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Folder Title:
Chief of Staff-Designate Transition Files 11/88-1/89: Correspondence - December [3][1]

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OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

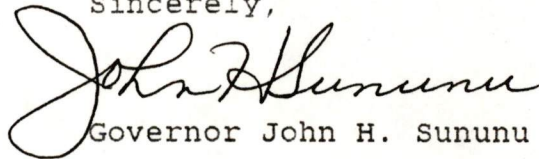
December 13, 1988

Dear Mr. Sahouri:

Many thanks for your kind letter of November 25. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me. Thanks, also, for your generous offer of help.

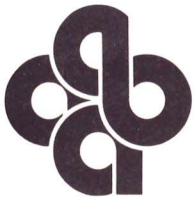
Best wishes to you and your family this holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style. The signature is positioned above the printed name "Governor John H. Sununu".

Governor John H. Sununu

Mr. Fuad M. Sahouri
Chairman
American-Arab Business
and Professional Association
772 Walker Road
P.O. Box 700
Great Falls, VA 22066-0007



Response

351-0004

American-Arab Business and Professional Association • P.O. Box 700 • 772 Walker Road • Great Falls, VA 22066-0007 • (703) 759-2225

November 25, 1988

EXECUTIVE COMMITTEE

Chairman

Fuad M. Sahouri
Network

Vice Chairman

Hisham Tabari
Multiworld Inc.

Treasurer

Dr. Hisham Altalib
Mena Corporation

Secretary

Dr. Jamal Barzinji
SAAR Foundation

Members at Large

Mahmoud Salem
Salem Furniture

Salah Turkmani
American Design Co.

The Honorable John Sununu
1825 Connecticut Avenue, N.W.
Washington, D.C. 20270

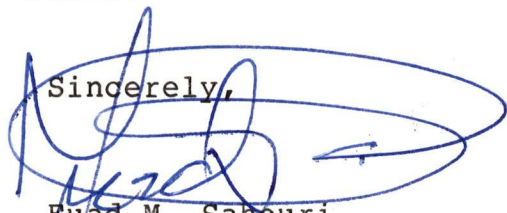
Dear Governor Sununu:

I was delighted, of course, to hear of your appointment, but not the least bit surprised. I can't think of anyone better qualified to tackle such a demanding job.

In the months ahead, our nation will face a very difficult future but with the leadership of individuals like yourself we will emerge stronger and more vibrant. If I can ever be of assistance, please don't hesitate to contact me.

My congratulations and best wishes.

Sincerely,


Fuad M. Sahouri
Chairman

FMS/sd

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

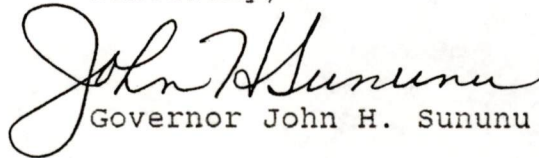
Decenmber 13, 1988

Dear Sirs:

Many thanks for your kind telegram of December 2. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Best wishes to all of you this holiday season.

Sincerely,



Governor John H. Sununu

Sons of Lebanon
12 Lebanon Street
Quincy, MA 02169

339-602

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CHIEF OF STAFF WHITE HOUSE DC

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GOVERNOR JOHN SUNUNU RPT DLY MGM

CHIEF OF STAFF

WHITE HOUSE

WHITE HOUSE DC 20500

CONGRATULATIONS ON YOUR APPOINTMENT AS WHITE HOUSE CHIEF OF STAFF FOR
PRESIDENT-ELECT GEORGE BUSH. MAY YOU HAVE A SUCCESSFUL AND PRODUCTIVE
ADMINISTRATION. WE ARE PROUD OF YOU.

MEMBERS OF SONS OF LEBANON

12 LEBANON ST

QUINCY MA 02169

0854 EST

0946 EST

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

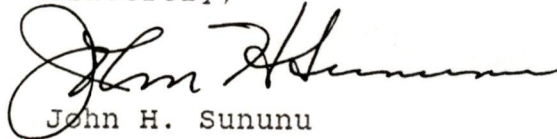
December 13, 1988

Dear Bill:

Many thanks for your kind letter of November 30. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me. Thanks, also, for your generous offer of help.

Best wishes to you and your family this holiday season. God bless.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style.

John H. Sununu

Mr. T. William Fitzgerald, Jr.
President & Chief Executive Officer
Liberty Bank & Trust Company
Sven School Street
Boston, Massachusetts 02108



Liberty Bank and Trust Company

T. WILLIAM FITZGERALD, JR., C.C.L.
President and Chief Executive Officer

Personal
341-0033

NOV 30 1988

November 30, 1988

The Honorable John H. Sununu
Chief of Staff
Transition Team
White House
Washington, D.C.

Dear John:

My sincerest congratulations of your recent appointment
as Chief of Staff.

I am not alone in stating that President Bush could not
have made a finer selection even if he looked the World
over. You have not only succeeded in obtaining for the
American People the finest President that we could have
hoped for, but you have also decided to accept the very
difficult job of running the White House.

God love and bless you and keep you healthy. If we can
ever help out here in Massachusetts - a call will bring
us running.

Sincerely,

Bill

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

Dear Mr. Nelson:

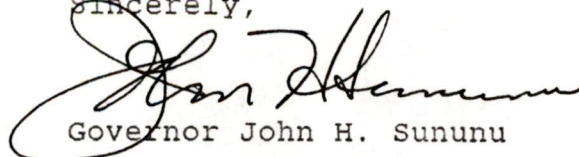
Many thanks for your letter of December 1 on behalf of Messrs. Maurice Barksdale, Michael Dorsey, and Roger Ahlbrandt. Their credentials are impressive and your strong recommendation only adds to their stature. I am sure that they will receive serious consideration for posts at the Department of Housing and Urban Development.

The President-elect is moved by the plight of those who live at the margins of society. Rest assured that, in addition to pressing for full funding of the Stuart McKinney Act, and vigorously enforcing the new fair housing law, George Bush is determined to work toward the day when all Americans will be able to obtain decent, affordable housing. While over the past eight years, the number of low income families served by federal housing programs increased by 36%, and spending grew by 30%, more remains to be done.

During the next four years, the Bush administration means to increase the stock of low income housing by seeking to implement an urban homesteading plan, facilitate tenant control and ownership of public housing, and develop programs to supplement the earnings of low income renters. Equally important, George Bush believes that in the long run the solution to our country's housing problems is a strong economy -- an economy that creates good paying jobs. And this administration will work hard to expand America's economic prosperity and make sure that it benefits all Americans.

Once again, thanks for writing. Best wishes to you and your family as well as to the members of the NAHRO this holiday season.

Sincerely,



Governor John H. Sununu

Mr. Richard Y. Nelson
Executive Director
National Association of Housing
& Redevelopment Officials
1320 Eighteenth Street, NW
Washington, D.C. 20036

Transmitted by Fax



NAHRO

National Association of Housing and Redevelopment Officials
1320 Eighteenth Street, Northwest, Washington, D.C. 20036 1803 (202) 429-2960

December 1, 1988

351-0001

Governor John H. Sununu
Office of the President-Elect
1825 Connecticut Avenue, N.W.
Washington, DC 20270

DEC 1 1988

Dear Governor Sununu:

NAHRO is a 55-year-old organization which represents a major group of HUD clients. Our membership consists of over 2,600 agencies administering HUD-assisted housing and community development programs. We are looking forward to working with the Bush Administration in addressing the housing and community development problems and issues of this country. For your information, I am attaching a copy of a letter which was sent to the President-Elect outlining some of our concerns.

Recognizing the importance of appointing strong, effective persons to the top HUD positions, we felt it would be useful to identify some attributes essential for anyone appointed to the positions of Secretary, Under Secretary, and Assistant Secretaries at HUD. A most important qualification is to be an effective advocate for the programs both within and outside the Administration. Consistent with these qualities is the ability to communicate and cooperate with the diverse interests of the housing and community development field.

He or she must have a demonstrated track record of producing and managing low- and moderate-income housing, stabilizing neighborhoods, or managing cities and their budgets. We believe the nominees must have at least ten years of such hands-on experience either in government or private enterprise, demonstrating knowledge of the field and an ability to manage a large organization.

In addition, the Secretary-designate as well as Under Secretary and Assistant Secretaries must have a command of housing and urban development needs and resources across our country; a sensitivity to the everyday coping problems of poor people; experience working with the legislative branch at the federal, state, or local level; and, most importantly, personal qualities of leadership, including the ability to communicate with the diverse interests in the housing and community development field.

It is our understanding that Maurice Barksdale is one of those being considered for appointment as Secretary of HUD, and Michael Dorsey and

Helen L. Sause, President, Apolonio Flores, Senior Vice President, Michael A. Garcia, Jr., Vice President Commissioners, William H. Garrett, Vice President Community Revitalization and Development, Jack Quinn, Vice President Housing, Michael F. Hanraff, Vice President Member Services, Ophelia B. Basgal, Vice President Professional Development, Richard Y. Nelson, Jr., Executive Director

Governor John H. Sununu
December 1, 1988
Page Two

Roger Ahlbrandt are under consideration for appointment as Under Secretary. Our experience with these individuals is such that we feel they more than meet the qualifications outlined above and would make a positive contribution and addition to the Bush Administration.

I know you are familiar with the experience and expertise of these individuals, so I won't attempt to spell those out. I would like to say, generally, that each in his tenure at HUD has exhibited a spirit of cooperation and appreciation of issues that the NAHRO membership feels is essential for the senior officials at HUD. Let me now take the opportunity to highlight a few qualities and qualifications that these individuals would bring to office that are particularly meaningful to our membership and, we think, to successful and effective implementation of policy at HUD.

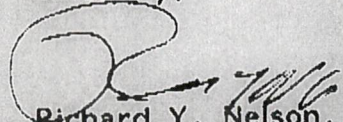
Maurice Barksdale would bring to the job a sensitivity born out of being a developer at the local level and being an activist at that level involved in community issues. This particular local experience, both before and after his tenure at HUD and in combination with his experience as the Assistant Secretary for Housing and FHA Commissioner, presents a unique set of experiences which would qualify him as Secretary of HUD.

Michael Dorsey's experience as the Chairperson of the Kansas City Housing Authority gives him a unique perspective and perception of issues related to the housing problems of our communities. There are over 15,000 commissioners setting policy for housing programs around this country. Consequently, this experience will be invaluable. Mr. Dorsey, as is also true of Mr. Barksdale, has exhibited an ability to effectively work with HUD clients even when pursuing Administration policies with which those clients disagree. These are particular qualities important during these days of hard budget choices.

Roger Ahlbrandt demonstrated his qualifications to NAHRO in working with our organization during the period around his prior tenure at HUD. Since that time, his experience in Pittsburgh has built on that experience.

I realize others are under consideration for appointment to positions in the upcoming Administration affecting our membership and their programs. We would be very pleased to comment on their qualifications.

Sincerely,



Richard Y. Nelson, Jr.
Executive Director

**NAHRO****National Association of Housing and Redevelopment Officials**
1320 Eighteenth Street, Northwest, Washington, D.C. 20036-1803 (202) 429-2960

November 30, 1988

The Honorable George Bush
President-elect
Office of the Vice President
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear Mr. Vice President:

We look forward to working with you and your new team here in Washington during the next four years.

The National Association of Housing and Redevelopment Officials is a 55 year old professional membership association of local appointed officials and program administrators who carry out programs of the Department of Housing and Urban Development and the Farmers Home Administration. Our 8500 members have hands-on experience in acquiring, developing, and managing low and moderate income housing as well as working in partnerships to stabilize neighborhoods, revitalize downtowns, leverage private investment, and create permanent jobs for low and moderate income Americans. Our association was instrumental in the enactment of the first National Housing Act of 1937 and has long participated in the fine-tuning of federal housing and community development programs.

We are writing for three reasons:

1. to share with you the priority issues facing community development administrators as well as managers and residents of low income housing and, in turn, our nation.
2. to recommend qualifications for your nominee for Secretary of the Department of Housing and Urban Development.
3. to invite you to address our Legislative Conference February 8 here in Washington on your approach to the housing crisis and the role of the federal government in housing and community development under the Bush Administration.

Priority Issues: Unmet Housing and Community Development Need

The issues confronting, not only us as program managers, but millions of low income Americans, as well as the nation-at-large, are:

- * drugs
- * an aging public housing stock in need of major repair
- * privately-owned, federally-assisted low and moderate income housing with expiring federal subsidies and/or mortgages eligible to be prepaid, threatening the loss of affordable housing for thousands of American families and seniors
- * skyrocketing rents which threaten the stability of neighborhoods
- * the continuing loss of privately-owned affordable housing to abandonment, conversion, or demolition without replacements (2 million units lost since 1974)
- * a surge in demand for low-income housing now numbering 7.2 million households
- * a decline in population and tax base of thousands of American cities at the same time as federal support has dwindled
- * a federal tax code which lacks incentives for private investment in low and moderate income housing as well as in urban America
- * micromanagement of federal housing and community development programs at the federal executive as well as legislative level

Mr. Vice President, we believe our national priorities must change. Keeping families together in secure neighborhoods is as much a matter of national security as our spending for armaments and unilateral high tech adventures in space.

The domestic policy agenda must include a recommitment of substantial resources to supplement rents, preserve, rehabilitate, and construct affordable housing. Demand-side strategies alone have not worked because of the dwindling supply of decent places to live for millions of low and moderate income Americans.

It is our firmly-held belief that the federal government must renew its commitment to those least able to fend for themselves to enable them to get on their feet and become productive members of our society.

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Homelessness, unemployment and underemployment, low educational achievement levels, drug abuse, high infant mortality rates, mortgage foreclosures on first-time homebuyers suddenly out of work, wholesale neighborhood turnover resulting from skyrocketing rents -- are all symptoms of an economic system and social welfare system which aren't working.

A rising tide lifts all boats, but the present abandonment by our federal partner in producing affordable housing has left millions of low and moderate income Americans doubled up, split up, or plain out in the cold. The resultant squeeze on local housing markets has caused rents and home sales prices to skyrocket beyond the ability to pay of a substantial number of American families.

In 1984, the waiting lists for public housing and the other major low income housing program known as Section 8 numbered 1.6 million American households. Estimates of the homeless population range from 300,000 to 3 million.

This is a national disgrace, Mr. Vice-President, for the United States of America in the latter half of the 20th Century. During the Presidential campaign, our members listened carefully and read all they could get their hands on from your campaign for some sign of recognition of this national problem which has roared up on us and now confronts us everyday on street-corners, pan-handling for spare change.

We must get ahead of the curve of homelessness and multiproblem families lacking coping skills, shelter, jobs, and a sense of personal worth. We must not, as a nation, allow ourselves to "institutionalize" homelessness as a problem with short-term, make-shift remedies.

It is costly and counter-productive to healthy, stable family life to spend \$2300 per month to house a family in a shelter or welfare hotel, when, for \$234 per month, that same family could be living in decent public housing. We must reduce the threats to family instability by providing the basics of food, shelter, health, and schooling so that family members can focus on job training and permanent self-sufficiency.

These pressing domestic problems will not go away by themselves. You indicated your support for "full funding" of the McKinney Homeless Act during your second Presidential debate. We commend you for your public support of the McKinney reauthorization. It was your public statement which was instrumental in melting resistance to this legislation by some quarters in the Congress, enabling the legislation to be enacted. We applaud you for this as well as your efforts to see the Fair Housing Act enacted this year.

However, you have not yet indicated how your Administration will address the needs of those living close to the edge -- the 7.2 million American households earning less than \$5000 per year.

The federal budget deficit looms before us, bigger than ever. We know whereof we speak. Funding for low income housing has been reduced 80 percent while community development funding has been cut 30 percent during the 1980's. Other programs and funding levels, meanwhile, were protected. The process has clearly been unfair and inequitable.

We are concerned that this trend will continue given your campaign commitments of no new taxes and a "flexible freeze" on spending. We urge you to reconsider ruling out revenue increases and to assure that all federal programs are reviewed as to their costs and benefits.

And we find no justification for the October 1987 Budget Summit Agreement walling off defense and foreign aid spending from all other domestic entitlement and discretionary programs. Such special treatment is favoritism which our country can ill afford during such stringent budget times.

Fraud in any government program cannot be tolerated and must be quickly terminated with the perpetrators severely punished. The Defense Department, funded at \$300 billion, is no exception to this. We are therefore troubled to hear Secretary Carlucci talking, not only of spending increases to keep pace with inflation, but an additional two percent increase on top of that!

Where is the equity, Mr. Vice President, for the 7.2 million Americans living in poverty? Where is the equity for the 1.6 million families and seniors on our waiting lists, many for several years, for a decent place to live?

These are the Americans who were promised a 'safety net' by President Reagan. Their incomes, rents, and health care costs must be supplemented, and their job skills and educational levels must be improved. These Americans do not want to remain dependent on others, Mr. Vice President. But they are forced to by economic realities. This results in a terrible drain on the fiscal well-being of our nation.

The national poverty threshold in this country for a family of four is \$9500. The minimum wage rate, at its current level, yields an income below that poverty level and acts as a disincentive to low income persons seeking financial self-sufficiency. We were gratified, therefore, by your endorsement of an increase in the minimum wage, legislation which failed to pass the 100th Congress. We hope that will continue to be one of your legislative priorities with the 101st Congress.

Our part of the domestic agenda is providing a decent place to live for those of very low income. The average household income of public housing residents is \$6500. Their average monthly rent payment is \$123.

Our interests in your Administration, therefore, focus principally on the leadership of the Department of Housing and Urban Development, the Farmers Home Administration, and the Domestic Policy Council.

Leadership Qualifications

We do not offer a name or short list of suitable names for your consideration to lead these agencies. The selection of your Cabinet is your prerogative.

We do offer some basic attributes which we believe any President should seek in their nominees to hold the public trust. The Secretary of Housing and Urban Development and the Department as a whole must act as an advocate for those in need of affordable housing and stable, secure neighborhoods.

He or she must have a demonstrated track record of producing and managing low and moderate income housing, stabilizing neighborhoods, or managing cities and their budgets. We believe the nominee for Secretary as well as Administrator of the Farmers Home Administration must have at least ten years of such hands-on experience either in government or private enterprise, demonstrating knowledge of the field and an ability to manage a large organization such as HUD with a \$15 billion budget and 13,000 employees.

In addition, the Secretary-designate as well as Under Secretary and Assistant Secretaries must have a command of housing and urban development needs and resources across our country; a sensitivity to the everyday coping problems of poor people; experience working with the legislative branch at the federal, state, or local level; and most importantly, personal qualities of leadership, including the ability to communicate with the diverse interests in the housing and community development field.

It goes without saying that all nominees for public office must exhibit the highest standards of personal and professional ethics avoiding even the appearance of potential conflicts of interest. We are encouraged by your Cabinet selections to date and your public statements recognizing the expertise and creative problem-solving abilities of the majority of the federal civil service.

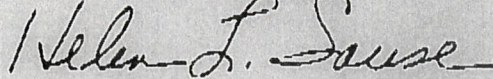
The Bush Domestic Policy Agenda

We join with other national organizations, such as the National League of Cities, the US Conference of Mayors, and The National Housing Conference in calling upon you, in your first 100 days in office, to turn your attention to hometown America's needs and put forth publicly your agenda for meeting those needs.

We invite you to share your domestic policy agenda with local appointed officials and decision makers in the keynote address to our members here in Washington February 8. Our legislative conference can provide a platform for you to elaborate on the "kinder, gentler nation" which you foresee for America and the opportunity for you to relate that vision to federal housing and community development programs.

We look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Helen L. Sause". The signature is fluid and cursive, with a long horizontal stroke at the end.

Helen L. Sause
President

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

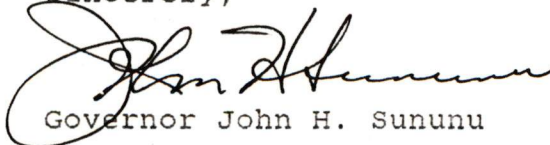
Dear Sirs:

Many thanks for your letter of December 2. It was good to hear from you. I am delighted to have your thoughts about how to promote closer cooperation between the public and private sectors as well as among federal, regional, state, and local levels of government on key domestic policy issues confronting the nation. As you well know, I am a strong believer in balanced federalism, and will keep your recommendations in mind as we go about planning, organizing, and operating the Bush administration.

Rest assured that George Bush is determined to reach out to all Americans to participate in the governance of our country. He firmly believes that we are a nation of communities joined together in partnership. Over the next few weeks and months, we will be reaching out to a broad cross-section of Americans for advice on a wide range of issues. I especially hope that we can count on your counsel during this crucial formative stage of the Bush administration and beyond.

I look forward to meeting with you. Best wishes to you and your families this holiday season.

Sincerely,



Governor John H. Sununu

Messrs. Snyder, Hackworth,
Barthalemy, and Russell
National Association of
Regional Councils
1700 K Street, NW
Suite 1306
Washington, D.C. 20006

December 2, 1988

DEC 12 1988

341-0027

Governor John H. Sununu
State House
Room 208
Concord, New Hampshire 03301

Dear Governor Sununu:

Congratulations on your appointment as White House Chief of Staff. Your challenges will be formidable, but with challenges there are opportunities, particularly at this time in our history. In this era of fiscal constraints, cooperative efforts and leadership are required from all elements which comprise our public and private sectors.

As a Governor you have shown great sensitivity to the need for public/private partnerships and cooperation at the state, regional and local community levels. This provides us renewed hope that our suggestions for utilizing White House and Administration staff resources to encourage collaborative ventures will be shared by you.

With this in mind, we offer for your consideration four recommendations that would promote closer consultation and collaboration on the key domestic challenges facing our Nation.

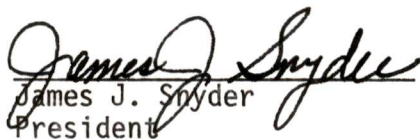
- We have special interest in the persons nominated for the following top department and agency positions: Housing and Urban Development; Transportation; Health and Human Services; Environmental Protection Agency; the Drug Czar and the two appointees to National Economic Commission. In each case, it is essential that the individuals have significant knowledge and experience not only in the subject matter but understand and have sensitivity to how state and local government works as well as the frequently intertwining relationships with private, non profit and other sector interests.
- At the White House level we encourage the use of working groups or "summits" of key interests to develop proposals in handling priority and specific domestic issues. Some of these issues include drug abuse, the homeless, school dropouts, the permanent poor, future mobility and growing congestion, the nation's infrastructure, and persistent economic dislocation in certain regions of the country. With limited resources the President can bring together appropriate governmental, business, labor, non-profit and religious leaders to focus coordinated resources and activities to more comprehensively share and resolve these problems. These are problems which also require continuing cooperation among all levels of government.
- At the intergovernmental level in Washington, consultation is appreciated and essential, for our federal system requires all communities and levels of governance to work in close harmony. We urge you or your Deputy to institute regular meetings with the leadership of state, regional and local government interests to

discuss specific intergovernmental needs, programs and resources and coordinated planning and delivery systems. It is distinctly in the best interest of the Federal government as well as state and local governments that regulations and delivery systems for national programs be jointly understood and determined since the success of the program is directly tied to our intergovernmental ability to deliver.

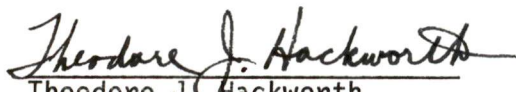
- Last and most difficult is the impact and future management of the national deficit. The deficit is the pivotal issue in domestic programs and state and local government financial viability, as well as national. It is at the lower levels of government where budgets are decreased due to the rate of inflation, discretionary program cuts, tax reform measures and economic dislocation. The solution to the deficit is not one dimensional; it impacts all levels of government. We must be part of the dialogue and long range solution of this problem to assure fairness and equity for all people and communities. We want to be more active players in this exercise. For example one of the appointments to the National Economic Commission could be a local government elected official.

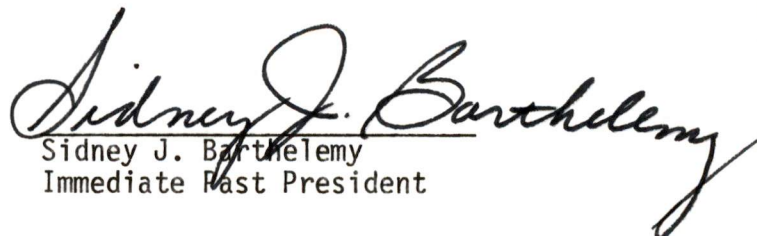
In closing, we offer our reasoned advice and leadership to you and President-elect Bush's Administration to work together for bipartisan and public/private cooperative solutions to the crucial domestic challenges facing our nation.

Representing the National Association of Counties

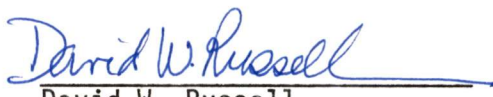

James J. Snyder
President

Representing the National Association of Regional Councils


Theodore J. Hackworth
President


Sidney J. Barthelmy
Immediate Past President

Representing the National Association of Towns and Townships


David W. Russell
President

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

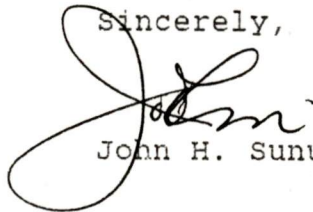
Dear George:

Many thanks for your kind letter of December 2. I very much enjoyed hearing from you, and am glad to have had your friendship over the years. It has been a privilege to know you and your beautiful family.

George, I appreciate your warm words of congratulations upon my selection as Chief-of-Staff, and hope to prove worthy of the trust that the President-elect has conferred upon me. I am also thankful for your gracious standing invitation to Nancy and me to visit your home, and hope that we can get together soon.

Best wishes to you and your family this holiday season. God bless.

Sincerely,



John H. Sununu

Mr. Georges E. Atallah
Vice President
Bank Audi, USA
600 Fifth Ave.
23rd Floor
New York, NY 10020



Georges E. Atallah
Vice President

December 2, 1988

341-0026

The Honorable John Sununu
1825 Connecticut Avenue N.W. - 10th Floor
Washington, D.C. 20270

My Very Dear Friend,

It is with a sense of tremendous pride that I have learned the great news of your appointment to one of the highest governmental posts in the land.

This well deserved honor entails enormous responsibilities and personal sacrifice, two characteristics that are well known to you.

Gentlemen of your stature and dedication are a credit to our country, as well as to our Lebanese heritage.

Please accept my heartfelt congratulations. I pray to the Almighty to grant you the moral, mental, and physical strength to serve our president and the people of the United States of America.

You may want to know that your picture with my two children stands in a place of honor at my home, "where you and Nancy are always most welcome."

Please remember the Atallah family is proud to be counted among your many friends.

Sincerely,


George Atallah

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

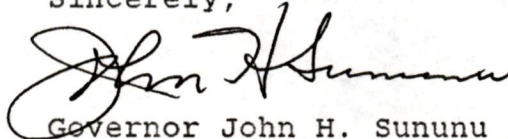
Dear Mr. Cole:

Many thanks for your kind letter of November 28. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Thanks, also, for your offer of help and advice. Rest assured that George Bush is determined to reach out to a broad cross-section of Americans for advice on a wide range of issues. I look forward to having the benefit of your input as we go about helping the President-elect keep America strong and prosperous.

Best wishes to you and your family as well as the members of the National Bar Association this holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style.

Governor John H. Sununu

Mr. James O. Cole
President
National Bar Association
P.O. Box 24305
Oakland, CA 94623

NBA

05 DEC REC'D

Reply To:

341-0028

P. O. Box 24305
Oakland, CA 94623
(415) 271-7519

November 28, 1988

James O. Cole
President

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Associate General Counsel

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Parliamentarian

John Crump
Executive Director

Honorable John Sununu
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

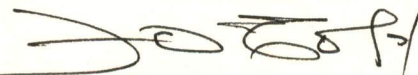
Dear Governor Sununu:

I am writing on behalf of the National Bar Association to congratulate you on being appointed Chief of Staff for President-Elect George Bush. We wish you all the success possible during your tenure.

The National Bar Association is the oldest and largest minority bar association in existence today. We were organized in 1925 at a time when blacks were not permitted to join the all-white American Bar Association. Headquartered in Washington, DC, we have grown from twelve to over twelve thousand black lawyers, judges, law professors and students located throughout the United States.

