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Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13493
Folder ID Number: 13493-005

Folder Title:
Library of Congress 6/29/89 [2]

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**PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS
JUNE 29, 1989/2 P.M.**

THANK YOU.

**((I HAVE TO ADMIT, I FEEL A LITTLE AWKWARD GIVING A
SPEECH AT THIS PARTICULAR PLACE . . . ALL THOSE YEARS
OF BEING TOLD NOT TO SPEAK OUT-LOUD IN A LIBRARY.))**

**THE LIBRARY OF CONGRESS HAS BEEN CALLED THE DIARY
OF THE AMERICAN PEOPLE.**

- 2 -

**IN TRUTH, IT IS A DIARY OF THE HUMAN RACE. AND IN THE
MILLION STORIES OF ACHIEVEMENT IT HAS TO TELL, ONE
TRUTH IS REVEALED ABOVE ALL OTHERS: THAT FOR ALL ITS
BLEMISHES, GOVERNMENT OF THE PEOPLE IS THE GREATEST
ACHIEVEMENT OF ALL.**

**AS I LOOK AROUND ME, I SEE THE BEST AND THE
BRIGHTEST OF A NEW GENERATION. FOR YOU, THIS SUMMER OF
INDEPENDENCE IS JUST A SWEET TASTE OF ADULTHOOD. TRUST
ME, FREEDOM IS NOT AS FAR-OFF AS IT SEEMS.**

WHATEVER YOU DO IN WASHINGTON -- PAGE OR INTERN -- YOU ARE APPRENTICES IN A NOBLE PROFESSION -- PUBLIC SERVICE.

WE EXALT PUBLIC SERVICE BECAUSE WE DO NOT EXALT OUR GOVERNMENT. WE KEEP GOVERNMENT CLOSE, CLOSE TO THE PEOPLE IT IS MEANT TO SERVE. AND THERE IS ANOTHER FUNDAMENTAL CONCEPT IN OUR WAY OF GOVERNING -- REFORM. OURS IS NOT A PERFECT GOVERNMENT. IT IS A GOVERNMENT CONSTANTLY PERFECTED.

A STEADILY IMPROVING GOVERNMENT IS THE RESULT OF OUR OPEN POLITICAL SYSTEM. AND IN THIS SYSTEM, ELECTIONS ARE MORE THAN THE DEADLINES OF DEMOCRACY; THEY ARE THE MARKETPLACE OF IDEAS. THEY ARE NOT JUST CONTESTS BETWEEN INDIVIDUALS -- THEY ARE CONTESTS BETWEEN PHILOSOPHIES. WHEN THIS SHARP EDGE OF COMPETITION IS DULLED, DEMOCRACY LOSES.

STRENGTHENING THE ROLE OF THE PARTIES

IN APRIL, I PROPOSED COMPREHENSIVE ETHICS LEGISLATION FOR ALL BRANCHES OF GOVERNMENT. TODAY, I CALL ON CONGRESS TO PASS THAT PACKAGE. BUT I ALSO WANT TO ADDRESS OTHER PROBLEMS -- HOW TO FREE OUR ELECTORAL SYSTEM FROM THE GRIP OF SPECIAL INTERESTS, HOW TO SPUR THE FREE COMPETITION OF IDEAS.

YOU HAVE OFTEN HEARD ME SPEAK OF THE NECESSITY OF BIPARTISANSHIP. AND I DO STRONGLY BELIEVE WE MUST WORK TOGETHER WHEN DEALING WITH THE MOST DIFFICULT CHALLENGES FACING OUR COUNTRY -- NOT AS PARTISANS -- BUT AS AMERICANS.

BUT WE WILL NOT -- AND SHOULD NOT -- CEASE TO BE REPUBLICANS AND DEMOCRATS. TRUE, THE FOUNDING FATHERS ENVISIONED NO ROLE FOR PARTIES. YET 200 YEARS OF POLITICAL EXPERIENCE HAS SHOWN THEIR VALUE.

POLITICAL PARTIES CLARIFY AND SHARPEN DEBATE. THEY SHAPE COALITIONS OF LIKE-MINDED PEOPLE, GIVING MILLIONS OF WORKING AMERICANS AN EFFECTIVE WAY TO SUPPORT THEIR BELIEFS AND ADVANCE THEIR CANDIDATES. PARTIES ARE THE INDISPENSABLE ORGANIZERS OF DEMOCRACY.

YET TIMES HAVE CHANGED. TODAY'S SPECIAL-INTEREST POLITICAL ACTION COMMITTEES AND THEIR \$160 MILLION WARCHEST OVERSHADOW THE GREAT PARTIES OF THOMAS JEFFERSON AND ABRAHAM LINCOLN.

