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# THE ECONOMIC DRAG OF DISCRIMINATION

**P**rejudice and exclusion: They're as American as apple pie. Just take a look at how the nation has allowed blacks, Hispanics and poor whites to be segregated in the nation's center cities, even while society winks an eye at affluent whites retreating into lily-white suburbs and then erects barrier after barrier against affordable housing for low and moderate-income citizens.

Now, however, come the first signs that the nation is paying a heavy economic price for the new American apartheid.

The National League of Cities, for example, recently released a study showing that the regions with the greatest income differential between center cities and suburbs have been suffering the most at the hands of the recession.

Using employment growth as a yardstick, the study's authors, Larry Ledebur of Wayne State University and William Barnes of the National League of Cities, pinpointed the regions in which center-city residents earn on average no more than 43 per cent of what their suburban neighbors earn. Employment in those regions dropped 3 per cent from 1988-91.

By contrast, the regions in which center-city residents did relatively well—earning at least 78 per cent of the suburban income average—registered job growth of 6 per cent.

The averages march right up the scale. The better off that center-city residents are in comparison with their suburban counterparts, the better the region's economic performance; the worse off they are, the worse the region's employment picture.

There are, to be sure, some startling exceptions. Chicago and Memphis have massive economic segregation, but did fairly well on the job front; Atlanta and Nashville have relatively less income segregation, but did poorly.

Over all, however, the picture is alarming. Such cities as Baltimore, Boston, Cleveland, Detroit, Newark, N.J., Philadelphia and San Jose registered high scores in economic segregation (and usually in racial segregation). And they suffered the worst in terms of employment.

By contrast, cities with the lowest city-suburb income differentials—Charlotte, N.C., Minneapolis-St. Paul, Salt Lake City, Seattle and Tulsa, Okla.—registered strong employment growth.

All this makes a difference for the United States as a whole. The more metropolitan areas from coast to coast are plagued by massive income differentials, the more slowly the nation is likely to recover from the recession.

In the aggregate, the economies of major metropolitan regions are the economy of the United States. Most folks think and talk about America as an aggregation of 50 states. But in economic terms, America is an aggregation of 284 metropolitan areas.

In each region, and across the nation as a whole, poverty takes a heavy toll. Poor people not only earn less, but they pay less in taxes. Their welfare and criminal justice costs drag down local, state and regional economies. Because they're typically less educated, they're less employable. That makes the region (and the

nation) all the less attractive for manufacturing firms and other companies that need skilled workers.

Now comes David Rusk, a former mayor of Albuquerque, N.M., with a survey that identifies 10 "cities without suburbs." They are Rusk's own Albuquerque, along with Amarillo, Texas; Anchorage; Colorado Springs, Colo.; Columbus, Ga.; Huntsville, Ala.; Jacksonville, Fla.; Lexington, Ky.; Lincoln, Neb.; and Lubbock, Texas.

These cities, Rusk contends, have systematically annexed new growth areas or merged with their surrounding counties. Across the board, their average per capita income is 16 per cent higher

than in their outlying areas. Because they keep their wealth, their center cities don't get stuck (as is so often the case) with dramatically higher taxes. Subsidized housing gets spread around a whole expanded city. School opportunities are equalized. Middle-class families don't flee.

"The more an area is organized on a metropolitan-wide basis, the smaller the socioeconomic gaps between black, Hispanic and Anglo-Americans," Rusk said. "In other words, integration works."

City-county consolidation offers no "instant panacea," Rusk is quick to acknowledge. Area-wide

strategies for housing, education and job training are all politically very tough to implement.

But vast disparities, in Rusk's view, can be deadly. "Our society deludes itself in thinking that turning America's central cities into the sociological equivalent of giant public housing projects is the path to anything but a garrison state," he said.

Rusk's research may need more refining. But it surely runs straight in the face of the attitudes and assumptions that have fed segregation—and that may now be immobilizing the nation economically.

The birth of the global economy makes it sheer folly to think that part of a metropolitan region can continue to prosper while other parts suffer, said Ted Hershberg of the University of Pennsylvania.

In the past, Hershberg noted, an industry might have been able to get along with a mediocre work force, weak local transportation or poor-quality air or water because its distant competitors had their own problems. But today, industries are in head-to-head competition worldwide.

Only the best will survive. That makes it foolhardy to think that a region can prosper if a fourth of its population is ill-trained or living in poverty.

Getting Americans to rethink their hundreds of municipal boundaries—social "fire walls," in many people's minds—is never easy. It touches deep-seated fears about race and economic class. It ties into economic anxieties about "other" kinds of neighbors depressing real estate values.

But the new research suggests that by tolerating racial discrimination in and around their communities, Americans have been paying a far higher price for their prejudices than they ever would have dreamed. ■

**New research suggests that the wider the economic gulf between a city and its suburbs, the heavier the recession's toll.**

## COVER STORY

# Democrats Falter in Drive To Claim Peace Dividend

*Rank-and-file divisions over deficit, defense spending stymie plan to confront Bush on economic issues*

The drive by congressional Democrats to transform the peace dividend into home-front spending — a plan that seemed almost a sure bet as recently as January — is taking on the look of a lost cause.

Earlier this year, it seemed likely that the 1990 budget summit agreement and the walls it set up to keep defense money from being shifted to domestic programs would soon be changed or gone. Three months later, the budget deal is battered but holding, and the wall around defense money is still in place.

The hopes for a defense-to-domestic spending transfer have fallen victim to growing Democratic anxiety over the deficit, voter backlash against federal spending and the fears of some members that defense cuts will kill desperately needed jobs back home.

President Bush has already threatened to veto any bill to knock down the walls between defense and domestic appropriations. But Democratic leaders appear to have more than they can handle just persuading their own members to subscribe to the arrangement.

After weeks of delay and uncertainty, Senate Democrats on March 26 fell a decisive 10 votes short of the 60 they needed to shut down a GOP-led filibuster against a measure (S 2399) to tear down the walls. The vote was 50-48. (*Vote 56, p. 840*)

A similar measure (HR 3732) is in deep trouble in the House, where leaders have postponed a floor vote for four weeks in a row in the face of opposition from conservative Democrats. Another vote is tentatively set for March 31.

Though backers hold out hope for a resurrection in the House or a high-level compromise between the White House and congressional Democrats, the walls bill seems all but dead. With it would go a chance for appropriators



Sasser

Domenici

## BOXSCORE

**Bills:** S 2399, HR 3732 — Remove budget walls.

**Latest action:** Senate failed, 50-48, to cut off a filibuster on March 26.

**Next likely action:** House floor action March 31.

**Reference:** Background, Weekly Report, pp. 716, 611, 523.

to get the extra money they say is needed to keep domestic spending even with inflation in fiscal 1993.

Opponents say that is precisely the idea, ridiculing the notion that the government ought to spend the peace dividend on anything other than deficit reduction when it is simultaneously borrowing more than \$400 billion to pay its bills. "What peace dividend?" asked John C. Danforth, R-Mo., during the Senate floor debate. "How can we talk about an election-year gift to the American people when we're broke?"

But bill author and Senate Budget Committee Chairman Jim Sasser, D-Tenn., insisted that the bill would only open the way for a transfer of money from one spending category to another, doing nothing to increase the

deficit. "Are we going to move decisively to invest a portion of our peace dividend?" Sasser asked. "Or are we going to maintain Cold War policy and Cold War sacrifices after the Cold War is over?"

At stake for Democratic leaders is a chance to draw a clear-cut election-year distinction between Democrats' plans to invest in American growth and what they say is Republicans' refusal to give up outdated spending priorities.

The Senate defeat, engineered in part by eight Democrats who voted to keep the filibuster going, underscored critical divisions among Democrats on this and other high-profile economic issues. It came only a day after House leaders were unable to muster even a majority in their attempt to override Bush's veto of the Democratic tax-cut bill. (*Story, p. 795*)

It was one more lost skirmish in the surprising unraveling of Democratic plans to confront Bush on economic issues and seize back the momentum he gained in his combative State of the Union speech Jan. 28. Then, Bush temporarily claimed the political and economic high ground with an aggressive program to pull the nation out of recession and put congressional Democrats on the defensive.

Democrats fired back with a plan of their own to cut taxes for the middle class and alter the budget deal to beef up critical domestic spending programs that could otherwise be restricted to below-inflation increases this year. But so far they have been hammered at every turn, undermined by defections in their own ranks and unable to successfully challenge a president who has never lost a veto fight.

### House Bill Vote Much Delayed

The House walls bill has been set to come to the floor each week since March 2, but leaders have repeatedly

By George Hager

pulled it in the face of opposition from a coalition of conservative deficit hawks and conservative-to-liberal defenders of defense spending. The distraction of the check-kiting scandal at the now-closed House bank has also made it difficult to focus attention on the walls issue.

A vote has been scheduled again, this time for March 31, and aides said they plan to pull out the stops to turn wayward Democrats around. Leaders will warn the rank and file that high-ticket projects like NASA's hyper-expensive space station and the multi-billion-dollar superconducting super collider will be in dire straits if no way is found to increase domestic appropriations.

Transportation Appropriations Subcommittee Chairman William Lehman, D-Fla., sent a letter to his colleagues March 23 warning that the highway and mass transit funding they authorized in last year's surface transportation bill (HR 2950 — H Rept 102-404) would be slashed unless the House opens the way for more domestic spending.

A House aide familiar with the whip count said March 26 that bill proponents had only about 200 of the 218 votes they need and would try over the weekend to shift about a dozen Democrats.

But an angry Charles W. Stenholm, D-Texas, who leads opposition to the bill, insisted that the postponements have not helped the leadership gain ground.

"Every day we're gaining," he said of his amorphous coalition of deficit hawks, defense hawks and moderates and liberals worried about the loss of

hometown defense jobs.

Stenholm blasted the House leadership for having "renege" on commitments to hold a vote on the measure earlier in March. "When agreements don't stick, that's bad business," he said.

Passage of the current version of the walls bill would clear the way for the House to embrace a budget resolution that calls for splitting the peace dividend roughly 75-25 percent between domestic spending and deficit reduction, a plan Stenholm and his allies vigorously oppose.

In hopes of making the walls bill more palatable to deficit hawks, strategists were considering altering it to require a 50-50 split of the peace dividend between domestic spending and deficit reduction. But such a change could lose the votes of Democrats who desperately want cash for domestic spending programs.

As it now stands, the House walls bill would not transfer any defense money. Instead, it would change the budget rules to permit those transfers a year earlier than they would otherwise occur.

The 1990 budget agreement provided separate caps for defense, domestic and international spending for fiscal 1991-93 and prohibited using savings in any category for anything but reducing the deficit. In 1994-95, the walls will come down and all the money will go into a single pot, leaving appropriators free to transfer the funds as they see fit.

**Bipartisan Attacks in Senate**

During Senate debate, Republicans and Democrats alike criticized

the measure for ignoring the deficit and jeopardizing defense spending.

"There's only one guaranteed result to a change in the budget deal, and that's to increase the deficit," said Armed Services Committee Chairman Sam Nunn, D-Ga. "If we pass this amendment ... the defense budget will become the equivalent of the House bank."

Budget Committee ranking Republican Pete V. Domenici of New Mexico insisted that the Senate stick to the budget rules. "A deal is a deal," Domenici said.

But Budget Chairman Sasser said it was high time to change the 1990 deal, which he argued was completed before anyone realized the extent of the changes taking place in the former Soviet Union.

"The unreconstructed old Cold Warriors strap on their rusty armor and come over here on the floor and tell us, 'Oh, no, you can't reduce this military spending.'"

Although the bill would not reduce defense spending by itself, Sasser insisted, it was critical to knock down the wall to allow excess spending to go where it would do far more good. "It would be foolish not to seize this opportunity," he said. "It is time to go back to a policy of investing in America."

It was clear early on that the measure was in trouble when Sasser bypassed his own committee to bring the bill directly to the Senate floor. He said he probably would have had the votes in the Budget Committee and only wanted to avoid a required referral of the bill to the Governmental Affairs Committee, which could have tied up the measure for 30 days.

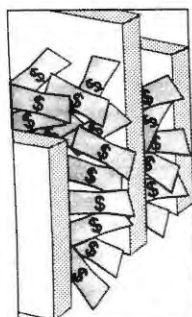
But on the cloture vote, Sasser lost the three Budget Committee Democrats who had declined to cosponsor the walls bill in the first place: Christopher J. Dodd of Connecticut, Jim Exon of Nebraska and Ernest F. Hollings of South Carolina. Sasser would have needed two of the three for committee passage.

Sasser said that holding 1993 spending bills to the budget agreement's caps would keep domestic spending \$6.7 billion below the level needed to keep pace with inflation, and he orchestrated warnings from appropriators that major projects would be in danger as a result.

"If the fire walls do not come down, we might have to shrink or even cancel the space station," said VA-HUD Subcommittee Chairman Bar-

**Walls Erected by Budget Rules**

Budget rules set the following limits on the amount Congress can appropriate in fiscal 1991-95. In 1991-93, money cannot be moved from one category to another. Amounts are in billions of dollars, rounded.



	1991	1992	1993	1994	1995
<b>Domestic</b>					
Budget authority	\$182.9	\$202.7	\$206.1		
Outlays	200.5	215.1	225.4		
<b>International</b>					
Budget authority	21.2	34.5	22.8		
Outlays	20.3	19.8	20.6		
<b>Defense</b>					
Budget authority	332.9	301.7	289.0		
Outlays	330.8	309.2	296.8		
<b>TOTAL</b>					
Budget authority	537.1	538.9	517.9	515.3	522.0
Outlays	551.6	544.2	542.8	538.5	541.6

SOURCE President Bush's fiscal 1993 budget

## 'Boll Weevils' Trip Up Leaders

**E**ven mostly lean years after they burst on the scene and temporarily upset the balance of power in the House, conservative "Boll Weevil" Democrats have flexed their organizational muscle again and helped force Democratic leaders to pull a controversial budget bill from scheduled floor votes four weeks in a row. (Story, p. 794)

Staunch opposition from the Conservative Democratic Forum (CDF) and the distractions of the House check-kiting scandal have left Democratic leaders unable all month to gather the votes they need to pass a controversial bill (HR 3732) that would knock down budget walls and allow a shift of defense money into domestic spending.

The walls bill is a top Democratic priority this year and once seemed a sure bet for passage. But leaders apparently failed to reckon on the outrage of their conservative colleagues, who view deficit reduction as a higher priority than getting more money for domestic appropriations.

Formed after the 1980 elections that swept Ronald Reagan into the White House and numerous conservatives of both parties into Congress, the CDF has spent most of the last decade as a relatively minor force among House Democrats. But in their glory days in 1981, they pooled their votes with House Republicans to form a working majority on key economic votes. The GOP-Boll Weevil majority helped enact the budget cuts and tax reductions that defined the Reagan revolution.

The CDF waned as a power in 1982 and 1983, however, as Democratic leaders managed to hold the party together more often to fight Reagan initiatives — although Boll Weevils did join with Republicans to support aid for U.S.-backed contras in Nicaragua. Since then, according to founding member Charles W. Stenholm, D-Texas, the CDF has stuck mostly to behind-the-scenes attempts to work with Democratic leaders to shape legislation before it comes to the floor for a vote.

The group has 59 members, but it takes no formal head counts and exerts no bloc-voting discipline on its members. The idea, Stenholm says, is to discuss conservative Democrats' concerns and try to reach a consensus. "We're a forum — that's why we chose the word 'forum,'" he said.



BY MICHAEL JENKINS

**Charles W. Stenholm and other deficit hawks found themselves in a coalition against the walls bill.**

House Republicans, who are badly outnumbered and could use crossover votes to alleviate their doormat status on critical economic policy votes, do not see the CDF as a reliable source of help. Given the 268-166 split between the two parties, the magic number for Republicans — if they can hold all of their members — is 52 Democratic defectors. Most of the time that is not a realistic goal. "They [the CDF] could never produce 52 votes for us," says a senior House GOP aide. "Generally speaking, it's too big a reach."

Stenholm and other members say that they do not usually set out to publicly beat their own leadership, and the fight over the walls bill did not start that way either. Stenholm aide Ed Lorenzen said CDF members originally thought the bill was a "done deal," and that it wouldn't be worth bucking the leadership in a high-profile way to oppose it.

But deficit hawks found themselves in a coalition with conservatives opposed to deeper defense cuts in general and others — including moderates and liberals — who worried that such cuts would kill defense-related jobs in their districts. Although the walls bill itself would not reduce defense spending, opponents worry that it would increase the incentive for defense cuts by providing a way to use the money for domestic spending instead of for deficit reduction, as budget law now requires.

Without help, the CDF's deficit hawks might not be able to muster the numbers that they need to beat the walls bill, but Stenholm is not particular about his allies. "Different members have got different reasons" for opposing the bill, he says. "I haven't checked any pedigrees."

For CDF members, the issue boils down to a chance to finally direct some money to reducing the deficit, if only by a relative drop in the bucket. "This has always been the core CDF issue," says member Jim Cooper, D-Tenn., who admits that \$9 billion or \$10 billion would not make much of a dent in a deficit likely to exceed \$400 billion this year.

"You can always make the drop-in-the-bucket argument," Cooper says. "But remember the first rule of holes. When you're in a hole, the first rule of holes is to stop digging."

—George Hager

bara A. Mikulski, D-Md.

J. Bennett Johnston, D-La., chairman of the Energy, Water Subcommittee, said the money shortage would threaten Bush's planned increase for the superconducting super collider. "I am frank to say right now I don't know where the money's coming from," he said.

Prospects for some sort of a com-

promise between the White House and congressional Democrats on how to use the peace dividend appear to hinge on how desperate appropriators are for more money this year and how worried the administration is that it will lose funding for the space station, the super collider and other projects that it has fought hard to maintain in the past.

Meanwhile, Sasser said the Budget Committee would begin putting together a 1993 budget resolution the week of March 30 that will keep domestic spending inside the caps. "The next step is to produce a budget resolution that will reduce domestic discretionary \$6.7 billion below baseline," he said. "A lot of items will be cut."

## THE BUDGET

# Democrats Hope Rescissions Will Be Two-Edged Sword

*Responding to GOP call for spending cuts, party leaders plan list of their own*

**S**tung by White House taunts, congressional Democrats promised that they will consider the spending-cut proposals President Bush sent to Capitol Hill on March 20, but they warned that they will propose cuts of their own that Bush and congressional Republicans may not find as appealing.

"There is plenty of pork . . . at the other end of Pennsylvania Avenue," said Senate Appropriations Committee Chairman Robert C. Byrd, D-W.Va. Byrd pledged March 25 that his committee would mark up a bill with some of the president's spending cuts. But, he said, "we will also include some of our own rescissions as well."

Byrd cited no specifics, but spending projects supported by Bush and

other Republicans are certain to be among those on the Democrats' hit list.

Though it is likely that Congress will agree to kill some of the spending it approved for fiscal 1992, the two sides seem headed toward a Cold War-style, "mutually assured destruction" showdown in which projects especially prized by both sides will be put on the block to make the experience a mutually painful one.

### Bush Submits List

Bush started the dispute when he sent Congress a list of 68 proposed "rescissions," or spending cuts, on March 20. In a tough, combative speech, he derided many of the projects and said congressional spending was out of control. (*Text, p. 831, 834; Weekly Report, p. 713*)

Most of Bush's first 68 rescissions came from a list of 1,391 potential cuts identified by the White House Office of Management and Budget (OMB).

Congressional Republicans initially said OMB would pick and choose from the \$1.2 billion worth of projects on the list and send up a new batch every week or so. But plans to deliver a package of 20 to 30 new rescissions to the Hill the week of March 23 were canceled, and sources said there would be no more cuts proposed for at least another week. GOP strategists said they want time to see how the first package fares before they send up more.

Presidential rescission proposals are nothing new. From the time the process was put in place by the 1974 Budget Act through March 19 of this year, the president had sent Congress 947 spending-cut proposals worth \$63.5 billion. Congress had enacted 675 cuts — including many substitutions of their own — worth \$55.8 billion.

What is new is the plan by Bush and GOP lawmakers to make a partisan issue out of the cuts by sending Congress several packages of rescission proposals and then attempting to force politically embarrassing votes on the cuts between now and the fall elections.

Republicans say they will make use

Saying that it would be the first of many such requests, President Bush on March 20 asked Congress to cut 68 items from spending that has already been approved for fiscal 1992.

The following list indicates the 68 items, the 1992 cost in thousands of dollars and the members who sponsored the funding or whose districts or states would benefit from the projects.

Project	Amount	Member	Project	Amount	Member
<b>DEFENSE</b>					
Seawolf submarines, Navy shipbuilding	\$2,765,900	Connecticut, Rhode Island delegations	Small fruit research in Oregon	\$200	Washington, Oregon and Idaho delegations
Other procurement, Navy	189,400	Connecticut, Rhode Island delegations	Cool-season legume research	400	Washington and Idaho delegations
<b>AGRICULTURE</b>					
Blackbird control project	100	Sen. Quentin N. Burdick, D-N.D.	Eastern filbert blight research	100	Oregon delegation
Research-animal care facility	300	Burdick	Consolidation of R.I. coastal facilities	500	Sen. John H. Chafee, R-R.I.; Rep. Ronald K. Machtley, R-R.I.
University road construction	500	Burdick	Food marketing center	2,700	Sen. Arlen Specter, R-Pa.
Oilseed processing plant	400	Burdick	Pesticide alternative research	200	Oregon delegations
Safflower research	200	Burdick	Appalachian hardwood product development, market analysis	800	Sen. Robert C. Byrd, D-W.Va.
Asparagus research East Lansing, Mich.	100	Rep. Bob Traxler, D-Mich.	Apple orchard management	49	Sen. Patrick J. Leahy, D-Vt.
Celery research East Lansing, Mich.	39	Traxler	Control of leafy spurge weed	100	
Manure disposal	100	Traxler	Lowbush blueberry research	200	Sen. George J. Mitchell, D-Maine; Rep. Olympia J. Snowe, R-Maine
Arkansas poultry center	3,100	Sen. Dale Bumpers, D-Ark	Mechanical tomato harvester	100	Rep. Joseph M. McDade, R-Pa.
Seedless table grape juice research	100	Bumpers; Rep. John Paul Hammerschmidt, R-Ark	Mesquite, prickly pear research	100	Sen. Lloyd Bentsen, D-Texas; Sen. Phil Gramm, R-Texas
Agricultural law research University of Arkansas	500	Bumpers	Joboba oil accumulation	200	Sen. Pete V. Domenici, R-N.M.; Rep. Joe Skoen, R-N.M.
Vidalia onion storage	200	Sen. Wyche Fowler Jr., D-Ga.	Swine disease research	100	Rep. Vin Weber, R-Minn
Urban pest research	100	Fowler	Promotion of American-Pacific agriculture	600	Sen. Daniel K. Akaka, D-Hawaii; Sen. Daniel K. Inouye, D-Hawaii
Mink feeding, reproduction research	46	Rep. Mark O. Hatfield, R-Ore.	Cow-calf management	200	Sen. Tom Harkin, D-Iowa

of a rule that allows one-fifth of either the House or the Senate to move to discharge the Appropriations Committee from considering rescission proposals if it has not sent the proposals to the floor within 25 days of continuous session. With a timeout for the Easter recess in mid-April, floor battles over the spending cuts could begin in May.

