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Series: Winklejohn, Katie, Files
Subseries:

OA/ID Number: 00834
Folder ID Number: 00834-023

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

Stack:	Row:	Section:	Shelf:	Position:
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OFFICE OF THE PRESIDENT-ELECT
WASHINGTON, D.C. 20270

January 16, 1989

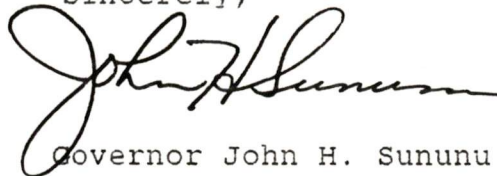
Dear Mr. Furukawa:

Thank you for your recent letter.

I appreciate you taking the time to share your thoughts with me and I will forward your suggestions to other officials in the Administration for their review.

Again, we appreciate your input.

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. David H. Furukawa
Post Office Box 102
St. Leonard, Maryland 20685



National Water Supply Improvement Assoc.

11 JAN REC'D

23 November 1988

Honorable John H. Sununu, Governor
State of New Hampshire
Office of the Governor
State House
Concord, New Hampshire 03301

Dear Governor Sununu:

Amidst the flurry of congratulatory messages you must now be receiving, let me add another from the National Water Improvement Association. We are delighted to have an engineer in the White House and, moreover, a citizen with strong convictions that our regulations for clean water must be practical as well as health preserving.

As a direct result of the overwhelming success of the first white paper by NWSIA and CAREW on "The Water Quality Challenge Facing the Nation," a second is in the making and should be in print by the first of 1989. Thank you for giving us the challenge at our 1986 meeting in Washington and your subsequent introductory remarks.

Although I recognize that your responsibilities as Chief of Staff will consume your waking hours, I hope you will be able to peruse our second white paper.

We are encouraged to observe a mounting congressional interest in accelerated development of desalination technology and water sciences. The United States needs to regain its global leadership in these areas.

As you make the transition from Governor to Chief of Staff, we wish you well in your new challenge. If questions regarding water quality, supply, improvement arise, please do not hesitate to call on me or our organization. We stand ready to support your good work.

Sincerely,

David H. Furukawa,
Past President, NWSIA

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

January 16, 1989

Dear Mr. Quinn:

Thank you for your recent letter.

I appreciate you taking the time to share your thoughts with me and I will forward your suggestions to other officials in the Administration for their review.

Again, we appreciate your input.

Sincerely,



Governor John H. Sununu

Mr. John F. Quinn
3066 Radcliffe Drive
Yorktown, New York 10598

11 JAN REC'D

December 28, 1988
3066 Radcliffe Dr.
Yorktown, N.Y. 10598

Honorable Governor John Sununu
Dear Governor Sununu,

Congratulations on your appointment to the position of Chief of Staff for President-Elect George Bush. I am writing to you to request that you help support the Mac Bride legislation when it appears before Congress. I also ask that in your new position that you urge President-Elect George Bush to sign the Mac Bride legislation into law when it is presented to him for signature.

In addition, please urge the President-Elect to challenge Britain's colonial policies in Ireland. I have enclosed a few pages of information on Britain's repressive colonial policies and the effect that they have on the native Irish population. Please take the time to read them and pass on to the President-Elect if you so desire.

Thank you for your support in these important matters and good luck in your new position.

Yours truly,
John F. Quinn

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

January 16, 1989

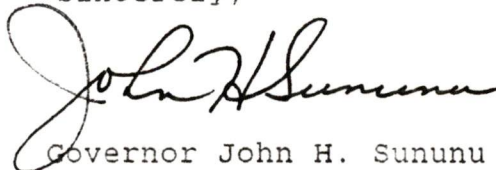
Dear Mr. Heidenreich:

Thank you for your recent letter.

I appreciate you taking the time to share your thoughts with me and I will forward your suggestions to other officials in the Administration for their review.

Again, we appreciate your input.

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. Gary Heidenreich
1871 Valencia Drive
Rockford, Illinois 61108

11 JAN RECD

1871 Valencia Dr
Rockford, IL 61108
December 28, 1988

The Hon. John Sununu
Capitol Bldg
Concord, N.H. 03301

Subject: Need for National Space Goals

Dear Governor Sununu:

I believe the nation is in dire need of a long range plan for space development that has adequate funding in both dollars and continuity. It should not be comprised of only large multi-billion dollar programs such the shuttle and space station, but should include numerous smaller technology base and science programs that universities and corporations can co-sponsor.

The space station program is so large and complex, managed by NASA Headquarters, a Level A' four NASA Centers, four prime contractors, plus the international governments, that it runs a grave risk of becoming a Gorgon, devouring a large part of the civilian space budget for many years. Can there be any real accountability for both technical and cost performance? Any efficiency? The shuttles may wear out before the station is completed, or shortly thereafter, leaving no mode of transportation to it.

In a recent article in Aviation Week & Space Technology (11-28-88) John Yardley says "The Space Station has been more thoroughly planned and analyzed....reviewed exhaustively and endorsed by the National Research Council."

May I review some past promises with quotes taken from the Nasa Activities Publication, Feb. 15, 1972,: "Nasa and many aerospace companies have carried out extensive design studies for the shuttle. Congress has reviewed and approved this effort. Preparation is now sufficient for us to commence the actual construction with full confidence of success... By the end of the decade the nation will have the means of getting men and equipment to and from space routinely, on a moment's notice if necessary, and at a small fraction of today's costs. This will be done within the framework of a useful total space program of science, exploration, and applications at approximately the present overall level of the space budget." (emphasis mine)

Two major roles of Nasa are development of new technology for space science, and space exploration. Yet a 1987 National Research Council Report states that "Nasa's preoccupation with short-term goals has left the agency with a technology base inadequate to support advanced space missions."

How about extending the shuttle's capability to 20 or 30 days, an idea Nasa-JSC investigated at least 4 years ago?

I believe a great deal of materials and biomedical research could be done in the next 6-10 years with extended shuttle missions and man-tended facilities. How about development of the external tank so that it can be inserted into orbit and utilized. It has been almost eight years since the first shuttle flight and we use it like taking a 747 from New York to LA and then cutting off half the plane and putting a new back half on for the return flight. Being smarter with our money would time to develop both the heavy lift vehicle (HLV) for the station, and the technology base required to choose among and then implement the leadership initiatives of the Rand Report.

We could even have a number of smaller shorter duration programs which build upon each other and allow for more individual responsibility and creativity such as micro-spacecraft and solar sails that Freeman Dyson, JPL, and the Planetary Society have suggested. Let's see how much we can achieve with money well spent rather than just how much money we can spend.

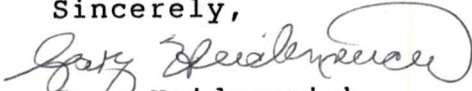
Exploration? The fact that the U.S. has not launched a probe beyond LEO since 1978, and has not been back to the moon since 1972 is appalling and reflects a lack of a national goal.

I surely second John Yardley's belief that Nasa's budget gradually must increase. But not with huge bureaucratic WPA work projects. Give the American people the railroads and land of the space age, (cheap access to earth orbit, and the moon, and the moons of Mars or earth crossing asteroids), and I believe they will respond-- and space will be able to pay for itself.

Congress and Nasa and the prime contractors need some leadership and national goals.

I challenge you and Richard Darman to give it to them.

Sincerely,



Gary Heidenreich
1871 Valencia Dr.
Rockford, IL 61108
(815) 229-3146 (home)
(815) 394-2073 (work)

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

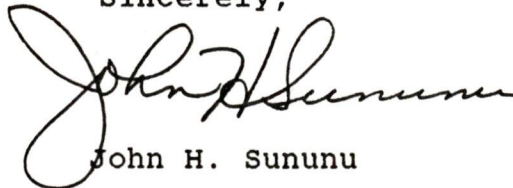
January 16, 1989

Dear Col. Damos:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

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.

John H. Sununu

Col. James P. Damos
Chief of Police
Department of Police
6801 Delmar Blvd.
University City, Missouri 63130



*Short
Thank you note*

DEPARTMENT OF POLICE

CITY OF UNIVERSITY CITY

6801 Delmar Boulevard
University City, Missouri 63130



INTERNATIONAL PRESIDENT 1981-82

11 JAN REC'D

James P. Damos
Chief of Police

January 4, 1989

Police Dispatch Center (314) 725-2211
Administrative Offices (314) 862-4555

Governor John Sununu
24 Samoset Drive
Salem, New Hampshire 03079

Dear Governor Sununu:

Congratulations!

Please accept my heartiest **congratulations** upon your having been named by President-Elect George Bush to be his White House Chief of Staff. I don't believe that I have had the pleasure of personally meeting you, but know well of your fine reputation through Charles Reynolds, the Chief of Police of Dover and who now is currently serving as President of the International Association of Chiefs of Police (IACP). I have known Charles for many years having preceded him as President of the IACP a number of years ago.

Please know that your appointment is doubly pleasing to me in that, like you, I am also of Greek extraction as my father was born in Xylokastron, Corinth Greece. Additionally my wife, who passed away several years ago, was born in Dromides, Epirus Greece, so you can well discern my "Greek connection". My two sons, both of who are also law enforcement officers, one at the federal level, the other at the County level, usually remind me that they have a stronger Greek background, being three-quarter Greek to my one-half, as my mother was German.

I do hope that Mr. Bush shall be encouraged to, early on in his agenda, pursue with vigor his indicated strong support for issues that deal with victims of crime in our nation. In my 28 year career as Chief of Police in our City, I have always been a strong advocate of addressing the needs of crime victims. At times I have been known to suggest to some of our unconcerned legislators in this regard, that victims are voters and that most assailants have lost their voting franchise. They usually get the message. Perhaps that is why I was invited in 1981 to serve on the President's Task Force on Victims of Crime. In terms of the above, I have enclosed a copy of our report to the President that I thought would be of possible interest to you.

In closing please know that I stand ready to be of whatever assistance to Mr. Bush's administration that he feels I could provide as I believe him to be a very sincere dedicated public official.

