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Republican
National
Committee

Clayton Yeutter
Chairman

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November 25, 1991

The Honorable Andrew H. Card, Jr.
The Office of Policy Development
The White House
Washington, D.C. 20500

Dear Andy:

Thank you for addressing the Charter Members of the Chairman's Advisory Board at our luncheon on Thursday, November 21, at the Westin Hotel.

Our members were very excited by your presentation covering the many domestic policy initiatives of the Bush Administration. In my conversations with several members at the dinner that evening, they repeatedly pointed out how much they enjoyed your remarks and were impressed with your candor when answering their questions.

I very much appreciate your taking the time from your pressing schedule to speak with our Charter Members. Your participation in our program has certainly helped "top-off" an auspicious inaugural year for the Chairman's Advisory Board, for which we are very grateful.

Cordially,


Clayton Yeutter

CY/ea

Another fine job, Andy. Many thanks.

GOPAC

THE NATIONAL
GRASS-ROOTS
ORGANIZATION
BUILDING
REPUBLICAN
LEADERS FOR
AMERICA'S
FUTURE

440 FIRST STREET
NORTHWEST
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AC HAS SEEN
NEWT GINGRICH
GENERAL CHAIRMAN
HOWARD H. CALLAWAY
CHAIRMAN

AC HAS SEEN

November 15, 1991

RECEIVED
DEC - 3 1991

Mr. Andrew H. Card, Jr.
Deputy Chief of Staff
The White House
1600 Pennsylvania Ave
Washington, D.C. 20500

Dear Andrew:

I thought you would be interested in having a copy of the latest tape in GOPAC's audio training tape series.

This tape, a special edition, features President Bush's "100-day" address, delivered on the South Lawn of the White House June 12, 1991. On the reverse side are comments on that speech by Newt Gingrich, GOPAC's General Chairman.

Newt was so impressed with the President's remarks in this speech that he has quoted them in nearly every speech since June, with special reference to the President's discussion of "An America Whole and Good."

Each month, GOPAC sends out training tapes to more than 8,000 elected Republican officials, candidates and activists. The program has been a great success, and we expect to grow dramatically for the 1992 election season. In fact, we anticipate mailing up to 500,000 tapes, all told, between now and Election Day 1992.

If you have any questions or comments on GOPAC's tape program, or its other activities, please feel free to call me or GOPAC's Executive Director, Jeff Eisenach. We both can be reached at 202/484-2282.

On behalf of Newt and everyone here at GOPAC, thank you for all you do to make the Republican agenda a success.

Sincerely,



HHC/jh

A-
I have
tape if
you're
interested
to





Republican
National
Committee

Mary Matalin
Chief of Staff

11:00 Thurs.

March 7

11:00

I want to
meet w/
Rose & Ron K/
Dave Carney
on this.
Judy
3-19-91

February 20, 1991

MEMORANDUM FOR ANDREW H. CARD

FROM: MARY MATALIN 
SUBJECT: 1991 WHITE HOUSE SUPPORT BUDGET

As you know, given the nature of the political cycle and other external factors, the 1991 Republican National Committee anticipated revenues will be less than 1990. I bring this to your attention at this time as our budget contractions obviously affect your percentage line item.

Please keep in focus that while the actual 1991 White House support dollars are somewhat reduced, the percentage of our total budget dedicated to the White House remains the same: 3%.

Rose told Jay she planned to discuss this with you -- just wanted to give you a perspective.

As always, call if you have any comments.

cc: C. Yeutter
J. Banning
M. Alexander

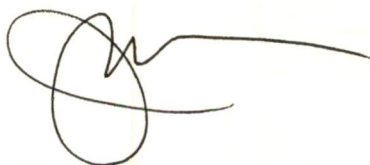
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GOVERNOR JAMES R. THOMPSON 35 WEST WACKER DRIVE CHICAGO, ILLINOIS 60601-9703

February 26, 1991

Dear Andy —

Thanks for breakfast and
the conversation on the '92
Campaign. I will do anything
the President asks. Do you
think responsibility for the
Midwest — as Haley Barbour
did in '88 makes sense?



Oct. 30 ~~Oct. 26~~

8:00 breakfast



Republican
National
Committee

DON TODD

Director of Opposition Research

Andy:

Sending these to get
you into an oppo mindset for our
coming breakfast! I will confirm
with your secretary on 25th
Am looking forward to seeing you
and telling war stories past and
future.

Don

MARIO CUOMO: THE CLASS WARRIOR

Whether or not he continues to do so, Mario Cuomo is currently running for President. He has honed his message and it is one of class warfare. His rhetoric has two goals: one, blame the greedy Republicans for New York's fiscal mess and thus escape blame himself and, two, begin to position himself as the most prepared to run against President Bush. As the next quote states, he is relying heavily on the rhetoric of class warfare this year. But he has employed this theme for quite a few years.

"Class warfare is on the upsurge this election year, and Mr. Cuomo is leading the charge. Whenever he can, he drops populist applause lines on working class audiences."

"One top Cuomo aide bills a potential Cuomo vs. Bush matchup as 'compassion versus greed.'"

(Paul West, The Baltimore Sun, 9/23/90)

"He is already running a campaign against the inequalities of the Reagan-Bush years using Kevin Phillips angry book, *The Politics of Rich and Poor*, as his manifesto."

(E.J. Dionne Jr. The Washington Post Magazine, 10/7/90)

A strategy of division, a strategy for a landslide defeat in 1984:

"In fact, Mr. President [Reagan], you ought to know that this Nation is more a 'Tale of Two Cities' than it is just a 'shining city on a hill.'"

"But it is the same shining city for those relative few who are lucky enough to live in its good neighborhoods. But for the people who are excluded, for the people who are locked out, all they can do is stare from a distance at that city's glimmering towers."

(Mario Cuomo, Keynote Address, Democratic National Convention, 7/16/84)

Cuomo assertion:

"The last two Republican administrations, he contends, have 'ripped off' lower and middle-income workers to pay for excessive tax breaks for the rich."

(Paul West, The Baltimore Sun, 9/23/90)

Cuomo refuses to understand. The objective is to make more people affluent and it worked. It worked under Reagan, it failed under Carter.

In 1973, 19.3% of the U.S. population was making over \$50,000, (under Carter) that figure *fell* to 16.9% by 1981. In 1973, 22.9% were making under \$15,000, under Carter, that figure *grew* to 23.2%, in 1987.

Between 1981 and 1987, under Reagan, the share of households making at least \$50,000 a year *increased* from 16.9% to 22.9%, while the share making less than \$15,000 *fell* from 23.2% to 20.8%.

(U.S. Census, The Washington Times, 7/16/90)

The point is, more households moved into affluence and out of hard times - terrible isn't it.

Cuomo employs misconceptions as he wages his class war.

"And they [conservatives] have simultaneously ... produced a massive redistribution of the nation's wealth. Away from the middle class, and into the relatively small stratum of our wealthiest Americans. ... the top income tax rate for the wealthiest was cut from 70% down to 28%."

(Mario Cuomo, Harvard Speech, 9/10/90)

When in fact:

"The top earning half of the population continues to pay well over 90 percent of the federal individual income tax[.] ... Despite all the major tax legislation witnessed over the past decade, the top earning half's share of the tax load has varied less than 2 percent - from a low of 92.6 percent in 1982 to a high of 94.5 percent in 1988."

"... the top ten percent of earners continue to shoulder a larger share of the total tax burden, up 7.4 percentage points, from 49.5 percent in 1979 to 56.9 percent in 1988."

("Tax Features", Tax Foundation, September 1990.)

Cuomo may have polished his message, and he may be repeating it often, but even his friends in the press feel compelled to offer disclaimers:

"It must be conceded up front that Cuomo is one of the nation's most articulate defenders of ... liberalism."

(E.J. Dionne Jr., The Washington Post Magazine, 10/7/90)

"His message is expressed forcefully, even eloquently, but his vision of the future seems rooted in the past. He offers familiar remedies - more government regulation and greater centralization of power - hardly the sort of new ideas that Democratic candidates seemed desperately to be searching for in the last campaign.

(Paul West, The Baltimore Sun, 9/23/90)

Never mind the Democrats, consider this in light of the decentralization campaign sweeping the Eastern Bloc.

Unfortunately for New Yorkers, Cuomo objectives are being realized in their state:

"[T]he statistics also remind us that New York was imposing one of the heaviest tax burdens of any state even before the enactment of more than \$2 billion in tax increases in 1989 and 1990. State and local taxes make New York an increasingly costly place in which to live, to work and to do business.

("How We Stack Up", The Public Policy Institute of New York State, 1990 edition)

In conclusion, Cuomo's theme seems to be anti-achievement. Not only does he continue to attack Republican policies, but he often displays disdain for individual achievement in a more personal fashion. When pushed on a point of contention by an opposing candidate he at times reverts to attacking that person's affluence, by commenting on the value of the watch the person is wearing or the yacht that person owns. It is an ad hominem debate tactic, used in order to avoid legitimate policy debate.

MARIO CUOMO THE GREAT LIBERAL HOPE?

"He's a Northeastern, liberal Governor with a Mediterranean heritage. He used to brag about his state's prosperity but now is beset by financial difficulties. And as New York's budget problems mount, politicians here are posing the inevitable question: Is Mario Cuomo ... the next Michael Dukakis?"

(Elizabeth Kolbert, The New York Times, 3/13/90)

Fiscal Mis-management

- o "In key performance categories - personal income and job growth - we [New York State] fell further behind the rest of the nation in 1989." "Meanwhile, the statistics also remind us that New York was imposing one of the heaviest tax burdens of any state even before the enactment of more than \$2 billion in tax increases in 1989 and 1990. State ... taxes make New York an increasingly costly place in which to live, to work and to do business." ("How We Stack Up", The Public Policy Institute of NYS, 1990 Edition)
- o Cuomo's proposed FY91 budget was valued at a record high \$51.3 billion, including a \$2 billion gap and spending levels 9.3% higher than last year, prompting Assembly Minority Leader Clarence Rappleyea to say, "This is not a budget, it's a buffet." (NYP 1/17/90) (NYT 3/18/90)
- o Reneging on a promise included in a 1987 tax reform bill, Cuomo called for the deferral of the state's scheduled cut in the personal income tax. (NYT, 1/16/90)
- o In the face of his third straight year of deficits Cuomo approved a \$1.8 billion tax hike, the largest in New York's history. (WP, 6/4/90) (NYT, 6/4/90)
- o New York's credit rating dropped to its lowest in state history and third lowest in the country. Only Massachusetts and Louisiana rank lower in the U.S., will they fall below Brazil next? (NYT, 3/27/90)
- o New York trailed the nation in every category of private sector job creation last year. ("How We Stack Up", The Public Policy Institute of NYS, 1990 Edition)

- o In 1988 New Yorkers paid \$207.91 per thousand dollars income in state and local taxes, ranking them the fourth most taxed state in the country. (Boston Globe, 2/25/90) New Yorker's personal income tax burden is more than **double the per-capita national average**. (Newsday, 1/26/90)
- o During the Cuomo years, state spending grew at a level twice that of inflation, from \$19 billion to \$38 billion. (Washington Times, 1/16/90) (Newsday, 1/26/90)
- o With 634 government employees per 10,000 residents, New York ranks behind only the unpopulated states of Alaska and Wyoming in the size of government category. ("How We Stack Up", The Public Policy Institute of NYS, 1990 Edition)
- o Cuomo's lack of leadership, GOP opposition to the deferral of the scheduled tax cut and a \$2 billion gap in the budget caused the FY91 budget to be signed six weeks into the fiscal year. It is the **sixth year in a row** that Cuomo has failed to produce a budget on time. (NYP, 4/3/90)
- o On a per capita basis, New York's state debt was 107 percent above the national average in 1988. ("How We Stack Up", The Public Policy Institute of NYS, 1990 Edition)
- o Cuomo can't stop borrowing. Now he supports a \$2 billion environmental bond act, the largest environmental bond act in state history. (NYT, 4/10/90) (Newsday, 1/4/90) (NYT 4/24/90)

Cuomo seeks to protect New York citizens from themselves.

- o Cuomo's 1989 state of the state speech proposed nearly 300 matters that needed attention, many of which still do. They included a public education program regarding the eating of fish caught near New York City, to be coordinated by three state agencies. This years initiatives included an environmental program which would affect, among other industries, every automobile with an air-conditioner, air horns on boats, hand held fire-extinguishers, and children's spray string toys. (NYT, 1/3/90) (WP, 1/4/90) (Newsday, 3/2/90)
- o Cuomo recently signed a law requiring New York drivers to turn on their headlights if their windshield wipers are on. If a driver should be caught with his/her lights off and wipers on, it could result in a \$100 fine. (AP, 7/6/90)

Cuomo would need ten 'Peace Dividends' to keep up with his spending.

- o Cuomo has proposed spending the so-called peace dividend on all of the following: roads and bridges, drugs, education, child care, deficit reduction, and other productivity investments. (WP 1/4/90)
(The Washington Times, 2/26/90)

Ethics?

- o Cuomo's commander of the scandal ridden New York National Guard is the highest paid military official in the country; he makes more than the Secretary of Defense. (NYP, 2/22/90) (NYP, 3/6/90)
- o Cuomo's choice to head the state's Division of Human Rights was previously found guilty of illegally and discriminantly retaliating against a senior employee. (NYP, 3/19/90)
- o In December 1989, the chief of New York's Substance Abuse Services agency resigned after a state commission said he had directed state contracts to his friends who failed to treat any addicts. (NYT, 1/17/90)

All crime and no punishment

- o Despite polls showing that 70% of New Yorkers favor the death penalty Cuomo continues to veto capital punishment legislation based on his personal views. Yet, claiming a personal opposition to abortion, he won't consider restrictions. (NYT, 2/6/90)

CUOMO QUOTES

Founding flounder?

"'Washington was singularly drab. Washington was, to me, a creature of circumstance,' Mr. Cuomo told a reporter for The Christian Science Monitor. 'He was a lousy soldier; he lost everything, you know. But they needed a leader.'"

(Gov. Cuomo, The Washington Times, 4/24/90)

Governor Cuomo may not think too highly of George Washington but he sure likes New Jersey Governor Jim Florio ...

"I think Jim Florio has been brilliant[.] ... I think he's been bold. He is an instant national hero.

"They ought to be talking about him for president[.] I suspect they will very shortly. I will encourage that discussion."

(Gov. Cuomo, New York Post, 6/26/90)

Here are some enlightening quotes about Coumo's 'national hero' ...

"For sheer electoral treachery, it would be hard to beat [Gov. Jim] Florio's perfidy in New Jersey. He campaigned on the claim he could see no reason to raise taxes, then six months into the job, slammed Jersey with the most vicious round of taxes ever imposed in one hit.

"Politicians like Florio have no shame. They are arrogant, egomaniacal, grasping, dictatorial, and in the last resort, do not trust the people. Florio plans to redistribute wealth at a ferocious rate, penalizing the industrious and rewarding the drones."

(New York Post, 7/6/90)

"Mr. Florio's package of income and sales tax increases, which a study termed 'the largest single tax increase in the history of the finances of the 50 states,' has shrunk his approval rating from 61.5 of the November vote to 23 percent in a July poll.

"After Mr. Florio pushed through his tax package, thousands of demonstrators descended on the state capital, shouting 'No more taxes,' and 'Impeach Florio.'"

(The Washington Times, 8/9/90)

Increasing taxes, like a race to your wallet ...

"I would like us to get a gas tax before the federal government does, because if they get it, we won't see it because they will use it for the deficit[.]"

(Gov. Cuomo, The Buffalo News, 3/6/90)

Former Mayor Ed Koch places the blame on Cuomo ...

"'If Gov. Cuomo had been reacting months ago instead of reacting now, we might not have lost our [bond] rating [.] ... We are the Mississippi of the 1990's[.]'"

(Ed Koch, New York Post , 3/31/90)

Tell this to the dead cop's wife and kids ...

"'I think it's [capital punishment] degrading, debasing, a fraud and a political cop-out[.]'"

(Gov. Cuomo, New York Post, 2/3/90)

Is the Pope a theologian of repute?

"'My position on abortion has been checked with every theologian of repute that I could find and it's absolutely sound,' Cuomo said'"

(New York Post, 1/25/90)

MARIO CUOMO: AN ELITIST WITH A LIBERAL CAUSE

As the American People are displaying their lack of confidence in the government and the U.S. Congress, Mario Cuomo is prescribing a new, more active and enterprising, role for government. His policies are evidently based on a belief that individuals lack any means to care for themselves, and have a complete lack of knowledge about what affects them. (All Cuomo quotes are excerpted from a speech he gave at Harvard University on 9/10/90.)

Cuomo's attempt at populist rhetoric? Notice the unique mixture of pronouns:

"The middle class and poor in this country have been distracted by the increasingly harsh realities of day to day existence, and none of them know what was done to them."

"And they didn't notice, that's the truth of it, you didn't notice. You don't know what FICA is on your check. You don't know how much it went up. This thing worked magnificently. They did the Greenspan Commission. You don't even remember the name. ... And nobody knows who Greenspan is -- they don't even know he's in charge of the federal reserve now. He could be a launderer, he could be a shoemaker ..."

After communicating his thoughts regarding the average Americans' intellect, it's time for Cuomo to speak directly to the "special people" of Harvard in his native tongue, Cuomo speak:

"Now, conceding the truth of what we say here, I'll take a concession for 50 percent of what we've said here, but conceding that any substantial portion of what I've said is true, it certainly will not make it easier to deal with what has not been an intractable federal budget problem. And I understand that."

"The original blueprint of our national unity would have to be pestered and shaken by being stretched and configured on the procrustean bed of reality. And it has been."

Well said?

What'll Bubba think? Or won't he think at all:

"I asked a person who works in Albany last night, she's a maid, whether she knew about the social security tax increase, and she didn't."

"Most of them have somebody else in the house do the income tax. Only a person who's desperate does his own return. ... Nobody wants to know about taxes and what deductions are."

"Deductions are no good, deductions are what you give a businessman when he orders a \$250 lunch -- right? That's a deduction."

However, IRS statistics show that 53 percent of tax returns in 1988 were prepared by the individual named on the return. And a majority of people (63.4%) filed a "long form" (1040) which indicates that many do want to know about deductions. Out of touch, yes, but he doesn't think the American People will notice.

Now that Cuomo has insulted the general public, he speaks to his Harvard audience and demonstrates that he knows where he is. He sums up his speech pretty well too:

"... this is Harvard, this is the Taubman Center. You're members of faculty, you're special people. I can see it from here, and you're bored."

