

Originally Processed With FOIA(s):
2025-0373-S

FOIA Number:
2025-0373-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Card, Andrew, Files
Subseries:

OA/ID Number: 04884
Folder ID Number: 04884-006

Folder Title:
Correspondence--M [1]

Stack:	Row:	Section:	Shelf:	Position:
G	15	21	7	

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Letter	Coretta Scott King to Louis W. Sullivan, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (1 pp.)	05/29/91	(b)(6)	
02. Letter	Madeline Y. Lawson to Lloyd Davis, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (2 pp.)	06/12/91	(b)(6)	
03. Letter	Lloyd Davis to Madeline Lawson, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (2 pp.)	06/13/91	(b)(6)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--M [1]

Pinksheet Number: RML16148
OA/ID Number: 04884-006
Date Closed: 3/28/2025
FOIA/Sys Case #: 2025-0373-S
Re-review Case #:
P-2/P-5 Review Case #:



RECEIVED

JAN 3 1992

U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

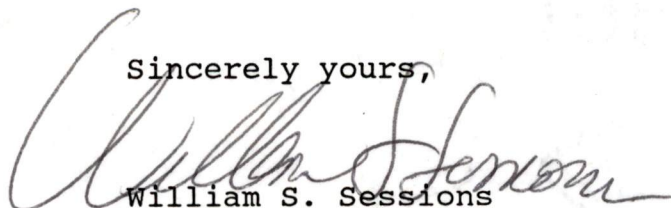
December 27, 1991

Honorable Andrew H. Card, Jr.
Assistant to the President and
Deputy Chief of Staff
The White House
Washington, D.C. 20500

Dear Mr. Card:

I appreciate your writing on December 6th and sharing with me your recommendation of Mr. Stephen K. Miller, who you indicate has applied for the FBI Honors Internship Program. I am pleased that he is interested in a future career with the FBI, and I thank you for providing me your personal insight into Mr. Miller's background. I will see that your letter is passed along to our Personnel Resources Unit for its consideration.

Sincerely yours,



William S. Sessions
Director



THE WHITE HOUSE

12-29-91

Bill-

Thank you for your letter. I
like what you are doing.

Keep in touch. - Happy '92.

Andy Card


THE WHITE HOUSE
WASHINGTON

Lee Williams M'Nutt, III
President
International Direct Marketing Consultants
5910 N. Central Exp. #1000
Dallas, TX 75206

International Direct Marketing Consultants, Inc.

5910 North Central Expressway, Suite 1000

Dallas, Texas 75206

United States of America

(214) 891-6377

FAX (214) 891-6378 or (214) 891-6810

Washington D.C. office (301) 961-1531

RECEIVED
DEC - 2 1991

AC HAS SEEN

11/26/91

Lee William McNutt, III
President

Andy,

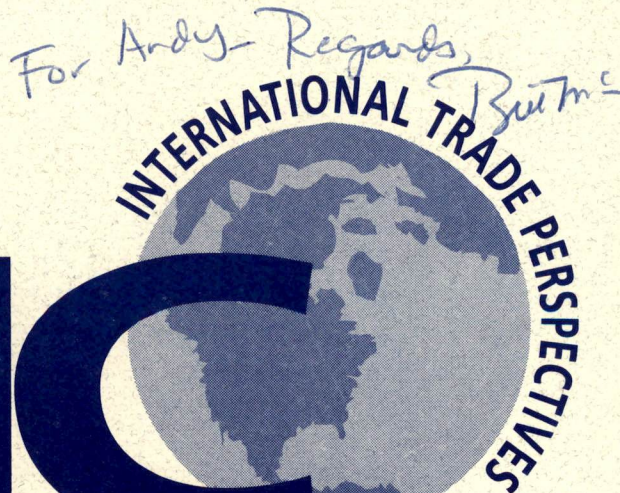
My business is good. Took advantage of the Mexican/American FTA to open a Dallas office. I remember fondly our time together on the Bush campaign, in the Reagan White House and on the Transition. I remember what you taught me "Don't be afraid of politics, it's a people business." "Know the rules & know the issues." "Don't be afraid to be a leader."

Is your Grandmother still living? I remember your stories about her as well, particularly during the Holiday Season.

Best Regards,

Lee McNutt

Highlights from the First Direct Marketing Trade Mission to Canada



IDMC

International Direct Marketing Consultants, Inc. 5910 N. Central, Ste. 1000 Dallas, TX 75206 Autumn 1991

On 'D' Move in the Southwest

IDMC opens office in Dallas, Texas

Realizing the need for a broader understanding of foreign trade in the South and Southwest prodded on by the spurs of the Mexican/American Free Trade Agreement, International Direct Marketing Consultants now has extended its services with a permanent facility in Dallas.

Companies that have not made the leap into the fast-paced stream of international trade may soon realize lost opportunities if they don't take advantage of current trends in the U.S. Southwest.

IDMC President Bill McNutt said, "The demand for our services in the South and Southwest combined with the interest in the Mexican/American Free Trade Agreement has enabled us to open this second office."

This presence will be beneficial to firms, giving them an educational advantage over some big changes in Southwestern business trends.

Having a proven international consultant can make all the difference in new markets. Maintaining market power will mean understanding the interrelationships between trade and the policies of exchange rates, monetary, fiscal and social areas, "... these are just a few of the many factors that affect your strategy,"

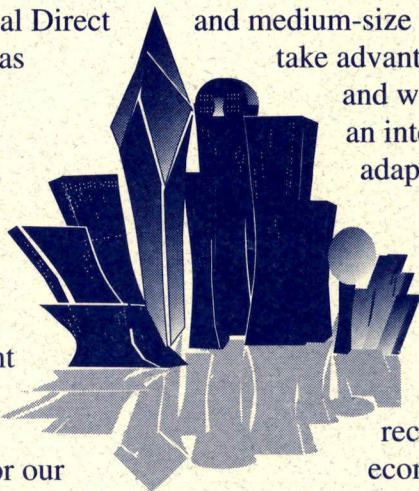
McNutt said. "Firms don't realize they are working with completely new bottom line factors when they go abroad."

"This is an opportunity for small and medium-size Texas firms to easily take advantage of global changes, and we want to be able to be an integral part of this timely adaption."

Choosing Dallas as the arm was an easy decision, he said. "The Mexican/American Free Trade Agreement, the

recovery of the Texas economy and the central geographic location all influenced our selection of Dallas as a second office."

West Coast clients also will find IDMC more convenient, having quicker access to staff, and having D/FW international airport close at hand. Call or write for more information: 5910 N. Central Expressway, Suite 1000, Dallas, TX 75206-5142; (214) 891-6377.



Inside Features

Highlights from the Canadian Trade Mission for Direct Marketing

Which European Nations are using Direct Marketing the Most?

Debunking the Three Myths about Direct Marketing

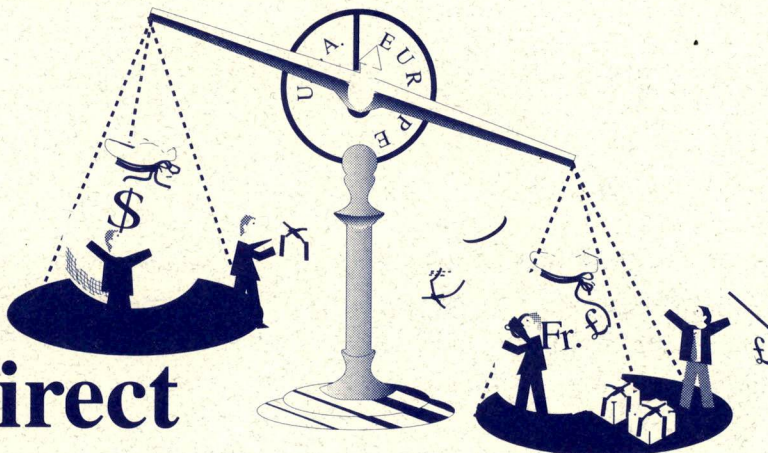
Future Trade Missions in the Planning: Europe, Canada, and Mexico

Who's been bad: U.S. Exports Denial List

Using Enhanced Exporting Skills

From Bill McNutt, III, president of IDMC, Inc.: What do the Tomahawk missile, the repeating rifle, the fax machine, and barbed wire have in common? Each century the American government has unique challenges encouraging small and medium-size organizations to move beyond their known markets to new places where they can prosper. In each case, technology provided the means for Americans to venture forth and make economic progress. (See page 4)

Debunking the Four Myths about Direct Exporting



Myth number one:

It takes deep pockets to get into the exporting game. Proper

preparation is more important than deep pockets. Companies that spend large amounts of money often do because they lack patience and discipline to create a solid exporting plan up front. If you would like an outline of a typical plan, contact my Dallas office. The most profitable part of most client's operation is their exports.

Myth number two: You must have foreign fulfillment, a plant and partners to sustain success abroad. You can do this, and some companies do, but it defies the marketing and fulfillment technologies of the 1990s. Some of the most profitable direct mail exporters sell to over 100 countries from small towns like Dodgeville, Wisconsin and Corsicana, Texas. Most businesses are unaware that they can sell globally from a U.S. base. We know the ins and outs of tariffs, taxes, duties and VAT. We also know of services, almost as fast as air mail, that cost much less, that any exporter should tap into.

Myth number three: The United States Government couldn't possibly help my company export. One of Washington's Best Kept Secrets is the many low cost export programs of the Federal Government. Hidden away within the Executive Branch of government are many simple and helpful programs to help you launch your-

self profitably and successfully.

While I was with the Bush Administration, we created one of the first in-depth studies of the European Community and the 1992 single market program. We uncovered not only the trends but the new keys to making this integrated market work for American firms.

Myth number four: You need all kinds of foreign handlers to tell you why things are so different overseas. As Drayton Bird, British direct marketing expert, has said on many occasions, "What works in the states, often times works over here, and it works even better."

If your materials come across looking too European in Europe, or too Australian in Australia, much of the glamor of America is lost. There is no excitement of international business!

Recently, a French film producer said, "Twenty years ago a Frenchman went to an American film to see how the Americans live. *Today a Frenchman goes to an American film to see how he should live.*" And I think it is about time American direct marketing companies give them the means to do it!

With the right know-how, the fear of facing an international market can be overcome, and costs can be driven down in order to attain and sustain success. —B.M.

Export Roulette: U.S. Export Denial List

The U.S. Government maintains a list of companies and individuals that you would sell to at risk of fines or loss of export privileges.

These seven separate lists are put together by the Departments of Commerce. Screening your database for them would take a great deal of time.

Fortunately, there is an easier way. I have found someone who has consolidated all this information, by persons and by companies.

This information is available at the affordable price of \$100, which includes updates for one year.

Please send the Table of Denials to me. Enclosed is a check made to International Direct Marketing Consultants for \$100. Send to:

Name _____

Address _____

Phone Number _____

Fax Number _____

Mail to:

International Direct Marketing
Consultants, 5910 N. Central
Expressway #1000 Dallas, TX

73206-5142

CANADIAN TRADE MISSION ACCOMPLISHED!

Toronto – Despite the postal disruption and impending labour unrest, delegates on the first American direct marketing trade mission to Canada, held August 25 - 29, returned home optimistic about marketing opportunities with businesses there.

International Direct Marketing Consultants, Inc. organized the four-day tour which brought 14 American firms in contact with Canada's leading direct marketing authorities.

Delegates included representatives from Little & Co., J. Crew, Gall's Inc., and Catalog Media Corp. Presentations were given by Academie Ogilvy, Wunderman

Worldwide, the Canadian Direct Marketing Association, Canada Post and Misco Canada.

Mission participant Jonathan Slater, president of Slater Market Management, said, "The caliber of people we met was impressive. We had access to some terrific research.

"As for the postal strike, I think it actually served to get across a pretty important point. The labour

situation in Canada is reminiscent of the United States 20 years ago.

"Any direct marketers doing business in Canada should be aware that labour has more of a hold in Canada," he said. "I don't think it discouraged anybody — the message we got was a welcomed one. Canadians seem very anxious to do business."

Dear Mr. President:
"Trade missions such as this one should be continually encouraged. They benefit America's competitiveness abroad while enhancing business know-how at home."
Jonathan Slater, Ph.D

Letter to President Bush from trade mission participant, 10/91

Reprinted from the

Canadian Direct Marketing News, August 91.

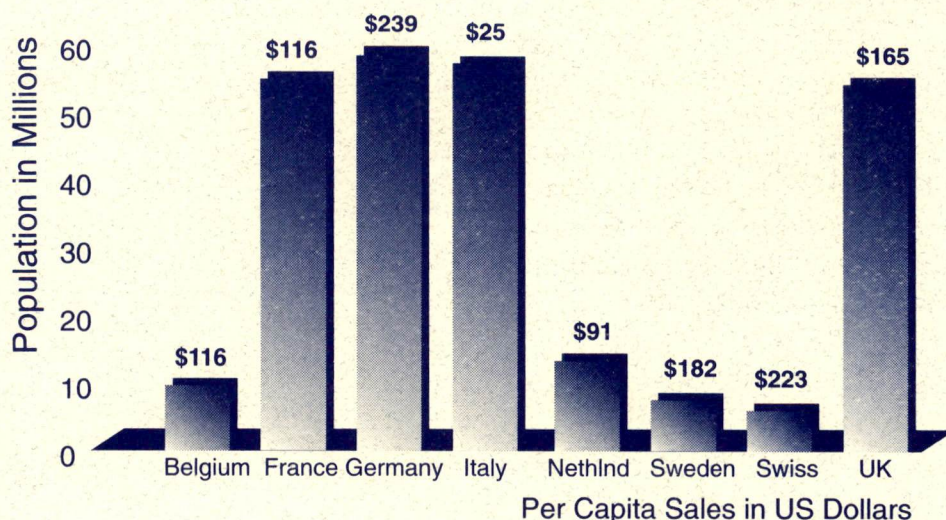
Focus on Europe: Just Think Niche

For catalog mail entry into Europe, Direct Magazine says, "Think niche."

Instead of targeting larger markets, direct marketers such as Laura Ashley started with a small niche in the U.K. and grew from there.

The most important point to remember about Europe is that you won't grow overnight. However, in most cases you can profit more in Europe because your average order size will be larger. The time to take advantage of European Community 1992 growth changes is now!

Europe's Best Mail Order Markets



Upcoming Trade Missions to: Mexico Jan. 26-30, '92 Europe Spring '92 Canada Summer '92

Any company interested in Mexico, Europe or Canada and the possibilities these offer to direct marketers, should attend these valuable trips. Who would want to miss the opportunity to meet the foremost authorities on direct marketing world-wide?

Everyone who exports will no doubt experience new growth and profits after attending a U.S. Trade Mission for Direct Marketing.

Call or fax for a brochure today:

(214) 891-6377
Fax (214) 891-6378

From page 1 - In the 1800s, America faced the challenge of encouraging its companies and citizens to move west. At first only large organizations like the U.S. Army or Wells Fargo could go west, because when small companies or single family units went beyond the Mississippi, several unpleasant things happened. The indians killed them, their cattle ran away, water was scarce and it was hard to communicate with corporate headquarters back East. But technology took over. In the space of a few years, the repeating rifle, the windmill, barbed wire and the railroads came into play. With these new technologies in place, small companies and even individual family units could move to places like Texas and Montana, as the heroes of Lonesome Dove did, and survive.

Today, technology has again saved the day for the U.S. government. Not only in the Gulf War, but in the export war. Instead of barbed wire, the windmill, repeating rifles, and railroads, we have express service, fax machines, international credit cards, and international toll-free 800 service. Such technologies have allowed small and medium-size firms to go global from an American base without plants, partners, or even a presence.

Companies like L.L. Bean, Bombay Co. and Upbeat products recently participated in two United States Trade Missions for Direct Marketing, in March to Europe, and in August to Canada. All were committed to taking advantage of a selling method in which America is the undisputed world leader: direct marketing.

Direct marketing helps companies compete by selling products and services direct to consumers and businesses internationally; by helping industrial companies identify quality prospects; by allowing them to cost-effectively test different parts of the world; and by economically assisting firms in finding the needed agents and distributors abroad.

International success for small and medium-size U.S. firms is usually the visionary product of a CEO or executive at the top of the organization. They do their homework first, and develop a solid exporting plan on paper. They get help upfront, adapt direct marketing techniques, get some low hurdle victories under their belts and move forward.

Now is the time to move!

Using Enhanced Exporting Skills

A world-wide marketing revolution is going on, and it can dramatically affect the way you do business. Like all revolutions, those who join must possess a vision for change...and a willingness to seize an opportunity while the rewards are still great.

At IDMC we offer the following services in an unbundled fashion. Please use this as your "international check list" as you move forward into the Exporting Wars.

1. Decide where to sell What parts of the world will be most responsive to your product or service? Where can you experience your greatest international sales? At IDMC we have the proven ability to help you target the best markets.

2. Create your exporting plan Successful companies who export have common attributes. An important one is the discipline to create a solid exporting plan on paper. This plan should be both strategic and tactical in nature. By working with us, you enhance your chances for success. During the planning process a great transfer of knowledge takes place. It is our job to work ourselves out of a job as we teach you about Direct Mail Exporting.

3. Adapt your domestic marketing materials "Adapt" is the key word. We take your successful domestic marketing materials and make them perform in the new markets. We select from our network of designers and copywriters in many countries, who offer suggestions that will assure your success. Above all, we do not wish to lose the magic that makes your materials work for you with your domestic market.

4. Identify list/media selection You must identify and reach the best prospects with direct mailings and space advertising. We research and select from well-known

national lists, multinational lists, and our own confidential sources to get the best names for you.

5. Mail cost-effectively The World's Post Offices are challenged internationally. We know of services that are nearly as fast as American airmail and cost far less. Printing outside the country is another option to consider. Services like this are the key to driving down costs to make money.

6. Ship wisely We have been shipping parcels around the-world for many years: Your goal should be to ship in a way that minimizes taxes, tariffs, duties, VAT, GST and other taxes, while at the same time providing the delivery time your customers select. Phone us today to learn more.

7. Improve customer service, returns, and follow-up International customers deserve the quality service your U.S. patrons enjoy. 800 fax and phone lines, express service, agents, and electronic bulletin boards are a few of the technologies we can show you how to use.

Thank you for reading our newsletter. I would like to hear from you. Please phone me, (214) 891-6377, with no obligation, or send me a

fax, (214)891-6378, outlining your particular questions and challenges and I will call you.

