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THE WHITE HOUSE
WASHINGTON

MAN

October 19, 1992

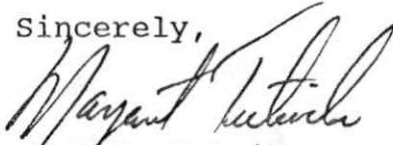
Dear Mr. Schwarz:

This is just a brief note to thank you for the letter and information of October 14, 1992 that you sent to me for review.

I have taken the liberty of forwarding your information to Mr. Baker. I am sure someone from his staff will contact you.

Thank you for taking the time to write.

Sincerely,



Margaret DeB. Tutwiler
Assistant to the President
for Communications

Mr. Karl W. Schwarz
Robert Thomas Securities, Inc.
10411 West Markham, Suite 330
Little Rock, AR 72205



Robert Thomas

Robert Thomas Securities, Inc.

Member NASD/SIPC

A wholly-owned subsidiary of

Raymond James Financial, Inc., (NYSE - RJF)

October 14, 1992

Ms. Margaret Tutwiler
West Wing, White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Ms. Tutwiler:

We were asked by Nancy Jones of Roger Porter's office to send this information to your attention to see that it gets to Mr. Baker. The enclosed Capital Growth Stock proposal is an economic stimulus plan that was developed in the private sector and takes a little different approach to addressing the domestic economy, job creation, and financing for creating American industry.

As indicated in the cover letter to Mr. Baker, this information has been presented to Roger Porter's office and to several persons in Bush Quayle '92. I am to have a conference call next Tuesday with Mr. Joe Deoudes of the campaign staff to review this subject further.

If you need any additional information, please feel free to contact me at 800-874-4006. Thank you.

Sincerely,

Karl W. Schwarz

Karl W. Schwarz

KWS:slg

Encl:



Robert Thomas Securities, Inc.

Member NASD/SIPC

A wholly-owned subsidiary of

Raymond James Financial, Inc., (NYSE - RJF)

October 14, 1992

The Honorable James A. Baker, III
West Wing, White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

RE: Domestic Economic Stimulus Plan

Dear Mr. Baker:

We were asked on October 13 to forward a copy of this economic stimulus plan to your attention. We have previously submitted a copy of this material to Mr. Roger Porter's office and to Mr. Jim Pinkerton and Mr. Joe Deoudes of Bush Quayle '92.

The Executive Summary is an internal memorandum which has been reviewed by executives of Smith Barney, Harris Upham & Company. I am with the Little Rock office of Robert Thomas Securities which is a wholly owned subsidiary of Raymond James Financial. This internal memorandum should be read after the Capital Growth Stock proposal since it is more of an open discussion of what steps the private sector participants would take to implement such a plan.

Simply put, the CGS proposal is a private sector initiative to change the way American industry attracts capital and creates jobs and global competitiveness. If this concept is adopted, a team of investment banking and industrial development experts would be relocated to Washington, DC to implement the America 2000 Fund which is discussed in both documents. This implementation would include a focused lobbying effort from the private, state and municipal level which would be directed at the U.S. Congress which is viewed from our position as an impediment to progress.

We have taken this step for the simple reason that we want President Bush to win this election. We want, as private citizens, what is best and right for this nation. I know Bill Clinton personally, and have never been able to consciously support him as governor. I have extensive dealings with the issue of industrial development in Arkansas and know firsthand that Bill Clinton is not the impetus for job creation in this state. That honor goes to Dave Harrington, Director of the Arkansas Industrial Development Commission, who also is not supporting Governor Clinton in his presidential bid.

This has become a dangerously close election due to the

The Honorable James A. Baker, III
page 2

condition of the domestic economy. Unfortunately, convincing the American electorate that this is a global economic shake-out does not hit close enough to home. We see in the polls more indications of economic hurt and frustration than we see a true desire or need for change. We also do not see Bill Clinton as a positive instrument of change for the country. Governor Clinton once told me that to win as a liberal Democrat, he was having to posture himself as a conservative Democrat to the point of almost appearing Republican. Since that day, I have always been able to recognize him as the wolf in sheep's clothing that he truly represents.

It was from this concern that the CGS proposal was developed. We work in the capital markets every day and see the need to re-focus investment direction to produce true economic growth. A clear, concise and workable job creation plan, that does not require any new taxation, is needed. That was our design criteria for the enclosed proposal.

If the enclosed plan is adoptable or compatible with the objectives of President Bush and yourself, we stand ready to assist your efforts to address the domestic economy issue. Our goal is to form the America 2000 Fund, but you are welcome to use the key elements of this concept in any manner that may be beneficial to the election cause. If you require additional information to assess this proposal, we will supply such on your request. The following are the three telephone numbers of the principal authors and supporters of this proposal. Karl W. Schwarz, 800-874-4006. Robert B. Webb, 703-641-4248. Mr. Theodore P. Swick, Smith Barney, 212-698-3166.

Thank you for your time and consideration.

Sincerely,



Karl W. Schwarz

KWS:slg

Encl:

CAPITAL GROWTH STOCK CERTIFICATES

**A Proposal to Create Economic Growth
Through Linking the Capital Markets and
A Federally Legislated Tax Incentives Package**

September 15, 1992

Executive Summary

This proposal is divided into the three following sections:

Section One - Public Sector Response..... outlines the proposed method of stimulating the U.S. economy and describes in general terms what legislative steps would need to be taken to modify the U.S. Tax Code and other federal legislative acts to facilitate that objective.

Section Two - Public & Private Sector Dislocation..... addresses a private sector viewpoint as to what the general problems are that are creating a dislocation between a stable economic growth, tax policy, revenue stabilization, and developmental capital.

Section Three - Private Sector Response..... describes how the private sector and capital markets could respond to this proposed tax legislation to provide a much needed boost to the recovery of the U.S. economy.

This is a proposal to "jump start" the United States economy by creating a facility for new direct investment into domestic businesses and job creation. The facility would be a combination of tax incentives that would be incorporated into a securities instrument specifically designed to unite the volume capacities and efficiencies of the capital markets and the tax code treatment of capital gains.

It is proposed that this legislation be enacted early in 1992 and have a definite term of five years, with certain portions of the package carrying forward into the future as ongoing investment and capital formation incentives. The extension of the legislative package beyond that point should be based on need and market conditions over the next five years, and cost versus benefits with respect to GNP growth, revenue impact, employment stabilization, and other factors for weighing the benefits of any legislation.

This is a market driven technique which utilizes the existing tax code concepts of "capital gains", "tax free exchange", "industrial development bonds", "small business stock", "interest expense", and "R&D investment credit", and relies upon participation by state and local "Economic Development Authorities" to direct debt and equity investment into new economic development projects and to reward that investment by affording direct tax advantages.

In addressing the need for economic growth, job creation, and stability, this proposal addresses both the "equity" and the "debt" side of the problems facing economic recovery at this time. In terms of getting any project funded, the problem has always been "Is there enough equity?", and "Can the project be funded at low enough interest rates?" in order for the project to be feasible.

It is intended that this plan be implemented to re-focus the need for investment and capital formation as being the foundation for long term economic stability and soundness.

In light of the present "credit crunch" with respect to traditional lending sources, i.e. S&L's, insurance companies, commercial banks, pension funds, and the capital markets, this proposal puts forth a plan to join virtually all sources of debt and equity capital into a unified force for present and long term economic development.

A New Means for Economic Growth

The tax code would be amended to define a new type of capital asset, termed "Capital Growth Stock" or "CGS Certificates". To qualify as Capital Growth Stock, an investment would have to be original issue "equity" where the proceeds of the offering are to be used in economic development projects. The guidelines for permissible investments and uses of proceeds would be patterned upon prior guidelines which existed for industrial development bonds, and to qualify for CGS Certificate status the equity offering would be subject to a state or local review and approval process similar to that used for development bond approvals. The pre-existing network of state and local economic development agencies would provide a ready made structure to oversee and prevent abuses.

Section One - Public Sector Response

1.1 Tax Incentives

The following tax incentives would be available to promote investment into Capital Growth Stock.

(1) **Capital Gains Tax** - the gain upon the sale of Capital Growth Stock would be taxed at a lower rate of 15% as capital gain provided the CGS Certificates were held for a minimum term of 5 years.

(2) **Dividends** paid on CGS Certificates during the mandatory hold period of five years would be exempted from taxation provided that such dividends are reinvested into the pooled funds. Those dividends that are taken out of the pooled funds each year would fall under normal taxation guidelines similar to existing IRA penalties for early withdrawal. Ultimately, all original investments and reinvested dividends would come out of the funds and be taxed on the special capital gains tax rate afforded to

investors in such funds.

(3) **Tax Free Exchange** - To provide the spark that encourages a rapid flow of capital into Capital Growth Stock funds, for a two year period from the date of enactment of legislation, the gain upon the sale of any existing capital asset would be eligible for tax-free exchange treatment to the extent that the proceeds were reinvested into CGS Certificates within 6 months of the sale. This would in effect give "like kind" treatment to the sale of non-related capital assets and divert large increments of capital from those funds into the capital markets for domestic investment and economic growth. For a period of two to five years, the CGS program should become a major asset management tool.

(4) **Interest Deduction** - To encourage growing businesses to seek equity rather than debt, the dividends paid upon CGS Certificates would be deductible to the business in the same manner as interest expense.

(5) **Small Business Stock** - Capital Growth Stock would be treated as Small Business stock under the tax code, thus affording favorable loss treatment for the first \$1,000,000 of investment into small businesses.

(6.) **R&D Investment Credits** - The legislation could emphasize R&D investments in areas where technology flight, key and strategic industries, and/or emerging technologies could be developed during the term of this proposed legislation. It is suggested that certain strategic industries, such as foreign manufacturers of key Department of Defense contracts, be strongly encouraged to take advantage of this financing technique whereby key components of our defense system would be manufactured in the U.S. in lieu of foreign sources.

At the end of the mandatory five year hold period, several events would occur. First, existing corporations would convert the CGS Certificates into common, convertible and preferred stock. It is conceivable that many of these CGS offerings would originate as convertible preferred types of issues. Secondly, many privately held firms, whether start up or existing, would convert to publicly held corporations. The CGS concept could be carried forward beyond the five year period as a much needed haven for firms that are struggling due to domestic and foreign competition, profitability, or other economic factors. This "haven" technique could be implemented in favor of tariffs as a means for remaining competitive both in domestic and international markets.

In essence, in five years the CGS funded pools would split into two classes with those firms that are profitable and stable converting to other debt and equity funding techniques, and those firms that are struggling would remain as CGS classified finance structures. If economic conditions warrant, the CGS legislation

could then be renewed on an annualized basis.

After the first five year plan, it is recommended that the CGS legislation immediately convert into a continued funding technique for qualified small business concerns with annual sales and employment being two considerations that would determine the cut off point for eligibility. Those investors who continue their commitment to contribute to small business offerings, R&D investments, and other qualified offerings would continue to receive the form of tax incentives as described above in subsection 1.1.

1.2 Other Tax Code Considerations

To facilitate the assemblage and investment of funds in the capital markets, mutual funds and similar investment pools would be permitted to "pass through" the tax advantages to their investors. This would facilitate the rapid flow of funds and would allow investors to diversify by investing in a "pool", and thereby spreading risk. For example, the joint venture team submitting this proposal plans to implement a major clearinghouse fund for CGS Certificates. This group would act as an intermediary between the capital markets and the bond issuance authorities to have a ready source of capital to fund qualified projects. Such a fund would be far more responsive to small and mid-sized offerings than attempting to come into the capital markets one project at a time seeking funding.

Revenue impact to the U.S. Treasury could be controlled either by adjusting the tax rate on Capital Growth Stock, or as was done with industrial development bonds and is now done with certain tax credits, placing dollar volume caps upon the aggregate annual amounts of Capital Growth Stock which each state can approve. Dollar caps would also encourage state and local scrutiny since each jurisdiction would have incentive to approve those offerings with the greatest local economic development potential. Although dollar volume caps may be the best method of limiting revenue impact, it is suggested that such caps be more far more liberal than the existing volume limitations placed on tax exempt bonds, and be considered in light of "cost versus benefits", and "cost versus need" basis.

It may be desirable to ease or create special exemptions to Securities and Exchange regulations for offerings of Capital Growth Stock since state and local review and approval of offerings will generally weed out poor or fraudulent schemes. It is proposed that each local authority will retain Investment Advisory services to assist in the initial application and review process as most local authorities are not staffed to adequately review such offerings.

1.3 Fine Tuning the System

1.3.1 Five Year Revision of IDB regulations.

It is recommended that the existing regulations for Industrial Development Bonds ("IDB's") be temporarily liberalized in the following manner:

A.) A manufacturing exemption that increases the \$10.0 million small issue limitation to \$50.0 million with the federal legislation immediately overriding any local and state acts for limiting the size of tax-exempt IDB's.

B.) Reinstate Accelerated Cost Recovery ("ACRS") on manufacturing equipment while maintaining the straight line depreciation method on real estate facilities. The ACRS reinstatement should emphasize modernization where such actions could increase the viability and competitiveness of American firms while maintaining employment retention.

C.) The application of ACRS should be shortened to optional 1, 2, 3, and 5 year ACRS elections based on the needs of the manufacturing firm to maximize stability and employment.

1.3.2 Absorption of Federally Held Real Estate

This proposed legislation should be enacted in a manner that would address other economic and federal budgetary problems in a curative way. This legislation could provide a valuable source of buyers for the acquisition of Real Estate Owned properties from the Federal Deposit Insurance Corporation and the Resolution Trust Corporation. This group of buyers would not be highly motivated to act as vulture funds which purchase real estate assets at low cost regardless of present and long term effect to the taxpayers. Those firms that assimilate such acquisitions into the expansion plans under this program, whether existing facilities or raw land, should be granted a special depreciation allowance where the manufacturing, service, or high technology firm is the sole or majority tenant of the facility and not acquiring that property as a lease or rental property.

Such "buyers" of FDIC and RTC held real estate would be granted an exemption from the state and local review process. The investment banking firms representing such offerings are capable of performing the necessary analysis and due diligence required to comply with the new legislation. The stock issuance could be either open market or through several of the local authorities which have the capability to issue on a national basis.

1.3.3 Absorption of Real Estate Held by Banks and Thrifts

This program would also exempt from local and state approvals those firms who purchase non-performing real estate assets from struggling banks and thrifts. The continued problems in the real

estate industry have created a large inventory of non-performing assets held not only by the regulatory agencies, but also by struggling commercial banks and thrifts. This legislation could also emphasize the acquisition of such properties as a "first choice" before approving funding for new facilities. The availability of suitable existing facilities will vary from state to state with such reviews best handled by local bond issuance authorities and economic development agencies.

By absorbing a large portion of the standing inventories of commercial office buildings, warehouse, distribution and R&D facilities, and miscellaneous existing manufacturing properties which have become non-performing assets, the banks and thrifts will be in a better position to resume lending operations. The "liquidity crunch" brought on by the "credit crunch" will have a legitimate reason to subside with the standing inventories of non-performing assets being absorbed by this program. This would readjust the capital versus liquidity positions of the banks and thrifts where they could again be active and viable lenders.

The mandate to acquire existing facilities where possible would have the dual effect of lessening the lending squeeze that is hindering economic recovery, and at the same time will lessen the present and future cost to the federal government of effecting the bank and thrift workouts due to the massive increase in failed real estate projects. This program would generate real growth to absorb a considerable portion of the oversupply in real estate projects that were built with little real GNP, employment, or population growth present as real demand factors.

It may be beneficial to re-visit certain portions of FIRREA (Financial Institutions Recovery, Reform, and Enforcement Act of 1989, H.R. 1278) or any regulations that were promulgated from this act to coordinate this previously non-existent source of assistance for the recovery of the financial institutions. With the removal of considerable amounts of non-performing real estate assets from the regulatory agencies and those banks and thrifts which have not failed but are struggling, this source of non-regulatory assistance for the bank and thrift crisis could rapidly lessen the cost to the taxpayers, both in the form of failed institutions and those which may fail over the next five years due to the lingering problems that exist at this time.

This provision could also be applied to insurance, pension funds, and other non-banking financial institutions who are also holding considerable amounts of non-performing commercial office buildings, warehouse, distribution, and R&D facilities. The mandate here would be that the buildings be assimilated into a viable and approved business finance offering under the CGS program.

Private investors holding such non-performing assets could

dispose of those assets at a fair price by selling them to approved CGS offerings, taking the "tax free exchange" option in the legislation, and in effect revising their investment portfolio.

1.3.4 Offering Size Limitations

The legislation would not limit the size of the issues permissible for CGS Certificates, nor would it limit the size of the corporations eligible for this financing technique. For example, General Motors could create a new class of stock under the CGS legislation, build or modernize a facility within the U.S., and could possibly fund the total operation through debt (IDB's) and equity (CGS Certificates).

1.3.5 Securities and Exchange Commission Rule 144 (a)

The CGS Certificate instrument should be particularly attractive to large investors in that the tax benefits could be structured as pass throughs from the originator, to the pooled fund, and then to the investor as a qualified 144(a) private placement. The ability of the proposed fund to market original issues, and re-market such private placements could be facilitated under the existing Rule 144(a) guidelines. This feature could also be incorporated into the marketing strategies for attracting capital out of the large mutual funds for investment into this program.

It is anticipated that insurance companies would be considerable sources for private placement of CGS Certificate offerings. However, the current downturn in the real estate markets has negatively affected many insurance companies in the same manner as it has the bank and thrift institutions. It is proposed that this legislation allow for internal tax advantaged swaps whereby an insurance company could accept a private placement, dispose of a non-performing asset as part of the transaction, and improve the liquidity through favored cost recovery on the non-performing real estate asset.

Section 2 - Public - Private Sector Dislocation

2.1 FIRREA

The existence of FIRREA is now recognized to be a financial legislative act which has had a profound impact on the nation's banks and thrifts, and at the same has tightened credit availability that has exacerbated the recession. The mounting problems in the real estate industry, both for oversupply, poorly conceived projects which should have never been funded, and from the recession effects, has made commercial credit for economic recovery virtually non-existent. If the CGS program can be

implemented in such a manner to remove much of the non-performing real estate, banks and thrifts should be encourage by the regulatory agencies to loosen credit in those market areas where they can have the most impact.

It is not proposed that the CGS legislation would in any way loosen the restrictions on real estate lending for banks and thrifts. However, there will be a continuing need for revolving credit, fixed asset lending, interim construction funds, and lease financing which are normal bank lending activities. As the real estate problem is diminished, it will be necessary for the banks to resume lending to assist in the overall effectiveness of this program and the economic recovery as a whole.

It is not recommended that CGS Certificates be classified as bank and thrift qualified investments. It would be more preferable in the long run if the CGS Certificate program could be implemented to lessen the bank and thrift problems both in the private and public sector. It would also be more preferable for the banks to fill the lending gaps that are not addressed in this program such as the availability of normal short term business and consumer credit.

The objective of containing the cost of the bank and thrift crisis has had a direct impact on the availability of business credit needed to pull out of this economic slump. This program would support a lessening of lending restrictions that would work in tandem with the effects of the CGS program in decreasing the burden of non-performing real estate. The bank and thrift institutions will have a key role in this economic recovery, and the CGS program could be implemented to allow for that role to be realized without jeopardizing the integrity of the lending institutions.

2.2 U.S. Tax Code

The Tax Act of 1986 removed many of the tax incentives that are needed to drive industry and employment growth. In the 1980's, federal revenues and the gross national product both grew at a 7.2% compounded annual rate. Federal spending raced ahead at 7.8%. Worse still, from 1980 to 1990, mandated expenditures careened at a 9.1% compounded annual rate, without factoring the long range cost of the bank and thrift bailout. This cannot be sustained without jeopardizing the future living standards of the entire population.

An unforeseen, yet devastating effect of the 1986 Act was the removing of tax shelter incentives for real estate on a future and retroactive basis, which directly contributed to most of the failures of developers, banks, thrifts, and other financial related firms where such failures are directly attributable to the problems stemming from real estate development and the mounting volume of

non-performing real estate assets. Without investment incentive, much of the capital that was driving that market was transferred to other forms of transfer payments and capital gains producing investments that do little to create jobs and economic growth over a broad sector of the market. At the same time, tax policy since the 1986 Act has led to an overall softening of tax revenue growth as a percentage of real GNP growth.

The current tax policy discourages most types of investment which produce employment, stable economic growth, and produce a private sector stability which is compatible with the growth of federal revenues and expenditures.

At the same time, the desirability of effecting the Gramm-Rudman provisions for a balanced federal budget is and remains a desirable objective. However, the sheer magnitude of cost for the bank and thrift crisis has exacerbated the ability to realize that objective. The recession, and the attendant increases in unemployment benefits and welfare payouts to an unemployed portion of the population have also compounded the federal budgetary process. The CGS Certificate concept would reconnect investment incentive in such a way that much of the non-performing real estate would be absorbed, much of the problems in the bank and thrift crisis would be lessened, and investment incentive would be focused on those types of investments that drive GNP growth which also is the root source that drives revenues for local, state and federal governments alike.

It is anticipated that the issue of revenue impact will be heavily considered in this proposed legislation. On the one hand, revenues loss will have to be considered in light of the boost that will be given to employment over the short and medium term, and to manufacturing and service industry output over the same period. It will also be necessary to weigh this proposal in light of the tax revenues saved by lessening the cost of the bank and thrift crisis, and the current levels of unemployment benefits which can start reducing quickly as this program focuses on employment. A final consideration would be the additional tax revenues that would be generated from an employment picture far more favorable than at present. The goal has always been a full employment economy which is an unattainable objective with tax policies that drive capital investment away from those areas that create the greatest portions of our employment and economic stability.

Section Three - Private Sector Response

The following is a general discussion about proposed federal legislation that would create a specialized securities market to stimulate the recovery and growth of the U.S. economy. The

creation of such legislation is of great interest to the investment banking and securities industry as it would provide an opportunity to stimulate economic growth and recovery of the U.S. economy while at the same time providing significant revenue opportunities for firms underwriting such stock issues and those managing large pooled funds which would be initiated specifically to serve the market created by such legislation.

This preliminary draft in no way covers all of the considerations, but does attempt to address several of the more critical issues from which will arise the greatest opportunities.

As of the date of this memorandum, it is proposed that the authors of this proposal would joint venture in the formation and implementation of a major pooled fund to facilitate the CGS Certificate market. It is proposed that a major base of operations would be established in the Washington, D.C. area.

3.1 The America 2000 Fund

The proposed fund would function along the lines of a very large mutual fund and act i.) as a direct facilitator in the underwriting and issuance for pooled fund investors, and ii.) as a purchaser and re-marketing agent for CGS Certificate issuers originated the local and state level, and iii.) as a market maker in the secondary markets which are discussed below. Potentially, this joint venture could operate as a new market virtually independent of the existing markets due to the unique tax status that would be afforded to CGS investors. It is proposed that this joint venture would be the connecting link between the originators of CGS Certificate issues at the state and local level and the capital markets, institutional and small investors.

3.2 The Opportunity

With knowledge of this pending legislation, it will be possible for the participants of this proposed joint venture to lay the groundwork over the next six to nine months for creating and implementing a major pooled fund that would act as a facilitator for CGS Certificate issues originating at the state and local levels. It is anticipated that the transaction sizes for such issues will range from the very small issues of \$1.0 million and less to larger pooled issues that could range upwards to \$500.0 million and larger for major new corporate investments.

Since the legislation would not prohibit larger private and public corporations from creating a new class of stock and funding expansion projects through the CGS legislation, total fundings over the next two to three years could be considerable. The primary issue from any CGS issue would be job creation and re-infusion of development capital for both the near and long term benefits.

It is anticipated that some offerings that complete the local or state review process may be flawed, inferior, or otherwise be offerings that this proposed fund will not wish to undertake. There would be no commitment for the proposed fund to acquire offerings as they are originated at the local levels. On the other hand, a significant opportunity exists to participate in key and strategic expansions in industries since the CGS Certificate program would treat the investments as equity. In the near and medium term, this program may prevent technology flight as sources of venture and investment capital investment have declined in this country over the past five years.

In summation, the opportunity for near and medium term activities would be considerable with the tax benefits that would be included in the proposed legislation.

3.3 Mutual Funds

It is anticipated that Mutual Funds would be major participants in the proposed pooled fund, and some mutual funds may be direct competitors to the new fund proposed herein. However, it is not anticipated that mutual funds would become major factors in origination, securities transactions, and secondary markets except for the purchase and sale of the securities. A joint venture such as that proposed would be far more effective and staffed at this time to undertake such a proposal.

3.4 Pension Funds

Since most pension funds enjoy tax exemption under ERISA regulations, it is not anticipated that pension funds would be major competitors in this market on a direct tax shelter need basis. It is anticipated that pension funds could become major purchasers of such securities on a diversification basis within their own guidelines where such tax shelter "pass through" may be allowed by the new legislation.

Pension Funds that are diversified into real estate may be viable markets for those matters discussed under Real Estate.

3.5 Insurance Companies

It is anticipated that insurance companies will fall into three basic categories with respect to this proposal. First, would be as clients to the proposed fund for direct investment and as private placement sources. These firms typically would utilize the investment strategies that could arise out of the program to enhance their overall profitability. A large insurance company with a securities subsidiary, such as Prudential Life Insurance, may become a significant competitor. Secondly, a considerable number of insurance companies are experiencing financial

difficulties brought on by the downturn in the real estate market and the secondary effects of lease rates which have deteriorated the stability of GIC offerings that were made years ago during a boom cycle in the markets. An insurance company that would fit this circumstance would be Equitable Life which has experienced failure of GIC and non-performing real estate loans that were funded from general accounts. The third category of insurance company client would be those firms that have experience massive failures in the amount of commercial, retail, R&D and industrial real estate they now hold as non-performing assets such as USF&G.

3.6 Banks and Thrifts

It is not anticipated that this investment would be considered by the regulatory agencies to be qualified bank and thrift investments due to their liquidity, term, and the rating of the instruments.

The primary benefit to banks and thrifts which would arise from such a program would generally fall into two categories. First, this program would largely displace the banks and thrifts in the area of fixed asset lending where such lending is geared more for growth and expansion in the near term than for profitability. Such loans are numerous, hobble the borrowers with debt loads that seriously hinder growth, and represent loans that are hard to monitor and perform credit on as to protecting future performance. This lending activity should decline as long as the CGS program is in existence which would take lending possibilities away from banks, and on the other hand would free up capital to lend into other areas of the economy which are also in serious need of liquidity at this time.

Another major benefit to banks and thrifts would be the emphasis by this program on absorbing the standing inventories of non-performing real estate loans for commercial office, large retail spaces, R&D, warehouse, distribution centers, and industrial facilities which are at present non-performing loans and awaiting a recovery of the domestic market. This program would over a short time create a considerable number of "buyers" for such distressed properties who have a need for the space in an expansion minded mode and with available capital coming from the capital markets to drive such an expansion.

3.7 Non-Banking Financial Institutions

It is not certain at this time that the final form of the legislation would allow for tax shelter pass through for large corporations. It should allow for such pass through for small to medium sized firms, with the larger corporations being considered as one way of limiting the revenue impact of this type of legislation. In the event that tax benefit pass throughs are allowed, even if short term, larger non-banking financial sources

like GECC, Westinghouse Credit, and possibly even firms that fit the definition of diversified financial holding companies might be valuable sources for direct investment into this proposed market where they have no significant presence at this time.

3.8 Real Estate

It is anticipated that the U.S. Treasury would view such legislation in light of the revenue impact. There are several considerations to be taken into account in such a review. First, the cost of the bank and thrift crisis has placed an unprecedented peace time burden on the Treasury. It is anticipated that CGS legislation will include provisions that incorporate preferences to those firms who acquire and utilize existing facilities that are impacting the cost of the bank and thrift crisis resolution. This would basically include for the ability to structure the cost of acquiring existing facilities to house business operations into the transactions.

Secondly, where those acquisitions lessen the cost of the bank and thrift workout, or where those facility acquisitions are from struggling banks and thrifts which may fail due to rising non-performing loan portfolios, the Treasury would be viewing the loss of a revenue dollar versus the need to raise money to resolve the bank and thrift crisis. It is anticipated that such legislation will heavily favor those firms that acquire existing surplus facilities where such acquisitions lessens the present and future cost to the Treasury as it pertains to the bank and thrift problem. That trade off area alone represents a considerable savings to the U.S. Treasury as a direct and indirect result of this proposal.

In those instances where new or specialized facilities would have to be built, those projects would provide a much needed boost to the local construction and supply industries and a source of development capital that has dried up due to the bank and thrift crisis and the side affects which have impacted virtually every lending and investment source.

One of the critical missing elements in the bank and thrift workout has been a ready and motivated supply of real estate buyers. This legislation would provide motivated buyers who could absorb a considerable portion of the standing inventory that is negatively impacting the markets at this time. It is felt that this legislation would and should favor single user tenants instead of allowing purchase of real estate to be leased to non-participating parties.

It might also be possible to structure transactions whereby a pension fund became a partial CGS holder of the real estate portion of the transaction, and other tax shelter benefits were sold off on a "pass through" basis to other investors if the final form of the legislation allows such pass throughs to third party or non-related

parties to the transactions.

Summation

There is a critical need to get the U.S. economy moving for the near, medium and long term. A beneficial treatment for taxation, when targeted right at the heart of the problem, should provide for massive amounts of funding where there now exists a liquidity and a credit crunch. This program should slow down the volatility of capital gains type investments that are made only for the purpose of short term gain, such as the stock market or short term hold periods of Treasury bills and bonds and mortgage backed securities where such investments are bought low and traded at market peaks. This type of investment activity creates profits but does little in the way of increasing jobs and diversified economic growth.

It is anticipated that this direct investment strategy with tax incentives would fit strategic and emerging industries, as well as providing development capital for natural resources, services, support and certain market sectors where the recession and the tightening of credit due to the bank and thrift crisis has brought certain market sectors to a virtual standstill in terms of real growth. Certain other market sectors, such as architectural, engineering, construction, and related manufacturing and supply firms, would directly benefit from such a program without participating directly in the CGS offerings.

The proposed base of operations being in Washington, D.C. is for several strategic reasons. First, in the metropolitan D.C. area is based a quasi public-private entity which has national bond issuance authority which could facilitate exempted CGS (equity) and IDB (debt) offerings. This entity would either be merged or affiliated with the America 2000 Fund as a major originator of those CGS and IDB offerings exempted from the state and local approval process. Secondly, since this program is intended to have national implications and effects, telecommunications, transportation, the availability of a highly skilled technical work force, and proximity to both the District of Columbia and New York City are major considerations. Lastly, the office would serve as a direct liaison between the public (federal) and private sector in implementing this proposal.

The America 2000 Fund, as designed, would be a clearinghouse for the purchase and resale of CGS Certificates as a facilitator of tax benefit pass throughs, a market maker in SEC Rule 144(a) private placements on both the sale and buy side, and an underwriter\originator of IDB and CGS offerings exempted from the local and state approval process due to the purchases of non-performing real estate assets either from the FDIC, RTC or from

banks and thrifts whose capital base has been depleted by non-performing real estate assets. In assembling a major direct investment source, The America 2000 Fund would directly sell tax shelter benefits to insurance companies, mutual funds, large private and institutional investors under the "tax free exchange" portion of the CGS and IDB legislation, and assemble those funds for direct investment as the approvals are forthcoming from the local and state levels. This pooled approach would spread the investor risk as it is certain that some of the offerings will fail over the first five years of the plan.

+++++

This Executive Summary was drafted by Mr. Robert W. Webb, a partner in the law firm of Hazel & Thomas, PC of Falls Church, Virginia (703-641-4248) and Karl W. Schwarz (501-223-2255).

Executive Summary

America 2000 Fund

Washington, D.C.

The Opportunity

On September 22, 1992, a domestic economic stimulus plan was presented to officials of the Bush - Quayle '92 campaign. The plan proposes to ignite the U.S. job development effort with strategic revisions to the U.S. Tax Code and merging that with the capital markets and IDB underwriting capabilities of the investment banking industry. The goal of the program is to create new industry, businesses and jobs, and most of the objectives of the proposal appear to be compatible with the economic objective statements surfacing in the present campaign.

This new legislation would initiate a massive increase in new IDB type underwritings specifically tailored to take advantage of the new tax benefits. From that opportunity will come increases in the normal securities and investment banking activities of virtually all underwriting firms. However, there will exist a unique opportunity for one or more investment banking firms to join in the creation of a new type of fund specifically designed to serve the tax shelter and tax benefit pass through opportunities of the new legislation. This second opportunity is the primary focus of this proposal, and the reason for forming the American 2000 Fund.

This summary proposes that Smith Barney, Harris Upham & Company, and possibly other investment banking firms as partners, jointly create such a fund in conjunction with the designers of the CGS program. The America 2000 Fund (the "Fund") would be funded by Smith Barney and possibly others, and independently managed as a separate entity. The initial funding required to start up the Fund would be recovered through fees for services provided by Smith Barney as underwriter to the Fund. In addition to underwriting fees from the Initial Public Offering, Smith Barney would also produce fee revenues from ongoing services provided to the Fund which are described below.

The major difference in these new underwritings would be a revision to the Internal Revenue Code to create a new type of equity offering called Capital Growth Stock Certificates, or "CGS". For a more detailed presentation on this subject, see attached "Capital Growth Stock Certificates" proposal.

The America 2000 Fund would operate much like a mutual fund

and make direct tax sheltered investments into a wide variety of CGS qualified projects. In short, the Fund would make equity investments into selected debt offerings originated by Smith Barney and other underwriting firms where such projects qualify as CGS offerings under this new and specialized economic stimulus plan.

The Fund would be capitalized by the public offering of tax shelter benefits created by the new federal tax legislation. It is planned that the underwriter - client relationship between Smith Barney and the Fund would produce fees far in excess of start up costs. In addition to being a major source of fee revenues, the Fund would also be a facilitator of new underwritings as an investor using the CGS concept equity/tax shelter investment.

After initial start up, the Fund would be self sustaining due to revenues produced by the assets, yield on investments, and service fees charged to fund investors.

Limited Knowledge

This proposal has been presented first to Smith Barney, Harris Upham and Company for consideration of funding. One of the principal designers of the CGS plan is with Robert Thomas Securities, a wholly owned subsidiary of Raymond James Financial. However, there is no explicit involvement of Raymond James or any of its subsidiaries at this time. Outside of those parties looking at this proposal, knowledge of this matter is limited to the authors and several contributors to the subject matter in the CGS proposal, and a few persons of the Bush - Quayle campaign and White House staff.

The closely held nature of this information would give a three (3) to six (6) month lead time advantage on reaching the market ahead of competitors trying to create similar tax benefit funds, and seeking IDB underwritings at the state and local level that would be spawned by this legislation. If the Fund and the necessary lead time costs to successfully lobby this effort are approved for funding, it is recommended that Smith Barney and the Fund would begin an immediate "quiet" marketing effort at the local and state level well in advance of competitors seeking to secure IDB underwritings under this new legislation.

Initial Public Offering of the American 2000 Fund

The CGS program designers would retain Smith Barney, Harris Upham & Company as senior underwriter for the IPO of the America 2000 Fund. It is planned that the IPO would have no size limitation and would attempt to attract as much capital as possible under the tax shelter opportunity included in the legislation. These funds would be targeted for later investment as CGS equity

into debt offerings created under the new legislation.

Asset Management

Due to the management and investment focus of the Fund, asset management of the funds raised by the America 2000 Fund IPO would remain with Smith Barney, Harris Upham & Company until such funds are invested into new IDB offerings.

Direct Investment into Exempted IDB Offerings

Under the new tax benefit legislation, the primary source for new IDB offerings that qualify under the CGS guidelines would be state and local bond issuance authorities. The proposed legislation would also provide for exemptions from the local and state bond approval process for which the America 2000 Fund would be uniquely positioned to be not only an equity investor, but also an originator of exempted bond issues. These exempted bond issues would be underwritten by Smith Barney and would provide an almost exclusive source of new underwriting revenues.

The Fund, through seeking investment opportunities nationally, would act as a marketing resource for the underwriters. The Fund, by its existence and indirect relationship to Smith Barney, would be a major "CGS equity" investor into underwritings of Smith Barney, and of competitor firms.

Coordinated Marketing

It is proposed that the marketing effort to secure a substantial portion of this new business would be coordinated between Smith Barney and the Fund. The primary benefit to be derived by the underwriter is the initial IPO of the Fund, asset management for the Fund, and an ongoing program of Fund investments into underwritings created by Smith Barney under this new tax legislation.

Another benefit of coordinated marketing would be that both the Fund and the underwriters will need to solicit the assistance and support of state and local bond issuance authorities, national associations such as National Association of State Development Agencies, Government Finance Officers Association, etc., prior to and following enactment and implementation of new tax legislation. It is proposed that the underwriters and Fund sponsors would be active in generating national, state and local support for this new legislative proposal.

Conversion of America 2000 Fund Companies to Publicly Held

The CGS legislation would provide that the more successful firms that are created or expanded under this tax benefit legislation would have to convert to other forms of debt structure shortly after the five year life of the tax legislation. It is anticipated that many of these conversions would be jointly worked out between the company, the America 2000 Fund and the underwriters as private placements and IPOs. The Fund would refer such conversions to Smith Barney for those firms in which the Fund has made CGS equity investments.

Future Debt and Equity Offerings of America 2000 Fund Companies

It is anticipated that some of the firms which the Fund has substantial equity investment in, will be back in the market place seeking additional debt and equity offerings due to growth that is much larger than anticipated. These firms would be referred to Smith Barney by the Fund for additional needed services.

Summary

The enclosed Projection of Operating Expenses is based on monthly and annual costs to start up the Fund. The projected employment figures do not project the number of additional analyst, technical staff, and other support staff that would be required as the amount of capital raised for the Fund, and the number of direct investments increases over the next five years. The start up phase anticipates that direct investment from investment banking or securities partners may be required for the next six to twelve months.

The initial staffing is geared towards implementing the Fund objectives, marketing nationally to locate the best investments for the Fund, and working with agencies, associations, and other groups for support of the new legislative approach to industrial development and job creation. The staffing requirements can be implemented in phases over the first six to nine months as the IPO is funded and implemented.

It is proposed that Smith Barney, and possibly others, would fund \$500,000 for exclusive rights as underwriters of the CGS plan. In addition, there will be a need for additional funding on a monthly basis until the IPO funds are available to cover expenses. Prior to full operation of the Fund, the management and support staff would primarily be involved in generating support for the new legislation, and making plans to implement the Fund objectives. All of the start up and implementation costs would be reimbursed from the American 2000 IPO as a separate expense from the fee arrangement between the Fund and the underwriters.

In addition to this initial funding, Karl W. Schwarz as the principal author of the CGS plan, would take immediate steps to initiate the CGS plan and the pre-operation steps needed to set up and manage the Fund. These steps would include relocation to Washington, D.C. to concentrate specifically on the marketing and start up steps needed to generate support for the legislation, start up of the Fund, and preliminary planning to operate and manage the Fund. In addition to Mr. Schwarz, an immediate management and support staff of nine persons would be deployed on this effort.

friend?

Colonel Gilbert A. Robertson

United States Air Force, Ret'd
13910 South 226 Circle
Gretna, NE 68028
(402) 332-4744

NRN

*suggestion
CJ called
& thanked
by phone.*

October 15, 1992

Jim Baker
Chief of Staff
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Jim:

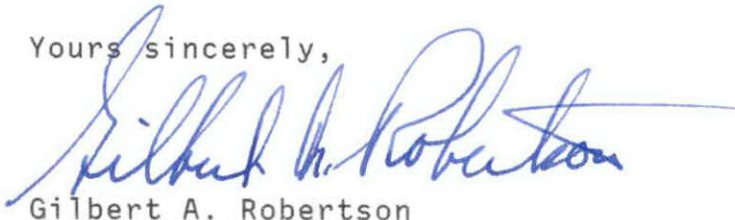
Enclosed is a copy of a letter I wrote to President Bush (for your information.)

In addition, last night we saw a PBS presentation on the Cuban Missile Crisis. During that crisis I was a pilot on alert and spent 30 out of 45 days in the alert shack waiting to go to war. The thing that I noticed during the program was that we really had a bunch of amateurs running the show. It was pure luck that we didn't go to war.

If Clinton is elected and there is a similar crisis we will again have a bunch of amateurs, including a draft dodger, running the show and it scares the hell out of me!

Please do something to get this message across to the voters.

Yours sincerely,



Gilbert A. Robertson

Colonel Gilbert A. Robertson

United States Air Force, Rt'd
13910 South 226 Circle
Gretna, NE 68028
(402) 332-4744

October 6, 1992

President George Bush
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President:

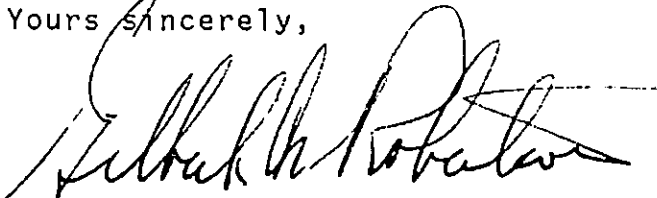
First of all, I want to see you re-elected for a second term. The thought of "President Clinton" is horrible. However, you must do something really dramatic within the next few weeks.

My bachelor's degree is in economics and it is *not* an exact science like physics or chemistry. There are so many variables and the biggest one is personalities. The media sold the general public on the idea that there was a recession two years ago and they have continued to nurture the concept.