Members on both sides of Capitol Hill got that process started the week of March 23 by introducing a series of bills containing the president's 68 spending-cut proposals, plus 30 defense rescissions worth \$2.1 billion that Bush sent to the Hill March 10.

Rep. Harris W. Fawell, R-Ill., said he would fight for a separate up-or-down House vote on each of the cuts, but he predicted that there would be an effort to bundle the cuts to make it impossible to vote on them individually, a stratagem he called "one of the oldest tricks with regard to pork."

Hank Brown, R-Colo., said he and his Senate allies "intend to file a discharge petition on every single one of the rescission proposals, and we intend to have a vote on every one." Senate ally John McCain, R-Ariz., said he had a commitment from Bush "to make this a daily issue between now and when we get it resolved."

House Appropriations subcommittee chairmen plan to meet the week of March 30 to decide how to handle the president's requests and whether to bundle them with spending-cut proposals of their own.

Though Bush characterized the projects on his list as congressional pork, the vast majority of the \$3.6 billion in the White House's spending cuts — nearly \$3 billion of the total — would come from canceling construction of the second and third *Seawolf* submarines, a project originally requested by the White House. Another \$547.7 million would be taken out of public housing construction, funding that was approved by Congress with bipartisan support but over which Congress and the Bush administration have deep philosophical differences.

The remaining \$86 million in savings would come from 65 spending cuts that range in size from \$20 million to \$39,000. The White House list tilts toward projects sponsored by Democrats, but not exclusively. According to an



Traxler

analysis assembled by congressional aides, the targeted projects are connected in some way — such as personal request or location — to 45 individual members and four state delegations, including 17 Republicans.

Among the Republicans are some heavyweights: Senate Minority Leader Bob Dole of Kansas would lose funding for a University of Kansas study grant; Pete V. Domenici of New Mexico, ranking Republican on the Senate Budget Committee, would lose funding for a municipal center in Bloomfield, N.M., and for a research project on jojoba oil.

The list of affected Democrats is almost twice as long, with 28 targeted to lose at least one project. Byrd would lose \$800,000 in funding for a project to conduct economic and market analysis and some product development for Appalachian hardwoods.

House VA-HUD Appropriations Subcommittee Chairman Bob Traxler, D-Mich., leads the list of targeted Democrats, with seven projects proposed for cuts, ranging from a \$20 million Environmental Protection Agency research and training facility in Bay City, Mich., to a \$39,000 project to develop fusarium wilt-resistant celery germ plasm at East Lansing, Mich. ■

Project	Amount	Member	Project	Amount	Member
<b>HOUSING AND URBAN DEVELOPMENT</b>					
Construction of public housing	\$5,477	Nationwide	Refurbish Cresson Street trestle, Manayunk, Pa.	\$700	Rep. Lawrence Coughlin, R-Pa.
Miami Center for Contemporary Art	2,500	Rep. William Lehman, D-Fla.	Rehabilitation of Ypsilanti, Mich., Pease Auditorium	1,000	Rep. William D. Ford, D-Mich.
North Miami Beach Performing Arts Center	500	Lehman	Hawaii Real Estate Commission	400	Inouye
Biscayne Park, Fla., recreational facilities	100	Lehman	<b>INTERIOR</b>		
Water supply system for Crawford, Neb.	800	Sen. Bob Kerrey, D-Neb.	Indian reservation road sealing	8,600	Administration request
New York Alliance of Residence Theaters	1,500	Rep. Bill Green, R-N.Y.	Facilities reconstruction in Perth Amboy, Trenton and Paterson, N.J.	7,700	Lautenberg; Reps. Robert A. Roe, D; Bernard J. Dwyer, D; Christopher H. Smith, R
Sweet Auburn Curb Market	1,000	Fowler	Promote Hawaiian arts, crafts	2,000	Inouye; Reps. Neil Abercrombie, D; Patsy T. Mink, D
Economic development in Davenport, Iowa	2,000	Harkin	Nebraska Education Department satellite	400	Kerrey
Government center Warren, R.I.	200	Machtley	Red River Basin chloride control, Texas and Oklahoma	3,000	Rep. Bill Sarpalius, D-Texas; Rep. Jim Chapman, D-Texas
Improvements to Asbury Park community center	100	Sen. Frank R. Lautenberg, D-N.J.	Structural erosion control Missouri River, Montana.	1,400	Rep. Pat Williams, D-Mont.; Rep. Ron Marlenee, R-Mont.
Infrastructure development, Hawaiian homelands	1,200	Inouye	American Water Works Association Research Foundation	1,300	
Infrastructure development Clinton, Tenn.	1,000	Sen. Jim Sasser, D-Tenn.	National Wood Energy Assoc. biomass gasification project	100	Leahy
Job retention for Hawaiian sugar cane workers	1,300	Inouye	University water projects	1,500	Sen. Bob Dole, R-Kan.; Harkin; Kerrey
Bay City, Mich., development	3,900	Traxler	Bay City, Mich., research and training facility	20,000	Traxler
Bloomfield, N.M., municipal center	1,500	Domenici	University of Nebraska wetlands research	100	Kerrey
Business Marketing Alliance	500	Sen. Kent Conrad, D-N.D.	Facilities for International Earth Science Network	3,400	Traxler
Oxbow project, Virginia	1,000	Rep. Rick Boucher, D-Va.	Delta College Learning Center	800	Traxler
Ashland, Ky., parking garage	1,000	Rep. Carl C. Perkins, D-Ky.			
Myersdale, Pa., recreation	100	Rep. John P. Murtha, D-Pa.			
Pennsylvania recreation	1,500	Murtha			

## CABLE INDUSTRY

# House Panel's Re-Regulation Bill Targets Cable TV 'Renegades'

*Energy and Commerce Republicans must decide between Bush and 'pro-consumer' measure*

**R**ep. Edward J. Markey, D-Mass., on March 25 unveiled a long-awaited bill to re-regulate the cable television industry, vowing to "rein in the renegades" who charge exorbitant rates, provide poor service and hoard programming.

But Markey first faces Republicans on his Energy and Commerce Telecommunications Subcommittee who may try to weaken the bill's regulatory provisions. The unnumbered bill is scheduled for subcommittee markup March 31 and April 1.

While stronger than a similar bill passed by the House by voice vote in 1990, the measure hews closely to a companion bill (S 12) passed by the Senate on Jan. 31.

Both versions would slap new federal controls on the price of basic cable service — as well as other rates found to be "unreasonable" — and provide competitors better access to programs controlled by the cable industry. (*Box, p. 798*)

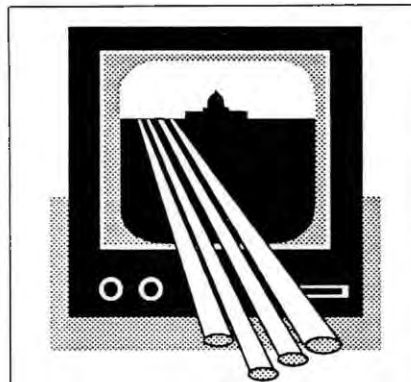
But the House bill offers a few new twists. It would require cable operators who carry distant broadcast "superstations" to offer them to customers as part of the regulated basic package and would allow customers to organize watchdog groups to monitor local cable companies.

"At its core, this is pro-consumer, pro-competition legislation," Markey said. "This bill restores to consumers the power to choose the cable services they want and to pay no more than they have to."

As expected, the draft also includes a controversial Senate provision that would allow broadcasters to charge cable operators for the privilege of retransmitting their local broadcast signals.

That "retransmission consent" language could slow down the bill, because the Judiciary Committee claims the provision falls under its jurisdiction.

*By Mike Mills*



## BOXSCORE

**Bills:** House draft (unnumbered), S 12, cable television regulation.

**Latest action:** Senate passage (S 12), 73-18, Jan. 31.

**Next likely action:** House Energy and Commerce subcommittee markup March 31.

**Background:** Bills would regulate cable rates and services, allow broadcasters to charge cable operators for use of their signal and seek to boost competition.

**Reference:** Weekly Report, p. 720; Senate provisions, p. 375; Senate action, pp. 247, 47; 1991 Weekly Report, p. 3373.

Judiciary Chairman Jack Brooks, D-Texas, and Intellectual Property Subcommittee Chairman William J. Hughes, D-N.J., are expected to try to attach to the cable bill a repeal of the entire cable copyright law. That 1976 law requires that program creators be reimbursed when cable operators carry distant broadcast signals but allows operators to carry local signals free of charge.

Hollywood and professional sports leagues want the copyright law repealed because the broadcasters' retransmission consent provision would not

allow them to directly benefit from any local fees negotiated between broadcasters and cable operators.

Markey has insisted that retransmission consent falls "fully within" the jurisdiction of his panel and is unrelated to copyright questions. "Divvying up the pie is another set of issues," he said.

## A Democratic Product

While most legislation crafted by the Telecommunications Subcommittee has wide bipartisan support, the cable measure is the product of panel Democrats, backed by the lobbying support of consumer and labor groups and broadcasters.

No Republicans attended a March 25 briefing held to unveil the bill, and Republican lawmakers have only just begun to review the legislation. "We're still going through it," said a minority staff aide. "There was no collaboration at all."

A Markey spokesman said the views of members from both parties were taken into account, but that even most panel Democrats were not directly involved in the bill's drafting.

Though Republicans were excluded from drafting sessions, they have already begun to chart plans to fight the bill. Key panel Republicans met with White House Chief of Staff Samuel K. Skinner on March 25 to discuss strategy.

The White House has promised to veto any legislation that would impose new rate regulations on the cable industry, preferring instead to enhance competition by allowing telephone companies to enter the cable market. Both the House and Senate bills lack such a telephone company provision.

House Republicans, who with most House members face an uncertain electorate, may be torn between supporting their president and opposing a measure that has been billed as pro-consumer.

Reaction from the cable industry

# The Video Marketplace

Members of the House Energy and Commerce Committee are to vote the week of March 30 on how to regulate the cable TV industry until true competition comes along. But a host of competitors — broadcasters, satellite operators, wireless cable, telephone and competing cable franchises — have a long way to go before they can

stake claim to the cable industry's market.

Broadcasters say they cannot compete against cable's subscription and pay-per-view revenues. Other competitors — satellites, wireless cable and telephone companies — say they lack equal access to cable programming and have to contend with government barriers.

## Cable

- **Number of systems:** Nearly 11,000.

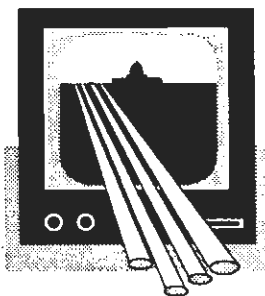
- **Number of subscribers:** 56 million.

- **Average monthly rate:** \$17.34 for basic cable service, according to the General Accounting Office, which also reports that basic rates have increased 56 percent since 1986.

- **Average number of channels:** 36, though new technologies promise to more than double current channel capacity.

- **Advantages:** Wider variety of programs than over-the-air broadcast; better picture quality; premium movie channels and pay-per-view events.

- **Drawbacks:** For most consumers, broadcast television is the only alternative to cable. Complaints about prices and inferior service have led lawmakers to try to impose rate and service regulations on the industry, which was deregulated in 1986.



## Broadcast

- **Number of stations:** 1,093 VHF, UHF and independent television stations nationwide.

- **Number of viewers:** 98.2 million households.

- **Average monthly rate:** Free.

- **Average number of channels:** 94 percent of television households are in markets with five or more stations, typically three major networks, a public broadcasting station and an independent, according to the Federal Communications Commission.

- **Advantages:** Free to viewers and offers a government-mandated public service function. Over-the-air programs account for about 70 percent of what cable viewers watch.

- **Drawbacks:** Limited viewing options, reception often inferior.

## Satellite

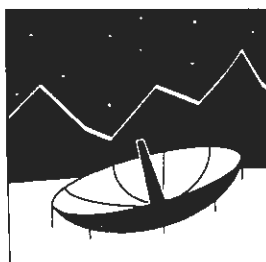
- **Number of owners:** 3.5 million homes use satellite dishes to receive television programs.

- **Average monthly rate:** \$17 for most popular cable channels, though satellite viewers also may choose programs individually at extra cost. Viewers must purchase a satellite dish package, including receiver and decoder, that costs from \$3,000 to \$5,000 installed.

- **Average number of channels:** More than 200 video and 100 audio channels.

- **Advantages:** More channel capacity than cable, nationwide audio and video broadcasts; and innovation has led to dishes as small as 1 foot in diameter.

- **Drawbacks:** High upfront costs; high costs for cable-con-



trolled programming; precipitation can degrade picture quality on smaller dishes.

## Wireless cable

- **Number of systems:** About 80 communities are equipped to deliver cable programming to homes through microwave signals rather than wires.

- **Number of subscribers:** 400,000.

- **Average monthly rate:** \$15 for basic cable service.

- **Average number of channels:** 20, including most popular cable programs.

- **Advantages:** Less expensive than cable; industry claims wireless offers a better picture than cable. No right-of-way problems and no need for local franchises.

- **Drawbacks:** Limited channel capacity. The slow pace of federal licensing has stifled industry growth. While more programming has become available, the wireless industry complains of having to pay as much as 800 percent more than cable operators.

## Telephone companies

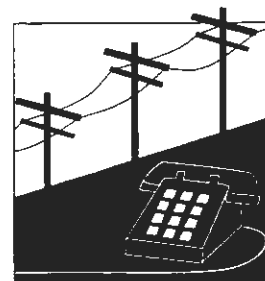
- **Number of systems:** 200 local telephone companies provide cable service in rural areas under an exemption from a 1984 ban on telephone company entry into the cable industry.

- **Average monthly rate:** Telephone company-owned cable service offers rates that are \$1.20 lower than those offered by cable companies, according to a recent Southern Illinois University study.

- **Average number of channels:** 36.

- **Advantages:** Same as traditional cable television service.

- **Drawbacks:** Telephone company entry into cable programming is banned in all but rural areas with less than 2,500 population. It is feared that phone companies would use revenues from their cable operations to subsidize their unregulated phone business, unfairly impeding competition and raising customers' phone rates.



## Second cable franchises

- **Number of systems:** Only 53 communities are wired for two cable systems, according to the cable industry.

- **Average monthly rate:** Rates between competing cable systems are often as much as 20 percent lower than those in communities with one cable system, according to the Senate Commerce Committee. Per channel prices can be as much as 50 percent lower.

- **Average number of channels:** 36.

- **Advantages:** Lower prices. Competition also is said to increase service quality.

- **Drawbacks:** It is impractical to wire one community with two competing cable systems. Often, franchising authorities give exclusive contracts to just one system. Also, existing cable systems often buy out the competitor or wage court battles to retain exclusive franchises.

was predictably negative. James P. Mooney, president of the National Cable Television Association, said it "appears less extreme than S 12 on rate regulation" but added that it still "goes way too far."

Steve Effros, president of the Community Antenna Television Association, was more blunt, pointing to the ongoing House check-kiting scandal as reason why lawmakers should not intrude in the cable marketplace.

"I'm still confounded by the notion that congressmen think they can micromanage everybody else's business. They seem to be proving they can't run their own," he said. "They've got this down to details, like telling a car dealer if you offer leather seats, you've got to have a sunroof."

### Rate and Service Regulation

The House bill mirrors its Senate companion in many ways, adopting the Senate definition of which cable systems would face rate regulation.

Under both bills, rate regulation could be avoided only if fewer than 30 percent of households subscribed to cable or if at least two sources of multi-channel video programming were offered to at least half of the households and 15 percent subscribed.

The House bill would require the Federal Communications Commission (FCC) to set a new rate for basic cable service, the lowest-priced tier that would include all local and public, educational and government channels and any distant broadcast signals carried. Operators would be free to include additional programs in the basic tier.

For other cable offerings, except premium subscription movie channels, the bill would require the FCC to identify cable industry "renegades" who charge unreasonable rates. The FCC would be required to consider increases in general consumer prices, as well as the comparable rates of similarly situated cable systems, in determining unfair rate increases.

The committee draft refines a Senate attempt to deter cable operators from shifting popular programming away from its regulated basic tier. The House proposal would mandate that any distant broadcast signals carried by a cable operator — including such popular superstations as Chicago's WGN and Atlanta's WTBS — be offered on the lowest-priced basic tier.

In contrast, the Senate bill would mandate that the regulated basic rate apply to the first tier that attracts at least 30 percent of cable subscribers,



**"I'm still confounded by the notion that congressmen think they can micromanage everybody else's business. They seem to be proving they can't run their own."**

—Steve Effros, president,  
Community Antenna  
Television Association

even if that package was not the lowest-priced.

By including distant signals in the basic tier, House sponsors seek to keep it popular enough to maintain the interest of cable programmers and advertisers.

Unlike the Senate bill, which would allow any citizen to appeal to the FCC to lower rates considered unreasonable, the House bill would allow only franchising authorities and local governments to file complaints with the FCC.

The House bill would allow consumers to form groups, to be certified by the franchising authority, to monitor local cable systems' behavior. Each group would be required to be made up of at least 5 percent of a system's subscribers but would have no power to file FCC complaints. "Their existence is the authority they need," Markey said.

In another departure from the Senate version, the bill would ban cable operators from forcing consumers to subscribe to a more expensive tier of service when they want only individual premium channels such as HBO or Showtime.

The price of home equipment also would be regulated. The bill would require the FCC to set a maximum price

for remote control devices, converter boxes, additional outlets and installation. And the agency would set minimum standards for customer service and consumer protection.

The bill includes language, similar to that included in the Senate bill by Patrick J. Leahy, D-Vt., that would require cable operators to ensure that cable technology is compatible with advanced features in television sets and videocassette recorders.

### Enhancing Competition

The bill's attempts to enhance competition focus on two issues: giving broadcasters compensation for use of their signals and helping other potential competitors gain better access to cable programs.

The retransmission consent language was sought by the broadcast industry, which long has surrendered local signals to cable operators free of charge.

Under the provision, broadcasters would have the option of negotiating with cable operators for permission to retransmit their local signals for a fee or simply requiring the cable operator to carry their signal for free. Smaller broadcast stations that fear being dropped by cable are likely to pass on their programs free. Broadcasters would be required to make the choice every three years.

By including that language, Markey and Dennis E. Eckart, D-Ohio, hope that the lobbying clout of the broadcast industry will allow them to repeat the winning strategy of the Senate, which easily passed the bill 73-18.

Much of the cable industry's concerns, however, center on provisions that would restrict business deals that are stuck between cable operators and those who provide cable programs.

The Senate bill and the Energy and Commerce draft would ban cable-affiliated program distributors from unreasonably refusing to deal with cable competitors who seek programming. It also would ban discrimination in the price, terms and conditions of the sale or delivery of programming.

Both bills also would deny the cable industry a provision it sought during the 1990 cable re-regulation battle — language explicitly allowing exclusive contracts between cable operators and programmers.

Instead, both bills would prohibit cable operators from coercing programmers to enter into exclusive contracts as a condition of carriage. ■

DISTRICT OF COLUMBIA

# First Nod for New Columbia; Statehood Still Unlikely

**D**emocratic supporters of creating the 51st state — New Columbia — received a token boost March 26 when a House panel voted to grant statehood to the District of Columbia.

Approved by the House District of Columbia's Judiciary Subcommittee on a party-line vote of 5-3, the bill (HR 2482) would give the District the same voting rights as other states, including the election of two senators and a voting House member. Currently, District residents are represented by a D.C. delegate, who can vote in committee but not on the floor, and two "shadow" senators, who have no voting privileges.

With such clear opposition from Republicans, there is little chance that the measure will clear Congress soon. And if it does, President Bush has threatened a veto.

Republicans argue that the measure is unconstitutional because the Constitution established the parameters of a federal government district. As the panel's ranking Republican, Bill Lowery, Calif., said, "The permanent seat of government was created by the Constitution, not by Congress."

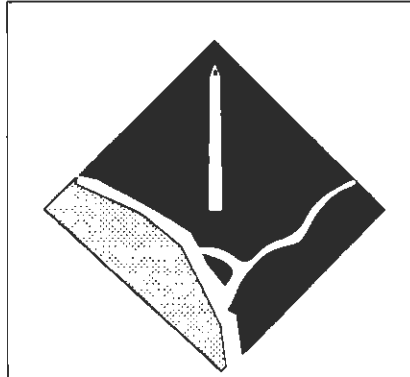
But Republicans may also have another concern. District residents have traditionally voted for Democratic presidential candidates, and the three non-voting members of Congress from the District are all Democrats.