Sincerely,



Bill McNutt

IDMC Inc.

5910 N. Central Expressway, Suite 1000
Dallas, TX 75206-5142
(214) 891-6377, Fax (214) 891-6378

THE WHITE HOUSE
WASHINGTON

ERMONT

Date: 12-19-91

AC HAS SEEN

Senate Chambers
Montpelier, VT 05602
1-800-322-5616
(802) 828-2228

TO:

Cam

FROM: ANDY CARD

Andy

r 6, 1991

☐ Action

☐ Your Comment

☐ Let's Talk

☒ FYI

ght be an opening as Assistant to the

ing one from the President

least an interview with you and/or
3. Even if you aren't sure there is a
f you really don't think I'm the kind
e a world of good politically here if
at least interested enough to have his
a top level White House position.

terview will be over with real quick.

There is a chance I might run for Lt. Governor or Governor next year, and the publicity of at least being honestly considered would be most helpful.

How this information would come out to the media later on, if I did not take a position, is your call. Discretion is one of my assets. (My liability is that I am as impatient with fools as you are.)

I am not lusting after a White House job - and giving up Senate seniority - and I don't want a phony interview just to say I had one. But I think I could do the President a lot of good at a time he needs some help. He and I have always gotten along very well and I think he would be more than willing to at least consider me if the right opening was available.

I have told my friends Cheney, Kemp, Alexander and Robson that I would be interested if I fit the President's requirements.

Hope to hear from you.

THE WHITE HOUSE

12-19-91

Dear John -

Governor Sumner shared with me your letter expressing interest in being considered as Assistant to the President for Policy Development. (I don't know if John mentioned your desire to Sam.)

I will make sure the right people here know of your value and potential fit. Keep me informed.

Sincerely,
Andy Card

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Senator John McClaughry
Concord, VT
05824



miTM
Mag Instrument

Mag Instrument, Inc.,
1635 South Sacramento Avenue
Box 50-600
Ontario, California 91761
(714) 947-1006
Telex: 298881 Telecopier:
714/947-3116 G-I, II, III

RECEIVED
DEC 13 1991

December 5, 1991

Mr. Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff
THE WHITE HOUSE
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Card:

I would like to take this opportunity to thank you for the time you gave me from your busy schedule to discuss my concerns regarding Croatia. I appreciate your defining the administration's approach in this tragic matter.

Respectfully,

MAG INSTRUMENT, INC.

Anthony Maglica
ANTHONY MAGLICA
President

AM:ksd

AC H'S CELL



THE MARTIN LUTHER KING JR

AC HAS SEEN



FEDERAL HOLIDAY COMMISSION

Chairperson

Coretta Scott King

Vice Chairperson

Cong. Ralph Regula

Secretary/Treasurer

Leonard Burchman

Commissioners

Hon. Ronald H. Brown

Fred G. Currey

Sen. John C. Danforth

Julius Davis

Rev. Richard Deats

Hon. Sharon Pratt Dixon

Sen. Robert J. Dole

Christine King Farris

Albert A. Fox, Jr.

Cong. Gary A. Franks

Keith Geiger

Jesse Hill, Jr.

Sen. Ernest F. Hollings

Rev. Benjamin Hooks

Rev. Jesse L. Jackson

Hon. Jack F. Kemp

Sen. Edward M. Kennedy

Hon. Martin Luther King, III

Dr. Charles B. Knapp

Rev. Joseph E. Lowery

Hon. Bob Martinez

Sister Catherine T. McNamee, CSJ

W. Stewart Minton

Hon. Constance Berry Newman

Cong. Thomas C. Sawyer

Hon. William S. Sessions

Jack Sheinkman

Arden E. Shenker

David J. Stern

Paul Tagliabue

Peter V. Ueberroth

Joe Velez

Cong. Alan Wheat

Stevie Wonder

Hon. Clayton Yeutter

Andrew Young

Executive Director

Lloyd Davis

Atlanta Office

449 Auburn Avenue, N.E.

Atlanta, GA 30312

(404) 730-3155

Deputy

Executive Director

Madeline Y. Lawson

Washington Office

451 Seventh Street, S.W.

Suite 5182

Washington, D.C. 20410

(202) 708-1005/708-2650

Honorary Directors

Donald C. Alexander, Esq.

Hon. Marion S. Barry, Jr.

Samuel L. Brookfield

Hon. Willie L. Brown, Jr.

Rev. Caesar Clark, Sr.

Jack Kent Cooke

Hon. Paul D. Coverdell

Cong. Mervyn M. Dymally

Cong. William H. Gray, III

Dr. Robert L. Green

Hon. Katie Hall

Lionel Hampton

Hon. Maynard H. Jackson

Rev. T.J. Jemison

John H. Johnson

Hon. Thomas H. Kean

Yolanda King

Julianne Marley

Hon. Mack Mattingly

Hon. Charles McC. Mathias, Jr.

Rev. Patricia McClurg

Gregory T. Moore

Mario Obledo

Gregory Peck

Gov. James R. Thompson

Rev. C.T. Vivian

Rev. Cecil Williams

Rev. Hosea Williams

David L. Wolper

Michael York

Patricia York

November 7, 1991

Mr. Andrew H. Card, Jr.
Assistant to the President &
Deputy Chief of Staff
Executive Office of the President
1600 Pennsylvania Avenue N.W.
Washington, DC 20500

Dear Mr. Card:

I would like to thank you for your assistance and advice over the past several weeks. I have informed Mr. Davis and Mrs. King of this and I know that they are appreciative.

In the future if I can be of any assistance to you please do not hesitate to contact me. I wish you and your family the best for a happy holiday season and a prosperous New Year.

Sincerely,

Alan S. Minton

RECEIVED
DEC 11 1991

*Tax deductible contributions may be made to the Martin Luther King, Jr. Federal Holiday Corporation,
a Nonprofit Charitable Organization formed to carry out the work of the Commission.*

THE WHITE HOUSE
WASHINGTON

1-6
AC HAS SEEN

Date: 11/26/91

TO: Andy Card

FROM: RONALD C. KAUFMAN 
Deputy Assistant to the President
for Political Affairs
Room 132, OEOB, x2135

Beats me!! John sends me lots of interesting
mail!

6

THE WHITE HOUSE
WASHINGTON

NOV 25 1991

DATE: Nov. 22, 1991

TO: Ron Kaufman

FROM: ANDY CARD

What's this??

A handwritten signature or set of initials, possibly "RC", in dark ink.

AC HAS SEEN
THE WHITE HOUSE
WASHINGTON

p.4/

Date: 11-29-91

TO: Dave Carney

FROM: ANDY CARD

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk

☒ FYI (IN CASE YOU
DIDN'T SEE IT.)

Andy
you have
some Wind
Sturdy



Senator John McClaughry
Caledonia-Orange District
Home: 695-2555

RFD, Concord, VT 05824
Senate Chambers: 1-800-322-5616

RECEIVED
AC HAS SEEN NOV 12 1991

Auky-

Better ask Ron about
this !

John

Senator John McClaughry

Senate Chambers

State House

Montpelier, VT 05602

AC HAS SEEN

THE WHITE HOUSE

WASHINGTON

WHITE HOUSE POLITICAL OFFICE RAPID RESPONSE FORM

Hi! I'm Ron Kaufman! I do the political work for our President George Bush! So that I can do even more political work for President Bush per unit time, I use this form to respond to your requests! If you need additional response from me, please send for my list of other available forms! Thank you!

☒ Thank you for your letter/call/demand/threat.

☒ I am working frantically to do whatever it was you asked for.

--- Your request to become ambassador or a Level II-V appointee has been referred to the Presidential Personnel office, along with my cover note indicating what we might possibly owe you politically:

___ Raised \$_____,000 in the 1988 campaign.

___ Can probably raise \$_____,000 in the 1992 campaign.

___ Went to Yale with the President.

___ Went to Yale with President, belonged to Skull and Bones.

___ Are the best person for the job (i.e., Black.)

___ Possess compromising photos of the President

___ Yes, I will be glad to arrange a lunch for you with the following intimate advisors to the President:

___ John Sununu (spicy lamb, pita bread)

___ _____ Bush (brother), (tenderloin on toast points)

___ Andy Card (baked beans, scrod)

___ Roger Porter (vanilla pudding)

___ James Baker III (chicken Iraq)

___ Me (whatever you can afford)

___ The letter you requested from the President

___ will be dispatched promptly, along with the usual solicitation of funds

___ will not be dispatched, because it has been so long since you contributed that we have forgotten who you are.

___ ought to be dispatched promptly but won't, because the NSC laughs in my face and I can't get anybody higher up to kick their ass

___ will eventually be dispatched, but please send me another copy (again) because I lost the last one (two, three).

___ Additional comments:

November 8, 1991

John Frohnmayer, Head
National Endowment for Art
1100 Pennsylvania ave NW
Washington DC 20506

Dear Mr. Frohnmayer:

I heard about the money you are giving out to artists and I would like some.

My performance art act is still under development, but it will incorporate all the endearing features of many other famous grants you have made.

It opens when I come running out on stage hollering lesbian obscenities and tossing off my duds. Then I pee into a big jar with a crucifix AND a star of David AND a forbidden likeness of the Prophet in it, pausing to sprinkle the first two or three rows depending on how much gin I have had getting ready for this emotionally draining performance.

Then I dive into a waiting trough of chocolate sauce and roll around in some oatmeal, to expand my audience's ability to view me not as a fellow human being but as something from a planet orbiting Petelgeuse. Ladies are then invited to come forward to have me smear chocolate sauce on their undergarments as three homeless people constituting my chorus rock back and forth chanting "Oatmeal Brownies! Oatmeal Brownies!" At this point four nude members of the St. Mark's Bathhouse Chowder and Marching Society come out on stage and form a daisy chain while I lead the audience in The Wave all the while chanting "Hey hey, ho ho, Jesse Helms has got to go.". It all ends with the Bathhouse boys holding a lady goat while I invite volunteers from the audience to defy outmoded anti-bestiality conventions. Then I turn my back to the audience, take a dump, and throw the product up into the galleries, wipe my ass with the American flag, and waltz offstage with the delighted shrieks of the audience ringing in my ears.

Believe me, Mr. Frohnmayer, this is going to be a great show, and I plan to take it all over the country. My estimate is that it will require about \$50,000 in overhead, for program design and to pay my meditation master and drug supplier who helped me to conceive it, and another \$25,000 per performance. Figuring 75 appearances before my artistic impulses cause me to conceive something new, the bill comes to \$1,925,000.

If because of the pending \$340 Billion Federal deficit the Endowment is tightening up on its grants, then I could get by with as few as 25 performances, for a total of \$675,000. I hope it won't come to this however, because after all we only owe this debt to ourselves. Please send me the forms to fill out and I will get them back to you right away.

Yours truly

EDU!

E.P. Underdunk, Artiste
Box 94, Lyndonville VT 05851

PS: Please don't tell me you can't support my work. That would be censorship.

Dear Mr Card, one of our local politicians
said you can get anything you want done in
Washington so please tell Frohnmayer to
approve this grant for me ASAP.

Thank you

EDU

E P Underdunk

PS: You will get the first free ticket
to the show.

Senators See Cuomo Candidacy On Heels of Thornburgh Defeat

By JACK HOFFMAN
Vermont Press Bureau

MONTPELIER — Sens. Patrick J. Leahy, D-Vt., and James M. Jeffords, R-Vt., believe Tuesday's election results could persuade New York Gov. Mario Cuomo to run for president next year.

Both senators said the message from Tuesday's elections was that the public wanted elected officials to deal with domestic problems, including health care and unem-

ployment.

The U.S. Senate race in Pennsylvania was viewed by some as a trial heat for next year's presidential contest. In that race, former Attorney General Richard Thornburgh, a Republican, was soundly defeated by Democrat Harris Wofford.

Wofford had been appointed to the Senate seat earlier this year. Although Wofford was technically an incumbent, early polls in the race showed him trailing Thorn-

burgh by as much as 45 percentage points. President Bush had campaigned for Thornburgh.

Both Leahy and Jeffords said Thornburgh had become a symbol for the Bush administration and its domestic policies.

"Thornburgh was using all the slogans and symbols that Reagan-Bush had used," said Leahy, referring to Thornburgh's promises to balance the budget.

"Wofford spoke to the real is-
(See Page 6: Senators)

11/7/91 R.H. [unclear] & [unclear]

Senators

Continued from Page One

sues," Leahy said. "Wofford spoke to health care and jobs."

Jeffords said it was not only Thornburgh's defeat but the votes against other incumbents Tuesday that indicated the public's anger with the way the country was being run.

"I think they're just angry at the domestic scene," he said.

Jeffords said Thornburgh "was a symbol for the president's whole domestic policies." He warned that Bush could be in trouble next year if he failed to deal with issues such as health care and economic recovery. And he said he expected Cuomo to enter the presidential race now that he had a gauge of the public's mood.

Leahy, too, said he thought Thornburgh's defeat could help push Cuomo into the race. He predicted another key factor would be the outcome of the gubernatorial race in Louisiana, where David Duke, a former member of the Ku Klux Klan, is running as a Republican.

Bush disavowed Duke Wednesday. However, Leahy said the Bush administration also resorted to racist tactics in the 1988 campaign and in the recent confirmation hearings for Supreme

Court Justice Clarence Thomas.

Leahy predicted that a victory by Duke, coming on the heels of Thornburgh's defeat, would convince Cuomo to challenge Bush.

Rep. Bernard Sanders, I-Vt., and Gov. Howard B. Dean, a Democrat, declined Wednesday to speculate on Cuomo's presidential aspirations. However, they both characterized the results of Tuesday's election in Pennsylvania as a strong showing of public support for national health insurance.

The victor, Wofford, campaigned for a national health care system. Dean, who is a doctor and a proponent of national health insurance, said he was "absolutely elated" by Wofford's victory. He said he viewed the election as a repudiation of Thornburgh's anti-abortion position and a referendum on health care reform.

"First of all, I am a Democrat and I believe the anti-choice agenda of Governor Thornburgh was certainly something that I hope was repudiated by the voters. But most importantly of all, Harris Wofford's principal initiative and his principal platform was na-

tional health insurance. I think this election was a referendum on two things: one, the domestic agenda of the Bush administration, and two, whether we should have a national health insurance program in this country."

Sanders, who also has been an advocate for national health care, offered a similar assessment.

"The most important issue was (Wofford's) pounding at the theme that we need a national health care system," Sanders said.

Sanders criticized both the Bush administration and the Democrats who control the Congress for failing to make progress on health care reform. He asserted that most Americans wanted national health care, tax reform and military cuts. Those things have not happened, he said, because the Democratic Party has been too close to the Bush administration's positions.

"The absurdity of American politics is that you have a president who holds a minority view on every issue," Sanders said.

"He is bankrupt," Sanders said of Bush. "There is no domestic agenda."

THE WHITE HOUSE

November 30, 1991

Dear Nitza & Edison -

Thank you for your letter recommending Rafael F. Pagan-Albino for the position of U.S. Marshall position in the District of Puerto Rico. Should the President decide not to reappoint Herman Wirshing, I will make sure that your suggestion is fully considered.

Please keep in touch.

Sincerely,

Andy Card

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Hon. Edison Mirla-Altares
Mrs. Nitza S. Navarro
% Republican Party of Puerto Rico
P.O. Box 3-3951
San Juan, P.R. 00902

THE WHITE HOUSE
WASHINGTON

Date: Dec. 2, 1991

TO: Connie Horner

FROM: ANDY CARD

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☒ FYI

REPUBLICAN PARTY OF PUERTO RICO

P.O. Box S-3951 San Juan PR 00902
Tel. (809) 722-2494 Fax (809) 725-2978

Hon. Edison Mislá-Aldarondo
National Committeeman

Mrs. Nitza S. Navarro
National Committeewoman

November 14, 1991

Mr. Andrew Card
Deputy Chief of Staff
The White House
Washington, DC 20500

Dear Andy:

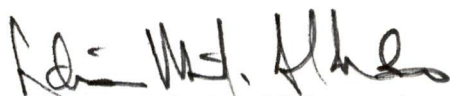
Rafael F. Pagán-Albino, a Special Agent with the U.S. Customs Service, has applied for the position of United States Marshall for the District of Puerto Rico. The incumbent, Mr. Herman Wirshing, has applied for reappointment, but for approximately a year there has not been any action. Should the President finally decide not to reappoint Marshall Wirshing, both of us would support the appointment of Special Agent Pagán for the position.

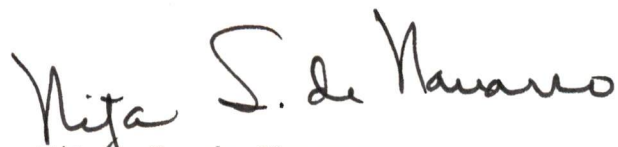
Pagán has 12 years of federal law enforcement experience, including three years of active duty Military Police service, and nine years of MP service in the Army Reserve, three years as Deputy Marshall, a brief stint in the INS, before joining the Customs Service, first as an Investigative Aide and, eight months later, as Special Agent.

While only 32 years old, we believe that Special Agent Pagán, who has just completed an eight-month Military Police tour of duty in the Persian Gulf, has been exposed to all aspects of federal law enforcement work. He is widely respected by his colleagues, his supervisors and those of us who have had professional contact with him over the years. We believe that he has the experience, the energy and the ability to meet the challenges that the U.S. Marshall Service will confront during the coming years as federal law enforcement activity continues expanding and as the Service prepares to inaugurate its first federal detention facility here.

Both of us would appreciate that Special Agent Pagán's application be very seriously considered when filling the position of United States Marshall.

Sincerely,


Edison Mislá-Aldarondo


Nitza S. de Navarro

AC HAS SEEN

To Connie Houser.

THE WHITE HOUSE

WASHINGTON

November 27, 1991

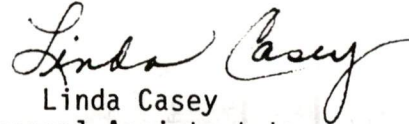
Dear Mr. Martinez:

Andy Card was happy to hear from you and asked me to thank you for your recent letter.

Enclosed is the photograph you requested for Mr. Bill Perez, together with photos you requested for Mr. Darre Friedrich and Mr. Robert McCann. My apologies for the delay in getting the latter to you.

