learn to meet their needs in non-criminal ways.

Work

-The prisons should have their own businesses (producing products and performing services) to teach positive work attitudes and job skills. Private businesses could be involved with establishing these prison businesses.

Relationships

-There should be a concentration on promoting positive relationships, which will be very helpful when people leave prisons.

Psychiatric/psychological treatment

-Psychiatric/psychological treatment should be available and should focus on constructive individual change, not on rationalizations for behavior.

DECREASING RELIANCE ON DRUGS

While we are trying to prevent the illegal use of drugs in this country, it is important to gain a complete understanding of why people use drugs and what things drugs are providing for people that they are not getting in other parts of their lives. For example, being involved with the drug trade can provide people with relationships they don't otherwise have. Once we better understand the emptiness in people's lives, we can help people to meet their needs in more productive and less destructive ways.

A useful thing to learn from the drug epidemic is that, with the high financial incentives involved,

drug dealers and other workers will expend a great deal of energy in their work and will take significant risks. Although they are expending their energy in the wrong direction, this does demonstrate that some people who might be considered helpless and dependent on society can indeed work very diligently when they perceive that rewards are available. We can help provide them with ways of channeling this energy in more constructive directions.

We must affirm the control that each person has over his or her life, that people choose to become involved with drugs and they can choose not to use drugs. We can provide help for people involved with drugs, but they don't need more excuses. Ultimately this is a spiritual problem and government, social policy, and psychotherapy cannot provide the ultimate solution.

INCREASING RACIAL UNITY

The reasoning concerning racial problems has been too simplistic. The issues and problems are more complicated than simply racial. We must emphasize that the individual is responsible for his/her own destiny and his/her own success during life. This isn't government's responsibility. We should focus on present opportunities rather than past injustice. We shouldn't promote current discrimination in order to make up for past discrimination, or discrimination will never stop. We should stop those who seek personal gain by causing disunity and division, using race as a weapon. We should stop racial blackmail and stop the undue influence of racial and other special interest groups on government policy.

Focusing less on race

We have focused on racial issues in order to help people of different races relate better with each other and in order to give special help to people of particular racial groups who have faced discrimination in the past, but in focusing so much attention on race, we have inadvertently made racial problems worse. Any policy that gives preferential benefits based upon race increases attention to racial differences, which increases racial resentment and bias.

We should consider dropping the term "minority" because it is outmoded and is no longer needed. The term "minority" is perjorative and connotes inferiority. This term has become a self-fulfilling prophecy, for people can internalize this concept and can believe that they are inferior and can't succeed without special help. Using the term "minority" makes worse the problems that the term was supposed to help improve; it brings attention to racial differences that are irrelevant to suitability for education, employment, and success. Race is one of the least important qualities of a person. The terms "black" and "white" are meaningless, because there is much more diversity within "blacks" and "whites" than between them.

Instead of giving so much attention to racial differences, we should emphasize things we have in common. We are all Americans and we have common dreams. Everyone's ethnic identity should be respected and valued, not just that of "minorities." We can have a common American identity, while preserving our individual ethnic and cultural identities.

Extension of civil rights programs

Civil rights programs accomplished a great deal, but now we need to go further in order to ensure equal access to education, employment, and contracts, etc., for all people, regardless of race, gender, disability, or other individual differences. We should now move beyond affirmative action and quota programs, since they have already accomplished all they can. These programs suggest that the people given preferential treatment by them are inferior and can't succeed without special treatment.

Assistance with education and employment

Instead of having quota systems, we should provide encouragement and assistance for "minorities" and other poorly functioning groups in becoming educated and finding jobs.

Suggestions

-People from poorly functioning groups could receive special help during high school, attention in college recruitment, help during college, and help in gaining job skills and applying for jobs. This extra assistance should be available for people of all racial backgrounds and could depend on factors such as socioeconomic level.

Increased communication

We should promote increased communication between all people of different races, religious backgrounds, and genders.

Suggestions

-We should have educational programs designed to increase understanding of different ethnic and racial backgrounds.

-We should encourage people to share skills and expertise with other people, regardless of race.

More careful use of statistics

-We should use statistics more carefully, because statistics can be misleading. Statistical differences between racial groups do not necessarily prove racism or discrimination (as described by Thomas Sowell in Preferential Policies). The real situation is much more complex. Statistics should focus less on racial differences and more on more important factors, such as socioeconomic background.

SUGGESTIONS FOR CAMPAIGN TELEVISION ADS

Solving problems

-Ads could state, "The man who brought you victory in Desert Storm is taking on an even more difficult enemy: decay, hopelessness, despair, family disintegration, homelessness, and crime in America. It is time to declare war and set up a battle plan." Then, the "battle team" could be portrayed and the "battle plan" could be outlined.

Change

-A useful slogan would be, "People are talking a lot about change. What they are really looking for is more of what has always been the best of America." In a television ad, this could be coupled with scenes of families doing happy things.

Being positive and providing encouragement

-Create an image of a great country, with Americans doing positive things.

-Publicize positive things happening around the country, e.g., with mailings and TV programs, associating these positive things with the President.

-A useful campaign slogan would be, "We must bring America back. America has lost its way and must find it again."

-Show Americans thanking the President for all he has done for this country.

Communication

-Show the President discussing issues with Americans of all types, including children, asking about their concerns and asking for their advice. This will show that the President is accessible and can listen. Then, follow this with a outline of policies that will address the problems that were discussed. Appointments with the President could be set up on a lottery basis.

-The President could tell Americans that he needs their help and then could suggest what they could do to help. This would motivate people to be more forgiving and more active.

Gov. Clinton is a poor leader

-Show a film clip of Gov. Clinton being ingratiating and childish next to a clip of President Bush being a leader during the Gulf Crisis and ask, "Who would you have preferred being in charge during the Gulf Crisis?"

"Minorities"

-Design ads oriented towards African American middle class people, saying that Gov. Clinton won't help them and showing how the Republican ticket can help them.

CAMPAIGN SUGGESTIONS CONCERNING GOV. CLINTON

No coherent plan

- Empty promises.
- Tired rhetoric.
- He's too simplistic.
- He says what he thinks Americans want to hear.
- He doesn't understand the issues and doesn't have a coherent policy agenda.
- His ideas are not really new.
- In his acceptance speech he didn't describe any new programs, because he doesn't have any.
- The President can invite Gov. Clinton to suggest ideas for ways of improving our country, saying that he is always interested in hearing new ideas. Gov. Clinton isn't able to carry out the changes he suggests, but President Bush would welcome any ideas he has.

No change

- Gov. Clinton wouldn't be a President of change.
- President Bush is working for real constructive change, not just superficial change based upon superficial rhetoric.

Not realistic

- Gov. Clinton's plan is not realistic.

No experience

- He doesn't have enough experience with national and international politics and leadership. He won't be able to translate his experience in Arkansas to working on national and international levels.

Unknown

-He's an unknown quantity.

-Ask Americans, "Do you really want to take a chance with Bill Clinton? What would really happen if he became President?"

Weak

-He's weak and wouldn't be effective as a President.

-He wouldn't have been an effective leader during the Gulf Crisis.

NRN

JAB-07A

James Baker,
Whitehouse Chief of Staff

Mr. Baker

First I would like to thank you for your dedication over the years to our Counters' Foreign Policies and efforts towards Peace and Democracy in the World.

I have never gotten involved Politically but this year is different. I believe it is essential that the President is re-elected.

Enclosed are copies of various letters I have sent expressing my views and some of the issues and points that I believe are not being emphasized in the Media and in the Campaign. I hope they will help since they are coming from a point of view that is on the receiving end of the Media here in N.Y.

Yours Truly
Arthur Donigi
101 Gedney St.
Nyack, N.Y. 10960

Arthur Donigi 9/14/52

July 15, 1992

Vice President Dan Quale
White House
Washington
D.C. 20500

Mr. Vice President,

I have been watching the Democratic Convention on C-Span with great interest. I was especially intrigued by the acceptance Speech of Jimmy Carter at the 1980 Convention. I believe that a review of that Speech would afford a great many opportunities.

For example He spoke critically of how the policies of the nominee Pres. Reagan would be disastrous regarding the Soviet Union, How Proud he was of the Camp David Accord And finally how a Military Buildup could not win the Cold War. I would say he was wrong on most accounts and the progress made by Republican Policies regarding the Mid-East The Soviet Union , Germany, Viet-Nam Nicaragua etc. were beyond his wildest imagination. Since he felt the Republican approach to the U.S.S.R. WAS WRONG I can't see any reason why the Republicans can't take most of the Credit.

It was a Democratic President that allowed the Military to become so weak that Americans were slaughtered at Pearl Harbor, that couldn't knock out enemy tanks with 2.5 bazookas in KOREA. That wouldn't allow the Military to fight to win by imposing stupid rules of engagement or placing Targets Off Limits in Viet-Nam, etc. It was a Democratic President that gave away Europe to Communists, it was a Democratic President that sold out the people of Cuba.

Now as before they want to dismantle the Military. Of Course Foreign Policy was left out of the Democratic Convention except for some students from Tienimen Square. This was an effort to show how the Republicans are not concerned about Human Rights.

I wonder if they would have people from Nicaragua, East Germany, South Korea, Panama and the Russian Jews on the same Platform? Or possibly some people from Cuba only 90 miles away. Its interesting that the New York Times wrote an article saying that Conditions in China have improved somewhat. I guess they think that we can change an Ancient Culture of over a Billion people by not having any relations with them.

I also noticed that the reductions of Nuclear Warheads was not even mentioned or that for the first time ISRAEL has been at the same table with the Arab States and the Palestinians.

One of the Central Themes was putting America back to work. This really made my Blood boil. Being Unemployed has allowed me to witness the Senate and House in Action.

It seems to me that any Legislature that could provide job was intentionally, Amended knowing that the amendment would cause the Bill to be Vetoed, not brought to the Floor or delayed until it would have no effect on the Economy until 1993.

On of the things that Carter said in his acceptance Speech was the need to develop our Natural Resources of Oil and Natural Gas so we would not have to be Dependent on the Arab Countries. So what happens in Congress? They eliminated the Exploration for Oil in Alaska, I guess all the Environmentalists were ecstatic over that. I guess the Jobs that would have been created plus the Investment were not important. The new Vice Presidential Nominee was at the lead in opposition to this with his wacky Liberal friends who are so concerned about the poor the unemployed the homeless and of course the spotted owl that the creation of jobs has become secondary to their Agenda. What Hypocrisy!!

It must be obvious to anyone who has watched the Congress that the Liberal Democrats have made a Pre-meditated effort to do nothing to help the Economy lest it get better. They have taken the Lives of the American Workers and used them for their own Political quest to undermine the President.

Mr. Vice President I once had a Boss that told me that being Diplomatic and nice is only Good when you are dealing with people that deserve it. For the sake of the Country its time to take the gloves off and defend the Americans whom you represent. The Enemy is not just a different Philosophy, but a determined effort by Atheist, Socialists and Immoral Groups that will not be content until they gain control of the Country. The Day that we deny the existence of God will be the beginning of the End.

I once did a chart and listed the following,
GOD, RELIGION, PATRIOTISM, ABORTION, PROMISCUITY ADULTERY
PORNOGRAPHY, PROSTITUTION, LAWLESSNESS. I then asked a friend
to make two columns, Good and Bad. The results were as
follows:

GOOD	BAD
GOD	ABORTION
RELIGION	PROMISCUITY
PATRIOTISM	ADULTERY
RESPONSIBILITY	PORNOGRAPHY
	PROSTITUTION
	LAWLESSNESS

It seems that the Liberals have reversed these Columns
And made Good, Bad and Bad Good.

I'm hoping that you can convey these thoughts in context to
the American People who at this point are Angry, Confused and
Disillusioned.

Please keep up the Good work and with Gods help we can
fulfill this Country's Destiny.

Yours truly

Arthur Donigi
101 Gedney St.
Nyack
N.Y. 10960

sent

My Fellow Americans,

When I stood before You Four years ago I made a promise of No New Taxes. I broke that Pledge because I felt it was an absolute necessity to control Run A Way Spending and to deal with the Enormous Deficits facing us. I knew at the time that I would be crucified Politically but felt it was necessary for the Good of the Country. I felt that working in a bipartisan way would in the long run be beneficial to the Nation. I even alienated Members of my own Party to accomplish this bipartisan spirit. It was right to try to Deal with the Deficit but, the Bipartisan Co-operation I had hope to achieve never Materialized. It seems that some in the Congress just wanted to use this Tax Increase for Political Gain. This group in the Congress has held the American Economy Hostage for Political Gain. There are People on Both Sides of the Aisle that Support Most of the Proposals I have recommended in my Economic Plan. However these have never been given the opportunity to be Voted on. I take blame for much of this because I did not go directly to the American People urging their support.

Many things have happened since then. The World is a safer place Democracy is on the move and for the First Time there is a Confidence in the United Nations' Ability to truly function as it was meant to. There is the real possibility of Peace in the Mid East, the Former Soviet Union is no more and Russia and the United States are once more working together with our European Allies to make Progress in their new found freedoms. Who could have imagined that in a Few short Years we have multilaterally reduced Nuclear Warheads by 50% and made drastic cuts in Conventional Forces. The World is still a Dangerous Place and as Shown in the Persian Gulf a Modern Technological well trained Military is a Luxury we cannot do without. Our overwhelming Military Superiority and that of our Allies Saved Thousands of lives of United Nation forces. I will never let our Military be cut anymore than is Necessary. The speed at which events have unfolded allowed us to make additional cuts beyond what was planned in 1990. This has resulted in the Loss of millions of Defense, Military and defense related Jobs. Eight States CAL. TEXAS, VIRGINIA, NEW YORK, FLA., MASS. OHIO AND PENN. ACCOUNT FOR ONE HALF OF DEFENSE SPENDING. They also account for one half of DEFENSE RELATED EMPLOYMENT. The combined effects of defense cutbacks plus the drawdown of military personnel and a RECESSION have had a devastating effect on these States Economies and many states with supporting industries.

With the Deficit Looming Near 400 Billion Dollars the only way to help these Workers and Servicemen and women is to stimulate the Economy to Create Jobs. Real Jobs not

Government handouts or unemployment checks. Jobs that are created in the Private Sector. We need to look at Business and Entrepreneurs as allies of middle-class America not the enemy. We need to get rid of the Politicians in Congress that have held the economy in a state of slow Growth by not even bringing Job Creation Measures to a Vote.

The Congress passed a watered down Version of a Job Growth Package . But they did what most Economist told them not to do . You don't raise taxes in a Recession. Capital creates Jobs, additional Taxes lower available Capital to the Private Sector and thus investment. They feel that they can spend your money better than you can, on many Programs that don't work.

We must reduce Spending we must control Entitlements We must control the cost of Medical Coverage so that everyone can get coverage and Catastrophic Illness does not wipe out a lifetime of Savings. We have the greatest most advanced health-care in the world but its too expensive. we must work on controlling Costs and at the same time not slow down the Medical advances and medical technology that our system brings. We must revolutionize our Welfare system that forces People to become dependents of Government and allow them to have dignity and become part of the system. We must realizes that we are Americans and as such we are to be treated equally not separately. We must never forget the Values of decency, responsibility, family, hard work, patriotism and faith in God that have made this Country the Greatest Country the World has ever known.

To Rick Story
2438 Rayburn Bldg.
Washington, D.C.
20515

I called Newt Gingrich's office and they said you were the person to contact.

I have enclosed the following news clippings from our local papers for you to look at and have underlined some of the things that seemed absurd. In addition I would like to make the following comments from my perspective as a concerned citizen. I hope these articles and comments will be useful to the campaign.