There is nothing you can do or Clinton can do to change a perception of recession that the media persists in fostering. However, if Clinton is elected the liberal press will suddenly find that things really aren't so bad after all. Our family, including married children, is *much* better off now than we were four years ago and *certainly* much better off that we were twelve years ago when Carter was in the White House.

You have done so many positive things and if you had the line item veto you could have done more.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gilbert A. Robertson". The signature is fluid and cursive, with a large initial "G" and "R".

Gilbert A. Robertson

510 N. Court St.
Quitman, Ga. 31643
October 9, 1992

The Hon. James Baker
White House Chief of Staff
% The White House
1400 Pennsylvania Ave.
Washington, D.C. 20000

NRN

support
suggestions

Dear Mr. Baker:

Believe me when I assure you that I am a strong supporter of President Bush in his campaign for re-election, but I am deeply concerned right now about the daily polls that show Bill Clinton ahead in the race! I know how quickly things change in the political arena, and I'm hoping for a change as early as today, but I surely can't foretell anything!

I don't have much hope that you or other "people in high places" really care to hear what "people" (like me) think or feel. I'm a small-town, small-time, retired school teacher and my opinion won't count for much, but please remember that some teacher along the way may have influenced you somehow to reach the status you have achieved. Perhaps, then, you will understand that my suggestions are not from someone who thinks she "knows it all" - or from someone who is being judgmental! I am merely someone who wants to see George Bush remain in the White House and who, furthermore, deplors the level to which the campaign seems to be headed, and I don't want President Bush to suc-

cumb to the pressure that could result in his being brought down to that level! (This opinion - or fear - has been prompted by the enclosed newspaper clipping which actually made me feel physically sick!)

I appeal to you, Mr. Baker, to down-play the "back-biting". While some may think it helps, I can't believe it does! Therefore, I plead with you to plan a strategy for these last three weeks which will keep Mr. Bush above the ugliness! Let Bill Clinton tend to that!

Finally, let's hear about important things like:

a) Putting God back into all government activities! Taking God out of schools, for example, was the biggest disgrace that has ever been perpetrated. Participation can be voluntary, but until He is given His rightful place (popular or not!), we are doomed! Be sure to let God be the Guide!!!

b) On issues, especially in debates, stay firm on one's position, but remain "cool, calm, and collected"! Let Clinton floundering!

c) Reveal positive plans - possible things! - to improve the economy, and this needs to be done in the first debate!!! Have a real plan!

d) Reveal some realistic goals!

e) Stop harping on Clinton's miserable military record! Quayle needs to let up, too. It's been told - there's no need to beat a "dead horse"!

Thank you, if you've read my letter.

Respectfully,
(Mrs.) Harriet N. Hewitt

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	From: Harriet H. Hewitt to James Baker Re: Concerns about election [Redaction of personal information] (1 pp.)	10/09/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Baker, James A. III
Subseries: Public Correspondence Files
WHORM Cat.:
File Location: [Public Correspondence, Oct 1992] [7]

Date Closed: 8/21/2001	OA/ID Number: 93011-002
FOIA/SYS Case #: 2000-0715-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

P.S. I must add: The President's gesture in offering to cut his salary by 10 % is magnanimous, but I believe that will amount to something like \$20,000 - right? I concede that that action is commendable, but when we (middle-class, or maybe even no-class - ha!) face the fact that we worked for 34 years, with bachelor's degrees and, later, master's degrees - and did our best to instill high moral standards in our students in addition to "book learning" -

[redacted] (because there is NEVER enough for education), then it seems that priorities are really faulced up!

I realize, of course, that salaries of the members of all branches of government are like nothing, too, when compared to salaries of pro-athletes, entertainment groups, etc! We all have reason to gripe about the inconsistencies, but the time to give ^{serious} ~~serious~~ consideration to such matters is NOW! Perhaps President Bush shouldn't bring up those facts during the debates, so I won't listen for them then, but I hope and pray that someone on the inside will work toward changing the situation after the election!

Apologies!

A. Hewitt

Sammy -
in a rush.

Bush Hits Clinton On Taxes

The Associated Press

BOWLING GREEN, Ohio — President Bush whistlestopped through the heartland in search of Harry Truman's old campaign magic on Saturday and charged Bill Clinton's economic program means "socking it to the middle class" for higher taxes.

"Bill Clinton's taxes are wrong for America," Bush said on a long day of campaigning in which he spoke before thousands, whether from the hunting-draped platform of his train dubbed "Spirit of America" or at autumn fairs and campaign rallies held trackside.

Over and over, Bush said Clinton's tax and spending programs don't add up and would require him to raise taxes on everyone with taxable income of over \$36,600 a year to pay for "all these promises."

Clinton, who says his program would raise taxes only on those with incomes over \$200,000, reacted strongly. He said of Bush: "He has no credibility on taxes and he can't count. Everything he said is wrong."

Bush and his wife rode in a car with an antique silver tea service in a cupboard with cut-glass windows and a mirror that enabled him to spot people along the track.

At several spots along the way, a person in a chicken costume turned up at the rallies to symbolize Clinton's charge that Bush is afraid to debate.

At one stop, Bush tried to turn the tables, saying, "I'm not sure if that chicken is from Oxford, England, or if he's the one that dumped fecal coliform bacteria into the Arkansas River."

Those were references to the controversy over Clinton's Vietnam draft status and pollution in Arkansas.

Trailing in the polls, Bush hoped his two-day trip aboard a special 21-car train — making eight stops in Ohio and Michigan over two days — would evoke memories of Truman's come-from-behind Democratic campaign of 1948. Through suburbia, rural settings and small towns the president and first lady Barbara Bush and their retinue rolled on a glorious fall day.

Groups of people turned out along the way to catch a glimpse. Some waved, some smiled, some simply watched. One held up a hand-painted sign that bespoke the president's political jeopardy. "No job," it said.

Bush made his evocative trip as Clinton was stumping in normally Republican northern New England, a manifestation of the confidence his campaign feels about the race for the White House.

510 N. Court St.
Quitman, Ga. 31643

Mrs. Harriet Hewitt

CERTIFIED

P 350 618 585

MAIL

OCT 19 1992 OCT 19 1992



The Hon. Mr. James Baker
White House Chief of Staff
of the White House
1600 Pennsylvania Avenue
Washington,
D.C. 20000

CHARLES G. RAILEY
624 HALL STREET
BRIDGEPORT, WEST VIRGINIA
26330

support
tel: 301-387-9577
until November 2, 1992
*P.O. Box 655
McHenry Md. 21541*

October 6, 1992

N2N
The Honorable James Baker
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20006

Subject: Why the Republicans will win or lose.

Dear Mr. Baker:

Will you please, please listen to a 68 year old dedicated family man who first joined the Young Republican Party August 1, 1940 at the age of sixteen. I mix with the people, I urge them to voice their opinion and listen to them. Now, I want to pass on to you what I have learned and what a survey would show.

First, thanks for the magnificent job you have done over the past several years to do the impossible in foreign affairs. You helped make it safer for my son in Desert Storm who went on to Kuwait and is now safe at home. God bless you and all your helpers.

Now, what needs to be done: Here are five items the Republican Party wants to deal with and the Democratic leaders want to squelch and the news media helps them keep them under wraps-

- Entitlement programs
- Line item veto
- Capital gains
- A balanced budget
- Term limits

You have less than a month to give the people blatant examples of each of the items and show how they hurt the little people and help the democrats, the greedy business people, the labor unions and most of all the lawyers and lobbyists.

I respectfully ask you to check this for yourself; the people just do not understand what these items are and how they are affected by them. Nothing beats an example. I have begged the RNC to check this out in West Virginia and all America. They haven't given this any consideration and the Republican Party and philosophy is rapidly deteriorating and the RNC may take the President and Vice President with them. The polls and Ross Perot jumping in shows the RNC needs a massive overhaul.

Just say it and I'll come running to Washington and be at your side. I'll pay my own way. We have no time to spare.

Most sincerely,

Bud Railey
Charles G. (Bud) Railey

encl:

NO WONDER ALL
THE BUSINESS
PEOPLE ARE
BACKING CLINTON
AND PEROT.

day Headlee took his first batch of petitions to Lansing, the plan of Taxpayers United had been transformed from a maybe proposition to one the state couldn't refuse.

Taxpayers United has no doubts that the initiative will win voter approval. Looking back over the years of effort, the failures and now the victory, Headlee could find some advice for those organizations just beginning their own tax revolt:

"Avoid being slapped with a label. Be an all-things-to-all-people kind of movement because that's what tax limitation should be. "Know the details of the situation in which you find yourself"—in other words, don't get carried away with a Jarvis-style proposal if you don't have to—"and find your area of support. You can build from there."

To which we add this reminder: if at first you don't succeed, try, try again. Because eventually you will come out on top.

FROM THE TAX REVOLT BOOK

THE INDIANA EXPERIENCE: LOBBYING AGAINST GREAT ODDS

Not every tax revolt results in whopping cuts and national publicity, nor does every one involve massive outlays of funds for media campaigns. But that does not make these victories any less important than the much-publicized Proposition 13 effort.

Any victory, large or small, involves men and women who have worked tireless hours to bring them off. Moreover, even the smallest victories provide people with the incentive to push on to greater things, because they show how a few people can organize and win out over entrenched interests who are better organized and better financed.

This is important to understand. Not everyone reading this book needs to start a campaign to cut taxes, because their taxes may not be excessive in the first place. But they might need to start one to keep those taxes from climbing out of control.

Most important, however, are these two points: not every campaign ends up at the ballot box; many campaigns are lobbying efforts. And once you have won your fight, you must remain on guard, because "they" are still waiting to turn your victory into disheartening defeat.

Such a fight took place in Indiana, where the main issue was not cutting taxes, but simply holding the line in the face of mounting pressure by vested interest groups who thought the state treasury was the local tree on which free money grew. We believe it is a classic example of citizens' collectively stomping down on a lighted match before the curtains catch fire and the whole building burns down. It is also a prime example of a lobbying campaign.

The story began ten years ago, in the summer of 1968, when virtually every important pressure group in Indiana got together to plot a raid on the state treasury. The list of participants was awesome: teachers, retailers, manufacturers, truckers, electricity and petroleum interests, Chambers of Commerce, auto dealers, the farm bureau. Many large corporations joined in: United States Steel, Aluminum Corporation of America (Alcoa), Radio Corporation of America (RCA), Inland Steel, General Electric, American Oil, Ford Motor Company, among others. And (talking about strange bedfellows) big labor was also represented by the AFL-CIO and United Auto Workers. Indiana University, a state institution, and the Indiana Commission on State Tax and Financing Policy, a state agency, also took part.

These powerful organizations (later known collectively and derogatorily as the "Spending Lobby") sent their representatives to a series of three hush-hush "tax retreats" to work out a common position. Farmers wanted

MR MALEK.
HERE IS
THE REAL
PROBLEM
GREEDY
BUSINESS
AND
GREEDY
UNIONS
AND
DIRTY
WOMEN'S
GROUPS.

WR
10-5-92

← THE
WHORES
IN BED W/
CLINTON

NOT ~~ONE~~ PERSON
I HAVE ASKED
KNEW ABOUT
GORE'S DISMAL
VOTING RECORD
Bud Rasley 10-6-92

DESCRIPTION OF SENATE VOTES

- Term Limits for Congress.** May 22, 1991. Boren (D-OK) motion to table (kill) Brown (R-CO) amendment to limit Senators to two consecutive terms if they fund their campaigns with tax dollars. Boren's anti-term limit motion passed 68-30. A **No** vote was a vote in favor of term limits.
- Using Taxes to Promote Abortion.** July 16, 1991. Durenberger (R-MN) substitute bill to prohibit tax-funded family-planning clinics from promoting abortion. Durenberger anti-abortion bill was rejected 35-64. A **Yes** vote was a vote against using taxes to promote abortion.
- Pay Raise.** July 17, 1991. Byrd (D-WV) amendment to raise Senators' pay from \$101,900 to \$125,100. Bill passed 53-45. A **No** vote was a vote against the Senate pay raise.
- Abortions in Military Hospitals.** August 2, 1991. Motion to cut off the pro-life filibuster opposing Wirth (D-CO) amendment to have military hospitals perform abortions on military personnel and dependents stationed abroad. Motion was rejected 58-40. A **No** vote was a vote against having military hospitals perform abortions.
- Abstinence-Based Sex Education.** September 12, 1991. Moynihan (D-NY) motion to table (kill) Helms (R-NC) amendment to transfer \$10 million from surveys on adult sexual behavior to the abstinence-based Adolescent Family Life Program. Amendment was rejected 34-66. A **No** vote was a vote in favor of abstinence-based sex education.
- Taxpayer Funding of Pornography.** September 19, 1991. Helms (R-NC) amendment to prohibit the National Endowment for the Arts from spending taxpayer funds on pornographic "art." Amendment passed 68-28. A **Yes** vote was a vote against taxpayer funding of pornography.
- Clarence Thomas Confirmation.** October 15, 1991. Confirmation of Clarence Thomas to be Associate Justice of the Supreme Court. Thomas confirmed 52-48. A **Yes** vote was a vote in favor of confirming Judge Thomas.
- School Prayer.** January 23, 1992. Helms (R-NC) amendment to state the sense of the Senate that the Supreme Court should reverse its decisions prohibiting voluntary prayer and Bible reading in public schools. Amendment rejected 38-55. A **Yes** vote was a vote in favor of voluntary prayer.
- Choice in Education.** January 23, 1992. Hatch (R-UT) amendment to provide low-income parents with money to enroll their children at the public or private school of their choice, including religious schools. Amendment rejected 36-57. A **Yes** vote was a vote in favor of having parents choose where to send their children to school.
- Line-Item Veto.** February 27, 1992. McCain (R-AZ) motion to permit consideration of his proposal to give the President line-item veto authority. Motion rejected 44-54. A **Yes** vote was a vote in favor of giving the President line-item veto authority.
- Taxes.** March 13, 1992. McCain (R-AZ) motion to permit consideration of his amendment to require a 3/5 vote of the Senate to raise taxes but to let a simple majority cut taxes. Motion rejected 37-58. A **Yes** vote was a vote against tax increases.
- Fetal Tissue Research.** March 31, 1992. Hatch (R-UT) amendment to maintain ban on using fetal tissue from abortions for medical research. Amendment rejected 23-77. A **Yes** vote was a vote against using fetal tissue from abortions for medical research.
- Balanced Budget Amendment.** April 9, 1992. Nickles (R-OK) motion to state the sense of the Senate that it should adopt by June 5 a joint resolution proposing a Balanced Budget Amendment to the Constitution. Motion passed 63-32. A **Yes** vote was a vote in favor of the Balanced Budget Amendment.

United States Senate												
	1	2	3	4	5	6	7	8	9	10	11	12
NEVADA												
Bryan	Y	N	(N)	Y	(N)	Y	N	N	N	N	N	Y
Reid	Y	Y	(N)	(N)	(N)	Y	N	N	N	N	N	Y
NEW HAMPSHIRE												
RUDMAN	Y	N	Y	(N)	(N)	Y	Y	N	Y	N	N	Y
SMITH	(N)	Y	Y	(N)	(N)	Y	Y	Y	Y	Y	Y	Y
NEW JERSEY												
Bradley	(N)	N	(N)	Y	Y	N	N	N	Y	N	N	N
Lautenberg	(N)	N	(N)	Y	Y	N	N	N	N	N	N	N
NEW MEXICO												
Bingaman	(N)	N	Y	Y	Y	(Y)	N	N	N	N	N	N
DOMENICI	Y	Y	Y	(N)	(N)	Y	Y	Y	Y	Y	N	Y
NEW YORK												
D'AMATO	(N)	Y	(N)	(N)	(N)	Y	Y	?	Y	Y	Y	Y
Moynihan	Y	N	Y	Y	Y	N	N	N	N	N	N	N
NORTH CAROLINA												
HELMS	?	Y	(N)	(N)	(N)	Y	Y	Y	Y	Y	Y	Y
Sanford	Y	N	(N)	Y	Y	Y	N	N	N	N	N	Y
NORTH DAKOTA												
Burdick	Y	N	Y	Y	Y	(Y)	N	N	N	N	N	Y
Conrad	Y	N	(N)	Y	(N)	Y	N	N	N	Y	N	Y
OHIO												
Glenn	Y	N	(N)	Y	Y	(Y)	N	N	N	N	N	N
Metzenbaum	Y	N	Y	Y	Y	N	N	N	N	N	N	N
OKLAHOMA												
Boren	Y	Y	Y	(N)	(N)	Y	Y	Y	Y	Y	N	Y
NICKLES	(N)	Y	(N)	(N)	(N)	Y	Y	Y	Y	Y	N	Y
OREGON												
HATFIELD	Y	N	Y	(N)	(N)	Y	Y	N	N	N	N	Y
PACKWOOD	Y	N	(N)	Y	(N)	?	N	N	Y	Y	Y	Y
PENNSYLVANIA												
SPECTER	Y	N	(N)	Y	(N)	Y	(Y)	N	N	Y	Y	Y
Wofford	Y	N	(N)	Y	Y	N	N	N	N	N	N	N
RHODE ISLAND												
CHAFEE	Y	N	Y	Y	Y	N	(Y)	N	N	Y	N	Y
Pell	Y	N	Y	Y	Y	N	N	N	N	N	N	Y
SOUTH CAROLINA												
Hollings	Y	N	(N)	Y	(N)	Y	Y	Y	Y	N	Y	Y
THURMOND	(N)	Y	Y	(N)	(N)	Y	Y	N	Y	Y	Y	Y
SOUTH DAKOTA												
Daschle	Y	N	(N)	Y	(N)	Y	N	N	N	Y	N	Y
PRESSLER	(N)	Y	(N)	(N)	(N)	Y	Y	Y	Y	Y	Y	Y
TENNESSEE												
Gore	Y	N	(N)	Y	Y	N	N	N	N	N	N	N
Sasser	Y	N	(N)	Y	(N)	Y	N	Y	N	N	N	N
TEXAS												
Bentsen	Y	N	Y	Y	Y	(Y)	N	Y	N	N	N	N
GRAMM	(N)	Y	(N)	(N)	(N)	Y	Y	Y	Y	Y	Y	?
UTAH												
GARN	(N)	Y	Y	(N)	(N)	?	Y	?	Y	Y	Y	Y
HATCH	(N)	Y	(N)	(N)	(N)	?	Y	Y	Y	Y	Y	Y
VERMONT												
JEFFORDS	Y	N	Y	Y	(N)	N	N	N	N	N	N	?
Leahy	Y	N	Y	Y	Y	N	N	N	N	N	?	N
VIRGINIA												
Robb	Y	N	Y	Y	(N)	Y	Y	N	N	Y	N	Y
WARNER	(N)	N	Y	(N)	(N)	Y	Y	N	N	Y	N	Y
WASHINGTON												
Adams	Y	N	(N)	Y	Y	N	N	N	N	N	N	N
GORTON	(N)	N	Y	Y	(N)	Y	Y	?	Y	Y	Y	Y
WEST VIRGINIA												
Byrd	Y	N	Y	Y	(N)	Y	N	Y	N	N	N	N
Ricketts	Y	N	Y	Y	(N)	N	N	Y	N	N	N	N
WISCONSIN												
KASTEN	(N)	Y	(N)	(N)	(N)	Y	Y	Y	Y	Y	Y	Y
Kohl	Y	N	(N)	Y	(N)	Y	N	N	N	N	N	Y
WYOMING												
SIMPSON	(N)	N	Y	(N)	(N)	Y	Y	Y	Y	Y	Y	Y
WALLOP	(N)	Y	Y	(N)	(N)	Y	Y	Y	Y	Y	Y	?

Christian Coalition does not recommend that its members make voting decisions based solely on the information provided in this Scorecard. We encourage our members to make their voting decisions based on the full range of activities relating to Congressional performance, including committee votes, attendance, constituent service, and votes on issues that are not included on this Scorecard.

CHARLES G. RAILEY
624 HALL STREET
BRIDGEPORT, WEST VIRGINIA
26330

summer address

P.O. Box 655
Deep Creek Lake
McHenry, Md. 21541
301-387-9577

Sunday August 2, 1992

Richard Bond, Chairman
Republican National Committee
310 First Street, SE
P.O. Box 1900
Washington, D.C. 20003

*copy -
no reply -
CGR
10-6-92*

Dear Rich:

Thank you for your personal reply of May 6 to my letters of April 16 and 19, 1992.

You must read and study the copies of letters to President Bush, Phil Gramm and Newt Gingrich. I am confident the results of the general election hinge on what I have to say. Take the letters home, read them again; share them with your wife and close associate. I'll hold my finger in the dyke.

It is true that I am just one of the many delegates-at-large for the Republican National Platform Planning Committee, but I feel I am most dedicated to taking the truth to the leaders. I have done the research and want nothing for myself. That is where I differ from the big givers.

Not wanting anything for myself but good government gives me an advantage. I can ruffle feathers and tell the facts and the truth. Forgiveness is one of my greatest assets. If you hate someone, that person controls you.

Someone has to go to the people with the truth. James Baker can't do that. Ask me to do it with Pat Buchanan, Pat Robertson, James Kennedy and Charles Stanley and we'll build our team that will knock the liberal democrats out of the picture. The time is right for a CLEAN UP AMERICA. Only the people can do it. It takes backbone, faith and a genuine love for America. Rich Bond needs victory. There is no time to spare.

Contact me right away. Come see me at Landmark Village at Deep Creek Lake, 301-387-9577. I can put everything aside and I want nothing but good government and a good America. I have talked to the people. I know the plan will work. We need to hit so hard that Lee Atwater seemed like a lightweight. That is all for today.

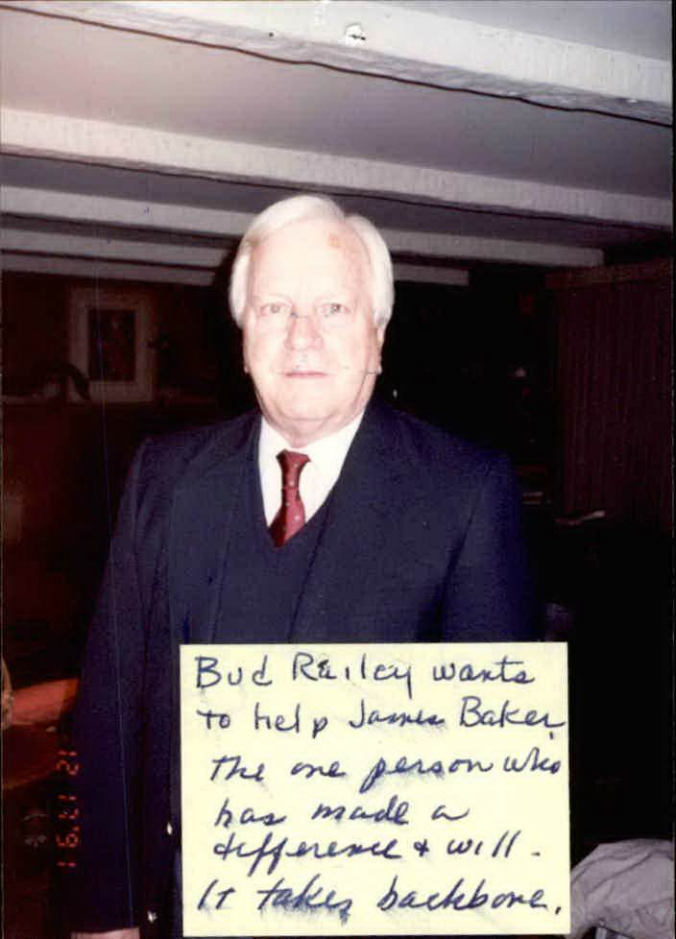
The people and the Republicans best friend in West Virginia.

Most Sincerely,

Bud Railey

Charles G. (Bud) Railey

encl:



Bud Reiley wants
to help James Baker
The one person who
has made a
difference & will.
It takes backbone.

12:17:21

Bud Railey

12-17-91

CHARLES G. RAILEY
624 HALL STREET
BRIDGEPORT, WEST VIRGINIA
26330

P.O. Box 655
Deep Creek Lake
McHenry, Md. 21541
(until Nov. 2, 1992)

CERTIFIED

P 361 810 128

MAIL

OCT 19 1992



The Honorable James Baker
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20006

Urgent and personal
attention, please



TO

FROM

Wary G. Sales

FALCO INDUSTRIES, INC.

8531 Ashwood Dr.

Capitol Heights, MD 20743

(301) 499-2666

SUBJECT

FOLD HERE

DATE

10-15-92

Dear Mr. Baker,

As the owner of a small minority business which I started in the Reagan years, I am concerned that one very important point is not being talked about the Carter years.

Make the people of the US remember 21⁰⁰% interest rate, huge rate of inflation, standing in line at 5:30 in the morning to get gas to get to work because we had a Democratic Congress and a Democratic President working together. Make this the last point in every speech and on the last debate - keep using it

SIGNED

Wary G. Sales

FALCO INDUSTRIES, INC.

8531 ASHWOOD DRIVE
CAPITOL HEIGHTS, MARYLAND 20743

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 231 773 162

MAIL



MAIL
Mr. James Baker
White House Chief of Staff
1600 Penna Ave NW
Washington DC 20500

Argent

suggestions

700 Richards St, Apt 1804
Honolulu, Hawaii 96813
October 13, 1992

The Honorable James A. Baker, III
Chief of Staff to The President
1600 Pennsylvania Avenue, NW
Washington, DC 20500

WZ

Dear Mr. Baker,

I am alarmed over the course the election appears to be taking, as suggested by recent polls. The Democrats argue that expanding the economy will improve the quality of life for the majority of Americans. If the American people succumb to this blatant attempt to buy their votes - not at the candidates' (or their party's) expense, but at the taxpayers' expense - I am afraid that we will be in deeper Kim-chi than we are today. The danger is that the thinking vote will be split three ways (Republican, Libertarian, Perot), allowing those who got us into our present predicament to reclaim the White House and tighten their hold on Congress.

Rather than echo the Democrats and attempting to outdo them in job creation per se, believe it might be more productive to tell it like it is, prescribe strong medicine, and stress effectiveness in achieving desired objectives and efficiency in use of scarce resources. The opposition argument is illusory in that people are concerned about real goods and services they need or want, not numbers (GDP divided by the latest price index).

Inflation, the rising cost of living, and decline in the standard of living are not mainly the result of Administration mismanagement but of greater demand for finite resources due to:

- 1) increasing population,
- 2) artificial stimulation of the economy (subsidies to special interest groups,
- 3) bureaucratic red tape,
- 4) Parkinson's laws, especially at the higher and intermediate levels of government, and
- 5) interest payments on the national debt, which otherwise might be used on priority needs.

The shotgun approach advocated by the Democrats will only dissipate precious resources and accomplish little. Such an approach may even add to dissatisfaction when promised results fall short of expectations. It would make more sense to restore a true free market economy by eliminating all subsidies to special interest groups, removing impediments to the free flow of resources, and restructuring incentives/disincentives to encourage savings and investment, control consumption and the generation of waste,

and permit the general public to participate in resource allocation and trade-off decisions via the green ballot (their spending).

To restore vitality to the US economy, it is essential that we:

- 1) Compete globally in producing quality goods and services that consumers everywhere will demand in preference to products made by our competitors and that will contribute to a positive balance of payments position.
- 2) Eliminate the national debt and follow a policy of balanced budgets at all levels of government.
- 3) Given the high cost of American labor, concentrate on high-value production and rely on other nations for lower-value production.
- 4) Contribute to global and regional peace and stability by maintaining a strong military capability and a viable defense industry.

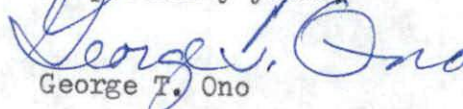
This, in turn, means that we must:

- 1) Focus attention on objectives and results rather than activity per se or means.
- 2) Think integrated systems and system interrelationships.
- 3) View things from a forward-looking, long-term, holistic perspective rather than a short-term, parochial one tied to the status quo.
- 4) Concentrate on essential goods and services, and eliminate duplication.
- 5) Develop a disciplined, educated work force capable of minimally supervised production, assembly, and quality control in complex modern industries.
- 6) Reduce Federal and state governments by 50% over five years, through attrition. (Pareto's law suggests that an 80% cut would result in a loss of only 20% in significant output.)
- 7) Privatize business-type operations (e.g., USPS, AMTRAK, CONRAIL, schools, trash collection.
- 8) Eliminate bureaucratic red tape.
- 9) Improve the quality of public education to international standards - including the need for self-discipline and acceptance of responsibility for decisions and actions (e.g., avoidance of conduct leading to unwanted births or diseases).

A sudden change would be chaotic and impose hardship on a large number of people. This could be avoided by a seven-year effort to be completed by December 31, 1999 to streamline government and restore a free market economy responsive to the public (ultimate consumers and taxpayers) rather than the good intentions of politicians, bureaucrats, and other service providers.

Enclosed are additional thoughts relating to the current crisis. I hope that in a small way, they can help counter the threat of mediocracy which would consign us to the unenviable position of doing low value production for an integrated Europe and integrated Asian Co-Prosperity Sphere.

Respectfully yours,


George T. Ono

WAKE UP AMERICA, OR IT MAY BE TOO LATE
GEORGE T. ONO

WITH THE ELECTIONS ONLY THREE MONTHS AWAY, MANY OF US SEEM TO BE MISSING THE POINT. THE QUESTION IS NOT WHETHER THE DEMOCRATS, REPUBLICANS, OR SOME OTHER PARTY CAN BEST SATISFY THE VOTERS AND THEIR INTEREST GROUPS, BUT WHICH PARTY CAN BEST PREPARE THE US FOR SERIOUS COMPETITION WITH AN INTEGRATED EUROPEAN COMMON MARKET AND AN INTEGRATED ASIAN CO-PROSPERITY SPHERE IN THE 21ST CENTURY. MOST OF OUR PROBLEMS ARE ECONOMIC AND INVOLVE HOW TO ALLOCATE OUR SCARCE RESOURCES TO SATISFY UNLIMITED WANTS. IN THE LAST FOUR DECADES, A NUMBER OF CHANGES AFFECTING ALL OF US HAVE TAKEN PLACE.

1) THE US IS NO LONGER A RESOURCE-RICH, LABOR-SHORT, CREDITOR NATION.

2) TECHNOLOGICAL CHANGE IS TAKING PLACE AT A MUCH MORE RAPID PACE AND ADVANCED TECHNOLOGY IS READILY AVAILABLE TO OTHER NATIONS, AS WELL AS THE US.

3) GLOBALIZATION OF ECONOMIC ACTIVITY IS PROCEEDING AND MANY DECISIONS AFFECTING OUR LIVES WILL BE MADE IN BRUSSELS, LONDON, BERLIN, TOKYO, AND OTHER PLACES OUTSIDE THE US.

4) THE PRINCIPAL SOCIALIST NATIONS HAVE DEMONSTRATED THAT POLITICAL MEANS ARE NOT EFFECTIVE IN SOLVING ECONOMIC PROBLEMS AND CONCLUDED THAT INCENTIVES AND COMPETITION MAKE FOR EFFICIENCY.

NO LONGER CAN WE - WITH 5 PER CENT OF THE WORLD'S POPULATION - CONTINUE TO CONSUME OVER 40 PER CENT OF THE WORLD'S RESOURCES. IT IS ESSENTIAL THAT WE CONSERVE RESOURCES AND MINIMIZE WASTE. TO MEET NEW REQUIREMENTS (E.G., DEVELOPMENT OF NEW WATER AND ENERGY RESOURCES, ENVIRONMENTAL PROTECTION, AND MAINTENANCE OF THE ECOLOGICAL BALANCE) WHILE CONTINUING TO MEET OUR DAY-TO-DAY NEEDS, WE MUST DO A BETTER JOB OF DEFINING OBJECTIVES, DETERMINING PRIORITIES, AND CONCENTRATING OUR EFFORTS TO ACHIEVE OUR GOALS. WE CANNOT AFFORD TO ARTIFICIALLY STIMULATE DEMAND AND OVERSTRETCH SO WE CANNOT ACHIEVE MUCH OF ANYTHING, IN AN EFFORT TO DO EVERYTHING.

WHAT THEN DO WE NEED TO DO TO PROVIDE THE GREATEST AMOUNT OF BENEFIT FOR THE GREATEST NUMBER OF OUR PEOPLE? WE MUST:

1) HAVE A CLEAR DIVISION OF RESPONSIBILITIES AMONG INDIVIDUALS, FAMILIES, PRIVATE ORGANIZATIONS, AND THE DIFFERENT LEVELS OF GOVERNMENT TO CUT DOWN ON NON-ESSENTIAL ACTIVITY, ELIMINATE DUPLICATION, AND IMPROVE EFFICIENCY.

Marrou
Perrot

Subsidizing
consump-
tion makes
little
sense.

2) REDUCE DEPENDENCY ON GOVERNMENT AND HAVE INDIVIDUALS AND FAMILIES RE-ASSUME RESPONSIBILITY FOR BASIC NEEDS AND CHOICES. IN THE WORDS OF ONE OF OUR PAST PRESIDENTS, "THINK NOT WHAT YOUR COUNTRY CAN DO FOR YOU, BUT WHAT YOU CAN DO FOR YOUR COUNTRY." THINK WHAT WOULD HAPPEN TO THE GRAND COULEE DAM OR THE EMPIRE STATE BUILDING IF EACH GRAIN OF SAND, EACH PARTICLE OF CEMENT, AND EACH MOLECULE OF STEEL DID NOT DO ITS PART!

3) MAKE GOVERNMENT MORE RESPONSIVE TO THE PUBLIC AND THE TAXPAYERS BY ELECTING CITIZEN LEGISLATORS REPRESENTING A CROSS-SECTION OF THE POPULATION RATHER THAN CAREER POLITICIANS. POLITICIANS AND BUREAUCRATS, WITH THE BEST OF INTENTIONS, OFTEN AGGRAVATE PROBLEMS BY DOING THE WRONG THING. THEIR RESPONSIBILITY TO SERVE THE PUBLIC SEEMS DILUTED BY OTHER MOTIVATIONS AND A SHORT-TERM, NARROW VIEW OF NEEDS.

4) STREAMLINE GOVERNMENT AND RELY ON MARKET FORCES TO GUIDE RESOURCES INTO THEIR HIGHEST AND BEST USES BY REMOVING IMPEDIMENTS TO THE FREE FLOW OF RESOURCES FROM OLD WAYS OF ACHIEVING OBJECTIVES TO NEW WAYS.

5) PRODUCE QUALITY GOODS AND SERVICES THAT CONSUMERS WILL DEMAND IN GLOBAL BUYERS' MARKETS. EMPHASIZE CUSTOMER SATISFACTION OVER PROVIDER CONVENIENCE.

6) IMPROVE THE QUALITY OF PUBLIC EDUCATION TO WORLD STANDARDS AND CONVINCE STUDENTS AND THEIR PARENTS TO TAKE EDUCATION MORE SERIOUSLY. THIS IS ESSENTIAL IF WE ARE TO HAVE QUALIFIED WORKERS TO MEET THE DEMANDS OF GLOBAL MARKETS.

7) STRESS UNITY OF PURPOSE, DIVISION OF RESPONSIBILITIES, AND COOPERATION AND NON-DISCRIMINATION (FOR OR AGAINST ANY SEGMENT OF THE POPULATION).

8) LOOK FORWARD IN ORDER TO EXPLOIT FUTURE OPPORTUNITIES AND MINIMIZE FUTURE PROBLEMS RATHER THAN BACKWARD, TO PERPETUATE THE STATUS QUO.

THE BIGGEST CHALLENGE IS TO CHANGE PEOPLE'S THINKING. MANY OF THE REQUIRED CHANGES WILL TAKE TIME. FURTHERMORE, AN EFFORT TO BRING ABOUT CHANGE AT A SINGLE STROKE WOULD MEAN CHAOS AND ENTAIL HARDSHIP FOR A LARGE NUMBER OF PEOPLE. IT WOULD THEREFORE BE APPROPRIATE TO SET THE LAST DAY OF 1999 AS THE TARGET DATE FOR THE COMPLETION OF CHANGES IN ACCORDANCE WITH A TIME-PHASED SCHEDULE. UNLESS WE ACT IMMEDIATELY TO IMPROVE OUR PERFORMANCE AS A NATION IN THE NEXT SEVERAL YEARS, WE CAN COUNT ON BEING

Bringing home the public's reflection

LEFT IN THE WAKE BY OTHER NATIONS THAT HAVE MORE EXPERIENCE THAN WE AS RESOURCE-POOR COUNTRIES WITH LARGE POPULATIONS TO SUPPORT. THE LAST THING WE WOULD WANT IS TO SUFFER THE FATE OF PROLIFIC LABORATORY RODENTS CONFINED IN A LIMITED SPACE WITH LIMITED FOOD - DROWNING AND SUFFOCATING IN THEIR OWN WASTE!

CANNOT IGNORE:

- a. Law of Supply & Demand
- b. Law of Diminishing Returns
- c. Pareto's Law (Rule of 20:80)
- d. Parkinson's Laws
- e. Economies of Scale
- f. Marginal Analysis
- g. Probabilities of Need & Success

700 Richards St, Apt 1804
Honolulu, HI 96813

Dear Sir,

Enclosed paper is based on a letter to President George H. W. Bush in August 1989. Believe we need to act quickly and decisively to restore sound management practices and economic principles to public management at all levels - federal, state, and local. Otherwise, we are headed for serious consequences too horrible to contemplate.

Our problem is that we failed to heed John Stuart Mill who was concerned that without "moral and mental cultivation," democracy would not be able to satisfy our aspirations. Insistence on rights/privileges without acceptance of concomitant responsibility/obligations; on viewing things from a parochial rather than holistic perspective; on confusing the yardstick for the goal; on acting like a resource-rich, labor-short, creditor nation when we no longer enjoy that status; and on ascribing the successes of others to unfair practices rather than their appreciation of the teachings of Adam Smith, John Stuart Mill, Peter Drucker, Edwards Deming, and John Maynard Keynes (in prosperous times, retire the debt incurred when operating at a deficit) managed to create a havoc akin to a gigantic Ponzi scheme in just over four decades.

Reversing this trend requires going back to the basics and the qualities of dedication to purpose, diligence, thrift, and enterprise that made this country great. The truth is generally unpalatable but the alternative of continuing to muddle along would be catastrophic. Please use your influence to get the message across to the American people and urge them to unite in working for the revitalization of our nation. Thank you.

Sincerely yours,

George T. Ono

WAKE UP AMERICA, OR IT MAY BE TOO LATE!

George T. Ono

A. INTRODUCTION

Every day we hear about the high cost of living, fiscal and international balance of payment deficits, the national debt, acquisitions of American property by foreign investors, rising crime, decline in the quality of education, failures of worn-out or obsolete infrastructure facilities, and other factors generating serious concern. This comes at a time when population pressures and rapid change - political, technological, social - are giving rise to new requirements, and taxpayers are being squeezed relentlessly by three levels of government, while prices and cost of living continue to increase. Unless something is done soon to rectify the way we conduct business, we are likely to be overwhelmed by current and future needs and bankrupt ourselves in the effort to deal with them.

Fortunately, we can do something to avoid the potential catastrophe we face. It will, however, require considerable resolve, dedication, a return to basics, and adherence to sound management practices and economic principles.

B. PROBLEM

We have a major resource allocation problem, compounded by structural and procedural shortcomings and impediments to the free flow of resources resulting in suboptimization and allocation of manpower, funds, and raw materials to other than their highest and best uses. Moreover, we have a tendency to look backward and try to do a better job of solving yesterday's problems instead of anticipating and forestalling tomorrow's problems. The results will continue to grow worse unless corrective action is taken to make the USA competitive with the most effective and efficient producers/suppliers of goods and services in the rest of the world.

C. FACTORS BEARING ON THE PROBLEM

1. FACTS

a. The US is no longer a resource-rich, labor-short nation that has to encourage immigration to work its mines, factories, and farms, and to build its transcontinental railroads. This was foreseen as early as 1951 (report of William S. Paley to President Truman).

b. The rate of technological change has grown at an exponential rate since the mid-1950s, with the half life of technology reportedly at 6-8 years (shorter in some areas) and shrinking. This means that new ways of achieving

objectives must be phased in, and old ways phased out more quickly than in the past, with less margin of error.

c. World population will continue to grow and by 2025, is projected to reach over 8 billion, an increase of over 53%.

d. Great Britain, the Soviet Union, China, and the nations of eastern Europe have concluded that the use of political means to solve economic problems is not effective, and that incentives and competition make for efficiency.

2. ASSUMPTIONS:

a. Usable land and raw material resources will be more difficult and more costly to acquire, exploit, and put into production or other use.

b. Other nations will have access to advanced technology on practically the same basis as the US. Our nation will therefore find it increasingly difficult to maintain a comparative advantage based on technological superiority alone.

c. The high cost and efficiency of automated systems, robotics, and other capital equipment/facilities will require increased international cooperation/integration to realize the benefits of economies of scale, while avoiding pockets of excess capacity. This makes it more likely that developments in this country will be affected by decisions made outside the US (e.g., Brussels, Berlin, Tokyo, Moscow, Beijing).

d. New requirements generated by the increase in population, environmental concerns, and technological advances will call for manpower and financial resources.