Cuomo needs to believe that "none of them know what was done to them" in order to get away with what he's doing to them. Cuomo recently approved a \$1.8 billion tax hike which includes 305 new taxes (the largest in NY history), New Yorkers' personal income tax burden is more than double the per-capita national average, and during the Cuomo years state spending grew at a level twice that of inflation, from \$19 billion to \$38 billion. At least he admits his tax and spend habits:

"... taxes have doubled in the last eight or so years. So the sales tax doubled, the real estate tax doubled, the payroll tax doubled on middle class working people and their employers ..."

"You know what two hundred billion dollars is? It's the answer to the Massachusetts problem and the New York problem, and the New Jersey problem. It's the answer to problems all over the country -- two hundred billion dollars."

"... I was on my knees, pleading with you [federal government] for money for drugs, I begged you for money for old people. I said I cannot teach the poor people in my state unless you help me. I'm out, I'm tapped out. Massachusetts is in trouble, I'm in trouble, New Jersey's in trouble. I said send us money[.]"

The answer to the Massachusetts, New York, and New Jersey problems is to replace the liberal, tax and spend, Democrat Governors with fiscally conservative Republicans.

Cuomo resents the competition between states and the mobility of people and businesses. Can you imagine people fleeing to Massachusetts or New Jersey of all places, to escape taxes. If Cuomo were President we would evidently need old Soviet type emigration laws. Or, maybe a reduction in U.S. population would be his plan to reduce our dependence on foreign oil.

"Today we have fend for yourself federalism ... and that creates a tension ... between Massachusetts and New York ... because of other states competing ... to attract and hold increasingly mobile business."

"[S]tates and localities looked to the taxes they believed would least threaten their competitive position. You have to do it. If you raise your income tax too high, everybody moves to Massachusetts."

"States are pitted against each other in a kind of destructive competition, but that is precisely what we saw to move away from 200 years ago when we tore up the Articles of Confederation."

Cuomo paraphrases Lincoln:

"Can we in 1990, say as Lincoln did in the last century, that the legitimate object of government is to do for the people what needs to be done, for which they cannot, by individual effort, do at all or do so well for themselves."

Cuomo may remember this quote which is attributed to President Lincoln:

"You cannot help the poor by destroying the rich. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves."

Cuomo employs misconceptions as he wages class warfare.

"And they [conservatives] have simultaneously ... produced a massive redistribution of the nation's wealth. Away from the middle class, and into the relatively small stratum of our wealthiest Americans. ... the top income tax rate for the wealthiest was cut from 70% down to 28%."

When in fact:

"The top earning half of the population continues to pay well over 90 percent of the federal individual income tax[.] ... Despite all the major tax legislation witnessed over the past decade, the top earning half's share of the tax load has varied less than 2 percent - from a low of 92.6 percent in 1982 to a high of 94.5 percent in 1988."

"... the top ten percent of earners continue to shoulder a larger share of the total tax burden, up 7.4 percentage points, from 49.5 percent in 1979 to 56.9 percent in 1988."

("Tax Features", Tax Foundation, September 1990.)

Cuomo was evidently asleep during the longest peacetime expansion in U.S. History, when interest rates fell, inflation was drastically reduced, 19 million new jobs were created, per capita incomes were about \$2000 higher (after inflation and after taxes), and real GNP, in 1982 dollars, grew from \$3.187 trillion in 1980 to \$4.143 trillion in 1989. Why would Cuomo yearn for the days of Carter?

"We have been wrong for ten years. A federalism for our time should return to the principles that made us strong. In place of the failed new federalism, we should return to the recognition of national responsibility for national problems ..."

More Cuomo fiction:

"The federal cutbacks over the decade have been massive. Housing cut 80%, energy conservation 67%, job training 65%, revenue sharing obliterated, urban development grants eliminated, money for education, for the environment, for mass transit, all cut dramatically."

Below are the percentage change in outlays for the departments or agency responsible for the above programs from 1980 to 1988:

Department of Housing and Urban Development	49% increase
Department of Energy	73% increase
Department of Labor	26% decrease
Department of Education	24% increase
Environmental Protection Agency	13% decrease
Department of Transportation	33% increase

(1988 are the latest figures available. Historical Figures of the Budget of the United States Government, Fiscal Year 1990)

Cuomo employs scare tactics, regardless of facts:

"And surely, it would be folly to believe that as long as the winds carry pollutants across our borders from the west and south, that New York or Massachusetts alone can stop the corrosive killing effects of acid rain."

Fellow Democrat, Sen. John Glenn, relies on something other than popular opinion when assessing the effects of acid rain:

"... I would like to discuss the National Acid Precipitation Assessment Program that was established in 1980 under Senator Moynihan's leadership. This was planned as a 10-year study. Over this decade, the costs of that program have risen to a little over one-half billion dollars. This group has looked into the acid precipitation problem in more and greater depth than any study group ever to assess this particular problem."

(Congressional Record, 3/27/90)

Some of the study's findings, as attributed to Senator Glenn:

"There is no evidence of a general or unusual decline of forest in the United States and Canada due to acidic deposition or any other stress factor."

(Congressional Record, 3/27/90)

"There is no evidence that acid rain in the United States harms crops."

**(The New York Times, 2/20/90, as text inserted into the
Congressional Record by Sen. John Glenn)**

"They also found that those [lakes found to be acidic] were mainly smaller lakes, that the smaller the lake, the more likely it would be acidic. Why is that? It would seem to indicate they were more dependent on runoff and things like that that did not have a lot to do with acid rain."

(Congressional Record, 3/27/90)

Do the names Jim Wright, Dennis DeConcini, Alan Cranston, Don Riegle, Frank Annunzio, Tony Coelho, Bob Kerrey ring a bell? Evidently not. How 'bout the Depository Institutions Deregulation and Monetary Control Act of 1980 which deregulated thrifts, increased public exposure 150% and was signed by Carter.

"Look what the Savings and Loans did to us, they stole money. ... The Republicans stole money, the people with the suits, with all the vests and the stripes. The people who told you big government was no good. Get off the backs of the business people. ... This is terrific. This is deregulation. This shows you how deregulation works."

In its entirety, this speech is an example of Cuomo's condescending rhetoric, combative strategy, liberal beliefs and chronic misconceptions. It is apparent that comparisons between he and Michael Dukakis are valid. Cuomo, like Dukakis, is a liberal northeastern governor who has brought his state to the brink of fiscal chaos, has a favorable press at home, and has had no strong opposition since his first term. If it is necessary to give his record and beliefs national exposure, there is little doubt that the American People will display their disagreement in the same manner, and with at least the same enthusiasm, as they did his ideological twin from Massachusetts. We should welcome the challenge.

EXECUTIVE SUMMARY

IN BOB WE TRUST[ED]

Questions have been raised over the last seven years, as to whether former Governor Bob Kerrey acted competently and honestly during one of the biggest financial failures in Nebraska's history. This financial crisis included the collapse of Commonwealth Savings Co. and the insolvency of State Security Savings and American Savings. Some Nebraskans have said that state government action in the State Security affair was designed to benefit Bob Kerrey and his high-school friend William F. Wright rather than the depositors and the people of Nebraska. The following narrative will explain why these questions have not been put to rest.

Upon his election for Governor of Nebraska in 1982, Bob Kerrey selected his personal and business attorney, Bill Wright to head his transition team. This relationship would further develop into what has been alleged as Kerrey's involvement with double dealing, sweetheart investment opportunities, cronyism and business dealings involving state regulated industries.

Wright was a director and co-owner of State Security Savings and a board member of the Lincoln Journal-Star Publishing Co. which publishes the Lincoln Journal and the Lincoln Star. State Security, under Wright's leadership, would later become insolvent and file for bankruptcy [Chapter 11].

Closer examination shows that Wright, because of the Kerrey connection, was wired into the government of Nebraska in some very advantageous areas. Wright's law firm [Wright, Rembolt and Ludtke] was legal counsel to the Nebraska Banking Department. Wright had Kerrey's ear as a close friend and financial advisor. "So interestingly enough, Kerrey was not only getting direct advice from Wright, owner of State Security, he was getting Department of Banking advice, which in turn was getting legal counsel from Wright's law firm." (Omaha Metro Update, 6/25/90)

Furthermore, Governor Kerrey also appointed Wright and eight other individuals to the board of directors of a newly created state financial authority, Nebraska Investment Finance Authority (NIFA). The Kerrey supported legislation ensured that the new centralized NIFA would also approve of bonds for any commercial purpose.

Governor Kerrey, through his partnership with his sister and brother-in-law, had his sister apply for and receive approval from NIFA on a loan of \$2.55 million for his Prairie Life Limited Partnership business. Senator Kerrey is still benefiting from this loan through the operation of the business it financed. When asked about this loan and his business trust several years later, Kerrey responded:

"The trust was set up as technically not blind - it was operated by my sister - she was the trustee and in charge of it. I put it in there not to eliminate all conflict, by the way not because I was statutorily required, but because I wanted to eliminate the perception of conflict." ("Address Before The Lincoln Independent Business Association," 9/20/88) In other words, Kerrey wanted the trust to look like a blind one even though it wasn't.

Another Kerrey business venture that was not so successful was addressed in a report of the Nebraska Legislature's Banking Committee. The report stated that American Investment Group, acquired Shoppers Fair for a relatively low price after receiving a loan from State Security. Kerrey eventually became a member of the partnership. American Investment Group was made up of Wright, a part owner of State Security, James Stuart, Fred Kiechel, Gov. Bob Kerrey and Dean Rasmussen, Kerrey's brother-in-law. Kerrey and his partners later defaulted on their loan from State Security.

The Nebraska Legislature Banking Committee also reported on the investigation of State Security Savings Company saying that the owners of State Security milked and drained capital for their own benefit. This milking " ... was done by owners for the benefit of themselves at the expense of the public who had put their money in the institution." ("Report on the Investigation of State Security Savings Company," Banking, Commerce and Insurance Committee of the Nebraska Legislature, 1/6/87)

Now seven years later, Senator Bob Kerrey has admitted [June, 1990] that his close friendship with William Wright, while Kerrey was Governor, was a mistake. Kerrey has acknowledged it was a mistake for him to have Wright, an owner of the state-regulated State Security Savings Co., as a close financial advisor in the Kerrey administration. Kerrey admitted making the mistake of getting involved later in a State Security related business deal with Wright [Shoppers Fair]. The most significant revelation was that Kerrey admitted to breaking the public's trust given to him by the people of Nebraska. So far Kerrey has paid no price for his "mistakes" leaving the bill for his fellow Nebraskans, while the benefits of these "mistakes" accrue to himself.

IN BOB WE TRUST[ED]

Questions have been raised over the seven years since, as to whether Governor Bob Kerrey acted competently and honestly during one of the biggest financial failures in Nebraska's history. Did Kerrey violate the public trust and was the Governor involved with conflict of interest business dealings? Kerrey has said he did break the trust.

"The group [Concerned Citizens for Responsible Government] has drafted a report detailing Kerrey's connection with the collapse of two of the state's largest industrial savings and loans, Commonwealth Savings Co. and State Security Savings, both of Lincoln."

"The report also alleges Kerrey's involvement with 'conflicts of interest, sweetheart investment opportunities, cronyism and business dealings involving state regulated industries.'"

(United Press International, 10/4/88)

While Senator Bob Kerrey was Governor of Nebraska, two of the state's largest industrial loan and investment companies, Commonwealth Savings and State Security Savings, failed.

"Those failures included the collapse of Commonwealth Savings Co. on Nov. 1, 1983, and the insolvency of two other state-chartered industrial loan and investment companies a year later - State Security Savings of Lincoln and American Savings of Omaha."

(Omaha World Herald, 6/24/90)

Kerrey Admits S&L Conflict And Breaking Public Trust ...

Seven years after these events, Kerrey felt compelled to finally admit [June, 1990], that his longtime friendship with Lincoln attorney and businessman William F. Wright was a "mistake." Kerrey acknowledged he made a "mistake" by having Wright, an owner of the state-regulated State Security Savings Co., as a close financial advisor in the Kerrey administration. Furthermore, Kerrey admitted making the "mistake" of getting involved later in a State Security related business deal with Wright [Shoppers Fair].

"Kerrey said he made a series of mistakes involving Wright, particularly the Shoppers Fair partnership with Wright and others."

"'I never should have done that transaction and been involved with an institution regulated by the state[.]'"

"'I lost politically because **it broke some people's trust in me** [emphasis added] that I can never regain[.]'"

"Kerrey said he was wrong to be so involved with Wright during his first year in office."

(Omaha World Herald, 6/24/90)

The Shoppers Fair Allegations ...

"The Shoppers Fair deal -- engineered by William Wright and his partners in State Security for the benefit of Wright, Kerrey and their partners in American Investment Group -- resulted in a loss to State Security depositors of about two million dollars."

"After acquiring Shoppers Fair [commercial property] at a driven-down price and after receiving an abnormally low interest rate on a loan from State Security, Kerrey and his partners defaulted on their loan on June 26, 1988."

("Concerned Citizens For Responsible Government," 10/1/88)

The Facts ...

"It [a report of the Nebraska Legislature's Banking Committee] notes though, that American Investment Group [AIG] acquired Shoppers Fair for a relatively low price, that Kerrey eventually became a member of the partnership and that [his partner, Dr. Fred] Kiechel testified in mid-March 1983 that he understood from Wright that Kerrey eventually would join the partnership. [AIG was made up of Wright, a part owner of State Security, James Stuart, Kiechel, Gov. Bob Kerrey and Dean Rasmussen, Kerrey's brother-in-law.]"

(Lincoln Journal, 1/13/87)

What Else Did Kerrey Accomplish ???

In 1983, Governor Kerrey recommended in his economic development plan the creation of a new consolidated authority. This proposal would make more money available to Nebraska businesses and individuals at lower interest rates than were being offered under current state loan programs. The Governor would appoint the nine members of the board for this new authority. Among the board members appointed was William Wright, Kerrey's close adviser and business partner.

"Gov. Bob Kerrey on Thursday asked the Legislature to consolidate and expand the authority of three state finance funds."

"The authority, which would be under the control of a nine-member board of directors appointed by the governor, would consolidate the Nebraska Mortgage Finance Fund, the Agricultural Development Finance Fund and the Nebraska Development Finance Fund."

"Under legislation proposed by Kerrey, the combined authority could issue bonds for any commercial purpose."

(Lincoln Journal, 3/24/83)

And ...

"Kerrey's announced highest governmental priority became the creation of NIFA [Nebraska Investment Finance Authority.]"

"And there was one additional area of lending; loans could now be made to commercial enterprises. Suddenly, Kerrey's enterprise, Prairie Life [Center], which couldn't fly in 1982, could soar in 1983."

(Omaha Metro Update, 6/25/90)

Net Gain For Kerrey And His Family ...

"In a special telephone conference call meeting ... six NIFA board members approved the intent resolution for \$2.28 million in low-interest financing sought by Prairie Life Limited Partnership for the sports and recreation complex to be constructed ... near the new Grandmother's Restaurant, also a Kerrey partnership operation.

"NIFA Board member, William Wright, a personal friend and political adviser of the governor, abstained from voting because his firm is the bond counsel for Kerrey's trust."

"[NIFA] Board members had NIFA legal counsel verify that the project was within the guidelines for the special low-interest financing. In addition, the board determined that there was no conflict of interest since the project is part of Kerrey's trust and not held by him personally."

(Lincoln Star, 7/10/84)

The End Result ...

"The senator and his partners got a loan of \$2.55 million, some 4 percentage points under the going rate, a program spurred into existence by Kerrey, a rate subsidized by the taxpayer, a way for Prairie Life to exist and, over the years, save hundreds of thousands, if not millions, of dollars that enterprises not similarly blessed with NIFA loans would have to pay for financing."

(Omaha Metro Update, 6/25/90)

Business Trust or Blind Trust ...

"Gov. Bob Kerrey is putting all his business interests in a trust to be controlled by his brother-in-law and sister, Dean and Jessie Rasmussen."

"'It is not a blind trust in the strict legal definition,' said Kerrey, although he said he will not be involved in any decisions relating to the businesses."

(Lincoln Journal, 4/27/84)

Kerrey Only Wanted To Eliminate Conflict Perception ...

"... The trust was set up as technically not blind -- it was operated by my sister -- she was the trustee and in charge of it. I put it in there not to eliminate all conflict, by the way not because I was statutorily required, but because I wanted to eliminate the perception of conflict. ..."

("Address before the Lincoln Independent Business Association," 9/20/88)

Why Would Wright Leave So Much Behind ???

William Wright, the longtime personal friend of Robert Kerrey, moved to San Diego in August of 1984, but still remained director and co-owner of State Security. Wright bought control of a West Coast beer and wine distribution firm becoming its chief executive. Today, Wright still is a member of the board of directors of the Lincoln Journal-Star Publishing Co. which publishes the Lincoln Journal and the Lincoln Star. (Lincoln Journal, 8/8/84; United Press International, 10/31/84; Omaha Metro Update, 6/25/90)

"[William] Wright, an independent, has been Kerrey's personal and business attorney since the early 1970s. They've known each other since they competed in football and swimming when Kerrey was at Lincoln Northeast High School and Wright at Southeast High School."

(Sunday Journal Star, 10/24/82)

Furthermore ...

"[A]ccording to testimony before the Banking Committee, not only did Wright have Kerrey's ear as close friend and close financial advisor, Wright's law firm, known at the time as Wright, Remboldt {sic} and Ludtke, was legal counsel to the Nebraska Banking Department."

(Omaha Metro Update, 6/25/90)

Kerrey Finally Admits That ...

"Those [business] dealings eventually hurt their friendship [Wright's and Kerrey's] and led to Wright's decision to move from Lincoln to San Diego[.]"

(Omaha World Herald, 6/24/90)

The Fruits Of A Relationship ...

In its report on the Investigation of State Security Savings Company, the Banking, Commerce and Insurance Committee of the Nebraska Legislature had this to say about what Wright and his associates had done:

"Commonwealth and State Security are part and parcel of the same package, and discussion of one is impossible without discussion of the other. ... State Security and Commonwealth were financial institutions that were milked and drained of their capital and reserves by their owners, and that milking or draining ultimately played a major part in the collapse of both of these financial institutions."

"In the case of State Security, the same milking and draining of capital for the benefit of the owners occurred. State Security was simply done in a far more sophisticated and skillful fashion than with Commonwealth. But again, it was done by owners for the benefit of themselves at the expense of the public who had put their money in the institution."

("Report on the Investigation of State Security Savings Company," Banking, Commerce and Insurance Committee of the Nebraska Legislature, 1/6/87)

Given the results of the Banking Committee's investigation, one can see why Governor Kerrey was so adamant about an investigation being conducted into State Security Savings Co. Kerrey had this to say:

"'The last thing I want is another investigation that leads nowhere,' Kerrey said at his weekly news conference Wednesday."

