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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13705
Folder ID Number: 13705-001

Folder Title:
Kay Orr Breakfast 2/8/90 [OA 8310]

Stack:	Row:	Section:	Shelf:	Position:
G	26	19	6	4

KAY ORR BREAKFAST / OMAHA, NEBRASKA
THURSDAY, FEBRUARY 8, 1990 / 8:30 A.M.

GOVERNOR ORR, MAYOR MORGAN, CONGRESSMAN BEREUTER [BEE-RIGHTER], CONGRESSWOMAN SMITH, GOVERNOR THONE, FUTURE SENATOR HAL DAUB, NORM RIFFEL, DUANE ACKLIE, SALLIE FOLSOM, LADIES AND GENTLEMEN.

I'M DELIGHTED TO JOIN YOU FOR THIS EARLY-MORNING BREAKFAST.

EVEN THOUGH BEING HERE AT THIS HOUR REMINDS ME OF THE TIME I TOLD ONE OF MY GRANDKIDS THAT THE EARLY BIRD GETS THE WORM. HE SAID: "I THINK I'LL SLEEP IN AND HAVE PANCAKES." //

WELL, THIS MORNING WE'RE HAVING SPECIAL K. YES, IN HONOR OF THE SPECIAL WOMAN WHO HAS COME A LONG WAY SINCE SHE FIRST WORKED FOR THE REPUBLICAN PARTY IN 1963. // SHE'S GONE FROM RINGING DOORBELLS TO MAKING HISTORY. // <u>THE GREAT GOVERNOR OF THE STATE OF NEBRASKA. KAY ORR</u>. //

I'VE KNOWN KAY SINCE 1976. AND I WANTED TO COME HERE AND PERSONALLY ENDORSE HER. I'M HERE BECAUSE KAY HAS MADE TOUGH CHOICES AND RIGHT DECISIONS. AND BECAUSE HER FIRST TERM HAS PRODUCED NOT EMPTY RHETORIC BUT RESULTS. // DWIGHT EISENHOWER ONCE SAID, "OUR BEST PROTECTION AGAINST BIGGER GOVERNMENT IN WASHINGTON IS BETTER GOVERNMENT IN THE STATES." // LET'S HELP KAY KEEP MAKING GOVERNMENT BETTER. // LET'S HELP HER WIN A SECOND TERM. //

THIS ELECTION WILL DECIDE WHETHER NEBRASKA ENJOYS CONTINUED PROSPERITY. AND WHETHER YOU CONTINUE TO HAVE THE LEADERSHIP IT TAKES TO WIN THE WAR ON CRIME AND DRUGS. IT WILL DECIDE WHETHER NEBRASKA HAS FARM POLICIES THAT WORK. AND AN EDUCATION SYSTEM THAT MAKES THE GRADE. THOSE ARE THE QUESTIONS. // WELL, I HAVE THE ANSWER. "FOUR MORE FOR [GOVERNOR] ORR." //

((YOU KNOW, KAY'S HUSBAND BILL LIKES TO TELL HOW HE WENT TO THE BANK TO CASH A CHECK. THE TELLER LOOKED UP AND SAID, "ARE YOU THE WIFE OF THE GOVERNOR?" //

EMBARRASSED, SHE TRIED TO MAKE AMENDS. "WHAT I MEAN," SHE SAID, "ARE YOU MR. KAY ORR?")) // ((BILL, I KNOW HOW YOU FEEL. IT'S LIKE KAY IS ALWAYS TELLING ME: "IT'S FINE THAT <u>YOU'RE</u> HERE, MR. PRESIDENT. BUT IF YOU <u>REALLY</u> WANT TO WOW THE CROWD, BRING BARBARA.")) //

AS AMERICA'S FIRST REPUBLICAN WOMAN GOVERNOR, IT'S TRUE: KAY <u>HAS</u> BECOME A HOUSEHOLD NAME. AND WHY NOT WITH STATS RIVALING FOOTBALL'S BIG RED? MORE THAN 23,000 NEW JOBS AND $2.4 BILLION IN NEW INVESTMENT SINCE 1987 -- <u>THOSE</u> ARE KAY ORR VICTORIES.

SO IS NET FARM INCOME -- NEARLY TRIPLED -- AND AN UNEMPLOYMENT RATE CUT IN HALF. // NEBRASKA'S FIRST-EVER CHILD CARE CREDIT. A CRUSADE TO IMPROVE SECONDARY AND HIGHER LEARNING -- <u>STILL FURTHER VICTORIES</u>. AND SO ARE A DRUG ADVISORY COUNCIL AND WILDLIFE PRESERVATION. //

THESE TRIUMPHS HAVE HELPED THE WORKING PEOPLE OF NEBRASKA. AND KAY NEEDS A SECOND TERM TO FINISH THE JOB SHE'S SO EFFECTIVELY BEGUN.

YET THE NEED IS NOT NEBRASKA'S ALONE. I NEED HER, TOO, TO SUPPORT THE WORK OF OUR ADMINISTRATION. FOR WE WANT TO MAKE AMERICA A KINDER, GENTLER PLACE. // AND GET MORE RESULTS FOR MORE AMERICANS THAN AT ANY TIME IN OUR HISTORY. //

LAST WEDNESDAY NIGHT, I TALKED OF THIS IN MY STATE OF THE UNION ADDRESS. AND OF THE TRIUMPHS OF 1989. TRIUMPHS LIKE THE LOWEST UNEMPLOYMENT RATE IN 16 YEARS.

INFLATION AT LESS THAN 5 PERCENT. AND THE LONGEST PEACETIME ECONOMIC BOOM IN THE HISTORY OF THE UNITED STATES. // YET WHAT I TERMED "THE IDEA CALLED AMERICA" IS LIKE NEBRASKA: IT'S SOMETHING TO BUILD UPON, NOT REST UPON. SO WE HAVE SENT LEGISLATION TO THE CONGRESS TO CONFRONT OUR MOST CRUCIAL ISSUES.

FOR EXAMPLE, PROSPERITY MEANS LITTLE IF OUR KIDS AREN'T FREE FROM DRUGS. SO LAST MONTH I ANNOUNCED THE 1990 NATIONAL DRUG CONTROL STRATEGY -- PHASE II OF THE COMPREHENSIVE DRUG POLICY WE UNVEILED LAST YEAR.

WE'RE ASKING CONGRESS TO SPEND OVER 10 AND A HALF BILLION DOLLARS IN FISCAL YEAR 1991 FOR EDUCATION, TREATMENT, INTERDICTION, AND ENFORCEMENT -- ABOUT A 70 PERCENT INCREASE SINCE I TOOK OFFICE IN 1989. //

WE ALSO WANT MANDATORY TIME FOR FIREARMS OFFENSES. NO DEALS WHEN CRIMINALS USE A GUN. AND AS PHASE II PROPOSES, AN EXPANSION OF THE DEATH PENALTY FOR DRUG KINGPINS. //

WE'VE REQUESTED SIGNIFICANT INCREASES IN FEDERAL ASSISTANCE TO STATES AND LOCALITIES IN DRUG USE, PREVENTION, TREATMENT, AND LAW ENFORCEMENT. AND WE'VE ALREADY MADE CONSIDERABLE PROGRESS IN ADDING MORE POLICE, MORE PROSECUTORS, AND MORE PRISONS. // KAY ORR SUPPORTS THESE STEPS. HER INITIALS AREN'T K.O. FOR NOTHING. AND THAT'S WHAT SHE'LL HELP DO TO CRIME AND DRUG USE. // I NEED HER AS GOVERNOR TO HELP TAKE BACK THE STREETS. //

THEN, THERE'S ANOTHER PRIORITY OF OUR ADMINISTRATION: THE EDUCATION OF OUR KIDS. // KAY ORR KNOWS, AS I DO, THAT THE FUTURE OF THIS COUNTRY BEGINS WITH EDUCATION. SO SHE SUPPORTS OUR "EDUCATIONAL EXCELLENCE ACT OF 1989," WHICH CAN HELP ACHIEVE, BY THE YEAR 2000, THE EDUCATION GOALS THAT I ANNOUNCED LAST WEDNESDAY -- GOALS DEVELOPED WITH THE NATION'S GOVERNORS.

WE MUST ENSURE THAT EVERY STUDENT IN AMERICA STARTS SCHOOL READY TO LEARN. THAT'S WHY I'VE PROPOSED A RECORD INCREASE IN FUNDS -- AN EXTRA HALF A BILLION DOLLARS -- FOR A PROGRAM WHICH HAS AND CONTINUES TO WORK: HEAD START. // AND WE MUST SEE THAT EACH SCHOOL HAS AN ENVIRONMENT WHERE KIDS CAN LEARN. THAT MEANS MAKING EVERY SCHOOL DRUG-FREE. // OUR GRADUATION RATE MUST BE NO LESS THAN 90 PER CENT. AND WE MUST MAKE DIPLOMAS MEAN SOMETHING.

SO WE WANT U.S. STUDENTS TO BE FIRST IN THE WORLD IN MATH AND SCIENCE ACHIEVEMENT. AND WE MUST GUARANTEE THAT EACH AMERICAN IS A SKILLED, LITERATE WORKER AND CITIZEN. TOGETHER, WE CAN MAKE "THE IDEA CALLED AMERICA" MEAN A DECENT EDUCATION FOR ALL. //

"THE IDEA CALLED AMERICA" ALSO MEANS THAT WORKING PARENTS SHOULD HAVE INCREASED CHILD-CARE OPTIONS. OUR LEGISLATION WILL ACHIEVE THAT GOAL. // AND IT MEANS A CLEANER AMERICA.

SO WE'VE SENT UP THE FIRST REWRITE OF THE CLEAN AIR ACT IN OVER 10 YEARS. // WE ALSO WANT A MORE ABUNDANT RURAL AMERICA -- WHERE AMERICANS WORK, INVEST, AND SAVE. IN THE LATE 1980S, FARM INCOME HIT NEAR RECORD LEVELS. NOW, LET'S MAKE GOOD NEWS EVEN BETTER -- AND KEEP NEBRASKA STRONG BY KEEPING AGRICULTURE THRIVING IN THE 1990S. //

FIRST, I HOPE TO NEGOTIATE A NEW TRADE AGREEMENT WITH THE SOVIET UNION BY THE 1990 SUMMIT.

THIS WILL RELAX TRADE BARRIERS BETWEEN EAST AND WEST -- EXPANDING MARKETS FOR AMERICAN EXPORTS. I FEEL STRONGLY THAT SELLING OUR GRAIN TO THE SOVIET UNION IS IN AMERICA'S INTEREST AS WELL AS THEIRS. // NEXT, WE'RE GOING TO WRITE A NEW FARM BILL THIS YEAR. IT MUST EMPHASIZE MARKET-ORIENTED FARM POLICIES GIVING PRODUCERS MORE FLEXIBILITY TO DECIDE WHAT CROPS TO GROW.

AND WE NEED THE INVESTMENT CREATED BY PASSING OUR CAPITAL GAINS TAX CUT PROPOSAL, WHICH WOULD APPLY TO THE SALE OF FARMLAND. TOGETHER, THESE DECISIONS WILL SHOW WHAT'S GOOD FOR AGRICULTURE IS GOOD FOR AMERICA. //

WHAT'S GOOD FOR ALL OF US, NATURALLY, IS THAT I BE BRIEF. SO LET ME CLOSE WITH A STORY ABOUT A COMMON LOVE OF MINE AND RURAL AMERICA: FISHING.

IT CONCERNS MARK TWAIN, WHO -- LIKE ALL FISHERMEN -- LOVED TO BRAG ABOUT HIS EXPLOITS.

TWAIN ONCE SPENT THREE WEEKS FISHING IN THE MAINE WOODS, IGNORING THE FACT THAT THE STATE'S FISHING SEASON HAD CLOSED. ON THE WAY HOME, ABOARD THE TRAIN, HE CAME UPON A STRANGER. AND IMMEDIATELY STARTED TELLING HIM ABOUT ALL THE FISH HE'D CAUGHT.

FINALLY, MARK TWAIN ASKED, "BY THE WAY, WHO ARE YOU, SIR?" THE STRANGER REPLIED, "I'M THE STATE GAME WARDEN. AND WHO ARE YOU?" // WITH THAT, AMERICA'S GREATEST WRITER NEARLY SWALLOWED HIS CIGAR. AND AFTER A LONG PAUSE HE ANSWERED, "WELL, TO BE PERFECTLY TRUTHFUL, WARDEN. I'M THE BIGGEST DAMN LIAR IN THE WHOLE UNITED STATES." //

TRULY, MARK TWAIN LOVED TO BRAG. BUT, THEN, HE HAD MUCH TO BRAG ABOUT. AND SO DOES NEBRASKA WHEN IT COMES TO YOUR FIRST ELECTED WOMAN GOVERNOR.

KAY ORR HAS MADE TOUGH DECISIONS -- RIGHT DECISIONS. AND THEIR RESULTS HAVE ENRICHED NEBRASKANS FROM THE BANKS OF THE MISSOURI TO THE WYOMING LINE.

SO LET'S ENSURE "FOUR MORE FOR [GOVERNOR] ORR." AND PLEDGE TO SUPPORT ONE OF AMERICA'S TRULY GREAT GOVERNORS. THANK YOU FOR THIS OCCASION. GOD BLESS YOU. GOD BLESS AMERICA. AND LET'S KEEP KAY ORR THE GOVERNOR OF THIS GREAT STATE OF NEBRASKA.

# # # #

Staffed

time 7:30
how many 300
intro Gov. Orr
notables

What time? 8:30
where? Peony Park

(Smith/Blessey)
7:30 P.M.
February 1, 1990

Norm Riffel (chrmn Neb Rep)
Dwane Acklie natl. committeemen

PRESIDENTIAL REMARKS: KAY ORR BREAKFAST
OMAHA, NEBRASKA
THURSDAY, FEBRUARY 8, 1990

P.J. [Beerighter]

Governor Orr, Mayor Morgan, Congressman Bereuter, Congresswoman Smith, future Senator Hal Daub, Ladies and gentlemen.

Virginia Andy

Norm Riffel, Dwane Acklie

I'm delighted to be in Nebraska. And to join you for this early-morning breakfast. Even though being here at this hour reminds me of the time I told one of my grandkids that the early bird gets the worm. He said: "I think I'll sleep in and have pancakes." //

[Special K]

Natalie Pearle 1023471-2044

Well, this morning we're having ham and eggs. And saluting a woman who has come a long way since she first worked for the Republican Party in 1963. // She's gone from licking **envelopes** to licking **Democrats.** // **The great Governor of the State of Nebraska. Kay Orr.** //

Bill Lacy doesn't like

Natalie Pearle

You know, I've been acquainted with Kay since 1976. And I wanted to come here and personally endorse her. I realize you wanted to hear a few words from a prominent national figure who can really fire up a crowd. // Unfortunately, Johnny Carson had to go back to Los Angeles -- so I'm here instead. //

Bill Lacy 680-4730

I'm here because Kay has made **tough** choices and **right** decisions -- as Nebraskans are prone to do. And because her first term has produced **results**, not empty rhetoric -- exactly

Bl. Alm. P. 714

what Nebraskans **want** in a Governor. // Dwight Eisenhower once said, "Our best protection against **bigger** government in Washington is **better** government in the States." // Well, let's help Kay **keep** making government better. // **Let's help her win a second term**. //

This election will decide whether Nebraska enjoys continued prosperity. Or whether it abandons the leadership which has cut the jobless rate in half.

This election will decide whether -- on the one hand -- Nebraska has the leadership it takes to win the war on crime and drugs. Or whether -- on the other -- it chooses policies which blame everyone **but** the criminal.

This election will decide whether Nebraska has farm policies that work. And an education system that makes the grade. Those are the **questions**. // Well, I have the **answer**. **"Four More For [Governor] Orr."** //

You know, Kay's work began the morning after she was elected **America's first Republican woman Governor**. // Remember what she did? She said she'd form a jobs creation council to help small towns recover from the farm recession. // **She wasn't bluffing. She attacked the problem. She kept her promise. She got results**.

But then, that's not surprising -- for results **distinguish** Kay's career. She's gotten results for the last 25 years as a State Republican leader. And as Nebraska State Treasurer. She got results in 1988 as the first woman Chair of the Republican National Platform Committee. And as Governor of the Cornhusker

State -- well, her scoreboard is even better than last fall's rout of Oklahoma. // They'll never let me back in Norman again.

((You know, Kay's husband Bill likes to tell how he went to the bank to cash a check. The teller looked up and said, "Are you the wife of the governor?" // Embarrassed, she tried to make amends. "What I mean," she continued, "are you Mr. Kay Orr?")) //

((Bill, I know how you feel. It's like Kay is always telling me: "It's fine that **you're** here, Mr. President. But if you **really** want to wow the crowd, bring Barbara.")) //

It's true: As Governor, Kay **has** become a household name. Why not with stats rivaling Nebraska'a Big Red Machine? More than 23,000 new jobs and $2.4 billion in new investment since 1987 -- **those** are Kay Orr victories. So is farm income -- nearly tripled -- and the lowest unemployment rate west of the Mississippi. // Nebraska's first-ever child care credit. A crusade to improve secondary and higher learning. And mandatory sentences for drug dealers -- **still more victories**. And so are a Drug Advisory Council, wildlife preservation, and ~~State income taxes down by $34 million over the past two years~~. //

These triumphs have aided the family, the taxpayer -- the working people of Nebraska. And Kay needs a second term to finish the job she's so effectively begun. Yet the need is not Nebraska's alone. **I** need her, too, to support the work of **our** Administration. For we want to make America a **kinder, gentler**

place. // And get **more results** for **more Americans** than at any time in our history. //

Last Wednesday night, I talked of this in my State of the Union Address. And of the triumphs of 1989. Triumphs like the lowest unemployment rate in 15 years. Inflation at less than 5 per cent. And the low interest rates that remain the farmer's best friend. And the longest peacetime economic expansion in our Nation's history. [that is the call I called] Yet like Nebraska, what I called "The Idea of America" is something to **build** upon, not **rest** upon. So we have sent legislation to the Congress to confront our most crucial issues.

For example, prosperity means little if our kids aren't free from drugs. So last month I announced the 1990 National Drug Control Strategy -- Phrase II of the comprehensive drug policy we unveiled last year. We've asked Congress for over ten and a half billion dollars in Fiscal Year 1991 -- about a 70 per cent increase since I took office in 1989. // And I want an expansion of the death penalty for drug-related crimes. // Kay Orr **supports** these steps. Her initials aren't K.O. for nothing. And that's what she'll help do to crime and drug use. // **I need her as Governor to help take back the streets**. //

Then, there's another priority of our Administration: **The education of our kids**. // And in that context, recall how the great Nebraska author, Willa Cather, once said, "The history of every country begins in the heart of a man or a woman." //

Well, Kay Orr knows, as I do, that the **future** of **this** country begins with education. So she supports our "Education

Excellence Act of 1989," which can help achieve by the year 2000 the education goals that I announced last Wednesday. We must ensure that every student in America starts school ready to learn. And that each school has an environment where kids **can** learn. Our graduation rate must be no less than 90 per cent. And we must make diplomas **mean** something. We want U.S. students to be first in the world in math and science achievement. We must guarantee that each American citizen is a skilled, literate worker and citizen. And that every school is drug-free. **I need Kay Orr to help make "The Idea of America" mean a decent education for all.** //

"The Idea of America" also means that working parents should have increased child-care options. Our legislation will achieve that goal. // And it means a **cleaner** America. So we've sent up the first rewrite of the Clean Air Act in over 10 years. // We also want a more **abundant Rural** America -- where Americans work, invest, and save. In the late 1980s, farm income hit near record levels. Now, let's make good news even better -- and keep Nebraska strong by keeping agriculture thriving in the **1990s**. //

First, I want to grant most favored Nation status to the Soviet Union by the 1990 Summit. This will relax trade barriers between East and West -- expanding markets for American exports. Next, we're going to write a new Farm Bill in 1990. It must emphasize market-oriented farm policies giving producers more flexibility to decide what crops to grow. And we need the investment created by passing our capital gains proposal, which

would apply to the sale of farmland. Together, these decisions will show what's good for **agriculture** is good for **America**. //

What's good for **all** of us, naturally, is that I be brief. So let me close with a story about a common love of mine and Rural America: Fishing. It concerns Mark Twain, who -- like all fishermen -- loved to brag about his exploits.

Twain once spent three weeks fishing in the Maine woods, ignoring the fact that the state's fishing season had closed. And on the way home, aboard the train, he came upon a stranger. And immediately started telling him about all the fish he'd caught.

Finally, Mark Twain asked, "By the way, who are you, sir?" The stranger replied, "I'm the state game warden. And who are you?" // With that, America's greatest writer nearly swallowed his cigar. And after a long pause he answered, "Well, to be perfectly truthful, I'm the biggest damn liar in the whole United States." //

Truly, Mark Twain loved to brag. But, then, he had much to brag **about**. And so does Nebraska's first elected woman Governor.

Kay Orr **has** made **tough** decisions -- **right** decisions. And their results have enriched Nebraskans from the banks of the Missouri to the Wyoming line.

So let's ensure **"Four More For [Governor] Orr**." And pledge to support one of America's truly great Governors. Thank you for this occasion. God bless you. God bless America. **And let's keep Kay Orr the Governor of this great State of Nebraska**.

# # # #

Kay Orr

I ASK YOU TO SUPPORT OUR STRATEGY TO TAKE BACK THE STREETS FROM CRIME AND DRUGS. // WE NEED MANDATORY TIME FOR FIREARMS OFFENSES. NO DEALS WHEN CRIMINALS USE A GUN. AND AS PHASE II PROPOSES, AN **EXPANSION** OF THE DEATH PENALTY FOR DRUG-RELATED CRIMES. IN THAT CONTEXT, I ASK YOU TO URGE YOUR STATE LEGISLATURES TO APPROVE THE SAME PENALTY FOR THE KILLING OF LOCAL LAW ENFORCEMENT OFFICERS. LET'S WORK **TOGETHER** TO STOP THE HOOLIGANS AND THE THUGS. //

PHASE II AIMS TO HELP THE TEENAGER TORMENTED BY CRACK. OR THE PREGNANT MOTHER WHOSE DRUG USE IMPERILS HER CHILD. YET DRUGS ARE A **NATIONAL**, NOT ONLY FEDERAL, PROBLEM. SO YOU, TOO, HAVE RESPONDED. MACON, GEORGIA, FOR EXAMPLE, HAS STARTED THE MACON-BIBB WAR ON DRUGS. AND IN HOUSTON, LOCAL OFFICIALS AND RESIDENTS OF ACRES HOMES PROJECT HAVE TEAMED TO PURSUE "DRUG FREE TOMORROWS." I VISITED ACRES HOMES LAST MONTH -- AND THE COURAGE OF THAT COMMUNITY IS TRULY INSPIRING.

Death Penalty
as of 1988
electrocution
1st degree murder

U.S. Conf. of Mayors
drug kingpins are tried
for fed. offenses

draft

(Smith/Blessey)
4:00 P.M.
February 1, 1990
KAY

PRESIDENTIAL REMARKS: KAY ORR BREAKFAST
OMAHA, NEBRASKA
THURSDAY, FEBRUARY 8, 1990

Governor Orr, Mayor Morgan, Congressman Bereuter, Congresswoman Smith, future Senator Hal Daub, Ladies and gentlemen.

I'm delighted to be in Nebraska. And to join you for this early-morning breakfast. Even though being here at this hour reminds me of the time I told one of my grandkids that the early bird gets the worm. He said: "I think I'll sleep in and have pancakes." //

Well, this morning we're having ham and eggs. And saluting a woman who has come a long way since she first worked for the Republican Party in 1963. // She's gone from licking <u>envelopes</u> to licking <u>Democrats</u>. // <u>The great Governor of the State of Nebraska. Kay Orr</u>. //

You know, I've been acquainted with Kay since 19__. And I wanted to come here and personally endorse her. I realize you wanted to hear a few words from a prominent national figure who can really fire up a crowd. // Unfortunately, Johnny Carson had to go back to Los Angeles -- so I'm here instead. //

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what Nebraskans want in a Governor. // Dwight Eisenhower once said, "Our best protection against bigger government in Washington is better government in the States." // Well, let's help Kay keep making government better. // Let's help her win a second term. //

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This election will decide whether Nebraska has farm policies that work. And an education system that makes the grade. And whether it has a Governor who embodies the values of honesty, courage, and strength of character. Those are the questions. // Well, I have the answer. "Four More For Orr." //

You know, Kay's work began the morning after she was elected America's first Republican woman Governor. // Remember what she did? She said she'd form a jobs creation council to help small towns recover from the farm recession. // She wasn't bluffing. She attacked the problem. She kept her promise. She got results.

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place. // And get more results for more Americans than at any time in our history. //

Last Wednesday night, I talked of this in my State of the Union Address. And of the triumphs of 1989. Triumphs like the lowest unemployment rate in 15 years. Inflation at less than 5 per cent. And the falling interest rates that remain the farmer's best friend.

Yet like Nebraska, what I called "The Idea of America" is something to build upon, not stand upon. So we have sent legislation to the Congress to confront our most crucial issues.

For example, prosperity means little if our kids aren't free from drugs. So last month I announced the 1990 National Drug Control Strategy -- Phrase II of the comprehensive drug policy we unveiled last year. We've asked Congress for over ten and a half billion dollars in Fiscal Year 1991 -- a 41 per cent increase in outlays over the current year. // And I want an expansion of the death penalty for drug-related crimes. // Kay Orr supports these steps. Her initials aren't K.O. for nothing. And that's what she'll help do to crime and drug use. // I need her as Governor to help take back the streets. //

Then, there's another priority of our Administration: The education of our kids. // And in that context, recall how the great Nebraska author, Willa Cather, once said, "The history of every country begins in the heart of a man or a woman." //

Well, Kay Orr knows, as I do, that the future of this country begins with education. So she supports our "Education

Excellence Act of 1989," which can help achieve by the year 2000 the education goals that I announced last Wednesday.

These goals are to see that each student starts school ready to learn. And that each school has an environment where kids can learn. To achieve a 90 per cent graduation rate. And make diplomas mean something. We want U.S. students to be first in the world in math and science achievement. We must ensure that each American citizen is a skilled, literate worker and citizen. And that every school is drug-free. Already, you've made great strides in Nebraska. I need Kay Orr to help win the race to make American education No. 1 again. //

Yes, our goal is a freer America. So we have proposed child-care legislation to increase options for working parents. // And a cleaner America. So we've sent up the first rewrite of the Clean Air Act in over 10 years. // We also want a more abundant Rural America -- where Americans work, invest, and save. In the late 1980s, farm income hit near record levels. Now, let's make good news even better -- and keep Nebraska strong by keeping agriculture thriving in the 1990s. //

First, I want to grant more favored Nation status to the Soviet Union by the 1990 Summit. This will relax trade barriers between East and West -- expanding markets for American exports. Next, we're going to write a new Farm Bill in 1990. It must emphasize market-oriented farm policies giving producers more flexibility to decide what crops to grow. And we need the investment created by passing our capital gains proposal, which

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Twain once spent three weeks fishing in the Maine woods, ignoring the fact that the state's fishing season had closed. And on the way home, aboard the train, he came upon a stranger. And immediately started telling him about all the fish he'd caught.

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Kay Orr has made tough decisions -- right decisions. And their results have enriched Nebraskans from the banks of the Missouri to the Wyoming line.

So let's ensure "Four More For Orr." And pledge to support one of America's truly great Governors. Thank you for this occasion. God bless you. God bless America. And let's keep Kay Orr the Governor of this great State of Nebraska.

# # # #

Blaney

THE WHITE HOUSE

WASHINGTON

SCHEDULE OF THE PRESIDENT AND MRS. BUSH

FOR

OMAHA, NEBRASKA

FEBRUARY 7 - 8, 1990

EVENTS:

Staff Photo
Breakfast for Governor Kay Orr
Viewing of Static Display
SAC Briefing
Phone Call to SAC Personnel Worldwide
Intelligence Operations Center Briefing

DRESS:

Men - Business Suit
Women - Day Dress

CONTACT:

Office of Presidential Advance
John G. Keller, Jr. - 202/456-7565

Trip Coordinator
Peggy Hazelrigg - 202/456-7565

Omaha, Nebraska Signal - 202/395-1500
402/399-9254

ADVANCE:

Leo Tomeu - LEAD
Kathy McCoy - PRESS
Sam Tong - USSS
Bruce Caughman - MIL. AIDE
Stuart Morrison - WHCA
Larry Largent - AFI

WEATHER:

Partly Cloudy/low 40's

SCHEDULE OF THE PRESIDENT AND MRS. BUSH

FOR

OMAHA, NEBRASKA

FEBRUARY 7 - 8, 1990

7:25 pm (C.S.T.) — THE PRESIDENT arrives Omaha Municipal Airport, Eppley Field, Omaha, Nebraska.