3. CRITERIA: It is essential that we, as a nation:

a. Conserve resources and allocate them to their highest and best uses while insuring appropriate measures to protect the environment and maintain the ecological balance.

b. Insure that the greatest amount of benefit is provided to the greatest number of our people at least cost (including undesirable consequences and foregone opportunities).

c. Look ahead and insure that we have the capability to anticipate and solve the problems of the future, not just maintain the status quo with modest enhancements to obsolescent means of accomplishing the job.

d. Assure that individuals, families, and private organizations have a voice in resource allocation and trade-

off decisions, or that such decisions are based on, or derived from, consumer/user demand, rather than on bureaucratic or provider decisions.

e. Place the responsibility for meeting basic needs - food, clothing, shelter, and education - back with the individual and the family, thereby reducing dependency on government and encouraging self-reliance and the democratic process.

f. Create an environment in which individuals, families, and private organizations pursuing their respective interests also further the US national interest.

D. DISCUSSION.

1. The increasing population and the difficulty and cost of acquiring and exploiting new land and material resources make it only natural that the cost of living should rise, with more people competing for relatively fewer resources. However, the situation is worse than it need be because we do many things that are not really necessary, because we tend to do things piecemeal or in isolation, because we resort to the quick-fix instead of getting to the heart of a problem, and because we tend to be fascinated by the means used in solving the problem - particularly when gadgetry is involved - rather than concentrating on the objective or results we seek.

2. Many actions are undertaken independently without adequately considering relationships with, or impact on, other activities and possible effects these other activities may have on the actions taken. "I'm not going to worry about because it's not my department," or "The problem won't come to a head on my watch," is all too typical and leads to unnecessary costs.

3. Fiscal deficits stem from the reluctance to face up to the facts and live within our means. In principle, everyone agrees that expenditures need to be reduced and that it does not make sense to spend 20% of the national budget on interest payments which only postpone dealing with the problem for another year. However, no one wants to be first in submitting to the cure (e. g., eliminating subsidies, cutting unnecessary installations or operations, and tightening up on criteria for entitlements or enforcement). The budgetary deficits we face would have been upon us 10-15 years earlier had it not been for the Saudis, Germans, and Japanese who invested quite heavily in US debt instruments. However, as prudent investors, they are likely to shift their savings, if the return is greater or their investment, safer, elsewhere.

4. Trade deficits are also attributable to the fact that we cannot, or choose not to, live within our means. Given that we are constantly bombarded by messages urging us to consume more, we must produce quality domestic products/services that buyers will demand in preference to Blaupunkt, Mercedes-Benz, Minolta, Nestle, Nikon, Panasonic, Sony, or Wilkinson. Unfortunately, our public education system does a generally poor job of producing the able and dedicated workers that can turn out quality work, despite the millions of dollars spent on education, and by employers, on remedial education.

5. Life is a series of challenges and many things in life are things that need to be done, not things we want to do. All of us need to discipline ourselves so that we can take care of things that need to be done with a minimum of fuss. Rights and privileges are accompanied by responsibilities and obligations. This thought needs to be instilled in our children from an early age and constantly reinforced. Too frequently, the desire to help produces the opposite effect of increasing dependency on government or creating a disincentive which causes the supply to dry up (e.g., price controls, rent controls, income taxes). It may be argued that consumption taxes are unfair to lower income groups. The need, however, is to conserve physical resources and minimize the generation of waste. A slight tightening of the belt by a large number is more effective than considerable tightening by a much smaller number (the latter would also have an adverse effect on investment). Consumption taxes facilitate collection and cut down on leakages since the underground economy also buys goods and services. In a sense it is fairer because few will escape paying their share. Having production, resource allocation, and trade-off decisions pushed down to the lowest level and made responsive to the needs of the community, state, or nation as a whole, or to the demands of ultimate consumers is preferable to having decisions made by well-meaning bureaucrats or service providers who rely on taxes, subsidies, or contributions for funding.

6. In defining objectives, we tend to be unclear as to what the primary purpose is. There should be no question, produce a superior product (whether good or service) at a reasonable cost. We must not compromise in defining our objectives or results we expect. It may be necessary to compromise on prioritization, phasing, methodology, means of implementation, scheduling, and other matters but we cannot water down primary objectives. The "Half a loaf is better than none," approach will guarantee that we won't achieve what needs to be done. "That's not the way the system works," should not be used as a crutch - if necessary, change the system. Making money and complying with laws/regulations are not in themselves objectives but means to achieve objectives. If a major portion of the population

were preoccupied with making money and only a few, in producing/providing goods and services, we would have perpetual, progressive inflation. Laws, regulations, and policies are necessary for guiding planning and action for the short-term and mid-term future. However, they must be continuously reviewed and discarded or modified to conform with long-term objectives and plans, as must short- and mid-range plans.

7. We cannot afford to dissipate our resources and energies in needless internal conflict or in duplicating what others are doing. In a homogenous society, consensus and cooperation are easier to achieve. With a heterogeneous nation dedicated to the democratic process, we are constrained to agreement on common objectives, and reliance on a free market, incentives, and competition, guided by enlightened self-interest. The division of responsibilities among the different levels of society according to a mutually exclusive, collectively exhaustive hierarchy of objectives (see Appendix B) and the operation of a true free market system will contribute to self-reliance and cooperation based on self interest (e.g., consumer cooperatives a la the 1920s Scandinavian model). Further, by reducing internal conflict, it will contribute to resource conservation and minimize the waste disposal problem, freeing up resources to meet new requirements such as development of alternative water and energy resources, environmental concerns, housing for the increasing population, etc.

8. It is essential that we get the ultimate consumer of goods and services - both public and private - involved in production, resource allocation, and trade-off decisions. Consumers generally do a better job of determining what is needed and what can be done without, than bureaucrats, since they are dealing with their own money rather than the taxpayers'. Getting the public to voice their opinions on whether something needs to be done or whether they support a certain proposal is rather pointless unless they are aware of the total cost, the anticipated benefits, the possible adverse impacts, and what we need to do without in order to implement the proposal. If it sounds good, most people will tend to be sympathetic to proposals earnestly advocated by someone, if they think that "the rich" or "the government" is going to pay.

9. We must restore a true free market system and let the consuming public decide by voting with the green ballot (the dollar bill). Since the principal proponents of statism (the Soviet Union, Chinese Peoples Republic, and the nations of eastern Europe) have concluded that using political means to solve economic problems is not effective and that incentive and competition promote efficiency, it does not make sense for a nation that became great under a

free enterprise system to maintain a large segment of its population in a state of dependency and maintain a massive bureaucracy to minister to that group.

a. To insure that the greatest good is provided for the greatest number, we should get the government out of economic matters except as a regulator, to preclude abuses (e.g., fraud, embezzlement, misrepresentation, deceptive advertising, etc.), and possibly as an interim employer of last resort (National Public Service Corps). Government lacks the discipline imposed by the need to show a profit and tends to overstaff, generate unnecessary work, and attach undue importance to ritualistic activity - all of which adds to costs and delays without commensurate benefit. It is not unheard of to have two different agencies busily engaged in cancelling out the other's efforts or to have an agency spending more on cost control than the expected savings.

b. Eliminate subsidies to special interest groups be they industrial, labor, agricultural, trade, professional, scientific, art lovers, or student organizations. Subsidies distort the resource allocation process and preclude the employment of resources in their highest and best uses.

c. Allow entrepreneurial risk takers to profit or fail. Set standards for capital requirements, reserves, insurance, etc. but do not remove the incentive to take calculated risks or promise to bail them out when they have gone beyond the bounds of prudent management. (When government, under political pressure, sets unduly low requirements, it weakens accountability by permitting managers to plead that they "did everything required by law").

d. Remove bureaucratic impediments to the free flow of resources and rely on market forces, incentives, and competition. Unions can perform an important role in promoting the mobility and adaptability of labor (see Appendix C).

e. Maintain the stability of the dollar. This is important if we are to encourage Americans to save - so they can live off the income when they retire and so the nation can invest in the capability to handle future problems and exploit future opportunities. The store of value function cannot be adequately served if our people cannot be confident that the dollar will maintain its value. We cannot afford to have everyone speculating in fluctuations of the dollar, with few producing and selling goods and services. Cheapening the dollar will not help sell American products, unless we can assure quality and reliable, on-time delivery of the quantities required.

10. The best means to accomplish our objectives must be decided by competent managers based on sound management practices and economic principles. The return to the scarcest or limiting resource must be maximized, using marginal analysis and expected value calculations (under differing probabilities of need and probabilities of success under differing conditions) from a long-term, holistic perspective (not a short-run, parochial one).

11. The biggest challenge is that of changing people's mind sets. The environment, technology, and the relative availability of the factors of production (land, natural resources, capital, information, time, and manpower) are constantly and inexorably changing. Yet people tend to be more comfortable with recollections of the past than with projections of the future and to be reluctant to change. Since mid-century, the US has changed from a resource-rich, labor-short nation to a net importer of raw materials with a significant amount of unemployment and underemployment. More recently, it changed from a creditor to a debtor nation. Unfortunately, people generally continue to think that we are still "Number 1," and that somehow this entitles us to demand that other nations conform to our thinking. Militarily, we are No. 1 but some would argue that we are drifting toward becoming hired guns, and some of the key components of our most successful weapons are reportedly imports. To be able to look ahead and anticipate and solve future problems or exploit future opportunities, instead of just having a better capability to deal with today's problems, our thinking needs to change.

a. With the half-life of technology said to be 6-8 years (shorter in some fields) and shrinking, it is quite possible that during a productive lifetime, a person will have to change jobs several times. New ways of achieving objectives will have to be introduced and old ways discarded much more quickly. People will have to be problem-oriented, well versed in basic principles, and flexible, both occupationally and geographically.

b. The old adage, "People are our most valuable resource," will have to be modified to "Qualified people are our most valuable resource." People have to be supported with governmental services (police and fire protection, adjudication of conflicts, water supply, trash collection, sewage disposal, orderly community development, public assistance, etc.) as well as private goods and services, and to the extent that their contributions do not meet the cost of these services and other consumption, are more of a problem than a resource.

c. The feeling that people have rights, unencumbered by responsibility seems quite prevalent. This

needs to be clarified that, people have a right to do anything they want as long as it is not illegal and as long as they do not infringe on the rights of others. Rights and privileges must be counter-balanced by concomitant responsibilities and obligations. People who witness a crime have a responsibility to restrain the perpetrator and to cooperate with law enforcement agencies. (It is our government and our police). The notion that people should be paid for doing what they want to do (or be entitled to public assistance) needs to be dispelled and it should be made clear that people are paid for doing what needs to be done or what people are willing to pay for.

d. In a resource-poor, labor-surplus, debtor nation such as the US has become, decisions relating to production, resource allocation, and trade-offs need to be based on demand pull rather than supply push. We need to conserve resources by curtailing consumption, and minimize the waste disposal problem. The ultimate consumer of goods and services, whether private or public, rather than the provider should decide what goods and services needs to be produced and sold. Providers of goods and services must satisfy their customers (the public in the case of governmental services) and their shareholders (the taxpayers in the case of government) to insure that their output meets specifications and that resources are being used efficiently. The election of more citizen legislators (as distinguished from professional politicians) representing a cross-section of the population would make government more responsive to the public.

e. Akio Morita, Chairman of Sony Corp., states that Americans plan 10 minutes ahead whereas the Japanese plan 10 years ahead. We also tend to do things piecemeal without considering system interrelationships and the effects of these relationships whereas the Germans and Japanese take an integrated systems view of things. With the globalization of economies, we must take a long-term, forward-looking, objectives-oriented, systems approach to management, both public and business, if we are to compete effectively with the industrialized nations of Europe, Japan, and the newly industrialized countries of Asia.

f. The US tends to confuse the messenger for the message and to be preoccupied with perceptions, image, buzzwords, and form over substance. If we produce a quality product and sell it at a reasonable price while insuring reliable delivery of the quantities required on a timely basis, the product will sell itself. No amount of image creation or buzzwords will do the job unless we deliver the best quality relative to price, when needed.

g. We must get people thinking in terms of objectives and expected results (output of goods and

services), of systems, subsystems, components, and parts; and of system interrelationships. Each system must be responsive to a publicly recognized need or to effective demand backed by willingness to pay. A system and the segments that make it up must contribute in a positive way to the achievement of the objectives and results of the system of which it is a part. In identifying needs, the public must consider costs (including undesirable side effects and foregone opportunities - or things that must be done without in order to satisfy the need being identified) as well as anticipated benefits. Self-validation and self-evaluation by the system itself will not achieve the discipline necessary for effective operation (e.g., a school system must be responsive to the community it serves).

12. The picture painted is grim and the message conveyed will make the writer extremely unpopular, but it needs to be said and acted upon. The economic integration of Europe, with the activation of the European Economic Community as an operational entity and the upgrading of the intra-European rail system to link the political, financial, and business centers of the member nations (including London via the Chunnel) in the next decade makes it imperative that we face up to the problems and get our house in order. Immediate action would not be too soon, but given that many of the measures will take time, action should be initiated to insure completion of the transition of the "what is" to the "what must/should be" by the end of 1999.

E. CONCLUSION.

It is essential that the US radically alter its ways of conducting business - both public and private - to insure that the interests of the nation and its citizens are adequately furthered and protected, vis-a-vis several influential blocs. The major players are expected to include: 1. the European Economic Community, 2. Japan, 3. the Union of Soviet Socialist Republics, 4. the Peoples Republic of China, 5. the United States of America, 6. the Persian Gulf nations (as long as the industrialized nations are oil dependent). If we do not, we could wind up in the same predicament as prolific rodents confined in a limited space - drowning/suffocating in their own waste. We should bear in mind that the Dutch, British, Germans, and Japanese have much more experience than we as resource-poor nations having to support large populations. The notion that technology and growth will bail us out should be put to rest. Technology is available to developing nations as well as to other advanced industrialized nations. Growth measured by an elastic yardstick and including needless or mutually cancelling activity is illusory. Only by being competitive with the best and by consuming less can we extricate ourselves from our predicament.

Opportunity is now! while many struggle with unification & Japan, with recession & scandal.

Russia

Job-creation without a clearly defined need/purpose will only create inflation.

F. RECOMMENDATIONS.

1. Adopt a long-term, holistic, forward-looking, objectives-oriented, systems approach to management, both public and business. Emphasize results (output of goods and services), rather than means or activities. Elect management-wise statesmen rather than politicians to Congress and state legislatures.

2. Stop using political means in trying to solve economic problems.

a. Restore a free market economy and terminate all subsidies to special interest groups. As a transitional measure, provide vouchers to verified beneficiaries on a declining basis (e.g., 12.5%-20% per year), to expire in 8 years or less.

b. Divest government of all business-type operations (e.g., Alaskan Railway, US Postal Service) and get government out of the economy except to prevent abuse and as employer of last resort.

c. Eliminate taxes on income and finance government operations using value-added (non-pyramiding) taxes on consumption.

d. Abolish appropriation budgeting and adopt a purpose-oriented program budget outlining the proposed program for 6-8 years (the half-life of technology). Combine the program approval and budget approval processes, with the first-year increment of the approved program becoming the approved budget. Require the budget be balanced, except in a national emergency (major war or a major disaster affecting the entire nation or an entire major state).

e. Push a major portion of production, resource-allocation, and trade-off decisions down to the lowest level by having individuals and families reassume responsibility for basic needs (food, clothing, shelter, and education). Permit businesses to profit or fail so they will exercise prudent management.

f. Remove impediments to the free flow of resources to their highest and best uses. Streamline legislation and bureaucracies to make them more responsive to changes in the environment, technology, and/or relative factor availability. Discard or modify outdated practices (e.g., civil service systems, anti-trust).

3. Improve the quality of education which is basic to an informed, responsible, self-reliant, productive citizenry and the democratic process.

AMTRAK
CONRAIL

a. Stress responsibility and the need for discipline, so students can concentrate on learning and teachers, on teaching. Adopt standards of behavior and appearance, with reward/penalty systems which will encourage self-discipline.

b. Place greater emphasis on substance/subject matter rather than on form or process.

c. Adopt strict standards for teachers, hold them accountable for results, and enhance their status and pay. Employ more teachers with practical experience as well as theoretical knowledge (e.g., retired businessmen, professionals in various fields, government employees, and military personnel, possibly on a time-sharing basis).

d. View higher education as an investment with go, no-go decisions made by the benefactee and bill payer (usually parents) based on expected benefit/cost considerations rather than as a status symbol. (Why produce more Ph.D.s at taxpayer expense that can't find suitable employment)?

4. Adopt a more pragmatic approach to beneficence. Encourage self-reliance, simple methods, and use of readily available resources rather than capital-intensive means.

a. Avoid raising unattainable expectations in people of other nations and domestic aid recipients. Explain the benefits of freedom and democracy (as well as responsibilities and obligations) to them but don't encourage people to defy their own governments, unless we intend to back them to the hilt.

b. Consider probability of need and probability of success in satisfying the need at reasonable cost. (Don't force a city to equip 298 buses with hydraulic lifts at \$15-20,000 per bus when the usage is only 8 times a week).

c. Stress equality of opportunity, competition, and results. Don't discriminate in favor of or against any particular segment of the population. Distinguish between behavior and original states/conditions as a basis for identifying discrimination cases.

d. Leave public assistance to private beneficent organizations such as churches (or equivalent) of all religions, the Red Cross, Salvation Army, etc., rather than government bureaucrats.

5. Judge other nations by their compliance with international law, customs, and practices, rather than

whether they conform to our ideals. This is particularly important if they possess critical materials or strategic location vital to US national interests.

A USEFUL TEST

1. Is it absolutely necessary?
2. Is there a better way?
3. Will it affect the outcome of the war (or other major undertaking)?
4. Can we afford it? How will we pay for it? (or What must we give up to do it?)

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APPENDIX A

THE NEED FOR DEVELOPING NATIONAL UNITY

People of other nations perceive Americans as friendly, open, easygoing people with whom it is easy to associate. On the other hand, the US as a nation is seen variously as vacillating, inconsistent, confusing, and in general, an entity with which it is difficult to deal. With the President, cabinet secretaries, and 535 legislators all purporting to speak for the American people, it is little wonder that outsiders - and even many Americans - do not know who or what to believe.

There is a need to develop a sense of national unity around national objectives, the national flag, and a national language. We must emphasize common beliefs and characteristics and downplay the differences. We are all Americans, not hyphenated Americans. There is a need for strong leadership from the top in doing so. Some of the steps that should be taken include the following:

a. Develop a hierarchy of long-term national objectives (e.g., integrity and independence as a nation, respect for and recognition of the rights and responsibilities of individuals, freedom of trade to include access to markets and raw materials, outlawing of weapons of mass destruction in concert with other nations). Our relationships with other members of the community of nations must be based on mutual respect for each others' laws, customs, and practices within each others' jurisdictions.

b. Designate the Stars and Stripes as the national flag and the Star-Spangled Banner as the national anthem. Prescribe rules governing respect for the national flag and the national anthem and penalties for violating them.

c. Reinstitute the daily pledge of allegiance to the flag at all public schools. Include the playing of the national anthem and salute to the flag at major sports events and other public functions.

d. Designate English as the national language of the US and require comprehension of basic English as a prerequisite for naturalization. (English is the international language of business and bi/multilingual countries such as Canada, Belgium, the Philippines, and others experience difficulties in taking timely unified action).

e. Phase out all national government subsidies to special interest groups whether industrial, professional, trade, student, or other organizations. Any government assistance, if provided, must be available to all Americans,

based on need and merit rather than membership in a particular segment of the population.

f. Officially announce all national decisions and actions - to include all alternatives considered and rationale behind the final outcome - in the name of the President, cabinet secretary having jurisdiction, or other responsible official. (Avoid doling out fragmentary information, personal interpretations or perceptions, or other non-conclusive information that can only encourage speculation by people who have neither responsibility nor complete information).

g. Encourage citizens to focus on the establishment of overall goals/objectives and the development of broad policy, and to work through their elected representatives and responsible agencies. We need a systematic approach to sensing the public's concerns in the formulation of national objectives and national policy while avoiding mobocracy and its adverse impact on the implementation of approved programs. Too often, vociferous demonstrations in the name of democracy seek to achieve parochial objectives to the exclusion of other viewpoints and long-term impact on the well-being of the nation as a whole.

APPENDIX B
THE NEED FOR A LONG-RANGE, OBJECTIVES-ORIENTED,
SYSTEMS APPROACH

Compared to many foreign nations, the US does a poor job of establishing long-term objectives and concentrating resources and efforts to achieve them. Americans tend to be more concerned with the immediate effects of the activities in which they are engaged, than with long-term purposes served. We do things piecemeal without adequate thought given to where they fit in the overall scheme, or the impact they may have on related activities. The responsibility for policy relative to a particular issue is often fragmented among several agencies, each concerned with a specific aspect, resulting in confusion as to what the US position actually is. As a result, we constantly find ourselves in a reactive mode and wondering what happened.

A number of factors make it essential that we organize rationally and do things more effectively. First, the transition of the US from a resource-rich, labor-short nation into a net importer of raw materials, with a significant amount of unemployment and underemployment. Second, the propensity of Americans to consume, even at the expense of needed savings and investment, aggravated by the tendency to stress form over substance and to dissipate resources and effort in unnecessary internal conflict. Third, the acceleration in the rate of technological change and the availability of advanced technology to other nations. Fourth, the growing internationalization of economic systems, information systems, transportation, and political relationships.

If we do not get organized and improve our performance as a nation, our competitive position - whether in trade, science and technology, or diplomacy - could deteriorate further, adding to our problems. Moreover, new crises in such areas as energy and water resources, waste disposal, environmental protection, replacement of worn-out or obsolete infrastructure facilities, and loss of control over domestic issues to foreign sources will generate new requirements. What is needed is a long-range, forward-looking, objectives-oriented, systems approach to government as well as in business. This means:

a. We must stress objectives and results (essential goods and services for which customers and taxpayers are willing to pay) over activity or means and picking the best ways of achieving our goals, even if it requires discarding the old ways of doing business. Bureaucratic layering, which only contributes to costs and delays must be eliminated.

b. Government/society should be organized according to a mutually exclusive, collectively exhaustive hierarchy of objectives. There must be a clearcut division of responsibilities/tasks among the different levels of society, e.g., (illustrative only):

1) National Government. Long-range national objectives, foreign relations, national security, regulation of interstate commerce, maintenance of a strong/stable currency, establishment of standards in such areas as public safety, public health, and education.

2) State Governments. Coordination of public security, public safety, public health, transportation, and public education programs. Disaster relief planning.

3) Local Governments. Implementation of public security, public safety, public health, and public works programs in accordance with national standards and state policies.

4) Families. Providing basic needs such as food, clothing, and shelter. Supervising education and behavior of family members.

5) Individuals. Self-reliance to limits of abilities, respect for the law and the rights of others, accountability for results in the accomplishment of tasks (no hiding behind first names and committees).

6) Private organizations. Provision of goods and services (to include assistance to needy families by non-profit organizations).

c. Managers and leaders at all levels must view things from the national perspective when setting objectives, evaluating options, making decisions, taking action, and evaluating performance. In addition, they need to think in terms of systems, subsystems, and system interrelationships, not things in isolation.

d. We must clearly define long-term objectives (mid-term and short-term objectives must be derived from and conform to long-term objectives), establish priorities, and adhere strictly to standards. The consequences of muddling along and doing little or nothing could be disastrous for the US and the American people. The current Administration has a tremendous opportunity to tackle the challenge as the national emergency it is, by calling upon the Congress and the American people to rally behind it to restore the US as a sound and vigorous nation. The following actions are urged:

1) Reorganize the Executive Branch of the Federal Government along purpose-oriented lines. (Mr. Nixon had the right idea but he ran afoul of the perception that he was trying to increase the power of the Presidency vis-a-vis the Legislative Branch). The Congressional leadership should also be urged to revamp the Senate and House committee structures along similar lines.

2) Designate the Federal Government as the national government of the USA concentrating on national and international issues. Other issues should be handled at the lowest level possible. Individuals and families must reassume responsibility for basic needs. (Visualize what would happen to the Grand Coulee Dam or the Empire State Building if each grain of sand, each particle of cement, and each molecule of steel did not do its part). People whether acting individually or collectively must accept responsibility for their actions and decisions.

3) Develop managers and leaders who are holistic, problem-oriented thinkers with a long-term, national perspective. Promising personnel with potential and a generalist outlook should be rotated through a variety of progressively responsible positions in different objective areas so that by the time they are ready for executive responsibilities, they will be familiar with the full gamut of issues facing the national government.

4) Government should stay clear of the economy except to deal with abuses such as fraud, misrepresentation, and embezzlement and to expand the money supply to accomodate population increases in an aggregate sense. (The purpose of government is to create an environment in which people and private organizations pursuing their own interests also act in the national interest, and to provide essential infrastructure services the private sector cannot provide. It is not to collect taxes, spend money, build bureaucratic empires, pass bills, compete with private business, or dispense favors to select groups in exchange for votes or campaign contributions).

5) Phase out income taxes and shift to taxes on consumption in the interest of encouraging saving and investment and to provide an incentive to conserve resources, minimize waste, facilitate tax collection and cut down on leakages. (Even members of the underground economy have to spend money to live, and the only way to escape taxation would be by investing or contributing to an organization which would spend the funds).

e. Eliminate appropriation budgeting and shift to program budgeting. Combine the program approval and budget approval processes. This would permit correlation of expenditures to be made and resources to be consumed with

the objectives to be achieved and minimize the adoption of obsolescent technology or methods in accomplishing public tasks.

f. Discontinue welfare except for the physically handicapped and require everyone to contribute to the best of his/her ability. Turn social security and health insurance programs over to consortia of private insurance companies to be operated in accordance with sound economic principles and actuarial data. As an employer of last resort, plan for and fund a National Public Service Corps in exchange for a modest allowance, room and board, and work experience, to be administered by selected states and operated by cities and counties they designate. Assistance to the needy should be handled by private organizations such as churches of all religions, the Red Cross, Salvation Army, etc.

g. To minimize the expenditure of resources and effort in disputes over the relative validity of statistics compiled by the Administration, Congressional committees, and others, charge a neutral organization to be the source of official US Government statistics and projections. One option might be to elevate the Library of Congress to US National Library under oversight of a committee consisting of one representative of each branch of the Federal Government and three eminent public figures selected by the President, the Speaker of the House, and the Chief Justice. Government agencies, private research facilities, the media, and other organizations could provide inputs to the National Library which would maintain statistics and provide official projections (high, low, most probable).

APPENDIX C ON THE ECONOMY

The transition of the US from a resource-rich, labor-short nation to a net importer of raw materials, with a significant amount of unemployment and underemployment gives rise to a number of issues that need to be addressed. These include:

a. How can we increase the demand for manpower without increasing its cost? An area worth exploring is the extension of the hours of service to two or three shifts a day, six or seven days a week. Some businesses are so congested during normal hours that the quality of service has suffered. In other areas, necessary services (e.g., financial institutions, regulatory agencies, courts) are not available to many citizens unless they take the time off from work. Certain enterprises have gone to a 24-hour, 7-day schedule and many customers prefer to shop when the stores are less crowded. Perhaps labor organizations might find it in their interest to consider trading premium pay for night/weekend work for job security. Such an approach would have the added advantage of improving the utilization of physical plant and capital equipment.

b. Should not education be treated the same as any other investment, with decisions relating to whether to seek a higher education made by the bill payer and the benefactee? The neighborhood handyman, the skilled carpenter, and the experienced appliance repairman or auto mechanic are rarities. A contractor to do extensive repairs is readily available but try to find someone to do minor repairs! At the same time we have college graduates in jobs requiring only a high school education and law school graduates reduced to chasing ambulances or clerical work. Could it be that we should be encouraging more high school graduates to go to technical schools rather than college? With the growing use of automation and robotics, we may need a smaller number of better qualified college graduates supported by a host of technicians, craftsmen, and para-professionals. Rationing college loans on the basis of need and academic merit might not be a bad idea.

c. Do we need to tighten up the enforcement of our immigration laws? By 2025, Mexico City will be the largest city in the world with a projected population of 35 million. Realistically, neither Mexico nor Mexico City can be expected to provide adequate employment for the additional people. We need to face up to the potential problem before it becomes an emotional issue of international proportions. Strict enforcement and support of Mexican Government efforts to develop industries and public works projects to create a buffer zone are among actions we could take to defuse the problem.

Are we not
over-producing
Ph.Ds & LL.Bs?
At this level,
why not quality
& response to
demand?

d. Should national security be exempted from the application of management and economic principles required of other organized activities? Robert S. McNamara once said, in effect, the objective of the Defense Department is to provide national security, not to create jobs. A former Bureau of the Budget official remarked in essence, it is entirely possible to do efficiently and economically, something that need not be done at all. In the words of Edward N. Luttwak, the Pentagon tends to overcomplicate things because there are too many officers. Tradition and past experience should not keep us from seeking better, innovative ways to achieve national objectives and support national policy. Potential contribution and probability of need for particular capabilities in the greatest percentage of probable scenarios might be a better basis for program decisions than the desire to give everyone a piece of the action.

Suppliers of services should respond to consumer/user demand

e. Labor organizations can make a valuable contribution by trading premium pay (for night or weekend work) for job security, encouraging flexibility in the flow of manpower resources from old ways of achieving objectives to new ways, providing a vehicle for update training and cross training as well as for maintaining continuity of service for seniority and benefit entitlements, and encouraging competition among non-managerial and non-professional workers (e.g., clerical, administrative, and fiscal workers; technicians; and para-professionals).

f. Individuals, families, and private organizations must take greater direct responsibility for resource-allocation and trade-off decisions. This will require restoration of a free market economy and elimination of all subsidies to special interest groups whether farmers, transit riders, students, art lovers, manufacturers, unions, or any other segment of the population. We must allocate resources and produce goods and services in response to demand pull. Supply-push or producing what well-meaning people think is good, selling it through promotions and advertising, and getting the government to buy it as buyer of last resort does not make sense.

APPENDIX D

THOUGHTS ON STRATEGY

For three hundred years, the British maintained order and commanded respect in every corner of the globe where they had a vital interest. They did so by concentrating a major portion of their defense investment in sea power (the then best form of strategic movement) and relying on indigenous troops, mercenaries, and colonials for their ground forces. However, we must look beyond past experience and tradition to determine the need for military capabilities in today's world and the future.

We maintain military forces to help achieve national objectives and to support national policy. The requirement for military forces must be based on capabilities that can best contribute to deterring aggression, backing diplomacy, containing and defusing crises, and fighting and winning wars, if thrust upon us. The fighting forces should be built around the best strategic means of movement available. Technology has made it possible to see and hear what is going on on the other side of the globe in a split second. The ability to respond to a situation requiring US intervention should be measured in hours rather than in weeks.

The Gramm-Rudman-Hollings Act makes it essential that we invest in capabilities that provide the US the most in terms of national security in the greatest percentage of likely situations, in accordance with sound management and economic principles. We must avoid the temptation to spread ourselves too thin and not being able to do much of anything, in an effort to do everything.

A logical strategy for the US might be based upon:

a. Powerful aerospace forces with sufficient numbers of long-range aircraft (bombers, pilotless-aircraft carriers or cruise missile carriers, fighters, transports), space systems, and trained crews, with organic ground force for establishing airheads, protecting American lives and property abroad, and airhead defense. The last requirement should be met by a lean and mean fighting force (such as the USMC) who have long been posted abroad, even without a declaration of war.

b. Modest naval forces consisting of submarine forces, an ocean surveillance information system, and a fleet of fast guided missile boats and frigates for coastal security of the continental US and non-contiguous states.

c. A small Army for border security of the mainland US, and US possessions, where appropriate.

d. Vigorous Reserve and Guard forces maintained in a high state of readiness.

e. An active Security Assistance Program aimed at providing friendly foreign nations (particularly those with strategic location or raw materials) with a capability to maintain internal security and resisting external aggression long enough to seek aid from an ally or international organization. Encouragement should be provided to employ military forces in civic action programs in peacetime to compensate for deficiencies in transportation, communications, public health, and infrastructure construction and repair.

f. Pursue a sharply focused program of research and development aimed at developing more effective means of achieving national security objectives.

g. Signed agreements with other nations in, or en route to, probable trouble spots for use of their air facilities when required in the interest of global or regional stability and peace.

Related Considerations

a. The US Merchant Marine Academy graduated 2500 merchant marine officers in its peak year, 1944. In recognition of the decline in the relative importance of ocean transportation, it modified its goal to graduating 250 merchant marine officers per year.

1) The US Air Force, Naval, and Military Academies each graduate on the order of 1000 officers per year.

2) If we are concerned with deterring and winning future wars - rather than reenacting past wars - should not the outputs be determined by need, marginal analysis, and probability of need/success rather than equality of numbers?

b. If aircraft and submarines armed with guided munitions can sink or disable heavily armored surface ships, and long-range aircraft do not have to be carried within range of their targets by ships (and can go directly to attack primary targets, bypassing intermediate and secondary targets), should we not invest in fewer surface ships and in more long-range aircraft and submarines?

c. If the US seeks no territorial aggrandizement, and demographic and other factors militate against a ground force of several million, a land warfare strategy overseas

does not make sense. Adolph Hitler and Napoleon Bonaparte, were they here, could attest to this. [RAdm. Alfred Thayer Mahan advocated reliance on technology-intensive capabilities (although he did not fully appreciate the potential of aerospace capabilities), suggesting that training, honing, and maintaining a manpower-intensive force at peak effectiveness and efficiency over long periods was difficult, unless they were employed (which could be a factor behind jingoistic adventurism)].

d. As in the case of any activity, clear definition of, and adherence to, objectives, priorities, expected results, and strict standards are essential. We do not maintain fighting forces to learn a trade or save for college, but to deter aggression, contain and defuse crises, and protect US interests.

e. Acquisition of large numbers of a fewer variety of weapons systems, based on marginal analysis and expected value, will provide more capability for a given budget, at lower unit cost, than small numbers of a greater variety of systems.

APPENDIX E

ON EDUCATION

The objective of the educational system must be to produce responsible, self-reliant, and useful citizens by teaching students the need for discipline and the knowledge and skills they will need to participate in, and contribute to, the society in which we live, following graduation. Pedagogical experimentation and extra-curricular activities are desirable but they must be kept in perspective and encouraged only to the extent that they contribute to producing the required results. The objectives must be established and the results evaluated, not by the system itself, but by the community it serves, the users of the product (future employers), and the parents of the students entrusted to the educational system for transformation. As Hyman G. Rickover once said, education is too important to be left to educators.

First, we should expect the educational system to teach the importance of discipline. People are not created, nor can they exist, in isolation. (Gone are the days when a few million people populated a narrow strip along the Atlantic coast). With millions stacked densely in high-rise apartments/condominia, we must recognize the rights of others to a greater degree. They belong to families which in turn comprise communities, regional entities, and nations. People are different from other animals in that they have the capacity to reason, infer, anticipate, organize, and act to exploit opportunities or to forestall adverse consequences. It is necessary for people to think in terms of systems, subsystems, system interrelationships, and the need for rules. One aspect of this is doing the right thing (not what is interesting, what one can get away with, or compliance with bureaucratic or purposeless regulations), and accepting the consequences of one's decisions and actions. Another aspect is respect for competent authority, experience, and knowledge.

By the time a student graduates from high school, he/she must be able to read, write, and understand English and a major foreign language; perform calculations in algebra, geometry, and trigonometry; be knowledgeable in geography; understand the basic principles in the various sciences, economics, and management - both public and business. Finally, a high school graduate must be able to think and apply the knowledge and skills required to evaluate situations and solve common, non-technical problems within constraints imposed by external factors and self-discipline.

Emphasis in education must be on substance rather than form. Above the elementary level, serious consideration must be given to hiring teachers with degrees in subject matter (e.g., English, Mathematics, Physics, Chemistry, European/Asian Languages, Public/Business Management) rather than in Education. Renewable contracts should replace tenure to keep pace with the changing environment and the short half-life of technology (6-8 years and shrinking). Remote school districts must receive a fair share of the experienced teachers along with recent graduates. Retired business and professional people, government employees, and military personnel constitute a valuable pool of part-time teachers, with practical experience as well as theoretical knowledge.

Many students are apparently not aware that the reason they go to school is to learn the knowledge, skills, and discipline they need to make them responsible, self-reliant, useful citizens when they go forth into society. Some actually believe that they go to school to have fun. Unfortunately, having fun does not prepare students to pay the rent, buy groceries and other necessities of life, or to accept responsibility for supporting a family and contributing to society.

The 180-day school year with the emphasis on extra-curricular activities will not do the job. We need to increase the time spent in school (possibly to 240 days) and reintroduce discipline (preferably internally generated rather than externally imposed) so that teachers can concentrate on teaching and students, on learning. It is important that substance be stressed over form or process and that students be made aware of what they are expected to know and what they will be expected to be able to do when they graduate.

APPENDIX F

ON SECURITY AND JUSTICE

All residents - whether citizens or resident aliens - and guests of the US are entitled to conduct their affairs in a secure environment free of crime and violence and to expect that violators of law and order will be promptly brought to justice. Many years ago, when Cincinnati enjoyed the lowest crime rate of any major US city, the Police Chief was asked for the secret of his success. He replied that the combination of high rates of apprehension, indictment, conviction, and sentence execution was responsible for the low crime rate.

Today, apprehension is made difficult by the large number of people concentrated in large metropolitan areas, many of whom are transients, and further complicated by concern for the civil rights of criminals. Compared to the days when the policeman on the beat knew everyone in the neighborhood and could sense anything that was out of place, the identification problem poses an enormous challenge. Knowledge that one can be identified restrains the behavior of most people, as Federal workers, military personnel, and Defense contractors can testify. A possible solution could be provided by a universal Social Security/ID card and driver's license (driving is no longer a purely intrastate matter), with photo and thumbprint.

The assembly of information for prompt indictment can be speeded up and made more complete and reliable by internettted computer systems, digitized imagery recording and transmission devices, and other high tech aids. The conviction rate will hopefully improve as people - including judges - get more used to thinking in terms of objectives, results, systems, and system interrelationships. Review and update or purge of legislation to conform with the realities of today's environment, technology, and division of responsibilities, with a forward rather than backward spin would also help. (E. g., with the European Economic Community and globalization of the major economies, legislation intended to protect local industry from the railroad and banking trusts may be less of a concern than the viability and flexibility of US businesses to compete with foreign corporations).

The incarceration problem will be with us as long as the threat of civil rights actions keeps us from viewing things in proper perspective. Critics should be reminded that prisons are not country clubs and that people can avoid prison by not committing crimes. Unlike many foreign countries, the US has extensive protections, including a

comprehensive appeals process. It is time we start thinking about the civil rights of the majority of the citizens, including the victims of crimes.

Two things may need to be clarified. First, the law itself is not an objective. It is a means whereby society protects itself and its members. Second, the fact that we have gone beyond the original purpose of the law and attempted to make it an instrument of social change may have contributed to our present difficulties by distorting the economic system and the resource allocation process. Murder, arson, rape, larceny, fraud, embezzlement, and discrimination based on race, color, national origin, sex, or other predetermined states beyond one's control are clearly and logically illegal. However, when we attempt to legislate social change (e.g., full employment, income redistribution, equality rather than equality of opportunity), we may create other problems that could haunt us in the long-run (e.g., irreversible inflation, reverse discrimination, excess capacity, and overproduction unrelated to effective demand or need). Another consequence of expanding the scope of the law is the proliferation of often conflicting legislation that adds to confusion and difficulty of enforcement.

APPENDIX G

APROPPOS PIECES OF WISDOM

1. It is entirely possible to do efficiently and economically, something that need not be done at all.
(Former Bureau of the Budget Official)
2. We are learning more and more about less and less. Eventually, we will know all there is to know about nothing.
(Unidentified Source)
3. "Doing the Right Thing," should precede "Doing Things Right." (Peter F. Drucker)
4. The objective of the Department of Defense is to provide national security, not to create jobs. (Robert S. McNamara)
5. Tell them what you want, how you want it, and make them give it to you, just that way. (Peter Glen)
6. Time is a valuable resource and lost time cannot be replaced. (Peter F. Drucker)
7. Tradition should not be the enemy of innovation.
(Fortune)
8. All large organizations need to aggressively pursue divestiture strategies to insure that they do not retain outdated or outmoded policies, offices, doctrine, etc.
(Perry M. Smith)
9. Keep it simple, stupid (KISS). (Conventional Wisdom)
(The more complex things are, the more there is to go wrong, adversely affecting system reliability).
10. A complex organization is like a precision instrument. If we adhere to strict tolerances, it will function smoothly. If we accept loose tolerances, it will operate in a sloppy manner.
11. Let the kids enjoy themselves. After all, they're only kids once. Never mind that the Japanese kids have a longer school year and a tougher curriculum. If we need something done, we can always hire those Japanese kids. (Local Radio Announcer) (Wrong!!! Those Japanese kids will be hiring our kids!)
12. Democracy in itself is no panacea, and might well give rise to the tyranny of an ignorant majority unless mental and moral cultivation (education) were coupled with emancipation. (John Stuart Mill)

George T. Ono
700 Richards St. Apt. 1804
Honolulu, HI 96813

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of the return address*

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**RETURN RECEIPT
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OCT 19 1992

The Honorable James A. Baker, III
Chief of Staff to The President
1600 Pennsylvania Avenue, NW
Washington, DC 20500



Arkansas Governor's School Graduate

Having attended the very first "Arkansas Governor's School for the Gifted and Talented," I read your September 12 issue with much personal interest. My experiences there left an entirely different impression upon me than Mr. Yarborough.