"It is a bit, after all, like Alice in Wonderland. You know the Queen rules and the rules will follow."

(United Press International, 7/23/86)

And ...

"Gov. Bob Kerrey said Tuesday a planned legislative committee investigation of the failures of two financial firms [State Security Savings and American Savings Company] could do more harm than good."

"Kerrey during his news conference also said an investigation into the two institutions is not a burning issue and may be confusing to current depositors at State Security."

(United Press International, 8/12/86)

What's Not Good For Commonwealth Is Good For State Security ...

Back in December of 1983, Banking Director John Miller requested an opinion from the law firm of Wright, Rembolt, Milligan & Berger regarding whether Commonwealth Savings Company was eligible for relief under the federal Bankruptcy Code. The firm responded that Commonwealth was not qualified.

"Our review of existing authority leads us to conclude that should a bankruptcy petition be filed, on either a voluntary or involuntary basis, ... Commonwealth Savings Company is not an eligible debtor under the provisions of Section 109 of the Bankruptcy Code. [December 29, 1983]"

("Statement Of Facts," Banking, Commerce And Insurance
Committee Of The Nebraska Legislature; Exhibit 26, 1/6/87)

Half A Year Later, State Security Does What Commonwealth Could Not Do ...

"State Security Savings Co. has filed for protection under Chapter 11 of the federal bankruptcy code.

"This action, taken Monday afternoon, freezes about \$32 million in deposits for the firm's 6,000 customers until a plan of reorganization is approved [by federal bankruptcy court.]"

(American Banker, 7/12/84)

The Bottom Line On State Security - Depositors Lose 35% ...

"State Security Savings Co. of Lincoln, the state's second-largest industrial loan company, suffered a \$20 million deposits drain in the eight months following the Commonwealth collapse."

"[D]epositors will get back \$20 million, or 65 percent, of the \$31 million at the time of the Chapter 11 filing."

(Omaha World Herald, 10/30/88)

The Bottom Line On Commonwealth - Depositors Lose 40% ...

"Although the liquidation of Commonwealth assets isn't complete, depositors will end up getting back about 60 percent of their money with no interest added since the day Commonwealth collapsed."

(Omaha World Herald, 10/30/88)

Now that Senator Kerrey has admitted his mistakes of the past in Nebraska, Kerrey thinks he can move on to criticize the Bush Administration. Kerrey has chosen to blame the Administration of it's handling of the savings and loan crisis.

"I believe much more could be done to reduce the overall cost to the taxpayers if we were less concerned about what happened yesterday than with what is going on right now."

"Mr. President, I believe the Bush administration is underestimating the total cost of the problem. I believe they are intentionally understating the costs and the full range of options available to pay those costs."

(Congressional Record, 7/30/90;
pp. S11039-11041)

The Broken Trust Of Nebraska ...

It took Senator Kerrey seven years to acknowledge his mistakes. In 1982 the people of Nebraska elected and gave their trust to Governor Bob Kerrey. Now in 1990, Kerrey finally concedes that he "broke some people's trust."

"How can a politician [Governor Bob Kerrey] create a program [Nebraska Investment Finance Authority], benefit by the program - and get away with it? How can a politician name every member of a public authority's board of directors and then have his partners go before that board and ask for \$2.55 million in loans - and get away with it? Wasn't this old hat in the Tammany Hall politics of New York City in the 1920s and before, but in Nebraska in 1983?"

(Omaha Metro Update, 6/25/90)

Capital Gains Tax Cut Facts Talking Points

- o Over 14 million Americans reported a capital gain in 1987.
- o Over 70 percent of those reporting a capital gain had ordinary income less than \$50,000.
- o One-third of those reporting a capital gain had ordinary income less than \$20,000.
- o The elderly represent 26 percent of all taxpayers reporting a capital gain in 1987.
- o If the capital gains tax rate is lowered to 15 percent, 40 percent of new capital gains tax revenue will be paid by the taxpayers with incomes over \$100,000.
- o The heart of the debate surrounding the capital gains tax cut is not about rich versus poor, but between those who wish to punish success and those who wish to create opportunity.
- o Americans with ordinary income below \$50,000 are classified as "rich" by the Democrats when their income for one year increases over \$80,000 because they realize a capital gain on an investment portfolio that took them a lifetime to earn.
- o Much of the taxable gain on capital is caused by inflation.
- o A lower capital gains tax rate would be an incentive for entrepreneurs to invest in risky start-up ventures.
- o A lower capital gains tax rate would create permanent new jobs and increase the Gross National Product.
- o A lower capital gains tax rate would make us more competitive in the global economy.
- o Maximum long-term capital gains tax rates for the U.S. and other countries.

South Korea	0%	Hong Kong	0%
Germany	0%	Netherlands	0%
Taiwan	0%	Italy	0%
Belgium	0%	Japan	5%

United States 33 %

Capital Gains: Facts vs Rhetoric

In spite of the rhetoric, the facts get through . . .

"[T]here is a case to be made for tinkering with the capital gains tax. A tax cut that is limited to new investment in venture capital and other risky start-up companies could produce real economic gains because those types of businesses are struggling to survive."

(The New York Times, 9/28/90)

Facts are stubborn things . . .

"Contrary to the claim of some, a capital gains tax cut would benefit Americans in all income classes. Over 14 million Americans reported a capital gain in 1987. Over 70 percent of those reporting a capital gain had ordinary income under \$50,000. One-third of those reporting a capital gain had ordinary income less than \$20,000."

(John Carson, Capital Gains Tax Must Be Cut, U.S.C.C., August 1990)

The full economic benefits of lower capital gains tax rates have been neglected . . .

" 'The full economic benefits of lower capital gains tax rates have been neglected,' Michael Boskin, chairman of the Council of Economic Advisors' and Treasury Undersecretary Robert Glauber said[.]

"By lowering the cost of capital and spurring economic growth, they said, the lower capital-gains rate would yield another \$12 billion in revenue over five years. Neither the Treasury nor congressional estimate factors in the effect that cutting capital-gains taxes might have on economic growth."

(The Wall Street Journal, 3/7/90)

Example of how inflation effects Capital Gains.

"Just how 'unfair' our present capital gains tax policy is can be seen by taking \$1,000 invested in 1970 in stocks making up the Standard and Poors 500 Index, and selling those stocks 18 years later in 1988, when the index had risen 219.4 percent. (See Table [II])

"Since the \$1,000 had risen in value to \$3,194, the taxpayer would be liable for 28 percent tax on \$2,194, or \$614.32. Yet, because inflation since 1970 was 205.4 percent, the net real gain in 1988 dollars was only \$140. The effective tax rate was 339 percent[.]"

(Warren Brookes, The Washington Times, 3/14/89)

Senior Citizens benefit from Capital Gains

"A large percentage of capital gains beneficiaries are the elderly, who wind up selling a family business or a portfolio of stock that has accumulated over the individual's working life and is meant to serve as a nest egg for years spent in retirement."

(Stephen K. Moore, The Tax Treatment of Capital Gains, NCF, p. 26)

Majority of all capital gains is realized by the middle-class . . .

"IRS [Internal Revenue Service] data show[s] that people with recurring annual income below \$20,000 receive a larger proportion of capital gains than those earning over \$200,000. Moreover, at least 50% {sic} [50%] of all capital gains go to people earning less than \$60,000 annually." [see Table I]

(Paul Craig Roberts, From his appendix of his testimony
before the Senate Finance Comm., 3/14/89)

"In 1985, the year recently studied by the Treasury, nearly two-thirds of the total dollar volume of long-term capital gains went to people who made less than \$50,000 in ordinary income. But Robert McIntyre of something calling itself Citizens for Tax Justice will give quotes and numbers on the rich to anyone who calls. Remember that in 1986 you were 'rich' -- in the top 5% -- if you reported household income of \$82,273. If you made \$40,000 a year and cashed in a 10-year gain of \$42,273, you were rich for one year. Congratulations."

(The Wall Street Journal, 6/12/89)

"Liberal populists also are trapped by their mind-set into reflexively attacking the Bush rate cuts as a 'give-away to the rich.' But ask anyone of modest means hoping to sell a mutual fund or income property in order to use the profits to put the kids through college what a lower capital-gains rate means."

(The Wall Street Journal, 2/13/89)

The "rich" would pay more . . .

"In a 1987 analysis of a 15 percent capital gains tax, Dr. Lawrence Lindsey, formerly a Harvard professor and currently an economic advisor to President Bush, found that 70 percent of the new revenue to the Treasury from the 'unlocking' of gains will come from taxpayers with incomes over \$100,000 and 40 percent from those with incomes greater than \$200,000."

(Dr. Charles E. Walker, Chairman of the American Council for Capital Formation, Statement before Senate Comm. on Finance, 3/14/89)

Debate: Rich vs Poor

"This debate [over capital gains] is not about rich versus poor. It is about American's economic future. It is about encouraging new opportunities, new business, and new technology. It is about creating jobs and expanding the U.S. tax base. The debate is about the U.S.'s competitive position in the world economy.

"At its heart, the debate surrounding the tax treatment of capital gains is between those who wish to punish success and those who wish to create opportunity. Only a desire to punish can explain why anyone would advocate a capital gains tax rate that loses revenue, discourages economic growth, reduces competitiveness, costs jobs, and unfairly taxes people on inflationary gains."

(Richard Rahn, VP/Chief Economist of the U.S.C.C., Testimony before House Comm. on Small Business, 11/1/89)

Rich for a day, skews the numbers . . .

"The erroneous claim is often made that the rich are the primary beneficiary of capital gains. This claim relies on a peculiar definition of rich -- a definition devised to include the capital gains when, for example, a middle class businessman retires and sells his business. That year the capital gain swells his income to several hundred thousand dollars, and he is 'rich' for that year. The next year his income goes back down to \$40 or \$50 thousand, and someone else sells a business, becoming rich for a year."

(Paul Craig Roberts, From his appendix of his testimony before the Senate Finance Comm., 3/14/89)

"Now, if there is one fallacy that we have been hearing here over the last couple days, it is that somehow capital gains is a tax for the rich. I wish they would go back to their rural districts and I wish they would talk to their farmers, their small town businessmen and women, and suggest to them, those who

traditionally have a \$30,000, \$40,000, and \$50,000 income, with a 1-year glitch when they sell the farm, when they sell the feed mill, when they sell the grocery store, when they sell the drugstore in small town America. That is who benefits from capital gains, Mr. Speaker. It is not a class issue at all."

(Rep. Steve Gunderson (R-WI), Congressional Record, 9/19/90)

"Mr. Speaker, in the discussion as to whether or not or who benefits from the capital gains tax or who is damaged by the capital gains tax, let us look at the facts.

"The fact is that when you eliminate the capital gains from the income tax schedule, you discover that nearly four out of five, more than 75 percent, about 77 percent, of all the people in America who claim capital gains on their income tax forms, if you eliminate the capital gains, you find out that their income is less than \$50,000.

"What does that mean now? That means that the time that they sold their home, having painted the house and mowed the lawn and repaired the roof for 45 years, and they move from a five-bedroom down to a 2-bedroom condominium, when they worked hard running the dry cleaner for 44 years and sell it, and when they sell the farm, and when they do the things that a lifetime of earnings provided, that one particular year, that one particular year they are rich. A lifetime of earnings is moving because they have sold the farm, they have sold what they have put their life's earnings into, and for that one particular year they are rich."

(Rep. Bob McEwen (R-OH), Congressional Record, 9/28/90)

"[C]apital gains rate will result in a dramatic increase in taxes paid by those in upper income groups, such data tends to overstate the extent to which the truly wealthy realize capital gains. This is because such data include the nonrecurring capital gains of those normally in the middle-and lower-income brackets. These people appear temporarily to be quite wealthy. For example, when a middle-class business owner retires and sells a business or when a retired person sells a family home, his income that year may increase several hundred thousand dollars. They are 'rich' for one year. The next year, however, they are back among the middle class. Realized capital gains tend to be nonrecurring events. Yet, when combined with a taxpayer's other income, those gains appear to be realized predominantly by wealthy people."

(Richard Rahn [VP/Chief Economist of the U.S.C.C.], Testimony
before House Comm. on Small Business, 11/1/89)

Capital gains tax cut will create jobs and increase Gross National Product.

"In 1989, Gary Robbins, a former chief economist with the US Department of Treasury, performed an economic simulation to estimate the number of new jobs and the increase in economic growth if the 1989 Jenkins/Archer proposal to cut the top marginal capital gains rate to 19.6 percent and index capital gains for inflation were adopted. . . . [Gary Robbins concluded] that an immediate capital gains tax cut would create 400,000 permanent new jobs by 1992 and 750,000 added jobs by 1995. GNP [Gross National Product] growth would be \$40 billion higher by 1998."

(Stephen K. Moore, The Tax Treatment of Capital Gains, NCF, p. 17)

Capital gains tax cut will improve our competitiveness . . .

"We need a lower tax rate on capital gains to improve our industrial competitiveness, help offset the flight of U.S. industries and jobs overseas and reduce our monstrous trade deficit. A lower rate on capital gains would help stimulate venture capital investments, especially in small, new companies with innovative ideas for new products."

(Sens. Alan Cranston and Rudy Boschwitz, The Washington Post, 3/31/88)

"Rolling back capital-gains rates also makes sense for reasons of international competition, now so dear to the hearts of Democratic spokesmen. Every other industrial nation in recent years has either cut capital-gains tax rates or has never imposed them in the first place."

(The Wall Street Journal, 2/13/89)

Maximum long-term capital gains tax rates for the U.S. and other countries.

South Korea	0%	Hong Kong	0%
Germany	0%	Netherlands	0%
Taiwan	0%	Italy	0%
Belgium	0%	Japan	5%

United States 33 %

(Special Report, U.S. Chamber of Commerce, 4/19/89)

Table I

**Capital Gains Tax on \$1,000
1970 Investment sold in 1988**

	S & P 500	
	Current \$ *	1988 \$ **
1970 Value	\$1,000	\$3,054
1988 Value	\$3,194	\$3,194
Gain	\$2,194	\$140
Tax	\$614	\$614
Tax Rate	28%	339%

* Current \$ are dollars not adjusted for inflation.

** 1988 \$ are dollars adjusted for inflation.

Source: Dow Jones News Service.

Calculations by Washington Times Author using CPI as deflator.

(The Washington Times, 3/14/89)

Table II

**Distribution of Capital Gains
by Recurring Income: 1985**

Income Group (thousands)	Capital Gains (billions)	Percent of All Gains
Under 10	\$35.30	20.79%
10-20	\$8.90	5.24%
20-30	\$10.70	6.30%
30-40	\$10.10	5.95%
40-50	\$11.10	6.54%
50-75	\$17.50	10.31%
75-100	\$12.50	7.36%
100-150	\$13.10	7.71%
150-200	\$8.70	5.12%
Over 200	\$41.90	24.68%
Total	\$169.80	100.00%

Source: Internal Revenue Service,
1985 Individual Tax Model File, Public Use Sample

(Paul Craig Roberts, Testimony before
the Senate Finance Comm., 3/14/89)

file

THE WHITE HOUSE
WASHINGTON

DATE: September 14, 1990

TO: Mary Matalin

FROM: **ANDY CARD**

We checked the list; we're all happy.

THE WHITE HOUSE
WASHINGTON

DATE: September 12, 1990

TO: Bob Gates

FROM: ANDY CARD

This is a list of people who are going to the Soviet Union as part of the RNC Team 100 fundraising effort.

Do you have any problems with any of these people?

*Not at a glance.
J.*

h-1-b-2-c-6

SOVIET UNION AND SPAIN ATTENDEES
AS OF SEPTEMBER 7, 1990

	<u>1990 STATUS</u>	<u>REGISTRATION</u>
Jim Baldwin	\$25,000 due in September	
Nancy Baldwin		
Sam Bamieh	Paid	Paid 9/6/90
Nida Bamieh		Paid 9/6/90
Larry Bathgate		
Joan Budd		
Bruce Benson	Paid	
Nancy Benson		
Craig Berkman	\$25,000 due in November	
Berkman guest		
John Berry	Paid	Paid 9/7/90
Marilyn Berry		Paid 9/7/90
Bert Boeckmann	Paid	
Jane Boeckmann		
Joe Bogdanovich	paid	
Abby Butler	Paid	
Ilene Butler		
Alec Courtelis	Owes \$25,000	Paid 8/7/90
Louise Courtelis		
Bill Davis	Paid	Paid 9/4/90
Teran Davis		Paid 9/4/90
Del Dunmire	owes \$25,000	
Debbie Dunmire		
Lew Eisenberg	paid	
Mrs. Eisenberg		
Mel Estrin	Owes \$50,000	
Suellen Estrin		
Alan Gerry	Paid	Paid 8/20/90
Sandra Gerry		Paid 8/20/90
Al Glickman	Paid	Paid 9/7/90
Judith Glickman		Paid 9/7/90
Cheryl Halpern	\$25,000 due in December	
Fred Halpern		
Armand Hammer	Owes \$25,000	Paid 8/27/90
Hammer guest		
Glen Holden	Owes \$25,000	
Gloria Holden		
Wayne Huizenga	Paid	
Marti Huizenga		

1990 STATUSREGISTRATION

Dick Joutras	\$25,000 due in September	
Mrs. Joutras		
Arthur Kassel	\$25,000 due in November	
Tichi Kassel		
Bill Kast	Paid \$15,000 12/89	
Sigrun Kast		
Doug Krupp	\$25,000 due in November	
Mrs. Krupp		
Howard Leach	Paid	Paid 9/4/90
Gretchen Leach		Paid 9/4/90
John Lindsey	Paid \$15,000 on 1/90	Paid 9/7/90
Sarah Lindsey		Paid 9/7/90
Frank Lorenzo	Paid	
Sharon Lorenzo		
Robert McNeil	\$25,000 due in November	
Carole McNeil		
Champ Mitchell	\$25,000 due in October	
E. J. Nutter	Paid	Paid 9/6/90
Zoe Nutter		Paid 9/6/90
Earl Phillips	Paid	Paid 9/5/90
Sallie Phillips		Paid 9/5/90
George Pillsbury	Paid	
Sally Pillsbury		
Jay Reibel	\$25,000 due in October	
Barbara Reibel		
Dick Sambol		
Janice Sambol		
David Smith	Owes \$25,000 (membership)	
Mrs. Smith		
Anwar Soliman	\$25,000 due in August	
Mrs. Soliman		
John Tedesco	\$25,000 due in October	
Andrew Tedesco		
Gary Winnick	Paid	
Karen Winnick		

TOTAL: 72

THE WHITE HOUSE
WASHINGTON

MEMORANDUM:

TO: ANDY CARD
FROM: RON KAUFMAN *ack*
RE: DAVID LEROY

I received a note from David asking if he might be able to ride aboard Air Force One on the July 19th trip from California (Nixon Library Dedication) to Boise, Idaho. This request is for Larry Eastland as well. What do you think?