Bill Clinton stated his environmental record was not so good because he had to choose between the environment and Jobs. This is exactly the position the President took at the Rio Summit. Al Gore bashed the President non stop for this.

Clinton bashes Washington while his party has been in control of both houses for almost the last 30 yrs.

Clinton tried to portray himself as a Moderate while almost all of the speakers were liberals on the far left.

The media made a point of Al Gore serving in Viet-Nam. However as noted in the Times his motives were strictly political ones. (see encl'd material).

Time Warner was a big contributor to the Convention. Read Charlston Hestons' statements. It seems like Gore is taking the same position that Dukakis took when asked what he would do if his wife was raped.

When they talk about Economics they never used the numbers of the Carter years while comparing them. It would be interesting to remind the American people as to what they were. I think they are hoping that we have short memories.

Thank you for your indulgence, I hope these have been helpful.

Arthur Donigi
101 Gedney St.
Nyack, N.Y.
10960

sent

CONGRESSMAN R.K. DORNAN
C/O JOE EULE
301 COMMON H.O.B.
WASHINGTON D.C.
20515

Mr. Eule,

Mr. Bill Guzit recommended that I send you the following materials and comments.

1. The C.B.O. study showing the negative impact on the Economy and how further reductions would increase the negative impact. [It seems to me that the message of the so-called Peace Dividend is not extra money but a short term negative effect of the economy.] The press and Media have neglected to tell the American people this. If the Cuts were spent and not used to reduce the Deficit the long term impact would have even worse consequences.

The Press also points out the end of the Cold War and uses that as a reason to cut even further. I would like to point out that we never had to fight the U.S.S.R. Every Military Action has been against less Formidable Forces. The bulk of our Nuclear Force is what kept the Peace not our Conventional Forces. These Nuclear Forces are already in the process of being cut to numbers that were unimaginable just a few years ago. That leaves us with Conventional Forces that are ALSO being cut. I shudder to think of the casualties that would have been taken had Iraq continued into Saudi Arabia immediately after taking Kuwait.

Iraq did everything wrong, by digging in, not protecting its Flank and allowing the U.N. forces the luxury of massing overwhelming Forces with the arrival of heavy Armored Divisions, Fighter Squadrons and Massive Naval Force. It seems to me that we lack sufficient Sea-lift and Air-Lift Capability to fight a Regional Conflict where we do not have forces already in place. I believe that this could cause a great many casualties. The only way this can be avoided is by Massive Air Superiority as Demonstrated in the Gulf. Therefore it is imperative that the ATF program goes forward also it I believe is necessary to develop a Similar Fighter for the Navy since most likely they would be first on the Scene. I can only hope that in any future conflicts Saddam Hussein would be the enemies commander and chief.

2. N.Y. TIMES\CBS POLL 6/17-20/1992

IT is interesting to see a poll taken with 93 Questions. I believe the results were selective used at the time to bolster Ross Perot. But the best was the Question # 85. How in the World can a Flawed Poll like this even be Published? The only answer has to be the Media is using this to promote their own Agenda.

3. An Article written about the Fairness issue. The American people have been Brainwashed regarding this issue by the Media and the Liberal Democrats. The truth must be gotten out.

Personal Comments,
The Liberal Press and Media have been bashing the President since the Gulf War. They have been allowed to succeed by the lack of information given to the American People and a constant Bashing by Liberal Congressman and Senators. Perception is very important and the Republicans have not been given unbiased coverage.

A Bold aggressive statement of fact is needed. If it were up to Me I would take a Full Page Ad in the N.Y. Times. I would say something to this effect:

Since the Presidents Positions on Various Policies have not been given Fair and Unbiased Media Exposure with the exception of C-SPAN. We feel it is necessary to go directly to the American People with an Un-editorialized Statement of what has been the Gross Bias of many Newspapers and Network Media Coverage.

Some of the Topics that could be used are.

The selective use of just one Topic (either Abortion, Family Values and the ridicule of the mis-spelling of one word.

Nothing was said about the Mis-Quoting of the Scriptures by Clinton and Gore or the Blasphemy of Jesse Jackson at the Democratic Convention.

Nothing has been said of How the Liberals have held the Economy Hostage by doing nothing to help Job Stimulation The Transportation Bill held until the end of last Years Session, knowing that its impact would not be felt until late this year or early next year.

The refusal to even put to a Vote the Presidents Growth Proposals unless saddled with additional Taxes, which all of the Witnesses at the Dozens of Hearings said would have a negative effect.

I could go on and on as you well know.

This could be a series.

First the reasons, which could show the Bias. Then Specific Subjects , Economy, Defense etc. This could be done on a consistent basis ending with the dismal results of Policies in Arkansas and how Clinton could do the Same for the Country.

These Ads could then lead to the Republican Convention.

The American People given enough facts do make intelligent decisions. A perfect example is the recent Clarence Thomas Hearings and the Ollie North Inquisition where the American People got the Facts Directly even though the Mass Media tried to distort them.

I hope I have been helpful,

ARTHUR DONIGI
101 GEDNEY ST. NYACK, N.Y.
10960

sent

To the Editor,

I have just finished reading an article in which Governor Florio, Lee Brown and Charles Schumer were talking about the Banning of Assault Weapons along with Curtis Sliwa.

I have been a Gun Owner for the last 25 Yrs. I have owned the legal semi-automatic versions of both the Uzi and the AK 47. I don't know if its a lack of knowledge or an attempt to mis-lead the public but there is and has been a Federal Law prohibiting the private ownership of Full Automatic Weapons. This includes machine-guns, machine pistols, sub-machine guns and Full automatic Assault Rifles.

What these people are talking about semi automatic versions of the above. The difference is like a Formula One Race Car and replica with a Volkswagon engine. The Federal Government released thousands of M1 Carbines and M1 Garand Rifles to the Civilian Market. These are the same type of weapons as the semi-automatic version of the assault rifles, however since they are semi-automatic they are not Assault Rifles. It seems to me that we never had a problem when these were used and owned by civilians. Why don't we put the blame on the people that commit the crimes.

There are more people slaughtered on our highways, even though we have speed limits, DWI laws etc. Using the logic of the people above we should ban all cars than have the ability to go more than 70 mph. The law is 55 so why would anyone need a car that goes faster than 70 mph. Six inch Kitchen knives are the preferred weapon of criminals who commit crimes. Lets ban them. Curtis Sliwa was attacked with a baseball bat, ban them. In N.Y. City an honest citizen cannot get a permit to carry a pistol, unless he can prove that he carries large amounts of cash. Perhaps if the Central Park Jogger had a carry permit she wouldn't have been a victim. Possibly if more honest citizens had permits that visiting family wouldn't have had to watch their son die from stab wounds on a Subway Platform.

It seems that the only choice Liberal Democrats will give Innocent People is the choice of being a victim of Murderers In and Out of the Womb.

A. Donigi
Nyack, N.Y.

Congressman Dornan

I'm writing to you because I feel that my frustration has gotten me to the point of having to do something. I'm a man of 50 who has been unemployed for about Two Years. I have just watched the Republican Convention and am glad that the gloves are off. This Year however something seems different. When I watched the Democratic Convention I viewed it not as a different Party but almost as if I were watching some Pagan Feast just before the fall of Rome. When I saw the signs of the supporters I was appalled and saddened that the Democrat Party has sunk to this level.

I'm not happy with the economy and it has been a hardship but I understand most of the reasons we are going through this period has little to do with Policy and more to do with a changing World. I'm sure some stimulus would help but if not done correctly would probably hurt more in the long run.

However I'm writing to speak of the Gore-Clinton ticket. Congressman I'm not a Vet although I'm from the Viet-Nam Era. It seems to me that in my neighborhood there were no protests only a bunch of my friends that enlisted were drafted or were in College in the ROTC program. Fortunately most of my friends came back many of them were not exactly treated as Heroes in San-Diego and some couldn't go to a Chinese Restaurant for Years. I have never heard anyone of them say they regretted serving their Country or that they ever lost a Battle. They were

not allowed to win because of Cowardly Politicians and the Protest Groups that supported many of them. I personally felt afraid to go but registered in the Draft and was classified 1Y, fortunately I wasn't called.

How in the world can the Democrat Party promote a DRAFT DODGER that thanked his Draft Board for "Maintaining My Political Viability".? If the President of the United States was not also it's Commander and Chief I don't think I would have a problem with this.

I noticed in the Democrat Convention they showed Bill Clinton standing near President Kennedy . Lets assume that they were trying to make a connection, Clinton may be Young he may have Charisma he may be intelligent and we know he has the same Morals. Kennedy was not my choice nor do I think he was a Good President however he demonstrated two qualities that I believe are Pre-Requisites to becoming President of the United States, a sense of Duty and Courage. These are Qualities that come from within and cannot be learned or taught.

What bothers me is that many of the supporters of the Ticket are the same People that spat and jeered my friends and caused the Cowards in Washington to put forward a no win policy that caused the deaths un- necessarily of so many Brave young Americans.

I have been taught to forgive and let time heal, however I believe this would be the ultimate insult to those who served their Country and especially those whose names are

engraved on the Viet-Nam Monument in Washington.

If you were interviewing for an executive position in a major corporation I doubt very much if you would hire someone who ran a Candy Store yet this is exactly what the Democrats are asking of the American People. Have the American People forgotten Jimmy Carter?

Arkansas has an average Family income that is 9000.00 below the national average and the worst environmental record in the country. What hypocrisy that the Media has chosen to not to make these details available to the American People.

The brave Governor of Arkansas doesn't mention that the reason the per capita Tax Burden is so low is because

The taxable income is dismal and the services provided are also dismal. Now he wants to do this for the Country.

I also understand that the U.S.S.IOWA can actually float in the Arkansas waterways until the pollutants erode its hull.

How can the SAVE THE SPOTTED OWL Senator from Tennessee support such a disaster especially after embarrassing the United States at the Rio Conference with his environmentalist left wing friends. Talk about a man with no Conviction.

Congressman thank you for fighting on behalf of those whose voice is not heard here in the Liberal Controlled Media that supported Cuomo and Dinkins the Disastrous Duo.

Respectfully,

A. Donigi
101 Gedney St.
Nyack, N.Y. 10960

sent

SENATOR PETE DOMENICI

Dear Senator,

Unfortunately I have been unemployed for the past two years. This has given me an opportunity to watch Congress in action or should I say inaction on C-Span. I am not a College Graduate or Economic Expert but the following has become very clear. The Congress has been willing to hold the American Economy Hostage for Political Reasons. It seems to me that one side in Congress has been willing to lie to the public by ignoring facts. In my efforts to determine who is lying I began to gather as much information on my as is possible.

The Democratic Congress has been more than a little disingenuous about the Facts. The Military Drawdown has caused or deepened the effect on the Recession as outlined in the CBOs report "THE ECONOMIC EFFECTS OF REDUCED DEFENSE SPENDING. I'm sure the Democrats have read this report and in spite of this they are willing to cut even further more quickly which would have even more of a disastrous effect.

The other LIE that has been repeated over and over again is about how the top 1% have gained and the middle class has lost. As described in the enclosed article this is a gross distortion. It is also a gross distortion to base all comparisons against the tremendous gains of the Reagan Years without including the Disastrous Years of the Carter Administration

Arkansas has had and continues to have one of if not the highest poverty levels in the country. If you want to talk about fairness; the Gap between the Well to do and poor has actually increased in Arkansas. This is shown in the Enclosed page from the New York Times.

Senator I'm sure I'm not telling you anything you don't already know. It just seems to me that these facts which should be emphasised are not. They are either buried in articles or ignored completely.

The Democrats have said that the President Vetoed a Growth Package. What the Media doesn't report is that in spite of dozens of hearings where witnesses said raising taxes in a recession would be counterproductive, the Democrats did just that. Knowing the President would Veto it beforehand. They also don't say that the Veto over-ride did not even produce a simple Majority. It seems the President has to overcome the Press, Congress and the Lies that have been told by omission.

I had recommended that a full page Ad regarding the Bias and Distortions be Run in the N.Y. TIMES.

It is the only way to gain the initiative in what is shaping up to be a Media Conspiracy.

I have listened to you on the Senate Floor and have admired your work and dedication. Thank you for letting me express my growing anger at the Propaganda that's taking place.

Arthur Donigi
101
Gedney St.
Nyack, N.Y.
10960

Mary Matalin,

I just heard you on the Bob Grant show and after listening to you I believe more strongly than ever that a Bold New Initiative must be taken if the President is to be re-elected. My reasons are simple, I like many other Americans have been frustrated by the Media both Print and especially T.V.. I once obtained a copy of a N.Y. Times Poll with showed that 85% of the people got their News from T.V..

After witnessing the open Bias of the major Networks I feel C-Span is the way I can get unbiased information.

I believe that Newspaper Ads Must be taken to put the Media's feet to the fire. It could begin for example "Because of The Bias which is confirmed by independent watchdog groups we must present Un-edited unbiased facts that we challenge anyone to dispute,"

The following are some facts that are either carefully omitted or not reported at all by the Media. I'm sure that you can come up with many more. However these Ads must be Factual and not just rhetorical so they can't be disputed.

The 1990 Tax Increase.

In order to control Spending and the runaway Deficit the Democratic Leadership insisted that additional Taxes be put on the Table before any Discussions began. The President knew he would pay a terrible Political price but went along with the increase to get Bi-Partisan Co-operation in Deficit Control. The Liberal Democrats knew they could use his Read My Lips quote as Political Fodder while they reneged on Spending Control. In less than 18 Months the Liberal Democratic Leadership was looking to Break the Fire-Wall so they could use Defense Spending Cuts to finance additional Programs which would have added to the Deficit. I would also remind people that the Tax increase which was Democratically sponsored was to Raise the Marginal tax Rates and impose A Luxury Surtax on Boats Planes and Cars of over 30,000. The lower revenues and loss of jobs from this, (Lets get the Rich) mentality can easily be illustrated.

Job Growth

The President sent a Job Growth /tax incentive Proposal to the Congress. This was immediatly ignored. The President distinctly presented it in two Stages the First Immediate Consideration was for Job Stimulation the Second for Tax Cuts and Spending Cuts. Richard Gebhardt put the total package in a snide sneering demonstration which was clearly spiteful before the Committee. The Rules Committee would not allow Amendments or discussion on the Individual Aspects of the Proposals. Presented in this way even if there was Bi-Partisan Agreement on most of the Proposals they could not be adopted since it would have to be all or nothing. This after the President specifically said that there were areas he knew would be controversial and to pass the things

that the Congress were in Agreement with, Capital Gains Housing Credits Research and Development etc. These although having wide bi-partisan support were not even allowed to be brought to the floor on their own merits. The Rules Committee made sure of that.

The Democrats then proceeded to construct their own Package which was a watered down weakened version of the Presidents. After having 24 Hearings and hundreds of witnesses that said to raise Taxes in a Recession would be Counter-Productive this is Exactly what they did. The President said beforehand he would Veto any Tax increases and he Did. Now the Story goes that the President Vetoed a Job Growth Tax Incentive Bill. What they don't say is The Veto over-ride could not even muster a SIMPLE MAJORITY. This proves that the Liberal Proposal was not even seriously considered by the People who voted for its passage and at no time was it anything more than a Political Ploy to use against the President. With the Help of the Media they portrayed the President of not caring about the economy and Protecting the Wealthy by not agreeing to Tax Increases on them. In essence the Congress has held the American Economy Hostage for Political Gain while saying the President has no Domestic Policy.

The Transportation Bill

This Bill is one that would create Jobs in and around the inner cities. One must wonder why Congress waited till the very last minute to Pass it (just before they recessed). Could it be they knew the effects of this bill would take 6 months to 18 months to have any impact? Therefore any stimulative effect it would have would not be felt until late 92 or early 93.