We would like to work with you and President-Elect Bush to make the next four years the most profitable and productive for our country. We noted with great interest President-Elect Bush's declaration of his intentions to be the president of all Americans. We look forward to working with you in providing any assistance which may be reasonably requested and respectfully ask that we be included whenever meetings are called to discuss matters of interest to our membership.

Yours respectfully,



James O. Cole
President

JOC/ras

1439k



NATIONAL BAR ASSOCIATION INC., 1225 11TH STREET, N.W., WASHINGTON, D.C. 20001-4217 • (202) 842-3900
64TH ANNUAL MEETING • JULY 30-AUGUST 5, 1989 • OAKLAND, CALIFORNIA

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

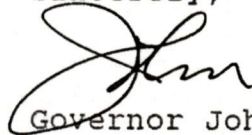
Dear Mr. DeMoss:

Many thanks for your kind letter of November 21. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Thanks, also, for your offer of support. We look forward to working with you over the coming months to help the President-elect keep America strong and prosperous as we head into the 21st century.

Best wishes to you and Dr. Falwell as well as to your families this holiday season. God bless.

Sincerely,

A handwritten signature in dark ink, appearing to be "John H. Sununu", written in a cursive style.

Governor John H. Sununu

Mr. Mark DeMoss
Administrative Asst.
to Jerry Falwell
Lynchburg, VA 24514

337-0034

LYNCHBURG, VIRGINIA 24514
804-528-4112

November 21, 1988

2 5 NOV 1988

Governor John Sununu
Office of the President-elect
1825 Connecticut Avenue
Washington, DC 20009

Dear Governor Sununu:

I simply want to congratulate you on your recent appointment to White House Chief of Staff. Dr. Falwell and I watched with excitement as the announcement was officially made last Thursday.

We have the highest regard for the entire Bush family and are pleased to know that you will be serving the new administration in this very critical position. If we can ever do anything specifically to help you or this new administration, I hope you won't hesitate to call us.

Once again, congratulations, and we look forward to exciting days ahead.

Sincerely,



Mark DeMoss
Administrative Assistant
to Jerry Falwell

RMD/mm

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

Dear Bob:

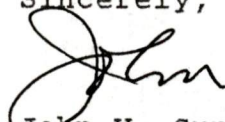
Many thanks for your kind letter of November 17. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Bob, I really enjoyed visiting Ohio during the campaign. The enthusiasm for George Bush that we encountered there was one of the highlights of my travels this fall. We are grateful for the Ohio Republican Party's efforts during the campaign. We could not have gotten this far without your valuable help.

Thanks for your offer of support. I look forward to working with you over the coming months to help the President-elect keep America strong and prosperous as we head into the 21st century.

Best wishes to you and your family this holiday season.

Sincerely,



John H. Sununu

Mr. Robert T. Bennett
Chairman
Ohio Republican Party
172 E. State Street
Suite 400
Columbus, OH 43215-4387



Ohio
Republican
Party

Robert T. Bennett
Chairman

Martha C. Moore
Vice-Chairman

November 17, 1988

The Honorable John Sununu
Office of the President-Elect
1825 Connecticut Avenue, N.W.
Suite 912
Washington, D.C. 20270

Dear John,

On behalf of the Ohio Republican State Central and Executive Committee, I would like to congratulate you on your appointment today as the new White House chief of staff. You will be an exemplary asset to the Bush Administration.

The Ohio Republican Party was honored to have had you campaign in the state during the 1988 campaign. You were an effective and forceful voice on behalf of Vice President Bush.

Please count on the Ohio Republican Party to support you as you build a new team in Washington. We stand ready to assist you and President-Elect Bush in any matter.

With kindest regards and best wishes,

Cordially,

Robert T. Bennett
State Chairman

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

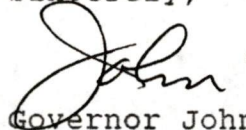
Dear Mr. Nuñez:

Saludos! Many thanks for your kind letter of November 22. We appreciate your interest in the appointment of Hispanic Americans in the Bush administration. As you can well imagine, things are very hectic around here right now. But, as soon as things settle down we should be able to get together.

Rest assured that George Bush is strongly committed to the involvement of Hispanic Americans in his administration, and is deeply concerned about the problems that beset the Hispanic community.

Best wishes to you and your family as well as the members of the National Puerto Rican Coalition and the National Council of La Raza this holiday season.

Sincerely,



Governor John H. Sununu

Mr. Louis Nunez
National Puerto
Rican Coalition
1700 K Street, NW
Suite 500
Washington, D.C. 20006



National Puerto Rican Coalition

Response
CC - Bobbie Kallins
2 NOV 1988
CC - Personnel
CC - Conf. Carol

22 November 1988

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 Lynbrook, NY

President

Louis Nuñez

Mr. John Sununu
 Presidential Transition Office
 1825 Connecticut Ave, N.W.
 Washington, D.C. 20270

Dear Mr. Sununu:

I would like to take this opportunity on behalf of the board of the National Puerto Rican Coalition, and Mr. Raul Yzaguirre, President, National Council of La Raza, to request a meeting at which Mr. Yzaguirre and myself might speak with you regarding Hispanic appointments in the Bush administration.

The National Puerto Rican Coalition is a national membership organization representing the interests of Puerto Ricans in the United States--currently 2.5 million people--and Puerto Rico.

The National Council of La Raza is an umbrella organization for local community-based groups which serve 32 states.

Together we represent organizations serving 19.4 million Hispanics in the United States--an estimated 30 million by the year 2000--the fastest growing segment of the U.S. population.

The Bush administration will face a number of harsh realities confronting Hispanics:

- o For example, thirty eight percent (38%) of Puerto Rican families are living below the poverty line. This means that Puerto Ricans now have a level of income equal to that of blacks almost 30 years ago.
- o More Mexican-Americans live in substandard housing than any other group.

Hispanics stand ready to assist the new President as he tackles these and other problems. Nevertheless, it is important for the Hispanic community to see its leadership in positions where policies are formulated.

Therefore, with full appreciation for the demands on your time during this undoubtedly hectic period prior to the inauguration, I look forward to hearing from you soon regarding this request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Louis Nunez". The script is fluid and cursive, with the first name "Louis" and last name "Nunez" clearly distinguishable.

Louis Nunez

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 13, 1988

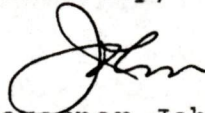
Cathi
Dear Ms. Villalpando:

Saludos! Many thanks for your kind letter of November 22. It was good to hear from you. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

I look forward to working with you and the Republican National Hispanic Assembly to address the concerns of the Hispanic American community during the Bush administration.

Best wishes to you and your family as well as the members of the Republican National Hispanic Assembly this holiday season.

Sincerely,



Governor John H. Sununu

Ms. Cathi Villalpando
National Chairman
Republican National
Hispanic Assembly
310 First Street, SE
Washington, D.C. 20003



Republican National Hispanic Assembly

November 22, 1988

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Cathi Villalpando

Co-Chairmen

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Shiree Sanchez Bintliff

Communications/Editor

Gustavo Friederichsen

Honorable John H. Sununu
Governor of New Hampshire
24 Samoset Drive
Salem, New Hampshire 03079

Dear Governor Sununu:

On behalf of the National Executive Board of the Republican National Hispanic Assembly, congratulations on being named President-Elect George Bush's Chief of Staff. Hispanic Americans are proud to have two distinguished Americans such as President Bush and yourself leading this country into the next decade of continued peace and prosperity.

You are very familiar with the concerns Hispanic Americans have regarding America's future: peace through strength, stifling the threat of communism in the Western hemisphere, and continuing the economic growth so many Hispanic Americans have experienced the past eight years.

Your dedication to the Hispanic American community of this country is another example of the strength that embodies your character--a character every American will come to respect and admire as you serve this country.

Sincerely,

Cathi Villalpando
National Chairman

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 14, 1988

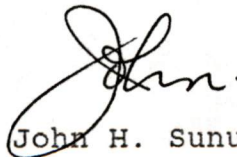
Dear President Ford,

Thank you very much for sending me a copy of Broken Purse Strings, which I have set aside and will read just as soon as a spare moment presents itself. I am sure that you can appreciate how busy my current schedule is - leaving me very little time for anything other than "required reading" - but any text which might help illuminate the federal budget process is one that bares a close and careful reading.

On a personal note, I want to extend my best wishes to you and Betty during this holiday season, and I hope that the new year is a healthy and happy one for the entire Ford Family. Thank you once again for sending along Dr. Penner's analysis and recommendations, and I hope to put the information contained therein to good use in the near future.

Warmest best wishes,

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu". The signature is fluid and cursive, with a large initial "J" and "H".

John H. Sununu

President Gerald R. Ford
Timmons & Co Inc.
1850 K Street, N.W.
Washington, D.C. 20006

347-0001



1 DEC 1988

GERALD R. FORD

December 7, 1988

The Honorable Governor John Sununu
Office of the Vice President
The White House
Washington, D.C. 20500

Dear Governor:

Let me call this product of a year's effort to your attention. After consulting with former colleagues in Congress and in my administration, I asked Rudolph G. Penner to analyze our federal budgeting process on Capitol Hill.

Accordingly he and his colleague, Alan Abramson, researched and wrote Broken Purse Strings: Congressional Budgeting, 1974-1988. The book was produced by the Urban Institute with support from the Gerald R. Ford Foundation.

In my judgment, the authors' findings, and particularly the recommendations by Dr. Penner, an economist and a former Director of the Congressional Budget Office, merit careful study and subsequent legislative consideration. His knowledge and his long experience with the budget process are the sources for his proposals. I have reviewed them and now hope that you will find time to consider them too.

Warmest best wishes,

Sincerely,

Gerald R. Ford

Timmons & Co Inc.
1850 K Street, NW
WDC 20006

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

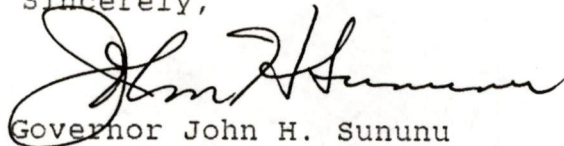
December 14, 1988

Dear Mr. Chasek,

Thank you very much for sending along your best wishes, and for the interesting white paper regarding the national debt. The proposals it contained certainly deserve further consideration, and I will pass them along to the appropriate people just as soon as the White House staff and structure have been completely assembled.

Thank you once again for taking the time to send along the material, and please accept my warmest greetings to you and your family during this holiday season and throughout the new year.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style.

Governor John H. Sununu

Mr. Norman E. Chasek
The Chasek Engineering Co.
24 Briar Brae Rd.
Stamford, CT 06903

THE CHASEK ENGINEERING CO.

24 BRIAR BRAE RD.
STAMFORD, CT 06903
(203) 322-7256

1 DEC 1988

347-0041



December 8, 1988

Gov. John H. Sununu
c/o The White House
Washington, DC 20500

Dear Governor Sununu,

As both an engineer and member of the Bush administration, I felt that you would find the enclosed White Paper of interest. It addresses the national debt in a synergistic manner which promises to enhance conservative government.

Best wishes for the Holidays and for your new job.

Sincerely,

Norman E. Chasek

Enclosure: On Attacking the National Debt and Other Problems

ON ATTACKING THE NATIONAL DEBT AND OTHER PROBLEMS

Introduction: The national debt was once a non-problem because we only owed it to ourselves. That debt is now increasingly owed to foreign nationals. This means that the nation's economic destiny will increasingly be shaped by others. This realization is forcing the nation to act like any other family in similar straits, namely to get together and confront the issue. The options include cutting spending, increasing taxes (and user fees), selling assets, etc.

Our President-elect, George Bush, soon to be "head of the family", is suggesting a flexible freeze on spending that would let economic growth, and incidentally inflation, get us out of the jam. The non-inflationary way to best execute such a strategy is with increased productivity growth. This growth should proliferate every sector of the economy; manufacturing, service, as well as the public sector. In fact, the public sector should lead the way through its management of transportation, which impacts on all facets of the economy.

Background: The federal government plays a large role in surface transportation. For example, the interstate highway system was built under federal leadership, and it contributed mightily to the nation's economic growth. Federal monies are also funneled to state and local governments to improve roadway operations and mass transit with the objective of keeping the flow of people and materiel moving smoothly. But roads are becoming increasingly congested. Congested roads diminish productivity at its most fundamental level, by sapping human energies. It also wastes gasoline, increases air pollution and vehicular wear-and-tear, and exacerbates greenhouse climate warming.

A federal highway researcher illustrated the effect of stop & go traveling with a hypothetical car moving at a constant 25 mph compared to a similar car that stops once per mile. The latter car would use 25% more fuel and incidentally emit 25% more carbon dioxide, the prime culprit in creating a greenhouse effect. About 25 pounds of carbon dioxide are pumped into the atmosphere for every gallon of gasoline burned. About 1 billion tons of carbon dioxide are pumped into the atmosphere every year by American vehicles. If starts and stops in New York City traffic were reduced by 15%, about 1 million tons less CO₂ would enter the atmosphere. This would help right the imbalance developing between growing CO₂ sources and nature's ability, through green plants, to convert the CO₂ into life supporting oxygen. This hypothetical constant speed vehicle also emits almost no air polluting carbon monoxide, while cars that start and stop emit the lion's share of air pollution.

Realizing smooth traffic flow requires actions that skillfully influence demand and flow-management. Such a combination of well coordinated actions, now technically and potentially politically feasible, would have a powerful effect on the national economy. Such a comprehensive effort would normally imply a heavy investment of federal funds but those areas of the federal government that normally orchestrate such programs have been squeezed over the past eight years and a flexible freeze would maintain this condition. It is clear that another route toward addressing this issue will have to be developed.

The Alternate Route: A plan should be developed to sell off the federal highway system to a yet to be created network of regional authorities whose objectives would include the putting in place of strategies that would assure smooth flowing surface transportation. Each authority's territory would include more than one state. The plan's salient features would include, 1) that the authorities purchase the road assets with cash derived from bonds that are backed by each authority's legal ability to impose demand-adjusting user fees, and 2) that each authority's management would be appointed by the concurrence of the pertinent governors. The authority's charter should mandate that it develop plans to expand its management of traffic to most roads in the region and to develop appropriate links with public transit operations.

The results to be expected from such restructuring include, 1) a reduction in government's direct role in surface transportation's facility operations, 2) a reduction in the federal debt by the proceeds from the sale of assets, 3) the creation of an entity that will have the jurisdictional and financial capabilities to address national productivity through efficient transportation flow, with incidental spillover to other upcoming national problem areas of energy, air pollution and greenhouse climate warming, and 4) to have in place an entity that could help deal with future energy shocks at ground level.

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 14, 1988

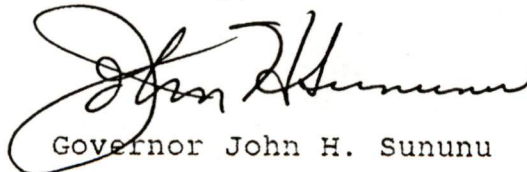
Dear President Roskens,

I also regret not being able to talk with you personally during our meeting on December 5, which I found very productive and enjoyable. However, I feel sure that another opportunity to meet or speak with you will come along in the near future. The Bush White House will have an unprecedented commitment to education, and I hope that we will continue to be able to count on you for your input throughout the President-elect's term.

Thank you for recommending Erich Bloch for the position of Science and Technology Advisor to the President. I will forward his name to the appropriate people, along with your recommendation.

Please accept my best wishes to you and your family during this holiday season and throughout the new year, and I look forward to meeting with you and your colleagues again in the near future.

Sincerely,



Governor John H. Sununu

President Ronald W. Roskens
University of Nebraska
Varner Hall
3835 Holdrege
Lincoln, NE 68583-0745



University of
Nebraska

Office of the President

11 DEC REC'D

347-0030

Varner Hall
3835 Holdrege
Lincoln, NE 68583-0745
(402) 472-2111

December 6, 1988

PERSONAL

Governor John Sununu
Office of the President-elect
1825 Connecticut Avenue NW
Washington, D.C. 20270

Dear Governor Sununu:

Our Governor, Kay Orr, has spoken of you so frequently in my presence and she had sent her greetings to be delivered to you yesterday. Frankly, in the hustle and bustle of the activity and the fact that you seemed to disappear very quickly, I was unable to do so. In any event, I want to tell you that I was delighted to meet you and I look forward to continuing opportunities to touch base with you.

The meeting yesterday with the President-elect and the others was, I thought, wholly productive. There were, at least, two primary signals that merit reference. The first was that we were invited to sit with you people and offer some comments and, the second was that Mr. Bush demonstrated again - as I have seen him do so often - that he is very knowledgeable and is a very good listener.

With respect to the position of science advisor or whatever title might be established, I am very much aware that such a person needs to be both compatible with and have the confidence of you. I would urge you to give some thought to Erich Bloch, who is currently, as you probably know, Director of the National Science Foundation. Erich came from IBM and my impression is that he has been an extraordinarily effective advocate of the sciences.

He is also one who appreciates realities and can speak of them e.g. budget limitations with forthrightness.

Governor Sununu
December 6, 1988
Page 2

In a few days, I will offer some suggestions for an advisory panel. Meanwhile, I thank you again for your cordial reception and, I repeat my hope that there will be additional opportunities for, at least, brief conversations in the future.

Sincerely,



Ronald W. Roskens
President

P.S. I have asked, informally, the President-elect to consider addressing our Commencement on Saturday, May 13, 1989. This event draws approximately 17,000 people to an indoor, air-conditioned arena. In view of our long-time friendship with Mr. Bush, we obviously would like to be among the first universities to have him as our Commencement speaker and also to be the recipient of an honorary degree. I know that you cannot answer this kind of thing immediately, but we would appreciate a clue whenever you can provide it.

jm

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

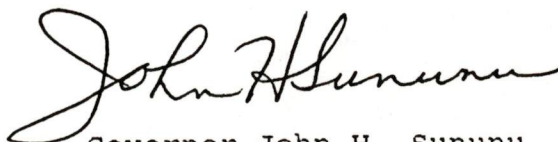
Dear Mr. Caplin,

I read your enclosure with great interest and agree that the 25th Amendment is one that deserves careful examination. Your article in The National Law Journal makes some very cogent points.

Needless to say, the transfer of Presidential power is a matter that deserves the attention of all of us who are privileged enough to serve the President and the American people, and I am forwarding your letter to Boyden Gray, legal counsel to the President-Elect, for his consideration.

Thank you once again for taking the time to bring this important matter to my attention, and please accept my warmest wishes for you and your family during the holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu". The signature is fluid and cursive, with the first name "John" being the most prominent.

Governor John H. Sununu

Mortimer M. Caplin
Caplin and Drysdale
One Thomas Circle, N.W.
Washington, D.C. 20005

LAW OFFICES

CAPLIN & DRYSDALE
CHARTERED

ONE THOMAS CIRCLE, N.W.

WASHINGTON, D.C. 20005

(202) 862-5000

07 DEC REC'D

343-0003

MYRON C. BAUM*
OF COUNSEL

NEW YORK OFFICE:
10 EAST 53RD STREET
NEW YORK, NY 10022
(212) 319-7125

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TELECOPIER (202) 296-2866

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ROBERT H. ELLIOTT, JR.*
ELIHU INSELBUCH*
H. DAVID ROSENBLUM*
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MARY R. ALBRIGO
C. SANDERS McNEW

* ADMITTED IN D.C. & N.Y.

† ADMITTED IN N.Y. ONLY

* NOT ADMITTED IN D.C. OR N.Y.

December 1, 1988

The Honorable John Sununu
Office of the President-Elect
1825 Connecticut Avenue, N.W.
Washington, D. C. 20270

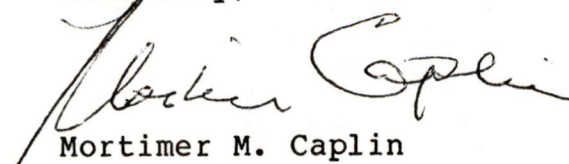
Dear Governor Sununu:

Presidential disability and the 25th amendment are pressing issues that call for close attention. Enclosed is an article I just wrote based on my Vice Chairmanship of the White Burkett Miller Center's Commission on Presidential Disability.

Public awareness and understanding of the 25th amendment are important, and I thought that this piece would be of particular interest to you.

Congratulations and my best wishes for your great success as Chief of Staff.

Sincerely,


Mortimer M. Caplin

Enclosure

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

Dear Dr. Wu:

Many thanks for your letter of November 16. I apologize for the delay in responding, but as you can well imagine things have been quite hectic around here these past few weeks. We appreciate your views on the economic challenges that confront the country. They were thoughtful and provocative.

Rest assured that George Bush remains strongly committed to reducing the deficit within the framework of the commitments he made during the campaign. In addition, the President-elect wants to press ahead vigorously with reforms in the Pentagon's program, procurement, and budgeting system to bring about a more efficient and effective defense for our country.

Once again, thanks for writing. Best wishes to you and your family this holiday season.

Sincerely,


Governor John H. Sununu

Dr. Thomas K. Wu
116 Heritage Lane
Madison, AL 35738

Dr. Thomas K. Wu
116 Heritage Lane
Madison AL 35758
Nov 16, 88

Governor John Sununu
State Capital Building
Concord New Hampshire 03301

Dear Governor,

I want to congratulate your selection as the White House Chief of Staff. One week after Mr. Bush being elected as the President of United States, the dollar and stock market are in free fall. The heart of our problem is our budget deficits.

I am a government employee working in the DoD. The program that I am working has experienced a great deal of technical and financial difficulties and has marginal national security value. If you are willing to consider cancellation of this program, the Government will save at least 6 Billion dollars. The actual saving will be considerably more because the estimated saving excluding the cost growth.

Since this program is a clasified program, I can not give you any detail in this letter. I will be happy to come to Washington D.C. to brief you or Senator Lee Aspin. If you have further interest please call me at home (night)

205-461-8163

Sincerely
Thomas K. Wu

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

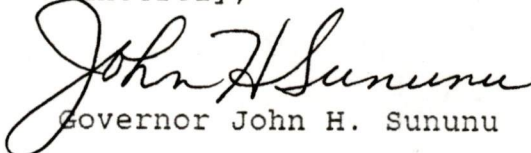
Dear Mr. Torczyner:

Many thanks for your letter of November 18. I apologize for the delay in responding, but as you can well imagine things have been quite hectic here these past few weeks. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Rest assured that George Bush is determined to reach out to a broad cross section of Jewish-Americans just as he is reaching out to a broad cross section of all Americans for advice on a wide range of issues.

Best wishes to you and your family this holiday season.

Sincerely,


Governor John H. Sununu

Mr. Jacques Torczyner
World Zionist Organization
American Section, Inc.
515 Park Avenue
New York, NY 10022



ההסתדרות הציונית העולמית – אגף אמריקאי

WORLD ZIONIST ORGANIZATION
American Section, Inc.

515 PARK AVENUE, NEW YORK, N.Y. 10022
(212) 752-0600 Cable Address: JEVAGENCY, N.Y.

PERSONAL

November 18, 1988

Gov. John H. Sununu
Transition Office
1825 Connecticut Avenue, N. W.
Room 1020
Washington, D. C. 20270

Dear Governor Sununu:

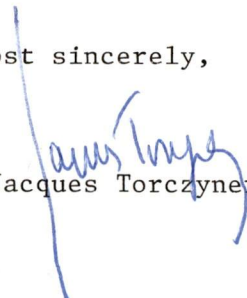
I want to congratulate you upon your appointment as Chief of Staff of President Elect George Bush.

I have never had the pleasure of meeting you personally, but have been impressed with your appearances on television during the campaign.

As one who had actively participated in campaigns for the republican candidate, I feel it is more important than ever that the republican party should pay more attention to the Jewish community at large, instead of concentrating on trying to win over a leadership that has for many years been identified with the democratic party.

With my best wishes, I am

Most sincerely,


Jacques Torczyner

JT:hc

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

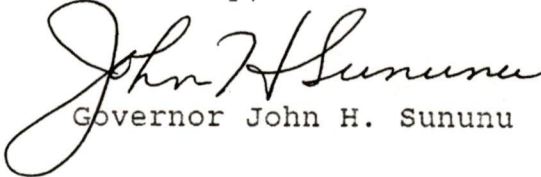
December 15, 1988

Dear Mr. Stephens:

Many thanks for your kind letter of November 26. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me. Thanks, also, for your generous words about my tenure as Governor of New Hampshire. It has been a great honor and privilege to serve the people of New Hampshire.

Best wishes to you and your family this holiday season.

Sincerely,



Governor John H. Sununu

Mr. Jackson T. Stephens
Chairman of the Board
Investment Bankers
114 E. Capitol Ave.
Little Rock, Arkansas 72201

Stephens Inc.

28 NOV 1988

Jackson T. Stephens
Chairman of the Board

November 26, 1988

The Honorable John Sununu
Chief of Staff to the President Elect
1825 Connecticut Avenue, NW
Washington, DC 20270

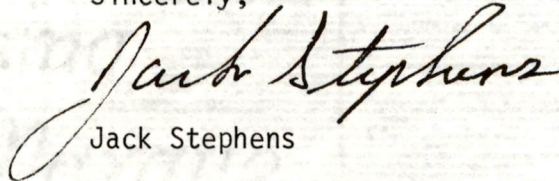
Dear Governor Sununu:

I am very delighted that you have agreed to become Chief of Staff for President Elect Bush.

I must say, however, that I hate for New Hampshire to lose your leadership. I have had an interest in New Hampshire real estate for quite some time and it has only been during your tenure as Governor that I have felt that the attitude of New Hampshire was changing to encourage growth. I think the State has benefitted immensely from your leadership. I trust that you can leave the State in as good hands and that what momentum you have helped create can continue.

As a citizen, though, I admire and respect your willingness to go to Washington for such an important position.

Sincerely,


Jack Stephens

JS/js

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

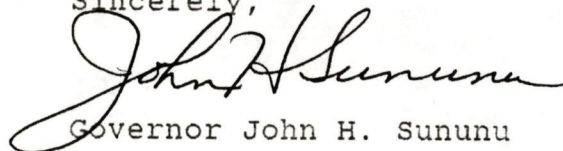
Dear Mr. Dekker:

Many thanks for your kind letter of November 28. We appreciate your views on the economic challenges that confront the country. They are thoughtful and provocative.

Rest assured that George Bush remains strongly committed to reducing the budget deficit within the framework of the commitments he made during the campaign. In addition, the President-elect means to expand America's economic prosperity by spreading economic growth, bringing economic empowerment to more Americans, and strengthening America's leadership in the world economy.

Once again, thanks for writing. Best wishes to you and your family this holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style. The signature is positioned above the printed name of the Governor.

Governor John H. Sununu

Mr. Henry J. Dekker
Louis Feraud, Inc.
570 Seventh Avenue
New York, NY 10018

Louis Féraud

PARIS

0 IDEC REC'D

November 28, 1988

Mr. John Sonunu
Chief of Staff Designate
1825 Connecticut Avenue N.W.
Suite 1016
Washington, DC 20270

Dear Mr. Sonunu:

Thank you for your determined efforts on behalf of President Elect George Bush during the primary and the election campaigns.

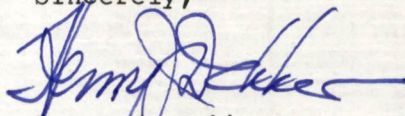
Attached are two sets of ideas on the budget deficit reduction. Obviously, increasing income taxes is not within Mr. Bush's choices since his integrity and respect would come under great question, if he were so inclined. The additional revenue which could be raised via gasoline, alcohol (beer, wine, liquor), cigarettes, and on all items of conspicuous consumption (furs, jewelry, auto's above \$25,000, a value added tax on all consumer items over \$10,000, homes over \$300,000) could generate between 60 to 75 billion per year.

The intelligent thinking people in the U.S. demand that our government get our house in order. It is high time you and Mr. Bush and all of his cabinet bring prudent, financial management and responsibility to the government, the executive and legislative branches.

Mr. Bush has a very tough job, but at the same time, a wonderful opportunity to bring a new level of financial responsibility to the Presidency and the government and especially the Republican Party. He can lead congress in a manner which has not been accomplished the past 40 years, via visionary leadership and by building true bi-partisanship to a new level of achievement.