*To Ed Rogers -
What's the guidance
from the political shop?
I'm a Leroy fan.
Andy*

(OVER)

AC -
the big thumbs
down!



THE WHITE HOUSE
WASHINGTON

Date: July 18, 1990

FOR: David Carney

FROM: **ANDY CARD**

~~XXX~~
☒ Action

☐ Your Comment

☐ Let's Talk

☐ FYI

For Action - Not something I think the
President should do if it only raises
\$1200.

KENNEBUNK

PORT REPUBLICAN TOWN COMMITTEE

P. O. Box 1315
Kennebunkport, Maine 04046

July 8, 1990

Mr Donald Rhodes
The White House
East Wing
1600 Pennsylvania Avenue
Washington, D. C. 20500

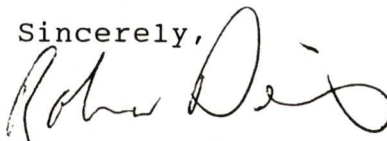
Dear Mr. Rhodes:

The Kennebunkport Republican Town Committee is holding a fundraising dinner on Tuesday, August 28, 1990 at 7 p. m. at the Grist Mill Restaurant, Kennebunkport, Maine. The committee voted, unanimously, to invite the President and Mrs. Bush as guests of honor. Senator Cohen and Governor McKernan have also been invited. Proceeds from the event are to be divided among Maine candidates for local, state and national office. This is a grass roots effort and we expect to raise about \$1200.00.

It is my understanding that the President and Mrs Bush will be vacationing in Kennebunkport during August, and while we don't want to intrude on their vacation, we thought they might enjoy a grass roots event. The committee sincerely hopes that the President and Mrs. Bush can attend.

If you require more information, you can reach me at the above address or by calling me at 207-967-3262. Thank you for your assistance.

Sincerely,



Robert W. Dennis
Chairman



California Republican Party

1403 West Magnolia Blvd. • Burbank, California 91506 • (818) 841-5210

→ 213-683-6554

TELECOPIER TRANSMITTAL

TO: Andy Card

FROM: Karl Samuelian, Greg Stevens

DATE: May 30, 1990

TELECOPIER NUMBER RECEIVING: 202/456-2397

NUMBER OF PAGES (NOT INCLUDING TRANSMITTAL): C

COMMENTS:

Andy-
please review and comment.

SEP
(TELECOPIER OPERATOR)



California Republican Party

1903 West Magnolia Blvd. • Burbank, California 91506 • (818) 841-5210

May 31, 1990

Dear (Cabinet Member),

As Finance Chairman of the California Republican Party, I would like to ask if you would be willing to participate in an event to raise funds for the November elections in this State. The California gubernatorial race coming up this year is believed to be the single most important election in the country. We need you, along with other senior members of the Bush Administration, to help Pete Wilson win the governorship in November. When your travel schedule permits, we would like to feature you as principle speaker at one or more fundraising events in California.

As I am sure you know, Pete is in an excellent position to be elected Governor and continue a Republican legacy in California to insure a strong future for the Republican Party nationwide. The Republican Party here needs to raise substantial funds in the months ahead to be able to help Senator Wilson and the other Republicans on the November ballot.

Your willingness when in California to support our efforts would greatly assist us in achieving our goals. I would be most pleased to speak with you or a member of your staff regarding your plans to visit California and how you can be of help to us. We would like to contact your office in the next few weeks.

Yours very truly,

Karl M. Samuelian
State Finance Chairman

cc: Andy Card

Dave Carney

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

DATE: 29 May 1990

TO: Andy Card

FROM: **DAVID M. CARNEY**
Special Assistant to the President
and Deputy Director,
Office of Political Affairs

Here is the Baptists Committed of South
Carolina letter that was omitted from the
last memo I sent you.

THE WHITE HOUSE
WASHINGTON

May 29, 1990

MEMORANDUM FOR ANDREW H. CARD, JR.
ASSISTANT TO THE PRESIDENT AND
DEPUTY CHIEF OF STAFF

FROM: DAVID M. CARNEY
SPECIAL ASSISTANT TO THE PRESIDENT AND
DEPUTY DIRECTOR, OFFICE OF POLITICAL AFFAIRS

SUBJECT: SOUTHERN BAPTIST CONVENTION

Enclosed is a copy of a letter from the Baptists Committed of South Carolina elaborating on internal political problems concerning the President's proposed visit to the Southern Baptist Convention.

Although the trip is not currently on the President's schedule, I wanted to advise you of the political situation.

If a meeting with the Southern Baptist Convention is under consideration please contact me as I have further information to relay.

Baptists Committed of South Carolina



May 7, 1990

P.O. Box 2222
West Columbia, SC
29171

MAY 14 1990

*fyi: Atwater
Speakers
Pol.*

Honorable J. Strom Thurmond
U. S. Senate
Washington, DC 20510

Dear Senator Thurmond:

As state coordinator of South Carolina Baptists Committed, I represent the majority of Baptists in South Carolina (i.e. the "moderate" group).

President Bush is scheduled to speak at the Southern Baptist Convention in New Orleans on Thursday, June 14. I have heard it rumored that this schedule will be altered to have him speak on Tuesday morning, June 12. This would interfere with the election of our denomination's most important officer (President), by giving the appearance that President Bush is in league with current fundamentalist leadership in our denomination. Since Southern Baptists are evenly divided over this issue, I am confident that President Bush would want to stay clear of Tuesday, or stay away from the convention totally, in order to maintain his neutrality.

For the record, I voted for President Bush and for you; I am convinced that virtually all South Carolina Baptists did. Please encourage the President to not alienate any of his supporters by taking a partisan position in our internal affairs!

Thank you for your assistance.

Sincerely,

Dr. J. Richard McDuffie, Jr.
State Coordinator

JRMcdjr:si

✓ cc: Mr. Lee Atwater

THE WHITE HOUSE
WASHINGTON

April 6, 1990

*I called
Rich 4/6
We'll talk again
on Mon.*

APR - 6 1990

MEMORANDUM FOR JAMES R. WRAY

DEPUTY ASSISTANT TO THE PRESIDENT, AND
DIRECTOR, OFFICE OF POLITICAL AFFAIRS

FROM: JENNIFER ARANGIO

SUBJECT: To place a phone call at the request of Andy Card

Linda in Andy Card's office called at 11:00 today. She said Andy would like you to place a call to Rich McClure, Governor Ashcroft's Chief of Staff, regarding the Gephardt Congressional race. His telephone number is 314-751-3292.

4/6 2450 Andy:

Spoke w/ Rich McClure. Clarine Atwater, Sumner, Rollins et al triggered a move to recruit a quality candidate in MO-3. They recruited a Steve Doss. Unknown to anyone, the local party folks also recruited a candidate, a Wally Holeskamp. Raising deadline was 3/27.

Ashcroft "senses" that all involved are less enthusiastic about Doss today, and assumes that this is due to the emergence of a primary (primary in Aug 7). He believes that Doss is the superior candidate. He fears that if Doss picks up on a lessening of support, he will pull.

The entire GOP congressional delegation, less Boechner, supports the idea and Doss.

McClure is doing a "signal check". Wants to know what people out here want to do.

(over)

- Rollins is "on the road" and I left message.
- Natalin is in NY today and I left message.

There is a long camera meeting next Wed, 4/11,
and McClure would like a reading on this
by that time.

Jim

Have me call
Mary Matalin
Jim Wray
and
Bill Canary

And

THE WHITE HOUSE

3/27/90

Dear Mr. Cerrell-

Governor Sununu shared your note and attachments with me. I concur with your observation and suggestion.

Please know that I will follow up with the RNC. - Keep in touch.

Sincerely, Andy Card

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Mr. Joe Cerrell
Cerrell Associates
320 North Larchmont Boulevard
Los Angeles, California
90004

Joe Cerrell



Governor -

Mayor Frank Fasi, a "Conn. Yankee" and Italian-American, has been my client and family friend since 1982. In '88 he carried Oahu (80% of the State) by 11% while Dukakis carried by 10%. He's strongest GOP in State's history. I can help smooth over the problems, if you want. Regards, Joe

P.S. He can win U.S. Sen seat or maybe Governor.

REPLACING CRANSTON

California Democratic politicians have given up Sen. Alan Cranston for dead as a result of the Lincoln savings and loan scandal but downgrade his would-be successors from the House of Representatives.

The talk inside party circles rules out the self-proclaimed congressional hopefuls: Reps. Barbara Boxer, Robert Matsui and Mel Levine. They are given little chance for sufficient name identification in the huge state between now and the 1992 election.

The highest name I.D. among Democratic possibles belongs to former Gov. Jerry Brown, now the state party chairman. But his strong negative rating turns attention toward Lt. Gov. Leo McCarthy and State Controller Gray Davis. A dark horse: San Francisco Mayor Art Agnos, who gained statewide attention during the earthquake.

DOLE'S COLD TURKEY

Senate Republican Leader Robert J. Dole's hard sell of a congressional resolution honoring the million-plus Christian Armenians killed by Turkish troops following World War I has brought a dangerous backlash: Turkey's threat to close three U.S. missile test monitoring sites on the Black Sea.

Dole's resolution has been stalled in the Senate for lack of support to shut off debate and bring it to a vote. But he has told the White House he will not cease efforts to memorialize what Armenians call genocide.

The three Turkish bases, checking performance data on new Soviet missiles, are crucial to U.S. intelligence. Iran's expulsion of monitoring sites along the Soviet border 10 years ago, left one checkpoint other than Turkey: Communist China, where the United States is under constant political attack.

NO ALOHA

Honolulu Mayor Frank Fasi, making his first trip to Washington in four years, did not visit GOP National Chairman Lee Atwater or any other party official even though his is the largest American city with a Republican in charge.

He was snubbed by then-National Chairman Frank Fahrenkopf on his previous visit to the capital and did not bother to contact Atwater. "Fahrenkopf, Atwater -- what's the difference?" ex-Democrat Fasi told us. "The Republican Party hasn't done zilch for me."

Atwater, in fact, should be interested in Fasi as the only Republican with a chance against Democratic Gov. John Waihee's re-election bid in Hawaii this year. Fasi will consider running only if he can launch a successful court challenge to the state law requiring him to resign as mayor if he runs for governor.

HONOLULU ADVERTISER

DATE

3/2/90

PAGE

A-6

A6 Friday, March 2, 1990 The Honolulu Advertiser

Governor, mayor send their aloha to Sen. Matsunaga

Gov. John Waihee and Honolulu Mayor [redacted] joined yesterday in wishing Hawaii Sen. Matsunaga well in his battle with cancer.

Matsunaga revealed Wednesday that his prostate cancer had spread to his bones, confining him to a wheelchair. De-



Matsunaga

spite the illness, the 73-year-old Democrat said he is continuing with his legislative agenda.

"The news of Sen. Matsunaga's condition is saddening and we join the people of Hawaii in continuing to wish him well," Waihee and Fasi said in a joint statement from Washington.

"At the same time, we are heartened to hear that the senator continues to carry out his major legislative agenda," they said. "Our support and best wishes are with him."

Meanwhile, U.S. Rep. Daniel Akaka, D-2nd District (Rural Oahu-Neighbor Islands), called the latest development in Matsunaga's state of health "unfortunate." But Akaka said he

hopes that Matsunaga's "indomitable spirit and single-minded commitment to serving Hawaii will return him to full health and vigor."

Akaka added: "I am encouraged by his unflappable, positive attitude and dedication to the duties of his office."

Matsunaga has said he is determined to continue serving in the Senate unless he decides his illness prevents him from fulfilling his duties.

Should he resign, a replacement would be appointed by Waihee until a special primary and general election can be scheduled.

If Matsunaga steps down before July 24 (the filing deadline for this year's election) then an interim appointment would be made only until a special election could be run this year — along with the scheduled September 22 primary and Nov. 6 general election.

If he quits after the July 24 filing deadline, the appointment would be good through 1992, when a special election would be held. The winner of that election would serve until the end of 1994 when Matsunaga's current six-year term expires.

An election for a new six-year term would take place at that date.

5/2
11:15

THE WHITE HOUSE

WASHINGTON

May 2, 1990

TAPING FOR CONGRESSMAN CHALMERS WYLIE RADIO/VIDEO SPOT

DATE: Wednesday, May 2, 1990
LOCATION: Roosevelt Room (TBD)
TIME: 1:15 p.m. (TBD)
FROM: James R. Wray

Andy -
This is the fast
track version. Paul
Lutheriger in media
relations is on stand
by. Messager left
for Quinn + Hagins.

awaiting
your decision on
audio vs. video.

Jim

I. PURPOSE

To demonstrate the President's support of Congressman Chalmers Wylie in his primary election campaign.

II. BACKGROUND

Congressman Chalmers Wylie (R OH-15) will face a primary challenge in his bid for re-election from Columbus attorney Clifford Arnebeck (R). Wylie was elected to Congress in 1966 and served with the President in the 90th Congress. He is the ranking member on the Banking, Finance and Urban Affairs Committee and has been a strong supporter of the President.

The RNC, NRCC, Ohio GOP and Franklin County GOP are all in support of Wylie and believe this radio/video spot will give him a great boost going into the primary next Tuesday, May 8, 1990.

III. PARTICIPANTS

The President
Jim Wray

IV. PRESS PLAN

Closed Press.
NRCC producer will tape radio/video spot.

EVENT BRIEFING
PAGE TWO

V. SEQUENCE OF EVENTS

The President tapes a 30 second spot for Congressman Chalmers Wylie.

VI. REMARKS

Script is attached.

SCRIPT FOR CONGRESSMAN CHALMERS WYLIE RADIO/VIDEO SPOT

CHALMERS WYLIE AND I WERE CLASSMATES IN THE 90TH CONGRESS. HE AND MARJORIE ARE GOOD FRIENDS OF BARBARA AND MINE. CHALMERS IS A MOST RESPECTED MEMBER OF CONGRESS AND ONE OF MY BEST SUPPORTERS. WITH HIS POSITION, SENIORITY, KNOWLEDGE, AND PENCHANT FOR HARD WORK, CHALMERS IS IMPORTANT TO YOU AND TO ME. AND, I ASK THE PEOPLE OF THE 15TH DISTRICT TO BE SURE HE IS NOMINATED AT THE PRIMARY ELECTION ON TUESDAY, MAY 8TH. THANK YOU.

THE WHITE HOUSE

WASHINGTON

May 1, 1990

1990 MAY -1 PM 1:44

fi

MEMORANDUM FOR JAMES W. CICCONI
ASSISTANT TO THE PRESIDENT AND
DEPUTY TO THE CHIEF OF STAFF

FROM: JAMES R. WRAY ~~PQC~~
DEPUTY ASSISTANT TO THE PRESIDENT AND
DIRECTOR, OFFICE OF POLITICAL AFFAIRS

SUBJECT: RECOMMENDED SCRIPT FOR A RADIO ENDORSEMENT FOR
CONGRESSMAN FRED UPTON

Attached is a recommended script for the President to use during the taping of a radio spot for Congressman Fred Upton (R MI-4) tomorrow, May 2, 1990, in the Roosevelt Room to help assist Congressman Upton in his bid for re-election in Michigan's Fourth Congressional District.

Congressman Fred Upton will face a strong primary challenge in his bid for re-election from State Senator Ed Fredericks (R), who was the first elected official in the country to endorse Pat Robertson for President in 1988, and he appears to be appealing to the split that occurred between the President's supporters and Robertson's supporters during that very divisive caucus. While Upton has attempted to bring the two factions together for the betterment of the Republican Party, Fredericks has attempted to exploit the split for political gain.

This radio spot is closed press and the National Republican Congressional Committee will tape the radio spot. Thank you for your assistance.

PROPOSED SCRIPT FOR RADIO SPOT FOR CONGRESSMAN FRED UPTON

THIS IS PRESIDENT GEORGE BUSH AND I'D LIKE TO TALK TO YOU ABOUT YOUR CONGRESSMAN, FRED UPTON. FRED'S BEEN A WORKER AND A LEADER FROM DAY ONE. IT'S ALMOST UNHEARD OF FOR FRESHMAN CONGRESSMAN TO GET A BILL PASSED, YET THAT'S WHAT FRED DID HIS FIRST MONTHS IN OFFICE. THAT BILL IS HELPING TO CLEAN UP THE GREAT LAKES AND ELIMINATE FRAUD AND ABUSE IN A FEDERAL PROGRAM -- WHICH SAVES YOUR TAX DOLLARS.

FRED HAD THE GUTS TO VOTE TO END THE SPECIAL INTEREST "HONORARIA" MONEY FOR MEMBERS OF CONGRESS, AND HAS VOTED MORE CONSERVATIVELY ON BUDGET MATTERS THAN 91% OF ALL CONGRESSMAN -- A STANCE WHICH LED HIS COLLEAGUES TO NICKNAME FRED "THE YOUNG SLASHER."

FRANKLY, IF WE HAD MORE MEMBERS OF CONGRESS LIKE FRED UPTON, OUR FEDERAL BUDGET COULD BE BALANCED TODAY. FRED IS NOW DEPUTY REPUBLICAN WHIP, AND I RELY ON HIM TO PUSH MY POLICIES OF NO NEW TAXES AND ECONOMIC GROWTH. WE DON'T ALWAYS AGREE ON EVERY ISSUE, BUT BARBARA AND I RESPECT HIM. I NEED HIM BACK IN CONGRESS. SO DO YOU. I URGE YOU TO RE-ELECT FRED UPTON TO CONGRESS ON AUGUST 7TH. THANK YOU.

THE WHITE HOUSE

WASHINGTON

April 26, 1990

Dear Wyatt:

The purpose of this letter is to inform you of the ongoing White House concern over the NRCC's recent fundraising mail package, entitled "NRCC Photo Lab".

As we have discussed several times, the primary area of concern is over the unauthorized use of a signed photograph of the President and Mrs. Bush. The use of the signatures of the President and Mrs. Bush on this photograph was clearly not authorized by the White House as outlined in my letter to you dated September 30, 1989.

The second area of concern relates to page one, paragraph two, in which it is implied that the individual was placed on a select list by the First Family for receipt of this photograph.

Obviously, this package is still being distributed by your committee. The most recent evidence of this is that the "NRCC Photo Lab" package was received just three weeks ago by one of my White House staff members.