AS THE STRENGTH OF OUR PARTIES ERODES, SO DOES THE STRENGTH OF OUR POLITICAL SYSTEM. DISTINCTIONS BETWEEN CANDIDATES BECOME MUDDLED, AND CONGRESSIONAL DEBATE LACKS COHERENCE AND DISCIPLINE. BY NECESSITY, MEMBERS OF CONGRESS ENGAGE IN TIME-CONSUMING AND OFTEN DEGRADING APPEALS FOR MONEY OUTSIDE THE PARTY STRUCTURE. AS VIGOROUS COMPETITION BETWEEN CANDIDATES, AND BETWEEN IDEAS, WANES, THE CLEAR WINNER IN THE RACE FOR PAC DOLLARS IS INCUMBENCY.

SOME BELIEVE PUBLIC -- OR TAXPAYER -- FINANCING IS THE BEST ANSWER. I DO NOT. IF WE EXCLUDE INDIVIDUALS FROM THE PROCESS, WE EXCLUDE THE PUBLIC. THIS IS THE IRONIC RESULT OF TAXPAYER FINANCING. IT WOULD FORCE TAXPAYERS TO SUPPORT EXTREMIST CANDIDATES THEY ABHOR. IT WOULD BE A SIPHON FROM THE U.S. TREASURY, ALREADY IN DEFICIT, TO CAMPAIGN COFFERS.

TAXPAYER FINANCING WOULD DO NOTHING TO STRENGTHEN THE PARTIES; IF ANYTHING, IT WOULD STRENGTHEN THE STATUS QUO. WHAT THE VOTERS REALLY NEED IS MORE CHOICE.

SPENDING LIMITS ARE NOT THE ANSWER EITHER. IF WE ARE TO ENCOURAGE INDIVIDUALS TO PARTICIPATE IN THE ELECTORAL PROCESS, IF WE ARE TO ENCOURAGE CANDIDATES TO BRING THEIR MESSAGE TO AS MANY VOTERS AS POSSIBLE, WE SHOULD NOT HAVE ABSOLUTE LIMITS ON SPENDING.

THE ANSWER IS REFORM. WE NEED REFORMS THAT CURTAIL THE ROLE OF SPECIAL INTERESTS, ENHANCE THE ROLE OF THE INDIVIDUAL AND STRENGTHEN THE PARTIES. SO TODAY, I PROPOSE JUST THAT -- A SWEEPING REFORM OF OUR SYSTEM. MORE THAN 90 PERCENT OF ALL PAC CONTRIBUTIONS COME FROM PACs SPONSORED BY CORPORATIONS, UNIONS AND TRADE ASSOCIATIONS. SO THE CORNERSTONE OF OUR REFORM IS THE ELIMINATION OF THOSE POLITICAL ACTION COMMITTEES.

*** I PROPOSE TO CURTAIL THE PROLIFERATION OF LEADERSHIP PACs BY LIMITING ALL CANDIDATES FOR FEDERAL OFFICE TO ONE FUNDRAISING COMMITTEE. AND, BY ALSO BARRING TRANSFERS BETWEEN FUNDRAISING COMMITTEES, WE WILL FURTHER REDUCE THE INFLUENCE OF SPECIAL-INTEREST MONEY IN THE ELECTORAL PROCESS.

***** I PROPOSE TO END A PRACTICE KNOWN AS "BUNDLING," WHERE BUSINESS AND UNIONS ENCOURAGE OR COERCE CONTRIBUTIONS FROM EMPLOYEES OR MEMBERS, AND THEN GIVE THESE CONTRIBUTIONS AS A SINGLE DONATION.**

AS THESE REFORMS CURTAIL SPECIAL-INTEREST MONEY, WE MUST ENCOURAGE THE ROLE OF THE PARTIES. I PROPOSE TO MORE THAN DOUBLE THE AMOUNT OF MONEY PARTIES MAY DONATE TO CONGRESSIONAL CAMPAIGNS.

INCREASING PARTY DONATIONS TO FEDERAL CANDIDATES WILL ALLOW LEGISLATORS TO SPEND MORE TIME LEGISLATING AND LESS TIME RAISING MONEY. IT WILL GIVE CHALLENGERS THE MEANS TO COMPETE WITH INCUMBENTS. AND IT WILL ALLOW ALL CANDIDATES TO AVOID HAVING TO RAISE MONEY FROM SPECIAL INTERESTS.

STILL, SOME PACS MUST REMAIN BECAUSE THEY ARE PROTECTED BY THE FIRST AMENDMENT.

THESE INDEPENDENT PACs ACCOUNT FOR ABOUT TEN PERCENT OF ALL CONTRIBUTIONS. BUT EVEN THESE I WOULD LIMIT, BY HALVING THEIR ALLOWABLE CONTRIBUTIONS TO FEDERAL CANDIDATES FROM \$5,000 TO \$2,500. AND NEW LAWS MUST KEEP SUCH PACs UNAFFILIATED AND INDEPENDENT, SO A BUSINESS OR LABOR GROUP COULD NOT USE THEM AS A BACKDOOR MEANS OF INFLUENCING THE PROCESS.

