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Susan Molinari Fundraiser, 2/28/90

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Table 3

NEW YORK AND THE FIVE HIGHEST TAXING STATES, 1988

All State-Local Taxes

	\$Per Cap	Index
1. New York	2,934	165.5
2. Connecticut	2,281	128.7
3. Hawaii	2,259	127.4
4. New Jersey	2,217	125.1
5. Massachusetts	2,160	121.9

Property Taxes

	\$Per Cap	Index
1. New Hampshire	936	174.0
2. New Jersey	933	173.4
3. Wyoming	915	170.1
4. Connecticut	911	169.3
5. New York	860	159.8

General Sales Taxes

	\$Per Cap	Index
1. Washington	863	201.8
2. Hawaii	838	195.8
3. Connecticut	614	143.4
4. Arizona	588	137.3
5. New Mexico	582	136.0
6. New York	570	133.2

State Personal Income Taxes

	\$Per Cap	Index
1. New York	758	230.7
2. Massachusetts	677	206.0
3. Minnesota	610	185.6
4. Delaware	572	174.3
5. Hawaii	570	173.5

State Corporate Income Taxes

	\$Per Cap	Index
1. Michigan	201	226.1
2. Connecticut	186	209.3
3. Massachusetts	181	204.2
4. Delaware	181	203.5
5. California	169	190.1
6. New York	121	136.5

All Other Taxes

	\$Per Cap	Index
1. Delaware	841	216.1
2. Nevada	749	192.5
3. Wyoming	736	188.9
4. Maryland	683	175.5
5. New York	625	160.6

NEW YORK AND ITS NEIGHBORS, 1988

All State-Local Taxes

	\$Per Cap	Index
New York	2,934	165.5
Connecticut	2,281	128.7
New Jersey	2,217	125.1
Massachusetts	2,160	121.9
Vermont	1,663	105.1
Pennsylvania	1,627	91.8

Property Taxes

	\$Per Cap	Index
New Jersey	933	173.4
Connecticut	911	169.3
New York	860	159.8
Vermont	750	139.5
Massachusetts	691	128.4
Pennsylvania	439	81.7

General Sales Taxes

	\$Per Cap	Index
Connecticut	614	143.4
New York	570	133.2
New Jersey	406	95.0
Massachusetts	343	80.2
Pennsylvania	321	74.9
Vermont	222	51.8

State Personal Income Taxes

	\$Per Cap	Index
New York	758	230.7
Massachusetts	677	206.0
New Jersey	331	100.9
Vermont	362	110.2
Pennsylvania	234	71.2
Connecticut	109	33.2

State Corporate Income Taxes

	\$Per Cap	Index
Connecticut	186	209.3
Massachusetts	181	204.2
New Jersey	153	172.3
New York	121	136.5
Pennsylvania	87	98.2
Vermont	80	90.3

All Other Taxes

	\$Per Cap	Index
New York	625	160.6
Pennsylvania	547	140.4
Connecticut	481	118.5
Vermont	393	101.0
New Jersey	393	101.0
Massachusetts	268	68.9

Note: Indexes are calculated from unrounded figures

Source: U.S. Department of Commerce, Preliminary Data

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from neighboring states.* According to the most recent data from the N.Y. State Department of Taxation and Finance, only 7.9 percent of New York State's personal income tax liability is attributable to non-residents' earnings in New York State. This figure must then be reduced by an unknown percentage to account for New York residents earning their incomes in other states. The net figure may or may not be larger than the corresponding figures for other states, but even adjusting New York's figure downward by the entire in-commuter percentage would still leave it above next-ranking Massachusetts.

As shown in table 3, New York also ranks among the five highest taxing states in property taxation and in the "all other taxes" category; its sales tax burden ranks sixth, and its corporate income tax burden ranks eighth.

A comparison of New York's tax burdens with those of its neighboring states, also shown in table 3, finds New York far ahead in terms of total taxes per capita, with big leads in the state personal income tax and "all other taxes" categories, among the highest states in property and sales taxes, and in an average position with regard to corporate income taxation.

Other Studies of Earned Income Taxation

The Revenue Department of the State of Minnesota has just published a study of earned income taxation, including the calculation of tax liabilities for eight types of households by ten income brackets in each state with a tax on earned income. Table 4 shows the results of some of these calculations. While awaiting the full report providing study methodology and assumptions, some preliminary observations are in order.

*Which add to tax collections without being included in the denominator of the per capita fraction.