That the course was left-wing, even back then, is not in debate. I recall some radical feminist addressing us and insisting that thousands of years earlier females had ruled society, until men discovered that they had a part in making babies! This view of societal evolution obviously was not consistent with biblical teachings, and thus the Bible was presented as a fantasy.

This discussion was countered by a rather antagonistic group of 17-year-olds booing and lecturing the lecturer during Q&A.

Contrary to your article's fear of children being brainwashed, I found that my values and beliefs were reinforced by defending them from the left-wing attacks.

I think you need to give more credit to the students going through the program. If their values can be swayed by six weeks of liberal dogma, what will happen as they watch ABC, CBS and NBC for the rest of their lives?

The opportunity to seriously study and have intellectual discourse with students of similar caliber was tremendously rewarding. Leaving home for six weeks (for the first time) and associating with other outstanding students was excellent preparation for my attendance at the Air Force Academy the next summer. I would agree that we should fight to ensure there is more balance in the program. But I would prefer the program as it is, albeit left-wing, over no program at all.

—Jeffrey E. Haymond
Sunnyvale, Calif.

P.S. This in no way means I'll ever vote for that draft-dodging Clinton!

Media Ignoring Clinton Scandal

Stories and editorials have appeared lately in which Rep. Bill Hefner (D.-N.C.) has accused Rep. Bob Dornan (R.-Calif.) of calling Bill Clinton an S.O.B. while speaking in the well of the House. He did not. I was watching C-SPAN and heard it all.

North Carolina's Rep. Hefner got up and rudely interfered as Dornan accused Clinton of being "a draft dodger and a womanizer," which is true. Dornan explained that the nation will be embarrassed when Gennifer Flowers is featured in a nationally known pornographic magazine.

Before Bill Clinton was nominated, the Gennifer Flowers story broke in a

tabloid and the dominant media ran with it. Shortly thereafter, the Clintons did a TV interview to explain his infidelity. The media then began to show their enthusiastic preference for Bill Clinton. (Get the Gennifer Flowers tapes published.)

Now the media are falling all over themselves in their effusive, enthusiastic praise for Clinton-Gore. If it weren't such a betrayal of the public it would be funny to watch.

In February, a tabloid similar to the one that broke the Flowers story told its readers about an African-American woman, Bonnie Lee Williams, who plans to bring a paternity suit against Clinton.

This story broke just after the Flowers story, with photos, but the major media ignored it to protect Clinton. It is every bit as important as the Flowers revelation, because it's a clue to Clinton's character, and his total lack of so-called family values when he won't support his own son.

Some of the dominant media have the same honor code as the Mafia. Theirs is one of silence and protection and that is what the media are doing for Clinton. They see a chance to win the White House for the liberal-leftists, so they are protecting him. The public should be told everything about Clinton's character.

—Audrey Jones
Pittsboro, N.C.

Bush Must Act Now To Undo Tax Damage

George Bush still doesn't get it. Like Winston Churchill and Margaret Thatcher before him, he is in mortal danger of becoming a war-hero loser, because in 1990 he made a pact with the devil and broke his major promise/pledge/oath/covenant/vow/assurance/guarantee/commitment/word-of-honor to the American people and raised taxes.

Were it not for that one monumental economic and political blunder, and its aftermath, the President would be a shoo-in for re-election today.

The Democrats who carefully planned this trap for our President knew that they couldn't touch his remarkable achievements in foreign affairs; but they remembered that in 1980 Bush had called Reagan's economic proposals "voodoo economics," and so, they reasoned, if they could just get Bush to abandon Reagan's winning program, in favor of their own failed policies, they could topple him.

They persuaded him to raise taxes in the midst of a recession, thereby prolonging it. They made him scrap the successful Republican Gramm-Rudman law, just when it was starting to really kick in. And, ever since that fateful day, demagogues in Congress who want political power for themselves have sat on all reasonable pro-growth proposals, making economic matters

even worse, and causing the people to become confused as to who's to blame for the mess.

(Many misguided individuals are lately even blaming ex-President Reagan for the failures of these past four years, even though supply-side economics was a proven, empirical success; it would have been a total success were it not for the military buildup.)

The President has belatedly admitted that he made a mistake on the Budget Agreement. That is a good first step, but it is not enough to repair the damage.

The people want not just an admission of error, but repentance! They want the mess fixed, and they're not willing to wait until after the election.

(If this were a parliamentary democracy, Cabinet ministers who had presided over such a colossally failed policy and who had led their chief into a trap which caused him to lose face with the American people would have been sacked.)

Thus, as a first step, kind, gentle George Bush must fire Dick Darman and disavow his failed policies, and he must do so now! There is nothing worthwhile to save.

In his place, the President should put a prominent pro-growth, aggressive Republican of the Jack Kemp, Newt Gingrich, Dick Armey stripe—and give him broad authority to act.

Next, the President must address the American people directly and apologize and reassert his no-tax pledge ("now that the savings and loan bailout is behind us") and promise not to raise taxes again, until, and unless, the Democratic Congress dramatically cuts federal spending *first*. He must tell the people that he was sandbagged by the wily Democrats in Congress, and that it won't happen again!

Third, he must begin a full-court press of pro-growth economic policies—implementing the line-item veto by executive decree, initiating a capital gains tax cut by indexing the tax code, freezing federal hiring and making executive economies, and reintroducing a *stronger*, draconian version of Gramm-Rudman.

Last, but not least, he must stop being Mr. Nice Guy, go after the Democratic Congress which has ruined our country, as did Harry Truman in 1948, or more recently, Clarence Thomas. (He should even go to Capitol Hill and confront the Democrats directly.)

If President Bush does all of these things and many more which his advisers might suggest, while there is still time—if he will just open his heart and soul to the people and level honestly with them about his hopes and dreams, they will forgive and give him a second chance to lead them. But is George Bush listening? Does he hear the warning voice of the people he betrayed? I think not.

—David P. McCloy
Nampa, Idaho

Dear Mr. Baker—

I am mailing this article I wrote some time ago to Human Events Magazine to you. While it is now too late for many of these suggestions to be implemented, some of them (especially the President addressing the American people) still can be! Also, the Gennifer Flowers tapes must be reintroduced as a campaign issue, and become known to the public, if you would undermine Clinton and win. I will keep trying to get through until I know that you or President or Mrs. Bush have seen my article. No answers from side please! Thank you.

David P. McCloy
815 11th Ave S.
Nampa, Id 83651

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OCT 20 1992

James Addison Baker III
White House Chief of Staff
1600 Pennsylvania Avenue
Washington, D.C. 20500

suggestion

16925 Hierba Drive #230
San Diego, CA. 92128

NPN

October 17, 1992

Mr. James Baker, Campaign Manager
White House
Washington, D.C.

Dear Mr. Baker:

I suggest that President Bush make a speech along the following lines:

Let me remind you of the fundamentals that you learned in your high school civics. Our government has three branches: the legislative, the executive, and the judiciary. The election involves only the legislative and the executive. Let me remind you that the President, as Chief Executive, has the duty to carry out the laws enacted by Congress. The President is not, and I repeat, is not a dictator. His duty is not to make the laws but to carry them out.

It is obviously true that during my administration we have had some difficult times. I sent to Congress from time to time a number of recommendations for legislation intended to reverse the downward trend of our economy. All of those recommendations were ignored.

I sincerely believe that had they been enacted into law by Congress, they would have enabled me, as Chief Executive, to carry out policies which would have created a much brighter economy than the one with which we have all had to live during the past few years. (Here the President might elaborate with specifics.)

If you, the citizens and voters of our great country will retain me as your Chief Executive, and give me a Congress which puts your welfare above partisan political considerations it will be my great pleasure to give you four years of good government and a prosperous economy.

I join Mr. Clinton in recommending change, but the change I recommend is to give me four years with a Congress which puts your welfare above partisan politics and I promise you the kind of change that you really want.

Sincerely and Hopefully,

Mort L. Clopton
Mort L. Clopton

16925 Hierba Drive
San Diego, CA. 9 2128

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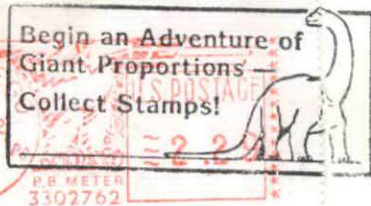
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OCT 20 1992

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



NRW

support/
suggestion

Johnson City, Tennessee
October 16, 1992

The Honorable James Baker, Chairman
Presidential Re-election Campaign Committee
Washington, D.C.

Dear Secretary Baker:

I fear that the re-election of our President is in serious jeopardy. As a patriotic American who has gotten quite used to "the good life," even in recessionary times, I cannot believe there is even a contest between a womanizing, marijuana-smoking draft dodger and a man who has been a veteran, Director of the C.I.A., foreign ambassador, U.S. Ambassador to the United Nations, Vice President and President.

Please bear with me on this, I have a sensible, concrete proposal. When did President Reagan's popularity peak? I believe it was immediately after the invasion of Grenada. When did President Bush's popularity peak? Immediately following the liberation of Kuwait.

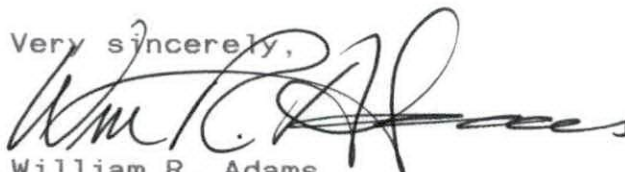
So what does all of this have to do with re-electing the President? I believe the time is right to liberate Cuba. Most Americans would favor it. All Hispanics currently in the U.S. would favor it. Many Cubans would favor it. Only Castro's closest henchmen would object.

With Guantanamo still active, moving troops and weapons onto the island could be expedited. And what could the possible negative effects be? The USSR certainly would not respond. There is no USSR. Would China? Of course not. How about the other tiny pockets of communism? No way.

If the action were to be taken between now and the 27th or 28th of October, the President's popularity would absolutely soar and this great nation would be spared four years of a ruinous Clinton administration.

Please consider my points carefully. They are not nearly as ridiculous as they may at first seem. God bless America and God bless President Bush.

Very sincerely,



William R. Adams
570 Shenandoah Dr., Rt. 8
Johnson City, Tennessee

William R. Adams
570 Shenandoah Dr., Rt. 8
Johnson City, TN 37601

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P 236 701 982

MAIL



OCT 20 1992

The Hon. James Baker, Chairman
Presidential Re-election Campaign Committee
Washington, D.C.

20504

10/20/92 10:10 PM
MILLIGAN CO. TN 37601

I am Charter Member
of Rep Pres. Task Force

suggestion

13 Oct 1992

NPN

Dear Mr Baker,

This material has been
sent out to you in hopes that you
then President Bush can further
diselose the cloud of doubt that
hangs over ^{Gau} Mr Clinton

I hope & pray that you
agree with me that Socialism
is something America needs to
avoid. There are, I'm told, 10,000
Marxist Profs out there who pull
no punches where they stand &
do not try to be objective! Indeed
try & get a good grade unless you
go along w/ your teacher's philosophy
How wrong!! Indoctrination, not
teaching young people to use their
minds objectively.

Derek Shearer's book is in
my hands for the time being - It is
"Pink", Socialist, whatever
similar term that could be used.

And Derek Shearer is headed
for a Cabinet Post in his buddy's White
House!! Mrs. Dorothy Grace Pugh

Various parts
of this info
have been
sent to other
Repubs - Gen GRAMM
C -

MRS DOROTHY G PUGH
41 WILSHIRE DR
REDDING CA 96002-1814

Tom Hayden and The CED

*A Series of five Articles
which first appeared in*

The Sacramento Union

written by
Louis Barnett

Tom Hayden and the CED

Radicals' subtle vehicle to

The political career of Assemblyman Tom Hayden, D-Santa Monica, has been an unusual one. He has gone from Anti-Vietnam War militant to a 1978 primary election candidate who softened up Sen. John Tunney for his subsequent defeat for S.I. Hayakawa, to the California Legislature. The subtle vehicle for his drive to power has been the leftist Campaign for Economic Democracy (CED).

This is the first article of a five-part series examining Hayden's role in the founding of the CED, its growth and development. Author Lou Barnett, a Los Angeles-based political consultant, researched the CED for a forthcoming book, "Network of Networks." It is to be published by the National Foundation to Fight Political Corruption (NFFPC), Glendale. The NFFPC researches public policy issues related to the political election process.

Lou Barnett

Just over a decade ago America seemed on the verge of a new civil war. Seizing on the issues of the draft and the Vietnam war the Radical Left was turning the discontent on the campuses into a solid base for challenging all aspects of our society.

The early tactics included demonstrations, sit-ins, teach-ins, and political campaigns. But, depending on the particular faction, these actions were gradually escalating to riots, bombings, and an intricate underground — the makings of a domestic guerrilla war.

Before the end of the draft and the war took away the popular rallying points for new young recruits to the ranks of the Left, that movement had developed an extensive cadre of experienced and committed activists.

Unlike old soldiers, that hard core of the radical movement didn't fade away. Instead, they began the slow building of more permanent political

structures. Although the socializing of America remains their goal, helter-skelter confrontation has given way to a planned pragmatic approach to gaining political power.

In California, the vanguard of the radicals' new approach has been the Campaign for Economic Democracy — the CED. Founded by Tom Hayden, now an elected member of the state Assembly, the CED has achieved power within the political establishment and an image of respectability.

Bankrolled by private liberal foundations, government programs, and the activities of Hayden's wife, Jane Fonda (including her Workout Salons, motion pictures, and books), the CED and its affiliates have developed an enviable funding base.

But the roots of the Campaign for Economic Democracy go back at least a generation before Tom Hayden was born.

Almost a century ago, socialist writer Upton Sinclair founded the Intercollegiate Socialist Society (ISS). But Sinclair and his colleagues discovered that the word "socialism" repelled the average American — a fact the radical left still understands.

The ISS was renamed The League for Industrial Democracy (LID). Under the banner of "Democracy," the LID could pursue openly socialist goals without the excess baggage generated by its original name.

During the 1930s the LID's student arm, the Student League for a Democratic Society (SLDS), merged with the Communist Party's youth front. And the SLDS went from a large intercollegiate political force to a pathetic shell.

To revitalize itself, in 1959 the SLDS changed its name to Students for a Democratic Society (SDS).

The SDS leadership gathered at the Univer-

power

sity of Michigan in December, 1961. Then a journalism graduate student at that University, Tom Hayden was given the task of writing the organization's "manifesto" outlining its philosophy and programs.

In June 1962, the SDS radicals met at the AFL-CIO camp in Port Huron, Michigan and unanimously adopted Hayden's manifesto — the "Port Huron Statement." The statement called for adopting socialism under the slogan of "participatory democracy," a term still used by Hayden and the CED.

The conference also unanimously elected Hayden the first president of the SDS.

The parent LID was shocked when it learned that some members of the Communist Party had infiltrated the Port Huron conference. However, it became enraged when the radical Port Huron Statement was made public. Reaction was swift. The LID Executive Committee locked the SDS out of the LID national headquarters in New York and eventually severed relations.

But the radical ferment of the 1960's vaulted the SDS into the nation's consciousness. Hayden and SDS radicalism became a potent political force.

From 1964 to 1967 Hayden and a contingent ranging from ten to twenty of other SDS members actively organized in the poor areas of Newark, New Jersey. Before the infamous Newark riot, SDS National Secretary Gregory Calvert told the New York Times: "We are working to build a guerrilla force in an urban environment. We are actively organizing sedition."

During that time, assaults on Newark police officers increased from 92 to 187 per year. In June of 1967 the arrest of a taxi driver created an incident which escalated to five days of rioting.

In 1965, 1967 and again in 1968 Hayden and other members of the SDS travelled abroad to meet with the leaders of Communist countries, including North Viet Nam, the Soviet Union, Mao's China, and Castro in Cuba.

In April, 1968 Hayden personally led a 30-member squad of radicals which took over the Math Hall at Columbia University. The Columbia "project" included holding three hostages (including a dean of the University), and violent battles with anti-SDS students and the police.

That same year Hayden was a "co-project director" of the riotous demonstrations at the Democratic National convention in Chicago. He urged the radical troops to violence, saying: "Let us make sure that if blood flows, it flows all over the city."

Hayden was arrested with six other radical leaders, including Jerry Rubin, on charges of inciting a riot. They were convicted by a jury, but the decision was subsequently overturned. After being freed, Rubin boasted that they were "guilty as hell."

Hayden and Fonda met in 1971 when both spoke at an anti-Viet Nam War rally. They married in 1973, and continued collaborating in leftist causes.

When American POWs returned from the war in Southeast Asia, Hayden and Fonda called them "hypocrites and liars." The POWs were, Hayden claimed, "the best-treated prisoners in any war in history."

In 1977 Hayden, Fonda, and many of their associates from the earlier radical days gathered in Santa Barbara and established the group which was to become the Campaign for Economic Democracy — the CED. ■

Tom Hayden and the CED Network the key to radicals'

This is the second article of a five-part series examining Tom Hayden's role in the founding of the leftist Campaign for Economic Democracy (CED), development. Author Lou Barnett, a Los Angeles-based political consultant, researched the CED for a forthcoming book, "Network of Networks." It is to be published by the National Foundation to Fight Political Corruption (NFFPC), Glendale. The NFFPC researches public-policy issues related to elections.

Lou Barnett

Whatever happened to the radicals of the 1960s?

A few, like Bernardine Dohrn, went underground and continued the violent tactics of the past including bombings and assassination attempts.

The remainder prepared for a protracted struggle by adopting a unique survival mechanism: the Network.

The Network is comprised of hundreds of organizations working at every level of our nation's life. It offers a way for radicals to integrate with society and gain influence from within the very institutions they had so recently tried to destroy.

A key element of the radical network is the Institute for Policy Studies (IPS).

The Institute for Policy Studies was founded in 1963 by Richard Barnet and Marcus Raskin. Both Barnet and Raskin were active in the left wing of the anti-war movement during the 1960s. Barnet, like Hayden, traveled to North Vietnam to consult with communist leaders and was involved in the "peace talks" held in Paris with agents from Hanoi.

Raskin was associated with the "Radical Elections Project" of the SDS and was a member of the "Committee to Defend the Conspiracy"

(a group set up to assist Tom Hayden and the other defendants in the Chicago conspiracy trial). Raskin also attended the "peace talks" in Paris.

From the beginning, the IPS has been the well-spring of virtually every leftist cause in existence, including support for international revolution.

In the words of Forbes magazine columnist John Train, IPS is a "radical Washington propaganda mill" that, throughout its history, has been "prodigiously active in anti-business, anti-defense and anti-intelligence propaganda." (As an example of the latter, IPS founder Raskin was involved in publishing the names of CIA agents who were working abroad, thereby exposing them to danger. Not surprisingly, shortly afterwards one of those identified American agents was murdered.)

Another early SDS member whose influence on IPS has been extensive is Arthur I. Waskow. An IPS Trustee and Resident Fellow, Waskow has been called by the Heritage Foundation "the most prominent of all IPS Fellows since the Institute's formation." Along with Raskin, he was a member of the "Committee to Defend the Conspiracy."

Subsidized by enormous financial grants from major tax-exempt foundations (such as the Stern Family Fund, the Janess Foundation, and especially the Samuel Rubin Foundation), IPS has been able to create numerous spinoff organizations — groups that are nurtured through infancy by IPS funding and guidance, and are then cut loose when they develop their own sources of financing.

One important IPS venture was the 1974 founding of the National Conference on Alternative State and Local Public Policy, with former SDS leader Lee Webb as director. Tom Hayden was an official participant at the first NCASLPP conference in 1975.

political power

The NCASLPP Conference in 1976, held in Sacramento, was coordinated by Derek Shearer, a former IPS Fellow who became a member of Jerry Brown's administration. Shearer later co-authored the CED's primary "economic" text, *Economic Democracy: The Challenge of the 1980s*.

It was at NCASLPP's 1977 Santa Barbara meeting that Hayden's CED was born.

Another organization that has sprung from IPS is the Foundation for National Progress. According to one of its own documents, "FNP was formed in 1975 to carry out on the West Coast the charitable and educational activities of the Institute for Policy Studies." The FNP, therefore, serves as the western branch of the Washington-based IPS.

Like IPS, FNP soon began its own series of spinoffs. Three of the most important of these are:

- Mother Jones magazine, named after the famous leftist revolutionary and union activist "Mother" Mary Harris Jones (1830-1930), one of whose slogans was "industrial democracy."
- The New School for Democratic Management, which seeks to educate its students in Derek Shearer's philosophy of "economic democracy" and worker ownership of industry.
- The Pacific Alliance, which, like its East Coast counterpart — the Abalone Alliance, has successfully exploited public fear of nuclear energy.

Ed Krishner, who was involved in both FNP and NCASLPP, became the founder and director of the Community Ownership and Organizing Project in 1977. After Krishner left in 1980, COOP's name was changed to Community Economics, Inc.

It appears, however, that the change is one in name only. "Community ownership" necessarily requires ownership and control by the govern-

ment of the community. As the language in a recent CEI Prospectus demonstrates, its goals have remained faithful to the original socialist objectives of COOP:

"Through a partnership with local government agencies and community groups, CEI works to encourage community ownership and control of capital for local economic development in urban and rural areas."

The clearinghouse for all these IPS-related organizations is the California Public Policy Center. The special function of CPPC, in its relationship with the various subsidiaries of IPS, can be seen in its interlocking directorates and the flow of money and personnel among the organizations.

For example, Derek Shearer has been an IPS Associate Fellow and also vice president, secretary-treasurer and co-director of the CPPC. He has been a Fellow of FNP, a Steering Committee member of NCASLPP, and Editor of NCASLPP's "Public Policy Reader," and a founder of the CED. The CPPC's "Economy Project," was supervised by Derek Shearer and financed by an IPS grant. Paul Jacobs was also both an IPS Associate Fellow and an FNP Fellow. Fred Branfman, a co-director of CPPC, was also a founding member of the CED.

The close association of people and money is a prime example of the Radical Network in action. Its most successful offspring is Tom Hayden's Campaign for Economic Democracy (CED). The CED is considered to be a potent force in California politics.

At the same time the CED is continuing to pursue its main goal: making socialism acceptable to the average American.

Next: Selling socialism: the tactics and strategy of the CED. ■

Tom Hayden and the CED

Selling socialism under a fancy facade

This is the third article of a five-part series examining Tom Hayden's role in the founding of the CED, its growth and development. The author, Lou Barnett, a Los Angeles-based political consultant, researched the CED for a forthcoming book, "Network of Networks." It is to be published by the National Foundation to Fight Political Corruption (NFFPC), Glendale. The NFFPC researches public policy issues related to the political election process.

Lou Barnett

The term, "Economic Democracy," is more than just a rallying point for the Hayden followers. It is a carefully crafted economic game plan for a socialist "New Order," in which the interests of the corporation and the government become one and the same.

CED theoretician and guru, Derek Shearer, boldly described the practical goal of economic democracy as using "the power of the city to control the wealth of the city."

How to sell socialism and the Campaign for Economic Democracy has been an overriding concern of Hayden strategists. Shearer confided in a lecture on CED organizing: "I particularly like the phrase 'economic democracy' — even Bernie (Sanders), I think, doesn't object to this — because it has been referred to by some of my friends who share Bernie's sentiments as the 'great euphemism.' And while we can't use the 'S' word (socialism) too effectively in American politics, we have found that in the greatest tradition of American advertising, the term 'economic democracy' sells. You can take it door to door like Fuller Brushes, and the doors will not be closed."

And selling door-to-door has been the calling card of the CED. The CED is recruiting thousands of potential new members in its door-to-door canvassing every month.

The CED uses paid walkers who receive up to \$250 per week to carry out this door-to-door effort. According to the Los Angeles Times CED ad "Work for a Change," they receive free workout privileges at Jane Fonda's Workout salons, as well as health and dental benefits after working for three months.

It is obvious that CED's "grassroots" are well watered with enough cash to pay hired organizers.

CED's efforts to conduct this political census are related to a larger effort to convert the information into sophisticated computer files. The data will be combined with voter information to produce a highly enhanced target list. In the hands of experienced direct mail or media specialists the political effect is in the tradition of Orwell's 1984.

The political alliance of CED and the political machine of Congressmen Howard Berman and Henry Waxman has created the potential for extremely sophisticated campaigns. The firm of Below Tobe and Associates (The Berman/Waxman computer operation) has perfected a computer network to process and use the CED gathered information.

This technique is being duplicated by others of the New Left Network in scores of cities across the United States. Over 12 million homes have been canvassed to date, with nearly 60,000 being added daily. By 1984 the CED and its allies will have at their disposal one of the most powerful campaign data bases ever created.

The CED has billed itself as an "organization of organizers." But it has become the paymaster for the left and its candidates throughout California. CED invested over \$92,000 alone in Hayden's Assembly race, the most expensive in California history. This does not include the \$615,000 given to the campaign personally by Jane Fonda.

The Campaign for Economic Democracy is obviously, although not admittedly, a socialist movement. While CED campaigns are under the populist banner, its overall agenda is in the tradition of Upton Sinclair.

The primary goal: political power. The specific, professed objectives (rent control, solar energy, abortion rights, anti-nuclear, etc.) can change with the shifts in the political winds and the effectiveness of a particular issue toward building and mobilizing a mass base of support.

The current image of Tom Hayden, assemblyman, is doing wonders for the CED. The media is providing the mass audience with the picture of an attractive, well dressed, clean-cut Mr. Smith in Sacramento. The memory of Hayden's radical past and Marxist rhetoric is slowly fading.

Perhaps the CED is proving that socialism can be sold like Fuller Brushes.

Next: The CED golden years under Jerry Brown and Jimmy Carter. ■

Tom Hayden and the CED

Brown-Carter combo boosts

This is the fourth article of a five-part series examining Tom Hayden's role in the founding of the CED, its growth and development. Author Lou Barnett, a Los Angeles-based political consultant, researched the CED for a forthcoming book, "Network of Networks." It is to be published by the National Foundation to Fight Political Corruption (NFFPC), Glendale. The NFFPC researches public policy issues related to the political election process.

Lou Barnett

With the election of Jerry Brown as California's governor and the rise of Jimmy Carter to the presidency, the New Left Network and its West Coast arm, the CED, entered an era of unprecedented political power. These two administrations offered the New Left taxpayer supported funding for a wide variety of left leaning social programs as well as appointments to policy-making positions within the government itself.

In California, Jerry Brown gave Tom Hayden several key appointments and relied on the Campaign for Economic Democracy for other government officials. Not only did this give Hayden access to the patronage jobs so vital to building political power, but it also gave the CED the ability to pursue its goals under the color of government action.

Southwest Regional Border Commission

Brown first appointed Hayden to the Southwest Regional Border Commission. Hayden in turn placed Shari Lawson, founder of the CED in San Diego, in power as deputy director. Lawson was also a director of the CED's Laurel Springs Institute.

Solarcal Local Government Commission

Jerry Brown also sponsored the Solarcal Local Government Commission and then appointed Hayden as its head. Solarcal was the brainchild of CED executive committee member Fred Branfman. Branfman was in turn appointed to the Solarcal Council and later became Jerry Brown's director of research.

Western Sun Project

With Brown's assistance, Hayden also found himself in charge of the federal Department of Energy's Western Sun Project on the West Coast. Long-time Hayden associate Larry Levin was appointed as staff director. Keith Bray, Sacramento CED treasurer, and Kit Bracca of the Santa Clara CED became paid consultants on the Western Sun staff. Judy Corbett, whose home was the site of CED fund-raisers, also became a paid staffer for the project.

Governor's Public Investment Task Force

Hayden was the organizer and founder of the governor's Public Investment Task Force. The director of this project was Nathan Gardels, the Santa Monica area contact for the CED. Gardels also became the director of the governor's Office of Planning and Research. Other CED activists who were appointed to the task force include Patti Lightstone, Cary Lowe, and Robin Schneider.

The Carter Administration

The Carter administration was also doing its part to provide jobs and funding for the New Left Network. A good example of this was the connection between the federal government's ACTION/VISTA agency, the CED and the '60s radicals.

New Left to top of the heap

As director of ACTION, Carter chose Sam Brown, former SDS activist. Brown had attended the founding meeting of the CED as a special guest and campaigned on behalf of CED candidates in Southern California before going to ACTION.

ACTION's deputy director was Marge Tabankin, another SDS veteran. After Tabankin joined ACTION, the CED applied for funding for its Laurel Springs Institute. A \$180,000 grant was approved and Laurel Springs began training New Left organizers with taxpayer money.

Western regional director for ACTION was Loni Hancock, who had been elected to the Berkeley City Council as a part of the city's radical Citizens Action Group. Her candidacy was heavily supported by the CED. Hancock played a major role in getting that federal grant for the CED's Laurel Springs Institute which was within her ACTION agency region.

Besides the dominance of the CED and other New Left Network members in these government organizations, there were a large number of individual appointments which favored the cause of the CED: Jane Carney, major CED contributor to the governor's Wellness and Fitness Council where she was joined by Theodora Wilner, a past director of the CED's Laurel Springs Institute; Derek Shearer, the CED's primary theoretician, appointed to the Employment Development Department; Lu Haas, a steering committee member of the CED, became chief media advisor to Jerry Brown; Ruth Yannatta Goldway, Santa Monica area CED activist appointed by Brown as deputy director of the Department of Consumer Affairs.

This marked the high point of the New Left Network so far in securing the support of government executives for its programs.

The next installment will be an analysis of the future direction of the CED and the New Left Network. ■

8. x wife of DEREK SHEARER
(mayor of Santa Monica 1 term)

Tom Hayden and the CED

CED stumbles where voters

This is the last article of a five-part series examining Tom Hayden's role in the founding of the CED, its growth and development. Author Lou Barnett, a Los Angeles-based political consultant, researched the CED for a forthcoming book, "Network of Networks." It is to be published by the National Foundation to Fight Political Corruption (NFFPC), Glendale. The NFFPC researches public policy issues related to the political election process.

Lou Barnett

The 1982 elections underlined both the promise and the danger that the future holds for the CED. The promise, increasing political power, can be seen in the election of CED founder Tom Hayden to the state Assembly. The danger appeared in the unexpected losses suffered by CED candidates in local elections.

With the election of Hayden to the Assembly, the Campaign for Economic Democracy has gained a legitimacy and an access to power that it has never had before. Even though many CED members and allies are currently in some kind of public office, prior to Hayden's election the CED was seen to have played only a tangential part in electing any individual. Obviously, continued success at the ballot box is to be a key tactic for the future.

Another element of the CED's future plans is to gain an increasing voice in the affairs of the Democratic Party. Here is how Tom Hayden described this phase in a 1981 interview: "We want to get hundreds and thousands of CED activists into the Democratic Party, then we'll get the party involved in local elections and at

the precinct and Assembly district levels. If we can do that, we'll elect mayors, county supervisors and city councils as part of a coalition."

This last statement points out the element of the CED's program for the future: continuing to build the New Left Network. Again, Tom Hayden on this point, "The organization must be built on people with similar ideas. You'll see a trend towards progressive slates with community organizers moving into electoral politics on the local and state levels..." The Network is also being built with the help of old friends. Former Governor Jerry Brown has helped found the Institute for National Studies, based in Los Angeles. The institute's executive director is CED activist and former Brown staffer Nathan Gardels. He describes the Institute as a "political center-left purgatory" in terms of policy and that most of its funding will come from foundations, a typical feature of New Left Network organizations. *

Yet, as promising as the future does look for the CED, some problems are beginning to appear. These surfaced at the same time the CED was having its greatest triumph: the election of Tom Hayden to the Assembly.

In Butte County, centered on the city of Chico, a CED showpiece of electoral success, a tough county supervisor's race was on. Although it began as a campaign of many issues, it soon became apparent that the CED itself had become the main focus of the race. The end result was a victory for Hilda Wheeler, who ran on a strong anti-CED platform. At the time, this was thought to have happened because most of the resources of the CED were diverted to Hayden's campaign, but more defeats were soon to follow.

know of its roots and goals

Again in Chico in a city council race and in Santa Monica, the CED heartland, CED candidates suffered shocking losses. Most surprising was the defeat of Ruth Yannatta Goldway, the wife of CED theoretician Derek Shearer. Running for re-election as mayor of Santa Monica, Goldway, a superstar of CED politics, was beaten by a straight anti-CED campaign. This was particularly painful to the New Left since prior to this time the CED had controlled five of the seven city council seats and had made Santa Monica a testing ground for its ideology.

One result of these losses has been a conscious effort by Tom Hayden to cast off the image of his radical past. This is being done by distributing newspaper articles which comment on how neatly he dresses, by having political allies talk about his interest in working within the system which he once tried to destroy by outright violence and by interviews in which he says, "I'm not the angry young man I was in the 1960s..." Whether or not this is sufficient to remove the growing stigma that associating with the CED seems to have for the voters is a key obstacle for the CED to overcome.

The future can be seen to hold a mixed fortune for the CED; just as it is experiencing its greatest triumphs, it is suffering its most serious losses. Perhaps this is due in part to the growing familiarity of the voting public with its roots and goals. ■

Tom Hayden and The CED

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*Additional copies are available at the above address at the following prices:
1 copy \$1.00, 5 copies \$4.50, 10 copies \$8.00, 25 copies \$15.00, 50 copies or more .50¢ each.
The book, "Network of Networks," on which these fine articles are based,
is available for \$25.00 each plus \$2.50 shipping.*

the sequel . . .

budget math, then many kids may figure it's a lost cause for them to ever achieve success in the subject," said Jeff Greenhoe of the Math Masters Learning Centers.

Eyes on D.C. - As Bill Clinton continues to run strong in presidential polls, political pundits are speculating about whom he'd bring with him to Washington. One Washington, D.C.,-based newsletter recently listed several Californians among possible Clinton appointees. The O'Leary/Kamber Report suggested Los Angeles lawyer Mickey Kantor, Clinton's national campaign chairman, as a possible attorney general. Other names mentioned were Charles Manatt, the politically connected senior partner in Kantor's law firm; Warren Christopher, who headed up the commission studying the Rodney King beating in Los Angeles; U.S. Reps. Norman Mineta, D-San Jose, and Leon Panetta, D-Carmel Valley; former Rep. Tony Coelho of Merced; and Derek Shearer, an Occidental College economist who is a longtime personal friend of Clinton. In Sacramento, local pols speculate that Sacramento Municipal Utility District General Manager S. David Freeman, a big Clinton supporter, could end up in Washington.

Mr. Shearer's skills as a gossip are at least as noted as his policy contributions. "Derek is charming; a collector of celebrities, a busy guy who's moving fast," says James Lare, a professor of politics and colleague at Occidental. Mr. Shearer claims to play a cultural role as well, saying he's the Arkansas governor's "supplier of detective fiction."

Mr. Shearer, who has a doctorate in economics from Cincinnati's Union Graduate School, has been a regular attendee at meetings of Mr. Clinton's economic advisers and helped in shaping the candidate's economic plan. While he isn't seen as especially influential, some other members of that group acknowledge that his friendship with Gov. Clinton gives him access they lack. Among his contributions to the Clinton program were a proposal for

Liberal Throwback Derek Shearer Wins Role in Clinton Economic Circle

By FREDERICK ROSE

Staff Reporter of THE WALL STREET JOURNAL
SANTA MONICA, Calif. - Among Bill Clinton's economic advisers, support for a free-trade agreement with Mexico runs strong - with one exception, Derek Shearer.

A professor of public policy at Occidental College in Los Angeles, Mr. Shearer worries about the effects of unimpeded trade along the nation's southern border. "This is the first time ever in a modern economic era that we've attempted to craft an economic union between two countries at such varying levels of development," he warns.

Mr. Shearer's view of Mexican free trade, which has contributed to Gov. Clinton's hesitancy on the issue, isn't the only difference between him and other members of Clinton's economic cabinet. The others - including investment bankers Roger Altman and Robert Rubin, economists Robert Reich and Rob Shapiro, and consultant Ira Magaziner - are moderates and "neoliberals" working to pry their party away from its left wing and move it toward an emphasis on economic growth. Mr. Shearer, on the other hand, is something of a refugee from the party's past.

He served as a planning commissioner in the so-called People's Republic of Santa Monica in the early 1980s when the city launched a radical rent-control experiment, and he is married to the city's former mayor from that era. He has written occasional pieces for such leftist magazines as Mother Jones and Ramparts, and co-authored two books in the 1980s, both of which called for broad government planning at the federal, state and city levels. In a 1976 Nation piece he called on the federal government to "create a government-owned holding company, which would purchase a controlling interest in a major firm in every leading industry." As recently as 1984, Mr. Shearer wrote in a preface to another writer's book that "activists on the left" don't spend enough time "rooting themselves in America's radical traditions and contending in the political arena."

"I changed my mind about a lot of that, frankly," Mr. Shearer says now. His current economic views? "What I support is what's in [Gov. Clinton's] economic platform."

"Derek is a conscious social democrat who went astray," says Tom Hayden, a Democratic California Assemblyman, who with then-wife Jane Fonda were activists in Santa Monica's heyday.

The 45-year-old Mr. Shearer earned his place in Gov. Clinton's inner economic circle out of friendship. "Derek is a very old and close friend of Bill Clinton's, and among the advisers he is probably one of the oldest and closest friends," says Mr. Altman, an investment banker and vice chairman of Blackstone Group. Gov. Clinton's communications director, George Stephanopolous, calls Mr. Shearer both "a friend and an adviser" to the governor who has hosted the Clintons at his house near the beach.

an "Economic Security Council," modeled on the National Security Council, to oversee the nation's policies in such key areas as foreign trade and international monetary affairs. And he has taken a hand in shaping Mr. Clinton's positions on dealings with the former Soviet Union.

Gov. Clinton and Mr. Shearer met in 1969 at Oxford University, where the future presidential candidate was a Rhodes scholar. Though some friends have a vague impression that he was studying at Oxford, Mr. Shearer says he was a tourist, visiting a close friend, Strobe Talbott. Mr. Talbott, also a Rhodes scholar, was dating - and later married - Mr. Shearer's sister, Brooke. Messrs. Reich and Magaziner also were on Rhodes scholarships at the time. Mr. Shearer thus became part of the circle of friends known as FOBs (Friends of Bill), as did Messrs. Talbott, Reich and Magaziner. Mr. Shearer's sister, Brooke, now travels with Hillary Clinton on the campaign trail.

Mr. Shearer's own brush with government came in the early 1980s. He and his wife, Ruth Yannatta Goldway, had become champions of leftist causes in Santa Monica. In 1981, Ms. Goldway was elected mayor, and Mr. Shearer soon after became a planning commissioner.

Ms. Goldway and Mr. Shearer were at the center of a social whirl, throwing dessert parties now fondly recalled by friends and political allies. "Everyone was living a 'Tom and Jane' fantasy," says University of Southern California professor Mark Kann, who wrote a book on the Santa Monica movement.

In the middle of it all, Mr. Shearer and Ms. Goldway took a London vacation with free first-class tickets provided by Laker Airways. Though they later paid for the trip, a public outcry and questions that the freebie might have violated state law tarnished the couple's allure. Moreover, at a Washington conference on progressive local government, the two raised some hackles by bragging about their success in bringing the new politics to Santa Monica. In 1983, Ms. Goldway was voted out of office.

In 1986, Mr. Shearer was forced from his planning post amid complaints of absences and an outcry over his public criticism of city bureaucrats. He says the ouster was politically motivated. Even today, political foes who sought his ouster still grumble. "I can't think of anything scarier than Derek planning for the country," says Herbert Katz, an architect and former Santa Monica city councilman, who headed the planning commission during part of Mr. Shearer's tenure.

They still live here in Santa Monica, but Mr. Shearer and Ms. Goldway have since distanced themselves from city politics. The once-feisty progressive movement has drifted in and out of office, and its policies now look increasingly mainstream.

- Alan Murray in Washington contributed to this article.

Derek Shearer met Chanson at Oxford
He has been a leader in Far Left
Groups throughout '70's & much
of '80's (charter mem. of T. Hayden's CED)
VP of Institute for Policy Research
1996
Author

Wall St. Journal 9-9-92 11:15

D.S. as "class friend", address on
economic program AND Soviet
Union — How interesting!!
00

We Repub. ladies of No Calif
wrote a "Focus" in 1983 on "CED"
We live close to its "headquarters" (Chico)
(But every town has a "contact")
CED changed to "Campaign Calif."
after losses in County govt
(incl. Derek's wife Ruth V. Goldway)
(Mayor of Santa Monica)

I have in my hands
D. Shearer & Martin Carnay's book
"Economic Democracy — Its Challenge
to the '80's"

The Economist on Clinton's Left

By THOMAS J. DiLORENZO

If Bill Clinton's economic rhetoric sounds conservative at times, his choice of economic advisers is not. One in particular, Derek Shearer, a professor of urban studies at Occidental College in Los Angeles, has taken public positions miles to the left of the Democratic mainstream.

Mr. Shearer is a longtime friend and adviser of Mr. Clinton's. Indeed, the two met during Mr. Clinton's students days at Oxford, and Mr. Shearer is now widely regarded as a member of Mr. Clinton's inner circle of economic advisers. According to the Washington Post, Mr. Shearer would likely play a prominent role in a Clinton administration, perhaps even as chairman of the Council of Economic Advisers.