The Energy Bill

A Bi-Partisan committee came up with a well crafted balanced energy Bill. This also included a provision to make us less dependent of Foreign Oil by exploring a small Portion of Alaska with all of the environmental safeguards. This provision was known as Answar. The Liberal leadership with the help of Environmentalist Extremist defeated this provision which would have created jobs, while at the same time maintained environmental standards plus research for alternate Fuels. It is also interesting that our Economic Competitors are relying more and more on Nuclear Energy. They do this because it is efficient and clean however because of all the Red Tape in this Country Nuclear Energy is not as Cheap a Source of Power as it could be.

The Economy

Bill Clintons Economic Plan calling for High Speed Rail Communications Development comes (Verbatim) from a

Congressional Report. The C.B.O. study THE ECONOMIC EFFECTS OF REDUCED DEFENSE SPENDING. However the Study states that a quickening of Pace of Cuts or more Cuts would have even more of a negative effect.

Two Points.

1. This Plan is not his own.
2. His proposed additional Cuts would worsen the Economies of the Ten States that represent 50% of all Defense Spending. These States include California Texas New York Florida etc.

These are all things that are factual plus many many more. The American People can make the right choice but they must be given the FACTS. With the Media in the Bash Bush Mode I feel these types of Ads which are Positive and part of the Record would be very helpful in addition to sticking it the T.V. Media Journalists who should be Named thus diluting their Credibility. The most outrageous are Jennings, Browkaw, Curalt, etc. I believe that the Liberals feel this is the best Chance they have of gaining the White House and they are making it open season on the President. I believe we must take a NO-PRISONER approach to this Election.

I hope I have been helpful by expressing my views as a Voter with my perspective from N.Y.

Keep up the good work.

sent

Yours Truly
Arthur Donigi
101 Gedney St.
Nyack N.Y. 10960

JAB-08A

NRN

September 15, 1992

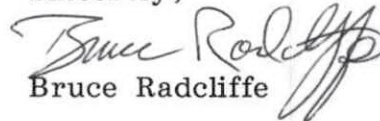
James A. Baker III
White House Chief of Staff
Bush/Quayle Re-election Campaign
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. Baker:

Interested in innovative ideas on how to help the economy?
Consider some of these. Have your experts calculate potential
direct savings, corollary benefits, and far reaching results.
You may want your strategists to contemplate the possibilities.

If you have questions or problems with aspects of this
concept, please call me. Answers to those problems may
already have been worked out and just need clarification.

Sincerely,


Bruce Radcliffe

cc: Michael J. Boskin
Council of Economic Advisors

Richard G. Darman
Office of Management & Budget

Roger B. Porter
Economic & Domestic Policy

Enclosure

In health care, remedies but no cures

What's there to choose between George Bush and Bill Clinton on health care?

Plenty. And very little.

Plenty because, even allowing for the scantiness of detail in the Clinton plan, it is evident that the Republican president and the Democratic governor take vastly different approaches to this critical national problem. And, not solely because Bush's plan is more thoroughly developed, it is clear that his is better.

And very little to choose because, despite their differences, neither Bush nor Clinton looks critically at the American health-care market and the false assumptions and perverse incentives that have distorted it. Eventually, they and the American people will be forced to do so.

Bush recently ridiculed Clinton's proposal as combining the "efficiency of the House post office and the compassion of the KGB." That was, of course, typical campaign hyperbole. But it is understandable, on reading Clinton's campaign materials on the subject, why the image of a gargantuan, heartless government agency might spring to mind.

The first item of Clinton's plan is a national "health standards board" that would "establish an annual health budget for the nation to limit both public and private expenditures." Even if Americans were not so wedded to freedom of choice in health care, this would be odd and objectionable.

Would we truly limit the ability of an individual to spend his own money on medical care, or the right of an individual medical practitioner to sell her services because it might break the *national* health-care budget? That would be both foolish and wrong.

So also is rhetoric like this from the Clinton plan: "Discourage drug companies from spending more on marketing than on research and development—because saving lives must come before making money." There is absolutely no reason to think that either of the choices posed there—between research and marketing, between saving lives and making money—is anything but false.

But the biggest flaw in the Clinton plan is in the way it would extend coverage to the uninsured, whose numbers it puts at 60 million—20 million more than the highest estimates most commonly cited.

Clinton favors a form of "play or pay," a mandate to businesses to either provide a prescribed health benefits package to their workers or pay a tax to provide them coverage in a public insurance program.

In practice, this would lead to one of two results: massive failures of small businesses with narrow profit margins (90 percent of companies that do not offer insurance have fewer than 10 employees) or wholesale dumping of workers into the public plan by employers who would just as soon be relieved of the bother. Of all the possible solutions to the problem of the uninsured, "play or pay" is the least desirable.

Bush's solution to the same problem is decidedly different. He proposes to extend tax credits and deductions to uninsured individuals and families that they would use to purchase health coverage in the regular insurance market.

He would encourage health insurance networks, or cooperatives, so that small businesses could offer coverage to employees at lower prices. And he would forbid some of the practices that currently exclude some people from the market and vitiate the shared-risk principle of insurance by curtailing exclusions for things like "pre-existing conditions."

There are valid questions to be asked about the Bush plan. Would the maximum \$3,750 tax credit be enough to let a family buy a decent health insurance policy? It appears that it would. Perhaps most important, where would the money to pay for the president's plan—an estimated \$35 billion a year—come from? Bush hasn't answered that one adequately yet.

But the plan has several manifest virtues. One is that it builds on the strengths of the existing health-care system which, for all its flaws, provides access to quality care for the overwhelming majority of people. Another is that it preserves choice, a critical consideration in health care to the American people.

But probably the greatest virtue of the Bush plan is that it recognizes, implicitly, that providing access for the uninsured is the responsibility of society as a whole, through the tax system, and not just of business. Indeed, one ultimate goal of health-care reform in America ought to be to break the nexus between a person's job and his health insurance.

Bush's cost-control proposals are less specific and less promising than his access proposals. Medical malpractice reform would be an important contribution, although it is not clear precisely how the president would do it. He also proposes to reduce administrative costs of the health-care system by 25 percent by reducing paperwork and streamlining various procedures. And he would encourage "coordinated care" to make maximum use of available resources.

Unfortunately, neither Bush nor Clinton proposes deploying the single most effective cost-control device ever discovered: the cost-conscious consumer.

Largely because of the growth of third-party payers and the metamorphosis of health insurance from a protection against unexpected, catastrophic costs into a guarantee of payment for even routine medical attention, insured people have become increasingly insulated from the financial consequences of their own decisions on health and medical treatment.

It may be that the time has come to move forward by going back. The government can never guarantee everyone as much health care as they can wish for; it could protect everyone from financial ruin because of catastrophic illness. It may be worth considering whether, in health care, less can be more.

9/6/92

CHICAGO TRIBUNE

September 8, 1992

To the Editor:

Several good points were made by the Tribune in its 9/6/92 editorial analysis of the two positions taken by George Bush and Bill Clinton regarding health care reform. However the closing conclusion was defective in one critical oversight.

The Tribune endorsed the concept of controlling costs by reducing insurance coverage for health/medical treatment other than those unexpected, catastrophic costs. By casting more of the costs for minor and routine medical attention on the consumer, you instill a state of cost-consciousness that is viewed as unnecessary under the existing system. Decisions regarding health care would become more discriminating in light of the immediate personal financial consequences.

But what this fails to take into consideration are:

- 1) Health maintenance(wellness)/disease prevention, early detection and treatment costs vs. delayed treatment, advanced malady costs [both in terms of direct dollars and indirect dollars (productivity) and in terms of the quality of life for individuals]
- 2) The financial forecasting (budgeting) hardships placed on consumers pressed into playing "health care roulette".

A more efficient solution would be to direct incentives toward worksite health promotion programs. (Worksite wellness is arguably the most effective method of implementing health promotion.) Tax credits for companies implementing health promotion programs as well as the personal tax credits for health care would save business from the stifling burden of providing health care for all and instead keep that responsibility with society.

A plan involving cooperation between the four principle "players" related to workforce health maintenance and health care would further reduce health care demand and costs while advancing productivity and quality of life. Business, employees, insurance, and wellness vendors have a common interest in resolving the health care crisis. Shared incentives and accountability measures can lead to a profitable arrangement for each element involved.

What follows is a model for such a plan. Please consider the concept, not necessarily the numbers utilized for the sake of example.

"Cooperative workforce healthcare reform" requires the involvement and shared commitment of 4 "players"...

- Player #1 -- the corporation/company/business
- Player #2 -- the employee(s)
- Player #3 -- the insurance company
- Player #4 -- the wellness vendor (fitness administrators/
nutritionists/health screening services/
healthy lifestyle behaviorists/etc.)

It could work this way:

- #1 (The Corporation) -- contributes 66% of the wellness/
preventive costs.
(support for employee involvement
is also demonstrated through top-
level management participation and
the corporate provision of sufficient
access & opportunity to wellness/
preventive services.)

- #2 (The Employee) -- Contributes 34% of their wellness/
preventive program costs.
Certain criteria (e.g. attendance record,
periodic screenings/evaluations,
adherence to health recommendations/
programs, etc.) must be met to receive
full corporate health care benefits.
Only limited adherence to criteria
puts the employee on a 6 month
probation. During this time they
would have to contribute 50% of their
wellness/preventive program costs.
Failure to adhere to pre-set conditions
forfeits their corporate health care
benefits* for 6 months. They may re-apply
for the benefits after the 6 month sus-
pension. Reinstatement would be
probationary status for another 6 months
including the 50% apportionment rate.
Adherence qualifies employee for
continued benefits at minimal cost.

- #3 (The Insurance
Company) -- Discounts health/medical premiums to
participating corporation by 33% of its
wellness/preventive investments. Premiums
would be further adjusted as warranted by
claims (abate or raise them within pre-set
allowable variation limitations - perhaps
± 10% annually)

* or increases their deductibles and/or their share of the premiums

#4 (The Wellness Vendor) --

33% of all proceeds from a corporate contract shall be placed in an annually revolving escrow. If claims increase for that company in a given year when compared with either 1) the average amount for annual claims over the past 3 years (adjusted for inflationary rate increases or other policy changes affecting comparisons) or 2) a business profile case standard, the difference shall be forfeited from the escrow (up to 33% of the wellness vendor's potential income) to the insurance company involved.

- Naturally computer processed data would serve to help manage accountability and adjustment aspects.
- Each "player" has a vested interest in seeing the others succeed.
- The corporation and employee each have a net investment of 1/3 the cost of any wellness/preventive program(s). Both stand to receive measurable and intangible benefits.
- The insurance company has what amounts to a "guaranteed" investment-commitment of 1/3 the cost of any wellness/preventive program(s). It also has a starting point for rewarding healthy lifestyles and reducing health care costs and demand.
- The wellness vendor(s) have an increased market opportunity, combined with a strong incentive for delivering a quality product/service.
- Many other industries and establishments stand to contribute and directly profit from the wake of a "cooperative workforce health care reform". Software, medical and fitness equipment, nutrition, life insurance, education, commercial real estate, the federal government to name but a few.

This is not meant to be the singular, definitive solution to the problem, but rather a format for one change in the way health care is done. Education, liability reform, more efficient administrative methods, tax incentives for worksite wellness programs, and a host of other innovative and overdue revisions can contribute in a big way to the resuscitation of our failing health care system.

Bruce Radcliffe
209 S. Weller Lane
Mt. Prospect, IL 60056
(WORK PH.) (708) 297-9753

July, 1992

Dear Leader:

I would greatly appreciate your comments and ideas concerning "Health Care . . . A New Beginning." Please indicate them below and return them to me in the enclosed, postpaid envelope. Thank you!

1. I support making wellness and prevention a major national priority, through general education, physician training, and greatly increased funding for programs and research.

Yes No Undecided

Comments _____

2. I support the appointment of a bipartisan National Health Care Coalition, including representatives of the medical community and health care industry, small and big business, labor, education, the insurance industry, the legal community, economists, religious organizations, and the AARP. (Its job would be to make recommendations and help supervise the reorientation and reform of our health care system.)

Yes No Undecided

Comments _____

3. Additional comments _____

Your Name _____

Address _____

City/State/Zip _____



CENTER FOR HEALTH
EXCELLENCE

833 W. Lincoln Highway
Schererville, IN 46375

HEALTH CARE ... A NEW BEGINNING

An emergency initiative for
reforming America's
failing health care system,
and for reorienting it toward
wellness and prevention.

*Jonathan R. Javors, D.O.
Medical Director
Centers for Health Excellence
Scherverville, Indiana*

A PERSONAL NOTE

As an orthopaedic surgeon practicing in Northwest Indiana, I take satisfaction in my work, but there is something about it that disturbs me. Over the years, I have examined a seemingly endless stream of people with ailments that never should have happened in the first place. Of course, accidents cannot always be prevented – but simple precautions, effective exercise, sound nutrition, early medical consultation, and common sense can prevent many problems, or keep minor ailments from becoming painful, chronic, costly catastrophes.

It occurred to me, as it has to others, that our priorities are upside down. Our system is geared toward restoring health at the point when it is most costly and painful to do so. Health care costs are draining our economy, sapping our productivity, crippling our ability to compete in international markets, and leaving many Americans without access to physicians and medical services.

Our only hope to alter this disastrous course is to turn the system rightside up. Our emphasis should be to maintain health in the first place. In addition, we must decisively contend with the greed, corruption, and bureaucratic malaise that afflicts the U.S. health care system.

I have a vested interest in wellness, both personally and professionally. I would rather earn my living by helping people stay healthy than by channeling a flood of needlessly ill or injured patients into very expensive hospital beds.

The following thoughts and proposals are dedicated to my two young daughters, as well as to all of our children, and to the millions of people whose lives and prosperity are threatened by our hemorrhaging health care system. I dare not hope that you, the reader, will agree with each specific idea. Nor do I claim to have the prescriptions that will cure every aspect of this enormously complex disorder. My purpose is simply to enlist your general support for urgent, bold, and decisive action toward reorientation and reform.

J.R.J.
June, 1992

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PART I. A CALL TO ACTION

America is built on values and principles. We are a nation built on knowing right from wrong and simple common sense. In 1776, our founding fathers went to war because of injustices forced on them by an unfeeling tyrant across the seas. Americans knew what had to be done and did it. In 1861, we became convulsed in a terrible civil war to preserve our union from the evils of slavery that threatened to tear it apart. In 1941, fascism and despotism menaced the world, challenging our dream of democracy and the right to live as we choose. Again, Americans rose to the challenge. As an aftermath, our values and principles were jeopardized by an ideological force that did not have any common sense to it. Once more, we paid the price and triumphed.

Our goal must be to make the United States of America the healthiest country in the world by the year 2000. Anything less is a failure of our leadership to show concern for the American people and for future generations.

Now "the trumpets summon us again." The wealthiest, most powerful nation in the history of this planet ranks 22nd in infant survival. Compare our infant mortality rate of 9.8 per 1,000 live births with 4.6 for Japan and 6.6 for Singapore. Our average life span is lower than seven other nations. Americans by the millions are dying prematurely because of improper dietary and fitness habits. There is no organized prevention strategy. Thirteen percent of our people do not have adequate health care insurance and access to decent medical care. Among the world's developed nations, only the United States and South Africa lack health care access for everyone.

All this and more adds up to a great wrong. In fact, it is a national crisis which quite literally has life and death implications for millions of people. Considering our wealth and technology, America's health care system and strategy for wellness and prevention, or lack thereof, is a national disgrace.

In 1963, President Kennedy challenged our country to put men on the moon by the end of the decade. Americans love a challenge, so this charge was met head-on and it was accomplished. Why can't the same wholehearted national commitment be made for health care? A concerted effort by the medical community, business, industry, education, labor, and the government can make the United States of America the healthiest country in the world for the 21st century and beyond. Anything less than that would be an affront to our values and principles.