With kindest regards, I remain,

Sincerely yours,

James P. Damos

COL. JAMES P. DAMOS
CHIEF OF POLICE

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

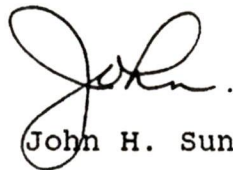
January 16, 1989

Dear Joe:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "John". The signature is stylized with a large, looping initial "J" and a trailing flourish.

John H. Sununu

Mr. Joe Mott
977 Hampton Place
 Mooresville, North Carolina 28115

977 Hampton Place
Mooreville, NC 28115
Jan 3, 1989

Mr John Sununu
White House Chief Staff Designate
Washington, D. C.

Dear John,

Congratulations on your recent appointment. While I do not know you personally you certainly have an outstanding record of achievement in government service. Undoubtedly, George has great confidence in your political savvy -- good luck.

I have been a Republican since 1958; was Goldwater County Finance chairman in 1964, and La. Chairman for Agriculture in 1974. My first meeting with George Bush was in 1969 when I was president of the Southern Spinners Assoc., Memphis, TN. There were subsequent meetings, most notable, being lunch with George, at the Republican National Hdq building dining room on Capital Hill when he was party chairman and I was La Cotton Producers president and chief lobbyist for the La cotton industry.

The purpose of my writing is to commend him to the highest degree for his conduct in getting elected, and, particularly, for who he has chosen to help run this ship of state. Additionally, I would like to assist in any way I can --

from being a listening post in NC on
up. Already, for many years, I have
been a regular contributor through
good times and bad, to the national
party. Please be in touch as time
allows.

Sincerely,
Joe Mott

Phone 704 664-3303 Business
664-2604 Residence

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

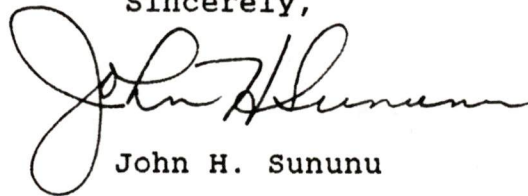
January 16, 1989

Dear Brother Maher:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", with a large, stylized initial "J".

John H. Sununu

Brother David Luke Maher
St. John's College
2607 Military Road, N.W.
Washington, D.C. 20015



11 JAN REC'D

2607 Military Road, N.W.
Washington, D.C. 20015
(202) 363-2316

THE PRESIDENT'S OFFICE

January 9, 1989

Dr. John H. Sununu
Chief of Staff Designate
Office of the President Elect
1825 Connecticut Avenue, N.W.
Suite 1016
Washington, D.C. 20270

Dear Dr. Sununu:

Congratulations to you on your appointment to serve as Chief of Staff for President Elect Bush. All of us take great pride in this accomplishment by a "Brother's Boy." We look forward to the many contributions that you will make to the well being of the United States and the role our Nation plays in assisting others throughout the world.

I am pleased to inform you that the Christian Brothers have been educating youth in the Capital since 1851. Our school is St. John's College High School, a college preparatory school for boys from grades 7 to 12. All of our students in grades 9 to 12 participate in our Junior ROTC Program.

Once you get settled in your new position and have the opportunity, we would love to have you and your family join the Brothers for a social and dinner at our residence. Also, we would be most honored to have you visit the school when your schedule permits.

I am looking forward to meeting with you.

Sincerely,

Brother David Luke Maher, F.S.C.
President

DLM:gm

P.S. Brother Patrick Martin sends his best

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

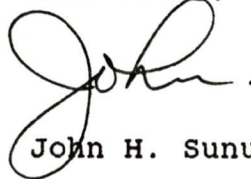
January 16, 1989

Dear Jim:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

Sincerely,

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

John H. Sununu

Mr. James B. Edwards
100 Venning Street
Mount Pleasant, South Carolina 29464

JAMES B. EDWARDS
100 VENNING STREET
MOUNT PLEASANT, S.C. 29464

11 JAN 1989

January 6, 1989

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

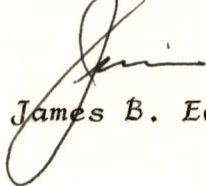
Dear John:

I am delighted to hear that President-Elect Bush has nominated you for the post of White House Chief of Staff. You will be an outstanding addition to the Bush Administration's team, and I wish to congratulate you on this important appointment.

As you are aware, we have challenging times before us, but with outstanding individuals such as you helping set the course, our country will be well-served. As a former Secretary of Energy, I can truthfully say that my two-year tenure was one of my most frustrating, yet rewarding, undertakings, and I know you will feel the same way.

We wish you God's guidance and blessings in the years ahead.

With warmest personal regards,


James B. Edwards

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

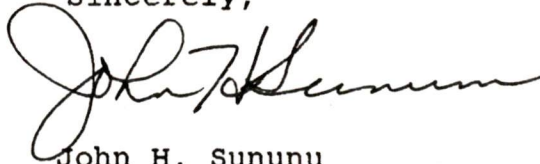
January 16, 1989

Dear Friends:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

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.

John H. Sununu

The Abi-Najem Family
5900 Washington Blvd & Westover
Arlington, Virginia 22205



Dory Abi-Najem
(703) 241-8681

The Abi-Najem Family

Lebanese Cuisine
Restaurant, Carry Out, Catering

"This Lebanese food is equal to
the best in town"

Phyllis Richmond
Washington Post

"Award Winning Pizza"
Washingtonian Magazine

5900 Washington Blvd. & Westover
Arlington, Virginia 22205



Dory Abi-Najem
(703) 241-8681

The Abi-Najem Family

Lebanese Cuisine
Restaurant, Carry Out, Catering

"This Lebanese food is equal to
the best in town"

Phyllis Richmond
Washington Post

"Award Winning Pizza"
Washingtonian Magazine

5900 Washington Blvd. & Westover
Arlington, Virginia 22205

Dory Abi-Najm
Lebanese Taverna
5900 Washington Blvd.
Arlington, Va. 22205

Governor John Murrin
1825 Connecticut Ave.
Washington D.C. 20270

Dear Mr. Murrin

Congratulations on your new
post from The Abi-Najm family
at The Lebanese Taverna restaurant.

We would feel privileged

to have you and your family dine
at The Taverna.

Again we extend our invitation

wishing you all the best, and

hoping you will honor us with
your presence in the near future

Sincerely Yours

The Abi-Najm's

Dory Abi-Najm

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

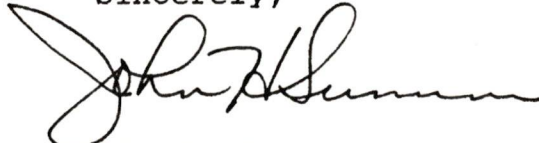
January 16, 1989

Dear Mr. Dugan:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Sununu", with a large, stylized initial "J" and "S".

John H. Sununu

Mr. Robert P. Dugan, Jr.
National Association of Evangelicals
1023 15th Street, N.W.
Suite 500
Washington, D.C. 20005

11 JAN REC'D

NAL
NATIONAL
ASSOCIATION of
EVANGELICALS

Office of Public Affairs

Dr. Robert P. Dugan, Jr., Director
Office of Public Affairs
1023 15th Street NW, Suite 500
Washington, DC 20005
202/789-1011

National Office
450 Gundersen Drive
Carol Stream, IL 60188
312/665-0500

Dr. Billy A. Melvin
Executive Director

January 4, 1989

The Honorable John H. Sununu
Bush Administration Transition Office
1825 Connecticut Avenue NW
Washington, DC 20009

Dear John:

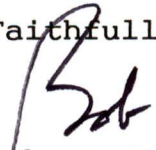
My colleagues and I could not be more pleased that you will be Chief of Staff in the Bush Administration. I am heartened as a fellow member of the Council for National Policy, and apparently one of a handful in the nation's capital not desperately seeking a position in the new administration.

This letter comes simply to **offer to be of service.** Over the past decade I have become the senior evangelical representative in Washington. As you undoubtedly know, the National Association of Evangelicals is the major alternative to the National Council of Churches on the Protestant religious scene.

As President, George Bush must attempt to hold together the political coalition that elected him so that it can be his governing coalition. To that end, it will be to his advantage not to alienate, wittingly or unwittingly, his most loyal constituency -- the evangelicals who gave him 82% of their vote. When you need to anticipate evangelical reaction to policy initiatives or administrative decisions, I am as close as your telephone.

I would enjoy meeting with you at your convenience, not to ask you to do something for us, but to discuss further how we can help you. Perhaps the occasion will arise shortly for I have been discussing with Southern Baptist leader Adrian Rogers a request for a meeting with about a dozen fellow evangelical leaders. Meantime, be assured of our prayers for you, in your strategic role.

Faithfully yours,


Robert P. Dugan, Jr.
Director

RPDJr:jdk

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

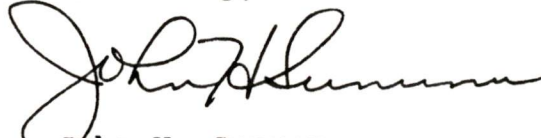
January 16, 1989

Dear Assemblyman O'Shea:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

Sincerely,



John H. Sununu

The Honorable Charles J. O'Shea
2705 Pettit Avenue
Bellmore, New York 11710



10 JAN RECD

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHARLES J. O'SHEA
Assemblyman 19th District
2705 Pettit Avenue
Bellmore, New York 11710
(516) 781-3565

ALBANY OFFICE
Room 523
Legislative Office Building
Albany, New York 12248
(518) 455-4633

CONTACT ☐ ALBANY OFFICE
☐ DISTRICT OFFICE

January 4, 1989

Governor John Sununu
Chief of Staff
The White House
Washington, D.C. 20500

Dear Governor Sununu:

As a fellow graduate of LaSalle Military Academy in Oakdale, New York with the bond of public service, and as a loyal Nassau County Republican and staunch supporter of President Bush, I send the greetings of my county Chairman, Joseph Mondello and my best wishes to you, the President and the incoming administration.

Congratulations and good luck!

Sincerely,

Charles J. O'Shea
Member of Assembly

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

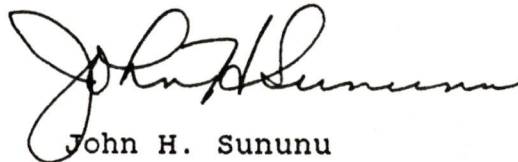
January 16, 1989

Dear Mr. Phelan:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

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 part.