Bill sponsor and D.C. Democratic Del. Eleanor Holmes Norton said after the markup that no state in the history of the Union was admitted the first time it tried, and she would not be surprised if the bill fails this time.

The push for statehood gained new momentum in 1990 when District residents elected Jesse Jackson to be a "shadow" senator to lobby members of Congress on the issue. So far, Jackson has met with 53 members of the Senate, with mixed results.

According to Frank Watkins, national coordinator for the D.C. statehood campaign, 31 senators have told Jackson that they will vote for statehood. That list includes 30 Democrats and Arlen Specter, R-Pa.

*By Elizabeth A. Palmer  
and Christine C. Lawrence*



## BOXSCORE

**Bill:** (HR 2482) District of Columbia statehood.

**Latest action:** On March 26, House District of Columbia Committee Judiciary and Education Subcommittee approved the bill, 5-3.

**Next likely action:** Full committee April 2.

Norton argues that "there is growing and outspoken impatience in every ward of the District with an inferior form of American citizenship unique to the residents of Washington, D.C."

If people are unhappy at not having congressional representation, "they can move to Maryland," countered Thomas J. Bliley Jr., Va., the committee's ranking Republican.

### Constitutional Question

Perhaps the most important question for the District is whether statehood would be constitutional under Article 1, Section 8, Clause 17 of the U.S. Constitution.

The clause says that it is in the power of Congress "to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular states, and the acceptance of Congress, become the Seat of Government of the United States."

The Bush administration contends that, absent a constitutional amendment, Congress cannot give back con-

trol over the lands ceded to it by Maryland and Virginia more than 200 years ago.

Supporters of statehood argue that District residents have all the burdens of states with none of the benefits. "How can we demand that federal taxes be paid and that local people die in wars and then specifically deny them the right to express their position at the ballot box?" asked D.C. Committee Chairman Ronald V. Dellums, D-Calif.

But other members contend that because of the annual federal payment, District residents are already treated differently than state citizens. Congress appropriated \$630.5 million for fiscal 1992 (PL 102-111) for the District. The funds are intended to compensate the city for the costs of accommodating the federal government.

The legislation would continue the federal payment, arriving at the number by subtracting the costs of providing services to the federal government and potential losses of revenue caused by the presence of the federal seat, from the revenue gained as the result of the government's presence.

### Other Provisions

Under the bill, only buildings in a "federal enclave" would remain under the exclusive control of Congress. Capitol Hill, the White House, the Supreme Court and all federal buildings surrounding the mall area would be included in the enclave, an area of approximately 1,400 acres, called the National Capital Service Area.

During the subcommittee markup, Republican panel members offered numerous amendments, most of which were defeated 3-5, aimed mainly at the issue of the state's new constitution. Bliley and Lowery offered amendments that would require a separate vote by District residents on the ratification of the constitution drafted by the City Council. Lowery's amendment also would have required that Congress adopt a resolution approving the proposed constitution.

The panel adopted, 5-3, four amendments by Norton that would provide for a two-year transition commission to help the District become a state, allow the new state to impose taxes on federal property if Congress permits, prohibit the new state from changing existing height limitations on buildings without the consent of Congress, and grant voting rights to residents who live in the area designated the federal enclave. ■



*To Mayor Steve Bartlett  
with best wishes, and great pride in you!*

*Cap Bunk*



*To Mayor Steve Bartlett  
with best wishes, and great pride in you!*

*Cap Bond*

**REQUEST FOR PHOTO/MAILING**

(PLEASE TYPE)

2-20-92

(Date)

**TO:** MARY INGALS  
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7810  
**FROM:** Mark Frantz Room 163 Ext. 6597  
Description of photograph or photo number P27293-01

**ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT**

**TO:** CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916  
**PHOTO TO BE SIGNED BY:** POTUS signature

- Return to originating office. Type name & address of recipient below  
 Photograph is to be mailed.  
Attach mailing label, any correspondence and include typed address here:

**NAME:** The Honorable Steve Bartlett  
**ORGANIZATION:** Mayor of Dallas  
**STREET:** City Hall, 1500 Marilla Street  
**CITY/STATE:** Dallas, Texas 75201

**INSCRIBE TO:** Mayor Steve Bartlett

**MESSAGE SHOULD READ:**

- With best wishes       Congratulations and best wishes

Mayor Steve Bartlett welcomes POTUS in Dallas 12-18-91 for Transportation Bill.

**DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.**





THE WHITE HOUSE  
WASHINGTON

BDGT. ECON.

04/10/92

*JMK for passage w/ 2 1/2 of 3/27 H*

Dear Salutation:

Thank you for your letter to President Bush and for sharing with him your thoughts and suggestions about current conditions around the country. The President cares deeply about families and individuals who are suffering because of the slow-growing economy, and his heart goes out to all those who are having hard times. He is also very concerned that many hardworking people are worried about their future. Please know that President Bush is determined that there will be change -- and, equally important, the right kind of change -- to get our economy back on track and to get our country moving forward again.

The President has proposed numerous initiatives to Congress to get our economy moving again and to encourage sustained economic growth and keep America competitive in our fast-changing world. President Bush believes that government policies that encourage job creation and opportunities will ensure a sound and economically healthy America. Yet, the task of changing commonsense proposals into reality is difficult when there is a fundamental difference between the Democrat-controlled Congress and the President about how to solve America's problems. The President's proposals constantly face significant opposition from the Democratic leadership of Congress, whose frequent answer to problems is more taxes and more Federal spending.

President Bush will not sign legislation that he believes will harm our economy. In recently vetoing the Democrat-sponsored bill to raise taxes, the President announced a number of steps that he can take unilaterally to stimulate the economy, and he again called on Congress to adopt his pro-growth initiatives. Enclosed please find information about President Bush's initiatives, which

*Some as others*

(04/10/92)

would reduce Federal spending, encourage investments to create jobs, reform our educational system, strengthen the criminal justice system, revolutionize the health care system, and enhance international competitiveness.

President Bush will keep pushing hard for positive change, and he appreciates having your views about these important issues.

Sincerely,

A handwritten signature in blue ink that reads "Shirley M. Green". The signature is written in a cursive style and is enclosed within a blue circular scribble.

Shirley M. Green  
Special Assistant to the President  
for Presidential Messages  
and Correspondence

(04/10/92)

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City, Long State Name Zip Code9

Enclosure: 3/20/92 Fact Sheet

SMG/BW/PB/SMG

RE: Economic/Domestic Issues Concerned SupportersTHE WHITE HOUSE  
WASHINGTON

BDGT.ECON.

03/27/92

Dear Salutation:

President Bush has asked me to thank you for your heartfelt letter. The President has seen many letters similar to yours, and he wants you to know that he appreciates your sincere interest, as well as your suggestions.

President Bush understands that many Americans are concerned about our country because the economy is sluggish and because we face serious domestic challenges ranging from crime in our neighborhoods to inadequate schools in our communities. People want to know that their future is secure. Please be assured that President Bush is firmly committed to moving our Nation forward to meet the challenges and to fulfill the promise that is America.

Perhaps you recall that, on the day that President Bush was inaugurated, he turned to members of Congress, who were seated behind him, extended his hand in friendship, and said, "The American people await action. They didn't send us here to bicker." Certainly, it is hard for the American people to accept the inaction toward solving the country's problems. Unfortunately, this is the price of divided government: government where the President and the majority in the legislative branch have fundamentally different approaches on how to solve the Nation's problems.

As far back as 1989 -- long before our economy had begun to slow down -- the President sent to Congress legislative proposals that would sustain economic growth and create jobs. He has sent scores of such legislative changes to Congress. If passed, these measures would reduce Federal spending, encourage investments to create jobs, reform our educational system, strengthen our criminal justice system, revolutionize the health care system, and enhance our international competitiveness. Instead of passing the President's initiatives for positive change, three sessions have come and gone with the ~~Democrat-controlled~~ Congress having taken precious little action -- except the most recent approval of the Democratic leadership's bill to raise taxes. The President vetoed it and announced steps that he is taking on his own to help the economy.

There is more to be done, but anxiety over current problems should not cloud this Administration's accomplishments. President Bush fought for and won approval of a child care bill to give parents more choice in raising for their children, the

(03/27/92)

Clean Air Act to protect the environment, the Americans with Disabilities Act to bring new opportunities to the disabled, the highest funding level ever for Head Start, and the first real caps on Congressional spending. President Bush has also reduced the threat of nuclear war, yet made sure that our defense remains strong. Now, with the collapse of Communism and with the courage of conviction that was demonstrated in the Persian Gulf, America is the undisputed leader of the world. We can be proud that America is the freest, most productive nation in the world.

President Bush wants, as you do, compassionate and responsible government -- not big government. He is working hard for his programs so that there will be opportunity and hope for everyone. This President believes that government must change in order to provide commonsense solutions to our Nation's problems and, just as important, that government policies must protect the family and reinforce traditional values. President Bush is determined to lead our country in meeting the problems of today, and he will always encourage policies that foster those principles that make America great -- strong families, faith, personal responsibility, and service to others.

President Bush has often said that serving as President is a "high honor and deep privilege." He is grateful for your helpful comments as he works to do what is right for America.

Sincerely,

Shirley M. Green  
Special Assistant to the President  
for Presidential Messages  
and Correspondence

(03/27/92)

Writer's Name  
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SMG/BW/PB/SMG

THE WHITE HOUSE  
WASHINGTON

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03/27/92

*→ read w/ 4/10 Ho*

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The President has proposed numerous initiatives to Congress to get our economy moving again and to encourage sustained economic growth and keep America competitive in our fast-changing world. President Bush believes that government policies that encourage job creation and opportunities will ensure a sound and economically healthy America. Yet, the task of changing commonsense proposals into reality is difficult when there is a fundamental difference between the Democrat-controlled Congress and the President about how to solve America's problems. The President's proposals constantly face significant opposition from the Democratic leadership of Congress, whose frequent answer to problems is more taxes and more Federal spending.

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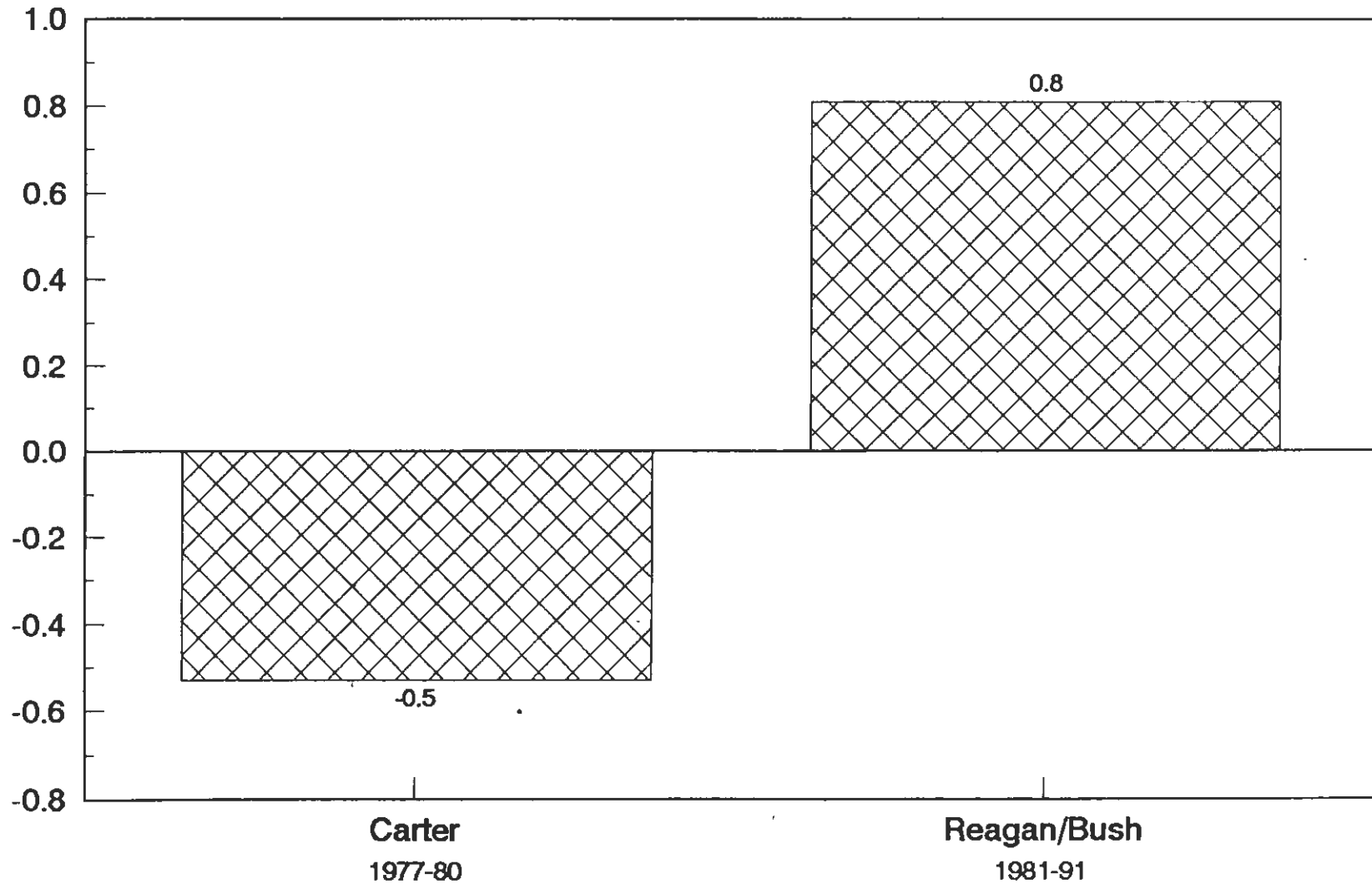
Enclosures: 3/20/92 Fact Sheet

TRENDS IN  
THE ECONOMY

1977-1991

# Productivity Growth

Annualized growth rate (percent)

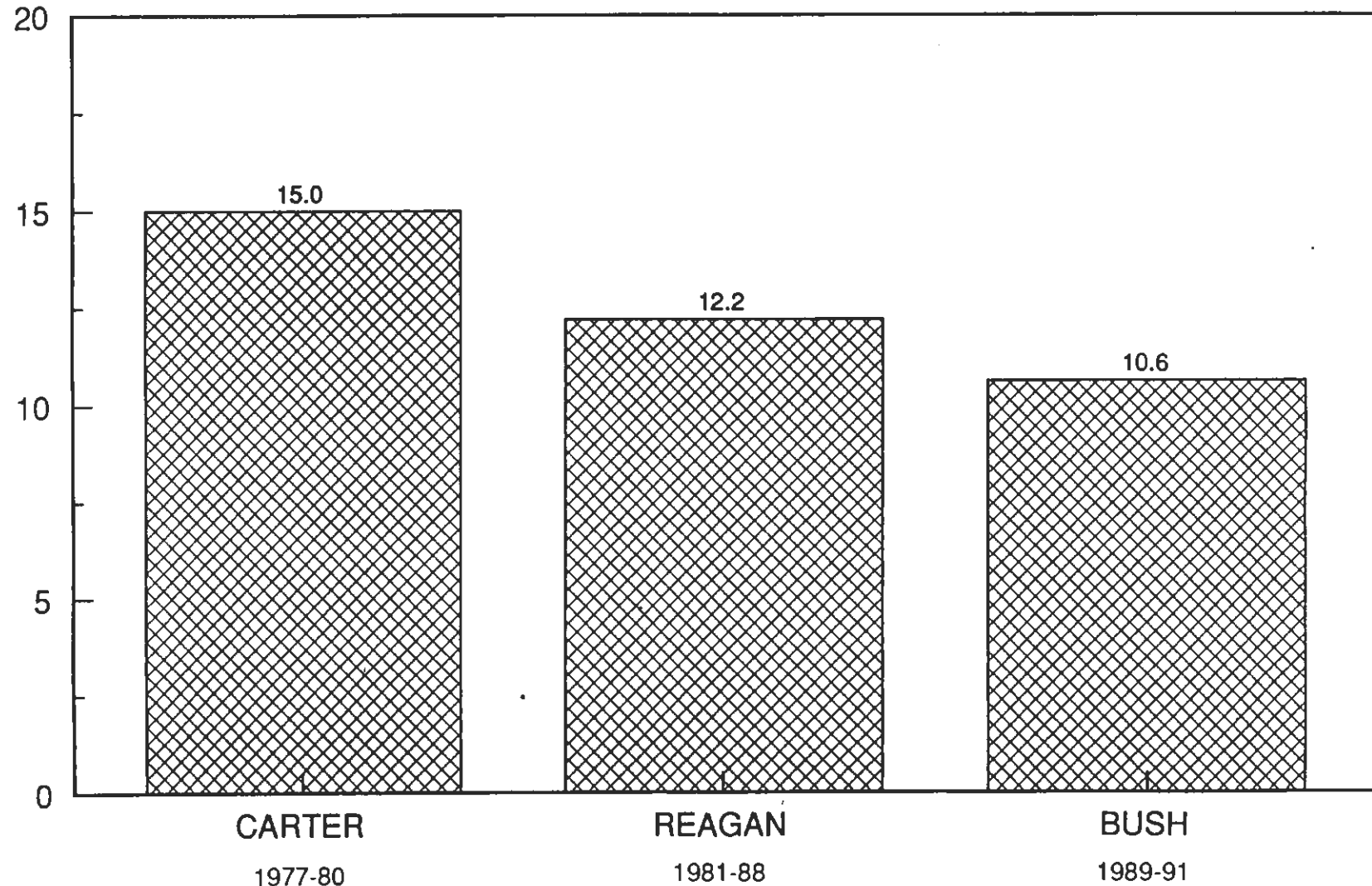


Source: Department of Labor.

# Misery Index

The misery index - the sum of the unemployment rate and CPI inflation rate - fell substantially in the 1980s.

Percent

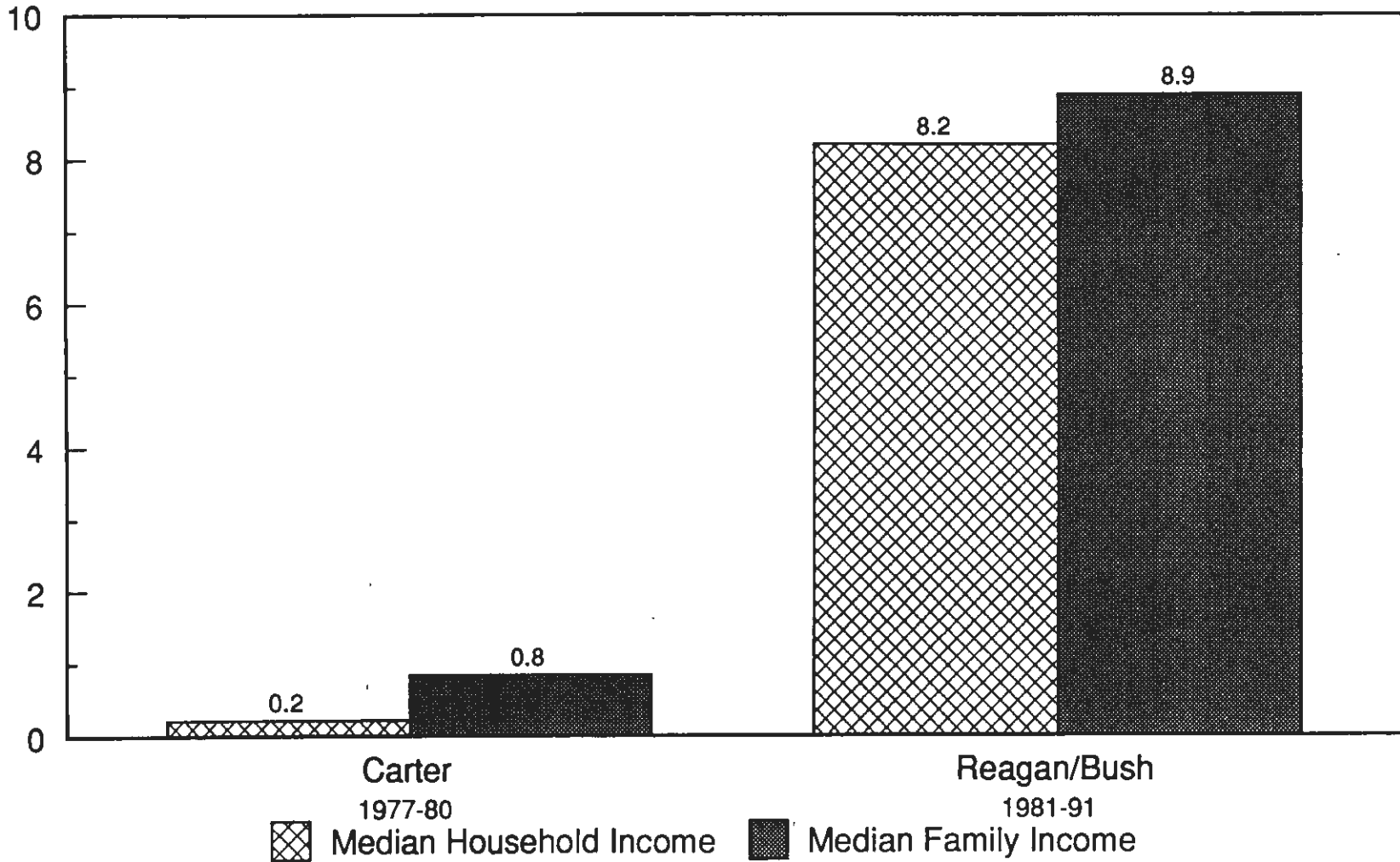


Source: Department of Labor

# Real Income Growth

Median income adjusted for inflation grew only slightly from 1977 to 1980, and has grown by over 8 percent since then.

