

HOUSE REPUBLICAN LEADER STEVEN D. PIERCE

First elected to the Massachusetts House of Representatives in 1978 at the age of 29, Steve Pierce is currently serving his sixth term representing the City of Westfield and the Town of Montgomery.

A member of the House Republican Leadership since 1983, Representative Pierce is currently in his third year as House Republican Leader. He is the immediate past chairman of the New England Caucus of State Legislatures.

Representative Pierce is a graduate of Westfield Public Schools, Union College (B.A. '71), where he was named to Phi Beta Kappa and was class co-valedictorian, and Duke University School of Law (J.D. '74), graduating with honors.

Prior to his election to the Massachusetts House, Representative Pierce practiced law in Hartford, Connecticut and in Westfield.

Over the past two years, Representative Pierce has led the successful effort to call attention to the fiscal mismanagement in Massachusetts state government by its Democrat officials. In 1988, he was named Massachusetts Chairman of the Bush-Quayle "Victory '88" campaign. Currently he serves as Chairman of the Massachusetts Republican Legislative Campaign Committee which he founded in 1987 to help elect more Republicans to the Massachusetts General Court.

In 1988, Representative Pierce was honored by the National Republican Legislators Association as "Legislator of the Year."

Representative Pierce and his wife, Mary Jane, a registered nurse, reside in Westfield with their eight year old son, Jeffrey.



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(Partial Listing)

THE HONORABLE ROBERT DOLE

REPUBLICAN LEADER

UNITED STATES SENATE

requests the pleasure of your company

at a Tribute

to

THE HONORABLE STEVEN D. PIERCE

REPUBLICAN LEADER

MASSACHUSETTS HOUSE OF REPRESENTATIVES

on Monday, June 26th, 1989

at the

Westin Hotel

Boston, Massachusetts

Reception: 6:00 p.m.

Dinner: 8:00 p.m.

R.S.V.P. by June 16, 1989

Yes, Senator Dole, I will attend the Tribute for Republican Leader Steven D. Pierce at the Westin Hotel.

Please reserve, in my name:

- Two tickets for dinner with Senator Dole and Representative Pierce at \$1,000.00.*
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Name _____

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I regret I cannot attend, but I would like to contribute:

_____ \$1,000 _____ \$500 _____ \$250 _____ \$100 _____ Other

Please make checks payable to The Pierce Committee. Corporate checks prohibited.



Commonwealth of Massachusetts
HOUSE OF REPRESENTATIVES

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CHIEF OF STAFF

OFFICE OF THE MINORITY LEADER

Room 448
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Pierce seen preparing for gubernatorial bid

By ROBERT CONNOLLY

WHILE MUCH attention has been focused on the Republicans' two presumed heavyweight challengers for governor, another potential contender has been doing roadwork and hitting the heavy bag, quietly becoming a heavyweight himself, observers say.

"Steve Pierce is the most underestimated candidate in the gubernatorial field — both parties," is the unequivocal assessment of GOP consultant Todd Domke.

Another highly placed Republican observer noted that Pierce fits perfectly

with a recent poll finding that 1990 voters would take a serious look at a gubernatorial candidate with a record of battling the spending policies that led to the fiscal crisis.

And as House minority leader, Pierce (R-Westfield) has been the field general leading a tiny band of House Republicans in a series of behind-enemy-lines missions that have been, at times, surprisingly effective.

A state deficit projected at \$500 million gives stark validity to his warnings of fiscal disaster.

With a major fund-raiser

set for a week from tomorrow, the 39-year-old Western Massachusetts lawmaker is poised to enter a GOP gubernatorial field likely to be headed by former Justice Department official William Weld and White House Deputy Chief of Staff Andrew Card.

Republican activists say Pierce, who will make a final decision on his plans by the end of the summer, increasingly is regarded as being on an equal footing with Weld and Card.

Pierce has scored a coup in lining up U.S. Senate Minority Leader Robert Dole (R-Kan.) to speak at

the June 26 fund-raiser. Nearly the entire Republican establishment, including Pierce's potential rivals for governor, sit on the committee for the event.

Described as "meticulous" by associates, the GOP lawmaker is crisscrossing the state, meeting with party activists.

"What I have found ... is that I have a great deal of support out there," Pierce adds: "It's helping me make up my mind."

Although friends say there's a 2-to-1 chance Pierce will run for governor, he has options: returning as minority leader or

waiting for the congressional seat occupied by Rep. Silvio Conte (R-Pittsfield) to open up. But observers point to the signs that the Corner Office is on Pierce's mind:

● There is already a Pierce Committee office with a full-time director and volunteers up and running in Westfield. The last four digits of the office phone number? 1990.

● Regular strategy sessions held by Pierce's inner circle and meetings of a larger core of supporters in Sturbridge.

● Continued fund raising that has pushed Pierce's

bank account beyond the \$75,551 reported in January.

But if he runs, observers point out that Pierce will have to overcome low name recognition, untested fund-raising ability, and a single-issue image.

The Duke University Law School graduate said everyone in the potential field has hurdles to overcome.

Whoever wins the GOP nomination will have to broaden his message beyond the fiscal crisis and the Duke's failings, Pierce said.

Pierce

BIOGRAPHICAL SKETCH OF REPRESENTATIVE STEVEN D. PIERCE

Steven D. Pierce is currently serving his sixth term in the Massachusetts House of Representatives, and his second term as House Republican Leader. He represents the City of Westfield and the Town of Montgomery which comprise the 4th Hampden District of the General Court.

He was first elected to the House Republican Leadership in 1983 at the age of 33 when he became House Republican Whip, a position which he held for four years. In 1987 he was elected House Republican Leader, by acclamation, at the age of 37, making him the youngest legislative leader in recent Massachusetts state history. He was re-elected to a second term as Republican Leader, also by acclamation, in January of this year.