Andy asked me to pass along his very best wishes.

Sincerely,

A handwritten signature in cursive script that reads "Linda Casey".

Linda Casey
Personal Assistant to
Andrew H. Card, Jr.

Mr. Manuel A. Martinez, Jr.
Post Office Box 1163
Lawrence, Massachusetts 01842



To Darre Friedrich
With best wishes,

Ag Bush



*To Robert McCann
With best wishes,*

Ge Bush



To Bill Perez
With best wishes,

Cy Bunt

"VIVA Bush 92"
①

AD-1-91

RECEIVED



Manuel A. Martinez, Jr.
P. O. Box #1163
Lawrence, MA 01842

NOV 12 1991

Dear Andrew

The Gentleman whose Business
Card I am sending you would
like a dedicated autographed
picture of the President for
his office he also would
like to meet with you and
me the next time you are
in mass.

requested
photo
11/13/91

He is one of the Key People
Who can help us attain
the Congressional seat in the
district

He can also help us with
the President "92" Election
Campaign.

Sincerely
Manuel Martinez



Mr. Manuel Martinez

CHMN, RNHA OF MA
PO BOX 1163
LAWRENCE, MA 01842

SPECIALIST IN LOGISTIC

TEL. 685-5766



BILL PEREZ
INDUSTRIAL RELATIONS MANAGER

MALDEN MILLS INDUSTRIES, INC.

46 STAFFORD STREET
P.O. BOX 809
LAWRENCE, MASS. 01842

508-685-6341
EXT. 5423
FAX 508-975-2595

JUN - 6 1991

Sent to
many friends
6/24

Dear Andy

A friend of mine who
is a mailman supports
the President would like
a Dedicated and autographed
picture of the President.
Ji VA Bush "92"

His NAME IS

MR. DARRE FRIEDRICH

ALSO the LAWRENCE DIRECTOR
OF Veterans services

MR. ROBERT T. McCANN
Would like a Picture of
George Bush With His World
War-II PLANE

Thank you

Sincerely
Manuel Martinez



Manuel A. Martinez, Jr.
P.O. Box #1163
Lawrence, MA 01842

THE WHITE HOUSE

11-29-91

Manase -

Thank you for your
letter. Go for it!

Let's talk soon.

Andy

THE WHITE HOUSE
WASHINGTON

Manase Mausser
107 House Annex #2
Washington, D.C.
20515



MANASE MANSUR

Consultant of Territorial
and Insular Affairs

AC HAS SEEN

RECEIVED

NOV 27 1991

Hon. Andrew Card
Assistant to the President
& Deputy to the Chief of Staff
The White House
Washington, D.C. 20500

November 22, 1991

Dear Andy,

I intend to run for delegate from Maryland for the 1992 National Convention. As you will recall, I have been involved in Maryland Republican campaigns for the past several years, including the direction of the distribution of Bush campaign literature in Anne Arundel County, Bush Campaign poll worker, the '88 Alan Keyes for Senate Campaign, and the Annapolis City mayoral campaign of '89. You, of course, remember my years of involvement with the National Bush Campaign. I am currently serving as the State Director of Teenage Republicans of Maryland and am involved as well with the Annapolis City Republican Central Committee.

Twenty-four of Maryland's forty-eight delegates will be directly elected in next year's primary, three delegates from each of Maryland's eight congressional districts. I want to be one of the three Bush candidates for delegate from the newly configured First District, which includes my home in Annapolis and the entire Eastern Shore. It is important to have effective and loyal Bush delegates who understand the President's positions and will vigorously support them.

I would appreciate your help and/or suggestions on this one. I am also asking Ron Kaufman for his help.

Sincerely yours,

Manase

THE WHITE HOUSE

11-27-91

Dear Jim -

I am sorry that I am not able to be at Caruso's Diplomat on December 1st when your many friends rightfully pay tribute to you. You are a unique political leader and the unselfish sacrifices you have made truly benefitted the citizens of Melrose. The City could not have had a better person at the helm for the past twenty years.

I proud to call you "friend." Best wishes in all your future activities. Sincerely, Andy Card

THE WHITE HOUSE
WASHINGTON

The Honorable James E. Milano

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Richard Tisei
One West Foster Street
Melrose, MA 02176



OFFICE OF THE
CHIEF OF STAFF
COVER PAGE

TO: Honorable Richard Tisei

FROM: **LINDA CASEY**

TOTAL NUMBER OF PAGES: Two (2)
(including cover page)

DATE: November 27, 1991

TIME: 7:40 p.m.

MESSAGE:

The original is being mailed to you today

at the West Foster Street address.

If you have any questions or problems with the transmission, please call:

202-456-6797



MAYOR JIM MILANO

Tribute to JAMES E. MILANO Committee

November 4, 1991

Honorary Chairman
Zina Greenwood

Committee Chairman
Senator Richard Tisel

Committee Members

Peter Garipay
Kenneth Connolly
Patricia Anderson
John McNaught, Jr.
James Reppucci
Ernest Masiello
John Gately
Robert Rotondi
Richard Whitworth
James Driscoll
Joseph Cerretani
Joseph DeMarco
Rick Dyer
John Mahesay
Richard Quintin
Jean Gorman
Albert Travels
Charles Kagan
Edward Wright
John Harrington

Dear Friend,

A gala event will be taking place at Caruso's Diplomat in Saugus on December 1, 1991 for a tribute to Mayor James E. Milano whom we think is a legend. He has been the CEO of the City of Melrose for 20 years, building it to the spotless city it now is. In many cases you people with your aid of services and materials have shared in this process. In some cases you may never have had the chance to meet this man. If you have had the pleasure of meeting him, I am sure that you will appreciate us telling you about this most memorable occasion. While you are reading about the following events, keep in mind that Jim has never had a benefit and never solicited funds for campaign contributions. He has paid for many in-house expenses out of his own pocket, edited and typed his own material, seldom missed a sporting event or any other community event. He started this job at \$12,000, and now after 20 years is earning \$22,000. For this reason, we, as committee members, feel honored to make this event the most memorable in the city's history. This will be something we can all look back on and be proud that we contributed to its success.

Now, lets take a look at the days events:

Cocktail Reception 1 to 2 PM

Prime Rib Dinner 2 to 4 PM

For those on a special diet, scrod or boneless breast of chicken stuffed with wild rice may be substituted. Dinner also includes fresh fruit cup, rolls and butter, coffee and ice cream pie.

Open Bar - all day and evening except during MARK RUSSELL and during the introduction of the head table.

The Honorable
James E. Milano
Mayor of Melrose 1971-91

Melrose, Massachusetts would not be a good spot to test public opinion limiting terms of elective office. One man, Jim Milano, has served as Chief Executive for twenty years and when he walks down City Hall steps in January of 1992 undoubtedly he will still be called "MR. MAYOR!"

This living legend is a native of Melrose and still lives at 117 Grove Street. Since the turn of the century, five generations of Milanos have lived and strove for the American dream since leaving Italy. His father, Joe, was Melrose's first Italian-American, became an Alderman and represented the City in State government. Politics was in the blood of Mayor Jim Milano.

As Jim grew up in Melrose in the days of trolleys and large forest land, he attended the former Washington School and graduated from Melrose High. He worked in the projection booth of the old Melrose Theatre, and it is rightfully said that he knows "every square inch of this city."

Coming in to a Depression, it was tough time to look for work. Jim went to Bryant and Stratton Business College and worked as a stenographer for the Boston Police Department. At night he attended Northeastern University Law School and graduated in 1940.

Mayor Milano did not take the Bar exam until 1945 because the years between he served in one of the first Army units to go to the Pacific in World War II where his 180 Field Artillery Battalion made famous names like Guadalcanal and Bougainville, the latter site is where he earned his Bronze Star.

Veteran James E. Milano came home to Melrose and a job as a trial attorney for the Boston & Maine where he became Legislative Counsel and another peek at politics. He was elected to the Ward 7 Board for 4 terms and in 1970 became



Tribute to JAMES E. MILANO Committee

Honorary Chairman
Zina Greenwood

Committee Chairman
Senator Richard Tisei

Committee Members

Peter Garipay
Kenneth Connolly
Patricia Anderson
John McNaught, Jr.
James Reppucci
Ernest Masiello
John Gately
Robert Rotondi
Richard Whitworth
James Driscoll
Joseph Carretani
Joseph DeMarco
Rich Dyer
John Mahesy
Richard Quinlin
Jean Gorman
Albert Trevels
Charles Kagan
Edward Wright
John Harrington

Date: November 27, 1991

Time: 4:32

Tel #: (617) 665-1303

FAX #: (617) 979-0842

Total # of Pages: 3
(this page included)

TO: Andy Card, Deputy Chief of Staff Attention: LINDA

FROM: Senator Richard R. Tisei

RE: Mayor James E. Milano Testimonial

MESSAGE: Please see information enclosed. Any personal
message or telegram you could put together would be greatly
appreciated. Please FAX back to me if Andy is able to do it.
Thank you.

Note: If all pages are not received, or if there are any problems with copy, please contact us immediately.

THE WHITE HOUSE

11-24-91

Dick -

Thank you for your letter
passing along your analysis
of recent political developments
in Japan. You do good work!
Keep in touch.

Sincerely,
Andy

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Richard M' Cormack
The Woodrow Wilson Center
1000 Jefferson Drive, S.W.
Washington, D.C. 20560

THE WHITE HOUSE
WASHINGTON

Date: Nov. 25, 1991

TO: Bill Sittmann

FROM: ANDY CARD

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☒ FYI

THE WOODROW WILSON CENTER



Mr. Andy Card
The White House
Washington, D.C.

Nov. 21, 1991

RECEIVED
NOV 18 1991

AC HAS SEEN

Share w/
NSC
HHC

Dear Andy;

Since the President is about to reschedule his Asian trip, I thought I would pass along a recent analysis I did for presentation to a senior NATO oriented group of European leaders recently. As you know, I spent some time as Under Secretary reviewing the Japanese economy and political situation in the context of the Structural Impediment Initiative.

The U.S. problem is fairly clear: We must begin to run an actual trade surplus during the later part of this decade to pay for needed imports, including oil, and to service foreign loans and profit remittances.

Over time, this is going to be extremely difficult if we do not manage to increase our own competitiveness, and pry open the structural barriers that the Japanese and their many imitators have erected against our imports of goods and services.

I believe that the GATT negotiation and the NAFTA are worthwhile. But unless I am very much mistaken, they will not solve the U.S. trade deficit without further aggressive action on Japanese structural barriers. Looking ahead, these barriers are going to be equally painful to us in other parts of Asia, and they are not, as a general rule, amenable to corrective action by GATT type medicine.

It is going to be very difficult to persuade the Japanese to mend their ways in the short term, for reasons explained partly in my paper. But the problem goes deeper, since the Japanese are equally concerned about import penetration from their Asian neighbors, and they are now as ruthless in dealing with other people's potential imports as they are in blocking American penetration of their markets in so many areas.

There are only four variables in competitiveness: Capital, Labor, Technology, and Market Access. As the first two variables begin to equalize within the OECD, and elsewhere, you will see countries relying ever more heavily on the latter two elements to sustain their relative position. But we can not afford to let market access be ruled by unGATTtable barriers over the medium term, and still hope to balance our trade accounts.

I think in the end we will have to put some teeth into our Structural Impediment negotiations, and broaden the exercise to include selectively other countries with trade surpluses.

Sincerely,

Richard McCormack

Key B1. NTS 4, in
on page 3 R.M.

PRESENTATION BY RICHARD McCORMACK
FORMER UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS
NOVEMBER 1, 1991

JAPANESE POLITICS AND THE AMERICAN ECONOMY

The purpose of this presentation will be to review recent political developments in Japan, identify the probable agenda of the new Prime Minister of Japan and reflect briefly on possible U.S. policy initiatives to cope with current and projected Japanese economic and political challenges.

DEVELOPMENTS WHICH LED TO THE FALL OF PRIME MINISTER KAIFU,
AND THE SELECTION OF MR. MIYAZAWA AS HIS SUCCESSOR

All summer long the powerful competing forces within the LDP maneuvered to influence the Fall decision on whether to replace Prime Minister Kaifu.

Kaifu himself hoped to remain in power, and was encouraged by the fact that Japanese opinion polls showed him to have one of the highest popularity ratings of any post-war Japanese prime minister. People generally considered him to be an honest, well intentioned politician, although perhaps a bit on the bumbling side. But they liked him.

He was not, however, popular within the ruling circles of the LDP, which considered him to be an accidental prime minister brought in under duress at the height of the Recruit Scandal to fend off a serious socialist-led challenge.

Based on his success in leading the LDP through the scandal danger, some observers felt that Kaifu was owed some residual loyalty by the power barons of the LDP, and Kaifu himself thought that he had a good shot at remaining at the helm of Japanese power.

Moreover, none of the other major party barons was particularly anxious to see a rival commanding figure replace Kaifu, whose weak political base and generally accommodating nature led him to share power and patronage with other more weighty faction leaders.

So as late as August, it appeared to many observers that Kaifu would be renamed Prime Minister in the upcoming party caucus.

However, there were some important underlying weaknesses in Kaifu's political position that were not fully appreciated.

The Socialist Party of Japan, which two years ago had seemed likely to pose a major challenge to the LDP, missed its key opportunity at the election campaign for the Diet conducted at the height of public indignation at the Recruit Scandal. The Socialist Party, composed of an important quasi Marxist constituency, as well as a more moderate faction, then suffered a catastrophic moral blow with the collapse of communism and the discrediting of the socialist economic model. The more moderate wing later took a stance on Japan's possible role in the Gulf Crisis that caused vast numbers of voters to conclude that the party was better equipped to criticize than to govern. The dynamic socialist leader Miss Doi then resigned, and the short-term political threat from the Socialist Party vaporized. Some LDP leaders considered absorbing the more conservative faction of the Socialist Party into the LDP itself (to preempt a future populist-based challenge) or even creating another tame opposition party with LDP financial backing.

Thus, the question: if the political challenge by the other party had weakened, did the LDP really need "Mr. Clean" anymore, even if he was the most popular Prime Minister in the history of Japan? Where else could the disgruntled voters go? Besides, any new election was potentially years away.

The second source of fundamental weakness in Kaifu's position lay in the nature of the LDP itself, a polyglot of several major factions, headed by individuals, of which Takeshita's faction is the largest and most powerful. It is important to understand that there is comparatively little difference in the basic policy positions of these factions. They exist essentially as vast fund raising machines to generate the billions necessary to win elections, and otherwise lubricate the vastly expansive political machinery of Japan. Their other function is to divide up the spoils and patronage after the election is over. But the existence of these factions within the LDP means that the monied interests which dominate Japanese political decision-making are in a position to keep the individual factions disciplined, and through them the party as a whole, by the implicit threat to shift contributions from one faction to another if individual leaders fail to come through on policies impacting the bottom line of the interest groups. Thus the monied interests and their brokers were a fundamental problem for a man like Mr. Kaifu pledged to clean up Japan's corrupt money politics.

Mr. Kaifu's end came with remarkable suddenness.

Mr. Kaifu had pledged the people of Japan to reduce the power of the monied interests and secure a reconfiguration of Japan's Diet, now weighted heavily in favor of rural interests.

To make a long story short, the vested interests, including the rural Diet members who stood to lose their seats, and the monied interests which stood to lose influence, took a look at Kaifu's political reform plan and collectively gagged. Other interests also intervened. In Japanese fashion, they decided to "postpone" consideration of political reform of Japan to the indefinite future, notwithstanding a Supreme Court decision or the public pledge of the Prime Minister.

Kaifu then implicitly threatened to dissolve the Diet and take the issue to the people. Had Kaifu carried through with this threat, dissolved the Diet, and gone to the country on the issue of cleaning up the politics of Japan, he would undoubtedly have won a major popular mandate, and perhaps become a figure of historical importance to Japan.

But Kaifu failed to consult the Barons of the LDP before uttering his veiled threat to dissolve the Diet, and the Barons and their monied backers were not pleased that this "up start", this "relief pitcher", was threatening their interests so directly. They quietly decided to pull the plug on him.

Kaifu then frantically back peddled, and suggested that, after all, he might not dissolve the Diet. Not only did this not satisfy the now aroused Barons of the LDP--who felt that Kaifu was no longer "reliable", but it fundamentally weakened Kaifu's image with the people, his strongest base. He looked weak and vacillating.

Within days, he was dead politically, and Mr. Miyazawa was duly anointed as Kaifu's successor.

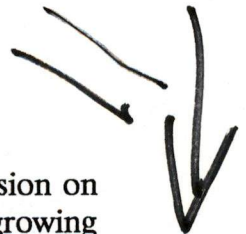
Mr. Miyazawa does not come from Mr. Takeshita's large and powerful faction, but from another smaller faction with a less venal reputation. Thus he filled one key requirement, and had other perceived advantages as well.

1. He cannot govern without the backing of the Barons in the LDP.
2. He is a decent urbane, cosmopolitan man with extensive knowledge of the west, deemed helpful to manage trade friction problems during a period of renewed rising trade surpluses.

But Miyazawa and Takeshita have never been friends, and Miyazawa faces a daunting series of problems that will be difficult to deal with without broad support from the party elders. Miyazawa could easily prove to be a short-term prime minister, an interim figure, while Mr. Takeshita's faction works to position its own candidate to replace him.

MR. MIYAZAWA'S COMPLEX POLICY DILEMMAS

1. The political reform issue will not go away. The Supreme Court decision on reapportionment must sooner or later at least partly be addressed. There is a growing national anger at the current under representation of urban voters, and the pork barrel public expenditures that disproportionally go to rural areas, home of so many LDP Diet members.



At the same time, there is growing national disgust at the corruption that is increasingly apparent in many levels of national political and economic life in Japan. Miyazawa must attempt to deal with all this.

2. The inability of Japan to respond more crisply to the Gulf crisis seriously embarrassed many Japanese. There is pressure to change the constitution to permit Japanese forces to be used abroad in international military operations. This is of course a highly controversial issue, both in Japan, and elsewhere in Asia, where memories of earlier Japanese military operations still linger in popular memory.