Percent change

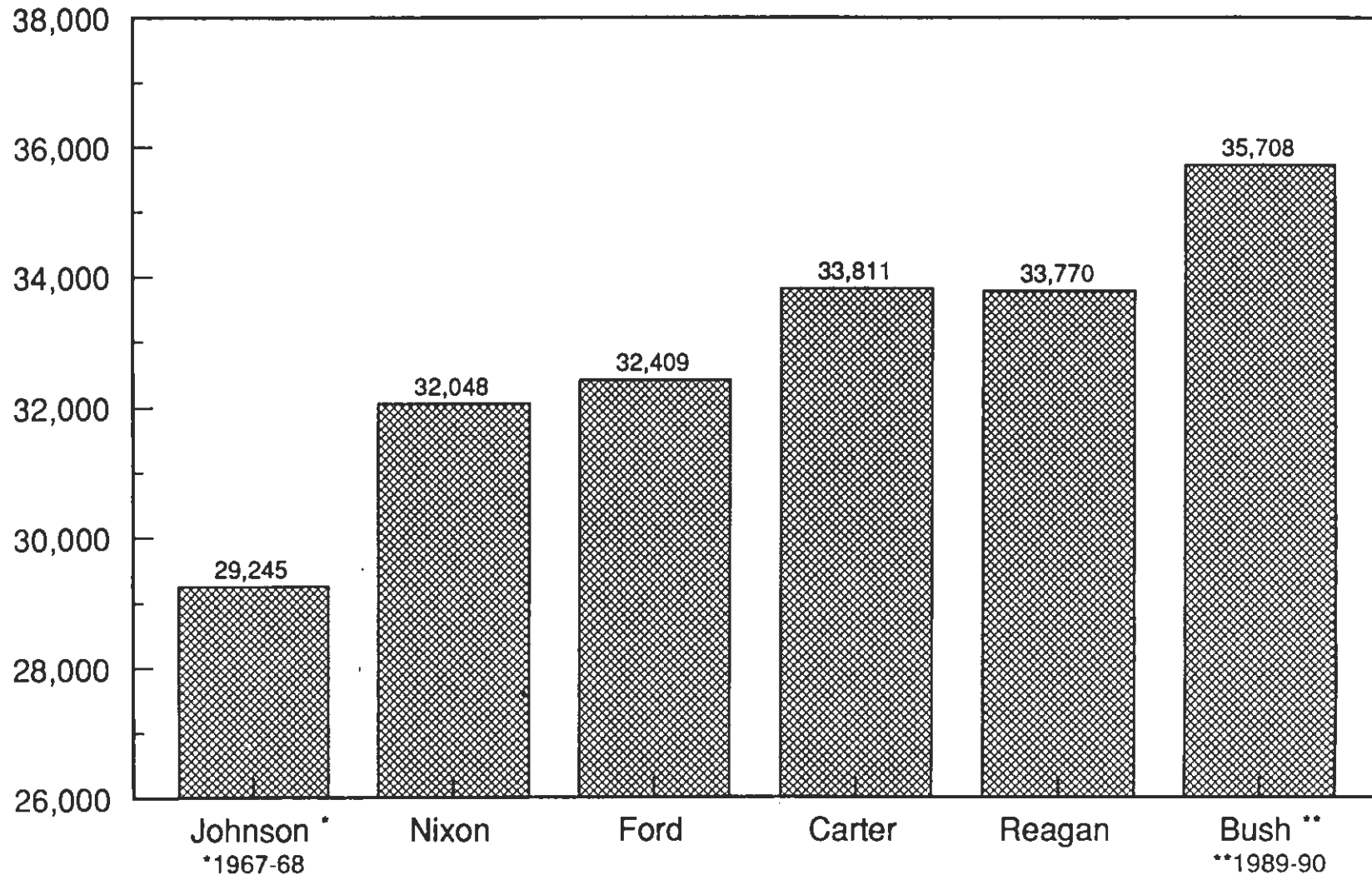


Note: CPI-U-X1 used as deflator.  
Source: Department of Commerce.

# Real Median Family Income

Median family income adjusted for inflation is higher now than in any previous administration.

1990 dollars

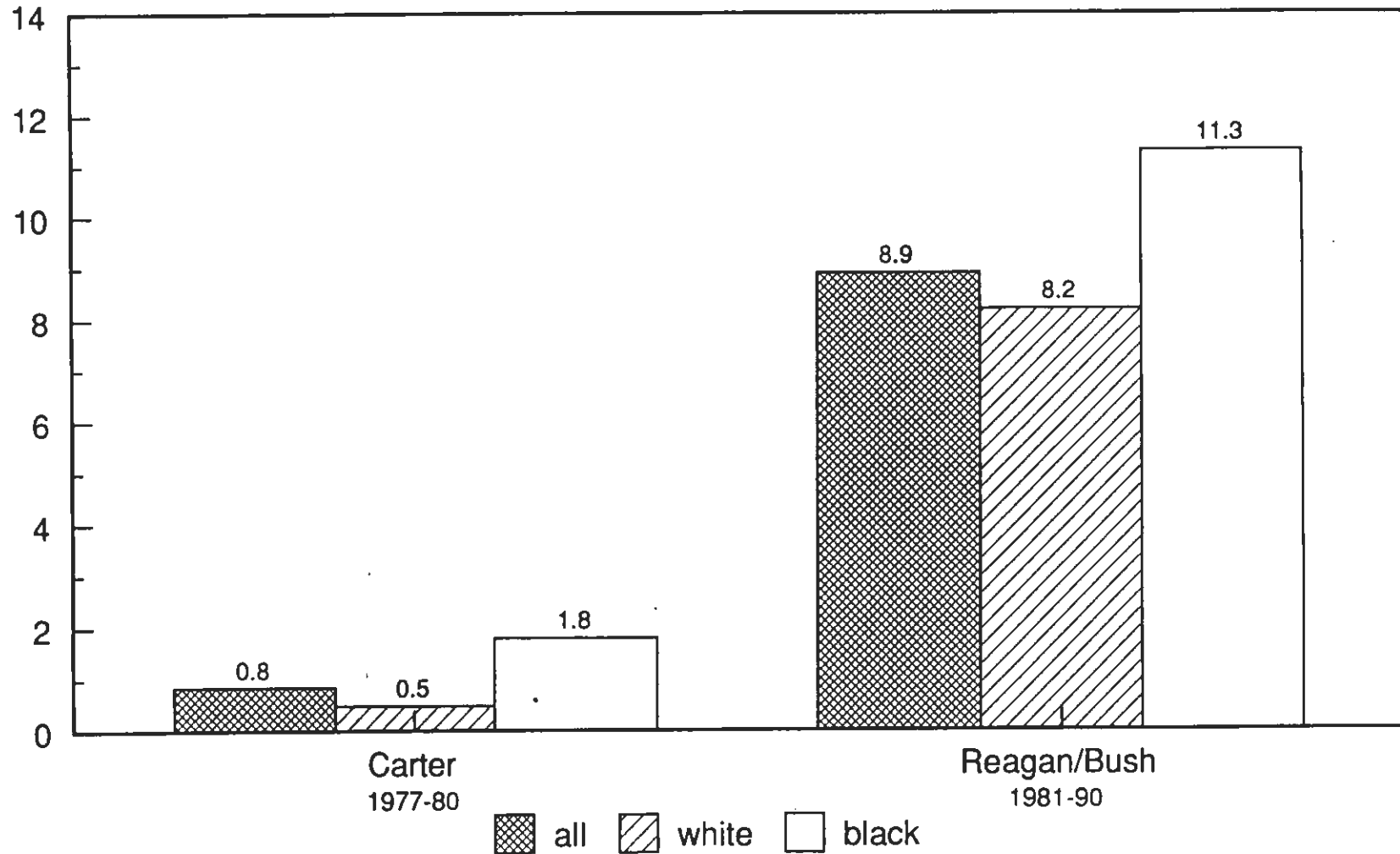


Note: CPI-U-X1 used as deflator.  
Source: Department of Commerce.

Average of Annual Figures

# Growth in Real Median Family Income

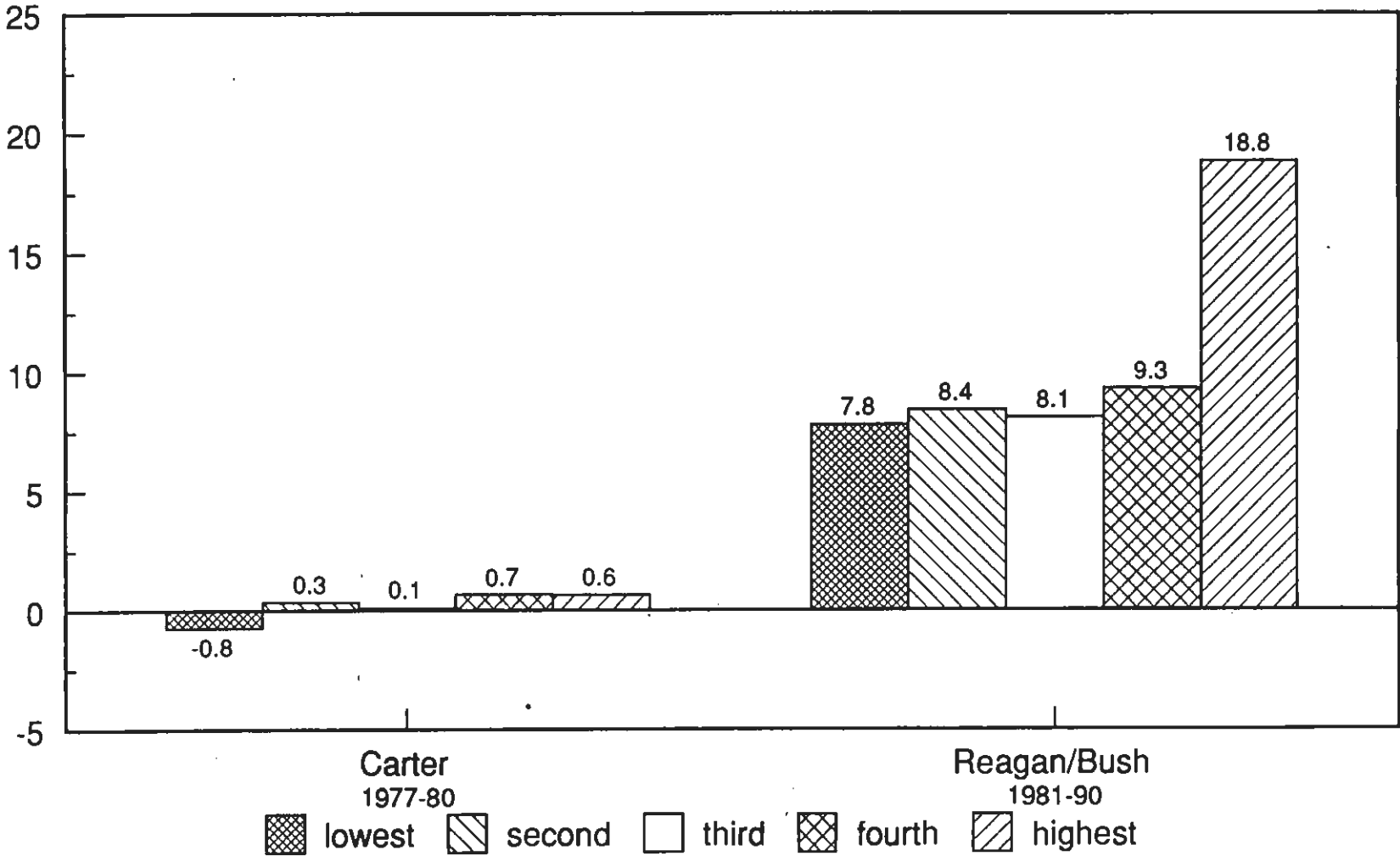
Percent change



Note: CPI-U-X1 used as deflator.  
Source: Department of Commerce.

# Change in Real Household Income by Quintile

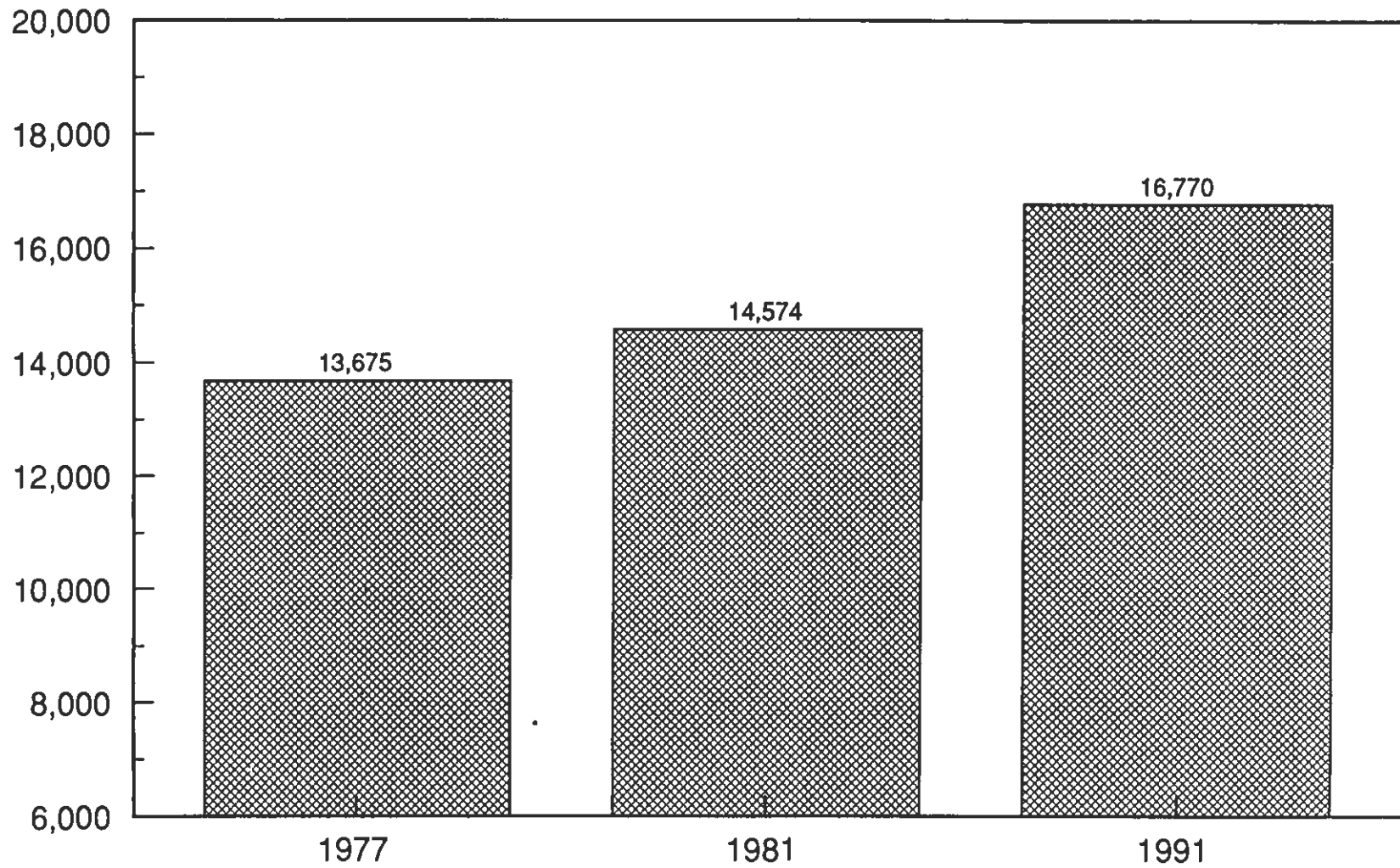
Percent change



Note: CPI-U-X1 used as deflator.  
 Source: Department of Commerce.

# Real Per Capita Disposable Income

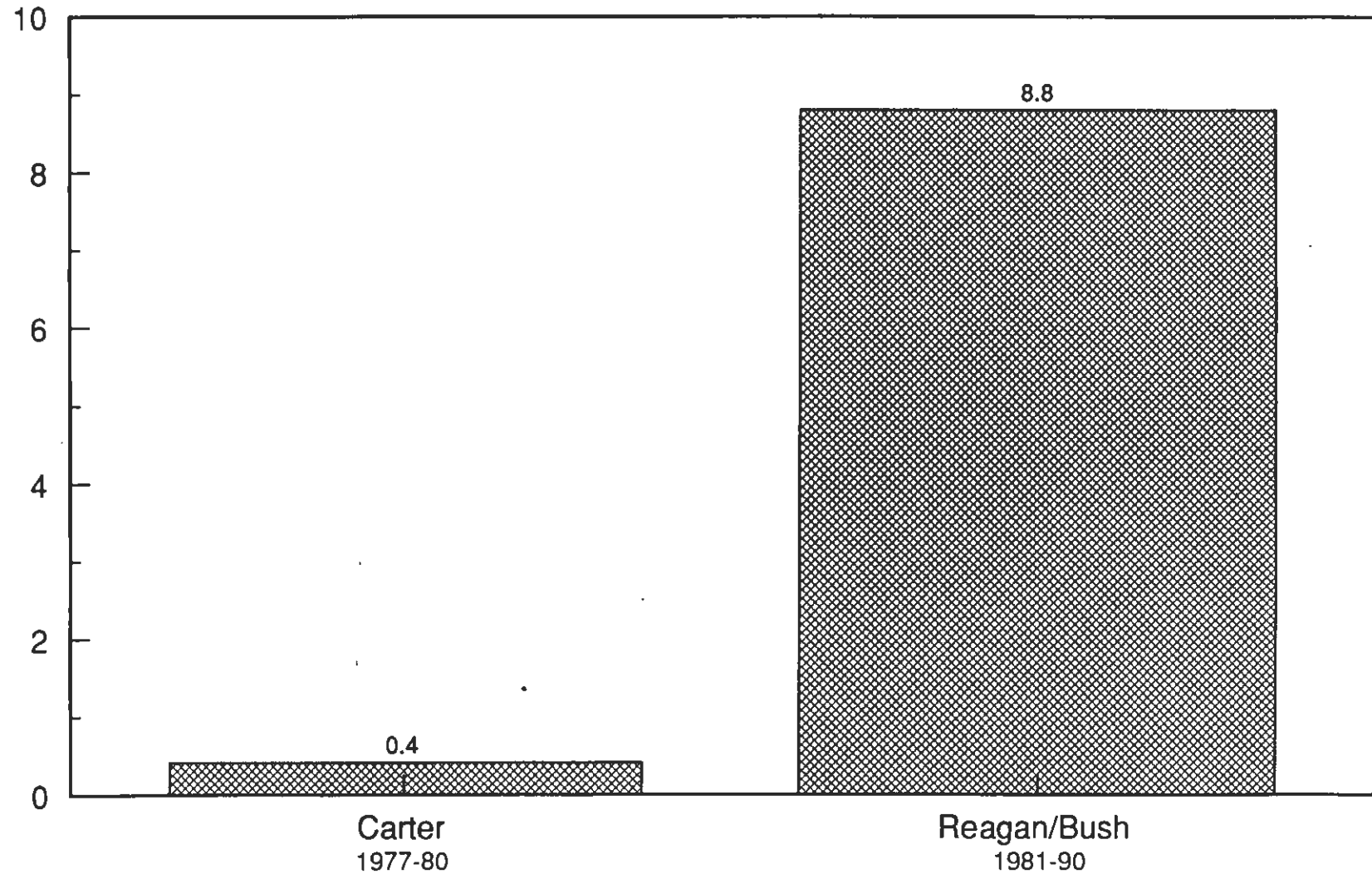
1991 dollars



Source: Department of Commerce.

## Middle-Class Income Gains

Percent change

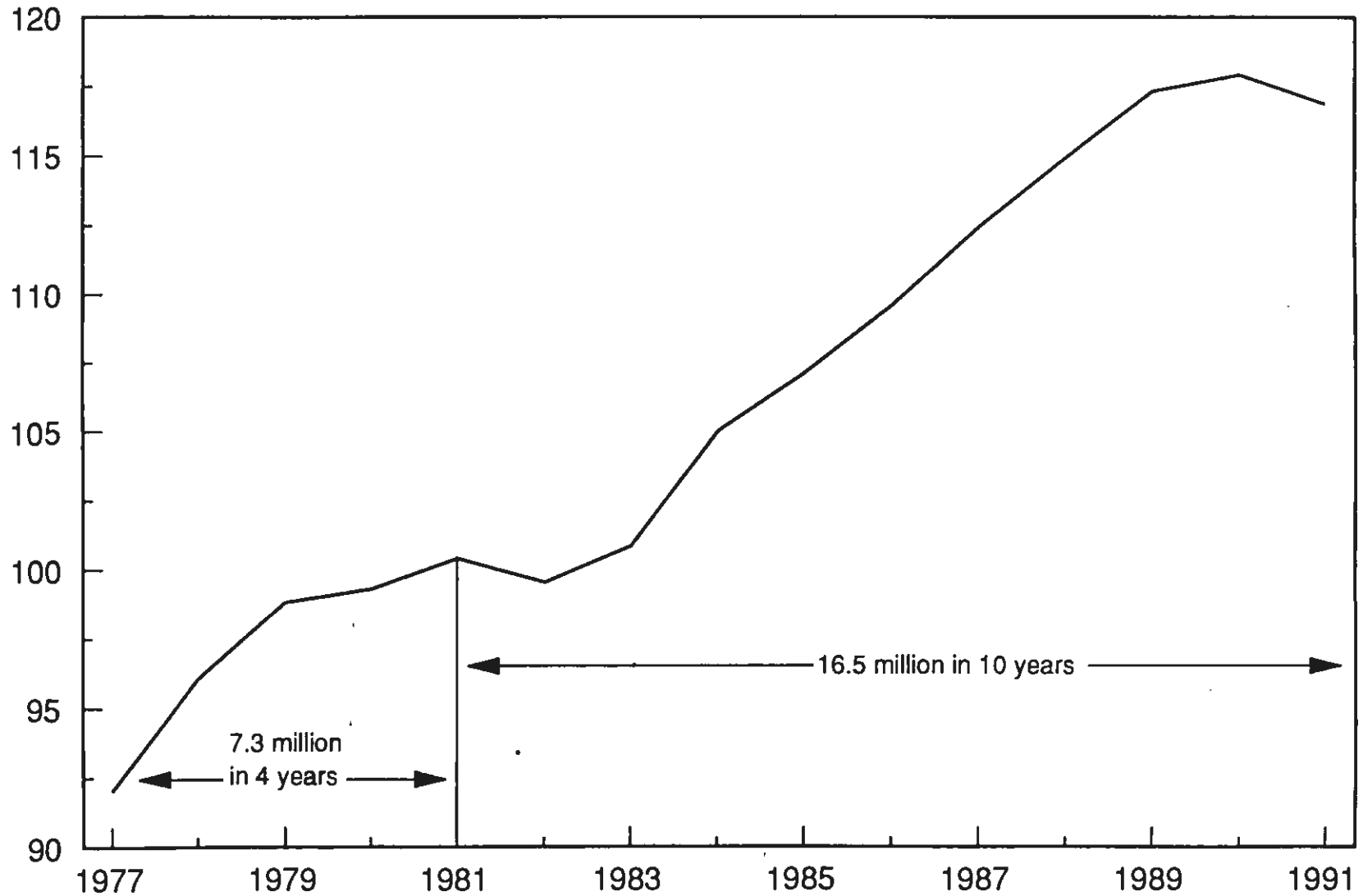


Note: The middle-class is defined as the second, third and fourth income quintiles.