As House Republican Leader, Pierce has been credited with uniting the House Republican caucus, restoring its credibility, and providing an effective and respected alternative voice to the policies of the Democratic majority. He is widely viewed as one of the most respected and articulate legislators from either party and one of Beacon Hill's best debators. A popular and well known Republican spokesman, he is seen as one of his party's brightest and most promising rising stars.

Pierce was first elected state representative in 1978 with 62 percent of the vote in a district in which Democrats outnumber Republicans in registration by a margin of three to one. As an even stronger example of his ability to attract bi-partisan support, he received the nomination of both parties during his 1984 campaign for re-election to a fourth term.

Last July, the National Republican Legislators Association honored Representative Pierce as one of its Legislators of the Year from among 3,000 state senators and representatives nationwide. In 1987, he was named Legislator of the Year by the Foundation for Economic Research, and he received a similar honor in 1984 from the Massachusetts Municipal Association. In 1988, he was elected chairman of the Caucus of New England State Legislators after serving a year as its vice-chairman.

Pierce has been the Commonwealth's foremost critic of the fiscal policies of Governor Dukakis and the Democrat controlled Legislature which, he argues, have led the state into massive deficits. He has also taken an active role in repealing the state's income surtax, reform of the rules by which the legislature conducts its business, reform of sentencing procedures for convicted criminals and the educational reform effort in the Commonwealth.

Pierce is the chief sponsor of a proposal to create jobs for the unemployed by developing an "Enterprise Zone" Program in the Commonwealth, and has authored legislation to prevent notorious criminal from profiting from books or movies about their crimes.

Representative Pierce is a graduate of Union College in Schenectday, New York, where he majored in economics, was named to Phi Beta Kappa, and was class co-valedictorian in 1971. He received his Juris Doctor, with honors, from Duke University School of Law in 1974.

Prior to his election to the Massachusetts House in 1978, Representative Pierce practiced law in Hartford, Connecticut and in Westfield.

He currently resides in Westfield with his wife, Mary Jane, a registered nurse, and their son, Jeffrey, age 8.

April, 1989

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June 16, 1989, Friday, City Edition

SECTION: METRO/REGION; Pg. 17

LENGTH: 747 words

HEADLINE: Card edges toward gubernatorial bid

BYLINE: By Walter V. Robinson, Globe Staff

DATELINE: WASHINGTON

KEYWORD: NAME-CARD; MASSACHUSETTS; CAMPAIGN

BODY:

Supporters of a prospective gubernatorial bid by White House official Andrew H. Card Jr. are forming a political action committee that will test-market Card's political appeal, the clearest signal yet that Card will return to Massachusetts and run for governor next year.

(c) 1989, The Boston Globe, June 16, 1989

Card, in an interview this week, said that he has not decided whether to resign his post as the principal deputy to White House chief of staff John H. Sununu, and that his decision is a month or more away. Among his friends, however, there is a growing conviction that Card will enter the race.

"Andy wants to be governor, and I am optimistic that he will decide to run," said state Sen. Argeo Paul Cellucci of Hudson, the assistant Senate GOP leader, echoing a view widely expressed by Card's friends this week.

The political action committee, to be called the Fund for Massachusetts' Future, is modeled on one President Bush established nationally in 1985 to test market his presidential candidacy. Like the Bush PAC - the Fund for America's Future - which distributed funds to other GOP candidates, the Card PAC would seek to raise funds for local legislative candidates.

Its principal political purpose, however, would be to promote a Card gubernatorial candidacy, enlist support from GOP candidates whose own campaigns would receive some of the PAC funds, and, as one Card partisan explained, "to put up an Andy Card fund-raising test balloon to see how high it flies."

For the beleaguered Massachusetts Republican Party, which has not won a state constitutional office since 1970, a Card candidacy is viewed as important,

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even among some Republicans who do not support him.

With Card and former US Attorney William F. Weld both seeking the same office, the party would have a competitive, attention-getting primary battle. That would assure the winner statewide exposure and credibility for what is likely to be an uphill general election battle.

In addition to Card and Weld, the Republican gubernatorial primary is also likely to include former Congressman Paul Cronin and Guy Carbone, a perennial candidate. Also considering entering the race is the Massachusetts House Republican leader, Steven D. Pierce of Westfield.

For Card, the 42-year-old former state representative from Holbrook who ran unsuccessfully for Massachusetts governor in 1982, a decision to run would be a painful one. Five months into the Bush presidency, he has one of the government's loftiest positions, the respect and admiration of the White House staff and the ear of the president.

His office - with its prominent color photograph of the Massachusetts State House - is the closest of any senior aide's to the Oval Office. By the accounts of other White House officials, Card meets with the president at least a half dozen times each day.

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In interviews this week, colleagues said that Card, after Sununu, has emerged as "first among equals" within the White House senior staff. He is Sununu's top deputy and is widely viewed as an affable "honest broker" for competing staff interests. More than anyone else, they said, Card is responsible for ensuring that the White House staff functions smoothly.

In the end, according to his friends, Card is likely to find the contest irresistible. He has always wanted to be governor, the job is open, and Democratic fiscal mismanagement and allegations of corruption have made the GOP more competitive in Massachusetts.

If Card decides to run, his brother-in-law, Ronald Kaufman, the White House deputy personnel director, can be expected to return to Massachusetts to be campaign chairman. Kaufman is the wily political operative who directed Bush's behind-enemy-lines Massachusetts campaign last year, engineering such events as Bush's surprise tour of polluted Boston Harbor and the decision by the Boston Police Patrolmen's Association to endorse Bush over Gov. Dukakis.