Met by:

The Honorable Kay Orr and Mr. Bill Orr
Governor of Nebraska

The Honorable P. J. Morgan
Mayor of Omaha

The Honorable Charles Thone
Former Governor of Nebraska
BQ '88 Nebraska Chairman

Mr. Norm Riffel
Nebraska Republican Party Chairman

Mrs. Sallie Folsom
Republican National Committeewoman

Mr. Duane Acklie
Republican National Committeeman

Mrs. Ann Batchelder
Nebraska BQ '88 Finance Chairwoman

7:30 pm — THE PRESIDENT departs Omaha Airport en route Marriott Hotel.

MOTORCADE ASSIGNMENTS:

Lead	L. Tomeu
Spare	T. McBride Doctor

LIMO	THE PRESIDENT
Follow Up	
Control	A. Card Gen. Scowcroft Mil. Aide
Support	M. Fitzwater Official Photographer S. Rogich J. Keller Medic
Staff I	J. Cicconi D. Demarest
Camera I	
Camera II	G. Fendler
Wire I	
Wire II	
Staff Van	
Guest Van	
Press Van I	J. Herrick
Press Van II	
Press Van III	

(Drive Time: 25 Minutes)

GUEST AND STAFF INSTRUCTIONS:

Upon arrival at Marriott Hotel, please proceed to Room 430 (Staff Office) for Room Assignments and Keys.

7:55 pm THE PRESIDENT arrives Marriott Hotel and proceeds to Suite.

Met by:

Mr. Joseph Tramontozzi
General Manager, Marriott Hotel

Mr. Jay Elliott
Director of Sales, Marriott Hotel

Ms. Shirley Hornbeck
Sales Manager, Marriott Hotel

8:00 pm THE PRESIDENT arrives Suite for RON.

NOTE: Mrs. Bush will join THE PRESIDENT at this time.

Thursday, February 8, 1990

GUEST AND STAFF INSTRUCTIONS:

7:30 am Baggage Call. Please place all unlocked baggage outside your room at this time.

7:40 am Guests and Staff should board Motorcade in front of Hotel at this time.

7:50 am THE PRESIDENT and Mrs. Bush depart Suite and proceed to Motorcade.

7:55 am THE PRESIDENT and Mrs. Bush board Motorcade and depart Marriott Hotel en route Peony Park.

MOTORCADE ASSIGNMENTS:

Lead	L. Tomeu
Spare	T. McBride Doctor
LIMO	THE PRESIDENT Mrs. Bush
Follow Up	
Control	A. Card Gen. Scowcroft Mil. Aide
Support	M. Fitzwater Official Photographer S. Rogich J. Keller P. Swift Medic
Staff I	J. Cicconi D. Demarest
Camera I	
Camera II	G. Fendler
Wire I	
Wire II	
Staff Van	
Guest Van	
Press Van I	J. Herrick
Press Van II	
Press Van III	

(Drive Time: 10 Minutes)

GUEST AND STAFF INSTRUCTIONS:

Upon arrival at Peony Park, Guests and Staff will be escorted to Staff Viewing Area.

8:05 am — THE PRESIDENT and Mrs. Bush arrive Peony Park Ballroom and proceed to Holding Room.

Met by:

Governor Kay Orr and Mr. Bill Orr
Governor of the State of Nebraska

8:07 am — THE PRESIDENT and Mrs. Bush arrive Holding Room and hold briefly.

8:10 am — THE PRESIDENT and Mrs. Bush, accompanied by Governor Orr and Bill Orr, depart Holding Room and proceed to Staff Photo Area.

EVENT: STAFF PHOTO

OFFICIAL PHOTOGRAPHER ONLY

8:12 am — THE PRESIDENT and Mrs. Bush arrive Staff Photo Area and begin participation in Staff Photo.

8:25 am — THE PRESIDENT and Mrs. Bush conclude participation in Staff Photo, depart Staff Photo Area and proceed to Off-Stage Announcement Area.

8:27 am THE PRESIDENT and Mrs. Bush arrive Off-Stage Announcement Area and hold briefly.

EVENT: BREAKFAST FOR GOVERNOR KAY ORR

OPEN PRESS

RUFFLES AND FLOURISHES

OFF STAGE ANNOUNCEMENT

HAIL TO THE CHIEF

BRIEF REMARKS

8:28 am THE PRESIDENT and Mrs. Bush, accompanied by Governor and Mr. Orr, are announced into Ballroom, proceed to Head Table and take their Seats.

8:29 am Mayor P. J. Morgan introduces Governor Orr

8:30 am THE PRESIDENT is introduced for Brief Remarks by Governor Orr.

8:35 am THE PRESIDENT makes Brief Remarks.

8:45 am THE PRESIDENT concludes Brief Remarks, and, with Mrs. Bush, departs Ballroom and proceeds to Holding Room.

8:47 am THE PRESIDENT and Mrs. Bush arrive Holding Room and hold briefly.

8:49 am THE PRESIDENT and Mrs. Bush depart Holding Room and proceed to Motorcade.

8:50 am THE PRESIDENT and Mrs. Bush board Motorcade and depart Peony Park en route SAC Headquarters, Offutt Air Force Base.

MOTORCADE ASSIGNMENTS:

Lead	L. Tomeu
Spare	T. McBride Doctor
LIMO	THE PRESIDENT Mrs. Bush
Follow Up	
Control	A. Card Gen. Scowcroft Mil. Aide
Support	M. Fitzwater Official Photographer S. Rogich J. Keller P. Swift Medic
Staff I	J. Cicconi D. Demarest
Camera I	
Camera II	G. Fendler
Wire I	
Wire II	
Staff Van	
Guest Van	
Press Van I	J. Herrick
Press Van II	

Press Van III

(Drive Time: 30 Minutes)

GUEST AND STAFF INSTRUCTIONS:

Upon arrival at SAC Static Display Area, only Briefing Room Participants will participate in Static Display with THE PRESIDENT.

Remaining Guests and Staff will be escorted to Staff Viewing Area or may board Air Force One.

9:20 am — THE PRESIDENT and Mrs. Bush arrive Offutt Air Force Base and proceed via Foot to Static Display Area.

Met by:

General and Mrs. John (Jack) T. Chain, Jr. (Jodie)
Commander, SAC Headquarters

EVENT: VIEWING OF STATIC DISPLAY

OPEN PRESS

9:25 am — THE PRESIDENT and Mrs. Bush, accompanied by General and Mrs. Chain, begin participation in Viewing of Static Display.

9:50 am — THE PRESIDENT and Mrs. Bush conclude participation in Viewing of Static Display and proceed to board Motorcade.

9:55 am THE PRESIDENT and Mrs. Bush board Motorcade and depart Static Display Area en route SAC Headquarters.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 3 Minutes)

GUEST AND STAFF INSTRUCTIONS:

Upon arrival at SAC Headquarters, Guests and Staff will be escorted to Staff Holding Room during the Briefing.

During the Phone Call to SAC Personnel, Guests and Staff will be escorted to Staff Viewing Area. Following Phone Call, Guests and Staff will be escorted back to Staff Holding Room.

9:58 am THE PRESIDENT and Mrs. Bush arrive SAC Headquarters and proceed to Command Center Conference Room.

NOTE: Mrs. Bush, escorted by Mrs. Chain, will assume a separate tour of SAC at this time.

EVENT: SAC BRIEFING

CLOSED PRESS

10:00 am THE PRESIDENT, accompanied by General Chain, arrives Conference Room and begins participation in SAC Briefing.

10:30 am — THE PRESIDENT concludes participation in in Briefing and, accompanied by General Chain, proceeds downstairs to Command Center Operations Room.

EVENT: PHONE CALL TO SAC PERSONNEL WORLDWIDE

PRESS POOL

10:33 am — THE PRESIDENT arrives Command Center Operations Room and proceeds to his Seat.

10:35 am — THE PRESIDENT begins participation in Telephone Call to SAC Personnel Worldwide.

10:45 am — THE PRESIDENT concludes participation in Phone Call, departs Command Center Operations Room and proceeds to Intelligence Operations Center.

EVENT: INTELLIGENCE OPERATIONS CENTER BRIEFING

CLOSED PRESS

10:50 am — THE PRESIDENT arrives Intelligence Operations Center and proceeds to Briefing Room.

10:51 am — THE PRESIDENT arrives Briefing Room and begins participation in Briefing.

Met by:

Major General John Clapper, Jr.
Commander, Intelligence Operations Center

11:10 am — THE PRESIDENT concludes participation in Briefing, and begins participation in Intelligence Operations Center Tour.

11:20 am — THE PRESIDENT concludes participation in Intelligence Operations Center Tour and proceeds to board Motorcade.

NOTE: Mrs. Bush re-joins THE PRESIDENT at this time.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 3 Minutes)

11:23 am — THE PRESIDENT and Mrs. Bush arrive Air Force One and proceed to board Air Force One.

11:25 am — THE PRESIDENT and Mrs. Bush board Air Force One.

11:30 am (C.S.T.) — THE PRESIDENT and Mrs. Bush depart Omaha, Nebraska en route Columbus, Ohio.

(Flying Time: 1 Hour 35 Minutes)
(Interchange: Yes)
(Time Change: Ahead 1 Hour)
(Food Service: Lunch)

STATE OF NEBRASKA

KAY A. ORR, GOVERNOR

OFFICE OF THE GOVERNOR
ROOM 2316, STATE CAPITOL
LINCOLN, NEBRASKA 68509
(402) 471-2244
Fax No. (402) 471-0805

DATE: 2-5-90

FACSIMILE TRANSMISSION

NO. OF PAGES TO BE TRANSMITTED (INCLUDING COVER): 2

TO BE DELIVERED TO: Stephanie Blessey

FROM THE OFFICE OF: Natalie Peetz

REMARKS:

Mark
In response to your request.
Roger

STATE UNEMPLOYMENT RATES

October 1989			(1 Nove		
Rank	State	Rate	Rank	State	Rate
1	Hawaii	2.52%	1	Delaware	2.78%
2	Nebraska	2.75	2	Hawaii	2.79
3	No. Carolina	3.06	3	No. Carolina	2.83
4	Utah	3.48	4	Nebraska	2.88
5	Delaware	3.49	5	Connecticut	3.37
6	Vermont	3.51	6	Minnesota	3.49
7	Connecticut	3.54	7	Utah	3.52
8	Maryland	3.63	8	Maryland	3.56
9	Minnesota	3.65	9	Vermont	3.74
10	Maine	3.73	10	Kansas	3.89

Note: Hawaii is West of Miss. All others are higher

OTHER WESTERN STATES

October 1989			(Prelim) November 1989		
Rank	State	Rate	Rank	State	Rate
11	No. Dakota	3.83%	11	So. Dakota	3.92%
12	So. Dakota	3.88	17	No. Dakota	4.10
14	Iowa	3.90	18	Iowa	4.15
17	Idaho	4.05	20	Idaho	4.35
21	Kansas	4.19	21	Arizona	4.40
23	California	4.56	24	Oklahoma	4.57
24	Oregon	4.57	26	Colorado	4.76
26	Colorado	4.76	28	Nevada	4.82
28	Arizona	4.83	29	California	4.89
29	Oklahoma	4.87	32	Oregon	5.17
30	Nevada	4.90	34	Missouri	5.33
34	Wyoming	5.16	35	Washington	5.53
35	Missouri	5.18	38	New Mexico	5.80
36	Washington	5.22	39	Wyoming	5.81
37	Montana	5.29	41	Montana	5.96
38	Arkansas	5.48	42	Arkansas	6.08
41	New Mexico	5.93	45	Alaska	6.90
42	Texas	6.03	47	Texas	6.91
48	Alaska	7.14			

Source: U.S. Department of Labor, Bureau of Labor Statistics

DED Research, 2/5/90

STATE OF NEBRASKA

KAY A. ORR, GOVERNOR

DOUGLAS E. PARROTT • COMMUNICATIONS DIRECTOR

Jeanie...

Here is a biography, fact sheet on accomplishments and the Governor's 1990 State of the State address.
If you can work it in, a great deal of our campaign theme is built around "getting results for people."
We have gotten results through new jobs, better education for children, a new attitude, and our efforts to protect families from drug abuse.
Critics have hit us hardest on tax policies (you should skip this issue) and on being too pro-business.
The more the President can say about the Governor being a leader, making tough decisions that are best for people, the better.
If you have any questions or need more information, please call.

EXECUTIVE SUITE STATE CAPITOL
P. O. BOX 94848, LINCOLN, NEBRASKA 68509-4848, (402) 471-2244

BIOGRAPHY OF GOVERNOR KAY ORR

Kay A. Orr made history on November 4, 1986 when she became the first woman to be elected Governor of the State of Nebraska and the first Republican woman Governor in history.

The Governor was born in Burlington, Iowa on January 2, 1939. She received her public schooling in Iowa and California, and then attended the University of Iowa. She is married to William D. Orr, a Senior Vice-President and Director of Agencies for Woodman Accident and Life Insurance Company. They have two children...son John and daughter, Suzanne Orr Gage. The Governor has one grandson.

Governor Orr has been an active leader in the Republican party at local, state and national levels for the past 25 years and has been an elected delegate to the past four Republican national conventions.

In June of 1981 she was appointed Nebraska State Treasurer, and in November of 1982 was elected to a full term as State Treasurer, the first woman ever elected to a statewide constitutional office in Nebraska. In 1988 Governor Orr had the distinction of serving as the first woman chair of the Republican National Platform Committee.

As a member of the National Governor's Association, she currently chairs the Transportation and Commerce committee, serves on the Agriculture and Rural Development committee, and is a member of the NGA's Task Force on Foreign Markets. The Governor also serves on the Commission for Presidential Debates.

Governor Orr has made job creation and education her top priorities. Since taking office the Governor has spread a message nationwide that Nebraska is Open for Business. Her Jobs Creation legislation is responsible for more 2-billion dollars in planned investments and the creation of over 21,000 jobs in the state.

She has been a friend to education through increased funding for local schools, our colleges and University, as well as for the salaries we pay our teachers and faculty.

In 1989 the Governor led an effort to return more than $120 million in property and income tax relief. In 1990, the Governor has proposed a $98 million dollar property tax relief plan for taxpayers. She has also offered a comprehensive drug plan that includes increased enforcement, tougher laws, improved education, and enhanced drug treatment programs.

mittees: Arms Control, Oceans, International Operations, and Pacific Affairs; Western Hemisphere Affairs (Chairman).

RPN	NFU	LCV	CFA	NAB	NSI	ACA	NTU
40	60	51	45	58	80	74	–
50	45	–	36	–	–	69	45

) Egypt-Saudi Arms	AGN	11) Hosptl Cost Contnmnt	FOR
) Draft Restr Pardon	AGN	12) Clinch River Reactor	FOR
) Wheat Price Support	FOR	13) Pub Fin Cong Cmpgns	FOR
) Panama Canal Treaty	AGN	14) ERA Ratif Recissn	AGN
) Labor Law Rev Clot	AGN	15) Med Necssy Abrtns	AGN

(D)	313,805	(53%)	($237,613)
ter (R)	279,284	(47%)	($391,287)
(D)	79,988	(49%)	
	77,384	(47%)	
	7,194	(4%)	
(R)	240,894	(53%)	
n (D)	217,681	(47%)	

mes Exon (D) Elected 1978, seat up 1984; b. Aug. 9, 1921, .D.; home, Lincoln; U. of Omaha; Episcopalian.

my, WWII; Branch Mgr., Universal Finance Co., 1946–54; n's Inc., office equip. business 1954–70; Vice Chm., Neb. St. tral Comm., 1964–68; Gov. of Neb., 1970–78.

29 DSOB, 202-224-4224. Also Fed. Bldg., Omaha 68102, 65.

s *Armed Services* (9th). Subcommittees: Arms Control; and Personnel; Research and Development.

th).

on (9th). Subcommittees: Aviation; Communication; Surface

	334,096	(68%)	($234,862)
	159,706	(32%)	($218,148)
inopposed			
	301,841	(53%)	($250,392)
	265,922	(47%)	($38,629)

Gov. Charles Thone (R) Elected 1978, term expires 1983; b. Jan. 4, 1924, Hartington; U. of Neb., J.D. 1950; Presbyterian.

Career Army, WWII; Deputy Secy. of State of Neb., 1950–51; Asst. Atty. Gen. of Neb., 1951–52; Asst. U.S. Dist. Atty., Lincoln Ofc., 1952–54; Admin. Asst. to U.S. Sen. Roman Hruska, 1954–59; Practicing atty., 1959–71; U.S. House of Reps., 1971–79.

Offices State Capitol, Lincoln 68509, 402-471-2244.

Election Results

1978 general	Charles Thone (R)	275,473	(56%)
	Gerald T. Whelan (D)	216,754	(44%)
1978 primary	Charles Thone (R)	89,378	(45%)
	Robert A. Phares (R)	48,402	(25%)
	Stan Juelfs (R)	43,828	(22%)
	Two others (R)	15,546	(8%)
1974 general	J. J. Exon (D)	267,012	(59%)
	Richard D. Marvel (R)	159,780	(35%)
	Ernest Chambers (Ind.)	24,320	(5%)

FIRST DISTRICT

The 1st congressional district of Nebraska is a band of 27 counties in the eastern part of the state. Outside of Lincoln, the district's largest city and state capital, the economy of the 1st is based almost entirely on agriculture. The political inclination of the region is Republican, of course, but there are a couple of counties with large German Catholic communities which have faithfully supported Democrats of such diverse origin as John Kennedy and Jimmy Carter. Lincoln, the capital and—more important to people here—home of the University of Nebraska Cornhuskers, is traditionally Republican. But the city's large number of state employees have sometimes joined members of the university community to swing Lincoln into the Democratic column. But on a number of occasions Lincoln, with all its state government employees, seems to have preferred Republicans to economy-minded Democrats. In 1970 this was one of the few parts of the state that did not favor Governor James Exon, and in 1978 it gave a solid margin to Charles Thone over Exon's Lieutenant Governor, Gerald Whalen.

The 1st district has seen a number of close congressional elections in the sixties and seventies. A Democrat captured the district in 1964 and lost close races in 1966 and 1968; he ran as an Independent in 1970 and split the Democratic vote, helping to elect Thone with a bare majority. Thone had a close contest in 1974 against state Democratic Chairman Hess Dyas, and there was another seriously contested race in 1978, when Thone stepped down to run for governor. Dyas was again the Democratic nominee, while the Republican nomination was won in a tough primary by Douglas Bereuter. He had worked as a top appointee of Governor Norbert Tiemann, the Republican whose tax policies helped elect Exon, and is considered a moderate. The reputation of not being opposed to all government programs helped him carry Lincoln; the Republican Party label helped him carry most of the rural counties in the district. His victory, particularly given the past history of the district, suggests that he should become well established in this district, and might even make him a contender for statewide office.

Census Data Pop. 494,335. Central city, 30%; suburban, 6%. Median family income, $8,203; families above $15,000: 13%; families below $3,000: 12%. Median years education, 12.2.

The Voters

Median voting age 45.
Employment profile White collar, 43%. Blue collar, 27%. Service, 15%. Farm, 15%.
Ethnic groups Total foreign stock, 14%. Germany, 6%.

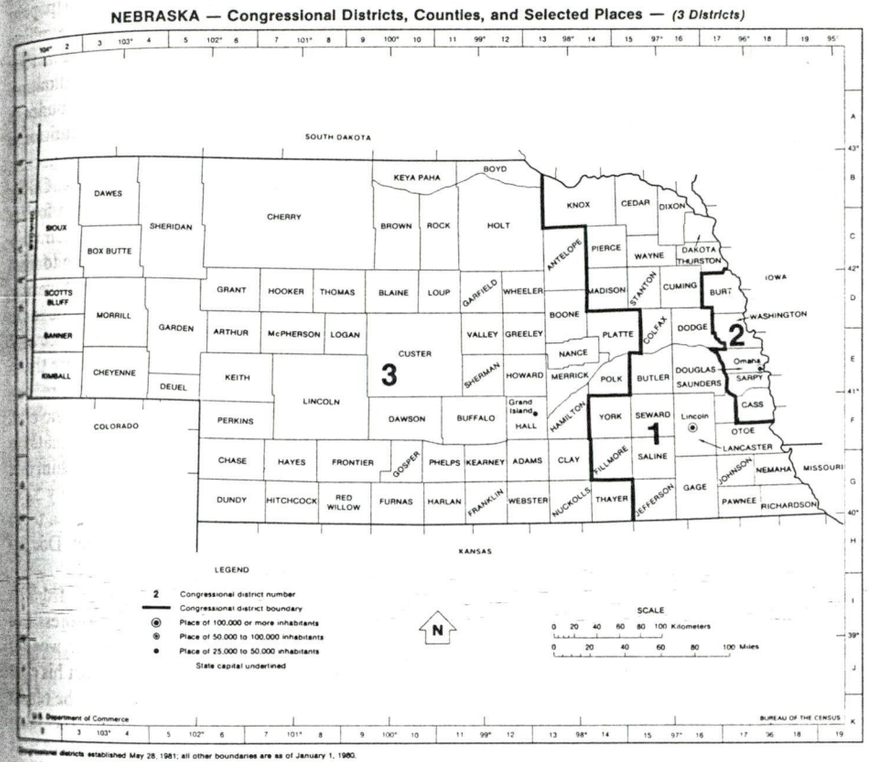
NEBRASKA

"The traveler crossing Nebraska," wrote the *WPA Guide* in the late 1930s, "gets an impression of broad fields, deep skies, wind, and sunlight; clouds racing over prairie swells; herds of cattle grazing on the sandhills; red barns and white farmhouses surrounded by fields of tasseling corn and ripening wheat; windmills and wire fences; and men and women who take their living from the soil." That was two generations after Nebraska was settled, in one giant rush, in the 1880s, when its population increased from 452,000 to 1,062,000 in a single decade, more than it has increased ever since (it is now 1.6 million). Within that same decade Nebraska became a major regional center and Lincoln a state capital. Today Nebraska remains heavily dependent on farming and related industries, and Omaha and Lincoln are still its only significant cities. This is a state that sprang suddenly into existence and has changed strikingly little in the years since.

That is not what its founders intended: they hoped Nebraska would develop into diversified farming, industrial and commercial centers like Ohio or Illinois or Missouri or Minnesota. But while the 1880s were a time of plentiful rain here, the 1890s were a decade of drought, and Nebraska stopped growing. Many rural counties and even Omaha lost population, and have been exporting people ever since; and the creative energies in the economy seem to have skipped over the Great Plains and moved far to the West. Most of Nebraska's settlers, like most migrants, were young people, optimistic and motivated, in search of opportunity, with families full of children. Fully 48% of the one million Nebraskans of 1890 were children, and a very large percentage of them moved elsewhere when they grew up. Since 1890, Nebraska has exported people to the West, the great metropolitan areas of the Midwest, and to Texas and the Southwest; since 1940, it has grown in percentage terms less than all but seven other states (Pennsylvania, West Virginia, Mississippi, Arkansas, Iowa, and the Dakotas). Only 28% of Nebraska's 1.6 million residents today are children, meaning that there are actually 60,000 fewer children then there were 90 years ago.

The sudden boom of the 1880s and the bust of the 1890s produced the most colorful—and atypical—politics of Nebraska's history: namely the populist movement and William Jennings Bryan, the "silver tounged orator of the Platte." Bryan was only 36 when he delivered the famous Cross of Gold speech at the 1896 Democratic National Convention and was swept to the Democratic nomination; he was thought so radical that Democratic President Grover Cleveland wouldn't support him, but Bryan still won 47% of the vote. Nebraskans supported Bryan, whose program may have been forward-looking, but whose purpose was retrograde: to restore Nebraska to the prosperity and prospects it enjoyed a few years before. Bryan won the Democratic nomination again in 1900 and 1908 but never came as close to winning as he did the first time. By then Nebraska had already gone to the Republicans, and Bryan himself eventually moved to Florida. Since Bryan's time, Nebraska's most notable politician has been George Norris, representative (1909–13) and Senator (1913–43). During the progressive era, Norris led the House rebellion against Speaker Joseph Cannon; during the 1930s, he pushed through the Norris-LaGuardia Anti-Injunction Act, the first national pro-union legislation, and the Tennessee Valley Authority.

Governor. Heavily Republican, Nebraska has had Democratic governors for most of the last 20 years, thanks largely to the personal popularity of Jim Exon and Bob Kerrey, both of whom have gone on to become Senators. The state's current governor, Kay Orr, is a Republican, an aggressive conservative who started off as a staffer to Governor Charles Thone, became state treasurer in 1981, and won the nation's first two-woman governor's race against Democrat Helen



Boosalis, the mayor of Lincoln, in 1986. (This easy acceptance of women as leaders is not so surprising when you remember pioneer women built sod houses, raised children, and taught them the classics of Western culture.) In her first term, spurred by the chief executive of giant ConAgra, Orr and the legislature in 1987 pushed through a tax package lowering the top rates of the state income tax and cutting some business taxes; in return, ConAgra expanded operations rather than make good on its threat to move its headquarters from Omaha. Orr argues that this program will produce much needed economic growth; some opponents say that it is an undeserved break for the rich and well-placed. This may turn out to be a central issue in the 1990 election.

Orr's other major initiative did not turn out quite as she hoped. In March 1987, when Senator Edward Zorinsky suddenly died, she spurned the pleas of Congressman Hal Daub and former state chairman Kermit Brashear, who had their eyes on the seat, and appointed agribusiness executive David Karnes, whose main political experience was in serving on the Omaha board of education and backing Orr's candidacy in 1986. In 1988, Karnes beat Daub after a bitter primary, but ran far behind Bob Kerrey in the general; probably no Republican had a chance against Kerrey, but the intra-party fight did not help. If Orr decides to seek reelection in 1990 (she says she'll announce in January of that year), she might face Lincoln mayor Bill Harris, whom some speculate may seek the Democratic nomination.

Senators. Nebraska's senior Senator is James Exon, who served eight years as a popular pennypinching governor in the 1970s and was elected to the Senate in 1978. He combines somewhat conservative tendencies on issues with a temperamental inclination to be a team player with his fellow Democrats. He boasts of how he turns one-quarter of his office allowance back to the government, and he was one of the first Armed Services Democrats to announce he would vote against John Tower for secretary of Defense. On the Armed Services Committee he is sometimes skeptical of weapons projects, but not so nearly as often as some other Democrats; like most Nebraskans he is concerned about the big SAC Air Force base near Omaha. On the Budget Committee, he is skeptical about Gramm-Rudman, charging that rather than forcing real action it has produced fake actions to balance the budget. Exon's legislative accomplishments tend to come in the interstices between big issues: he backed extended air service to small towns, a clean grain study, raising the interstate speed limit to 65, and minting the American eagle gold coin. He has pushed legislation to require disclosure of foreign investment in the United States and to block foreign takeovers if they are believed to endanger national security.

Exon remains popular in Nebraska, but he has not won a race by a big margin for more than a decade. In 1984 his Republican opponent, Nancy Hoch, attacked him for being not so much a liberal as a backbencher, who had no major accomplishments; that infuriated Exon, who cited all manner of bills he had sponsored but still could not credibly portray himself as a national leader. Like many incumbents, Exon profited from contributions by PACs, which gave him over $500,000 but up to mid-October had given Hoch only $57,000. Even so, Exon won by only 52%–48%. He is expected to run again in 1990, at age 69, and he is likely to be prepared for a tough race. Possible GOP candidates are 1st District Congressman Doug Bereuter and Douglas County attorney Ron Staskiewicz.

Bob Kerrey, Nebraska's junior Senator, is one politician who stirs genuine passion from his constituents. After almost a decade in politics, he still seems anything but a professional politician. He is a man of striking determination: serving in the Navy in Vietnam, he won the Congressional Medal of Honor, and then made speeches against the war; though he lost his right leg below the knee, he runs the marathon. A restaurant owner and a political unknown, he ran for governor in 1982 and ousted incumbent Charles Thone. While in office, he dated the sultry movie star Debra Winger, which seemed to charm Nebraskans. In 1986, Kerrey shocked most politicians by deciding at 43 not to seek reelection, despite 70%-plus job approval ratings (and even though voters repealed his seat belt law and sales tax for education); in 1988, he surprised very few by winning the Senate seat held by appointee David Karnes after the death of Edward Zorinsky.