Health is defined as being free from disease and disorder. Health care must logically aim at two goals: (1.) the maintenance of health and (2.) the restoration of health.

With regard to the latter, the health care delivery system in the United States is the world's best. It is unlikely that many would disagree with this. Our technology is unparalleled. New equipment, procedures, medications, and treatment protocols are providing cures that only a short while ago would not have been possible. Vast strides are being made in many clinical situations.

Unfortunately, however, the cost of this system is draining our resources and economic vitality. For example, U.S. businesses spend an estimated 50% of their pretax profits on health care insurance premiums. This severely handicaps us in the global marketplace.

At the same time, with regard to the maintenance of health, our health care delivery system has failed utterly. Money is relatively non-existent for disease risk management and prevention. Research is lacking in these areas. Direction from the medical community is sorely needed. Our government has abdicated its constitutional responsibility. One of the reasons for establishing the Constitution of the United States was "to promote the general welfare." What is more important to the general welfare than health care?

Surely one of our most crucial national goals must be to provide the means of achieving and maintaining optimal health for all of our people. Benjamin Franklin's aphorism, "An ounce of prevention is worth a pound of cure," was never as pertinent as in our health care delivery system. We must begin to focus on that ounce of prevention, because the pound of cure has been severely burdening businesses and individuals.

Specifically, three health care issues must be immediately addressed:

- Cost
- Accessibility
- Quality

These three are interrelated. Cutting costs would create savings that could be used to guarantee accessibility to all of our people. These savings could also be used to increase

To ignore the failures of our health care system is to violate the United States Constitution both in letter and in spirit.

prevention and wellness research and begin programs in these areas. This, in turn, would decrease the traffic in our health care delivery system, freeing resources for finding ways to combat disease and increase the quality and quantity of life.

Many of the following proposals could be implemented quickly and are just plain common sense. Others are thought-starters that purport to stimulate action from the medical community, business, industry, education, labor, and the government. Efforts to maintain and restore health deserve the same priority as the other large issues of freedom, opportunity, prosperity, and peace. Those efforts must not be diverted or slowed by the petty vicissitudes of partisan politics. The stakes are monumental for millions of people. Our hope is to sound an urgent "call to arms" that rings loud and true for everyone.

"Wellness" requires proper fitness, nutrition, and stress control. "Prevention" demands testing and treatment that attack illnesses BEFORE they occur.

PART II. A NEW FOUNDATION

When a house is crumbling, it does little good to replace bricks and mortar in a haphazard manner. It is worthless to buy new drapes or to paint the walls. The whole foundation must be strengthened or replaced. Only by doing this can the house be expected to withstand the onslaught of nature and time.

Similarly, our present health care system is crumbling as our nation continues to grow and as baby-boomers approach retirement age. Inevitably, it will collapse from overuse. It cannot be fixed by increasing taxes, building more hospitals, or graduating more physicians. What we need is a new foundation built out of the bricks and mortar of wellness and prevention.

Individuals must be empowered to change their lifestyles to include proper fitness, nutrition, and stress control. Specific diagnostic tests and treatments must be implemented to decrease the chances of developing diseases. By keeping people healthier longer, we decrease the use of the health care system, make our nation more productive, and promote the general welfare.

It only makes common sense to head off a problem before we have to deal with it. Why doesn't our health

care system adopt this wellness strategy? Why are so many Americans unhealthy? Louis Sullivan, M.D., Secretary of Health and Human Services, has stated that 40 to 70 percent of all premature deaths can be avoided by appropriate wellness and prevention programs. With the exception of post-traumatic, accidental deaths, all premature deaths can either be avoided or delayed, increasing not only the quantity, but (more importantly) the quality of life. The medical community, business, and government must join forces to educate and empower people to take more responsibility for their health.

Specific, positive goals must be set and they must be relentlessly pursued. Educational programs and behavior modification steps must be taken now. Because this will not be a "Quick Fix" proposition, some short-sighted individuals may oppose it. However, the next generations, including baby-boomers, our children, and grandchildren, will see the benefits from focusing our resources into wellness and prevention. This is the best and only solution to the looming health care disaster that menaces our country.

Some are touting the great strides that have been made in wellness and prevention during the past few years. After all, Americans spent an estimated \$24 billion on prevention programs in 1991. But this figure becomes far less impressive when you consider that we spent about \$800 billion on health care during the same 12-month period. Wellness and prevention represent barely 3 percent of the total. That is not a point of pride. It is a national embarrassment.

When do we start? Where do we start? How can wellness and prevention programs be implemented? Although much more research is needed, much research has already been done. We can start by implementing programs that build on what we have learned. General George S. Patton revealed one of his secrets for accomplishing objectives: "A good plan executed now is better than a perfect plan executed next week." The time to start is now and the place to start is with our children.

Wellness in Schools

Children are the most important responsibility in any parent's life and their health is our most important consideration. They also represent our future. Training

Spending only 3 percent of our health dollar on wellness and prevention is a form of administrative malpractice.

them to be as healthy as possible will have the most far-reaching impact on our national well-being.

Why is Illinois the only state that requires daily physical education classes? (And Illinois may feel compelled to change this law due to budgetary constraints!) Why has so little been done about the fact that 20 percent of our children are considered obese and that only 1 in 28 of these obese children is expected to regain normal weight as an adult? The time has come for an overhaul of our primary and secondary school curriculum. Health education must rank with reading, writing, and mathematics as a principal goal of learning.

Daily fitness classes must be made mandatory in all U.S. schools. These must include physical activities where students compete both in teams and as individuals. Team spirit and camaraderie helps make fitness fun, and individual events prepare children for the times when there is less opportunity to engage in team sports.

Daily fitness activities will not be enough to change the behavior patterns of our children. They must be made to understand the hows and whys of good health and fitness. Mandatory talks on proper fitness and nutrition every week will help motivate them and reinforce that motivation.

Health care is approaching 20 percent of our gross national product. It is distressing that the vast majority of Americans know nothing about or are intimidated by a category that constitutes one-fifth of our total output. That is why secondary schools must add consumer education classes dealing with health care, behavior outcomes, and wise shopping for health care.

Our schools must also practice what they must preach in the area of nutrition. Healthy school menus, taking regional tastes and customs into account, must be instituted to reinforce this behavior modification. Greasy hamburgers, hot dogs, french fries, and pizza do not constitute a very nutritious diet. Children may survive this diet without detrimental effects. However, eating habits are hard to break and a fast-food diet can lead to premature and devastating problems in later life. Research tends to support the old saw, "you are what you eat."

If children's health is our most important concern, why shouldn't health education be a principal goal of learning?

Preventative Medicine for Children

Our children are certainly our most precious resource. We must start investing more heavily in them. Free and full health care must be made available to expectant mothers at the first moment they become aware of pregnancy. This includes prenatal care, care during delivery and for a period of up to 6 weeks after delivery or until all conditions as a result of pregnancy have returned to normal. This free health care would be given to all children until the age of 18, or while continuing education. It has been shown that for every dollar spent on prenatal prevention programs, \$3 were saved on postnatal health-related problems. Not a bad return on investment!

The simple fact is that healthy children with good wellness habits tend to grow up to be healthy adults. They will use the health care system less frequently, and make better choices when they have to use it.

Wellness & Prevention in the Workplace

The time has also come for employers to be totally committed to the health and fitness of their employees. Many companies are very strict about keeping their machinery well oiled and tuned. But they seem to feel that if their workers are adequately covered by health insurance, there is nothing more to do.

This is proving to be a very costly attitude. Health coverage in itself is not a small investment — an estimated \$15.9 billion per year is being paid by companies for workers' compensation. More than twice that amount, an estimated \$37.1 billion, is squandered through lost time due to work-related injuries and diseases. And health care premiums and medical bills for private businesses continue to soar. As of 1990, they reached approximately \$186.2 billion! This is a terrible drain on individual companies and certainly handicaps our nation's competitive position in the international market.

Another reason why other countries are gaining a quality edge over the United States is represented by this question: "How much productivity has been lost to shoddy workmanship caused by alcoholism, drug abuse, and absenteeism due to family-related problems?" Estimates indicate that this figure is now beyond \$135 billion.

According to a recent study, for every dollar spent by companies on wellness and prevention programs, \$2.66 are saved in health care costs.

In fact, workers compensation losses related to substance abuse problems have increased by 400 percent since 1970. For a typical company of 1,000 employees, costs now are estimated at almost \$500,000 per year.

It is clear that there are enormous savings to be gained through wellness and prevention programs. For the sake of their workers, for their own sake, and for the sake of our nation as a whole, businesses must treat their employees as true resources and empower them to remain healthy and fit.

Physical fitness leads to fiscal fitness. All companies should establish physical fitness standards and provide programs for their employees. Breaks during the day could be specifically reserved for these activities. Lectures could be made available for such topics as stress management, nutrition, fitness, medical self-help, and outcome research findings. The goals are to make employees more fit, more health conscious, and more intelligent consumers of health care products and services. Employers who pick up health care benefits for their employees should make participation in exercise programs and attendance at lectures mandatory.

Of course, the programs and talks will become very attractive to employees. After all, they are the ones who stand to improve their health and well-being. This commitment to wellness can strengthen any company's position in both recruitment and employee retention. There is expected to be a significant shortage of skilled workers in many fields by the year 2000. Wellness benefits represent one way to ensure that companies have a healthy and productive work force to compete in the marketplace.

Another step toward employee health empowerment would be to incentivize certain wellness goals. Initially, employees might be responsible for a portion of their health insurance premium. As they reach their goals, that portion would decrease or disappear.

Companies also would do well to implement "family friendly" work and vacation arrangements. This reduces stress, builds morale, and by all indications has a positive influence on general happiness, productivity, and health.

Wellness programs lead to health, happiness, and productivity. They benefit individuals, families, companies, and the country as a whole.

Disease Risk Management

Traditional medicine has been lax in helping people control diseases. It has failed even more profoundly in helping them delay the onset or avoid the symptoms of ailments that they are at high risk of contracting. Health care professionals must begin to practice and preach disease risk management by providing people with the knowledge to live longer, healthier, and symptom-free lives.

The only area where our present system has made a sustained effort to do this is in the area of cardiovascular disease. People are more aware of cholesterol, obesity, hypertension, and other parameters that cause deterioration of their cardiovascular status. Cardiac rehabilitation programs have come a long way toward increasing awareness of what should be done after someone suffers a heart attack. But what about respiratory disease, diabetes, strokes, chronic obesity, arthritis, cancer, and ulcers to name a few? Educational and participatory prevention programs are desperately needed in these areas. Other programs should be set up to help people who already have diseases lead fuller, more active lives.

Every American is entitled to basic health care. This is not a privilege, but an inalienable right.

PART III. REFORMING OUR HEALTH CARE SYSTEM

The plain truth is that our present system is failing and has to be changed. Federal and state governments have failed to control health care costs and corruption. Until the Medicare/Medicaid Acts of 1965, U.S. health care costs rose with inflation at the same approximate rate as those of other services. As soon as the government bureaucracy became involved, there was a divergence. Health care costs began to zoom out of control.

All people in the United States must have basic health care. Along with education and criminal legal defense, this is an inalienable right. How do we ensure this? What form will the new system take? Where will the money come from? As stated earlier, wellness and prevention programs with potentially enormous savings must be the foundation. Following are some ways to save

more money and increase accessibility by reforming our present system.

Improving Physician Training

Today's medical schools have been sadly ineffective in communicating the great social and fiscal ramifications of health care. Physicians must be made thoroughly aware of these issues. They are the ones who make the decisions on which treatments are to be rendered, what tests are to be ordered, how long hospitalization is to be, and how money is to be spent. Until these areas are stressed in medical school, physicians as a group will continue to over-utilize.

All physicians must be thoroughly schooled in wellness and prevention. They should also be given the opportunity to make these disciplines their clinical specializations.

More emphasis must be placed in the arts of recording patient history, performing physical examinations, and diagnosis. Testing should be ordered to confirm diagnoses, not to "rule out." Physicians must become aware of how much tests costs and the ethics and effectiveness of each particular test. A recent study indicates that over-testing costs patients and taxpayers \$50 billion dollars per year. This must stop! A wise physician once remarked that "to order tests and have the results return as normal is an admission to lack of clinical acumen." This is the kind of thinking that must be stressed in medical school.

Undoubtedly, in the future, computers will be used to help physicians not only make diagnoses, but also to recommend treatment plans. When this occurs, it will be even more important for physicians to have good history taking and physical exam skills. They will be the ones entering the data. In the future, a physician's clinical skills should again become more important than an MRI or CT scan.

Another fundamental change in medical school curricula must be the addition of courses in wellness and prevention. Physicians are role models for their patients. They must lead the way to healthier and safer lifestyles. To do this, they themselves need knowledge. In fact, wellness and prevention must be stressed in medical school to the point of becoming a clinical specialization. This would not only increase the availability of wellness expertise to people in general, but also lead to increased research.

Reforming Medical Liability

Human nature does not change. All species, including humans, are equipped with primordial survival and self-defense mechanisms. When threatened with harm, our instincts are to do whatever is necessary to protect ourselves. It is not just a coincidence that diagnostic testing multiplied as the incidence of malpractice suits and claims arose. This is money that could be used to increase access to health care for people who desperately need it, or to expand programs in wellness and prevention. Arbitration should be frequently employed in medical malpractice cases to improve the possibility that only true negligence and not actions with less than satisfactory results will come to litigation.

Until science can quantify how much pain and suffering an individual has undergone, there should be a cap legislated on these awards. Also, as provided for by the United States Constitution, a jury must be made up of the accused's peers. Unfortunately, the complexity of medicine does not allow the untrained person to fully understand the various aspects of medicine. That is why medical review and quality assurance boards should be established to initially oversee all malpractice claims. These boards would also be responsible for making it tougher for medical professionals to render less than quality care.

Controlling Product Liability

Another cause of skyrocketing medical costs is the spate of multimillion dollar product liability awards against the manufacturers of medical supplies and pharmaceuticals. For example, consider what has happened to the cost of DPT shots that are administered to protect children from diphtheria, pertussis, and tetanus. Recently, after a multimillion dollar award against the company that produces it, the shot's cost multiplied. Did people think that the company was going to pick up the cost of that judgment? Of course not. There are wages to pay, operating costs, and research and development budgets. So they pass the costs to the consumer, and health care costs explode. Again, national legislation mandating reasonable caps and other tort reform measures is absolutely necessary.

Arbitration boards could reduce the number of frivolous malpractice suits that frighten physicians into ordering unnecessary diagnostic tests.

Changing Administrative Services

How often have people joked about the endless red tape associated with government bureaucracy? We have come to accept it as a fact of life, as expected as the rising and setting of the sun. And, as with the sun, most people feel that there is nothing that can be done about it.

We can and must change it. Why are there 1,200 different insurance forms? Why is 24¢ of every health care dollar spent on administrative red tape? Standardization to a few universally used forms could cut costs tremendously and this is absolutely do-able. Another cost-cutting measure would be to use electronic filing. It has been estimated that these two steps could pare \$50 billion to \$100 billion from U.S. health care costs.

More than half the time that patients spend in hospitals might be better spent at home.

Coping with Corruption

How can the people of our relatively educated, sophisticated, democratic country tolerate the degree of corruption that we do? With health care the stakes are higher than in other fields. When corruption invades our health care system, lives are lost. Plus, health care fraud, according to recent reports, is costing us \$50 billion to \$80 billion each year. This must stop. Taxpayers must petition national, state, and local governments to increase investigations and punitive measures against these crimes.