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Table 4

STATE TAXES ON EARNED INCOME FOR SELECTED TYPES OF FILERS, 1988

	Single Earning		Two-income Marrieds Earning							
	\$35,000		\$50,000		\$75,000		\$100,000			
	\$Taxes	Index	\$Taxes	Index	\$Taxes	Index	\$Taxes	Index	\$Taxes	Index
Alabama	1,118	97.1	1,598	112.4	2,373	96.8	3,149	89.9		
Alaska	0	0.0	0	0.0	0	0.0	0	0.0		
Arizona	1,300	112.9	1,664	117.0	2,833	107.4	3,801	102.8		
Arkansas	1,372	119.1	1,686	118.5	3,058	124.7	4,461	127.4		
California	1,455	126.3	1,350	94.9	3,198	130.4	5,151	147.1		
Colorado	1,268	110.1	1,558	109.5	2,535	103.4	3,510	100.2		
Connecticut	0	0.0	0	0.0	0	0.0	0	0.0		
Delaware	1,497	130.0	1,750	123.0	3,219	131.3	4,752	135.7		
Dist of Columbia	2,196	190.7	2,891	189.2	4,595	187.4	6,591	186.2		
Florida	0	0.0	0	0.0	0	0.0	0	0.0		
Georgia	1,484	128.9	1,900	133.6	3,160	128.8	4,420	128.2		
Hawaii	2,416	209.8	2,854	200.7	4,949	201.8	7,049	201.3		
Idaho	2,000	173.7	2,290	181.0	3,988	162.6	5,710	163.1		
Illinois	850	73.8	1,150	80.9	1,775	72.4	2,400	68.5		
Indiana	1,156	100.4	1,564	110.0	2,414	98.4	3,264	93.2		
Iowa	1,413	122.7	1,877	132.0	3,145	128.2	4,401	125.7		
Kansas	1,319	114.5	1,386	97.5	2,489	101.5	3,602	102.9		
Kentucky	1,289	109.3	1,710	120.2	2,678	109.2	3,575	102.1		
Louisiana	735	63.8	945	66.4	1,505	61.4	2,065	59.0		
Maine	1,859	161.4	2,282	160.5	3,960	161.5	5,640	161.1		
Maryland	2,040	177.1	2,870	187.7	4,245	173.1	5,820	166.2		
Massachusetts	1,539	133.6	2,024	142.3	3,248	132.4	4,480	127.9		
Michigan	1,527	132.6	1,989	138.4	3,119	127.2	4,269	121.9		
Minnesota	1,936	168.1	2,360	165.9	4,036	164.6	5,720	163.3		
Mississippi	1,020	88.6	1,175	82.6	2,225	90.7	3,275	93.5		
Missouri	1,180	102.5	1,586	111.5	2,518	102.7	3,450	98.5		
Montana	1,617	140.4	1,916	134.7	3,445	140.5	4,981	142.2		
Nebraska	1,093	94.9	1,323	93.0	2,492	101.6	3,731	106.5		
Nevada	0	0.0	0	0.0	0	0.0	0	0.0		
New Hampshire	0	0.0	0	0.0	0	0.0	0	0.0		
New Jersey	750	65.1	1,050	73.8	1,885	76.9	2,760	78.8		
New Mexico	1,215	105.5	1,473	103.6	2,955	120.5	4,666	139.3		
New York	2,029	176.2	2,439	171.5	4,237	172.8	5,996	171.2		
North Carolina	1,781	152.9	2,157	151.7	3,627	147.9	5,087	145.8		
North Dakota	670	58.2	883	48.0	1,448	59.0	2,210	63.1		
Ohio	1,066	92.6	1,396	98.2	2,646	108.0	4,150	118.5		
Oklahoma	1,449	125.8	1,770	124.5	3,030	123.5	4,290	122.5		
Oregon	2,147	186.4	2,874	202.1	4,764	194.3	6,654	190.0		
Pennsylvania	735	63.8	1,050	73.8	1,575	64.2	2,100	60.0		
Rhode Island	1,099	95.4	1,120	78.8	2,372	96.7	3,625	103.5		
South Carolina	1,642	142.6	2,013	141.5	3,430	139.9	4,848	138.4		
South Dakota	0	0.0	0	0.0	0	0.0	0	0.0		
Tennessee	0	0.0	0	0.0	0	0.0	0	0.0		
Texas	0	0.0	0	0.0	0	0.0	0	0.0		
Utah	1,831	159.0	2,325	163.5	3,737	152.4	5,148	147.0		
Vermont	1,101	95.6	1,121	78.8	2,376	96.9	3,631	103.7		
Virginia	1,403	121.8	1,754	123.3	2,954	120.4	4,162	118.8		
Washington	0	0.0	0	0.0	0	0.0	0	0.0		
West Virginia	1,260	109.4	1,897	119.3	3,230	131.7	4,855	138.6		
Wisconsin	1,930	167.6	2,332	164.0	3,810	155.4	5,339	152.5		
Wyoming	0	0.0	0	0.0	0	0.0	0	0.0		
U.S. Average	1,152	100.0	1,422	100.0	2,452	100.0	3,502	100.0		
U.S. Median	1,260	109.4	1,586	111.5	2,679	109.2	3,731	106.5		

Source: Minnesota Department of Revenue, Comparison of the 1988 Individual Income Tax Burdens by State, 1988

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New York's tax liabilities rank third or fourth among all states in each of the four earner classes, exceeding the U.S. averages by 71.2 to 76.2 percent. The reasons why these disparities are less than the per capita tax disparity of 130.7 percent may be attributable to such factors as: (1) the exclusion of non-earned income taxes from the Minnesota calculations, and (2) the fact that New York's per capita personal income is 17.1 percent above the U.S. figure, indicating that relatively larger numbers of New Yorkers are in higher yield tax brackets.

The Minnesota finding that Hawaii, Oregon, and in three cases Maryland, exceed New Yorkers' tax liabilities, while per capita state personal income tax figures show them ranking below New York, may again be attributable to the difference in tax base definition (earned vs. total personal income), the fact that New Yorkers' per capita income is far above that of Hawaii (15.2 percent) and Oregon (29.6%), and that the Maryland figure most likely includes piggy-back local income taxes.

It should be noted that New York's reputation as a high tax state was once again given nationwide publicity. The January 1990 issue of Money Magazine carried a feature on "tax havens" and "tax hells," which also used the Minnesota study findings, and clearly branded New York as one of the nation's tax hells. Mercifully, the Money Magazine tabulations did not include property tax figures, which would have made New York's relative position even worse.

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GOVERNMENTAL SPENDING

New York's State and Local Governmental Spending

New York's high taxes are a function of correspondingly high governmental expenditures. As shown in Table 5, preliminary 1988 spending figures, shortly to be released by the U.S. Department of Commerce, show total New York per capita spending at \$4,200: 47.0 percent above the national average of \$2,857, and 21.0 percent above next-highest ranking Minnesota with per capita expenditures of \$3,470. The disparity versus the national average in the preceding year was 44.7 percent.

ACIR's New Measure of Governmental Spending

According to a new study by the Advisory Commission on Intergovernmental Relations, New York's state and local governmental spending is 52.4 percent above what it should be if New York governments were to spend the same amounts per standardized need unit (adjusted for interstate input cost differentials) that are expended by all state and local governments in the U.S. as a whole.