The most bitter part of that Senate race came not in the general, but in the Republican primary between Karnes and Omaha Congressman Hal Daub. After Daub spoke favorably of an across-the-board spending freeze, a Karnes ad charged he'd cut Social Security, and Karnes noted that Daub lived in a $400,000 Washington area house. Daub said Karnes's policy of not finishing old water projects before starting new ones would make Nebraska a desert, and noted that Karnes supported a May 1987 vote that would have cut social security COLAs. There was an edge of personal nastiness to the contest, which Karnes finally won by piling up a 2 to 1 margin in the west compared to Daub's 3 to 2 margin in the Omaha area. But Karnes made a couple of classic gaffes, agreeing in a pre-primary debate that he would accept tax increases to cut deficits, and saying after the primary, "We need fewer farmers at this point in time." This effectively prevented him from making any headway against Kerrey's lead, and he fell off Republican moneygivers' priority lists, and ended up losing by a 57%–42% margin.

In the Senate, Kerrey got some plum committee assignments—Agriculture, a plus for any Nebraska Senator, and Appropriations, not usually given to freshmen. His personal magnetism leads many who know him to wonder whether he might be a presidential candidate some day; he starts out well known in the western part of the first caucus state, Iowa. In the meantime he is

just getting his introduction to national and international issues, with which he doesn't claim to be deeply conversant.

Presidential politics. Nebraska is one of the most Republican of states in presidential elections. But Farm Belt discontent sometimes tips it a little toward the Democrats: in 1980 it was the second most Republican state, in 1984 the fourth, in 1988 the eighth. There is a bit of an urban-rural split, with greater Omaha and Lincoln, which now cast almost half the state's votes, running less Republican than the western counties, which vote like adjacent Wyoming.

Nebraska has a presidential primary in May which once attracted attention; the whole national press followed Robert Kennedy and Eugene McCarthy out here in 1968 and took note when Frank Church won in 1976. No more. The big event in the 1988 primary was the Republican Senate race; the presidential nominations were already sewed up.

Congressional districting. Nebraska hasn't lost a House seat since the Census of 1960, and it changes its House district lines just a little every 10 years. It's likely to do so again after the 1990 Census.

The People: Est. Pop. 1988: 1,601,000; Pop. 1980 1,569,825, up 2.0% 1980-88 and 5.7% 1970-80; 0.66% of U.S. total, 36th largest. 17% with 1-3 yrs. col., 16% with 4+ yrs. col.; 10.7% below poverty level. Single ancestry: 22% German, 6% English, 4% Irish, 2% Swedish, Polish, 1% French, Italian, Dutch, Norwegian. Households (1980): 72% family, 38% with children, 63% married couples; 31.6% housing units rented; median monthly rent: $170; median house value: $38,000. Voting age pop. (1980): 1,122,655; 3% Black, 1% Spanish origin. Registered voters (1988): 898,959; 378,360 D (42%), 455,472 R (51%), 65,127 unaffiliated and minor parties (7%).

1988 Share of Federal Tax Burden: $4,972,000,000; 0.56% of U.S. total, 34th largest.

1988 Share of Federal Expenditures

	Total		Non-Defense		Defense	
Total Expend	$5,935m	(0.67%)	$5,112m	(0.78%)	$958m	(0.42%)
St/Lcl Grants	712m	(0.62%)	711m	(0.62%)	1m	(0.82%)
Salary/Wages	832m	(0.62%)	383m	(0.57%)	449m	(0.57%)
Pymnts to Indiv	2,679m	(0.65%)	2,564m	(0.66%)	115m	(0.62%)
Procurement	392m	(0.21%)	135m	(0.29%)	392m	(0.21%)
Research/Other	1,319m	(3.53%)	1,318m	(3.56%)	1m	(3.56%)

Political Lineup: Governor, Kay A. Orr (R); Lt. Gov., Bill Nichol (R); Secy. of State, Allen J. Beermann (R); Atty. Gen., Robert Spire (R); Treasurer, Frank Marsh (R); Comptroller, Ray A. C. Johnson (R). Unicameral legislature, 49 (no party affiliation). Senators, J. James Exon (D) and Robert Kerrey (D). Representatives, 3 (2 R and 1 D).

1988 Presidential Vote

Bush (R)	397,956	(60%)
Dukakis (D)	259,235	(39%)

1988 Democratic Presidential Primary

Dukakis	106,334	(63%)
Jackson	43,380	(26%)
Gephardt	4,948	(5%)
Hart	4,220	(2%)
Gore	2,519	(1%)
Simon	2,104	(1%)
Uncommitted	4,763	(3%)

1984 Presidential Vote

Reagan (R)	460,054	(71%)
Mondale (D)	187,866	(29%)

1988 Republican Presidential Primary

Bush	138,784	(68%)
Dole	45,572	(22%)
Robertson	10,334	(5%)
Kemp	8,423	(4%)

GOVERNOR

Gov. Kay A. Orr (R)

Elected 1986, term expires Jan. 1991; b. Jan. 2, 1939, Burlington, IA; home, Lincoln; U. of IA; Protestant; married (William).

Career: Executive Asst. to NE Gov. Charles Thone, 1979–81; NE Treasurer, 1981–86; Chwmn., Repub. Natl. Platform Cmtee., 1988.

Office: State Capitol Bldg., Rm. 2316, Lincoln 68509, 402-471-2244.

Election Results

1986 gen.	Kay A. Orr (R)	298,325	(53%)
	Helen Boosalis (D)	265,156	(47%)
1986 prim.	Kay A. Orr (R)	75,914	(39%)
	Kermit Brashear (R)	60,308	(31%)
	Nancy Hoch (R)	42,649	(22%)
1982 gen.	Robert Kerrey (D)	277,436	(51%)
	Charles Thone (R)	270,203	(49%)

SENATORS

Sen. J. James Exon (D)

Elected 1978, seat up 1990; b. Aug. 9, 1921, Geddes, SD; home, Lincoln; U. of Omaha; Episcopalian; married (Patricia).

Career: Army, WWII; Branch Mgr., Universal Finance Co., 1946–54; Pres., Exon's Inc., office equip. business, 1954–70; Gov. of NE, 1970–78.

Offices: 330 HSOB 20510, 202-224-4224. Also 8305 New Fed. Bldg., 215 N. 17th St., Omaha 68102, 402-221-4665; 287 Fed. Bldg., 100 Centennial Mall N., Lincoln 68508, 402-471-5591; and 275 Fed. Bldg., North Platte 69101, 308-534-2006.

Committees: *Armed Services* (2d of 11 D). Subcommittees: Manpower and Personnel; Strategic Forces and Nuclear Deterrence (Chairman); Projection Forces and Regional Defense. *Budget* (5th of 13 D). *Commerce, Science, and Transportation* (4th of 11 D). Subcommittees: Aviation; Communications; Surface Transportation (Chairman).

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	35	33	46	75	10	48	31	90	50	22
1987	65	—	43	58	—	38	—	—	50	37

National Journal Ratings

	1988 LIB — 1988 CONS	1987 LIB — 1987 CONS
Economic	37% — 61%	39% — 60%
Social	38% — 61%	45% — 52%
Foreign	52% — 45%	46% — 49%

Key Votes

1) Cut Aged Housing $	AGN	5) Bork Nomination	AGN	9) SDI Funding	FOR
2) Override Hwy Veto	FOR	6) Ban Plastic Guns	AGN	10) Ban Chem Weaps	FOR
3) Kill Plnt Clsng Notice	AGN	7) Deny Abortions	FOR	11) Aid To Contras	FOR
4) Min Wage Increase	AGN	8) Japanese Reparations	FOR	12) Reagan Defense $	AGN

Election Results

1984 general	J. James Exon (D)	332,217	(52%)	($886,760)
	Nancy Hoch (R)	307,147	(48%)	($583,632)
1984 primary	J. James Exon (D) unopposed			
1978 primary	J. James Exon (D)	334,096	(68%)	($234,862)
	Don Shasteen (R)	159,706	(32%)	($218,148)

Sen. Robert Kerrey (D)

Elected 1988, seat up 1994; b. Aug. 27, 1943, Lincoln; home, Omaha; U of NE, M.S. 1966; Congregationalist; divorced.

Career: US Navy, 1966–69; Restauranteur; Gov., NE, 1983–87.

Offices: 302 HSOB 20510, 202-224-6551. Also 7602 Pacific St. Omaha 68114, 402-391-3411; and 100 Centennial Mall N., Rm. 294, Fed. Bldg, Lincoln 68508, 402-437-5246.

Committees: *Agriculture, Nutrition and Forestry* (10th of 10 D). Subcommittees: Agricultural Production and Stabilization of Prices; Nutrition and Investigations; Agricultural Research and General Legislation. *Appropriations* (16th of 16 D). Subcommittees: Agriculture, Rural Development and Related Agencies; District of Columbia; VA, HUD and Independent Agencies; Treasury, Postal Service, and General Government.

Group Ratings and Key Votes: Newly Elected

Election Results

1988 general	Robert Kerrey (D)	378,717	(57%)	($3,461,148)
	David Karnes (R)	278,250	(42%)	($3,411,361)
1988 primary	Robert Kerrey (D)	156,498	(91%)	
	Ken L. Michaelis (D)	14,248	(8%)	
1982 general	Edward Zorinsky (D)	363,350	(67%)	($523,141)
	Jim Keck (R)	155,760	(29%)	($489,186)

FIRST DISTRICT

The plains sweep west from the bluffs of the Missouri River, along the always wide and shallow Platte River and a dozen less daunting and dustier tributaries. Eastern Nebraska for just a century, has been an area of well-ordered farmlands and square-gridded small towns, with land that is just irregular enough in its contours and weather that is just unreliable enough in its heat and rainfall to make it difficult though still possible to make a decent living here. The 1st Congressional District of Nebraska is a band of 26 counties covering most of eastern Nebraska, except for a few counties around and including Omaha. The largest city, Lincoln, state capital and home of the University of Nebraska Cornhuskers, is the only fast-growing part of the district and now casts nearly 40% of its votes. The political inclination of the region is Republican, but

Lincoln has become almost Democratic, voting heavily against Governor Kay Orr in 1986 and nearly favoring Michael Dukakis over George Bush in 1988.

The 1st District's congressman, Douglas Bereuter, is a Republican with experience in and positive feelings about government; he was a city planner and a top aide to Governor Norbert Tiemann, who was beaten by Jim Exon in 1970 after raising taxes. He spends much time on trade issues. According to *National Journal*, he "understands the connection between agricultural policy and international trade," and he boosted in the 1988 trade bill provisions to open foreign markets to American farm products. His style on farm and other issues tends to be bipartisan: with Florida Democrat Richard Lehman he wrote the Farmer Mac provision in the 1987 farm credit bill, and with California Democrat Mel Levine he became head of the House Export Task Force in 1988. He tends to other farming matters—grain quality, the diesel tax, groundwater recharge—as well. He joined Intelligence in 1989.

Bereuter has been reelected regularly by handsome margins and could indefinitely hold this district which was fiercely contested from 1964 to 1976 and probably will be again if he doesn't run. He is thinking about running for Jim Exon's seat in 1990, and if he does, that should be a tough race between two politicians both classed as moderates but with contrasting approaches to issues.

The People: Est. Pop. 1986: 530,300, up 1.4% 1980–86; Pop. 1980: 523,079, up 6.6% 1970–80. Households (1980): 71% family, 36% with children, 63% married couples; 31.1% housing units rented; median monthly rent: $167; median house value: $38,300. Voting age pop. (1980): 383,987; 1% Spanish origin, 1% Black, 1% American Indian.

1988 Presidential Vote:

Bush (R)	123,674	(56%)
Dukakis (D)	96,134	(43%)

Rep. Douglas K. (Doug) Bereuter (R)

Elected 1978; b. Oct. 6, 1939, York; home, Utica; U of NE, B.A. 1961, Harvard U., M.C.P. 1966, M.P.A. 1973; Lutheran; married (Louise).

Career: Army, 1963–65; Urban Planner, U.S. Dept. of HUD, 1965–66; Div. Dir., NE Econ. Devel. Dept., 1967–68; Dir., NE Office of Planning, 1969–71; NE Senate, 1974–78.

Offices: 2446 RHOB 20515, 202-225-4806. Also 1045 K St., Lincoln 68508, 402-471-5400.

Committees: *Banking, Finance and Urban Affairs* (7th of 20 R). Subcommittees: Financial Institutions Supervision, Regulation and Insurance; Housing and Community Development; International Development, Finance, Trade and Monetary Policy; Policy Research and Insurance (Ranking Member). *Foreign Affairs* (8th of 18 R). Subcommittees: Human Rights and International Organizations (Ranking Member); International Economic Policy and Trade. *Select Committee on Hunger* (6th of 10 R). *Permanent Select Committee on Intelligence* (5th of 7 R). Subcommittee: Oversight and Evaluation.

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	20	39	21	55	44	76	71	90	93	47
1987	20	—	18	36	—	57	—	—	80	51

National Journal Ratings

	1988 LIB — 1988 CONS	1987 LIB — 1987 CONS
Economic	29% — 70%	28% — 71%
Social	33% — 66%	25% — 73%
Foreign	38% — 61%	41% — 58%

Key Votes

1) Homeless $	FOR	5) Ban Drug Test	FOR	9) SDI Research	FOR
2) Gephardt Amdt	AGN	6) Drug Death Pen	FOR	10) Ban Chem Weaps	AGN
3) Deficit Reduc	AGN	7) Handgun Sales	FOR	11) Aid to Contras	FOR
4) Kill Plnt Clsng Notice	FOR	8) Ban D.C. Abort $	FOR	12) Nuclear Testing	AGN

Election Results

1988 general	Douglas K. (Doug) Bereuter (R)	146,231	(67%)	($221,530)
	Corky Jones (D)	72,167	(33%)	($96,278)
1988 primary	Doug K. (Doug) Bereuter (R), unopposed			
1986 general	Douglas K. (Doug) Bereuter (R)	121,772	(64%)	($227,910)
	Steve Burns (D)	67,137	(36%)	($92,746)

SECOND DISTRICT

Omaha is a city with a 19th century economic base that has grown gracefully into the late 20th century, the site selected by Abraham Lincoln as the eastern terminus of the transcontinental railroad, the home of the stockyards and livestock exchange that made it the nation's third largest livestock town. Over the years Omaha filled up with cattle hands from the West and immigrants from Europe (especially Germans and Czechs); it developed fine civic institutions from the Joslyn Art Museum to the Ak-Sar-Ben (spell it backwards) Exhibition to its refurbished old theaters; it developed a competitive politics, with Democrats strong on the south side around the stockyards and Republicans in the higher-income neighborhoods west of 72d Street. Already a major city by the 1880s, Omaha is still a small enough city—famous on Wall Street as the place where Warren Buffett lives and works—to be readily comprehensible; you don't feel distant, physically or psychologically, from neighborhoods on the other side of town, and you usually know people from a broader range of backgrounds than you would in a large homogeneous neighborhood within a big metropolitan area.

Omaha, which together with a few counties 80 miles up and down the Missouri River forms Nebraska's 2d Congressional District, was the site of one of America's most strenuously contested House races in 1988—and one which in a mostly apathetic year inspired some genuine enthusiasm and a large turnout. Congressman Hal Daub was running for the Senate seat traditionally allotted to Omaha, though he had to run in the primary against appointed incumbent David Karnes and, if he had won that, face popular former Governor Bob Kerrey in the general. The favorite to replace Daub was Democrat Cece Zorinsky, widow of former Omaha Mayor and Senator Edward Zorinsky, who died in March 1987; another strong candidate was Republican Jerry Schenken, a doctor active in AMA affairs. But the winner, by a narrow margin in both primary and general, was Democrat Peter Hoagland, a former state senator and lawyer from an old-line Omaha Republican family. Hoagland challenged Zorinsky to debate seven months before the primary; she, unsteady on the facts of national policy, refused, and he kept renewing his challenge and running ads stressing how tough the times were. Hoagland edged her 51%–44%.

Schenken, meanwhile, beat a state senator 38%–30% in his primary and, fortified by contributions from doctors across the country, was spending freely. He attacked Hoagland for

backing tax increases in the legislature and also for votes on crime and drugs, and ran an ad showing him next to Michael Dukakis. But Dukakis ended up losing the 2d District by 58%–42%, not an insurmountable problem for a ticketmate. Hoagland hit Schenken on his medicare reform plans, backed plant closing laws, a higher minimum wage and a waiting period for handguns, and built an organization that fielded 1,200 volunteers in Omaha, bringing out his vote in both the south and west sides. The two campaigns together spent about $2 million by the end of the race, the fourth highest of any district race in the country. Ultimately, Hoagland won by a 51%–49% margin.

In the House, Hoagland got the seat on the Banking Committee he sought, and will be concentrating on the savings and loan problem, among others. He will have the advantages of incumbency for two years, but given the narrow margin, this could be a seriously contested seat in 1990.

The People: Est. Pop. 1986: 551,400, up 5.5% 1980–86; Pop. 1980: 522,919, up 6.2% 1970–80. Households (1980): 72% family, 42% with children, 60% married couples; 35.7% housing units rented; median monthly rent: $190; median house value: $40,500. Voting age pop. (1980): 364,998; 7% Black, 2% Spanish origin, 1% Asian origin.

1988 Presidential Vote:

Bush (R)	130,193	(58%)
Dukakis (D)	94,071	(42%)

Rep. Peter Hoagland (D)

Elected 1988; b. Nov. 17, 1941, Omaha; home, Omaha; Stanford U.; A.B. 1963, Yale U., J.D. 1968; Episcopalian; married (Barbara).

Career: Practicing atty, 1968–88; NE House of Reps., 1979–87.

Offices: 1415 LHOB, 20515, 202-225-4155. Also 8424 Zorinsky Fed. Bld., 215 N. 17th St., Omaha 68102, 402-221-4216.

Committees: *Banking, Finance and Urban Affairs* (30th of 31 D). Subcommittees: Domestic Monetary Policy; General Oversight and Investigations; Housing and Community Development; Financial Institutions Supervision, Regulation and Insurance; International Development, Finance, Trade and Monetary Policy. *Small Business* (24th of 27 D). Subcommittee: Exports, Tax Policy and Special Problems.

Group Ratings and Key Votes: Newly Elected

Election Results

1988 general	Peter Hoagland (D)	112,174	(51%)	($858,762)
	Jerry Schenken (R)	109,193	(49%)	($1,158,294)
1988 primary	Peter Hoagland (D)	33,394	(51%)	
	Cece Zorinsky (D)	28,635	(44%)	
	David A. Wilken (D)	2,922	(4%)	
1986 general	Harold J. (Hal) Daub (R)	99,569	(59%)	($509,019)
	Walter M. Calinger (D)	70,372	(41%)	($57,627)

THIRD DISTRICT

"The Middle West merges with the West" in central Nebraska, where "fields give way to the great cattle ranches of the sand hill area, life is more leisurely and manners more relaxed. Something of the old West still survives," wrote the *WPA Guide* 50 years ago, "a cowboy riding hard against the sky, a herd of white faces coming down from the hills to water, bawling calves at branding time. Here neighbors think nothing of strolling a mile or two of prairie to pay an evening call, and one can travel for hours without finding a sign of human habitation. On the high plateaus of the Panhandle, where the wind cuts along the broad valley of the Platte, rocks and buttes rise. Occasionally a coyote may be seen crossing a 'blowout' hollowed by the wind among the dunes." This is now Nebraska's 3d Congressional District, with one-third of the state's people spread over three-quarters of its acreage; except for the towns along the interstate, the 3d has been losing population for decades; in 1988, it cast 214,000 votes, down from 253,000 in 1940.

Politically, the 3d District merges Midwest and West as well. It has the Farm Belt's demand for farm subsidy and aid programs and the West's angry opposition to federal interference on all other fronts. Presidentially, it is as heavily Republican as the Rockies: 74% and 81% for Ronald Reagan, 67% for George Bush. In congressional elections, it is ultra-safe territory for Virginia Smith, a chipper and enthusiastic Republican first elected, narrowly, in Democratic 1974. She is now the dean of Republican women in the House. For 20 years, Smith chaired the American Farm Bureau Women, once one of the free enterprise pillars of Republican strength in the Farm Belt; she was an active Republican as well. Now she has a seat on the Appropriations Committee and is a vote for frugality, sometimes even on defense issues. But on farm programs, she is a quick and persistent voice against cuts and looks out closely, as the ranking Republican on Jamie Whitten's Agriculture Subcommittee, for the interests of wheat growers. She fights congressional pay raises and boosts rural health care programs, backs senior citizen aid and subsidies for local bus lines. She tends carefully to even the minutest water projects in often arid western Nebraska; her late-in-the-primary support for Senator David Karnes's water policy (though technically she kept her pledge to be neutral) helped Karnes beat Smith's Omaha colleague Hal Daub 2 to 1 in the west and win the 1988 primary.

In June 1989, Smith announced she would retire, saying, "there is a time in life for everything." With the overwhelming Republican voter registration in this district, it seems likely that her successor will retain her party label.

The People: Est. Pop. 1986: 516,000, dn. 1.5% 1980–86; Pop. 1980: 523,827, up 4.2% 1970–80. Households (1980): 73% family, 38% with children, 66% married couples; 28.1% housing units rented; median monthly rent: $142; median house value: $34,700. Voting age pop. (1980): 373,670; 2% Spanish origin.

1988 Presidential Vote:

Bush (R)	144,089	(67%)
Dukakis (D)	69,030	(32%)

Rep. Virginia Smith (R)

Elected 1974; b. June 30, 1911, Randolph, IA; home, Chappell; U of NE, B.A. 1936; United Methodist; married (Haven).

Career: Owner, wheat ranch, 1931–74; Mbr., NE Bd. of Ed. for St. Colleges, 1950–60; Natl. Chwmn., Amer. Farm Bureau Women, 1955–74; Mbr., Amer. Farm Bur. Fed., 1955–74; Chwmn. and Pres., Task Force on Rural Devel., 1971–72.

Offices: 2202 RHOB 20515, 202-225-6435. Also 312 W. 3d St., P.O. Box 2146, Grand Island 68802, 308-381-5555; and 1502 2d Ave., Scotts Bluff 69361, 307-622-3333.

Committees: *Appropriations* (8th of 22 R). Subcommittees: Rural Development, Agriculture and Related Agencies (Ranking Member); Energy and Water Development.

Group Ratings

	ADA	ACLU	COPE	CFA	LCV	ACU	NTLC	NSI	COC	CEI
1988	25	27	12	64	19	80	66	80	93	54
1987	4	—	10	29	—	78	—	—	93	59

National Journal Ratings

	1988 LIB — 1988 CONS	1987 LIB — 1987 CONS
Economic	29% — 70%	24% — 74%
Social	29% — 70%	0% — 90%
Foreign	30% — 67%	28% — 70%

Key Votes

1) Homeless $	FOR	5) Ban Drug Test	FOR	9) SDI Research	FOR
2) Gephardt Amdt	AGN	6) Drug Death Pen	FOR	10) Ban Chem Weaps	AGN
3) Deficit Reduc	AGN	7) Handgun Sales	FOR	11) Aid to Contras	FOR
4) Kill Plnt Clsng Notice	FOR	8) Ban D.C. Abort $	FOR	12) Nuclear Testing	AGN

Election Results

1988 general	Virginia Smith (R)	107,302	(79%)	($229,109)
	John D. Racek (D)	45,183	(21%)	($13,451)
1988 primary	Virginia Smith (R), unopposed			
1986 general	Virginia Smith (R)	136,985	(70%)	($253,292)
	Scott E. Sidwell (D)	59,182	(30%)	($74,227)

Beth Miller

4

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ACCOMPLISHMENTS OF GOVERNOR KAY ORR....1987-1989

ECONOMIC DEVELOPMENT

---Nebraska unemployment ended 1989 at 2.7%, compared to 5.5% when Governor Orr took office. That was the lowest December unemployment rate in 16 years. Nebraska had the 4th lowest unemployment rate in the country last year.

---Manufacturing employment in Nebraska grew at a rate of 4.3% last year, fifth highest in the nation. Rural manufacturing employment grew at a higher percentage than metropolitan areas.

---Nonfarm employment grew at 3.1%, 8th highest in the country.

---Governor Orr led the effort to revitalize Nebraska's economy through performance based incentives, sending a message out nationally that Nebraska is "Open For Business."

---This "Jobs Creation" legislation has been responsible for 327 new business projects; $2.4 billion in new investments for Nebraska; and the creation of more than 23,000 new job opportunities in 69 Nebraska communities.

---Since Governor Orr took office, Nebraskans receiving welfare or food stamp assistance has been reduced by more than 2,000 families.

---Tourism recorded a third consecutive record year, with $1.6 billion in spending anticipated for 1989.

---Retail sales have increased by more than 10% in most Nebraska communities in the past year, helping to reduce business failures in Nebraska by nearly 40%.

---Governor Orr is committed to revitalizing rural Nebraska communities...and has been personally involved in town hall meetings in small communities to discuss new economic development plans.

EDUCATION

---Governor Orr has restored over $10-million in State Aid to Education for public schools, which had been cut by the previous administration.

---In addition, state aid funding for special education in Nebraska will increase by $22-million during the Governor's first term.

---The Governor signed a two-year, $40-million increase to improve salaries for Nebraska school teachers.

---Governor Orr has supported significant increases to improve higher education in Nebraska. The Governor has made the following funding commitments through her first term:
--52% increase to the University of Nebraska system;
--53% increase to Nebraska's State Collges;
--45% increase to Nebraska's Technical Community Colleges.

---Governor Orr has supported $750,000 for increased scholarships to students at public and private colleges in Nebraska.

---Nebraska is in the middle of a 5-year, $60 million dollar research initiative program for the University system. Research is underway on all three University campuses, helping to develop new products that will be produced and marketed in Nebraska.

TAXES

---The Governor helped restructure Nebraska's income tax system, breaking it away from being dependent on federal income tax laws.

---In the past two years, the Governor has proposed and signed legislation to reduce income taxes in Nebraska by $34 million, including a first ever credit for child and dependent care.

---Governor Orr led the effort to return more than $100-million in direct property tax relief to Nebraskans in 1989, and supports continued funding for property tax relief in 1990.

---The Governor provided leadership following a Nebraska Supreme Court property tax decision, leading to passage of three bills to protect Nebraska schools, cities and counties from losing more than $30 million in revenue in 1989.

SUMMARY

Governor Orr has provided leadership that has produced positive results for Nebraskans. She believes in creating opportunities for people to provide a better quality of life for their families. She has kept her campaign commitments to promote economic development, create jobs, improve education, and establih a new, positive attitude among Nebraskans. She is now leading the state effort to fight drug abuse through enforcement, education and treatment.

THE WHITE HOUSE

Office of the Press Secretary
(Orlando, Florida)

For Immediate Release January 8, 1990

REMARKS BY THE PRESIDENT
TO THE AMERICAN FARM BUREAU

Orlando Convention Center
Orlando, Florida

10:47 A.M. EST

THE PRESIDENT: Thank you all very much. Thank you, Dean. (Applause.) Well, my thanks to my friend, Dean Kleckner, Farm Bureau President, for that warm introduction. We're grateful for his leadership on that National Economic Commission, and the tremendous support of you, the members of the Farm Bureau. My thanks, too, to Bob Delano out here, former Farm Bureau President, whose leadership and counsel have been so helpful to me. I'm happy to have my distinguished -- our distinguished Secretary of Agriculture Clayton Yeutter here at my side, doing a superb job for us. (Applause.) And I know you'll hear tomorrow from Ambassador Carla Hills. You talk about two people who understand the need to open up foreign markets to U.S. agricultural products -- these two are tough and they are the tops -- and we're grateful to both of them. (Applause.) My friend, Bob Martinez, Governor Martinez, it's always a pleasure to see you and visit your beautiful state.

And, of course, I'm very proud of the next two -- great to see Senator Connie Mack here -- a new Senator making a national impression, I'll tell you. And next to him, or right near him -- second from the end -- my close friend, and a long-time supporter, Bill McCollum. Two outstanding voices for Florida in our Nation's Capital. I wish we had a lot more like them, I'll tell you. (Applause.)