We are counting upon you and the President to lead us back to integrity and respect at home and in the world arena. We need to resume our pre-eminence, our leadership in the world. We wish you good luck and Godspeed.

Sincerely,



Henry J. Dekker

P.S. The people know, innately, the budget deficit must be solved; they are always ahead of the politicians. A simple surcharge on all income at an increasing scale from 1% to 5% starting at \$20,000 yearly and in \$20,000 increments called Deficit Reduction Surcharge is another viable alternative.

These are personal views, not corporate.

we do not push the state of the art so much, product reliability will improve.

■ **Strengthening management personnel.** Programs must be headed by people who remain long enough to fully exercise their capabilities and responsibilities. Quality people instill trust and honor in a system. Our nation has been blessed with a long line of top-flight military officers and civilian public servants. But we're paying many of them far less than they can make outside the government.

■ **Making clear what the military wants.** The military has a legitimate need to understand the industry's scientific and technological capabilities. Industry must understand military needs. Surprisingly, formal

channels for dissemination of such information are tenuous, and proposed reforms will make them more so. For example, tightening restrictions on communication between contractors and civil servants, a proposal intended to prevent undue influence or favoritism, could have a chilling effect on effective cooperation. We should be careful not to inhibit the use of honest consultants in the process of driving out dishonest ones. The complexities of government procedures, even assuming some reforms, make the expertise of such individuals essential, especially for small and middle-size companies.

■ **Eliminating overmanagement.** As David Packard, former deputy secretary of de-

fense, put it recently before a congressional committee, "Defense procurement has been 'micromanaged' to death." I know of one large aerospace company that experienced 6,000 audits in one year alone, requiring 252 man-years of labor to answer auditors' questions. Auditing is essential, but with the equivalent manpower of two Army divisions performing the task, a strong case can be made for forming a group just to audit the auditors.

The defense procurement process clearly is in need of repair, including reinforcement of some good old-fashioned management principles: setting goals, putting capable people in charge, and letting them do their jobs. **F**

A BIG TAX ON GAS WOULD DO WONDERS

Even a small increase at the pump would help trim the federal deficit, but a 50-cents-a-gallon boost would multiply the benefits.

■ The best way for the federal government to get its financial house in order? Increase the gasoline tax, substantially. Most proponents of this idea cite the need for more federal revenue and the virtue of discouraging energy consumption. My proposal is to raise the tax so high that it will have a far broader effect on the economy, bringing down interest rates.

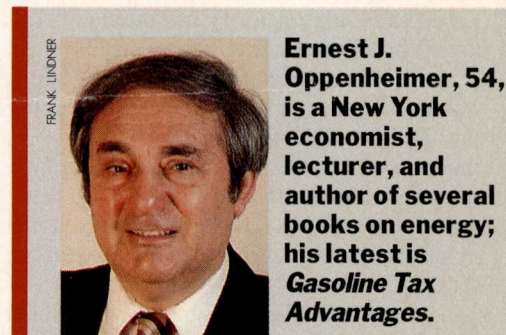
Enacting a 50-cents-a-gallon increase, which could be phased in over two years, would still leave U.S. motorists paying only a third of what their counterparts in Europe and Japan pay in tax. Over there taxes of \$2 a gallon are common. In the U.S., by comparison, current gasoline taxes average only 29 cents a gallon, 9 cents of which is federal, the rest state and local.

A 50-cent increase would raise about \$50 billion in revenue. If these billions were applied to reducing the federal deficit and not to increasing spending—never a completely safe assumption, given our Congress—interest rates should decline fairly rapidly. The government would not have to borrow as much, and with such a big improvement in its fiscal picture, the financial community should be less fearful of future inflation and more willing to accept lower rates of return on money lent out. The Federal Reserve would be in a strong position to encourage the trend.

Lower interest rates would save the U.S. government perhaps another \$25 billion in interest charges on the \$2.5 trillion national debt. Combined with the \$50 billion in added revenue, this would cut the annual deficit in half. Lower rates would save private borrowers about \$50 billion, stimulate business investment, and give consumers more borrowing and spending power. By reducing the three-percentage-point gap that exists now between U.S. interest rates and those in rival industrial giants West Germany and Japan, American companies would be in a stronger competitive position in terms of cost of capital.

The auto industry would get a boost as car owners accelerated car purchases to get better fuel economy. Based on the past effect of rising prices, the tax would cut gasoline use by about 2% a year for perhaps ten years as the switch from gas guzzlers continued. That would add up to a reduction in oil imports of 1.5 million barrels a day.

TO GET THE DEFICIT DOWN, raising the gasoline tax would be far better than increasing income taxes. Higher income tax rates tend to depress savings and investment. Consumption taxes do not. Demand for oil would be reduced, but the domestic oil industry could be at least partially placated by exempting com-



pressed natural gas, an alternative automotive fuel. Such a move would stimulate development of our relatively plentiful domestic natural gas resources.

One obvious objection to a gasoline tax is that it would be super-regressive. On a per capita basis, a 50-cent tax increase would cost each registered car owner about \$350 a year. But it's the affluent who own newer, more fuel-efficient models. The bigger tax bite could range from as little as \$200 a year for a new car to \$600 or more for a clunker. One answer to such unfairness: Divert perhaps \$5 billion a year to help lower-income people buy better cars.

Reducing the federal deficit is central to the future strength of America. Even a small increase in the gasoline tax would help, but a major increase would send a dramatic message to financial markets. The effect might even be enough to stimulate the economy so much that higher tax revenues could all but eliminate the deficit.

— Ernest J. Oppenheimer

BY NORMAN R. AUGUSTINE

DEFENSE: A CASE OF TOO MANY COOKS

Military contracting scandals highlight a bigger problem: how to streamline a system burdened by 4,000 laws, 26,000 watchdogs.

■ *Allegations of improprieties by consultants and Sundstrand's recent guilty plea to massive overcharging are only the latest examples of scandals in defense work. Here, the CEO of the seventh-largest military contractor tells how the procurement process could be repaired.*

Problems in defense contracting once again have produced troublesome headlines, but the broad investigation of procurement under way can root out only wrongdoing, not the wrongfulness of some aspects of the system itself. The primary problem is a lack of stability. Programs supposed to be high priority too often are delayed or altered. The people overseeing them for the government come and go too quickly. Communication between the military and the defense industry often proves inadequate. Cost estimates for programs frequently are unrealistic. On top of all this, too many people involve themselves in managing and watching over the programs, sapping the energy of all concerned.

The Defense Department spends more than \$150 billion a year on 15 million separate transactions carried out by 134,000 of its employees. Their effort is controlled by 4,000 laws and 30,000 pages of regulations issued by 79 offices and watched over by more than 26,000 people in the audit and oversight process and by 29 congressional committees with 55 subcommittees. In a typical year the Pentagon responds to 720,000 inquiries from Capitol Hill.

Despite its size and complexity, the sys-

tem somehow works—America's military hardware is sought by almost every nation. But it does not work nearly as well as it could. A succession of commissions and study teams has looked at reforming the system, with mixed results. A spate of new laws and regulations have been introduced to make the system better. These "solutions" on occasion become part of the problem. The dilemma facing us is how to rectify the faults without imposing greater harm.

Getting the procurement system into shape requires these basic steps:

■ Eliminating program turbulence.

Stretchouts in production and delays in the contract bidding process add significantly to costs. They are demoralizing for participants in government and the private sector alike. We must stabilize programs by making it more difficult to start them, by giving very few people the authority to change them once started, and by persuading Congress to fund complete programs or program phases rather than appropriating money a year at a time. We should be realistic about how many programs we can adequately fund.

■ Restructuring contractor selection.

The first aircraft sold to the military by the Wright brothers was the result of a two-page request by the government and a comparably concise response. More recently, I am told, one contractor's bid for a new airplane weighed 24,927 pounds. Selecting a contractor for research, development, and production of a complex new system usually takes

MARTY KATZ



Norman R. Augustine, 53, is chairman and CEO of Martin Marietta Corp. and author of *Augustine's Laws*, an irreverent look at managing.

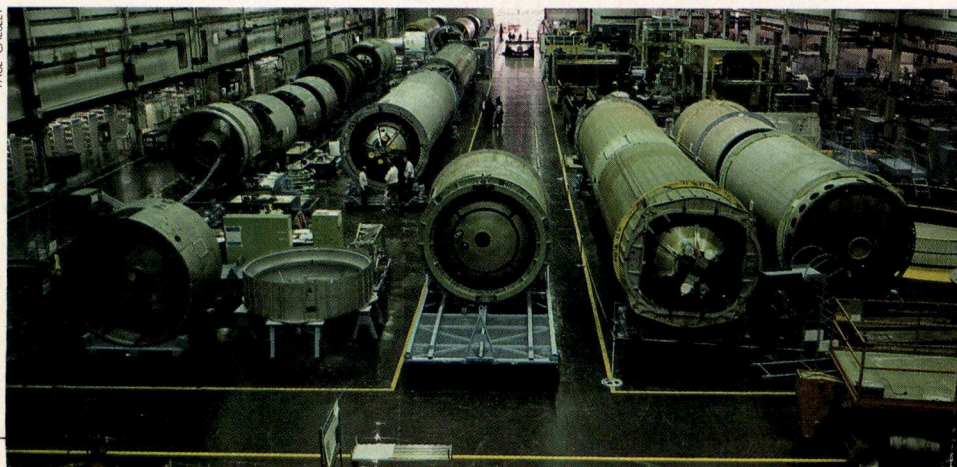
years and sometimes is followed by a formal legal protest by the losers. Price receives too much emphasis compared with important technical and management criteria. Prolonged technical assessments by the procurement agency can result in contractors' proposals looking basically alike. Similarly, successive rounds of competing cost proposals can result in unrealistically low bids.

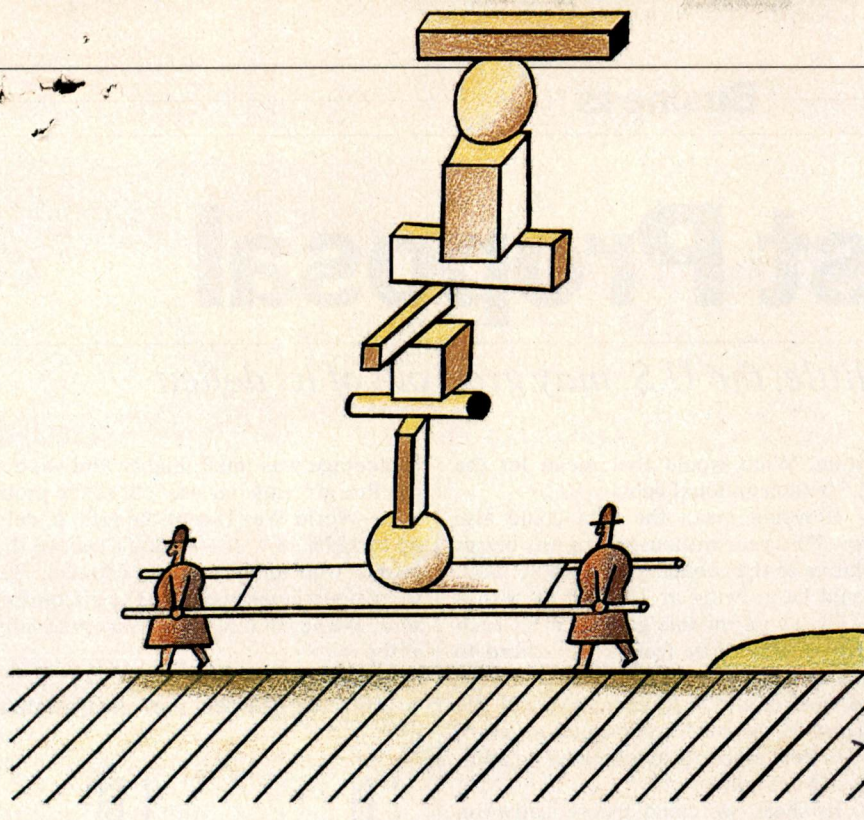
Among other possible approaches, renewed attention should be paid to a selection procedure used occasionally in the 1970s. It involves (1) submission and evaluation of technical and management proposals, (2) submission of cost proposals *once*, (3) selection of the apparent winner, and only then (4) negotiation of a definitive contract with the preferred source, or failing that, negotiations with the second-place finisher. After the award is made, those who submit formal protests shown to be without merit should be required to pay the government's expenses in defending the award. One element judged in the competition should be this performance, which doesn't count for much now. The use of objective assessments of this performance could help to filter out weak sisters.

■ Obtaining independent cost estimates.

Given their natural role as advocates of new systems, contractors and government program offices should not bear the full burden of estimating cost in the early stages of a program. We should create a truly independent office in the Pentagon having this as its sole function. Importantly, those estimates must include allowances for contingencies. The general practice is not to do so, which is akin to permitting aircraft to take off with no fuel reserves. At the same time we can reduce costs by making evolutionary improvements to existing items rather than beginning new undertakings. If

Putting together Titan missiles on the production line at Martin Marietta in Denver





the economy. Imagine an average annual deficit of \$90 billion a year for the next ten years. Sounds horrendous, no? Yet under the scenario above, after ten years of 7% growth in both the economy and the debt, GNP would double from \$5 trillion to \$10 trillion; the national debt would grow from \$2.5 trillion to \$3.4 trillion. It would then represent not 50% of our GNP, as it does now, but 34%. After another ten years, under 25%. Of course, the world doesn't work so neatly. For one thing, it runs in cycles, not straight lines. (For another, we'd like inflation to be even less than 3.5% a year. Zero is the goal.) But on average, 7% expansion of the economy, between real growth and inflation, may not be unrealistic at all. With the dollar low, real growth could remain strong, as we're kept busy producing things for the foreigners who increasingly find our wares a bargain. And inflation, regrettably, might even exceed 3.5% (as it has in every year but one of the past 14).

This is not for a moment to say we should shoot for a \$90 billion deficit each year. If we do, we'll end up getting \$120 billion deficits in good years and \$350 billion deficits in recessions. (Yes, someday there will be another recession—and real soon, if we raise taxes too much or slash Government spending in a misguided attempt to balance the budget abruptly.)

Still, by steadily leaning against the wind, we can gradually shrink the national debt as a proportion of the overall economy.

Leaning against the wind is not dramatic or flashy. It's just sensible, slow-but-steady improvement.

It means restraining spending, on the one hand, and raising taxes a bit, on the other. Restraining spending is the more

important of the two, because we are an imaginative people. No matter how much tax we collect, we will always be able to think of ways to spend more. It's the job of our leaders (if you can call members of Congress leaders) to impose the kind of discipline and make the kind of tough choices that any responsible businessperson or head of household would. This is not to say no debt: a medical student can sensibly take on debt for his or her education, a family to buy a home, a business to build a new plant. But it's to say no stupid, self-indulgent debt: debt to buy a \$25,000 car or construct posh new offices. Expensive cars are terrific when they're within your means, but not when you have to forgo the IRA contribution or saving for your kids' education. Plush offices are O.K. when they're in scale with a business's size and success, but are not nearly so effective as funds spent on research and development and on the capital equipment needed to make the company more competitive in world markets.

Congress leans against the wind about as firmly as a kite, but at least it recognizes its problem and has passed the Gramm-Rudman-Hollings bill, which prescribes annual cuts in the deficit. It would be unwise to follow those prescribed cuts blindly. But it would be equally unwise and impolitic to stray too far from them. The people want lower deficits.

Which brings us to the other half of the equation.

THE SMART WAY TO RAISE TAXES

This is tricky not just because it's politically unpalatable. Even for a dictator it would be tricky, because raising tax rates does not necessarily raise more revenue. Raise capital-gains rates to 100%, say,

and far from raising *more* tax revenue you would raise virtually *no* tax revenue: no one would sell anything in which he or she had a profit; he'd just hold on until some sensible politicians came along and lowered the rates.* Impose a tax on securities transactions, and you simply drive the securities business to London and Tokyo. Ultimately, you'd only enrich the British and Japanese. Raise corporate tax rates past a certain point (not to say anyone knows exactly where that point is), and what you gain in revenue now you'd lose later—by draining from corporations the money they could spend to expand and grow, and by making America a less attractive place for anyone, Americans or foreigners, to invest.

So it's not easy. And the popular thing ("Let's stick it to IBM, they can afford it!") is not always the smart thing (taking money from IBM for Congress to spend presumes Congress can spend it more effectively than IBM). What's needed is tax hikes that, first, would actually raise more revenue, and, second, are so fair and just and sensible they virtually scream to be introduced.

Here are four. They should be enacted as a package. Together they'd raise \$40 billion in taxes, cutting the deficit by nearly a third. The lower interest rates that would probably result would cut the deficit still further—and keep the economy rolling to take some of the sting out of the tax hikes.

First, raise *my* taxes. Under the current tax law, the top federal income-tax bracket is 28%, but above \$43,150 (or \$71,900 for joint returns) it effectively rises to 33% for a while *and then drops back to 28%*. Don't misunderstand. I *love* paying just 28%. (And at 28%, I pay a heck of a lot more than I ever did when the top rate was higher, because, far from trying anything stupid to shelter my income from taxes, I'm quite happy to send the Government its share.) But keeping the top rate at 33% instead of dropping it back to 28%, it seems to me, would not be perceived by most high earners as terribly unfair or unbearable. It would raise upwards of \$5 billion a year.

Second, raise *my mother's* taxes. My dad paid into Social Security for decades while he was alive, but nowhere near enough, even assuming it had been invested wisely, to throw off the kind of Social Security benefits my mother will receive over her lifetime. (We forget that as recently as 1977 the maximum contribution was only about \$1,000 a year. Throughout the 1950s and '60s, it ranged from \$45 to \$374.) If Social Security were all she had to live on, it would be unthinkable to ask her to take less. But because she has income above \$25,000 a year, half her Social

*This is why lowering the capital-gains rate back to 20%, at least on non-real estate assets, really might raise more revenue and encourage productive investment.

A Modest Proposal

If Bush raises taxes just a little, the U.S. may grow out of its deficit

BY ANDREW TOBIAS



O.K., he's President. Read my lips: he ought to raise taxes. *But not much!* What's called for is not something so dramatic as to throw the economy into recession. That's the last way to lower the deficit. What's called for is a tax hike that would raise some money (I'll get specific in a minute) and that would lower interest rates by showing the financial markets we have the will to attack the deficit (but the wisdom not to shoot ourselves in the head by attacking it too hard). Lower interest rates would cut the deficit still further.

These two bites—\$40 billion or so from a tax hike and perhaps an additional \$10 billion or \$20 billion from lower interest rates—would not wipe out the deficit. But we don't need to wipe out the deficit. At least not by raising taxes. And certainly not by legislating a balanced-budget amendment. And especially not by cutting investment in our future.

The way to wipe out the deficit is to grow our way out of it. Hold the line on Government spending while the economy grows and gradually throws off more tax revenue. Money for new programs should come from trimming waste from old ones.

While cutting the deficit to zero is something to shoot for, it's not critical. Growing families or businesses or nations have a legitimate need to borrow if they're investing in the future. It makes sense to borrow for education, research, equipment and infrastructure that will make us more productive. We would be insane to stint in these areas. Is NASA a place to cut back? Hardly. NASA and high-tech programs like it are engines of our economic future. If we lose our technological edge, we've lost our economic future.

THE 7% SOLUTION

Say we had real growth of 3.5% a year and inflation of a further 3.5% (just suppose). That would mean an economy growing at 7% a year—half real, half in-

flation. What would that mean for the \$2.5 trillion national debt?

It would mean the debt could also grow 7% a year without getting any bigger relative to the economy as a whole. Both would be growing at 7%, just as with a family whose income goes up a bit each year and therefore feels it can afford to take on a little more debt. Except that in the case of the U.S. economy, still the largest in the world, taking on an extra 7% in debt amounts to taking on an additional \$175 billion.

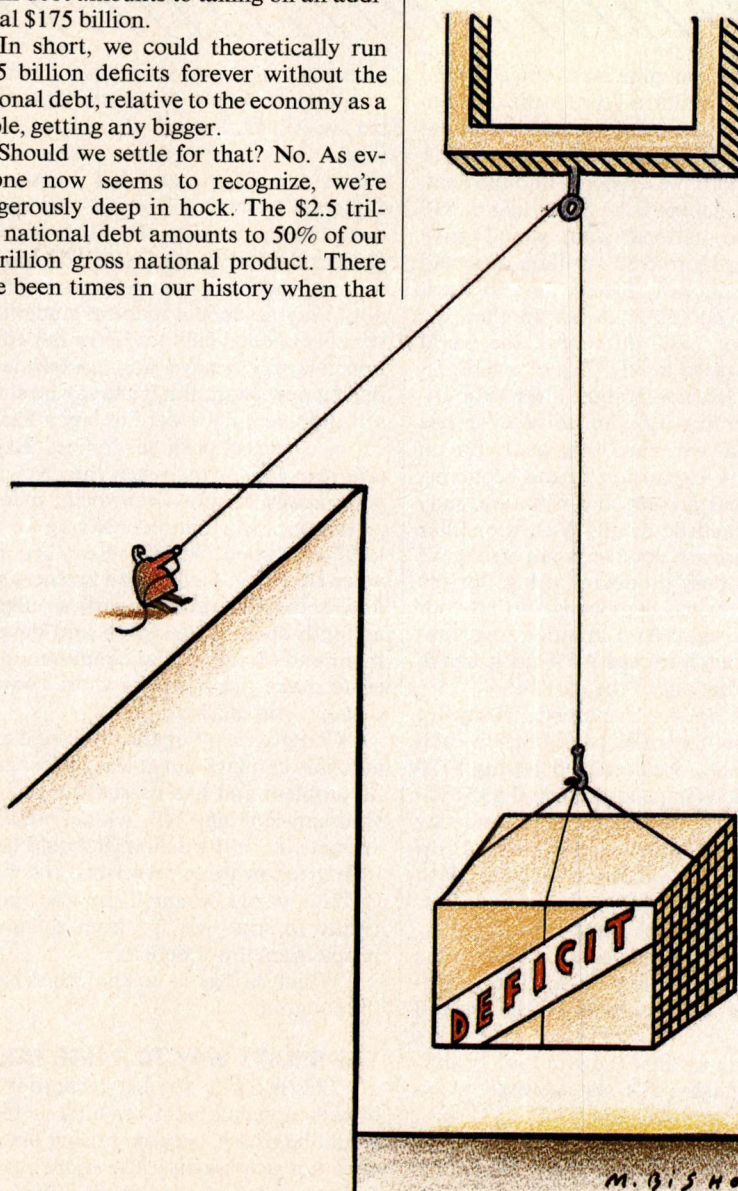
In short, we could theoretically run \$175 billion deficits forever without the national debt, relative to the economy as a whole, getting any bigger.

Should we settle for that? No. As everyone now seems to recognize, we're dangerously deep in hock. The \$2.5 trillion national debt amounts to 50% of our \$5 trillion gross national product. There have been times in our history when that

percentage was much higher and we did just fine growing our way out of the problem—World War II sent the ratio of debt up to 127% of GNP—so don't believe the people who tell you we're doomed. But we're nonetheless well into the discomfort zone. We've got to whittle away gradually at the ratio.

How?

By seeing the debt grow *less fast* than



Financial writer Andrew Tobias is the author of nine books, including The Only Investment Guide You'll Ever Need, and a best-selling personal-computer program, Managing Your Money.

Security benefits will be subject to tax. Would it be cruel or unfair, when so many are homeless and when the Government is spending \$150 billion more each year than it has, to subject her full benefit to tax? Exposing both halves of the Social Security benefit to taxation for retirees with income over \$25,000 (just as we tax 100% of unemployment-insurance benefits and 100% of almost any other kind of income) is rough. But under the circumstances, it's sensible and fair. To a retiree earning \$25,000 or \$50,000 or \$100,000 from investments, the extra tax would sting, but it wouldn't bite. And it too would raise about \$5 billion in new revenue. Congressman Claude Pepper and the mighty American Association of Retired Persons should resist the urge to fight this if they really want to do right by their constituents—and their constituents' grandchildren.

Third, add an extra penny to the cost of each cigarette by way of an increased federal excise tax (currently eight-tenths of a penny). While it's hard not to sympathize with the addicted smoker, the cost of smoking to society, in medical care and

lost productivity, far exceeds the current tax on the product. That is, nonsmokers subsidize smokers. With a tax hike—this one would raise \$5 billion—they'd merely subsidize them less.

Finally, raise the excise tax on gasoline. A 25¢-per-gal. hike would raise about \$25 billion a year—but would still price our gasoline at well under half what it costs throughout Europe and Japan. When the U.S. was a net oil exporter and the world's dominant economic force, we could afford to be cavalier about cheap gasoline. But we're now in debt up to our eyeballs, and we're back to severe dependence on imported oil.

Where possible, you don't tax the things you want to encourage, like investment and work, which is why we should never let the top tax bracket creep back up past 33% (it was 70% as recently as 1981). But you do tax the things you'd like to discourage, like inefficient energy consumption (and its attendant pollution), reliance on imported oil (which threatens national security and worsens the trade deficit) and tobacco (widely recognized as the nation's

leading cause of preventable death).

The \$40 billion a year we'd raise from these four tax hikes would not be so large as to stifle economic growth, but it might encourage the world financial markets to lower our interest rates. Between the added tax revenue and lower interest on the national debt, the deficit would be cut more than a third. More to the point, there would be the reasonable prospect that the national debt would grow only about half as fast as GNP. So, gradually, over the next decade we'd find ourselves on ever firmer ground.

For a retired chain smoker driving 1,000 miles a month and earning \$100,000 a year from investments plus another \$6,000 from Social Security, all four of these tax hikes would hit. Total: an extra \$1,800 (\$1,300 filing jointly). But look how much better he'd sleep knowing the economy was headed for solid ground, his investments were likely to gain, and his grandkids likely to inherit a prosperous economy rather than decay, debt and decline.

Read my lips, Mr. President: sold right (and that's your job), this would not be an unpopular program. ■

Humbled but Raring to Go

Out of bankruptcy, Manville pays its dues to asbestos victims

When the Manville company entered bankruptcy in 1982, it was facing one of the worst product-liability disasters in history. Some 16,500 personal-injury lawsuits had been filed by industrial workers who claimed that they had developed lung cancer and other pulmonary diseases as a result of inhaling Manville-produced asbestos fibers. More than 50,000 other alleged victims were preparing to sue. Juries had already given damage awards of \$1 million to several individuals, so the company's potential liability was overwhelming. Even if the company were liquidated, the anticipated claims could not be paid.

Critics said that Manville was using Chapter 11 to duck its responsibilities. Yet as Manville (1987 sales: \$2.1 billion) emerges from bankruptcy this month, the 130-year-old company is winning praise—even from many of its victims. Under a complex reorganization plan, the company will pay out more than \$2.5 billion in claims over the next 27 years. Despite its monumental obligations, the company is in many ways stronger than ever before. Says Tom Stephens, 46, Manville's chief executive: "After six years



At an insulation factory, an inspector examines fiber-glass strands

A onetime paper-mill worker is the gung-ho chief executive.

in the starting gate, we're raring to go."

To compensate victims, Manville will set up a personal injury settlement trust, funding it with \$2.6 billion in cash and bonds and up to 20% of its annual profits for nearly three decades. Manville will replace its 24 million outstanding shares of common stock with 48 million new shares, giving half to the trust (value: about \$400 million). Current stockholders, though, are out of luck: they will receive only one share of the new stock for every eight old shares they own.

To meet its obligations, Manville must squeeze every possible dollar out of its sales of fiber-glass insulation, forest products and industrial goods. During its bankruptcy, Manville slashed costs and reduced its 26,000-worker payroll by 8,000 employees. The firm shut down its asbestos mine, trimmed money-losing subsidiaries, and sold its headquarters building near Denver.

Results: the company, which lost \$45 million in 1985, made a \$73 million profit in 1987. Stephens credits middle managers who helped run the company while top executives were working on the reorganization plan. But the spotlight is on the gung-ho Stephens, a onetime paper-mill worker who joined Manville nine years ago. As the company's chief financial officer, he was the architect of the reorganization and moved up to CEO in 1986.