When Card unsuccessfully sought the GOP gubernatorial nomination in 1982, his campaign faltered for lack of funds. In the interview, Card acknowledged that his ability to raise funds concerns him. But he said his paramount concern is uprooting his family, which has lived in northern Virginia since Card began

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working in the Reagan White House in 1983.

By some estimates, it will take \$ 5 million or more to mount a credible primary and general election campaign.

Card's strong ties to Bush and his fund-raising network have convinced supporters his campaign would be well-financed.

GRAPHIC: PHOTO, ANDREW H. CARD Jr. / "Honest broker" in White House

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LEVEL 1 - 3 OF 36 STORIES

Copyright (c) 1989 Globe Newspaper Company;
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March 18, 1989, Saturday, City Edition

SECTION: METRO/REGION; Pg. 26

LENGTH: 537 words

HEADLINE: At holiday fund-raiser, GOP leaders urge hopefuls to go for top state jobs in 1990

BYLINE: By M.E. Malone, Globe Staff

KEYWORD: REPUBLICAN PARTY; MASSACHUSETTS

BODY:

While the Republican Party sees 1990 as its big chance to grab the state's top offices, none of the rumored hopefuls are yet willing to say just what jobs they are seeking or when they might begin campaigning.

(c) 1989, The Boston Globe, March 18, 1989

At a Democratic-style St. Patrick's Day fund-raiser and roast, six of the seven rumored GOP gubernatorial possibilities were in the same room, but more hands were shaken than decisions made.

"If you're going to run for something . . . say so," bellowed Boston Councilor At Large Albert L. O'Neil, a Democrat who roasted more members of his own party than Republicans. "If you don't do it this year, forget it."

The party's national committeeman, Ron Kaufman, said he is enthusiastic about the chances Republican candidates will have in 1990 with just one Democratic incumbent running for reelection, Attorney General James Shannon.

Shannon, he said, now appears vulnerable as well because of a public feud he is having with House Speaker George Keverian (D-Everett), which has not increased Shannon's popularity in his own party.

"No doubt, this is our shot," Kaufman said.

The crowd cheered when radio talk show host Jerry Williams urged William Weld, the former US attorney who is considering a run for governor, to go after Shannon's job instead.

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(c) 1989, The Boston Globe, March 18, 1989

"See, you already lost," Williams said when more applause greeted the suggestion that Weld run for attorney general than governor.

Weld said last night he hopes to meet next week with the man many consider his chief rival for the gubernatorial nomination. Andrew Card, White House deputy chief of staff, who did not attend last night's fund-raiser, is reportedly considering a gubernatorial run as well.

Another possible contender for the job, Michael Deland, who heads the regional office of the US Environmental Protection Agency, said last night he hopes to make up his mind "sooner rather than later," but said he is weighing the effects of such a run on his children, who are 10 and 12.

"We have some time," said Joe Malone, who last year ran an unsuccessful campaign against Sen. Edward M. Kennedy for the seat Kennedy has held for 27 years. "I think we have until the end of 1989 to make our decisions."

Malone was evasive about his own plans for 1990.

The only announced candidate for the Republican gubernatorial nomination, Guy Carbone, a former Metropolitan District commissioner, was in attendance, as were possible contenders Paul Cronin, a former congressman; Quincy Mayor Francis X.

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McCauley; and Rep. Steven D. Pierce (R-Westfield), the state House minority leader.

While none of the potential candidates will be running against Gov. Dukakis, who has announced that he will not seek reelection, it was hard to tell from the stream of jokes aimed at the incumbent.

Williams, pretending to be raising funds for a statue of the governor in Washington, said he was in a quandary about where to place the Dukakis statue. "We finally decided to place him beside Christopher Columbus, the greatest Democrat of them all," Williams said. "He left not knowing where he was going; upon arrival he didn't know where he was; he returned not knowing where he had been; and he did it all on borrowed money."

GRAPHIC: PHOTO, Globe staff photo/Mark Wilson / William Weld (left), Joe Malone and Raymond Shamie chat during the state Republican Party's St. Patrick's Day fund-raiser at the Westin Hotel.

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SLAYING THE MASSACHUSETTS MIRACLE

THE RISE OF STEVEN PIERCE

When 1988 began, the "Massachusetts Miracle" was being hailed from Iowa to Idaho by the Dukakis presidential campaign. By late spring, however, the governor had to shift his strategy. Pundits were instead talking about the "Massachusetts Mirage" and the state's budget woes.

The facts never really changed. But the public perception did. By election day, the miracle was dead.

Who slayed the Massachusetts Miracle? "The governor dug his own grave," said Rep. Lucille Hicks (R-Wayland), "but the person who was out there on a consistent day-to-day basis was Steve Pierce."

Westfield is a long way from Washington, but that town's state representative, House Minority Leader Steven D. Pierce, found himself vaulted into national prominence this year as the leader of the Republican opposition party to candidate Dukakis. He made some good friends in high places—like 1600 Pennsylvania Avenue. His visibility back home sky-rocketed. His dream, of replacing U.S. Rep. Silvio O. Conte when (and if) Conte retires, came a giant step closer to reality.

"We were getting calls every day from *The New York Times*, *L.A. Times*, *Philadelphia Inquirer*, *BBC*," said Pierce's press secretary, Jordan St. John, "[*Washington Post* columnist David] Broder came and sat with Steve for an hour as Dukakis began his campaign."

Everywhere he went, Pierce predicted a state budget shortfall of at least half-a-billion dollars. Democrats denied it. But now Dukakis and the majority leadership talk of a \$633 million shortfall. Sen. John W. Olver (D-Amherst), in a December 9 budget

debate with Pierce, conceded, "He was right."