I just returned from a little fishing and hunting over the holidays in Texas and Alabama, and I heard a story about the time that Mark Twain spent three weeks fishing in Maine after the fishing season had closed. On the way home, aboard the train, he told the man seated next to him about all the fish he'd caught. Finally, Mark Twain asked, "By the way, who are you, sir?" "I'm the State Game Warden," replied the man. "Who are you?" And after a long pause, Twain said, "Well, to be perfectly truthful, I'm the biggest damn liar in the whole United States." (Laughter.)

I won't bore you with my fishing stories because I could reminisce with you all day long on this subject. It's a pleasure to be here because, for 71 years now, the American Farm Bureau has helped American farmers -- over three million member families -- to become the best in the world. And farming is a proud and noble part of our history. In fact, Thomas Jefferson himself wrote that "Agriculture is the most useful of the occupations of man."

Today, nearly two centuries later, I'm here to give my first major address of the new decade. And I'm proud to begin this decade by talking to you about the future of farming in this country. But as we look forward, it's also important to reflect upon the past and what farmers have gone through, both good and bad.

You -- America's farmers -- deserve the credit for the rebound in U.S. farming. And I salute you again. I salute the board of directors up here -- all farmers -- who are leading this

MORE

outstanding organization. You've been through the worst droughts and national disasters of the 1980s, and you've survived tough economic times. But you've worked with your minds and your hands to beat adversity with a kind of can-do commitment that's been the hallmark of American farming for generations.

Right here in Florida we're seeing some of that can-do attitude as you face -- Florida farmers -- as you face the terrible loss of the citrus and winter vegetable crop. On the way down on Air Force One, Bob Martinez gave me the details of Florida's losses. But let me tell you -- I'm sure you've heard this from Clayton -- you will not be facing this alone. Clayton and I have talked, and I've asked the Secretary to personally oversee our efforts to provide assistance and I know you can count on the USDA to be in there fighting with you. (Applause.)

It was a little over four years ago -- seems like just yesterday -- but a little over four years ago that the 1985 Farm Bill became law. Admittedly, the cost has been high, but it has worked. Since then, the news has been good. Surpluses have declined dramatically, and most of our good land has been brought back into production. Net farm income reached a record level last year, and the share of income that came from market sales continued to grow. The farm credit situation has greatly improved, bringing more financial stability to rural America.

As we face the future, the outlook is even better. Through sound fiscal policies and wise management of our resources, common-sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will keep rural America strong and American agriculture thriving in the 1990s. (Applause.)

But to do that -- and Dean Kleckner alluded to this in his introductory remarks -- to do that, our first priority must be to keep the American economy growing. That means fiscal and monetary policies that make sense. Today, one of the best things we can do for farmers is to keep the interest rates low, and that is exactly what we intend to do. (Applause.)

This year, we will work with Congress on the 1990 Farm Bill. Getting a good farm bill through Congress is like milking a bull. (Laughter.) But I can tell you that to be competitive, we must have market-oriented farm policies that allow producers more flexibility to decide what crops to grow -- (applause) -- and that because American farmers then can do what Americans do best: compete.

At the same time, we've got to maintain a safety net to protect farmers from conditions beyond their control. But market-oriented farm policies are only a part of the agricultural picture. It is absolutely essential that we expand markets and enhance productivity. We've got to assure the public that America's food is safest in the world, and we've got to protect our precious environment.

America's farmers -- I know this -- America's farmers understand the importance of a clean environment. Many of you here today come from farms that have been handed down from parents and grandparents. You know that to protect the land is to protect not just your livelihood, but your heritage.

We must recognize that productive agriculture and a sound environment can be compatible -- especially in terms of water quality. The administration has initiated a concentrated five-year effort to work with the nation's farmers to protect our groundwater from contamination by fertilizers and pesticides. We'll spend close to a third of a billion dollars on research and support for farmers to stop contamination of our land and water. We must keep your good land in business -- without unreasonable burdens -- but we must also keep it good land. I am counting on your leadership as we work to expand farm productivity while safeguarding our precious environment.

We must also make sure that all Americans are confident in the safety of our food supply. My administration is working hard to develop legislation to protect the food supply without overwhelming the agricultural industry.

But in the coming decade, the American farmer must have a level playing field in the international trade arena, too. And the way to fight trade barriers is through negotiation, not reciprocal protectionism. I know that many Farm Bureau leaders serve on the Agricultural Trade Policy Advisory Committee, and how important this issue is to you. Our administration has just made a bold proposal in the Uruguay round that would phase out export subsidies in five years and other trade-distorting practices in 10 years. But any agreement we sign -- and I can guarantee you this -- any agreement that we sign will be an agreement that is also good for American agriculture. You see, our goal is simple: open markets and free trade. (Applause.)

And it's beginning to work. International markets are improving. The value of U.S. agricultural exports has increased for the third year in a row. And sales to developing nations -- the dynamic markets of the future -- were up 13 percent last year.

We also support expanding our ties with Eastern Europe and the Soviet Union to open even more markets. Earlier this winter, Secretary Clayton Yeutter led a presidential delegation to Poland to determine how American know-how can help Poland shift from that controlled economy to a market economy. It was a wonderful mission, and we're forging new partnerships between our agricultural industries and Eastern Europe's emerging economies. But in today's global economy, America must also become more competitive through increased production, new uses for our products, and expanded markets at home. And so this administration supports greater research into biotechnology for improved productivity and we're encouraging alternative uses of farm products like ethanol and other new fuels and fuel additives.

Just a few months ago, we proposed the expansion of the producer tax credit for alternative fuels to include ETBE. This will mean more markets for growers and cleaner air for all Americans.

But for us to reap the full benefits of a competitive economy we must cut the capital gains tax rate. (Applause.) With our capital gains tax proposal, we can help keep American agriculture dynamic and prosperous. And with continued economic growth, we can keep rural America going strong. Passage of our capital gains proposal, which would apply to the sale of farmland, will be one of my top priorities in this legislative year. Your support has been instrumental in the fight for the capital gains cut. And the fight isn't over yet. And I am sick and tired of the demagogues who call this a tax cut for the rich. It means jobs, it means savings, and it is good for all Americans. (Applause.)

And so the Farm Bill, our international trade negotiations, and a capital gains tax cut will be high on my agenda for this great nation. Because what's good for agriculture is good for America. (Applause.)

Let me talk just a little about some of the challenge facing all America. Like people everywhere in this great country, you work hard, you sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education, economic opportunity for all citizens, and a clean and healthy environment and safe, drug-free streets, schools, and workplaces. Together we are working to build a better America.

But much remains to be done, and you're in the forefront. Rural America cares about education. You know, some say improving our schools is something for federal money and Washington bureaucrats to handle. And I know you don't believe that. Whether it's a

classroom on a rolling prairie in Nebraska or a busy New York street, improving education is a national challenge.

Last September, I met with the nation's governors at the education summit in Virginia to begin promoting educational restructuring in every state and determining national goals to attain excellence. The administration has sent the Educational Excellence Act to the Congress, and we want, and America needs, action on it soon. (Applause.)

Rural America is also battling the ravages of violence and drugs. Every citizen has the right to a safe home, the right to freedom from fear. Early in my administration, we sent the comprehensive Violent Crime Control Act to the Congress. We proposed measures to improve enforcement and prosecution, and strenghen current laws to put the drug dealers behind bars and keep them there. This critical crime legislation has been sitting on Capitol Hill for months. Brave citizens everywhere are standing up to crime. And it's a time for Congress to act quickly and responsibly because the war on drugs and crime will not wait. (Applause.) And I might say parenthetically, thank God we've got Bill McCollum in a key role in the House and Connie Mack -- Senator. I again want to mention that the support that we are getting for them and others like them for this approach I've outlined.

Let me just add a little more on our relationship with Capitol Hill. When I took office -- Inaugural Address -- I put my hand out to the Congress, to the Democractic majority, and reminded us all that the American people did not send us to Washington to bicker. As I've said, we sent proposals to Congress on clean air, combating crime, capital gains. Responsible proposals. Carefully thought-out. Based on principles. Finally, rural America -- let me just finish. Now a year has passed. A new year has become. And it's time -- it is past time -- for Congress to tend to some of the unfinished business.

Let me say to Congress as it comes back in a couple of weeks now: The hand of cooperation is once again extended. And I would only add -- America wants it done right. America wants it done responsibly. And America wants it done now. (Applause.)

We are always willing to listen to ideas and alternatives. But we are not willing to compromise on fundamental principles.

Finally, rural America does believe in liberty and democracy. Freedom-loving people everywhere are following the news reports from behind what used to be called the Iron Curtain. In fact, I read that the first thing to sell out in West Berlin on the day the Wall came down wasn't TVs or denim jeans. It was fresh fruit. In Romania, citizens knew freedom had arrived because, for the first time in many years, they saw food on the grocery store shelves. We reap what we sow, says the Bible, and what a bountiful harvest we are witnessing. It is a harvest of joy and opportunity that we will continue to support and encourage every step of the way.

And let me add -- this harvest is not just happening in Eastern Europe. Let's help the countries to our south so that this hemisphere will be the first totally democratic hemisphere in the entire world. (Applause.)

I know I don't have to tell you this, but let me just tell you from the bottom of a grateful heart that I am mighty proud of our courageous fighting men who have helped Panama. And the joy shown by the people of Panama says it all right there in the streets of Panama City. (Applause.) And so as I conclude my comments to the Farm Bureau, I can tell you I am optimistic about the coming decade, for I believe in the wisdom of our policies; I believe in the providence of the Almighty; and most importantly, I believe in the tough resiliency and the moral strength of the American people.

Throughout our history, farmers -- many in this room -- have weathered disaster. And each time, like steel forged in a white-hot furnace, you are stronger with each testing by fire.

In the "Dirty '30s" swirling clouds of dust ruined hundreds of farmsteads on the Great Plains. Many of the Dust Bowl farmers stayed on the land, and today, their descendants have invented conservation techniques to catch and preserve the winter snows and the spring rains to carry their crops through the hot plains summer. A triumph of human courage and ingenuity. In the 1970s, an unheard-of disease, the Southern Corn Leaf Blight, swept through the fields of the Midwest. In a few days, the tall, green, tasseled corn was devastated as if someone had taken a blowtorch to it. Over that winter, scientists and farmers developed resistant corn varieties in time for the next spring planting. A national food disaster was stopped dead in its tracks. A triumph of faith, science and inventiveness.

And today, at the daybreak of the new decade, I want rural America to share in the promise and prosperity of our great nation. And in the months and years to come, as we approach the horizon of the new century, may we all share in the opportunity and optimism of a world at peace.

Thank you and God bless the United States of America. Thank you very, very much. (Applause.)

END 11:11 A.M. EST

Nebraska's Unicameral

Fifty Years Without a Conference Committee

Nebraska embarked on a legislative experiment in 1937 that has become a tradition there after half a century, but so far no other state has copied it.

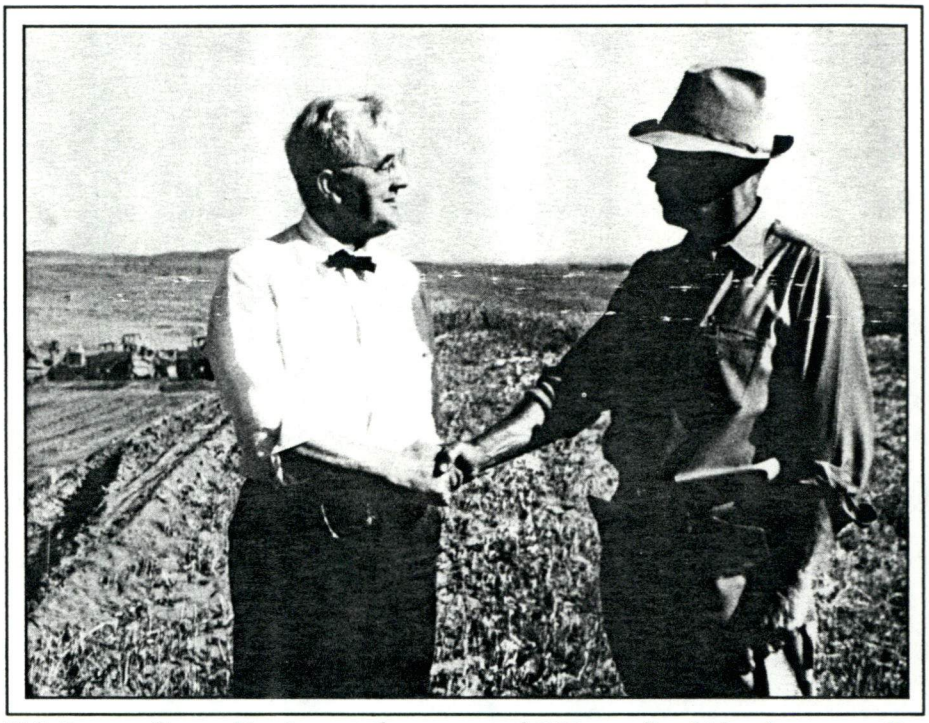
By Pat Wunnicke

Times were tough in Nebraska in 1934, drought and Depression taking their toll, the Legislature doing nothing effective about either. An appealing aspect of one proposal for the November ballot was the promise that a new one-house legislature would be cheaper to operate than two, and might be more effective.

The idea of a unicameral legislature, like the idea of non-partisanship and citizen initiative, grew out of the Progressive movement at the turn of the century, and had been kicking around in Nebraska as well as other states in the Midwest and northern plains for a good many years. In fact, the proposal had been defeated by only one vote in the Nebraska constitutional convention of 1920, after being repeatedly quashed early in the century by legislators perhaps understandably reluctant to sacrifice their own seats.

But now the proposal had the backing of beloved George Norris, longtime U.S. senator and Nebraska hero. First elected to the U.S. House of Representatives in 1902, Norris spent 40 illustrious years in the Congress before he died at 83. The summer and fall of 1934, however, he spent traveling the dusty back roads of Nebraska —"wore out two sets of tires and two windshields," recalled his widow three decades later—speaking at every opportunity on the evils of the bicameral system ("illogical and clumsy"), extolling the virtues of unicameralism and pleading with the voters to support it.

Photos: Nebraska State Historical Society



U.S. Senator George Norris spent the summer of 1934 traveling Nebraska, expounding on the evils of the bicameral system and extolling the virtues of unicameralism.

A one-house legislative body was not unheard of. It had been adopted, in various guises, by almost all cities and counties, and in modified form was (and still is) a feature of Canadian provincial governments. During Revolutionary times, Georgia, Pennsylvania and Vermont experimented with a type of unicameralism, but abandoned it early, Georgia and Pennsylvania before the turn of the 19th century, and Vermont in 1836. For a century thereafter, the two-house state legislature prevailed throughout the United States. (Among the territories, Guam and the Virgin Islands use the unicameral system.)

But years of legislative experience had convinced Norris that the conference committee, inevitable with two bodies, was an unmitigated evil, distorting or even thwarting legislation that had been approved by a majority. In addition, he disapprovingly traced the two-house method of organization back to the English class system that produced the House of Commons and the House of Lords. He said, "...in

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this country we have no such classes and the constitutions of our various states are built upon the idea that there is but one class. If this be true, there is no sense or reason in having the same thing done twice, especially if it is to be done by two bodies of men elected in the same way and having the same jurisdiction."

Norris was ahead of his time. His comments were on firmer ground 30 years later, after the reapportionment decisions did ensure that both bodies of a legislature were "elected in the same way and (have) the same jurisdiction."

The question of one house or two and the merits of each had been discussed at length 150 years before. Madison wrote worriedly (in The Federalist, #38) of the Confederation's "Congress, a single body of men, . . . the sole depositary of all the federal powers." Salvaging the Constitutional Convention in 1787, the Great Compromise setting up a two-house legislature put to rest the fears of the delegates from the smaller states that their interests would be overlooked by a national legislature dominated by representatives from the large states.

Although low on the list of national priorities, unicameralism is still being debated. At an Eagleton Institute of Politics conference for state legislators in the 1960s, the late Jess Unruh, fabled California politician and sometime speaker of the California Assembly, called unicameralism "the wave of the future," asking rhetorically, "Does any corporation have two boards of directors?" He called the two-house system "a costly and inefficient anachronism" and said, "I do not believe that increased salaries, new facilities and professional staff will be more than temporary palliatives for the ills that it is hoped they will cure. These reforms in themselves only make a more efficient horse and buggy. I take little comfort from the fact that legislatures can be the fastest horse and buggy in the jet age."

Unruh's disciples have kept the discussion going in California, but it has yet to make its way to the ballot box. In recent years, several other states have looked at the unicameral option with more than curiosity: Hawaii and Mississippi have considered it in constitutional conventions, and petition efforts were made but failed to gain enough signatures in Michigan and Montana. Alaska voters, invited by the Legislature in 1976 to cast an "advisory vote" on whether an amendment to the state constitution should be offered future voters, obliged with 58,782 yeas and 55,204 nays, but the following years' sessions ignored the advice.

Minnesota Speaker David Jennings proposed a unicameral setup in 1985 as a way of dealing with conference-committee problems, but the Minnesota Citizens League disagreed. Its report, "Power to the Process," published in September 1985, found "no compelling evidence that the unicameral structure is superior to the two-house model." The report, while admitting that the two-house arrangement requires additional work and extra staff, suggests that it brings the advantages of different ideas and policy approaches to the policymaking process, and introduces "a major check into the legislative process."

However, a report in the University of Minnesota's Humphrey Institute *Future of the State Legislature* series, published in March 1986, takes a more positive view of the unicameral option, although it stops short of explicitly advocating the change.

Robert Sittig, professor of political science at the University of Nebraska (Lincoln), and author of *The Nebraska Unicameral After Fifty Years,* believes that only in the 14 states with the initiative has the system much of a chance. He points out that "the greatest drawback often is the one which frustrated the original unicameral proponents in Nebraska: The legislature itself is the prescribed starting place for constitutional amendments; however, legislators are disinclined to approve proposals which would alter substantially the body in which they serve."

Norris and his cohorts in 1934 used that powerful new tool, the initiative, which had been adopted by Nebraska 22 years before. He and John P. Senning, professor of political science at the University of Nebraska, drafted the language of the initiative that was to amend the state constitution that fall. It would save time, talk and money, they said. (It did save money. The cost of the first unicameral session in 1937 was about half that of the last bicameral in 1935.)

The battle might have been easier if Norris had not insisted that the members of the new body be nominated and elected on a non-partisan ticket. That feature earned the proposal the enthusiastic opposition of both political parties and most of the state's newspapers. Even among ardent supporters of the unicameral idea, feelings were, and still are, mixed about the question of allowing partisan representation. Nevertheless, nearly twice the needed number of voter signatures were collected that summer, and with the issue on the ballot, the proposal was handily approved in November of 1934 by a vote of 286,086 to 193,152.

Senator Jerome Warner, who has served in the Nebraska "Unicam" for 25 years, as speaker and most recently as chair of the Appropriations Committee, says that "non-partisan-

Norris, stumping for a unicameral legislature, thought two houses 'illogical.'

How the Nebraska Unicameral Works

Nebraska's thinkers have managed to prevent the kind of hasty legislative action that the two-house arrangement was said to avert, by bringing the public into the process at every stage. A nine-member "reference committee" refers all bills either to a standing committee or directly to the general file; and the reference committee sets all bills for hearings. Every bill must receive a public hearing, preceded by at least five days' published notice of date, time, place and subject. After the hearing, when the standing committee goes into executive session, media representatives must be allowed to attend and report on the proceedings.

Introductions are limited to the first 20 days of the session. A minimum of seven days must elapse from introduction to final enactment of any measure. Assuming committee approval, three floor votes are necessary for passage. The constitution requires that at least one legislative day pass between correct engrossment and a final vote.

About a dozen committees deal with the 600 or 700 bills introduced or carried over in each annual session. Each member typically serves on two committees, with a few on three and Appropriations members on no other. Committee membership is structured by four geographic regions, with each region entitled to two seats per committee. The lieutenant governor presides.

On final reading and passage, all bills are read through in full by the clerk, with senators required to be present and seated.

For what it's worth, a look at Nebraska's proportion of enactments to introductions during the 1985 session compared to a half dozen other part-time legislatures show that Nebraska is on the low end of a range of numbers of introductions (728 compared with numbers commonly above 1,000) and also in the low range of percentage enacted (34 percent compared with ranges from 37 to 59 percent).

Members' terms are four years, staggered so that about half are elected every other year.

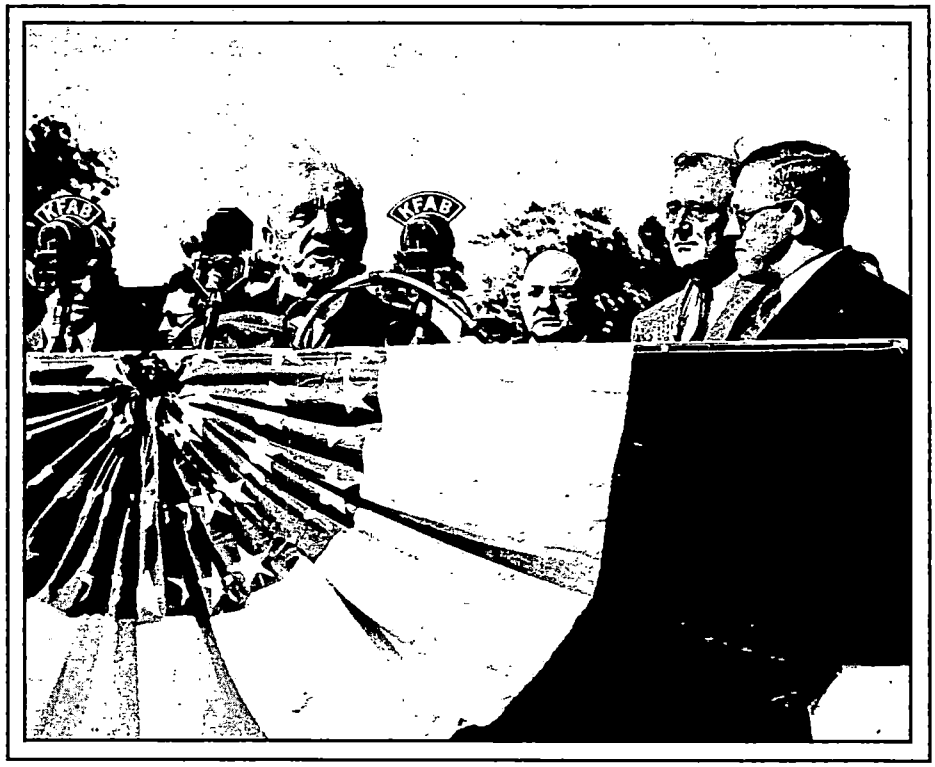
The beloved senator used his influence to persuade thousands of voters.

ship wasn't all that strange" to Nebraskans, who had a long history of support for the idea. A Non-Partisan League was active in the state at the turn of the century, and a number of offices at the local level were stripped of party labels. Historically, says Warner, as in many other states there was "a far stronger geographic division in alignments than partisan division, even when it was a two-house legislature. It was whether you were north or south of the Platte [River]."

Commenting on the fateful 1934 election, Warner notes that there were two other proposals on the ballot with the initiative, one to allow pari-mutuel horse racing and another to repeal Prohibition. "The advertising was to vote yes on all three," says Warner, "and there are those who think that may have been a factor."

But it may have been simply the force of George Norris' personality that got the thing passed 3-2 in the face of powerful opposition. Bob Sittig thinks so. "It *was* George Norris. He deserves nearly all the credit for pushing it over the top, after people had been working on it for 20 years." After it passed, Norris went back to Washington and Professor Senning, soon to be officially named consultant to the Legislature on the unicameral, began drawing redistricting maps. The last bicameral legislature in 1935 looked over, and quarreled over, nearly three dozen different maps before finally passing one on the last night of the session.

The amendment called for between 30 and 50 members, to be designated senators; the 1935 session settled on 43; there are now 49. And it provided that "the aggregate salaries of all the members shall be $37,500 per annum, divided equally among the members..." Considering that sessions



Senator Norris and President Franklin Delano Roosevelt at a campaign stop, 1936.

Norris and his friend, University of Nebraska Professor John P. Senning (above), together drafted the language of the unicameral initiative. Later, Senning was named official consultant to the Legislature on the unicameral. Left, Norris at home in McCook after 1944.

were biennial, and lasted for only about 100 days, that wasn't too bad a wage with bread at a dime a loaf.

The voters of Nebraska thought it was plenty for 23 years. In 1960 they finally approved a raise to $2,400 a year per member. Today it is $4,800 plus per diem, for annual sessions that run 90 days in odd-numbered years, 60 in the even numbered, unless extended by a four-fifths vote of the members. Nebraska is one of the few states whose constitution specifies a salary amount for legislators.

Three-quarters of the members of that first unicameral in 1937 were the same partisans, now under a non-partisan banner, who had previously served in the traditional legislature. Jerome Warner's father, Charles J. Warner, was the first speaker under the new regime that began Jan. 5, 1937. First elected to the statehouse in 1900, the year after he graduated from the University of Nebraska, he spent 26 years, off and on, as a member. "We're a political family," says the younger Warner, who adds that, although an active Republican, he wouldn't change the Nebraska system. He said that the lack of party requirements leaves members free to oppose or support both legislation and people for leadership positions, and he believes that [illegible] is an advantage, not a detriment. "Like any other legislator," he confesses, "I suppose I like the system because I'm used to it."

Who does lead in a non-partisan body? With whom does a governor, or a lobbyist, deal? Jerome Warner says it's a "one-on-one" situation. Professor Sittig says, "If there's one thing I'm critical of, it is the rather ill-defined areas of authority that result from non-partisanship. Power seems to drift toward the speaker, and though there has been some strengthening of the standing committees, basically it's a fairly unstructured, collegial sort of operation." Collegial wasn't what Nebraska Governor Roy Cochran called it more than 40 years ago. He said, "There is no formal leadership. It's just like a Mexican army, all generals."

"The lobbyists like it," said Sittig, "and that makes me a little uneasy." He went on to say that the Unicam, as it has come to be called, gets good media coverage, and since fully a third to a half of the first half of the session is devoted to open committee hearings, any citizen who's interested can participate.

Although there are rural-urban and geographic splits without partisanship, "there's a lot less acrimony and animosity," says Dick Hargesheimer, director of the Nebraska Legislative Research Division. "With only 49 members, they get to know each other pretty well." He contends that although lobbyists have fewer people to deal with, without formal political caucuses and with fluid coalitions that change frequently, "it's harder for them to get a handle on it." Interestingly, Minnesota had a non-partisan bicameral legislature up through the late 1960s, but that is another story.

Non-partisanship is only a feature of the Nebraska system, not its essence. Says one-time Wyoming treasurer Shirley Wittler, a Nebraska native and former president of the Lincoln League of Women Voters, "I grew up with the [one-house] system, so it didn't strike me as unusual until I started looking at [other states]. For the citizen, it's much easier to track legislation, and the processes are methodical and unhurried. There are open sessions every morning, and committee hearings in the afternoon, with times and subjects published in advance."

It has also been suggested that access to a single chamber is easier for the unsophisticated lay person, while the sophisticated find it impossible to play the kinds of games between the bodies that is possible in the other 49 states.

But if Nebraska's legislative system, now an established tradition there, is the wave of the future for other states, it's a mighty slow-moving wave.

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The Harper Book of AMERICAN QUOTATIONS

Gorton Carruth and Eugene Ehrlich

A Hudson Group Book

1817

Harper & Row, Publishers, New York
Cambridge, Philadelphia, San Francisco
London, Mexico City, São Paulo, Singapore, Sydney

James Russell Lowell, published in the *United States Magazine and Democratic Review,* October, 1842.

I feel the unutterable longing,
Thy hunger of the heart is mine;
I reach and grope for hands in darkness,
My ear grows sharp for voice or sign.

John Greenleaf Whittier, "To Lydia Maria Child," 1870.

107. HISTORY

See also Experience; Knowledge

1 No honest historian can take part with—or against—the forces he has to study. To him even the extinction of the human race should be merely a fact to be grouped with other vital statistics.

Henry Adams, *The Education of Henry Adams,* 1907.

2 The public history of all countries, and all ages, is but a sort of mask, richly colored. The interior working of the machinery must be foul.

John Quincy Adams, in a diary entry written November 9, 1822.