Some investors are worried that Manville's huge obligations could sap its spending on research and capital improvements. But the company will spend \$150 million a year through 1991 to expand and modernize its plants. The streamlining has also produced an extra \$200 million in cash that the company may use for acquisitions. Stephens, who says he would like to teach college when he leaves Manville, will have an eventful corporate odyssey to recount for his students.

—By Janice Castro.

Reported by S.C. Gwynne/Denver

Invasion of the Cachet Snatchers

Retailers tout house brands to boost profits and shopper loyalty

The names on the garment labels conjure up visions of croquet in the English countryside: Jennifer Moore, Christopher Hayes, Morgan Taylor, Charter Club by Jane Justin. The names seem perfectly suited to each designer's personal style as well. Moore proffers the pastel colors of the English garden in her pale pink skirts and sweaters. Taylor is known for undergarments, ranging from emerald green chemises to fuchsia-toned satin slips, which are sold in a boutique filled with Victorian-inspired lace and linen. What shoppers might be surprised to find out, though, is that these designers do not exist. Macy's has concocted these tony names for its own house brands. Private labels, as they are called in the industry, are manufactured by retailers and sold exclusively in their own department stores or specialty shops.

The fantasy is effective: private-label clothes have become a dominant and highly lucrative segment of the retailing industry. While department stores have long produced some house brands, many of them offered little more than staple merchandise like cotton-blend men's shirts in a few colors. Now the styles are proliferating so fast that they are pushing well-known designers off the racks. Major retailers today sell 600 different lines of private-label clothing, up from 250 five years ago, according to Kurt Salmon Associates, a consulting firm. House brands accounted for up to 20% of the \$125 billion in men's and women's apparel sold last year. Shoppers are sold on the basics; the clothes are typically well made, up-to-date and often priced about 20% less than brand-name counterparts.

Private labels have helped department stores create a more distinctive identity. Says Ellin Saltzman, fashion director for Saks Fifth Avenue: "It grew out of a need for individuality among stores. For years we have all been selling the same designers in the same malls to the same customers." Moreover, designer goods have become prone to discounting wars. Says Marshall Beere, director of women's-apparel merchandising for J.C. Penney: "If the competition runs a sale, you have to respond. With your own labels, you don't have to do that."

Stores can tailor private collections to their particular types of customers, from trend-happy adolescents to conservative executives. The fastest-growing brand of sportswear in the U.S. is The Limited chain's Outback Red, which sold more than \$400 million last year. It began as a collection of Australian-inspired bush-

country wear, and now features tamer English staples like jodhpurs and cable-knit sweaters. At Macy's, which sells an estimated 50 house brands, the Aéropostale line evokes the garb of 1920s French mail-plane pilots. The collection includes white silk scarves and rugged corduroy trousers. Macy's also offers a line of casual wear whose name makes a bald appeal to



yuppie taste in real estate: Loft & Brownstone. At J.C. Penney, house brands range from the Silk Avenue collection of imported dresses to the Mixed Blues line of jeans.

In designing house brands, originality is a luxury, not a necessity. Some of Macy's Charter Club has been cut from virtually the same cloth as Ralph Lauren's signature lines. Among Charter Club's recent best sellers: handmade sweaters emblazoned with horses and wine-colored skirts printed with flying birds. While Lauren's hand-knit sweaters can cost \$345, a Charter Club counterpart sells for \$124. Designers shrug off such imitation as a cost of doing business. Says Louis Dell'Olio, designer for the Anne Klein label: "There isn't a designer on Seventh Avenue whose clothes haven't been knocked off by every store."

As they learn how to mass-produce clothes, retailers assemble teams of designers and product-development experts who travel from Milan to Tokyo looking for ideas and materials. Most retailers opt for manufacturing in Asia to take advantage of low wages. The Limited can probably claim the industry's most streamlined distribution network. Within ten weeks, 700,000 garments for a new line can be woven, cut, sewn, flown from Hong Kong and placed on racks in the chain's 751 stores across the U.S.

As house brands take up more space on store shelves, some traditional name brands have been pushed aside. Some companies, like Spitalnick, a longtime manufacturer of expensive women's apparel, have responded by giving up manufacturing their own line of clothes to make private labels instead.

Many designers are competing by opening their own chains of stores. Ralph Lauren opened a Manhattan Polo emporium in 1986; he now operates 68 stores across the country. Liz Claiborne this year launched a new store chain known as First Issue. The designer plans to have 13 outlets in business by January.

For department stores, developing private-label garments has its risks. If poorly executed, they can fail just as severely as the most misguided high-fashion trend. But by gaining control over design and manufacturing, department-store merchants think they can stay in closer touch with the tastes of their customers. Case in point: when working women turned up their noses last year at the mini-skirts offered by designers, many retailers rushed to offer house brands with hemlines more suited to the office environment. As such thread-to-thread competition intensifies, consumers are likely to be the real winners—even if their favorite designer turns out to be an imaginary character.

—By Barbara Rudolph.

Reported by Mary Cronin/New York

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

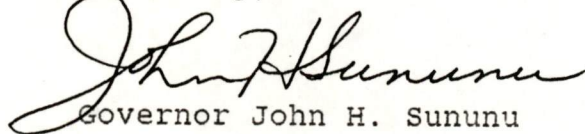
December 15, 1988

Gentlemen:

Many thanks for your recent kind note. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Best wishes to all of you and your families this holiday season. God bless.

Sincerely,



Governor John H. Sununu

Messrs. Vincent P. Altieri,
Louis Balfan, & Abe Fish
2942 Radcliffe Avenue
Bronx, NY 10469

NOV 25 1988

VINCENT P. ALTIERI
2942 RADCLIFF AVE.
BRONX, N.Y. 10469

DEAR GOVERNOR SUNUNU,

WE WISH TO CONGRATULATE YOU ON YOUR RECENT CHIEF OF
STAFF APPOINTMENT. WE KNOW THE LORD WILL BE WATCHING OVER YOU PROTECTING
THIS ADMINISTRATION.

SINCERELY YOURS

Vincent P. Altieri

VINCENT P. ALTIERI

Louis Balfan

LOUIS BALFAN

Abe Fish

ABE FISH

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

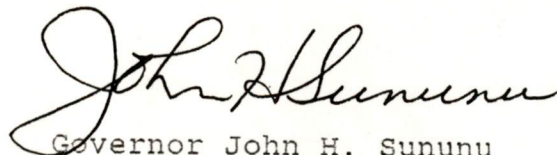
Dear Dr. Zullo, ,

Thank you very much for taking the time to brief me on your political analysis, which must at least partially explain the phenomenal success of Ronald Reagan and George Bush -two essentially optimistic men - in capturing the imagination and winning the trust of the American People.

I believe that your research confirms the inherent optimism of the American character, and I have forwarded your name to those who might want to put your thesis to work on behalf of President-Elect Bush.

Thank you once again for sending me the interesting material, and please accept my warmest personal greetings to you and your family this holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", with a stylized, cursive script.

Governor John H. Sununu

Dr. Harold M. Zullo, Ph.D.
University of Pennsylvania
Department of Psychology
3815 Walnut Street
Philadelphia, PA 19104-6196

MISC.

UNIVERSITY of PENNSYLVANIA tel. (215) 898-2749

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Department of Psychology
3815 Walnut Street
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343-0005

07 DEC 1988

December 1, 1988

Hon. Governor John Sununu
1988 Presidential Transition Office
Washington, D.C. 20270

Dear Governor Sununu:

Tom Griscom suggested I write to you about my desire to put my work on political persuasion to use helping President-elect Bush, in the Bush Administration's Communications office.

What I Have Discovered

My work shows that Americans vote for politicians who talk about our problems optimistically, and do not ruminate about them. Enclosed are articles from the N.Y. Times' front page, Newsweek, and The Polling Report about my work. I have found that:

- In 9 of the last 10 presidential elections, and 19 of 23 this century, the more pessimistic ruminator lost.
- Month-to-month changes in optimism strongly predict ups and downs in the polls.
- Optimistic non-rumination in stump speeches before the 1988 Iowa caucus predicted Bush and Dukakis as the likely nominees.
- Bush's advantage over Dukakis, which opened up in the second debate with a huge increase in Dukakis' pessimistic rumination, translated into a predicted victory margin of 9%--closer to what happened than nearly all of the polls.
- Pessimistic rumination in campaign speeches predicted 25 of 29 Senate races in 1988, including hard-to-call ones like the Mack, Lieberman, and Gorton victories. (see Polling Report article)

I analyze speeches in two steps. First, the percentage of time a speaker spends on problems (aside from saying what he can do about them) is taken as a rumination score. Second, when he ruminates about the cause of a problem, the cause is rated according to: (1) how stable or unstable it is ("It'll last forever", vs. "It's temporary"); (2) global or specific ("It'll affect everything," vs. "It only affects this one issue"); and (3) internal or external ("It's my fault," "It's America's fault," vs. "It's the other man's fault," "It's the circumstances"). Pessimistic ruminators dwell on a stable, global, and internal view of problems. Carter's "malaise" speech was a clear case--followed by a long slump in his approval rating. Optimists take an unstable, specific, and external view of problems; Kennedy's "New Frontier" speech was a clear case.

What This Means for George Bush's Presidency

I can offer the following unique services to help George Bush:

- Evaluate and rewrite drafts of speeches, prepared testimony, and press statements to recommend how to say nearly the same thing, with more appeal to the public and Congress. Optimism, I must warn, is a technical term. It will not help a politician just to try to "sound optimistic," as Dukakis showed when his desire to "be positive" kept him from responding effectively to attacks on him. My techniques show how he could have responded with an offense, "optimistically."

- Help the President produce a better outcome in the 1990 and 1992 Senate races. My success in forecasting the 1988 Senate races offers a powerful tool to help Republican candidates. If my forecast had been used this year by George Bush, to invest extra effort for Mack and Gorton--both in close races, but who I predicted to win based on their optimism--their wins would have enhanced his political stature.

- Track off-the-cuff remarks at news conferences and press briefings, to sound an alert and suggest stylistic changes if there are increases in pessimistic rumination.

Attached is an example of one of Bush's most pessimistic moments in a generally optimistic performance in the first debate. I show how he could have made a similar point in a more appealing way, to make the problem he talked about seem temporary and solvable. What is the potential impact of these steps I propose?

- President Bush can come across as a leader who takes charge of problems and inspires confidence.

- He can marshal more support in the public and Congress for his programs.

- He can increase the chance of Republican gains in the Senate.

Of course, optimism is just one part of appealing to the public. But my work shows it has a very strong effect, and not because pessimists start out behind in the polls: pessimists lose support even when they start out ahead. By working in President Bush's Communications office, I can use my techniques to help present a consistently strong image for him. Having met and worked for him in 1980 as a delegate candidate, I believe I have the right mix of academic and practical political experience to build on the good start of your transition team. I would glad to meet with you, and with others on your transition team. Best wishes in your work.

Sincerely,



Harold M. Zullo, Ph.D.

cc: Jim Pinkerton
Austin Furse
Robert M. Teeter
Mary Lukens
Thomas Griscom

How to Increase George Bush's Optimistic Edge: An Example

Here is one of George Bush's most pessimistically ruminative statements during the last campaign, at the beginning of the first debate, and how he could have made a similar point in a more optimistic way.

Lehrer: "What is there about these times that drives or draws so many Americans to use drugs?"

Bush: "I think we've seen a deterioration in values. [stable, global, internal] I think for a while, as a nation, we condoned those things we should have condemned. For a while, as I recall, there was talk of legalizing or decriminalizing marijuana and other drugs, and I think that's all wrong. So, we've seen a deterioration in values...We got away--we got into this feeling that value-free education was the thing."

Bush's explanation for what drives so many to use drugs is a hard-to-change cause. It is a moderately stable cause: a national deterioration in values is something that doesn't just improve overnight. It is a highly global cause: he suggested it is present throughout the nation, and a deterioration in values is something that would affect our entire national life. Finally, it is a highly internal cause--he lays the blame on America "as a nation."

Here is how I would change the response to make it more optimistic:

Bush: "Welfare programs passed by Democratic Congresses have been creating [unstable, specific, external] helplessness and dependency in the inner cities, by making it pay more for some people not to work than to work. Those same programs make it pay for some parents to split up. They can get more government aid for their kids that way, as a single parent than as a married couple. If you tear apart families in the inner city, you get drug abuse. If you create a sense of dependency, you get drug abuse. So we need to change the laws. We need to reform these well-meaning but misguided liberal programs, to restore America's moral strength, and bring American values of family and self-help to lift up those who are drugged and despaired."

Perhaps Bush gave his answer because polls show Americans believe there has been a decline in values. My answer addresses these concerns, but says the drug problem is caused by something easier to change and less persistent than a nationwide "deterioration in values." It is easier to pass laws reforming the welfare system, than to try to fix the drug problem by somehow educating an entire nation in values, as Bush suggests. So the cause I give is less stable and easier to change. The cause I give is also more specific than Bush's. It is present only for some Americans, and in the specific policy area of welfare programs. A nationwide "deterioration in values," in contrast, is something that will globally affect the entire functioning of the nation. And the cause I give places the fault for drug problems with previous Democratic Congresses [external], instead of the American people [internal].

So this shows how a well-meaning and politically astute impulse--to identify with the American people's concern over values--can go awry in its execution. By presenting the case in a more optimistic style, a president can give the American people more hope for relieving the problem, and attract much more popular support.

"All the News
That's Fit to Print"

The New York Times

New York: Today, sunny, warm. High, 76-80 inland, 60's coast. Tonight, clear. Low 45-53. Tomorrow, sunny, windy. High, 74-78 inland, 60's coast. Yesterday: High 77, low 58. Details, page 27.

VOL. CXXXVII.... No. 47,499 Copyright © 1968 The New York Times

NEW YORK, SUNDAY, MAY 8, 1968

\$1.50 beyond 75 miles from New York City, except on Long Island.

\$1.25

For Presidential Candidates, Optimism Appears a Winner

By DANIEL GOLEMAN

Psychologists have their own view of American Presidential elections. For some, the outcome in November hinges on optimism.

Psychologists at the University of Pennsylvania have measured what they call the level of pessimism in the nomination acceptance speeches by candidates in 1948 and in every succeeding Presidential campaign. They found that, with one exception, the more optimistic candidate won.

It is not clear, however, whether a hopeful message alone leads to victory or if it is merely a powerful signal of factors that voters find appealing.

The candidate who offered the greater message of hope won 9 of the 10 elections studied, according to Harold Zullow and Martin Seligman, psychologists at the University of Pennsylvania. And even in the exception, the 1968 race, the ebullient Hubert H. Humphrey came from 14 points behind in the polls to within one percentage point of defeating Richard M. Nixon.

Explanations a Key

Mr. Zullow and Mr. Seligman rated the candidates for optimism or pessimism on how each man explained problems in the campaign, the country or the world. Optimism was marked by seeing problems — global or personal — as temporary and correctable; pessimism was marked by taking the blame for the problems or by seeing them as intractable.

Every passage in which a candidate mentioned the cause or solution of a

problem was extracted and mixed with similar passages in speeches by other candidates. Then a second psychologist, who did not know whose words he was evaluating, scored each passage according to a strict system that assessed the length of the time the candidate spent on the issue, the level of optimism or pessimism and the action proposed, if any.

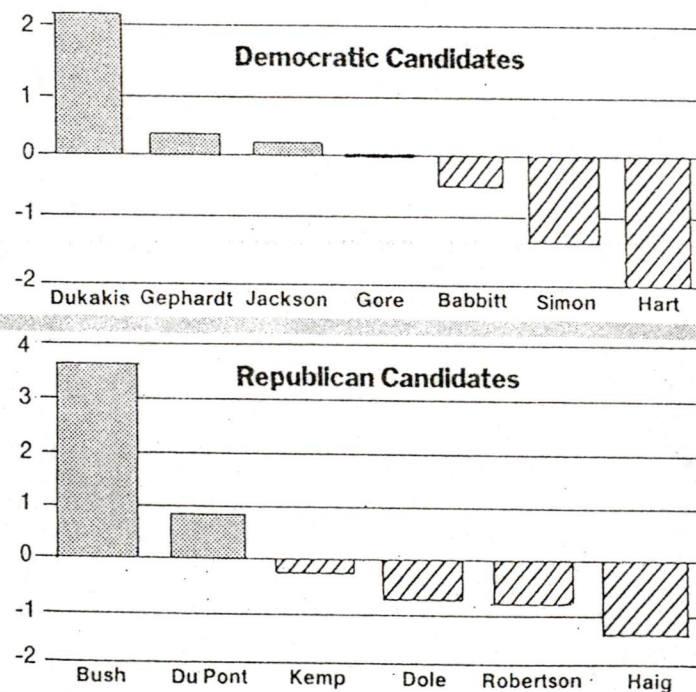
Analyzing stump speeches by this

Continued on Page 18, Column 1

Optimism Surpasses Polls in Predicting President, Study Says

Looking on the Sunny Side

Optimism rating for each candidate based on study to be published in *American Psychologist* by Harold Zullow and Martin Seligman.



Continued From Page 1

year's Presidential candidates in February before the Iowa caucuses, Mr. Zullow and Mr. Seligman rated Vice President Bush and Gov. Michael S. Dukakis of Massachusetts as the most optimistic candidates in their parties. They said the most pessimistic Republican was Alexander M. Haig Jr. and the most pessimistic Democrat was Gary Hart, who at the time was leading in polls.

While Mr. Bush was rated as more optimistic than Mr. Dukakis, the researchers said a true comparison of the two men, if they run against each other for President, would have to await nomination acceptance speeches.

Mr. Bush has so far sought to recycle the message of optimism that President Reagan used so successfully in his campaigns in 1980 and 1984. Speaking in Cleveland on April 30, for example, the Vice President said, "Our answer of hope and challenge and opportunity for the young people and peace through strength is as valid a message in 1988 as it was when we swept the Democrats out of power."

Sharpened Predictions

In the 10 Presidential races that Mr. Zullow and Mr. Seligman studied, the candidates' ratings for optimism at the time of their nominations proved a more accurate predictor of the election

results than did either their ratings in polls at that time or their campaign funds, the researchers said. In combination with funds and poll ratings, the optimism scores predicted the loser and by how much with great accuracy, they added.

"Although a candidate's standings in the early polls and funds raised are key factors in predicting the outcome of a Presidential election," Mr. Zullow said. "If you also take into account the degree of pessimism and optimism the candidates express at the time of their nomination, you sharpen your prediction appreciably."

The difference in optimism between candidates does not seem to reflect their standing in opinion polls. In all but the 1968 contest, the winner in November was more optimistic even when he was behind in the polls.

Emphasis on Control

The aura of hope in a candidate's speech, of course, may have been implanted there by a speechwriter, but the researchers said that matters little because it then becomes seen by voters as part of the candidate's message.

Psychologists give several reasons that a candidate's ability to radiate hope may hold a special appeal. "There is a strong emphasis in American politics on controlling our destiny," said Mr. Zullow. "We want to believe our leaders can solve our problems."

But there may also be a simpler explanation. "The power of hope to sway

voters fits with what we know about people's tendency to like more positive people," said David Sears, a psychologist at the University of California at Los Angeles, and founding editor of the journal *Political Psychology*.

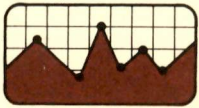
The analysis of Presidential elections was based on the acceptance speeches by the candidates at their party's conventions. The analysis of the 11 primary candidates this year was based on their basic stump speeches as printed in *The New York Times* in February.

The results of the study have been accepted for publication in *The American Psychologist*, a major psychology journal, later this year.

Some experts on elections see the new approach as promising. "Studying hope and optimism is an original approach," said Stanley Kelley, chairman of the department of politics of Princeton University. "There's been little work of this sort on elections."

But other political scientists are cautious about claiming too much power in a hopeful message. Some suggest that the measure of optimism actually reflects something broader in how a candidate comes across.

"Exactly what it is in the candidate's message that voters are responding to is unclear," said Fred Greenstein, a professor of politics at Princeton. "It may be that the optimism is tied to policy positions that fit the needs and values of the voters."



The Polling Report

Vol. 4, No. 22

AN INDEPENDENT SURVEY OF TRENDS AFFECTING ELECTIONS, GOVERNMENT AND BUSINESS

November 21, 1988

Why Bush?

The Gallup Organization for Times Mirror. Nov. 9-10, 1988. N=2,022 reg. voters nationwide (panelback):

Campaign Issues and Voting Choice

"I am going to read you a list of reasons some people have given as to why they voted for one candidate over the other. How important was each of the following reasons to you in deciding who you would vote for? Was it very important, somewhat important, or not important?"

Percent saying "very important"

	Bush Voters %	Dukakis Voters %
Dukakis's liberalism	50	23
Bush's conservatism	47	28
Pledge of Allegiance controversy	39	20
Massachusetts prison furlough program controversy	37	14
Reagan Administration's dealings with General Noriega	14	56
Allegations about Bush's role in Iran-contra affair	8	51
Selection of Quayle	17	49
Selection of Bentsen	15	43
Dukakis's commercials	8	16
Bush's commercials	9	23

Policy Issues and Voting Choice

"I am going to read you a list of important issues. As I read each one, please tell me how important that issue was to you in deciding who to vote for. Was it very important, somewhat important, or not important?"

Percent saying "very important"

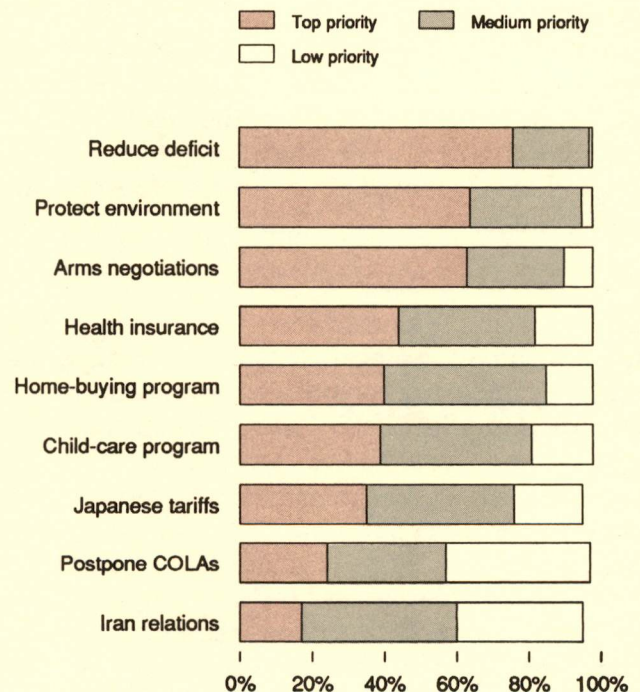
	Bush Voters %	Dukakis Voters %
Strengthening our country's defense	72	37
Creating a national health plan	32	62
Increasing the availability of child care	28	55
Improving the quality of public education	73	84
Reducing the federal budget deficit	69	78
Improving protection of the environment	60	78
Death penalty	57	38
Reducing crime	81	75
Reducing supply of drugs that comes into the U.S.	82	86
Negotiating further arms reductions with the Soviet Union	61	60
Abortion	48	43

Continued on page 7

What Now?

The Gallup Organization for Times Mirror. Oct. 23-26, 1988. N=2,006 reg. voters nationwide:

"Regardless of who is elected in November, there are a number of important issues the next president will face. For each of the following issues, please tell me whether you think it is very important and should be a top priority for the next administration, it's important but not a top priority, or whether it should not be considered at all: Restoring diplomatic relations with Iran. Delaying cost-of-living increases in Social Security for one year in order to reduce the federal budget deficit. Negotiating further arms reductions with the Soviet Union. Proposing laws to increase protection of the environment. Reducing the federal budget deficit. Increasing tariffs on Japanese imports. Developing a program to make it easier for people to buy their first home. Proposing a program to provide care for children while their parents are at work."



Continued on page 8

INSIDE

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- A split decision for president
- The Hopeful Edge 4
- A tool for forecasting elections

The Gender Gap in the 1988 Elections

by Celinda C. Lake and Nikki Heidepriem

The presence of a small feminist vote during the 1970s is regarded by some as the genesis of the gender gap. In fact, the gender gap—the difference in voting behavior between women and men viewed in the aggregate—first emerged in 1980, with women nine points less supportive than men of Ronald Reagan.

The gender gap has persisted into the '80s, spreading to lower level races and generalizing to party identification. For example, in 1982 the gender gap emerged in congressional and statewide races. In 1984 women again were less supportive than men of Ronald Reagan, this time by six points. Finally, in 1986 the votes of women returned control of the Senate to the Democrats, producing winners in nine key races.

Ronald Reagan has proved to be the single greatest catalyst for producing gender differences in candidate and party preferences. On the eve of the 1988 elections, 62% of men, but only 50% of women, approved of President Reagan's job performance. Given that, it is worthwhile to consider the Bush candidacy, which stood, by many accounts, on Reagan's shoulders, and to review the effectiveness of its appeal to women voters.

The 1988 Election

The gender gap appeared early in the 1988 primary season. Younger, college-educated working women were a key and early constituency for Dukakis in the southern primaries. Later in the spring, the gender gap between the party nominees reached a whopping 20 points, with women questioning whether George Bush cared about them or understood their lives. But effective targeting by the Bush campaign during the Republican convention and the fall campaign, along with an improvement in economic conditions, quickly narrowed the gender gap, particularly among working women. By October, women—especially younger working women—though still more pessimistic than their male counterparts, had shifted 10 to 20 points in the direction of thinking the country was on the right

track. The gender gap had narrowed to 5 points (49% of men and 44% of women supported Bush according to an early October CBS/*New York Times* poll).

In the last weeks of the campaign, women constituted almost two-thirds of undecided voters. They were the voters who provided the final momentum for Gov. Dukakis. For example, in California from October 18 to November 3, support for Dukakis among working women grew from 39% to 57%, according to the Dukakis campaign's tracking surveys. In addition, 27% of working women who voted for Bush, but only 22% of men, reported they had seriously considered voting for another candidate.

On election eve, an eight-point gender gap remained. For the first time in the history of electoral politics, a majority of women differed with a majority of men in their choice for president. According to ABC exit polls, 52% of women voted for Dukakis, while 54% of men voted for Bush. In a number of states a majority of women supported Dukakis while a majority of men

For the first time in the history of electoral politics, a majority of women differed with a majority of men in their choice for president.

supported Bush. These states included California, Connecticut, Illinois, Maryland, Missouri, New Jersey, New York, Ohio, Oregon, Vermont, Washington, and Wisconsin.

In the West, Midwest and East, a majority of women supported Dukakis while a majority of men voted for Bush. In the South, while majorities of women and men supported Bush, women still provide the only hope among white voters for Democratic victory margins. Specifically, in the East, 55% of men but only 45% of women voted for Bush; in the Midwest, 55% of men but only 49% of women voted for Bush; in the South, 61% of men but only 55% of women voted for Bush; and in the West, 56% of men but only 48% of women voted for Bush.

Women continued to make a difference in Senate races. According to CBS/*New York Times* exit polls, Gov. Bryan in Nevada, Sen. Lautenberg in New Jersey, Rep. MacKay in Florida, and Mr. Kohl in Wisconsin won a majority of women's votes while their opponents won a majority of men's votes. Attorney General Lieberman in Connecticut, Sen. Metzenbaum in Ohio, and Rep. Lowry in Washington also had significant

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gender gaps.

Women began and ended the 1988 election cycle identifying seven to eight points more strongly than men with the Democratic Party. Men remained more Independent and Republican-leaning: 41% of women and 33% of men identify as Democrats; 27% of men and 24% of women identify as Independents; and 32% of women and 38% of men identify as Republicans (according to CBS/*New York Times* exit polling).

In the past, the differences between unmarried, working women and married men fueled the gender gap. In 1988, unmarried, working women remained the most desirous of change, economically marginal, and favorable toward Dukakis; but substantial gaps also emerged for the first time between married women and married men. For example, in California 56% of working women voted for Dukakis; 50% of married women, and only 43% of married men, according to CBS/*New York Times* exit polling.

Driving the Gender Gap

Issues, particularly economic issues, drive the gender gap. Women and men do not have wholly different issue agendas, but they do see the world through their own distinct economic lenses. Women also have different priorities than men for government action, and believe more strongly than men that government should play an active role in work and family, and other domestic policies.