Accordingly, I am asking that you provide a written explanation as to the reason that your committee chose not to adhere to the White House approval process for such mailings as outlined in my September 30, 1989 letter.

We will hold all pending NRCC projects pending your immediate reply.

Sincerely,



James R. Wray
Deputy Assistant to the President
and Director of Political Affairs

Mr. Wyatt Stewart
Finance Director
National Republican Congressional Committee
310 First Street, SE
Washington, DC 20003

cc: Jim Cicconi
Paul Collins
Andy Card
C. Boyden Gray

NATIONAL REPUBLICAN
CONGRESSIONAL COMMITTEE

Congressman Guy Vander Jagt
Chairman

Monday

Mr. David M. Carney
Norway Hill
Hancock, New Hampshire 03449

Dear Mr. Carney:

I'm enclosing a very special gift for you: The Official White House Portrait of George and Barbara Bush.

You can be proud your name was included on the select list of friends of the First Family who receive this signed photograph.

You earned this special recognition because President Bush is deeply grateful for your very generous political and financial support of his Administration.

He knows your contributions will help give him what he wants more than anything else: a U.S. Congress that works together with him to hold down taxes, inflation and interest rates.

Like me, I know you hold President Bush in the highest personal regard and I'm sure you feel the same way about Barbara Bush. In the relatively short time she has been First Lady, most everyone I talk to expresses a deep and abiding affection for this warm and gracious woman.

So please accept this Official Portrait of the President and Mrs. Bush as a gesture from their family to yours.

Because the Portrait is suitable for framing, I want to make sure you received yours in good condition.

I hope you'll make a special point to let me know by completing and returning the enclosed Delivery Verification Receipt today. And when you do, I also urge you to send a contribution of \$25, \$50 or \$100 to the National Republican Congressional Committee.

I'm counting on your additional support right now if we are to defeat the Democrats that are trying to destroy George Bush's ability to lead our nation.

The plain fact is, ever since he took office, the Democrats have been determined to seize control of America's national agenda, economic future, and foreign policy. If they are

successful, virtually every single victory you and I have won together is in serious jeopardy.

As you read this letter, the Democrats are working overtime to grab more of your tax dollars and hand them out to the liberal special interests that helped them get elected.

They just don't care how much of your money they spend! At this rate, they'll drive up the federal deficit -- then raise taxes to bring it down again. It's a vicious cycle.

The only sure way to stop the liberal Democrats once and for all is by defeating them on Election Day, and replacing them with Republicans loyal to George Bush.

Your contribution to the National Republican Congressional Committee today gives our Party the money we'll need to win. But without your help, our Republican House candidates simply won't be able to make any headway against the Democratic majority.

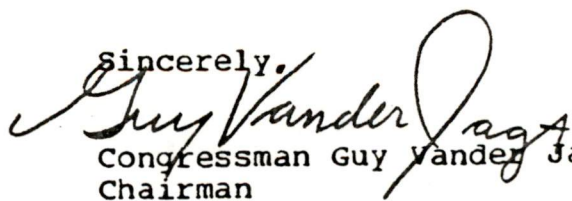
Right now, we're entering a very critical phase of the campaign -- candidate recruitment. Our Field Directors are scouring Congressional Districts all over the country for GOP challenger candidates with the political courage to take on incumbent Democrats.

And once we've recruited them, these challengers desperately need training, campaign strategy, expert political help and lots of money in order to defeat their opponents. It's your contribution to the National Republican Congressional Committee that gives them the resources they need to win.

I'm looking at a 1989-1990 Election Budget that's sitting on my desk right now. And what it says is deeply troubling. We are almost \$3 million short of where we should be.

I absolutely must make up every dollar of this severe cash shortfall or almost every National Republican Congressional Committee program will face deep cutbacks.

Now it's up to you. I must urge you, in the strongest possible terms, to send your contribution today to the National Republican Congressional Committee. Thanks so much for all your help!

Sincerely,

Congressman Guy Vander Jagt
Chairman

P.S. Be sure to fill out your Delivery Verification Receipt so I know you received your Official White House Portrait. Then return it to me with your contribution to the National Republican Congressional Committee today.

National Republican Congressional Committee

Washington, D.C. 20082

DELIVERY VERIFICATION RECEIPT

Instructions: Please complete Part A and Part B.

A. ITEM: Official White House Portrait

DATE MAILED: 02/19/90

MAILED TO: Mr. David M. Carney
Norway Hill
Hancock, New Hampshire 03449

DATE RECEIVED: _____

CONDITION: () Satisfactory () Not satisfactory

0G79

B.

Thank you for sending me my Official White House Portrait of George and Barbara Bush.

To help President Bush achieve his vitally important goal of electing a U.S. Congress that is loyal to him, I am contributing generously to the National Republican Congressional Committee.

Use my contribution to raise the \$2,300,000 you've promised our Republican House candidates so they can defeat their Democratic opponents in the 1990 elections. Enclosed please find:

☐ \$25

☐ \$50

☐ \$100

☐ \$ _____
other

Make check payable to: National Republican Congressional Committee



*On behalf of the President
of the United States of America,
George Herbert Walker Bush,
the National Republican Congressional Committee
presents you with the
Official White House Portrait of
The President and Mrs. Bush,
Washington, D. C.*

February, 1990

*In grateful appreciation
for your support of
our campaign to elect a
Republican Majority in the
U.S. House of Representatives.*

Guy Vander Jagt

*Congressman Guy Vander Jagt
Chairman*

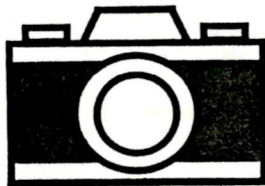


Ly B h

Barbara Bush



FIRST CLASS



NRCC PHOTO LAB

WASHINGTON, D.C. 20082

Mr. David M. Carney
~~Norway Hill~~
~~Hancock, New Hampshire 03449~~

2811 ARLINGTON BLVD #202
ARLINGTON VA 22201

WHITE HOUSE MAIL
RECEPTION & SECURITIES

APR 2 1990

Processed By: 2

PREPAID
FIRST CLASS



U.S. POSTAGE

45



ADVERTISING SPECIALTIES
375 Fentress Blvd. P. O. Box 1550
Daytona Beach, Florida 32015
904/255-1961

President George Bush
The White House
Washington, DC 20500

attention:

88/4/8/1

116

THE WHITE HOUSE
WASHINGTON

April 25, 1990

MEMORANDUM FOR C. BOYDEN GRAY
COUNSEL TO THE PRESIDENT

FROM: JAMES R. WRAY *JRW*
DEPUTY ASSISTANT TO THE PRESIDENT
AND DEPUTY DIRECTOR, OFFICE OF POLITICAL AFFAIRS

SUBJECT: NATIONAL REPUBLICAN SENATORIAL COMMITTEE -
FUNDRAISING MAIL

As you know, direct mail fundraising is an integral part of the finance plan for the national committees. Realizing the importance of this to these committees and our candidates, the President has agreed to participate in these mailings, with his signature, to the greatest extent possible.

In 1989, we witnessed the emergence of a new wave of mailings, that strongly implied the involvement of the President and the White House, but was not signed by the President. Because of our legitimate concern over these mailings, I issued a letter to all of the national committees (NRSC, NRCC, RNC and RGA) in September of 1989, insisting that the White House approve all committee mailings that referenced the President or the White House (see copy of letter attached).

All committees, with the exception of the NRSC, have for the most part complied with this pre-approval request. The NRSC has consistently stretched the limits without authorization. Another recent example of this, was a fundraising piece entitled the Certified Endowment Fund; in response to that mailing, I issued a letter dated April 10, 1990, demanding a written explanation on why a pre-approval process was not followed. To date, I have received no response.

Now we have learned that an old 1989 piece, referencing the "office of the White House Liaison" has been re-mailed, again without authorization. This was the very piece that launched our concern last year. I have attached a copy of that package, dated March 20, 1990, for your information.

It has become obvious to me that the NRSC has no intention of honoring our request for a pre-approval on their mailings.

Therefore, I wanted to advise you that I intend to inform the NRSC staff that effective immediately, the White House will freeze all requests for Presidential involvement in their mailings and events, until satisfactory assurance is issued that our policy will be honored.

Thank you.

cc: Andy Card
Jim Cicconi

THE WHITE HOUSE

WASHINGTON

September 30, 1989

Dear :

As you well know, The President is committed to assisting the Committee reach its political and fundraising objectives. He has clearly demonstrated that commitment through his participation in a number of events, meetings and mailings conducted by your committee this year.

So that there are no improper, illegal or unethical liberties taken with the use of The President's name or falsely implied White House involvement by using the names of official White House offices, or the unauthorized use of the Presidential seal and other symbols of the Presidency, I am reiterating the policy of the White House for all political and fundraising purposes.

All written materials, including mailings, that use the name of the President or Mrs. Bush, refer to the White House or any of its offices, or otherwise utilize any of the symbols of the Presidency or the White House, must receive the written approval of the White House before their release.

Before approval can be considered the following information must be forwarded to us for review:

- DIRECT MAIL - all letter copy
- all enclosures, including response device and photographs
- carrier envelop
- BRE or other return envelop
- EVENT MAIL - the invitation or notice of the event
- all enclosures, including response device and photographs
- carrier envelop
- BRE or other return envelop

We will need to know the nature of the mailing list, the number of pieces involved, the mail drop date, and any other relevant background information.

The White House Office of Political Affairs will coordinate the approval process. All approvals must be signed by either the Director of Political Affairs (Jim Wray) or the Deputy Director of Political Affairs (David Carney).

This procedure is currently in effect and applies to those projects in the White House system pending approval.

Again, the President and his political advisors want to continue to support your efforts to the maximum extent possible. In order to ensure such support, all of us must work more closely together to guard against the unauthorized use of the President's name, or symbols of the Presidency or the White House.

Sincerely,

James R. Wray
Deputy Assistant to the President and
Director, Office of Political Affairs

APR 12 1990

THE WHITE HOUSE
WASHINGTON

April 10, 1990

Dear Al:

The purpose of this letter is to notify you of the White House's concern of the recent fundraising appeal letter sent by your committee (The Certified Endowment Fund-CEF).

You will recall that on September 30, 1989, I notified the NRSC, NRCC, RNC and RGA of the desire of the White House to review and approve all direct mail copy that incorporated the name of the President. Our records show that the CEF package, and its enclosures, had never been submitted to the White House for approval.

The package contains three (3) references to President Bush; of those, two are of major concern. The first is the use of the President's name on the letterhead. This use clearly implies that the President is directly involved in this appeal. The second, is the use of his name on the certificate that will be sent to the donor upon receipt of the contribution. The certificate and the use of the President's name has not been submitted to us for approval to date.

As I have already informed you, this particular mailing has generated some problems in the states. Several candidates and party organizations, Republican and Democrat, have filed protests with their respective Secretary of State office -- and they have made their actions known to the press. I have already forwarded many letters to you that the President has received expressing concern over this form of solicitation.

I would appreciate a written explanation as to why the approval procedure requested by the White House was not honored on this mail package. In addition, before the certificates are forwarded to the contributors, I ask that you submit the draft of the certificate to the White House for approval.

Sincerely,



James R. Wray
Deputy Assistant to the President
and Director of Political Affairs

Mr. Al Mitchler
Finance Director
National Republican Senatorial Committee
425 Second Street, NE
Washington, DC 20002

cc: Jim Cicconi
Paul Collins

The world, as you know, is changing rapidly. And President Bush faces many tough decisions and challenges over the months ahead, both at home and abroad.

The drug crisis, the deficit, the changes in Eastern Europe are just three examples.

What happens in just these three areas could dramatically affect the future of our citizens, nation--and the entire world.

Yet it is becoming more and more clear that the Democrats are working to politicize these problems and frustrate the President's efforts to meet these challenges for their own political gain.

Indeed, they have already begun! A number of key Democrats are already attempting to discredit the President's anti-drug campaign. Others are challenging his steady handling of the events in Eastern Europe. Some are even casting suspicion on his decision to oust the Panamanian tyrant Noriega.

If allowed to continue unchallenged, this cynical campaign of innuendo and accusation could cripple the Bush Presidency, and cost us dozens of seats in the upcoming election.

And that is why we have formed the Republican Presidential Citizen's Advisory Commission.

It will be used as a "sounding board" to determine which issues we should push for, and which we should hold off on.

Learning the views of a "pre-selected" group of citizens who we know are loyal to the President and our Party will help us shape our agenda and formulate our counterstrategy.

Chaired by Senator Don Nickles, we're convinced this Commission will give the Republican Party a critical edge in combating the Democrats' efforts to paralyze the Bush Presidency, and gain seats in the 1990 election.

But it will work only if we move quickly. And only if people like you are willing to help out.

Before you make your final decision, however, there is one more issue I must discuss with you: The issue of money.

Naturally this effort must be self-financing. We therefore must ask each participant to contribute a small donation to help finance this project, without spending one dime of tax money.

We don't need large donations. But we do need something. Specifically, we must ask a minimum of \$28 per person.

Your \$28 contribution will help us pay for vote-tracking, polling, issue-research, communications programs, survey processing, member-screening, and the dozens of other details that go into making a project like this a success.

With that \$28 contribution you will become both a member of the Republican Presidential Citizen's Advisory Commission as well as a Sustaining Member of the National Republican Senatorial Committee (NRSC).

As such, you will receive the full rights, privileges and benefits of NRSC Membership, including a subscription to our official "inside Washington" political newsletter, For the Record.

In addition, your status as an Advisory Commission Member will entitle you to receive special "Commission Only" questions, like the ones I sent you today.

Plus, you'll be sent, under separate cover, regular updates, information packets and survey data on key critical issues facing America in the important months ahead.

As I said, to become a Member and receive these special mailings we need a total donation of at least \$28.

But truthfully, I am hoping you'll be able to make an even larger donation to this effort -- of, say, \$50, \$100, \$250 or even \$500.

With that additional support we will be able to go on and help recruit, support and elect candidates who reflect your views; and ultimately win back a Republican majority in the Senate so that President Bush does not have to stand alone in his struggle to keep America on the right track.

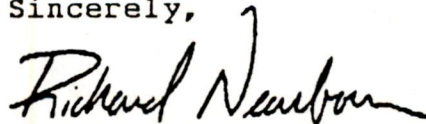
George Bush was elected with a clear mandate to continue on the path President Reagan set us on -- to root out wasteful spending; keep the lid on taxes; and maintain a strong America.

The liberal Democrats want exactly the opposite agenda: to increase spending; raise taxes; retreat from world leadership.

Which path will America take? It depends entirely on which side wins the struggle going on in Washington right now.

We are inviting you to help us keep America on the right path. Please get back to me within 14 days with your answer.

Sincerely,



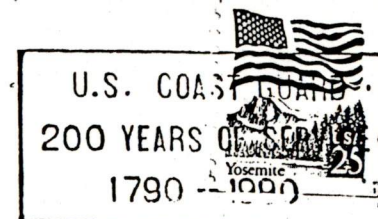
Richard Dearborn
Assistant to the Chairman

gam/RD

cc: Senator Don Nickles



Mr. & Mrs. H. C. Ball
508 Scenic Drive
Baytown, Texas 77521



PRESIDENT GEORGE BUSH
THE WHITE HOUSE
1600 PENNSYLVANIA
WASHINGTON
D.C. 20500



Petition to the President of the United States

FROM: ~~M.~~ Henry C Ball

Whereas, you pledge that there would be no new taxes under your administration, and

Whereas, some in Congress are reviewing various taxes that may be imposed on Social Security and Medicare, and

Whereas, the Congress is attempting to balance the budget in part by raising taxes, and

✓ Whereas, Elderly Americans should not be singled out to carry an extra tax burden,

Be It Known, that I respectfully petition that you oppose and VETO any attempts by Congress to tax Social Security or Medicare.

Signed, Marjorie R. Ball

Henry C. Ball

City, BAYTOWN

State TX Zip 77521

Date: MARCH 4, 1990

AC HAS SEEN

THE WHITE HOUSE
WASHINGTON

Date: 4/26/90

Handwritten: JWS 4/26

TO: JIM and DAVE

FROM: **SALLY SALMON**
Associate Director
Office of Political Affairs

RE: Potential Warner opposition

Former 10th District Congressman Joe Fisher has announced privately his intentions to seek the Democrat nomination for the U.S. Senate in Virginia. All signs point to Fisher being serious about a run. The Democrat State Central Committee will meet on May 5th, and Fisher would need 2/3rd's of the committee's support in order to receive the nomination.

Fisher was defeated for re-election in the 10th by Congressman Frank Wolfe in 1980. He is 76 years old and is considered the "darling" of the liberal wing of the Democrat Party.

After his defeat, Fisher was appointed Cabinet Secretary for Human Resources by Governor Chuck Robb.

Warner is publicly welcoming Fisher into the race, but Susan Magill of his staff says that many Democrat Congressmen in marginal D districts are privately worried about a Fisher bid, for fear that this will raise GOP activity in their Districts.

THE WHITE HOUSE
WASHINGTON

DATE:

TO: Jim Wray

FROM: ANDY CARD *Andy*

The Gov. is inclined
to be supportive but
wants to see more detail
on the plan before meeting.

THE WHITE HOUSE
WASHINGTON

DATE: 4-24-90

TO: Nick Calio

FROM: ANDY CARD *Andy*

FYI - Gov. Sumner is
inclined to be supportive but
before committing; he wants to
see more detailed information.

MEMORANDUM

*Gov. S -
I need
guidance
on this.
Andy*

TO: The Honorable John Sununu
Chief of Staff for the President

FROM: The Honorable Newt Gingrich
Republican Whip

DATE: March 28, 1990

1. We have six to ten House Republican incumbents who need extra help and ten open seats (of 16 retiring Republican incumbents) that need help.
2. We need three visits by the President to help kick off the importance of House Republican campaigns. This has an emotional, symbolic and news media impact for beyond the three races. Doing this early strengthens us throughout the Summer.
3. We need two days this Spring (April and May) from each domestic cabinet officer dedicated to House races. Considering the work we do for them from subcommittee through floor action this is hardly an extraordinary request. Can you get us that commitment and who can coordinate the scheduling?
4. It might be useful to have a planning summit with the three party committees, the House and Senate leadership and you and the White House key staff to lay out priorities and try to avoid conflicts.

cc: The Honorable Bob Michel
The Honorable Guy Vander Jagt
Co-Chairman Ed Rollins
Mr. Andy Card
Mr. Ed Rogers
Mr. Jim Wray
Mr. Fred McClure
Mr. Nick Calio

THE WHITE HOUSE

4/17/90

Bill -

You're off and running! Thank
you for the packet of information
including "The Spirit of New Hampshire"
speech.