3. The staggeringly high land price issue is one that will not go away. Land values multiplied along with a soaring stock market in the middle and late 1980s. The political dilemma they represent is very simple: Those Japanese who own land are delighted at the enhanced value of their asset, which is useful as collateral for loans and other purposes. Millions of other Japanese however are essentially being deprived of the ability to purchase a house on reasonable terms. We are now seeing the phenomenon of three generation mortgages--to be repaid finally by a grandchild. Two years ago, the collective value of the land in Japan--which is 80% mountainous and unusable--was four times the value of all the real estate in the entire United States of America. One single square meter of land in Tokyo can be worth \$250,000. No possible economic rent can sustain this value of land over the long term.

The policy dilemma worsens, however, because the decline in the value of common stocks in Japan--which also bore no relationship whatsoever to reasonable price earnings ratios--involved a net erasure of nearly two trillion dollars of assets. Should land prices decline by 50%, which is what some Japanese officials feel is appropriate for long-term Japanese interests, this will erase nearly nine trillion dollars of assets. That is a lot of money and a lot of collateral for a lot of banks and related institutions.

So Miyazawa and the LDP will be torn between two factions: the landed classes including the speculators, and the Middle Class, particularly the young.

Kaifu would have liked to have dealt with the land problem, even at the cost of burning the speculators. But mobilized political money from land speculators and their backers blocked all but the most token effort to deal with the problem in the Diet, i.e., a very modest land tax which no one really thinks will do the job. Other potential measures, such as radically changing the zoning ordinances to make better use of land, including the many rice farms in the Tokyo metropolitan area, have not yet been deployed, but eventually must be.

Some Japanese economists say that they intend to encourage the new Government to deal with the land price issue slowly, over the course of a decade or two, while counting on gains in the productive part of the economy, including the manufacturing sector, to cover the economic damage that reduction in land prices will eventually cause. We'll see. This would be the first major speculative bubble in history which had a controlled solution.

4. Another related problem Miyazawa will face also relates to a revolt among the younger people of Japan. They are far more concerned about the so-called quality of life issues than were their elders. They want decent housing, a cleaner environment, more reasonable hours, and a generally less frantic existence. The women of Japan are beginning to refuse to bear children in current cramped living conditions, where nearly half the nation lacks access to flush toilets. Former Finance Minister Hashimoto's proposal that women no longer be highly educated so they would be willing to stay home and breed, seems unlikely to solve Japan's looming demographic problem: an aging population.

5. Economically, Miyazawa benefits from an economy which is likely to continue the unprecedented 50 odd months of expansion. But as we discovered in the course of our intense Structural Impediment Initiative dialogue with the Japanese, the economy itself is seriously imbalanced. It has an amazingly efficient manufacturing and high-tech export economy, but an amazing inefficient service, distribution, and agricultural economy, which collectively greatly reduces per capita productivity in Japan far below levels in America or Europe.

Because of the currency situation, lack of competition, the inefficient distribution system, and excessive regulations, prices in Japan are often between 40 and 60 per cent higher than for similar products sold in the United States and Europe. All this translates into a lower standard of living for the Japanese people, who because of their international travel, are increasingly aware that something is terribly wrong. The slogan: Rich Japan, Poor Japanese is a national cliché.

The truth of the matter is that there is a vast social subsidy of the export sector of the Japanese economy by the ordinary people of Japan. Controlled interest rates subsidize the borrowing of the investor class of Japan at the expense of ordinary savers. Quasi monopoly pricing often inflates profit margins to manufacturing interests. Barriers to imports further put the consumer of Japan at the mercy of domestic price fixers and monopoly suppliers. Collusion among bidders reduces the value of public works projects, aimed at benefiting the Japanese people. Soaring land values provides immense collateral for borrowers and speculators, but at the expense of young families in need of decent housing. The list of the benefits provided to one tier of the economy, the manufacturing and export sectors, at the expense of the majority of the people's living standards, goes on and on and on.

Sooner or later, this will result in a social explosion, or a determined political movement to capture the growing resentment of the second tier of the Japanese economy. My own guess is that this political explosion will arrive within the decade, but probably not on Mr. Miyazawa's watch as Prime Minister. The key thing now delaying such a movement is the lack of a political funding base but the vigorous press in Japan already is giving voice to the grievances of the salary man and his wife, upon whose toil and sacrifices much of Japanese economic growth has been built and is sustained.

The LDP leadership, however, is undoubtedly aware of this danger, which may account for current efforts to coopt elements of the Socialist Party.

6. Internationally, Miyazawa must either steer the GATT round to success, or see the gradual formation of trading blocks and various forms of unilateralism in trade relations that will not work to Japan's advantage. Opening the rice market is absolutely necessary as part of any GATT package but will outrage Japan's rice farmers unless direct payments are substituted.

This summer I attended a major conference in Japan also attended by non-Japanese Asians, to consider the possibility of a Japan centered trade bloc to provide competition to the EC and the NAFTA. Interestingly enough, some non-Japanese Asians poured cold water on the idea of an all Asian trade bloc. They stated that they believed that the Japanese had in mind a spokes-in-the-wheel trade relationship that would work to the long-term disadvantage of those who were subordinated in this arrangement. Yes, they wished to sell to Japan, and welcomed, with limits, Japanese investment. But they were especially resentful of the Japanese practice of withholding technology transfer so as to preserve an economic advantage. They compared this practice with more generous European and U.S. technology licensing practices.

The truth is that the Japanese, perhaps like the Americans in 19th century Mexico, are respected and feared but not liked or trusted in Asia. History is a heavy burden.

Miyazawa's job will be to try to improve on this situation.

Miyazawa also faces the task of dealing with an unpredictable neighbor to the north, the former Soviet Union. Many Russians also seem to distrust Japanese long-term ambitions. Ministers in the Russian Government have stated that they would welcome Japanese investment in Siberia, but as joint venture partners with the Americans and the Europeans, not alone. They appear to fear a new Manchukuo, a zone of Japanese economic and later possibly political influence inside Far Eastern Russia.

Finally, and, in some ways most crucially, Miyazawa needs to successfully manage the delicate U.S. relationship.

During the time that I served as Under Secretary of State, we engaged with the Japanese in something called the Structural Impediment Initiative, which was a joint U.S./Japanese study of the elements in the American economy, and Japanese economy that are contributing to the gross and imbedded imbalances in the trade accounts. It was the most ambitious review of the Japanese economy ever undertaken by the American Government. We gradually took the whole Japanese economy apart like a Wurlitzer organ to study how all the stops, peddles, keys, and whistles operated, and interacted.

The first contribution of this exercise came at our initial meeting in the Fall in '89 when we warned that Japanese land and stock prices were heading Japan toward a

potential financial catastrophe, and urged that they ease up on their monetary policy, which was fuelling the whole speculative bubble at a mad pace. We also explained in great detail the parallels we saw between the U. S. of the 1920s and the Japan of the 1980s--parallels which were dramatic, and potentially disastrous. Policy changes followed.

But there were a lot of other things that concerned us about the Japanese system--lack of transparency in the financial system which we felt was encouraging corrupt and potentially destabilizing practices some of which have subsequently become public scandals; the collusion and exclusionary practices that were occurring within the Kairetsu and among the construction firms, abuses in the patent system designed more to disseminate technology in Japan than protect intellectual property; an anti monopoly law and Fair Trade Commission largely a toothless tiger, etc., etc.

These and other practices impede access by foreign exporters, investors, and providers of service from important parts of the Japanese market. The amazingly high rate of investment in export-oriented high-tech industries in Japan also contributes to vast current account surpluses. Miyazawa will have the difficult task of managing this problem during a U.S. presidential election.

Most Americans involved in the Japan relationship are fully aware that part of America's trade deficit is an American problem partly due to macro economic excesses, an education system in need of overhaul, a once too high dollar, which gave the Japanese an important foothold in our market, and a manufacturing sector here which was once complacent and slow.

We are working on some of these problems, but the full results will not come for some years. In the meantime, Japan is going to be a formidable competitor worldwide.

The challenge we all face is to steadily pry the Japanese market open while we ourselves do what is necessary to be more competitive here in our own markets and elsewhere. We are going to have our hands full.

THE UNITED STATES' RESPONSE TO THE JAPANESE CHALLENGE

We must avoid two policy extremes: blind protectionism that serves no long-term good on one hand, and mindless laissez faire policies on the other hand that naively assume that the Japanese are fools for sending us underpriced merchandise, and ignores the current accounts problem and the often irreversible damages to individual industries that are targeted.

The fact is that toward the end of this century, the United States must run an actual trade surplus, not a deficit, to pay for an ever increasing oil bill and other imports which are vital to the American economy plus ever increasing remittances from foreign investments and loans.

We cannot compete successfully over the long term, much less deal with our balance of payments problems, if we are effectively denied equal access to vast chunks of the world's second largest economy and its regional economic partners, while they have relatively open access to ours.

If another manufacturer is allowed to protect a vast home market, price on a semi-dictated basis, and accumulate economies of scale without fear of competition, this manufacturer is likely to triumph over later market entrants from second or third countries. He can easily shave his overseas prices to minimum levels, while his competition dies on the vine. Then, his own prices can gradually rise. This is what happened in England, which saw its own once proud motorcycle industry face fierce Japanese competition and collapse. Then England witnessed its consumers forced to pay 40% higher prices for the same motorcycle that sold in the United States, where domestic competition still existed. Faced with this problem, the British have decided to try to resurrect their own motorcycle industry, although potential investors must reckon with another possible wave of cut rate pricing about the time that the new British-built motorcycles hit the market. And this is a comparatively simple industry with relatively low capital requirements for entry, and a basic technology that can be gleaned from textbooks thirty years old.

Imagine the problem that this syndrome poses for much more sophisticated industries, based on the existence of large, expensive laboratories of skilled scientists and technologists working at the cutting edge of knowledge. Once such industries and related laboratories go out of business, it is a far more difficult thing to revive them. The capital requirements alone are staggering, greatly increasing the risk factor and the reluctance of bankers and investors to provide finance. For that reason, it is very important that the United States consider very carefully industries that appear to be targeted by the Japanese. Once the American television industry, or the machine tool industry, or the semi conductor industry go out of business, organizing the technicians, the special R&D facilities and their risk capital to put them back into business will be a very problematical undertaking. It may take government guarantees, with all the problems implied by this. It will also take a major provocation to jar our system into taking such steps, provocations that are unlikely to be dramatic until the problem is far advanced, covering important sectors of our economy, and impacting directly on our standard of living.

I would like to believe that the Japanese Government will voluntarily take steps to dramatically open its own markets, improve its own people's standard of living and expose protected interests to greater foreign and domestic competition. Rhetoric along these lines is certain, if only for political and diplomatic reasons.

Reality however compels another perspective.

The Japanese system has given Japan a protected disciplined base from which to become the world's second most powerful economy. Indeed other nations in Asia and elsewhere have adopted versions of the Japanese model, using structural barriers to

imports, impervious to most present GATT medicine, which focuses heavily on the now often irrelevant tariffs.

Why should the Japanese LDP leaders change a system like this which has produced such dramatic results if other people are prepared to continue to tolerate such practices? The financial backers of the LDP who benefit from this situation would be outraged were the party to voluntarily and unnecessarily expose them to foreign competition.

Japanese politicians have seen their American counterparts huff and puff for decades, without meanfully upsetting the apple cart, except for rare isolated occasions.

Finally, the individuals who carry the heaviest short-term burden because of current Japanese trade and business practices are not the foreigners at all, but the Japanese people. And as long as neither the foreigners nor the wretched Japanese salary man is prepared to challenge effectively the status quo, one should not expect the Government of Japan to take the lead. Even the relatively trivial contribution to GATT which Japan seems likely to make by opening a tiny percentage of the Japanese rice market is an indication of just how difficult it is to get the Japanese to do things which are even in their own massive self interest, because of the power of the vested interests in the current political configuration of Japan. Should the Socialist Party be absorbed, or further fragmented, one major prospect for a meaningful medium-term Japanese initiated reform program will vanish.

This does not mean to say that this situation will last forever.

Sooner or later, the working man without hope of decent housing will find a voice to express his discontent. The Japanese masses will eventually have their Franklin Roosevelt and New Deal. Land prices will eventually come down dramatically--if only because they cannot indefinitely defy the economic law of gravity that says that rents will eventually determine prices. And eventually, the growing knowledge abroad of Japan's structural barriers to trade will confront Japan with unavoidable pressures to open up.

In the meantime, one can expect a great deal of rhetoric from both the disaffected classes in Japan, and from politicians of rival economies abroad about the costs and injustices of the status quo. One hopes that the rhetoric does not result in a long-term souring of internal and external political relationships before needed policy changes become reality.

In the meantime there is no reason why the United States itself should not begin to concentrate more vigorously on dealing with some of the other problems impacting on its competitiveness, including the growing scarcity of trained engineers, scientists, and technicians coming from America's educational system. We also need to ponder our collective research and development policies, both federal and corporate. Today, in many ways America is living on the intellectual legacy of the post-Sputnik era scientific

and educational programs. We need to organize another such program to deal with part of the competitiveness challenges of today.

CONCLUSION

Neither Prime Minister Miyazawa nor the LDP are going to solve America's trade and competitiveness problems. We ourselves need to carefully evaluate our situation and craft our own solutions. If we wait too long before producing such a program, political pressures here will undoubtedly overreact, and generate an extreme program that will have far reaching and negative diplomatic and economic consequences for the whole world.

The U.S. Government was responsible for the high dollar, the delay in an effective trade policy, a casual attitude toward the petro dollar realities of the past, and a number of other elements that contributed to our current competitiveness problems.

But the U.S. Government was not responsible for the past complacency of General Motors, the long lead times between R&D breakthroughs and translation to marketable products, and other shortcomings that led to market openings that others abroad exploited.

The time has come for the U.S. Government and U.S. business to put aside their mutual recriminations, and intensify working and planning together informally to enhance our national interest in maintaining American living standards. Above all, the U.S. Government needs sufficient fiscal discipline to be able to provide a favorable tax policy and stable, low interest rates. The Government can also help at the margin in other important ways and should. U.S. industry however must obviously carry the lion's share of the responsibility for producing competitive results.

The cold war is over. We now need to focus more of our energies on enhancing our industrial, financial and economic position. There is no reason why a medium-term program to bring this about cannot be designed, organized, and announced without delay.

THE WHITE HOUSE

11-23-91

Dear Clair -

Thank you for your correspondence on behalf of the New Hampshire Housing Finance Authority. The importance you place on the Low Income Housing Tax Credit and the Mortgage Revenue Bond program is appreciated.

The Administration would support a one-year extension of Low Income Housing Credit. This position has been communicated to Congress. (It is my understanding that the estimated one-year extension cost would be \$1.26, 1992-96.)

I hope all is well with you. Please keep in touch.

Sincerely, Andrew Card

Andrew Card

THE WHITE HOUSE

WASHINGTON

Claira P. Morier
Executive Director
N.H. Housing Finance Authority
P.O. Box 5027
Manchester, NH 03108

Post-it™ brand

Fax Transmittal Memo

To **Andy Card**
 Comp **The White House**
 Location
 Fax #
 Telephone #
 Comments

7672 No. of Pages **2** Today's Date **11-22-91** Time
 From **Claire Monier**
 Company **NH Housing Finance Authority**
 Location
 Dept. Charge
 Fax #
 Telephone # **603-472-8623**
 Original Disposition: ☐ Destroy ☐ Return ☐ Call for pickup

AC HAS SEEN

Claire P. Monier
 Executive Director



**NEW HAMPSHIRE
 HOUSING FINANCE AUTHORITY**

November 22, 1991

Mr. Andrew H. Card, Jr.
 Assistant to the President and
 Deputy Chief of Staff
 The White House
 1600 Pennsylvania Avenue, NW
 Washington, DC 20500

Dear Andy:

The Low Income Housing Tax Credit (the Credit) will finance the construction and rehabilitation of 125,000 low income apartments nationally and 275 in New Hampshire this year. The Mortgage Revenue Bond (MRB) program will provide low-cost mortgages for over 130,000 first-time homebuyers nationally and 1,000 in New Hampshire who would otherwise be unable to afford to buy homes. Both these programs, along with ten others, including a major Administration-supported R&D program, will expire December 31.

Together, these expiring provisions represent hundreds of thousands of jobs and tens of billions of dollars of investment. The Tax Credit alone generates 99,000 jobs each year and an annual investment of \$9.6 billion. MRBs generate tens of thousands more jobs and major construction investment. Construction layoffs, especially in the Tax Credit program which finances 30% of all multi-family construction and virtually all low income multi-family construction, will begin almost immediately, if the programs are not extended.

Nearly ninety percent of the Congress has cosponsored legislation to extend the MRB program permanently. Over seventy-five percent has cosponsored legislation to make the

There are two hurdles to extension of MRBs, the Tax Credit, and the other expiring programs before Congress adjourns. First, a bill to extend these programs must not become a "Christmas" tree for other tax provisions which the Administration opposes. Senator Danforth, a senior member of the Finance Committee and the lead Republican sponsor of legislation to extend the Tax Credit, has gotten 82 Senators (including 32 Republicans) to endorse a letter pledging that they will vote against any attempt to add any additional provisions to an extender bill. A similar letter in the House has been signed by a bipartisan

24 Constitution Drive, Bedford, NH 03110
Mailing Address: P.O. Box 5087, Manchester, NH 03108
603-472-8623 • 1-800-640-7239 (NH ONLY) • FAX: 603-472-8501 • TDD# 472-2089

Mr. Andrew H. Card, Jr.

November 22, 1991

Page 2

majority of Ways and Means Committee members, assuring that a "clean" extender bill can be reported there. (The House leadership can keep amendments from being offered on the floor.) So a simple extender bill with no amendments can be passed.

The final hurdle is for the Administration to work with Congress to agree on a revenue source to pay for the extenders. But so far Senator Danforth, Senator Packwood, and other Republican Senators who are actively pushing the extenders have been unable to get the Administration to seriously negotiate on a revenue source or push hard for an extension. Secretary Brady has said the Administration supports the extender bill but has not proposed a realistic revenue source. Mr. Sununu has told Republican members of Congress that the extenders can be done retroactively next year. At a press conference November 20, Danforth said, "I'll do anything for the Administration. I'd be happy to help them get dressed in the morning if that would help. If they gave a strong signal that they want to sit down with us to discuss revenue sources, I've got no doubt it [the extension] would be done."

House Republicans like Representatives Gingrich, McGrath, VanderJagt, and Machtley are also out in front fighting for these programs. Representative Gingrich has suggested that the White House get behind extenders as a "mini growth package."