Using the Health Care System Properly

A recent study suggests that 53 percent of the time spent by patients in hospitals is medically unnecessary. Also, up to 15 percent of all office visits to physicians is unnecessary. Identifying this waste and then drastically diminishing it would go a long way toward decreasing the cost of health care.

A massive public awareness campaign could be launched to alert both physicians and patients to these critical facts. Families must be educated about the physical, psychological, and financial advantages of allowing their loved ones to recover at home. Physicians should be made aware of the ethical importance of reserving hospital beds and doctors' examining tables for people who really need them.

Decreasing In-Hospital Patient Costs

A large percentage of in-hospital problems could be treated in step-down units at far less cost. These would be operated by personnel more trained for monitoring patients' care than for treating medical problems. Many people are admitted for observation purposes, for delivery of medications, or for testing procedures. They do not need the high degree of professional care that nurses provide. Nurses would be happy to treat patients who really need their help rather than to monitor people and deal with the mountains of paperwork that is involved in such situations.

These step-down units would ensure that patients who truly need the degree of care that only a hospital can provide would be hospitalized at a fraction of the former cost. Regarding hospitals, there could be four main clinical tiers, each with its own administrative procedures, level of treatment, and level of cost:

1. Intensive — patients who have severe, life-threatening clinical conditions and require services that are essentially similar to intensive care as provided today.
2. Intermediate — those who need extensive monitoring of vital signs along with extensive nursing care.
3. Observatory — those who have had elective surgery, those admitted for testing procedures, or those admitted for control of non-life-threatening, specific illnesses. This care would consist of routine vital signs, routine IV, pain control, and medications.
4. Maintenance — those who require care similar to that rendered in long-term nursing facilities. One way to decrease the number of people treated in this high-cost fashion is to encourage children to take care of their parents. This could be accomplished through a multifaceted program that includes education, ancillary services, and tax credits for those who care for elderly relatives. Employers should also be encouraged to make benefits available to employees with elderly parents at home.

We must not wait for others to take action. Ultimately, responsibility for health lies with each individual.

Time to Act

The time to act is now! Can we afford to wait? The future

of our health and that of our children is in jeopardy. Waiting for the government to take action is not a good strategy. Lobbyists and special interest groups may influence the form that health care takes, so it would not be in the best interests of the American people as a whole. Each individual must take the initiative, starting with his or her own health.

John F. Kennedy sounded the alarm three decades ago. "We can no longer be a nation of spectators (when it comes to our health care). We must all become participants."

A multipartisan National Health Care Coalition would reflect public opinion and also guide it. The result would be a health care system that is both equitable and effective.

A suggestion for jump-starting the reform of our health care system would be for the President to call together a National Health Care Coalition. This body must be comprised of representatives from the medical community and health care industry, small and big business, labor, education, the insurance industry, the legal community, economists, religious organizations, and the AARP. Its responsibility would be to oversee and expedite the progress of health care reform. It would be empowered to set up task forces to find ways to implement wellness and prevention, insurance reforms, accessibility, corruption control, standardization of forms, and other ethical and cost-saving imperatives. Members of this NHCC would be prohibited from meeting individually with special interest groups or lobbyists. This would only be allowed to occur with the body as a whole.

Recommendations of the National Health Care Coalition should have an overwhelming moral force behind them. It should become very difficult for politicians to oppose the legislation and initiatives that the NHCC proposes. Hopefully, this would result in a fair health system based upon a foundation that is able to withstand the onslaught of nature and time.

PART IV. ACTIONS TO TAKE

Procrastination is the doldrums of accomplishment. As Shakespeare might have said, let not this enterprise "of great pitch and moment ... turn awry and lose the name of action." This truly is an emergency. Every segment of society must begin to act now.

Government policy makers. Lay aside the differences of party politics. Rise above the pampering of special interest groups, and the peddling of influence. Initiate the multipartisan National Health Care Coalition. Act on its recommendations for establishing a wellness imperative, cutting costs, fighting corruption, and limiting administrative waste.

Business leaders. Set up study groups to determine how wellness and prevention can cut costs and make your companies more competitive. Involve your executive staff, mid-management, and, most importantly, your work force in this issue. If wellness and prevention appear to be profitable, implement these programs at once. Also establish family-friendly policies to improve employee morale and ultimately increase productivity.

Health care professionals. Change from being strictly healers to address diseases before they happen. Teach physicians more effective ways to prevent diseases. Encourage them to represent the principle of wellness by the way they live. Help people find a way to achieve their optimum health. Police yourselves to prevent abuse, incompetence, and fraud.

Individuals. Let's take charge of our health! Seek out the best exercise and nutritional strategies and act on them immediately. Write letters to legislators, petition physicians, and talk to friends about wellness, prevention, administrative reform, and all the other crucial health care issues. Ours is a democratic society. We make our own choices. We cannot expect the government to decree our bodies toward optimum health.

Let's commit our energies, ideas, voices, and votes to create a health care system that makes sense for the American people.

APPENDIX A

ESTIMATED POTENTIAL SAVINGS IN PRESENT HEALTH CARE SYSTEM

Listed below are areas in the present health care system where significant savings could be made. These savings could be applied to research and development for wellness and prevention programs, which in turn could generate even greater savings. These funds could also be used to ensure adequate health care for all Americans.

Here are estimates from various recent studies:

1. Reducing overtesting through greater physician awareness:
\$50 billion

2. Changing tort laws to decrease use of defensive medicine:
\$21 billion

3. Cutting unnecessary administrative expenditures:
\$30-120 billion

4. Ending corruption:
\$50-80 billion

5. Ending overuse of services: \$183 billion

Total estimated savings out of approximately \$800 billion: \$334-454 billion

Sources: 1. Robert H. Brook, Rand Corporation. 2. *The President's Comprehensive Health Reform Program*, 1992. 3. *The President's Comprehensive Health Reform Program*, 1992. and C. Everett Koop, 1992. 4. *U.S. News & World Report*, February 24, 1992. 5. Extrapolated from *Analysis of Medically Unnecessary Health Care Consumption* by Axene, Doyle, and Feren, 1991.

APPENDIX B

PRIMARY AND SECONDARY PREVENTION MEASURES

Primary prevention programs aim at preventing the occurrence of diseases or injuries before they develop. For example, immunization has proven effective against such diseases as smallpox and polio — and chemoprophylaxis, sanitation, and hygiene have limited the spread of other scourges such as typhoid fever and bubonic plague.

A \$1 investment in Measles-Mumps-Rubella (MMR) vaccine can save \$14 in medical care costs.

Also, for every one percent increase in the use of seat belts, more than 160 lives are saved each year. In 1990, 48 percent of Americans in cars were using seat belts. Increasing this total to just 70 percent would save up to 3,800 lives and prevent 100,000 injuries annually. This would save \$2.5 billion for our economy.

Secondary prevention programs aim at early detection and treatment of risk factors or pre-clinical diseases. For example, hypertension screenings identify apparently healthy individuals who are potentially at high risk of developing strokes, heart disease, and other conditions because of high blood pressure.

Here are some other examples of secondary prevention measures:

- * Routine physical exams for children under 17.
- * Eye exams for children 3-16.
- * Breast exams for women 17 and older.
- * Pap smears for women 17 and older.
- * Glaucoma tests for everyone 40 and older.
- * Electrocardiograms for everyone 40 and older.
- * Mammographies for women 45-65.
- * Colon and rectal cancer screening for everyone 50 and older.

Sources: Primary prevention statistics taken from *The President's Comprehensive Health Reform Program, 1992*. Secondary prevention measures from *American Journal of Preventive Medicine*, "Paying for Prevention Care: Moving the Debate Forward" by Davis, Bialek, Smith, Parkinson, and Vellozzi.

APPENDIX C

EXAMPLES OF SUCCESSFUL WELLNESS MEASURES

- ◆ An eight-year study by Brigham and Williams Hospital in Boston of more than 87,000 women aged 34-59 shows that women who exercise vigorously (break into a sweat) at least once a week had one-third the risk of adult diabetes compared to sedentary women.
- ◆ A fourteen-year study by the University of California at Berkeley of 6,000 men aged 39-68 found that physical activity cut the risk of adult diabetes on a sliding scale. For every 500 calories burned during exercise each week (as during a daily one-mile walk), the risk of diabetes dropped by 6 percent. Men who worked off 2,000 calories a week had 24 percent less risk than inactive men.
- ◆ A study of 17,000 Harvard alumni aged 30-79 found that males who burn 1,000 calories a week in physical activity had about 50 percent less risk of colon cancer than inactive men.
- ◆ An Arthritis Foundation study found that overweight, middle-aged, and older women could cut the risk of osteoarthritis of the knee by one half by losing 11 pounds over ten years.

Source: *U.S. News & World Report*, May 4, 1992.

APPENDIX D

DOCUMENTED BENEFITS FOR ORGANIZATIONS OF WELLNESS AND FITNESS PROGRAMS

Wellness works! The following results were compiled from published studies and articles by Dr. Charles J. Hobson, Division of Business and Economics, Indiana University Northwest.

1. REDUCED HEALTH CARE AND DISABILITY COSTS

a. Health Research Institute

- * Companies with fitness programs average 27 percent lower health care costs than those without.

b. Control Data Corporation

- * Nonfit employees had 14 percent higher health care claims, 30 percent longer hospital stays, and 41 percent more major medical claims.
- * Overweight employees had 11 percent higher health care claims, 45 percent longer hospital stays, and 48 percent more major medical claims.
- * Smokers had 18 percent higher health care claims, 25 percent longer hospital stays, and 29 percent more major medical claims.
- * Hypertensive employees had 11 percent higher health care claims, 25 percent longer hospital stays, and 68 percent more major medical claims.

c. Johnson and Johnson

- * Wellness program participants averaged 40 percent lower hospitalization cost than nonparticipants.
- * Smoking cessation program saves \$1,000.00 per participant.

d. Tenneco

- * Fit male employees average \$442.00 less in annual health care costs.

* Fit female employees average \$896.00 less in annual health care costs.

e. Prudential Insurance

* Fit employees averaged 45.7 percent lower major medical costs.

* Fit employees averaged 20.1 percent lower disability costs.

* Total program savings averaged \$353.38 per employee, compared to an average program cost per employee of \$120.60.

f. Kimberly Clark

* Participants in a weight control program averaged \$160.00 less in annual disability premiums.

g. U.S.S.R. Industrial Study

* Nonfit workers visit doctors 4 times more frequently than fit ones.

h. Berol Corporation

* Introduction of fitness program resulted in a reduction in annual medical insurance premiums of \$125,000.00.

i. King Broadcasting

* Introduction of fitness program resulted in a reduction in annual medical insurance premiums of \$284,000.00.

j. Surgeon General

* 40-70 percent of all illnesses can be prevented and are related to lifestyle factors.

k. National Institute of Health

* Fitness/wellness programs result in an average annual savings of \$446,000.00 per 1,000 employees.

2. REDUCED ABSENTEEISM

a. Mesa Petroleum

- * Fit employees had 38 percent lower absenteeism rate.
- b. Inter North
 - * Fit employees averaged 1 day of absenteeism per year; nonfit, 6.
- c. Johnson and Johnson
 - * Wellness program participants had 18 percent lower absenteeism rate.
- d. Canada Life Assurance Co.
 - * Fit employees had 22 percent lower absenteeism rate.
- e. Metropolitan Life
 - * Fit employees averaged 4.8 percent days of absenteeism per year; nonfit, 6.2.
- f. Dallas School System
 - * Fit employees averaged 5.3 days of absenteeism per year; nonfit, 8.5.
 - * Total program savings were \$452,000.00 per year.
- g. Battelle Memorial Insititute
 - * Fit employees averaged 2.8 fewer days absent.
 - * Total program savings were \$150,000.00 per year.
- h. Goodyear
 - * Fit employees had 50 percent lower absenteeism rate.
- i. West German Study of Workers with Prior Cardiovascular Problems
 - * Regular exercise resulted in 68.6 percent lower absenteeism rate.
- j. Canadian Post Office
 - * Fit employees averaged 2.48 days of absenteeism; nonfit, 4.38.

k. Scherer Brothers Lumber

- * Wellness program resulted in a decrease of annual absenteeism rate from 2.7 percent to 0.3 percent.

3. FEWER PREMATURE DEATHS

a. Midwest Steel

- * The prevention of premature death for two upper level executives alone more than justified the total annual cost of their managerial fitness program.

4. REDUCED JOB STRESS

a. NASA

- * 50 percent of fitness participants show significant reductions in stress and tension.

b. Canadian Post Office

- * 78 percent of fitness participants show significant reductions in stress and tension.

c. Xerox

- * Reports a significant correlation between fitness levels and lower stress and tension.

5. INCREASED WORK PRODUCTIVITY

a. Tenneco

- * Reports a significant correlation between fitness level and work productivity.

b. Canadian Post Office

- * 81 percent of fitness participants show significant improvement in work productivity.

c. NASA

- * 50 percent of fitness participants show significant improvement in work productivity.

d. Belgian Post Office

- * Reports a significant correlation between fitness level and both quality and quantity of work performance

e. Study of 239 Middle-Aged Executives

- * 60 percent of fitness participants show significant improvement in work productivity.

6. INCREASED JOB SATISFACTION

a. Signature Corporation

- * 60 percent of fitness participants show significant improvement in job satisfaction.

b. NASA

- * 49 percent of fitness participants show significant improvement in job satisfaction.

c. Canadian Post Office

- * 59 percent of fitness participants show significant improvement in job satisfaction.

d. Study of 239 Middle-Aged Executives

- * 40 percent of fitness participants show significant improvement in job satisfaction.

7. REDUCED EMPLOYEE TURNOVER

a. Canada Life Assurance Co.

- * Fit employees averaged an annual turnover rate of 1.5 percent; nonfit, 15 percent.
- * Total program savings were \$510,000.00 per year.

b. Tenneco

- * Reports a significant relationship between fitness level and turnover rate.

8. FEWER ACCIDENTS/INJURIES

a. Valmont Industries

- * Wellness program resulted in a 59.6 percent decrease in the injury rate over a 5-year period.
- * Wellness program resulted in a 53 percent reduction in the lost-workday accident frequency over a 5-year period.
- * Total program savings were \$142,000.00 over 5 years.

b. U.S.S.R. Industrial Study

* Fit workers averaged 2-3 times fewer accidents.

9. MORE SUCCESSFUL RECRUITING

a. Boston Federal Reserve Bank

* Reports that wellness program is an excellent recruiting tool.

b. Tenneco

* Reports that wellness program is an excellent recruiting tool.

c. Xerox

* Reports that wellness program is an excellent recruiting tool.



JAB-07

NEW



September 14, 1992

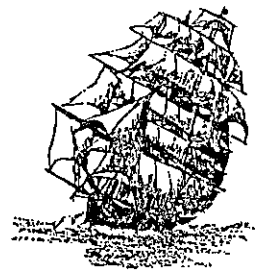
Mr. James Baker
The White House
Washington DC

Dear Sir:

We believe that this nation has never been in greater peril than it is at this moment. We have written the enclosed letter to express our fears and convictions, and sent it to major newspapers around the country. Our prayers and blessings, along with those of millions of other like-minded Americans, go daily with you and yours. May the wind be always at your back, may the road rise up to meet your feet, and may God bless you with His wisdom, His strength and the courage to stand against the tide which seeks to engulf us all. We will prevail, if we faint not.

Sincerely,

Bob + Suzanne
Bob & Suzanne Hamrick



September 14, 1992

Letters From Readers
The Florida Times-Union
P.O. Box 1949
Jacksonville FL 32231

The Republican party believes that the economy of this nation functions best when left as much alone as possible. Any student of historical economics knows that the well-meant tinkering and adjustments which have been tried in the past have usually resulted in an unforeseen worsening of unemployment, or inflation, or the balance of trade payments, or budget deficits, or prices, or wages, or capital investment, or savings rates, or any of these at once.