Two years ago Pierce was elected by his Republican colleagues to the \$63,000-a-year post of House Minority Leader. The state GOP was in shambles after the embarrassing candidacies of ex-Rep. Royal Switzler and Gregory Hyatt. The conservative Pierce surprised many when he named two women to his leadership team, including Hicks, a liberal Republican who is pro-choice and anti-death penalty (Pierce is neither). St. John, formerly with Channel 22 news, was brought on to handle press. He named as chief of staff Bradford J. Winnick, a GOP political operative with a strong resume—and a former aide of Vice President-elect Dan Quayle.

Seven research staffers monitor every legislative committee and generate stacks of analysis on legislation affecting the state. The opposition party, under Pierce, "is more aggressive, more constructive and has more credibility with colleagues and with the press," according to Hicks.

Pierce acknowledges that the presidential campaign increased his visibility. "I didn't do interviews with CBS and the *Wall Street Journal* before Michael Dukakis ran for president." The *Quincy Patriot-Ledger* reported last summer that Pierce spoke almost daily with Bush campaign operative Ron Kaufman. Pierce says he met with Bush campaign chair Lee Atwater and other GOP powerbrokers this year.

Pierce is skilled at the art of the political sound-bite; the ability to repeat his message using short, snappy one-liners likely to make it onto the evening news. Of his use of research he says, "Knowledge is power.



PAUL SHOUL PHOTOS

The less power you have otherwise, the more important is the power you derive from knowledge and information."

Hicks praises Pierce's ability to work with more moderate and liberal members, while acknowledging his strong conservative bent. "There are some areas where, I think, Steve still needs to get a little religion," said Hicks. "One is the environment." But Hicks and other Republicans get a certain glow in their eyes when they talk about Pierce and the future of the Massachusetts GOP. Pierce boasts that 1988 was "the first time we put the Democrats on the defensive."

Pierce, 39, can afford to wait a long time before Conte steps down. His new contacts at the Republican National Committee, coupled with his increased name recognition in Western Mass., make him a heavy favorite for the Republican nomination when the seat opens up.

Did Steven Pierce slay the Massachusetts Miracle? Is he a "Miracle-slayer?"

"No," answers Pierce, "Miracles are supposed to be nice things. I don't think this one ever had it." But he admits, "This has been a great year for me, personally and politically."

A.G.

Dukakis, Republicans Battle Over '90 Budget

By JERRY BERGER
UPI Statehouse Reporter

BOSTON (UPI) — The verbal sparring over Massachusetts' fiscal 1990 budget heated up Thursday with Gov. Michael Dukakis blasting House Republicans for playing a "shell game" and the GOP countering the governor is "resentful" of his critics.

Dukakis used a news conference to renew his criticism over last September's bipartisan effort to bring the House back into session to resolve a controversy over \$91 million in local aid.

Dukakis, then in the middle of his presidential campaign, cut local aid by \$91 million after lawmakers balked at allowing him to use a similar amount of "surplus" lottery revenues to balance the fiscal 1988 budget.

The recall move failed, but only after loud partisan bickering that served to undermine the image of managerial competence Dukakis sought to present to the American public.

Thursday, Dukakis labeled recent GOP calls for even deeper cuts in proposed fiscal 1990 spending "the height of hypocrisy. This is the crowd that worked overtime to force a special session to try to spend more and now they're complaining about too much spending. Who's kidding who? This is a shell game."

House Republican Leader Steven D. Pierce of Westfield, one of the leaders of the failed recall effort,

wasted little time in firing back.

"This is the governor that last year denied, stubbornly in the face of accumulated evidence, that we had any problem whatsoever, who was dragged kicking and screaming to a recognition of the problem and then proposes the only solution that he's comfortable with and that's higher taxes," Pierce said.

"He is obviously resentful that his critics were so right about so many things, so many times."

The salvos were among the sharpest of a rising chorus surrounding the \$12.3 billion House Ways and Means Committee budget that receives an official airing beginning Monday.

The spending plan, which calls for no new taxes and level or decreased spending, is substantially smaller than the \$12.9 billion proposal Dukakis offered in January.

The governor has insisted the extra spending, to be financed in part by a \$604 million tax package, is needed to maintain state services.

Special interest groups continued to lobby lawmakers for the higher spending levels, with environmental issues taking center stage Thursday.

In separate news conferences in Beverly and Boston, environmentalists warned of damage to hazardous waste cleanup, open space preservation and drinking water quality if cuts are imposed.

"In its current form, the state budget turns its back on thousands of victims of toxic contamination," Matt Wilson, spokesman for the Massachusetts Campaign to Clean Up Hazardous Waste, told a news conference at a Beverly dump site.

He said the House spending plan would provide the Department of Environmental Quality Engineering with just \$14 million of the \$21.25 million needed to operate a hazardous waste cleanup program mandated by voters in 1986.

"The question is what does the state want and what do we want in 10 years?" Kelly McClintock of the Environmental Lobby of Massachusetts told a Statehouse gathering.

Activists said the House spending plan would cripple water quality and the effort to purchase open space as a protection against overdevelopment.

MILFORD DAILY NEWS, March 3, 1989

Without a change, a blank check for expenses from us

Massachusetts is facing a very serious, very real, fiscal crisis. Its solution will either leave us with truly compassionate, well-managed government, or on the same old path of promising too much, managing too little, taxing more and disappointing many.

The crisis we face didn't come about overnight. It is not the result of some unforeseeable disaster that plunged the Commonwealth from "Massachusetts Miracle" to fiscal morass. The problem—a deficit currently well over \$600 million—is the direct result of systematic, long-term over-promising and overspending. It is the spend-to-the-last-dollar-available mentality of state government that has dug this economic pit.

It's helpful to look back a bit to better understand just how we got to this point. The Commonwealth's annual budget for fiscal year 1984 was \$7.3 billion. For the current fiscal year it is \$11.6 billion. That translates into a budget explosion of some 59 percent in five years. During the same period, the number of state employees grew by 10,000. The payroll for so-called "03 consultants," who comprise a phantom state work force that numbers in the thousands, grew to more than \$400 million.