Traditional interstate comparisons of state and local governmental spending involve the use of per capita figures (see column 3 of Table 5) or measures of the relationship between spending and personal income. Both of these measures have limitations. The per capita figures fail to take into account variations in the individual states' costs-of-living and in the numbers of need units being served. The personal income related measure erroneously implies the existence of a causal relationship between wealth and governmental spending needs.

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Table 5

**ACTUAL PER CAPITA STATE-LOCAL GOVERNMENTAL SPENDING
AND THE ACIR REPRESENTATIVE EXPENDITURE INDEX**

	1988 Actual		1987 Representative Expenditure System		
	Per Capita Exp		Actual	Representative	Actual as
	\$	Index	Per Capita Exp Index	Expenditure System Index (RES)	Percent of RES
Alabama	2,230	78.1	77.3	108.8	71.0
Alaska	9,546	334.2	370.7	121.3	305.6
Arizona	2,960	104.3	104.4	102.6	101.8
Arkansas	1,948	68.2	71.0	106.0	67.0
California	3,240	113.4	113.9	101.3	112.4
Colorado	2,889	101.1	105.6	98.1	107.6
Connecticut	3,284	114.3	108.9	91.7	116.8
Delaware	3,294	115.3	111.3	98.1	115.8
Dist of Columbia	5,785	202.5	192.3	102.9	186.9
Florida	2,555	89.4	87.6	92.6	94.6
Georgia	2,595	90.8	89.3	108.8	82.2
Hawaii	2,970	104.0	105.4	89.6	117.6
Idaho	2,226	77.9	77.5	100.1	77.4
Illinois	2,811	91.4	93.8	102.4	91.6
Indiana	2,294	80.3	80.5	99.3	81.1
Iowa	2,650	92.8	93.6	95.8	97.7
Kansas	2,562	89.7	92.8	98.4	94.3
Kentucky	2,271	79.5	77.7	108.3	71.7
Louisiana	2,525	88.4	91.9	110.4	83.2
Maine	2,693	94.2	92.2	89.0	103.6
Maryland	2,953	103.4	102.9	97.0	106.1
Massachusetts	3,286	115.0	111.5	87.3	127.7
Michigan	3,122	109.3	107.9	108.3	99.6
Minnesota	3,470	121.5	122.2	98.0	124.7
Mississippi	2,245	78.6	75.5	113.3	86.6
Missouri	2,139	74.9	77.0	100.2	76.8
Montana	2,814	98.5	107.3	102.0	105.2
Nebraska	2,597	90.9	92.3	96.2	95.9
Nevada	2,931	102.6	104.6	95.9	109.1
New Hampshire	2,441	85.4	83.3	85.4	97.5
New Jersey	3,297	115.4	113.0	93.1	121.4
New Mexico	2,841	99.4	100.3	110.8	90.7
New York	4,200	147.0	145.2	95.3	152.4
North Carolina	2,271	79.5	77.4	98.6	78.5
North Dakota	2,921	102.2	107.9	105.2	102.6
Ohio	2,580	90.3	90.7	98.8	90.8
Oklahoma	2,307	80.8	82.5	103.8	79.5
Oregon	2,961	103.7	104.6	97.9	108.8
Pennsylvania	2,518	88.1	87.5	90.4	96.8
Rhode Island	3,056	107.0	103.8	85.8	121.0
South Carolina	2,293	80.3	79.0	103.3	76.5
South Dakota	2,355	82.4	94.7	104.7	80.4
Tennessee	2,242	78.5	77.4	103.5	74.8
Texas	2,458	86.1	86.5	109.7	78.9
Utah	2,635	88.7	94.8	104.9	90.4
Vermont	2,928	102.5	102.4	89.1	114.9
Virginia	2,637	92.3	89.4	98.6	90.7
Washington	2,869	100.4	103.4	98.6	104.9
West Virginia	2,282	79.9	84.7	102.7	82.5
Wisconsin	2,947	103.2	105.9	94.2	112.4
Wyoming	4,279	149.8	164.7	102.2	161.2
U.S. Average	2,857	100.0	100.0	100.0	100.0

Note: Indexes calculated from unrounded figures

Sources: U.S. Department of Commerce, and R.W. Rafuse, Jr. (ACIR), Unpublished Paper, Dec. 1989

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ACIR's new Representative Expenditure System, conceptually analogous to its Representative Tax System, represents a pioneering effort to address the two shortcomings of the traditional per capita measure.

Robert W. Rafuse, Jr., the author of the study, first identified measures of the workloads of each major governmental function to indicate the relative need for outlays on such functions. Measures of such workloads, or need units, include children of elementary schoolage net of enrollment in private schools, school age population living in households below the poverty line, total population below the poverty line, vehicle miles traveled, lane miles of streets and roads net of federal highways, crime statistics, and others.

Total nationwide state and local governmental spending was then divided by total U.S. need units. The resulting amounts were further adjusted to reflect interstate variations in the input costs (employee compensation) of each major function.

The end results of these calculations were then expressed in per capita terms and are shown as the RES (Representative Expenditure System) indexes in column 4 of Table 5 (on page 13).

New York's Spending Highest By Any Measure

New York's hypothetical RES figure of 95.3 should be interpreted as follows: If New York's state and local governments were to provide services to people and institutions in the same manner and quantity per need unit as state and local governments in the U.S. as a whole, New York's per capita spending would only be 95.3 percent of the U.S. average, or 4.7 percent below such average.

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However, as shown by column 5 of Table 5, depicting the ratio between the per capita spending index and the representative expenditure index (a simpler description of this measure would be "Over/Under-Spending Index"), New York's actual state and local governmental spending is 52.4 percent above the level required by spending patterns conforming to national averages.

Disregarding Alaska, Wyoming, and the District of Columbia,* New York finds itself in an uncontested first place position. In terms of actual per capita spending, New York exceeds second ranking Minnesota by 21.5 percent. In terms of the ACIR measure, New York exceeds second ranking Massachusetts by 19.3 percent.