The MRB bills have overwhelming Congressional support, including large Republican majorities in both Houses. New Hampshire and all the states need the expiring programs, especially the Credit and MRBs. Congress is ready to act and time is running out. If these programs expire the Administration will be blamed. Since the Administration supports an extension in principle, why take the blame for cutting off these job producing programs now in the middle of a recession? Since the extension will occur anyway on a larger tax bill next year, why inflict the damage on these job-generating programs and take the heat for it in the middle of the recession over what essentially is only a question of timing?

Sincerely,



Clairia P. Monier
Executive Director

cc: U.S. Rep. Bill Zeliff
Ronald Kaufman
David Carney

THE WHITE HOUSE

11-23-91

Dear Arnita -

There once was an Ode by McNary,
That capitalized on a campaign T-Shirt fiasco
But that Ode was refuted,
By Arnita's that disputed
Telling instead the true Bush story.

Thank you!

Sincerely,

Andy Card

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Arnita Mongiovi
520 N Street, S.W.
Washington, D.C. 20024

Dear Andy,

Please excuse informality of this note. I am eager to get poem to you. Do you think the President would enjoy it? I thought of it on the floor at Georgetown Hospital Sports Medicine department during physical therapy; it made me feel a lot better.

How was MRP Falmouth Conference? I really tried to go, I miss everyone at home, but it was too soon to travel.

This is my contribution to the campaign. I shall soon be fit to do more, a lot more.

*Cordially,
Aruta Mongiovi*

Document Originally
Attached to
Following Page

AC HAS SEEN

RECEIVED

NOV 21 1991

November 18, 1991

Letters Editor
The Washington Post
Washington, D.C. 20071

Re: "Ode To A Campaign T-Shirt." Outlook, November 17, 1991.

THAT INSIPID ODE BY MARY MCGRORY
WAS JUST ANOTHER BIASED STORY
DEMOCRATS UP TO THEIR DESPERATE TRICKS
SHE PROMOTES THEIR GIMMICKS, PUTS IN THE FIX

DEMOCRATS ARE RIDICULED AND RUNNING SCARED
THIS VERY POPULAR PRESIDENT WILL NOT BE SNARED
BUSH'S OUTSTANDING RECORD LIBERALS CANNOT SHATTER
THEIR RECKLESS SPENDING IS WHAT'S THE MATTER

DEMOCRATS WRITE BAD CHECKS, DO NOT PAY THEIR BILLS
CREATED THE NATIONAL DEBT, SOCIAL AND DOMESTIC ILLS
THEY WRING THEIR HANDS FRAUGHT WITH JEALOUSY
OF BUSH'S INTERNATIONAL SUCCESSES FOR DEMOCRACY

LIBERALS MEEKLY PLACATE, NEVER DEFEND A FORCEFUL STAND
THEY ARE ADORED BY LIBYA, IRAQ AND NORTH VIET NAM
THERE ARE NO ISSUES OUR COURAGEOUS PRESIDENT SKIRTS
WHILE DEMOCRATS ARE ENGROSSED MAKING LITTLE T-SHIRTS

THE MAJORITIES KNOW THAT GEORGE BUSH IS GREAT
WE SHALL MAKE RE-ELECTION HIS MERITORIOUS FATE
THE DEMOCRATS WILL WHINE, AGAIN LEARNING TOO LATE
WITH PRESIDENT BUSH THEY HAVE LOST THEIR DEBATE

INFORM MY FELLOW BOSTONIAN, THE LIBERAL MCGRORY
ALTHOUGH HER HEART ACHES FOR BUSH TO FARE POORLY
SUCH A WASTE OF TIME AND SPACE AND INK
WAS HER ODE TO THAT T-SHIRT, IT REALLY DID STINK

Arnita Mongiovi
520 N Street, S.W.
Wash., D.C. 20024

Sincerely yours,

Miss Arnita Mongiovi
520 N Street, S.W.
Washington, D.C. 20024

OUTLOOK

Commentary and Opinion

MARY McGRORY

Ode to a Campaign T-Shirt

Frightened by a T-shirt, were you?

*Poor put-upon George B.
Taking bows in Caesar's town,
You got zapped by the DNC.*

"Not driven home," you said in Rome.

*But we could tell it wasn't so.
You looked spooked, you were rattled,*

You said no to Tokyo.

Libelous T-shirts worn by Dems

Wreck my day and spoil my fun.

Walking billboards spreading slander—

That I am on the run.

So what if Thornburgh bombed in Philly,

See McGrory, C4, Col. 1

Mary McGrory is a Washington Post columnist.

McGRORY, From C1

*What's that got to do with me?
I sent him Quayle, I sent him Ailes.
Sent him that wonderful war that I won.*

*Gotta think Peoria's Paris,
Treat Bob Dole like Mitterand now.
Look at Michel, say he's Major.
See Tom Foley, cry "Giulio, ciao."*

*Gotta think when I'm in Gary
That it's really Budapest.
When people talk about recession,
I wave and wish them all the best.*

*What if NATO's just a stamp club?
I still prefer to go.
Trumpets and caviar are much more me
Than pork rinds, country, R & B.*

*Harris Wofford, dirty pool,
Talking health care, talking schools.
Liberal—never said so. I could tell.
I can smell one from across the sea.*

*Now the T-shirts, now the nukes,
I knew they'd stoop, but not that low.
Flaming furloughs and I got Duked,
I'm gonna go to the FEC.*

*Congress crazy, out to get me,
Privileged rulers, overdrawn.
History when I tell the folks
They voted no on Desert Storm.*

*My war was neat, and did they love it.
Does that mean they want another?
I just know if Dems don't quit,
I'm going to tell my mother.*



REUTERS

November 18, 1991

Letters Editor
The Washington Post
Washington, D.C. 20071

Re: "Ode To A Campaign T-Shirt." Outlook, November 17, 1991.

THAT INSIPID ODE BY MARY MCGRORY
WAS JUST ANOTHER BIASED STORY
DEMOCRATS UP TO THEIR DESPERATE TRICKS
SHE PROMOTES THEIR GIMMICKS, PUTS IN THE FIX

DEMOCRATS ARE RIDICULED AND RUNNING SCARED
THIS VERY POPULAR PRESIDENT WILL NOT BE SNARED
BUSH'S OUTSTANDING RECORD LIBERALS CANNOT SHATTER
THEIR RECKLESS SPENDING IS WHAT'S THE MATTER

DEMOCRATS WRITE BAD CHECKS, DO NOT PAY THEIR BILLS
CREATED THE NATIONAL DEBT, SOCIAL AND DOMESTIC ILLS
THEY WRING THEIR HANDS FRAUGHT WITH JEALOUSY
OF BUSH'S INTERNATIONAL SUCCESSES FOR DEMOCRACY

LIBERALS MEEKLY PLACATE, NEVER DEFEND A FORCEFUL STAND
THEY ARE ADORED BY LIBYA, IRAQ AND NORTH VIET NAM
THERE ARE NO ISSUES OUR COURAGEOUS PRESIDENT SKIRTS
WHILE DEMOCRATS ARE ENGROSSED MAKING LITTLE T-SHIRTS

THE MAJORITIES KNOW THAT GEORGE BUSH IS GREAT
WE SHALL MAKE RE-ELECTION HIS MERITORIOUS FATE
THE DEMOCRATS WILL WHINE, AGAIN LEARNING TOO LATE
WITH PRESIDENT BUSH THEY HAVE LOST THEIR DEBATE

INFORM MY FELLOW BOSTONIAN, THE LIBERAL MCGRORY
ALTHOUGH HER HEART ACHES FOR BUSH TO FARE POORLY
SUCH A WASTE OF TIME AND SPACE AND INK
WAS HER ODE TO THAT T-SHIRT, IT REALLY DID STINK

Sincerely yours,

Miss Arnita Mongiovi
520 N Street, S.W.
Washington, D.C. 20024

OUTLOOK

Commentary and Opinion

MARY McGRORY

Ode to a Campaign T-Shirt

Frightened by a T-shirt, were you?

*Poor put-upon George B.
Taking bows in Caesar's town,
You got zapped by the DNC.*

"Not driven home," you said in Rome.

*But we could tell it wasn't so.
You looked spooked, you were rattled,
You said no to Tokyo.*

Libelous T-shirts worn by Dems

Wreck my day and spoil my fun.

Walking billboards spreading slander—

That I am on the run.

So what if Thornburgh bombed in Philly,

See McGrory, C4, Col. 1

Mary McGrory is a Washington Post columnist.

McGRORY, From C1

*What's that got to do with me?
I sent him Quayle, I sent him Ailes.
Sent him that wonderful war that I won.*

*Gotta think Peoria's Paris,
Treat Bob Dole like Mitterand now.
Look at Michel, say he's Major.
See Tom Foley, cry "Giulio, ciao."*

*Gotta think when I'm in Gary
That it's really Budapest.
When people talk about recession;
I wave and wish them all the best.*

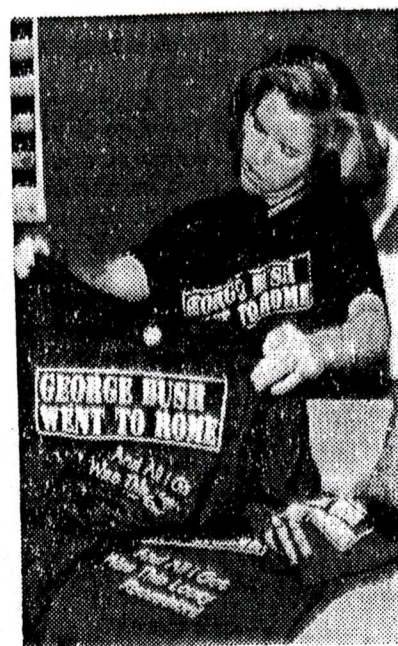
*What if NATO's just a stamp club?
I still prefer to go.
Trumpets and caviar are much more me
Than pork rinds, country, R & B.*

*Harris Wofford, dirty pool,
Talking health care, talking schools.
Liberal—never said so. I could tell.
I can smell one from across the sea.*

*Now the T-shirts, now the nukes,
I knew they'd stoop, but not that low.
Flaming furloughs and I got Duked,
I'm gonna go to the FEC.*

*Congress crazy, out to get me,
Privileged rulers, overdrawn.
History when I tell the folks
They voted no on Desert Storm.*

*My war was neat, and did they love it.
Does that mean they want another?
I just know if Dems don't quit,
I'm going to tell my mother.*



REUTERS

RECEIVED
NOV 26 1991

Bob McConnaughey
PO Box 545
Pittsboro, NC
27312

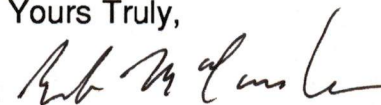
November 18, 1991

Mr. Andrew H. Card, Jr.
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. Card,

I would urge you to support the efforts to increase auto efficiency standards to 40 mpg by the year 2000. If our economy is so dependant upon foreign oil that we're willing to deploy troops, risk the lives of our soldiers & have little apparent compunction about sacrificing the lives of thousands of others who have the (mis)fortune to possibly control our access to petroleum, perhaps it's better to "just say no" to oil addiction. We have the technology, we have the know-how but do we have the will to live with CAFE restrictions that can only stretch out scarce resources, lessen the rate of global warming & produce significantly less pollution than the vehicles we currently drive? Our kids are supposed to "say no" to the short term pleasures of drug use - surely we can "say no" to the needless consumption of fuel in cars whose primary purpose is evidently to show off how rich or important we, the drivers, are as we tool down the road in our Cadillacs or Mercedes.

Yours Truly,


Bob McConnaughey

THE WHITE HOUSE

WASHINGTON

November 20, 1991

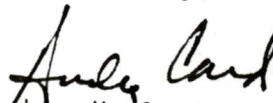
Dear Mr. McLaren:

Thank you for your letter regarding your grandson's desire to be upgraded to a GS-7 soil conservationist.

As I am sure you are aware, there are firm procedures in place for upgrading Civil Service employees, and it is not appropriate for political appointees like myself to become involved in that process. I know you understand.

Please pass along my best wishes to all your family.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

Mr. H. P. McLaren
302 High Street
Westwood, Massachusetts 02090

Mr. H. P. McLaren
302 High Street
Westwood, Mass.

02090

November 12, 1991

RECEIVED

NOV 12 1991

Honorable Andrew Card
White House
Washington, D. C.

Dear Sir:

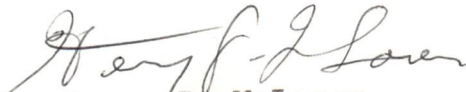
May I give you a brief resume of my political background. I am a former state representative from Westwood and former chairman of the Republican Town Committee. I worked at headquarters for the election of Governors, Saltonstall, Herter, Volpe and Sargent. I ran the Veterans for Nixon Campaign co-chaired with the late Timothy J. Murphy.

My son, H. Parker McLaren, is the elected Town Moderator for the Town of Merrimac, Massachusetts and a member of the Republican Town Committee. His son, Scott McLaren of 3 Lovejoy Lane, Norway, Maine is the subject of this letter. He is presently employed as a G. S. 6 soil conservation technician by the U. S. Department of Agriculture Soil Conservation Service, 5 Godfrey Drive, Orono, Maine 04473. Scott is operating out of the field office at 1A Karen Drive, Westbrook, Maine. He is a graduate of the University of Maine. His office is entitled to and he desires appointment to G. S. 7 soil conservationist.

I have called your office three times and left messages. Consequently, I am writing in the hope that you may be able to assist Scott.

Thank you very much for your attention to this matter.

Sincerely yours,


Henry P. McLaren

HPM:nt

file

THE WHITE HOUSE
WASHINGTON

November 19, 1991

Dear Dr. McDermott:

Thank you for your letter regarding the Department of Health and Human Service's RBRVS regulation. As you may know, the regulation was issued last Friday, and the response of the AMA and others in the physician community appears to have been fairly positive.

The development of this regulation was very controversial because the legislation that was passed in 1989 provided HHS with very contradictory guidance about the payment levels intended by Congress. After the medical community aired its legitimate complaints about reductions in the anticipated payment rates, the Administration adjusted the regulation to meet the original expectations of the statute -- budget neutrality. As a result, physician payments will rise an annual average of 11.5% in each of the next five years, instead of the 10.5% annual increase that was in the initial regulation.

Various physician groups had additional complaints about the regulation, including the "behaviorial adjustments" that were assumed by the actuaries in setting the rates. Nevertheless, I believe the end result is generally thought to be a significant improvement over the proposed rule.

If you have further concerns about the rule, please contact me again. You might also want to contact Tom Scully at OMB, who worked extensively on the rule. He can be reached at 202/395-5178.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy Chief of Staff

W. M. McDermott, Jr., M.D.
Executive Vice President
Massachusetts Medical Society
1440 Main Street
Waltham, Massachusetts 02154-1649

bcc: Tom Scully



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

ASSOCIATE DIRECTOR
FOR HUMAN RESOURCES,
VETERANS AND LABOR

11/18

To: Andy Caro

From: Tom Sully

Draft letter as you
requested.
TS

DRAFT

Dear Dr. McDermott:

Thank you for your letter about HHS' RBRVS regulation. As you may know, the regulation was issued last Friday and the response of the AMA and others in the physician community appears to have been fairly positive.

The development of this regulation was very controversial because the legislation that was passed in 1989 provided HHS with very contradictory guidance about the payment levels intended by Congress. After the medical community aired its legitimate complaints about reductions in the anticipated payment rates, the Administration adjusted the regulation to meet the original expectations of the statute--budget neutrality. As a result physician payments will rise an annual average of 11.5% in each of the next five years, instead of the 10.5% annual increase that was in the initial regulation.

Various physician groups had additional complaints about the regulation, including the "behavioral adjustments" that were assumed by the actuaries in setting the rates. Nevertheless, I believe the end result is generally thought to be a significant improvement over the proposed rule.

If you have further concerns about the rule, please contact me again. You might also want to contact Tom Scully at OMB, who worked extensively on the rule. He can be reached at 202/395-5178.

SINCERELY

AC

cc: T. Scully

THE WHITE HOUSE
WASHINGTON

Date: 11-17-91

TO: *Tom Scully*

FROM: ANDY CARD *Andy*

- ☒ Action *ASAP*
- ☐ Your Comment
- ☐ Let's Talk
- ☐ FYI

*Please draft a quick
response for me to send.*

Thank you!



AC HAS SEEN

MASSACHUSETTS MEDICAL SOCIETY

1440 Main Street, Waltham, Massachusetts 02154-1649 (617) 893-4610 / 1-800-322-2303

RECEIVED
NOV 12 1991

Philip E. McCarthy, M.D.
President
William E. Callahan, M.D.
President-elect
Leonard J. Morse, M.D.
Vice President
W. M. McDermott, Jr., M.D.
Executive Vice President

7 November 1991

Mr. Andrew H. Card, Jr.
Assistant to the President and Deputy to the Chief of Staff
Executive Office of the President
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Card:

I am writing to you in anticipation of the Health Care Financing Administration's expected publication of the final regulations regarding the implementation of the Medicare Fee Schedule. As you know, physicians around the nation are disappointed and angered by the method in which the Administration has interpreted the behavioral offset.

Massachusetts physicians are particularly concerned because of the existing restrictions on Medicare participation in this state, and they believe the proposed implementation will be hard felt by them and their Medicare patients.

As the debate over health care reform intensifies, we can only hope that the Administration will act more thoughtfully than they have with Medicare Payment Reform. Physicians are outraged at the undoing of what they felt was a solid agreement reached after much hard work by all parties.

I would appreciate your perspectives on what might be done as we approach the deadline for publication of the final regulation. Thank you for your consideration of this matter.

Sincerely,

W. M. McDermott, Jr., M.D.

WMM:cwc

THE WHITE HOUSE

11-17-91

Dear Bob -

Thank you for your paper,
"Why America Hasn't Dealt With The
Health Care Crisis And Why We Will
Soon." I found it interesting and have
shared it with others here.