In 1988, as in other years, the gender gap was produced largely by women's more pessimistic view of the economy and greater desire for change. Women have traditionally felt more economically vulnerable than men and less well-served by the status quo. On election day in November 1988, a majority of men (52%) thought their economic situation would get better and were hopeful for the future. At the same time, a majority of women (56%) thought their economic situation would get worse or stay the same, and had concerns about the future (51%). According to a pre-election Harris poll, men split on whether they preferred the status quo or change, while

almost two-thirds of women opted for change.

These different perspectives between women and men produce different policy priorities. A national election-eve poll by the Analysis Group revealed that women put a higher priority on health care, education, helping the poor and homeless, and protecting American jobs as goals for the next president. Men more than women valued investing in Star Wars and keeping our defenses strong. The disparity between working women

and men was particularly dramatic when it came to investing in day care and other programs to help working families, even if it meant increased taxes.

Views of the Candidates

These differing perspectives produced different perceptions of the candidates. Men thought Vice President Bush, more than Gov. Dukakis, shared their values and concerns, while women leaned toward Dukakis. Similarly, men favored Bush to produce the kind of change they wanted, while women split between the candidates, or favored Dukakis.

Throughout the campaign women were weaker than men in their support for Bush, had more reservations and negative feelings toward him, and had fewer doubts about Dukakis. For example, in a poll conducted in Sept. 8-11 by CBS and the *Times*, 39% of men but only 25% of women had unfavorable views of Dukakis. At the same time, 47% of men but only 35% of women were favorable toward Bush.

These differing policy perspectives and perceptions of the candidates between women and men provided a challenge for the Bush campaign and an opportunity for

Dukakis. The Bush camp effectively narrowed the gender gap with initiatives in day care and health care, the use of family symbols, and a focus on children and a kinder, gentler nation. At the end of the campaign, Dukakis's ads raising abortion, family, and domestic policy priorities brought many women back to his column, but the effort was too unfocused, too little and too late to stem the tide of a Bush victory. ■

Demographics of the Bush Victory

ABC News Exit Poll. Nov. 8, 1988. N=21,094 voters nationwide:

	BUSH %	DUKAKIS %
GENDER		
Male	54	44
Female	47	52
AGE		
18-24	49	50
25-29	55	44
30-39	50	48
40-49	50	48
50-59	52	47
60 & older	48	51
EDUCATION		
High school or less	37	62
High school graduate	48	51
Some college	55	44
College graduate	57	42
RACE		
Black	9	90
White	55	44
Other	32	66
RELIGION		
Protestant	61	38
Catholic	46	53
Other Christian	55	43
Jewish	28	71
Other religion	32	65
No religion	32	65
HOUSEHOLD INCOME		
Under \$5,000	30	68
\$5,000-9,999	38	61
\$10,000-19,000	46	53
\$20,000-29,000	50	49
\$30,000-39,000	53	46
\$40,000-49,000	57	42
\$50,000 & over	59	40
PARTY		
Democrat	16	83
Republican	91	8
Independent	53	44
Other	47	46

A New Tool for Forecasting Elections

by Harold M. Zullow

This year's election confirmed that it is important that political candidates give voters hope that our national problems can be solved. An edge in hopefulness provided the victor with his winning margin in close contests for the U.S. Senate; examples include the victories of Democrat Joe Lieberman in Connecticut, Republican Slade Gorton in Washington, Republican Connie Mack in Florida, Democrat Richard Bryan in Nevada, and Republican Trent Lott in Mississippi.

The hopeful edge was measured in a pre-election quantitative content analysis of speeches that had been delivered well before election day. The candidate who was less of a "pessimistic ruminator": (1) won in 25 of 29 Senate contests, and (2) was more likely to gain support in the polls during the month preceding the election. This suggests that an analysis of psychological factors in a campaign, together with trial heat poll data, can provide us with a new tool for forecasting elections.

Measuring the Hopeful Edge

How was this analysis done? First, I gathered speeches from senatorial candidates from comparable points in their respective campaigns, yielding results for 29 of the 33 races. In most cases this was the announcement speech, although in a small minority of the races an alternative campaign or policy speech was used.

Second, every sentence where the candidate gave an evaluation or description of a problem (other than what can be done about it) was rated as a *rumination*, yielding a score for the percentage of sentences with ruminations.

Third, ruminations where the candidate gave the cause of a problem were extracted from the speech. These explanations were jumbled up, given to raters unaware of who said what, and rated along three dimensions of pessimism vs. optimism:

- Stable ("it's going to last forever") vs. unstable ("it's temporary," "a thing of the past").
- Global ("it's going to affect everything we do") vs. specific ("it affects only this one problem").
- Internal ("it's our fault") vs. external ("it's the situation we're in," "it's my opponent's fault").

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Stable and global explanations capture what is commonly meant by pessimism, since they extrapolate problems into the future and across situations. A style which is also internal will lead to diminished personal and national self-confidence.

Candidates who dwell upon a pessimistic (stable, global, internal) view of problems should lose, because people who take such a depressive view should inspire less hope in other people, are more likely to be rejected by others, and will persist less in the face of obstacles—making fewer campaign stops per day, for example.

And a 1987 Gallup/Times Mirror survey of 4,200 Americans found, as one factor in our national value structure, what Michael J. Robinson has called "American Exceptionalism"—the belief that there are no limits to what America can accomplish, and that we can solve our problems to get what we want. So a candidate who is hopeful that problems are solvable should strike a chord common to the value system of most voters.

The Mack-MacKay Race

An example of a rumination can be seen in a speech by Democratic senatorial candidate Buddy MacKay of Florida: "Black Monday was the proverbial 'morning after'—the day we realized that all we have borrowed as a nation must be paid back. For the last seven years, the federal government literally has been borrowing \$1 billion each day the financial markets have been open." MacKay gave a pessimistic explanation for an obstacle to Florida's development: that it is caused by "Florida's self perception," suggesting a moderately stable, highly global, and highly internal cause.

In contrast, MacKay's opponent, Republican Connie Mack, spoke non-ruminatively about the deficit: "I have tirelessly fought against the growth of excessive government." Mack gave an optimistic explanation of one cause of tax hikes: "[Democratic Senator] Lawton Chiles went along with the big spenders and voted himself a pay raise" (an unstable, specific, and external cause).

Presidential Politics

At the presidential level, colleague Martin Seligman and I found that the candidate who was more of a pessimistic ruminator in the nomination acceptance speech lost 18 of 22 elections this century, through 1984—by a landslide if he was much more pessimistically ruminative than his opponent.

This year, Bush and Dukakis were the lowest in

rumination in their parties before the primaries, and Bush was the most optimistic Republican. So based on a combined pessimism plus rumination score for their stump speeches, I forecasted, before the Iowa caucuses, that Bush and Dukakis would win the nominations.

Both men delivered nomination acceptances that were more optimistic and less ruminative than the average for the 20th century, but Dukakis's lower rumination gave him an expected edge of 3% in the popular vote, based on my model and the analysis of that one speech alone.

So what happened to Dukakis? First, there were a number of factors aside from optimism and rumination which went against him, including a healthy economy and challenging an incumbent vice president. Second, there was a remarkable collapse in Dukakis's style in the second debate, on a day which we now know was one of his few days of ill health in the entire campaign. Dukakis showed a huge increase in pessimistic rumination relative to Bush in the second debate, and his rumination rose to levels that were unprecedented for him. This high rumination continued in his speeches after the debate, although his pessimism abated. This improvement in Dukakis's style was not, however, sufficient to make it superior to Bush's.

The decline for Dukakis in 1988 was the reverse of what happened to Bush's style. In 1980, as a presidential candidate, Bush was a pessimistic ruminator; by his own admission, he was once a chronic worrier. In 1988, he has gone from worrier to warrior, while Dukakis, as his underdog challenger, assumed the mantle of worrier.

Optimism in fall debates has, in addition to the nomination acceptance, been a predictor of presidential elections since 1960, I found in a study with colleague Lisa Orphanides. This year was the first time that a candidate who came out ahead in his convention speech fared worse, on average, in the debates. So when the levels of pessimistic rumination conveyed by Bush and Dukakis this fall were plugged into a statistical equation (regression equation), the final forecast for the election was a 9.2% popular vote margin for Bush; closer to the actual 8% value than the final Gallup or Harris pre-election surveys.

Now that politicians are aware of the optimism factor as reported in the popular press, it may be necessary to update future forecasts relying on candidate optimism to include the fall debates, just as pollsters after the 1948 Dewey-Truman debacle, began tracking elections until closer to election day.

A Snapshot of the Candidate

How does a candidate's pessimistic rumination allow us to make predictions that can surpass the polls? One reason is that it is undergirded by a theory of what causes voter shifts. It is not a snapshot of current voter

Continued on next page

Predicting Senate Winners

The table below lists the candidates in the 29 U.S. Senate races that were evaluated, along with their scores. High, positive scores mean the candidate is optimistic and non-ruminative. Low, negative scores mean the candidate is pessimistic and ruminative. Therefore, the candidate with the higher score is favored to win, based on this measure alone.

The *predicted* winner is listed first. The *actual* winner is in bold.

ARIZONA		NEW MEXICO	
DeConcini (D)	1.08	Bingaman (D)	0.15
DeGreen (R)	0.39	Valentine (R)	-1.21
CALIFORNIA		NEW YORK	
Wilson (R)	0.51	Moynihan (D)	-0.39
McCarthy (D)	-0.08	McMillan (R)	-1.62
CONNECTICUT		NORTH DAKOTA	
Lieberman (D)	1.19	Burdick (D)	0.80
Weicker (R)	0.90	Strinden (R)	0.02
DELAWARE		OHIO	
Roth (R)	3.40	Metzenbaum (D)	0.32
Woo (D)	-1.07	Voinovich (R)	-0.52
FLORIDA		PENNSYLVANIA	
Mack (R)	-1.06	Heinz (R)	1.37
MacKay (D)	-2.73	Vignola (D)	0.19
INDIANA		RHODE ISLAND	
Lugar (R)	2.28	Chafee (R)	2.24
Wickes (D)	-0.60	Licht (D)	0.17
MARYLAND		TENNESSEE	
Sarbanes (D)	5.45	Andersen (R)	1.42
Keyes (R)	-0.21	Sasser (D)	0.10
MAINE		TEXAS	
Mitchell (D)	1.69	Bentsen (D)	-0.17
Wyman (R)	-0.32	Boulter (R)	-3.98
MICHIGAN		UTAH	
Riegle (D)	1.68	Hatch (R)	0.83
Dunn (R)	-2.17	Moss (D)	-2.42
MINNESOTA		VERMONT	
Durenberger (R)	0.56	Jeffords (R)	0.94
Humphrey (D)	-0.16	Gray (D)	-1.09
MISSISSIPPI		VIRGINIA	
Lott (R)	2.24	Dawkins (R)	-0.07
Dowdy (D)	0.65	Robb (D)	-1.79
MONTANA		WASHINGTON	
Melcher (D)	0.60	Gorton (R)	-0.64
Burns (R)	-2.55	Lowry (D)	-1.77
NEBRASKA		WEST VIRGINIA	
Karnes (R)	-0.95	Byrd (D)	2.40
Kerrey (D)	-1.87	Wolfe (R)	-1.50
NEVADA		WISCONSIN	
Bryan (D)	0.35	Kohl (D)	-0.30
Hecht (R)	-0.32	Engelleiter (R)	-0.45
NEW JERSEY			
Lautenberg (D)	1.88		
Dawkins (R)	0.18		

Governor 1990

MASSACHUSETTS

KRC Communications Research for *The Boston Herald* and WBZ-TV.
Nov. 9, 1988. N=400 reg. voters statewide:

Should Michael Dukakis run for reelection in 1990?

	%
Yes	48
No	34
Don't know	19

First choice:

	%
Michael Dukakis (D)	24
Joseph Kennedy (D)	12
Evelyn Murphy (D)	11
Ray Flynn (D)	7
Francis Bellotti (D)	6
Ed King (R)	6
Andrew Card (R)	2
William Weld (R)	2
James Shannon (D)	2
Don't know	29

TEXAS

SRI Research Center for *The Fort Worth Star-Telegram* and WFAA-TV.
Oct. 21-24, 1988. N=1,443 likely voters statewide:

Favorability Ratings:

	Favor- able %	Unfav- orable %
Henry Cisneros (D)	54	15
Ann Richards (D)	45	24
Jim Mattox (D)	44	26

FORECASTING ELECTIONS *continued from page 5*

preferences, but a snapshot of the candidate, which should allow us to predict the voters' response. Another reason is that—at least at the presidential level—optimism and rumination have predicted how vigorously candidates campaign.

A third reason is that optimism and rumination have predicted fundraising success, both for presidential and senatorial candidates. Statistical analysis suggests that, to some extent, being an incumbent may affect how much you ruminate, which may then in turn affect your fundraising success. So there may be a two-way street going on, with non-psychological factors like incumbency and fundraising affecting the candidate's pessimistic rumination which may in turn affect fundraising success.

Discovering these mechanisms of political influence is an intriguing task that remains. Debating their desirability from a citizen's perspective is a task that remains for the public. ■

Mayor 1989

CHICAGO

NBC News Exit Poll. Nov. 8, 1988. N=700 voters citywide:

First choice:

	%
Timothy Evans	24
Richard Daley	23
Edward Burke	11
Eugene Sawyer	10
Lawrence Bloom	5
Danny Davis	4
James O'Grady	3
Edmund Reilly	2
Someone else	4
Not sure	14

LOS ANGELES

NBC News Exit Poll. Nov. 8, 1988. N=270 voters citywide:

Trial Heat:

	%
Tom Bradley	70
Zev Yaroslavsky	12
Someone else	17
Not sure	1

NEW YORK CITY

NBC News Exit Poll. Nov. 8, 1988. N=837 voters citywide:

Mayor Koch Job Rating:

	%
Approve	39
Disapprove	45
Not sure	16

Would you like to see Ed Koch run for reelection in 1989?

	%
Yes, run	31
No, not run	56
Not sure	13

Diversified Research/Arthur J. Finkelstein for *The New York Post*. Oct. 22-23, 1988. N=400 likely voters citywide. [Per UPI.]:

Trial Heat:

	%
Ed Koch	38
Andrew Stein	37
Undecided	25

Favorability Ratings:

	Ed Koch %	Andrew Stein %	David Dinkins %
Favorable	44	42	40
Unfavorable	37	16	11

Grading the Campaign

The Gallup Organization for Times Mirror. Nov. 9-10, 1988. N=2,022 reg. voters nationwide (panelback):

"Now that the campaign is over, how satisfied were you with the choice of presidential candidates? Would you say that you were very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?"

	%
Very satisfied	26
Somewhat satisfied	36
Not very satisfied	20
Not at all satisfied	17
Don't know	1

"During this campaign, did you feel you learned enough about the candidates and the issues to make an informed choice between Bush and Dukakis, or did you find it difficult to choose because you felt you did not learn enough from the campaign?"

	%
Learned enough	59
Did not learn enough	39
Don't know	2

"How helpful were the presidential debates to you in deciding which candidate to vote for? Would you say they were very helpful, somewhat helpful, not too helpful, or not at all helpful?"

	%
Very helpful	13
Somewhat helpful	35
Not too helpful	24
Not at all helpful	25
Didn't watch (vol.)	3

"Students are often given the grades A, B, C, D, or Fail to describe the quality of their work. Looking back over the campaign, what grade would you give to each of the following groups for the way they conducted themselves in the campaign?"

	A %	B %	C %	D %	Fail %
The voters	19	30	28	10	7
George Bush	15	34	26	13	11
Republican Party	11	34	31	12	10
Pollsters	13	29	29	12	11
Michael Dukakis	9	29	40	13	7
Democratic Party	7	26	45	13	7
Campaign consultants	5	20	37	14	8
The press	8	22	33	19	16

"If you were the editor of your local newspaper four years from now, would you increase, decrease, or devote about the same amount of space to coverage of the presidential campaign?"

	%
Increase	18
Decrease	22
Same	57
Don't know	3

"How about the amount of space devoted to state and local campaigns? Would you increase it, decrease it, or leave it about the same?"

	%
Increase	35
Decrease	8
Same	56
Don't know	1

WHY BUSH? continued from page 1

(Gallup/Times Mirror poll continued)

Major reason for supporting Bush/Dukakis:

	Bush Voters %
Party Loyalty/Preference	37
Pro-Republican	31
Anti-Democratic	6
Candidate's Political Stands	40
Pro-Bush	29
Anti-Dukakis	11
Personality/Personal Ability	17
Pro-Bush	14
Anti-Dukakis	3
Vice Presidential Choice	1
Pro-Quayle	-
Anti-Bentsen	1
Undesignated	5

	Dukakis Voters %
Party Loyalty/Preference	49
Pro-Democratic	34
Anti-Republican	15
Candidate's Political Stands	27
Pro-Dukakis	20
Anti-Bush	7
Personality/Personal Ability	12
Pro-Dukakis	7
Anti-Bush	5
Vice Presidential Choice	8
Pro-Bentsen	1
Anti-Quayle	7
Undesignated	4

ABC News Exit Poll. Nov. 8, 1988. N=21,094 voters nationwide:

	Bush %	Dukakis %
Reason for Choice		
Strong leader	53	46
Good judgment	44	55
Cares about people like me	12	87
Has vision for future	28	70
Has right kind of experience	93	6
Can get things done	33	66
Can be trusted in a crisis	52	48
Is honest	22	77
None of the above	47	49

Issue Candidate Addressed Best

	Bush %	Dukakis %
Taxes	69	29
Health care	20	80
Military spending	87	13
Federal budget deficit	28	70
Problems of the poor	8	91
Foreign affairs	87	13
National economy	53	46
Crime	71	29
Creating jobs	29	70
None of the above	50	46

Time of decision

	Bush %	Dukakis %
Today	39	58
Yesterday	41	57
Over the weekend	34	62
Last week	38	61
Before last week	53	46

Playing the Market

Media General/AP Poll. Sept. 6-14, 1988. N=1,125 adults nationwide:

"Do you have any money in the stock market?"

	Yes %	No %	Don't Know %
ALL	29	70	1
By family income:			
Under \$7,500	2	96	2
\$7,500-14,999	12	88	-
\$15,000-24,999	15	83	2
\$25,000-34,999	26	74	-
\$35,000-49,999	39	59	2
\$50,000 or over	53	47	-

"Overall, do you think the stock market is a safe investment or a risky one?"

	Safe %	Risky %	Don't Know %
ALL	16	72	12
By family income:			
Under \$7,500	11	65	24
\$7,500-14,999	12	67	21
\$15,000-24,999	14	72	14
\$25,000-34,999	16	73	11
\$35,000-49,999	16	77	7
\$50,000 or over	24	71	5

"The stock market crashed about a year ago. Would you say the market crash had a major impact on your life, or a moderate impact, or a little impact, or no impact at all?"

	Major Impact %	Moderate Impact %	Little Impact %	No Impact %
ALL	6	15	28	47
By family income:				
Under \$7,500	6	4	10	74
\$7,500-14,999	3	8	20	62
\$15,000-24,999	4	16	19	54
\$25,000-34,999	5	14	30	48
\$35,000-49,999	7	19	37	35
\$50,000 or over	10	21	36	32

"What do you think are the chances of another stock market crash in the next year or two—would you say there's a good chance of another crash, or do you think another crash is not too likely?"

	Good Chance %	Not too Likely %	Don't Know %
ALL	33	41	26
By family income:			
Under \$7,500	37	17	46
\$7,500-14,999	42	26	32
\$15,000-24,999	37	33	30
\$25,000-34,999	29	45	26
\$35,000-49,999	35	48	17
\$50,000 or over	31	53	16

"Do you think there should be more government regulation of the stock market, less regulation, or should government regulation of the stock market stay as it is?"

	More %	Less %	Stay As is %	Don't Know %
ALL	24	9	40	27
By family income:				
Under \$7,500	31	-	19	50
\$7,500-14,999	24	8	32	36
\$15,000-24,999	23	10	34	33
\$25,000-34,999	22	10	44	24
\$35,000-49,999	24	10	46	20
\$50,000 or over	31	9	46	14

WHAT NEXT? *continued from page 1*

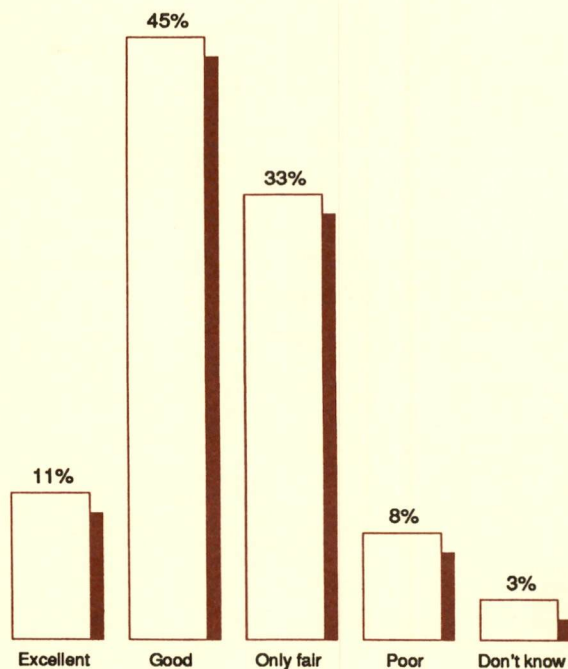
The Washington Post Poll. Nov. 5-8, 1988. N=599 voters nationwide:

"I'm going to mention some of the things that the presidential candidates talked about during the campaign. For each, please tell me if it is something you'd like to see happen during the next four years. Then, tell me if it is something you think will happen during the next four years."

	Like To see %	Will Happen %
Cutting the federal budget deficit in half	88	17
Effective programs to fight the drug problem	96	72
Another major agreement with the Soviet Union to reduce the number of nuclear weapons	90	66
More federal aid to help clean up the environment	90	66
Making it easier for any student to borrow money for college and pay it back from future earnings	81	49
Health insurance coverage for all employees and their families	79	32
No federal tax increases	78	33
Voluntary prayer restored to public school classrooms	74	34
More government assistance to the poor	69	47
Government aid to help working parents pay for day care	60	42
Cuts in defense spending	60	34
More politically conservative judges appointed to the Supreme Court	56	46
New restrictions on abortions	47	37
More money to develop and test the "Star Wars" program	36	49

The Gallup Organization for Times Mirror. Nov. 9-10, 1988. N=2,022 reg. voters nationwide (panelback):

"What kind of a president do you think George Bush will make?"



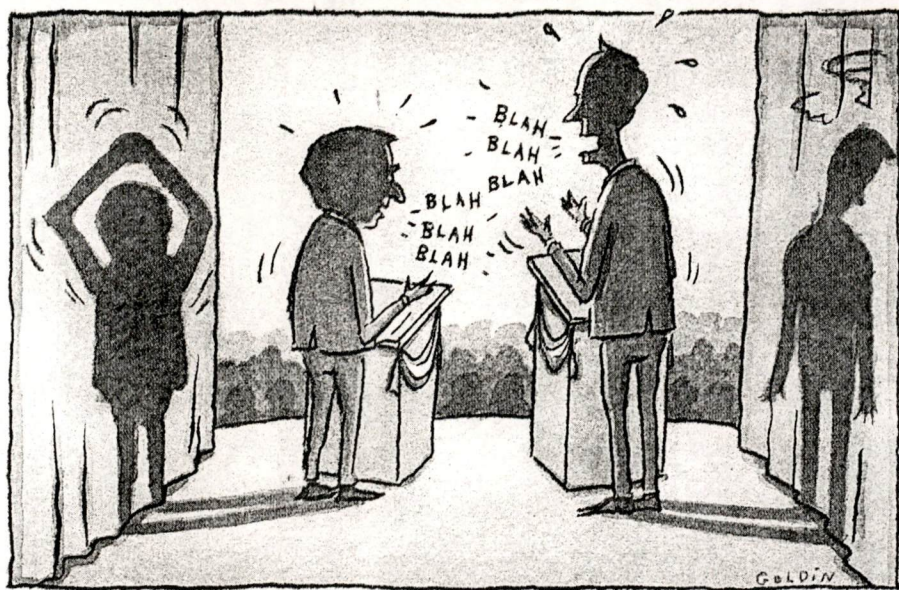


ILLUSTRATION BY DAVID GOLDIN

THE MIND

When Optimists Attract

Life's winners score by saying pleasant things

Which presidential nominee won the election? Was it the bullish candidate A, who roused the convention hall by declaring "It is more than a nomination I accept today. It is a dedication . . . to the shining promise of tomorrow"? Or was it the uncompromising candidate B, who warned: "Sacrifice, patience, understanding and implacable purpose may be our lot for years to come . . . Let's talk sense to the American people. Let's tell them the truth"?

As it turned out, "the truth" got Adlai Stevenson nowhere; he was soundly drubbed by his 1952 Republican opponent, Dwight Eisenhower. And, according to University of Pennsylvania psychologist Harold Zullow, it was not just because Ike was the vastly popular Allied commander in World War II. Just as crucial was his stronger "optimistic rumination," a measurement that Zullow says accurately forecasts election outcomes by weighing the optimism-vs.-pessimism content of speeches. Applying the method retroactively, Zullow claims it correctly picks the winners of nine of the past 10 presidential elections from the nominees' acceptance speeches alone. Now, factoring in such up-to-the-minute verbal input as last month's presidential debate, he is using it to forecast the results in the current contest. The predicted winner: Michael Dukakis, who seemed to have outcheered his rival by a less-than-seismic margin of 3.5 percent.

Zullow's technique derives from a theory developed by his U. of Penn colleague and mentor, Martin Seligman, which holds that a person's "explanatory style"—his characteristically optimistic or pessimistic way of attributing the cause of events that befall him—foretells what may happen to him in the future. At worst risk is someone whose habitually pessimistic attributions tend to be internal (self-blaming), stable (identifying a permanent rather than transient cause) and global (affecting everything rather than one specific area). Thus, a pessimistic student who fails a math exam would say, "I blew it" (internal); "I'm just dumb" (stable); "I guess I wasn't cut out for college" (global). An optimist says, "There wasn't enough time" (external); "I slept badly last night" (temporary, therefore unstable); "Math isn't my best subject" (specific).

The explanatory-style thesis has been gaining acceptance among psychologists as a way to predict patients' susceptibility to depression. It may also predict job success and health. In one study, optimistic insurance agents outsold their more pessimistic counterparts. In another, subjects with negative outlooks in early adulthood were found to be at risk of poor health in middle age. To predict election outcomes, Zullow used "raters" to blindly score political utterances for two variables: pessimism and "rumination," a measure of how much a person dwells on pessimistic explanations.

In the Bush-Dukakis debate, the vice president projected gloom on the very first question put to him, according to Zullow's analysis. Asked what was causing widespread drug abuse, Bush twice stressed that "we've seen a deterioration in values." Explains Zullow, "'Declining values' implicates all of us—that's pretty internal. And it suggests something beginning in the past and continuing in the present—that's moderately stable." By contrast, Dukakis registered as "very optimistic" in accusing the "government" of doing business with Panamanian drug traffickers and thereby sending a bad message to young people. The implication was that things would change once he is in office. On the whole, however, both contenders scored high in rose-colored rumination.

Professional pollsters by now have honed their random-sampling technique to something like a science. Yet their approach is essentially empirical—"a snapshot of how the electorate feels at a given moment," says Zullow. The optimism measurement, though, is underpinned by theory. Thus, Zullow says, it can anticipate shifts in voter sentiment on the strength of campaign utterances. In the one instance where his method picks the wrong winner, the 1968 Humphrey-Nixon race, Humphrey nevertheless all but overcame a 14-point deficit in the polls, arguably owing to the power of positive thinking.

Stirring hope: Earlier this year Zullow analyzed stump speeches given by the presidential contenders before the Iowa caucuses and sealed his predictions in envelopes. The results, he says, showed that he had accurately picked Dukakis and Bush as the nominees and Gary Hart—then leading the Democratic pack but "the most pessimistic ruminator" of all the candidates—as the biggest loser. The reason it apparently works is that optimists stir more hope in voters and also tend to campaign more vigorously—Harry Truman in his 1948 upset victory over Thomas Dewey being a prime example.