New York's High Spending Pervasive

New York's high overall spending index is the sum total of extremely high over-spending indexes for all governmental functions, except higher education:

<u>Functions</u>	<u>Ratio of Actual Per Capita Spending Index to RES Index</u>	<u>Position in the U. S.</u>
Primary & Secondary Education	149.2	highest
Higher Education	87.0	36th
Public Welfare	197.8	third, behind MA and RI
Health and Hospitals	172.5	highest
Highways	153.1	highest
Police and Corrections	144.4	second, behind NV
Environment and Housing	139.9	second, behind HI
Interest and General Debt	149.9	fifth, behind DE, RI, MN, and OR
Governmental Administration	131.4	fifth, behind NV, HI, DE, & CO
All Other Expenditures	173.0	highest
Total Spending	152.4	highest

*Alaska and Wyoming because of their heavy reliance on exportable taxes on extractive industries; the District of Columbia because of its all-urban character.

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CONCLUSION

New York's excess tax burden and excess spending, whether measured by traditional per capita figures or by the more sophisticated indexes developed by ACIR, are far above those of other states.

The major culprit on the tax side is the New York State personal income tax which has built a huge lead over the rest of the nation, even over next-ranking Massachusetts. This lead, so far, seems to have been impervious to the tax rate reduction enacted by the state to date.

There can be no doubt that excess taxation at this scale, when incorporated in the costs of just about every good and service produced in New York State, must inevitably affect the competitiveness of producers whether they sell in or outside of New York State.

On the spending side, the new work by Robert Rafuse of ACIR sharply contradicts the claims that New York's high taxes are the result of high spending needs. Although the author cautions that the study methodology will be further refined, and that national spending norms per need unit are not necessarily the most desirable standards, the very large disparity between New York's actual per capita spending and its RES need index raises some important questions.

If these higher expenditures are in fact attributable to higher level and better public services, why have they been unable to stem the sharp decline of 23.7 percent in New York's manufacturing employment over the past 15 years, a rate exceeded only in three states of the U.S.? If higher and better public services are in fact producing and supportive of a superior

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quality of life, why has New York, ever since the 'sixties, experienced net out-migration of population? It appears that the effects of the costs of additional and better public services in New York State are outweighing the benefits generated by such services: high levels of taxation are harming economic development and erode the ability of the economy to support high quality jobs, government services, and a generally high quality of life.

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The present CGR staff consists of 20 highly trained professional and experienced research associates, virtually all of whom have graduate level training or hold advanced degrees. The staff has expertise in a wide variety of disciplines including urban economics, public finance, public administration, political science, sociology, economic development, planning, demography, criminal justice, statistical methodology, computer graphics and programming, information sciences, industrial psychology and environmental engineering.

The Center staff is organized into five broad areas of activities:

1. Public Administrative and Management Research, dealing with town, village, city, county, state and federal governmental structure, function, and procedures.
2. Public Finance and Economic Research, focusing on local and state spending and taxing issues.
3. Human Services Resource Center, specializing in evaluation and planning of human services in the governmental and voluntary sectors.
4. Economic Development Research, analyzing policies/critical concerns of New York State in its efforts to foster growth of business (especially, the manufacturing sector in upstate).
5. Research Library, computer services and data dissemination staffed by, among others, a professional librarian, a demographer, and cartographer.

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CGR is a New York State U.S. Census Affiliate Data Center. For further information, please call (716) 325-6360.

Molinari finds pal at top to back her

By MARY ENGELS
and BARBARA ROSS

Daily News Staff Writers

President Bush yesterday urged Staten Island and South Brooklyn voters to elect City Councilwoman Susan Molinari to Congress on March 20, promising that if they do, she will have "a friend in the White House."

In the first presidential visit to Staten Island since Lyndon Johnson dedicated the Verrazano Bridge 25 years ago, Bush warmly praised the 31-year-old daughter of his old friend, Staten Island Borough President Guy Molinari.

Bush said that Susan Molinari, who is running against Democrat Bob Gigante for the congressional seat vacated by her father, is embroiled in "one of the great contests of 1990."

"A lot is at stake. There's been a lot of money spent on both sides, a lot of press attention. And I'm not here to talk about the Trumps," he said to laughter at a fund-raising luncheon.

Bush, who was accompanied by Republican National Chairman Lee Atwater, has campaigned in only two other congressional campaigns since becoming Pres-

ident. The Republicans won one and lost the other.

'A sure bet'

The borough president rejected a suggestion that Bush put his prestige on the line in this contest, saying the young Molinari looks like "a sure bet."

Molinari said his daughter

has a "comfortable" lead over Gigante, a 42-year-old lawyer, but "I never take anything for granted."

Tonight, Gov. Cuomo will speak at a fund-raising dinner for the Staten Island Democratic Committee. This is Cuomo's second visit to the island in two months;

aides attributed it to the state party's interest in the race.

Meanwhile, Bush yesterday reminisced about his 1988 campaign, when Molinari was one of his earliest supporters: "Molinari was at my side when the going was tough and the pollsters had

it figured out about the way they'd figured out Nicaragua."

Noticeably absent from the fund-raiser was Sen. Alfonso D'Amato (R-N.Y.). The senator and Molinari were once best friends, sharing an apartment in Washington; they had a bitter feud last year over the mayoral race.



FRIEND IN WHITE HOUSE: City Councilwoman Susan Molinari exchanges kisses with President Bush yesterday. The chief executive was in Staten Island to urge voters to vote for Molinari, who is running for Congress.

HARRY HAMBURG DAILY NEWS

NY Daily News
3/11/90

Grant/Nappo
February 26, 1990
Draft five
A:Molinari

REMARKS: FUNDRAISING LUNCHEON FOR SUSAN MOLINARI
STATEN ISLAND, NEW YORK
WEDNESDAY, FEBRUARY 28, 1990
12:30 P.M.