John H. Sununu

Mr. John J. Phelan, Jr.
New York Stock Exchange
11 Wall Street
New York, New York 10005

11 Wall Street
New York, NY 10005

John J. Phelan, Jr.
Chairman and
Chief Executive Officer

10 JAN REC'D

January 4, 1989

NYSE

New York
Stock Exchange, Inc.

The Honorable John Sununu
Chief of Staff to the President-designate
The White House
Room 1, West Wing
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Governor Sununu:

Congratulations on your nomination to be White House Chief of Staff. President-elect Bush has chosen well in your selection, and our nation will be well served by your accepting this critical assignment.

Let me assure you of the Exchange's fullest cooperation with you as you carry out your responsibilities, and I hope you will call on us when you believe that we can be a resource. You have already contributed much to our public policy in your exceptional record of national leadership through the Governor's office, and we are all fortunate to have the benefit of your continued service.

Warm regards,



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

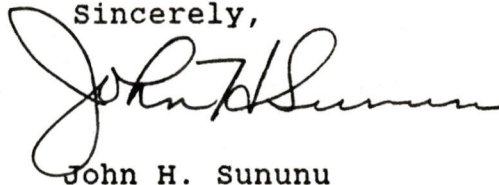
January 16, 1989

Dear Dr. Wells:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

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 "S".

John H. Sununu

Dr. Kenneth D. Wells
Family Foundation of America
Post Office Box 876
Edgewater, Florida 32032

HEALTH - HOPE - HAPPINESS
HE-HO-HA



04 JAN RECD

P.O. Box 876 • 702 West Park Avenue
Edgewater, Florida 32032
Headquarters (904) 423 - 0316 Warehouse (904) 428 - 7123

December 28, 1988

Honorable John Sununu
Chief of Staff
The White House

Dear Governor:

My staff urges me to salute you for your wonderful career, and urges me to say that our foundation, a patriotic compassionate 501-C-3 proud foundation will always support my old friend (Now President Bush), and you.

Let us assist in any way.

Faithfully,

Dr. Kenneth D. Wells
President

RUTH VAN ALLEN WELLS
Chairman

DR. KENNETH DALE WELLS
President

KENNETH E. HARRIS
Vice President

ROBERT N. HEINTZELMAN
Chm., Policy Committee

HELEN LOUISE JOHNSON
Nat'l Chm. of Volunteers

KATHLEEN CASSATA
Secretary

CHRISTINA KOHL
Assistant Secretary

MARC YORKSON
Treasurer

JUDSON I. WOODS
Counsel

WILLIAM LYMAN BELNAP
Executive Committee

A publicly supported, non-sectarian, non-profit, tax exempt, educational foundation.

004-0056

The Orlando Sentinel

The best newspaper in Florida

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35 cents

★★

Doc Wells at 80 is a can-do man — and he could use your help

When I'm with Dr. Kenneth Wells, I feel like going to confession. Trouble is, I'm not Catholic. But if I were, my confession would go something like this: Forgive me for the times I've been lazy. Forgive me for not having faith in my fellow man. Forgive me for so often not acting to help people who need it. Forgive me for every time I gave myself a pat on the back, because each one was undeserved.

"Doc" Wells doesn't intend to make me feel inferior. If ever there was a positive-thinking man with a ready and eager thank you to others, it's Doc. It's just what he is and what he has done is so magnificent that it's humbling to all but blockheads.

When I first met Doc, he was retired with enough of a successful career behind him to rationalize spending the rest of his days on the golf course. Instead, he went to Honduras and, at 70 or so, bummed a ride on an old cargo plane out to where the refugees were. He saw human needs. He came back and started doing something about them.

Now he's 80 years old, and he's made more trips to Central America than any 10 correspondents. And he doesn't sit around the bar in San Salvador. He's out



Charley Reese

OF THE SENTINEL STAFF

on trucks and in Salvadoran army helicopters conducting his own civic action program.

He and his wife, with their Family Foundation of America volunteers, who are in a warehouse in Edgewater, Fla., the small town where he "retired," have collected, packed and shipped 94 truckloads of food, clothes and medicines to the people of El Salvador and to refugees in Honduras.

They have provided Christmas toys to more than

200,000 children in El Salvador. They have started a "leg bank" where artificial limbs are collected, reconditioned, and provided to the children who have lost arms or legs to communist mines. They have started a program of providing garden seeds to the people of El Salvador to help fight the hunger the civil war has caused. They brought children back for surgery. They have helped rebuild villages.

Doc Wells, who didn't speak a word of Spanish when he started, is now a loved and familiar figure in El Salvador. His friends range from President Jose Napoleon Duarte's wife to Salvadoran soldiers and U.S. military advisers who look out for him when he's out in the field in the forward combat areas.

He has exhausted his personal savings, but he has inspired a group of people who volunteer their time and talents. And he just keeps on keeping on, non-stop, aches and pains be damned — who has time to count the birthdays, and what difference does it make if there is a vicious war on?

He begs and pleads for help. The need is too great for him to be embarrassed. So someone calls him a nuisance. A child is hungry. A child is legless. He will take the turndowns and the putdowns to get to

that person who will help.

And he talks to anybody who will listen about what a vicious thing it is for the communist to lay mines in fields and around villages to kill and maim children and farmers. He is unabashedly patriotic. He's emotional. He hugs a hurting child in some seemingly God-forsaken village and he cries.

But most of all, he acts. He's more man at 80 than most of us ever were or will be.

I rarely ask, but if you want to help, you can send a check to Family Foundation of America, 702 W. Park Ave., Edgewater, Fla., 32032. It's tax-deductible and it's no scam.

We hear a lot of highfalutin talk about the need to establish better relations with Latin America. Well, here's a fellow who just did it. He did it the way it should be done — in person, direct, with not a dime of tax money.

Next time you feel tired or put out by some inconsequential inconvenience, think about Doc Wells.

Next time you feel as if people are no good, think about Doc Wells.

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

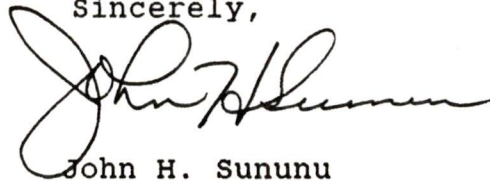
January 16, 1989

Dear Mr. and Mrs. Wilson:

Thank you for your note on my appointment. It is a tremendous challenge, and it will be a privilege and pleasure to serve a man who, I believe, will be one of our country's finest Presidents.

My best wishes to you and thanks for your support.

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

Mr. and Mrs. Frank S. Wilson
56 Ruby Road
Portsmouth, New Hampshire 03801

11 JAN REC'D

Mr. & Mrs. Frank S. Wilson
56 Ruby Road
Portsmouth, NH 03801

December 28, 1988

Governor John H. Sununu
State House
Concord, NH 03301

Dear Governor Sununu:

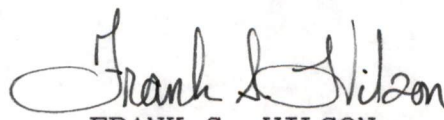
On behalf of my wife and myself I would like to take this opportunity to thank you for your outstanding service to our state over the past six years. We've supported you since you first ran in 1982 and have been applauding your efforts ever since.

Not only did you bring a sick patient back to robust health, but you have left a legacy of management systems and controls which will help keep the state fit for a number of years.

Needless to say, we are sorry to see you go. It's a ill wind that blows no good and in this case, the good is that you are going to have an influence on the entire country. That influence should help put this country in better shape in a variety of ways.

We are extremely proud to see you headed for such a prestigious position and offer our sincere **congratulations.** Thank you again for being such a fine governor and the best of luck to you in the future.

Yours truly,


FRANK S. WILSON

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

January 2, 1988

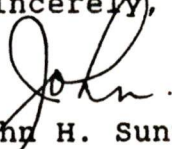
Dear Andy,

I deeply appreciate your offer of assistance and have forwarded your resume to our people in personnel for their serious consideration. I have asked them to actively consider putting your experience and energy to work for the Bush Administration.

I am sure that your salary demands ("free of charge") will catch their eye. And your extensive knowledge of history and economics, combined with your knack for dealing with problems directly, suggest that your offer of assistance will be taken very seriously.

In closing, I hope that the new year brings you both health and happiness. Thank you again for writing.

Sincerely,



John H. Sununu

Dr. Andrew Tempelman
Maple Street
Milford New Hampshire 03055

cc: Resume Mgmt

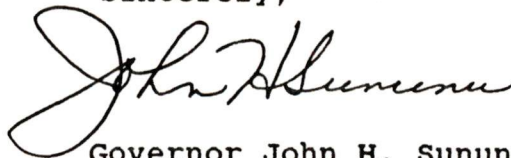
January 3, 1989

Dear President Rhodes,

I also enjoyed the opportunity to meet with you and your distinguished colleagues early last month. Thank you for responding to our request for recommendations regarding the position of Science and Technology Advisor to the President. I have forwarded your suggestions to our personnel office, asking that they carefully review and consider the candidates. The President-elect is carefully considering his options, cognizant of the fact that American preeminence in those fields is too important to be left to chance.

I hope that the lines of communication will remain open between the academic community and the administration, and thank you again for your recommendations. Please have a happy and healthy new year.

Sincerely,

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

Governor John H. Sununu

Frank H. T. Rhodes
President
Cornell University
300 Day Hall
Ithaca, New York 14853-2801

January 3, 1989

Dear Mr. Ambrose,

Walter Peterson was kind enough to pass your resume on to me, suggesting that you might be interested in helping the Bush administration wage the war on drugs. I have forwarded that resume to our staff in personnel, asking that they seriously consider bringing a man of your experience on board.

Needless to say, there are no guarantees. But you will be contacted by the personnel office soon for more information.

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 more compact, flowing style.