Keep in touch.

Sincerely, Andy Card

Andy Card
THE WHITE HOUSE
WASHINGTON

Bill Zeliff
Republican for Congress
P.O. Box 3.
Jackson, N.H. 03846

BILL ZELIFF
Republican for Congress

April 9, 1990

Dear Andy,

Thanks for your note — I sincerely
appreciate your interest in the
campaign and I'll keep you posted!
Enclosed are copies of the press
clips from last Monday — the
whole day went off without a hitch!

Paid for by
Friends of Bill Zeliff Committee
Mike Kirk, N. Conway, Treasurer

Best regards
Bill Zeliff

BILL ZELIFF

Republican for Congress

P.O. Box S, Jackson, NH 03846 • (603) 383-1990

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Republican for Congress

P.O. Box S, Jackson, NH 03846 • (603) 383-1990

"THE SPIRIT OF NEW HAMPSHIRE"

ANNOUNCEMENT SPEECH

BILL ZELIFF

APRIL 2, 1990

Paid for by
Friends of Bill Zeff Committee
P.O. Box S, Jackson, NH 03846
(603) 383-1990
Mike Kirk, N. Conway, Treasurer

GOOD (MORNING / AFTERNOON / EVENING). I WOULD LIKE TO WELCOME ALL OF YOU WHO COULD ATTEND TODAY AND THE REMAINING 2120 CONFIRMED SUPPORTERS TO HELP CELEBRATE AN IMPORTANT MILESTONE OF OUR CAMPAIGN. WHEN WE STARTED OUT WE SAID WE WOULD ANNOUNCE WHEN WE REACHED OUR GOAL OF 2000 COMMITTED SUPPORTERS. I'M HAPPY TO SAY THAT THERE ARE 2120 NAMES CONTAINED IN THIS COMPUTERIZED REPORT. OUR 2ND GOAL WAS TO RAISE A MINIMUM OF ONE HUNDRED THOUSAND DOLLARS, AND THIS TOO HAS BEEN MET.

MY NAME IS BILL ZELIFF. AS YOU ALL KNOW I'M A SMALL BUSINESSMAN FROM JACKSON WITH A LIFETIME OF EXPERIENCE IN MAKING TOUGH DECISIONS AND BALANCING BUDGETS. I'VE BEEN A DECISION MAKER AND A LEADER IN BUSINESS AND COMMUNITY SERVICE FOR THE PAST 31 YEARS AND NOW I WANT TO BRING THIS EXPERIENCE TO WASHINGTON.

THOSE OF YOU WHO KNOW ME WELL REALIZE THAT I DON'T MIND AN UPHILL FIGHT. BACK IN THE WINTER OF 1987 WHEN I BECAME ONE OF GEORGE BUSH'S EARLIEST SUPPORTERS STARTING AT HIS HOME IN KENNEBUNKPORT, HE WELCOMED THE CHALLENGE OF THE CAMPAIGN AHEAD. AS A BUSH DELEGATE TO NEW ORLEANS AND AS A PERSON WHO PARTICIPATED IN THE INAUGURATION OF GEORGE BUSH IN WASHINGTON, I AM VERY PROUD TO STAND BEFORE YOU. TODAY MARKS THE BEGINNING OF A ROAD NOT AS LONG AS THE ONE TRAVELLED BY PRESIDENT BUSH 3 YEARS AGO, BUT ONE JUST AS IMPORTANT TO THE PEOPLE OF NEW HAMPSHIRE.

TODAY I'M OFFICIALLY A CANDIDATE -- YOUR CANDIDATE -- FOR THE REPUBLICAN NOMINATION FOR THE UNITED STATES HOUSE OF REPRESENTATIVES.

I'M RUNNING BECAUSE CONGRESS NEEDS DOERS - NOT TALKERS. CONGRESS NEEDS LEADERS WHO WILL ROLL UP THEIR SLEEVES AND GET INVOLVED. I WON'T BE A PART OF THE PACK IN WASHINGTON. I'LL BRING COMMON SENSE IDEAS TO THE TABLE AND FIGHT LIKE A BULLDOG UNTIL THE JOB GETS DONE. THIS CAN-DO ATTITUDE IS THE ESSENCE OF THE "SPIRIT OF NEW HAMPSHIRE".

THE "SPIRIT OF NEW HAMPSHIRE" IS SELF RELIANCE AND HARD WORK. IT IS BALANCING THE BUDGET AND PAYING STRICT ATTENTION TO THE BOTTOM LINE. IT IS VOLUNTEERISM. CITIZEN PARTICIPATION. NEIGHBOR HELPING NEIGHBOR. THE SPIRIT OF NEW HAMPSHIRE MEANS LESS GOVERNMENT, NOT MORE. IT IS WHERE THE RIGHTS OF THE INDIVIDUAL ARE GREATER THAN THE GOVERNMENT'S NEED TO INTRUDE IN OUR PRIVATE LIVES. IT IS INDEPENDENCE. A LIVE FREE OR DIE ATTITUDE...TRADITIONAL VALUES. ACCOUNTABILITY. THAT IS THE "SPIRIT OF NEW HAMPSHIRE".

I AM NOT A PROFESSIONAL POLITICIAN. NOR AM I A GOVERNMENT BUREAUCRAT OR INFLUENCE PEDDLER. POLITICS IS NOT MY PROFESSION.

I AM A BUSINESSMAN WHO TOOK SOME RUN DOWN BUILDINGS AND
TURNED THEM INTO ONE OF NEW HAMPSHIRE'S FINEST COUNTRY INNS.
I AM A CIVIC VOLUNTEER WHO WANTS TO BE YOUR CITIZEN
LEGISLATOR. THIS, TOO, IS PART OF THE NEW HAMPSHIRE WAY.

MY SOLUTIONS TO OUR STATE AND NATIONAL PROBLEMS WON'T BE THE
SOLUTIONS OF POLITICIANS AND BUREAUCRATS. THEY WILL BE THE
SOLUTIONS OF COMMON SENSE AND YANKEE INGENUITY.

CONGRESS SHOULDN'T BE A PLACE FOR A LONG CAREER. IT SHOULD
BE A BODY OF MEN AND WOMEN WHO REPRESENT THE VALUES OF THE
PEOPLE BACK HOME...VALUES REFLECTED BY THOSE GIVEN THE
PRIVILEGE OF TEMPORARILY OCCUPYING NEW HAMPSHIRE'S SEATS IN
CONGRESS. CONGRESS SHOULD BE A BODY OF CITIZENS WHO CARE
ENOUGH TO SERVE OTHERS - NOT THEMSELVES.

TODAY THERE ARE TOO MANY IN CONGRESS WHO CONSIDER THEIR
TEMPORARY OFFICE A LIFETIME JOB, THE TOP RUNG OF THEIR CLIMB
UP GOVERNMENT'S BUREAUCRATIC LADDER. THEY STAY TOO LONG AND
LIVE OFF THE SYSTEM. AND INSTEAD OF BECOMING PART OF THE
SOLUTION, THEY BECOME PART OF THE PROBLEM.

THAT'S WHY I WILL FIGHT FOR A 12 YEAR LIMIT FOR ALL MEMBERS
OF THE HOUSE OF REPRESENTATIVES. WE SIMPLY MUST RETURN
CONGRESS TO THOSE WHO HAVE BEEN ON THE FRONT LINES OF
BUSINESS AND COMMUNITY AFFAIRS. WE MUST RETURN CONGRESS TO
THE PEOPLE AND TAKE IT AWAY FROM THE POLITICIANS.

AS YOUR CITIZEN CONGRESSMAN I WILL MAKE CONGRESSIONAL ACCOUNTABILITY MY HIGHEST PRIORITY.

TODAY, IRRESPONSIBLE SPENDING BY CONGRESS CASTS THE DARKEST CLOUD OVER AMERICA'S FUTURE THAT WE MAY EVER SEE. IN JUST 10 SHORT YEARS WE HAVE GONE FROM THE WORLD'S LARGEST CREDITOR NATION TO THE WORLD'S LARGEST DEBTOR NATION. JUST PAYING INTEREST ON OUR NATIONAL DEBT IS NOW THE THIRD HIGHEST SINGLE COST OF RUNNING OUR GOVERNMENT. WE MUST CUT OUR APPETITE FOR SPENDING AND WE MUST REDUCE TAXES IF WE ARE TO CONTINUE A STRONG GROWING ECONOMY WHICH WILL PROVIDE JOBS AND A BETTER QUALITY OF LIFE.

I WILL PROPOSE A LAW IN MY FIRST YEAR IN CONGRESS TO GUARANTEE THAT NO CONGRESSMAN GETS A RAISE OF ANY KIND, INCLUDING COST-OF-LIVING INCREASES, IF THE FEDERAL BUDGET IS NOT IN BALANCE. NO "SLUSH FUND" OFFICE ACCOUNTS, NO INCREASE IN EXPENSES, AND UNTIL CONGRESS LEARNS TO MANAGE YOUR TAX DOLLARS PROPERLY, THEY DON'T DESERVE A RAISE.

I WILL ALSO BE ACCOUNTABLE TO YOU ON THE LIFE-AND-DEATH ISSUES OF DRUGS AND CRIME. AND I WILL HOLD TO THE FIRE THE DRAGGING FEET OF THOSE CONGRESSMEN WHO REFUSE TO DO LIKEWISE.

IF WE'RE SERIOUS ABOUT STOPPING THE FLOW OF DRUGS INTO AMERICA, THEN LET'S TAKE ACTION. LET ME GIVE YOU AN EXAMPLE. AMERICAN CHEMICAL COMPANIES SELL A PRODUCT CALLED ACETONE TO COLUMBIA, WHICH IS NORMALLY USED FOR SUCH THINGS AS MAKING PAINT. IT IS ALSO USED FOR MAKING COCAINE. THE SAD TRUTH IS: AMERICAN COMPANIES SELL ABOUT TEN TIMES MORE ACETONE THAN IT NEEDS FOR COMMON USE. GUESS WHERE THE ACETONE GOES? INTO THE VEINS OF YOUNG AMERICANS WHO ARE MORE HOOKED ON DRUGS THAN EVER BEFORE. I WILL FIGHT THE DRUG WAR WHERE IT NEEDS TO BE FOUGHT...IN THE STREETS, BEHIND TREES AND IN THE TRENCHES. I WILL WORK HARD TO GET THE COMMUNITY MORE INVOLVED IN SUPPORTING EDUCATIONAL PROGRAMS SUCH AS THE D.A.R.E. PROGRAM AND TOGETHER WE WILL WIN THE DRUG WAR BY ELIMINATING THE DEMAND AS WELL AS THE SUPPLY.

WE MUST GET TOUGH ON CRIMES OF ALL TYPES. UNDER EXISTING LAW, FOR EXAMPLE, THERE IS NO CRIME SO BAD THAT IT MERITS THE DEATH PENALTY. JOHN WALKER DEVOTED YEARS TO SELLING CRUCIAL MILITARY SECRETS TO THE RUSSIANS. HIS CRIMES JEOPARDIZED AMERICAN LIVES AND MILITARY SECURITY. IN THE OLD DAYS, CONVICTED SPIES WERE EXECUTED. I THINK THEY STILL SHOULD BE.

I AM ALSO PROUD TO SAY THAT THE "SPIRIT OF NEW HAMPSHIRE" MEANS PRESERVING OUR MAGNIFICENT ENVIRONMENT. IT MEANS FIGHTING TO PROTECT OUR NATIONAL RESOURCES FROM ACID RAIN AND POLLUTION. AND IT MEANS MAKING SURE THAT OUR LAKES, RIVERS, STREAMS, MOUNTAINS AND SEA COAST ARE FOREVER MAINTAINED. IF WE LOSE OUR BEAUTIFUL NATURAL RESOURCES IN NEW HAMPSHIRE, WE HAVE LOST EVERYTHING.

ACCOUNTABILITY...RESPONSIBILITY. THESE ARE NEW HAMPSHIRE WORDS. BUT THEY ARE WORDS THAT ARE OFTEN IGNORED IN CONGRESS. I'M RUNNING TO MAKE SURE THEY'RE NOT IGNORED ANY LONGER.

LAST BUT NOT LEAST, I WILL ALWAYS CARRY THIS JAR OF PENNIES WITH ME AS A CONSTANT REMINDER OF SOMETHING I BELIEVE ROCKEFELLER SAID; THAT WE MUST ALL WATCH THE PENNIES AND THE DOLLARS WILL TAKE CARE OF THEMSELVES. I WILL USE THIS JAR OF PENNIES AS MY COMMITMENT TO YOU TO BE YOUR STEWARD IN WASHINGTON FOR OUR VALUABLE TAX DOLLARS.

OUR "SPIRIT OF NEW HAMPSHIRE" CAMPAIGN WILL TRAVEL TO EVERY CORNER OF THE FIRST DISTRICT. FROM MANCHESTER TO THE MOUNTAINS...FROM THE SEACOAST TO THE LAKES.. THROUGH EVERY TOWN AND NEIGHBORHOOD. AND AS WE CAMPAIGN, WE WILL CARRY WITH US A VERY IMPORTANT MESSAGE: THAT CONGRESS NEEDS TO LEARN THAT "THE SPIRIT OF NEW HAMPSHIRE" CAN WORK NOT ONLY FOR US, BUT FOR AMERICA AS WELL.

FROM A SMALL BUSINESS OWNER -- AN INNKEEPER -- WHO STILL BELIEVES IN DREAMS COMING TRUE, THANK YOU FOR MAKING THIS A GREAT DAY. YOU ARE THE BEST GROUP OF SUPPORTERS AND FRIENDS ANY CANDIDATE COULD ASK FOR. TOGETHER WE WILL "TAKE THE HILL WITH BILL" !

WITH YOUR SUPPORT WE CAN GO BACK TO BASICS AND BRING THE "SPIRIT OF NEW HAMPSHIRE" TO WASHINGTON.

THANK YOU



New Political Personality

Bill Zeliff is right
Editorial Page 3

Pictures Tell The Zeliff Story

Jackson man and family
a winning team
Pages 2 & 3

On The Run For Congress

William (Bill) Zeliff tells
where he stands on the
issues Page 3



CONGRESSIONAL

Bush Library Photocopy

REVIEW-JOURNAL

VOL. 1, NO. 1

SPRING 1990

Zeliff candidacy sends right signals to voters

JACKSON - All political signs are pointing north these days. A leading candidate for the United States Senate and an exceptional candidate for Congress call the White Mountains region of the state home.

Riveting the attention of Republican voters in the First District congressional race is Bill Zeliff. His straight forward honesty, and sound business-like approach to government, have stamped him as the real candidate in the hotly contested race. This is the belief of many political observers who note the positive response to Bill Zeliff's candidacy.

His speeches are being heard and read with close attention. He has won praise for stimulating purposeful discussion on the "real" issue confronting Congress.

confidence of the self-made businessman who has been successful enough to turn his energy and resources to public service. He says what he believes, and does what he says.

From his perspective, Washington has not gone far enough in minimizing government involvement in people's lives and reducing the size of the federal bureaucracy. He is pleased with the inroads that have been made into these areas since the election of Ronald Reagan and George Bush, but he believes nothing very dramatic will continue to happen until the make-up of congress is changed.

He expresses the belief that we are facing one of those moments in history when the world teeters on the brink of fundamental change. People everywhere, he observes,

in their lives and less tinkering with the machinery of business.

"Now is not the time," he adds, "to elect men with limited vision or limited dedication to these concepts, certainly not when the rest of the world, even the doctrinaire communist world, is moving in that direction."

Zeliff is a hearty, substantial man with a precise face, there is no deception in it, a relaxed sense of humor, and an inner self-assurance that projects the confidence of a man comfortable with the person he is. He is optimistic about the future.

In a year when "Stop wasting our money," is still a popular slogan, Zeliff believes that until we get our financial house in order all other national priorities must become secondary.



that Zeliff leaves no doubt in the minds of listeners as to where he stands on the issues and what he would do once he gets to Washington. He comes across with total sincerity. His long held beliefs are expressed without belligerence or dogmatism. He puts forth his ideas with the

the collectivist policies of the past and to restore to the individual their proper role in the scheme of existence.

"The world is coming together," he said, "and the pendulum of change is swinging away from authoritarian government. People want less government involvement

economy," he said, "but thinking alone is not enough to secure reduced spending and reduced taxation. To get results, we must translate our talking and our thinking into terms of constructive action.

Signal

Page 2

A NEW KIND of elephant known in Congressional primary circles as a Zeliffant is touring the state in the vanguard of the Zeliff for Congress campaign team. The Zeliffant has proven popular with young and old.

Zeliff: A word sketch

Bill Zeliff!

In New Hampshire politics a comparatively new name.

In the state's business community, an established, respected name.

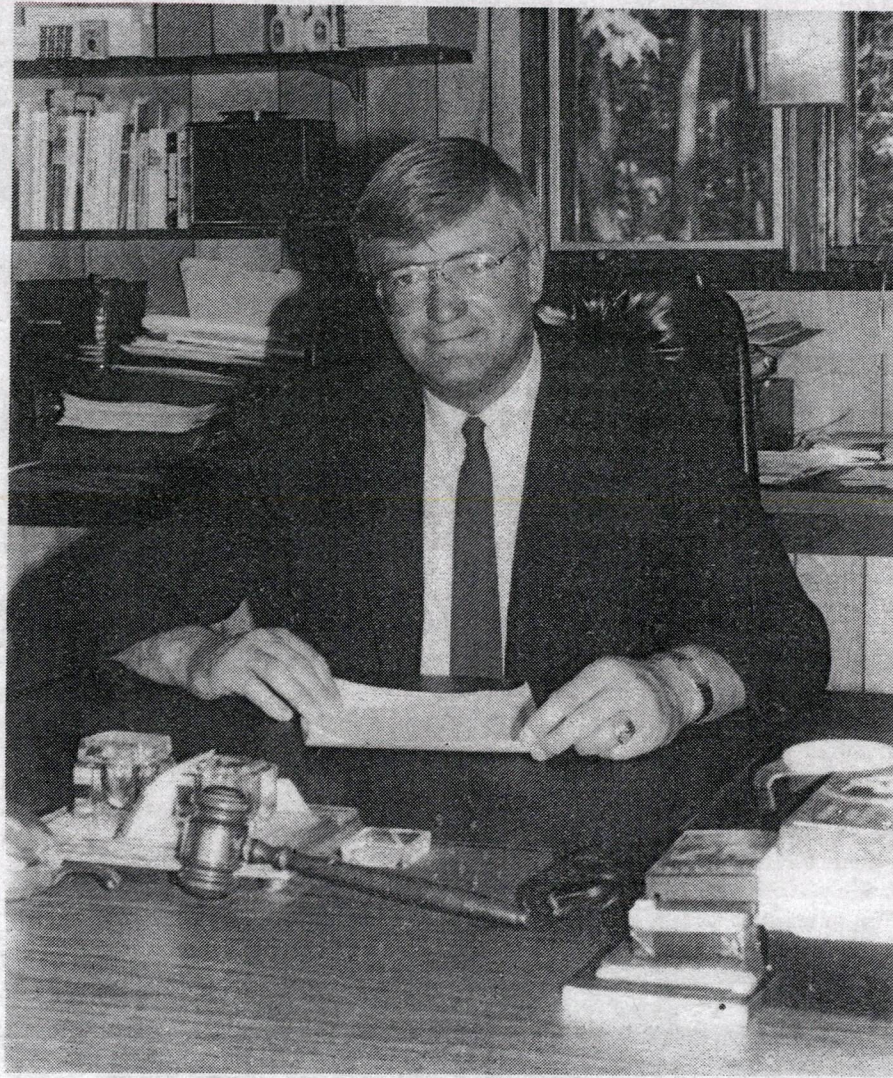
At 53 the Jackson businessman is making his first bid for national office.