I ALSO PROPOSE TO STRENGTHEN THE SUPREME COURT'S BECK DECISION, WHICH HELD THAT UNION MEMBERS CAN'T BE FORCED TO HAVE THEIR DUES GO TO POLITICAL CAUSES OR ORGANIZATIONS THEY DO NOT SUPPORT. NO AMERICAN SHOULD BE COMPELLED TO GIVE MONEY TO A CANDIDATE AGAINST HIS OR HER WILL.

CLEANING UP THE SYSTEM

WE MUST DO MORE TO TRULY CLEAN UP THE SYSTEM. THE BASIC STRENGTH OF TODAY'S SYSTEM IS DISCLOSURE.

YET MOST MONEY SPENT IN AMERICAN ELECTIONS IS NOT DISCLOSED. THIS LITTLE KNOWN AREA OF CAMPAIGN FINANCE LAW CALLED "SOFT MONEY" CONCERNS DOLLARS SPENT ON VOTER TURNOUT AND REGISTRATION EFFORTS. I CALL ON CONGRESS TO JOIN ME IN MANDATING FULL DISCLOSURE OF ALL SOFT MONEY CONTRIBUTIONS BY THE POLITICAL PARTIES, AS WELL AS CORPORATIONS, UNIONS AND TRADE ASSOCIATIONS.

OTHER LAWS GOVERN INDEPENDENT EXPENDITURE GROUPS, WHICH CAN SPEND ANY AMOUNT OF MONEY TO ELECT OR DEFEAT A CANDIDATE SO LONG AS THEIR ACTIVITIES ARE NOT COORDINATED WITH THOSE OF A PARTICULAR CANDIDATE. WHILE SOME OF THESE GROUPS PERFORM A PUBLIC SERVICE, TOO OFTEN THEY MASK THE MOTIVES OF HIDDEN CONTRIBUTORS, ACTING AS MERCENARY CHARACTER ASSASSINS. OFTEN, THEY DECEIVE THE PUBLIC INTO THINKING THAT THEY ARE A CANDIDATE'S CAMPAIGN.

YET ALL INDEPENDENT EXPENDITURE GROUPS -- THE GOOD AND THE BAD ALIKE -- ARE PROTECTED BY THE CONSTITUTION. IN ORDER TO PROVIDE MORE INFORMATION TO THE PUBLIC, I PROPOSE THAT SUCH GROUPS BE REQUIRED TO MORE CLEARLY IDENTIFY THE PERSON OR ORGANIZATION BEHIND THEM.

REDRESSING THE INCUMBENCY ADVANTAGE

THE THIRD, AND FINAL AREA OF REFORM DIRECTLY CONCERNS THE POWERS OF INCUMBENCY.

JEFFERSON ENVISIONED A CONGRESS OF CITIZEN-POLITICIANS, WHO SUSPENDED THEIR CAREERS IN LAW, MEDICINE AND AGRICULTURE TO SERVE THE NATION. HOW FAR WE'VE COME FROM THAT SIMPLE VISION. TODAY, INCUMBENTS STAY IN OFFICE FOR DECADES, AMASSING HUGE WARCHESTS TO SCARE OFF STRONG CHALLENGES IN ELECTION AFTER ELECTION.

THIS IS NOT DEMOCRACY IN THE SPIRIT OF MADISON AND JEFFERSON. THIS IS NOT THE SPIRIT OF DEMOCRACY AT ALL.

I PROPOSE TO END THE "ROLLOVER" OF CAMPAIGN WARCHESTS, REQUIRING ANY EXCESS CAMPAIGN FUNDS TO BE DONATED TO THE PARTIES, TO A FUND TO RETIRE THE NATIONAL DEBT OR BE GIVEN BACK TO THE CONTRIBUTORS. THIS WOULD APPLY TO ALL UNSPENT CAMPAIGN FUNDS -- WHETHER IT IS A RACE FOR CONGRESS OR THE PRESIDENCY.

UNDER OUR CURRENT LAW, 190 HOUSE MEMBERS IN OFFICE IN 1980 CAN ALSO USE THEIR LEFTOVER CAMPAIGN MONEY AS A PERSONAL RETIREMENT FUND -- POCKETING HUNDREDS OF THOUSANDS -- EVEN MILLIONS -- OF DOLLARS WHEN THEY LEAVE OFFICE. SENATORS ARE ALLOWED TO CONVERT THESE FUNDS FOR OFFICIAL USE. THIS PRACTICE MUST END . . . AND THIS SAME PRINCIPLE SHOULD APPLY TO PRESIDENTIAL CANDIDATES AS WELL.