Governor John H. Sununu

Mr. Myles J. Ambrose
888 16th St., N.W. #300
Washington, D.C. 20006

cc: Resume Mgmt

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

January 3, 1989


Dear Mrs. LeRoy,

Thank you for your warm congratulatory letter and recommendation of David Aufhauser. I have forwarded his materials to our personnel department for their review and consideration. I have asked the people there to seriously consider putting his legal expertise to work for the Bush administration, and I am hopeful that they can find a place for him.

I hope that the holiday season has been wonderful for you, and that the new year brings you every happiness. I am grateful for your support over the years. Nancy and I will very much miss the warmth and support of our many friends in New Hampshire, and we intend to visit often. I hope to see you soon, and thanks again for writing.

Sincerely,


John H. Sununu

Mrs. Nancy Gates LeRoy
1388 Old North Main Street
Laconia, New Hampshire 03246

cc: Resume Mgmt

January 3, 1989

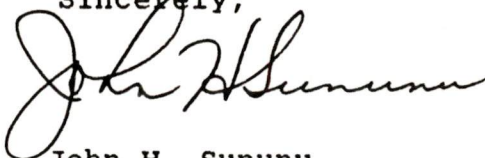
Dear Ms. Keever,

Thank you for your congratulatory message and generous offer of assistance to the Bush administration. I have forwarded your resume to the appropriate people in our personnel department. They will be contacting you soon for more information.

As you can imagine, that department is working overtime to choose the best possible team to back up President-elect Bush, and so your patience and understanding are greatly appreciated.

Again, thank you for offering your services, and I hope that the new year brings you good health and much happiness.

Sincerely,

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

John H. Sununu

Ms. Nancy Hart Keever
3601 Connecticut Ave., N.W.
Apt. 108
Washington, D.C. 20008

January 3, 1988

Dear Dick,

Thanks for the list of personnel recommendations, which I have sent to Chase Untermeyer for his careful review. We are anxious to staff the Bush administration with people that share our commitment to keeping the American economy healthy, and your list of recommendations will be most helpful in fulfilling that objective.

I am always happy to receive your input. I hope you have a happy and healthy new year.

Sincerely,

A handwritten signature in black ink, appearing to read "John", with a large, stylized loop at the end.

Governor John H. Sununu

Mr. Richard L Leshar
President
Chamber of Commerce of the
United States of America
1615 H Street, N.W.
Washington, D.C. 20062

cc: C. Untermeyer

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

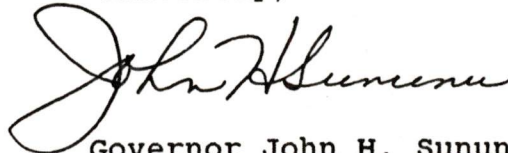
January 3, 1989

Dear President Rhodes,

I also enjoyed the opportunity to meet with you and your distinguished colleagues early last month. Thank you for responding to our request for recommendations regarding the position of Science and Technology Advisor to the President. I have forwarded your suggestions to our personnel office, asking that they carefully review and consider the candidates. The President-elect is carefully considering his options, cognizant of the fact that American preeminence in those fields is too important to be left to chance.

I hope that the lines of communication will remain open between the academic community and the administration, and thank you again for your recommendations. Please have a happy and healthy new year.

Sincerely,

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

Governor John H. Sununu

Frank H. T. Rhodes
President
Cornell University
300 Day Hall
Ithaca, New York 14853-2801

CORNELL UNIVERSITY

FRANK H. T. RHODES
PRESIDENT

351-0034

1 DEC 1988

December 14, 1988

The Honorable John H. Sununu
Office of the President-Elect
1825 Connecticut Avenue, NW
Washington, DC 20270

Dear Governor Sununu:

Thank you again for the opportunity that I had to meet with you and the President-Elect some days ago.

During the course of our meeting, you were kind enough to suggest we might follow up with names of one or two individuals who would be suitable for membership of the President's Advisory Council. Let me make the following suggestions:

from industry -- Don Petersen, John Young, Ron Cape, John McComber, and Betty Anker-Jones,

from professional academics -- Frank Press and Robert White,

from the academic world -- Stanley Ikenberry, David Gardner, and Roland Schmitt.

I have also taken the liberty of including with this letter some thoughts on the overall structure of the Council and the way in which it might approach its task.

Needless to say, I should be happy to participate as a member in the work of the Council or to help in any other way that you might think appropriate. I remain very excited at the initiatives that the President-Elect is taking, and I should be honored to be a part of any of the efforts in which you and he are involved.

With highest regards,

Sincerely yours,



Frank H. T. Rhodes

Enclosure

American Science and Engineering: A National Requirement

SCIENCE AND ENGINEERING ARE CRITICAL TO THE NATION'S FUTURE.

Our economic competitiveness depends upon it for creation of new industries, new products and processes, a reinvigorated manufacturing base and a productive service sector.

Our defense strength depends upon it for development of conventional and strategic weapons that offset the numerical advantages of our adversaries.

Our environmental quality depends upon it for solutions to the growing problems of acid rain, atmospheric warming, ozone depletion, and waste disposal.

Our efforts to reinvigorate the US space program, develop cures for AIDS, cancer and other diseases, develop disease and pest resistant crops, make air safer, make bridges and roads longer lasting and more durable, and make weather prediction more reliable all depend upon science and engineering.

THERE IS NO FOCAL POINT IN EITHER THE ADMINISTRATION OR CONGRESS FOR THE OVERALL, LONG TERM HEALTH OF AMERICAN SCIENCE AND ENGINEERING.

Responsibility for federal support of science and engineering is dispersed among many agencies.

With the exception of NSF, whose budget accounts for only about 2.5% of total federal R&D funding, none of these agencies views the overall health of American science and engineering as a primary objective.

Within the White House, the Office of Science and Technology Policy does not report directly to the President; nor does it have the wherewithal or responsibility to coordinate or set priorities among the diverse R&D budgets of the different federal agencies.

In Congress the science budget is divided among 9 of 13 different appropriation and no single committee makes tradeoffs among elements of the science budgets or judges priorities.

The net effect is that science and engineering receives lower priority than it should in the Federal Government, and what priority it does receive is driven by the relatively narrow concerns of individual agencies rather than by a broad view of the long term science and engineering needs of the nation.

In the immediate postwar period the effects of this diffusion of responsibility were masked by continued US dominance of world markets. But over the past decade, as our dependence on science and engineering has mushroomed, and as the gains of our competitors have accelerated, its effects have become plainly visible:

1. Long term underinvestment in the Science and Engineering Knowledge Base:
The federal investment in science and engineering is roughly the size that it was twenty years ago.

- Compared to the actual costs of research (which have grown faster than inflation), there has been no growth over the past 20 years.
- Compared to the overall GNP, federal support of non-defense R&D has been stagnating at about 1.8%, while Japan's has been growing rapidly to about 2.8%, and West Germany's at about 2.6%.
- Compared to the growth of the high technology sector of the GNP, federal support has been steadily declining since the mid 1970's.
- Compared to inflation, federal investment in science and engineering has increased 17% since the mid 1960's. This increase has been directed at the life sciences; virtually none has been targeted at natural sciences and engineering, which underpins much of our industrial and service sectors.

2. Long Term Erosion of the Science and Engineering Talent Base:

- Declining Quantity: Since the early 1970's, the production of Ph.D. scientists and engineers who remain in this country has been steadily declining. Due to demographic shifts, the problem will be much worse. We are almost certain to suffer major declines in production of both PhD and BS degrees through the beginning of the next century. This will lead to shortfalls that could run as high as 45,000 BS and 23,000 PhD degrees by the year 2000.
- Declining Quality: In a recent series of international science achievement tests, US 10 year olds ranked 9th when compared to children from 15 different countries; 14 year olds ranked 14th out of 17; high school seniors ranked 13th out of 13 in Biology, 11th out of 13 in Chemistry, and 9th out of 13 in Physics.

3. Accelerating Erosion of the US Technology Edge:

- US share of world production in key high tech industries--consumer electronics, factory automation, telecommunications, semiconductors--is eroding badly.
- Recent assessments of Japanese science and engineering strengths in key areas of advanced technology--electronic materials and processes, advanced materials, automation, and telecommunications--indicate that the Japanese have achieved or are close to achieving parity with the US.
- Recent assessments also indicate that the US is significantly weaker than the Japanese in applying science and engineering to the development of new products and processes.

STRENGTHENING AMERICAN SCIENCE AND ENGINEERING MUST BE A HIGH PRIORITY FEDERAL MISSION

The agencies that now support science and engineering as a means to their own missions, such as DOD, HHS, NASA, and DOE, should continue to do so. But making the overall health of science and engineering a federal mission requires a substantial revision in the federal R&D process. In particular, it means:

1. Assigning responsibility for assessing the overall health of American science and engineering to a single office or agency, which should:
 - identify current and future areas of science and engineering of importance to government and industry;
 - assess the health of the nation's investment in those areas relative to present needs, future opportunities and the strategies of foreign competitors;
 - focus on research and education, science and engineering, the requirements for federal missions and for industrial strength.
2. Establishing a mechanism for ensuring that federal R&D spending conforms to these assessments. Options for such a one, or some combination of, the following:
 - A Cabinet Council on Science and Technology, chaired by the President, which would coordinate R&D spending among the various federal agencies;
 - A Cabinet level Science Advisor to the President, who would be responsible for coordinating R&D spending among the various federal agencies;
 - assigning the task, and the necessary resources to do the job, to NSF.
3. The President urging Congress to establish a Joint Committee of the House and Senate made of the chairs of the appropriation and authorization subcommittees to review yearly in toto the administration's proposed science and education budget and agree on overall priorities.

IMPLEMENTATION

The issue of preeminence of the US in science and engineering research and

education is of paramount priority. It is a prerequisite to our economic growth and competitiveness.

The transition period must be used to establish a long range strategy. Therefore, the President Elect should establish a small committee, reporting directly to him, with the following charter:

1. For FY 1990/1991 freeze the Federal R&D budget at the FY 1989 level and address funding tradeoffs across projects and agencies.
2. Develop a FY 1990 and FY 1991 Federal R&D budget that establishes Federal R&D priorities that rebuild the long term health of the US science and engineering knowledge and talent base.
3. For the longer term, recommend to the President-elect:
 - the office or agency that should be responsible for assessing the overall strength of science and engineering,
 - the mechanism for ensuring that annual R&D budget priorities reflect these assessments,
 - the Congressional action required to implement this far-reaching program.