Thank you. Great to see you, Congressman Bill Paxton. It's a pleasure to see so many supporters here today ... Pat Barrett, our New York G.O.P. Chairman; Olga Igneri [ig-NAIR-ee], our Richmond County Republican chairman; our King's County chairman, Fred Pantaleone [pan-ta-le-OWN]; and Mike Long, the State Conservative Party Chairman. And of course, the 14th Congressional District's next Representative ... our own Susan Molinari.\\\

And I'd like to recognize another Molinari -- one of the outstanding leaders on Capitol Hill who's back home to stay, my friend, Guy Molinari. Guy has been a key member of our team in Congress, but the voters here like him so much they've elected him Borough President so he's a little closer to home. [And I see that your Deputy Borough President, Jim Molinaro, is also here today.] You know, I've known Guy a long time. He was there for me in the tough early years, and I was proud to have him at my side as my New York campaign chairman. Guy, you're a good friend and we'll miss you in Washington. Barbara and I wish you the best. \\\

This is the first stop on our cross-country trip, and when we arrive in California we'll be talking to Californians about

fighting drugs and crime -- issues which I know concern New Yorkers as well, and which I want to talk about today. And I'll be meeting with Prime Minister Kaifu of Japan to discuss another important issue: American competitiveness in the Pacific Rim.

It's been almost 25 years since a President came to Staten Island, when President Johnson dedicated the Verrazano Bridge. Tonight, I'm here to talk about another bridge -- a bridge to the future -- an election that will determine whether Staten Island gets the experience, leadership and independence it deserves. The election of the next Congresswoman from New York -- Susan Molinari.\\\

So here I am in New York, where one of the great contests of 1990 will take place. There's a lot at stake and there's been a lot of money spent on both sides ... so much press attention ... But hey, I'm not here to talk about the Trumps.\\

You all know I'm here to talk about the race in your Congressional District. Guy Molinari leaves some pretty big shoes to fill, but I can't think of anyone better for the job than Susan Molinari.\\\ Like her father, Susan will continue the hands-on leadership the voters have come to expect from the name "Molinari."

Speaking of names, I'll tell you a true story. Susan found a scrawny little mutt on Election Day of 1988. We were all waiting for the returns to come in, but the dog wasn't doing well, and they didn't think it would make it. But it was a good

dog -- loyal, cautious and prudent, -- and it pulled through. I still can't figure out why, but she named the dog "George."

But Susan, there's one bit of insider political advice I'd like to give you. Just one single word. \\ Puppies.\\

I understand that Susan's opponent is charging that she'll do nothing but follow in her father's footsteps. ((Actually, that sounds like a pretty good endorsement to me ...)) \\

Susan Molinari is a tough, independent leader. She has the determination, the understanding and the experience to get the job done. When she was 27 she was already making history: youngest member ever elected to the New York City Council; first Republican elected from her district; the only Republican elected to the City Council -- and she beat her Democratic opponent for re-election 3 to 1. Susan Molinari is "the new generation of leadership."\\

Time and time again, Susan has been tested. During her tenure as Minority Leader on the City Council, she has held her own -- as the toughest "minority of one" anyone's ever seen.

The effects of her leadership will be felt for many years. She opened the door for other Republicans to follow her. She gave this Party a voice where there was none. A great bipartisan leader, she proved that the only fair system is a two-party system.

Her opponent says Susan can't possibly be effective in Congress, because she's not in the majority party. Poor guy, he doesn't understand that there's a direct correlation between

effectiveness and experience. Between effectiveness and leadership. Between effectiveness and independence. And Susan Molinari is the only candidate in this race with all three. Plus she has something else: a friend in the White House.

The people of Staten Island need Susan in Congress, because she'll do what's best for them. The Republican leadership needs her in Congress, because they need her **drive, initiative and experience.** And I need her in Congress, because we agree on the important issues -- like a **strong economy, schools and streets free from drugs and violence, and a clean, safe environment.** We both agree that we need action on these issues, and we need it now.\

Drug abuse is a threat to all of America, but it's an especially real threat to Staten Island. Only a few miles from here, Everett Hatcher, a veteran DEA agent, was brutally murdered by cocaine cowards. In the days after his death, his wife put the blame for his killing squarely on the shoulders of so-called "casual" drug users. We have to win the war on drugs for Everett Hatcher, and all those who have given their lives to free America of drug abuse. \ Susan knows the neighborhoods here. She's dealt with the fight against drugs and crime as a tough City Councilwoman. And now I need her experience in Washington. You deserve safe, drug-free streets and schools. You deserve the leadership of Susan Molinari. \

One of the most vital issues today is protecting our planet. Staten Islanders face some of the toughest environmental problems

in this country, and Susan will fight -- and fight hard -- to reduce air toxics and urban smog. Right now, our Clean Air legislation is in both the House and Senate, and Susan will take the oath of office just in time to make a difference. We've laid down a fair-minded compromise, to help clean up our air while preserving jobs. Now, let's break the stalemate. Let's protect our environment for decades to come. **Let's get the lead out.**

Susan gets action on the environment. When the Exxon spill left oil sludge on the shores of Staten Island, she called company officials into her office. And by the time they left, Exxon had agreed to the Molinari nine point plan for the cleanup. **Now that's what I call tough leadership. That's what I call results.**

And there's another result we ought to talk about tonight. The result of nine years of Republican leadership at the federal level: lower taxes and the greatest economic expansion in history. And we've got to keep that **economy strong** so we can keep **America strong**. Susan and I believe that lower taxes are the key to making America competitive in the global marketplace. She and I know we can **outproduce, outmarket, and outsell** anybody else -- if we can keep taxes low for American business.\\\

Susan understands what the voters want. Because like Staten Island, she has a brilliant future and a proud heritage. Let me tell you a story: 86 years ago, a battered steamer pulled into New York Harbor, and a six year-old boy -- one of fourteen kids - - and his mother stepped off onto Ellis Island, ready to join his

father and siblings after leaving their home on the coast of Southern Italy. Looking across the Harbor to the Statue of Liberty, little Bob Molinari took the oath of allegiance and became an American. Years later, the small boy became a successful businessman. He taught his five children the value of education and hard work. Held down three jobs, put himself through night school, then decided it was time to give something back to the new land that had given him so much. He entered public service, serving Staten Island tirelessly in the State Assembly.