Zullow, meanwhile, has provided his data to both campaign staffs—so that, conceivably, the two may be vying to outdo each other in Panglossian rhetoric. Zullow insists he ignores rhetorical statements like "We are going to make this great nation even greater." Incumbents, especially, are prone to such pronouncements, he says. In any case, he concedes that optimism is not necessarily the surest indicator of success; it appears to sway mostly the uncommitted. But taken together with traditional polls, it can reliably map the ups and downs of a campaign. Now, if some enterprising psychologist could come up with a vapid index, voters might not even need the pollsters to tell them which candidate is going to win, in a breeze.

DAVID GELMAN

Pessimistic Explanatory Style in the Historical Record

CAVing LBJ, Presidential Candidates, and East Versus West Berlin

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ABSTRACT: *The habitual way people explain causes (explanatory style) as assessed by questionnaire has been used to predict depression, achievement, and health, with a pessimistic style predicting poor outcomes. Because some individuals whose behavior is of interest cannot take questionnaires, their explanatory style can be assessed by blind, reliable content analysis of verbatim explanations (CAVE) from the historical record. We discuss three examples of CAVing archival material. First, shifts to a more optimistic style in Lyndon Johnson's press conferences predicted bold, risky action during the Vietnam War, whereas shifts to pessimism predicted passivity. Second, analyses of presidential candidates' nomination acceptance speeches from 1948 to 1984 showed that candidates who were more pessimistically ruminative lost 9 of the 10 elections. Third, explanatory style and its relation to depressive signs was considered at a societal level. There were more behavioral signs consistent with depression among workmen in East Berlin than in West Berlin bars. This finding corresponded to a comparatively more pessimistic explanatory style in East Berlin newspaper reports concerning the 1984 Winter Olympics. We suggest that pessimism and its consequences can be quantified and compared, not only in contemporary individuals but also across time and culture.*

Can pessimism and its consequences be measured across historical periods and cultures? One tool for measuring pessimism is the habitual way people explain the events that befall them, their "explanatory style" as found in archival documents. One way to measure the consequences of pessimism is to observe the symptoms of learned helplessness—passivity, poor achievement, and depressive signs—as they are found in the historical record. With these tools we can try both to test theories of explanatory style and to predict real-world behavior over historical periods and across cultures. In this article, we first present the theoretical background and describe our tools. In doing so, we detail a new method, the content analysis of verbatim explanations (CAVE), which allows blind, reliable ratings of archival material for explanatory style. Then we present three brief examples: President Johnson and the Vietnam War, prediction of who will win modern presidential elections, and pessimism in East

and West Berlin. Our story begins with explanatory style and its relation to learned helplessness.

Explanatory Style

Psychologists have frequently argued that causal beliefs affect behavior (see reviews by Harvey & Weary, 1984; Heider, 1958; Kelley, 1973; Kelley & Michela, 1980; Kelly, 1955). One approach taken by researchers studying causal explanations is to ask if individuals differ in their habitual style of explaining the events that befall them (e.g., Ickes & Layden, 1978; Peterson & Seligman, 1984). If so, then explanatory style becomes an individual difference of consequence. All the behaviors and outcomes affected by particular explanations may be influenced by explanatory style, which helps to determine the actual causal explanations offered in particular situations.

The reformulation of the learned helplessness model accords central status to causal explanations and explanatory style (Abramson, Seligman, & Teasdale, 1978; see also Miller & Norman, 1979, and Roth, 1980). The reformulated model proposes that causal beliefs affect the nature of helplessness following bad events (Abramson et al., 1978). As such, they predict a potent psychological state, one that may underlie failure (Dweck & Reppucci, 1973; Peterson & Barrett, 1987), depression (Seligman et al., 1988), illness and disease (Peterson, Seligman, & Vaillant, 1988; Schmale, 1972), and even death (Jemmott & Locke, 1984).

According to the reformulation, one critical factor that contributes to where and when the symptoms of helplessness will occur is the particular causal explanation made by the individual for bad events. When failure occurs, a person asks why it happened. Certain answers to this question lead to pervasive helplessness, whereas others do not. Three dimensions of causal explanation are claimed relevant. First, causal explanations may refer to factors that are stable across time or unstable. The more enduring the cause, the more long-lasting the helplessness following bad events. Second, causal explanations may refer to global factors present in a variety of domains or to specific factors relevant only to the particular outcome. Global explanations result in generalized helplessness, whereas specific explanations do not. Finally, causal explanations may refer to factors internal to the person, such as ability or effort, or they may refer to external

factors, such as other people or the situation. If the individual interprets bad events internally, the symptoms of helplessness following these events include self-esteem loss.

When individuals habitually see the causes of bad events as stable, global, (and internal), ("It's going to last forever," "It's going to undermine all that I do," and "It's me") and they see the causes of good events in the opposite way, we say that their explanatory style is *pessimistic* or depressive. We use the term pessimistic because a style that projects ongoing bad events far into the future (stable) and across all endeavors (global) seems to capture what is ordinarily meant by pessimism. When individuals see the causes of bad events as unstable, specific (and external) and see the causes of good events in the opposite way, we say the style is *optimistic* or nondepressive.

In their research program investigating helplessness and depression, Peterson and Seligman (1984) used a self-report questionnaire to assess explanatory style (the Attributional Style Questionnaire; ASQ; Peterson et al., 1982). Studies showed explanatory style as measured by the ASQ to be an important correlate and predictor of depression following bad events. In a meta-analysis of 104 studies involving 15,000 subjects, Sweeney, Anderson, and Bailey (1986) reported that explanatory style both for good and bad events was a highly replicable correlate of depression. Robins (1988) found that among those studies of high statistical power, explanatory style for bad events correlated significantly with depression in every instance.

The ASQ presents hypothetical events, good and bad, to people who write down the one major cause of each event as if it has happened to them. Then, they rate each cause they have provided on 7-point scales in terms of internality (= 7) versus externality (= 1), stability (= 7) versus instability (= 1), and globality (= 7) versus specificity (= 1). Evidence for the reliability and validity of this questionnaire is reported by Tennen and Herzberger (1986).

The CAVE Technique

The concept of explanatory style was developed to investigate how contemporary individuals differ in their ups and downs—their proclivity to helplessness. In our studies of pessimism across time and cultures, we suggest that the same clinical concept of explanatory style that predicts individual differences in depression, achievement, and health can be used to study the ups and downs of nations, their leaders, and the appeal of the leaders to their constituents. We have had to use blind content analysis, rather

than questionnaires, for these studies. This technique, like the questionnaire, was first developed to study depression in the clinic.

Peterson, Luborsky, and Seligman (1983) developed a content analytic method to supplement the ASQ, and it seems to be as satisfactory and much more general in applicability. "Subjects" who are famous, dead, uninterested, hostile, or otherwise unavailable can be studied as easily as students in introductory psychology classes or depressed patients completing the ASQ so long as they have left some verbatim record. Causal explanations are ubiquitous in verbatim records. They appear in interviews, letters, diaries, journals, school essays, and newspaper stories, in short, in almost all verbal material that people leave behind. In such material, they appear at roughly the rate of one per 100 words. It is these records that we content analyze.

Content analysis of public records is not a new research technique, although it has never been a fashionable one. Freud (1939, 1947) applied his insights to historical subjects as diverse as Moses, DaVinci, and Woodrow Wilson (Freud & Bullitt, 1967), but he lacked the systematic, blind, and reliable methodology of modern content analysis. Modern researchers have worked productively with such a strategy (e.g., see reviews by Allport, 1942; Holsti, 1968; Krippendorff, 1980; McClelland, 1961; Runyan, 1982; Simonton, 1981; Tetlock, 1984; Viney, 1983; Winter & Stewart, 1977; Wrightsman, 1981). Nevertheless, the technique is infrequently used, and not just because it is painstaking. Instead, researchers are skeptical of content analysis because of connotations of bias and fuzziness. However, the field of content analysis, and the use of the CAVE technique, have come a long way from the first application by Freud of clinical constructs to the study of history. The CAVE technique overcomes bias and perhaps fuzziness as well. It is unobtrusive, non-reactive, reliable, and blind. Unlike the ASQ, it deals with real events, not hypothetical ones. The actual technique has two steps. First, causal explanations must be extracted from the document. Second, they must be rated on 7-point scales according to their stability, globality, and internality.

Extraction of causal explanations. To identify a causal statement, one looks for good or bad events from the perspective of the subject under study. Once an event is located, one looks for an attributed factor that covaries with it. Sometimes the explanation is transparent, and sometimes it must be inferred from clues, such as statements beginning with "because . . .," "as a result of . . .," "this led to it . . .," and so on. Using stringent criteria, independent judges agree more than 90% of the time that a particular causal explanation is present (e.g., Peterson, Bettes, & Seligman, 1984).

Once identified, a causal explanation and the event it explains are extracted and copied verbatim. We then mix the event-explanation units (coded for identification) with many other units from other subjects and sources. Three or four blind and independent judges then rate each unit according to the three dimensions.

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Rating causal explanations. Judges are trained by being given the instructions from the Attributional Style Questionnaire (Peterson et al., 1982) with elaboration of what the dimensions mean and ample illustration of how actual event-explanation units have been rated in the past. Training to the point of good reliability takes less than a day using a manual (Castellon, Schulman, & Seligman, 1986). Thus, stable versus unstable explanations reflect whether the cause persists (= 7) or is transient (= 1). A major clue to the stability of a cause is whether the explanation is phrased in the present tense (stable) or in the past tense (unstable). Globality versus specificity of the cause reflects the degree to which it affects all domains and outcomes (= 7) or is highly limited (= 1). Internality versus externality reflects whether the cause implicates something characteristic about the speaker (= 7) versus situational characteristics (= 1).

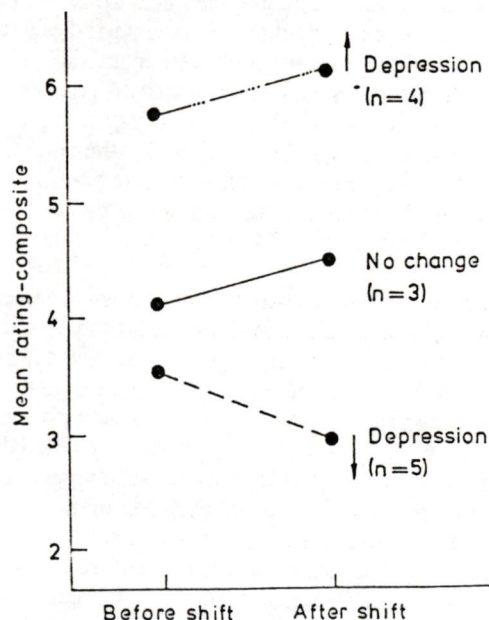
When the ratings of the judges are combined, and reliability estimated by Cronbach's alpha (1951), figures approach .80 to .90 for each of the three dimensions (Peterson & Seligman, 1984).

The first use of archival material. The CAVE technique was first applied to transcribed psychotherapy sessions, in this case with a single patient noteworthy for his sudden, unpredictable mood swings in and out of depression, (Peterson, Luborsky, & Seligman, 1983). Can causal beliefs predict such swings? Mr. Q., our subject, could not take the ASQ before each session because these sessions were now long in his past. So the CAVE technique seemed an appropriate procedure to test the hypothesis that shifts to depression would be preceded by (relatively) stable, global, and internal explanations for bad events, whereas shifts away from depression would be preceded by (relatively) unstable, specific, and external explanations for bad events.

Peterson et al. (1983) obtained transcripts from sessions in which mood shifts occurred: four sessions for increased depression, five for decreased depression, and for comparison purposes, three sessions in which no shift in mood occurred. Causal explanations were extracted from the 400 words spoken by the patient immediately before and after the mood shift. The hypothesis was supported as shown in Figure 1. Highly pessimistic (stable, global, and internal) explanations preceded depression, whereas unstable, specific, and external explanations for bad events preceded drops in depression. Causal explanations during sessions in which no mood shift occurred were intermediate. There was no overlap in the range of scores of causal explanations before swings to more versus less depression; that is, prediction was perfect.

So our use of the CAVE technique began as an attempt to predict from their explanatory style the ups and downs—the proclivity toward helplessness—of depressed patients. In the studies that follow, we try to see if the same construct, explanatory style, can be used to study the ups and downs of world leaders, the appeal of the leaders to their societies, and the degree of optimism or pessimism of societies themselves. The success in predicting the depressive symptoms of a single patient sug-

Figure 1
Means of Internal, Stable, and Global Ratings of Mr. Q's Explanations Before and After Sudden Mood Swings



Note. From "Attributions and Depressive Mood Shifts: A Case Study Using the Symptom-Context Method" by C. Peterson, L. Luborsky, and M. E. P. Seligman, 1983, *Journal of Abnormal Psychology*, 92, p. 100. Copyright 1983 by the American Psychological Association. Sessions were those in which Mr. Q became more depressed, less depressed, or showed no change. Numbers of sessions on which the means are based are in parentheses. Ratings are divided by three.

gested to us that we might be able to predict active or passive behavior of individual leaders by CAVING their pronouncements before they acted. This led us to the press conferences of Lyndon Baines Johnson (LBJ).

President Johnson and the Vietnam War: A Pilot Study

Does the explanatory style of a world leader foreshadow the actions he or she will take? The helplessness reformulation says that when individuals have a pessimistic style, they should be passive, indecisive, and ready to give up. When they have an optimistic style, they should be active, decisive, bold, and tenacious.

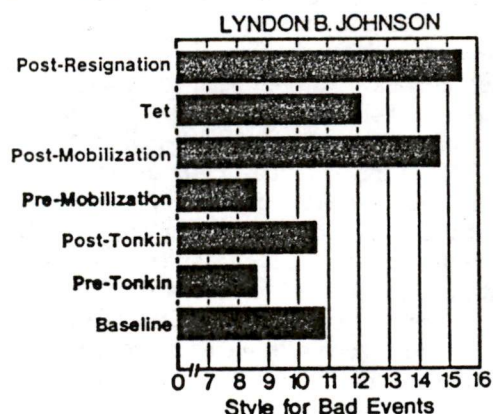
As a first pass at this question, Seligman and Hermann (1984) of the Merston Center of Ohio State University analyzed 10 press conference transcripts from Lyndon Johnson while he was president of the United States. Hermann chose these transcripts to reflect four different points in LBJ's conduct of the Vietnam War. Two were chosen as baseline data: December 7 and December 18, 1963, soon after he assumed the presidency and well before the major events of the war. One was chosen from the period right before the Gulf of Tonkin resolution (July 20, 1964: just before the retaliatory attack) and one just after Congress passed the Gulf of Tonkin resolution (August 8, 1964). They predicted an op-

timistic style at these times because LBJ's actions were risky and bold, calling for a nondepressive (or even manic) style. Three more press conferences were chosen from the period of the major escalation in which LBJ sent a request for mobilization to Congress (July 9 and July 13, 1965: when the White House was debating whether to escalate, and July 28, 1965: one day after the decision to escalate was made). This was assumed to also be a period of active risk taking. Finally, three were chosen from the period of the Tet Offensive, when he chose not to run for the presidency again, a period that should reflect a passive and depressive approach (February 2, 1968: the beginning of the Tet Offensive, March 30, 1968: the day before LBJ announced his decision not to run for president, and March 31, 1968: right after LBJ announced that he would not run).

The CAVE technique was applied to this material. Two raters blindly and independently rated the 39 event-explanation units extracted for bad events. The findings are shown in Figure 2. These data seem quite orderly. At baseline, LBJ had relatively normal scores (composite for bad events of internal + stable + global = 10.8). Right before Tonkin (July 20, 1964), his score dropped dramatically into a very optimistic, perhaps manic, range (= 8.6), and it returned to normal (= 10.6) after the Tonkin resolution passed. Then, once again right before escalation (July 9 and July 13, 1965), explanations for bad events became optimistic (= 8.9 and = 8.3), sinking to pessimism after the decision to escalate (= 14.7, well into the depressive range). At Tet, it inched into the mildly depressed range (= 12.1), but right before the announcement not to seek re-election, it was at baseline (= 10.4). Right after the announcement, his scores were highly depressive (= 15.5).

In general, LBJ's scores preceding risky action showed shifts to very optimistic scores, as the helplessness reformulation predicts. Periods after such action and times of giving up showed shifts to very pessimistic scores, again as the reformulation predicts.

Figure 2
Means of Internal, Stable, and Global Ratings of Lyndon Johnson's Explanations for Bad Events at Press Conferences From Different Periods



Note. Ratings are not divided by three.

These data are highly tentative. They are based on one leader. There were few event-explanation units. Furthermore, we do not know the inner working of decision making and its timing. We make no claim that the shifts in style *cause* the bold decisions, only that the shifts may be harbingers of boldness to come. The shifts in both LBJ's and Mr. Q's scores may reflect some unknown third variable, such as a biological change that causes both explanatory style change and mood and behavior swings. Further, both Mr. Q and LBJ, unlike most of our subjects (Burns & Seligman, 1988) did not have a stable style. Although both were consistent in their explanations at any given time, both swung dramatically over time, and it was this lability we exploited to predict their behavior. We do not know if intra-individual change can be meaningfully used with more stable subjects. So we cannot make any statistical inferences from the case study of LBJ, but the findings are orderly and mesh with those obtained for the individual patient described by Peterson, Luborsky, and Seligman (1983). Pessimistic explanations predicted a subsequent depressive behavior, while optimistic explanations predicted nondepressed behavior.

Oettingen and Seligman are attempting to replicate and extend these data more rigorously. For each president since LBJ, we pick as our criterion event front page headlines in the *New York Times* involving the president. Two political scientists, who are unaware of our hypothesis, rate the presidential action on a 1-10 scale for passive through active. We then move backward in time to the most recent press conference within three weeks and CAVE the transcript. We predict that a pessimistic explanatory style in a press conference will precede passive actions and optimistic style will precede bold actions.

Perhaps it might be possible to predict the activity-passivity dimension of the actions of leaders before they act by CAVING their statements. Might it be possible to predict how voters will react to such leaders from the content analysis of the leaders' speeches?

Pessimistic Rumination Predicts Electoral Defeat of Presidential Candidates (1948-1984)

Do Americans elect as their president a leader who gives voice to the most optimism for the future? Hofstadter (1963) argued that American pragmatism has been associated with a streak of anti-intellectual prejudice running through our country's history, and he analyzed the Jackson-Adams and Eisenhower-Stevenson elections in this light. Zullow and Seligman (1988) argued that it is the intellectual's tendency to see the pessimistic side of issues, to doubt and to question that breeds this antipathy among voters. They hypothesized that other things equal, American voters will choose presidents who are optimistic and do not ruminate over bad events. They content analyzed speeches for these two styles using two concepts: *explanatory style*, which is the optimism or pessimism with which the candidate explains the causes of events; and *rumination* (Kuhl, 1981, 1984; Zullow, 1984, 1985;

Zulow & Seligman, 1988), which is the tendency to dwell on conditions that are bad for the candidate or the country.

The introduction of a new variable, rumination, in this study in combination with explanatory style was not arbitrary. It was based on a program of research that seems to show that pessimistic explanatory style is not sufficient to produce depression. Only when such pessimism is frequently called to mind (rumination) does depression follow (Zulow, 1984). Individuals vary widely in the density of their causal explanations about bad events. Some individuals with a pessimistic explanatory style make very few such explanations, whereas others make many, ruminating frequently about bad events. People with a pessimistic explanatory style who spend a lot of their time ruminating should be more vulnerable to helplessness and depression than people who do not ruminate or who inhibit their rumination. In a three-wave longitudinal study, Zulow (1984) found that those people high in both pessimism and rumination later showed more depression, controlling for initial level of depression.

Zulow and Seligman (1988) content analyzed the 20 nomination acceptance speeches from the Democratic

and Republican conventions of 1948 to 1984. They used the nomination acceptance speech because it is a standard setting in which candidates outline their goals for the country and their view of the country's condition. It is also a speech that affects many voters because it receives a wide national audience, not only in newspapers but also, since 1948, on television.

They rated explanatory style as described above. In addition, two raters rated each speech for amount of rumination about bad events. Raters decided for each sentence whether it contained an example of rumination according to the system developed by Zulow (1985). An overall score for the frequency with which ruminative thoughts occur in the candidate's message was derived by dividing the total number of sentences containing ruminative thoughts by the total number of sentences in the speech.

Sample content-analyzed excerpts. To clarify how the content analysis was performed, Table 1 contains rated excerpts from the 1952 acceptance speeches of Dwight D. Eisenhower and Adlai E. Stevenson. Eisenhower's speech was relatively nonruminative and optimistic, whereas Stevenson's was relatively pessimistic and ruminative.

Table 1
Content Analysis of Excerpts From Nomination Acceptance Speeches of 1952

Dwight D. Eisenhower	Adlai E. Stevenson
Ladies and gentlemen, you have summoned me on behalf of millions of your fellow Americans to lead a great crusade—for freedom in America and freedom in the world.	I accept your nomination— and your program.
I know something of the solemn responsibility of leading a crusade. I have led one.	I should have preferred to hear those words uttered by a stronger, a wiser, a better man than myself. [rumination]
I take up this task, therefore, in a spirit of deep obligation.	None of you, my friends, can wholly appreciate what is in my heart. [rumination]
Mindful of its burdens [rumination] and of its decisive importance: I accept your summons.	I have not sought the honor you have done me.
Our aims—the aims of this Republican crusade—are clear: to sweep from office an Administration which has fastened on every one of us the wastefulness, the arrogance and corruption in high places, the heavy burdens and anxieties which are the bitter fruit of a party too long in power. [rumination; explanation for negative event: 1-internal, 3-stable, 6-global]	I could not seek it because I aspired to another office, which was the full measure of my ambition. [rumination; explanation for negative event: 7-internal, 2-stable, 3-global]
The road that leads to November 4th is a fighting road. [rumination]	One does not treat the highest office within the gift of the people of Illinois as an alternative or a consolation prize.
In that fight I will keep nothing in reserve.	I would not seek your nomination for the Presidency because the burdens of that office stagger the imagination. Its potential for good and evil now and in the years of our lives smothers exultation and converts vanity to prayer. [rumination for both sentences; both sentences count as one explanation for negative event: 1-internal, 7-stable, 7-global]
I have stood before on the eve of battle.	That my heart has been troubled, that I have not sought the nomination, that I could not seek it in good conscience, that I would not seek it in honest self-appraisal, is not to say I value it the less. [rumination; explanation for negative event: 7-internal, 6-stable, 7-global]
In this battle to which all of us are now committed, it will be my practice to meet and talk with Americans face to face in every section, every corner, every nook and cranny of this land.	Rumination = 6/9 sentences = .67
Rumination = 3/10 sentences = .300	Pessimism = [(7 + 1 + 7) + (2 + 7 + 6) + (3 + 7 + 7)]/3 = 15.67
Pessimism = (sum internal + sum stable + sum global)/no. of explanations = (1 + 3 + 6)/1 = 10.00	

Pessimistic (stable plus global plus internal) rumination predicted who lost, and by how much, even controlling for initial levels of support. In 9 out of 10 elections, the candidates higher in pessimistic rumination lost. In addition, the difference between the two candidates in terms of pessimistic rumination at the time of the conventions predicted who lost support in the fall campaign and how much support they lost, controlling for other variables such as incumbency.

Binary Predictions

The candidates higher in pessimistic rumination lost 9 of 10 elections. The 1968 election was the exception. In that election, Humphrey was only slightly lower in pessimistic rumination than Nixon. Humphrey, however, began his campaign after the Chicago riots with a deficit of 16.2% in the polls, and during the shortest period between the conventions and election in recent history, he pared that gap to 0.8%. The correct number of win-lose predictions, 9 out of 10, was significantly greater than the 5 of 10 that would be expected by chance ($p < .03$).

Correlational Results

Rumination and pessimism were not significantly correlated ($r = -.13$), showing that these two variables were not redundant. The difference between the two candidates in the z score for pessimism plus the z score for rumination (*diff/pess/rum*) correlated significantly with both the margin of victory in the popular vote (*vote/spread*, $r = .65$, $p < .05$), and with the change in spread from convention polls to election ($r = .73$, $p < .02$). This means that candidates who were much less pessimistically ruminative than their underdog challengers retained and even increased their lead to win landslide victories, as can be seen in Figure 3. Examples of this tendency were Eisenhower's victories over Stevenson in 1952 and 1956 (Eisenhower was much lower in pessimistic rumination than Stevenson and won two landslide victories), Johnson's victory over Goldwater in 1964, Nixon's victory over McGovern in 1972, and Reagan's over Mondale in 1984.

Furthermore, underdog challengers who were much less pessimistically ruminative than the leader cut into the leader's margin and upset the leader in the general election. Examples of this were Truman's upset of Dewey in 1948, in which Truman started out behind by 13% and won by 4.5%; Kennedy's upset of Nixon in 1960, in which Kennedy started out 6.5% behind and yet eked out a victory, and Reagan's upset of Carter, in which he started out 1.2% behind and won by 10.6%. Underdog challengers who were close in level of pessimistic rumination to the leading candidate tended to gain support and nearly upset the leader, examples being Humphrey's gains in support in 1968, starting out 16.2% behind and finishing 0.8% behind, and Ford's gains in 1976, with Ford closing in from 20% behind to 2% behind.

Two other variables could give an alternative account of the relationship between pessimistic rumination and electoral outcome. One is incumbency. As incumbents,

presidents might be less likely to ruminate pessimistically because their power generates optimism. The other is being behind in the polls at the time of the acceptance speech, which might cause candidates to ruminate pessimistically. This variable was approximated using the spread between the candidates in the Gallup poll immediately following the last of the two nominating conventions (*poll/spread*).

The partial correlation of *diff/pess/rum* with the spread in the popular vote—controlling for incumbency status and the spread in the polls (*poll/spread*)—was highly significant ($r = .89$, $p < .01$). The partial correlation of *diff/pess/rum* with the change in spread from convention to election, controlling for incumbency and for *poll/spread*, was also highly significant ($r = .88$, $p < .01$). This shows that being low in pessimistic rumination relative to one's opponent was strongly associated with gaining support during the subsequent fall campaign. This was especially true for candidates low in pessimistic rumination who began the race with a handicap in the polls: Truman in 1948, Kennedy in 1960, Humphrey in 1968, Ford in 1976, and Reagan in 1980.

Zullow and Seligman (1988) suggested that a candidate's speeches influence what the voters expect of that candidate's tenure in office. Other things being equal, people then vote for the candidate who engenders in them more optimistic expectations.

It is important to note that these results, strong as they are, emerged from a speech that may have been partly written by a speechwriter. That does not matter, however. It is important only that the voters hear a difference in pessimistic rumination between opposing candidates and that the two candidates create different levels of optimistic expectations. This analysis rests not on the true personality of the candidates but only on the appearance.