Given this prominent role, perhaps it is worth taking a closer look at Mr. Shearer's public pronouncements, his activism in his hometown of Santa Monica, Calif., and his writings, especially his best-known book, "Economic Democracy," published in 1980.

Although the phrase "economic democracy" sounds innocuous, it is a kind of "euphemism," as Mr. Shearer explained in the leftist weekly In These Times a year before his book appeared. "Socialism has a bad name in America," he also wrote in In These Times (as quoted in Reason magazine), "and no amount of wishful thinking on the part of the left is going to change that in our lifetimes. . . . The words Economic Democracy are an adequate and effective replacement."

Avoiding the 'S' Word

At a 1981 conference of left-wing activists hosted by Ralph Nader—featuring I.F. Stone and Studs Terkel, among others—Mr. Shearer elaborated. "While we can't use the 'S' word [socialism] too effectively in American politics," he said, as quoted in Barron's, "we have found that in the greatest tradition of American advertising that the word 'economic democracy' sells. You can take it door to door like Fuller Brushes, and the door will not be slammed in your face."

Mr. Shearer's perspective on the U.S. economy, and on the role of profit in it, has led him to show a certain hostility toward private ownership. In discussing how he and Tom Hayden organized the campaign for rent control in Santa Monica in 1980 and 1981, Mr. Shearer explained to his conference audience that "housing is a basic human right that . . . comes before the need to profit." Guided by this philosophy, Santa Monica has adopted perhaps the strictest, and most destructive, rent control laws in the nation.

In 1982, Mr. Shearer told Ed Bradley of CBS's "60 Minutes"—in a segment about Santa Monica entitled "Left City"—that America is a "profoundly unequal country." To rectify this state of affairs, he explained, the Campaign for Economic Democracy—an activist organization founded by Mr. Hayden—was recommending a radical redistribution of the wealth in Santa Monica. The hope was to "use the power of the . . . government to control the wealth of the city."

The strategy apparently paid off. Mr. Shearer's wife, Ruth Yanatta Goldway, was elected mayor in 1981 and promptly appointed her husband and other CED

activists to the city commission. Their harshly anti-business policies soon earned their city the derisive nickname "the People's Republic of Santa Monica."

The philosophy behind this activism may be found, spelled out at length, in "Economic Democracy." In that book Mr. Shearer, with his co-author Martin Carnoy, addresses essential aspects of the American economy. He does not like what he sees.

Mr. Shearer and Mr. Carnoy write in "Economic Democracy" that corporations

Judging by the thinking of one of his close advisers, a President Clinton would make George Bush look like a piker when it comes to expanding the size and scope of government.

are too "impersonal and powerful" and that a strategy to achieve economic democracy "must start by dismantling, or at least restricting, the power of these corporations."

Ignoring the debacles of central planning, Mr. Shearer and Mr. Carnoy call in their book for a "democratically" planned economy—i.e., one planned by government bureaucrats. They also call for nothing less than complete governmental control of the capital markets. "A strategy of reform," the authors write, "must transfer capital from the corporations to the public." . . . The logical vehicle for that process should be the government.

Another "logical vehicle" would be government "holding companies" that would purchase from 10% to 20% of the shares "in at least one major firm in each major industry." The board of directors of such holding companies would include consumer activists, union officials and government bureaucrats. The objective, the authors write, is to provide a vehicle for governmental takeovers of entire industries "without the immediate financial and ideological burdens that large-scale nationalization efforts would entail."

According to "Economic Democracy," Mr. Shearer favors, as an alternative to nationalization, pervasive governmental control of virtually all business behavior. If an industry "refuses to bargain" with the government by, say, objecting to the imposition of price controls, "real sanctions must be levied. . . . These could include denial of tax advantages and other subsidies, denial of export licenses, threat of antitrust suits, and so on."

Mr. Shearer's views don't seem to have shifted much since the publication of "Economic Democracy." A 1983 book (with Mr. Carnoy and Russel Rumberger) entitled "A New Social Contract" calls for government "control of . . . investment." Dozens of newly created government enterprises are "the cornerstones of our New Social Contract," under which private businesses will be "guided by new rules of behavior" enforced by regional and local government planning agencies. Other ideas include a "well planned expansion of the public sector," creation of a "national planning agency," and the implementation of Ralph Nader's "corporate democracy" agenda, according to which corporations would be required to submit a "social balance sheet" to regulators each year.

"A New Social Contract" hails the election of "self-described socialist" Bernie Sanders as mayor of Burlington, Ver-

mont, in 1981. His election is called a significant "political victory," the likes of which the authors hope will someday "lead to a majoritarian movement." The book ends by expressing the hope that economic democracy will play an "influential if not a leading role in the next Democratic administration."

Having developed his basic economic ideas in these two books, Mr. Shearer seems to have turned, in recent years, to strategies for implementing them. A typical example is a 1986 article in the Nation in which he suggests that "progressive" policies, such as those he helped to implement in Santa Monica, will come to other cities only with the election of "a reform-minded Democratic President . . . who will appoint a progressive Secretary of Housing and Urban Development to spread information about progressive programs across the country."

Bill Clinton would seem to fit the bill. He is "pragmatic and wants to get things done," Mr. Shearer recently told the San Francisco Examiner. And he is ideologically compatible, apparently. "The best way I can describe Clinton is as a progressive. He believes in activist government," Mr. Shearer told the Washington Post.

When criticized last month in the Orange County Register for his socialist views, Mr. Shearer responded by saying that he was not an advocate of socialism but in fact a "proponent of democratic capitalism" and proudly asserted that he had "served on the board of directors of private corporations, and on the board of the National Consumer Cooperative Bank in Washington, D.C." He recently told The Wall Street Journal that his radical views had "changed," although he did not say how, except to endorse Mr. Clinton's economic program, of which he is an architect.

Tax the Rich

It is certainly possible that Mr. Shearer has lately revised his leftism, even if none of his published writings, at least those that I have seen, repudiate or significantly alter his celebrated public positions or the views expressed in his most famous intellectual manifesto. It might be mentioned, in this connection, that the National Consumer Cooperative Bank he names in his rebuttal to the Register's critique is not exactly a bastion of free enterprise. It is in fact a product of lobbying efforts by Ralph Nader and his associates during the Carter administration. Its purpose, according to Mr. Nader, is to "replace the existing capitalist economy with a cooperative economy."

Not surprisingly, Mr. Shearer hopes that Mr. Clinton and his Democratic Congress would enact a "tax reform that seriously attempts to increase taxes for the rich," as Mr. Shearer told the Post. He also favors an interventionist industrial policy. In this he is joined by other Clinton economic advisers, like Robert Reich of Harvard's Kennedy School of Government and business consultant Ira Magaziner.

It is hard to say for certain what a Clinton administration would be like, but it is clear that its economic policy would have a marked leftward tilt. Many have criticized the Bush administration for increasing domestic spending and adding significantly to government red tape. But judging by the thinking of one of Mr. Clinton's close advisers, a President Clinton would make George Bush look like a piker when it comes to expanding the size and scope of government.

Mr. DiLorenzo is professor of economics at Loyola College in Baltimore.



Derek Shearer

This is BACKGROUND
on CED - I would
try to find out why
Derek Sharer is also
Soviet adviser as well
~~as~~ ECONOMIC ~~ADVISER~~
This is Serious!
Our Presidency is
at stake!!

MRS DOROTHY G PUGH
41 WILSHIRE DR
REDDING CA 96002-1814

F CUS

on the c.e.d...

1983

california federation of republican women • NORTHERN DIVISION

(She gave a talk before our Reading
Repub. Women Fed. on C.E.D. &
how it
works -

Ingrid Azvedo
Regional Vice Chairman North



9416 Second Street
Elk Grove, CA 95624
(916) 423-2160

Political
Hag ^(C.D.) was
only a few
miles away
from us -

FORWARD

This is the first edition of a group of studies to be called FOCUS researched and printed by the California Federation of Republican Women, Northern Division. Many thanks to the 1983 committee under the leadership of Lillian Finnerty of the Santa Cruz RWC. Please feel free to copy any and all of this material for your own use. Additional copies are available.

Barbara Magleby, President
Northern Division

1983

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Barbara Magleby, President
Northern Division

1. WHO STARTED CED, WHEN AND WHERE

The official birth of the Campaign for Economic Democracy came in the fall of 1976, after Tom Hayden captured 37 percent of the vote in his bid for John Tunney's U.S. Senate seat during the 1976 Democratic Primary. By November 1977, CED's headquarters had been established in the historic Bradbury Building in downtown Los Angeles. CED is a California based organization with ties to a nationwide network of organizations created and maintained by the Institute for Policy Studies, "the far left radical 'think tank' in Washington, D. C."

To form the nucleus of the CED, Hayden relied on the 14 statewide Hayden-for-Senate groups, which had indicated their desire to stick together after the election. Sam Hurst, Hayden's press secretary during the primary campaign, assumed the position of staff director. Then Hayden, along with wife Jane Fonda, Congressman Ron Dellums, and United Farm Workers' President, Cesar Chavez, sent off a letter to a list of prospective members, asking them to join a coalition that hoped "to change the face of power in California over the next decade".

The source for many CED principles came from the Port Huron Statement which Hayden lead in drafting, as one of the founding members of Students for Democratic Society (SDS). This was, in 1962, the first national declaration of the New Left. Hayden's term as President of SDS ended in 1963.

Led by Hayden, the CED has been successful in recent elections - Bakersfield, Berkeley, Davis, Chico, Oakland, Santa Monica, Santa Cruz, and his own (the most costly on record) seat for the 44th Assembly district of Los Angeles. However, CED has also suffered some recent setbacks. Santa Monica's mayor, a political ally of Hayden's, was defeated along with two city council running mates in April 1983. In Chico, CED's other major stronghold, one CED backed incumbent barely skinned through by 67 votes while the other one lost. In Santa Cruz, the CED backed rent control campaign went down to defeat for the third time in June, 1983.

CED has chapters statewide and in 1982 claims to have 12,000 dues-paying members, including 500 "who regularly attend meetings of the 21 (other sources put the number at 30) chapters in California", according to L.A. Times of 9-25-82.

CED operates with a paid staff of 21 people, a steering committee of 40 members and 40 alternate members, and an

executive committee of 8 members. Hayden chairs both the steering and executive committees and has been chairman of CED since its inception.

Sources: California Journal, August 1979
Esquire Magazine, May 1980
Heritage Foundation, Institution Analysis 13 & 14
"The Network of Networks", National Foundations to
Fight Political Corruption, Inc.

2. TOM HAYDEN - PERSONALITY SKETCH

Tom Hayden was born in Detroit, Michigan, in 1940. His father was an accountant from Milwaukee who joined the Marines during WW II. Tom's mother, Gene, was a librarian, an Irish Catholic, and a New Deal Democrat. Because of Mr. Hayden's drinking problem, Tom grew up living with his mother.

Tom was a small dark child with severe acne problems. He was fiercely competitive and an ambitious student.

At the University of Michigan, he worked his way up to the editorship of the prestigious Michigan Daily. He visited Berkeley for a student activist conference in the summer of 1960 and was infected with the political virus of the left. Later that year, he attended a conference in Minnesota and met Sandra Cason, a young blond civil rights worker from Texas. Within a year he and Cason were husband and wife. After his graduation, the Haydens continued to live in Ann Arbor and Tom began directing his energies toward the new Students for a Democratic Society. As one of the first SDS members, he led in drafting the 1961 Port Huron Statement, the first national declaration of the New Left.

In 1962, Hayden was a member of the U.S. delegation to the Communist-organized and controlled Eighth World Youth Festival in Helsinki, Finland.

Hayden and his wife were divorced in 1963. He moved to Newark, New Jersey, and worked to organize the black community during the pressurized days before and after the 1967 riots. From 1965 through 1967 Hayden worked with the SDS.

He visited Puerto Rico in 1967 with a group, which, according to the House Committee on Un-American Activities was "a relatively new Communist-supported organization ... with its headquarters in New York City. Part of its program is to combat and debilitate U.S. foreign policy."

Hayden had a falling out of sorts with the SDS and joined forces with Rennie Davis for the National Mobilization Committee to End the War in Vietnam. They engineered the mass protest at the Democratic Convention in Chicago in August 1968. Hayden was arrested along with 7 others for an alleged conspiracy to disrupt the convention. Hayden became a public figure, capturing headlines during the days of the trial of the Chicago Eight.

Hayden wasn't happy jumping in and out of jail. He wanted power, not martyrdom.

In 1970, Hayden moved to California and helped organize the Red Family, the Berkeley commune known as the great bastion of radicalism and experimental living. Hayden fell in love with Anne Weills, a striking looking leader of the local feminist movement. She was estranged from her husband, Robert Scheer, at that time the editor of Ramparts. Scheer is now a writer for the Los Angeles Times.

Weills and Hayden came to a parting of the ways and Hayden moved south to Los Angeles where he changed his name to Emmett Garity. He made contacts among the Irish in Los Angeles and got involved with their middle working class concerns. In 1971 he shed the Garity identity.

Also in 1971, he shared an anti-war platform in Ann Arbor with Jane Fonda. They went on the road together denouncing the war and Richard Nixon and supported George McGovern. They made a trip to Hanoi together. Fonda became pregnant and in 1973 she and Hayden were married. Their son, Troy, was born in 1974. Also in the family was Jane's daughter, Vanessa, from her marriage to French movie director, Roger Vadim.

In April of 1975, Tom Hayden decided to run against John Tunney, the liberal democratic senator from California. Surprisingly the people responded to his entrance into politics. Although Hayden lost, he won a respectable 37 percent of the vote.

→ A rather interesting three-some developed in 1973 between Jerry Brown, Hayden, and Fonda. They became allies when

Brown ran for governor in 1974. Brown appointed Hayden to several key posts - the State Solar Council; California representative to Western Sun; membership on the Southwest Border Commission; and member of California's delegation to the White House Conference on Balanced National Growth and Economic Development.

All three have been extremely active in the anti-nuclear movement.

And in 1982, the veteran agitator, founder of the radical Students for a Democratic Society, anti-war protestor, member of the infamous "Chicago Seven", and founder of the Campaign for Economic Democracy, became a California Assemblyman from the 44th Assembly district on Los Angeles' west side.

Hayden has published a book, "The American Future - New Visions Beyond Old Frontiers", and his writings have appeared in the Wall Street Journal, the Washington Post, The Nation and other leading publications.

Sources: Esquire, 1980

Human Events, October 6, 1979

Palo Alto Times, May 8, 1971

McCalls, January 1978

California Journal, July 1976

3. CED's PURPOSE AND GOAL

On May 8th, 1979, the Articles of Incorporation of California's Campaign for Economic Democracy were filed in the office of the Secretary of State of California.

Item 1 under purposes and powers reads as follows: "The specific and primary purpose for which this non-profit corporation is organized is to provide a state-wide political organization through which its members may promote and implement economic democracy."

What is economic democracy? Simply stated it is the transfer of economic decision making from the few to the many. It is a form of socialism which seeks to redistribute the wealth of the nation by eventually developing government subsidized non-profit corporations in the areas of housing, food, medicine, transportation, energy, and any other necessity provided by private enterprise.

The program and tactics of economic democracy are outlined in Economic Democracy - The Challenge of the 1980's,

→ co-authored by a close associate of Tom Hayden, Derek Shearer, who writes that it is wrong and unfair that the U.S. economy be controlled by corporate capitalists, "the stink in our midst", who, together with another set of large corporations - the banks - govern the capital accumulation process, and with it, patterns even America's relations with other nations. Our forefathers, says Shearer, fought to maintain political democracy - political choice by the masses instead by a single head or group of persons. The same rationale should be applied to the economy - production and investment decision making should be done by the workers and consumers rather than by owners and managers.

He goes on to say that this reform logically should be done by government. However, the government is dominated and controlled by the corporate giants; therefore, it is essential to first gain control of the government. In researching the experiences of the industrial, politically democratic countries in Western Europe, it was discovered that they were not very successful with respect to economic democracy. Though the major industries were nationalized, the workers and consumers still had little to say about production and distribution. In countries where political power had been seized, no new benefits came to the masses, mainly because those in political power did not know how to manage "capital power". That is why Shearer concluded that, in the next decade it will be necessary to build a mass political movement in the program of economic democracy. Shearer warned that the "'S' word - socialism" not be used. "Substitute the words 'Economic Democracy'. They can be sold door to door 'just like Fuller Brushes'."

The CED has been putting forward a comprehensive economic program in the context of a long term political strategy. The first step was to organize people - not hard core activists but regular working people with families and jobs - to become politically active by taking steps, however small, in the direction of democratic participation. Such steps could include renters going to a building meeting to set up a tenants' association; community residents appearing at a meeting in support of bike lanes; individuals contributing a small amount to support a campaign or initiative opposing the dumping of nuclear subs off the California coast.

As Steve Frank, President of the California Republican Assembly, said, "the principles of this organization seem high, yet on analysis it is totalitarian in nature. Among those principles are rent control, job control, overall housing control ... state control over the production and means of distribution of energy sources, state owned banks,

? PEROT'S
ideas
too?

and the 'social' use of pension funds. The CED is effective because they take emotional issues and play on the heart strings, without explaining the economic disasters they would create."

The organization is not always the first to put forth an issue (nuclear freeze, women's rights, gay rights, solar energy) but it is quick to jump on the bandwagon and give help in the form of demonstrators, organizational skills and sometimes funds. It is important that the vision of economic democracy begins to emerge as a majority viewpoint.

Another view of Shearer's is that we are a nation of employees. The unions have emerged as the champions of the working man. However, in reality they discipline their members to work for the corporate dollar. True they have obtained better working conditions, improved health and safety regulations, and better wages, but have not obtained a voice for the workers in the distribution of the capital gained from their labors. Shearer thinks that the union hierarchy has indeed been on the side of corporate capitalists and has failed to promote the principles of economic democracy, such as, how the plant is run and eventual representation on corporate boards.

Change to be effective must not come from the top down but from the bottom up. Therefore, the CED has worked diligently and hard to run candidates for school boards, city councils, county supervisors, and have obtained appointments to various commissions and agencies at all levels of government. Once in office they push legislation, regulations, and ordinances, all aimed to reduce corporate power and increase democratic control over capital. There is hardly an election in which some ballot measure or initiative does not stem from its efforts. It is possible for a movement to lose many times in the conventional sense - in elections, initiatives, or bills in the legislature and yet win in the long run. The exposure gained is very valuable.

The CED is also aware that, because we have a system with a strong president and a Congress elected from single-member, winner-take-all districts, ours is a two-party system making the development of a third party almost impossible. Consequently, members of the organization run in the Democratic primaries. Its latest victory is the election of Tom Hayden to the 44th Assembly district.

When a firm base has been established citywide and statewide, it can be extended to the national level. Hayden and his

associates are laying the groundwork now. Through their speakers bureau they have reached other progressive alliances - a national coalition will be formed when the time is ripe.

→ The ultimate goal is a presidential candidate running on a program of economic democracy in the Democratic primaries. Even if unsuccessful the first few times, a number of things could be accomplished:

development of a national mailing list of progressive supporters and activists

public TV and radio spots, newspaper coverage, and appearances on TV and radio spots required by equal-time provisions

creation of a national alternative cabinet of knowledgeable alternative policy experts who would continue, after the campaign, to serve as critics of existing policies and proponents of alternative policies

identification and inspiration of new activists in cities and states where primaries were held, stimulating them to join the movement and to build up a base in their own cities and states.

now two → To the degree that CED has achieved acceptance in some quarters within the political establishment in California, it must be taken seriously. To underestimate the potential of a movement that number among its members and supporters a former Governor and Lieutenant Governor of California, a prominent member of the U.S. House of Representatives and a member of California's Assembly is to run the needless risk of laying oneself open to an unpleasantly rude awakening a few years hence. This is even more the case when a movement enjoys, as CED does, close ties to a well-organized nationwide apparatus of obviously radical complexion, The Institute of Policy Studies.

Sources:

"Economic Democracy - The Challenge of the 1980's" by Derek Shearer and Martin Carnoy (Shearer was active in Hayden's 1976 race against U.S. Senator John Tunney and was a charter member of the CED. He is the husband of former Mayor Ruth Yanatta Goldway of Santa Monica)

(Titles?) Goldway & SHEARER both were given jobs in the BROWN Governorship prior to her running Heritage Foundation - Institution Analysis No. 13 for Mayor.

Oroville RWC Bulletin - April, 1982

She appt. her husband D.S. as Planning Com. of Santa Monica, Ca

CED Articles of Incorporation

Statement by Jim Lynch, General Manager, Chico
Chamber of Commerce in April, 1982

4. CED's ORGANIZATION AND HOW THEY ARE FINANCED

Getting information on the organization and financing of the CED is difficult because at times their activities are covert or hidden in ambiguity. Yet, a study of what information is available is useful.

ORGANIZATION

The CED was organized in 1977 by Tom Hayden, Jane Fonda, Ron Dellums, Mervyn Dymally, Derek Shearer and Cesar Chavez. The CED consists of 11,000-12,000 members in 30 chapters throughout California, including 430-1,000 activist members. These activists attend weekly meetings, integrate CED work into their daily lives and promote CED causes in organizations ranging from churches to Scouts. They are available to campaign for CED and CED chosen candidates and to march in demonstrations and rallies. R.P.

A statewide steering committee, chaired by Tom Hayden and composed of 40 members elected from local chapters, sets policy. There is also a 7 member executive committee chaired by Hayden.

A paid staff of 21 coordinates activities, lobbies for CED legislation and publishes a monthly newsletter. About 51 paid canvassers are hired for door to door membership drives.

Several separate, tax-exempt foundations are part of the organization. They are: 1. The Laurel Springs Educational Fund, 2. an Alternative Energy and Cancer Fund with a budget of \$85,000, and 3. a political action group to provide contributions to CED backed candidates with a budget of \$200,000 annually.

While not a part of CED, to understand its program and activities one must mention several other organizations:

1. The Institute for Policy Studies (IPS)
2. The Foundation for National Progress (FNP). It carries out on the west coast activities of the IPS and

has many subsidiaries such as the Pacific Alliance, the New School for Democratic Management, the Solar Center, and a Youth Project.

3. The California Public Policy Center, (CPPC), which is a tax-exempt superstructure of affiliated organizations that interlock with the IPS and FNP as an outlet for IPS activism on the west coast.

This is a brief overview of the CED. Their organization is dedicated to destroying freedom and making America a socialist country. Their organizational game plan is first the city councils, then the state legislature and ultimately Hayden as President.

FINANCING

The budget for the CED is estimated at about \$300,000-\$500,000 annually. It is made up in a variety of ways: 1. dues, mailings and low wages; 2. contributions from other organizations; 3. government grants; and 4. money from Jane Fonda and friends.

Regarding dues, mailings and low wages, according to the August 1979 California Journal, each of CED's paid staff members, regardless of job, received only \$800 per month, which is far below average wages. In 1981, with 21 staff members, salaries would have had to represent a minimum outlay of \$201,690 per month, slightly in excess of 2/3 of the organization's total budget. CED literature shows an annual membership fee of \$15 per person. If Hayden's membership estimate of 8,000 is correct the group would collect \$120,000 from that source. On the other hand, if only the activist members paid dues, the income from dues is greatly reduced. In any event, dues and mailings fall far short of needed financing.

The second source, contributions from organizations, is hard to pin down. A Heritage Foundation analysis points out that the CED has received funds from organizations tied to the leftist movement in general and to the Institute for Policy Studies (IPS) in particular. This includes groups that fund IPS, as well as church groups and government agencies like the National Endowment for the Arts and Humanities and ACTION, and a \$2,000 grant from the Foundation for National Progress (FNP), the Pacific Alliance, and the California Public Policy Center.

Third, government grants is of special interest to all taxpayers. An example of the government money and help the

CED has received is a grant of \$126,000 in Comprehensive Employment and Training Act (CETA) funds to the Center for New Corporate Priorities. Ruth Yannata Goldway, a CED member of the Santa Monica City Council, received her salary from this CETA grant. She subsequently placed the 57 CETA trainees with several community groups, most of whom were CED oriented. The Heritage Foundation pointed out the U.S. Department of Labor determined there is "prosecutive merit" in allegations that CETA funds had been used to subsidize CED-connected political activity.

On October 29, 1979, Barrons reported that, "Organizations with CED alliances (e.g. the Laurel Springs Educational Center, a training institute for community organizers) have found a place at the public trough via CETA or VISTA money." Joe Kotkin, in the July 5, 1979, Washington Post, noted that, "Reports have circulated widely that some funds from the Federal Comprehensive Employment and Training Act (CETA) program are going to CED members and their allies working in political campaigns."

Even the Berkeley Barb, despite it's radical orientation, accused Hayden of exploiting government money in the solar movement for his political machine. It is a fact that Hayden has directed federal money from Western Sun (a federal solar energy project which he heads) into groups affiliated with the CED and has put CED members on the payroll of Western Sun.

A Santa Monica crime control program called Communitas in 1978 received a grant for \$223,274 for crime control. Actually the money was used for block organizing and precinct work that resulted in the CED passing its rent control measure and electing their candidates to take over the city council.

Finally, the biggest source of money is Jane Fonda and her friends. The Libertarian Review stated that CED's budget is "raised mostly by Fonda and her Hollywood connections." The magazine Mother Jones noted that "Hayden is built into the driver's seat, and Fonda buys most of the gas." Parade Magazine, in 1979, noted Fonda is likely to earn anywhere between \$10 to \$50 million by 1985". She is also raking in money from her best selling book and record, "Workout", and her exercise studios. An article by Marjorie Pope in Challenge estimated this source at \$300,000 annually. Pope says, "The ability of Fonda to bring in money, through direct contributions, fundraising efforts and "Workout", will continue to provide financial stability for the CED."

The CED is like a rattlesnake eating and growing, and sunning itself and growing. He may not be a danger today but he should not be ignored.

Sources: California Journal, August, 1979
Speech by Steve Frank
Berkeley Citizens United bulletin
Heritage Foundation Institute Analysis No. 13,14,15
NFRW Challenge, November, 1982
California Journal, January, 1982

5. CED TARGETS FOR THE 80's

The Campaign for Economic Democracy (CED) targets primarily local, and some state offices. On the state legislative level in 1984, the CED plans to target the 22nd State Senate district, and Assembly districts in San Diego and Kern counties.

County Boards of Supervisors are a major concern to the CED. Target boards for 1984 include the boards in San Diego, San Francisco, Sacramento, Kern and Humboldt counties.

Numerous city councils were targeted for 1983, including those in Los Angeles, San Diego, Bakersfield, Arcata, and Chico. In 1984, the CED will target the Hayward city council, and in 1985, the San Diego city council again will be targeted.

While the CED is known for running school and other community board candidates, only one school board was specifically mentioned as a target, that being the Hayward school board.

The CED works extensively to take command of the Democrat party. Democrat central committees are a particular target. County committees listed as targets include those in Orange, San Francisco, Sacramento, Kern, Alameda, and Butte counties. In Sonoma county, the "county central committees" (plural) are targeted for takeover.

It is useful to know which seats the CED plans to target, but this information is not always casually distributed, and it will change over time. Therefore, we must maintain constant vigilance on local issues and candidates. While we may not always have specific information that a seat is a CED target, there are target area profile characteristics that can tip us off.

The characteristics of target areas tend to be those that have high populations of students or retired people, or that have high unemployment rates.

Another fact we need to bear in mind is that the CED is part of a larger movement towards "economic democracy" - that is, socialism. One of the main tenets of the movement is that their goals cannot be achieved by one organization alone; that it must be a network of groups that have the same, similar or comparable goals.

We also must remember that while the vast majority of "economic democracy" movement candidates are Democrats, the movement also fields or supports sympathetic candidates who are (mis)registered Republicans.

Key issues of the network groups are the environment, land use, rent control, and unemployment. Local issues and movements that should act as "red flags" are efforts to establish bike lanes, recycling centers, food co-ops, restrictive land use policies, tenant's unions, rent control laws, alternative energy sources, and anti-nuclear demonstrations.

Sources:

"The Ten Steps for Taking Over A City," by Donald Howland, in the Sacramento Apartment Association Newsletter, July, 1982

"Tom Hayden's 5-Year Plan for California," by James M. Harmon, in Apartment Management magazine, pub. by Tri-County Apartment Owners Association, January, 1982

→ Economic Democracy: The Challenge of the 1980's, by Martin Carnoy and Derek Shearer, c. 1980 by M. E. Sharpe, Inc., White Plains, N. Y. Distributed by Pantheon Books, division of Random House, Inc.

6. CED's SUCCESSES AND FAILURES AND ORGANIZED OPPOSITION GROUPS

The plan for the New American Revolution gained viable momentum before the public became aware of the fact that CED is an organization headed by an activist in rebellion against United States policies both at home and abroad. Members of CED and SDS (Students for a Democratic Society) were unobtrusively recruiting, organizing and working quietly in the system building power before the alphabet was attributed

to the Hayden-Fonda leftist activists. Action was relatively unhampered by any publicity or recognition of a leftist movement.

Candidates from the youthful organizations are more than willing to run for local offices with the knowledge that the CED Political Action Fund will finance their campaign. The availability of news stories, printing, radio and television clips created by skilled professionals for CED supported candidates discourages the local potential candidate from competing with this well-financed machine.

The success of the CED planners to form coalitions with the United Farm Workers, State AFL-CIO, Friends of the Earth, Environmental Defense Fund, and the many off-shoot groups is proof of their organizing ability. It is to be noted that most candidates running with CED support attempt to duck any public acknowledgment of a tie-in. But the source of their funds can be determined by the campaign reports in the County Clerk's office.

The CED members plus members of coalition workers have proven that their precinct work is superior to any party organization as it now exists. The door-to-door selling of candidates like "selling Fuller brushes" has paid off in election victories.

The CED claims fifty-three organization-supported candidates holding local office in cities and counties around the state, including state Assemblymen Tom Bates and Tom Hayden and U.S. Representative Ron Dellums. About 400 CED loyalists are members of the Democrat State Central Committee. This power base of votes is to be reckoned with in determining the elective leaders of that party.

We who are partisans of private enterprise must develop effective antidotes to the sickness that is weakening the whole spectrum of private endeavor. Indeed, capitalism is an endangered species, and if we are not to continue down the path to the total triumph of the welfare state, we must reach the conscience of the opinion-makers and voters of this country.

The leader in anti far-left liberalism is President Reagan. The Republican party is a barrier to a bit-by-bit break down of our constitutional and capitalistic system.

The Pacific Legal Foundation is a public interest law firm defending personal freedoms and the national interest whenever they are threatened.

So far known organized opposition groups are:

The Armed Forces Retirees - an endeavor to have Tom Hayden's membership in the Assembly declared illegal.

The California Republican Assembly of Santa Ana

Apartment Owners Association

Citizens of Butte County

Santa Cruz Citizens Against Rent Control

The unity of developed precinct organizations must be greatly improved so that candidates of reason and responsibility will choose to run for elective office.

In 1985

Note: After several defeats at the voting box, the C.E.D. Name was dumped for a new one;

"Campaign California"

1992 - DEREK SHEARER

is "a close friend & adviser" to Presidential Candidate Gov. Bill Clinton of Arkansas.

See 13 July 1992 - Wall St. Journal

encl — 9 Sep 92 WSJ

encl — 10 Sep 92 WSJ

encl — 13 Sep 92 Sacramento Bee, (Sacramento Calif.)

14

enclosed - 5 articles by Harris Barnett for the Sacramento Union 1983-84(?) #2 & 3 in particular for De Shearer

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Oroville RWC Bulletin, April 1982

CED Articles of Incorporation

Statement by Jim Lynch, General Manager, Chico Chamber of Commerce, April 1982

Challenge, a NFRW publication, November 1982

Speech by Steve Frank, President of CRA

Berkeley Citizens United Bulletin

MRS DOROTHY PUGH
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REDDING CA 96002-1814

Fold at line over top of envelope to the
right of the return address

CERTIFIED

P 369 190 961

MAIL



OCT 19 1992

CHIEF of STAFF
JAMES BAKER
THE WHITE HOUSE
WASH. D. C.
20500

RECEIPT
1-1-93

Eileen and Marvon Alverson
12100 E. 65th Ct.
Timber Valley
Kansas City, Missouri 64133
816-358-9811

support/
suggestions

NR

10/14/92

Mr. James Baker
White House
Washington D. C.

Dear Mr. Baker

I am a Republican all the way. A few
thoughts concerning the campaign.

Clinton needs to be asked where all the
vocal Black leaders ^{are} and what have they
been promised.

The Clinton advisors and campaign staff
are all open for examination. They are a perfect
example of what type people we will have in
key position if Clinton wins. Carroll (probably
spelled wrong) is the typical Louisiana
politician. He will do anything, any way to be
successful. You can't be a gentleman and
compete with this type person.

You need to check the Arkansas economic
package offered to manufacturers to come to
their state. Especially what he has told

Eileen and Marvon Alverson

12100 E. 65th Ct.

Timber Valley

Kansas City, Missouri 64133

816-358-9811

companies about keeping Unions out. Has
he done anything to help Wal Mart stay
non union in their Arkansas warehouse

I know many people think Rush
Limbaugh is a wild man but he has a terrific
following and knows the issues. If you
could get on TV prime time for a few programs
would be fantastic. There are many parts
of the country where he is not known.

Keep up the good work & tell George
to give in Hell tomorrow night.

Sincerely
Marvon L. Alverson

Frank Hulsey

October 14, 1992

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

Dear Mr. Baker:

I have listened to the debates and some of the political speeches, I have agonized over the failure to hear anyone say publicly that President Bush, on the eve of the Gulf war, put together the most powerful collaboration of of nations the world has ever known, for the security of mankind.

It was one of his finest hours and demonstrates leadership of the highest order. That brings respect to this country seldom known to our leadership. Let's re-elect him!

Sincerely,


Frank Hulsey

Three Suggestions For Countering Clinton:

suggestions

APW

1) Tuesday night, in passing, Clinton responded to the lawyer-tort problem on medical costs "we will propose guidelines that, if the physician stays within he will be protected against suits."

Do you realize the implications of that mind-set?!

The government bureaucracy is going to tell my doctor how to treat me, and if he strays out of those guidelines look out for the lawyers! The government can't even deliver a letter much less a baby.

2) The President has to push the basic difference between the parties during the third debate: Namely, praise Clinton's performance during the 2nd debate: he had an answer for every problem, a government answer for every problem, a government program for every problem, a new government bureaucracy for every problem. So does every socialist state. We stand for limited government. *That's the difference.*

3) A good example of government vs the individual is choice in education. Look at the attached article on NYC school manuals.

First graders are to be taught alternative life styles.

The teachers' manual tells how to teach kids to seduce each other without embarrassment.

The manual tells the kids they have a right to have sex with anyone they please. That's directly contrary to the Ten Commandments but if a teacher taught that in a public school, a lawyer from the ACLU would be there with a subpoena the next day. That's why parents have to be given the choice of school systems rather than a school bureaucracy. Governor Clinton's program would deny that choice to parents.

4) Note the phrase in the article that religious and other leaders opposed to distributing condoms to grade school kids "have their heads in the sand:"

That is the same phrase Gore used repeatedly debating Quayle. That must be a slogan of the ultra liberals. Again, what the parents want is not important in Clinton's program.

David F. Born
Senior Vice President
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REVIEW & OUTLOOK

The Parents Rebel—II

Starting at 10 this morning, crowds of parents and other concerned citizens will be gathering in front of New York City's Board of Education headquarters in Brooklyn. This army, expected to be large, will be forming up to protest the program created by Board of Education bureaucrats and AIDS activists, introducing condom use to schoolchildren. The parents also will have something to say about the so-called Children of the Rainbow curriculum, whose teachers' guide stresses the desirability of instructing first-graders on sexual life styles.

We reported on the early phase of this movement last month ("The Parents Rebel," Sept. 8). Then, mostly black and Hispanic parents protested these programs in

front of New York's City Hall in Manhattan. The movement is something of an embarrassment to cosmopolitan liberalism, but it looks as if it's growing. What the parents are protesting is the

schools' attempt to hijack what belongs to them — the spiritual, sexual and social education of their children.

As New York goes, a spokesman for school Chancellor Joseph Fernandez tells us, so goes the nation. School programs similar to those in New York, flying under the banner of AIDS prevention, have been established in Philadelphia, Washington D.C., Chicago, Washington State and other regions. By now 30 school systems have adopted the New York model.

This means, for one thing, that children in many places may soon be getting educational pamphlets such as the one put out by the N.Y.C. Health Department and distributed in some New York City schools, illustrating ways that students can go about seducing one another without being troubled by embarrassment over the issue of condoms. The cool technique, this manual tells students, is to start with plays such as, "Getting down with you is great. It could be even better if we used rubbers. How about trying the red ones tonight?"

Board of Education member Dr. Irene Impellizeri says that so-called AIDS prevention teaching like this sells students the line that teen-age sex is inevitable, and that using a condom is "responsible." Dr. Impellizeri, who has conducted an heroic campaign against the AIDS education program, argues that it implicitly puts the

stamp of official approval on early sexual activity, while saying comparatively little about abstinence — the one sure way of preventing AIDS.

The condom pushers and advanced sex education activists argue that opponents such as Dr. Impellizeri or the Rev. Michel Faulkner of New York's Calvary Baptist Church have "their heads in the sand."

Rev. Faulkner replies: "Those of us who don't think it's a foregone conclusion that children can't control themselves, those of us who fought for the emphasis on abstinence, rather than on condoms, are attacked as 'religious.' That's quite a charge today." He adds that "the vast majority of people fighting for the emphasis on abstinence are parents."

The mind-set of the visionaries finds perfect expression in another section of the health department's pamphlet, which tells students they "have the right to decide whether to have sex and who to have it with." Reading this, it's not hard to see why reading and math scores don't improve much, or why if you ask students where Europe is, they may tell you it's the capital of Spain, or possibly in Cleveland. What with the distribution of sex liberation manifestoes, classroom demonstrations of proper condom use and lessons on gender bias and alternate life styles it's not hard to see why there's little room left for writing, spelling or geography.

A recent report in the Washington Post, describing the AIDS prevention program in the District's schools, quotes Caitlin Ryan, chief of the District's Agency for HIV/AIDS, on how much effort goes into getting condoms that appeal to high school students. They are trying new brands all the time, she explained, and they have ordered "some Afrocentric brands. It has packaging that is attractive to the African-American population."

Advocates for restoring sanity, such as protest organizer, Delores Ayling, the Rev. Faulkner and all those parents who will be gathered in front of New York's Board of Ed. building today, have decided to fight for the minds and hearts of the young. She did not, said Bobbie Merritt, a minority mother, go through the struggles of being a single parent and putting her daughter through college so that she could live to see her grandchild being taught about condoms and oral and anal sex, in grade school.

She speaks, like the parents gathering in Brooklyn today, for the healthier quarters of our society — the sort on which civilizations depend. Their rebellion is a heartening sign.



especially the parents
Gore's favorite phrase

when!

David Born
P.O. Box 205
Hudson OH 44136



James Baker
% White House
Washington D.C. 20500

S.H. Bud Scott

13185 Brighton Road
Brighton, Colorado 80601
(303) 659-0800

10/14/92

suggestion

Jim Baker
Assist. to The President

MEW

Dear Mr. Baker

As a Life Long Republican, I certainly hope
that George Bush wins!!

A few suggestions:

1. ~~Always~~ Refer to The Democrats as The Liberalistic Left wing.
2. Place the blame for our problems - It has been caused by years & years of Run-a-way Tax & Spend policies by the Liberalistic Leftwing - This has caused our terrible deficit & unbalanced budget.
3. Stress the basic philosophical difference between the Liberalistic Left wing & The Republicans.
4. More & more government seldom solves the problems. It just creates bigger problems.
5. Explain The reason for the tax increase.
6. Lets have more press releases about Clintons adulterous practices.

Good Luck & God Bless you!

Bud Scott

JOHN W. EARLE
9574 LORENZO ST
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HON. JAMES BAKER
PRESIDENTIAL ADVISOR, WHITE HOUSE
WASHINGTON DC 20500

NRN

suggestions

TO HELP GEORGE BUSH'S REELECTION, WHY NOT APPOINT ROSS PEROT ECONOMIC CZAR?

TO SOLVE THE BIG CITY POLICE PROBLEM AND THE TROOP CUTBACK
UNEMPLOYMENT PROBLEM- THE BIG CITIES NEED MORE POLICE AND THE ARMED
FORCES HAVE TO CUT THEIR RANKS IN THE BUDGET CUT. USE SOME OF THE
MONEY SAVED IN THE CUTBACK TO PAY FOR AND TRAIN EX-MILITARY MEN TO
HANDLE THE BIG CITY POLICE WORK. SET UP TRAINING CENTERS RUN BY THE
NATIONAL POLICE ACADEMY. GRADUATES ARE ASSIGNED TO THE BIG CITIES TO
FILL IN AND ARE PAID FOR BY THIS FUND FOR A SPECIFIED LENGTH OF TIME.
GRADUATES MAY WANT TO JOIN THE ARMED FORCES RESERVE CORPS.

JOHN W. EARLE

20:38 EST

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*suggestions/
support*

Mr. James Baker + Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20000

MM

October 13, 1992

Dear Sir:

I am writing to you as a very concerned citizen. If you or someone on your staff sees this letter before Election Day, I would like you, in the strongest possible terms, to come down forcefully on Mr. Clinton and Mr. Gore and the rest of the Democratic Machine.

I have all the love and respect for the President and believe that he is the greatest President that we have ever had. However, he is losing this election, because he is not coming down hard on Clinton/Gore. It seems to me that he is afraid of offending anyone.