Appendix: Multiyear R&D Plan Strategy

In developing the multi-year R&D plan, the Committee charged with this task should bear in mind the following priorities:

1. Developing the human resource base must take first priority.

- o Unless more young people choose careers in science and engineering, we face serious shortfalls in personnel for industrial research and development, for manufacturing operations, and for academic faculty.
- o As a corollary, unless the base of participation in science and engineering is broadened by increasing participation by women and minority groups, we will not have the required number of technically trained personnel.
- o Unless general education in science and mathematics improves, we will not have the public scientific literacy that is required for competitiveness in the world economy and for understanding of the critical issues of today and the future.

Therefore, the Committee should ensure that the educational programs of the agencies that support scientific and engineering research, as well as those in general education, are adequate for future human resources needs.

2. Maintaining and developing the Nation's base for science and engineering must be the second priority.

- o While some directions for future technological advance can be identified now, scientific capabilities are so great today that new directions may emerge in completely unexpected quarters. Alone among the nations of the world, the United States can conduct a research effort of the breadth required to make these unexpected breakthroughs. We must exploit this unique advantage.
- o We must also continue to provide the basis for future advances in science and engineering, and provide the teaching and research environments required to produce the needed supply of technical personnel.
- o The research base is developed and maintained in the Nation's universities and colleges and in its national laboratories. Adequate resources--people, instrumentation, equipment, and facilities--must be provided to these institutions. Furthermore, communications among them must be facilitated.

The Committee should take these considerations into account in developing the multi-year national R&D budget. It should also develop priorities among competing major research projects. Current examples include the SSC, the

human genome sequencing project, and Space Station science. And it should seek to achieve an appropriate balance among types of research--civilian versus defense, basic versus applied, etc.

3. Improving the national infrastructure for research should be the third priority.
 - o The tax and regulatory systems can have a powerful impact on incentives and capabilities for the conduct of research and development.
 - o Knowledge created in basic research must be transferred effectively to users in industry and government.
 - o Effective organizational structures and institutional relationships must be developed. These include linkages between universities, colleges, national laboratories, the States, and the schools. Most often, such relationships result from spontaneous efforts by individuals and organizations. However, bars to such associations must be avoided, and the relationships can be encouraged and stimulated by appropriate Federal activities.

The Committee should also consider potential improvements in the science infrastructure and should evaluate proposed changes in law from the standpoint of their impact in this regard. For example, it might:

- o Seek tax reforms that favor the support and conduct of research.
- o Evaluate existing and proposed changes in the regulatory and anti-trust laws from the standpoint of their impact on research and development.
- o Encourage Federal agencies to seek innovative programs and structures that foster the effective transfer of technology. University-based research centers with industry participation, such as the NSF's Science and Engineering Research Centers, is one model for such programs.

The goal is to make the U.S. first in education, first in research, and first in applying the fruits of education and research as a prerequisite to being first in economic growth, creating jobs, and creating wealth. Elevating science and engineering research and education to a national mission and creating a means to develop a coherent Federal strategy for R&D through the Committee represents a step toward this goal. The other essential step is providing the necessary resources.

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

January 4, 1983

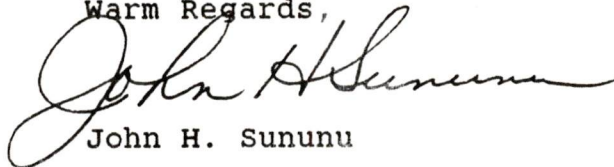
Dear John:

Many thanks for escorting me on a tour of your operation last week. I enjoyed it very much and was impressed by what I saw. Your staff is doing a monumental job in dealing with the tons of correspondence that has been pouring in. That their performance is consistently superior reflects very well upon your leadership abilities.

John, the President-elect and I are very grateful to you for your tremendous dedication and hard work. You are a valued member of our team. We would never have gotten this far without your outstanding contribution.

Once again, thanks, and keep up the good work. Best wishes to you and your family throughout the new year.

Warm Regards,

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

John H. Sununu

Mr. John Rivers
Director of Correspondence
Office of the President-elect
1825 Connecticut Avenue, NW
Washington, D.C. 20270

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

January 11, 1983

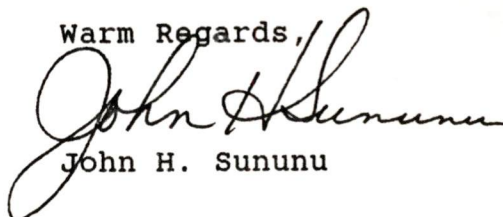
Dear Ted:

Many thanks for escorting me on a tour of your operation last week. I enjoyed it very much and was impressed by what I saw. Your staff is doing a monumental job in dealing with the tons of resumes that have been pouring in. Their consistently excellent work is evidence of your superior leadership skills.

Ted, the President-elect and I are very grateful to you for your tremendous dedication and hard work. You are a valued member of our team. We would never have gotten this far without your outstanding contribution.

Once again, thanks, and keep up the good work. Best wishes to you and your family throughout the new year.

Warm Regards,

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

John H. Sununu

Mr. Ted Lewis
Director of Resume Management
Office of the President-elect
1825 Connecticut Avenue, NW
Washington, D.C. 20270

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

January 4, 1989

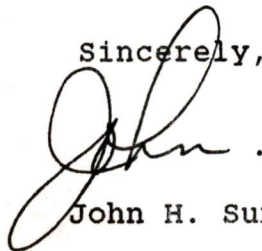
Dear Al:

Thank you for forwarding your recommendation of Paul Powell. Fred McClure will be Assistant to the President for Legislative Affairs in the new Administration. I will pass your comments along to him for consideration.

I look forward to working closely with you during the new administration. I will be counting on your continued advice and counsel and hope you will contact me with your suggestions.

I look forward to meeting with you soon after the inaugural.

Sincerely,



John H. Sununu

The Honorable Alan Simpson
United States Senate
Washington, D.C. 20510

AL SIMPSON
WYOMING



19 DEC 1988

United States Senate
Assistant Republican Leader

WASHINGTON, D.C. 20510

December 12, 1988

The Honorable John Sununu
Office of the President-elect
Washington, D.C. 20500

Dear John:

I am writing on behalf of Paul Powell, who very much desires to be a part of the congressional affairs operation of the Bush-Quayle Administration.

My staff and I have worked closely with Paul in his role as Senate Liaison for the Presidential Inaugural Committee and the Bush '88 Campaign, and during his work as an associate attorney with the law firm of former Senator Marlow Cook -- and during Paul's four years as Senate Liaison for the Department of the Interior. He served Secretary Watt with real distinction.

Paul has nearly 15 years of experience working with the House and Senate and has developed an in-depth knowledge of the legislative process. Paul is an enthusiastic individual who does pay keen attention to detail. He demonstrates a sense of loyalty, professional courtesy and integrity.

Paul Powell has the experience, expertise and understanding of the process which would be so highly useful in promoting the Administration's legislative agenda with the 101st Congress. I trust that you will give him every proper consideration for this position.

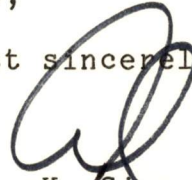
I eagerly anticipate working with you in coming months and years and trust you will contact me whenever I may be of any service to

John Sununu
Page Two

you or our fine new President. And thanks again
for your consideration of Paul Powell for a key
position in congressional affairs.

With warm personal regards,

Most sincerely,

A handwritten signature in dark ink, appearing to be 'A. K. Simpson', written over the words 'Most sincerely,'.

Alan K. Simpson
United States Senator

AKS/dhc

January 4, 1989

Dear Michael,

Thank you for your recent letter and the kind sentiments contained therein. I also enjoyed the evening in New Orleans, and was delighted that Estelle and you could join us.

It doesn't look like Nancy and I will get an opportunity to visit Jamaica in the near future - we're presently involved in house hunting here. But if everything works out for you, a trip to Greece may be too tempting to pass up. I will mention your desire to change your post to the President-elect.

Thank you once again for writing, keep up the good work, and have a wonderful new year. I hope to talk with you or see you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "John", with a large, stylized loop at the end.

John H. Sununu

Ambassador Michael Sotirhos
Embassy of the United States of America
Kingston, Jamaica

cc: Resume Mgmt

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

January 4, 1989

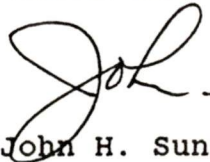
Dear Tommy,

Thank you for your recommendation of Buck Martin, which I have forwarded to the appropriate people in our personnel department, asking that they try to find a place where we can make good use of his experience.

As you can imagine, our offices have been flooded with the resumes and recommendations of outstanding people - like Buck Martin - eager to serve the Bush administration. We are trying to assemble the best possible team for President-elect Bush, and aren't afraid to look beyond the Beltway for the right people.

Thanks for your input, Tommy. I hope to see you sometime after the new year.

Sincerely,

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

John H. Sununu

The Honorable Tommy G. Thompson
Governor
Room 115 East, State Capitol
P.O. Box 7863
Madison, Wisconsin 53707

cc: Resume Mgmt

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

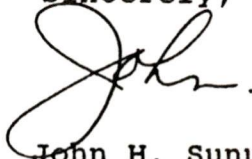
January 4, 1989

Dear Arthur,

Thanks for your warm congratulatory message and recommendation of Kurt Hauser, which I have forwarded to our people in personnel with a request that they give it a good look and keep me apprised of its status.

I also enjoyed your visit to New Hampshire, and I hope that we can get together again sometime early in 1989. In the meantime, I will be working hard to help the Bush Administration get off to a running start.

Sincerely,

A handwritten signature in dark ink, appearing to read "John". The signature is fluid and cursive, with a large loop at the beginning and a trailing flourish.

John H. Sununu

Mr. Arthur B. Laffer
A.B. Laffer and Associates
1825 Lomita Blvd. Suite 100
Lomita, CA 90717

cc: Resume Mgmt

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

January 4, 1989

Dear Tom,

Thank you for taking the time to recommend J.J. Simmons for Secretary of Interior.