The tally is alarming, but it was superficially affordable as long as revenues were pouring into state coffers at record levels. Last year's slowdown of revenue growth to more normal levels forced the Dukakis administration to take some action. But instead of looking to long-range answers to bring about more efficient management of taxpayer dollars, the solutions included raids on the Commonwealth's pension funds, increased borrowing, and some suspect book-keeping to make the state budget for fiscal year 1988 appear balanced and out of the red while the governor was out of the state running for president.

Critical juncture

The delay in dealing with a growing gap between taxes and state spending has brought us to the critical juncture we face today. We have a state budget that is awash in red ink, and we are running out of time to do something about it. Faced with the growing fiscal crisis, we are being assaulted on a weekly basis by a chorus whose only refrain is "increase taxes."

The governor has already heard that refrain. He upped taxes and fees by \$200 million last summer. Just a few weeks ago, new motor vehicle license and registration fees were announced that will cost taxpayers almost \$50 million more this fiscal year and over \$150 million more next fiscal year.

On top of those increases, calls for new and higher taxes continue to pop up like frightening faces in a bad dream. Either not looking at the real problem of overspending or refusing to recognize it, various groups and some elected state officials are conspiring to inflict the latest series of new assaults on the taxpayers of the Commonwealth. That approach misunderstands and doesn't solve the fundamental problem: Massachusetts tax dollars are not being spent wisely.

The cruelest aspect of this critical situation is that budget cuts now under discussion seem to target the most needy in our society along with educational opportunities for our young people. Cuts can and should be made, but should not critically wound the heart and soul of important and needed programs.

PERSPECTIVE STEVEN D. PIERCE

They should hit dead center on wasteful, extravagant spending, at politically protected positions throughout state government, and at the duplication of services and programs that drive up the cost of government.

Wringing out savings

I am convinced that we can wring \$600 million in savings out of state government and continue to meet our fundamental responsibilities. It will not be easy. It will take a lot of those tough management decisions people in government are so fond of talking about and practice so little. Every item in the state budget, every expenditure, every position should be assessed for its value and contribution to the quality of life in Massachusetts and for the effective operation of state government. Until and unless that is done, I and many others in the Legislature will continue to resist any new taxes or tax hikes.

Tax proponents are fond of pointing to the state's solid economic growth and increases in personal income as arguments for more tax increases in Massachusetts. I contend that those favorable conditions, far from being justification for higher taxes, would be threatened by them. Hike taxes and you send out signals that will seriously harm the long-term economic health of the Commonwealth.

Unless we move to bring responsible, efficient and compassionate management to Massachusetts state government, we will continue to write a blank check for all expenses with the Commonwealth's taxpayers paying the tab.

Representative Steven D. Pierce (R-Westfield) is Minority Leader in the Massachusetts House of Representatives.

BOSTON BUSINESS JOURNAL

January 30, 1989

GOP legislators blast Dukakis' higher registry fees

By JOHN APPLETON
Political reporter

Three Republican legislators took aim at Democratic Gov. Michael S. Dukakis as they denounced increased motor vehicle fees during a Springfield press conference yesterday and vowed to restore legislative authority over fees.

House Minority Leader Steven D. Pierce of Westfield said he feels there is a strong chance to pass legislation rolling back the motor vehicle fees and restoring legislative authority over them.

"We had an all-night session

last July 15 and 16, and the Legislature, against the warnings of Republican members, gave the authority up. They gave it over totally to the governor," said Pierce.

Pierce was joined at a press conference in front of the Registry of Motor Vehicles office by state Sen. Brian P. Lees of East Longmeadow and state Rep. Walter A. DeFilippi of West Springfield.

Registry of Motor Vehicles fees were increased Jan. 15.

Registry officials have estimated that the new fees will bring

in \$46 million this fiscal year and \$158 million a year starting July 1, the beginning of the next fiscal year.

"The fees clearly are in excess of the cost of service. That means they are a tax, and should have been approved like a tax," said Pierce. Republicans have filed a lawsuit on this point.

Lees said, "The public is outraged at what happened. They are even more outraged that the Legislature has nothing to say about it. Basically what has happened here is taxation without representation."

"We are putting the financial crisis and what happened in the state of Massachusetts last year on the backs of the average taxpayers. And that is wrong," said Lees.

"And I am pleased to co-sponsor this legislation, but more pleased to take back the power from one individual to set fees. That is what happened last year, and I am glad that is going to come back this year under this legislation," Lees said.

DeFilippi said, "The people in the Legislature are the ones who are out meeting the people all the time. I don't think that some bu-

reaucrat with an office in Boston knows what's happening, particularly out here in Western Massachusetts."

"For instance, charging people \$5 more for showing up in person to renew their registration doesn't make sense, when it costs the commonwealth more to receive it and send it back out again," DeFilippi said.

"It's time that the Legislature takes back the duties and powers that we gave back," DeFilippi said.

A hearing on Pierce's legislation will take place Wednesday in the Statehouse.



REP. STEVEN D. PIERCE

Pierce raps Clemente book earnings

By CHRISTOPHER B. DALY

BOSTON (AP) — House Republicans are trying to block former police captain Gerald Clemente from enjoying any possible profits from his new book detailing his role in a 1980 bank robbery.

Citing a little-known state law, House Minority Leader Steven Pierce called Tuesday for an investigation into earnings that might go to Clemente, who was also the admitted mastermind behind a police exam-cheating scandal.

Pierce, R-Westfield, argued that Clemente should not be allowed to profit from criminal activities, and he called for an investigation by Middlesex County District Attorney Scott Harshbarger, whose office prosecuted Clemente, and State Treasurer Robert Q. Crane, whose office is named in the state law.