If you think back to 1988, He didn't show any force and he almost lost the election, when he became tough, the tables were turned in his favor.

One thing I can't understand is why does the Press still crucify the Vice President regarding the draft, but when it comes to Clinton, they don't give a damn! What gives???

Please do all you can to save this election! We can't afford President Clinton. Please expose him for the rapist that he is!!!!

*Sincerely,
Steven Janick*

NRN

preppat
suggestions
10-16-92

MR. BAKER,

I AM A VERY CONCERNED CITIZEN IN ANDREWS TEXAS.

I wrote A letter to The President BACK IN December or JANUARY AND stressed heavily THAT he should get more messages out to The Public about the condition OF The economy or tell The AMERICAN People he had developed A health Problem AND decided to NOT seek A second term.

I believe The President WAS SO POPULAR AFTER The Desert Storm war THAT he thought NO OPPONENT would be A threat to his re-election BUT NOW I AM SURE THAT he KNOWS THAT BILL CLINTON IS A SERIOUS THREAT TO NOT ONLY his re-election BUT ALSO TO AMERICA.

I HAVE ALWAYS tried to read the NEWSPAPERS, The WALL STREET JOURNAL, U.S. NEWS & WORLD REPORTS AND MANY OTHER PUBLICATIONS TO try to STAY INFORMED.

MY WIFE does NOT read THAT MUCH AND she told me THAT she would NEVER vote For George Bush because he had did ALL The Things For ALL The rest OF The World AND let The UNITED STATES SUFFER.

AFTER MR. PEROT got IN The race, dropped OUT OF The race, THEN re-entered The race, MY WIFE told me she could NOT vote For Ross Perot.

MY WIFE AND I were both raised

WP being Democrats, but believe we should vote for the person and have both voted for the Republican Presidents for the last 20 years or more, but this is the first year that I have had any problem with her supporting my views.

I have brought this up so that maybe you can understand what I think it will take to get President Bush re-elected.

I think if he does not show a substantial gain in the polls after the next debate that he must get these messages out to the voters before November the third.

The threat of communism and nuclear war was the biggest threat to America so we sent Mr Baker and other experts to help, then came Saddam Hussein who would try to control all of the oil and build up a nuclear and chemical threat to the world, so since he was the number one threat to the world, again Mr Baker and his team were used to help in solving that problem.

Now the biggest threat to America is Bill Clinton and the Democrats in congress, so Mr Baker and his team have been pulled in to again handle the number one problem.

As soon as we cross this hurdle we will go to work on the economy and again we will use Mr Baker and

his team on the Number One Problem. Then explain that if a threat broke out in a foreign country again that experts would be moved again in the direction of the Number One Problem. MR Bush has been blamed for many things that are not his fault, but I am not sure that the average voter is informed enough to understand it.

MR Bush needs to explain why he is for a capital gains tax cut and then vetoes the bill because it also contains a tax increase for the wealthy, the public does not understand a line item veto.

I think the President needs to bring in front of the voters some bill that had things he liked and things he did not like in the same bill and explain why he could not support it, or like when he raised taxes to get support on something else.

I think the President needs to explain why he did not support the Family Leave Plan. I know we don't need the Federal Government to tell a company that it has to do anything, family leave, health care plans, and other fringe benefits are part of a benefit package just like so many sick days with pay or a vacation plan, and should be optional and create competition from one company to another, but MR Clinton is using it against MR Bush because MR Bush is stressing family values.

The President Needs to go INTO detail About something like The FAMILY LEAVE, IF YOU HAD A FAMILY LEAVE PLAN THAT WAS MANDATORY BY The Federal Government BUT, IT EXEMPT SMALL BUSINESS WITH LESS THAN 200 EMPLOYEES.

WHY 200? WHY NOT 150? IF YOU HAD 205 EMPLOYEES DO YOU LAY OFF 5 SO YOU DON'T COME UNDER THE REGULATION? WHY NOT FORM ANOTHER COMPANY AND HAVE 150 EMPLOYEES IN EACH AND NOT 300 IN ONE.

WHAT ABOUT THE EMPLOYEE WHO WOULD WANT LEAVE TO BE WITH HIS GRANDSON BECAUSE HE HAS BEEN RAISING HIM, OR HIS STEPDAUGHTER WHO HAS NO ONE ELSE?

I KNOW THESE THINGS SHOULD NOT BE HANDLED BY THE FEDERAL GOVERNMENT BUT I AM NOT SURE THAT THE AVERAGE VOTER IS WELL ENOUGH INFORMED.

I THINK THE PRESIDENT MUST COME DOWN VERY HARD ON WHY WE CAN NOT HAVE A LIBERAL CONGRESS AND A DEMOCRAT PRESIDENT AND SURVIVE 4 YEARS.

I THINK THE PUBLIC WANTS A WORK PROGRAM TO REPLACE THE WELFARE PROGRAM.

I THINK THE PUBLIC NEEDS TO BE TOLD THAT MR BUSH WILL DO WHATEVER IS RIGHT FOR AMERICA BY USING WHAT PEOPLE AND POWER IS AVAILABLE TO HIM, BUT SOME VOTERS DO NOT UNDERSTAND WHY HE CAN SEND TROOPS TO IRAQ WITH OUT THE SUPPORT FROM CONGRESS BUT CAN NOT HANDLE DOMESTIC ITEMS BECAUSE OF CONGRESSIONAL INTERFERENCE,

I do not believe THAT SUPPORTING FAMILY VALUES AND BRINGING UP CHARACTER ISSUES AGAINST CLINTON WILL WIN THIS ELECTION.

THE PRESIDENT MUST EXPLAIN HIS ROLE IN GOVERNMENT HIS PAST PERFORMANCE, WHICH IS GREAT, HIS PLANS FOR THE FUTURE, INCLUDING CHANGE IN ELECTED PERSONNEL, TERM LIMITATIONS, ETC.

THEN A STRONG COMMITMENT TO CUT THE SALARIES OR REDUCE THE NUMBER OF GOVERNMENT EMPLOYEES WOULD BE A GOOD SHOW TOWARD ECONOMIC RECOVERY.

I THINK HE PROBABLY NEEDS TO FIRM UP HIS POSITION AND SUPPORT FOR DAN QUAYLE WHO HAS MATURED GREATLY IN THE PAST 4 YEARS AND ALSO GAINED A GREAT AMOUNT OF RESPECT FROM HIS V.P. DEBATE.

MR BAKER IF YOU CAN USE ANY OF THIS TO HELP IN THE RE-ELECTION OF PRESIDENT BUSH, IT WOULD PLEASE ME VERY MUCH.

I AM DEEPLY CONCERNED AND YOU HAVE MY SUPPORT.

I AM SORRY I DO NOT HAVE A SECRETARY TO TYPE THIS FOR ME.

I HOPE YOU CAN READ IT AND PLEASE DON'T LET THE PRESIDENT LET UP NOW.

Sincerely

J.A. (Jus) Hyatt

J.A.(Jess) Hyatt
P.O. Box 1902
Andrews, Texas

79714



Mr. James Baker
1600 Penn. Ave.
Washington, D.C.

20000-525



suggestions

Adlai E. Stevenson High School
1980 Lafayette Avenue
Bronx, New York 10473
(718) 918-2700

NRN

His Excellency James A. Baker
White House Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Baker:

THE RACIAL CRISIS MUST BE RESOLVED IMMEDIATELY IN ORDER TO ACHIEVE AN OVERWHELMING VICTORY IN NOVEMBER FOR PRESIDENT BUSH. AT THE SAME TIME, THE ECONOMIC CRISIS WILL GREATLY IMPROVE.

Mr. Chief of Staff, I call on you to recruit the services of a dynamic American, Mrs. Christina North. Because of this great lady, black youngsters went off drugs cold turkey and unexploited whites and non-whites support her.

Did you receive my letter of three weeks ago? Apparently not. Mrs. North sent the enclosure to the Montel Williams and Faith Daniels shows. The Faith Daniels Show (NBC) contacted Mrs. North about appearing on October 12.

Mr. Baker, my sincere gut feeling is that Mrs. North is President Bush' last great hope for victory in November and that without the formidable intellect and storehouse of original ideas that she has ready to employ, then Mr. Bush truly will be dead in the water and it need not be that way.

You may reach Mrs. North at: (718) 784-7705. Her Address:
41-06 12th Street
Long Island City, New York 11101

Sincerely,

Kenneth Cotton
Kenneth Cotton

Teacher of Social Studies

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Mr. James Baker
Chief of Staff
The White House
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*suggestions
suppat*
Oct 19, 1992

MEH

Dear Mr. Baker,

I am writing to you as a strong supporter of the President. I have been watching the campaign very closely and am naturally concerned with the trend thus far.

I make no claim here of any political expertise, and you may not welcome any more unsolicited advice regarding the campaign, but I feel compelled to throw my "two-bits" in, if you will allow me. I want to pass along some thoughts - a summary really - some of mine, some of others, of the kind of things I would like to hear the President say.

In talking with people about the campaign, I find that those who support the Clinton/Gore ticket never really address the issues. They are emotional in their support rather than logical or rational. They always repeat the phrases/sound bites of the democrats (and the media, who are unabashed in their support of the democrats), and do not want to be drawn into a discussion of the facts. The Perot supporters seem to fall into two groups, one logical/rational, the other emotional.

I believe the President must go back to the basics and set out the real records in a forceful, straightforward way. There is nothing to be gained in discussing character issues. The Clinton/Gore supporters, and some of the Perot supporters, are dealing in emotion and have come to accept the flawed characters. No amount of logic is going to sway them in this area.

I believe the best approach is to let Clinton/Gore be defeated by their records, and the President can win on his. Clinton/Gore represent the truly failed philosophy of socialism and their records show them to be far out liberals in moderate packaging.

I will list some of the slogans/soundbites used against the President, and the kind of response I would like to hear from the President.

Slogans: "The President can't run on his record, so he is attacking me personally/A failed presidency/He hasn't done anything in the last four years/Failed economic policy/Trickle down economics has failed/Worst recession since the Great Depression."

The Record:

The "Reagan/Bush/Quayle" record (in quotes because this is what the democrats call it) is one of unqualified success.

In international affairs: haven't done very much besides winning a cold war that had dogged the country since the end of World War II, won a couple of little hot wars too. Oversaw the breakup of the Soviet Union and the turn to democracy there, as well as in more than thirty other countries around the world (including Nicaragua by the way). Brought the world back from the brink of thermonuclear war - in essence, ironically making the world safe for domestic politics once again! It is no small wonder the democrats and the media do not want to talk about world politics. They just dismiss all of these incredible accomplishments as inevitable, ancient history, having no bearing on the future.

In domestic affairs:

The last twelve years have produced the longest, strongest peacetime expansion of the U.S. economy of any period in our history. Even factoring in the worldwide recessions that have occurred, the Reagan and Bush Administrations have produced more than 20 million new jobs, good jobs. The unemployment rate today is too high, but it is not very different than it was in 1980. This is remarkable since the number of workers has increased by the millions over these last twelve years. This means that millions more Americans are working today, even with the unemployment rate as it is! The other major measurements of the economy are shining: interest rates and inflation are at historic lows, half what they were at the end of the Carter Administration! "Trickle Down Economics" is not the invention of the Reagan/Bush Administrations. It is a derogatory term invented by the democrats to describe our position that you have to be supportive of capital formation in order to have capitalism; that you have to be supportive of entrepreneurship and small business if you want new jobs to be created (because that's where most of the jobs are created); and that if you overregulate and overtax, you will destroy jobs. The logic of these concepts remains elusive to the ruling democrats in the congress, and the democrat presidential candidates as well. (with thanks to Jack Kemp).

Slogan: "You can't trust Bush on taxes/Broke the Read-My-Lips promise."

The Record: The President was misled by the democrat congressional leadership ("lied to" would be more accurate) that they would produce spending cuts if he would sign their tax increase. His mistake, and he freely admits it was a mistake, was trusting these people and taking their word. It turns out their word was no better than their personal checks. The fact is the President has vetoed, or threatened to veto, many (at least thirty-something) tax increase bills the congress has initiated, many times hidden within other legislation the President wanted.

This charge is particularly ironic when it comes from none other than Senator Al Gore, who is himself one of the power kingpins in that same democrat-controlled congress, and was a staunch supporter of that tax increase, as well as virtually every other tax increase! The record is clear: for the last four years, the President's veto has been the only thing standing between the insatiable appetite for new taxes in the democrat-controlled congress and the working family's pockets.

Slogan: "Gridlock between the White House and the congress"

The Record: This one is absolutely true! But there is good news and bad news here. First the bad news: the gridlock that comes from the congress's lack of motivation to pass any of the President's domestic programs. Ross Perot said during the debates that there are plenty of smart people in Washington, and plenty of good ideas laying around not getting done. He's right on the money. Many of these smart people work for the President and they have put those good ideas into legislative proposals and sent them over to the congress. The congressional leadership promptly deposited them in the capital dumpster. The democrat-controlled congress has had absolutely no interest in a recovering economy in this election campaign. Not only have they been eyeing the White House job, they are also trying to get themselves reelected in the process. Having the economy floundering and holding the administration responsible for it was their only hope of success. They have tried to turn the voter's anger with incumbents toward the President, and in large measure have succeeded. The American people must know that the powers in the congress have been holding the economy as a hostage for this election for nearly the entire four years of the Bush Administration! Now for the good news about the gridlock: It represents all that's good about a balanced government and the doctrine of separation of powers. As I said earlier, the president's repeated use of the veto has protected the working Americans from the overregulating, overtaxing congress. This alone qualifies as major success for the President in domestic affairs. We would never have this sort of protection under Clinton/Gore. The gridlock is certainly a problem because of the domestic agenda, but our proposal for eliminating it is quite different from the one the democrats propose.

In summary, the "record the President can't run" on has been an unequalled success. It simply cannot be dismissed with a catchy slogan. It's no wonder the Clinton/Gore ticket can't see the President's record for what it is. One need only look to the records of the democratic challengers to see why they are so easily confused as to what constitutes a good record. Governor Clinton has been in office in Arkansas for nearly twelve years. During his tenure, his state remains in the bottom five of all the states in every single measurement of economics and education that exist. He claims this as a record of success, citing how bad everything was when he took over. If things were so bad, doesn't that mean there was greater opportunity for improvement? The only statistic that is dramatically up in Arkansas is taxes.

The people of Arkansas are even now pushing a referendum to roll back some of the repressive taxes they have suffered under Governor Clinton's regime (and he didn't just sign these, he initiated them). Governor Clinton's record in Arkansas is one of dismal failure. The whole country certainly doesn't need or want the same thing that has happened in Arkansas! Senator Gore's extreme liberal record in the senate is equally dismal. He is one of the biggest liberals in the congress; part of the democrat leadership of that congress; and one of the biggest proponents of tax-and-spend big government, and environmental extremism in the country. Both of these men shy away from their liberal politics and dress up in moderate clothing in order to dupe the voters. Fortunately for us, their records are public and they cannot go back and change them. They should also not be allowed to qualify them in any way, or dismiss them as "the indiscretions of youth." Their program is not new, it is the same as Carter, Mondale, and Dukakis, only at much higher levels of tax-and-spend (even though the democrats decided at their convention they would renounce "taxing-and-spending" in favor of "making the rich pay their fair share and investing in infrastructure"). As has been said by so many, the only "change" this represents is the precious little working Americans will have left in their pockets when Clinton and Gore get through with them.

So what do Clinton and Gore offer the American people? Slick rhetoric and hackneyed ideas. Through their announced agenda of radical cuts in defense and environmental extremism they will make a bad unemployment situation much worse. This would be particularly ironic since they point to unemployment as the main failure of the Bush Administration.

To the people of Southern California, and others around the country in the defense industry, defense related industries, and the military: many of you are mad at George Bush because so many of you have lost your jobs, and with it - your dignity - during the worldwide recession and the cutbacks we've made in defense. Many of you are supporting Clinton/Gore as an expression of your anger. Well, just take a look at the person next to you, that will probably be the next one to lose their job if Clinton and Gore are elected because they've promised to cut at least another \$60 billion out of defense.

To those of you in the Pacific Northwest, and those in the home construction and related trades and industries all over the country: Millions more of you will lose your jobs under Clinton and Gore when they virtually shut down the logging industry in the name of environmentalism. I believe that the American people are also part of the environment and also deserve protecting! By the way, what do you think would happen to the price of a new home under Clinton and Gore?

And to those of you angry Americans in the Great Heartland, in the automobile industry, and all the other industries that support the auto industry. Millions more of you will also lose jobs when Clinton and Gore put in the 45 mile-per-gallon

requirement for new cars. This is no way to deal with unemployment. You ask the democrats what's going to become of all these people they'll throw out of work - they answer simply that they'll just retrain them all to high paying jobs. Just where are these high paying jobs now?, I'd bet the people who are unemployed right now would like to have a shot at these jobs.

That Clinton and Gore have zero foreign policy experience goes almost without saying. International affairs is an issue the democratic campaign has gone to great lengths to avoid altogether. They want you to think the world is now a safe place and we can ignore it. Nothing is further from the truth. There are several wars ongoing right now and wars are very unpredictable things. Our national defense is the first and foremost priority of this President, and it must and will remain so without any apology or qualification from me. One thing you can be most assured of: we will continue to be tested, challenged around the world; there are many more crises ahead of us in the international scene. Don't let anyone ever convince you that foreign policy can ever be a non-issue in a presidential campaign!

On the domestic side, hiring Clinton and Gore to fix our economy, health care, and education, would be like trying to put out a fire with gasoline. These guys would dramatically increase unemployment by drastically cutting defense and shutting down whole industries in the name of environmentalism. At the very same time they would increase government spending by over \$150 billion. They say the defense cut and increasing taxes on the richest Americans will pay for all this. You could gut the defense budget and tax the wealthiest Americans to the hilt and not make a dent in that kind of spending. The truth is they will increase taxes on those who pay nearly all taxes now - the working middle class of the country. What they can't collect in new taxes, they will borrow and add to the deficit. The result would be increased unemployment, increased inflation, and increased interest rates. In short, the Clinton/Gore plan would spell economic disaster that would top even the Carter years.

Many Americans are angry, and rightly so. They see government in gridlock and so much that needs doing. We see these same things. The difference is we see the needed changes on the other end of Pennsylvania Avenue. You see, the congress has everything to do with federal regulations and taxes, which are the government's tools for dealing with the domestic issues. They say our programs and ideas are failures, but how can they know this if they haven't even tried them. We know their programs are failures, we see it each day, virtually all the programs congress has created over the years are not producing the desired results - we are simply not getting our money's worth.

So you see "change" is not the democrat issue at all, it is our issue. It's time we all thought in the national interest in all our national offices. It's time to turn away from politics as usual where we all expect and appreciate our congressmen and

senators grabbing as much as they can for us in Washington, and bringing it back to us to buy our votes. Now we have to realize that everything they bring us has to come from someone else, from other taxpayers, or even from our own children in the case of the debt. It's time for you to take a real hard look at your congressional and senatorial candidates. And remember, congressional term limits aren't intended to protect you from your congressmen and senators, they're intended to protect you from the other guy's! For example, as wonderful as the people of the Spokane, Washington area are, it just doesn't make sense for the people of any one congressional district to be able to control the legislative agenda of the country.

We not only proudly ask you for your continued trust in us to lead this nation for the next four years, we are asking you to go on down your ballot and clean out the deadbeats in the congress. Elect or reelect only those congressmen and senators that are working for the right changes and in the national interest, (and you know exactly who they are), and yes, many of them are the more junior democrats who are just as frustrated and fed up with the old guard leadership in that congress as we are. We don't need a republican or a democrat congress, we just need a congress that will work in the best interests of all the American people.

We have the plans and programs to get the country back where we want it. If our plans weren't any good, the democrat-controlled congress wouldn't have resisted passing them so strongly. It is true that our attention was previously focused on the cold war, and not on domestic programs (even though we still managed some success there too), I can't imagine the American people wanting it any other way. Now that we have been successful in putting the cold war behind us, give us the chance to finish the job. Send us back for another term, and give us the new congress and the mandate to make this country even greater than it is.

I hope some of this proves useful to you, it certainly makes me feel better to write it. I apologize for the roughness of this, but I didn't want to delay it with extensive editing, since time is of the essence.



BARRY E. GRAMM
809 Magnolia Shores Drive
Niceville, FL 32578

James A. (Jim) Mack
2471 Snow Mountain Drive
Sandy, Utah 84093
(801) 943-7509
October 18, 1992

NRW abortion

Mr. James Baker
% The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050

Dear Mr. Baker:

Enclosed please find a copy of Keay Davidson's column "Science Update" on the subject of abortion and my response to him. My response was not to win the \$50.00 prize, but to appraise him of what science does know about abortion.

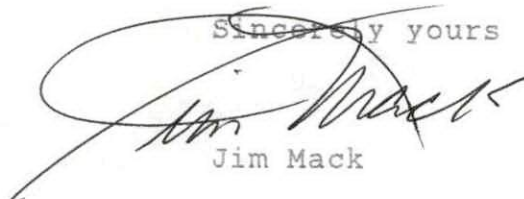
The video "The Silent Scream" graphically shows the pain, suffering, and death of the fetus during the actual abortion. I could spend many words to explain this video; however reviewing the video will only require 30 minutes of your time. The video is available through American Portrait Films; 1695 W. Crescent Street, Suite 500; Anaheim, CA 92801; Phone (714) 535 2189.

Dr. Yury Verlinsky Ph.D.; Reproductive and Medical Genetics; Illinois Masonic Medical Center; Chicago, IL 60657; was the Chairman of the "First International Symposium on Preimplantation Genetics" and I believe one of the outstanding scientists in this field.

I believe that most Americans are indifferent about abortion because they believe as Mr. Davidson believes about the embryo "It is a cluster of cells, no more "human" than a clump of algae."

If the Republican Party could run this video as an explanation of why the Republican Party has such a strong position against abortion in its platform, the result would be the election of more Republican Candidates. This video changed a Doctor of Obstetrics and Gynecology who had performed more than 10,000 abortions, and a Ultrasound Technician who was a Feminist and Pro-abortionist into Anti-abortionists. It can also turn American Voters from voting for those who propose unrestrictive abortion rights. Pro-choice stops at the moment of conception!

Sincerely yours



Jim Mack

Enclosures:

SCIENCE UPDATES

CRYSTAL BALL: A mathematical equation forecasts Bill Clinton will be elected president. That's not too surprising, given George Bush's in-the-cellar ratings. Still, the social scientist's dream is to find ever-slicker ways to restate the obvious, and one can't deny that Yale statistician Edward R. Tufte has found a slick way to foresee



**Keay
Davidson**

The Science Guy

it: Bush is in deep doo-doo.

Tufte designed an election-predicting equation based on historical data from past campaigns, particularly the state of the economy and an incumbent's approval ratings. His conclusion: Bush is out. Absolutely. Finis. It's all there in the equation.

However, Tufte also has bad news for Clinton: No past Yale graduate (specifically, William Howard Taft and Gerald Ford) held the U.S. presidency more than one term. Both Bush and Clinton are Yale alumni. Uh-oh.

By the way, if you're into statistics, Tufte is your man. Despite its formidable title, his book *The Visual Display of Quantitative Information* (1983, Graphics Press, Cheshire, Conn.) is the best popular commentary on statistics since that all-time classic,

How to Lie With Statistics. Tufte's 197-page book includes hilarious examples of how mass media manipulate statistics, charts and graphics (e.g. an old Soviet chart that wildly exaggerated workers' output, or a Wall Street analyst's chart that "proved" a link between stock prices and fluctuations in solar radiation).

FACTOID: Charles Richter, the earthquake expert for whom the Richter Scale is named, was an enthusiastic nudist.

RANT OF THE WEEK: I would like to inform both political parties that there is absolutely no, I repeat no, scientific evidence that an embryo can think or feel. It is a cluster of cells, no



more "human" than a clump of algae. Talk of its possessing a "soul" is pointless, as there is no scientific evidence, period, that "souls" exist; we behave and think the way we do because we're sophisticated neurological machines, not because we possess some divine immaterial "spark." Hence future generations will view the anti-abortion movement with the same open-mouthed horror with which we view the Salem witch trials.

There. I've said it. Now what do you think? Send us your response to the question, "What light, if any, does science shed on the abortion debate?" We'll print portions of the best responses. The best-written, most cogently argued reply (regardless of opinion) wins \$50. Mail 'em to Keay Davidson, c/o San Francisco Examiner, 110 Fifth St., San Francisco, CA 94103. Warning: Deadline is Sept. 30.

WHAT SCIENCE KNOWS ABOUT ABORTION

JIM MACK

SEPTEMBER 26, 1992

WHAT SCIENCE KNOWS ABOUT ABORTION

As reported in the "Journal of In Vitro Fertilization and Embryo Transfer", In Vitro scientists have the capability to determine the gender of single human cells with 100% accuracy using the Polymerase Chain Reaction (PCR)¹ method. Using the same PCR methods they are able to determine genetic diseases in single human cells prior to implantation². Immediately after conception the single cell has all of the genes, chromosomes, and DNA program to determine that person's development for the rest of that person's life.

In contradiction to those that state that the fetus does not any feelings at that stage of development, the ultrasound pictures of an actual abortion on a 12 week old fetus recorded on video tape and entitled "The Silent Scream"³ shows that as the unborn child attempts to escape the abortionist's suction curette, her motion becomes desperately agitated and her heart rate doubles. When the curette grabs the fetus and begins to tear the child apart the baby's mouth opens in a silent scream.

The soul is the principal of life, feeling, thought and action in a person. It is not a single attribute, but all of the spiritual attributes of mankind. The word spiritual is used in distinction to the corporeal or physical attributes of mankind. Each person has different mixes of these attributes. The most important is

WHAT SCIENCE KNOWS ABOUT ABORTION (cont.)

life! These attributes can be good or bad. They include life, anger, honesty, hate, compassion, etc. One cannot measure these attributes by themselves, for instance an ounce of life or honesty; but the affect the attribute has on each person is apparent by the resulting action of that attribute. You can determine the difference between life and death in a person or you can identify a honest person or an angry persons by that person's actions.

The living sperm is a living organism, as is the egg. If the egg is not fertilized, it is expelled and dies. When a sperm and egg unite a human being is conceived. That human being will continue to grow physically and spiritually until it dies. During its life span the average person will grow from a single cell to an embryo, fetus, baby, toddler, child, teen, young person, mature person, middle age person, and finally a senior person. At each stage of development it is a human being. Induced abortion is the killing of a living, feeling human person.

BIBLIOGRAPHY

1. "Journal of In Vitro Fertilization and Embryo Transfer", 1991 August; Volume 8, No. 4; Pages 225 to 229; "Reliability of Gender Determination Using the Polymerase Chain Reaction (PCR) for Single Cells".
2. "Journal of In Vitro Fertilization and Embryo Transfer"; 1990 August; Volume 7, No. 4; "Abstracts of the First International Symposium on Preimplantation Genetics" several papers.
3. "The Silent Scream"; American Portrait Films; 1695 W. Crescent Avenue, Suite 500; Anaheim, CA 92801; Phone (714) 535-2189.

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For Customer Use

Mr. James Baker
The White House
Washington D.C.

23 October 1992

suggestions

NRN
Mr. Baker,

Please review the enclosed. JR. suggests you are on the right track or he is spreading your gospel. (page 31) Either way, what is missing is the theme: GET THE FEDS OFF OUR BACK AND OUT OF OUR POCKETS / REDUCED FEDERAL GOVERNMENT - COST.

I believe the programs suggested by the administration can be said to follow that theme, except for the medical cost problem. Why not call for COUNTY HOSPITALS? History is repeating. Yes it requires Fed money to the County, but in the long run, far less then a bureaucratic organization in the Federal government.

Your "family value" theme. Read James Michaels (page 54)

Finally, the U.S. Tax Burden chart. (Sorry about the dark copy) The New Deal and tax increases in the 1940s, if the same approach is taken to correct the debt - I can't imagine the international consequences.

OR is the whole economic, moral, ethics picture part of the Kondratieff's wave?

What can I say, "good luck?"

Sincerely,

Einar

Einar R. Jenstrom
1553 Mockingbird Dr.
Murray, KY 42071

Articles by: John Ashbery • Saul Bellow • Henry Louis Gates Jr.
Alfred Kazin • Peggy Noonan • Dick Schaap • Simon Schama

September 14, 1992 \$7.00 (Dollars)

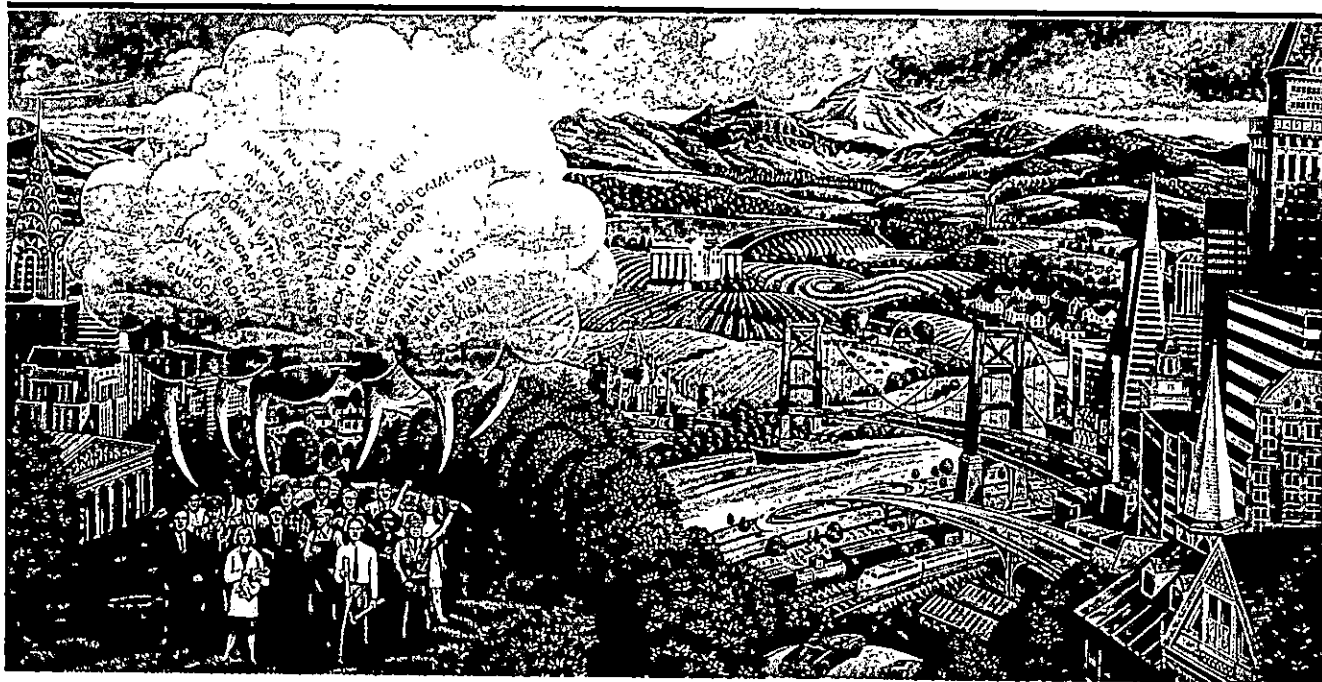
Forbes

75th ANNIVERSARY ISSUE

Why we feel so bad

ANIMAL RIGHTS
RIGHT TO BEAR ARMS
DOWN WITH DWENS
PORNOGRAPHY
BAN THE BOMB
EUROCENTRIC
NO NUKES
AGEISM
ENDANGERED SPECIES
GO BACK TO WHERE YOU CAME FROM
ARTISTIC FREEDOM
FREE SPEECH
FAMILY VALUES
MEN'S LIB
SEXISM





75TH ANNIVERSARY ISSUE

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By James W. Michaels

Americans live better than any other people on the globe—so why do we feel so depressed?

You'd Cry Too 58

By Peggy Noonan

We are the first generations of man that expected to find happiness here on earth, and our search for it has caused such—unhappiness.

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By John Updike

American plenty, to taste right, needs a seasoning of idealism.

So Much Of The Joy Is Gone 86

By Dick Schaap

"The owners screwed the players for 100 years. We've been screwing them for 5. We've got 95 more years."

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For black America, these are the worst of times—and the best of times.

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Yes, friends, the era of couch potato democracy is at hand.

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"With all thy getting get understanding"

Fact and Comment

By Malcolm S. Forbes Jr., *Editor-in-Chief*



MADNESS

A SERIOUS ECONOMIC and financial crisis is brewing. The culprit is Germany's Bundesbank, which has raised real interest rates to levels not seen since the Great Depression. Because Europe's currencies are tied to the deutsche mark, their economies are also being battered. The dollar, too, is being hit hard. Unless Germany eases up soon, the Federal Reserve may feel forced to boost rates here to prevent a wholesale exodus from dollar assets. That, of course, would damage our fragile economy.

An accomplice to the Bundesbank lunacy is Japan, whose monetary policy is also too tight. Japanese financial institutions are in serious straits because of real estate and stock market crashes. Yet in the face of this weakness, a government tax advisory commission seriously suggested boosting capital gains taxes to 50%, precipitating a stock market

free-fall. It took massive government action to stem it.

What are the Germans up to? Their stock answer: fighting inflation. But the Bundesbank is making a fatal mistake by failing to distinguish between rising prices that result from supply and demand in the marketplace and those that come from the traditional debasing of one's currency. Germany's price rises are a result of massive government spending in East Germany combined with imposing rigid economic and wage regulations on the former communist state.

Bush, Baker and Brady had better quickly work hard to get the Germans (and the Japanese) to back down. Otherwise, we will get the equivalent of the Mexican debt crisis of 1982 or the stock market crash of 1987. Something is going to break soon.

BUSH WILL WIN BY A LANDSLIDE

if he pounds away at the themes he so effectively presented in his acceptance speech: lower taxes, free trade, family values, and trust and experience. He must also veto the Clintonesque bills Congress will be sending him.

Bush raised taxes once and admits it was a big mistake, while his opponent raised taxes repeatedly in Arkansas and proposes tax boosts in this campaign. To reach his deficit goals, Clinton would have to raise exactions in

excess of half a trillion dollars, by far the largest such increase in history.

Bush's program will make him one of our great reform presidents. Allowing taxpayers to devote 10% of their payments for reduction of the national debt will overhaul both government finances and operations. Politicos would be forced to privatize numerous government services and projects, enormously benefiting the nation.

DAN QUAYLE

WHAT ARE night show hosts to do now? The Vice President wonderfully punctured their Quayle caricatures. Americans finally got to see the real man: able, bright, personable, knowledgeable, energetic, self-deprecating. Quayle

has been the catalyst for many Administration reform proposals. Remarkably, he hasn't let relentless ridicule, criticism embitter him. Most remaining doubters will be converted when the Vice President debates Senator Gore.

SOUND MONEY AND OTHER SOUND PRINCIPLES FOR A SOUND WORLD

Speech given by Malcolm S. Forbes Jr. at the CATO Institute's 1992 Monetary Conference

THOUGH CIRCUMSTANCES and times change, the basic principles of economic progress do not. There's no mystery about them. They involve sound money, low taxes, property rights, making it easy for businesses to be set up and, once they are, not harassing them with excessive regulation and bureaucratic interference.

And, of course, free trade. They sound very simple, but, unfortunately, when you see the policies—or lack of them—that we seem to be pursuing, even these simple principles seem to go by the boards.

The thing a country needs first is real, sound money.
(continued on p. 546)

THIS ISSUE

is physically the largest by far in *FORBES* magazine's 75-year history. More exciting for you, it is also our best editorially. It deals with the salient question of our time in a way that makes the answers and insights absolutely fascinating and educational. Your perceptions of the present, and of the past and future, will be remarkably enriched and altered.

AMERICA WON'T BE MOODY FOR LONG

WE ARE IN a golden age. Like most such eras, the luster will be more apparent to historians than to those who live through it.

If 12 years ago a pundit had prophesied what has actually played out over the past 12 years, he would have been pilloried for puffing too much of what Governor Clinton claims he didn't inhale. No one then would have believed that we were on the eve of our longest peacetime expansion, where our growth alone would be greater than the size of the entire German economy; that the U.S. would best Japan in the critical technology areas of computers, software, digital screens and fiber optics; that inflation would drop from 15% to 3%; that interest rates would fall from a high of 21.5% to 6%; that around 20 million new jobs would be created, including a record number of high-paying ones; that we would surpass Japan and Germany in exports; that our share of worldwide manufacturing output would go up for the first time in 40 years; that this expansion would be followed not by depression but by a mild recession; that overseas Poland, Hungary, Czechoslovakia, Romania and Bulgaria would throw off communist regimes with no reaction from Moscow; that Germany would reunite under a democratic government and remain in NATO; that Moscow would withdraw in humiliation from Afghanistan; that the Soviet Union itself would cease to exist, breaking up into 15 pieces relatively peacefully; that we would fight a ground war against a formidably armed Mideast foe and win within 100 hours; and that, finally, after all of this, the American people would be in a funk.

We are suffering the social equivalent of postpartum blues, a feeling exacerbated by a downbeat media.

We have had down moods before: the 1890s, the early 1930s, the late 1960s, the late 1970s. But while we no longer have unshakable faith in progress, we remain a "can-do" people. Our optimism will reassert itself.

Our golden age will be symbolized by the microchip; it is extending the reach of the human brain the way machines extended the reach of human muscle during the Industrial Revolution. The way we live, the way we do business, will be enormously, beneficially transformed. In 2017, when we celebrate *FORBES*' 100th anniversary, our standard of living will be infinitely richer, more varied than it is today.

Politically, we are on the eve of a new Progressive Era of reform: free markets for health care finance; choice of schools; a flat tax; term limits for Congress; rationality again in our legal system; sound money and private, portable pensions (including Social Security). Thanks to fiber optics and interactive TV, our homes will become

In the magazine business (and more so with newspapers) you quickly learn that your prose is perishable and quickly forgotten. So please pardon my pride when I say that Editor Jim Michaels and his crew have outdone themselves putting together a masterpiece that will be referred to again and again for many, many years to come.

universities; culture and individualism will flower.

But don't get too carried away. Utopia is for the next life, not this one. We face ferocious fights on value issues. We are already seeing this with abortion. Political passions will also be aroused in other areas: child rearing, sex, crime, welfare, schools, individual responsibility for individual acts. The media and cultural "elites" ain't seen nothin' yet.

We are also about to witness a great spiritual revival. One impetus: aging baby boomers looking for greater meaning in their lives. Another: realization that fast-paced technological changes make a sound, moral compass imperative to responding responsibly to these miracles. Fire gives us heat. It also gave us Auschwitz.

This revival won't be entirely religious. Senator Gore's bestselling book touts environmentalism less as a series of problems to be practically solved than as something spiritual, transcendental: Economies are expanding at the expense of pillaging Mother Earth, ultimately threatening life itself. Ironically, Gore's the-end-is-coming environmentalism comes just at the time that our relative dependence on raw materials—oil, copper, iron—is eroding. More and more the raw material for wealth is information; fiber optics are our railroads and highways; software, our

oil; human innovation, our gold.

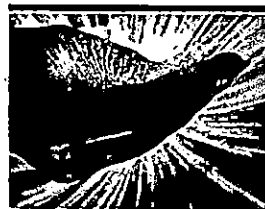
Possible downers? Communism has lost, but democracy has not won. Yet many are tempted to turn their backs on the world and retreat into 1920s-style isolationism. Russia begs for our guidance in making the transition to free markets and democracy, and we respond by telling Russia to take its problems to the IMF. If we flub our enormous opportunities, we can easily create conditions dangerous to our own safety, just as we did in the Twenties and Thirties.

Another downer: idiotic economic policies such as those being practiced by Germany and proposed here at home by protectionists.

Progress doesn't come without price. Take the automobile. It has given millions of people unprecedented individualism and mobility, fabulously raising our standard of living. But more Americans have died on our highways than in all our wars.

Can we continue to adjust to the disruptions of progress? We will. But many fearful, unfulfilled people will fight à la Al Gore to hobble scientific research and development and destroy entrepreneurial capitalism.

If we could see the future, we would be absolutely astonished. As we make it happen, we will be much less impressed. History hasn't stopped and never will.



Soon, a strand of fiber will handle all Mother's Day calls.