Guy says his father was terribly proud of the United States, "and he never let us forget it." Guy felt the same way about education, about being an American, about serving this great country.

When he was sworn into office, not far from here, he, too, took his oath at the foot of the Statue of Liberty. The light that glows from the huge Statue's torch shines over Staten Island -- and beside this great community she stands, looking forward to the world, and to the future. **Now the time has come for Susan Molinari to lead Staten Island forward.**

America has given her much -- a wonderful family, an education and the opportunity to be the best she can be. So now, like her grandfather and her father before her, Susan wants to give back some of the blessings America has given her. She cares about this country and she's served Staten Island well. **It's time for a new generation of leadership.**

Your future and that of your children are precious. We need experience. We need independence. We need leadership -- for a strong Staten Island, and a strong America. We need Susan Molinari. \\\

Thank you, God bless you and God bless America.

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New York Post/Charles Wenzelberg

A BUSH AND A PECK: President Bush gives candidate Susan Molinari a kiss for luck yesterday

Prez tells Trump gag on S.I.

By DEBORAH ORIN
Washington Bureau Chief

Even President Bush couldn't resist making a Trump joke on the stump yesterday as he visited Staten Island to boost Susan Molinari's bid to succeed her congressman father.

"So here I am in New York ... where one of the great

contests of 1990 will take place — a lot at stake, there's been a lot of money spent on both sides, a lot of press attention," Bush said.

The president, wearing a mock-serious look, gave a significant pause and then added: "But I'm not here to talk about the Trumps."

Not all that funny? Well, maybe you had to be there — the crowd at the Shalimar catering hall

just roared with laughter.

GOP City Councilwoman Molinari, 31, is running against underdog Democrat Bob Gigante, 42, for the seat vacated when her father, Guy Molinari — Bush's 1988 New York campaign chairman — was elected borough president.

Bush vowed she will have "a friend in the White House" and ticked off a host of items they

agree on, but avoided any mention of abortion. She is pro-choice, while Bush is right-to-life.

Susan Molinari later said talking about abortion wouldn't serve any purpose since, "he's not going to change his position, I'm not going to change mine."

Her father, who is also a right-to-lifer, says he has no intention of changing his view, but believes his daughter's pro-choice position is an asset at the polls.

Also on the ballot will be Right to Life Party candidate Barbara Bolleart and Liberal nominee Carl Grillo.

Republicans — who lost three key races to pro-choice Democrats last fall, including the New York mayoral race — are now seeking to downplay the abortion issue.

The president's brief stop en route to California was the first presidential visit to Staten Island since Lyndon Johnson came by on Oct. 12, 1966.

Bush dials Gorby for 40-minute chat

WASHINGTON — President Bush said he called Soviet leader Mikhail Gorbachev yesterday and had a "very good" discussion that lasted 40 minutes.

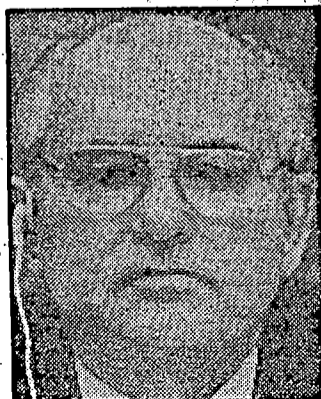
The lengthy call to Gorbachev came in the wake of Bush administration suggestions that the Soviets played a key role in encouraging Nicaragua's Sandinista government to hold fair elections.

"We touched on matters relating to Nicaragua and Central America and also on matters relating to the changes in Europe," Bush told reporters on Air Force One en route to a Staten Island campaign stop for GOP congressional hopeful Susan Molinari.

The call was unusual enough to be reported from Moscow by the Soviet's Tass news agency, which said the two leaders "had a telephone conversation today within the framework of regular opinion exchange."

Bush refused to go into detail about his talk with Gorbachev — other than to characterize their chat as "very constructive."

Eli Teiber



GORBACHEV
America calling.

INSIDE THE BELTWAY

His own thing

Reed Irvine will be doing his own thing while a lot of other conservative leaders gather for the Conservative Political Action Conference today through Saturday. Mr. Irvine, one of the sparkplugs behind the somewhat similar Conservative Leadership Conference, will be leading an expedition to El Salvador "to see for themselves how the left has blackened the image" of that country, Mr. Irvine said.

Asked if he was boycotting the CPAC function, Mr. Irvine said he was told last year by CPAC organizer David Keene to "butt out" because of his criticism of the way the event was structured.

Mr. Keene discounted Mr. Irvine's version of what happened during a confrontation at the last CPAC and insisted, "Reed is welcome at CPAC any time."

Another of the CLC kingpins, Morton Blackwell, was also rumored to be boycotting the CPAC event. "Burn that source," Mr. Blackwell commented. "I'll be there."

CPAC sources said the third member of the CLC triumvirate, Paul Weyrich, had not indicated an intention to attend their event this year.

Moving right along

President Bush was in New York yesterday addressing a fund-raiser for Susan Molinari, a Republican candidate for the House opposed by Democrat Bob Gigante. "So here I am in the middle of the battle right here in New York where one of the great contests of 1990 will take place. A lot at stake. There's been a lot of money spent on both sides, a lot of press attention," he assured Molinari supporters.

Then Mr. Bush added: "But I'm not here to talk about the Trumps."

Of course

Even a bunch of seasoned cynics like the Beltway Irregulars didn't see the real story until Don Devine broke it to us. "All those polls showing Ortega had the election sewed up, they were part of a CIA plot to make him complacent," Mr. Devine explained. "If Ortega had felt uneasy about it he might have called the whole thing off."