All wealth in this nation springs from business. Without profitable businesses, there will be no money for social programs of any sort. Republicans understand this. But to our discredit, we have not been as ready to provide needed social programs as we should have been, and this has given the Democrats the opportunities they have needed to fan the flames of special interest groups' desires, and to unite these special interests into a loose coalition of voters large enough to allow that party to control the House of Representatives, which controls how much we are all taxed and how those taxes are spent.

Those who hold it against the President for going back on his promise of no new taxes are apparently ignorant of how the Democrats forced his hand by holding the annual budget process of this entire nation hostage, including Social Security checks, until he met their demands. George Bush did not go willingly or gently into that dark night. If you resent the tax increase, at least place the blame where it belongs: on your elected Democratic members of the House of Representatives. It has been well and truly said that nations get the type of government they deserve. It has also been well and truly said that there is no free lunch. Someone has to pay the bills. Republicans understand these truths, as well.

But President Bush has had the bad luck to preside over this nation just at the time when all businesses, large and small, are finding it necessary to **down-size** in order to compete against foreign companies. This means that today's unemployment figures are much worse than they would have been in prior recessions, but this is in no way the President's fault or responsibility. The Federal Reserve has lowered interest rates to a point unthinkable just a few years ago, due to their fears of reviving a runaway economic boom and double-digit inflation such as we had under Carter. Economists agree that everything is in place for a period of strong, sustained economic expansion, the stock market is still within striking distance of its all-time record high, yet the nation's mood is still fearful. Why? Well, who controls the nation's mood? Is it not the Electronic Visitors we allow into our houses each day and night? Find me a single national news anchorperson who provides balanced coverage to the candidates, and I will agree to vote Democratic. It is a safe bet, because there aren't any. They know that people won't begin to spend their way out of this recession (which is the only way out) as long as they are fearful of the future, and the longer that they can prolong this recession, the better their candidate's chances are. It's an excellent agenda, and all the better because no one can prove anything against them.

Do you prefer this country the way it is today, as compared to the way it was twenty or more years ago? If you do, then you should definitely vote for "Slick Willie", for in him are all of the crypto-liberal "virtues" met. A Clinton/Gore victory in November will guarantee that this nation's accelerating slide into decadence and corruption, begun with the ascendancy of his "philosophy" decades ago, will continue unabated. You don't have to be a weatherman to see which way the wind is blowing, but a weatherman who lies to us about approaching hurricanes is an unconvicted felon, and unworthy of our trust.

President Bush and the Republican party, for all their shortcomings, truly represent the struggle of decency against decay, of standards against self-interest, of doing what is right for this nation, even if it isn't politically popular. If we, as a nation, turn out our Presidents just because they do what we elected them to do, then we are, of all people, most miserable. May God have mercy on us all.

Sincerely,

Bob & Suzanne Hamrick
Unemployed Republicans

the chief enemies of the family are television and consumerism: "The national drug policy says, Just Say No, and the beer commercials say, Say Yes to Alcohol, which is saying yes to drugs—and the collateral kick is you can have sex too."

Often the targets and emphases of the Republicans' family-values campaigns seem a bit off. What worries parents most is a sense that they have little control over the world in which their children are growing up, over its temptations, its drugs, its overheated sex, its atmosphere of astonishing casual violence. Last week on the family-values

dais in Houston, after Bush's acceptance speech, Arnold Schwarzenegger was a conspicuous honored guest. In the first few minutes of *Terminator 2*, parents do not fail to notice, Schwarzenegger, in order to steal someone's motorcycle and clothes, drives a long-bladed knife through a man's shoulder, pinning him to a pool table, and fries another man's hands and face on the griddle of a restaurant. Ten-year-olds

watch Schwarzenegger's disgusting violence and absorb it as if it were normal, acceptable and heroic behavior.

Bush's Reward For Courage

ISRAEL IS TO FOREIGN POLICY AS ENTITLEMENT programs are to domestic affairs. Getting tough on either is considered politically suicidal, especially in a presidential-election year. Cowardice continues to dominate discussions about cutting Social Security and Medicare. Everyone knows the deficit will remain unmanageable until those programs are trimmed, but only Ross Perot has seriously proposed whacking them—and Perot, on the sidelines, is the ultimate coward.

Israel is another matter. When the Bush Administration took office, it faced two choices. It could have made the usual noises with predictable results: no real progress toward peace in the Middle East but no

measurably. He would probably still be in power, and we'd still be stalemated."

How will the current state of play effect Bush in November? "A lot depends on whether the peace process is perceived as actually moving," says Rabbi Daniel Syme of the Union of American Hebrew Congregations. "In Bush's favor is the fact that for the first time, speedy progress is in everyone's interest. Israel's economy desperately needs the loan guarantees, so Rabin will do what he must to get them. The Arabs, as the saying goes, have never missed an opportunity to miss an opportunity, but they clearly want to help Bush too." That's right, says a Saudi Cabinet minister who was present when Baker met with King Fahd last week. "We didn't need to be told that we Arabs can help Bush by showing some flexibility. We owe him for the gulf war, and in any event we see the Democrats as Zionists. Even [Syrian President] Assad understands that four more years of Bush would be better for him, which is why we don't expect Damascus to object too loudly when the loan guarantees are granted, even if Israel's settlement freeze is less than total."



JEROME DELANEY/AP

With Shamir gone, Baker and Rabin are making progress

roiling of American Jewish attitudes, a nonpolicy virtually guaranteed to deliver a normal 30% of the Jewish vote to the G.O.P. But George Bush and Jim Baker were eager to succeed where their predecessors failed, and that meant confrontation—with U.S. Jews and with Yitzhak Shamir, the intransigent Israeli Prime Minister whose life's mission was retaining the occupied territories. As Bush and Baker fought and beat the Israeli lobby in Washington, they were reviled for encouraging anti-Semitism and were called anti-Semites themselves. They took the heat and prevailed. Today Israel's new government is scaling back the West Bank settlements, the peace negotiations may finally yield autonomy for the Palestinians Jerusalem rules, and the \$10 billion in loan guarantees to help resettle Soviet Jews will probably be approved when Prime Minister Yitzhak Rabin meets with Bush in mid-August.

For all this, the Administration deserves considerable credit. "Shamir was the roadblock, and the loan guarantees were Bush's stick," says Ze'ev Chafets, an Israeli journalist who served as Menachem Begin's spokesman. "Had Bush caved in to American Jewish pressures, Shamir would have been strengthened im-

For the moment, Bill Clinton is in the cold, as he deserves to be. For months, as he has pandered to Jewish voters, Clinton's logic has been tortured. He has routinely praised Bush and Baker for "getting the peace talks started," but he has just as regularly shot at the Administration for its loan guarantee stance, which was the key element in getting the players to the table in the first place. "It ain't complicated," concedes a Clinton aide. "We needed Jewish votes in the primaries. We played it one step at a time, and we can't waffle now. We're stuck. We can only hope there's enough residual bitterness about Bush's hardball tactics to depress his part of the Jewish vote in November."

While every vote counts, the power of Jewish ballots in a general election for President has been historically overstated. "For Jews, voting Democratic is like being circumcised," says William Helmreich, a City College of New York sociologist. "Neither is easily reversed. The Democrat gets 70% without blinking an eye. Barry Goldwater's 10% share in 1964 represents the G.O.P.'s low point, and no one expects Bush to do that poorly." But assume he does. Look at California, Illinois, Pennsylvania and Maryland, four states with significant Jewish populations (and 109 electoral votes in 1992) that Bush carried by less than 2 points four years ago—while capturing approximately 30% of the Jewish vote in each. Bush would have carried those states even if his share of the Jewish vote had sunk to Goldwater's 10%.

But this year's election in those states may be even closer, and thus the Jewish vote may achieve unprecedented significance. No one will know that until Nov. 3. Meanwhile, as most observers believe that Bush will recapture the G.O.P.'s traditional share of the Jewish vote, it is enough to say that the Administration's good policy may prove to be good politics—and that if it doesn't, and Bush loses, President Clinton will be left with a more peaceful Middle East, for which he too will owe George Bush a great deal.

tion. Democrats sense an unexpected synergy between Clinton and Gore. Television images of the two fortysomething men calling for change "help us make our case that it's the new against the old," says Clinton strategist James Carville. Democratic pollster Geoffrey Garin says if voters are closely divided between Bush and Clinton in November, the Quayle-Gore mismatch "has the potential to be a scale tipper in favor of the Democrats."

Some G.O.P. officials are in agreement, citing new polls showing that even among Republicans, a solid majority prefer Gore over Quayle. "This is not a Washington Beltway phenomenon," warns a senior Bush aide. "We're hearing from Republicans all over the country who are afraid that the campaign is going to be too close this time, and that Quayle might cost us the few points that decide the election."

Moreover, any setback to Bush's health before November would strengthen the Veep factor. In response to persistent rumors that he is ill, Bush and his doctor last week reiterated that his health is excellent, despite his bout last year with Graves' disease and his vomiting and collapse, caused by intestinal flu, at a state dinner in Tokyo last January. Reporters and staffers who try to keep pace with Bush find him exceptionally fit and energetic for a man of 68. Still, as a Bush friend observed, "he hasn't had much fun in this job lately, and that shows on his face."

Most G.O.P. strategists expect the 1992 election to be decided, as others have been, almost entirely on voters' judgments of the men at the top of the tickets. After the 1988 election, Republicans carefully studied the "Quayle factor," and found that the Vice President cost the ticket no more than 2% of the popular vote.

Representative Vin Weber, a Minnesota Republican whose political advice Bush values, bluntly recalls that Quayle "wasn't a popular choice in 1988, and suffered by contrast with [Democratic vice-presidential nominee] Lloyd Bentsen, and it didn't make any difference to the outcome." Says William Bennett, a former Cabinet member who remains close to Bush and Quayle: "When George Bush was at 85% in the polls, was Dan Quayle doing anything differently? No. Quayle has not set the world on fire, but he has done his job. He has been loyal, and he has ap-

peal to the conservative base." Bennett, Weber and other top Bush advisers agree that removing Quayle would hurt the President more than it would help, by compounding the damage from his abandoned "no new taxes" vow. Says Bennett: "It would look like another broken promise: wobbly, panicky and inconsistent."

Some Republicans and reporters speculated that Secretary of State James Baker, who is expected next month to assume joint command of the Bush campaign and White House—and who opposed the choice of Quayle in 1988—wants him replaced. Officials friendly with Baker, however, deny this, explaining that Baker's own presidential ambitions would not be served if one of his potential rivals in 1996—say, Defense Secretary Dick Cheney—were elevated to the vice presidency.

More to the point, neither Baker nor

most other top Bush advisers consider Quayle to be the President's main political problem. Says Bennett: "George Bush is where he is politically because of George Bush." Weber considers the Quayle debate "a harmful distraction" from "our core problem," which is "the credibility the President has lost on the economy and taxes. There is a strong feeling among the voters that the economy is crummy and that George Bush isn't going to do anything about it. We Republicans are not seen as credible agents of change in economic policy. And we can't fix that just with a negative campaign."

This point is echoed by mid-level officials at the White House and Bush campaign headquarters. They are worried that the President and several of his top advisers—campaign manager Robert Teeter, White House chief of staff Sam Skinner,

Treasury Secretary Nick Brady—are far too confident that in the end, all that matters is "presidential stature." Teeter explains that in "the last weeks of the campaign, the voters will look at the candidates on a different basis than they do now: on who has the temperament, judgment, experience and character to serve as President. We're very confident of that—confident enough to base our entire campaign on it."

Thus, when the White House decided to send a top official to St. Louis last week to counter the Clinton-Gore bus tour, it assigned presidential adviser Clayton Yeutter, who emphasized that "Clinton does not have one-tenth the stature that the President has all over the world. The American people are going to wake up and realize this."

For his part, Bush urges Republicans not to panic, reminding them that he was 17 points behind Dukakis at this juncture in 1988. One difference, however, is that Bush in 1988 could run on the rosy-looking Reagan economic record. Another difference, says a veteran of the 1988 campaign, was that "at least we had 'no new taxes' " as a central, positive appeal. This time there is a vacuum at the heart of the Bush campaign and Administration. That is what allows Clinton and Gore to dominate the television news and set the political agenda, at least for now. It is also the main reason why so many Republicans, unable to persuade Bush to aggressively address the problems of the economy, are seeking a scapegoat in Dan Quayle. ■

When Push Came to Shove

Dan Quayle is hardly the first Vice President to become a political liability for his boss. Three times in this century incumbent Presidents have chosen new running mates. Those left behind:



JOHN NANCE GARNER (1940). As F.D.R. dithered over whether to run for a third term, Garner, who had opposed Roosevelt's pro-labor New Deal policies and his attempt to pack the Supreme Court, entered the presidential race himself. With the Nazi threat to Europe looming larger in the summer of 1940, Roosevelt engineered his own renomination and shunted Garner aside in favor of Secretary of Agriculture Henry Wallace, a former Republican but a loyal New Dealer.

HENRY WALLACE (1944). Overshadowing Roosevelt's choice of a running mate was the suspicion that he might not live to the end of a fourth term. Vice President Wallace's advocacy of civil rights and his utopian rhetoric about a global New Deal made him anathema to big-city bosses and conservative Southern Democrats. F.D.R. toyed with the idea of picking Supreme Court Justice William O. Douglas to replace him, but finally settled on Missouri Senator Harry Truman.



NELSON ROCKEFELLER (1976). With Gerald Ford facing a challenge from Ronald Reagan for the Republican nomination in 1976, Rockefeller served as a lightning rod for conservatives, who had never forgiven him for opposing Barry Goldwater in 1964. Rocky tried to appease the right wing by attacking welfare "cheats." To no avail: Ford's campaign manager described him as the President's "No. 1 problem" in winning the G.O.P. nomination. In November 1975 Rockefeller jumped off the ticket before Ford could push him. Ford replaced him with Kansas Senator Bob Dole, but the ticket lost to Jimmy Carter and Walter Mondale.



FROM TOP: THOMAS MC AVOY; MC AVOY; BILL PIERCE

How Not to Break China

ONCE AGAIN, THOSE WOULD-BE STATESMEN ON CAPITOL Hill are trying to micromanage American foreign policy and legislate morality in another country—something Congress does often and badly. Over the next several weeks, the Senate will almost certainly pass a bill that would punish China for its internal tyranny and irresponsible international behavior by restricting its trade with the U.S.

The leaders of the People's Republic richly deserve sanctions. The people themselves, however, don't. Ever since the Tiananmen Square massacre in 1989, Congress has been looking for ways to beat up on Deng Xiaoping, 87, and his hard-line protégé, Premier Li Peng. In addition to repressing its citizens and persecuting its opponents, the Chinese regime has been selling lethal high technology to a number of potential troublemakers, particularly in the Middle East. As a result, Sino-American relations are the worst they have been in 20 years.

George Bush has contributed to the problem by coddling the Deng-Li gerontocracy, thereby provoking Congress to try to replace the Administration's Mr. Nice Guy policy with its own tougher one. It has been 17 years since Bush was U.S. envoy to China, yet he still seems to suffer from the clientitis that sometimes afflicts ambassadors who represent the views of their host governments too well. Three weeks after Tiananmen, the President dispatched National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger to kowtow in secret to Deng, then sent them back several months later to toast him in public.

Largely in reaction to that craven and gratuitous behavior, Congress has generated a flurry of bills that would attach political conditions to China's most-favored-nation status. In fact, MFN is a misnomer: it implies special treatment but really means normal, equal treatment. All but a handful of the 187 countries on earth have MFN, including such pariahs and miscreants as Iraq, Syria, Iran, Libya and Burma.