According to Pierce, the law passed in 1977 was known as a

"Son of Sam" law after a serial killer in New York City. It appears to require publishers to deposit profits from criminals' books with the state treasurer to compensate the criminal's victims, but the law is not clear on several points.

"We've got a law on the books that seems to fit the circumstances of the Clemente case," Pierce said at Statehouse press conference. "Either we should be following the law or, if it's deficient in some way, drafting a tougher law."

Clemente, a former Metropolitan Police captain, was convicted for his role in the 1980 break-in at the Depositors Trust bank in Medford, and he cooperated with federal prosecutors in their investigation into a widespread conspiracy to steal and sell police promotional exams.

In April, Quinlan Press of Boston published a book titled "The Cops Are Robbers" in which Cle-

mente and a co-author describe the Medford bank heist.

Henry Quinlan, the founder and president of the press, said the book was selling well and that all of those involved hoped that it would make a profit.

He said the press had an agreement to pay out any proceeds due to Clemente to a company known as the Tarheel Corp., which reportedly involves Clemente's wife and son.

Quinlan also disputed Pierce's contention that any profits should go to Clemente's victims.

"That's like saying the profits from Ford Motor Co. ought to go to Pinto victims," Quinlan said.

Harshbarger, who said he had just received Pierce's letter, said his staff had already researched the 1977 state law and determined that it does not give his office any authority to try to recover the book's profits.

"As much as I disapprove of Clemente's profiteering, I had no

jurisdiction under that statute — or any other that I knew of — to take any action," he said.

According to Harshbarger, Depositors Trust has a civil suit pending in Middlesex Superior Court against Clemente.

Crane said the treasurer's office legal staff was "pursuing every legal avenue" but said he could remember any case in the past 10 years where a criminal has surrendered profits to the treasurer.

The law states that any person or corporation that contracts with a convicted criminal for a book or movie about the crime "shall pay over to the state treasurer any moneys which otherwise" be owed to the criminal.

Those funds are to be held in escrow by the treasurer, payable to any victim of the crime, after the victim has won a judgment in court. In one section, the law limits the period of recovery to three years from the date of the crime, but another section allows recovery until three years after the establishment of the escrow account.

Lawmakers Act to Bar Inmates' Book Profits

Special to The New York Times

BOSTON, Oct. 31 — The embarrassment of law-enforcement officers over a police captain who robbed a bank and stole Civil Service examinations has scarcely faded before the former officer has infuriated Massachusetts lawmakers by turning a profit on the robbery.

The former captain and now state prisoner, Gerald W. Clemente, has written a book about the robbery that the publisher says is selling handily. But the lawmakers hope to stop Mr. Clemente from profiting from the book.

They have introduced a measure that would bar Mr. Clemente and other

criminals from reaping profits from books and movies about their crimes without first compensating the victims. The bill, to be introduced to the State Legislature on Wednesday, would require that criminals' profits from books and movies be used primarily to repay their victims, with any remaining money to be split between the criminal and a general fund for crime victims.

Profits to Wife and Son

The legislation is patterned after a measure passed by the New York York Legislature in 1977 to prevent David Berkowitz, the killer known as "Son of

Sam," from telling his life's story for a fee. Similar laws were subsequently passed in 42 states.

Representative Steve Pierce, sponsor of the Massachusetts legislation, said he was angered by a report in Boston Magazine that royalties from Mr. Clemente's book, "The Cops Are Robbers," published in June by Quinlan Press here, were going to a corporation made up of his wife and son.

The book's publisher, Henry Quinlan, will not say how much money the book has earned, but he said that it had sold "surprisingly well."

The book describes in detail how Mr. Clemente, with friends and fellow offi-

cers from the police in Medford, Mass., used dynamite to break into the Depositors Trust Company in Medford on Memorial Day weekend in 1980. Over the course of three nights, they rifled the bank's safe-deposit boxes, taking an estimated \$25 million in cash, gold and jewelry.

"I wish I hadn't done it," Mr. Clemente said in a recent interview at state prison in Concord, where he is serving a 30- to 40-year sentence for the robbery. "If I could give the money back to the people I would."

In April, Depositors Trust, which has filed a civil suit against Mr. Clemente for damages, got an injunction barring him from receiving further royalties.

Mr. Clemente, 54 years old, said he was angry at attempts to strip him of the profits. He said he would like to write a second book about stealing the

Civil Service examinations. In that episode, Mr. Clemente and others routinely broke into government offices at night and stole copies of promotional examinations from safes. Mr. Clemente said he occasionally lowered the test scores of those he did not like and raised the scores of those he did. He also sold the stolen examinations for \$3,000 each.

'Sheer Boredom' in Prison

After pleading guilty to these crimes, Mr. Clemente turned government witness and contributed in May to the conviction of five present and former police officers and a former state legislative aide in connection with the stolen examinations. Mr. Clemente was sentenced to serve 15 years on this charge, after he completes his term for bank robbery, and was fined \$25,000.

Mr. Clemente, a personable and articulate man who describes his life in prison as "sheer boredom," said that he received only \$177,000 of the bank money, but received the stiffest sentence for the burglary. "I can see being penalized for what I did, but not to this extent," Mr. Clemente said. "The law doesn't specify harsher terms for police officers."

Of the five others who took part in the robbery, one was given immunity from prosecution after agreeing to testify for the state. The others were given sentences ranging from 9 to 20 years.

Mr. Quinlan said that nine movie companies had inquired about film rights to Mr. Clemente's story and that Lorimar productions had been selected. It plans to make the film for television. Mr. Quinlan refused to disclose the financial arrangements.