As you probably already know, President-elect Bush has selected former Congressman from New Mexico, Manuel Lujan, for Secretary of Interior. There were a number of people - including Commissioner Simmons - who were certainly deserving of serious consideration, and we are thankful to all those who offered their services or made recommendations.

I appreciate your input, Tom, and hope that the new year brings you health and happiness.

Sincerely,

A handwritten signature in black ink, appearing to read "John". The signature is stylized with a large, looping initial "J" and a trailing flourish.

John H. Sununu

Mr. Thomas A. Hart
Assistant to Vice President
Government Affairs & Director
of Community Relations
Westinghouse Electric Corporation
1801 K Street N.W.
Washington DC 20006-1378

cc: Resume Mgmt

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

January 4, 1989

Dear Lloyd,

Thank you for sending me the recommendations concerning Major Generals Franklin and Ensslin, both of whom sound like excellent leaders and deserving of the highest consideration.

Although I am honored to have the opportunity to serve President-elect Bush here in Washington, being Governor of New Hampshire - and being able to work closely with outstanding leaders like you - was an unforgettable privilege that I will surely miss.

Have a happy new year, and thank you once again for your recommendations.

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 a trailing flourish.

John H. Sununu

Major General Lloyd M. Price
New Hampshire National Guard
State Military Reservation
Concord, New Hampshire 03301

cc: Resume Mgmt

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

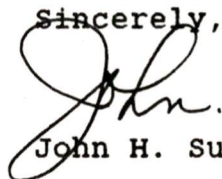
January 4, 1989

Dear Bill:

Many thanks for your letter of December 19 on behalf of Tom Murrin. It was good to hear from you. Mr. Murrin's credentials are impressive, and your strong recommendation only adds to his stature. I'll see to it that he receives serious consideration for the post of Under Secretary for Technology at Commerce. I'll pass Mr. Murrin's resume along to Chase's office and ask them to keep me informed of his status.

Once again, thanks for writing, and please do keep in touch. Best wishes to you and your family.

Sincerely,



John H. Sununu

The Honorable C. William Verity
Secretary of Commerce
Department of Commerce
Washington, D.C. 20230

cc: Resume Mgmt
Card

[Handwritten signature] *[Handwritten signature]*

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

December 19, 1988

[Red stamp: 9 DEC 1988]

Honorable John Sununu
Chief of Staff Designate
to the President-Elect
1825 Connecticut Avenue, N.W.
Washington, D. C. 20270

Dear John:

We are in the process of providing names of candidates for the new Under Secretary for Technology in the Commerce Department for review of Chase Untermeyer and Bob Mosbacher. I'm still hopeful that an outstanding scientist/businessman will be selected (like Ramo, Schmitt or Murrin).

In the meantime, Ernie Ambler, former Director of NIST (National Bureau of Standards), is Acting Under Secretary for Technology for the purpose of getting the job in place for your Administration.

I'm hopeful that you will name early-on a Science Advisor to the President who can help you, the President and others raise the level of technology consideration in all policy matters. The job is crucial in my view.

I've worked long enough with Tom Murrin (bio enclosed) to know that Tom is an outstanding candidate. He has impressed me greatly - as a scientist and as an industrialist. He has it all.

I hope you and Chase Untermeyer will give Tom careful consideration.

Good luck.

Yours,

[Handwritten signature: C. William Verity]

C. William Verity

Enclosure

cc: Robert A. Mosbacher
Chase Untermeyer

After his retirement from the Westinghouse Electric Corporation in December, 1987, Thomas J. Murrin joined Carnegie Mellon University as Distinguished Service Professor in Technology and Management. He was also elected Chairman of the Board of Trustees of Duquesne University. Additionally, he has been nominated to chair DoD's new Defense Manufacturing Board; has become an Overseer of the Malcolm Baldrige National Quality Award; and is a spokesman for the Aerospace Industries Association's "Key Technologies of the 90s" Program. He also joined the Board of Directors of the Logistics Management Institute in Bethesda, MD.; the Kaman Corporation in Hartford, Connecticut; and the Esterline Corporation in Bellevue, WA.

Mr. Murrin is Chairman of the Board of Trustees of Pittsburgh's Mercy Health System -- and serves on the Board of Trustees of Fordham University; and on the Business Advisory Council of the Graduate School of Industrial Administration of Carnegie Mellon University.

Mr. Murrin has been a U.S. Delegate to the NATO Industrial Advisory Group; headquartered in Brussels, Belgium. He was a White House appointee to the President's Commission on Industrial Competitiveness, and served as co-chairman of the Human Resources Committee. He was a member and past chairman of the Board of Governors of the Aerospace Industries Association. He is a member of the Secretary of Defense's Defense Policy Advisory Committee on Trade, and chairman of DPACT's Subcommittee on Trade Relations with Japan. He is also a member of the National Board overseeing "Cities in Schools"; an organization working to solve the school dropout problem.

Mr. Murrin earned a Bachelor of Science degree in Physics from Fordham University in 1951 -- and has done graduate work at several universities.

After being recruited to Westinghouse as a Graduate Student, he joined the Westinghouse Transformer Division in Sharon, Pa. in 1952 as a Manufacturing Engineer. In 1955, Mr. Murrin became Superintendent of Factory Planning for the new Distribution Transformer plant in Athens, Ga. In 1959, he was appointed European Manufacturing Representative based in Geneva, Switzerland. In 1961, he became General Manager of the Motor and Gearing Division in Buffalo. In 1965, Mr. Murrin was elected Corporate Vice President of Manufacturing; in 1967, Group Vice President of Defense; in 1971, Executive Vice President of the Defense and Public Systems Group; in 1974, Senior Vice President of the Group; and in 1974, President of the Public Systems Company.

As President of Westinghouse's Energy and Advanced Technology Group since 1983, Mr. Murrin was responsible for Westinghouse's worldwide operations in defense and aerospace systems; electrical energy systems; and in people-moving systems. The EAT Group of Westinghouse -- with almost \$5 billion in annual sales -- managed about \$800 million of R&D expenditures -- and applied innovative quality and productivity policies-and-procedures which contributed significantly to improved international competitiveness. He had been a member of the Westinghouse Management Committee, the top policy-making body of the Corporation, since 1974.

Mr. Murrin's activities have involved foreign travel to more than 40 countries.

Among Mr. Murrin's honors are the Encaenia Award from Fordham University in 1956; the Westinghouse Order of Merit in 1968; Fordham University's Annual Achievement Award in Business in 1976; the National Leadership Award from the American Productivity Center in 1981; the James Forrestal Memorial Award of the National Security Industrial Association in 1982; election to the National Academy of Engineering in 1985; and the Manufacturing Management Award of the Society of Manufacturing Engineers in 1986.

He is married to the former Dee Coyne of New York City, and their home is in Pittsburgh's North Hills suburban area. The Murrins have eight children. A native of New York City, Mr. Murrin was born on April 30, 1929.

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

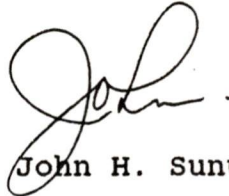
January 4, 1989

Dear Neil,

As you probably already know, the President-elect did nominate Dr. Sullivan to head up the Department of Health and Human Services. We very much appreciate your recommendation of him, and feel that he will do a good job at HHS.

Thank you for your input, and please have a happy new year.

Sincerely,

A handwritten signature in dark ink, appearing to read "John", with a stylized flourish extending from the end.

John H. Sununu

Mr. Neil L. Chayet
One Financial center
Boston, Massachusetts 02111

NEIL L. CHAYET
ONE FINANCIAL CENTER
BOSTON, MASSACHUSETTS 02111

(617) 654-8000

355-0018

December 15, 1988

Governor John H. Sununu
1825 Connecticut Avenue
Suite 1016
Washington, D. C. 20270

Dear John:

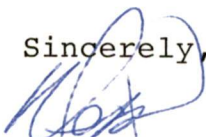
I am writing with regard to Dr. Louis Sullivan whom I understand is being seriously considered for the post of Secretary of Health and Human Services. I have known Dr. Sullivan for many years, beginning with his early work at Boston City Hospital. More recently, I worked closely with him when he was called upon to establish a new medical school in Atlanta; this was a herculean task which many said could not be done, but which Lou carried out with tact, dignity and the highest level of accomplishment at every turn.

Dr. Sullivan is extremely well qualified to head this complex department of government. He not only has most impressive professional qualifications, but he is also a fine human being. I have personally witnessed his interpersonal skills, and the unique combination of knowledge, wisdom and practical experience which he represents. Most important, he has shown the ability to listen to, and be heard and respected by all segments of society and is particularly well-suited to serve the Administration in one of its most challenging posts. In fact, I can think of no person better able to manage the complex agenda and difficult hurdles which await the next Secretary of Health and Human Services.

If I can be of any further assistance or provide any additional information, please do not hesitate to get in touch with me.

With kindest regards,

Sincerely,



Neil L. Chayet

cc: Andrew Card

NLC:nc

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

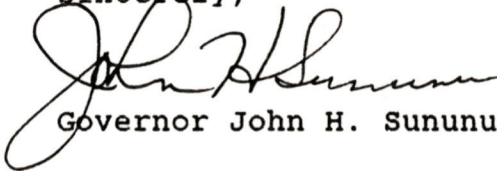
January 4, 1988

Dear Mr. Levine:

Many thanks for your letter of December 13. I appreciate you sharing with me the statement on "Policy Analysis for the Presidency." It is thoughtful and provocative.

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

Sincerely,



Governor John H. Sununu

Mr. Robert A. Levine
10321 Chrysanthemum Lane
Los Angeles, CA 90077

356-0054

ROBERT A. LEVINE
10321 CHRYSANTHEMUM LANE
LOS ANGELES, CALIFORNIA 90077
(213) 474-6056

2 1 DEC 1988

December 13, 1988

Hon. John Sununu
The White House
Washington, DC

Dear Governor Sununu:

Let me start this letter off by saying that I don't want a job. For one thing, I'm a birthright Democrat.