3 With the loss of tradition we have lost the thread which safely guided us through the vast realms of the past, but this thread was also the chain fettering each successive generation to a predetermined aspect of the past. It could be that only now will the past open up to us with unexpected freshness and tell us things that no one as yet had ears to hear.

Hannah Arendt, quoted in Carl J. Frederich, *Nomos I, Authority,* 1958.

4 On no other stage are the scenes shifted with a swiftness so like magic as on the great stage of history when once the hour strikes.

Edward Bellamy, *Looking Backward: 2000–1887,* 1888.

5 It always seemed to me . . . that legends and myths and folktales are as much a part of the real history of a country as proclamations and provisos and constitutional amendments.

Stephen Vincent Benét, quoted in Charles A. Fenton, *Stephen Vincent Benét: The Life and Times of an American Man of Letters,* 1958.

6 Bismarck, when asked what was the most important fact in modern history, replied: "The fact that North America speaks English."

Gurney Benham, *Benham's Book of Quotations,* 1948.

7 Historian, *n.* A broad-gauge gossip.

Ambrose Bierce, *The Devil's Dictionary,* 1906.

8 History, *n.* An account mostly false, of events mostly unimportant, which are brought about by rulers mostly knaves, and soldiers mostly fools.

Ibid.

9 History is the torch that is meant to illuminate the past to guard us against the repetition of our mistakes of other days. We cannot join in the rewriting of history to make it conform to our comfort and convenience.

Claude G. Bowers, in the introduction to F. Jay Taylor, *The United States and the Spanish Civil War,* 1956.

10 History selects its heroes and its villains, and few of us resist participation either at the parade or at the guillotine.

William F. Buckley, Jr., *The Jeweler's Eye,* 1968.

11 The history of every country begins in the heart of a man or a woman.

Willa Cather, *O Pioneers!* 1913.

12 The history of the earth! Doth it present anything but crimes of the most heinous nature, committed from one end of the world to the other? We observe avarice, rapine, and murder, equally prevailing in all parts. History perpetually tells us of millions of people abandoned to the caprice of the maddest princes, and of whole nations devoted to the blind fury of tyrants. . . . If one corner breathes in peace for a few years, it is, in turn subjected, torn, and leveled; one would almost believe the

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THE HOME BOOK OF AMERICAN QUOTATIONS

SELECTED AND ARRANGED BY

BRUCE BOHLE

DODD, MEAD & COMPANY
NEW YORK 1967

the little that is Good steadily hastening toward immortality,
And the vast all that is call'd Evil I saw hastening to merge itself and become lost and dead.

WALT WHITMAN, *Roaming in Thought.*

1
His daily prayer, far better understood
In acts than words, was simply doing good.

JOHN GREENLEAF WHITTIER, *Daniel Neall.*

2
The evil cannot brook delay,
The good can well afford to wait.
Give ermined knaves their hour of crime;
Ye have the future grand and great,
The safe appeal of Truth to time!

JOHN GREENLEAF WHITTIER, *For Righteousness' Sake.*

3
There are two kinds of people on earth today,
Just two kinds of people, no more, I say.
Not the good and the bad, for 'tis well understood
That the good are half bad and the bad are half good. . . .
No! the two kinds of people on earth I mean
Are the people who lift and the people who lean.

ELLA WHEELER WILCOX, *Lifting and Leaning.*

GOSSIP, see Scandal

GOVERNMENT

See also Constitution, Democracy, Politics

4
A government of laws and not of men.

JOHN ADAMS, Constitution of Massachusetts: Declaration of Rights, Art. 30 (1780). See *American Bar Association Journal,* Dec., 1929, p. 747.

5
The essence of a free government consists in an effectual control of rivalries.

JOHN ADAMS, *Discourses on Davila.*

6
You talk about capitalism and communism and all that sort of thing, but the important thing is the struggle everybody is engaged in to get better living conditions, and they are not interested too much in the form of government.

BERNARD BARUCH, Press Conference in New York City, 18 Aug., 1964, on the eve of his 94th birthday.

7
Law represents the effort of men to organize society; government, the efforts of selfishness to overthrow liberty.

HENRY WARD BEECHER, *Proverbs from Plymouth Pulpit.*

8
I believe every citizen should support the government when final action is taken, whether he approves of the action or not.

WILLIAM JENNINGS BRYAN. (New York *Times,* 2 June, 1898)

9
While the people should patriotically and cheerfully support their Government its functions do not include the support of the people.

GROVER CLEVELAND, Message upon vetoing the Texas Seed Bill, 16 Feb., 1887.

10
The principal business of government is to further and promote human strivings.

WILBUR L. CROSS. (New York *Times,* 29 Mar., 1931)

11
Of all the tasks of government, the most basic is to protect its citizens against violence.

JOHN FOSTER DULLES, Speech at the Associated Press annual luncheon, 22 Apr., 1957.

12
We Republicans believe in limited government, but also in effective and humane government. We believe in keeping government as close to the people as possible—in letting each citizen do for himself what he can do for himself, then making any call for government assistance first on the local government, then on the state government, and only in the final resort on the Federal Government. But we do not shrink from a recognition that there are national problems that require national solutions. When they arise, we act.

DWIGHT D. EISENHOWER, Article written for the New York *Herald Tribune,* 25 May, 1964.

13
Our best protection against bigger government in Washington is better government in the states.

DWIGHT D. EISENHOWER, Address before National Governors' Conference, Cleveland, 8 June, 1964.

14
An institution is the lengthened shadow of one man.

EMERSON, *Essays, First Series: Self-Reliance.*

15
No institution will be better than the institutor.

EMERSON, *Essays, Second Series: Character.*

16
If you would rule the world quietly, you must keep it amused.

EMERSON, *Essays, Second Series: New*

THE WHITE HOUSE

WASHINGTON

FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES INCLUDING COVER 7

DATE 2/2/90

TO Bill Lacy

FAX NUMBER

OFFICE NUMBER

COMMENTS

FROM Stephanie Blessey

FAX NUMBER

OFFICE NUMBER 456-7750

THE WHITE HOUSE
WASHINGTON

x.7730 x.6510 2/08/90 Andy Fosler

500 contributors

- mayor of Omaha P.J. Morgan (R) elected last year
- former Congressman Hal Daub (Senate candidate against Jim Exon)
- Congressman Doug Bereuter
- Congresswoman Virginia Smith

10 minutes

1/31/90

Kay Orr

(402) 471-2244
asst. Natalie Pietz
(Dana)

Bill ~~sec~~ Ann
(402) 437-4305
insurance Woodmen Accident & Life

h.s. reunion
pulling into filling station to
get $00
Harley & I were chums
Planning to get married

He'd be ~~work~~ living in the
back w/ those kids If it be awful
No, he'd be living in the Gors
mansion w/ me.

Cash & check
Are you the wife of the Gov.
Are you Mr. Kay Orr

2

Final R^2 dinner

Sat @ table w/ R^2 & Thatcher

Oral Hircheiser do
And what ~~did~~ you
Baseball pitcher

East Room
Seated next to Loretta Young
sequence dress - L.Y.
nut dress - K.O.
Adm. Crowe offered pocket knife.

Same knife to cut military budget

Kay Orr supports death penalty
Natalie Pletz
Orr's Office
(402) 471-2244

2/1/90 Andy Foster x 6~~5~~51O
breakfast?
controversy? property tax system was
antiquated - when reformed raised income taxes
Unicameral assured her wouldn't screw up taxes

She's against new taxes.

TALKING POINTS FOR PRESIDENTIAL REMARKS

Basic Theme: Kay Orr's leadership gets results for Nebraska.

1. When President Reagan and I went to Washington in 1981, we had a mission: turn America around, bring her back. I'm proud to say we succeeded by working hard and confronting the tough problems.

   In Nebraska, Kay Orr has accomplished the same thing. When she took office Nebraska's economy was suffering; jobs were tough to find.

   Nebraska's educational system was in need of repair. But Kay Orr's leadership has turned it around, working to solve these problems and many more.

2. I've seen Kay Orr's leadership first hand. She served as Co-chairman of the '88 Platform Committee, drafting the very platform upon which our party stood in the 1988 campaign. As our first woman Republican Governor, her reelection is a very high priority to me. It's no coincidence that Kay is one of the very first Republican Governors for whom I have done an event.

3. Governor Orr is a hard worker who has faced tough problems head on. She hasn't been afraid of taking courageous stands on a variety of issues important to Nebraska. Nebraskans can be proud of Kay Orr's accomplishments, strength and commitment to do what's right.

4. Kay Orr has gotten results for Nebraska through better economic opportunity for her citizens:

   - o 23,000 new jobs have been created lowering Nebraska's unemployment rate to 2.7%, the lowest in Nebraska since 1978 and the lowest of any state west of the Mississippi.
   - o nearly $2 1/2 billion in new business investments.
   - o personal income has increased about 6 1/2% per year.
   - o tourism is up by nearly a third.
   - o net farm income has nearly tripled.

5. Governor Orr has helped to preserve Nebraska's unique quality of life:

   - Governor Orr has dramatically increased funding for education, making a greater commitment from kindergarten through the college level.

   - She's enacted tough mandatory sentences for drug dealers and set up a coordinated anti-drug program tying state and local law enforcement agencies together.

   - She's fought for a better environment and received the Nebraska Chapter of the National Wildlife Federation's "Conservationist of the Year" award of 1989.

6. But Governor Orr's hard work never ends. Just about a month ago, in her State of the State address, she proposed some tough new policies we can all applaud:

   - tougher laws for seizing drug dealer's assets, drug free school zones, increased penalties for drug use.

   - more law enforcement officials to arrest those who break our drug laws.

   - increased funding for prisons so those who break the law must pay the price.

7. In Kay Orr, Nebraska has a Governor you can count on. She hasn't been afraid of the tough problems, and more than once she's taken a stand that was good for Nebraska, but not for her politically. I can't imagine Nebraska citizens not wanting "Four more for Orr". Keep Kay Orr on the job, so she can finish the job she has begun so well.

STATE OF THE STATE ADDRESS
January 8, 1990

Mr. Speaker, Mr. President, ladies and gentlemen of the Legislature, friends, and my fellow citizens:

It's indeed a pleasure to join you as we enter the 1990s and stand at the gateway to the 21st century. We live in an exceptional time. Dramatic changes swirl about us. Expectations long suppressed are given new expression. The image is fresh in our minds of the young people of Berlin, tearing down the wall, an act symbolic of a desire for a better life...a richer political, economic, and cultural life. Those changes are happening all over East Central Europe and the Soviet Union.

It's appropriate to recall that many of those who came to Nebraska had origins in Czechoslovakia, Poland, Germany, Russia, the Baltic countries and so many other nations. They came to Nebraska seeking a better life. They continue to come, receiving a better life.

But let us acknowledge and rededicate ourselves to the fact that the better life requires constant effort from one generation to another. As elected leaders of this state we bear much of the responsibility for making the decisions that ensure that better life.

In this first year of the last decade of the 20th century we are positioned to take measured strides toward the future. So it is that I look forward to the nineties with enthusiasm and optimism...convinced we can continue the momentum of recent years.

A moments reflection will reveal the landmarks of our progress. Recall 1987.

--Nebraska unemployment had climbed to 5.5 percent. Today it is 2.9 percent, the lowest rate of any state west of the Mississippi.

--Manufacturing employment was down dramatically. Today Nebraska's growth in manufacturing employment is one of the strongest in the nation.

--Job creation slowed to a virtual standstill. Today 23,000 new jobs are on the drawing board. Approximately 15,000 jobs are already filled by Nebraskans.

--State finances were buffeted constantly like a kite in a gusty wind.
Today state finances have been stabilized...while dozens of other states are in serious financial trouble.

--Until recently advanced research and product development at the University were not competitive.
Today a bold initiative for advanced research at the University of Nebraska promotes economic opportunities for our citizens.

--Not long ago the morale of our teachers and professors was at a low ebb.
Today salaries have been increased, and renewed financial commitments enhance education at all levels.

The turn-around in Nebraska's economy has been noticed! A couple of months ago, the Christian Science Monitor reported that "New economic development incentives approved in 1987 have polished Nebraska's national image."

These achievements evidence the strength and character of this state. The principles and ideals which bind us are far greater than the differences which divide us. We are committed to the pursuit of excellence in our educational system, and we place a high value on the unsurpassed quality of life that we enjoy.

Just a few years ago the collective vision of our citizens was blurred by conditions of economic stress. It was essential that self-confidence be restored and that renewed economic vigor be returned to the main streets of our communities. It was a time to build, and we did it!

Effective partnerships between government and the private sector were created. Individual initiative and hard work made those partnerships work. Those partnerships brushed away the clouds of misfortune and uncertainty, and set us back on course toward the realization of our hopes for the future.

One of my major responsibilities as Governor is to listen... to listen to the "whisper of the prairie," which, I must admit, sometimes sounds more like a roar. Through the Capital for a Day and most recently, the GREAT Town program, I have criss-crossed this state, listening to Nebraskans from our smallest towns and villages to our largest cities. Several communities hosted a Governor for the first time.

Both of these programs have given me a far greater understanding of the hopes and dreams, as well as the problems and frustrations of the people of Nebraska. There is personal reward in visiting these towns. It gives me strength of purpose to study the faces of children in their classrooms, to learn from the wisdom of our elders, whose experiences are the foundations upon which we build the future. It's in these communities where so much of the true spirit and real strength of our people lie.

Bess Streeter Aldrich once explained her affection for her village of Elmwood with these words: "I have experienced a thousand times the warm-hearted hospitality, loyal friendships and deep sympathy of the small town."

And, happily so have I.

Nebraska small towns and their metropolitan counterparts form the fabric we call "community." Together those communities form the tapestry we call "Nebraska."

With all that as background, let us turn our attention to the matter at hand---Where do we go from here to attain the better life for all Nebraskans?

The proposals offered to you today will provide Nebraskans the opportunity to sustain and build on our progress, strengthen our people, and enrich our society as we prepare for the 21st century.

FIRST...

I believe that the fundamental responsibility of government is to protect its citizens and provide for their well-being and safety. To achieve that end I am proposing strong legislation that will help eradicate the problem of illegal drugs in our society.

--We must take away the profits
--protect our children in our neighborhoods and schools, and
--remove users from our streets.
--We must strengthen enforcement and prosecution and
--provide for expanded incarceration, treatment, and counseling.
--We must continue to educate both young and old about this deadly scourge.

I want to make it crystal clear. Nebraska intends to rid itself of this evil which is corrupting our youth and spawning crime in our streets. There must be more state drug enforcement officers on the front lines, backed up by tougher laws to take the glamour out of using and the profit out of selling.

I am recommending new appropriations to enhance enforcement, through the addition of 15 drug enforcement officers, 10 drug abuse resistance education officers, and the full reinstatement of paid overtime for the State Patrol.

Under the leadership of Colonel Harold LeGrande, Nebraska law enforcement...from our local police and county sheriffs, to state and federal investigators, are working together, making significant strikes against illegal narcotics activity. These are dedicated women and men, committed to protecting Nebraska families.

I am working with Senator Conway to further develop his proposal to impose an immediate assessment on the street value of drugs found at the time of arrest. Property...cars, houses, bank accounts...would be subject to seizure to satisfy the judgment.

Collection of this drug money should be used to help educate Nebraskans on the evils of drug abuse...to provide for drug treatment programs, and to fund enforcement programs.

In that connection, I urge the legislature to act promptly on Senator Chizek's LB 205, which will strengthen our state seizure and forfeiture laws and conform Nebraska law to the federal anti-drug statutes.

I endorse Senator Pirsch's bill to create Drug-Free School Zones across the state. This proposal follows the same lines as Mayor P.J. Morgan's successful efforts in Omaha.

I am working with Senator Lowell Johnson to deter drug dealers from involving minors in their illegal enterprise by making it a separate felony to hire minors as part of an illegal drug operation.

I support Senator Langford's proposal to suspend the driver's licenses of those convicted of drug-related offenses. To combat the "laundering of money from illegal drug deals, I am proposing a statute that will require financial institutions to report large cash transactions.

Our prosecution forces will be strengthened by doubling the Drug Prosecution Unit in the Attorney General's office.

Today our prison capacity is at 144 percent, 5th highest in the nation. Our new drug efforts will increase that percentage unless more prison space is provided. Thanks to the efforts of Senator Hannibal and his committee on Prison Overcrowding, we now have a coherent and logical basis for addressing the growing needs of the state's corrections system. Accordingly, funding for the addition of 430 beds to the adult facilities will be recommended. We have no choice.

If these prisoners are to have any chance of rehabilitation, they must have treatment and counseling; therefore, six mental health counselors should be reinstated in the Department of Corrections and a portion of the federal block grant reserved for law enforcement should be used to triple the current chemical dependency grant for both adults and juveniles in state custody.

Drug abuse is a plague threatening every single family. It is being fought in communities across the state and led by committed Nebraskans like Tom Barlow, Joe Edmunsen, Willa Kirts, Carl Washington, Paul and Kandy Hofmeister, Creola Woodall, Pastor William Barlow, Parents in Action, the Mad Dads, Malone Community Center, and the Drug Free Youth Network at Scottsbluff High School. Nebraskans expect our total commitment to this war. That commitment is reinforced today.

SECOND...

We must continue to encourage business expansion and bring new job opportunities to Nebraska. As I've traveled and listened to the people and been involved in their plans for the future, I have been impressed by the independence, determination, and optimism that motivates Nebraskans to improve the quality of life in their communities.

In order to continue the revitalization of rural Nebraska increased resources must be available to the people who live and work in our rural communities. I have asked the Department of Economic Development to make changes in the Community Development Block Grant program to provide more flexibility to meet the various needs of our smaller communities.

Additional business assistance will be available through expansion of the direct loan and loan guarantee provisions, and funds will be available for retail business development in communities with populations of 25-hundred or less.

THIRD...

Throughout our history, agriculture has been the foundation of Nebraska's economy. We are Number One in Agriculture, and prospects for the future are bright. Just last week Nebraska moved into first place as the leading cattle feeding state in the nation. Of the $2.4 billion that will be invested under the economic development initiatives, approximately $540 million will be devoted to the processing of agricultural products. That's good news. The rest of the story is that 1989 was a difficult year for Nebraska agriculture. Eighty-seven of 93 counties qualified for federal disaster relief.

The Drought Assessment Response Team, activated last April, will continue to stay abreast of drought conditions gripping our state. Until our prayers for replenishing snows and rains are answered, the drought situation will be monitored closely; and we will be prepared to act on behalf of our farmers, feeders, and ranchers.

This Fall, the people of Nebraska will...once again...have the opportunity to determine how agriculture real estate should be valued. I believe that ag-land should be fairly valued on its ability to produce.

FOURTH...

Modern technology gives us the opportunity to link our state together to provide exciting new education opportunities to students and teachers in communities across the breadth of this state.

I will recommend substantial funding for Phase II of NEBSAT, the Nebraska telecommunications delivery system for education. The benefits of NEBSAT range from allowing students in low-enrollment schools to receive instruction from teachers in larger schools, to an MBA program to be offered at the Panhandle Research and Extension Center in Scottsbluff.

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In that regard I wish to acknowledge the role of Jack McBride, Director of the Nebraska Educational Television Network, and the Telecommunications Coordinating and Planning Group, for bringing together a feasible plan for employing space age technology in the delivery of educational services.

FIFTH...

The environment also demands our attention. Agriculture, municipalities, industries...the people of Nebraska, and wildlife compete for the use of natural resources. Cooperation and compromise will be a hallmark of continuing programs to balance these competing needs.

Specifically, in the area of water management non-point source pollution holds the greatest danger to all users of water in Nebraska. The NRDs are in the forefront of monitoring and addressing the management practices necessary to reduce the level of pollution. Indeed, they serve as a national example.

FINALLY...

Property tax relief must be continued. One of the most important duties of any government is to insure that it takes from its citizens no more than is absolutely required to finance the services of government. Thanks to increased revenues resulting from our improved economy, we were able last year, through LB 84, to provide more than $100 million dollars in property tax relief to Nebraska property taxpayers.

If there is one issue on which there is near unanimous agreement in our state, it is that local property taxes are too high. It is only proper that the state should, to the extent it can, assist in easing the burden borne by local units of government. Therefore, I will be proposing again this year, the legislature provide property tax relief in an amount of nearly $100 million dollars. Tax relief is possible, but it must begin with spending relief.

Spending choices are never easy. Neither are vetoes.

The drought last year caused me to be cautious about the state's economy. I vetoed $66 million of additional spending in light of that harsh reality.

There are signs that growth in our nation's economy is slowing down. Those signs are also evident in the tax receipts of states in our own region.

We in Nebraska must carefully balance a recovering economy with fiscal responsibility. In that regard you acted with commendable responsibility during the November special session in moving to protect our school districts, our cities and villages, our counties and other local governments from the threatened loss of millions of dollars in property tax revenue growing out of congressional action and decisions by federal and state courts. Together with Senator Warner's LB 7, the measures proposed offered a practical solution to this dilemma.

As you know, my expanded Response Team has been examining the constitutional questions surrounding the personal property tax. The enlarged group is chaired by Attorney General Robert Spire. I pledge my cooperation as they fashion solutions that will pass final constitutional muster.

In connection with your consideration of property tax legislation, you will be dealing with the recommendations of the School Finance Review Commission. While I have some reservations about the Commission's proposals, I will follow the debate and discussion closely. If there is to be a shift from the property tax base to sales and/or income taxes, Nebraskans expect the absolute assurance that change will not increase taxes.

As we look ahead toward the 21st century, we can foresee expanded horizons for growth and development in Nebraska. We can envision changes that will come with increasing swiftness. The future will be filled with challenges and bright with promise.

And in that vision, there is one constant that sustains and supports us...the quality of life which is uniquely ours.

My own view is that our clean air, our rivers and lakes, and a wealth of recreational opportunities are very important to our quality of life. Our good schools, high literacy rate, affordable living costs, and the cultural opportunities to enjoy add much to long and healthy living in Nebraska.

But I think the essence of the quality of life is in our neighbors, our families, our friends. It is in the strength of the character of our people, in the willingness to work to achieve our visions. Nebraska's greatness today results from people not being guaranteed success, but from people having been given the opportunity for success.

Nebraskans have put their trust in you and their trust in me to do what is right. The key is knowing how much is right, and how much is enough. There is a serenity prayer which asks God: "Grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference."

In much the same way those of us entrusted with government leadership need to know what is necessary to provide, and what is not...and we need to have the wisdom to know the difference.

The 29th chapter of the Book of Proverbs reminds us: "Where there is no vision, the people perish."

Let us trust one another. Let us seek together the inspiration, the openness, and the vision for a brighter future.

Our tomorrows will be decided by the courage and determination of all Nebraskans. Together those of us who have been elected by the people to serve can help bring their vision to reality.

You have my every good wish for a successful and productive session. May your deliberations be blessed by the Almighty.

END

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As we look ahead toward the 21st century, we can foresee expanded horizons for growth and development in Nebraska. We can envision changes that will come with increasing swiftness. The future will be filled with challenges and bright with promise.

And in that vision, there is one constant that sustains and supports us...the quality of life which is uniquely ours.

My own view is that our clean air, our rivers and lakes, and a wealth of recreational opportunities are very important to our quality of life. Our good schools, high literacy rate, affordable living costs, and the cultural opportunities to enjoy add much to long and healthy living in Nebraska.

But I think the essence of the quality of life is in our neighbors, our families, our friends. It is in the strength of the character of our people, in the willingness to work to achieve our visions. Nebraska's greatness today results from people not being guaranteed success, but from people having been given the opportunity for success.

Nebraskans have put their trust in you and their trust in me to do what is right. The key is knowing how much is right, and how much is enough. There is a serenity prayer which asks God: "Grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference."

In much the same way those of us entrusted with government leadership need to know what is necessary to provide, and what is not...and we need to have the wisdom to know the difference.

The 29th chapter of the Book of Proverbs reminds us: "Where there is no vision, the people perish."

Let us trust one another. Let us seek together the inspiration, the openness, and the vision for a brighter future.

Our tomorrows will be decided by the courage and determination of all Nebraskans. Together those of us who have been elected by the people to serve can help bring their vision to reality.

You have my every good wish for a successful and productive session. May your deliberations be blessed by the Almighty.

END

order all state agencies to submit budgets 5% lower than this year's and then "resell their programs both to the legislature and to me."

▸ Kay Orr. Nebraska's state treasurer became the first Republican woman Governor as well as the first woman to be elected Governor of a state by defeating another woman, Democrat Helen Boosalis. An articulate fiscal conservative, Orr, 47, had climbed the party ladder, starting as an envelope stuffer in 1963. Unafraid to tackle difficult problems, Orr announced on the morning after the election that she would form a jobs creation council to help small towns recover from the farm depression and a task force to try to remedy the state's agricultural ills.

▸ Roy Romer. A self-made millionaire as a real estate developer and heavy-equipment dealer, Colorado Democrat Romer, 58, turned his business acumen to advantage as state treasurer: he devised a bond investment plan that earned the state $32 million in two years. As a former chief of staff to ing Governor Richard Lamm, the confident and energetic Romer sometimes greeted visitors with a brusque "Tell me who you are and what you want," softening the approach with a smile. He has been tightfisted with state funds, and is more solicitous of the Republican legislators than Lamm has been. Yet when his Republican opponent Ted Strickland generously proposed that a $250 million windfall from the federal tax-reform act be passed along to state taxpayers at about $200 each, Romer suggested that much of the money be used instead for education, highways and other investments in Colorado's future. He won anyway. ***—By Ed Magnuson. Reported by Dan Goodgame/Los Angeles and Joseph J. Kane/Atlanta***

ARNIE LEYBA

Colorado Democrat Roy Romer

Meet the Newest Kennedy

On his way to a fund raiser, keyed up about his speech, Joe Kennedy repeats his political mantra to himself: "Democracy, opportunity, America . . ." His navy gabardine campaign suit is shiny by now from overuse on the trail. "Democracy, opportunity, America . . ." At a luncheon for 250 elderly people, the tousled candidate gives his stump speech in a booming voice, chopping the air in disjointed fashion, stressing almost every word. His speeches feel like workouts. Then Kennedy bounds from the podium. No cheek goes unkissed.

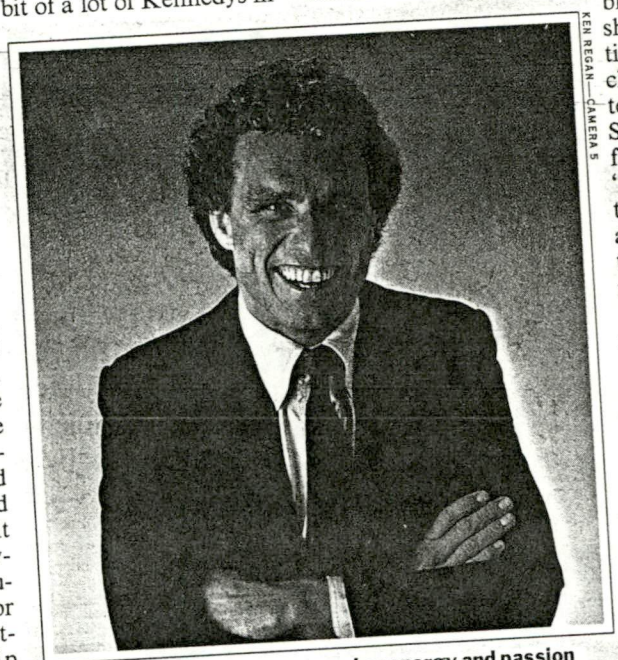
Joseph Kennedy II has a little bit of a lot of Kennedys in him: his father Robert's unceasing energy and passion; his grandfather Joseph's single-minded dedication to winning; and his uncle Ted's occasional inarticulateness, mitigated by only a touch of the bemused self-awareness that was part of the wit and style of his late uncle the President. But the Kennedy trait that carries Joe is the physical charisma and boundless (albeit often unfocused) energy that have become a family trademark.

At 34, Joe is the eldest male among the 28 cousins who make up the third Kennedy generation. In 1979, after a checkered academic past, Kennedy formed Citizens Energy, a nonprofit corporation that distributes low-cost heating oil in Massachusetts. Throughout his race for the Cambridge seat being vacated by House Speaker Tip O'Neill, Kennedy has campaigned on a platform of fiscal responsibility, shunning the kind of straightforward, do-good liberalism that he advocated in his younger days.