Like thousands of others who have made the move to New Hampshire, he gambled his life savings on the state and on himself and won.

Now it is pay back time.

Crediting New Hampshire for the opportunities leading to his success, Bill Zeliff now wants to give something back, in the form of public service. "Being involved in the elective process is a way to influence policies that will have an impact on the largest number of people," he said.

For this reason he is seeking the Republican nomination for the First District Congressional post being vacated by incumbent Robert



BILL ZELIFF is comfortable behind his desk at his company headquarters in Jackson, but he now has his sights focused on a desk in Congressional offices in Washington. Zeliff has announced his candidacy for Congress in the First District.

Story

Page 4

Bill Zeliff: taxes no, spending cuts, yes!

Bill Zeliff, Congressional candidate, and the man to beat in the hotly contested First District Republican primary, has a clear message for voters. It is a message void of political double-talk.

This is apparent in the enthusiastic response of audiences from Portsmouth to Plaistow and Laconia to Jackson.

"Unless we cut our appetite for spending, we will not have any money left in the

economy to allow for private investments and job creation," is the message he leaves with Republicans. His words carry weight because of his track record as a successful businessman and what political observers call his "common sense approach to government".

"Increased government revenues," he says, "should come as a result of expand-

Burden

Page 2

Sununu association leads to candidacy

Until Bill Zeliff met John Sununu, politics was always something for someone else.

It wasn't that Bill was indifferent to what was happening around him or impervious to the sad financial state of the nation, it was just that he had about all he could do to raise a family, make his mark in the corporate world, switch careers and turn an ailing country inn into the leading country inn in all of New England.

When John Sununu came to Jackson looking for support

in his initial bid for governor, he approached Zeliff and asked for his support. Sununu knew Bill was well known and respected in the north country and he thought Zeliff's presence on his staff would give his candidacy a needed boost. At the time, Zeliff was president of the New Hampshire Travel Council and he didn't believe he should take an active role in partisan politics.

But, Zeliff began to track

Sununu

Page 3

Zeliff to announce candidacy

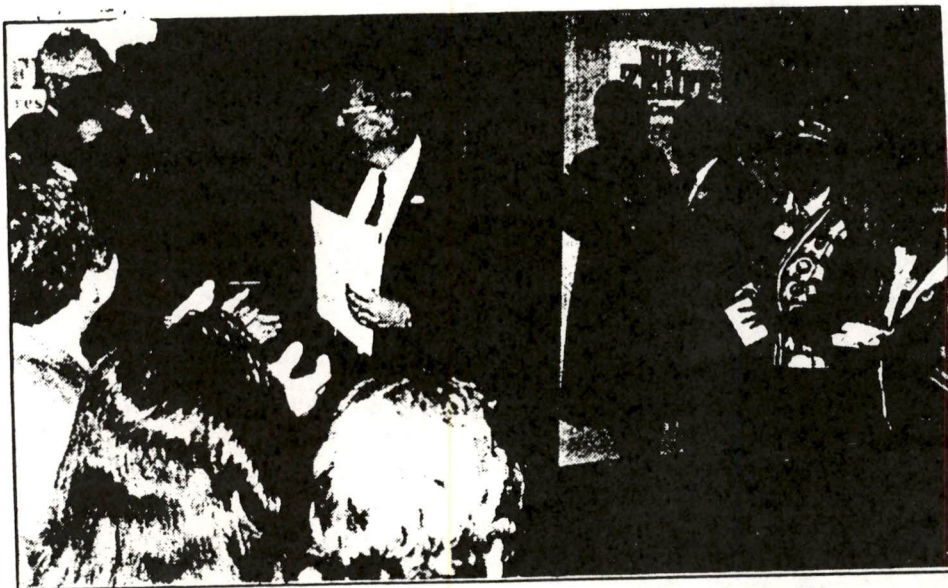
MANCHESTER (AP)

— Businessman Bill Zeliff of Jackson will formally announce his candidacy for the Republican nomination for the 1st congressional district next Monday.

Zeliff, who owns an inn in Jackson, said Monday he will make his announcement first at his campaign headquarters in Manchester, and then make appearances in Exeter, Dover, Laco-
nia and North Conway.

He will deliver his announcement speech at the Fox Ridge Resort, North Conway, at 6 p.m.

Zeliff, 53, has said earlier he will join the race to replace Republican Congressman Bob Smith, who is running for Sen. Gordon Humphrey's seat. Humphrey is retiring.



Congressional hopeful Bill Zeliff got his campaign off to a running start last night with support from more than 150 people at the Fox Ridge. (RALPH DICKSON PHOTO)

Zeliff kicks off run for Congress

By John P. Muldoon
THE CONWAY DAILY SUN

4/2/90

CONWAY — Congressional hopeful and Jackson innkeeper Bill Zeliff wound up his 193-mile tour of the congressional district yesterday stressing pride, less government, lower taxes, conservative values and care for the environment.

As his bus pulled into Fox Ridge Resort parking lot yesterday evening, the man who was one of George Bush's first seven presidential campaign supporters in the state was greeted by a three-piece brass band, a pink elephant, or "Zeliphant," signs, balloons and the applause and cheers of about 150 people.

see ZELIFF page 6

ZELIFF

from page one

Along with the catchphrase: "We will take the Hill with Bill," Zeliff carries a jar of pennies he says will be a reminder to keep government spending and taxes down.

Introducing the candidate, Ray Burton, executive councilor, stressed the candidate's pride of place. While campaigning, "He never forgot his home-town area," Burton asserted.

He swore that if Zeliff were elected and was subject to lobbying for a bill by the president or chief of staff, Zeliff would reply, "I'd like to talk about the roads in my district, the Gibson Center, the Pease Air Force base."

When asked about the extent of his support, Zeliff claimed it is districtwide. Exeter, Manchester and Dover were "very strong," while "Laconia was awesome," referring to stops on his day-long bus tour to formally announce his candidacy.

The Christmas Farm Inn owner, former Dupont executive and 14-year New Hampshire resident stands ready to sponsor two bills should he be elected.

One would limit a congressman's career to 12 years — "turning away from politicians and giving Congress back to the people." The other would freeze pay for the U.S. House and Senate if the federal budget is not balanced.

He also tackled the touchy issue of

abortion. Asked his position by a member of the audience after his speech, Zeliff said he advocates "less government, not more government. I believe in the woman's right to choose."

He claimed he will promote adoption and education to curb "abusive abortion. Nobody likes abortion." However, he added that abortions should not be government funded.

Another supporter asked if he liked broccoli. "I like broccoli. I like Idaho potatoes." Commenting on the press Bush received for his broccoli ban, Zeliff remarked, "Maybe I could use some of that."

He added that he did not like eggplant. "I'm 53 years old. I don't have to eat eggplant."

Other planks in the Zeliff platform include opposing gun control and supporting cuts in federal subsidies to tobacco farmers and defense aid to Japan.

The race to fill Republican Rep. Bob Smith's seat is becoming crowded. In addition to Zeliff, Manchester businessman Larry Brady, Sen. William Johnson of Northwood, former legislator Dean Dexter of Laconia and Moultonboro businessman Chris Tremblay have declared as candidates.

House Speaker Douglas Scamman of Stratham also is expected to run for the Republican nomination.

Smith is running to replace U.S. Sen. Gordon Humphrey, who is retiring next year.

Zeliff Off and Running, Complete with Prop

LACONIA — First Congressional District candidate Bill Zeliff is planning to carry a jar of pennies with him on the campaign trail to remind him that if pennies are watched, the dollars will take care of themselves.

The gimmick is reminiscent of Marshal Cobleigh's campaign for the same U.S. House seat 10 years ago. He carried a pound of hamburger in an attempt to draw attention to the increase in the cost of living.

Zeliff told supporters the pennies will remind him of his responsibilities to protect taxpayers' dollars.

The Jackson Republican was joined by scores of supporters as he kicked off his campaign with "The Spirit of New Hampshire" theme speech.

Zeliff made similar stops in Manchester, Exeter, Dover and Conway.

He presented a series of proposals related to budget reform, drug interdiction, crime prevention and environment protection.

"The 'Spirit of New Hampshire' is a can-do attitude. It's self-reliance, hard work and independence. In Congress it

means balancing the budget and paying strict attention to the bottom line," he said.

Zeliff referred to himself as a small-businessman with a lifetime of experience in making tough decisions and balancing budgets. He owns the Christmas Farm Inn in Jackson.

"I've been a decision maker and a leader in business and community service for the past 31 years. I want to bring this experience to Washington," he said.

Zeliff said his campaign will stress volunteerism and citizen participation.

"The Spirit of New Hampshire means less government where the rights of the individual are greater than the government's need to intrude in our private lives. It is independence, a live-free-or-die attitude, traditional values and accountability," the candidate said.

Zeliff was introduced by Laconia City Councillor Wesley Colby, city campaign coordinator. The candidate was accompanied on his trip around the state by his wife and son, in addition to his political entourage.



It's Official

Jackson Inn owner Bill Zeliff officially announces his candidacy for the Republican nomination for the First District Congressional seat at a rally in downtown Laconia, one of five such campaign appearances Monday.

4/3/90 Laconia
Evening Citizen
Page 3

FOSTER'S Daily Democrat
2 APR 90

Zeliff announces run for Congress

By DAVID TIRRELL-WYSOCKI
Associated Press Writer

MANCHESTER — Innkeeper Bill Zeliff announced this morning he is running for Congress, saying he is a non-politician who plans to use common sense and Yankee ingenuity if elected.

Zeliff began a series of appearances around the state by officially opening his campaign headquarters in Manchester. He also planned to visit Exeter, Dover, Laconia and North Conway today.

In a speech to supporters in Manchester, he promised to be tough on crime, tough on congressional spending and not to make a career out of serving in Congress.

"That's why I will fight for a 12-year limit for all members of the House of Representatives," Zeliff

said. "We must return Congress to the people and take it away from the politicians."

Zeliff said if he wins he will propose a law banning congressional pay raises if the federal budget is not balanced. He also said he would work to toughen anti-drug laws and said he favors the death penalty for certain crimes, including spying against the United States.

He cited the case of John Walker, who, for years, sold military secrets to the Soviet Union.

"In the old days convicted spies were executed. I think they still should be," Zeliff said.

Zeliff, 53, promised to carry with him during his campaign a jar of pennies to remind people "that we must watch all the pennies and the dollars will take care of themselves."

Zeliff, who owns the Christmas Farm Inn in Jackson, said he has been a business and community leader for 31 years. He said he has had a "lifetime of experience in making tough decisions and balancing budgets."

The race to fill Republican Rep. Bob Smith's seat is becoming crowded. In addition to Zeliff, Manchester businessman Larry Brady and Sen. William Johnson of Northwood also have declared themselves candidates for the Republican nomination.

In addition, House Speaker Douglas Scamman of Stratham and former state Rep. Dean Dexter of Laconia are expected to run on the Republican side.

Manchester lawyer Joe Keefe is the only Democrat to formally announce a campaign, though Sen. Robert Stephen, also of Manchester, is expected to join the race.

State/Region

Zeliff vows to pinch pennies in Congress

By ROBERT TANNER
Democrat Staff Writer

DOVER — Holding a jar of pennies he promises to keep on his U.S. Congressman's desk as a reminder to watch costs, Jackson innkeeper Bill Zeliff formally announced his candidacy Monday.

The 53-year-old Republican traveled through the state accompanied by his wife and one of three sons, promising to bring accountability and responsibility to the seat being vacated by three-term Congressman Bob Smith.

In a meeting with Foster's Daily Democrat before his announcement at Weeks Restaurant, Zeliff said his first big hurdle is to build name recognition.

Getting out to the public Monday — he hit Manchester, Exeter, Dover, Laconia, Wolfeboro and Fox Ridge — and making known his stand on the issues will clear that.

"The key goes back to the individual on everything," Zeliff said, a stand that runs through his positions on terms of office, foreign policy, abortion, drugs, the environment and honorariums.

He said he wants to see terms of office for both senators and congressmen limited to 12 years. "We've got to stop this from being a playground for people who want to get rich off the system. We've got to get greed out of it," Zeliff said.

Speaking in front of a lunch-time crowd in Dover, Zeliff pointed to his

17 years at Dupont Co. and his past 14 years as owner of the Christmas Farm Inn in Jackson. "I'm not a professional politician, nor a government bureaucrat, nor an influence peddler," Zeliff said.

"I'm a small businessman," Zeliff said. "I'm not going to be part of the pack in Washington. I'll bring common sense to the table and fight like hell for it."

"A can-do attitude is the spirit of New Hampshire, it is volunteerism, neighbor helping neighbor. The spirit of New Hampshire means less government. It is independence, traditional values, accountability," Zeliff said.

A top priority is bringing government spending in line. Zeliff said if elected he will propose a law that eliminates any raises for congressmen until the national budget is balanced.

The jar of pennies he carries with him symbolizes not only his budget-conscious attitude but the input of the citizens, Zeliff said. "It's going back to the basics... if we watch the pennies, the dollars will take care of themselves."

At the end of each campaign meeting, he asks each supporter to "put in their two cents."

The United States must change its policy from being the world's "Santa Claus," Zeliff said. Foreign countries

that need aid would benefit more from American business investments, not aid. "We need to provide public/private partnerships, provide opportunities for companies to go over there, like McDonald's in Russia. That's the way to do it," Zeliff said.

Stricter laws tie in with his call for accountability. Zeliff supports the death penalty for serious crimes such as treason or murder.

He supports the right of a woman to choose abortion, but is against government funding for it. "We have to solve it with education, like DWI," Zeliff said after the meeting.

Environmental issues are crucial to the state and the nation. The solutions, however, must be flexible. "Whatever plans we have must be in balance," Zeliff said, noting that while the nation must reduce its dependence on fossil fuels, that doesn't mean sudden and harsh steps that can damage industries and employment.

A member of the strategy committees for the campaigns of both President Bush and Gov. Judd Gregg, Zeliff has been closely aligned with former governor and Bush's Chief of Staff John Sununu.

He stresses that his supporters — Monday was the celebration of 2,120 supporters "signed, sealed and delivered" — are a mix of Republicans,



Bill Zeliff, candidate for 1st Congressional District, raises his jar of pennies at the announcement of his candidacy in Dover Monday.

(Democrat photo — Tanner)

Democrats and independents.

"I'm not going for a job. I'm not going for a career. I'm going down

there because I care for the future," Zeliff said. In the crowded race for the 1st District seat, Zeliff said he looks forward to the challenge.

"I can handle an uphill battle," Zeliff said.

Innkeeper from Jackson announces bid for Congress

By DAVID TIRRELL-WYSOCKI
Associated Press

MANCHESTER — Innkeeper Bill Zelif announced this morning he is running for Congress, saying he is a non-politician who plans to use common sense and Yankee ingenuity if elected.

Zelif began a series of appearances around the state by officially opening his campaign headquarters in Manchester. He also planned to visit Exeter, Dover, Laconia and North Conway today.

In a speech to supporters in Manchester, he promised to be tough on crime, tough on congressional spending and not to make a career out of serving in Congress.

"That's why I will fight for a 12-year limit for all members of the House of Representatives," Zelif said. "We must return Congress to the people and take it away from the politicians."

Zelif said if he wins he will propose a law banning congressional

■ See ZELIFF — Page B-6

■ ZELIFF

Continued from Page B-1

pay raises if the federal budget is not balanced. He also said he would work to toughen anti-drug and said he favors the death penalty for certain crimes, including spying against the United States.

Zelif, 53, promised to carry with him during his campaign a jar of pennies to remind people "that we must watch all the pennies and the dollars will take care of themselves."

Zelif owns the Christmas Farm Inn in Jackson.

Zeliff Announces Run for Congress



CANDIDATE William Zeliff pledged that he would take a jar of pennies to Washington to remind him of his duty to protect taxpayer dollars. (AP)

Jackson Businessman Joins Crowded GOP Race

By **GLENN WALLACE**
Union Leader Staff

Jackson businessman William Zeliff yesterday officially climbed into the already-crowded ring of Republican contenders fighting for the First District congressional nomination.

Zeliff made the announcement at a morning gathering at his new campaign office at 813 Elm St., Manchester.

Declaring that "Politics is not my profession," Zeliff, 53, who owns the Christmas Farm Inn, the Jackson Corner Store and Yesterday's restaurant, distanced himself from those already in office, saying he would not become part of the "pack" in Washington.

"I'm not a government bureaucrat, and I'm not an influ-

ence peddler ... I'm going to Washington to bring common sense ideas to the table," Zeliff said.

Zeliff said that if elected, he would introduce legislation to place a 12-year limit on service in the U.S. Congress.

"Congress should be a body of citizens who care enough to serve others, not themselves. Today there are too many in Congress who consider their temporary office a lifetime job. They have their snoot in the trough," Zeliff said.

Zeliff said his years of experience "making tough decisions and balancing budgets" as an innkeeper and businessman provide a solid foundation for facing federal budget issues in

ZELIFF CAMPAIGN, Page 8

ZELIFF CAMPAIGN

(Continued from Page One)

Washington.

"I'm very proud to be a small businessman who took some run-down buildings and turned them into one of New Hampshire's finest-quality country inns," Zeliff said.

Zeliff in his remarks made reference to several themes recognizable to residents here, saying he will bring "independence," "Yankee ingenuity" and the "can-do attitude that is the spirit of New Hampshire" to the U.S. Congress.