ANOTHER ADVANTAGE OF INCUMBENCY ARISES FROM THE WAY IN WHICH MEMBERS OF CONGRESS USE THE PUBLIC FRANK TO PAY FOR MASS MAILINGS THAT AMOUNT TO POLITICAL ADVERTISING. THE COST TO THE TAXPAYERS RUNS INTO THE HUNDREDS OF MILLIONS OF DOLLARS. THE COST TO OUR DEMOCRACY IS ALSO STEEP. I PROPOSE TO PROHIBIT THE USE OF THE FRANK FOR UNSOLICITED MASS MAILINGS.

YET ANOTHER AREA IN NEED OF REFORM IS REDISTRICTING -- THE WAY IN WHICH PARTIES IN POWER IGNORE COMMUNITY BOUNDARIES AND DRAW DISTRICT LINES FAVORABLE TO THEIR CANDIDATES. NO SINGLE FACTOR IS MORE BASIC TO RESTORING COMPETITIVE ELECTIONS THAN ENSURING FAIR REDISTRICTING IN 1991. I PROPOSE A NEW CRITERIA FOR REDISTRICTING, WITHOUT FAVOR TO PARTY, TO RESPECT ESTABLISHED COMMUNITY BOUNDARIES.

WE MUST DRAW DISTRICT LINES THAT RESPECT THE NEEDS OF THE PEOPLE, NOT TAILOR THEM TO THE POLITICAL NEEDS OF EITHER PARTY.

FINALLY, IN THE NEXT FEW DAYS I WILL ALSO SEND UP LEGISLATION TO BAN HONORARIA AND TO ADDRESS CERTAIN ASPECTS OF COMPENSATION FOR FEDERAL OFFICIALS.

THIS PACKAGE WILL INCLUDE A 25 PERCENT PAY INCREASE FOR JUDGES, WHICH I HAVE PREVIOUSLY RECOMMENDED, AND AN INCREASE FOR A LIMITED NUMBER OF SPECIALIZED PROFESSIONALS -- SUCH AS SCIENTISTS AND SURGEONS -- WHERE THE EXECUTIVE BRANCH IS NOT COMPETITIVE. I WILL ALSO WORK WITH CONGRESS ON THE DEVELOPMENT OF DETAILS FOR INCREASING THE PAY OF THOSE IN THE CONGRESS, AS WELL AS OTHER SENIOR EMPLOYEES OF THE EXECUTIVE BRANCH.

CONCLUSION

THIS YEAR, AS CONGRESS OBSERVES ITS 200TH ANNIVERSARY, ELEVEN THOUSAND AMERICANS HAVE SERVED IN THE HOUSE AND SENATE IN THE HISTORY OF OUR REPUBLIC. MOST HAVE SERVED IN THE GREAT TRADITION OF RUSSELL AND RAYBURN, DIRKSEN AND MANSFIELD, DOLE AND MITCHELL, FOLEY AND MICHEL. SOME DAY, YOU MAY FOLLOW THIS PATH, THE PATH TO GREATNESS AND ACHIEVEMENT THROUGH PUBLIC SERVICE.

- 28 -

AND IF YOU DO, I HOPE THE LAWS THAT GOVERN OUR CAMPAIGNS AND OUR CONGRESS -- AS WELL AS OUR EXECUTIVE BRANCH -- ARE AS JUST AND HONEST AS THE MAJORITY OF THOSE WHO SERVE THE PUBLIC.

THIS VAST AND HONEST MAJORITY IN CONGRESS LIVE THE WORDS OF GEORGE WASHINGTON, WHO SAID THE NOBLEST TITLE IN THE WORLD ISN'T PRESIDENT, OR SENATOR, OR CONGRESSMAN -- BUT "HONEST MAN."

- 29 -

WHATEVER YOU DO IN LIFE, YOU CAN HAVE NO HIGHER TITLE THAN THAT. THANK YOU, GOD BLESS YOU AND GOD BLESS AMERICA.

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President has
Admin time
at 1¹⁵
pm.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/29/89 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENT BUSH'S CAMPAIGN FINANCE PROPOSALS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>



REMARKS:

The attached has been released to the press.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

THE WHITE HOUSE
WASHINGTON

fn file

June 28, 1989

1989 JUN 28 PM 3:27

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*
FROM: MARK DAVIS *MD*
SUBJECT: LIBRARY OF CONGRESS SPEECH

I. SUMMARY

On Thursday, June 29, 1989, you will address an audience of 400 congressional, executive and Administration interns at the Library on Congress. The purpose of this speech is to announce the new campaign finance reform package. You will speak for approximately 15 to 20 minutes from a teleprompted text.

II. DISCUSSION

These remarks cover the topics of contributions limits by PACs, political parties and individuals; the incumbency advantage (including the use of excess campaign funds, and perpetuation of incumbency through redistricting); soft money and the need for full disclosure, and banning honoraria.

Davis/Martin
June 28, 1989
Draft: Four
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. For you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Whatever you do in Washington -- page or intern -- you are apprentices in a noble profession -- public service.