Source: Department of Commerce.

# Total Civilian Employment

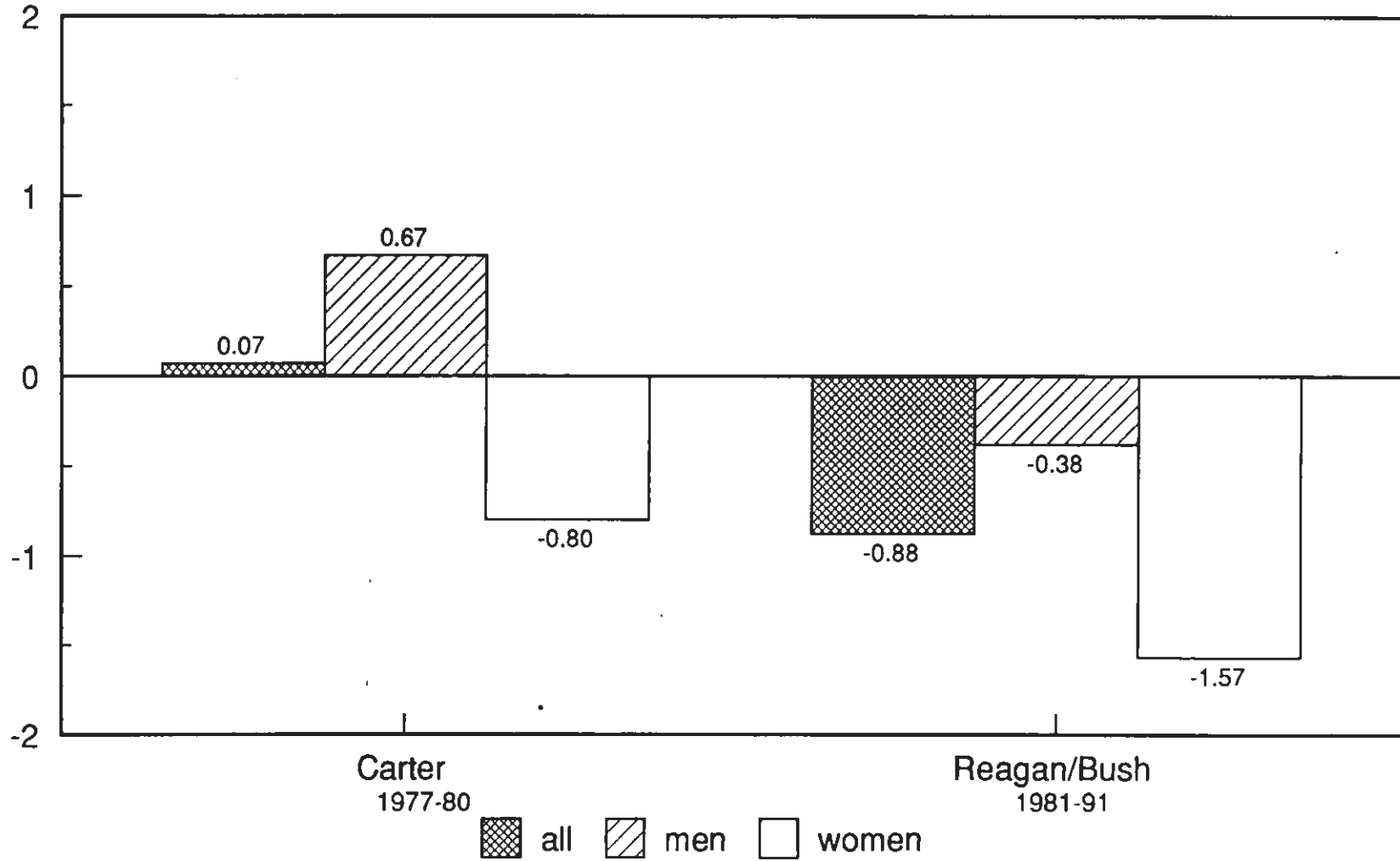
Millions of workers



Source: Department of Labor.

# Changes in Unemployment Rates

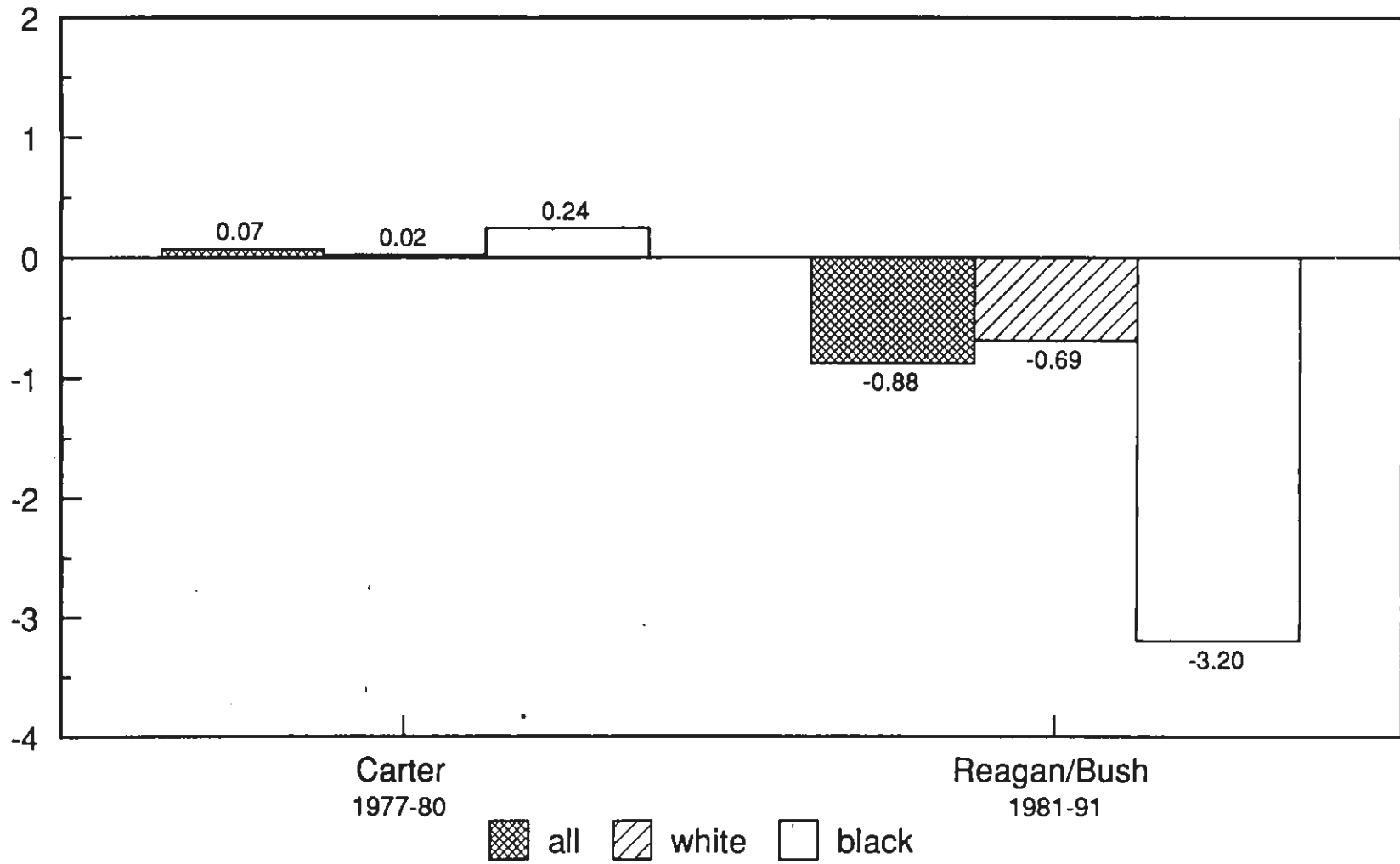
Percentage point change



Source: Department of Labor.

# Changes in Unemployment Rates by Race

Percentage point change

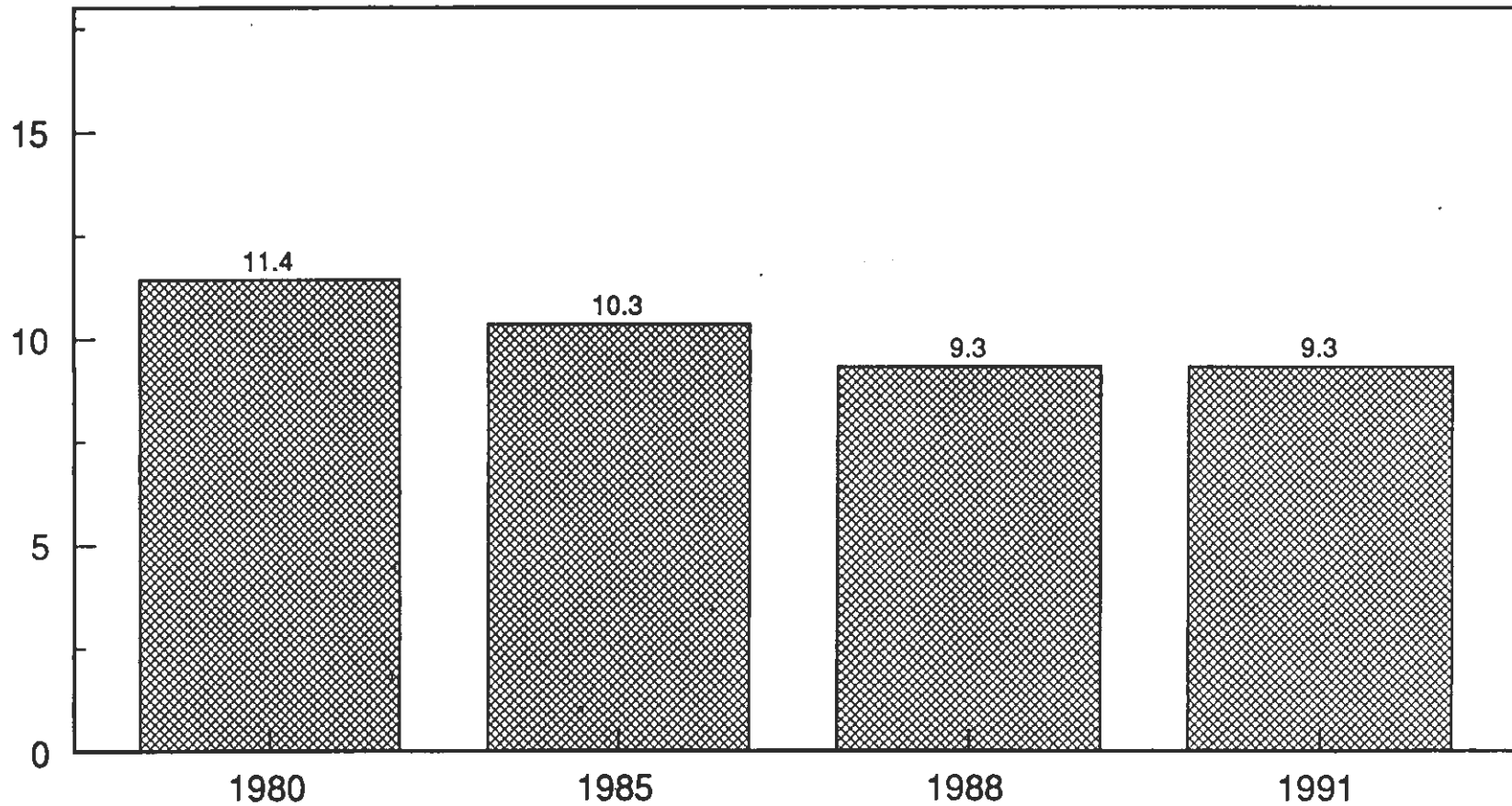


Source: Department of Labor.

## Average Income Tax Rates for Median Income Families

The average individual income tax rate for families earning the median income has fallen since 1980.

Tax rate

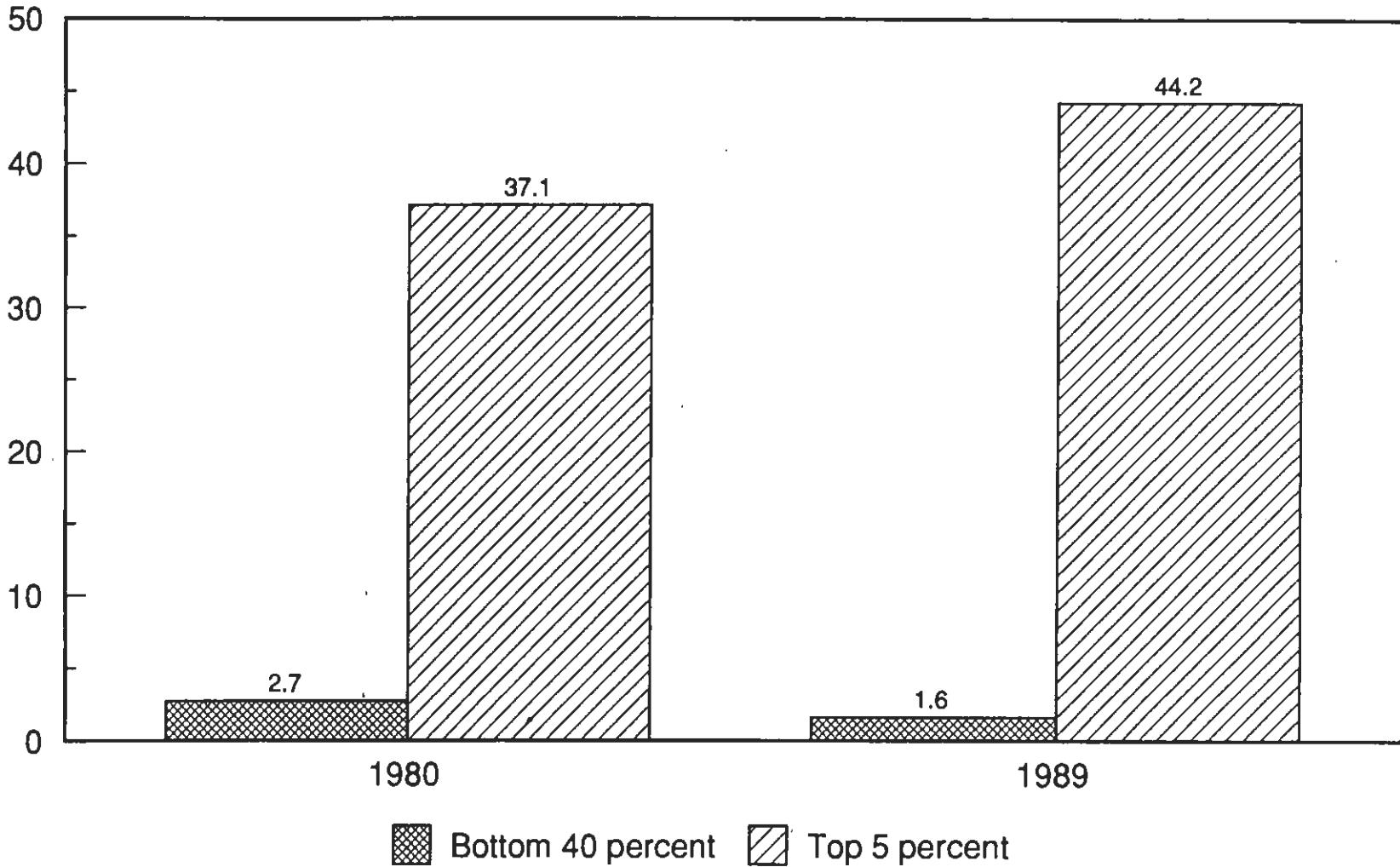


Data are for four-person families with one wage earner.  
Source: Department of the Treasury

## Shares of Federal Income Tax Payments by Income Class

The share of income taxes paid by the lowest 40 percent has dropped. The share of income taxes paid by the top 5 percent has increased.

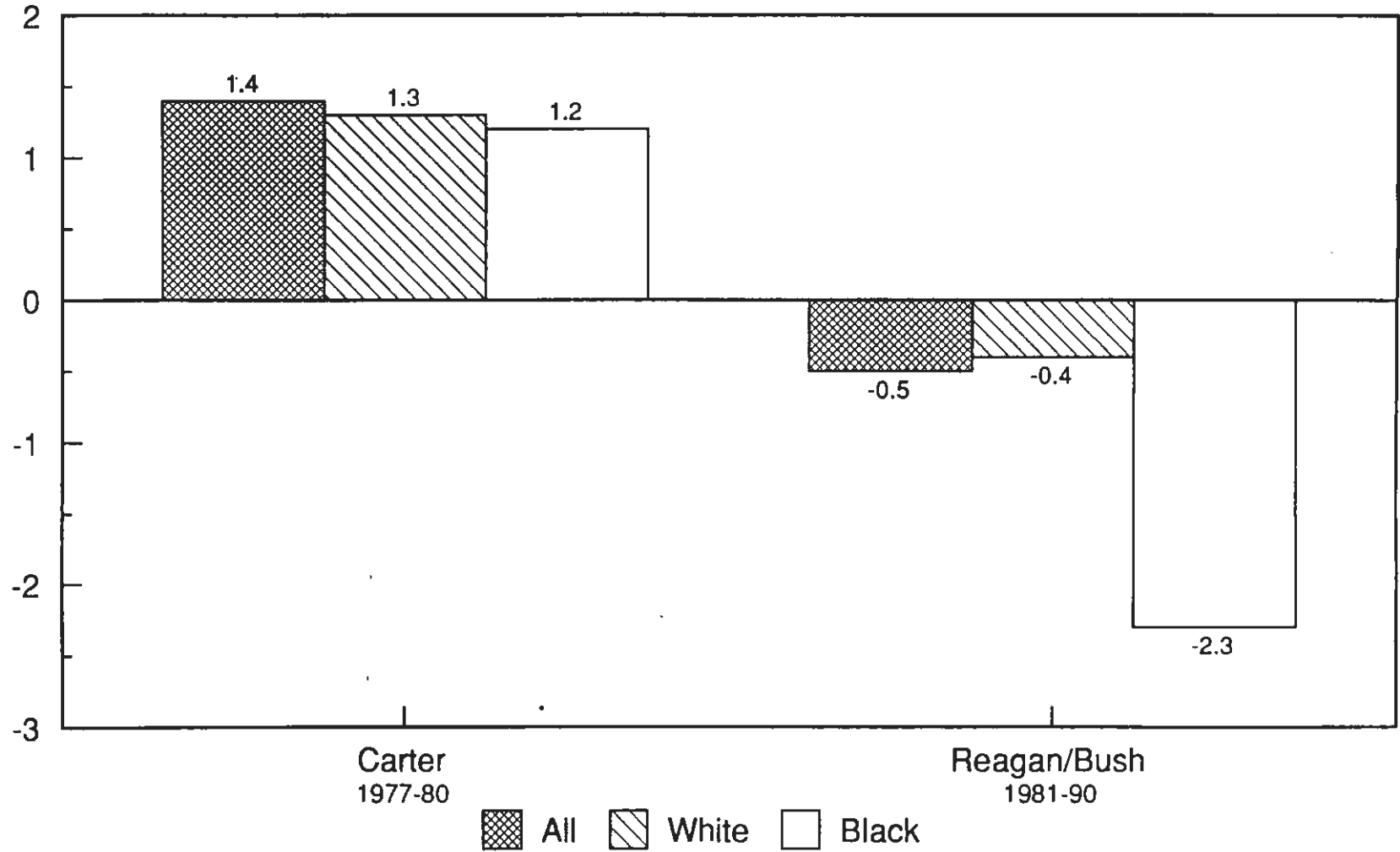
Percent



Source: Internal Revenue Service.