He also said accountability will be a theme of his campaign. "I want to be held accountable to all of you for my results," Zeliff said.

While praising the record of outgoing First District Rep. Bob Smith, who is leaving the House to run for the U.S. Senate, Zeliff declined to compare himself to Smith.

"I'm not going to try to be in anybody's mold. I'm going to be Bill Zeliff," he said.

He noted, however, that he and Smith differ sharply on abortion. Zeliff said he supports "a woman's right to choose." Smith strongly opposes abortion.

Describing himself as a conservative, Zeliff also said he opposes gun control, supports the death penalty for drug kingpins and believes all legislation, including environmental protection measures such as the Clean Air Act, should be balanced against cost.

During his announcement, Zeliff held up a jar of pennies. He said he intends to keep the jar on his desk in Washington to remind himself of his responsibility to protect the taxpayers' dollars.

Zeliff, who became active in politics after working in the successful 1982 gubernatorial bid of former Gov. John Sununu, has been actively campaigning since last fall. He is the sixth Republican candidate to an-

nounce a run for the First District nomination.

The list of announced candidates includes Manchester businessman and former Reagan-era commerce official Lawrence Brady, state Sen. William Johnson, former state Rep. Dean Dexter of Laconia, Moultonborough builder Chris Tremblay and Democrat-turned-Republican state Rep. Michael Weddle of Portsmouth.

In addition, New Hampshire House Speaker Douglas Scamman is expected to announce his candidacy soon.

Two Democrats, state Sen. Robert Stephen of Manchester and Manchester lawyer Joseph Keefe, have declared their intentions to run for that party's nomination.

Zeliff's announcement in Manchester was followed by a day-long series of whistle-stop appearances at his campaign offices in Exeter, Dover, Laconia and North Conway.

Wednesday, April 4, 1990

Zeliff for Congress campaign jumps off

by Shelly Gregoire

NORTH CONWAY — The Zeliff for Congress bus eased to a stop at Fox Ridge Resort Monday night and a weary candidate, his family and campaign staff dismounted for the last rally in a whirlwind First District tour.

But when Bill Zeliff of Jackson entered the hall any sign of strain disappeared in the warm greeting he received from a couple hundred Carroll County Republicans who want to send another hometown boy to Washington. Zeliff is one of five GOP candidates for the U.S. House seat of Rep. Bob Smith of Tuftonboro, who is seeking election to the U.S. Senate.

See ZELIFF - Page 9

Bill Zeliff opens his campaign for congressional seat with \$100,000

ZELIFF - From Page 1

After kibbitzing with and kissing several dozen people (and yes, there was a five-week-old baby in her mother's arms) Zeliff stepped aside from the limelight to allow state Executive Councilor Ray Burton of Bath to make a formal introduction.

Burton, part of the entourage of the day, said, "Bill Zeliff said at every stop, 'I'm from Jackson. I'm from the North Country. I'm from Carroll County.'" And the crowd applauded.

The Zeliff campaign functioned smoothly in its first big test, which demonstrates the strength of the organization, said Burton. To date, the Zeliff campaign has signed up 2120 supporters and has raised \$100,000.

The candidate's pitch, as packaged in the announcement speech he delivered five times Monday, is based on New Hampshire's traditional image of independence and conservative fiscal policies.

Billing himself as a businessman, not a career politician, Zeliff said, "Congress needs leaders who will roll up their sleeves and get involved. I won't be part of the pack in Washington. I'll bring common sense ideas to the table and fight like a bulldog until the job gets done."

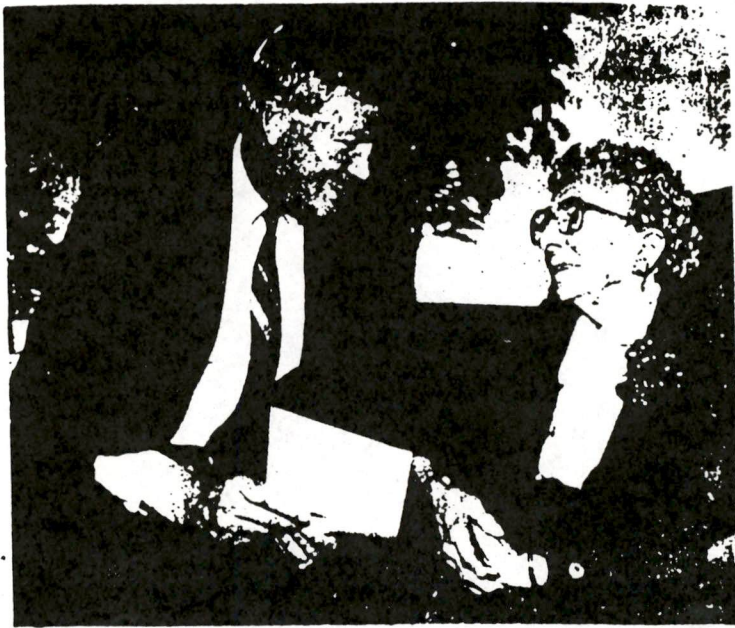


PHOTO BY BRUCE BEE

Friday, before his Monday campaign swing through the 1st Congressional District, Bill Zeliff visited Fox Ridge Resort in North Conway to deliver a congratulatory letter from President George Bush to Gertrude Walker of Intervale. With a century of living behind her, Walker is Conway's oldest citizen. Fox Ridge hosted a birthday party in her honor.

Echoing the title of his speech, he said, "The Spirit of New Hampshire" means less government, not more. It is where the rights of the individual are greater than the government's need to in-

trude in our private lives." He promises that if elected will wage a war of accountability on issues such as the national debt, drugs and crime, the environment.

Political Diary

LAURA A. KIERNAN

Alliance irked at Douglas letter

RANCOR REDUX: LAST week it was the state's labor unions and this week it's the state's mental health advocates who are up in arms about congressman **Chuck Douglas'** hardball attack on a piece of legislation before Congress. The Douglas camp said the freshman lawmaker was just trying to get people to pay attention to his point, which is the same response he gave to complaints from the labor unions.

The object of attention this time is a "Dear Colleague" letter that Douglas sent to all House members in mid-March. Just below Douglas' congressional letterhead is a large, startling drawing of a man aiming what looks like a assault rifle right at the reader's face. A headline below says "Berserkers: Time Bombs in the Workplace. How can we protect ourselves from a growing menace?" On the back of the letter is a New York Times story about a mentally ill Kentucky man who killed seven people in a printing plant where he once worked (the drawing and headline were clipped from a related Washington Post story). Douglas then warns that the Americans with Disabilities Act, which guarantees equal access to employment, transportation and accommodations for the mentally and physically disabled, needs "dramatic rewriting" or else employers will be compelled to hire "dangerous people," like the Kentucky man.

The Douglas' letter found its way out of the confines of the Capitol and into the hands of the state's Alliance for the Mentally Ill, which said in a news release that it was "outraged" at Douglas' "bigoted" statement, which they say uses one extreme case to indict all mentally ill people. "It's like taking an article on child abuse and then saying all women are child abusers," said the alliance's president, **Rona Purdy**. She accused Douglas of using

"smear tactics" and said he ought to apologize "to the many people in New Hampshire with mental illnesses and their families whom he has hurt terribly."

In a four-paragraph news release, Douglas said that he is "supportive" of the disabilities act but says it is "so poorly written" that the only people who will benefit are lawyers who will make money bringing "frivolous lawsuits" challenging the bill's wording.

Douglas' spokesman, **Brian Sansoni**, said using the drawing and the headline in Douglas' letter was "one way of getting attention." But Purdy said she objects to making a point "on the backs of people with mental illnesses and their families."

FYI: In 1989, Douglas received \$550 in campaign contributions from the National Federation of Independent Business, a leading opponent of the disabilities act. According to a spokesman, the federation, which has 4,500 members in New Hampshire, also believes the bill is too vague.

With a little help from his friends

JACKSON BUSINESSMAN **Bill Zelif** last week formally jumped into the crowded Republican primary for the First District congressional seat backed by a polished organizational performance right out of the campaign textbooks. And that is what Zelif has been bragging about all along: that he could tap into the well-honed organizational machines of the two big-time politicians he's labored for over the years - President **George Bush** and his White House chief of staff, former Gov. **John Sununu**. It can't hurt that Zelif's also raised more than \$100,000.

There was a big chartered bus outside his Manchester headquarters to cart supporters around the district all day, cute little girls wearing hand-appliqued "Zelif"

sweatshirts, an anonymous person in a pink elephant suit and lots of red, white and blue campaign paraphernalia. As for the candidate himself, since he has no track record in politics, Zelif has settled on an "accountability" theme; he also favors abortion rights, is antigun control, says he wants to limit members to six terms and would execute convicted spies.

Scamman grabs for Sununu train

ANOTHER (UNOFFICIAL) contender for the GOP nomination in the First District, House Speaker **Doug Scamman**, is also trying to hook up with the Sununu train. "Scamman Exploratory Committee Hires Sununu Consultants," announced a news release. The firm, **Smith & Haroff**, which Scamman says has a 61-9 win-loss record, will help with strategy, media and direct mail.

Joe Grandmaison announces today

ON THE DEMOCRATIC SIDE of the race for governor, former party chairman **Joe Grandmaison** makes his candidacy official today at 2 p.m. at the Ramada Inn in Concord. Grandmaison's announcement speech will focus on what he calls the failure of Republican Gov. **Judd Gregg** to pursue tax reform as a means of property tax relief and his "lack of leadership" in economic development and job growth.

Densmore given business honor

LAST BUT NOT LEAST, IN the non-political world, House minority whip **Ned Densmore** of Franconia, who owns the Village Bookstore in Littleton, has been named New Hampshire's "Small Business Person of the Year."

FREE

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Bill heads for the Hill

Jackson innkeeper Bill Zeliff and his wife, Sydne (above), kicked off his campaign to win the Republican nomination for the First District Congressional seat being vacated by Rep. Bob Smith with a series of appearances throughout the state April 2, beginning in Manchester and ending with a speech at the Fox Ridge Resort in North Conway before 150 supporters Monday evening. For more on Zeliff's reasons for running, see Page 12. (Steve Eastman/Mountain Ear Photo)

FEATURES

Presidential trolley folly

Had economic hard times not befallen the B&M railroad at the same time that the federal government began buying up land for the White Mountain National Forest in the 'teens, Mt. Washington may have been the home of an electric railway and an enormous hotel. Page 4.

IN THE NEWS

Upgrade legislation

The state Senate passes a bill sponsored by local legislators calling for the reconstruction of Route 16. Page 11.

School cuts

Some Conway School administrators have received notices that their contracts may not be renewed next year, as the school board attempts to bring the budget down to the \$11.8 million bottom line demanded by voters. Page 8.

USFS decision appealed

The Sandwich Conservation Commission appeals a US Forest Service decision to allow vehicular access to the edge of the Sandwich Range Wilderness. Page 10.

BUSINESS

Long-term investing

With people beginning to think of individual retirement accounts at tax time, Owen Lasker of the investment firm of Hopper Soliday & Co. of North Conway offers his suggestions on IRA's. Section 11.

INDEX

Automotive	Section III
Calendar	Page 26
Classifieds	Section III
Entertainment	Page 23
Letters	Page 2
Movie Listings	Page 15
Passages	Page 35
Real Estate Ads	Section II
Resort Report	Page 32
School News	Page 30
TV Listings	Page 15
Valley Focus	Page 34
Valley Round Up	Page 28

Zeliff

(continued from preceding page)

And we need to take the best minds of industry, labor and government together, and try to chart a new path which pinpoints the roadblocks in our way and sets the tone. I don't think we can wait until the year 2000—I think we've got two years here to get something going.

In 1990, probably no election issue is going to receive more attention than abortion. What are your views on that subject?

As a conservative, I believe in less government, not more government; less interference in our personal lives, not more. I therefore believe that Congress and government should stay out of that decision. I believe a woman should have a right to choose.

Having said that, I believe that if we want to correct the abuse of abortion, we've got to do it through education. That's the only way it's going to work. Education on moral judgments. People have to make that personal decision and they have to weigh it against a lot of things. Somehow, the pendulum has to go back to saying, 'Look, you're pregnant, if you play with fire you're going to get burned, and now you should have a responsibility to carry it through.' But is it my role as a Congressman to demand that your wife complete that pregnancy? I don't think it is.

That's what sets me apart from a true Bush-Sununu Republican, but frankly, at some point you've got to deal with your own conscience and your own self. There's been nothing that's been tougher to decide on, and I frankly talked with several doctors and I reached my decision and I'm going to stay with it.

The '90s has been called by some as the decade of the environment. How would you push an environmental agenda in Congress?

The '80s was a decade of restoring faith in the country and getting the economy going. The '90s will be a continuation of that, but with a major difference, and that's the '90s have to have a responsible role for the environment.

We need to have a long-term energy policy that is compatible with the environment. We need to decrease

the use of fossil fuels and use low-sulphur coals, and basically have a long-term phase-out of fossil fuels. Middle East oil will kill us if we keep it going... We're capable of conserving, developing our domestic oil, and there are a lot of alternative things to look into.

What are your feelings regarding nuclear power?

We need to make sure that nuclear is safe and we need to deal with the waste... We know that granite isn't the place to put the waste and we know that salt, like what

"For us to compete worldwide, [our government] has to stop being an adversary to business... I think we should become more of a catalyst to show the way and provide the leadership."

they have out west, can take it. And we know that we have the means to transport it safely. The problem is we haven't dealt with it because it's been a political football. We ought to take another look at nuclear power as one alternative, just one part of the overall picture.

If it takes 40 years for a plant's life, and it takes seven years to construct a waste facility, and as long as nuclear power is safe, then let's make a decision to build the disposal mechanism instead of letting it be a political football and not getting it done.

How would you accept political action committee funds for your campaign?

I consider all money as an area I have to be concerned with. I've turned down some money from some people. I want to make sure the source is right; that I won't sit in judgment of anyone who gives me money in terms of oil companies and things like that. I've taken PAC money from the National Restaurant Association and the American Motel Association, those two only, so far. I believe in those causes, they're small business causes,

and I am committed in support of small business. It's the engine that drives our economic wheel. I can't think of any reason why I wouldn't believe in small business.

Whether it's PAC money or individual, I'm careful to set my priorities and I will only take contributions from people who are interested in helping me get elected and certainly they're not going to have any guarantees as to how I'm going to vote. Frankly, I'm not that kind of person. I'll vote my conscience. My stand on the abortion issue is an example of the way I'm going to go.

You are perceived as a Bush-Sununu Republican. Is that accurate?

It depends. You really have to know the situation at hand. But, for example, I would've voted against Bush on the China deal, because I felt that strongly about it. And I wouldn't have been invited for pretzels and beer.

By the same token, a lot of decisions get made because, let's just say that I wanted that bypass through the national forest and I had an opportunity to get it but I had to trade a vote for some other project. It's not so pure that you shouldn't consider doing that, either.

So it all depends. But will I be [Bush and Sununu's] pussycat? Their rubber stamp? No.

You ran for the state Senate in 1984, and placed third. Did that experience teach you anything, and are you a better candidate now than you were then?

I learned a lot in 1984. Number one, I can't count on the chief of staff of the White House or the president or anyone else to do the work that I have to do for myself. And I'm not. The one thing I've done for the past year is I've worked my tail off. And that's the reason why we're going to win.

I've learned a lot since '84 about the governmental process and about myself. You almost have to lose once in order to win. I also learned I could be a damned good loser, too. I took it in stride, went back to work, worked hard for the Republican party and built some bridges and loyalties that I hadn't before, and I've got loyalties all over the state now.

I also learned it's the most exciting thing I've ever done. And it's hard work. You can't do it yourself. You need people and a network, and we have that now.

—Tom Eastman

In The News

(Steve Eashman/Mountain Ear Photo)



Jackson businessman Bill Zelif (above) formally announced his candidacy for the Republican nomination for the First District Congressional seat being vacated by Rep. Bob Smith at a series of appearances throughout the state April 2, ending with a speech before 150 supporters at the Fox Ridge Resort in North Conway Monday evening. Operator with his wife, Sydna, of the Christmas Farm Inn in Jackson since 1976, Zelif is campaigning on a "Spirit of New Hampshire" theme of bringing accountability and a business-like approach to Congress.

Congressional candidate interview

Zelif stresses 'Spirit of NH' in District 1 bid

Jackson innkeeper Bill Zelif made it official Monday, April 2: He is, indeed, a candidate for the Republican nomination for the District 1 Congressional seat being vacated by Rep. Bob Smith, who's running for Gordon Humphrey's Senate seat.

The 53-year-old businessman and Republican party activist kicked off his campaign with a daylong series of events in Manchester, Exeter, Dover, and Laconia, ending with a speech before 150 people at the Fox Ridge

Resort Monday evening in North Conway. In his announcement speech, Zelif stressed his business background, and promised to fight for low taxes, cuts in spending, less government, the environment, and accountability in government.

He said he favored a bill which would limit terms in Congress to 12 years, and also said he would sponsor a bill calling for a pay freeze for the US House and Senate if the federal budget is not balanced. If elected, Zelif

said he intends to bring a "Spirit of New Hampshire" to the nation's capital.

"The Spirit of New Hampshire is self-reliance and hard work. It's balancing the budget and paying strict attention to the bottom line. It's volunteerism. Citizen participation. Neighbor helping neighbor. The Spirit of New

"As a conservative, I believe in less government, not more government...I therefore believe that Congress and government should stay out of [the abortion] decision."

Hampshire means less government, not more. It's where the rights of the individual are greater than the government's need to intrude in our private lives. It is independence. A 'Live Free or Die' attitude... Traditional values. Accountability. That is the 'Spirit of New Hampshire,'" said Zelif.

Running as a fiscal conservative, Zelif advanced a series of proposals concerning budget reform, drug interdiction, crime prevention and environmental protection. He also noted in response to a voter's question about his stand on abortion that he is pro choice, saying that government has no business in such a personal decision.

Married for 31 years to his wife, Sydna, Zelif is the father of three sons. Graduating from the University of Connecticut in 1958, Zelif worked as an executive for 17 years with the DuPont Company in Wilmington, Del., before purchasing the Christmas Farm Inn in Jackson in 1976. Together, the Zelifs built the inn into a successful, year 'round operation, and in 1982, they also purchased Yesterdays Restaurant in Jackson, followed by the Jackson Corner Store in 1986.

Zelif has been active in New Hampshire tourism, serving as past president of the Mt. Washington Valley Chamber of Commerce and president of the New Hampshire Hospitality Association. In 1988-'89, he was honored as the state Innkeeper of the Year.

In his first bid for office in 1984, Zelif placed third in the state Senate District 3 race, losing to Roger Heath.