Rather, the purpose of the letter is to send you the short enclosed document on "Policy Analysis for the Presidency," which was prepared just before the 1980 election by a rather prestigious bipartisan committee, co-chaired by John Robson (Rep.) and former Budget Director Charles Zwick (Dem.), and including such individuals as Congressman Dick Cheney and Paul O'Neill. (I organized the committee shortly after I left the Deputy Directorship of the Congressional Budget Office.)

The document raised some mild interest in the Reagan administration, but ended by making little impact. In rereading it, however, it seems to me now, as it did to the committee eight years ago, that the central idea -- that a White House capability to analyze the plethora of ideas coming from every corner of the bureaucracy can help the President better control the policies of his administration -- may be of use to you as you organize.

Good luck!



POLICY ANALYSIS FOR THE PRESIDENCY

POLICY STATEMENT

On September 27, 1980, a meeting was held in the offices of the Carnegie Endowment, in Washington, D.C., to consider the needs of the American Presidency for an increase or restructuring of resources to carry out policy analysis as an aid to presidential policymaking. The meeting was sponsored by the Institute of Governmental Research of the University of Washington (Seattle) and funded by the German Marshall Fund of the United States.

Of the twenty-two participants, names and affiliations of whom are listed below, twenty were or are senior officials of the four most recent administrations, the majority having served with the Bureau of the Budget/Office of Management and Budget or the White House staff. The meeting was called and carried out on a nonpartisan basis; the major purpose was to consider presidential needs, and options that might be of assistance to the administration taking office on January 20, 1981. The initial impetus for the meeting came from several former officials who perceived a need for an institutional strengthening of policy analysis for the President and Presidency, and had become interested in a possible British model for a central analytical institution, the Central Policy Review Staff, serving the Cabinet. (The only overseas participant was the Director-General of the Royal Institute of Public Administration.)

Defining Policy Analysis as the set of techniques stemming from economics, operations research and systems analysis, which in the last fifteen years have proliferated in cabinet agencies, typically under Assistant Secretaries for Planning, and in such Congressional staff offices as the General Accounting Office and the Congressional Budget Office (an approach to policy which the majority but not all the participants agreed differs from more traditional Budget Analysis), the participants reached a substantial degree of consensus on needs; less of a consensus on options:

A. NEEDS

1. The problem is not a shortage of analytical resources in the federal government. Further, the intellectual quality of the analysis is generally high. Little dissent was heard, however, from the observation of one participant that too many current analysts and too many new analysts entering the government from graduate schools fail to understand the ways in which public decisions are made, and therefore provide analyses which are too frequently irrelevant. None of the participants in the meeting felt that analysis could provide more than partial assistance to policy decisions; most felt that too many government analysts do think they have "answers." It was also felt that policy analysis too frequently slights issues of implementation, and that without such issues analysis can have a negative impact on the quality of policy.¹

2. Given this, however, a consensus felt that the current organization of analytical resources may fail to bring the analytical results produced by executive agencies to bear effectively on presidential decisionmaking, nor does it enable the President to evaluate the effects of these analyses on his policy proposals. It was felt that a need exists for a better synthesis, bringing policy analysis into the process by which the President synthesizes decisions from his

own perceptions and needs and the views of his agencies. It was recognized that because presidential decisionmaking is necessarily more than the summing up of the views of agencies, each of which has its own needs and constituencies, the analytical input into the President's decisions cannot be simply added up from the results of agency analyses. The President needs his own analytical filter -- a better one than he now has.

3. Such a filter would not be an organization carrying out its own studies or its own sponsorship of outside studies. Rather, it would analyze the analyses from elsewhere for validity and relevance, and summarize their relation to the needs of the President's synthesis. A number of participants did see a need for longer-range strategic planning, but this was not a majority view.²

B. OPTIONS

The consensus opposed any proliferation of presidential staffs -- addition of a new analytical staff to existing ones. There was less agreement, however, on the degree of restructuring needed, if any. As one participant observed, most of those attending (including himself) had a tendency to see all movement as being downhill since the golden age when they had been in government. As one result, those with most recent tenure tended to see the least need for change from recent or current practices.

The range of alternatives suggested can be summarized into two basic options, within each of which there was a large number of variations:

1. The majority felt that the perceived needs could best be met within the Office of Management and Budget.³ Within this majority, views ranged from a belief that OMB can do pretty much what is needed by providing current sorts of personnel with a bit more focus and guidance on the issues raised by policy analyses; to a feeling that the Office needs an influx of more policy analysts of the Economics/Operations Research/Systems Analysis type defined here, possibly organized into a new staff. Some participants felt that room could be made for more policy analysts in OMB by removing the "M" so that the Office could return to the old Bureau of the Budget function, focusing more concentratedly on budgeting as such. Others agreed in part, feeling that the "old" Bureau of the Budget did get into management de facto, but that the formal organization of a management function had turned out to be dilatory. Some discussion also took place as to whether OMB had become "too political" in recent administrations. While the phrase was never completely defined, a number of participants felt that the Deputy Director of OMB should come from a civil service background, as had been the case in the old Bureau; one structuring that received general approval was that of a political Director, a civil-service Deputy, and a number of political (or policy) Associate Directors. This resembles the top structure of the old Bureau, and although there seemed little tendency to try to reverse the need imposed in recent years for Senate confirmation of these officials, this did not arise as a major issue that might interfere with the needed mixed political/civil service structure.

2. A minority felt that presidential policy analytical support should be concentrated outside of OMB. The major reasons adduced for this were that: the role of providing analytical synthesis for the President would distract from the budgeting role; conversely, the budgeting role would necessarily bias the analysis provided to the President; the President, in fact, needs new institutional inventions to act as a counterforce to OMB. It was also suggested that the staff of the National Security Council provides a favorable example of policy analysis parallel to OMB.⁴

In recent years, the Domestic Policy Staff (formerly the staff of the Domestic Policy Council) has served the President in various coordinating functions. The policy analytical capabilities of this staff could be increased, and, were the decision made that the major analytical synthesis be kept outside of OMB, it could be focused here or in some other Executive Office organization. Even with increased OMB stress on the analytical functions, some small number of analysts on the White House staff might help fill the President's needs.

¹Mr. Cohen felt that the thought expressed in this sentence should be restated as follows: "It was felt that the analysis fails to cover adequately issues of implementation. Without such issues, analysis can have a negative impact on the quality of the policy decision process and, even more importantly, the quality of the actual program."

²Mr. Cohen would add the following sentence at the end of sub-section 3: "Most felt strategic planning was a subject different from the one under discussion."

³Mr. Stern felt it important to point out that far more of those participants in the meeting have had BOB/OMB experience than in any other executive office organization including the Domestic Policy Staff.

⁴Mr. Stern believes that a desirable additional option to consider would be a new policy analysis staff concerned with both domestic and foreign issues with the capability to integrate the two.

CONFERENCE PARTICIPANTS

All participants endorse the attached Policy Statement without qualification
(except as noted below).

Richard Cheney*
Representative
U.S. House of Representatives

Howard Cohen**
Secretary of Revenue
State of Pennsylvania

Lynn Daft
Domestic Policy Staff
The White House

John M. Deutsch
Massachusetts Institute of Technology

John Ellwood
Princeton University

James C. Gaither
Cooley, Godward, Castro, Huddleson &
Tatum

Harry Havens
Asst. Comptroller General
General Accounting Office

Phillip S. Hughes*
Undersecretary
Smithsonian Institution

Robert A. Levine
Vice President & Manager
Human Resources Studies, Evaluation
& Training Division
System Development Corporation

Cecil Mackey
President
Michigan State University

Richard Meserve
Office of Science Technology Policy

Paul H. O'Neill
Vice President
Corporate Planning
International Paper Co.

Philip Odeen
Coopers & Lybrand

William Plowden*
Director General
Royal Institute of Public Administration

Alice Rivlin*
Director
Congressional Budget Office
U.S. Congress

John Robson (Co-chairperson)
Executive Vice President
G.D. Searle

H. Guyford Stever
Consultant

Alfred Stern**
Domestic Policy Staff
The White House

William N. Walker
President
Mudge, Rose, Guthrie & Alexander

John White
Deputy Director
Office of Management & Budget

Walter Williams
Director
Institute of Governmental Research
University of Washington

Charles J. Zwick (Co-chairperson)
President
Southeast Banking Corporation

* The names so marked either abstained because they felt it inappropriate to respond positively or negatively (Hughes, Plowden) or were not available for considering the statement (Cheney, Rivlin).

** Both Cohen and Stern added brief comments as noted on the attached statement.

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

January 4, 1989

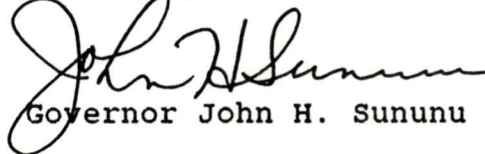
Dear Mr. Lowrie:

Many thanks for your letter of December 20. It was good to hear from you. I enjoyed our meeting a couple of weeks ago, and appreciate you following up by sharing with me AT&T's views on a value added tax. I will keep those views in mind if we should have to address issues surrounding a VAT.

In the meantime, rest assured that George Bush is strongly committed to tackling the budget deficit within the framework of commitments he made during the campaign

Once again, thanks for writing, and please do keep in touch. Best wishes to you and your family.

Sincerely,



Governor John H. Sununu

Mr. Gerald M. Lowrie
Senior Vice President
AT&T
Suite 1000
1120 20th Street, NW
Washington, D.C. 20036

356-0003



AT&T

Gerald M. Lowrie
Senior Vice President

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

2 DEC 20 1988

December 20, 1988

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

Dear Governor Sununu:

I want to follow up on our discussion last week regarding a value added tax. AT&T has been following the discussions on VATs ever since 1968, when the issue was first raised as a possible tax in the U.S.

Based on that history and a recent thorough reexamination of the impact of a VAT, we have concluded that we would be strongly opposed to the imposition of a VAT. The enclosed paper outlines both the pros and cons of a VAT as discussed in the current literature. I think most significant in the paper is our analysis that contrary to the claims of VAT proponents, past experience shows that a VAT would have very little impact on the U.S. savings rate. We also believe that, if expenditures are reduced as part of an overall deficit-reduction package, there would be no need for a whole new tax such as a VAT.