# Poverty Rates for Persons

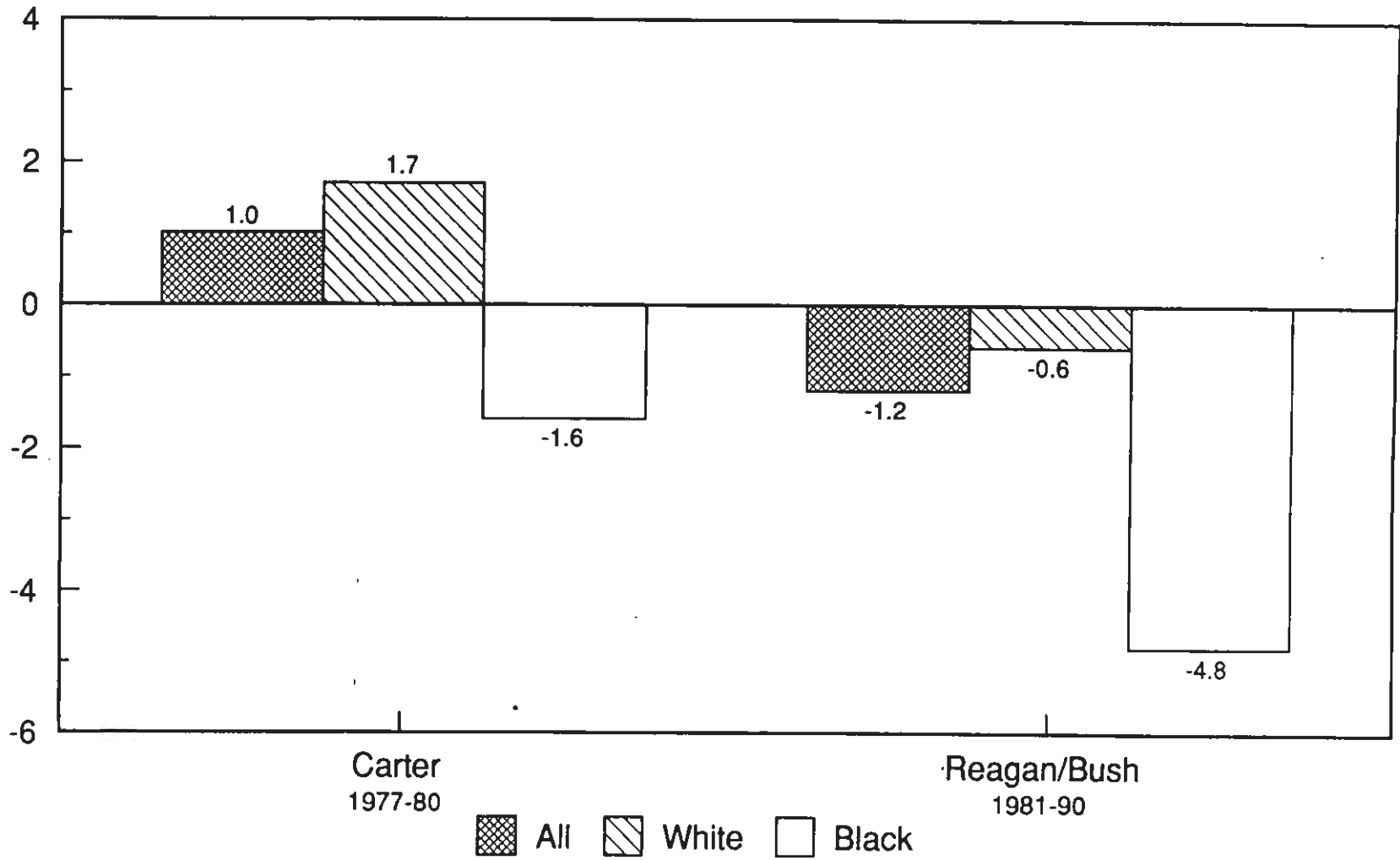
Percentage point change



Source: Department of Commerce.

# Poverty Rates for Female-Headed Households

Percentage point change



Source: Department of Commerce.

THE WHITE HOUSE  
WASHINGTON

FILE

March 17, 1992

*Sept*

Dear Mayor Spell:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

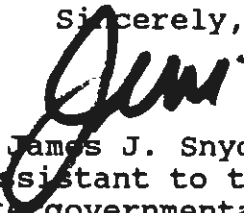
President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

Some of these proposals are new. Others, President Bush first asked Congress to pass, beginning in 1989. If Congress had passed our pro-growth initiatives then, we would not be facing such hard times now. When he outlined his proposals to Congress in the State of the Union Address, the President said that the American people want action now, for the Congress to put aside partisan politics and rise to the occasion and work together for the common good of our great country.

I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable Lester J. Spell, Jr.  
Mayor  
City of Richland  
Office of the Mayor  
Richland, MS 39218

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MARCH 02, 1992

NAME OF CORRESPONDENT: THE HONORABLE LESTER J. SPELL JR.

SUBJECT: EXPRESSES VIEWS REGARDING THE ECONOMY,  
INSURANCE AND MEDICAL CARE

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
JIM SNYDER		ORG	92/03/02		<u>92/3/17</u>
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2500  
IG MAIL USER CODES: (A) (B) (C)

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                       *                       *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *           OF SIGNER *
*D-DRAFT RESPONSE      *C-COMPLETED        *           CODE = A   *
*I-INFO COPY/NO ACT NEC *S-SUSPENDED        *COMPLETED = DATE OF *
*R-DIRECT REPLY W/COPY *                       *           OUTGOING *
*S-FOR-SIGNATURE       *                       *                       *
*X-INTERIM REPLY       *                       *                       *
*****

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

311802



*City of Richland*  
*Office of the Mayor*  
*Richland, Mississippi*  
39218

February 28, 1992

*Lester Spell, Jr.*  
*Mayor*

President George Bush  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. President,

I want to thank you for the strong and dedicated leadership you have given America. My family and I were proud to vote for you nearly 4 years ago.

Mr. President, there seems to be a prevalent and growing frustration among Americans that many of our country's elected officials have forgotten about US; forgotten about the working and deserving families; forgotten about our businesses; and forgotten about our cities and towns. As a middle class working American raising a family; as a mayor of a small municipality burdened with increasing costly state and federal mandates; and as a small business owner, I share the increasing desperation of people across America. For many the color of the American dream is fading. We wonder why the rest of the world has become more deserving of our monies than we are. As our families, our businesses, our cities and towns struggle harder to make ends meet, we care less and less about the rest of the world. We are growing tired and angry while our government continues to cuddle a largely ungrateful world with our monies.

At civic club meetings; at farmers meetings; at Chamber of Commerce meetings; at church gatherings; at PTA meetings; and at City Hall meetings, Americans are asking, "Why don't we count anymore?" The people of this country want and desperately need far more than a politically appealing band-aid; we want our leaders to show us that we are the most important people and we want to be shown NOW! Show us by cutting wasteful foreign spending. Show us by returning revenues to cities and towns which are being burdened with costly federal regulations and being strained with the building and repairing of expensive infrastructure.

President George Bush  
February 28, 1992  
Page 2

Show us by reducing run away insurance and medical costs. Show us by giving the working families and small businesses some real economic incentives and tax reductions. Show us by giving the hard working farmers more than 40 cents for each dollar suffered in crop losses due to natural disasters.

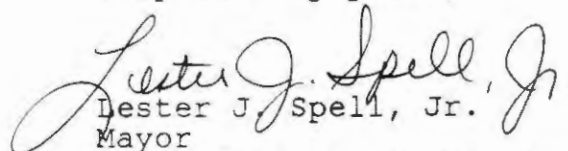
Mr. President, there is an old saying that, "People don't care how much you know until they know how much you care." Tell us you care about US most of all; then, boldly advocate spending our monies helping Americans, and far less on the rest of the world. You and the Congress need to act NOW in making America the first priority! I feel Mississippi's Congressional delegation would applaud and support your leadership in that direction.

What are we to think when we constantly watch the news and read the papers telling us of millions upon millions of American dollars going to foreign countries? We are sick and tired of trying to take care of the world.

We are losing hope, pride and trust in many of America's leaders. We have neither heard nor seen that for which we are desperately waiting!

My comments are made respectfully, and with the firm conviction that they represent the prevailing sentiment of an ever increasing number of good, hard working Americans.

Respectfully yours,

  
Lester J. Spell, Jr.  
Mayor

City of Richland, Mississippi

cc: Senator Thad Cochran  
Senator Trent Lott  
Congressman G. V. "Sonny" Montgomery

THE WHITE HOUSE  
WASHINGTON

FILE

March 17, 1992

Dear Mayor Steinbach:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

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I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable Howard Steinbach  
Mayor  
City of Banks  
Box 428  
Banks, OR 97106

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 14, 1992

NAME OF CORRESPONDENT: THE HONORABLE HOWARD STEINBACH

SUBJECT: VIEWS REGARDING DOMESTIC PROBLEMS IN THE  
UNITED STATES

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
JIM SNYDER		ORG	92/02/14		A 92/3/17
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2500 \_\_\_\_\_

IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *          OF SIGNER    *
*D-DRAFT RESPONSE      *C-COMPLETED        *          CODE = A    *
*F-FURNISH FACT SHEET  *S-SUSPENDED        *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *          OUTGOING  *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE       *                      *                      *
*X-INTERIM REPLY       *                      *                      *
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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

3-8-91

**City of Banks**  
100 South Main Street (City Hall)  
Post Office Box 428  
Banks, Oregon 97106-0428  
**(503) 324-5112**

Jan. 27, 1991

Hon. Geo Bush  
President  
Washington D.C.

Dear President Bush:

The City of Banks has been given notice to comply with the Clean Water Act of 1986 regarding surface water. The City of Banks will meet the deadline of the notice regardless of the difficulty.

This letter is not about the City of Banks, but the country and its problems. Everything that I have to write may have been presented before, but if there is only one thing that you would care to use feel free to use it as your own.

Infrastructure of cities and towns need to be taken care. A 30 to 40 billion item that would not have to be added as a new debt. EPA and FMHA already have funds available, combine these funds and offer to cities and towns at a low interest of around 3%, and cut the paper work involved to get the funds. This would be a revolving loan fund.

The homeless. The government has and will continue to close many military bases in this country. These could be utilized by the homeless and schools could be established to retrain these people.

Medical care. Right now insurance companies are costing close to 30% of the health care dollar. They have to be eliminated or told to reduce their cost to 10% or less. Reward the insurance companies by giving them half of the difference between actual cost (below 10%) and 10%. Hospitals are still building large complex organizations. Until hospitals achieve a 75 to 80% bed census they can not build. Eliminate the multi-tier pricing structure of the drug industry. Allow them to sell at one price only except to state and federal.

On the environment. There are millions of cars lying in junk yards and along roads in this country. There should be none. Exclusivity by insurance companies and others cost millions of gallons of fuel. Give people freedom of choice.

On the economy. In April of 1991 I went to Japan on my dime to see what it was like. I stayed away from the population areas and journeyed to the southern area. Except for food, lumber, and raw materials there is nothing that Japan needs from America except money to keep its economy going. There is very little that I can afford to buy in the electronic business that is not made overseas.

**City of Banks**  
100 South Main Street (City Hall)  
Post Office Box 428  
Banks, Oregon 97106 - 0428  
**(503) 324 - 5112**

Pg 2. President Geo. Bush

Jan 27, 1991

The government should grant to manufacturers funds to carry out research and development for consumer oriented products. Funding now going to colleges and universities could be used for this. A proviso would be that any product that made it to the consumer and increased our standard of living would repay the government some of the grant, but would be rewarded by future grants in the same area. No fruition would mean no further funds.

On education. A plethora of people trying to tell teachers and others how to teach. Confusion everlasting. The result is that no one knows what they are doing or what they should be doing. Except for funding eliminate education at the federal level. The states must produce or lose federal funds. Mandatory levels at certain grade levels.

On drugs. I have always thought that the best way to get rid of the drug problem in this country is two-fold. First eliminate the peddlers and then give the addicts free drugs. I still hold to this thought but it would be improper to eliminate the peddlers so life could be justly called for.

On housing. No tax credit for first time home buyers. No tax credits for anyone. The government should buy into housing as I believe it once did by paying part of the interest of the home.

This has gone on long enough.

The best to you in 1992.

Sincerely yours,



Howard Steinbach  
Mayor  
City of Banks  
Box 428  
Banks, Or. 97106

THE WHITE HOUSE  
WASHINGTON

FILE

March 13, 1992

Dear Mayor Nicol:

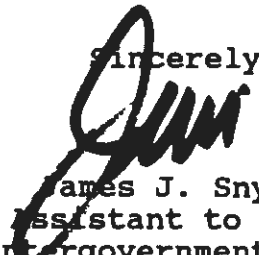
On behalf of the President, thank you for your letter regarding his plan to help the economy and your status as a businessman in New Jersey. I sincerely apologize for the delay in responding to your correspondence but it has been a bit hectic around here lately.

Though the Administration cannot directly intervene in your personal business matters, I have already taken the liberty of forwarding a copy of your letter to the appropriate officials at the Department of the Treasury, so that they may provide it with a more thorough and in-depth review and evaluation. Be assured that they will give your thoughts the utmost consideration, because we are always eager to hear your comments.

As the March 20th deadline for Congressional action on an economic recovery plan winds down, I think you can see one of the problems the Administration faces in attempting to push forward with an agenda. The initial numbers look good so far this year and hopefully, we can all come together and work towards the necessary goal of putting America back on track to prosperity.

Again, I apologize for the wait and thank you for writing. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable T.B. Nicol  
Mayor of Brielle  
c/o: Kelle Chevrolet  
South Main Street  
Farmingdale, New Jersey 07727

1

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 12, 1992

NAME OF CORRESPONDENT: THE HONORABLE T. B. NICOL

SUBJECT: VIEWS REGARDING BANKS THAT NEED TO HELP  
FINANCE SMALL BUSINESS

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
JIM SNYDER		ORG	92/02/12		A 92/3/13
<i>99 Treasury</i>	REFERRAL NOTE: _____	<del>I</del>	<del>92/3/13</del>		____/____/____
	REFERRAL NOTE: _____		____/____/____		____/____/____
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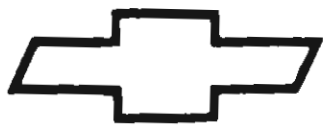
COMMENTS: INCOMING STATES WRITER IS MAYOR OF  
BRIELLE, NEW JERSEY

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 4200 4680 \_\_\_\_\_  
IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                      *                      *CORRESPONDENCE:  *
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*C-COMMENT/RECOM      *B-NON-SPEC-REFERRAL *      OF SIGNER      *
*D-DRAFT RESPONSE     *C-COMPLETED        *      CODE = A      *
*F-FURNISH FACT SHEET *S-SUSPENDED        *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *      OUTGOING     *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE      *                      *                      *
*X-INTERIM REPLY      *                      *                      *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.



**Kelle Chevrolet**  
SOUTH MAIN ST.  
FARMINGDALE, N.J. 07727  
201-938-7571

January 29, 1992

*Handwritten scribble*

President George Bush  
White House  
Washington, D.C. 20013

Dear Mr. President:

It was with great interest I listened to your speech last evening! You came across as a very sincere individual who honestly wants to help the economy. However, "Where's the Beef?"

I am the directly elected (by the people) Mayor in Brielle, N.J. I own a small Chevrolet Dealership in Farmingdale, N.J. and an automobile race track in Wall Township, N.J. I've worked hard and have never voted for a Democrat. The town I've lived in for the past 25 years has never even had a Democrat run for office. I love my Country and The Republican Party. I've never had a mortgage on my house until this year. I had to mortgage the "Ranch" to have cash flow. Am I better off than I was four years ago? Boss, they are going to do a number on you with that phrase!

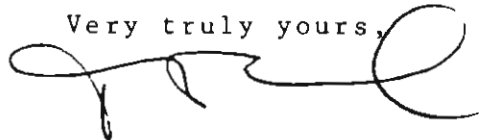
I'm trying to put up a new building for my Chevrolet Dealership. I've been trying to obtain financing for 2 years. We own the property outright where the building is to be built. PLEASE, PLEASE, PLEASE tell me which banks you were talking about in your State of The Union Address!! I'll build - I'll put people to work - I'll hire more people at my new location - I'll be better off than I was four years ago.

Give me something concrete. Give me back my  
Entrepreneurial America! Give me less red tape.

I can earn a living and employ people, but I need  
to be able to finance. I'm not a dead beat. I can't  
walk on water. My government has to help the small  
business people who employ 80% of the U.S. working  
force.

Reality, Sir -- it is something you must address now.

Very truly yours,



T. B. Nicol

TBN:pnb

THE WHITE HOUSE  
WASHINGTON

March 17, 1992

FILE

Dear Mr. Moss:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

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Sincerely,



James J. Snyder

Special Assistant to the President  
for Intergovernmental Affairs

Mr. Clif Moss  
Councilmember at Large  
City of Corpus Christi  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 19, 1992

NAME OF CORRESPONDENT: MR. CLIF MOSS

SUBJECT: VIEWS REGARDING THE NATIONAL DOMESTIC POLICY

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\_\_\_\_\_  
\_\_\_\_\_

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
JIM SNYDER		ORG	92/02/19		A 92/3/17
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___

COMMENTS: \_\_\_\_\_  
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ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2600 \_\_\_\_\_

IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*                       *                               *CORRESPONDENCE:        *
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*D-DRAFT RESPONSE      *C-COMPLETED             *           CODE = A    *
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*I-INFO COPY/NO ACT NEC*                               *           OUTGOING   *
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*S-FOR-SIGNATURE       *                               *                       *
*X-INTERIM REPLY       *                               *                       *
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MANAGEMENT.

369067



City of  
Corpus  
Christi

February 13, 1992

Clif Moss  
Council Member at Large

President George Bush  
The White House  
Washington, D.C. 20500

Dear President Bush,

As a long time Republican supporter, a retired engineer, using my Social Security and Medicare, and as an elected official, I am concerned about current national domestic policy news I see and read:

1. We need to pay off our deficit at the earliest possible. It's the economic lodestone U.S. taxpayers and economy are burdened with.
2. Any "Peace Dividend" should be applied against deficit. Before applying it to initiate or expand social programs.
3. No taxes should be reduced before the deficit is paid off.
4. I recently heard on ABC News the military appropriations bill had \$3.2 billion added - over requests of the Pentagon considered in hearings.
5. I understand in that \$3.2 billion was a large appropriation for more military food that is being disposed of as "surplus". (-Texas Comptroller, att.).
6. I saw recently on the TV show 60 Minutes we spend \$billions annually to maintain a huge military warehouse at Harrisburg, Pa., which not only has more than enough of most items, but also stores surplus military food like above, and includes such obsolete items as out of date hospital bathrobes, etc. Donating such items to the former Soviet Union nations now might help them get out of socialism, at no cost to the U.S. taxpayers. Further, it would help U.S. taxpayers by reducing costs to maintain such questionable inventory.

Please give these and any other cost savings your earnest attention.

Sincerely,

CLM:hs

Residence: P.O. Box 6161 • Corpus Christi, Texas 78411 • (512) 854-9514  
P.O. Box 9277 • Corpus Christi, Texas 78469-9277 • (512) 880-3105



## Operation Desert Share

# Surplus items available

**A**pproximately \$350 million worth of food and other surplus items are available to the states for distribution, according to Marvin Titzman, Executive Director of the Texas Surplus Property Agency (TSPA). The federal surplus food and other commodities are a part of Operation Desert Share, a Department of Defense program.

The TSPA will allocate food to eligible organizations that can justify a need for the food items. TSPA will fill emergency requests first, and then allocations will be made on a first-come, first-served basis. Containers of food items are available at TSPA warehouses.

Organizations eligible for surplus personal property are non-profit health and educational organizations or organizations whose activities are tax-exempt under Section 501 of the 1954 IRS Code. These may include:

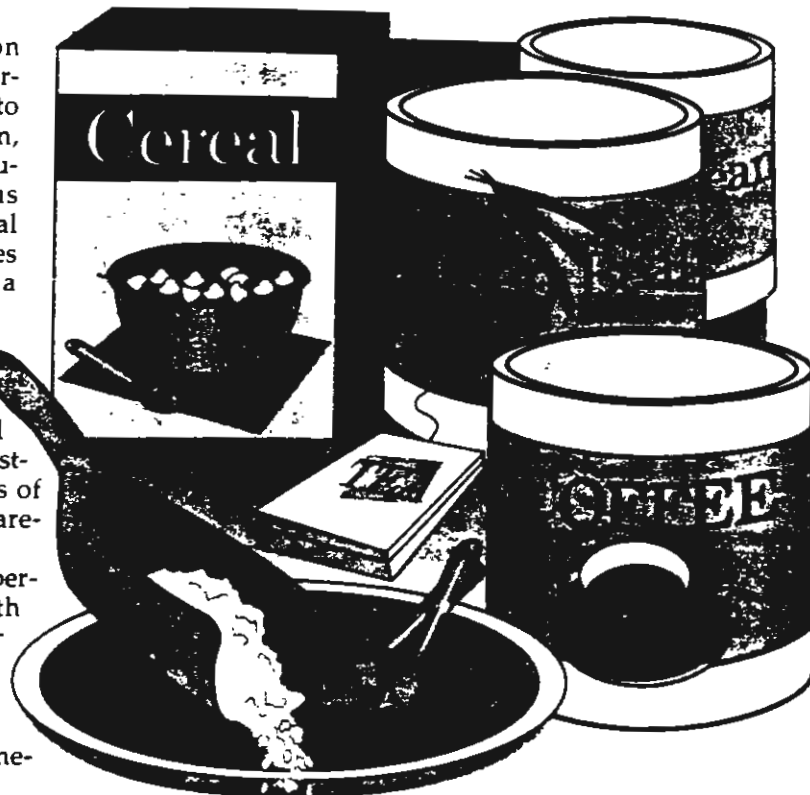
- providers of assistance to the homeless;
- organizations that receive funds appropriated for programs for older individuals under the Older Americans Act of 1965;
- medical institutions;
- hospitals and clinics;
- health centers;
- schools, colleges, and universities;
- schools for the mentally retarded;
- schools for the physically handicapped;
- child care centers; and,
- museums and libraries.

Some of these organizations may need to obtain a letter from a local official that certifies them as such an organization.

Following are the types of food items available:

### **Meals Ready-to-Eat (MRE)**

This is a complete individual meal in a pouch. There are 12 different menus. Generally a meal/pouch includes an entree, a starch product,



dessert, crackers, spread, candy, salt, matches, and toilet tissue. The MRE is normally heated in boiling water. It is not microwaveable.

### **Meals Ordered Ready-to-Eat (MORE)**

The MORE is an individual supplemental meal composed of single servings of off-the-shelf foods available at your local grocery store. A MORE consists of an entree, soup, fruit cup, pudding cup, candy, and a spoon. The entree and soup may be heated in boiling water. If it is in a plastic container, it is microwaveable.