We exalt public service because we do not exalt our government. We keep government close, close to the people it is meant to serve. And there is another fundamental concept in our

way of governing -- reform. Ours is not a perfect government. It is a government constantly perfected.

A steadily improving government is the result of our open political system. And in this system, elections are more than the deadlines of democracy; they are the marketplace of ideas. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses.

STRENGTHENING THE ROLE OF THE PARTIES

In April, I proposed comprehensive ethics legislation for all branches of government. Today, I call on Congress to pass that package. But I also want to address other problems -- how to free our electoral system from the grip of special interests, how to spur the free competition of ideas.

You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- **not as partisans -- but as Americans.**

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has shown their value. Political parties clarify and sharpen debate. They shape

coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. **Parties are the indispensable organizers of democracy.**

Yet times have changed. Today's special-interest Political Action Committees and their \$160 million warchest overshadow the great parties of Thomas Jefferson and Abraham Lincoln. As the strength of our parties erodes, so does the strength of our political system. Distinctions between candidates become muddled, and Congressional debate lacks coherence and discipline. By necessity, Members of Congress engage in time-consuming and often degrading appeals for money outside the party structure. As vigorous competition between candidates, and between ideas, wanes, the clear winner in the race for PAC dollars is incumbency.

Some believe public financing is the best answer. I do not. If we exclude individuals from the process, we exclude the public. Ironically, this is the end result of public financing. It also would force taxpayers to support extremist candidates they abhor. It would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Public financing would do nothing to strengthen the parties; if anything, it would strengthen the status quo. We don't need more money in the system. We need to offer the voters more choice.

Spending limits are not the answer either. Spending limits are nothing but incumbent protection plans. If candidates have equal resources, incumbents will hold a tremendous advantage.

The answer is reform. We need reforms that curtail the role of special interests, enhance the role of the individual and strengthen the parties. So today, I propose just that -- a sweeping reform of our system. More than 90 percent of all PAC contributions come from PACs sponsored by corporations, unions and trade associations. So the cornerstone of our reform is **the elimination of all special-interest Political Action Committees.**

*** I propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues.

*** I propose to end a practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms curtail special-interest money, we must increase the role of the parties. I propose to more than double the amount of money parties may donate to congressional campaigns. Increasing party donations to federal candidates will

allow legislators to spend more time legislating and less time raising money. It will give challengers the means to compete with incumbents. And it will allow all candidates to avoid having to raise money from special interests.

Still, some PACs should remain because they are protected by the First Amendment. These independent PACs account for about ten percent of all contributions. But even these I would limit, by reducing their allowable contributions to federal candidates from \$5,000 to the same as individuals -- \$1,000. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

CLEANING UP THE SYSTEM

We must do more to truly clean up the system. The basic strength of today's system is disclosure. Yet most money spent in American elections is not disclosed. This little known area of campaign finance law called "soft money" concerns dollars spent on voter turnout efforts.

I call on Congress to join me in mandating full disclosure of all soft money contributions by the political parties, as well as corporations, unions and trade associations.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Often, they deceive the public into thinking that they are a candidate's campaign. Yet all independent expenditure groups -- the good and the bad alike -- are protected by the Constitution. In order to provide more information to the public, I propose that such groups should be required to more clearly identify the person or organization behind them.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. **To coerce political donations from working men and women is unfair and un-American. This practice must stop.**

REDRESSING THE INCUMBENCY ADVANTAGE

The third, and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end the "rollover" of campaign warchests, requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members in office in 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators are allowed to convert these funds for official use. **Congress should pack up this golden parachute.**

Another area in need of reform is redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering is why many Congressional Districts look like creatures my youngest grandchildren would draw.

The permanent majority that results from non-competitive elections is rock solid. Despite the stark differences between the two national parties, of the 435 seats in the House, 387 --

or 90 percent -- have not switched parties since 1982. Perhaps California provides the best example, where only one seat in 135 elections changed parties in the 1980s.

No single factor is more basic to restoring competitive elections than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. **We must draw district lines that respect the needs of the people, not tailor them to the political needs of the parties.**

Finally, I propose to go a step further to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. This is wrong. That's why I said on April 12 I would support a ban on honoraria. I continue to oppose this practice.

Furthermore, I will send to the Congress next week a separate proposal outlining an orderly process for phasing out honoraria and addressing the thorny problem of compensation. I have already stated my support for a 25 percent increase for judges and look forward to productive work with the congressional leadership regarding Congressional and Executive pay.

CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Russell and Rayburn, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path to greatness and achievement through public service. And if you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

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Davis/Martin
June 28, 1989
Draft: Five
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You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- **not as partisans -- but as Americans.**

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has shown their value. Political parties clarify and sharpen debate. They shape

coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. **Parties are the indispensable organizers of democracy.**

Yet times have changed. Today's special-interest Political Action Committees and their \$160 million war chest overshadow the great parties of Thomas Jefferson and Abraham Lincoln. As the strength of our parties erodes, so does the strength of our political system. Distinctions between candidates become muddled, and Congressional debate lacks coherence and discipline. By necessity, Members of Congress engage in time-consuming and often degrading appeals for money outside the party structure. As vigorous competition between candidates, and between ideas, wanes, the clear winner in the race for PAC dollars is incumbency.