Kennedy defeated his opponent, Businessman Clark Abt, 72% to 28%. Characteristically, he puts his victory in emotional perspective: "If you just do it the way you really believe it should be done, there is some justice." (His sister Kathleen Kennedy Townsend did not fare so well in her bid for Congress. She lost to incumbent Maryland Republican Helen Delich Bentley, 41% to 59%.)

Kennedy has been faulted for his impulsive nature; he is no intellectual and appears unreflective. "Clearly, he's not a great thinker," says one longtime Massachusetts political observer. "But he makes up for it by doing." A close friend notes, "He's incredibly competitive. Imagine racing him in a 100-yard dash with a brick wall at the 101st yard. I'd start slowing down at the 90th yard, but Joe will run full tilt to win the race, even though he is certain to hit the wall."

Kennedy's combativeness often works to his advantage. Before a debate during the primary race, Kennedy's staff heard that his principal rival, George Bachrach, intended to confront him with a question about Citizens Energy's possible links with Libya. A check showed there was no connection. When Bachrach leveled the charge, Kennedy sprang a counterattack. "Libya offered Sirhan Sirhan asylum after he killed my father," he said, eyes blazing. "For you to think for one second that Citizens Energy would have anything to do with Libya is just totally off base." The race was never close after that.



KEN REGAN—CAMERA 5

Joe II: he has his father's unceasing energy and passion

Kennedy admits that he has no grand national vision. His premise is simple. "The truth is that hardworking families are struggling and unable to participate fully in the American dream," he says. "That's not right." Says one campaign adviser: "There's still a child's simplistic view of the world in him. He doesn't understand that the world is a place of massive grays." In Congress that may cause problems. "Joe is still volatile and combative," says a veteran of Ted Kennedy's 1980 campaign. Those qualities do not ease one's way through a political body where compromise is highly rewarded. A short fuse is particularly dangerous for a politician who, by virtue of his name alone, will always stand in the spotlight of public attention. But Joe is not particularly worried. "I've played on plenty of football teams," he says. "And I'm used to being one of 22." ***—By Amy Wilentz***

Reported by Joelle Attinger/Boston

ative known as Partners In Learning, which emphasizes peer tutoring and mentoring in our schools, and seeks to identify and create a million mentors over the next three-to-five years.

I am sure you will agree that brainpower is our most valuable resource. Through a strong state-federal partnership for educational excellence, brainpower can become our most plentiful and renewable resource.

Gov. Rudy Perpich (DFL)
Minnesota

Our experience at the state level has proved that there are things government has to do which no other institution can or will do — things that will ultimately affect our quality of life and our business climate. I would ask, Mr. President, that you join Mississippians in a commitment to the fundamental principle of giving people all the government they need, but no more government than they need. I hope you will apply the lessons we have learned — that we, as concerned citizens, can be compassionate without being wasteful. Most importantly, we must remember that the state of our economy tomorrow will be determined by the commitment we make to our children today. This will require government to make that commitment to play a positive partnership role.

Gov. Ray Mabus (D)
Mississippi

On behalf of all Missourians, I extend heartiest congratulations on your recent election and warmest best wishes for a successful term as president.

Our democratic government stands as a living monument to people of courage and vision — our forefathers. The fact that our nation has not only survived, but thrived, under democracy, is a monument to their vision and wisdom.

Government should provide an atmosphere of freedom and growth and an environment of opportunity, in which each citizen can develop his or her God-given potential to the fullest. I look forward to working with you to develop that atmosphere on the state and national levels.

Gov. John Ashcroft (R)
Missouri

Congratulations on your well deserved victory. We in Montana extend our best wishes to your administration and look forward to working with you on issues of concern to our state and the nation.

We pledge our full cooperation with your office as we are asked to play our part in solving national problems. We ask in return that your administration give our interests due consideration when setting national policy.

Montanans are celebrating their statehood centennial this year. As a centennial governor, I invite you and your wife Barbara to join us in 1989 in recognition of the achievements and richness of Montana's heritage.

Gov. Stan Stephens (R)
Montana

On behalf of the people of Nebraska, it is my pleasure to congratulate you on your election as president of the United States.

Nebraskans, who cast 60 percent of their votes for you on Nov. 8, look forward to your leadership and commitment to building on the economic success of the past eight years.

Nebraska is in the midst of an economic recovery that has revitalized our state. More Nebraskans are at work today than at any other time in our history. Manufacturing employment is up and new jobs are being created in our agri-business sector. The main streets of our small and large communities are once again alive with activity.

This recovery is, in part, a result of Reagan-Bush policies which have spurred economic growth across the nation. We are in a new age of optimistic expansion. Your presidency will provide the leadership for continuing policies based on free enterprise, free markets and limited government.

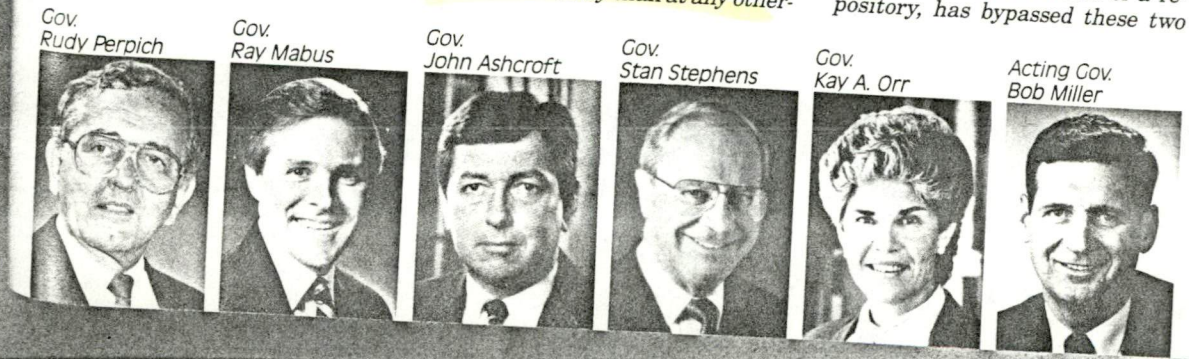
The stage has been set for a dynamic partnership in which people can direct government, and government empowers people to make their own choices and to solve their own problems.

As you lead our nation guided by American values, Nebraskans wish you well.

Gov. Kay A. Orr (R)
Nebraska

One of Nevada's major concerns entering the new year involves a proposal to store radioactive nuclear waste at a site roughly 100 miles northwest of Las Vegas.

Congress has targeted Yucca Mountain in Nevada to dump the nation's high-level nuclear waste. There are a number of serious concerns with Yucca Mountain that question its scientific suitability for storing deadly radioactive waste, and transportation presents an additional problem: Truck loads of deadly waste crisscrossing America and passing through or near major metropolitan areas clearly place our residents dangerously close to unsafe conditions. Regardless of where the dump is placed, science and safety should be the primary considerations. However, the Department of Energy, in its efforts to expedite the construction of a repository, has bypassed these two



THE LITTLE, BROWN BOOK OF ANECDOTES

CLIFTON FADIMAN
GENERAL EDITOR

LITTLE, BROWN AND COMPANY
BOSTON TORONTO

away on his travels and none of them knew his address. So they mailed a letter superscribed "Mark Twain, God Knows Where." Some weeks later they received an acknowledgment reading simply: "He did."

Compare SIR HUMPHRY DAVY 1.

16 After attending a service conducted by Dr. Doane, later bishop of Albany, Mark Twain congratulated him on an enjoyable service. "I welcomed it as an old friend," he went on. "I have a book at home containing every word of it." Dr. Doane bristled. "I am sure you have not," he replied huffily. "Indeed I have," Twain persisted. "Well, I'd like to have a look at it then. Could you send it over to me?" The following day Twain sent him an unabridged dictionary.

17 A devotee of cigars, Mark Twain was contemptuous of those who made a great to-do about giving up smoking. He always claimed that it was easy to quit: "I've done it a hundred times!"

18 Mark Twain, careless about his dress, one day called on Harriet Beecher Stowe without his necktie. On his return Mrs. Clemens noticed the omission and scolded him. A little later a messenger turned up on Mrs. Stowe's doorstep and handed her a small package. Inside was a black necktie, and a note: "Here is a necktie. Take it out and look at it. I think I stayed half an hour this morning without this necktie. At the end of that time, will you kindly return it, as it is the only one I have. Mark Twain."

19 Mark Twain loved to brag about his hunting and fishing exploits. He once spent three weeks fishing in the Maine woods, regardless of the fact that it was the state's closed season for fishing. Relaxing in the lounge car of the train on his return journey to New York, his catch iced down in the baggage car, he looked for someone to whom he could relate the story of his successful holiday. The stranger to whom he began to boast of his sizable catch appeared at first unresponsive, then positively grim. "By the way, who are you, sir?" inquired Twain airily. "I'm the state game warden," was the unwelcome response. "Who are you?" Twain nearly swallowed his cigar. "Well, to be perfectly truthful, warden," he said hastily, "I'm the biggest damn liar in the whole United States."

20 Twain was tired of receiving photographs from men claiming to be his double. To cope with the heavy correspondence this entailed he composed the following form letter and had his printer run off a few hundred copies: "My dear Sir, I thank you very much for your letter and your photograph. In my opinion you are more like me than any other of my numerous doubles. I may even say that you resemble me more closely than I do myself. In fact, I intend to use your picture to shave by. Yours thankfully, S. Clemens."

21 "In a world without women," Twain was once asked, "what would men become?"

"Scarce, sir," replied Twain. "Mighty scarce."

22 In later life Mark Twain suffered periodically from bronchitis and arthritis. Whenever the newspapers reported that he had had another attack, well-wishers would send him prescriptions, remedies, nostrums, and elixirs of life in the hope of bringing about his recovery. He had a standard reply for acknowledging these unsolicited items: "Dear Sir (or Madam), I try every remedy sent to me. I am now on No. 87. Yours is 2,653. I am looking forward to its beneficial results."

23 When Mark Twain was born in November 1835, Halley's comet blazed in the night sky. Twain often referred to this, and came to think of himself and the comet as "unaccountable freaks" which, having come in together, must go out together. He was right: when he died in April 1910, Halley's comet was again in the sky.

Webster's Biographical Dictionary

A Merriam-Webster®

G. & C. Merriam Company, *Publishers*
Springfield, Massachusetts

Escolhidas (1902), and dramas, as *O Anel de Policrates* (1907).

Castro, Fidel. 1927– Cuban political leader, b. Mayarí. Led revolution against President Fulgencio Batista (1959); premier (from 1959).

Cas'tro (käs'trō), **Inés** (*or* **Inez** *or sometimes, Anglicized,* **Agnes**) **de.** 1320?–1355. Spanish noblewoman, descendant of royal family of Castile; m. (1354) Dom Pedro secretly; murdered at Coimbra by order of Alfonso who feared serious political consequences from the unequal union. Episode was celebrated by novelists and poets, esp. by Camoëns in *The Lusiad* and by Antônio Ferreira in *Inês de Castro.*

Cas'tro (käsh'trōō), **João de.** 1500–1548. Portuguese naval commander, b. Lisbon; placed in command of fleet to rid European seas of pirates (1543). To Portuguese India (1545) as viceroy ad interim; defeated Mahmud Shah III, King of Gujarat; relieved city of Diu; subdued Malacca; appointed viceroy (1547) by John III.

Cas'tro (käs'trō), **José María.** 1818–1893. Costa Rican statesman, b. San José. President of Costa Rica (1847–49, 1866–68); called "Founder of the Republic."

Castro, Juan José. 1895–1968. Argentine orchestra conductor and composer.

Castro, Manuel Fernández de. See FERNÁNDEZ DE CASTRO.

Castro y Bell·vís' (ĕ bĕl·y'·vēs'), **Guillén de.** 1569–1631. Spanish dramatist, b. Valencia; best known for *Las Mocedades del Cid,* source for Corneille's *Le Cid.*

Castro y Velasco, Antonio Acisclo Palomino de. See PALOMINO.

Cas'tro·vie'jo (käs'trô·vyĕ'hō), **Ramón.** 1904– Spanish-born American ophthalmologist.

Ca·struc'cio Ca'stra·ca'ni de'gli An'tel·mi·nel'li (käs·trōōt'chō käs'trä·kä'nē dā'lyē än'tāl·mē·nĕl'lē). 1281–1328. Italian soldier and Ghibelline leader; conquered Lucca and Pistoia; assumed control of Pisa; created imperial vicar and duke of Lucca (1327).

Caswallawn *or* **Caswallon.** See CASSIVELAUNUS.

Cas'well (kăz'wĕl; -wĕl), **Richard.** 1729–1789. American Revolutionary officer, b. in Cecil Co., Md.; delegate to Continental Congress (1774–76); colonel in Revolutionary army; governor of North Carolina (1776–80; 1785–87).

Cat (kăt), **Christopher.** fl. 1703–1733. English tavern-keeper, of "The Cat and Fiddle" in London, meeting place of the Kit-cat Club, a social club for Whigs.

Ca'ta·la'ni (kä'tä·lä'nē), **Angelica.** 1780–1849. Italian operatic soprano.

Ca'tar·giu' (kä'tär·jōō'), **Lascăr.** 1823–1899. Rumanian statesman; prime minister of Rumania (1866, 1871–76, 1889, 1891–95); leader in Senate of Conservative opposition to Brătianu (1876–88).

Ca·te'na (kä·tā'nä), **Vincenzo di Bia'gio** (dē byä'jô). c. 1470–1531. Venetian painter; pupil of Bellini. His works include *Holy Trinity* (church of San Simeone Grande, Venice), *Knight Adoring the Christ Child* (National Gallery, London), *Christ Giving the Keys to St. Peter* (Boston).

Caterina. Italian form of CATHERINE.

Cates'by (kāts'bĭ), **Mark.** 1679?–1749. English naturalist and traveler. In America (1712–19, 1722–25), studying flora and fauna. Author of *The Natural History of Carolina, Florida, and the Bahama Islands.*

Catesby, Robert. 1573–1605. English conspirator, son of Roman Catholic squire; took part in rebellion of earl of Essex (1601); named accomplice in Rye Plot (1603) to seize James I and force concessions of religious tolerance; chief instigator of Gunpowder Plot (1604–05); betrayed by Francis Tresham; killed resisting arrest.

Cath'a·rine (kăth'ä·rĭn). See CATHERINE.

Catharine Jagello. See JAGELLON.

Cath'cart (kăth'kērt; -kärt), Sir **William Schaw.** 1st Earl **Cathcart.** 1755–1843. English soldier and diplomat. Son of **Charles Cathcart** (1721–1776; 9th Baron Cathcart, ambassador to Russia 1768–71). Commanded an irregular corps, the "British legion," in America (1777–80); served in Low Countries (1793–95); commander in chief in Ireland (1803–05); bombarded Copenhagen (1807); general (1812); ambassador at St. Petersburg (1814–21).

His son **Charles Murray** (1783–1859), 2d earl, styled Lord **Green'ock** [grĭn'ŭk] (1807–43); soldier; served in Italy and Sicily (1805–06), at Walcheren (1809), in Iberian Peninsula (1810–12), as quartermaster general (1814–23), at Waterloo; commander in chief in Canada (1846–49); general (1854); discovered new mineral, greenockite (1841).

Sir **George** (1794–1854), soldier; 3d son of 1st earl; aide-de-camp to Wellington at Waterloo and in France (1815–18); commander in chief in South Africa (1852–54); conquered Kaffirs and Basutos; killed at battle of Inkerman.

Ca'the·li'neau' (kät'lē'nō'), **Jacques.** 1759–1793. French Royalist; leader of Vendeans in uprising of 1793; died (July 4, 1793) of wounds received leading assault on Nantes.

Cath'er (kăth'ēr), **Willa Sibert.** 1873–1947. American novelist, b. Winchester, Va. B.A., Nebraska (1895); on staff of Pittsburgh *Daily Leader* (1898–1901); associate editor of *McClure's Magazine* (1906–12). Author of *April Twilights* (verse; 1903), and the novels *Alexander's Bridge* (1912), *O Pioneers* (1913), *The Song of the Lark* (1915), *My Ántonia* (1918), *Youth and the Bright Medusa* (1920), *One of Ours* (1922; awarded Pulitzer prize), *A Lost Lady* (1923), *The Professor's House* (1925), *My Mortal Enemy* (1926), *Death Comes for the Archbishop* (1927), *Shadows on the Rock* (1931), *Obscure Destinies* (1932), *Lucy Gayheart* (1935), *Not Under Forty* (1936), *Sapphira and the Slave Girl* (1940).

Cath'er·ine (kăth'ĕr·ĭn). Name of three wives of king Henry VIII of England. See (1) CATHERINE OF ARAGON; (2) Catherine HOWARD; (3) Catherine PARR.

Catherine *or* **Catharine.** Name of two empresses of Russia:

Catherine I. *Russ.* **Ekaterina Alekseevna.** *Orig. name* **Marfa Ska·vron'ska·ya** (skŭ·vrôn'skŭ·yŭ). 1684?–1727. Empress (1725–27). Of Livonian peasant origin; m. a Swedish dragoon; taken prisoner at Marienburg (1702); became serf of Prince Menshikov. Attracted attention of Peter I the Great and became his mistress (1703); exerted influence over Peter and became his adviser; saved his life in campaign against Turks on the Prut (1711); m. Peter as his second wife (1712); crowned empress (1724). Succeeded Peter as Catherine I (1725); during short peaceful reign, relied upon Prince Menshikov; established supreme privy council; founded Russian Academy of Sciences. Succeeded by grandson Peter II.

Catherine II. *Called* **Catherine the Great.** *Russ. name* **Ekaterina Alekseevna.** *Orig. name (Anglicized)* **Sophia Augusta Frederica of An'halt–Zerbst'** (än'hält·tsĕrpst'). *Called* "the Semiramis of the North." 1729–1796. Empress (1762–96). Married (1745) Peter (later Peter III), nephew of Empress Elizabeth; soon became estranged from Peter, both being subjects of much court scandal; soon after Peter's accession (1762), deposed him with help of her paramour Grigori Orlov, Potëmkin, Princess Dashkova, and others; usurped throne (1762). During her reign, serfdom and misery

National Drug Control Strategy

Budget Summary

January 1990

The White House

FEDERAL IMPLEMENTATION AND RESOURCE REQUIREMENTS

As stated in the September 1989 National Drug Control Strategy, the Nation's drug control program is an integrated system. Changes made to one part of the system have an effect on other parts of the system. Enhanced law enforcement, for example, invariably leads to increased pressure on the courts and prisons. Increased attention on user accountability motivates people to stop their drug use and this leads to more demand for treatment. Emphasis applied to one part of the system increases pressure on another part.

If we are to be successful in our fight against drug use, we must begin to see the drug control program as an integrated system that will be most effective when all aspects of it are receiving proper and balanced attention.

The Anti-Drug Abuse Act of 1988 requires the Strategy to describe the balance of resources devoted to supply reduction and demand reduction activities. Often, law enforcement resources are viewed entirely as supply reduction in nature and only those resources that are directly spent on education or treatment activities are considered demand reduction. By this definition, the Strategy recommends a 1991 budget that is approximately 71 percent supply reduction and 29 percent demand reduction. This division is the same as the 1990 level.

But a supply/demand distinction that looks only at the bottom line of the budget to determine whether our efforts are appropriately balanced between supply and demand reduction activities is too simplistic and overlooks three very important factors. First, supply reduction activities are inherently expensive (patrol cars, aircraft, and prisons are all very costly), whereas many demand reduction activities rely less on capital outlays and more on community involvement and individual commitment: getting schools to treat drug use seriously, for example, doesn't necessarily require a large budget. Second, many supply reduction activities are intrinsically government functions (international operations and high-seas interdiction, for example, can only be performed by the Federal government), whereas most demand reduction efforts can and should be shared by our families, schools, churches, and communities. Third, many supply activities also have a very profound impact on demand reduction, and are so intended. When, for example, a juvenile is arrested and punished for illegal drug use it sends a message to his friends and schoolmates that will deter them from drug use. Thus, while 71 percent of the budget's "bottom line" is for activities traditionally thought of as supply reduction, a large portion of this funding will have an impact on and is aimed at reducing demand.

This section presents the program and budget priorities for Fiscal Years 1991-1993. Further detail on the Fiscal Year 1991 request is contained in the following Agency Summaries. These resources are needed to implement the National Drug Control Strategy and provide balanced funding for the overall drug program. For Fiscal Year 1991, we are seeking $10.6 billion dollars in drug-related funding -- a $4.3 billion (69 percent) increase since taking office twelve months ago and a $1.1 billion (12 percent) increase over the current Fiscal Year. Actual spending -- the budget outlays -- for Fiscal Year 1991 will increase by $2.8 billion, a 41 percent increase in just one year.

BUDGET AUTHORITY IN MILLIONS OF DOLLARS

	FY 1989	FY 1990	FY 1991	FY 90-91 Increase $	FY 90-91 Increase %
Criminal Justice	$2,682	$4,191	$4,279	$ 88	2%
Treatment	888	1,337	1,492	155	12
Education, Community Action & the Workplace	677	1,118	1,242	124	11
International Activities	304	419	690	271	65
Interdiction Efforts	1,467	2,029	2,373	344	17
Research	231	318	383	65	20
Intelligence	53	71	172	101	142
TOTAL	$6,302	$9,483	$10,631	$1,148	12%

The figures for Criminal Justice include the costs of Federal prison construction, which in FY 1990, totaled approximately $1 billion. Because prison construction costs do not recur in subsequent years, the true programmatic increase from 1990 to 1991 is actually $1 billion higher than the figures above would indicate. Adjusting for this, the FY 1990 to FY 1991 criminal justice increase equals 34 percent.

National Drug Control Strategy

January 1990

The White House

Punishment

The Death Penalty. Under existing Federal law, no penalty adequately reflects the severity of certain drug crimes, which threaten the stability of foreign nations and seriously imperil the national security interests of the United States. The Administration is therefore proposing legislation so that the death penalty would be available in cases involving three additional categories of drug offenders: 1) *Major drug kingpins.* Those currently subject to a mandatory term of life imprisonment as leaders of Continuing Criminal Enterprises (CCE) devoted to the large-scale importation or distribution of controlled substances; 2) *Drug kingpins who attempt to kill in order to obstruct justice.* CCE leaders, not necessarily subject to mandatory life, who, in order to obstruct the investigation or prosecution of CCE-related offenses, attempt or knowingly direct, advise, authorize or assist another in an attempt to kill any public officer, juror, witness, or family member of such person; and 3) *Federal drug felons whose offenses result in death.* Those who, intending to cause death or acting with reckless disregard for human life, commit a Federal drug felony resulting in the death of another person. These three categories of offenders could be sentenced to death if: 1) the indictment is approved by the Attorney General; and 2) the jury finds the existence of one or more additional aggravating factors which provide particularly strong evidence of dangerousness, incorrigibility, or indifference to human life.

Prisons. The proposals contained in the September 1989 National Strategy and President Bush's Violent Crime Initiative allocated $1.5 billion for Federal prison construction in 1990 — a sum that will add a total of 24,000 beds to the Federal prison system. Funding for an additional 6,000 beds is being sought in Fiscal Year 1991. During the same fiscal year, 14 new and renovated facilities, along with other prison expansion, will bring approximately 4,215 new beds on line in the Federal system where over half the prisoners are drug offenders. Funding for drug treatment services within the Federal prison system is also targeted for expansion.

A more serious prison problem, however, remains in some State systems, where court orders to reduce overcrowding affect major facilities in at least 30 states. At many of these facilities, prisoners are released well ahead of the release dates intended at the time they were sentenced. The result is that someone convicted of drug trafficking and sentenced to prison by a State court will serve an estimated average of only 22 months — less time than for robbery, aggravated assault, or burglary (see graph page 24).

Most States have responded aggressively by increasing annual expenditures on corrections. Census data show that spending increased by 63 percent between 1985 and 1988 — from $54 to $88 per

BUILDING A BETTER AMERICA

"We live in a peaceful, prosperous time, but we can make it better... A new breeze is blowing, and a nation refreshed by freedom stands ready to push on. There is new ground to be broken, and new action to be taken."

-- President Bush
Inaugural Address
January 20, 1989

December 11, 1989

December 11, 1989

BUILDING A BETTER AMERICA
ACCOMPLISHMENTS OF THE BUSH ADMINISTRATION

KEEPING THE ECONOMY STRONG

Maintaining the current economic expansion with low inflation is the key to improving standards of living, increasing job opportunities for all Americans, and increasing investment in productive capacity. Economic performance during this expansion has been exceptionally good with extraordinary job growth. The policies of the Bush Administration are designed to preserve this strong record.

- **Record Peacetime Expansion:** The current expansion reached 84 months in November. This is the second longest economic expansion in U.S. history and the longest peacetime expansion.

- **Job Creation:** Over 20.7 million new jobs have been created during this expansion, and this year the unemployment rate has reached levels not seen in over 16 years. The benefits of robust economic growth have been shared by all demographic groups as indicated by historically low unemployment rates for women and minorities. During this decade, America has created more new jobs than Japan and the nations of Western Europe combined. A higher percentage of American adults is at work than at any other time in our history.

- **Inflation Under Control:** Consumer price inflation has remained under 5 percent in each of the seven years from 1982 to 1988, and the recent slowing in economic growth to a sustainable rate will lessen price pressures in the near future. In the last twelve months, the CPI has increased only 4.5 percent and, in the last three months, the index has risen at an annual rate of only 2.6 percent.

- **Record Income:** Real per capita disposable personal income -- personal income after taxes and inflation -- has risen 20 percent during this expansion.

- **Higher National Saving and Investment:** Partly due to the discipline of the Gramm-Rudman-Hollings process, the Federal deficit has declined from 6.3 percent of GNP in fiscal year 1983 to 3.0 percent in FY 1989. The personal savings rate averaged 5.3 percent over the first three quarters of 1989, well above its recent low of 3.2 percent in 1987.

- **New Business Incorporations:** During the first nine months of 1989, 520,108 new corporations were formed. Ninety-eight percent of these new corporations are small businesses. At

the same time, business failures numbered just 37,820 -- a decline of 15.6 percent from the first nine months of 1988.

- **Improved International Trade Position:** The international trade position of the United States has improved substantially. U.S. exports are at an all-time high and the trade deficit (as measured by exports minus imports) has been cut by 30 percent from its level in 1987.

ACTION BY THE ADMINISTRATION:

- **Implementing Fiscal Restraint:** Throughout the year, the Administration negotiated with Congress to pass a fiscally responsible budget agreement that met the requirements of the Gramm-Rudman-Hollings law. As a result of the negotiations, a series of appropriations bills and a budget reconciliation bill were finally enacted which meet the deficit reduction targets with no new taxes.

- **Enhanced Rescission Authority:** On August 4, the President endorsed the Legislative Line-Item Act of 1989 (S.1553), providing the President with the enhanced rescission authority. Such authority will help the President reduce the federal deficit by allowing him to eliminate wasteful and unnecessary spending in appropriations bills.

- **Capital Gains:** In February, the President proposed a carefully designed reduction in the top capital gains tax rate. Taxpayers who held certain investments would be able to exclude 45 percent of any gain they received from taxation. The maximum effective rate would be reduced to 15 percent and families with incomes under $20,000 would be exempt from capital gains taxation. The President's proposal would promote risk taking and entrepreneurship thereby encouraging new businesses and small business which provide most of the new jobs to the American economy. The rate cut would also lower the cost of capital to American business and encourage a long-term focus for America's savers and investors. Majorities in both Houses of Congress are now on record in support of a capital gains tax rate reduction and its passage will be one of the Administration's top priorities when Congress reconvenes.

- **Savings and Loan Reform:** The President signed the **Financial Institutions Reform, Recovery and Enforcement Act of 1989** on August 9. This legislation came to grips with the serious financial problems of the savings and loan industry, and has helped safeguard and stabilize America's system of thrift institutions. The President's plan, introduced in the first days of his Administration, assures that the long developing problems in our thrift industry will never happen again. It

-- New requirements for installation of explosive detection devices in high-risk airports.

-- Intense international negotiations to enhance security abroad.

-- Establishment of the President's Commission on Aviation Security and Terrorism.

-- A proposed 17% increase in the budget for the Federal Aviation Administration.

INVESTING IN OUR FUTURE

Record economic growth has provided Americans with the opportunity to invest in a brighter future. The President's programs are designed to focus our efforts on those initiatives most likely to continue to create growth in the years ahead.