Oh, our aching angst

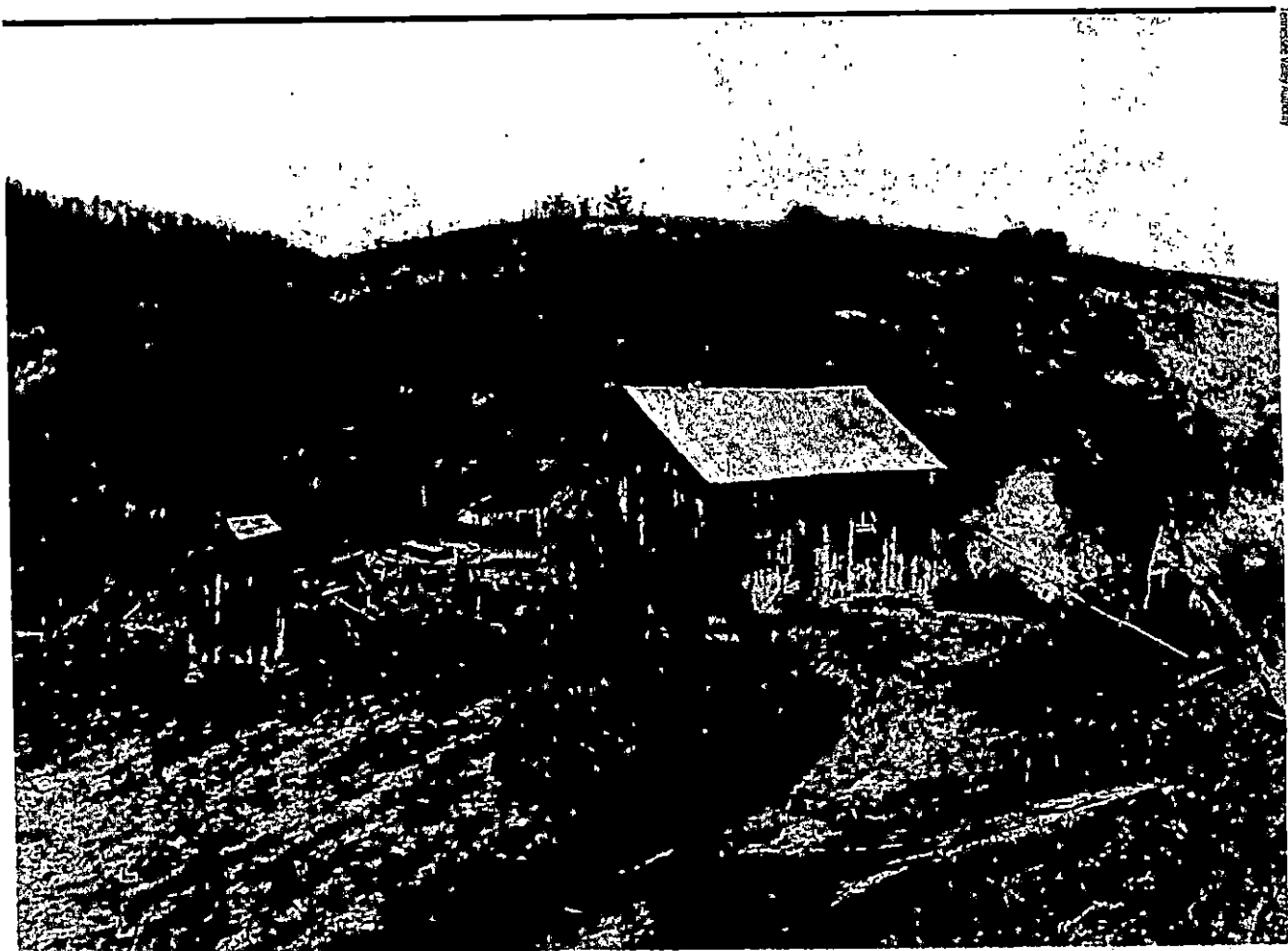


Americans live better than any other people on the globe—so why do we feel so depressed? Since economists can't or won't answer questions like this, FORBES turned to eleven of our best writers and scholars.

By James W. Michaels

When you're my age you don't have to ask: Are Americans really materially better off than they were in the recent past? Those of us born in the 1920s and with vivid memories of the Depression simply *know* how much better things are today. The improvement is implicit in almost our every memory, every experience.

Even for comfortable middle-class people life was much more difficult and insecure in the 1920s than it is today. If he



Rural poverty?

In the 1930s this was one of the more prosperous small farms in its Tennessee neighborhood. It lacked electricity, but an old flivver engine powered a crude washing machine, making life a trifle easier for the lady of the house.

was fortunate enough to have central heating (less than one-third of the population in 1920 did), middle-class Dad had to pull himself from bed at 4 a.m. on cold winter mornings to unbank the furnace and shovel coal; if he overslept, the pipes froze. But he usually didn't have to rake leaves or shovel snow. Not in the 1930s. That was done by shabby, humble men who knocked at the back door mornings, asking for a warm meal in return for doing chores.

In 1921, when this magazine was four years old, the typical American workweek was 60 hours, and many people worked longer. The most common American household appliance was a woman, who worked a lot more than 60 hours in her home. Leisure-time industries scarcely existed because few people had leisure. For more than half the population, the family toilet was a hole in the backyard with a shack built over it. In those shacks, Scott Paper products competed with difficulty against old Sears and Montgomery Ward catalogs; real toilet paper was a luxury.

Senior citizens? We called them old folks, and they were old in their 50s; if they were lucky, one of their kids had a spare room for them, maybe in the attic. Life expectancy was about 54 years,

which was just as well because there were few pensions beyond what the gold watch might bring at a pawnshop.

I'm not talking about the 19th century. I'm describing the first three or four decades in our own century. Unless they blow their money and energy on booze or drugs, the American poor have more physical comforts today than the *average* American did when FORBES first appeared 75 years ago.

We've come a long way, and although the rate of improvement has slowed lately, our economy put on an amazing performance in this century. So amazing that almost every U.S. consulate has a waiting list for immigration visas.

Yet just last week on television I watched a sweating Bill Clinton harangue a midwestern audience. Work with me to change America, the candidate shouted, punching the air, Kennedy-like, with his fist. That cliché produced the expected cheers and waving of banners. Cut now to a local living room where a TV reporter interviews a well-dressed middle-aged woman. What did she think of the speech? "I liked it," she said. "God knows we need change in this country."

Change from what to what? The lady didn't

say and the newscaster didn't even think to ask; everyone just assumes the country is in rotten shape. Where do they get their certainty? From the mass media that keep telling them that the economy is a mess, America is a mess.

Peggy Noonan got it right in the essay that follows in this issue: "It is writers—journalists, screenwriters, novelists, newswriters—we turn to more than anyone to tell us exactly how our country is doing, and they are precisely the last people who would accurately point out that in the long tape of history this is a pretty good few inches. . . ."

But where do the media mandarins get their feeling that these are bad inches on history's tape? From writers and academicians, of course. Especially from writers and academicians who have a low opinion of capitalism and of American popular culture. The media machine turns this highbrow griping into sound bites and data bites and feeds them to the masses.

To mark this magazine's 75th anniversary, the editors wanted to look behind the sour moroseness of the media and seek more profound explanations for the prevailing angst.

At the start we decided: no economists. They have nothing to tell us about the real reasons for America's turn-of-the-millennium discontent. So, starting on page 58, eleven of America's best writers and scholars give their noneconomic explanations for the blue funk oppressing Americans.

Each essay is an attempt by the author to answer our question: Why do Americans feel so bad when they've got it so good?

Varied as the answers are, there is a fairly common thread. It isn't the national debt or the unemployment rate or the current recession that bothers the nation's thinkers. It's not an economic mess that they see. It's a moral mess, a cultural mess. While the media natter about a need for economic change, these serious intellectuals worry about our psyches. Can the human race stand prosperity? Is the American experiment in freedom and equal opportunity morally bankrupt?

Reading the essays that follow isn't a comfortable experience for one who believes deeply in this country and its values. Without exception these brainy Americans (and one Brit) see us in a moral crisis. But without exception they lift the level of discourse above that found in the papers and on the tube, where we are punished hourly with mindless keening about distribution of wealth, the greed of the rich and the rights and wrongs suffered by this minority and that allegedly oppressed group. It isn't the economic system that needs fixing, most of our essayists say. It's our value system. As historian Gertrude Himmelfarb (page 120) puts it: "I am not talking about . . . psychobabble. . . . I am talk-

ing of the justified discontent of the responsible citizen who discovers that economic and material goods are no compensation for social and moral ills."

Some of the essayists conclude that pessimism is justified and that we are in grave risk of going to hell. Harvard historian Simon Schama writes: "More housing starts, a little leap in the 'consumer confidence' ratings, or a pickup in auto sales may signal some sort of return to short-term cheerfulness, but these indices say nothing about the deep systemic sicknesses that may in the end determine that the American Century will have lasted, in fact, for just 50 years.

"It's an old joke in our family that the Schamas have an uncanny knack for following collapsing empires. A century and a half ago we were subjects of the Ottoman Empire; then, as that disintegrated, took ourselves off to Habsburg Vienna; thence, in my parents' generation, to Edwardian Britain. And here I am."

It may be that the Schama family will have to flee once more. But it's well to remember that this is a country where the intellectuals have almost always felt cut off and unhappy. Just because people write well doesn't mean they can predict well or even accurately judge the present. Saul Bellow, the great novelist (page 98), dismisses a lot of the current doom-saying with these words:

"When I was young the great pundits were personalities like H.G. Wells or George Bernard Shaw or Havelock Ellis or Romain Rolland. We respectfully read what they had to say about communism, fascism, peace, eugenics, sex. I recall these celebrities unsentimentally. Wells, Shaw and Romain Rolland brought punditry into disrepute. The last of the world-class mental giants was Jean-Paul Sartre, one of whose contributions to world peace was to exhort the oppressed of the Third World to slaughter whites indiscriminately.

"Lincoln Steffens, playing the pundit in Russia after the Revolution, said, 'I have been over into the future, and it works.' Some secret wisdom! As a horseplayer he would have lost his shirt."

So, before you lose your shirt and your faith in the country, read the essays that follow and decide for yourself what is behind the American angst-amidst-abundance. I personally like what political scientist James Q. Wilson (page 110) writes: "Cheer up, Americans. You are right to be grumpy, but there is no system for governing a large, free and complex society such as ours that is likely to do much better or make you less grumpy. If you don't believe it, travel."

And when you get back from Sweden and Japan, Germany and Cuba and hear our politicians and our ideamongers shouting about changing America, ask them: Change it to what? At what cost?

X

\$30

RATIO SCALE

U.S. output per man-hour (CONSTANT 1992 DOLLARS)

18

15

12

9

6

3

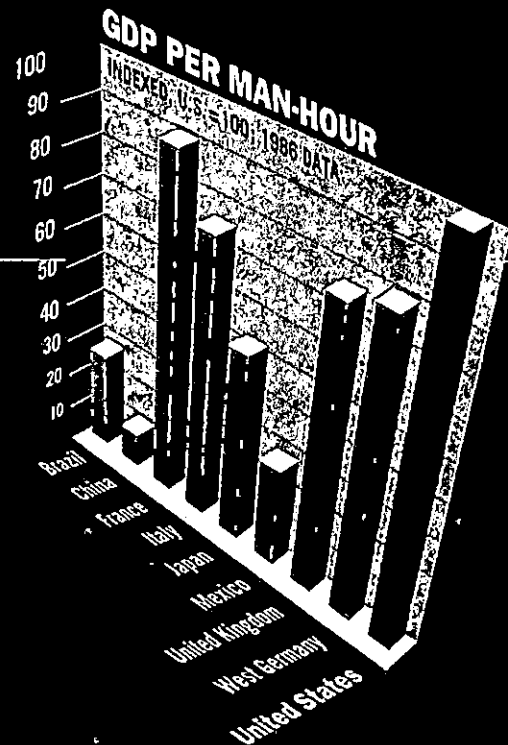
NONFARM

FARM



Productivity continued to trend upward in the 1980s, though less steeply than in the 1950s or 1960s. The driving force is capital—combines, computers, human capital in the form of training.

Sources: Bureau of Labor Statistics, OECD



1917 1920

1930

1940

1950

1960

1970

1980

1990



25 %

U.S. tax burden

(FEDERAL, STATE AND
LOCAL TAX REVENUES
AS PERCENT OF GDP*)

20

15

10

5

0

1900

1910

1920

1930

1940

1950

1960

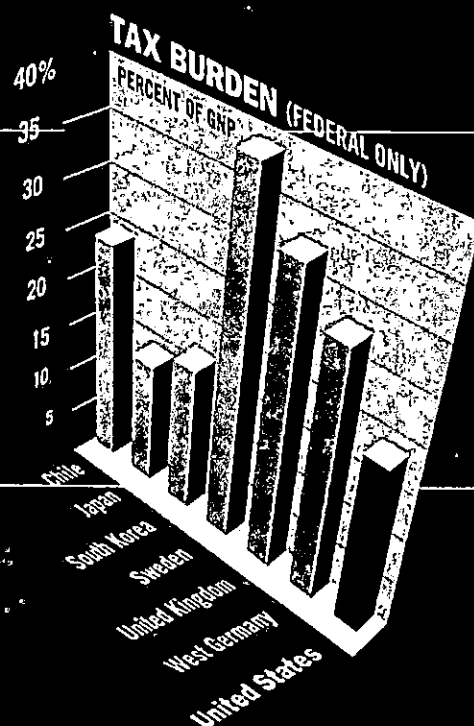
1970

1980

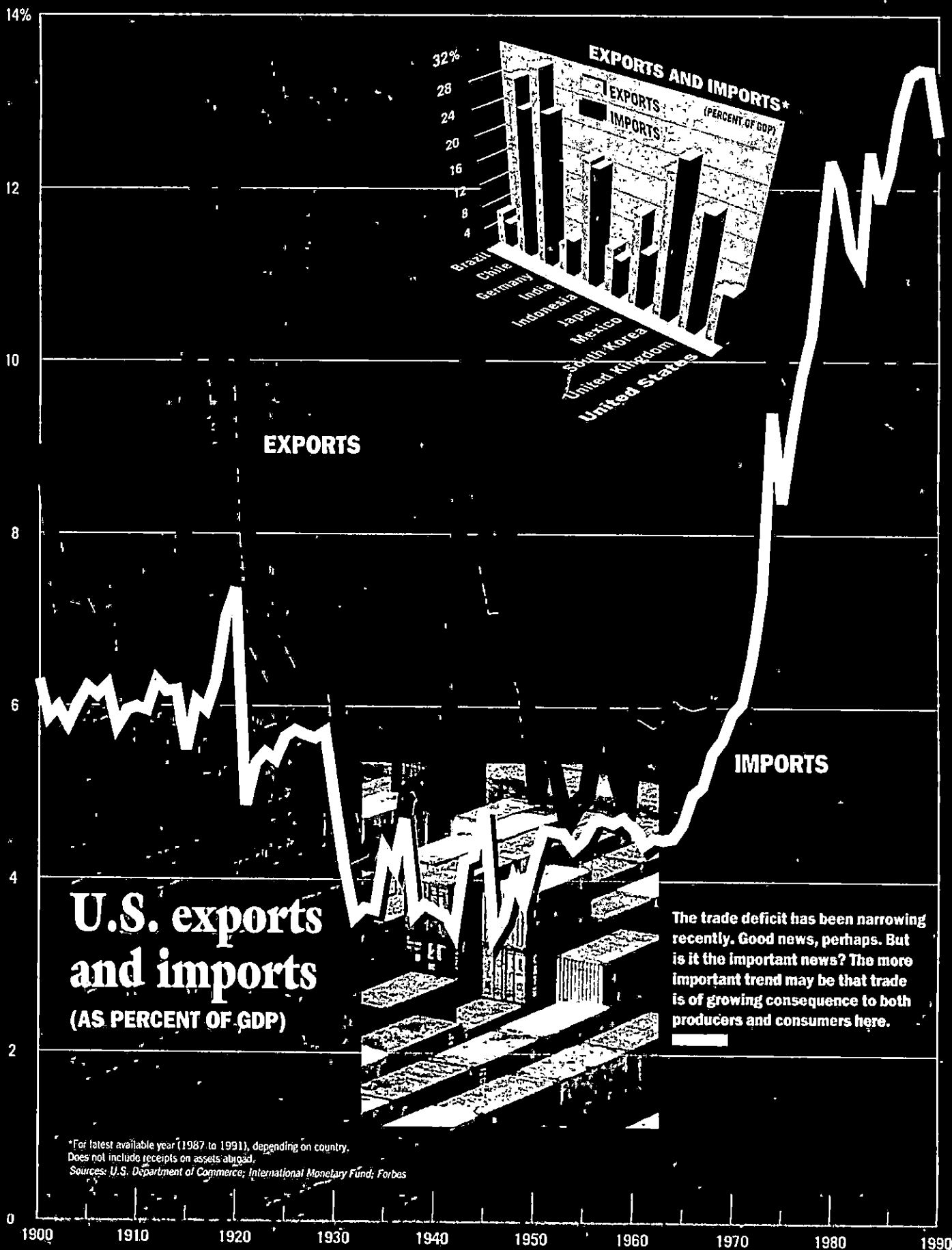
1990



Two world wars and the creation of the income tax brought on a huge increase in Americans' tax burden. But it hasn't gotten much heavier in the past two decades, and it's lighter than the burdens overseas. International comparisons are for 1989.



*Gross national product used before 1960, gross domestic product thereafter.
Sources: Bureau of the Census; UNDP; Forbes



The trade deficit has been narrowing recently. Good news, perhaps. But is it the important news? The more important trend may be that trade is of growing consequence to both producers and consumers here.

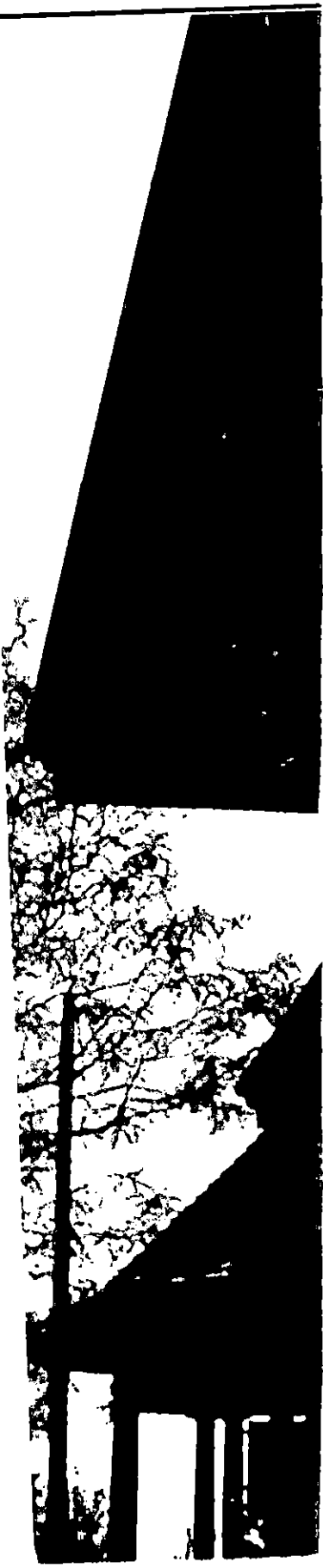
You'd cry too if it happened to you

"... We have lost the old knowledge that happiness is overrated—that, in a way, life is overrated. Our ancestors believed in two worlds, and understood this to be the solitary, poor, nasty, brutish and short one. We are the first generations of man that actually expected to find happiness here on earth, and our search for it has caused such—unhappiness..."

By Peggy Noonan

Peggy Noonan, a former CBS news writer for Dan Rather, is best known as a speechwriter for Ronald Reagan and George Bush. She shared her behind-the-scenes observations in her bestselling book, *What I Saw at the Revolution*.

In his lifetime he had seen America rise and rise and rise, some sort of golden legend to her own people, some sort of impossible fantasy to others... rise and rise and rise—and then... the golden legend crumbled, overnight the fall began, the heart went out of it, a too complacent and uncaring people awoke to find themselves naked with the winds of the world howling around their ears... A universal quilt enshrouded... all who participated in those times... Now there was a time of uneasiness... when all thinking men fretted and worried desperately about 'how to catch up' and 'how to



night's cold terror, about what it would be like if America couldn't catch up, if history should have decided once and for all that America should never again be permitted to get ahead. . . ."

Well, so much for Camelot.

When Allen Drury wrote those words—they set the scene for his classic political novel, *Advise and Consent*—he was trying to capture the mood of America in 1959, as the peaceful and composed Eisenhower era receded, John Kennedy geared up for the presidency and the go-go Sixties waited to be born. We remember those days as innocent and hopeful; Drury recorded them as anxious and depressed. Which demonstrates a small but not insignificant point: It is writers—journalists, screenwriters, novelists, newswriters—we turn to more than anyone to tell us exactly how our country is doing, and they are precisely the last people who would accurately point out that in the long tape of history this is a pretty good few inches.

There are many reasons for this—catching and tagging whatever angst is floating around is their job—but the biggest is simple. Writers always see their time as marked by pain because it always is. Children die. People lose their homes. Life is sad. To declare the relative happiness of your era is to sound stupid and uncaring, as if you don't know people are suffering, when people always are.

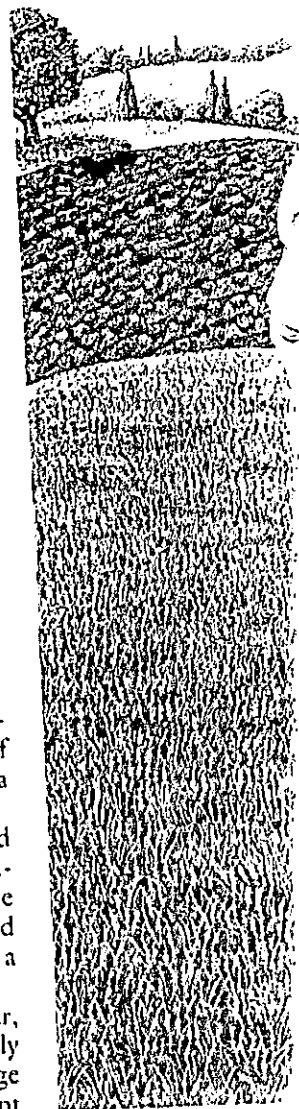
I am inclined toward the long view. The life of people on earth is obviously better now than it has ever been—certainly much better than it was 500 years ago when people beat each other with cats. This may sound silly but now and then when I read old fairy tales and see an illustration of a hunchbacked hag with no teeth and bumps on her nose who lives by herself in the forest, I think: People looked like that once. They lived like that. There were no doctors, no phones, and people lived in the dark in a hole in a tree. It was terrible. It's much better now.

But we are not happier. I believe we are just cleaner, more attractive sad people than we used to be.

There are serious reasons members of my generation in particular are feeling a high level of anxiety and unhappiness these days, but first a word about how we "know" this: the polls.

I used to like polls because I like vox pop, and polls seemed a good way to get a broad sampling. But now I think the vox has popped—the voice has cracked from too many command performances. Polls are contributing to a strange new volatility in public opinion.

A year ago, at the conclusion of the Gulf war, George Bush's approval ratings were at nearly 90%. As I write, they are 30%. This is a huge drop, and in a way a meaningless one. President



Bush didn't deserve 90% support for having successfully executed a hundred-hour ground war; Abe Lincoln deserved a 90% for preserving the nation. Bush didn't deserve 30% support because the economy is in recession; John Adams deserved a 30% for the Alien and Sedition laws. It is all so exaggerated.

The dramatic rises and drops are fueled in part by mass media and their famous steady drumbeat of what's not working, from an increase in

People who take their pulse too often are likely to make it race. Nations that use polls as daily temperature readings inevitably give inauthentic readings, and wind up not reassured but demoralized.

reported child abuse to a fall in savings. When this tendency is not prompted by ideology it is legitimate: Good news isn't news. But the volatility is also driven by the polls themselves. People think they have to have an answer when they are questioned by pollsters, and they think it has to be "intelligent" and "not naive." This has the effect of

hardening opinions that haven't even been formed yet. Poll questions do not invite subtlety of response. This dispels ambiguity, when a lot of thoughts and opinions are ambiguous.

And we are polled too often. We are constantly having our temperature taken, like a hypochondriac who is looking for the reassurance that no man can have, i.e., that he will not die.

I once knew a man who was so neurotically fearful about his physical well-being that in the middle of conversations he would quietly put his hand to his wrist. He was taking his pulse. When I was seven or eight years old, I became anxious that I would stop breathing unless I remembered every few seconds to inhale. This mania was exhausting. At night, on the verge of sleep, I would come awake in a panic, gulping for air.

People who take their pulse too often are likely to make it race; people obsessed with breathing are likely to stop. Nations that use polls as daily temperature readings inevitably give inauthentic readings, and wind up not reassured but demoralized.

There are reasons for our discontent. Each era has its distinguishing characteristics; each time a big barrel of malaise rolls down the hill there are specific and discrete facts rolling around inside. Here are some of ours:

Once in America if you lost your job—if you were laid off from the assembly line at Ford, for instance—you had reason to believe you'd be rehired. Business cycles, boom and bust—sooner or later they'd call you back. There was a certain security in the insecurity. Now it's different. Now if you're laid off from your job as the number two guy in public affairs at the main

Jersey office of a phone company, you have reason to fear you'll never be hired back into that or any white-collar job, because employment now is connected less to boom and bust than to changing realities, often changing technologies, in the marketplace. The telephone company doesn't need you anymore.

You are a boomer, and obscurely oppressed. But there is nothing obscure about your predicament. So many people are relying on you! You and your wife waited to have children, and now they're 8 and 10 and you're 48—too late to start over, to jeopardize the \$75,000 a year you earn. And if you tried, you would lose your medical coverage.

Your mother and father are going to live longer than parents have ever lived and will depend on you to take care of them as they (as you, at night, imagine it) slide from mild senility to full dementia. Your children will have a longer adolescence, and expect you to put them through college just as mom and dad are entering a home.

Your biggest personal asset is your house, which has lost value. You have a hefty mortgage, your pension fund is underfunded, you don't think your social security benefits are secure and you do not trust the banks.

The last may be the most serious in terms of how people feel. In the years since the Depression we have been able to trust that the institutions we put our savings into would be there tomorrow and pay us interest. We don't know that anymore; most of us are afraid that all of a sudden a major bank, strained from its own feckless investments to middle-aged mall builders who make political contributions, will fold, taking the other banks with it.

We wonder, "in the small hours of the night's cold terror," if there is another depression and the banks fail, how will I and my family live? How will we buy food and gas and pay for electricity? We don't know how to grow things! What will we eat if it all collapses?

I think the essential daily predicament of modern, intelligent, early-middle-age Americans—the boomers, the basketball in the python—is this: There is no margin for error anymore. Everything has to continue as it is for us to continue with the comfort we have. And we do not believe that everything will continue as it is.

It is embarrassing to live in the most comfortable time in the history of man and not be happy. We all have so much!

Think of the set of "The Honeymooners." What did Ralph and Alice have in 1955? A small rented apartment with a table, two chairs, a bureau, a picture on a faded wall. The set designer was spoofing the average.

Think of the set of "Family Ties": the couches, the lamps, the VCRs, the color TVs. There is

art on the walls. The children had expensive orthodontia.

You will say, one show was about the working class, the other the middle class. But that's the point: The average couple was working class then and is middle class now.

We have so much more than mom and dad that we can't help but feel defensive about feeling so bad, and paying off our charge cards so late, and being found in the den surfing from channel to channel at 3 a.m., staring back at Brian Lamb's eyes.

And there's this: We know that we suffer—and we get no credit for it! Sometimes we feel the bitterness of the generation that fought World War I, but we cannot write our memoirs and say "good-bye to all that," cannot tell stories of how our boots rotted in the mud, cannot deflect the neighborhood praise and be modest as we lean against the bar. They don't know we're brave. They don't know we fight in trenches too.

I find myself thinking of Auden's words about the average man in 1939, as darkness gathered over Europe—the "sensual man-in-the-street," barely aware of his emptiness, who promised that he will be "true to the wife," that some day he will be happy and good.

Auden called his era the "age of anxiety." I think what was at the heart of the dread in those days, just a few years into modern times, was that we could tell we were beginning to lose God—banishing him from the scene, from our consciousness, losing the assumption that he was part of the daily drama, or its maker. And it is a terrible thing when people lose God. Life is difficult and people are afraid, and to be without God is to lose man's great source of consolation and coherence. There is a phrase I once heard or made up that I think of when I think about what people with deep faith must get from God: the love that assuages all.

I don't think it is unconnected to the boomers' predicament that as a country we were losing God just as they were being born.

At the same time, a huge revolution in human expectation was beginning to shape our lives, the salient feature of which is the expectation of happiness.

It is 1956 in the suburbs, in the summer. A man comes home from work, parks the car, slouches up the driveway. His white shirt clings softly to his back. He bends for the paper, surveys the lawn, waves to a neighbor. From the house comes his son, freckled, ten. He jumps on his father; they twirl on the lawn. Another day done. Now water the lawn, eat fish cakes, watch some TV, go to bed, do it all again tomorrow.

Is he happy? No. Why should he be? We weren't

put here to be happy. But the knowledge of his unhappiness does not gnaw. Everyone is unhappy, or rather everyone has a boring job, a marriage that's turned to disinterest, a life that's turned to sameness. And because he does not expect to be happy the knowledge of his unhappiness does not weigh on him. He looks perhaps to other, more eternal forms of comfort.

Somewhere in the Seventies, or the Sixties, we started expecting to be happy, and changed our lives (left town, left families, switched jobs) if we were not. And society strained and cracked in the storm.

I think we have lost the old knowledge that happiness is overrated—that, in a way, life is overrated. We have lost, somehow, a sense of mystery—about us, our purpose, our meaning, our role. Our ancestors believed in two worlds, and understood this to be the solitary, poor, nasty, brutish and short one. We are the first generations of man that actually expected to find happiness here on earth, and our search for it has caused such—unhappiness. The reason: If you do not believe in another, higher world, if you believe only in the flat material world around you, if you believe that this is your only chance at happiness—if that is what you believe, then you are not disappointed when the world does not give you a good measure of its riches, you are despairing.

In a Catholic childhood in America, you were once given, as the answer to the big questions: It is a mystery. As I grew older I was impatient with this answer. Now I am probably as old, intellectually, as I am going to get, and more and more I think: It is a mystery. I am more comfortable with this now; it seems the only rational and scientific answer.

My generation, faced as it grew with a choice between religious belief or existential despair, chose . . . marijuana. Now we are in our cabernet stage. (Jung wrote in a letter that he saw a connection between spirits and The Spirit; sometimes when I go into a church and see how modern Catholics sometimes close their eyes and put

their hands out, palms up, as if to get more of God on them, it reminds me of how kids in college used to cup their hands delicately around the smoke of the pipe, and help it waft toward them.) Is it possible that our next step is a deep turning to faith, and worship? Is it starting now with tentative, New Age steps?

It is a commonplace to note that we have little faith in our institutions, no faith in Congress, in the White House, little faith in what used to be

In a Catholic childhood in America you were once given, in answer to the big questions: It is a mystery. As I grew older I was impatient with this answer. Now I am probably as old, intellectually, as I am going to get, and more and more I think: It is a mystery.

called the establishment—big business, big media, the Church. But there's a sort of schizoid quality in this. We have contempt for the media, but we have respect for newscasters and columnists. When we meet them we're impressed and admiring. We respect priests and rabbis and doctors. But we are cynical about what they're part of.

It's also famously true that we hate Congress and keep reelecting our congressmen. I don't know how to reconcile this. Sometimes I think there is a tinny, braying quality to our cynicism. We are like a city man in a Dreiser novel, quick with a wink that shows we know the real low-down, the real dope. This kind of cynicism seems to me... a dodge. When you don't believe, you don't have to take part, invest, become part of. Skepticism is healthy, and an appropriate attitude toward those who wield power. But cynicism is corrosive and self-corrupting. Everyone at the top is a moral zero, I'll be a moral zero too.

But our cynicism is also earned. Our establishments have failed us. I imagine an unspoken dialogue with a congressman in Washington:

Voter: "Do what is right!"

Politician: "But you'll kill me!"

Voter: "Maybe, but do it anyway! I hired you to go to Congress to make hard decisions to help our country. Take your term, do it, and go home. Kill yourself!"

Politician: "But I have seniority and expertise and I'm up to speed on the issues. Replace me and it'll be six years before he knows what I know."

Voter: "Well maybe we don't want him to know what you know. Maybe we want someone dumb enough not to know what's impossible and brave enough to want to do what's right."

Politician: "But I love this job."

Voter: "But we never intended Congress to be a career. We meant it to be a pain in the neck, like jury duty. And maybe I won't kill you. Maybe I'll respect you. Take a chance!"

The biggest scandal of the modern era, and the one that will prove to have most changed our politics, is the S&L scandal, in which certain members of both parties colluded to give their campaign contributors what they wanted at the expense of innocent taxpayers who will pay the bill, in billions, for generations.

Watergate pales, Teapot Dome pales. It is what was behind the rise of Perot. The voters

think Washington is a whorehouse and every four years they get a chance to elect a new piano player. They would rather burn the whorehouse down. They figured Perot for an affable man with a torch. They looked at him and saw a hand grenade with a bad haircut.

Finally, another thing has changed in our lifetimes: People don't have faith in America's future anymore.

I don't know many people aged 35 to 50 who don't have a sense that they were born into a healthier country, and that they have seen the culture deteriorate before their eyes.

We tell pollsters we are concerned about "leadership" and "America's prospects in a changing world," but a lot of this is a reflection of a boomer secret: We all know the imperfect America we were born into was a better country than the one we live in now, i.e., the one we are increasingly responsible for.

You don't have to look far for the fraying of the social fabric. Crime, the schools, the courts. Watch Channel 35 in New York and see your culture. See men and women, homo- and hetero-, dressed in black leather, masturbating each other and simulating sadomasochistic ritual. Realize this is pumped into everyone's living room, including your own, where your 8-year-old is flipping channels. Then talk to a pollster. You too will declare you are pessimistic about your country's future; you too will say we are on the wrong track.

Remember your boomer childhood in the towns and suburbs. You had physical security. You were safe. It is a cliché to say it, but it can't be said enough: We didn't lock the doors at night in the old America. We slept with the windows open! The cities were better. A man and woman falling in love could stroll the parks of a city at 2 a.m. Douglas Edwards, the venerable newscaster, once told me about what he called the best time. He sat back in the newsroom one afternoon in the late Seventies, in the middle of the creation of the current world, and said, "New York in the Fifties—there was nothing like it, it was clean and it was peaceful. You could walk the streets!" He stopped, and laughed at celebrating with such emotion what should be commonplace.

You know what else I bet he thought, though he didn't say it. It was a more human world in that it was a sexier world, because sex was still a story. Each high school senior class had exactly one girl who got pregnant and one guy who was the father, and it was the town's annual scandal. Either she went somewhere and had the baby and put it up for adoption, or she brought it home as a new baby sister, or the couple got married and the town topic changed. It was a stricter, tougher society, but its bruising sanctions came from ancient wisdom.

The voters think Washington is a whorehouse and every four years they get a chance to elect a new piano player. They would rather burn the whorehouse down. They looked at Perot and saw a hand grenade with a bad haircut.

We have all had a moment when all of a sudden we looked around and thought: The world is changing, I am seeing it change. This is for me the moment when the new America began: I was at a graduation ceremony at a public high school in New Jersey. It was 1971 or 1972. One by one a stream of black-robed students walked across the stage and received their diplomas. And a pretty young girl with red hair, big under her graduation gown, walked up to receive hers. The auditorium stood and applauded. I looked at my sister. "She's going to have a baby."

The girl was eight months pregnant and had had the courage to go through with her pregnancy and take her finals and finish school despite society's disapproval.

But: Society wasn't disapproving. It was applauding. Applause is a right and generous response for a young girl with grit and heart. And yet, in the sound of that applause I heard a wall falling, a thousand-year wall, a wall of sanctions that said: We as a society do not approve of teenaged unwed motherhood because it is not good for the child, not good for the mother, and not good for us.

The old America had a delicate sense of the difference between the general ("We disapprove") and the particular ("Let's go help her"). We had the moral self-confidence to sustain the paradox, to sustain the distance between "official" disapproval and "unofficial" succor. The old America would not have applauded the girl in the big graduation gown, but some of its individuals would have helped her not only materially but with some measure of emotional support. We don't so much anymore. For all our tolerance and talk we don't show much love to what used to be called girls in trouble. As we've gotten more open-minded we've gotten more closed-hearted.

Message to society: What you applaud, you encourage. And: Watch out what you celebrate.

(This section was written before Dan Quayle and Murphy Brown, about which one might say he said a right thing in the wrong way and was the wrong man to say it. Quayle is not a stupid man, but his expressions reveal a certain tropism toward the banal. This is a problem with some Republican men. There is a kind of heavy-handed dorkishness in their approach that leaves them unable to persuasively address questions requiring delicacy; they always sound judgmental when they mean to show concern.)

Two final thoughts.

1. We might all feel better if we took personally the constitutional injunction to "preserve and protect."

Every parent in America knows that we're not doing a very good job of communicating to our

children what America is and has been. When we talk about immigration, pro or con, there is, I think, an unspoken anxiety: We are not inculcating in America's new immigrants—as someone inculcated in our grand- and great-grandparents—the facts of American history and why America deserves to be loved. And imperfect as it is, and as we are, we boomers love our country.

In our cities we teach not the principles that made our country—the words of the Founding Fathers, the moral force that led us to endure five years of horror to free slaves, a space program that expanded the frontiers of human knowledge, the free market of ideas and commerce and expression that yielded miracles like a car in every garage, and mass-produced housing. We are lucky in that the central fact of our country is both inspiring and true: America is the place formed of the institutionalization of miracles. Which made it something new in the history of man, something—better.

We do not teach this as a society and we teach it insufficiently in our schools. We are more inclined to teach that Columbus' encounter with the Americas produced, most significantly, the spreading of venereal disease to their innocent indigenous peoples.

We teach the culture of resentment, of grievance, of victimization. Our children are told by our media and our leaders that we are a racist nation in which minorities are and will be actively discriminated against.

If we are demoralized we have, at least in this, demoralized ourselves. We are certainly demoralizing our children, and giving them a darker sense of their future than is warranted.

2. It's odd to accuse boomers of reticence, but I think we have been reticent, at least in this:

When we talk about the difficulties of our lives and how our country has changed we become embarrassed and feel . . . dotty. Like someone's old aunt rocking on the porch and talking about the good old days. And so most of us keep quiet, raise our children as best we can, go to the cocktail party, eat our cake, go to work and take the vacation.

We have removed ourselves from leadership, we professional white-collar boomers. We have recused ourselves from a world we never made. We turn our attention to the arts, and entertainment, to watching and supporting them or contributing to them, because they are the only places we can imagine progress. And to money, hoping that it will keep us safe.

We have recused ourselves from a world we never made. We turn our attention to the arts, and entertainment, to watching and supporting them, because they are the only places we can imagine progress. And we turn to money, hoping that it will keep us safe.

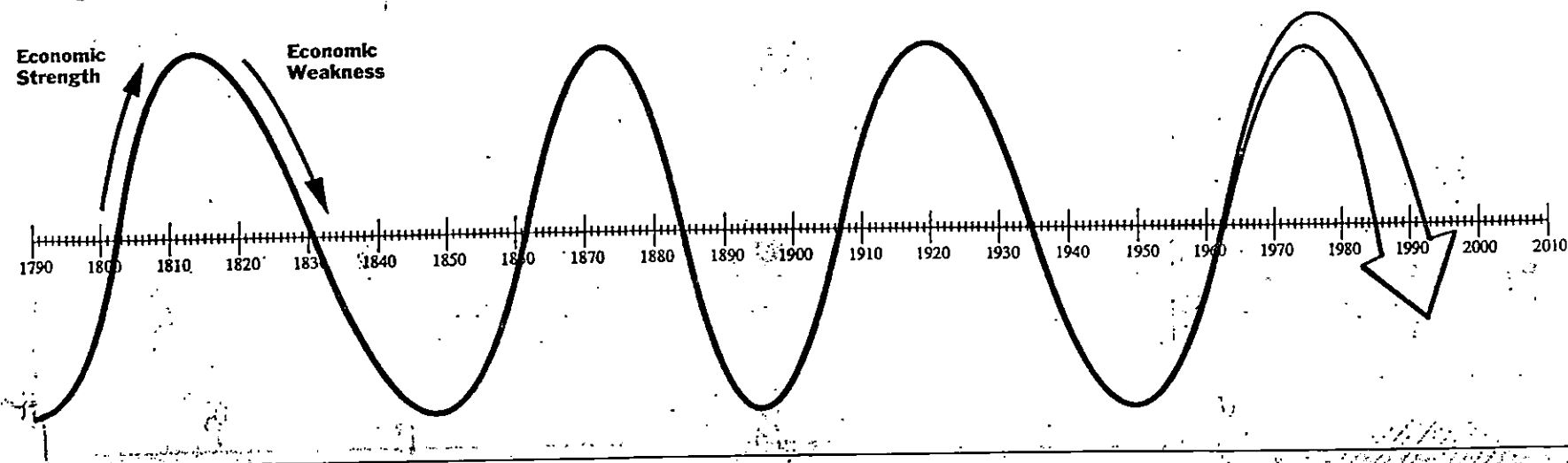
Nikolai Kondratieff's Wave Is Running a Bit Behind Schedule (We Hope)

In the 1920s, Soviet economist Nikolai Kondratieff identified what he believed to be a long-term cycle governing economic activity. Based on studies of such factors as wages and commodity prices in 19th century Britain, France and America, he espoused the theory that capitalist economies expand and contract in cycles of 50 to 60 years.

The idealized wave below is often used as a simplified portrayal of Kondratieff's theory. The crests and troughs represent relative highs and lows in economic activity. Although the long wave uncannily pretraced the Great Depression and the post-war

boom, it is dismissed by many modern economists as a statistical absurdity. So, they aren't worried that the wave now suggests the West is heading toward another economic crisis.

As for Kondratieff, he was branded a counterrevolutionary because his waves were inconsistent with the Marxist belief that capitalism would self-destruct. The economist was imprisoned in a Siberian labor camp where, according to Aleksandr Solzhenitsyn, he "became mentally ill and died."