Some believe public financing is the best answer. I do not. If we exclude individuals from the process, we exclude the public. Ironically, this is the end result of public financing. It also would force taxpayers to support extremist candidates they abhor. It would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Public financing would do nothing to strengthen the parties; if anything, it would strengthen the status quo. We don't need more money in the system. We need to offer the voters more choice.

Spending limits are not the answer either. If candidates have equal resources, incumbents will hold a tremendous advantage. Spending limits amount to an incumbent protection plan.

The answer is reform. We need reforms that curtail the role of special interests, enhance the role of the individual and strengthen the parties. So today, I propose just that -- a sweeping reform of our system. More than 90 percent of all PAC contributions come from PACs sponsored by corporations, unions and trade associations. So the cornerstone of our reform is **the elimination of all special-interest Political Action Committees.**

*** I propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues.

*** I propose to end a practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms curtail special-interest money, we must encourage the role of the parties. I propose to more than double the amount of money parties may donate to congressional

campaigns. Increasing party donations to federal candidates will allow legislators to spend more time legislating and less time raising money. It will give challengers the means to compete with incumbents. And it will allow all candidates to avoid having to raise money from special interests.

Still, some PACs should remain because they are protected by the First Amendment. These independent PACs account for about ten percent of all contributions. But even these I would limit, by halving their allowable contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

CLEANING UP THE SYSTEM

We must do more to truly clean up the system. The basic strength of today's system is disclosure. Yet most money spent in American elections is **not** disclosed. This little known area of campaign finance law called "soft money" concerns dollars spent on voter turnout efforts. I call on Congress to join me in mandating full disclosure of all soft money contributions by the political parties, as well as corporations, unions and trade associations.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long

as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Often, they deceive the public into thinking that they are a candidate's campaign. Yet all independent expenditure groups -- the good and the bad alike -- are protected by the Constitution. In order to provide more information to the public, I propose that such groups should be required to more clearly identify the person or organization behind them.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. **To coerce political donations from working men and women is unfair and un-American. This practice must stop.**

REDRESSING THE INCUMBENCY ADVANTAGE

The third, and final area of reform directly concerns the powers of incumbency. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for decades, amassing huge war chests to scare off strong challenges in election after election.

1953

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end the "rollover" of campaign warchests, requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

This would apply to the unspent funds for a Congressional race or race for the Presidency

Under our current law, 190 House Members in office in 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators are allowed to convert these funds for official use.

People running for President can presently use surplus funds for future races. This practice should end

Another advantage of incumbency arises from the way in which Members of Congress use the public frank to pay for mass mailings that amount to political advertising. The cost to the taxpayers was more than \$113 million in 1988. The cost to our democracy is also steep. I propose to prohibit the use of the frank for unsolicited mailings.

Yet another area in need of reform is redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering is why many Congressional Districts look like creatures my youngest grandchildren would draw.

less political, more fair play!

must be about party-savvy.

The permanent majority that results from non-competitive elections is rock solid. Despite the stark differences between the two national parties, of the 435 seats in the House, 387 -- or 90 percent -- have not switched parties since 1982. Perhaps California provides the best example, where only one seat in 135 elections changed parties in the 1980s. No single factor is more basic to restoring competitive elections than ensuring fair redistricting in 1990. I propose a new criteria for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that respect the needs of the people, not tailor them to the political needs of the parties.

make
Scholarship
fairer

Finally, in the next few days I will also send up legislation to ban honoraria and to address certain aspects of compensation for federal officials. This package will include a 25 percent pay increase for judges, which I have previously recommended, a 25 percent increase for the Senior Executive Service and senior level Presidential appointees, and a substantial increase for a limited number of specialized professionals -- such as nuclear scientists and surgeons -- where the Executive Branch is not competitive. I will also work with Congress on the development of details for increasing the pay of those in the Congress, as well as the remainder of the Executive Branch.

CONCLUSION

This year, as Congress observes its 200th anniversary, eleven thousand Americans have served in the House and Senate in the history of our Republic. ~~A few names on this roster are infamous, associated with scandal or remembered as demagogues.~~ But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Russell and Rayburn, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path to greatness and achievement through public service. And if you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

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Davis/Martin
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WASHINGTON

June 28, 1989

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Another advantage of incumbency arises from the way in which Members of Congress use the public frank to pay for slick direct-mail advertising. The cost to the taxpayers was more than \$113 million in 1988. The cost to our democracy is incalculable. I propose limiting the use of the frank by capping mass mailings for Members to once a year -- on newsletters to be mailed only in December, January or February.