New auto insurance plan

House Republicans ask return to competitive rates

By Douglas M. Bailey
Globe Staff

3/17/87
P6.39

House Republican leaders yesterday presented their version of an auto insurance reform bill that would allow insurance companies to decide how much Massachusetts drivers should pay to insure their autos.

House minority leader Steven D. Pierce (R-Westfield) said a return to a competitive rate system is the only way to seriously "attack the crisis of spiraling auto insurance rates in Massachusetts." Pierce, in a press conference with other minority leaders, also criticized Democratic reform bills, including one filed by Gov. Michael Dukakis.

"We've got to stop tinkering around the edges of the auto insurance system and attack the real problems of the regulated rate setting process," Pierce said. "The time for rhetoric ran out long ago."

The minority bill, which is expected to be filed soon with the Legislature, calls for the replacement of the present fixed and established rate setting process with a competitive system which the insurance commissioner would oversee.

"The commissioner would approve rates within a band or range," said Robert L. Howarth (R-Springfield), the ranking Republican on the House Committee on Insurance.

A second part of the Republican plan attempts to address the state's high rate of auto insurance fraud and theft. Among other things, the bill would:

- Require each district attorney to appoint an assistant as an auto theft prosecutor;
- Exempt sales of antitheft devices from state sales taxes;
- Increase penalties for auto insurance fraud, motor vehicle theft and operating an uninsured motor vehicle.

"Crimes of auto theft and fraud have not been taken seriously by the courts even though Massachusetts still holds the alarming title of auto theft capital of the nation," said Rep. Lucile P. Hicks (R-Wayland.)

But the major feature of the Republican proposal - the return to the competitive rate setting system - is the one that will draw the most fire from critics. An experimental return to a competitive system in 1977 resulted in dramatic rate increases for young drivers and drivers in high-risk territories. The rate shock in certain urban territories doomed the 1977 experiment to failure, said a recent report on auto insurance published by Secretary of Consumer Affairs Paula Gold. It said evidence from other states suggests that competition will produce rate instability as well as enormous rate increases for young and urban drivers.

Dukakis yesterday accused the



STEVEN D. PIERCE

Republican leadership of forgetting the past.

"Don't they remember what happened 10 years ago," Dukakis said at a press conference. "There were whopping increases for the young, the poor and the elderly. Tell them to go to California where they're begging for re-regulation as a result of their so-called competitive system."

Dukakis, however, didn't rule out the possibility that the state's insurance regulators may shift toward a competitive system.

"I'm not opposed to competition," Dukakis said. "But it's got to be done slowly and carefully so we don't repeat what happened in 1977."

A class act

Steven Pierce marked 10 years in the Legislature on Saturday by doing something not enough public officials take the time to do — thank the people who put them where they are.

Pierce threw a small party for his friends and supporters at St. Rocco's Club. The back walls were covered with news clippings of the man who has taken Boston by storm these past few years — since becoming minority leader — but has never forgotten his home or the people who helped him pack his bags for the Statehouse a decade ago.

As top gun among Republicans in the House, Pierce has been less visible in his home town. He spends many days in Boston, working, among other things, for a higher degree of accountability from the state's governor and democratic machine.

But he's still fighting hard for Westfield — on everything from underground storage tanks to local aid.

There's talk around Boston (and around Westfield) that Pierce may be a candidate for governor in a few months. It's a decision he is thinking long and hard about. Should he run and win, it would be Westfield's loss, but it would be the state's gain — and right now the state has nothing to lose and everything to gain.

WESTFIELD EVENING NEWS

JANUARY 30, 1989

BUSINESS



Taking part in effort to push enterprise zone program were, from left, Sen. Royal L. Bolling Sr.; Jack R. Stokvis, deputy assistant secretary of HUD; House Minority Leader Steven D. Pierce and Rep. Raymond Jordan Jr.

Mass. enterprise zones pushed

By Bruce Mohl
Globe Staff

State Republicans, along with a handful of Democrats in the House and Senate, are pressing for legislation to create six Massachusetts enterprise zones where businesses would receive special tax breaks and exemptions from zoning and licensing regulations.

Sponsors acknowledge the state's low unemployment rate makes it difficult to generate interest right now in enterprise zone legislation, but they maintain the program could help certain depressed areas of the state.

"Enterprise zones are almost surgically targeted to the areas that need them most," said House Minority Leader Stephen R. Pierce (R-Westfield).

Rep. Raymond Jordan Jr. (D-Springfield), who joined Pierce at a press conference yesterday, said the enterprise zones would complement existing economic development programs offered by the Dukakis administration. "It's like putting frosting on the cake," he said.

Both Jordan and Sen. Royal Bolling

Sr. (D-Boston), another Democrat who signed on in support of the legislation yesterday at a Roxbury press conference, represent areas where enterprise zones would probably be located.

The Dukakis administration so far has taken no position on the legislation. The bill's sponsors say the fact that it is a Republican initiative has not been a big plus in this heavily Democratic state. Jordan, in fact, said that until now the GOP backing has been "the kiss of death" for the legislation, which has been filed every year since 1984.

Under the bill, communities with a high poverty rate, declining population levels or an annual average unemployment rate that is 150 percent of the state average would be allowed to apply for designation as an enterprise zone. Three sites would be chosen from urban areas with populations greater than 80,000 and three from rural areas with populations below that level.

The zone designation would allow the community to offer employers a variety of tax incentives, including property tax

adjustments and tax credits for paying higher wages, hiring young people and hiring more people who live within the zone. The law would require employers to hire at least 20 percent of their workers from the zone.

The legislation also would allow enterprise zone communities to suspend or adjust state and local laws dealing with zoning, licensing, rent controls and price controls. Asked why rent control laws should be suspended to attract business investment, Pierce said it was possible rent controls may hinder housing expansion in the area.