Keep in touch. Sincerely, Andy Card

THE WHITE HOUSE
WASHINGTON

Mr. Robert Laszewski
Liberty Mutual
P.O. Box 1525
Dover, NH 03820-1525

THE WHITE HOUSE
WASHINGTON

Date: 11-17-91

TO: *Roger Porter*

FROM: ANDY CARD *Andy*

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☒ FYI

*This is worth reading and
sharing with others.*

AC HAS SEEN

RECEIVED

NOV 12 1991

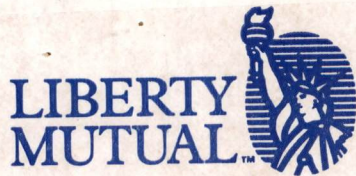
**WHY AMERICA HASN'T
DEALT WITH THE
HEALTH CARE CRISIS**

**AND WHY WE WILL
VERY SOON**

**Presented to
Board of Councilors
American Academy of Orthopaedic Surgeons**

**Robert Laszewski
Executive Vice President
Liberty Mutual Insurance Group
Boston, Massachusetts**

FROM R. L. Laszewski



P.O. BOX 1525
DOVER, NH 03820-1525

TO Mr. Andrew Card
Assistant to the President
The White House
Washington, D.C. 20500

Please handle carefully

October 4 1991

One would think that with 30-40 million people among the ranks of the uninsured in this country, and with our health care costs twice that of nations like Germany and Japan and growing by \$200 million dollars per day, health care reform would be at the top of our political agenda. Politicians would be well versed on the issue, clear choices would have been identified long ago and solutions would be at hand.

Instead, very few politicians, Democrat or Republican, are able to recite more than vague indignation at the problem and we are nowhere near consensus in any of our legislatures or the Congress. Furthermore, the White House does not have a comprehensive policy because they say there is no real consensus in the country on how to achieve reform.

Why aren't we further along in dealing with the Health Care Crisis?

My years of involvement in the politics of this issue, and with the people that are apart of it, has led me to realize that what I thought politics was and what it really is are two different things. Understanding what politics really is makes it possible to rationalize the depths of our problem and the inaction which frustrates us.

Two Myths of American Politics

The more I am around this debate, the more I believe there are two myths about the American political system that are particularly relevant to our frustration in finding health care solutions:

1) Leadership. Growing up in Wisconsin and watching Walter Cronkite every night, I believed that political leadership was about recognizing problems, their causes, and taking the lead in implementing solutions.

In fact, I find otherwise. Political leadership is about recognizing problems and studying them, but it is also about minimizing political risk when it comes to solutions. The administration's lack of a clear policy on health care reform because "there is no real consensus" for a solution is an example of minimizing political risk.

Conventional political wisdom dictates that a politician not engage an issue in detail until it becomes a "two dimensional" issue. That is, the issue should not be engaged until there is a clear left/right or otherwise philosophical choice. Modern American politics is two dimensional - Democratic/Republican, left/right. In order for there to be movement, issues must fit into this simple framework. Health care reform has been far too complex with, too many variations on these two themes, to be able to fit into this simple framework.

Besides, American politics is not about radical action. It is about compromise and incremental steps. To date, the debate has often been about throwing out a system that "works" for 85% of Americans in favor of a radical alternative often in the form of a "Canadian style system." Such a one step revolutionary change is not what the American political system of small steps and compromises is all about.

The problem with health care reform is that it is so complex, has so many dimensions, and offers so many potential policy choices. The result is that only a handful of politicians have engaged the issue. With no clear consensus in the country, a politician risks pleasing one minority group by choosing one option

while alienating the remaining large majority which is split among many alternatives.

Politics is about always having at least 51% of the people on your side.

2) The second myth is that "special interests" drive the political system generally and the health care debate specifically. Special interests do drive what debate there is today, but they are unable to place it on top of America's lists of priorities. Insurance companies, business groups, physician groups, advocates of the uninsured and others are dominant. But the public has historically not put finding a solution to the health care crisis at the top of the public opinion polls. As a result the health care debate has become a fairly isolated discussion as the special interests check and balance one another, particularly on the "little issues" within the debate that receive ongoing attention (RBRVS, hospital capital costs, etc.). Certainly, the special interest groups have a major impact on the details of the debate but politicians have not been forced to engage the issue in the first place to make major policy changes because middle America has not demanded they do so.

No one has been voted into or out of office with health care as a dominant issue.

Defining The Debate

We will not see real policy changes or fundamental attempts at reform until there is substantial pressure from a large number of voters for solutions and a politician's job is at risk over health care.

I am beginning to sense that the classic "two dimensions" are developing that will finally create the classic political debate necessary for movement. The reason is that middle America is beginning to place health care high on the list of priorities.

The two dimensions I see emerging are the Democratic "Play or Pay Proposal" for solving the access issue on one hand, and conservative proposals I will term "Individual Responsibility" on the other.

Both of these proposals in their various forms deal first with access, but they also recognize that out of control costs are the real villain as government, business, and individuals can no longer afford to pay for access. Despite the difference in approach to solving the access problem, there is considerable agreement on the inappropriate cost drivers in the system that must be reformed if any access proposal is to succeed.

"Play or Pay" is a proposal often advanced by Democrats that would require business to be responsible for most health insurance coverage. In this proposal, either a business would provide certain minimum benefits and financial contributions to fund those benefits, or they would pay into a public program. Either way, the basis for funding health care access would be the workplace.

"Individual Responsibility" solutions often advanced by conservative groups generally place the obligation upon the individual rather than business. These proposals generally hold that there needs to be more personal responsibility in health care system if there is to be any hope of controlling costs. Often, conservatives use the tax system as a means to encourage or subsidize, for lower income citizens, the cost of such an obligation.

In addition to these two choices, a "Canadian style" solution has long been offered as the solution, and it is still popular among many groups and generally appeals to many Americans. However, it is no longer politically realistic because of America's already out of control budget deficits. Many key members of Congress who would be inclined to support such a solution, and whose support would be necessary, do not

believe it can be implemented and have moved to what they see as lessor but more practical and implementable solutions, such as "Play or Pay".

Those who would support a "Canadian" approach are gravitating toward the Democrat's "Play or Pay" proposal, just as those on the conservative side are recognizing the "Individual Responsibility" proposals provide a more appropriate framework for comprehensive reform to rebalance the health care economy.

While the debate over the means to solve the access problem begins to focus on these two alternatives, consensus also grows about those things that are inappropriately driving up health care costs in the first place.

Reaching Consensus

Issues over which there is consensus at least on the causes, include:

- 1) The uninsured. The large number of uninsured create an expensive, irrational and unfunded health care obligation that ultimately gets paid in very expensive ways by all of us. Lowering the uninsured either through a "Play or Pay" plan, or through an "Individual Responsibility" solution will reduce the uninsured and this expensive burden. There is also general agreement that the number of

uninsured should also be reduced by reforming insurance markets, particularly small group insurance markets, by minimizing rate differentials, eliminating pre-existing conditions provisions after once being covered, and forbidding non-renewal or the exclusion of individuals upon the occurrence of a serious condition.

In fact, perhaps the strongest consensus in the entire debate is over the need to reform insurance markets in the context of these principles.

2) Inadequate reimbursement to providers for Medicare and Medicaid benefits.

While it is agreed that such under-reimbursement only causes irrational cost shifting, the where-with-all to adequately fund these benefits is another matter.

3) The Tort System is in need of reform. It is generally believed that both the cost of malpractice insurance and the paranoia over the threat of suit causes inordinately high prices.

4) Substantial administrative waste in payer organizations and provider offices to deal with so many different plans of benefits, insurance forms, computer systems, etc. It is generally agreed that administrative standardization is in order.

5) Substantial waste in the providing of health care itself. There are too many unnecessary tests, procedures, etc. These can be minimized with better "outcomes research" and from data gained about who the most efficient providers are from standardizing administration.

6) Overcapacity in hospitals, expensive technology, and certain physician specialists that cause inappropriate demand and increased overhead.

7) Consumer expectations for those who do have insurance is inappropriately high because consumers are too isolated from true costs and have too little incentive to be more discriminating patients/consumers.

So, there are two separate and philosophically opposite models within which reform can occur. Beyond the choice between "Play or Pay" and "Individual Responsibility," there is significant consensus over at least what must be reformed among those things that are the culprits in driving up health care costs.

What has been lacking is the motivation for politicians to finally choose sides and promote movement - to get on with it.

The Silent Majority Is Making Noise

Had there been a Democratic presidential candidate with substantial health care expertise, the Republican side would have almost certainly been forced to move forward with a detailed alternative to "Play or Pay." That has not happened, so the point when the debate reduces itself to two dimensions has not yet occurred.

However, for the first time, we are seeing middle America's interest in health care beginning to rise. As the uninsured population grows, as more families know personally of at least one relative or friend that is uncovered, as the threat of unemployment brings with it the threat of lost health benefits as workers are "locked" into jobs because job change could mean a loss of coverage and as employers begin to cut benefits and contributions in the face of significant health plan cost increases, we see the 85% of the American people who have health insurance now beginning to feel threatened.

I have long argued that the importance of this issue to the voter will not happen in some incremental or gradual way. Rather, the change in attitude will be sudden and swift. Public opinion has always been pious in its disgust with the number of uninsured and the vague notion that costs are rising too quickly. But, so many of

the middle class have had insurance paid for in great part by their employer that it hasn't been an immediate concern.

Suddenly, employers simply can't afford to absorb the cost of America's out of control health care economy on their own. Suddenly, state government can't balance its books and health care is at the top of its list of out-of-control budget items. The results are first significant deficits and then greater taxes. Suddenly, the federal government is facing even higher deficits and the health care based entitlement programs are the greatest drivers of these deficits. We are close to the point where federal health care costs will exceed the defense budget.

Americans are being surrounded by fears of lost benefits, "job lock" - a fear that changing jobs will mean lost benefits, anecdotes of friends and family now part of the uninsured, greater "out-of-pocket costs", lists of limited providers they must use, fewer freedoms when it comes time to be treated, and skyrocketing property and income taxes as health care costs bust public budgets.

The politicians are finding themselves calling for more taxes to pay for existing social programs including greater public health care costs. Instead of simply seeing the reality of these costs and paying those taxes, people are beginning to say, "Enough - stop the increase."

All of these elements are coming on the scene at once and at levels not seen before. The result is a general public coming to be more interested in cost containment than access.

Not only are we seeing the health care debate coalescing around two reasonably defined alternatives, but we are also beginning to see the developing of a consensus to go at the cost drivers that are generally acknowledged as causing the problems in the first place.

The two ingredients that have eluded us to date, namely a reduction in the number and complexity of choices for achieving reform and a demand from middle America to do something, are now close at hand.

As the debate goes forward along the lines of "Play or Pay" versus "Individual Responsibility" and consensus grows over the cost drivers and the need to change them, there is also an emerging sense among some that cost containment cannot be achieved without some form of macro budgeting.

The Democratic "Play or Pay" proposal includes a provision for regional budget negotiations to place overall limits on spending. This is in addition to the proposals acknowledgement of a managed care dominated private sector and its approach to dramatically improving access to care for the uninsured.

Many others in big business, insurance, labor and consumer groups, are also giving serious consideration to the notion that reform of the system must go beyond access. Their focus is to reform the cost "drivers" by providing a third cost containment element that would place regional spending caps on providers that are the result of payer - provider negotiations.

CONCLUSION

The American health care debate has been mired in inaction for two decades. It has been frustrated by a lack of clear left/right choices around which the debate can be simplified. It has to date been characterized by too many complex proposals many of which would require radical rather than incremental change.

Now it is possible to see two opposing proposals, one by the left, one by the right, requiring simpler choices while both building on existing systems rather than proposing radical change.

The emergence of these choices is occurring as middle America is finally attentive to the problem, beginning to be threatened by it, and seeing cost as the real villain.

With this growing public perception that out-of-control costs are the real villains, those who believe such provisions are necessary could well be provided with the political fuel needed to make them a reality.

As the choices emerge and as middle America starts to seriously demand change, there is a growing sense that macro budgeting may also be necessary.

Finally the options are becoming clear and the consensus is emerging for the change so necessary.

Post Script: This paper was written before the Senate race in Pennsylvania was decided. One can now argue a politician has won /lost because of what he thought about health care. I believe we will begin to look at the health care debate pre and post Pennsylvania. It has begun.

THE WHITE HOUSE

11-17-91

Mark-

Thank you for your
most recent letter. I
appreciate your updates on
the political situation in
Arizona; — Yes, you'll be
involved! *Audrey*

THE WHITE HOUSE
WASHINGTON

Mark G. Mazze
Superintendent
Dept. of liquor licenses and Control
800 W. Washington
Phoenix, Arizona
85007

Fifth Floor.

THE WHITE HOUSE
WASHINGTON

Date: Nov. 18, 1991

TO: Ron Kaufman

FROM: ANDY CARD

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☒ FYI



State of Arizona
Department of Liquor Licenses and Control

800 W. Washington, Fifth Floor
Phoenix, Arizona 85007
(602) 542-5141

Mike Symington
Governor

Mark G. Mazzie
Superintendent

AC HAS SEEN

To Ron Kasper

November 12, 1991

Mr. Andrew H. Card
Assistant to the President and
Deputy Chief of Staff
The White House
Washington, DC 20500

RECEIVED
NOV 15 1991

Dear Andy:

Congratulations on the Gates nomination. I read in Newsweek about your involvement. I interviewed with the CIA shortly after graduate school and thought it would make for an interesting career. I guess I'm lucky I didn't make it as I'd probably be in the middle of nowhere as far removed from politics as possible.

I hope things are going well with you. We are weathering some storms out here surrounding the Governor. A recent report in our alternative newspaper (sort of like the Boston Phoenix but with more of a National Inquirer mentality) that he appointed his mistress to a high state job has been debunked. It gathered quite a bit of attention for a week. We are still waiting to see what Rep. Hubbard is going to do with his investigation into the failure of Southwest Savings and Loan (Symington was a director). So life goes on.

If I can be of any help with the re-election effort please drop me a line. Our state party structure is solid but will be concentrating on winning back the state Senate in '92. I'm going to host a fundraiser for Kyl during the middle of next year. All signs indicate he is gearing up for the Senate in 1994 and should walk to re-election next fall. McCain seems solid. He is so well liked by conservatives and veterans that he should have no problem. Plus all the top Democrats have decided against running. They are now searching for a challenger among the second level of candidates.

Let me know if I can do anything to help.

Sincerely,

Mark G. Mazzie

THE WHITE HOUSE

11-17-91

Velma -

Here, here!

Andy Card

THE WHITE HOUSE
WASHINGTON



VELMA MONTOYA, Ph.D.
COMMISSIONER

OCCUPATIONAL SAFETY & HEALTH
REVIEW COMMISSION
1825 K STREET, N.W., FOURTH FLOOR
WASHINGTON, DC 20006-1246

(202) 634-7977

Velma Montoya, Ph.D.

Commissioner

Occupational Safety & Health

Review Commission

1825 K Street, N.W.

Washington, D.C. 20006-1246

4th FL.

OCCUPATIONAL SAFETY AND HEALTH
REVIEW COMMISSION

November 7, 1991

AC HAS SEEN

Hi Andy-

With "friends" like this woman,
the President doesn't need enemies.

Please replace her ASAP.

A handwritten signature in black ink, appearing to read "Velma".

Velma Montoya

The Top of 1

NATION



BERNIE BOSTON / Los Angeles Times

Tough Talk

U.S. Commissioner of Labor Statistics Janet L. Norwood **decried Washington's lack of leadership on economic problems.** The veteran commissioner said that neither Republicans nor Democrats have come up with an answer to those problems, which have left the poorest Americans worse off. And although the Commerce Department reported that the economy technically pulled itself out of the recession in the third quarter, **Norwood, at left during an interview with The Times,** said she sees no sign that the nation is creating the new jobs necessary for true economic recovery. **A14**

Official Decries Gap Between Rich, Poor

■ **Economy:** The labor statistics chief chides White House, Congress for lack of leadership. She says she is 'very worried' about growing polarization.

By JACK NELSON
TIMES WASHINGTON BUREAU CHIEF

WASHINGTON—Janet L. Norwood, veteran U.S. commissioner of labor statistics, decried Washington's lack of leadership on economic problems Tuesday, saying that the country is being polarized by the growth of the most severe gap between the poorest and richest Americans that she has seen in 38 years of government service.

"There's a lot of posturing going on," she said, but neither Republicans nor Democrats have come up with an answer to economic problems that plague the country and leave the poorest Americans worse off than ever.

Although the Commerce Department reported Tuesday that

the economy technically pulled itself out of the recession in the third quarter by growing 2.4%, Norwood said she sees no sign that the nation is creating the new jobs necessary for true recovery.

She declared that the nation must be mobilized to solve the problem, adding: "We need leadership, but I don't think it can come just from government. It clearly isn't coming right now from the Congress or the President."

Norwood, who has served almost 12 years as the politically independent head of the Bureau of Labor Statistics, was first appointed to a four-year term by President Jimmy Carter and was reappointed twice by Ronald Reagan. She recently informed President Bush that she does not want to be reappointed and will retire at the end of the year to become a senior fellow at the Urban Institute, a Washington think tank.

In a breakfast session with Times Washington Bureau reporters and editors, she cited the growing gap between the rich and poor and said: "I am very worried, extraordinarily concerned, about the po-

larization that I see going on in our country."

It used to be that almost everyone on the income scale moved up, she said, so that people on the bottom saw their situation improving. Now, she said, the bottom group is "splitting": Some are moving into the middle class, but those left behind are "sinking."

"You can't have a democratic system if you increasingly have haves and have-nots," she declared.

A study released three months ago by the nonprofit Center on Budget and Policy Priorities, a liberal think tank, showed that the income gap between rich and poor widened dramatically during the 1980s. Average incomes increased 122% after taxes for the top 1% of households, but fell 10% for the bottom fifth. Income for the top 1%, measured in 1991 dollars, rose from an average of \$203,000 per household in 1977 to \$451,000 in 1988.

The Census Bureau's 1990 report on income showed that the top 20% of Americans received 46.8% of all the household income while the bottom 20% received 3.9% of all household income.

Norwood said that she is also "terribly concerned" that American educational standards are deteriorating compared to those of other countries and that many young people, especially minority members, are left without the skills, values and general background necessary for employment.

The Bureau of Labor Statistics, she said, is trying to develop a pilot survey of employers to find out

what they are doing to educate workers and what they are looking for in workers they hire. Small surveys done by various commissions indicate that employers are primarily interested in people "who have a work ethic, who come to work on time, who are able to be polite and civil and who will dress decently in the workplace and so on," she added.