Mr. James Baker
The White House
Dear Mr. Baker,

October 12, 1992

Job-
training
NPN

The Federal government subsidizes, to some extent, housing for low income people. The Federal government also, through Medicare and Medicaid, helps pay health costs. Perhaps the government could, in effect, subsidize job training and employment by issuing vouchers to low income unemployed people which might enable them to obtain positions not otherwise available. Either after a worker has had specific job training, or without such job training, the government could pay an employer, through a voucher system, for (further) training of a worker and part of the employment wages for a certain length of time. In many cases workers would be removed from welfare dependency.

It may well be that, in general, such initially subsidized and trained workers would ultimately be able to find employment in the marketplace, without subsidy, based on acquired skills and experience.

Employers would have the advantage of being able to fill jobs which they might not otherwise be able to afford to fill.

I would appreciate hearing from you whether you think such a program might be worthwhile.

60 Morris Avenue
Scarsdale NY
10583

Very truly yours.
Richard H. Feinsinger
RICHARD H. FEINSINGER

Also, do you think that restoring the deductibility of credit card purchase interest would help the economy?

Richard H. Jeuninger
c/o Morris Benoit
Scarsdale NY 10583



President Bush
Attention



Mr James Baker
Chief of Staff
The White House
Washington
DC.

Suggestions

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17 October 92

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

Re: A "Hail Mary" bomb to win the game
in the few remaining days

Dear Mr. Baker:

It is clear that Mr. Bush needs to deliver a knock-out punch in the final debate if he is to be re-elected and if you, as I hope, are going to be the candidate for president in 1996.

Let me suggest that Mr. Bush equate Governor's Clinton's program with Socialism. It calls for the government to pay an increasingly larger role in the lives of all Americans.

There is a growing tendency in America to look to the government to solve all our problems --whether social or commercial. The age old fight in America has been between those who want the government to shape their lives and those who want the government to leave them along so they can work out their own destiny. This is the essential difference between the Democratic Party, which wants to run the lives of the people and the Republican Party which champions individualism, initiative, and self-reliance. (Should be the tenor of Mr. Bush's theme).

All over the world, Mr Bush can point out, centralized, socialist governments have failed and their peoples crying out for more freedom from oppressive government regulations, requirements, and more and more taxes (Sweden, for example).

This charge of Socialism will be powerful in influencing voters. Mr. Bush should then offer a positive economic program calling for accelerated depreciation on automobiles (to four years) which are made in the U.S. justifying this on basis that a \$15,000 U.S. car brings in about \$5000 in taxes, whereas an import pays only about \$400. And U.S. car makers pay \$1800 a car in health benefits. Mr. Bush can say he simply wants to level the playing field. Also, real estate construction can be revitalized by accelerating depreciation on commercial buildings and rental properties to 20 years (vs present 40 years). And machine tools made in the U.S. should have accelerated depreciation. (This will save Pennsylvania and New England)

This is a hasty letter, but am positive the charge of Socialism will save the election for Mr Bush. Your speech writing staff should be able to develop this theme with persuasive examples.

Cordially,

Robert E. Taylor
Robert E. Taylor
President

P.O. Box 650253
Vero Beach, FL 32965

P.S. Excuse hasty letter knocked out at home on Saturday.

TAYLOR, THOMAS & LORD

640 U.S. One South
Vero Beach, FL 32962

James A. Baker 3rd.-Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC 20505

Urgent: Re Tuesday night debate.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Fax Cover Sheet	From: Wayne Howard to James Baker Re: The Economy is Reacting to a "Paradigm Shift" [Redaction of personal information] (1 pp.)	10/19/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Baker, James A. III
Subseries: Public Correspondence Files
WHORM Cat.:
File Location: [Public Correspondence, Oct 1992] [7]

Date Closed: 8/21/2001	OA/ID Number: 93011-002
FOIA/SYS Case #: 2000-0715-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

FAX COVER SHEET

Wayne Howard
1407 Chesterton Drive
Richardson, Texas 75080
(214) 480-0726 FAX (214) 960-1309
Work (214) 386-6765, or 423-9119

Pages; (Including cover sheet) (2) DATE: 10/19/92

TO: JAMES BAKER
RE-ELECTION CHAIRMAN, THE WHITE HOUSE
WASHINGTON, DC
FAX #: (202) 456-2461

SUBJECT: THE ECONOMY IS REACTING TO A "PARADIGM SHIFT"

From : Wayne Howard

But this experience also afforded me the opportunity to explore and understand the real factors that have brought about this low period in our economy, and I do mean low period, because I have also discovered that this is also a period of great opportunity!

The American people are looking for "CHANGE". The President needs to present himself as the ARCHITECH OF POSITIVE CHANGE FOR OPPORTUNITY and state the following facts about the economy in terms the average American will understand:

1. The U.S. economy is part of a "GLOBAL ECONOMIC ORDER".
 2. A "PARADIGM SHIFT" in the global economy is underway and is occurring across virtually all industry sectors, i.e., AUTO, ELECTRONICS, CONSUMER PRODUCTS and COMPUTER SYSTEMS.
 3. The massive cuts in employment by corporations like IBM, GM, and others are being made to become more competitive in a GLOBAL MARKET that has matured to the point where U.S. Corporations have, for the first time, serious competitors and enormous opportunities for growth in world markets.
- * Improved U.S. products are already appearing to meet the challenge; Compare a U.S. Auto of today with one from only a few years ago and you will see dramatic change in quality, safety and driver investment protection.
 - * COMPAQ Computers restructured their corporation and their products and today they are "Production Bound". They cannot meet the increased customer demand for their new products!

CHANGE CONTINUED.....

4. Business leaders like John Sculley, Chairman & CEO of APPLE COMPUTERS, a partner in a new alliance with IBM and MOTOROLA to jointly develop new technology recently stated,

"A wonderful collision will occur between Computers, Home Electronics, Telecommunications and Publishing that will create tremendous opportunities and a market in excess of \$3 TRILLION."

5. New technology will create new jobs and opportunities for Americans in new companies that emerge to meet these demands.
6. The Bush/Reagan era has made this kind of opportunity possible by stabilizing the world, creating an environment for open global markets and encouraging cooperation between trading partners. A recent export report used Illinois as an example of Free Trade with Mexico and showed exports from that state alone exceeded \$2 Billion annually...which translates to jobs!

The U.S. economy is now strategically positioned to exploit these \$ Trillion Dollar Export Markets.

The President needs to STAND UP, SPEAK UP AND TAKE THE REAL FACTS TO THE PEOPLE and GIVE BILL CLINTON HELL ON HIS OWN RECORD!

Fax From Leonard C. Pflanz, Jr. of 41 Briggs Street in Pacific Grove, CA (408) 375-5475 to James Baker (202)456-2461

James Baker, Chief of Staff
The Whitehouse
1600 Pennsylvania Ave.
Washington, D.C.

NRN

Re: Vetting Clinton's Actions in Moscow and Elsewhere

Dear Mr. Baker:

This is important. Still, I apologize that this faxed letter is so long: Exigency doesn't permit me the luxury of brevity.

It seems pretty clear to me that a Presidential candidate should be vetted¹ when evidence arises that he or she might be a security risk. The need to vet future leaders of this country who represent risks to national security is not simply a matter of federal law: the President has implicit and explicit security obligations rooted in the Constitution.

From what I have learned from Bob Dornan and elsewhere, it is clear that Governor Clinton has not come clean with either the press or the American people on his anti-Vietnam War and anti-American activities, both here in this country (e.g., at Martha's Vineyard) and outside of this country. As a conscientious objector at that time who refused induction and fully expected to spend a long term in prison, I still feel that aspects of his anti-Vietnam and anti-American war activities outside (and possibly those inside) this country were security violations and even possibly traitorous. Additionally, there can be little doubt that Bill Clinton was inducted into the armed forces and that, if it were not for his ability to dissimulate and manipulate the system, he would have gone into one of the branches of the military or to jail. All of this becomes an issue in light of the position that Governor Clinton may end up being elected to. Certainly, these clandestine anti-war actions, as well as close friendships at that time with known anti-Vietnam War types such as Tom Hayden, make him a security risk. Indeed, in my opinion, what little is known about him *ipso facto* disqualifies him for even the lowest of security clearances, much less access to the 'football' and a knowledge of secret

¹ When today I called the S.F. FBI and got the agent on duty as strange thing happened. I explained in a vague, general way what I was doing and ask whether or not there was any law that prohibited the gov't from vetting a candidate for federal office, she did not understand me at first because she had never heard of the verb *vet*. I guess it's a neologism that comes from an older use of the verb referring to a medical or veterinarian examination.

JIM BAKER FAX FR. PFLANZ AT WHITEHOUSE: (202) 456-2461**2**

projects and options, plus access to intelligence of a secure nature.

At the present time, it is clear that the American people are in no position to make a decision about these matters because they have no information upon which to make any sort of rational decision, nor are the media able and willing to pursue these issues. In short, the American people are congenitally out of the loop on this one, if nothing is done by the Executive Branch in whom the bulk of the power of protecting national security resides.

I am confident that you and the President have considered some of the known or suspected Clinton national security negatives. These negatives include repeated lying, stonewalling, adultery, draft dodging, misappropriating scholarship funds, security-risk acquaintances, possible contacts with enemy agents complete with the existence of documentation, including movies, that could be used to blackmail and manipulate him, should he become President. Still, precious little has been yet made by either the media or those supporting the President of the extant details of the heavy character baggage carried by Clinton. And, unsurprisingly, to mask what are real and damning allegations to my mind, attempts to bring these negatives to light have resulted in from Clinton, et.al. the clarion calls of "McCarthyism" and "pitifulness" rather than coming up with truthful answers.

I am, therefore, writing this long letter because I hope against hope that there is no failure in The Executive to insist on receiving the following:

1. From the KGB and GRU and any other appropriate agency within Russia and CIS, any compromising documents they have on Bill Clinton as to whom he met with in the USSR as well as what he said and did on his extended, dead-of-winter vacation at the height of the Vietnam war in Moscow and elsewhere in the USSR. His vacation story is just not convincing for a number of reasons that cold warriors like Bob Dornan and Brent Scowcroft can doubtless argue. For one thing, until April of 1969, only "affinity groups," according to my source, were allowed to travel there, though Clinton, we are told, travelled there alone (as you know, Bob Dornan and Co. were locked up in Moscow the week before Clinton got there). And, frankly, I find it difficult to believe that the semi-priapic Clinton did not encounter a peace "sparrow" or two or three or four on his irenic ornithological explorations there-providing sexpots for compromising films, etc., is S.T.O.P. for the KGB. That he only vacationed there and did

Fax From Pflanz to James Baker (202)456-2461

JIM BAKER FAX FR. PFLANZ AT WHITEHOUSE: (202)456-2461

3

not meet and plan with KGB-fronted and -funded "peace organizations," like the World Peace Organization or their agents, is just out of character with what seems to be, from all the evidence, a young Bill Clinton's preoccupation with extricating the U.S. from Vietnam at any cost.² I also think a number of these issues should be raised in a systematic and dogged way by responsible parties within and without the Bush Administration, particularly in the absence of cooperation from the Russians and CISies.

2. Which peace groups did Clinton have contact with in England and who were his contacts within those groups? And what was his role in which demonstrations? Etc? These questions need answers, not just from Clinton and his past peace associates but from British gov't records, if extant. Agents of Communist gov'ts and British anti-American groups could well have provided him with extra-money to go on his peace trips and the names of people to contact in his travels in Western and Eastern Europe, in addition to names on whom to make contact with in the Soviet Union.

3. How many countries did he travel to and what were their names in this 40-day extra-curricular vacation for peace in Western and Eastern Europe? Who were his contacts there and how did he find them? Were these contacts allied with any communist or anti-American powers or groups? Can there be any doubt in light of the power and access that Governor Clinton may have that the United States gov't has a Constitutional national security obligation to ask these foreign powers for copies of their Clinton files? The East European countries that the peripatetic presidential candidate dallied in include Czechoslovakia, but may also include a number of other behind-the-iron-curtain nations.

4. And what went on here? The FBI should, using the polygraph, interrogate Clinton and Hillary, not to mention his past and current associates as to his anti-war activities, travels, and contacts, since he, despite being a Presidential nominee, is a *prima facie* security risk, according to the public information available on him, some of which even he has confirmed. Indeed, he continues to surround himself with guys like "economist" David Ifshen(sic?), who are indubitable security risks. Ifshen, during the Vietnam War, traveled to Hanoi and on radio there told American soldiers to lay down their arms and in other indirect ways

²This contradicts young Bill Clinton's attempts to become an officer in various branches of the service (he failed the physical on each occasion) prior to wangling illegally and reprehensibly out of his ROTC appointment. These are the actions of an anti-Vietnam War opportunist concerned with maintaining his "political viability" and elitist prerogatives whilst ignoring his duties to conscience and country at minimum.

Fax From Pflanz to James Baker (202)456-2461

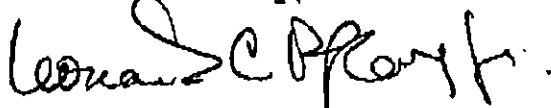
JIM BAKER FAX FR. PFLANZ AT WHITEHOUSE: (202)456-2461**4**

cost the lives of American servicemen. It is even possible that Ifshen was or is a Soviet or East European agent. The same possibility holds true for Clinton. We just don't know.

In conclusion, I encourage you and President Bush to pursue these security issues with great energy--and quickly--because anyone who has aided and abetted the enemy in wartime and lies about it, and who would, it appears, be unable to get a minimal security clearance as a result, is hardly a qualified candidate for the land's highest office. Governor Clinton's lying, stonewalling, as well as tight lips on this whole time period, signal that he has done things against his own country which he is not proud of, which are, in all likelihood, treasonous, and which are at least disqualifying. Moreover, it is against the national security interest to have a blackmailable leader. To have a Burgess or ex-Burgiss-type running this country would be a security disaster, Mr. Baker.

As a lover of this land, if you have not already brought each and every one of these issues before President Bush, I exhort you to do so in the strongest way and to urge the President to pursue through the legal channels available to him the avenues of vetting that I and others have brought to your attention--not as a matter of mere partisan politics but because it's the President's Constitutional obligation to explore fully the likelihood that Governor Clinton has been and continues to be a national security threat. One last point, if my proposed thorough vetting of Governor Clinton requires it, consider this letter a specific accusation naming Governor Clinton as being a risk to the security of the United States of America and, at the same time, consider it a demand for such an investigation.

Yours sincerely,



Leonard C. Pflanz, Jr., concerned citizen.

Fax From Pflanz to James Baker (202)456-2461

Robb Austin

2500 Virginia Avenue, N.W.
Suite 1105 - South
Washington, D.C. 20037

(202) 333-5130

NAN

TO: Jim Baker
Chief of Staff

FR: Robb Austin

RE: Sunday Talk Shows

DATE: October 19, 1992

I hope you're reconsidering my earlier memos regarding the President appearing on Sunday network talk shows.

Early in the campaign, the 'softball' talk shows worked for Clinton and Perot. It was new and different, and the people tuned in.

With two weeks to go, the President can strike "new ground" by appearing on the network Sunday talk shows, and a good case can be made that these appearances will HELP his election chances.

With the debates complete, the President MUST press his issues in a credible format, and the network talk shows offer the best opportunity.

It is also absolutely necessary for CLINTON to appear as well. He will NOT stand up well, and at this stage of the game Clinton knows there's alot to lose in being questioned by Sam Donaldson and George Will.

Ask yourself one question. Does Clinton want to appear on Sunday talk shows. Of course not. Why? Because he winning!

One last piece of advice. DON'T include Perot -- I don't think you'll have to worry about him on this one -- but believe me -- he's hurting you.

CC: Charlie Black

OF \$103 MILLION DOLLARS. THE GUTS OF THIS MAN IS AMAZING, and he has waged ALMOST SINGLEHANDEDLY a legal battle for his release. HIS CRIME??? HE INVENTED A ~~FAKE~~ SAKE TAMPER/PROOF CONTAINER that makes every thing else subject to CRIMINAL

NEGLIGENCE, INCLUDING THE COKE COLA COMPANY CAPS which subjects them to enormous lawsuits. HUMMER HAS PROVED HIS INNOCENTS IN APPEALS in THE U.S. DISTRICT COURT for THE DISTRICT OF COLUMBIA. COPY OF SAME IS ENCLOSED FOR YOUR LAWYERS TO REVIEW ON ANY AND ALL actions you might want to take...

4 SUBIC BAY WAS GIVEN BACK TO THE PHILUPINES PEOPLE ON A 'DEAL' THROUGH THE 'REAGON' STATE DEPARTMENT THAT JAMES BAKER HAS JUST COMPLETED WITH OR WITHOUT THE FULL KNOWLEDGE OF PRSIDENT GEORGE BUSH ...

THE DEAL INVOLVES THE 12(BULLION) IN \$BILLION GOLD OF THE that THE JAPANESES BURIED DURING ONE OF THEIR SORTIES into the WORLD WAR II CHINA MAINLANDS raids IN EXCHANVGE FOR

SUBIC BAY WHICH COST US ABOUT 50 BILLION TO BUILD(OR MOORE) ASK BAKER ABOUT THE SAME ITEM, AND MAYBE YOU WILL GET AN IDEA of the corruption and TAX SPENDING CONGRESSIONAL HABITS that has created the 4 \$4. trillion dollar piublic debt that will rise to \$5.5 in fiwe years ACCORDING TO GBO .

I advocate A 'SURPLUS BUDGET AMENDMENT' NOT A "BALANCED BIDGET AMENDMWNT I TOO AGREE TO TAX THE GASOLINE FOR THE PEOPLE THAT USE SAME INDISCREMINATLY, NOT THE HARD WORKING MA N THAT HAS TO TRAVEL FOREVER TO GET work on slow income in the first place . GIVE HIM A VOUGHHER TO GET TO work back nad forth.

I ESPOUSE A NATIONAL INDENDENEE PARTY) COPY OF LETTERS IN ATTACHED form..

I ESPOUSE RAISING THE AGE TO RETIRE TO 67 (if it turns out to be too much of a hardship then on a case by case basis .let that person have a brake. WHEN YOU IMPLIMENT SAME THAT YEAR LET THE PERSON that can not wait take a 70 % 61 year of age retirement .on his SS/.

OF COURSE THERE IS CONVEVATION THAT CAN BRING THE NATIONAL DEBT FIGURE DOWN.

I am available at your becon call , and appreciate what you are doing for our comutry//....

A FELLOW AMERICAN (AND I BELIEVE A PATRIOT LIKE YOU) ,

SEMPER FIDELY... *Jack Pappas*

JACK PAPPAS/ BOX 20741/ ALEXANDRIA, VA. 22320-1241/ (703) 544-1115



ALL INTERIORS, INC.

1511 Wisconsin Ave. • Washington, D.C. 20007 • (202) 333-2220

FACSIMILE TRANSMITTAL COVER SHEET

Date: October 19, 1992 Number of Pages 3
(including cover page)

To: White House

Attention: The Honorable James Baker

Fax Number: 202-456-2461

From: Kambiz Shekarian

Re: _____

Transmitted from fax Number: _____

Message: _____

If there is a problem with this transmittal, please call us immediately
at 202/333-2220

6434 Wishbone Terrace
Cabin John, MD 20818
October 19, 1992

NRN

The Honorable James Baker, III
Chief of Staff
White House

Via Fax to 202-456-2461

Dear Sir:

I hope the letter I sent to you by fax yesterday didn't end up in the waste basket without any attention. As you well know, time is running out for anything and anybody that has anything to do with the coming election.

I think the best thing to do is to find an opportunity and make it possible for President Bush to lay down his economic plan in front of the nation and clearly explain how he wants to carry it out and where he plans to take America for the year 2000.

I heard you are supposed to have a press conference to talk about President Bush's economic plan. I hate to say that this won't do any good--it may even cause a negative reaction. That is not to say that you are not good and capable; it just does not make sense to people for you to try to explain instead of him.

On the other hand, I believe that if the Republican Party is able to buy TV time for two or three times for 30 to 45 minutes without any interruption, just like Ross Perot, on one or two networks in prime time, that would give President Bush a great opportunity to talk directly to the nation. You and another popular Republican face you trust (such as Jack Kemp) could appear with him on the program and lay down everything on the table with charts, documents, projections, and actual numbers. President Bush can tell the nation what is really going on, what he wants to do, and where he wants to take this country, all in language all average Americans can understand. I am suggesting one of these presentations must be on the last night of the campaign, so that President Bush would have the last word.

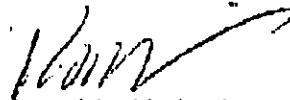
Mr. Baker, I strongly believe that President Bush owes these explanations to his supporters, the American people, and a big portion of the world that depends on him and his presidency; and you, I, and all Republicans and supporters owe it to President Bush to pay for it one way or the other. It is extremely important and imperative for him to be able to be relaxed and comfortable to talk to the nation without any interruption.

We are at the end of the twentieth century. The power of television for communication is undeniable. You should take advantage of this tool as much as is possible and use it against the opposition. I think President Bush must have this

opportunity to tell the American people all he wants, or even something you know that we don't know. He must win this election at any cost, even if he has to use his opposition's tools. Use their tools against them--how about that?

I hope you will seriously think about this idea and consider any option for victory. As you know, "There is no substitution for victory."

Respectfully,

A handwritten signature in black ink, appearing to read 'Kambiz', with a long, sweeping horizontal stroke extending to the right.

Kambiz Shekarian

Alvin F. Kimel

3556 SHORE DRIVE, VIRGINIA BEACH, VA 23455
(804) 460-4460

To: James Baker

NOT

Urgent

Following is a copy of the
Fax I have sent to
George Bush, Richard
Bond and Rust Limbaugh.

Al

Alvin F. Kimel19 October 19923566 SHORE DRIVE, VIRGINIA BEACH, VA 23455
(804) 480-4460

The President
The White House
Washington, D.C.

Dear Mr. President:

The odds are overwhelming that your defeat for reelection is obvious. The sad point is the good old Republican Party will be going down with you, as well as its values regarding morals, individual incentives, free choice for school, religious freedom, and the list goes on.

Having been in business for over forty years, I learned that if things were not working, a change had to be made. Let me give you one suggestion that the insiders say must happen, as you know, is called Sea Change. It will revitalize your campaign and bring victory to you and all of us.

Ask my dear friend, Dan Quayle, to step down and replace him

with Ross Perot as Vice President, with the full responsibility of the economy, recovery and rebuilding of our Capital base. Also, it would be his job to fight it through Congress and, if necessary, use the White House as his pulpit to inform the public of what is happening, and of course, with your full support.

I know this is tough for you to deal with, as well as it would be for Ross Perot, however, let's make the phrase "What's good for the Country", meaningful. Plus, it would keep Clinton and the Democrats out of the White House and save the two-party system.

cc: James Baker
Richard Bond

Sincerely,

Alvin F. Kimel



American Freedom Coalition

800 K Street, NW, Suite 830

Washington, D.C. 20001

(202) 371-0303

FAX: (202) 371-0909

FAX COVER SHEET

DATE: 10/19/92

TO: Gim Baker

COMPANY: _____

BUSINESS PHONE: _____ FAX PHONE: 202-456-2461

★ ★

FROM: Gary Jarmin

OF PAGES TO FOLLOW: 2

SPECIAL INSTRUCTIONS:

NPN

Ode to Bill Clinton

He was a charming master of deceit
Dodging the draft with his feet
Clearly lying, while Americans were dying
He protected his viability
for White House nobility.

At Oxford he did as he pleases
Took no exams nor finished his thesis
Inspired by McSorley, he protested Old Glory
To Uncle Sam he did not bow
On to Oslo, On to Moscow!

Learning nothing except not to inhale
He cast his fortunes towards Yale
Was a lousy bet, for Hillary he met
She was only one lover
He needed always another.

But the marriage would not die
Hillary forgave his wandering eye
Gratefully he foresaw, now in Arkansas
The Gov was finally empowered
for many to be deFlowered.

But this should be forgotten as the past
The media now reminds us at last
Shame on the right, for being "McCarthyite"
To grouse, about this louse
Occupying the nation's White House.

Gary L. Jarmin

NRN

FAX Transmission

From: Amnon Nissan
Questions? Call 919-859-0360

To: JAMES BAKER
Company: WHITE HOUSE

Kesher Computers
Div. Of Nissan Inc.
5421 Wayne Street
Raleigh, North Carolina, 27606

Date: 10-19-92
Time: 15:31

(including this one) 1 pages

Message:

Shalom Y'all !!!

SIR,

I WOULD LIKE FOR SOMEONE FROM YOUR OFFICE, TO
CALL ME AT 919-859-0360, OR LEAVE ME A VOICE
NUMBER WHERE I CAN CALL YOU. I THINK I HAVE
A FEW POINTS THAT COULD HELP THE PRESIDENT'S
ARGUMENT ON WHY FOREIGN ^{ACTIVITIES} ~~POLICY~~ WERE SO IMPORTANT
DURING HIS LAST FOUR YEARS. I WISH IT COULD BE
DONE BEFORE TODAY'S DEBATE, BUT... NO ONE CAN SAY
I DIDN'T TRY 😊

YOURS

AMNON NISSAN

P.S. IF I COULD GET YOU ON THE PHONE, IT WOULD HELP.

THE HONORABLE JOSEPH GHOUKASSIAN, Ph.D., J.D.
Ambassador of the United States of America

NRJ

FAX MESSAGE

TO: *Secretary James Baker, XII* *Chief of Staff*
White House

FROM: -----

DATE: *October 16, 1992*

NUMBER OF PAGES *2*
INCLUDING COVER: -----

MESSAGE:

FYI.

We are behind the President
all the way.

Regards,
Joe

please report any problems to
(619) 476-7847; fax (619) 427-3517

Tuesday
October 20, 1992

The San Diego Union-Tribune

South County
234

Would Clinton have botched the gulf war?

By JOSEPH GHOUASSIAN

For some time now, I have been curious about the position of Bill Clinton on the Persian Gulf War. Not that the state of the economy is unimportant. But, the post-Cold War world is still ravaged by unsolved conflicts. And only the president of the United States has the constitutional powers to conduct foreign affairs and to be commander-in-chief of the armed forces.

Clinton made some startling statements on the war.

Two days before the allies launched the air strikes against Iraq, Clinton told the Associated Press that he was in favor of the sanctions against Iraq instead of waging war. He stated: "I agree with the arguments of the people in the minority on the resolution — that we should give sanctions more time and maybe even explore a full-scale embargo — before we go to war."

Yet, once Desert Storm was won in flying colors, he contradicted his prior statement and opted for war over sanctions. During the NBC News Democratic Party presidential debate, he declared: "I think we all ought at least to admit that the president was right to kick Saddam Hussein out of Kuwait, and if he hadn't, he would still be there today, he'd be threatening Saudi Arabia, and the sanctions never would have worked."

An ardent Clinton supporter may argue that a candidate has the right to change his mind. My reply is that in diplomacy and in a situation of imminent armed conflict, the president does not have the luxury to waver or be equivocal. In diplomacy and military crisis, time is of the essence; firmness and consistency are required traits to adequately perform the job of president. After all, human lives are at stake.

Clinton is master of circular argument and using sophisms or false arguments with the conscious intent to deceive.

For instance, he has said: "I guess I would have voted with the majority if it was a close vote. But I agree with the arguments the minority made."

Which way is it? In a real-life situation of conflict, it would not be advisable to engage in rhetoric. Yet, Clinton argued in favor of both sides of the issue.

What makes a politician flip-flop on an issue of vital national interest like how to handle Saddam's invasion of Kuwait? I believe that under the logical sophistries lie Clinton's sense of insecurity.

GHOUASSIAN, a San Diego resident, was U.S. ambassador to Qatar from 1985 to late 1989.



BOB GORNELL

city, his lack of knowledge of the issues, a weak will and a desire to please everybody and be anything to anybody.

Clinton is not the only master in flip-flopping on the subject of handling Saddam Hussein. His running mate, Sen. Al Gore, has shown a similar penchant.

During the war, on Jan. 30, 1991, Gore said: "We are not seeking the surrender of Iraq. Any effort to expand our objectives so as to include the military conquest of Iraq would certainly blow apart the core of international consensus upon which all else depends. The removal of Iraqi forces from Kuwait is enough to warrant a suspension of combat operations. That is clear."

Gore further stated: "Our objective, whether or not Saddam Hussein survives, should be to ensure that Iraq remains incapable of a serious offensive military threat to its neighbors."

Gore was correct in his interpretation of the intent of the U.N. Security Council war resolutions. The United Nations did not authorize the allied forces to expand the war inside Iraq or to remove Saddam from power.

However, with time, Gore has reversed his position and claimed: "The administration made, what is in my view, a big mistake in the final stages of the conflict by choosing to allow Saddam Hussein to remain in power."

Gore's revised call did not end with eliminating Saddam alone. He said hundreds of others making up the Baathist party also should have been eliminated. "We made a tragic mistake ... to leave the Baathist regime in power there," he said.

Gore's statements are, at best, naive in world affairs, and insensitive to the realities of Middle East politics. If the administration had decided on its own,

without a clear mandate from the U.N. Security Council, to pursue the war inside Iraq, because that would have been the only way to remove Saddam and the hundreds of members of the Baathist regime, several diplomatic fiascos would have resulted:

- Our allies in Desert Storm would have been up in arms against our Lone Ranger-style venture.

- The power vacuum created by the absence of a strong leader inside Iraq would have invited Iran to invade, annex or infiltrate southern Iraq, and Turkey would have invaded or annexed the territories of the Iraqi Kurds, lest they band with the Turkish Kurds.

- The solidarity among the allied forces would have vanished. Most notably, the Arab and Muslim armies would have severed ties with the U.S. forces.

- A destabilization of Iraq would have destabilized the region.

- U.S. soldiers would have fought longer and suffered serious losses.

It is neither good diplomacy nor good judgment on the part of the commander-in-chief to solve a conflict by creating new and larger conflicts. Yet, this would have been the natural outcome had Clinton and Gore occupied the White House.

Clinton's own words confirm what one Arkansas newspaper editorialized about its hometown boy: "Those seeking Bill Clinton's unwavering support for a crucial decision on war or peace need only meet one requirement: First win the war. Then he'll come through 100 percent. William Jefferson Clinton is not one to desert a cause in its hour of victory."

I know how President Bush handled the gulf war. Would we be better off today if Clinton had been at the helm?

FRANK C. BURGER

MB

MR. JAMES A. BAKER III
CHIEF OF STAFF
THE WHITE HOUSE, W.D.C.

10/20/91

DEAR MR. SECRETARY:

OK BOSS, YOUR GOOD FRIEND AND OUR PRESIDENT DID WELL, HE EVEN
SMUCK IN THE "PRODUCTIVITY IS UP" POINT. ALSO, THE RHETORIC
ABOUT ANTI- "TRICKLE DOWN" GOVERNMENT EFFECTIVELY COUNTERED
THE INEVITABLE ANTI SUPPLY SIDE BUSINESS, (WHICH EVAPORATED
BY 1984 ANYWAY).

THE KEY POINT NOW IS THAT THE PRESIDENT CONVINCE US'NS TO
VOTE FOR RATHER THAN AGAINST: FOR HIM, NOT AGAINST GOV.
CLINTON. VOTING FOR THE PRESIDENT REQUIRES THAT WE RECOGNIZE
THAT HE RECOGNIZES NOT ONLY THAT TIMES ARE TOUGH, BUT THAT
THE BELTWAY HAS FAILED US, THAT WE NEED SYSTEMIC CHANGE, A
NEW MODEL DESIGN, A "NEW PARADIGM" (WHAT A SPELLING).

FOR THE "SWINGERS"- THE UNDECIDEDS, THE EISENHOWER/NIXON/
REAGAN" DEMOCRATS, FOR SHELL-SHOCKED "YUPPIES", AND FOR THOSE
WHO WILL COME OUT TO VOTE IN FEAR OF THE FUTURE- WHOM I
BELIEVE WILL DETERMINE THIS OUTCOME, THE PRESIDENT DOES NOW
HAVE A RATIONALE TO DEFINE & DELINEATE.

I- THE MISSION. STRUCTURAL CHANGE.

IT IS FOR THE PRESIDENT TO ESTABLISH THE POINT THAT WE ARE
ENTERING A NEW ETHOS, PARADIGM, OR, "SYSTEM FOR THE 21st
CENTURY" AND THAT HE HAS THE AGENDA TO LEAD US THRU THIS
PERIOD OF TRANSITION.

THIS IS AN HISTORICALLY DISTINCT PERIOD, REQUIRING FULL
RECOGNITION AND UNDERSTANDING: NOT ONLY THAT THE COLD WAR OF
SUPERPOWERS IS OVER, THAT WE ARE NO LONGER THE DOMINANT
ECONOMIC POWER, BUT IN A PEER RELATIONSHIP, AND THAT
TECHNOLOGY HAS, AND WILL CONTINUE TO ACCELERATE THE SHRINKING
OF THE GLOBE - WITH IMPLICATIONS FOR INCREASED ECONOMIC
COMPETITION AND CULTURAL HOMOGENEITY.

THIS IS TRUE NOT BECAUSE I SAY SO, BUT BECAUSE WARREN
RUDMAN, PAUL TSONGOS, PETE PETERSON, FELIX ROHAYTON, A HOST
OF BUSINESS LEADERS AND A GAGGLE OF ECONOMISTS KNOW IT TO BE
SO. MORE IMPORTANTLY, SO DOES THE COUNTRY.

IT IS TRUE THAT THE BELTWAY HAS FAILED US BECAUSE OF THE
RECORD, OF THE FACTS. IT WAS EVIDENT IN THE DISGRACEFUL
BUDGET DEADLOCK OF AUGUST 1990: A SICK CAMEL WAS DRAWN WHEN A
THOROUGHbred RACEHORSE WAS NEEDED. THE SEEDS OF THE GLOBAL
CONTRACTION WERE ALREADY EVIDENT.

THE MAIN NEED IS FOR STRATEGIC THINKING, AND TO SET AN AGENDA
FOR SYSTEMIC CHANGE THAT THE AMERICAN PEOPLE CAN UNDERSTAND
AND WORK TOWARD. IN SHORT, TO DEMONSTRATE THAT "GEORGE GETS
IT!" DEMONSTRATE THAT THE PRESIDENT IS NOT MIRED IN AN OLDER,
POST W.W. II GENERATIONAL PERSPECTIVE, THAT HE IS COMMITTED

FRANK C. BURGER

TO A FORWARD LOOKING AGENDA, NOT MERELY OFFERING REASONS TO
VOTE AGAINST THE OTHER SIDE(S).

- 1- ROSS PEROT'S PERSPECTIVE IS ANDY JACKSON, ANTI-TAMMANY
HALL, GEORGE WALLACE AND HUEY LONG WRAPPED IN ONE. THE
BELTWAY HAS FAILED US; THE SITUATION IS CRITICAL, WE NEED
SYSTEMIC CHANGE AND THE OLD "SWAMPY BOTTOM" WON'T GET IT
DONE.
- 2- GOV. CLINTON MESSAGE IS GENERATIONAL: "GEORGE DOESN'T GET
IT", BECAUSE HE CAN'T SEE "IT". PERSPECTIVE, GENERATIONAL
PERSPECTIVE: SYNTHESIS.
- 3- THE PRESIDENT IS THE RIGHT MAN PERSONALLY, IF - IF HE
COMMUNICATES THAT HE IS WITH IT. TANGIBLY WITH IT. IT IS
NOT ENOUGH TO POINT THE FINGER AT A REACTIONARY
POLITICIZED CONGRESS- IT SURE HELPS THOUGH.

II- DYNAMIC LEADERSHIP.

THE NEED IS NOT ONLY TO CUT THE COST OF GOVERNMENT, BUT TO
MAKE IT WORK EFFECTIVELY, INCLUDING RESULTS-ORIENTED REPORT
CARDS. NEVER MIND JUST PASSING LEGISLATION, BUT WHAT ARE THE
REAL WORLD CONSEQUENCES OF LEGISLATION. LYNDON JOHNSON GOT A
TOM OF LEGISLATION APSESSED, "BUT WHAT WERE THE RESULTS?"

WE NEED NEW SYSTEMS, NEW MODALITIES. THE CONGRESSIONAL POST
OFFICE WAS A SYMPTOM. THE BELTWAY IS A FEUDAL CASTLE, A
BYZANTINE LABYRINTH. CHANGE IT? SIMPLIFY IT. "WOULD ANY GOUP
OF MINDS TODAY- SHORT OF LSD ADDICTS_ DESIGN OUR CURRENBT TAX
CODE. INDEED, "IS THERE A SINGLE ROOM THAT CAN HOLD IT?" IT
WAS SUPPOSED TO HAVE BEEN SIMPLIFIED IN 1986.

WHAT SHOULD BE DONE? WE ALL KNOW THE PROBLEMS.

- A- LESTER THURLOW OF MIT HAS A CLEAR, PRAGMATIC DEFENSIBLE &
SENSIBLE TAX SYSTEM. IT IS THOROUGHLY OUTLINED IN HIS NEW
BOOK. IT IS TOTALLY NON-POLITICAL; USE IT
 - B- ZERO BASED BUDGETING, CIRCA 1981: "WHAT HAPPENED TO IT?"
THE BEAUTY OF THIS MANAGEMENT TOOL IS THAT IT REQUIRES
REGULAR EXAMINATION AND JUSTIFICATION OF EXPENDITURES
AGAINST PRAGMATIC STANDARDS. THIS DISCIPLINE NEEDS TO BE
INCULCATED IN THE LEGISLATIVE BRANCH AS WELL AS THE
DEFENSE DEPARTMENT.
 - C- W.D.C. DOESN'T "GIVE" ANYTHING TO US'NS, IT MERELY
RECYCLES, AND MOST INEFFICIENTLY WHAT IT TAKES. THE
STANDARD TEST SHOULD BE A REAL WORLD RESULTS ORIENTED
TEST.
 - D- FOCUS ON REALLOCATING, NOT CUTTING. IN THIS MANNER WE
CREATE JOBS, RATHER THAN ELIMINATING THEM. OUR ONLY REAL
WEALTH LIES IN OUR ECONOMIC VIABILITY.
- TAKE THIS LEADERSHIP CHALLENGE, IT'S THERE FOR THE
DEFINITION.

MOST RESPECTFULLY,
FRANK C. BURGER

FREDERICK FRISCH, JR., M.D., F.A.C.S.

7 SOUTH DUDLEY AVENUE
VENTNOR, NEW JERSEY 08406

11 OCTOBER 1992

NBN suggestion

Dear James Baker, III

I don't claim to be a speech-writer, but do claim to be a SUGGESTION MAKER. My only claim to any fame is a few thoughts 4 and 8 years ago to Ronald Reagan for which I received a personal answer.

Ronald Reagan became noted for "there you go again". We need a catchy phrase. Think about "How do you know that"! Accent one of the four words each time - that changes the meaning and the impact. Use of such properly and frequently can disturb and annoy Clinton. His composure began to disintegrate tonight. You remember the moment his face began to become somewhat ruddy This counts greatly.

Others might be "are you thinking" and "be sincere". President Bush must not be too polite - more powerful at times. You know more than anyone regarding phrasing and timing. Let's do it!

Let's explain Deficit Spending - give the main reason and repeat it often. The Democrats built it up. Mention the cost per day and per hour. This hits home better. Being specific at times is advantageous. Clinton speaks in generalities - say it! He speaks of plans. What are they? In at least 3 instances he endorsed what our President had already said.

Emphasize support for former "Russian countries". We already do it. Stress importance of stability there to ensure our domestic economic stability. This is the age of instantaneous communication. Stress more our Foreign Policy and the importance of our actions in the Persian Gulf and Central America.

Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	From: Frederick Frisch, Jr., M.D. to James Baker Re: Suggestion Maker [Redaction of personal information] (1 pp.)	10/11/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Baker, James A. III
Subseries: Public Correspondence Files
WHORM Cat.:
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Date Closed: 8/21/2001	OA/ID Number: 93011-002
FOIA/SYS Case #: 2000-0715-F	Appeal Case #:
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P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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(b)(9) Release would disclose geological or geophysical information

FREDERICK FRISCH, JR., M.D., F.A.C.S.

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Iran would welcome Clinton with his uncertainty and vasillation. Unemployment. REmind people that in the 30's it was reliably reported that at least 3 million would not work anyway anytime. Now there at least 7 million who would'nt or could'nt. This must be treated delicately and with feeling. Emphasize our retraining programs and detail how to obtain them now. Clinton speaks of

[REDACTED]

ago. Does "middle class" refer to all below \$200,000.00?

I wonder who is "middle class". Health insurance is determined by actuarial tables and not the companies alone. Eager lawyers are much to blame. Too many have gotten the idea they can sue for any incident and they do. TRUST is still a great thing.

Who can trust inexperienced Clinton to know when and if and how. Arkansas? Stress that certainly one can find 17,000 jobs when the economic situation is so miserable to begin with. Certainly the only way to go is UP when you are near the BOTTOM!

Personal ives and past performance are a very impotant part of choosing the most capable person.

I did not intend to be so long. Herbert once told me in a personal interview that one's important message can be stated in 15 minutes - after that it's just so much verbiage. I work at the polls and am a republican Committeeman. Let's work and pray!

Sincerely,

Frederick Frisch, Jr., M.D.

2412r



MLDCR-07



12-17

Honorable James Baker, III

The White House

Washington, D.C.

20,000

IMPORTANT DEBATES!