EDUCATION

The President pledged to provide national leadership in education reform and mobilize society to achieve literacy for all Americans. His actions to improve education are guided by **four principles**: encouraging excellence; targeting federal assistance to those most in need; promoting flexibility and choice; and ensuring accountability.

ACTION BY THE ADMINISTRATION:

o President Bush convened **"The President's Education Summit with the Governors"** on September 27 and 28 in Charlottesville, Virginia. This event marked only the third time in U.S. history that a President has convened the Nation's Governors to address a single issue of national importance. The Summit brought together the President, his Cabinet and the Governors in working groups and plenary sessions to focus on issues of choice and restructuring, teaching, the learning environment, governance, a competitive workforce and life-long learning, and postsecondary education.

-- The President and the Governors issued a **Joint Statement** -- a "Jeffersonian Compact" -- committing to four objectives for education reform in America: establishing national education goals; increasing flexibility in the use of Federal funds in exchange for enhanced accountability; implementing state-by-state

restructuring of the education system; and measuring performance. A commitment was made to develop national goals and initiatives to increase flexibility and accountability by early 1990.

- On April 5, the President submitted to Congress a comprehensive set of education initiatives, **The Educational Excellence Act of 1989.** The Act proposes:

  -- **The Presidential Merit Schools program** -- to reward schools that are making substantial progress in raising students' educational achievement, creating a safe and drug-free school environment, and reducing the drop-out rate.

  -- **A new Magnet Schools of Excellence program** -- to support the establishment, expansion or enhancement of magnet schools, focusing on disciplines important to the Nation's economic competitiveness such as math and science, increasing parental choice and improving quality education.

  -- **The Alternative Certification of Teachers and Principals program** -- to assist States interested in broadening the pool of talent from which to recruit teachers and principals.

  -- **President's Awards for Excellence in Education** -- to recognize public and private school teachers in every state who meet the highest standards of excellence.

  -- **Drug-free Schools Urban Emergency Grants** -- to provide special assistance to selected urban school districts that are disproportionately affected by drug trafficking and abuse.

  -- **A National Science Scholars program** -- to provide college scholarships to high school seniors who have excelled in the sciences and mathematics.

  -- **Additional Funding Authorization for Endowment Matching Grants at Historically Black Colleges and Universities (HBCUs)** -- to strengthen HBCUs by building endowments, an especially effective way to create financial strength and long-term security.

- On April 24, the President issued a new **Executive Order on Historically Black Colleges and Universities.** Highlights of the order include:

resident ownership and resident management of low income housing.

-- **Job Creation:** He has also called on Congress to create up to **50 Enterprise Zones** over the next four years, using labor and capital-based incentives to create jobs and entrepreneurial activity in our most distressed communities. In the hardest-hit urban areas, he has called for a complete elimination of the capital gains tax on certain investments in enterprise zones.

-- **FHA Reforms:** The Administration has announced major reforms to ensure that FHA is true to its primary mission of making housing affordable for low and moderate income families. In record time, Congress responded to the Administration's reform initiative and passed legislation incorporating most of the Administration's proposals. The President charged HUD with finding new ways to move FHA foreclosures into the hands of non-profit groups to help reduce homelessness to fight inner city poverty.

-- **Homelessness:** The President requested full funding of the McKinney Homeless Assistance Act; and, on November 9, signed a bill that substantially increased funding for programs under the Act. As part of the HOPE initiative, the President will request $236 million for an initiative to reduce homelessness among the chronically mentally ill and recovering substance abusers through public-private partnerships.

HEAD START

The President also challenged Congress to increase funding for Head Start by $250 million in FY 1990. This expansion would have enabled up to 95,000 more four-year-olds to participate in the program. Congressional action provided only $151 million of that request which will allow the Program to serve up to 37,500 more eligible 4-year-olds.

CHILD CARE

The changing nature of American society heightens the need for child care that suits both children's needs and families' circumstances. President Bush wants to put **choice** in the hands of parents so that they -- not government -- have the power to select the best and safest environment for their children.

ACTION BY THE ADMINISTRATION:

- **Child Care:** The President transmitted to Congress a child care package, the **Working Family Child Care Assistance Act of 1989** which:
  - -- Provides a new **refundable child care tax credit** of up to $1000 per child under age four, for low and moderate income working families.
  - -- Makes the **existing Dependent Care Tax Credit** refundable.
  - -- **Does not discriminate** against religious- or family-based child care, or against two-parent families in which a parent works in the home and cares for the , children.

- **Liability Insurance:** The President has directed Secretary of Labor Dole to examine the role played by liability insurance in employer decisions on employer-provided child care.

EXPANSION OF MEDICAID

The President is committed to ensuring quality health care for disadvantaged mothers and children, the disabled, and poor, aged Americans. To help achieve this goal, Federal spending on Medicaid will be $39.1 billion for FY 1990, an increase of $4.3 billion, or 12.3 percent over the FY 1989 level.

ACTION BY THE ADMINISTRATION:

- **Infant Mortality:** President Bush has taken concrete steps toward improving health care for at-risk populations and toward decreasing infant mortality. This year, he asked Congress to raise mandatory Medicaid eligibility for pregnant women, infants and children to 130 percent of the poverty level. Congress took action to raise the eligibility to 133% -- consistent with the President's proposal. In addition, he requested an expansion of Medicaid coverage of immunizations for all children under age 6 who are eligible for Food Stamps.

AIDS INITIATIVES

The President has made combatting AIDS a national priority. The Administration is moving on a number of fronts in its fight against the spread of AIDS.

bringing the total FY 1990 budget to over $1.5 billion. This will add 24,000 new Federal prison beds to the 32,000 beds currently available. Each of the above proposals for increased funding to fight violent crime was addressed in the appropriations bills for drug-related activities passed by Congress at the close of the first session and signed by the President on November 21.

THE ENVIRONMENT AND ENERGY

President Bush, a life-long environmentalist, has taken strong action to protect the environment. He has placed environmental protection, conservation, and wise management of our natural resources as high priorities on America's national agenda.

ACTION BY THE ADMINISTRATION:

- **Clean Air Legislation:** On June 12, the President announced proposals that will take advantage of the power of the marketplace to reduce emissions which cause acid rain, urban smog and toxic air pollution. The proposals, the first major overhaul of the Clean Air Act to be proposed by an Administration in over a decade, call for a 10 million ton reduction in SO2 emissions by the year 2000, a 2 million ton reduction in NOx from projected levels, a 40 percent reduction in emission of volatile organic compounds, and a reduction of 75 to 90 percent in air toxic emissions. The proposal also calls for the use of alternative fuels in one million vehicles by 1997. Alternative fuels, while reducing emissions that cause smog, will also reduce the toxic aromatics which come from conventional gasoline. The President submitted a comprehensive Clean Air bill to the Congress on July 21 embodying the proposals announced on June 12.

- **Clean Coal Technologies:** The President proposed $710 million in FY 1990 for the Clean Coal Technology program.

- **Asbestos Ban:** On July 7, EPA announced an almost total phase-out of nearly all uses of asbestos by 1997. The ban will prohibit importation, manufacture, and processing of asbestos, a carcinogen linked to lung cancer and mesothelioma (lung and chest cancer).

- **Clean Water and Coastlines:** On March 10, EPA implemented a medical waste tracking program to track medical wastes to ensure proper disposal and prevent ocean pollution -- a

major step forward in a comprehensive program to help keep our beaches clean.

- **Ocean Dumping:** To meet the President's commitment to end ocean dumping, the EPA negotiated agreements with local jurisdictions to stop dumping of sewage sludge by the end of 1991. This initiative also resulted in civil judicial or administrative penalty actions against 61 cities in 1989.

- **Cleanup of Hazardous Wastes:** On March 10, The President announced he will be seeking legislation to amend the Resource Conservation and Recovery Act in order to give the United States Government authority to ban all exports of hazardous waste unless an agreement exists with the receiving country providing for the safe handling and management of those wastes.

- **Department of Energy Facilities Cleanup:** Spending has been increased by $500 million for waste cleanup at Department of Energy facilities. On August 31, the Energy Department published an aggressive, five-year cleanup plan which identifies site-by-site Departmental environmental restoration and waste management initiatives. In addition, the Department published a five-year Environmental Restoration and Waste Management Research and Development Plan which will exclusively focus its attention on addressing the contamination problems the Energy Department faces at its facilities. The Research and Development Plan will be the major effort to reduce outyear costs of cleanup of DOE facilities and should have major implications for private technology transfer.

- **Superfund:** The President's budget proposed $1.75 billion to pursue an aggressive cleanup schedule of toxic waste sites; the Administration opposed Congressional efforts to cut the Superfund budget to $1.5 billion. On June 14, EPA Administrator Reilly, following the President's direction, concluded a Management Review of the Superfund Program. To implement reforms, E.P.A. is adding five hundred people to take aggressive enforcement action and ensure that sites are cleaned up.

- **Alaskan Oil Spill:** The President sent a Cabinet-level team to assess the Alaskan oil spill, and a joint federal-state resource recovery team was convened. Vice President Quayle twice visited the cleanup site and met with local officials and affected businessmen. The National Transportation Safety Board is investigating the accident. Exxon has accepted the responsibility of paying for the cleanup, and for employing local civilian personnel necessary to control further damage. The Department of Transportation is heading the Administration's cleanup efforts while the EPA is

1/5/90

Table 1. Changes in [redacted] seasonally adjusted

Item	Nov. 1982	Dec. 1989	Change
[redacted]	[redacted]	[redacted]	[redacted]
Household employment (Civilian)	99,112	117,888	18,776
Including resident Armed Forces	100,772	119,588	18,816
Less: Agriculture	3,510	3,197	-313
Nonagricultural self-employed	7,320	8,653	1,333
Nonagricultural unpaid family workers	363	251	-112
Private household workers	1,245	1,077	-168
Unpaid absences	2,003	2,561	558
Total	14,441	15,739	1,298
Plus: Agricultural services	445	661	216
Adjusted household employment	85,116	102,810	17,694
Total unemp rate	10.6	5.3	-5.3
Civilian unemp rate	10.8	5.3	-5.5

NOTE: The change column does not reflect the population adjustments introduced into the household survey in January 1986.

Table 2. Over-the-year changes in employment, not seasonally adjusted

Item	Dec. 1988	Dec. 1989	Change
Payroll jobs	107,917	110,379	2,462
Household employment	115,978	117,698	1,720
Less: Agriculture	2,870	2,862	-8
Nonagricultural self-employed	8,612	8,679	67
Nonagricultural unpaid family workers	264	237	-27
Private household workers	1,173	1,051	-122
Unpaid absences	1,584	1,871	287
Total	14,503	14,700	197
Plus: Agricultural services	509	566	57
Adjusted household employment	101,984	103,564	1,580

ER 1/89 [illegible] 5/90

TABLE B-32.—*Population and the labor force, 1929–88*

[Monthly data seasonally adjusted, except as noted]

Year or month	Civilian noninstitutional population[1]	Resident Armed Forces[1]	Labor force including resident Armed Forces	Employment including resident Armed Forces	Civilian labor force					Civilian labor force participation rate[4]	Civilian employment/population ratio[5]
					Total	Employment			Unemployment		
						Total	Agricultural	Nonagricultural			
	Thousands of persons 14 years of age and over									Percent	
1929					49,180	47,630	10,450	37,180	1,550		
1933					51,590	38,760	10,090	28,670	12,830	24.9	
1939					55,230	45,750	9,610	36,140	9,480	17.2	
1940	99,840				55,640	47,520	9,540	37,980	8,120	14.6	55.7	47.6
1941	99,900				55,910	50,350	9,100	41,250	5,560	9.9	56.0	50.4
1942	98,640				56,410	53,750	9,250	44,500	2,660	4.7	57.2	54.5
1943	94,640				55,540	54,470	9,080	45,390	1,070	1.9	58.7	57.6
1944	93,220				54,630	53,960	8,950	45,010	670	1.2	58.6	57.9
1945	94,090				53,860	52,820	8,580	44,240	1,040	1.9	57.2	56.1
1946	103,070				57,520	55,250	8,320	46,930	2,270	3.9	55.8	53.6
1947	106,018				60,168	57,812	8,256	49,557	2,356	3.9	56.8	54.5
	Thousands of persons 16 years of age and over											
1947	101,827				59,350	57,038	7,890	49,148	2,311	3.9	58.3	56.0
1948	103,068				60,621	58,343	7,629	50,714	2,276	3.8	58.8	56.6
1949	103,994				61,286	57,651	7,658	49,993	3,637	5.9	58.9	55.4
1950	104,995	1,169	63,377	60,087	62,208	58,918	7,160	51,758	3,288	5.2	59.2	56.1
1951	104,621	2,143	64,160	62,104	62,017	59,961	6,726	53,235	2,055	3.2	59.2	57.3
1952	105,231	2,386	64,524	62,636	62,138	60,250	6,500	53,749	1,883	2.9	59.0	57.3
1953[6]	107,056	2,231	65,246	63,410	63,015	61,179	6,260	54,919	1,834	2.8	58.9	57.1
1954	108,321	2,142	65,785	62,251	63,643	60,109	6,205	53,904	3,532	5.4	58.8	55.5
1955	109,683	2,064	67,087	64,234	65,023	62,170	6,450	55,722	2,852	4.3	59.3	56.7
1956	110,954	1,965	68,517	65,764	66,552	63,799	6,283	57,514	2,750	4.0	60.0	57.5
1957	112,265	1,948	68,877	66,019	66,929	64,071	5,947	58,123	2,859	4.2	59.6	57.1
1958	113,727	1,847	69,486	64,883	67,639	63,036	5,586	57,450	4,602	6.6	59.5	55.4
1959	115,329	1,788	70,157	66,418	68,369	64,630	5,565	59,065	3,740	5.3	59.3	56.0
1960[6]	117,245	1,861	71,489	67,639	69,628	65,778	5,458	60,318	3,852	5.4	59.4	56.1
1961	118,771	1,900	72,359	67,646	70,459	65,746	5,200	60,546	4,714	6.5	59.3	55.4
1962[6]	120,153	2,061	72,675	68,763	70,614	66,702	4,944	61,759	3,911	5.4	58.8	55.5
1963	122,416	2,006	73,839	69,768	71,833	67,762	4,687	63,076	4,070	5.5	58.7	55.4
1964	124,485	2,018	75,109	71,323	73,091	69,305	4,523	64,782	3,786	5.0	58.7	55.7
1965	126,513	1,946	76,401	73,034	74,455	71,088	4,361	66,726	3,366	4.4	58.9	56.2
1966	128,058	2,122	77,892	75,017	75,770	72,895	3,979	68,915	2,875	3.7	59.2	56.9
1967	129,874	2,218	79,565	76,590	77,347	74,372	3,844	70,527	2,975	3.7	59.6	57.3
1968	132,028	2,253	80,990	78,173	78,737	75,920	3,817	72,103	2,817	3.5	59.6	57.5
1969	134,335	2,238	82,972	80,140	80,734	77,902	3,606	74,296	2,832	3.4	60.1	58.0
1970	137,085	2,118	84,889	80,796	82,771	78,678	3,463	75,215	4,093	4.8	60.4	57.4
1971	140,216	1,973	86,355	81,340	84,382	79,367	3,394	75,972	5,016	5.8	60.2	56.6
1972[6]	144,126	1,813	88,847	83,966	87,034	82,153	3,484	78,669	4,882	5.5	60.4	57.0
1973	147,096	1,774	91,259	86,838	89,429	85,064	3,470	81,594	4,365	4.9	60.8	57.8
1974	150,120	1,721	93,670	88,515	91,949	86,794	3,515	83,279	5,156	5.5	61.3	57.8
1975	153,153	1,678	95,453	87,524	93,775	85,846	3,408	82,438	7,929	8.3	61.2	56.1
1976	156,150	1,668	97,826	90,420	96,158	88,752	3,331	85,421	7,406	7.6	61.6	56.8
1977	159,033	1,656	100,665	93,673	99,009	92,017	3,283	88,734	6,991	6.9	62.3	57.9
1978[6]	161,910	1,631	103,882	97,679	102,251	96,048	3,387	92,661	6,202	6.0	63.2	59.3
1979	164,863	1,597	106,559	100,421	104,962	98,824	3,347	95,477	6,137	5.8	63.7	59.9
1980	167,745	1,604	108,544	100,907	106,940	99,303	3,364	95,938	7,637	7.0	63.8	59.2
1981	170,130	1,645	110,315	102,042	108,670	100,397	3,368	97,030	8,273	7.5	63.9	59.0
1982	172,271	1,668	111,872	101,194	110,204	99,526	3,401	96,125	10,678	9.5	64.0	57.8
1983	174,215	1,676	113,226	102,510	111,550	100,834	3,383	97,450	10,717	9.5	64.0	57.9
1984	176,383	1,697	115,241	106,702	113,544	105,005	3,321	101,685	8,539	7.4	64.4	59.5
1985	178,206	1,706	117,167	108,856	115,461	107,150	3,179	103,971	8,312	7.1	64.8	60.1
1986[6]	180,587	1,706	119,540	111,303	117,834	109,597	3,163	106,434	8,237	6.9	65.3	60.7
1987	182,753	1,737	121,602	114,177	119,865	112,440	3,208	109,232	7,425	6.1	65.6	61.5
1984: Jan	175,533	1,686	113,899	104,883	112,213	103,197	3,296	99,901	9,016	7.9	63.9	58.8
Feb	175,679	1,684	114,314	105,511	112,630	103,827	3,354	100,473	8,803	7.7	64.1	59.1
Mar	175,824	1,686	114,397	105,659	112,711	103,973	3,234	100,739	8,738	7.6	64.1	59.1
Apr	175,969	1,693	114,822	106,058	113,129	104,365	3,309	101,056	8,764	7.6	64.3	59.3
May	176,123	1,690	115,310	106,849	113,620	105,159	3,319	101,840	8,461	7.3	64.5	59.7
June	176,284	1,690	115,521	107,300	113,831	105,610	3,377	102,233	8,221	7.1	64.6	59.9
July	176,440	1,698	115,645	107,127	113,947	105,429	3,340	102,089	8,518	7.4	64.6	59.8
Aug	176,583	1,712	115,404	106,879	113,692	105,167	3,295	101,872	8,525	7.4	64.4	59.6
Sept	176,763	1,720	115,556	107,198	113,836	105,478	3,388	102,090	8,358	7.2	64.4	59.7
Oct	176,956	1,705	115,720	107,339	114,015	105,634	3,195	102,439	8,381	7.2	64.4	59.7
Nov	177,135	1,699	115,884	107,684	114,185	105,985	3,400	102,585	8,200	7.1	64.5	59.8
Dec	177,306	1,698	116,268	107,910	114,570	106,212	3,387	102,825	8,358	7.2	64.6	59.9

See next page for continuation of table.

Year or month

1985: Jan.
Feb.
Mar.
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1986: Jan.[6]
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1987: Jan.
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1988: Jan.
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[1] Not seasona
[2] Unemployed
[3] Unemployed
[4] Civilian labo
[5] Civilian emp
[6] Not strictly
data added abo
inclusion of Alas
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Beginning 1972,
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Beginning 1978,
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levels and rates

Note.—Labor
the 12th of the
etc., see "Emplo

Source: Depa

Lowest since '73

1/16/90

Year	Producer [redacted]	Consumer [redacted]
	% chg Dec to Dec	
1980	11.8	12.5
81	7.1	8.9
82	3.6	3.8
83	.6	3.8
84	1.7	3.9
1985	1.8	3.8
86	-2.3	1.1
87	2.2	4.4
88	4.0	4.4
89	4.8	1/ 4.6

1/ Dec 1988 to Nov 1989 at seas. adj. annual rate

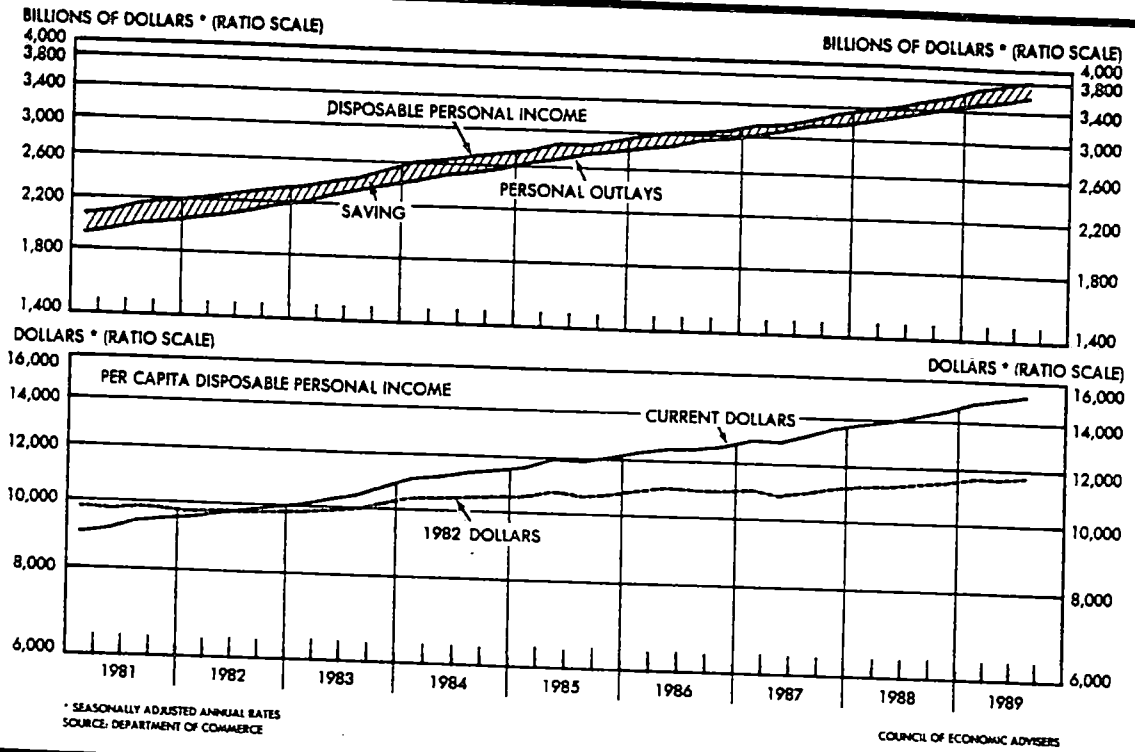
[redacted] 1/3/90

Period	Federal funds 1/	Discount rate FRB-NY 2/	Prime rate 2/	3-month Commercial paper 3/	3-month CDs (secondary mkt)	3-month Treas. bills, market yld 3/	Corporate Aaa bonds (Moody's)	U.S. Treasury constant maturities 3 year	U.S. Treasury constant maturities 10 year	U.S. Treasury constant maturities 30 year	High-grade municipal bonds (S&P) 4/	Dow-Jones industrials (Level)	Mortgage commitment rate (FHLMC) 5/
[redacted]													
Jan	6.83	6.00-6.00	8.75-8.75	6.87	6.92	5.81	9.88	7.87	8.67	8.83	7.81	1,947.35	10.43
Feb	6.58	6.00-6.00	8.75-8.50	6.58	6.60	5.66	9.40	7.38	8.21	8.43	7.55	1,980.65	9.89
Mar	6.58	6.00-6.00	8.50-8.50	6.62	6.63	5.70	9.39	7.50	8.37	8.63	7.80	2,044.31	9.93
Apr	6.87	6.00-6.00	8.50-8.50	6.86	6.92	5.91	9.67	7.83	8.72	8.95	7.91	2,036.13	10.20
May	7.09	6.00-6.00	8.50-9.00	7.19	7.24	6.26	9.90	8.24	9.09	9.23	8.01	1,988.91	10.46
June	7.51	6.00-6.00	9.00-9.00	7.49	7.51	6.46	9.86	8.22	8.92	9.00	7.86	2,104.94	10.46
July	7.75	6.00-6.00	9.00-9.50	7.82	7.94	6.73	9.96	8.44	9.06	9.14	7.87	2,104.22	10.43
Aug	8.01	6.00-6.50	9.50-10.00	8.26	8.35	7.06	10.11	8.77	9.26	9.32	7.86	2,051.29	10.60
Sept	8.19	6.50-6.50	10.00-10.00	8.17	8.23	7.24	9.82	8.57	8.98	9.06	7.71	2,080.06	10.48
Oct	8.30	6.50-6.50	10.00-10.00	8.24	8.36	7.35	9.51	8.43	8.80	8.89	7.54	2,144.31	10.30
Nov	8.35	6.50-6.50	10.00-10.50	8.66	8.78	7.76	9.45	8.72	8.96	9.02	7.58	2,099.04	10.27
Dec	8.76	6.50-6.50	10.50-10.50	9.11	9.25	8.07	9.57	9.11	9.11	9.01	7.66	2,148.58	10.61
[redacted] 1989:													
Jan	9.12	6.50-6.50	10.50-10.50	9.04	9.20	8.27	9.62	9.20	9.09	8.93	7.41	2,234.68	10.73
Feb	9.36	6.50-7.00	10.50-11.50	9.37	9.51	8.53	9.64	9.32	9.17	9.01	7.47	2,304.30	10.65
Mar	9.85	7.00-7.00	11.50-11.50	9.95	10.09	8.82	9.80	9.61	9.36	9.17	7.61	2,283.11	11.03
Apr	9.84	7.00-7.00	11.50-11.50	9.81	9.94	8.65	9.79	9.40	9.18	9.03	7.49	2,348.91	11.05
May	9.81	7.00-7.00	11.50-11.50	9.47	9.59	8.43	9.57	8.98	8.86	8.83	7.25	2,439.55	10.77
June	9.53	7.00-7.00	11.50-11.00	9.11	9.20	8.15	9.10	8.37	8.28	8.27	6.97	2,494.90	10.20
July	9.24	7.00-7.00	11.00-10.50	8.68	8.76	7.88	8.93	7.83	8.02	8.08	6.97	2,554.03	9.88
Aug	8.99	7.00-7.00	10.50-10.50	8.57	8.64	7.90	8.96	8.13	8.11	8.12	7.08	2,691.11	9.99
Sept	9.02	7.00-7.00	10.50-10.50	8.70	8.78	7.75	9.01	8.26	8.19	8.15	7.27	2,693.41	10.13
Oct	8.84	7.00-7.00	10.50-10.50	8.53	8.60	7.64	8.92	8.02	8.01	8.00	7.22	2,692.01	9.95
Nov	8.55	7.00-7.00	10.50-10.50	8.35	8.39	7.69	8.89	7.80	7.87	7.90	7.13	2,642.49	9.77
Dec	8.45	7.00-7.00	10.50-10.50	8.29	8.32	7.63	8.86	7.77	7.84	7.90	7.01	2,728.47	9.74

1/ Average effective rate. 2/ Opening and closing rate for month. 3/ Bank-discount basis.
4/ Data are for Wednesday. 5/ Commitment rate on 80 percent, 30-year, fixed rate conventional mortgages on new and used homes.

DISPOSITION OF PERSONAL INCOME

Real per capita disposable personal income rose in the third quarter of 1989.