Mr. Devine also illuminated us as to the crucial role in the plot played by The Washington Post. "Without the secure assistance of the Post, Ortega could not have been misled," Mr. Devine assured us. "CIA efforts alone could not have resulted in such great success. It took the cooperation of the Post to pull it off."

Mr. Devine proposes that the "CIA Good-Buddy of the Year" award be bestowed on Ben Bradlee and Co. for their partisan efforts. After which, no doubt, raucous guffaws will haunt the 15th Street Sandalista battalion into the next century.

'October' truth

At least somebody besides Donny and the Trumpettes is getting a little publicity. Tom Clancy was asked about the Soviet admission of a mutiny aboard an anti-submarine destroyer off Sweden in 1975 that inspired his "The Hunt for Red October." He told ABC's "Good Morning America": "The last 14 months have given us a lot of surprises and this is one of them."

Mr. Clancy said an Izvestia reporter got in touch with him and said the release of the movie based on his book was giving the Soviet government an excuse to admit that the incident actually took place.

Get a horse

President Bush has proclaimed today through March 7 as National Quarter Horse Week. "This horse is uniquely ours, having been developed in colonial America and bred for speed," said Mr. Bush in his proclamation. "No other horse is a greater part of Western folklore, and none has contributed more to our nation's development and cultural heritage."

Should anyone ask why the fuss, the fact is there are 2.8 million of these beasts registered with the American Quarter Horse Association. The question is, will they have the vote by '92?

Mad poet

The Bard of the Beltway strikes again. This soulful ballad is titled "Combat Romance."

"They say her name was Patsy,
But us GI's just called her
'Sarge;'

We met out on the front one day,
Just before they ordered

'Charge;'

We went up the hill together,
Got pinned down behind a tree;
'Midst the mortars and the bul-

lets,

We got close, ol' Sarge and me.

So here's to combat romance,

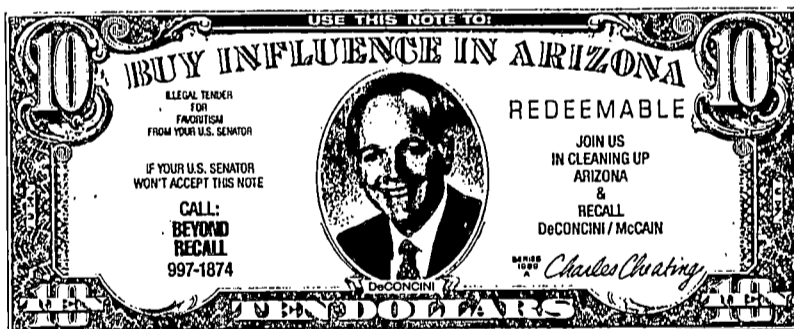
And battlefield camaraderie:

Dress them patsies up in khaki,

And, hey, bring on World War

III."

— John Elvin



Funny money recall

Federal agents have confiscated Ed Buck's phony \$10 bills. The funny money shows Sen. Dennis DeConcini, Arizona Democrat, on one side and Sen. John McCain, Arizona Republican, on the other. Among slogans on the bill: "Use this note to buy influence in Arizona."

The problem with the gimmick is that the bills are the same size and use some components of an actual \$10 bill.

Mr. Buck, who previously orchestrated the recall of former Gov. Evan Mecham, said future printings of the DeConcini/McCain bill would be "in total compliance with the law." He is head of "Beyond Recall," a large group of Republicans, Democrats, gun owners and various populists. Some are worked up about the two senators' roles in the Lincoln Savings and Loan scandal, while others don't like Mr. DeConcini's position on gun control. They are preparing a recall drive against Mr. DeConcini and Mr. McCain.

"Both senators are in serious trouble," noted the Family, Law & Democracy Report of the Free Congress Foundation.

Repaying a Debt, President Bush tries to keep the Staten Island seat in the G.O.P. column.

Repaying a political debt, President Bush yesterday helped City Councilwoman Susan Molinari of Staten Island raise at least \$100,000 for her campaign for the special election to succeed her father, Borough President Guy V. Molinari, in the House of Representatives. Politicians said Mr. Bush's hour-and-a-half appearance at a \$200-a-plate reception and luncheon was one of the biggest political events on the island in recent years.

Mr. Molinari, who held the seat from the 14th District until becoming Borough President on Jan. 1, was chairman of the Bush campaign in New York in 1988. His daughter's Democratic opponent in the election, on March 20, is Robert L. Gigante, a lawyer.

Mr. Bush talked more about the father than the daughter to 700 people at the Shalimar catering hall, a stopoff on the way west for additional campaigning in California.

"Guy Molinari was at my side long ago when the going was tough and the pollsters had it figured out just about the way they had Nicaragua figured," Mr. Bush said.

The President praised the bipartisan leadership of Ms. Molinari, the lone Republican on the Council, and promised that the 31-year-old candidate would

Bush tries to keep the Staten Island seat in the G.O.P. column.

have "a friend in the White House." He said her political heritage extended not only to her father, but also to her grandfather, S. Robert Molinari, who was an assemblyman in 1943 and 1944. "Like Staten Island," Mr. Bush said, "she has a brilliant future and a proud heritage."

Discussing the drug problem, a major campaign issue, Mr. Bush said: "Only a few miles from here, Everett Hatcher — remember the name Everett Hatcher — a veteran D.E.A. agent, was brutally murdered by cocaine cowards. In the days after his death, his wife put the blame for his killing squarely on the shoulders of so-called casual drug users.

"We have to win the war on drugs for Everett Hatcher, and all those who have given their lives to free America of drug abuse."



The New York Times/Keith Mey

President Bush went to a fund-raising luncheon yesterday for City Councilwoman Susan Molinari of Staten Island, who is campaigning to succeed her father, Borough President Guy V. Molinari, in Congress.

New York Plans to Begin Double-Bunking Inmates in State Prisons

Continued From Page A1

under construction are completed. That is expected to be sometime this summer. At the same time, the number of inmates is expected to rise significantly, which would mean that the bunks would still be needed once the new prisons are completed.