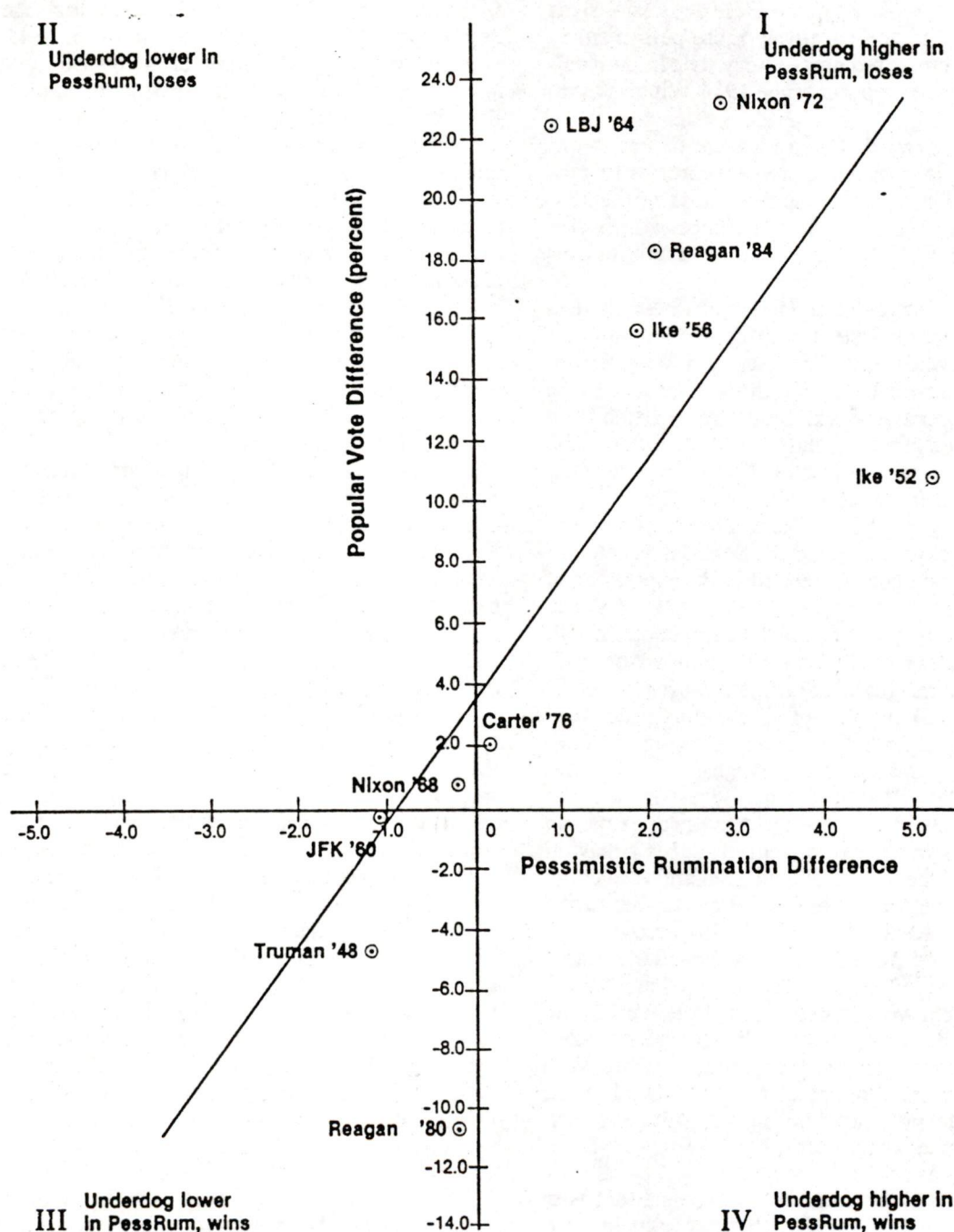
In conclusion, we suggest that content analysis reveals that a specific stylistic aspect of presidential candidates predicts who wins or loses. Dwelling on a pessimistic view of America's problems strongly predicted subsequent electoral defeat. For the last 40 years, the American electorate has chosen the candidate whose speeches best convey optimism for a better future.

Zullow and Seligman are presently trying to replicate this back through 1900, as well as trying to predict present-day electoral results using these variables. We tentatively suggest that both the study of LBJ's press conferences and of the last 10 presidential elections show that the explanatory style of individuals, as extracted from archival data, can be meaningfully related to the leader's behavior and to the voters' behavior. Can *groups* of individuals, or even cultures, be meaningfully characterized by their explanatory style as derived from the historical record?

Pessimism in East and West Berlin

Oettingen, Seligman, and Morawska (1988) attempted to answer this question by comparing East and West Berlin for depressive signs and for explanatory style. They chose these two cultures in order to control for a large number

Figure 3
Popular Vote for President as a Function of Candidates' Difference in Pessimistic Rumination



Note. Underdog or favored status was based on polls taken after candidates were nominated. High pessimistic rumination difference and high popular vote difference indicate an advantage to the favored candidate. Low pessimistic rumination difference indicates an advantage to the underdog.

of variables that might influence explanatory style. The fewer differences there are between two cultures, the more interpretable a comparison of explanatory style would be. East and West Berlin are in the same geographic place, their citizens share the same dialect, they have the same weather, they have a similar gene pool, and they share

the same history and culture through 1945. They differ in political conditions since 1945, and so any differences in pessimism or depression are most likely to be caused by the political situation. Oettingen et al. (1988) quantified depressive signs in relation to pessimism in East and West Berlin. By observing workmen's behavior in bars, they

found more signs consistent with depression in East than in West Berlin. Hypothesizing that these depressive signs would correspond to comparatively more pessimism in East Berlin, they measured explanatory style in both cultures from newspaper reports of the 1984 Winter Olympics.

One straightforward way to measure depression in Berlin would be to give depression inventories to randomly sampled Berliners in matched parts of the city. Another would be to compare the prevalence of depressive disorder and suicide. Unfortunately, these strategies cannot yet be used.

Therefore Oettingen et al. (1988) observed the frequency of behavior consistent with depression in comparable public social settings in East and West Berlin. They randomly chose bars in industrial areas, where workmen drink beer after work. They tried to match these bars by social class (working class), kind of work (industry), and sex of the patrons (male). The areas were physically adjacent, separated only by the Wall. Observations were made during the same weather conditions and during the same week to avoid a seasonal or holiday effect.

They observed behavior related to the expression of depression (Ekman & Friesen, 1974, 1975; Riskind, 1983). They reliably quantified facial expression (mouth upward versus downward), posture (slumped or not), number of "adaptors" (hand adjustment movements, e.g., scratching the head), number of "illustrators" and "emblems" (hand movements that illustrate the conversation), number of smiles, and number of laughs.

The observer walked into a bar, seated herself in a free corner, and chose as her subject the nearest person whom she could watch without affecting his behavior. She observed each person for five minutes and then chose the next nearest person, who was not a member of the former group. In total, she observed 55 persons in 17 East Berlin bars and 24 persons in 14 West Berlin bars.

The workmen in East Berlin bars showed much more behavior consistent with depression than the West Berlin workmen, who had more frequently upturned mouths ($p < 0.001$) and less slumped posture ($p < 0.001$). West Berliners used more illustrators ($p < 0.003$), but the number of adaptors did not differ significantly. West Berliners smiled and laughed more often ($p < 0.002$). Interrater reliability was shown to be high.

These results show more behavior consistent with depression in East than in West Berlin workmen. Oettingen et al. (1988) therefore predicted comparatively more pessimistic explanatory style in East Berlin. The most straightforward way to test this would be to give questionnaires to randomly sampled East and West Berliners, but this method cannot yet be used. The CAVE technique, however, made it possible to measure explanatory style unobtrusively.

Oettingen et al. (1988) used the reports of the 1984 Winter Olympics from the sports pages of the East and West Berlin newspapers. The Olympic games were one of the rare occasions that were reported in both East and West Berlin papers at the same time, thus yielding stan-

dardized material. Oettingen et al. (1988) extracted 381 explanations from three East Berlin papers and three West Berlin papers. They scored them for good versus bad events from the point of view of the country and rated them on the 1 to 7 scale for internality, stability, and globality. As a check on reliability and bias, 105 statements were given to another rater who was blind to the source of the statements. Interrater reliability was high.

East and West Berlin reports differed strongly in explanatory style. When good events were explained, the causes invoked were much more optimistic for West Berlin than for East Berlin newspapers ($p < 0.001$). When bad events were explained, West Berlin reports tended to be more optimistic. These differences in optimism stemmed from differences in the stable and global dimensions as there were no significant differences in internality. Figure 4 shows these results along with some of the depressive sign results.

These results are surprising, first because East Germany won 24 medals in the 1984 Winter Games (West Germany won only 4 medals), and second because the East German newspapers are state run. Both factors should have biased East Berlin papers toward more optimism, but they did not. This suggests that the underlying explanatory style in East Berlin newspapers may be even more pessimistic than this study indicates. The tone of daily messages may play a role in how individual pessimism is acquired. If this is so, and East Berliners daily read more pessimistically toned news than West Berliners, they would be more influenced toward individual pessimism.

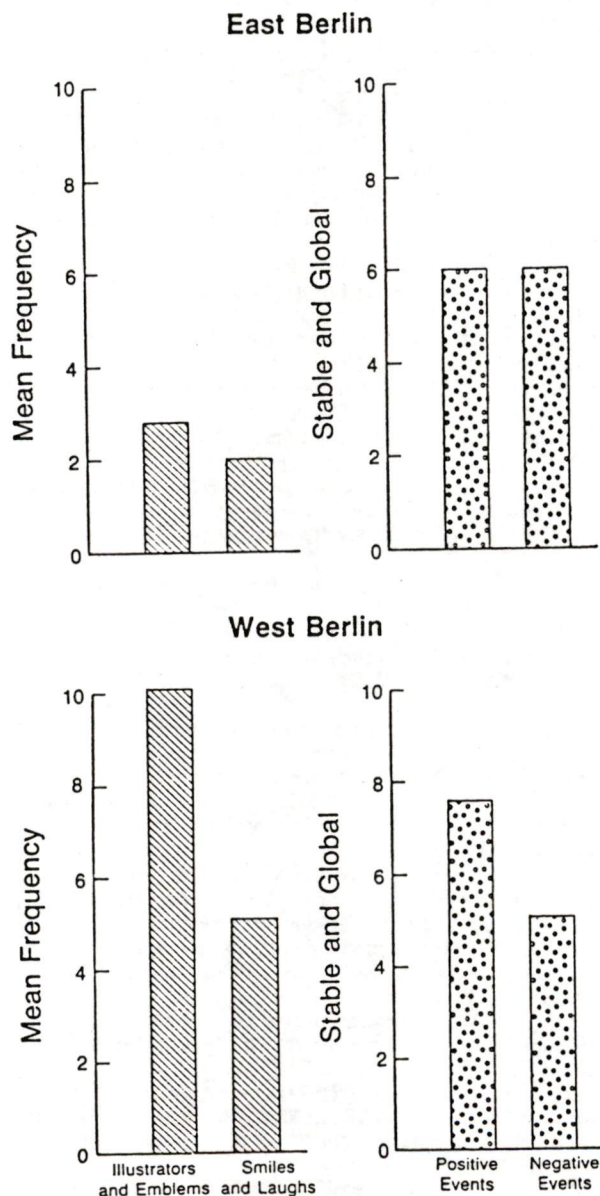
It is important to differentiate what these data show from what they do not show. They demonstrate cross-cultural differences in public behavior consistent with depression in East and West Berlin, and they demonstrate differences in pessimism in news reporting about the Olympics. They do not show what the causal relations are among behavioral signs of depression, explanatory style, and the political systems. By using the matched cities and standardized documents, many of the possible causal hypotheses (different weather, different language, different location, etc.), were eliminated, leaving the difference in the political systems as the main causal hypothesis.

Because the two cultures stemmed from one, the difference in the two political systems or their consequences since 1945 seems responsible for the contrast in both depressive behavior and explanatory style. However, it is not clear which aspects of the difference in political systems were causal. Differences in standard of living, openness of expression, bureaucracy, and even differences in movies, newspaper reports, and music are all possible causes. The data are, of course, silent on which consequences entailed by the difference in political systems are causal.

The data are also silent about the causal relationship between explanatory style and behavioral signs of depression: Did explanatory style in the newspapers influence behavioral signs of depression among the individuals or

Figure 4

Mean Frequency of Behaviors Consistent With Depression in Workers and Pessimism (Stable plus Global) in Olympic Newspaper Reports in East and West Berlin



did individuals' depressive behavioral signs influence explanatory style in the reports, or both?

Finally, the data do not tell—directionally—if East Berliners are pessimistic and depressed, West Berliners optimistic and nondepressed, or both. Oettingen et al. (1988) do not have absolute standards of comparison. Further, the data do not tell us the direction of change since 1945. Have West Berlin Olympic reports become more optimistic or East Berlin Olympic reports more

pessimistic over this period of time? Content analysis of sports reports over time will bear on this issue.

General Discussion

We see these illustrative studies as preliminary explorations of a new method with potentially wide application. Laboratory and longitudinal studies of contemporary individuals have suggested that explanatory style as measured by questionnaires measures the tendency to helplessness and that this state affects depression, health, and achievement. The studies we reported in this article show that verbatim records (speeches, press conferences, and newspaper reports) can be used to make inferences about the explanatory style of individuals and groups who will not or cannot fill out questionnaires. The studies suggest that explanatory style can be blindly and reliably measured in historical documents as well as by questionnaires filled out by contemporary individuals, and the studies suggest that CAVE has validity as well. We found that in the case of Lyndon Johnson, the activity or passivity of his subsequent presidential actions validated his drastic shifts in explanatory style. We found that the voting of the American electorate validated the differences in style between the candidates in the last 10 presidential elections. We found that the behavioral signs consistent with depression among workmen in East and West Berlin bars validated the differences in explanatory style between East and West Berlin Olympic reporting.

We are mindful that such studies evoke more questions than they answer. In their present form, such studies demonstrate that historical documents generate meaningful patterns of explanatory style and behavior indicative of pessimism and optimism. They do not demonstrate causal relations, although if the historical data are carefully selected and subjects chosen to provide controls for relevant third variables, the causal possibilities can be greatly narrowed. However, they do allow the statement of causal hypotheses about pessimism and its consequences that can then be tested by a sensitive use of psychological, sociological, and historical data sets.

In conclusion, we suggest three things. First, convergent measurements of the unobtrusive sort used in these studies may allow for the quantitative investigation of pessimism and its consequences from historical records across cultures and across historical periods. Second, theories of pessimism and its consequences can be tested using historical data. The technique has a third use as well: It need not be restricted to historical data, but can be applied to predict the behavior of contemporary individuals who will not take questionnaires.

Do we have a prediction of who will win the 1988 presidential election and by how much? Yes—it is in a sealed envelope in the hands of the editor of this journal.

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EDUCATION

A.B., Princeton University (Psychology), 1983; Summa Cum Laude, Phi Beta Kappa, Sigma Xi

M.A., University of Pennsylvania (Psychology), 1984

Ph.D., University of Pennsylvania (Psychology), 1988

Dissertation: Pessimistic Rumination Predicts Defeat of Presidential Candidates, 1900-1988

SCHOLARLY AFFILIATIONS

- 1983-88 Ph.D. candidate, Psychology Dept., University of Pennsylvania
1988-89 Post-Doctoral Research Associate, Psychology Dept., University of Pennsylvania

Member • American Psychological Association
• Sigma Xi, The Scientific Research Society
• International Society of Political Psychology
• American Political Science Association
• Center for the Study of the Presidency

TEACHING EXPERIENCE

- 1984-85 Abnormal Psychology
1985-86 Biocultural Social Psychology
1987-88 Developmental Psychology
1988 Introductory Psychology

CLINICAL EXPERIENCE

- 1985-87 Clinical Practicum at David D. Burns and Associates (formerly the Institute for Cognitive-Behavioral Therapy), Presbyterian-University of Pennsylvania Medical Center, Philadelphia.
Cognitive-behavioral therapy to change negative thinking and improve communication skills, with outpatients and inpatients.

- 1987-88 Clinical Practicum at the Philadelphia Veterans Administration Medical Center. Individual, marital, group, and family therapy with low-functioning psychiatric inpatients. Cognitive and personality assessment.

SCHOLARLY ARTICLES

1. Zullow, H.M., Dettingen, G., Peterson, C., & Seligman, M.E.P. (1988). Pessimistic explanatory style in the historical record: CAVing LBJ, presidential candidates, and East versus West Berlin. American Psychologist, 43, 673-682.
2. Zullow, H.M. (1988). The hopeful edge: A new tool for forecasting elections. The Polling Report, 4:22, 4-6.
3. Zullow, H.M., and Seligman, M.E.P. Pessimistic rumination predicts defeat of presidential candidates: 1900-1984. Manuscript submitted for publication.
4. Zullow, H.M., and Seligman, M.E.P. Forecasting the 1988 Presidential and Senatorial elections from candidates' pessimistic rumination. Manuscript in preparation.

CONFERENCE PRESENTATIONS

1. Pessimistic rumination predicts electoral defeat of presidential candidates: 1900-1988. Paper presented at the Eleventh Annual Meeting of the International Society of Political Psychology, Secaucus, N.J., July 1988.
2. Forecasting the 1988 elections. Paper to be presented at the American Psychological Association, August, 1989.
3. Pessimistic rumination predicts depressive symptoms: A process model. Paper to be presented at the American Psychological Association, August, 1989.

REFERENCES

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3. John B. Jemmott; Associate Professor of Psychology; Department of Psychology, Princeton University, Green Hall, Princeton, N.J. 08544.
4. David D. Burns; Associate Professor of Psychiatry; David D. Burns & Associates, Presbyterian-University of Pennsylvania Medical Center, 38th and Market Streets, Philadelphia, PA 19104.

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 15, 1988

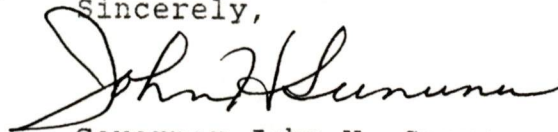
Dear Mr. Sutcliffe:

Many thanks for your letter of November 25. The President-elect and I appreciate your support for the Strategic Defense Initiative, and your thoughts on the directorship of the SDI Office. Rest assured that George Bush wants to press ahead with SDI. He will not leave America defenseless against ballistic missiles.

Enclosed please find George Bush's campaign speech of October 17, in which he discussed both SDI and other aspects of his defense policy.

Best wishes to you and your family this holiday season.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", written in a cursive style.

Governor John H. Sununu

Mr. William G. Sutcliffe
1817 Birch Road
McLean, Virginia 22101

351-0006

28 NOV 1988

1817 Birch Rd.
McLean, VA 22101
25 November 1988

The Hon. John Sununu
Bush Transition Office
1825 Connecticut Av., NW
Washington, DC 20270

Dear Gov. Sununu:

This letter concerns the Strategic Defense Initiative, a program which I believe it would be foolish and immoral not to implement as soon as possible. Specifically, I am writing about presidential appointments that will ensure that SDI interests are protected in the face of assaults by Congress, military traditionalists and Soviet disinformation experts.

Brent Scocroft has a record of skepticism toward to SDI, which is not encouraging to those of us who would rather prevent nuclear war by protecting its potential victims than by guaranteeing their victim status. Nevertheless, the rest of Scocroft's record means that most of us can live with his appointment as national security advisor if his views on SDI are balanced by those of others in key SDI-related positions.

In this regard, John Tower seems a good choice for defense secretary. This is true for many reasons other than SDI; he is a good manager, he knows defense thoroughly, and he knows where the bodies are.

Finally, there is the matter of the director of the SDI Office. It seems clear that Gen. Monahan is primarily a caretaker and that his thinking represents, at least to some extent, the traditional Air Force's bias against SDI. SDI deserves an active proponent--as does any program, unless you are deliberately intent on dismantling it. Among SDI proponents, there is considerable support for Amb. Henry Cooper, and he appears to have the right credentials; however, anyone who is an active proponent and who has the right temperament and credentials would do. I very much hope that Pres. Bush will choose such a person.

I look for great things from Mr. Bush. I did not support him in 1980, but I have been tremendously impressed, since then, by his quiet strength and his sense of what is appropriate for a vice president, a candidate, and a president-elect to do. If only he will now spend the next two years working toward electing a favorable Congress in 1990

Sincerely,

William Sutcliffe

W. G. Sutcliffe

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 16, 1988

Dear Carl:

My thanks to you and the Gridiron Club for a chance to share a great evening.

I look forward to a chance to spend some time with you and your wife again soon in a less "crowded" setting.

The Historian at the Gridiron Club asked for a copy of my comments. I have enclosed a copy.

Thanks again for your hospitality.

See you soon.

Have a great Holiday Season.

Regards,


Governor John H. Sununu

Mr. Carl T. Rowan
The Gridiron Club
3251-C Sutton Place, NW
Washington, DC 20016



The Gridiron Club
Washington, D.C.



3251-C SUTTON PLACE, N.W.
WASHINGTON, D.C. 20016
(202) 966-8668

CARL T. ROWAN, PRESIDENT

December 8, 1988

DEC 8 DEC 8 DEC 8

Gov. John Sununu
Suite 1015
1825 Connecticut Avenue, N.W.
Washington, D.C. 20270

Dear Gov. Sununu:

On behalf of the members and guests of the Gridiron Club I want to extend to you our sincere thanks and appreciation for your appearance at our winter dinner last weekend.

Your remarks added immeasurably to the geniality and good humor of the evening. It was a great pleasure to become better acquainted with you and your lovely wife under the friendly glow of the Gridiron, and we look forward to other such evenings of banter and song in the future.

You have our very best wishes.

Sincerely,

Carl T. Rowan
Carl T. Rowan

CTR/jp

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 16, 1988

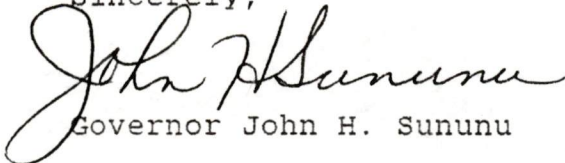
Dear Dan:

Many thanks for your kind letter of November 27. It was good to hear from you. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Thanks, also, for sharing your views on assorted issues ranging from bio-hackers playing around with DNA codes to nuclear power. You sure do have an eclectic mind.

Best wishes to you and your family this holiday season.

Sincerely,

A handwritten signature in cursive script, reading "John H. Sununu". The signature is written in dark ink and is positioned above the printed name of the Governor.

Governor John H. Sununu

Mr. Dan Gourley
300 Buchanan St. #109
San Francisco, CA 94102

347-0023

1 DEC REC'D

Dan Gourley
300 Buchanan St. # 109
San Francisco, CA 94102

November 27, 1988

Governor John Sununu
c/o The White House
Washington, D.C.

Dear John,

Congratulations on your new job. It is a strange but pleasant feeling to have an old fraternity brother in such a responsible position. Somehow I never thought of any of us as potentially powerful. Tripper, of course, was awfully smart, and Skip and a few others, but ... directly participating in decisions that affect the lives and welfare of five billion people?? Wow!!

It is also great to have someone scientifically literate who can keep the President aware of physical reality. And of the necessary ambiguities in our perceptions of it. Please explain to the President the relation of Amazon Basin homesteading to the droughts in the Midwest. And the consequences of a 19 year old bio-hacker playing around with DNA codes that might wipe the ocean clean of algae. There should be more in the political discussion than welfare and weapons systems.

I read that you are a strong proponent of nuclear power. A few years ago, I met an astronaut who had been assigned the job of inspecting nuclear power plants for a governor. He was frightened by the lack of redundancy in critical areas. His opinion was that NASA, with far less potential for true disaster, was many many times safer than the then current state of nuclear power. Given Challenger, this worries me. Maybe you could encourage some design changes?

Also, until we get fusion chambers to let us turn radioactives into stable stuff, waste storage is a major gamble. Each new storage technology shows failure after a few years. Given greenhouse problems, the gamble may be necessary, but I keep thinking of a terrorist or entertainer setting off a large conventional explosion in a lightly guarded storage facility. I think of a busy government two or five administrations from now saving money by cutting back on security and maintenance. The consequences of a slip are too severe. Chernobyl showed us the significance and range of contamination. Can't we wait on clean power until it is clean?

I guess someone has to take responsibilities for these kinds of problems, and it is better if that someone has your scientific background. But how can it not worry you? You look so happy.

What's all this newspaper baloney about arrogance and a fiery temper? I remember you as calm and unpompous. Maybe it was the environment. I saw you debating with some Democratic congressman I didn't recognize (Tony Cohelo?). I had never heard anyone present Republican views so intelligently. You made him look very shallow, but you really couldn't help it. Is this what they mean by arrogance? I thought you were trying to be as kind as possible.

As a member of the liberal persuasion myself, I was most surprised to find myself admiring your arguments. For the first time since Howard Baker at Watergate I saw a Republican thinking clearly. But don't you feel lonely? I think one of the reasons I stopped being a Republican was that I was embarrassed by the company I was keeping.

The process of reasoned argument between all points of view is absolutely critical for arriving at the best plan of action. I am glad you are there on the other side doing your best to make the conservative viewpoint intellectually respectable. It's a tough job, but someone has to do it. I am glad that in this case it is someone I have confidence in. Good luck to you.

I enjoy watching you on television. You always look as if you are swallowing about five potential wisecracks a minute. Can you try to teach Dan Quayle to laugh at himself? He seems so serious and scared. This would be a public service.

Again, congratulations and my best wishes,
Fraternally yours,



Dan

Wisdom note (just in case the reports of arrogance *are* correct):

Transcend conflict whenever possible. Compromise between opposing views yields less successful solutions than synthesis of opposing views.

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 16, 1988

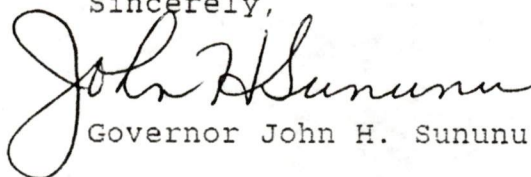
Dear Randy:

Many thanks for your kind letter of November 28. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Thanks, also, for sharing your ideas on the budget deficit. The substance of PL 95-435 is thought-provoking, to say the least. Rest assured that George Bush remains determined to reduce the deficit within the framework of the commitments he made during the campaign.

Best wishes to you and your family this holiday season and throughout the coming year.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu". The signature is fluid and cursive, with the first name "John" being more prominent and the last name "Sununu" written in a continuous script.

Governor John H. Sununu

Dr. Randy H. Hamilton
Dean
Golden Gate University Graduate
School of Public Administration
536 Mission Street
San Francisco, CA 94105-2968



0 8 DEC REC'D

347-0061

GRADUATE SCHOOL OF PUBLIC ADMINISTRATION

November 28, 1988

John H. Sununu
Office of the President Elect
1825 Connecticut Ave, NW
Washington, DC.

Dear John:

Firstly, congratulations on your appointment as Chief-of-Staff for the President-elect.

Secondly, I want you to know that I feel like a complete fool in having written to you recently concerning your article in Intergovernmental Perspective, in complete ignorance of your impending key role in the new Administration. I guess it still takes a while for the stagecoach to travel over the Rockies with "news." Or, at least the newspapers here are a bit provincial in failing to report important national news.

I note that the President-elect is under great pressures to "do something" about the deficit. It might be useful for him to some day refer to the fact that the Congress has failed to follow a law it passed for nearly a fiscal decade:

- PL 95-435, Section 7, reads in full:

"Beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed its receipts."

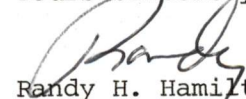
10/10/78, 31USC27 (HR 9214) (Bretton Woods Agreement Act).

As I recall, President-elect Bush was our envoy to The People's Republic of China in October, 1978, so perhaps he is not aware of the law (which Congress passed and has failed to follow).

Just a thought ...

Holler if I can help in any way.

Yours sincerely,


Randy H. Hamilton, Dean

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 16, 1988

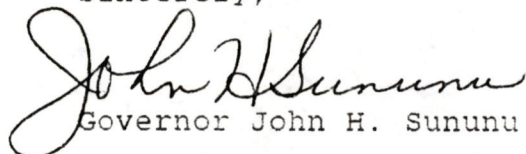
Dear Mr. Gilmore:

Many thanks for your kind letter of December 7. I appreciate your warm words of congratulations, and hope to prove worthy of the trust that the President-elect has conferred upon me.

Many challenges will confront the Bush administration and the country over the next few years. But, you can rest assured that George Bush will work hard to keep America strong and prosperous as we head into the 21st century.

Once again, thanks for writing. Best wishes to you and your family this holiday season and throughout the coming year.

Sincerely,



Governor John H. Sununu

Mr. Jim Gilmore
Chairman, President &
Chief Executive Officer
202 Michigan Building
Kalamazoo, Michigan 49007



1 DEC REC'D
341-0039

*Jim Gilmore
Enterprises*

Jim S. Gilmore, Jr.

Chairman, President and Chief Executive Officer

DECEMBER 7, 1988

JOHN SUNUNU
CHIEF OF STAFF
OEOB, OLD EXECUTIVE OFFICE BUILDING
17TH STREET & PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20501

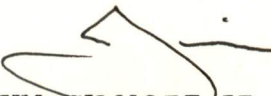
DEAR JOHN:

POLITICAL CHALLENGES

. . . HAVE NEVER BEEN MORE DEMANDING THAN THOSE FACED BY THE GEORGE BUSH ADMINISTRATION. I AM DELIGHTED TO KNOW THAT AS CHIEF OF STAFF YOUR VALUABLE INPUT WILL BE AVAILABLE TO THE PRESIDENT AS HE CAPTAINS THIS TEAM TO A WINNING SEASON. I KNOW YOUR ENTHUSIASM AND ENERGY DURING THE NEXT FOUR YEARS, AND BEYOND, WILL BRING GREATER PRESTIGE, PROMINENCE AND PROSPERITY TO OUR NATIONS. YOU HAVE MY CONGRATULATIONS AND MY EVERY GOOD WISH!