* SEASONALLY ADJUSTED ANNUAL RATES
SOURCE: DEPARTMENT OF COMMERCE

COUNCIL OF ECONOMIC ADVISERS

Period	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays [1]	Equals: Personal saving	Disposable personal income in 1982 dollars (billions)	Per capita disposable personal income		Per capita personal consumption expenditures		Percent change in real per capita disposable personal income	Saving as percent of disposable personal income	Population, including Armed Forces abroad (thousands) [2]
							Current dollars	[redacted]	Current dollars	1982 dollars			
	Billions of dollars						Dollars				Percent		
1980	2,258.5	340.5	1,918.0	1,781.1	136.9	2,214.3	8,421		7,607	8,783	−1.1	7.1	227,754
1981	2,520.9	393.3	2,127.6	1,968.1	159.4	2,248.6	9,243		8,320	8,794	.5	7.5	230,182
1982	2,670.8	409.3	2,261.4	2,107.5	153.9	2,261.5	9,724		8,818	8,818	−.5	6.8	232,549
1983	2,838.6	410.5	2,428.1	2,297.4	130.6	2,331.9	10,340		9,515	9,139	2.1	5.4	234,829
1984	3,108.7	440.2	2,668.6	2,504.5	164.1	2,469.8	11,257		10,253	9,489	4.9	6.1	237,051
1985	3,325.3	486.6	2,838.7	2,713.3	125.4	2,542.8	11,861		10,985	9,839	2.0	4.4	239,322
1986	3,526.2	512.9	3,013.3	2,888.5	124.9	2,635.3	12,469		11,576	10,123	2.6	4.1	241,660
1987	3,777.6	571.7	3,205.9	3,104.1	101.8	2,676.6	13,140		12,340	10,303	.6	3.2	243,985
1988	4,064.5	586.6	3,477.8	3,333.1	144.7	2,793.2	14,116		13,131	10,546	3.3	4.2	246,378
	Seasonally adjusted annual rates												
1982: IV	2,729.2	411.1	2,318.1	2,174.9	143.1	2,276.1	9,929	9,749	9,068	8,904	1.2	6.2	233,466
1983: IV	2,941.8	413.9	2,527.9	2,382.5	145.4	2,392.7	10,725	10,151	9,825	9,299	9.1	5.8	235,707
1984: IV	3,188.3	459.7	2,728.6	2,571.3	157.3	2,496.3	11,467	10,491	10,479	9,587	1.7	5.8	237,946
1985: IV	3,399.1	499.6	2,899.5	2,787.7	111.7	2,562.8	12,068	10,667	11,240	9,935	3.3	3.9	240,257
1986: IV	3,597.8	534.4	3,063.4	2,961.4	102.0	2,646.2	12,629	10,909	11,825	10,214	.3	3.3	242,579
1987: IV	3,908.7	589.2	3,319.4	3,177.6	141.8	2,726.2	13,552	11,130	12,588	10,339	6.6	4.3	244,936
1988: I	3,948.5	572.2	3,376.4	3,244.4	131.9	2,757.2	13,754	11,232	12,824	10,473	3.7	3.9	245,476
II	4,026.6	590.7	3,435.9	3,301.9	134.0	2,773.3	13,966	11,273	13,028	10,515	1.5	3.9	246,008
III	4,097.6	585.9	3,511.7	3,362.1	149.6	2,806.4	14,235	11,377	13,229	10,573	3.7	4.3	246,685
IV	4,185.2	597.8	3,587.4	3,424.0	163.4	2,835.9	14,504	11,466	13,439	10,624	3.2	4.6	247,343
1989: I	4,317.8	628.3	3,689.5	3,483.8	205.7	2,881.7	14,884	11,625	13,641	10,654	5.7	5.6	247,890
II	4,400.3	652.6	3,747.7	3,547.0	200.7	2,887.6	15,084	11,622	13,862	10,681	−.1	5.4	248,456
III[r]	4,455.9	649.1	3,806.8	3,611.7	195.1	2,919.2	15,280	11,717	14,081	10,797	3.3	5.1	249,143

[1] Includes personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners (net).
[2] Annual data are averages of quarterly data, which are averages for the period.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

Table 7.—Gross National Product, in Constant Dollars

(Billions of 1982 dollars, quarterly data seasonally adjusted at annual rates)

Year and quarter	GNP	Personal consumption expenditures				Gross private domestic investment				Net exports			Government purchases of goods and services			Final sales	Gross domestic purchases	Percent change from preceding period		
		Total	Durable goods	Nondurable goods	Services	Total	Nonresidential	Residential	CBI	Net	Exports	Imports	Total	Federal	State and local			GNP	Final sales	Gross domestic purchases
1929	709.6	471.4	40.3	211.4	219.7	139.2	93.0	35.4	10.8	4.7	42.1	37.4	94.2	18.3	75.9	698.7	704.9	.....	.....	.....
1930	642.8	439.7	31.9	203.1	204.8	97.5	76.9	21.5	−.9	2.3	35.6	33.3	103.3	20.6	82.7	643.6	640.5	−9.4	−7.9	−9.1
1931	588.1	422.1	27.5	201.7	193.0	60.2	49.4	17.9	−7.1	−1.0	29.3	30.4	106.8	21.2	85.6	595.2	589.1	−8.5	−7.5	−8.0
1932	509.2	384.9	21.0	187.0	176.9	22.6	29.6	9.4	−16.4	−.5	23.2	23.7	102.2	21.9	80.3	525.6	509.7	−13.4	−11.7	−13.5
1933	498.5	378.7	20.7	181.8	176.2	22.7	25.8	7.7	−10.7	−1.4	22.7	24.2	98.5	27.0	71.5	509.2	499.9	−2.1	−3.1	−1.9
1934	536.7	390.5	23.4	192.4	174.7	35.3	32.4	10.5	−7.6	.1	24.7	24.6	110.7	34.7	76.1	544.3	536.5	7.7	6.9	7.3
1935	580.2	412.1	28.9	201.5	181.7	60.9	40.0	14.7	6.2	−5.9	26.6	32.5	113.0	34.1	79.0	574.0	586.1	8.1	5.5	9.2
1936	662.2	451.6	35.9	224.3	191.4	82.1	54.4	18.7	9.0	−4.2	28.4	32.5	132.5	53.6	78.9	653.1	666.3	14.1	13.8	13.7
1937	695.3	467.9	37.7	232.8	197.4	99.1	65.5	20.2	14.1	−.3	35.7	35.9	127.8	48.9	79.0	681.2	695.6	5.0	4.3	4.4
1938	664.2	457.1	30.4	235.4	191.3	63.1	48.8	20.4	−6.0	6.0	34.1	28.1	137.9	55.0	82.9	670.2	658.2	−4.5	−1.6	−5.4
1939	716.6	480.5	35.7	248.0	196.7	86.0	53.2	28.9	3.9	6.1	36.2	30.1	144.1	53.8	90.3	712.7	710.5	7.9	6.3	7.9
1940	772.9	502.6	40.6	259.4	202.7	111.1	65.0	32.5	14.4	8.2	40.0	31.7	150.2	63.6	86.6	758.5	764.6	7.8	6.4	7.6
1941	909.4	531.1	46.2	275.6	209.3	138.5	76.6	34.4	27.8	3.9	42.0	38.2	235.6	153.0	82.6	881.6	905.5	17.7	16.2	18.4
1942	1,080.3	527.6	31.3	279.1	217.2	76.7	47.4	17.3	12.0	−7.7	29.1	36.9	483.7	407.1	76.7	1,068.3	1,088.0	18.8	21.2	20.1
1943	1,276.2	539.9	28.1	284.7	227.2	50.4	39.4	10.4	.7	−23.0	25.1	48.0	708.9	638.1	70.8	1,275.5	1,299.2	18.1	19.4	19.4
1944	1,380.6	557.1	26.3	297.9	232.9	56.4	52.6	9.0	−5.2	−23.8	27.3	51.1	790.8	722.5	68.3	1,385.7	1,404.3	8.2	8.6	8.1
1945	1,354.8	592.7	28.7	323.5	240.5	76.5	74.2	10.7	−8.4	−18.9	35.2	54.1	704.5	634.0	70.5	1,363.3	1,373.7	−1.9	−1.6	−2.2
1946	1,096.9	655.0	47.8	344.2	262.9	178.1	105.5	44.7	27.9	27.0	69.0	42.0	236.9	159.3	77.6	1,069.0	1,069.9	−19.0	−21.6	−22.1
1947	1,066.7	666.6	56.5	337.4	272.6	177.9	121.7	57.2	−1.0	42.4	82.3	39.9	179.8	91.9	87.9	1,067.7	1,024.3	−2.8	−.1	−4.3
1948	1,108.7	681.8	61.7	338.7	281.4	208.2	127.4	68.6	12.3	19.2	66.2	47.1	199.5	106.1	93.4	1,096.4	1,089.5	3.9	2.7	6.4
1949	1,109.0	695.4	67.8	342.3	285.3	168.0	114.8	63.6	−9.7	18.8	65.0	46.2	226.0	119.5	106.5	1,118.7	1,090.2	0	2.0	.1
1950	1,203.7	733.2	80.7	352.8	299.8	234.9	124.0	86.7	24.2	4.7	59.2	54.6	230.8	116.7	114.2	1,179.5	1,199.0	8.5	5.4	10.0
1951	1,328.2	748.7	74.7	362.9	311.1	235.2	131.7	72.6	30.8	14.6	72.0	57.4	329.7	214.4	115.4	1,297.4	1,313.6	10.3	10.0	9.6
1952	1,380.0	771.4	73.0	376.6	321.9	211.8	130.6	71.2	10.0	6.9	70.1	63.3	389.9	272.7	117.3	1,370.0	1,373.1	3.9	5.6	4.5
1953	1,435.3	802.5	80.2	388.2	334.1	216.4	140.1	73.8	2.8	−2.7	66.9	69.7	419.0	295.9	123.1	1,432.5	1,438.0	4.0	4.6	4.7
1954	1,416.2	822.7	81.5	393.8	347.4	212.8	137.5	79.8	−4.8	2.5	70.0	67.5	378.4	245.0	133.4	1,421.0	1,413.7	−1.3	−.8	−1.7
1955	1,494.9	873.8	96.9	413.2	363.6	259.8	151.0	92.4	16.3	0	76.9	76.9	361.3	217.9	143.4	1,478.6	1,494.9	5.6	4.1	5.7
1956	1,525.6	899.8	92.8	426.9	380.1	257.8	160.4	84.4	12.9	4.3	87.9	83.6	363.7	215.4	148.3	1,512.7	1,521.3	2.1	2.3	1.8
1957	1,551.1	919.7	92.4	434.7	392.6	242.4	161.1	79.3	3.0	7.0	94.9	87.9	381.1	224.1	157.0	1,548.1	1,544.2	1.7	2.3	1.5
1958	1,539.2	932.9	86.9	439.9	406.1	221.4	143.9	81.0	−3.4	−10.3	82.4	92.8	395.3	224.9	170.4	1,542.6	1,549.6	−.8	−.4	.4
1959	1,629.1	979.4	96.9	455.8	426.7	270.5	153.6	100.2	16.5	−18.2	83.7	101.9	397.7	221.5	176.2	1,612.6	1,647.3	5.8	4.5	6.3
1960	1,665.3	1,005.1	98.0	463.3	443.9	260.5	159.4	93.3	7.7	−4.0	98.4	102.4	403.7	220.6	183.1	1,657.5	1,669.3	2.2	2.8	1.3
1961	1,708.7	1,025.2	93.6	470.1	461.4	259.1	158.2	93.6	7.3	−2.7	100.7	103.3	427.1	232.9	194.2	1,701.4	1,711.3	2.6	2.6	2.5
1962	1,799.4	1,069.0	103.0	484.2	481.8	288.6	170.2	102.2	16.2	−7.5	106.9	114.4	449.4	249.3	200.1	1,783.3	1,807.0	5.3	4.8	5.6
1963	1,873.3	1,108.4	111.8	494.3	502.3	307.1	176.6	113.9	16.6	−1.9	114.7	116.6	459.8	247.8	212.0	1,856.7	1,875.3	4.1	4.1	3.8
1964	1,973.3	1,170.6	120.8	517.5	532.3	325.9	194.9	115.3	15.7	5.9	128.8	122.8	470.8	244.2	226.6	1,957.6	1,967.3	5.3	5.4	4.9
1965	2,087.6	1,236.4	134.6	543.2	558.5	367.0	227.6	114.2	25.2	−2.7	132.0	134.7	487.0	244.4	242.5	2,062.4	2,090.3	5.8	5.4	6.3
1966	2,208.3	1,298.9	144.4	569.3	585.3	390.5	250.4	103.2	36.9	−13.7	138.4	152.1	532.6	273.8	258.8	2,171.5	2,222.1	5.8	5.3	6.3
1967	2,271.4	1,337.7	146.2	579.2	612.3	374.4	245.0	100.6	28.8	−16.9	143.6	160.5	576.2	304.4	271.8	2,242.6	2,288.3	2.9	3.3	3.0
1968	2,365.6	1,405.9	161.6	602.4	641.8	391.8	254.5	116.2	21.0	−29.7	155.7	185.3	597.6	309.6	288.0	2,344.6	2,395.3	4.1	4.5	4.7
1969	2,423.3	1,456.7	167.8	617.2	671.7	410.3	269.7	115.4	25.1	−34.9	165.0	199.9	591.2	295.6	295.6	2,398.1	2,458.1	2.4	2.3	2.6
1970	2,416.2	1,492.0	162.5	632.5	697.0	381.5	264.0	109.3	8.2	−30.0	178.3	208.3	572.6	268.3	304.3	2,407.9	2,446.2	−.3	.4	−.5
1971	2,484.8	1,538.8	178.3	640.3	720.2	419.5	258.4	141.3	19.6	−39.8	179.2	218.9	566.5	250.6	315.9	2,465.2	2,524.6	2.8	2.4	3.2
1972	2,608.5	1,621.9	200.4	665.5	756.0	465.4	277.0	166.6	21.8	−49.4	195.2	244.6	570.7	246.0	324.7	2,586.8	2,658.0	5.0	4.9	5.3
1973	2,744.1	1,689.6	220.3	683.2	786.1	520.8	317.3	163.4	40.0	−31.5	242.3	273.8	565.3	230.0	335.3	2,704.1	2,775.7	5.2	4.5	4.4
1974	2,729.3	1,674.0	204.9	666.1	803.1	481.9	317.8	130.2	33.3	.8	269.1	268.4	573.2	226.4	346.8	2,696.0	2,728.5	−.5	−.3	−1.7
1975	2,695.0	1,711.9	205.6	676.5	829.8	383.3	281.2	114.9	−12.8	18.9	259.7	240.8	580.9	226.3	354.6	2,707.8	2,676.1	−1.3	.4	−1.9
1976	2,826.7	1,803.9	232.3	708.8	862.8	453.5	290.6	140.8	22.1	−11.0	274.4	285.4	580.3	224.2	356.0	2,804.6	2,837.7	4.9	3.6	6.0
1977	2,958.6	1,883.8	253.9	731.4	898.5	521.3	324.0	168.1	29.1	−35.5	281.6	317.1	589.1	231.8	357.2	2,929.5	2,994.1	4.7	4.5	5.5
1978	3,115.2	1,961.0	267.4	753.7	939.8	576.9	362.1	178.0	36.8	−26.8	312.6	339.4	604.1	233.7	370.4	3,078.4	3,142.0	5.3	5.1	4.9
1979	3,192.4	2,004.4	266.5	766.6	971.2	575.2	389.4	170.8	15.0	3.6	356.8	353.2	609.1	236.2	373.0	3,177.4	3,188.8	2.5	3.2	1.5
1980	3,187.1	2,000.4	245.9	762.6	991.9	509.3	379.2	137.0	−6.9	57.0	388.9	332.0	620.5	246.9	373.6	3,194.0	3,130.1	−.2	.5	−1.8
1981	3,248.8	2,024.2	250.8	764.4	1,009.0	543.8	395.2	126.5	23.9	49.4	392.7	343.4	629.7	259.6	370.1	3,225.0	3,199.4	1.9	1.0	2.2
1982	3,166.0	2,050.7	252.7	771.0	1,027.0	447.8	366.7	105.1	−24.5	26.3	361.9	335.6	641.7	272.7	369.0	3,190.5	3,139.7	−2.5	−1.1	−1.9
1983	3,279.1	2,146.0	283.1	800.2	1,062.7	504.0	361.2	149.3	−6.4	−19.9	348.1	368.1	649.0	275.1	373.9	3,285.5	3,299.1	3.6	3.0	5.1
1984	3,501.4	2,249.3	323.1	825.9	1,100.3	658.4	425.2	170.9	62.3	−84.0	371.8	455.8	677.7	290.8	387.0	3,439.1	3,585.4	6.8	4.7	8.7
1985	3,618.7	2,354.8	355.1	847.4	1,152.3	637.0	453.5	174.4	9.1	−104.3	367.2	471.4	731.2	326.0	405.2	3,609.6	3,723.0	3.4	5.0	3.8
1986	3,717.9	2,446.4	384.4	878.1	1,183.8	639.6	438.4	195.7	5.6	−129.7	397.1	526.9	761.6	334.1	427.5	3,712.4	3,847.6	2.7	2.8	3.3
1987	3,853.7	2,513.7	389.6	890.4	1,233.7	690.0	455.5	194.8	23.7	−115.7	450.9	566.6	781.8	339.6	442.1	3,830.0	3,969.4	3.7	3.2	3.2
1988	4,024.4	2,598.4	413.6	904.5	1,280.2	715.8	493.8	194.1	27.9	−74.9	530.1	605.0	785.1	328.9	456.2	3,996.5	4,099.3	4.4	4.3	3.3
														17.0	178.2	1,644.9	1,681.0	7.0	5.2	5.4
														20.4	182.2	1,659.5	1,673.8	−1.1	3.6	−1.7
														21.8	185.0	1,657.6	1,670.8	.4	−.5	−.7

ECONOMIC ANALYSIS STAFF

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Company: _____ Company: USDA/ERS

Telephone: 456 7750 Telephone: 475 4587

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Agricultural Economy

Global Output and Farmers' Cash Incomes To Rise

The world agricultural outlook is characterized by rebounding commodity output, rising consumption, and falling crop stocks in 1989/90. World crop production is recovering from 1988/89's reduced level. But for most crops, production will not match continued high use.

In 1990, world animal product output will expand slightly, led by much larger U.S. poultry production. World commodity consumption will reach a record in response to continued economic and population growth. Commodity prices will be supported by strong demand and declining stocks of most crops, although feed grain and oilseed prices will continue easing from 1988/89's drought-driven levels.

In 1990/91, assuming trend yields, U.S. and foreign production of many crops could rise again, and some stock rebuilding may take place. Farmers will be responding to prices that are likely still to be above predrought levels and to loosened acreage reduction requirements for wheat and cotton in the U.S.

Marketing Receipts To Go Up

This outlook suggests that U.S. farmers can look forward to another year of favorable income. Marketing receipts should climb, reflecting larger commodity output and higher prices for some commodities. At the same time, lower feed costs will help stabilize livestock production expenses.

Even with smaller direct government payments, farmers' net cash income will range between $52 and $57 billion in 1990. This would be 2 to 4 percent higher than USDA's latest estimate for 1989. Net farm income, however, is expected to be $44-$49 billion, 2 to 5 percent below 1989's record.

Most prices likely will be easing by the time the 1990 crop is harvested in the fall, accounting for the slight estimated drop in net farm income.

Net farm income is an estimate of the value of production plus direct government payments less all costs in a calendar year, while net cash income reflects estimates of cash receipts plus government payments less out-of-pocket expenses.

For U.S. consumers, record meat production, bigger crops, and slowing inflation will hold retail food price increases to 3 to 5 percent in 1990. In 1989, food prices probably rose nearly 6 percent, because of lingering effects of the 1988 drought in the first half.

U.S. crop output is likely to increase in 1990 as acreage expands and yields trend higher. In the 1990's, export demand for U.S. agricultural products should expand as economic growth and GATT trade reform widen international markets.

Despite Higher Global Consumption, Export Competition Is Strong

World commodity consumption is moving to record levels and will exceed production for most crops. Use is responding to three factors:

- real economic growth of 3 to 3-1/2 percent,
- meat output 1 percent larger, spurring demand for feed grains, and
- population growth of about 1.7 percent.

Despite the tightening in some international markets, U.S. grain and oilseed exports will face increased competition from expanded production in other countries. U.S. grain exports will be down slightly because of rebounding crops and exports in Canada and Argentina, near-record exports by the EC, and tighter U.S. food grain supplies.

U.S. soybean exports will face record South American production. A smaller crop is likely in Brazil, but the Argentine crop will be up sharply with expanded acreage and higher yields. Early indications point to a record low for the U.S. share of the world market. In contrast to grains and soybeans, the U.S. share of the world cotton market is expected to recover from a year earlier.

The global wheat outlook for 1989/90 is highlighted by record production, a sligh drop in world trade, and a further decline in stocks. Much of the gain in world pro duction is being offset by lower beginning stocks, leaving supplies up only marginally. With 1989/90 use advancin to a record, ending stocks will drop agai

The outlook for U.S. wheat in 1989/90 i for higher output, lower beginning stocks, smaller exports, and possibly the smallest ending stocks since 1974/75.

Global rice production in 1989/90 is fon cast at a record, up 2 percent from last season's bumper crop. Large harvests are expected in China, Bangladesh, Indc nesia, Vietnam, and Thailand. Given nc mal weather, global rice production should expand in 1990/91 and prices decline further.

U.S. rice production and stocks are dow from a year earlier, especially for long grain. U.S. exports rose 19 percent in 1988/89 from a year earlier. Exports ar forecast to fall to 79 million cwt in 1989/90 because of an expected decline in world imports.

The global coarse grain outlook for 1989/90 is for larger supplies but a further decline in ending stocks. World coarse grain trade will continue to rise, following last year's 13-percent increas Bigger imports by the USSR, South Korea, China, and several lesser impori ers are forecast to result in the largest world coarse grain trade since 1984/85. U.S. exports are forecast up around 4 percent.

ole 32.—Farm Income Statistics

	Calendar year										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 F	1990 F
	$ billion										
Farm receipts	142.0	144.1	147.1	141.1	146.8	149.1	140.6	145.3	157.2	164	165 to 170
Crops (incl. net CCC loans)	71.7	72.5	72.3	67.1	69.5	74.3	64.0	63.8	72.6	75	77 to 80
Livestock	68.0	69.2	70.3	69.4	73.0	69.8	71.5	75.7	78.9	83	80 to 83
Farm related 1/	2.3	2.5	4.5	4.5	4.4	5.0	5.1	5.8	5.7	6	5 to 7
Direct Government payments	1.3	1.9	3.5	9.3	8.4	7.7	11.8	16.7	14.5	11	8 to 11
Cash payments	1.3	1.9	3.5	4.1	4.0	7.6	8.1	6.6	7.1	10	7 to 9
Value of PIK commodities	0.0	0.0	0.0	5.2	4.5	0.1	3.7	10.1	7.4	1	1 to 2
Total gross farm income (4+5+6) 2/	149.3	166.4	163.5	153.1	174.9	166.4	160.4	171.6	177.6	190	185 to 190
Gross cash income 2/	143.3	146.0	150.6	150.4	155.2	156.9	152.5	162.0	171.6	174	173 to 178
Nonmoney income 3/	12.3	13.8	14.3	13.5	13.4	11.8	10.6	10.0	10.3	10	9 to 11
Value of inventory change	-6.3	6.5	-1.4	-10.9	6.3	-2.4	-2.7	-.4	-4.3	5	1 to 3
Cash expenses 4/	109.1	113.2	112.8	113.5	116.6	110.2	100.7	107.5	114.4	121	119 to 122
Total expenses	133.1	139.4	140.0	140.4	142.7	134.0	122.4	128.0	135.0	141	139 to 142
Net cash income (4-7)	34.2	32.8	37.8	36.9	38.6	46.7	51.8	54.5	57.2	53	52 to 57
Net farm income (3-8)	16.1	26.9	23.5	12.7	32.2	32.4	38.0	43.6	42.7	48	44 to 49
Deflated (1982$)	18.8	28.6	23.5	12.2	29.9	29.2	33.4	37.2	35.2	38	34 to 38
Off-farm income	34.7	35.8	36.4	37.0	38.9	42.6	44.6	46.8	51.7	54	55 to 59
Loan changes 5/: Real estate	9.9	9.1	3.8	2.3	-1.1	-6.0	-9.0	-7.5	-4.4	-2	0 to 3
5/: Non-real estate	5.3	6.5	3.4	0.9	-0.8	-9.6	-11.0	-4.6	-0.3	0	-1 to 1
Rental income plus monetary change	6.1	6.4	6.3	5.3	8.9	8.8	7.8	6.8	8.5	8	7 to 9
Capital expenditures 5/	16.0	16.8	13.3	12.7	12.5	9.2	8.5	9.8	10.2	11	11 to 13
Net cash flow (9+12+13+14-15)	37.6	37.8	38.1	32.7	33.1	30.7	31.2	39.4	50.8	48	50 to 58

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses ficate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed ss rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Excludes farm households. Totals may not add because of rounding. F = forecast. 1987 and 1988 expenses include preliminary risions from the 1987 Census of Agriculture.

formation contact: Diane Bertelsen (202) 786-1808.

ole 33.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/ 2/										
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989 F	1990 F
	$ billion										
ets											
eal estate	782.4	784.7	748.8	738.7	637.7	555.9	507.3	577.0	607.9	648	675 to 685
on-real estate	213.2	212.0	212.2	205.6	209.0	190.5	182.2	187.8	202.5	201	200 to 210
Livestock & poultry	60.6	53.5	53.0	49.7	49.6	46.3	47.6	57.9	65.7	67	66 to 70
Machinery & motor vehicles	93.1	101.4	102.0	100.8	96.9	87.6	80.3	73.9	74.7	76	75 to 79
Crops stored 3/	33.0	29.1	27.7	23.9	29.7	23.6	19.1	20.9	26.2	22	19 to 23
Financial assets	26.5	28.0	29.5	31.3	32.8	33.0	35.2	35.2	35.9	36	36 to -38
Total farm assets	995.6	996.7	961.0	944.3	846.7	746.4	689.5	764.9	810.4	849	880 to 890
ibilities											
eal estate debt 4/	89.6	98.7	102.5	104.8	103.6	97.6	88.6	81.1	76.7	75	73 to 77
lon-real estate debt 5/	77.1	83.6	87.0	87.9	87.1	77.5	66.6	62.0	61.7	61	60 to 64
Total farm debt	166.8	182.3	189.5	192.7	190.7	175.1	155.1	143.1	138.4	136	134 to 140
Total farm equity	828.9	814.4	771.5	751.6	656.0	571.3	534.4	621.8	672.0	713	740 to 750
	Percent										
ected ratios											
ebt-to-assets	16.8	18.3	19.7	20.4	22.5	23.5	22.5	18.7	17.1	16	15 to 16
ebt-to-equity	20.1	22.4	24.6	25.6	29.1	30.6	29.0	23.0	20.6	19	18 to 19
ebt-to-net cash income	488	556	497	523	493	375	299	248	231	256	240 to 250

1/ As of Dec. 31. 2/ Estimates of farm assets and equity for 1987-1990 reflect revisions in real estate assets based on the 87 Census of Agriculture. Revisions in real estate assets for 1983-1986 have not been completed. 3/ Non-CCC crops held on rms plus value above loan rates for crops held under CCC. 4/ Excludes debt on operator dwellings, but includes CCC storage d drying facilities loans. 5/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 786-1798.

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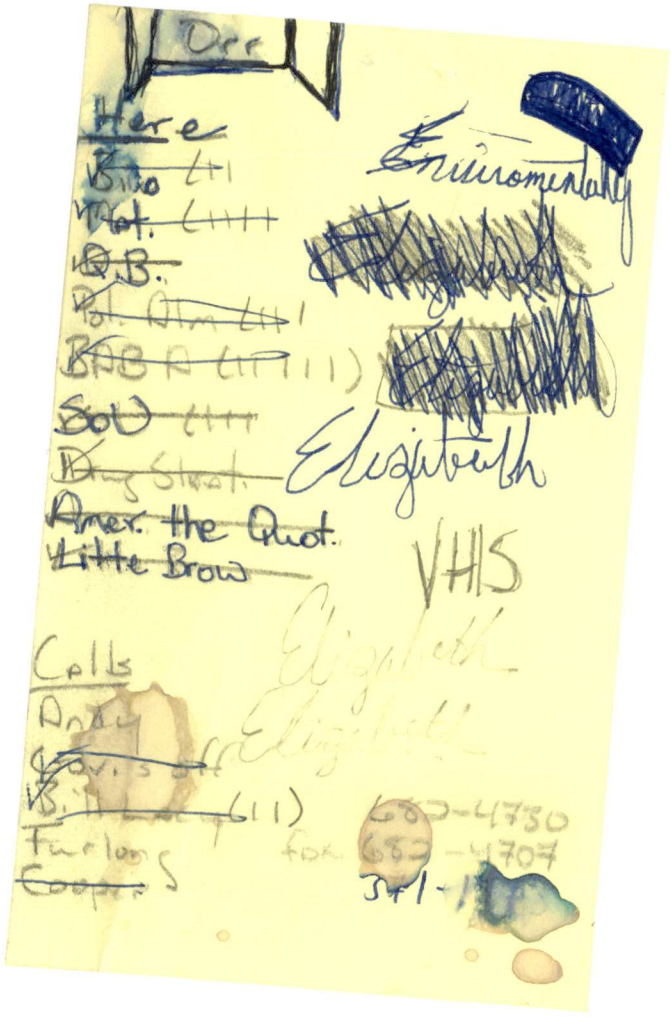
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