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CLOSE HOLD

Document No.

04841955

5096

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89

ACTION/CONCURRENCE/COMMENT DUE BY:

6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

TO: CHRISS WINSTON

June 28, 1989

The NSC concurs with the Library of Congress address with a change on page 9.

CLOSE HOLD

Brent Scowcroft

cc: James W. Cicconi

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

1989 JUN 27 11 34 AM
Davis/Martin
June 26, 1989
Draft: Two
Title: Campaign

PRESIDENTIAL ADDRESS: LIBRARY OF CONGRESS
JUNE 29, 1989/2 p.m.

Thank you. ((Acknowledgements/Joke))

((I have to admit, I feel a little awkward giving a speech at this particular place . . . all those years of being told not to speak out-loud in a library.))

The Library of Congress has been called the diary of the American people. In truth, it is a diary of the human race. And in the million stories of achievement it has to tell, one truth is revealed above all others: That for all its blemishes, government of the people is the greatest achievement of all.

As I look around me, I see the best and the brightest of a new generation. Some of you are interns. And for you, this summer of independence is just a sweet taste of adulthood. Trust me, freedom is not as far-off as it seems. Others, I see, have already embarked on the great adventure of a career. But whatever you do in Washington -- page, intern or a Congressional aide -- you are apprentices in a noble profession -- public service.

We exalt public service precisely because we do not exalt our government. We keep it close, close to the people it is meant to serve. And there is another fundamental concept in our way of governing -- reform. Ours is not a perfect government. It is a government which is being constantly perfected.

Every abuse in our political system has been followed by reform; and every cycle of reform has left the American political process more honest, more democratic.

The reforms of the early seventies were a vast improvement over the old system, bringing openness and accountability to federal campaign finance and public ethics. But these reforms have clearly not gone far enough. As a former Member of Congress, I care deeply about protecting the reputation and integrity of this institution. Recent events give us all cause for concern.

Recent scandals are but symptoms of a pervasive disease -- the growing lack of competition within our political system. At one time, as much as (twenty?) percent of Congressional incumbents lost to challengers. Today, the re-election rate of incumbents in the House of Representatives is better than 98 percent. A political body, like a river, must be in constant flow to remain fresh and clean. But a permanent House with a permanent majority is as unhealthy as a stagnant pond.

STRENGTHENING THE ROLE OF THE PARTIES

There is yet another fundamental problem -- the erosion of the political party as a force in American political life. You have often heard me speak of the necessity of bipartisanship. And I do strongly believe we must work together when dealing with the most difficult challenges facing our country -- not as partisans -- but as Americans.

But we will not -- and should not -- cease to be Republicans and Democrats. True, the Founding Fathers envisioned no role for parties. Yet 200 years of political experience has taught us that parties are the indispensable organizers of democracy. Our political parties clarify and sharpen debate. They shape coalitions of like-minded people, giving millions of working Americans an effective way to support their beliefs and advance their candidates. A political party is a meeting house for the nation.

Yet the great parties of Andrew Jackson and Abraham Lincoln have been overshadowed by the emergence of special interest PACs, armed with a \$160 billion war chest. As parties are weakened, distinctions between candidates become muddled, and Congressional policy lacks coherence. Members of Congress are forced to engage in time-consuming and often degrading appeals for money. And

vigorous competition between candidates, and between ideas, becomes muted.

Some believe public financing is the best answer. I do not. Public financing would do nothing to strengthen the parties, while directly involving government in the political process. It would force taxpayers to support extremist candidates they abhor. And it would be a siphon from the U.S. Treasury, already in deficit, to campaign coffers. Such a public-finance regime could be too easily subverted -- dangerous to democracy.

What, then, is the answer? Today, I propose a sweeping reform of our system. And the cornerstone of this reform is nothing less than the elimination of all business, union and trade association Political Action Committees.

Some PACs will still exist because they are protected by the First Amendment. These free-standing or ideological PACs, like the Sierra Club or ((the National Taxpayers Union)), account for about ten percent of all contributions. But even these I would limit, by halving their contributions to federal candidates from \$5,000 to \$2,500. And new laws must keep such PACs unaffiliated and independent, so a business or labor group could not use them as a backdoor means of influencing the process.

I also propose the elimination of Congressional leadership PACs, through which Members of Congress bid for the loyalty of their colleagues. In addition, all transfers between PACs must be eliminated, and each candidate or incumbent must have only one PAC.

We must especially eliminate a dishonest practice known as "bundling," where business and unions encourage or coerce contributions from employees or members, and then give these contributions as a single donation.

As these reforms stem special-interest public finance, we must allow the parties to make the difference. Because their financial contributions come from many sources, parties donate funds free of the taint of special interest. I propose to more than double the amount of money parties may donate to congressional campaigns, and liberalize the restrictions on party contributions. Political parties must not be treated as if they were mere special-interest PACs. They should resume their fundamental role in American democracy.