WITH KIND REGARDS,

SINCERELY,


JIM GILMORE JR.

HOME OFFICE

*202 Michigan Building, Kalamazoo, Michigan 49007
616-381-3490 Facsimile 616-381-5326*

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

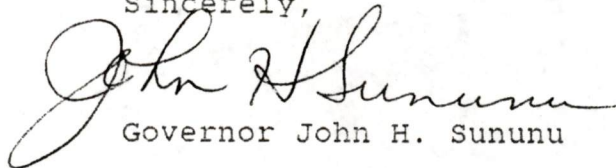
December 16, 1988

Dear Ms. McMahon

Many thanks for your letter of November 29. I apologize for the delay in responding, but as you can well imagine things have been quite hectic here these past few weeks. I will pass your request along to the White House Correspondence Office for their review and action.

Once again, thanks for writing. Best wishes to you and your family this holiday season and throughout the coming year.

Sincerely,



Governor John H. Sununu

Ms. Marie Therese McMahon
15270 Chole Road
Apple Valley, CA 92307

check w/
WH corresp.

DEC 11

Marie Therese McMahon
15370 Chole Road
Apple Valley, CA 92307
(619) 946-0233

The Honorable John Sununu
Incoming Chief of Staff
1600 Pennsylvania Avenue
Washington, D.C. 20500

November 29, 1988

Dear Sir:

I would like to know if you will continue the program introduced by President Ronald Reagan, of the special recognition letter of retirement, for individuals that have served their country over 26 years in the Armed Forces.

If so, I am requesting your collaboration with the possibility of recieving this letter by the 12th of December, so it can be presented to my husband, Chief Master Seargent Charles Terry McMahon, by his Commander, Lt. Colonel Bruce M. Williams, pryor to starting our terminal leave and departure from this area.

I will appreciate any assistance you can provide me with this matter.

Sincerely,

Marie Therese McMahon
Marie Therese McMahon

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

351-0002

December 16, 1988

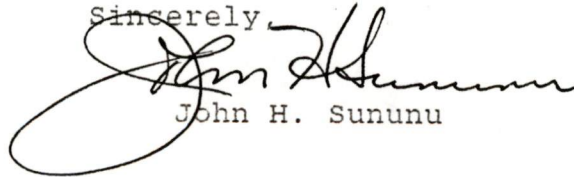
Dear Jerry,

I very much enjoyed having John, Lucy and yourself in for a visit last week, and only regret that my current schedule did not allow an even lengthier encounter.

I want to thank you for the book and calanders, for the information included in your last letter regarding telecommunications trade, and for your recommendations for the position of Science and Technology Advisor to the President. I will forward your recommendations on to the appropriate people just as soon as the White House structure has taken on a more permanent shape.

I hope that we can get together - or at least speak on the phone - in the near future, and that you will accept my warmest wishes for you and your family during this holiday season and throughout the year to come. Thank you once again for the visit, information, recommendations and gifts. See you at the Inaugural!

Sincerely,



John H. Sununu

Mr. Gerald M. Lowrie
Senior Vice President
Suite 1000
1120 20th Street, N.W.
Washington, D.C. 20036

*Response
Science Adv.
File*



Gerald M. Lowrie
Senior Vice President

Suite 1000
1120 20th Street, N.W.
Washington, DC 20036
202 457-2233

December 12, 1988

The Honorable John H. Sununu
Transition Headquarters
1825 Connecticut Avenue, NW
Suite 1016
Washington, DC 20036

Dear Governor Sununu:

Thanks for meeting with John Zeglis, Lucy Flynn and me last week. We appreciated the opportunity to move briskly through some issues of concern relative to future public policy.

You had asked for recommendations AT&T might offer for consideration as Presidential Science Advisor. I consulted the senior management of Bell Laboratories and received the following list for your consideration:

1. Donald Rice, President, The Rand Corporation
2. Allan Bromley, Professor of Physics, Yale University
3. Ralph Gomory, Research Head, IBM
4. Roland Schmidt, GE/RPI

Dr. Ian Ross, Bell Labs President would be pleased to offer any additional assistance requested on the important selection. He is also pleased that you may visit the Labs sometime soon. There is much to show you and discuss.

Your interest in the Telecommunications trade issues is much appreciated. You asked for information on the size of the Telecom trade deficit and the market potential. Enclosed are data on this subject.

You expressed interest in progress on the important decision to be made soon by the government of Italy on a major expansion plan for modernization of their national telecommunications network. Enclosed is a current status report. The willingness to date of key leaders of our government to counter the aggressive involvement of other governments on behalf of

competitors has been critically important. The visit this week of Prime Minister DeMita is indeed fortuitous, and any emphasis which can be added would be extremely important for a successful outcome of this selection.

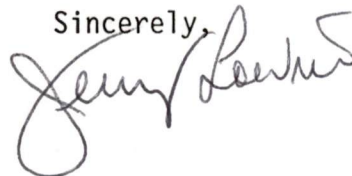
We mentioned some work we had completed recently relative to implementing a value-added tax. I will send a copy of the analysis when it is in a form to be shared.

I have passed your advice to some key people relative to "assisting" the ultimate decision makers on the deficit issue. Fall-back positions do become positions and are of no value in negotiating.

A speaking invitation should reach you soon from the current president of the Business-Government Relations Council. We hope you can meet with us early in the new year.

Thanks again for the meeting. We look forward to the Inaugural and hope your personal schedule will allow you to take part in some of our planned activities. We are working on a salute to the Republican Governors.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jerry Barker". The signature is fluid and cursive, with a large loop at the end of the last name.

Enclosures

800-444-2074/50
H1067-21/04
E-1000

TELECOMMUNICATIONS - TRADE AND INDUSTRY

	TOTAL U.S. TRADE DEFICIT	U.S. TOTAL TELECOM TRADE DEFICIT	U.S. TOTAL TELECOM IMPORTS	U.S. TOTAL TELECOM EXPORTS
1986	\$155 B.	\$2.0 B.	\$4.738 B.	\$2.708 B.
1987	\$170 B.	\$2.6 B.	\$5.614 B.	\$3.064 B.
1988 JAN-SEPT	\$102 B.	\$1.9 B.	\$4.679 B.	\$2.823 B.

SOURCE: DEPARTMENT OF COMMERCE

- o TELECOM TRADE DEFICIT FOLLOWS SAME GROWTH PATH OF OVERALL U.S. TRADE DEFICIT.
- o TELECOM TRADE DEFICIT HAS BEEN LARGE AND GROWING.
- o TELECOM TRADE DEFICIT MAY LEVEL OFF IN 1988
- o THE LAST YEAR OF A TELECOM TRADE SURPLUS WAS 1982 - \$275 MILLION.
- o THE TOTAL WORLD TELECOM MARKET WAS \$81 BILLION IN 1986 AND IS PROJECTED TO BE \$109 BILLION IN 1990 AND \$129 BILLION BY 1995 RESPECTIVELY.
- o THE U.S. MARKET IS THE LARGEST MARKET IN THE WORLD AT \$24 BILLION IN 1986, AND \$27 BILLION IN 1990 AND \$30 BILLION IN 1995.

FACTORS INFLUENCING U.S. TELECOM TRADE DEFICIT

- o OVER VALUATION OF U.S. DOLLAR NEGATIVELY IMPACTED U.S. EXPORTS IN EARLY TO MID 1980'S .
- o DOLLAR'S HIGH VALUE COINCIDED WITH OPENING OF U.S. MARKET WITH DIVESTITURE (1984).
- o THE SIZE OF U.S. MARKET (THE LARGEST TELECOM MARKET IN THE WORLD) COUPLED WITH DEREGULATION RESULTED IN SEVERAL FOREIGN COMPETITORS ESTABLISHING A PRESENCE IN U.S.
- o DUE TO FOREIGN EXCHANGE PRESSURES, U.S. FIRMS ESTABLISHED FOREIGN OPERATIONS TO REDUCE MANUFACTURING COSTS. HOWEVER, LITTLE INCREMENTAL MARKET ACCESS WAS GAINED BY U.S. FIRMS AS A RESULT.
- o ACCESS TO FOREIGN MARKETS BY U.S. FIRMS HAS BEEN COMPARATIVELY RESTRICTIVE DUE TO EXCLUSION FROM GATT CODE REGARDING PROCUREMENT POLICIES AND PRACTICES, TARIFF AND NON TARIFF BARRIERS.
- o IN MID TO LATE 80'S U.S. DOLLAR VALUE HAS DECLINED.
- o FOREIGN TELECOMMUNICATIONS COMPANIES ARE ACQUIRING:
 - 1. FOREIGN INTERESTS OF LARGE U.S. BASED CORPORATIONS (E.G. SIEMENS PURCHASE OF GTE INTERNATIONAL, ALCATEL PURCHASE OF IT&T INTERNATIONAL).
 - 2. U.S. DOMESTIC OPERATIONS OF MID-SIZE U.S. CORPORATIONS (E.G. GEC PLESSEY PURCHASE OF STROMBERG CARLSON).

RESULTS

1. FOREIGN MARKETS ARE BECOMING MORE CONCENTRATED WITH FEWER SUPPLIERS, AND THESE CORPORATE CONSOLIDATIONS FAVOR INDIGENOUS SUPPLIERS TO THE EXCLUSION OF U.S. SUPPLIERS;
2. FOREIGN TARIFF AND NON-TARIFF BARRIERS PERPETUATE SUCH CONCENTRATION AND EXCLUSION;
3. U.S. MAINTAINS A COMPARATIVELY OPEN MARKET THAT IS MOVING IN THE OTHER DIRECTION, ENCOURAGING MORE ENTRANTS RESULTING IN GREATER FRAGMENTATION. WHERE CONSOLIDATION DOES OCCUR IT OFTEN INVOLVES A DOMINANT FOREIGN PARTNER.
4. PROSPECT OF NO CHANGES TO TELECOMMUNICATIONS TRADE WITHIN GATT OR THE IMPLEMENTATION OF SUCH LEGISLATION AS CURRENT EC DIRECTIVES ON PROCUREMENT, RECIPROCITY AND RIGHTS OF ESTABLISHMENT WILL CONTINUE TO AGGRAVATE THIS IMBALANCE BETWEEN THE RELATIVE OPENESS OF THE U.S. MARKET WITH ITS TRADING PARTNERS.

ITALY

AT&T - ITALTEL STATUS

DECEMBER 12, 1988

MARKET BACKGROUND

- o ITALY IS THE SECOND LARGEST TELECOMMUNICATIONS MARKET IN EUROPE (FEDERAL REPUBLIC OF WEST GERMANY (FRG) IS LARGEST).
- o S.I.P. (LOCAL EXCHANGE CARRIER) HAS ANNOUNCED A \$28 BILLION FIVE YEAR EXPANSION PLAN FOR MODERNIZATION OF THE ITALIAN NETWORK.
- o INDUSTRY FORECAST - IN EXCESS OF \$6 BILLION IN EQUIPMENT PURCHASES ANNUALLY BY 1990.
- o ITALTEL - DOMESTIC EQUIPMENT MANUFACTURER
 - ONE OF TWO EUROPEAN MANUFACTURING COMPANIES NOT YET AFFILIATED WITH A PARTNER OR ACQUIRED
 - NEEDS A PARTNER FOR TECHNOLOGY DEVELOPMENT AND MARKET ACCESS OUTSIDE ITALY.
- o AT&T IS THE ONLY U.S. COMPANY COMPETING FOR THIS BUSINESS

AT&T ITALTEL PROPOSED ALLIANCE

ALLIANCE PROVISIONS

- EQUITY EXCHANGE BETWEEN AT&T NETWORK SYSTEMS INTERNATIONAL AND ITALTEL.
- ESTABLISH A JOINT VENTURE, MARKETING AND TRADING COMPANY TO MARKET AT&T AND ITALTEL PRODUCTS IN EUROPE, SOUTH AMERICA AND FAR EAST.
- AT&T COMMITMENT TO SUPPLY TECHNOLOGICAL ASSISTANCE TO ITALTEL PRODUCT DEVELOPMENT LEADING POTENTIALLY TO TECHNOLOGY TRANSFER, JOINT DEVELOPMENT AND JOINT MANUFACTURING AGREEMENTS.
- AT&T TO ASSIST ITALTEL MARKETING IN U.S. MARKET

BUSINESS CONFIDENTIAL

BENEFITS TO ITALTEL

- AT&T PROVIDES NEEDED TECHNOLOGY TO ITALIAN MARKET
- JOINT MARKETING AND TRADING COMPANY PROVIDES ENHANCED MARKET ACCESS
- ITALTEL REMAINS INTACT, STRENGTHENED BY AT&T PRODUCT DEVELOPMENT ASSISTANCE

POLITICAL DECISION FACTORS

- o PROPOSED EC DIRECTIVE BEING DISCUSSED THAT WOULD ISOLATE TRADE IN TELECOMMUNICATIONS TO PROTECT CURRENT DOMESTIC SUPPLIERS
 - "BUSINESS AS USUAL" PROTECTS LARGE EUROPEAN SUPPLIERS
- o ITALIAN LEADERSHIP UNDER PRESSURE TO MAKE "EC" DECISION.
 - FRG PRESSURE ON STEEL SUBSIDY WOULD BE RELIEVED IF SIEMENS WAS SELECTED AS ITALTEL PARTNER
 - FRANCE, SWEDEN WAITING AND WATCHING TO SEE WHETHER THE U.S.-FRG SELECTION ISSUE BECOMES TOO POLITICALLY SENSITIVE.
- o U.S. VISIT BY PRIME MINISTER DEMITA IS CRITICAL
 - U.S. LEADERSHIP SUPPORT OF ALLIANCE IS KEY
 - IMPORTANCE OF MUTUAL TRADE BENEFITS IS UNIQUE TO THE AT&T-ITALTEL ALLIANCE.
 - DISCUSSION OF ISSUE BY PRESIDENT-ELECT IDENTIFIES THE CONTINUED IMPORTANCE TO OPEN TRADE AND ACKNOWLEDGES THE BENEFITS TO BOTH U.S. AND ITALY

SUGGESTED COMMENTS FOR PRESIDENT-ELECT BUSH

- IMPORTANT DECISION BECAUSE IT SETS THE TONE FOR THE EC'S 1992 PROGRAM TO COUNTERACT CLAIMS OF "FORTRESS EUROPE."
- AT&T'S OFFER TO ITALTEL IS UNIQUE IN ITS INTENT TO PROVIDE A BROAD RANGE OF TECHNOLOGY DEVELOPMENT (BELL LABS) WHILE SIGNIFICANTLY ENHANCING ITALTEL'S MARKET ACCESS IN FOREIGN MARKETS.
- ITALTEL (ITALY) BECOMES AN INDEPENDENT FORCE IN EUROPE WITH AT&T RATHER THAN A SUBORDINATE PARTNER TO FRG OR FRANCE.
- BOTH COUNTRIES STAND TO IMPROVE THEIR RESPECTIVE TRADE BALANCE AS A RESULT.

BUSINESS CONFIDENTIAL

The following U.S. Government officials have been briefed and/or received briefing materials regarding the AT&T-Italtel discussions:

Mr. Ray Snyder
Dept. of State

Mr. Robert Deutsch
Dept. of State

Ms. Joan McEntee
Dept. of Commerce

Mr. Roger Stechschulte
Dept. of Commerce

Mr. Frank Vargo
Dept. of Commerce

Mr. Stephen Farrar
National Security Affairs

Mr. James Murphy
U.S. Trade Representatives Office

OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

December 16, 1988

Dear Mr. Rawls:

Many thanks for your letter of November 30 to Governor Sununu. The Governor enjoyed reading your letters to the editors of The New Republic and The New York Times. Your ideas about a demilitarized Palestinian democracy are thoughtful and provocative.

As you are well aware, the situation in the Middle East is complex and difficult. But, the United States is committed to help bring about real and lasting peace. As George Bush stated during the campaign, peace will be achieved through direct negotiations by the parties involved. The United States stands ready to help in that process.

Once again, thanks for writing. Best wishes to you and your family this holiday season and throughout the new year.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ed Rogers', with a stylized flourish extending to the right.

Ed Rogers

Mr. Alexander Rawls
Department of Economics
Stanford University
Stanford, CA 94305

Governor John Sununu
c/o George Bush
The White house
Washington DC, 20500

07 DEC RECD

342-0029

11/30/88

Dear Governor Sununu:

I have been impressed by reports of your willingness to put pressure on both the Israelis and the Palestinians to come to a settlement in the Middle East. With the recent Palestinian declaration of independence the U.S. has an opportunity to state under what conditions ~~we~~^{it} will recognize a Palestinian state. We may be able to use this leverage to shape the emerging state into a democracy rather than a PLO dictatorship.

Enclosed is a letter to the editor of The New Republic articulating this view and expanding on the conditions we might put forward. Also enclosed is a letter I published in The New York Times earlier this year that adds to the case for the conditions I recommend.

If this letter is being screened by someone other than Governor Sununu, by all means read the enclosed but please do send these materials on to the Governor.

Yours Sincerely

Alexander Rawls

Alexander Rawls
Dept. of Economics
Stanford University
Stanford CA, 94305
(415) 326-7549

To the Editors
The New Republic
1220 19th st NW
Washington, DC 20036

11/30/88

Letter to the editor:

In response to your editorial The PLO in Fantasyland, 12/5/88

As it stands the PLO's "acceptance" of U.N. Resolution 242 is political gamesmanship, not a serious attempt to settle with Israel (The PLO in Fantasyland, 12/5/88). But the PLO did throw the house into the kitty when it declared an independent state. By seeing and raising, the U.S. and Israel have a chance to take over the head of the PLO leadership and take a proposal for peace directly to the Palestinian people.

The U.S. should offer to recognize a Palestinian state if and when the Palestinian people, however circumscribed, ratify a constitution that insures a permanent democracy, an independent judiciary, full political rights, and a demilitarized state. A referendum on whether to convene a constitutional convention would be the first step. "Details" such as the boundries of the state would have to await negotiations between Israel and the new state.

The PLO almost certainly does not want true democracy. Insuring democracy thus might require the constitution to have some international provisions, such as international election workers to administer elections, before we could recognize it. We must make absolutely clear that ironclad guarantees of democracy are our main concern. They can be as socialist or as communist as they want. But only a democracy can be counted on to despise war.

Fundamental provisions of the constitution would have to be immutable for a time, and procedures for amendment should remain stiff. There must be no provisions for suspending the constitution. If the democracy is usurped recognition of the state should be immediately revoked along with all financial assistance. Once the state is established it is the money that will provide leverage.

In return for honest democracy the U.S. could offer lots of money, for a little demilitarized state, perhaps a third of what we

now send to the Israeli military. Monies should be specifically targeted for health, education, infrastructure and industry, not dumped into general funds.

If the Israelies are too deadlocked to offer their own conditions for recognizing a Palestinian state then U.S. conditions would put pressure on Israel as well as the Palestinians. It is an opportunity for the U.S. to act unilaterally if it has to. The PLO will rail against a constitution that can't be subverted, but they have already placed their wager and now we can give the Palestinian people a chance to collect the pot.

Alexander Rawls
Dept. of Economics
Stanford University
Stanford, CA 94305
(415) 326-7549

ARTHUR OCHS SULZBERGER, *Publisher*

MAX FRANKEL, *Executive Editor*

ARTHUR GELB, *Managing Editor*

JAMES L. GREENFIELD, *Assistant Managing Editor*

WARREN HOGE, *Assistant Managing Editor*

JOHN M. LEE, *Assistant Managing Editor*

ALLAN M. SIEGAL, *Assistant Managing Editor*

JACK ROSENTHAL, *Editorial Page Editor*

LESLIE H. GELB, *Deputy Editorial Page Editor*

ARTHUR OCHS SULZBERGER JR., *Assistant Publisher*

LANCE R. PRIMIS, *Exec. V.P., General Manager*

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J. A. RIGGS JR., *Sr. V.P., Operations*

HOWARD BISHOW, *V.P., Employee Relations*

JOHN M. O'BRIEN, *V.P., Controller*

ELISE J. ROSS, *V.P., Systems*

ons

editor of the school paper. He acted hastily, in apprehension that an impending deadline was exigent, but his explanation was plausible and journalistically sound. He felt that one quoting the pregnant girls but changing names, was written in a way that risked identity. He found the story about divorce defensible because it quoted a student criticizing his parrot getting the parents' side.

student journalists made mistakes but commendation as well as correction. They tough subjects, where many school newspapers entangled themselves with publishing dull commentaries. They did so in a serious way. Officials may have been justified in not wanting a pupil to read the stories, as Justice Byron wrote for the majority, but the subjects had a place in Hazelwood East High's pack.

William Brennan's dissent called the school's action "brutal censorship" and badly thought control. But he vainly seeks a conclusion clear enough for judges to say they crossed it. He is profoundly right, how educators teach a civics lesson in a most

Letters

Consider Demilitarized Palestinian Democracies

To the Editor:

Sidney Zion begins "Call It Sleep" (Op-Ed, Jan. 4) by recounting how in 1970 he asked a reputedly moderate Palestinian leader what the Arabs would require for peace with Israel. The answer he received — that the Arabs would accept what they would not accept before, namely the United Nations partition of 1947 — was not a bad start. But Mr. Zion is interested only in telling his coup de grâce: "What would your terms have been if you won the war?", he recalls asking the Palestinian leader. Of course, the Arabs would have kept all their gains. What is the implication? That they must concede Israel's right to keep its gains too?

This is not a very propitious start for a moral argument. Better that Mr. Zion follow his own lead and ask what the Jews require for peace. Does Israel require the permanency of the current system of apartheid by which Palestinians in the occupied territories are treated under a separate law? That is no solution. Neither would it be a solution for Israel to grant Israeli citizenship to Arabs from the territories.

This year, for the first time, more Arabs than Jews were born in Israel, the West Bank and Gaza. Israel faces a choice between making apartheid permanent, eventually giving up the Jewish majority, or making the West Bank and Gaza independent. Giving up the Jewish state is out of the question, and apartheid must be also. One day, the West Bank and Gaza must become independent; they should be made independent now.

It would be reasonable for Israel to insist that these states be demilitarized. International peacekeeping forces, backed by Israeli and Palestinian observers, could keep arms out along the borders and pursue paramilitary organizations internally. In view of the legitimate Israeli fear of an Arab dictatorship, it would be reasonable to require certain immutable constitutional provisions: free, regular elections — again conducted by international forces with Israeli and Palestinian observers — as well as basic civil and political liberties.

Answers, not recriminations, are what the defense of Israel requires. Internationally supervised, demilitarized democracies for the West Bank and Gaza are answers worth considering.

ALEXANDER RAWLS
Stanford, Calif., Jan. 4, 1988

Holy Places

To the Editor:

A skilled rhetorician can state only part of the truth and lead an unknowledgeable listener to an unsupported conclusion. Unfortunately, David J. Sadd used such means in his thoughtful letter of Jan. 3.

Mr. Sadd rejects A. M. Rosenthal's conclusion that "failure to internationalize Jerusalem is the fault of the Arabs" without mentioning United Nations Resolution 181 (II) A, adopted by the General Assembly, which stated, "The City of Jerusalem shall be established as a 'corpus separatum' under a special international regime and shall be administered by the United Nations." This proposal

was reluctantly accepted by the Jewish Agency, supported by the United States and Soviet Union, but rejected by the Arab Higher Committee.

Mr. Sadd goes on to say, "It is true that before 1967 Jews were denied access to parts of East Jerusalem." Mr. Sadd does not say this was in conflict with Article VIII of the Israel-Jordan armistice agreement of April 3, 1949, nor does he mention the desecration of Jewish holy places (synagogues, cemeteries) between 1949 and 1967, and that not even Israeli Arabs were allowed to pray in Moslem holy places in East Jerusalem (see "Jerusalem: Illustrated History Atlas" by Martin Gilbert, second edition, 1978, published by Steimatsky, Israel).

My wife and I had occasion to visit Israel last summer and met an Armenian who has lived in the Old City of Jerusalem his entire life of 62 years. Mr. Sadd should ask him, or ask one of his neighbors, who has greater respect for Jerusalem's holy sites.

BEN Z. KATZ
New Haven, Jan. 4, 1988

The State of Gaza

To the Editor:

Poor Gaza! It's always mentioned as an afterthought, as in the West Bank and Gaza ("Who Will Plead for Gaza," editorial, Dec. 20). Remember Pakistan and East Pakistan (now Bangladesh)? That union did not last very long and should serve as a lesson to those who would unite Gaza and the West Bank under one flag.

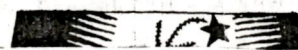
The solution would seem to be sovereignty for Gaza as the State of Gaza and sovereignty for the West Bank as the State of Palestine. The next logical step after that would be to fashion a customs and economic union associating Israel, Jordan, Palestine and Gaza.

JACK COHEN
Hewlett, L.I., Dec. 29, 1987

Plastic Tree Bags Are Ecologically Gauche

To the Editor:

Please bag your "Bagging the



OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

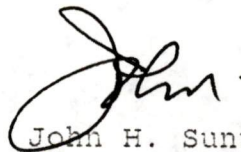
December 20, 1988

Dear Ed:

Thank you very much for sending me a copy of the "Viewpoint" piece in the Star-Ledger, which was refreshingly fair and fairly astute. I wish that I could say the same for the cartoonist.

Please give my best to your boss, and accept my best wishes to you and your family during the holiday and throughout the new year.

Sincerely,



John H. Sununu

Mr. Edward R. McGlynn
Chief of Staff
Office of the Governor
CN-001
Trenton, New Jersey 08625

348-0030

(Lal)

*Respond informal
thanks.*



08 DEC REC'D

STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR
CN-001
TRENTON
08625

THOMAS H. KEAN
GOVERNOR

EDWARD R. MCGLYNN, ESQ.
CHIEF OF STAFF

December 5, 1988

Honorable John H. Sununu
Chief of Staff Designate
1988 Presidential Transition Office
1825 Connecticut Avenue, N.W.
Suite 1016
Washington, D.C. 20270

Dear Chief of Staff:

The enclosed article appeared in the Star Ledger on Wednesday, November 30, 1988. The Star Ledger is New Jersey's largest newspaper. I thought you would be interested in seeing it.

Sincerely,

Edward R. McGlynn
Chief of Staff

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Enclosure

VIEWPOINT

A surprise choice

In his early choices of Cabinet members and for other key posts in his administration, President-elect Bush revealed strong preferences for appointees with experience in federal service. But that was definitely not the case in naming New Hampshire Gov. John Sununu to another highly influential post in his administration—White House chief of staff.

The choice for the ranking staff position was a surprising selection; it was widely assumed that the first choice would be Craig Fuller, one of Mr. Bush's closest aides in the presidential campaign. Mr. Fuller had made it known that the White House post was the only one he would accept, and since he did not get it, he decided to return to the private sector.

In passing over an obviously disappointed Mr. Fuller, Mr. Bush has sent a clear signal that he intends to be his own man. He will be much more actively involved in the day-to-day executive operations than has been the case with President Reagan. The Reagan style has been largely one of delegating broad responsibility to Cabinet members and staff aides.

It worked for Mr. Reagan, mainly because he enjoyed a sustained popularity that was able to survive the political embarrassments created by some of the Reagan appointees—former Attorney General Edwin Meese and Donald Regan, the former heavy-handed chief of staff. Thus far, the Bush choices reveal a wariness for those kind of disconcerting incidents.

Cronyism is not expected to have as much prominence in the Bush administration as it had in other presidencies. Certainly it was not a factor in the selection of Gov. Sununu. He has not been a member of the Washington political "in" set; he is an outsider on whom Mr. Bush is counting to bring a "refreshing new perspective" to a post that is the nerve center of the administration.

But there is another pragmatic aspect to the Sununu selection. He will bring to the Bush White House a broad background and experience gained from the grassroots service of four terms as a governor. He has an intimate understanding of the problems at the state level that should be highly useful for the incoming Bush administration in its relations with the statehouses, which have not been a strong aspect of the Reagan presidency.