Inmates at minimum-security prisons, who often participate in work-release programs and return to prison only at night, are already housed with bunk beds. But this would be the first time that medium-security prisoners would be housed that way, state officials said today.

'A Major Departure'

"It represents a major departure in state policy," said Robert Gangi, executive

director of the Correctional Association of New York, a nonprofit group. "It greatly increases the risk of a possible eruption at a prison."

The state signed a court consent order in 1982 agreeing not to house more than one inmate in a cell in its maximum-security prisons.

The state's Commissioner of Correctional Services for more than a decade, Thomas A. Coughlin 3d, has long been an opponent of doubling up prisoners to expand prison capacity. But today, trying to minimize the danger of double-bunking, correction officials pointed out that most major prison systems, including the Federal system, already double up.

But other officials were not sanguine about the plan.

"It's pretty bad," said James A. Yates, counsel to Assembly Speaker

mer Miller. "It will dramatically increase the amount of fights, the amount of sex abuse, the amount of theft and tension."

Grievance Filed

Charles R. Booth, a spokesman for the corrections officers union, said the union would fight the plan. "We're going to do everything we can to stop it from happening," he said.

The union, Council 82 of the Security and Law Enforcement Employees, has already filed a grievance accusing the state of violating its contract, and is considering legal action, Mr. Booth said.

For those groups like the Correctional Association that have been pressing the Governor to reconsider his support for constant prison expansion, today's announcement provided another argument in favor of alternatives to incarceration.

"It reflects the basic futility of state's policy," Mr. Gangi said.

Mr. Gangi also questioned whether the Commissioner, Mr. Coughlin, timed the announcement to rally support for prison expansion at a time when the state, facing heavy budget problems, is looking for ways to spend.

In the budget he presented in January, Governor Cuomo proposed adding 5,300 new beds to the state prison system in annexes attached to existing prisons. The cost of the proposed expansion would be almost \$300 million. It is now a topic of budget negotiation between the Governor and the Legislature.

What's Sunday without The Tin

Personalities

By Chuck Conconi
Washington Post Staff Writer

Rose Narva, Washington's best-known hotelier, is trying to buy the Gene Autry Hotel in Palm Springs, Calif., where such desert-loving gentry as Bob Hope, Walter Annenberg and Frank Sinatra have sprawling homes. According to a Palm Springs business newsletter, *Desert View*, Narva has a bid in that is contingent on getting the proper backers. Narva, who has renovated and run some of 16th Street's most impressive properties—the Hay-Adams, the Sheraton-Carlton and the Jefferson—lost out in an attempt last year to buy the Jefferson, which had been owned by the late Edward Bennett Williams.

The 188-room Gene Autry Hotel has been owned by the former cowboy singing star for some 25 years and according to a source here is a tarnished property desperately in need of a major upgrading, something Narva is noted for doing. She wants to turn the Autry into a luxury hotel. Now it is considered to be too small to be profitable, especially in a seasonal market where a large, dramatic new Ritz-Carlton Hotel has opened. There are some three acres of land suitable for expansion on the Autry site. As a close source said yesterday, Narva has signed the purchase agreement and is now "sweating out" getting her financial backers signed in less than 30 days.

Out and About

It looks like superstar Eddie Murphy is having more problems. Michael Greene, a New York screenwriter, has charged that Murphy's poorly received film "Harlem Nights" contains material from a screenplay he wrote for Murphy called "A Halloween to Remember." He is seeking \$35 million for copyright infringement. There was a similar case brought last year by syndicated columnist Art Buchwald against Paramount Pic-



BY JAMES K.W. ATHERTON—THE WASHINGTON POST
Sen. Strom Thurmond and Labor Secretary Elizabeth Dole with the pups yesterday.

tures Corp. in which the writer said Murphy's hit film "Coming to America" was based on a treatment that he wrote. In January, a judge ruled Paramount would have to pay Buchwald for the idea. The amount of money has yet to be determined, but Buchwald's win was seen as an important victory against the rich, powerful studios with enough money to out spend and wear down writers in lawsuits. In the newest suit, in which Paramount is also named, Greene charges he found some 100 similarities between his script and the finished Murphy film. A Paramount spokesman has denied the charge . . .

Roosevelt, Johnson and Nixon understood the Power of the Pooch. Bush and other Republicans are using it to great

advantage. Yesterday, the Dole-Thurmond puppies made their first appearance on Capitol Hill with the proud parents and owners in close camera range. The eight 5-week-old schnauzer puppies, offspring of Leader Dole and Chelsea Marie Thurmond, were introduced to the roomful of press by their owners Senate Minority Leader Bob Dole and Labor Secretary Elizabeth Dole and Sen. Strom Thurmond and his wife, Nancy. Five of the balls of fur are already spoken for: Two will go to Elizabeth Dole's relatives in Raleigh, N.C., two will be auctioned off at charity events and one will go to Sen. David Durenberger and his wife, Penny, as a replacement for their schnauzer who died two weeks ago. As for that other well-known Republican mutt, Bob Dole said Millie had been invited to the press conference but "she was tied up in meetings." And that's the way it was yesterday on Capitol Hill . . .

Elizabeth Taylor, in her continuing dedication to raising money for AIDS research, will visit Sens. Ted Kennedy and Orrin Hatch on Tuesday in their Capitol Hill offices. Taylor, national chairman of the American Foundation for AIDS Research, will testify later in the day before the Human Resources Task Force headed by Rep. Barbara Boxer on behalf of more federal funding for AIDS care . . .

Even President Bush couldn't contain himself. He had to say something about Trump: The Divorce. In New York City speaking at a fund-raiser for Republican congressional candidate Susan Molinari, Bush said he had come to help campaign against Democrat Bob Gigante. "So here I am in the middle of the battle right here in New York where one of the great contests of 1990 will take place. A lot at stake. There's been a lot of money spent on both sides, a lot of press attention." Then he added: "But I'm not here to talk about the Trumps" . . .