A "restructuring of occupation" is going on in industry today, she said, as employers are increasingly recognizing that they also need workers who can think more and have more technical skills. And that exacerbates the problem of the have-nots, especially minority youths who lack the opportunity to get the necessary technical training.

When asked if that message had gotten through to the Bush Administration, she said: "I'm not sure it has gotten through in the sense that action is to be taken or that programs are being developed for it, because I think there's a philosophical difference of view there."

If part-time employees who would like to have full-time jobs were included in the total unemployment rate, the combination of unemployment and underemployment would surge above 10%, she said. About 120 million Americans are employed full time, and 6 million part-timers say that they would like to be working full time. An additional 15 million are working part time by choice.

The 6 million part-timers looking for full-time jobs are disproportionately black, Latino and female and tend to have fewer skills than other workers, she said, although the balance may be shifting because this recession has been unusually hard on white-collar workers.

THE WHITE HOUSE

11/11/91

Dear Governor Lou -

It was a pleasure to share the headtable with you at the five club Rotary meeting in Braintree last month. Rotarians have my respect and appreciation.

Please give my best to David Chatel.
Keep in touch.

Sincerely,
Andy Card

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Mr. Louis A. Marciano
221 Hillcrest Drive (N)
Cranston, RI
02921

THE WHITE HOUSE

11-8-91

Doug-

Fret not! I will
continue to remind people
of your commitment.

Andy

Andrew Card
THE WHITE HOUSE
WASHINGTON

Douglas Mackinnon
1021 Arlington Blvd.
Arlington, VA 22209

#815



DEPARTMENT OF DEFENSE
STRATEGIC DEFENSE INITIATIVE ORGANIZATION
WASHINGTON, DC 20301-7100

AC HAS SEEN

RECEIVED

NOV 08 1991

November 6, 1991

Dear Andy:

Linda was kind enough to call and hint to me that my last letter (which was honestly a joke) may have backfired. If you took it the wrong way, then I apologize.

I was more writing out of frustration than anything else. There are so many ways that I believe I can help the President, and I'm not being allowed to do any of them. I was hoping to get back on the campaign in a Press capacity, but I can't seem to get any answers there.

Anyway, the real purpose of this exercise is to let you know that the last letter was just a bad joke, and that I won't bug you again. If there is ever anything I can do, I hope you'll give me a call. A sincere thanks for all of your earlier help and counsel.

Sincerely Yours,

Doug MacKinnon

Douglas MacKinnon
1021 Arlington Blvd.
#815
Arlington, VA 22209

W: 703-695-8743

H: 703-243-4931

THE WHITE HOUSE

WASHINGTON

November 7, 1991

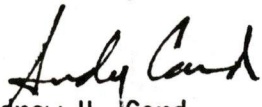

Dear Mr. McFeeley:

Thank you for your recent letter recommending the nomination of Randy Klose to serve on the national Commission on AIDS.

I appreciate your taking the time to write and I will forward your recommendation to our staff in the Office of Presidential Personnel for their review and consideration.

Again, thank you for your letter.

Sincerely,


Andrew H. Card
Assistant to the President
and Deputy Chief of Staff

Mr. Timothy I. McFeeley
Executive Director
Human Rights Campaign Fund
Suite 607
1012 14th Street, N.W.
Washington, DC 20005



RECEIVED

October 30, 1991

NOV 06 1991

*His response
cc: Connie Forner*

Mr. Andrew H. Card, Jr.
Assistant to the President
The White House
Washington, DC 20500

Dear Andy:

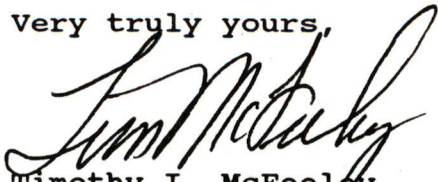
I want to recommend Randy Klose, a man living with AIDS, for nomination to serve on the National Commission on AIDS to replace Belinda Mason, who recently died after a long and heroic battle against AIDS and after serving the Commission and the country so well.

Mr. Klose, a native Texan who has resided in New York and California and now lives here in Washington, DC has devoted the last several years of his life to the fight against AIDS. It's a full time activity for Randy, and he has had a considerable, positive effect on the legislative process and in the way people with AIDS are treated in America.

I urge you to check with Sam Broder or Tony Fauci on Mr. Klose's sincerity and effectiveness. The people with AIDS in America and the entire Nation would be well served by Randy Klose on the NCOA.

If you have any questions concerning Randy, please call me. Thank you for your attention to this matter and for all your hard work on our behalf.

Very truly yours,



Timothy I. McFeeley,
Executive Director

THE MARTIN LUTHER KING JR
FEDERAL HOLIDAY COMMISSION

AC HAS SEEN



FAX SHEET

DATE: November 14, 1991

TO: Andy Card

FROM: Alan Minton

Alan Minton

SUBJECT: As requested

Number of Pages Including Cover

6

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Coretta Scott King to Louis W. Sullivan, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (1 pp.)	05/29/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--M [1]

Date Closed: 3/28/2025	OA/ID Number: 04884-006
FOIA/SYS Case #: 2025-0373-S	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

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Letter	Madeline Y. Lawson to Lloyd Davis, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (2 pp.)	06/12/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--M [1]

Date Closed: 3/28/2025	OA/ID Number: 04884-006
FOIA/SYS Case #: 2025-0373-S	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

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	Lloyd Davis to Madeline Lawson, Re: Martin Luther King, Jr. Federal Holiday Commission personnel action. (2 pp.)	06/13/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--M [1]

Date Closed: 3/28/2025	OA/ID Number: 04884-006
FOIA/SYS Case #: 2025-0373-S	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

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]



INSTITUTE FOR JUSTICE

November 7, 1991

RECEIVED

NOV 18 1991

The Hon. Andrew Card
Assistant to the President
The White House
Washington, DC 20500

Dear Mr. Card:

We were sorry that you could not join us for our reception last week to celebrate the opening of the Institute for Justice. The 200 people in attendance helped us top off an exciting and invigorating first six weeks. Heartwarming remarks by Michael Williams, assistant secretary at the Department of Education, and Ricky Silberman, vice-chair of the Equal Employment Opportunity Commission, set the stage for a presentation by our first plaintiff Taalib-Din Abdul Uqdah, who moved the crowd with his impassioned plea for economic liberty.

I would like to share with you a representative sampling of our recent activities and plans.

* The Heritage Foundation was kind enough to invite Clint and me to deliver a lecture describing the purpose and goals of the Institute. The lecture, published and distributed by Heritage, is generating a gratifying amount of favorable interest.

* The Clarence Thomas hearings thrust the Institute into the middle of one of the watershed events in recent political and legal history. We believe that Judge Thomas's respect for natural law and economic liberty is vitally important to the future of American jurisprudence. We worked actively on his behalf from the beginning. Because of his close friendship and past working relationship with Thomas, Clint was uniquely situated to play a key role in the debate. Media coverage of our efforts included New York Times, Wall Street Journal, Washington Post, Nightline, and National Public Radio.

* Our senior litigation counsel, Jonathan Emord, published two important articles in September. His 200 page piece, The First Amendment Invalidity of FCC Content Regulation, was called the definitive work on this issue when accepted for publication by the Notre

Dame Journal of Law, Ethics and Public Policy. The Cato Institute issued a Policy Analysis by Jonathan that challenges the second class status accorded commercial speech by the current Supreme Court.

And last, but not least:

* Last Friday we filed our first lawsuit! It is part of our economic liberty agenda to protect a core Constitutional value: the right of an individual to earn an honest living. We represent Taalib-Din Abdul Uqdah and his wife Pamela, who run an African hair-styling salon in the District of Columbia. As enforced, cosmetology regulations threaten to drive this thriving salon out of business and destroy along with it employment and training opportunities for low-income individuals. This licensing law is typical of countless such laws across the country that have no relation to legitimate health and safety concerns, but erect barriers to entry level entrepreneurs seeking the first rung on the ladder of economic opportunity. This lawsuit is the first of many that will give hope to aspiring entrepreneurs that America remains a land of opportunity.

We are off to an excellent start. In the coming weeks we will unveil our programs to protect educational choice and to ensure the unencumbered flow of information so essential to political and economic freedom. In addition, our educational program to teach law students and policy activists how to use public interest advocacy is being organized, with seminars to begin next summer.

I will keep you informed of our progress and hope that you will visit us whenever you are in the neighborhood. We were able to get an amazing deal on sublet offices that provide ideal space, furnishings, and location at public interest prices. I think you will enjoy meeting the staff and seeing just how we operate.

Sincerely,



William H. Meller III
President and General Counsel

WHM/ae
Enclosed: Brochure
Articles

THE PHILADELPHIA INQUIRER

COMMENTARY

Sunday, Oct. 20, 1991

The Philadelphia Inquirer

The Bill of Rights has been a battlefield since even before the ink was dry, and the fighting continues today. This occasional series explores contemporary clashes around a document adopted 200 years ago this December.

Can a 'choice' plan include religious schools?

Yes: Let parents pick best available school

By CLINT BOLICK

Legislation was introduced in Pennsylvania this year to provide "education opportunity grants" — also known as tuition vouchers — that parents could use in private schools or public schools outside their districts. This bill would expand the ability of parents to choose the best schools for their children, public or private.

Like most parental choice proposals, the Pennsylvania plan would promote healthy competition between public and private schools. That competition, however, is precisely what provokes frenzied opposition from entrenched interests.

The main adversaries of choice are predictable: the public education establishment and its allies, who have a powerful vested interest in maintaining their monopoly stranglehold over education. Unfortunately, these ignoble efforts are fueled by well-meaning people who are convinced that giving parents greater control over their children's education somehow violates civil liberties.

Specifically, these theorists argue that since many families, if given a choice, will send their children to religiously affiliated schools, any proposal that includes such schools — as does the Pennsylvania plan — will run afoul of the First Amendment prohibition against the establishment of religion.

Such arguments have force neither in law nor in the real world. The Supreme Court consistently has held that the principle of separation of church and state is violated only if a program's "primary effect" is to aid religion. In a 1983 ruling upholding a Minnesota tax deduction for educational expenses, the Court held that the First Amendment does not prohibit a program that provides funds to parents for their children's educational expenses, even if the parents use those funds in religiously affiliated schools.

It happens that a majority of students enrolled in inner-city Catholic schools today are poor and black or Hispanic. But many of the parents who pursue such educational options do so because religiously affiliated schools offer something that few inner-city public schools can — a good education. Hence, the "primary effect" of choice programs is not to advance religion, but to expand precious educational opportunities for the children who need them the most.

Parental choice does not conflict with civil liberties — it enhances them. The Supreme Court for 70 years has recognized the right of parents to control the upbringing and education of their children as a fundamental facet of liberty. But the current system denies this right to those who cannot afford to take advantage of it. It compels everyone to attend school and to pay heavily to support public schools through taxation — but it provides no way out for those the public schools fail.

Last year, Wisconsin enacted the first true parental choice program, allowing as many as 1,000 low-income children to opt out of the Milwaukee public schools and instead to use their share of state educational funds (\$2,500 — less than half the amount spent by public schools) for full tuition at community nonsectarian private schools, which select the students on a random admission basis.

The results are remarkable. Youngsters from the most disadvantaged backgrounds are getting a good education in a positive environment. Moreover, the program has shaken a previously lethargic public school establishment since it must now compete for low-income students and the public funds that accompany them. It has also transferred power over education from bureaucrats and special interest groups to parents.

Amazingly, the Wisconsin plan has been challenged in court by the very groups that claim to represent minorities and civil liberties: the NAACP (even though most of the children benefiting from it are black) and the American Civil Liberties Union (even though there is no church-state issue since religious schools are not eligible).

It is bizarre that self-styled civil libertarians would find themselves anywhere other than marching shoulder to shoulder with parents in the battle for choice. Thirty-seven years have passed since *Brown v. Board of Education* established the constitutional imperative of equal educational opportunities; yet for millions of economically disadvantaged children, we are scarcely closer to achieving that goal than we were in 1954.

Parental choice is the most important breakthrough for individual liberty in many years. It provides hope and opportunity where previously none existed. It creates a real prospect for improving the quality of education. And, not incidentally, it will help make a reality the free society of informed and responsible citizens to which the framers of the Bill of Rights aspired.

Clint Bolick, vice president and director of litigation at the Institute for Justice in Washington, represented Milwaukee parents in their efforts to create that city's choice plan.

The Bill
of Rights

200th

THE FIRST AMENDMENT

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or of the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

By helping poor parents pay for parochial schools, is the state government really 'establishing' the Catholic Church?

Term Limits Are Constitutional

By WILLIAM H. MELLOR

If Washington state imposes term limits on its congressional delegation Tuesday, the issue of whether or not such limits are constitutional will take center stage. Many lawyers and political scientists say no, arguing that neither Congress nor the states may add to the age, citizenship and residency qualifications set forth in the Constitution.

But critics of state-imposed term limits on Congress miss the point. Term limits do not add another "qualification" for service in Congress. They do not prevent anyone from having an opportunity to serve in Congress. They merely prevent a person who has already served a certain number of consecutive terms in office from serving another consecutive term.

State statutes that bar first-time candidates from running for Congress have been held to add to the qualifications set forth in the Constitution and have been invalidated. For example, the 1972 decision in *Dillon v. Fiorina* struck down a New Mexico law requiring candidates entering a congressional primary to have belonged to their party for a year and to pay a registration fee. But state statutes that simply limit the tenure of existing congressional officeholders have not yet been tested in court.

First Test

The constitutionality of such state term limits may, however, be tested next month. Florida's attorney general has asked its state Supreme Court for an advisory opinion on a term-limit initiative that would limit the state's members of Congress to eight consecutive years in office. Three U.S. House members, led by Democrat Larry Smith, have filed briefs asking the court to rule state term limits unconstitutional. The court will hear arguments Friday, and may rule later this month.

By 6 to 1, the California Supreme Court ruled this month that the state's new term-limit law was constitutional. The court said the "state's strong interests in protecting against an entrenched, dynastic legislative bureaucracy" outweighed objections that term limits restrict voter choice at the ballot box. But the court's decision affected

only term limits on state officials; federal officeholders weren't included in California's limits.

Nevertheless, the California decision demolished many of the legal arguments made by incumbents. They claimed there is a "fundamental right to be a candidate for public office," which they found among the "associational rights" in the First Amendment. They argued that voters were denied the right to be represented by the same legislator indefinitely, and that term limits discriminated against incumbents and denied them their right to equal pro-

small or independent party candidates.

Unlike the age, residency and citizenship requirements, term limits do not prevent any non-incumbent from running for Congress. Nor do they prevent a House member who has reached a term limit from running for the U.S. Senate or vice versa. Nor do they limit an incumbent who leaves office for a period of time (six years in Washington state) from running again. Moreover, term limits do not in any way modify the age, residency or citizenship requirements in the Constitution. Consequently, the argument that term limits are

Federal courts have never held reasonable, non-discriminatory restrictions on who may run for office a violation of the right to vote.

tection of the laws. California's highest court rejected all of these arguments.

Term limitations do not restrict the right to vote for a candidate because of his or her ideology or party. Therefore, they do not deprive voters of the freedom to associate with candidates based on their viewpoint or with any particular party. Rather, they prevent citizens from voting for a particular candidate after he has served in office a set number of years. They may vote for that candidate again after a "waiting period" has ended. The restriction is imposed in a non-discriminatory manner on all candidates regardless of viewpoint or party affiliation.

In its 1972 decision *Bullock v. Carter* and again in its 1982 decision *Clements v. Fashing*, the U.S. Supreme Court determined that a particular candidate has no "fundamental" right to ballot access or to run for office. Federal courts have upheld many state restrictions on who may qualify for ballot access. They have never held reasonable, non-discriminatory restrictions on who may run a violation of the right to vote.

Likewise, term limits do not violate the Equal Protection Clause of the 14th Amendment. The Supreme Court has found that clause violated only in those cases where ballot access restrictions discriminate against the poor and against new,

"qualifications" just like those already in the Constitution—and that therefore they can be added only by amending the Constitution—isn't particularly convincing. Viewed in this way, term limits imposed by states would be constitutional.

The Supreme Court has long held that the power to ensure a fair electoral system, truly responsive representation in Congress and a high degree of citizen participation in elections rests with the states. In its 1974 decision *Storer v. Brown*, the Supreme Court upheld a California law that prohibited an independent candidate from running for Congress because he had changed his registration to Independent less than 11 months before the election. This law was found not to be an improper additional qualification because a valid state interest was pursued.

In explaining that interest, the court recognized that "there must be a substantial regulation of elections [by the states] if they are to be fair and honest," and if some sort of order is to accompany the democratic process. As recently as June of this year, the Supreme Court again reiterated that the states have reserved to themselves, via the Tenth Amendment, "the power to regulate elections."

Elsewhere, the court in 1988 ruled in *South Carolina v. Baker*, that certain "extraordinary defects in the national political

process might render congressional regulation of state activities invalid under the Tenth Amendment." The court has not defined what it means by "extraordinary defects," but surely the fact that 98% of House incumbents are routinely re-elected and that one out of five incumbents ran with no major-party opposition in 1990 might qualify. Where the incumbent is almost the pre-ordained winner in an election, there is no effective competition of ideas or candidates and incumbents are less responsive to the will of the electorate. On this basis, term limits merely ensure a fair election system and the "republican form of government" guaranteed the states under the Constitution.

Should the court rule against term limits by the states, numerous other ballot access restrictions will likely be passed that have many of the same effects as term limits. One option would limit an incumbent's access to the ballot. States could allow an incumbent who has served a set number of years in the same office to run again, but only as a "write-in" candidate. Presumably, if an incumbent were truly effective and popular he wouldn't find that a crushing obstacle. Two sitting U.S. House Members won their first terms as write-in candidates. Incumbents would certainly have the resources to educate voters in write-in procedures.

'Ballot Statements'

Another option would require candidates to have "ballot statements" appear next to their names. Each candidate would have to answer the question: "Will you adhere to a -- year term limit?" The answer would appear on the ballot so voters would know a candidate's views on term limits. Many such ballot restrictions have been upheld by the courts.

Incumbents should take heed. If they count only on the courts to safeguard their political castles, they may be in for a rude surprise.

Mr. Mellor is president and general counsel of the Institute for Justice, a Washington, D.C., litigation and educational organization.