### **Tray Pack (T) Ration**

The T-Ration consists of thermostable, metal tray packs in rectangular, multi-serving (12 to 18 servings per can), half-size steam table pans. T-Rations are produced in a variety of entrees including veg-

etables, fruits, starches, and desserts for a total of 10 breakfast and 10 lunch/dinner menus.

### **B-Ration**

Common B-Ration components are canned, boxed, bagged, or bottled food items that are normally found on grocery store shelves. However, these items are in larger size cans and packaging. Other B-Ration components include prepared or dehydrated meat, poultry, or seafood items. There are 10 breakfast and 10 lunch/dinner meals. A pallet with 400 meals consists of components used to provide hot meals, but requires food preparation/baking equipment.

### **Hospital B-Ration**

Hospital B-Ration components are similar to the common B-Ration except that this ration also uses food items for therapeutic diets. The food items are similar to those found on grocery store shelves, but are generally in institutional sizes.

Other food items available include:

creamer	carrots
dry milk	cookie mix

egg mix	dry onions
orange juice	grape juice
frozen meat	apple juice
lima beans	flour
icing mix	sugar
BBQ beef	beef stew
margarine	frozen poultry
coffee	green beans
raisins	crackers
corn bread mix	rice
biscuit mix	brownie mix
frozen fish	syrup
shortening	soup
chili	hot sauce
tea	oatmeal
cereals	instant cocoa

The Desert Share program is expected to provide direct savings or cost avoidance benefits worth millions of dollars, Titzman said. "If your programs currently use food, and you are interested in stretching your budget dollars, avoiding direct cost in food purchases or supplementing your appropriations, please call us."

For more information, call the Texas Surplus Property Agency at 512-661-2381. ▲

## **Voters pass Propositions 1, 12 affecting cities, colonias**

Voters passed two propositions affecting cities and colonias on November 5, 1991. Following are the results:

### **Proposition 1 Home-rule cities**

▲ For—1,563,840  
Against—364,218

Since voters passed Proposition 1, home-rule cities with populations of 5,000 or less may now amend their city charters with a majority vote of qualified voters. Previously, only home-rule cities with populations of at least 5,000 were allowed to adopt or amend their city charters with a majority vote of the residents. This presented a problem for home-rule cities whose populations declined to less than 5,000 and could no longer amend their city charters. For instance, some city charters require amendments every four years. Cities in this situation could not legally amend their charters even though required to do so. The new provision will help them avoid this problem. Based on the 1990 census, 37 home-rule cities are affected.

### **Proposition 12 Colonia bonds**

▲ For—1,024,318  
Against—854,190

Two years ago, Texans approved \$500 million in bonds for water and sewer projects. One-fifth of the money was earmarked for the colonias, unincorporated subdivisions with unhealthy and unacceptable living conditions. The communities often had no running water or adequate sewer systems until they received assistance from the state. With the passage of Proposition 12, the colonias may now receive as much as half of the \$500 million.

**Special note:** The voters rejected Proposition 5 on enterprise zones. The proposition would have allowed a tax break for goods assembled, stored, or manufactured in an enterprise zone if the property is exported outside the state within 175 days. ▲

SOURCE: Office of the Secretary of State.

THE WHITE HOUSE  
WASHINGTON

FILE

March 4, 1992

Dear Mr. Bruce:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

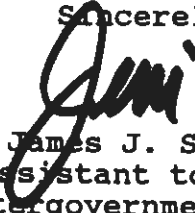
President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

Some of these proposals are new. Others, President Bush first asked Congress to pass, beginning in 1989. If Congress had passed our pro-growth initiatives then, we would not be facing such hard times now. When he outlined his proposals to Congress in the State of the Union Address, the President said that the American people want action now, for the Congress to put aside partisan politics and rise to the occasion and work together for the common good of our great country.

I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Snyder', is written over the typed name.

James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

Mr. Matthew C. Bruce  
City of Oswego  
R.D. #1, Box 179-A  
Oswego, New York 13126

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 03, 1992

NAME OF CORRESPONDENT: MR. MATHEW C. BRUCE

SUBJECT: EXPRESSES VIEWS AND CONCERNS REGARDING THE  
ECONOMY AND THE LOSS OF HIS BUSINESS AND  
FORECLOSURE OF HIS HOME

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION		
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D	COMPLETED YY/MM/DD
JIM SNYDER		ORG	92/02/03			A 92/3/4
	REFERRAL NOTE:					
	REFERRAL NOTE:					
	REFERRAL NOTE:					
	REFERRAL NOTE:					
	REFERRAL NOTE:					

COMMENTS: WRITER IS THE ELECTED TOWN ASSESSOR FOR  
NEW HAVEN

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2600

IG MAIL USER CODES: (A) (B) (C)

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                      *                      *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM      *B-NON-SPEC-REFERRAL *          OF SIGNER    *
*D-DRAFT RESPONSE     *C-COMPLETED        *          CODE = A    *
*F-FURNISH FACT SHEET *S-SUSPENDED         *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *          OUTGOING  *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE      *                      *                      *
*X-INTERIM REPLY      *                      *                      *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

MATHEW C. BRUCE  
R.D. #1, Box 179-A  
OSWEGO, NEW YORK 13128

Last year I also entered politics for the 1<sup>st</sup> time running as a Republican for Town Assessor in the Town of New Haven. I did get elected to this part time "\$2,000" a year position.

My Town is dying one by one, parcel by parcel, voter after voter. Our State can't help because as you know, New York State is broke. We are a small rural township whose main industry has always been Agriculture. Farms are now shutting down and it appears all we will have left is our Lake Ontario to try and save us.

My point is our country, our states, our towns, and our citizens are all having problems and there appears to be no end in sight. PLEASE do something for us, the little people, the ones who still believe in America and the dreams this great country is made of. HELP!

Respectfully,

Matt

Mathew C. Bruce

P.S.

You should know that as an elected town official I am now actively trying to make things better for everyone I represent. I've had my own problems, but the people I currently represent have more problems than I ever thought of.

MATHEW C. BRUCE  
R.D. #1, BOX 179-A  
OSWEGO, NEW YORK 13128

204445  
1/15/92

Snyder  
Dear President Bush:

I am not sure whether or not you will ever get a chance to read this letter, but I have to write and let you know just how bad things currently are here in my home area.

Our county, Oswego, has the highest unemployment rate and the highest per capita property taxes in New York State. People up here are still losing their jobs, their homes, and their families.

Several years ago I realized the American dream of owning my own home and starting my own business. My father died and through the proceeds of the sale of his estate I was able to start my own business and build my own home. Now I have had to close my business, am about to have my home FORECLOSED, and my family has left me because they haven't been able to cope with the problems I have experienced.

Let me tell you about the problems that drove me out of business. COMPETITION drove me under. I could not compete with other larger companies who could do what I did CHEAPER. I took out a 2<sup>nd</sup> mortgage on my home just to try to hold on until things could get better, but they never did. Instead they got much worse.

I have been searching for work that would pay me enough to pay my bills and keep my home. I can't find anything. Sure there are all kinds of jobs paying \$5- \$6- \$7 an hour, but I need \$700- \$800 each week to get anywhere.

last year I filed for bankruptcy under chapter (13) but I will soon be re-filing under chapter (7) because I have reached the end of the line.

FILE

THE WHITE HOUSE

WASHINGTON

March 4, 1992

Dear Mr. Jones:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

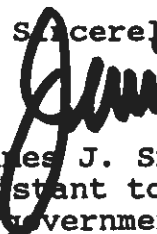
President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

Some of these proposals are new. Others, President Bush first asked Congress to pass, beginning in 1989. If Congress had passed our pro-growth initiatives then, we would not be facing such hard times now. When he outlined his proposals to Congress in the State of the Union Address, the President said that the American people want action now, for the Congress to put aside partisan politics and rise to the occasion and work together for the common good of our great country.

I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,

A handwritten signature in black ink, appearing to read "Jim", written over the typed name below.

James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

Mr. James P. Jones  
Treasurer  
County of Wright  
Post Office Box 9  
Hartville, Missouri 65667

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 04, 1992

NAME OF CORRESPONDENT: MR. JAMES P. JONES

SUBJECT: VIEWS AND SUGGESTIONS REGARDING THE ECONOMY

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
JIM SNYDER		ORG	92/02/04		A 92/3/4
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___
	REFERRAL NOTE: _____		___/___/___		___/___/___

COMMENTS: WRITER IS WRIGHT COUNTY TREASURER AND  
EX-OFFICIO COLLECTOR

\_\_\_\_\_

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2300 \_\_\_\_\_

IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                       *                       *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
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*I-INFO COPY/NO ACT NEC*                       *      OUTGOING    *
*R-DIRECT REPLY W/COPY *                       *                   *
*S-FOR-SIGNATURE       *                       *                   *
*X-INTERIM REPLY       *                       *                   *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75,OE0B) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

19

January 30, 1992

United States President  
Honorable George Bush  
1600 Pennsylvania Ave NW  
Washington D.C. 20500

Dear Mr. Bush:

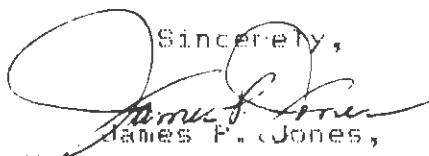
I watched and listened to your State of the Union Speech and thought you did a terrific job. It seems we blame our President for all of the economy weakness. Where does Congress and Senate come in? Did we elect them and send them to Washington to represent us to the President with our needs, paying them an unreal salary hoping they would do a good job for us? When they took the 23% salary increase, the people that elected them was losing their jobs and homes because of the poor economy. I have seen the economy growing worse for the past two years. Did they not see this? They have allowed high cost of medical insurance and hospitals cost to rob the average taxpayer, this certainly has added to our failing economy.

Do you think it would be fair for the working taxpayers to cut their salaries to \$70,000.00 per year until they get our economy under control? Then we could tell them they had done a fine job and deserved a cost of living increase in salary. This is the way it works in our counties if you don't earn a salary increase you don't get one. I think if we could cut Congress and Senators salary to 70,000.00 per year, take the waste out of welfare, take the new government cars that are furnished by taxpayers off the highways then we could pay our national debts and all live better.

The average taxpayer in our area that has a salary of 1200.00 per month and has health insurance and taxes taken out this leaves them with only one-half of the months salary left. How can they live with one-half of the salary to pay for food, home, transportation, utilities, medical bills, education and etc? Most people in this area would be much better off financially if they all were on welfare.

I have had the honor of being an elected republican official of this county for the past 28 years. I have served as president on many programs in this county and adjoining counties. I am very interest in the welfare of our people. If I could ever be of help to you in this area please feel free to call me anytime.

Sincerely,



James F. Jones,  
Wright County Treasurer  
and Ex-officio Collector

Day 417-741-7225 Night 417-924-8444

THE WHITE HOUSE  
WASHINGTON

FILE

March 5, 1992

Dear Mr. Giebels:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

Some of these proposals are new. Others, President Bush first asked Congress to pass, beginning in 1989. If Congress had passed our pro-growth initiatives then, we would not be facing such hard times now. When he outlined his proposals to Congress in the State of the Union Address, the President said that the American people want action now, for the Congress to put aside partisan politics and rise to the occasion and work together for the common good of our great country.

I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

Mr. Gary F. Giebels  
Council Member  
City of Cape Coral  
Post Office Box 150027  
Cape Coral, Florida 33915-0027

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JANUARY 07, 1992

NAME OF CORRESPONDENT: MR. GARY F. GIEBELS

SUBJECT: SUGGESTS TWO IDEAS TO IMPROVE THE STATE OF  
THE ECONOMY

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C D
JIM SNYDER		ORG	92/01/07		A 92/3/5
	REFERRAL NOTE:				
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	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
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ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2600 \_\_\_\_\_

IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                       *                       *CORRESPONDENCE:  *
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*R-DIRECT REPLY W/COPY *                       *                       *
*S-FOR-SIGNATURE       *                       *                       *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75,OEOb) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

# CITY OF CAPE CORAL

211 794  
  
CITY COUNCIL

December 27, 1991

The Honorable George Bush  
President of the United States  
The White House  
Washington, D.C. 20001

Dear Mr. President:

Without making this letter a white paper, let me bring forth two ideas that you may wish to consider.

Investment tax credit. Under the old system a 10% investment tax credit would give a 10% credit to a tax obligation, i.e., tax obligation of \$1,000.00, credit of 10%, taxes paid \$900.00. My first suggestion would be to give a 10% investment tax credit but to give that tax credit in U.S. bonds, i.e., tax obligation of \$1,000.00, government bonds issued by the government to the taxpayer of \$100.00, taxes paid 1,000.00. I will not bore you with the ramifications of the first suggestion.

The second suggestion is one I think would cause certain markets to shiver, but would be of immeasurable benefit to the citizens of the United States and the municipalities therein. That being any investment by state, county, or city government for infrastructure, water or sewage, possibly other capital projects that the United States government using a formula, i.e., population, need, etc., when local government wished to borrow funds in lieu of issuing bonds through the marketplace borrow directly from the United States Treasury on a cost per issuance basis or on a no financing cost basis. I need not inform you that the debt municipalities are undertaking and will have to undertake in the future is gigantic. We in the cities of America could accomplish at least threefold what we are currently accomplishing if we did not have to undergo finance costs associated with the above-mentioned services. At the same time the creation of jobs, the cost of growth, outflowing of people moving from the intercity, etc., etc., would be extremely enhanced if we in local government were able to borrow direct from the United States Treasury.

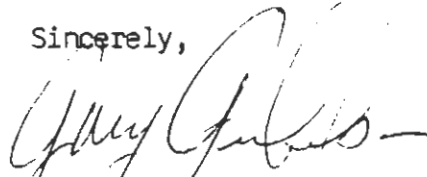
Item one is obviously a forced savings plan from the taxpayer's point of view with no revenue loss from the government's point of view. Item two is a radical deviation from how municipalities fund their debt at present. In the long run I believe it would be in the benefit of all our citizens to adopt such a plan.

The Honorable George Bush  
December 27, 1991  
Page 2

Plan two if in fact jobs pay taxes, the overall benefit to the country will be substantially greater providing those jobs than the current benefits of taxing the bond issuers and purchasers, and the gigantic cost incurred by municipalities in the selling of bonds.

Thank you for your time.

Sincerely,



Gary F. Giebels  
Council Member, District 2

GFG/pms

cc: Congressman Goss

THE WHITE HOUSE  
WASHINGTON

FILE

March 4, 1992

Dear Mr. Kastroll:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

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Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

Mr. Wilfred C. Kastroll  
Councilman  
City of Bellevue  
153 Meade Avenue  
Bellevue, Pennsylvania 15202

## WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 92 / 3 / 5

Name of Correspondent: MR. WILFRED C. KASTROLL

MI Mail Report                      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: MESSAGE ABOUT THE ECONOMY AND OTHER PRESSING DOMESTIC ISSUES.

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>IGA/160</u>	<u>JIM SNYDER</u>	ORIGINATOR	<u>92 / 3 / 5</u>	<u>A</u>	<u>9/13/5</u>
_____	_____	Referral Note:	_____	_____	_____
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_____	_____	Referral Note:	_____	_____	_____
_____	_____	Referral Note:	_____	_____	_____
_____	_____	Referral Note:	_____	_____	_____

**ACTION CODES:**

- A - Appropriate Action
- I - Info Copy Only/No Action Necessary
- C - Comment/Recommendation
- R - Direct Reply w/Copy
- D - Draft Response
- S - For Signature
- F - Furnish Fact Sheet  
to be used as Enclosure
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- C - Completed
- B - Non-Special Referral
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: \_\_\_\_\_

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

✓ Snyder

✓

Councilman  
WILFRED C. KASTROLL

153 Meade Avenue, Bellevue, Pa 15202

January 15, 1991

Honorable President of the United States  
The White House  
Washington, D. C.

Dear PRESIDENT BUSH;

It is gratifying to know you that you plan to address the economy and unemployment in your State of the Union Message. I'm sure the store owners that were hoping for a big lift from the Christmas shoppers, the unemployed and my wife and I will look forward to it.

My wife and I are senior citizens and have enjoyed our retirement on our modest income but had to economize since interest rates fell below 7%. We had intentions of buying a new American made automobile but put it off since our income has decreased about 35%. I'll bet other senior citizens who depend on safe CD investments decided to economize since their income has been curtailed also.

The public relied on you to balance the budget and get our country back on its feet. It seems like you have adopted policies that gave us uncontrollable deficits with little hope for a balanced budget.

If you concentrated your efforts on improving the economy and control spending. Interest rates would stabilize at a fair return. Employment would increase and the deficit could be addressed properly.

The youth of our nation would have a better opportunity to find and obtain a decent job. The store owners could sell their merchandise and get a fair return on their investments. The factories would start producing again and the elderly could relax and enjoy their retirement.

Sincerely,

  
Wilfred C. Kastroll

THE WHITE HOUSE

WASHINGTON

FILE

March 4, 1992

Dear Mayor Teghtmeyer:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

Some of these proposals are new. Others, President Bush first asked Congress to pass, beginning in 1989. If Congress had passed our pro-growth initiatives then, we would not be facing such hard times now. When he outlined his proposals to Congress in the State of the Union Address, the President said that the American people want action now, for the Congress to put aside partisan politics and rise to the occasion and work together for the common good of our great country.

I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable James E. Teghtmeyer  
Mayor  
City of Columbia  
200 Diplomat Drive  
Columbia City, Indiana 46725

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JANUARY 28, 1992

NAME OF CORRESPONDENT: THE HONORABLE JAMES E. TEGHTMEYER

SUBJECT: STRONGLY URGES PRESIDENT TO DO SOMETHING  
ABOUT THE ECONOMY, FEELS TAX BREAKS ARE  
NOT THE ANSWER

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
JIM SNYDER		ORG	92/01/28		A 92/3/4
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				
	REFERRAL NOTE:				

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
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ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2500 \_\_\_\_\_

IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                       *                       *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *           OF SIGNER  *
*D-DRAFT RESPONSE      *C-COMPLETED        *           CODE = A   *
*F-FURNISH FACT SHEET  *S-SUSPENDED        *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                       *           OUTGOING  *
*R-DIRECT REPLY W/COPY *                       *                       *
*S-FOR-SIGNATURE       *                       *                       *
*X-INTERIM REPLY       *                       *                       *
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.



Teghtmeyer's Ace Hardware, Inc. #455N

200 Diplomat Drive  
Columbia City, IN 46725  
219-244-7626

January 18, 1992

President George Bush  
1900 Pennsylvania Ave.  
WHITE HOUSE  
Washington, D. C.

Dear President Bush:

Please read article attached.

Our mid-west area was in a period of recovery, now seems to be slipping slowly.

We do have people with similar situations, in our community.

**ENOUGH SAID! PLAYING AROUND WITH TAX BREAKS IS NOT THE ANSWER EITHER!**

Sincerely,

James E. Teghtmeyer,  
Mayor  
City of Columbia City, IN.

# First anger, then despair

*Editor's note: The author, who lives in Ventura County, Calif., requested anonymity to spare her family further humiliation. She wrote this for the Los Angeles Times.*

This was the year my children did not go to the circus, or the museum, or the movies or McDonald's. The year their only "new" clothes came from charity. The year my toddler cried from hunger all day because he was tired of the only food I could offer: oatmeal. The year I asked my church on four occasions to give meals to my children. This was the year I lost 25 pounds without even trying.

I was born and brought up in the middle class. In 1989, I went on long-term disability leave from my job as an in-house business writer. In 1990, my husband's business failed.

For three years we have lived below — way below — the poverty line. We've been luckier than many people; it has taken us awhile to hit bottom. We had savings, credit, possessions to sell, relatives and friends to borrow from. But here we are, an inch away from foreclosure, no insurance, browbeaten by collection agents. They say we are deadbeats; we feel like deadbeats.

## Arrogance infuriates

The anger hit first when I saw a Garfield toy stuck on a windshield. I figured it cost \$12 or \$15, and in a wave of emotion I calculated exactly what groceries I would buy if I had that \$12 or \$15. Peanut butter. We'd done without for three weeks, and my kids missed it. A big chicken. I could make that last for more than a week. Apple juice, which my toddler loves but was doing without. Potatoes, the five-pound bag, and broccoli. I visualized the Sunday dinner we could have: chicken, potatoes, broccoli, biscuits, gravy, maybe even a cake. I pictured my kids, who are somewhat resigned to strange combinations of vegetables and rice or noodles, enjoying this lovely dinner.

I was suddenly furious at someone I didn't even know for spending so much money on a joke. Then I got mad that it seemed like so much money. Then I got mad that I was mad.

Anger drove me to notice how many people in Southern California own cars so expensive and flashy that they may as well have a sign in the window that reads, "I have lots of money and you don't, sucker." I began to notice how many homes are designed to make the same announcement.

In my whole life I've bought only one car (a compact) and one home (a modest condominium), so I've never been a member of the Flaunt Your Money group, but I've never minded them much, either.

Suddenly, I began to take their arrogance very, very personally.

When I read an article in the Los Angeles Times about people who spend \$20,000 for a wristwatch — a wristwatch — I scrutinized their photos. Were these people part of the human race? To spend so much money that way, when children living a few miles away are hungry. I began to understand why my grandmother, who had raised her children in the Depression, voted Socialist for the rest of her life.

## The poor don't count

Then, things got so much worse that there was no more room for anger.

My dominant feeling became one of numb amazement as I was forced by circumstances to see that without money, a person simply doesn't matter.

"Welcome to the real world," said my husband, who did not grow up in the middle class.

So shoot me. Raised in the sheltered suburbs, well-educated and insulated, I'd been operating on the assumption that people have value, whether or not they have money. I've learned otherwise.

I have learned that the bank will foreclose on your house if you miss three payments. They will sell it for the value of the mortgage, and, as I have been told by my bank, you and your family will simply have to find some other place to live. Like maybe a cardboard box.