CLEANING UP THE SYSTEM

But the elimination of special interest PACs still does not go far enough in cleaning up our system of financing federal campaigns. The basic strength of today's system is disclosure. Why not open the books for all to see?

In a post-PAC era, corporations, unions and trade associations will need an open way to participate in our democracy. Our proposal would allow organizations to participate in get-out-the-vote activities -- provided they make a full disclosure of their contributions and activities.

This brings me to a little known and shadowy area of finance law called "soft money," concerning dollars spent on voter turnout efforts. Full disclosure is the premise behind our federal campaign finance law. Yet most money spent in American elections is not disclosed. I call on Congress to join me in mandating full disclosure of all soft money contributions, including voter registration and get-out-the vote activities.

Other laws govern independent expenditure groups, which can spend any amount of money to elect or defeat a candidate so long as their activities are not coordinated with those of a particular candidate. While some of these groups perform a public service, too often they mask the motives of hidden contributors, acting as mercenary character assassins. Yet all independent expenditure groups -- the good and the bad alike -- are protected by a Supreme Court ruling.

If there are to be such independent expenditure groups, at least they should have to disclose all their expenditures. Such

groups should also be required to more clearly identify the person or organization behind them. And those candidates who believe they are victims of an illegal collusion between an independent expenditure group and another campaign should be guaranteed a hearing before the Federal Election Commission within three days. At the very least, we can allow victims of such attacks a public forum to respond.

I also propose to strengthen the Supreme Court's Beck decision, so that no member of a union can be forced to contribute dues to political activities he or she doesn't support. **To coerce political donations from working men and women is unfair and un-American. This practice must stop.**

The package I have outlined is comprehensive. If it is to become law, all the major provisions must be passed -- otherwise, our reforms, like so many of the past, will spawn further unintended abuses.

REDRESSING THE INCUMBENCY ADVANTAGE

The third, and final area of reform directly concerns Congressional conduct. Jefferson envisioned a Congress of citizen-politicians, who suspended their careers in law, medicine and agriculture to serve the nation. How far we've come from that simple vision. Today, incumbents stay in office for

decades, amassing huge warchests to scare off strong challenges in election after election.

This is not democracy in the spirit of Madison and Jefferson. This is not the spirit of democracy at all. I renew my proposal to end these "rollovers," requiring all excess campaign funds to be donated to the parties, to a fund to retire the national debt or be given back to the contributors.

Under our current law, 190 House Members who were elected before 1980 can also use their leftover campaign money as a personal retirement fund -- pocketing hundreds of thousands -- even millions -- of dollars when they leave office. Senators elected before 1980 are allowed to convert these funds for official use. Congress should bag this golden parachute.

I also propose to solve the most egregious wrong in American public life. As it stands, members of Congress can supplement their incomes by as much as 40 percent by making speeches before special-interest groups. I said on April 12 I would support a pay raise for Members of Congress. I have consulted with Congress on such a raise. And now that I recommend a pay raise for the executive, judicial and legislative branches, I also call for phase out of honoraria.

Finally, allow me to turn your attention toward redistricting -- the way in which parties in power ignore community boundaries and draw district lines favorable to their candidates. This gerrymandering (GARY-mandering) is why many Congressional Districts look like something my youngest grandchildren would draw.

Elections are nothing less than the marketplace of ideas from which the people choose. They are not just contests between individuals -- they are contests between philosophies. When this sharp edge of competition is dulled, democracy loses. No single factor is more basic to this competition than ensuring fair redistricting in 1990. I propose a new ^{criteria} ~~criteria~~ for redistricting, without favor to party, to respect community and traditional lines. We must draw district lines that are tailored to the needs of the people, not to the political needs of parties.

CONCLUSION

This year, as Congress observes its 200th anniversary. ((Number)) thousand Americans have served in the House and Senate in the history of our Republic. A few names on this roster are infamous, associated with scandal or remembered as demagogues. But the Bilbos and the McCarthys are few. Most have served in the greater tradition of Clay and Webster, Dirksen and Mansfield, Dole and Mitchell. Some day, you may follow this path, the path

to greatness and glory through public service. And when you do, I hope the laws that govern our campaigns and our Congress are as just and honest as the majority of those who serve the public.

This vast and honest majority in Congress live the words of George Washington, who said the noblest title in the world isn't President, or Senator, or Congressman -- but "Honest Man."

Whatever you do in life, you can have no higher title than that. Thank you, God bless you and God bless America.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/28/89 NOON

SUBJECT: PRESIDENTIAL REMARKS: LIBRARY OF CONGRESS

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VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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BATES →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than NOON, Wednesday, June 28, 1989 with an info copy to my office. Thank you.

89 JUN 28 PM 4:41

RESPONSE:

*No Comments
6/28/89*

CLOSE HOLD

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702