A VAT, of course, would fall primarily on labor. Even though AT&T is a very hi-tech firm, it has very large labor inputs and large labor costs. Therefore a VAT would have a large impact upon AT&T. Although the attached paper does not discuss that impact, I would like to share it with you, because I think it points out the disproportionate impact that a VAT can have.

For comparison purposes, and also to illustrate the inequitable way in which a VAT impacts AT&T, consider that a 10 percent VAT raises a total of \$95 billion in federal revenues and that a 22 percent surtax on individual and corporate income taxes raises an equivalent amount of federal revenues. At a rate of ten percent, the VAT would increase AT&T's annual tax cost 500 percent over the equivalent amount of tax the company would pay if a 22 percent surcharge were imposed. In addition, a VAT would increase the costs of goods which we purchase from our suppliers by an additional \$3 billion per year. Thus, AT&T opposes a VAT both because we believe it would be poor tax policy for the country and because it would be a particularly onerous tax for AT&T and its customers.

I hope this information has been valuable to you and that you will keep it in mind if the debate on the issue advances.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry Louder". The signature is fluid and cursive, with the first name "Jerry" and the last name "Louder" clearly distinguishable.

VALUE-ADDED TAX

Description:

- A VAT is levied on each firm's sales receipts, less purchases from vendors.
- Purchases of capital goods or depreciation may be deductible.
- Exports are exempt from a VAT; imports (including intra-company) are taxed.

Purpose:

- To reduce the federal budget deficit.
 - o Deficit was \$150 billion in 1987 and is estimated at \$150-160 billion annually in 1988, 1989, and 1990.
 - o A 10% VAT with exemptions for necessities would have raised \$95 billion in 1987; without such exemptions, a 10% VAT would have raised \$165 billion.
- To increase saving and investment by shifting taxes from income to consumption, perhaps restoring investment incentives in the process.

Advantages:

- As an additional tax, a VAT could significantly reduce the federal deficit.
- If a VAT were single-rated, it would be neutral among industries and among factors of production.(1)
- Advocates of a VAT say that it would be relatively easy to enforce and that there would be no significant problems with tax evasion. However, a VAT would not be fraud-proof, any more than a retail sales tax is.(2)
- A VAT might increase the personal saving rate, if it were substituted for part of the personal income tax. However, econometric studies and recent experience with changes in U.S. taxes both suggest that that impact would be quite small. For example:
 - o A VAT could be used to reduce personal income tax rates and thereby increase the marginal return on saving. Among studies of how the saving rate might react to changes in the rate of return to saving, work by Michael Boskin shows one of the largest responses.(3)
 - o Boskin found that a 10% increase in the rate of return on saving would increase the amount of saving by 4%.

- o The implications of that research are that--at current levels of interest rates--the 28% marginal tax rate would have to be cut to 21% and the 15% rate would have to be cut to 6.5% to increase the personal saving rate only from 5% to 5.2%.
- o Tax cuts of that magnitude, however, would reduce the revenue from the personal income tax by more than \$100 billion -- more than the yield on a 10% VAT with likely exemptions for necessities. Thus, even Boskin's work suggests that a VAT would have very little impact on the nation's saving rate.
- o Experience with the large cuts in U.S. federal tax rates in the 1980's, which occurred during a time when the level of real interest rates rose dramatically, also suggests that the rate of saving in the U.S. is not very sensitive to changes in tax rates or to changes in the rate of return to saving.
 - Personal tax rates were cut 25% in 1981-83, and the inflation-adjusted return on saving soared following the 1982 recession (e.g., real Treasury bill rates rose from 0.5%, on average, in 1970-82 to 4.0% in 1983-87).
 - Nevertheless, the saving rate fell from 7.8% of disposable income, on average, in 1970-82 to 5.0% in 1983-87.
- o Although a VAT might also encourage saving by raising the cost of consumption, even there the real effect is not at all clear. If persons decided to maintain their standard of living in the face of the increased prices that a VAT would cause, they would have to reduce their rate of saving in order to do that.
- A VAT could help the nation's trade balance, if it were substituted for corporate taxes. Again, however, the impact would probably not be very significant.(4)

Disadvantages:

- A VAT would be discriminatory among industries, if it had multiple rates and exemptions, as experience abroad suggests it would have.(5)
- A VAT would probably be complex and administratively costly, and it might take two years to implement.(6)
- A VAT would be inflationary, at least in the year of its enactment.(7)
- A VAT would be a hidden tax (unless visibly stated on each transaction).
- A VAT would compete with sales taxes of state and local governments.(8)
- A VAT would be regressive in itself, which would require additional provisions in the personal income tax to offset.(9)

- The revenue-raising potential of a VAT could make it into a federal "money-machine," capable of financing a huge increase in new spending programs.(10)
- A VAT would be a second major tax system (along with the income tax system) that would have to be both administered internally and managed through time by businesses throughout the U.S.

Conclusion:

- A VAT would be a costly, unnecessary tax that would create more problems than it would solve.

NOTES:

- (1) See C. L. Ballard, J.B. Shoven, and J. Whalley, "The Total Welfare Cost of the United States Tax System: A General Equilibrium Approach," National Tax Journal, Vol. 38, No. 2, June 1985, pp. 125-140. The authors conclude that replacing the pre-1986 tax system with a single-rated consumption-type VAT would produce significant "welfare" gains (11-to-13 cents per dollar of tax revenue), due to its production neutrality and a resultant increase in capital deepening. J. G. Cravelle criticizes the models used to produce such results in "Assessing a Value-Added Tax: Efficiency and Equity," Tax Notes, March 7, 1988, pp. 1117-1123.
- (2) U.S. Department of the Treasury, Tax Reform for Fairness, Simplicity, and Economic Growth -- Value-Added Tax, Vol. 3, November 1984, p. 11. Business customers possess incentives to reduce underreporting of sales by their suppliers under both the subtraction and credit methods of administration. However, a VAT is by no means fraud-proof -- See G. N. Carlson, "A Federal Consumption Tax: Design and Administrative Issues," pp. 290-291, in The Consumption Tax, ed. by C. E. Walker and M. A. Bloomfield, 1987, Ballinger Publishing Company, Cambridge, MA.
- (3) M. J. Boskin found the saving elasticity to be 0.4 in "Taxation, Saving, and the Rate of Interest," Journal of Political Economy, Vol. 86, April 1978, pp. 53-527. L. H. Summers found an even higher saving elasticity (1.5-to-3.0) in "Capital Taxation and Accumulation in a Life Cycle Growth Model," American Economic Review, Vol. 71, September 1981, pp. 533-44. Until Boskin's work, the consensus favored a zero elasticity, following E. F. Dennison, "A Note on Private Saving," Review of Economic Statistics, Vol. 40, August 1958, pp. 261-267. Ballard et al and Starrett conclude that Summers' elasticities are too high. See Ballard et al, op. cit., p. 128, and David A. Starrett, "Effects of Taxes on Saving," pp. 237-259, in Uneasy Compromise: Problems of a Hybrid Income-Consumption Tax, ed. by H. J. Aaron, H. Galper, and J. A. Pechman. Starrett, in fact, concludes there is no simple way to predict the effect on saving of a cut in capital income taxes.

- (4) Gary Hufbauer argues that replacing the corporate income tax with a VAT would significantly reduce the cost of capital and enhance U.S. international competitiveness, in "The Consumption Tax and International Competitiveness" pp. 179-206, in The Consumption Tax, Walker and Bloomfield, 1987. Whether this would help reduce the U.S. trade deficit or not is debatable, because -- in a world of floating-exchange rates -- the dollar would appreciate, thereby wiping out some or all of the expected trade improvement. See J. G. Gravelle, "International Tax Competition: Does It Make a Difference for Tax Policy?", National Tax Journal, Vol. 39, September 1986, pp. 373-384. Also see Charles E. McClure, Jr., "The Value-Added Tax: Effects on Productivity and Equity," Tax Notes, September 26, 1983, pp. 971-978.
- (5) Based on most European experience, a VAT is likely to be multi-rated, with many exemptions. See C. E. McClure, Jr., The Value-Added Tax: Key to Deficit Reduction?, 1987, American Enterprise Institute, Washington, D.C., for a discussion of the likely exclusions in a VAT tax base, which could wind up covering only 50% of total consumption. He also concludes that a multi-rated VAT would probably be substantially more distortionary than the payroll tax, in "Value Added Tax: Has the Time Come?" p. 193, New Directions in Tax Policy for the 1980s, ed. by Walker and Bloomfield, Ballinger Publishing, Cambridge, MA, 1983.
- (6) W. J. Turnier, "VAT: Minimizing Administration and Compliance Costs," Tax Notes, March 14, 1988, pp. 1257-1268.
- (7) The extent of the inflation impact in various countries adopting a VAT has depended greatly on accompanying macroeconomic policies--see U.S. Treasury, op. cit., pp. 20-21. Although he does not support a VAT, Aaron argues that by excluding it from the Consumer Price Index, the introduction of a \$100 billion VAT would initially increase the price level by about 3% but by no more thereafter, in "The Value-Added Tax: Sorting Through the Practical and Political Problems," in The Brookings Review, Summer 1988, pp. 10-16.
- (8) See U.S. Treasury, op. cit., pp. 26-27. However, as Treasury notes, states would have the option to "piggyback" their state taxes on the federal base.
- (9) Aaron argues that it would take only a small portion of VAT revenues to offset the regressivity effects on the poor, op. cit., pp. 13-14. Gravelle agrees and discusses other potential offsets to regressivity, but altogether they would only make the VAT a proportional tax, she argues -- see J. G. Gravelle, op. cit., pp. 1120-1121. For a contrary view, see E. S. Christian, Jr., "Consumption Taxes Are Not Regressive," pp. 329-332, in The Consumption Tax, Walker and Bloomfield. Christian argues that a VAT would not be regressive because it would be ultimately borne not by consumers, but by both capital and labor.

(10) For a debate of this issue, see J. A. Stockfish and discussants, "The Value-Added Tax as a Money Machine," pp. 223-242, in The Consumption Tax, Walker and Bloomfield.

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