I've learned that to file bankruptcy to keep your creditors from taking your house and car, you must first fork over \$800 for the filing and attorney fees.

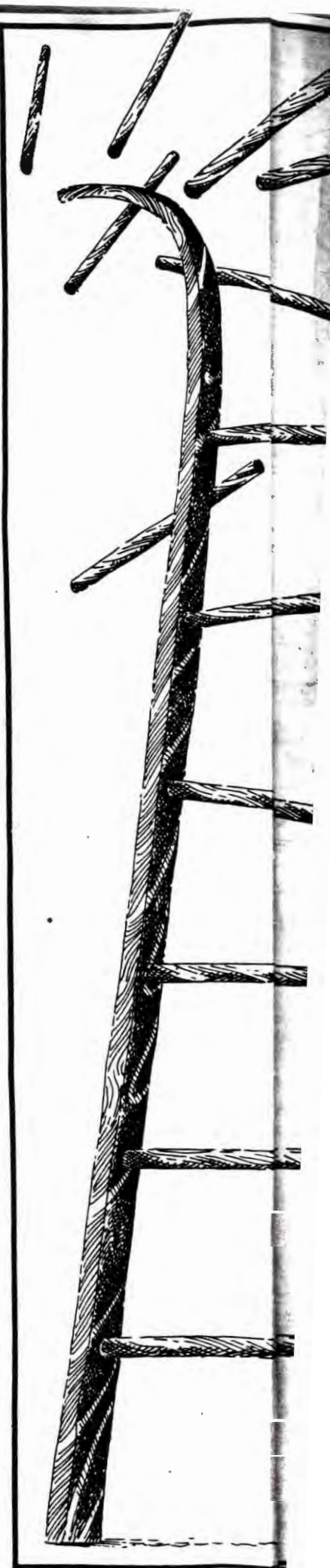
I've learned that when you're uninsured, a doctor visit is \$50, to be paid on the spot, and a prescription for antibiotics can be \$20 or \$30. To a middle-class person, that isn't much money; to me, it's impossible.

I thought I was well-informed, but I was not at all prepared for the violent, demoralizing effect of poverty. I had no idea how it would feel to have no food in the house, no gas to drive to buy food, no money to buy gas and no prospect of money.

How it would feel not to matter to the larger world, and to know that my smart, funny children also do not matter.

My husband and I believe we'll pull out of this. So far, though, the piecemeal work we find pays poorly, and we could paper the walls with form letters telling us either that we didn't get the job or that legal action will commence if we don't pay some debt or other.

I have a dread in my bones that the worst is not yet over, and that when it finally is over, it will never be altogether in the past for any one of us.



FILE

THE WHITE HOUSE

WASHINGTON

March 4, 1992

Dear Mayor Spears:

On behalf of the President, thank you for your message about the economy and about the pressing domestic issues that are facing our Nation. President Bush reads your letters and knows that we are in difficult times, but he also believes that these hard times are just about over. The latest economic indicators are all pointing to a very healthy recovery this year and the President wants that trend to continue for years to come.

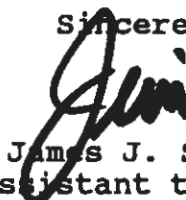
President Bush appreciates the many suggestions that the Administration has received from people all across the country; I can assure you that we share the same objective: to get the economy moving and getting people back to work. The President has proposed to Congress both a short-term plan that will get this economy moving immediately, and a long-term plan which will improve the economy for the future and help to ensure that we meet the challenges of competing in a global economy.

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I assure you that this Administration is working hard to see that action -- and, equally important, the right kind of action -- is being taken. As I mentioned before, you can see from the latest economic indicators that America is beginning to get back on the track to prosperity. That robust rebound will continue through this year and can continue on into the future if the Congress works with the Administration for the good of the entire country.

Thanks again for writing. I apologize for the delay in responding but the days have been hectic around here recently, as they should be. Your thoughts are always welcome and noted by the Bush Administration. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable Emil K. Spears  
Mayor Pro-Tem  
City of Blue Springs  
903 Main Street  
Blue Springs, Missouri

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JANUARY 07, 1992

NAME OF CORRESPONDENT: THE HONORABLE EMIL K. SPEARS

SUBJECT: URGES THE PRESIDENT TO ADDRESS DOMESTIC  
ISSUES IMMEDIATELY WHEN CONGRESS RECONVENES  
JAN 92

| ROUTE TO:<br>OFFICE/AGENCY | (STAFF NAME)         | ACTION      |                  | DISPOSITION  |        |                       |
|----------------------------|----------------------|-------------|------------------|--------------|--------|-----------------------|
|                            |                      | ACT<br>CODE | DATE<br>YY/MM/DD | TYPE<br>RESP | C<br>D | COMPLETED<br>YY/MM/DD |
| JIM SNYDER                 |                      | ORG         | 92/01/07         |              |        | A 92/3/4              |
|                            | REFERRAL NOTE: _____ |             | ___/___/___      |              |        | ___/___/___           |
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|                            | REFERRAL NOTE: _____ |             | ___/___/___      |              |        | ___/___/___           |

COMMENTS: \_\_\_\_\_  
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ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2600 \_\_\_\_\_  
IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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11  
J. Snyder

296805

*The City of Cooperation*  
**Blue Springs**

903 Main Street  
Blue Springs, Mo. 64015

December 27, 1991

President George Bush  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Mr. President:

I recently had the privilege of hearing your address to the National League of Cities Conference in Las Vegas. I have always been a strong supporter of you and your administration. Presently I am very concerned that you and Congress are so wrapped up in foreign affairs and other nations' problems that America seems to be second on your list of priorities.

With the recent demise of communism in Russia and the breakup of that country, it would appear to me we must take stock in America and the needs of our own country first. Jobs are fast disappearing all over this great land of ours. Major companies continue to move their manufacturing efforts to countries that offer cheap labor. I understand we are now a global economy; however, when a company like General Motors announces the closing of 21 plants and the loss of 74,000 jobs over the next four years, something drastic must be done. **IT IS TIME TO REINVEST IN AMERICA.**

We recently observed the fiftieth anniversary of the bombing of Pearl Harbor. While I can remember as a young child this terrible event in history, I do not have any ill feelings toward Japan or its people. I know we won the war and sacrificed a lot of lives in the process, however, economically Japan is now taking over our great country. It appears there should be a way to balance trade with Japan, with them accepting the same amount of American goods as we import of theirs. Unless they are willing to cooperate toward this goal, which doesn't appear likely, then an economic blockade of goods from them should be instigated immediately. I am not advocating a protectionist society, but something must be done to get the balance of trade in order. Too many Americans are worried about their jobs. There seems to be no job security in the work place in today's society.

President George Bush  
December 27, 1991  
Page 2

It is extremely important to address the homefront now. Hopefully you and Congress can work together to address the domestic issues immediately when they reconvene in January 1992. The urgency of America's needs are depending on you to lead us into the future. I for one am willing to do whatever it takes to get America on the move again. GOD BLESS AMERICA.

Sincerely yours,  
CITY OF BLUE SPRINGS

A handwritten signature in cursive script that reads "Emil K. Spears". The signature is written in dark ink and is positioned above the printed name and title.

Emil K. Spears  
Mayor Pro-Tem

EKS/nt

cc: Senator Jack Danforth  
Senator Kit Bond  
Congressman Ike Skelton  
Congressman Tom Coleman  
Congressman Alan Wheat

**FILE**

THE WHITE HOUSE

WASHINGTON

January 15, 1992

Dear Mr. Beaver:

On behalf of the President, thank you for your recent letter concerning the welfare of the economy. The President appreciates your comments and suggestions on this very important matter and about the difficulties that the sluggish recovery is creating.

I can assure you that messages like yours do reach the President, and he knows that the American people are anxious about economic conditions. He is deeply concerned about getting the economy to grow at a faster rate. Moreover, President Bush appreciates that you want action taken in Washington which will get the economy moving -- and so does he. President Bush is extremely disappointed that Congress did not act on the specific initiatives which he had proposed months ago to stimulate economic growth and to help create more jobs and more opportunities for our citizens.

The President's comprehensive economic growth package includes proposals that would increase job-creating investments. Specifically, these are: permanently extending the research and experimentation tax credit to benefit entrepreneurs creating new products; establish enterprize zones to spur business development and jobs in our inner cities; promote savings for home purchases and education through Family Savings Accounts and expand Individual Retirement Accounts; and reduce the capital gains tax, which provides lower costs of capital for the formation of new businesses and raises the value of capital assets, including real estate.

Back in February of this year, President Bush unveiled transportation legislation that would provide the Federal funds needed to help meet the serious problems of America's infrastructure. He asked Congress to act promptly on his bill, which included funding for the rehabilitation and improvement of highways, for replacing bridges, and for improving mass transit. That job creating legislation stalled in Congress for 10 months until the closing hours of the session, in late November.

President Bush was also pleased to sign into law, legislation that extends unemployment benefits for America's jobless, providing them with needed relief. Once again, had Congress presented the President with a bill he could sign, sooner, the public would not have had to suffer through.

The President understands that not only difficulties in obtaining credit, but also reductions in real income, are a stark reality for some individuals, families, and particularly for operators of businesses. Congress could have helped by passing the administration's comprehensive banking reform legislation, which would fuel economic growth through stronger, more competitive banks.

Beyond proposing legislative remedies, President Bush recently announced executive branch actions designed to help business and industry by relieving the "credit crunch". These efforts include encouraging lenders to make prudent loans and ensuring that examiners perform their reviews in a sensible manner. The President's goal is to promote confidence and balance in lending and thus, encourage banks to play their traditional role, businesses to make investments, and consumers to purchase goods and services.

He has directed the Economic Policy Council to examine additional measures which might be taken to strengthen his existing domestic economic programs and to determine whether such measures would be of any benefit to the economy in the long run. Indeed, revitalizing our economy is an ongoing priority of the Administration, and it is heartening to note that there are signs that the country is emerging -- although more slowly than the President would like -- from the recession.

Thank you again for taking the time to write to the White House. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

Mr. James R. Beaver  
Councilman  
City of Kennewick  
Post Office Box 6108  
Kennewick, Washington 99336-0108

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JANUARY 03, 1992

NAME OF CORRESPONDENT: MR. JAMES R. BEAVER

SUBJECT: URGES THE PRESIDENT TO TAKE A CREATIVE AND  
PROACTIVE ROLE IN REESTABLISHING U.S.  
PROMINENCE AS A WORLD ECONOMIC POWER

| ROUTE TO:<br>OFFICE/AGENCY | (STAFF NAME)   | ACTION      |                  | DISPOSITION  |           |
|----------------------------|----------------|-------------|------------------|--------------|-----------|
|                            |                | ACT<br>CODE | DATE<br>YY/MM/DD | TYPE<br>RESP | C<br>D    |
| JIM SNYDER                 |                | ORG         | 92/01/03         |              | A 92/1/15 |
|                            | REFERRAL NOTE: |             |                  |              |           |
|                            | NOTE:          |             |                  |              |           |
|                            | NOTE:          |             |                  |              |           |
|                            | NOTE:          |             |                  |              |           |
|                            | NOTE:          |             |                  |              |           |
|                            | NOTE:          |             |                  |              |           |

*ef*  
*for the*

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2600 \_\_\_\_\_  
IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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|--------------------------|----------------------|----------------------|---|
| *ACTION CODES:           | *DISPOSITION         | *OUTGOING            | * |
| *                        | *                    | *CORRESPONDENCE:     | * |
| *A-APPROPRIATE ACTION    | *A-ANSWERED          | *TYPE RESP=INITIALS  | * |
| *C-COMMENT/RECOM         | *B-NON-SPEC-REFERRAL | * OF SIGNER          | * |
| *D-DRAFT RESPONSE        | *C-COMPLETED         | * CODE = A           | * |
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| *R-DIRECT REPLY W/COPY * |                      |                      | * |
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- \*\*\*\*\*

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MANAGEMENT.



CITY OF KENNEWICK WASHINGTON

CIVIC CENTER

(509) 586-4181 / SCAN-526-2237 / FAX (509) 582-9138  
210 WEST SIXTH AVENUE / P.O. BOX 6108 / KENNEWICK, WASHINGTON 99336-0108

December 23, 1991

The Honorable George Bush  
President of the United States  
The White House  
Washington, D. C. 20500

Dear President Bush:

As a Councilman from the City of Kennewick, I had the opportunity to attend the recent National League of Cities Annual Convention at which you addressed the delegates via a satellite hookup. I very much appreciate the fact that you took time from your busy schedule to address the issues of concern among the delegates.

Mr. President, it is absolutely vital that your administration and the Congress take a creative and very proactive role in re-establishing our country's prominence as a world economic power. Extending unemployment benefits treats a symptom, but I see nothing on the horizon that treats the ailment. We need a new vision of America moving into the 21st century with a clearly defined plan of action that leads us to that vision. All of us look to you for the leadership to establish that vision and that plan. This important work cannot be put off any longer.

Sincerely,

James R. Beaver  
Councilman



## CITY OF KENNEWICK WASHINGTON

CIVIC CENTER

(509) 586-4181 / SCAN-526-2237 / FAX (509) 582-8138

210 WEST SIXTH AVENUE / P.O. BOX 8108 / KENNEWICK, WASHINGTON 99338-0108

December 27, 1991

Glenda E. Hood, President  
National League of Cities  
Commissioner, City of Orlando  
400 South Orange Avenue  
Orlando, FL 32801

Dear Ms. Hood:

I would very much like to be included in the National League of Cities delegation which will be meeting with President Bush to discuss the reordering of Federal budget priorities in response to our national recession and domestic spending priorities. After having attended the recent NLC Annual Convention, I was not only impressed by NLC's work on this issue to date, but also for the need to make the Administration and Congress aware of the impacts of its current domestic policy in smaller and mid size cities throughout the country. I represent a community of slightly more than 42,000 people and I want to be assured that the President and the Congress are aware of the problems associated with unemployment and a host of other issues in communities such as Kennewick. I formed a perception at the Convention, which may not be totally accurate, that many in leadership roles in NLC are from larger cities. I want to ensure that a representative and balanced delegation from NLC discusses these complex issues with the President.

Sincerely,

A handwritten signature in cursive script that reads "James R. Beaver".

James R. Beaver  
Councilman

JRB:RMK:nk

cc: George Bush  
President of the United States

**FILE**

THE WHITE HOUSE

WASHINGTON

January 13, 1992

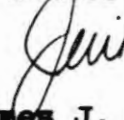
Dear Mayor Shiley:

On behalf of the President, thank you for your letter regarding the status of economic conditions in the country. I can understand the concerns which prompted you to write to the White House.

President Bush is eagerly awaiting the opportunity to deliver his State of the Union message to the nation. The Administration will be bringing forth numerous new ideas and initiatives and we hope that the Congress will immediately respond with their full cooperation, for the benefit of the whole country. The time has come for us all to pull together and work towards the common goal of retaining America's place as the world's leader.

Thanks again for writing. Your comments are always welcome and indeed, heeded. With the President's best wishes and my own,

Sincerely,



James J. Snyder  
Special Assistant to the President  
for Intergovernmental Affairs

The Honorable Lewis H. Shiley  
Mayor  
City of Conneaut  
City Hall Building  
Conneaut, Ohio 44030

THE WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: DECEMBER 24, 1991

NAME OF CORRESPONDENT: THE HONORABLE LEWIS H. SHILEY

SUBJECT: REQUESTS THAT A GRASS ROOTS TASK FORCE BE SET  
UP TO BEGIN ADDRESSING THE PROBLEMS OF THE  
UNEMPLOYABLE AND THE UNEMPLOYED

| ROUTE TO:<br>OFFICE/AGENCY | (STAFF NAME)   | ACTION      |                  | DISPOSITION  |                           |
|----------------------------|----------------|-------------|------------------|--------------|---------------------------|
|                            |                | ACT<br>CODE | DATE<br>YY/MM/DD | TYPE<br>RESP | C COMPLETED<br>D YY/MM/DD |
| JIM SNYDER                 |                | ORG         | 91/12/24         |              | A 92/1/13                 |
|                            | REFERRAL NOTE: |             | / /              |              | / /                       |
|                            | REFERRAL NOTE: |             | / /              |              | / /                       |
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*Handwritten initials and signature:*  
tj  
for Ake

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2500 \_\_\_\_\_  
IG MAIL USER CODES: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

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|--------------------------|----------------------|----------------------|---|
| *ACTION CODES:           | *DISPOSITION         | *OUTGOING            | * |
| *                        | *                    | *CORRESPONDENCE:     | * |
| *A-APPROPRIATE ACTION    | *A-ANSWERED          | *TYPE RESP=INITIALS  | * |
| *C-COMMENT/RECOM         | *B-NON-SPEC-REFERRAL | * OF SIGNER          | * |
| *D-DRAFT RESPONSE        | *C-COMPLETED         | * CODE = A           | * |
| *F-FURNISH FACT SHEET    | *S-SUSPENDED         | *COMPLETED = DATE OF | * |
| *I-INFO COPY/NO ACT NEC* |                      | * OUTGOING           | * |
| *R-DIRECT REPLY W/COPY * |                      |                      | * |
| *S-FOR-SIGNATURE *       |                      |                      | * |
| *X-INTERIM REPLY *       |                      |                      | * |
- \*\*\*\*\*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE  
(ROOM 75, OEOB) EXT-2590  
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING  
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS  
MANAGEMENT.

294892

J. Snyder



Ohio's Sharpest Corner

# City of Conneaut

LEWIS H. SHILEY  
MAYOR

GARY R. PHILLIPS  
SAFETY-SERVICE DIRECTOR

City Hall Building  
Conneaut, Ohio 44030  
Telephone (216) 593-4357

December 16, 1991

The President  
The White House  
Washington, D. C. 20004

Dear Mr. President.

I am writing this letter to inform you that the economic conditions in our area leave a lot to be desired. It seems that we as a country continue to be on a course that we will wake one morning and all things will be in place to our liking.

Huge amounts of jobs are being disposed of each and every day with the same old rhetoric as the excuse. It seems the rules of doing business in this country are different from the rules of doing business elsewhere in the world. The question is when are the Japanese going to open their doors to United States companies on an equal basis as the United States?

When will this country look into the Japanese investing in our universities and colleges then taking the research and development back to their home land as part of the deal.

We are concerned about the 40% of McDonald Douglas being sold to Taiwan. This Country has lost dominance in the automotive, textile, electronic etc. industries. Again we jeopardize American jobs by selling to foreign entities.

Mr. President, we have the greatest work force in the world. People in our community want employment and deserve a chance at better lives for their families and themselves. As a fellow Republican I plead that a plan be developed to assist all who want a job in this great country. I know there are some who believe poor blacks, whites and

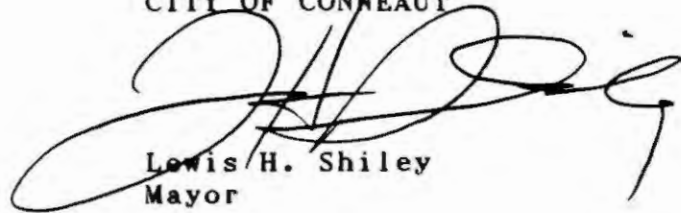
page 2  
The President

now some middle class are expendable in our society. They talk about these people being the lost generation, of no worth, nothing to offer group, therefore not worth talking about or discussing. I don't agree with this thinking and believe any human being is worth salvaging. I therefore request, Mr. President, that a grass roots task force be set up to begin addressing the problems of the unemployable and the unemployed.

Sir, I believe you would be astonished at the results of such a group. Also, this would give hope and maybe a new found enthusiasm for the American working class.

Thanks for listening.

Respectfully,  
CITY OF CONNEAUT

A large, stylized handwritten signature in black ink, appearing to read 'L. Shiley', is written over the typed name and title.

Lewis H. Shiley  
Mayor

LHS:lac

# THE 10 WORST ECONOMIC MOVES

*Shattered by the recession, desperate state and local governments are committing major fiscal blunders and rolling the dice on their future*



Congress returns from a long winter's nap this week in an effort to rouse the dormant American economy, which has been in deep hibernation for the past 19 months. Meanwhile, George Bush is desperately seeking fiscal salvation as he trudges through New Hampshire's freezing snow and cold to save his increasingly unpopular presidency. But before they start tinkering with taxes and busting the budget in Washington, Bush and the members of Congress ought to carefully examine balance sheets in statehouses and city halls around the nation—especially if they want to know what *not* to do.

Local government officials from coast to coast, besieged by the demands of financially ailing citizens who want more services but fewer taxes, are hitting the economic panic button in order to retain their jobs. This hysteria has resulted in a series of wrongheaded and shortsighted decisions that could exacerbate the longest recession since the Great Depression of the 1930s. Excessive expenditures have been concealed in complicated footnotes to budget documents, for example: additional taxes have been heaped upon

the nation's struggling poor; jobs have been purchased at exorbitant prices, and all-important business growth has been snuffed out by ill-conceived fiscal legislation.

The long-term impact of these blunders is frightening. Budgetary quick fixes are driving herds of companies from high-tax cities and states to more inviting economic pastures. This stampede will ultimately burden the next generation of citizens with even more intractable deficits.

After canvassing the country and talking with scores of policy makers, business executives and fiscal experts, *U.S. News* has selected 10 of the worst economic moves by local government in this downturn. Listed in no particular order, they range from taxing Twinkies in California to assuming risky corporate debt in Minnesota. It might seem unnecessarily cruel to kick government when it's on the ground—the most misguided moves often take place when the deficits are deepest—but the states and cities analyzed in the following pages really kicked themselves first.

## 1

### A PAINFUL BITE FOR BUSINESS

For more than a decade, the Pennsylvania state government in Harrisburg has tried to enhance its relationship with business, paring down its corporate income tax from 11.5 percent to 8.5 percent. True, that still left the Keystone State with above-average business levies, but with high-tax neighbors like New York, you don't have to be a tax haven to keep the bakers and boilermakers from straying across the border. That