THE HERITAGE LECTURES

342

**The Quest For
Justice: Natural
Rights and the
Future of Public
Interest Law**

*By William H. Mellor III
and Clint Bolick*



The Heritage Foundation was established in 1973 as a nonpartisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and a strong national defense. The Foundation's research and study programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

Heritage publishes its research in a variety of formats for the benefit of policy makers; the communications media; the academic, business, and financial communities; and the public at large. Over the past five years alone The Heritage Foundation has published some 1,500 books, monographs, and studies, ranging in size from the 927-page government blueprint, *Mandate for Leadership III: Policy Strategies for the 1990s*, to the more frequent "Critical Issues" monographs and the topical "Backgrounders," "Issue Bulletins," and "Talking Points" papers. Heritage's other regular publications include the *SDI Report*, *U.S.S.R. Monitor*, *Business/Education Insider*, *Mexico Watch*, and *Policy Review*, a quarterly journal of analysis and opinion.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a continuing series of seminars, lectures, debates, briefings, and conferences.

Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Section 509 (a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002-4999
U.S.A.
202/546-4400

The Quest For Justice: Natural Rights and the Future of Public Interest Law

By William H. Mellor III and Clint Bolick

CLINT BOLICK: I'm excited to be here with my partner, Chip Mellor, to announce the opening of the Institute for Justice. I will leave largely to him the task and pleasure of sharing with you our vision for shaping American jurisprudence in the coming years. By way of brief introduction to Chip's more extended remarks, I'd like to reflect a bit on some of the events of the past few years, to survey the much-changed landscape that this new enterprise will encounter, to celebrate some of those changes, and to take stock of the sobering challenges that lay ahead.

Three and a half years ago, I launched with Landmark Legal Foundation an effort to transform the terms of the debate in the area of civil rights. All of us involved in the effort wondered whether it was possible to make inroads on issues utterly dominated by the Left. We wondered if we possibly could reclaim the moral high ground abdicated long ago. Working with allies such as The Heritage Foundation, the National Center for Neighborhood Enterprise—and to an encouraging extent, the Bush Administration—we helped to fashion a new agenda, based on the traditional principles of civil rights, in an effort to replace a divisive and demoralizing policy of rampant social engineering with one based on equal opportunity and individual empowerment.

I don't think any of us could have predicted, in our wildest optimism, how dramatic a change would take place in the next three years. By exposing the true nature of the Left's civil rights agenda, we were able to derail, at least thus far, legislation that would make racial classifications a permanent feature of the American landscape, but would do nothing to solve the serious problems facing the most disadvantaged members of our society. And what the events of the last three years have demonstrated about the civil rights establishment is that the emperor has no clothes. Weighted down by its special interest group entanglements and by the patronizing attitudes of its leadership elite, the civil rights establishment increasingly has lost sight of the needs of its constituency and the principles that fueled its past success. Nowhere is this more apparent than in the battle over the confirmation of Clarence Thomas to the Supreme Court, in which the civil rights establishment seems determined to prove just how irrelevant it is to the realities facing America in the 1990s.

Sharing the American Dream. More important, we recently have begun refocusing the debate on removing barriers to opportunity and helping low-income people earn their share of the American Dream. For my part, what has been most gratifying about the past three years is the people I have encountered in these efforts. People like Ego Brown and the homeless entrepreneurs who, freed from arbitrary economic regulations, are lifting themselves by their own bootstraps. Kimi Gray, Bertha Gilkey, Doretha Gayden, and other public housing tenants, who are reclaiming their communities and gaining a stake in the ownership of property. Little Devon Williams, who was able to escape the cesspool of the Milwaukee Public Schools and instead get a good education in an excellent neighborhood private school, thanks to the nation's first real parental choice program. I tell you, the inspiration, the look of joy and optimism on their faces, speak volumes to the fact that we are right, and that we must persevere in these efforts that are only barely begun.

William H. Mellor III is the President and General Counsel, and Clint Bolick is the Vice President and Director of Litigation, at the Institute for Justice, Washington, D.C.

They spoke at The Heritage Foundation on September 10, 1991.

ISSN 0242-1155. ©1991 by The Heritage Foundation.

But for all our triumphs, we have very far to go. Perhaps never was this more painfully clear to me than in the recent case of Junie Allick. Junie is a native of the United States Virgin Islands. Like his grandfather and his father before him, Junie earns his living from the sea. For many years, he and other native Islanders operated successful businesses by sailing tourists to Buck Island to enjoy its beautiful coral reefs. It made a wonderful living for Junie, who welcomed newcomers to the business and even taught some of them how to sail the waters of St. Croix.

Vicious Process. But in the late 1970s, the National Park Service, which had assumed ownership of Buck Island, instituted a highly complex licensing process for charter boat operations to Buck Island, and imposed a so-called "attrition policy" designed to reduce the number of boats; not for ecological or safety reasons, but rather, in the words of one Park Service official, to halt "predatory price cutting" among boat operators. Unfortunately, Junie and several other skilled sailors were not so adept at navigating the sea of bureaucracy. Junie, who operated the only antique native-built sloop in the Virgin Islands, lost his permit for taking his boat out of commission to repair a broken mast longer than the Park Service allowed; and even though he consistently had received the highest ratings from the Park Service, the agency refused to grant him a new permit. Over the course of ten years, the attrition policy reduced the number of charter boat operators from 22 to seven, and the number of native Islanders to zero. Through its vicious and arbitrary licensing process, the government had systematically destroyed a flourishing native business.

I met Junie a few years ago. He took me sailing, and I was awed by his skill, and by the esteem in which he obviously is held by other sailors. I saw my first dolphin swimming alongside the boat. And even though I cautioned that the odds were against us if we sued the government, Junie told me, "I know it will work out, Clint. This is America."

We filed a lawsuit challenging the Park Service attrition policy, arguing that if the government deprives a person of the opportunity to earn a living in his or her chosen profession, it must demonstrate its policy serves a legitimate purpose in a rational way. But a few months ago, the federal district court here in Washington ruled against Junie Allick. Judge Charles Richey was incredulous that someone would sue the government over a business that generated less than \$20,000 in annual income. Junie Allick, in the words of Judge Richey, was merely a "frustrated government contractor," with no constitutional rights in this matter. And in no less summary fashion than that did the court dispense with Junie's hopes, his livelihood, maybe even his future. Junie may never sail to Buck Island again.

Fundamental Rights. One point that the great civil rights leaders from William Lloyd Garrison to Martin Luther King emphasized was the universality of rights. Each of us possesses fundamental rights that no government may take away. If any of us loses our rights, we all lose our rights. And if Junie Allick does not have liberty, then none of us has liberty. We have so much work to do.

There is no aspect of the mission ahead that encourages me more than to be reunited with my partner, Chip Mellor, who is the Institute's president and general counsel. I began my legal career with Chip in 1982, when he was acting president of Mountain States Legal Foundation in Denver. We have collaborated often since that time, most recently during his tenure as president of Pacific Research Institute, which developed the litigation blueprints that will guide the Institute for Justice. Of course, anyone who would leave San Francisco and move to Washington, D.C. — especially during August — has got to be committed to the mission. I am so pleased to welcome back to Washington, and to introduce to you, Chip Mellor.



WILLIAM H. MELLOR III: I would like to express my appreciation to The Heritage Foundation for all it has done to help us launch our new endeavor. It is a pleasure and an honor to announce the creation of the Institute for Justice at a Heritage lecture. While the Institute is brand new, the idea for it has been germinating for quite some time. It is the culmination of the work and faith of many people over the last decade, so we are especially grateful for the opportunity and challenge of launching this new enterprise.

Eight years ago, in the shade of my Denver backyard, Clint Bolick and I vowed that one day we would join forces to pursue a vision of public interest advocacy devoted to individual rights and economic liberty. We had witnessed first hand the graphic difference between pro-business and pro-free enterprise litigation. We saw the tragic consequences of expedient, *ad hoc* case selection covered with a public interest veneer. Clint and I concluded that a very different approach was necessary—a long-term, philosophically and tactically consistent litigation program based on natural rights and the Constitution. We believed this new approach was essential if the courts were to play their designated role as guarantors of liberty. The rule of law so necessary to a free society was too often twisted into a force that destroyed not only isolated individuals, but also the very fabric of community upon which our society is based. Court-ordered busing as neighborhood schools failed, open-ended protection of criminals while the pain of crime victims was ignored, expansion of welfare entitlements while government closed avenues for initiative and upward mobility—all these and more were among the policies that our legal system fostered and protected.

But the time was not then ripe to launch a counteroffensive. The courts were hostile and the political terrain was in transition. Clint and I each decided to contribute our talents to the Reagan Administration.

Judicial Touchstone. It was a time of both idealism and heated debate. One of the most passionately debated issues at that time, of course, was the proper role of the judiciary. The theory of judicial restraint, that is, the notion that judges are to apply the written law and not attempt to create it, was the jurisprudential touchstone of the Reagan Administration. Conservatives vehemently opposed judicial activism that led to sweeping changes wrought by judges accountable to no one. Such egregious practices as expansive application of environmental laws and the creation of new welfare “rights” came to symbolize for conservatives all that was wrong with the way courts functioned under the influence of judicial activism. The debate became so polarized that allegiance to judicial restraint became a requirement for conservative legitimacy in certain circles. And it remains so today.

Yet, as we observed this process, it was apparent to us that these two opposing approaches to jurisprudence lost sight of legitimate, indeed vital, concerns that did not fit neatly into the respective paradigms. While abhorring many results of liberal judicial activism, we believed that emphasis on judicial restraint as an end in itself gave insufficient hope for protecting crucial rights. And for those rights already emasculated by judicial edict, judicial restraint simply enshrines bad law.

For example, the Constitution states that private property shall be protected from government expropriation. Yet decades of court-made law removed much of this protection. Is one wrong in calling for judicial activism that urges courts to strike down wrongful government takings? The Constitution protects economic liberty, but this right was nullified through a single Supreme Court case a hundred years ago. Is one a proponent of improper judicial activism in calling for the reversal of such intolerable precedent? Of course not. The common assumption that judges are bound by precedent or *stare decisis* does not mean that we are stuck with the tyranny of the status quo. When presented with compelling arguments, courts can and should reverse prior decisions. Reversal of prior decisions is not uncommon, even at the Supreme Court. The overarching rationale be-

hind this practice is in line with C.S. Lewis's admonition: "When you are on the wrong road, progress means doing an about-turn and walking back to the right road"¹

Temptation to Deny Rights. Questions such as these are all the more pertinent because neither the legislative nor the executive branch of government has a record of consistent support for precious rights and liberties. Indeed, examples of legislative and executive excess are all too common. And the option of simply allowing the legal system to operate in an *ad hoc* fashion gives absolutely no solace. We know that skilled advocacy by those who favor greater government involvement in economic and private affairs continually pushes court decisions farther to the left. But even more important, the legal system itself, through its complex web of procedures, statutes, and incentives provides a relentless temptation to expand government and deny rights. As Friedrich Hayek recognized nearly twenty years ago, "We live in such a period of transformation of the law by inner forces... that, if the principles which at present guide that process are allowed to work themselves out to their logical consequences, law as we know it as the chief protection of the freedom of the individual is bound to disappear."²

Faced with this stark reality, we believe it is proper, indeed imperative, that there be skilled advocates for liberty, armed with philosophically and tactically consistent strategies for restoring a rule of law based on natural rights and the Constitution.

The opportunity to pursue such a course reflects the maturing of the pro-free enterprise public interest movement, whose vigil in the courts has been a lonely one. We owe a debt to those who have fought in the legal trenches. Groups such as the Washington Legal Foundation, and more recently the Center for Individual Rights have been tenacious in their efforts. Notable successes of the Pacific Legal Foundation and the Competitive Enterprise Institute in the field of property rights and of the Landmark Legal Foundation in the area of civil rights were achieved precisely because they arose through litigation designed to vindicate clear principles. These victories, achieved after years of hard work, are an important beginning. Just imagine how much farther along we would be today if we had been able to develop and implement a long range litigation and education strategy ten years ago.

Manifesto for Empowerment. Fortunately, we approach this task with the strategies developed during the past several years by the Center for Applied Jurisprudence of the Pacific Research Institute. At the Center for Applied Jurisprudence, task forces of the nation's leading practitioners and scholars of law, such as Richard Epstein, Nathan Glazer, Michael McConnell, Randy Barnett, Chuck Cooper, William Allen, and others, helped us develop and refine strategies. Out of this effort came, among other things, Clint's book, *Unfinished Business: A Civil Rights Strategy for America's Third Century*, which the *Wall Street Journal* called the "legal manifesto for empowerment," and *Freedom, Technology and the First Amendment*, by Jonathan Emord, which Michael McConnell hailed as the most successful work ever "in explaining how the free speech principles of the American Founding can be faithfully applied to the communications technologies of today." Emord joins the Institute in October as our senior litigation counsel.

Our mission is to advance natural rights jurisprudence through precedent setting cases and the development of a bank of talented law students, lawyers, and policy analysts skilled in public interest advocacy. This makes the Institute for Justice unique.

Although our enterprise is new, jurisprudence fundamentally based on rights, rather than policy or profit, is not. Natural rights theories profoundly influenced the framers of the Constitution.

1 C.S. Lewis, *Mere Christianity* (New York: Collier Books, 1953), p. 22.

2 Friedrich Hayek, *Law, Legislation and Liberty*, vol. 1 (Chicago: University of Chicago Press, 1973), p. 66-67.

While the overall influence of natural rights can be debated, it is quite clear that key provisions of the Constitution are derived from natural rights. Unfortunately, such basic beliefs fell out of favor with the rise of legal positivism and utilitarianism.

During the 1970s a resurgence of interest in rights from a variety of perspectives was created by influential scholars such as John Rawls³, Ronald Dworkin⁴, and Robert Nozick.⁵ Yet this interest is to this day not manifest in applied jurisprudence, much less in the day-to-day practice of the law. In part this is because of the continuing philosophical arguments over the meaning of rights and their origin. Then too a guiding philosophy of rights has been so alien to judicial decision-making for so long that it has been deemed archaic and irrelevant. Moreover, proponents of natural rights often fail to move beyond basic premises and solve real world problems.

Guiding Principles. The Institute for Justice will meet this challenge head on through systematic litigation designed to take us, step by step, closer to a modern jurisprudence based on natural rights. In doing so we will be guided by two overriding principles. First, a recognition that our system of law is based upon inalienable individual rights to life, liberty, and the pursuit of happiness. Second, a belief that in every instance where government activity adversely affects these rights a court should begin its inquiry with a presumption in favor of liberty. This presumption should only give way upon a showing that a law is actually necessary and proper to the exercise of a Constitutionally delegated power. These two principles are crucial because they recognize and seek to restore the fundamental relationship of the individual to the state envisioned by the Founders.

Our litigation agenda can be characterized as broadly seeking to enable individuals to take control of their own destinies as free and responsible members of society, and to form voluntary communities based on common interests and aspirations. When we file an economic liberty case to strike down government-created barriers to entrepreneurial activity, we will work to create a system in which productive lives are not arbitrarily restricted. When we fight for educational choice and challenge the public school monopoly, we will seek to ensure that children of this country have that most important tool for intellectual growth and economic well-being: a quality education. When we sue for a uniform First Amendment standard for all media, regardless of the technology involved, we will seek the unfettered flow of information that people need to exercise political freedom and to participate in a thriving market economy. In every case, we will advance our cause in the courts of law and the courts of public opinion.

Too often today a legal education means learning how to manipulate an increasingly prescriptive and complicated system for the narrow benefit of a particular client. Even the most fundamental law, Constitutional law, is frequently used as a tool to serve either the partisan end of a particular client or the political ends of the welfare state. Many graduates quickly become technocrats with little time, interest, or opportunity for public interest work. However, a small but growing number of law students and lawyers are not satisfied with such a fate. The Federalist Society and the Institute for Humane Studies are finding impressive young people who want to pursue legal careers dedicated to conservative and libertarian principles. We will teach such people how to apply their talent and idealism in the real world of litigation, media relations, and public debate. We will conduct intensive seminars in public interest advocacy so that whether they go into private practice, government, or academia, these crucial individuals will know how to recognize opportunities and effectively advance rights-based jurisprudence.

3 John Rawls, *A Theory of Justice* (Cambridge, Massachusetts: Harvard University Press, 1971).

4 Ronald Dworkin, *Taking Rights Seriously* (Cambridge, Massachusetts: Harvard University Press, 1977).

5 Robert Nozick, *Anarchy, State and Utopia* (New York: Basic Books, 1974).

At the state and local level, grassroots organizations struggle valiantly for important causes, ranging from educational choice to term limitation. In the heat of their respective efforts, few have time or expertise to consider the ways in which strategic litigation could complement and enhance these organizations' efforts. Our seminars will train grassroots activists so that they can incorporate legal strategies into their efforts from the outset. Equally important, they will help us identify prospective plaintiffs and mobilize community interest and support. Currently there exists no opportunity for these people to learn the theory and application of natural law as part of a comprehensive and intensive program to recapture rights taken by government action or lost through judicial inaction.

Representing the Powerless. But the question remains: Who will we represent in court? At a time when there is more litigation than ever before, increasing numbers of Americans are shut out of the legal system. They have no recourse for many legitimate grievances because of the cost and delays involved in litigation. They must stand by while the government's presence in their lives grows relentlessly. They are increasingly powerless to control their own destinies, to provide for their families, or to enjoy the benefits of liberty.

These are the people we will represent. We will represent the entry-level entrepreneur in his quest to strike down arbitrary barriers to opportunity and thereby earn a share of the American Dream. We will aid parents who are striving to rescue their children from the fate assigned to them by the failing public school monopoly in the inner city. We will represent people whose right to enjoy the fruits of their labor—their property—has been taken from them by oppressive government regulation and outright expropriation. And we will fight for the producers and consumers of information in their efforts to resist government control over the most precious of markets: the marketplace of ideas.

In sum, our efforts are about rights, but more important, they are about the people who possess these rights. For too long we have talked in abstractions and theories. But as our movement has matured, we now have the opportunity to move from academic debate into the real world, and to address the vital concerns of real people. For these people yearn only for what Thomas Jefferson referred to in his first Inaugural Address—to be left “free to regulate their own pursuits of industry and improvement.”

These are the people we will represent.

And, after all, we really are only helping them reclaim what has been rightfully theirs all along. Justice indeed.