Over the years, Congress has tried to use the denial of MFN—or what might more accurately be called the conferment of LFN (least-favored-nation)—status as a stick to make countries behave. It has never worked. Instead the use of trade as a political weapon has almost always backfired. The classic example is also the original one: in the mid-1970s, congressional conservatives passed the famous Jackson-Vanik amendment, which withheld MFN from the U.S.S.R. until the Kremlin agreed to let more Soviet Jews emigrate. Just to show who was boss, Leonid Brezhnev decreased the number of exit visas by two-thirds.

The effort to link MFN to a foreign government's respect for human rights is especially misguided in the case of China. Since sanctions are intended to keep Chinese-made products out of the American market, they will harm, first and foremost, those Chinese who are involved in export businesses. That means manufacturers, merchants and wheeler-dealers who benefited from the Good Deng's free-market economic reforms. These entrepreneurs are, in the main, liberals or at least apolitical. Granted, they are not as brave or noble as the pro-democracy activists who faced down the Bad Deng's tanks in Tiananmen, but they are essentially on the same side. Their commercial success is part of the larger process of coaxing China away from communism, and they are a key part of the generation that will take over from the old men any day.

In order to meet this obvious flaw in the logic of sanctions, Representative Don Pease, an Ohio Democrat, has come up with a twist that may be clever enough to overcome both experts' opposition and President Bush's certain veto. The Pease bill, which passed the House last week, would impose sanctions only on state-owned enterprises; it supposedly exempts the private sector.

Actually, the measure is too clever by half. It relies on a distinction that is hard to define and impossible to enforce. Take mohair. The textile mills that make the sweaters are largely state owned, but the suppliers are independents. Another example: silkworm cocoons are raised by private farmers and small cooperatives, while the threads are woven into silk scarves at state factories and sold by state trading organizations. In effect, the Pease bill penalizes everyone in the chain.

So curtailing MFN would hurt elements in China the outside world should be trying to help. It could also be disastrous for Hong Kong, which relies heavily on thriving commerce in the People's Republic, and unwelcome in Taiwan, which is quietly investing on the mainland.

Neither Hong Kong, Taiwan nor the booming Shenzhen Special Economic Zone inside China itself has any representatives in the U.S. Congress, or any votes in the Electoral College. That is why the Senate will pass some version of the Pease bill, and it is why Bill Clinton and the Democrats endorsed a pro-sanctions plank in their party platform at their convention in New York City two weeks ago. It is easier for a member of Congress to tell his constituents—or a candidate challenging Bush to tell the voters—"I'm against the butchers of Beijing!" than to explain how free trade with China strengthens the reformers and moderates for the power struggle to come.

The whole episode is a vivid reminder of the uneasy, often unhelpful interaction between U.S. politics and foreign policy, especially in an election year. Politicians are quick to embrace simple positions on complex issues that make them feel good and look good—but in fact make a bad situation worse.

The attempt to punish Beijing with sanctions on trade will backfire, just like other such efforts in the past

"basically conservative," as George Bush was quick to characterize them? Or were they issuing a "call to change," as Clinton rushed to claim? Early polls showed more of Perot's supporters opting for Clinton, but many were still too deep in shock to reconsider their options. Some were insisting that they would still cast a protest vote for Perot, whose name will remain on the ballot in half the states or more. In time, many of them will begin warily examining the candidates of the two shopworn parties they abandoned just a few months ago.

Perot did seem to send his followers a signal about what direction they might take. He spoke about having been impressed in recent weeks by a "revitalized" Democratic Party. And that was even before Clinton's acceptance speech, which adroitly pitched the Democratic tent in the middle-class backyard. The President appears to have noticed too; he spent the week fishing—but at the Wyoming ranch of Secretary of State James Baker, the Bush campaign chairman in 1988 who may sign on for a repeat engagement.

As usually happens after a prime-time political lovefest, the challengers bounced out of the convention way above the incumbents: a TIME/CNN poll conducted on the day Perot quit the race had Clinton-Gore topping Bush-Quayle by 20%. That lead was 3 points larger than the one that Michael Dukakis enjoyed in the immediate afterglow of the 1988 convention. But Dukakis kept his campaign in low gear, and the Bush team wiped out his lead with negative campaigning. This time the Democrats are taking no chances. The day after the convention, Clinton and Gore set out on a six-day bus tour from New York to St. Louis. In this year's volatile politics of frustration and skepticism, maybe the only thing more uncertain than a three-way race is a two-way race. (See related stories beginning on page 28.) ■

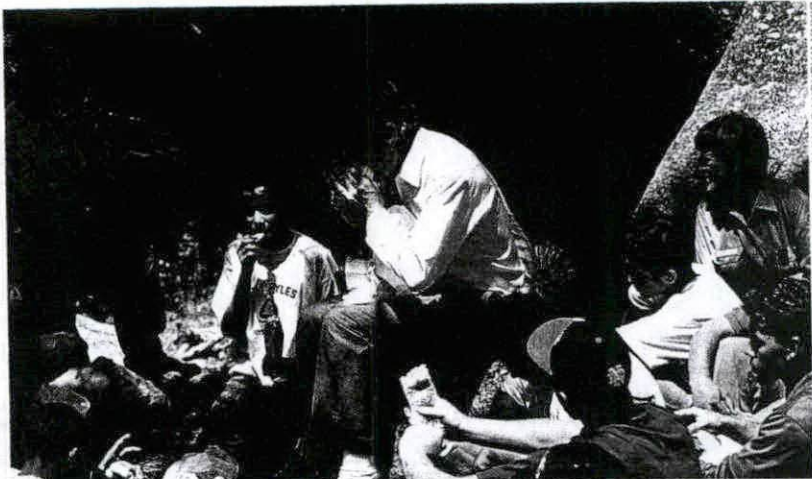
A Big Win for Asbestos Workers

Seven firms are found negligent in a complex Maryland trial

WITH TENS OF THOUSANDS OF ASBESTOS CASES pending in U.S. courts, a Maryland judge two years ago sought to ease the backlog by consolidating more than 8,500 claims of negligence and liability. Now the first and most significant phase of the nation's single largest asbestos trial has ended with a big victory for the plaintiffs. After 12 hours of deliberation, a jury found seven companies liable for manufacturing asbestos products that they knew or should have known were dangerous to workers handling them.

Asbestos, a mineral once widely used for insulation and fireproofing, has been linked to fatal respiratory illnesses. The plaintiffs' attorneys argued that information on the health effects of asbestos was available to the industry decades before the issue gained attention in the late 1960s.

In the next phase of the trial, the jury will decide whether the companies are liable for compensatory and punitive damages; then a series of smaller trials



OFF THE CAMPAIGN TRAIL: Bush lunches with inner-city boys at Sequoia National Park

will determine individual awards. Despite the obstacles ahead, attorneys are confident that compensation is at last in sight for the 8,500 Maryland plaintiffs. But thousands of others suffering from asbestos-related diseases may never live to receive the compensation they have pursued so painfully. ■

Just Clearing the Air

To curb pollution, the EPA demands tougher auto-emissions testing

THE BUSH ADMINISTRATION MAY BE MAKING LIFE easier for industries that pollute the air—but not for motorists. Though the White House last month issued an environmental regulation enabling businesses to sidestep provisions of the 1990 Clean Air Act, the Environmental Protection Agency has now issued a rule that will enforce part of the same mea-

STEPHEN WARNOVSKI—NEWS/TRIBUNE



NO ROOM AT THE DUMP

In a move that did nothing to improve its image, New York City sent off 2,200 tons of garbage to the heartland last month in search of a welcoming landfill. Alas, the detritus, occupying 30 railcars, was rejected in three states. After a 3,000-mile trip, the bug-infested cargo wound up back home, destined for the Staten Island landfill.

*Industry pays.
Consumers pay.*

sure by requiring tougher emissions tests and more expensive repairs for car owners.

The proposed regulations, which become final in November, require 55 new urban areas to begin testing emissions from cars and light trucks by next July. That would bring to 177 the number of regions conducting such tests. And in about 80 metropolitan areas with the worst air problems—home to more than 60 million automobiles—the test will be made much tougher. The simple tail-pipe gauge that measures exhaust while the engine idles will be gone. The new test requires a high-tech treadmill device with the *Jetson*-ish name dynamometer. It collects exhaust while the car idles, accelerates and brakes. Then it runs the material through computerized equipment so sensitive that millions of cars now capable of passing inspection are likely to fail. And not just old smokies: the EPA estimates that as many as a third of recent-model cars will flunk, instead of the current 8% to 10%.

The EPA had good reason to issue the new rules. More than 20 years after the government began requiring annual emissions tests for many cars, half of the smog and 90% of the carbon monoxide in the air still pours out of tail pipes; the rest comes mainly from the smokestacks of factories and oil refineries. The new regulations could reduce smog-producing emissions and carbon monoxide pollution from vehicles by 30% in many cities. But repairs to pass the test could cost drivers from \$25 to \$450, a stiff increase from the present average of \$50 to \$75. (Anyone whose car still can't make the grade even after an outlay of \$450 will get a waiver until the next required test.) Maybe that kind of expense would be less painful if industry were also paying its share. ■



ET CETERA

TAILHOOKED The sex-abuse scandal that followed 1991's Tailhook convention of Navy and Marine pilots has shot down a Navy Secretary and held up thousands of promotions. Now two top admirals have

been hooked—for other incidents. Vice Admiral Jerry Tuttle, 57, named to head the Navy's air arm, was denied promotion for sexist jokes in a newsletter he writes. Rear Admiral Joseph Prueher, 49, named to take command of the Third Fleet, was gigged for a 1989 episode at Annapolis, where he was the No. 2 man, when male midshipmen handcuffed a female classmate to a urinal.

BITTER PILL The Supreme Court may have sustained American women's right to choose abortion, but it still seems willing to limit the ways to have one. In a test case involving the French abortion pill RU-486, the Justices by a 7-to-2 vote upheld an appellate-court ruling that bars return of the drug to a pregnant woman. U.S. customs agents had seized the pills from Leona Benten, 29, who had legally acquired them abroad. The court left open the question of the constitutionality of the U.S. ban on RU-486. Benten now plans to have a surgical abortion.

WORLD

Another Cease-Fire In Bosnia—Too Late?

New offensives have gobbled up much of what little was left

IF THEY EVER GO INTO EFFECT, CEASE-FIRES IN what was once Yugoslavia tend to be a passing fad; roughly 30 have come and gone since the civil wars began in June 1991. Nonetheless, leaders of the Serb, Croat and Muslim communities of Bosnia-Herzegovina, conferring in London through intermediaries (they refused to talk face-to-face) arranged one more truce, which was supposed to begin this Sunday evening. Even on the off chance that it holds, will there be enough of Bosnia left to call a country? The answer probably is no.

HEART OF DARKNESS: Sarajevans huddle in candlelight during a two-day shutoff of water and power, caused by Serb dynamiting of power lines, as the siege tightens



DAVID TURNLEY—THE DETROIT FREE PRESS/BLACK STAR

FRED PARKS
ATTORNEY AND COUNSELOR AT LAW
1750 HOUSTON CLUB BUILDING
811 RUSK
HOUSTON, TEXAS 77002-2814
PHONE (713) 222-6251
FAX (713) 222-7501

NRA

The Honorable James Baker
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20002

Dear Jim:

In my opinion, one of the main issues of this campaign is to prove "Slick Willie" a liar, which he is. The issue should not be that he dodged the draft, because too few people will feel offended by that. He must be called and branded a liar, in my opinion however, for lying about how he avoided the draft.

I believe a 1 or 2 percent swing in the popular vote would be enough to put Bush on top in the polls where he is lagging around 10 percent.

Respectfully submitted,


Fred Parks

FP/jc



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Edward Guay
Chief Economist

August 24, 1992

Mr. James A. Baker III
White House Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. Baker: *Jim*

We can help Germany make the right decisions for the U.S. and European economies by exposing their fundamental trade weakness. They are now in the same position that we were in 1985 when you moved from the White House to the Treasury. German real estate and domestic demand are still too strong because of domestic fiscal subsidies. But, the German (and European) trade position is eroding because of overvalued European currencies. And, in spite of the domestic demand strength in Germany, the profitability of German basic industry and the employment security in German basic industry are under pressure because of high real interest rates.

If our export banking activities were better organized, our industry would be taking market share from every European manufacturing industry at current foreign exchange rates and current dollar short and medium term interest rates. In the short-run, the Federal Reserve can speed the trade adjustment by buying export acceptances from the banks, making short-term export finance our most liquid market. They can do this without adversely affecting monetary policy goals if they sell Treasury bills to offset the export acceptance purchases. The Fed should, in any case, have in place a policy of balancing its liabilities to foreign central banks (\$296 billion) by building an equal portfolio of export acceptances over the next four years. The lack of such a policy since the collapse of Bretton Woods is one of the key reasons for the long term instability in our current account position. The announcement of such a policy would cause an upward spike in both export activity and the dollar over the next 90 days.

Also, given that our manufacturers are generally in excellent financial condition, have an attractive equity market to work with, have relatively low real borrowing costs, are operating near historic average operating rates, and need to modernize plant and equipment to take advantage of NAFTA and global business opportunities, now is a perfect time to use a temporary two-year, refundable investment tax credit to stimulate rapid modernization.

NRN

9/22 - g called to thank

said we'd share w/policy planning



Mr. James A. Baker III
August 24, 1992
Page 2

If it is proposed to be retroactive to September 1, and if Congress is called into special session, if necessary, to pass it this year, it can more than offset the economic and employment effects of the defense cuts. Offering a ten percent investment tax credit now would stabilize the dollar, attract a capital inflow for manufacturing investment, primarily at Europe's expense, and would emphasize our improving competitive position with respect to Europe.

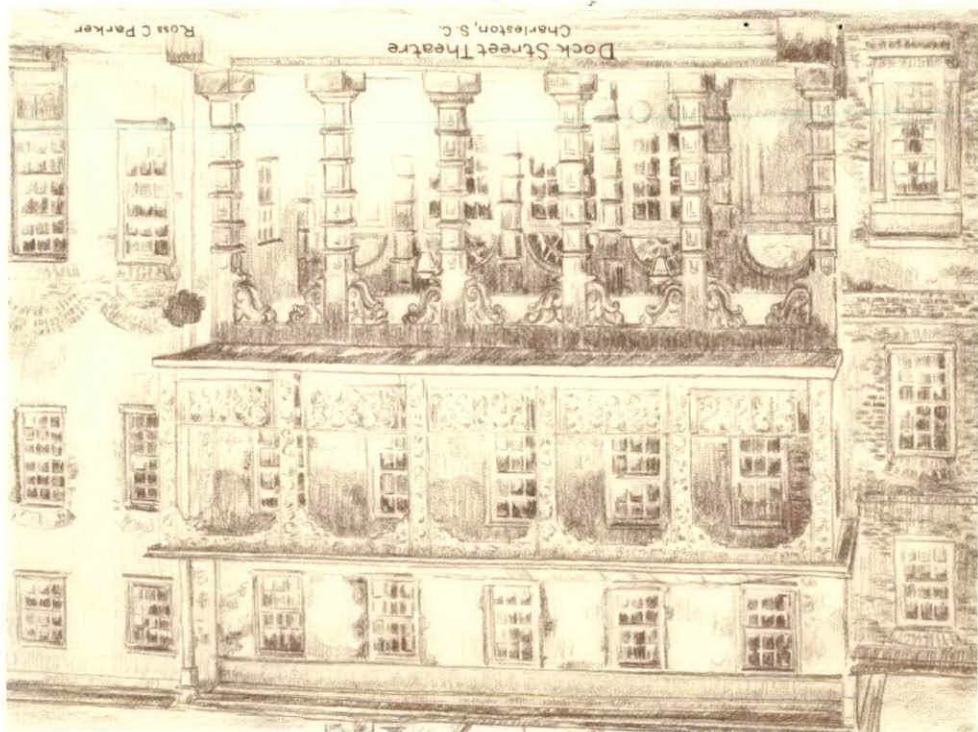
Both moves suggested above would dramatically improve our competitive position in the world on a long term basis. They have the added advantage of emphasizing in Germany, and in Europe as a whole, that German policy is harming European economic development and world trade, and that we need not wait for Germany to permit us to grow. But unlike the confrontations of 1987, these moves can be described entirely in domestic policy terms.

Although some federal budgeteers may insist that an investment tax credit should be paid for with other tax increases or spending cuts, those who will be laid off in the defense industry during the next six months or those who have been RIFed from the armed forces can rightfully claim that it has already been paid for. In any case, a temporary investment tax credit, when introduced at a time of economic and financial slack pays for itself.

My very best wishes in your new job.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. A. Baker III". The signature is written in dark ink and is positioned below the word "Sincerely,".



The Dock Street Theatre Church Street and Queen Street

Church Street was once called Dock Street for it was here that the small boats from plantations came up the Cooper River and docked. Near here on Queen Street the first theatre opened in 1737. The original building had disappeared by 1809, when the sumptuous Planter's Hotel began operating. The central portion with its indented entry, brownstone columns and balcony, was added later. In danger of demolition, the building was saved and reconstructed in 1935 by the W.P.A. under the leadership of Harry Hopkins as an 18th Century theatre. Here many of the events of the Spoleto Art Festival are held in the Spring.

NRW

9-14-92

Jim

I CAN'T BELIEVE PRESIDENT
BUSH WILL PASS ON THIS ISSUE
AND LET BENTSEN AND THE DE-
MOCRATS REAP THE PUBLICITY ✓
VOTES —

Paul Koyacko

Bentsen Amendment May Reverse IRS Tax Threat to Veterans' Compensation

An amendment offered by Senate Finance Committee Chairman Lloyd Bentsen (D-Texas) to the 1992 tax bill may prove to be the final step in reversing an Internal Revenue Service (IRS) ruling that could have jeopardized the tax-exempt status of certain VA benefits and compensation for disabled veterans and their families.

The Bentsen amendment, adopted August 11 during Senate consideration of the House-passed H.R. 11, was needed to clarify language in a provision of the Tax Reform Act of 1986. The IRS earlier this year ruled that the provision, as originally written, allowed them to tax all VA program improvements and modifications

since 1986—including cost-of-living adjustments (COLAs) in the disability compensation program (see "Tax-Exempt Status of VA Benefits Still in Doubt" on page 1 of the August 1992 issue of *DAV Magazine*).

The House, which passed H.R. 11 on July 2, and Senate are expected to meet in conference later this month to work out differences in their separate versions of the bill. Bentsen has promised the DAV that he will make a major effort to include his clarifying language in the final version of H.R. 11.

In June, Heilman and DAV Executive Director Jesse Brown discussed the issue with Treasury Secretary Nicholas Brady at a meeting arranged by Sen. Arlen Specter (R-Pa.), ranking minority member of

the Senate Veterans' Affairs Committee. At that meeting, Brady softened his stance on the primary thrust of the IRS opinion and conceded that VA disability benefits, including debt waivers and in-kind benefits, were not subject to taxation. However, Treasury Department officials said they still planned to thoroughly review the effect of the 1986 Tax Reform Act on taxation of certain veterans' benefits and left open the possibility that future benefits could be taxed.

At the White House on August 4, DAV National Legislative Director John Heilman personally alerted President Bush to the problem and asked him to intervene with Treasury Department officials on the matter. Despite indications that something would be done, the White House has taken no definitive action.

"When we approached Senator Bentsen and informed him of our belief that it was never the intent of Congress in 1986 — or at any time — to tax veterans' benefits, he immediately agreed and took swift action to correct the problem," said DAV National Commander Joseph C. Zengerle. "Senator Bentsen should be highly commended for his assistance and demonstrating his compassion for all disabled veterans and their families."

"We're definitely encouraged by Senator Bentsen's actions and very optimistic that House and Senate conferees will include this much-needed clarifying language in the final version of H.R. 11," Zengerle said. "The time has come to put an end to any and all threats to the tax-exempt status of all veterans' benefits administered by the VA."

Senator Lloyd Bentsen of Texas. (SIPA Photo)



COLA/DIC Bills Closer to Passage

Bills dealing with a cost-of-living adjustment (COLA) for service-connected disabled veterans and their survivors and Dependency and Indemnity Compensation (DIC) reform moved closer to passage as Congress scrambled to complete action on a number of major legislative initiatives before going on its summer recess. No final action will be taken, however, until the Senate returns on September 8 and the House returns for business a day later.

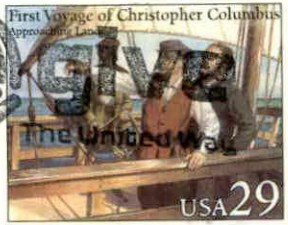
Both the House and Senate have passed legislation authorizing a COLA in VA service-connected disability and death compensation benefits effective December 1 of this year. Both versions are virtually identical and it is expected that a 3.2 percent COLA bill will be cleared and sent to the White House before Congress adjourns.

DIC reform, which has a long been a key DAV legislative objective, cleared a major hurdle when the House passed H.R. 5008 on August 10. Under the bill, monthly DIC rates would be restructured to provide a base payment of \$750 per month to all surviving spouses. The bill would also provide a "kicker" of \$50 a month if the veteran died in the line of duty or was rated as totally disabled from service-connected disabilities for at least five years prior to death. The changes would become effective with respect to all deaths occurring after Jan. 1, 1993.

Current DIC beneficiaries would automatically be paid the higher rate applicable, whether its the current rate or the new proposed rate. H.R. 5008 would also gradually increase the allowance for dependent children from \$71 per month per child to \$200 per month per child by Fiscal 1995. The bill would also create a limited exemption to permit certain individuals to be reinstated to DIC or death pension rolls if, prior to Nov. 1, 1990, they had started legal action to end a disqualifying marriage and such marriage was actually terminated by the legal action. Similar legislation is also pending in the Senate.

The journey of concurrent receipt legislation, another key DAV goal, took a strange twist when the Senate Armed Services Committee set aside legislation proposed by Rep. Michael Bilirakis (R-Fla.) and Sen. Bob Graham (D-Fla.) and, instead, directed the Department of Defense (DoD) to develop its own legislative proposal that would eliminate the prohibition of dual receipt of VA disability compensation and military longevity retirement pay. DoD was also directed to identify and set aside funds during the upcoming fiscal year to pay for its legislative proposal. The directive is contained in S. 3114, the Fiscal 1993 Defense Authorization Bill, which the Senate will consider when it returns from recess.

CHARLESTON, SC 294
PM
15 SEP
1992



VALDER 07

JIM BAKER
PRESIDENT BUSH
CAMPAIGN CHAIRMAN
WHITE HOUSE
WASHINGTON D.C. 20500
~~2003~~



WILLIAM F. KOPACKA
721 BROWNING RD.
CHARLESTON, SC 29407



9/22: -Called Dr. Smith
-thanked him for his letter ideas
NEN

September 2, 1992
Charles P. Smith
1960 Tiara Dr.
Ojai, CA 93023

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

Dear Jim:

This letter is intended to help President Bush convert his strong foreign policy success in his first term into better domestic results in his second term. The attached paper has ideas that could be useful in the 1992 campaign as well. These ideas show how President Bush can offer significant positive leadership in his second term, regardless of which party is in power in Congress, to leave a strong legacy of the sixteen years of his Presidency and that of President Reagan. These thoughts are intended to add new dimensions to current Administration plans.

These suggestions should help protect national security while accomplishing Presidential themes of lower taxes, spending limits, debt reduction, less regulation, free trade, and individual empowerment. The ideas emphasize the President's interest in economic growth, international stability, limited government and cultural values. All proposals are placed in the context of recent Presidential statements or speeches. They should have appeal to a wide population, including those from state/local government and the private sector.

The attached paper urges caution in claiming an "end" to the Cold War and Communism since that may mask other national security problems and encourage the general population to seek massive shifts of Federal effort to domestic purposes. The paper also suggests how the U.S. military and industrial base can better be used temporarily or permanently for various purposes in the U.S. such as crises management (e.g., hurricanes, riots), infrastructure improvement, or control of environmental pollution. Finally, the paper points out some related areas for program effort, including deficit reduction, value development and urban capacity-building.

My views incorporate insight of my nine years of full-time service in the Bush and Reagan Administrations, including work as Deputy Director of The White House Office of Planning and Evaluation (1981-82) and as Director of the U.S. Bureau of Justice Assistance (1988-1990). I am currently writing a book on the Reagan Presidency.

You can reach me at the above address or at 805-640-8171 if I can be of further assistance. Good luck.

Sincerely,



Dr. Charles P. Smith

c.c.: Attorney General William P. Barr
Secretary of Transportation Andrew H. Card Jr.
Secretary of Housing and Urban Development Jack Kemp

September 2, 1992

SHIFTING NATIONAL SECURITY RESOURCES TO DOMESTIC USE WITH SAFETY

By Charles P. Smith

Statements that the "Cold War has ended" and that "Communism is dead" cause problems since they mask continued instability in the old Soviet Union and threats from other large countries (e.g., China) still under Communism. In addition, other major national security threats (e.g., nuclear and unconventional weapons, regional conflict, terrorism) remain that require U.S. funds. Thus, although most people are likely to give President Bush much credit for reducing the international threat, they will criticize him if they don't see other national security threats and they can't shift Federal funds to domestic purposes. In addition, large reduction in national security activity can complicate any recession (e.g., higher unemployment) and reduce long-term growth (e.g., fewer investments).

This paper is intended to show how some basic foreign and domestic strategies can be undertaken to protect national security and increase domestic capacity in time of financial limits. The ideas are intended to be new ways to build on President Bush's agenda and suggest related themes. The paper contains concepts on different uses of military and industrial capacity that require further analysis, but which could be implemented quickly if desired.

EFFECTIVE USE OF MILITARY AND INDUSTRIAL BASE

Much effort was made by the Bush and Reagan Administrations to build a strong military and industrial capacity that led to good results in the Cold War and which can be used well in other national security threats. Such capacity should be shifted to new priorities or reduced only as considered safe in the changing world situation. It also might mean use of some capacity on a temporary basis for domestic needs until foreign factors are better known and domestic problems are more under control.

Hurricane Andrew demonstrated possible effective use of the military in a natural disaster and the Los Angeles riot showed how such capabilities could be used in civil disorders. Although some would criticize the rapidity of response in both of these recent incidents, future problems could be minimized by redefinition of military mission and establishment of new agreements with government authorities and residents. The military has a presence in all states that could be a valuable local asset as the military reduces its size, but must always be ready for conventional warfare or disaster relief anywhere in the world. Military equipment, mobility and training could be used effectively for domestic purposes, particularly in times of critical limits on civilian resource capacity. Placement of military at sites of domestic civil disorder or natural disaster usually must be for only a short time since: (a) local residents resent long presence and (b) the military has its own needs for readiness and personal activity.

U.S. industrial capacity (e.g., national security, high-technology, traditional) may be underutilized now and in the future due to changing needs and foreign competition unless there are some creative actions. The Federal government should encourage a free market and the opportunity for people to move into new activities that make effective use of existing industrial capacity in the transition.

Examples of possible domestic use of military or industrial capability are:

- (1) expand crises response for natural disasters or civil disorders
- (2) improve U.S. infrastructure (e.g., roads, public buildings, communications links, waste disposal)
- (3) expand international free trade
- (4) increase independence from foreign energy sources
- (5) minimize environmental pollution
- (6) strengthen education (e.g., job retraining)
- (8) improve health care efficiency (e.g., merge military and veterans hospitals)
- (9) reduce substance abuse (e.g., interdiction, treatment)
- (10) increase research and development
- (11) control illegal immigration (e.g., border checkpoints)
- (12) sharing of facilities and resources (e.g., firefighting, fuel storage tanks, buildings)
- (13) analyze existing national land uses (e.g., rights-of-way) for alternative purposes.

OTHER FOREIGN OR DOMESTIC ACTIVITY TO HELP SOLVE PROBLEMS

The Federal government should also cooperate with other nations, the private sector, and state/local governments to expand the job base while improving other things through the following initiatives:

(A) Deficit Reduction: The Reagan Administration established a deficit strategy in 1981 that recognized the likely short-term growth in the deficit to fund improved national security as reductions were made in some domestic programs and capital investments were encouraged for economic growth. These strategies worked on national security and economic growth, but the deficit became a long-term problem due, in part, to the unwillingness by voters, benefit recipients, and government officials to reduce entitlements and capital expenditures by government. However, the climate for deficit reduction is excellent now since the debate has correctly shifted so that almost everyone criticizes deficits rather than a few. The deficit could be solved better by the following:

- (1) All public revenue and expenditures, including trust funds, tax deductions and benefit payments, should be considered within the budget and be subject to annual adjustment depending on circumstances
- (2) All persons who receive government benefit should share in deficit reduction and control
- (3) Each budget adopted should show some reduction in each years deficit and the long-term debt by two years from the next budget adopted
- (4) All artificial budget agreements or laws (e.g., Gramm-Rudman) should be scrapped and nothing new should be adopted without teeth
- (5) the tax process should be simplified so taxpayers would be more willing and able to pay their fair share.

(B) Values: Increased emphasis on the following values might have more success at less cost for government and individuals:

- (1) all individuals and families should assume greater responsibility for their own actions and the welfare of others
- (2) neighborhoods and community groups should be brought more into the

solution of their own and others' problems

(3) improve the balance of prevention and control in domestic programs (e.g., law enforcement weed and seed activity)

(4) receivers of public benefits should become stakeholders in their programs (e.g., public housing tenant management).

(C) Urban Capacity Increase: The Reagan Administration adopted an urban policy in its first term that sought to have state/local government and the private sector assume more responsibility for local matters (e.g., crime, housing). However, in spite of the economic strength during the 1980's in most of the country, most states and local government failed to seize this opportunity and many urban problems were not resolved to the extent possible. Infrastructure repair or addition was often delayed as a means of saving money.

These urban problems could be helped by more jobs for urban residents through programs such as Enterprise Zones that encouraged business or industry to operate in central cities by maintaining maximum capital in these areas through payrolls to residents and facility improvements with local vendors. This could be encouraged by tax incentives (e.g., to investors, owners, workers), deregulation (e.g., building and zoning codes, wage controls), and partnerships on infrastructure improvement and operation between the private and public sector.

PRESIDENTIAL LEADERSHIP

The solution to the above problems could be helped by positive Presidential leadership that describes the situation as accurately as possible and which suggests problem resolution through cooperative activity by governments, the private sector and individuals. The above ideas are intended to be widely popular so that solution is possible regardless of which political party is in power in Congress and state/local government. The ideas could have majority acceptance of geographic areas and economic interests.

The President could point out that much of this activity will need concentrated effort by all for at least four years to see if results are possible. With movement into his second term, President Bush could have the political independence to really make a difference and leave a massive positive legacy for him and President Reagan.

The President and his surrogates could explain and discuss his plan to national and local audiences during implementation. The President's other high priority domestic and international agenda items can be considered and explained in the context of this major initiative. The President could appoint a national commission of government and private individuals to prepare initial recommendations, explain the initiative and suggest needed changes over a four year period.

Charles P. Smith
1960 Tiara Dr.
Ojai, CA 93023



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

PERSONAL