Jack R. Stokvis, an assistant secretary for the US Department of Housing and Urban Development, was on hand to promote a state enterprise zone program here. He said the Reagan Administration was drafting new federal enterprise zone legislation that would supplement existing state programs. Stokvis said 32 of the 50 states have enacted enterprise zone legislation. He also noted that Massachusetts is the only industrial state without enterprise zones.

Boston Herald, February 15, 1989

State GOP off to a good start...

PETER LUCAS

FORMER U.S. Attorney William Weld caused a stir among Republicans when he broke ranks with the majority of them over Gov. Michael Dukakis.

It came when Weld, speaking to some 475 Republicans at a Lincoln Day Breakfast, refused to join in what appeared to be a Dukakis bashing contest among potential 1990 gubernatorial candidates.

As a matter of fact, Weld drew some gasps and hisses when he said that he was not there "simply to bash Michael Dukakis over the head. I've never been a dyed-in-the-wool Dukakis basher. He's honest. He gives you a day's work for a day's pay, which is more than I can say about many of his fellow workers."

Weld, who broke with President Ronald Reagan when he resigned as head of the Criminal Division in the U.S. Justice Department over the Iran-Contra investigation, was one of six possible Republican gubernatorial candidates to address the Sunday breakfast at the Colonial Hilton in Wakefield.

The others at the GOP "cattle show" were Andrew Card of Holbrook, deputy chief of staff to President George Bush; former U.S. Rep. Paul Cronin of Andover, Massachusetts House

Minority Leader Steven Pierce of Westfield, Joseph Malone of Waltham, who ran against U.S. Sen. Edward M. Kennedy last year, and former MDC Commissioner Guy Carbone. It was Carbone who hit the low point when he urged reporters to look at all candidates with a "proctoscope."

The event, a refreshing one by Republican standards — in that it drew such a large and activist crowd — was sponsored by CURE (The Committee for a United Republican Effort). It is an organization put together by state Rep. Richard R. Tisei of Wakefield. Its mission is to rebuild the Republican Party in the North Shore and the Metro North area.

Judging by the turnout and the enthusiasm of the crowd, CURE got off to a good start as it provided Republicans with the first campaign forum of the year. And it was an early forum for the upcoming 1990 election when Dukakis will not be running for re-election, thus giving Republicans some hope that they can capture the governor's office if they are unified and if they come up with the right candidate.

Weld, who ran unsuccessfully for attorney general in 1978, clearly wants to run for governor or attorney general again, even though there are many conservative Republicans who are angry with him, believing

that he "double crossed" Reagan when he quit the administration and testified against U.S. Attorney General Ed Meese before Congress.

This, coupled with his praise of Mike Dukakis, the man Republicans have grown to hate, did him little good among these generally conservative Republicans.

Card, who ran for the Republican nomination for governor in 1982, and who wants to run again in 1990, said the tone of ethics, values and service that President Bush set nationally should be brought to Massachusetts where under Dukakis there is "limited ethics, limited service and limited values."

Asked in an interview if he were still interested in running for governor, which would mean giving up an important White House job by the president's side, Card said, "Yes, I am interested in running. But I will not make a decision until after I've had a chance to do the job I'm doing."

Pierce, easily the best speaker in the group as a result of his debate experience in the House, blasted Dukakis for the revenue shortfall and his proposed tax increase.

"Thanks to George Bush, Michael Dukakis has been sent back to Massachusetts. If we work together in 1990 he'll be sent back to Brookline," Pierce said. On the budget deficit,

Pierce said, "a greater deficit is in the credibility of the governor and the Democratic leaders in the Legislature."

Malone, in his talk, told three jokes and let it go at that, indicating that he had no plans at this time to run for statewide office.

But Paul Cronin, who defeated John Kerry for the U.S. House in the 5th District in 1972 only to be beaten by Paul Tsongas two years later, ticked off a list of serious problems the state faced under Dukakis, including welfare recipients buying drugs.

"I don't know about you but I am sick and tired. This thing has got to come to an end," Cronin, now a businessman, said.

Noting that he needed the power of the governor to change things, Cronin practically announced his candidacy. "I'm going to give up everything I've got to get that power in 1990. I hope for the good of our party and the good of our cause that others here make that decision (to run) early."

It was a good early testing for the candidates, and it was good early action for CURE and the Republicans. And it is just what the Republican Party needs in Massachusetts — action.

Peter Lucas' column appears Sunday, Wednesday and Friday

Union-News, Friday, June 16, 1989

Program pushing exports by state businesses urged

By PHYLLIS ANDREONI

Massachusetts House Minority Leader Steven D. Pierce, R-Westfield, last night urged a major effort by government to help expand the state's international business — and to educate young people on the needs of the international economy.

Pierce spoke on the "Global Marketplace: The Massachusetts Challenge" at the annual dinner of the World Affairs Council of Western Massachusetts.

About 100 people attended the event at Western New England College in Springfield.

Pierce had just returned from Washington, where he met with Charles Roh, an assistant to U. S. Trade Representative Carla Hills. Roh has sole responsibility for trade with Canada.

He cited the Jan. 2, 1989, trade agreement with Canada as one of the dramatic developments in international trade. Under the agreement, all tariffs will be removed within 10 years.

A member and former chairman and vice chairman of the New England Caucus of State Legislators, which has focused on in-

ternational trade, Pierce said a second major challenge will emerge as the "single" or "open and free trade" market in Europe takes effect in 1992.

"At that time, Europe will become one large trading block to the rest of the world," he said.

Pierce was chairman of the six-state caucus when it focused on international trade during its annual meeting last year.

To meet the challenges, he said, Massachusetts government must improve, focus upon and facilitate international business in a series of ways, including tax incentives, technology transfer programs and funding support for export-related start-up costs.

He said only 250 businesses nationwide are responsible for 80 percent of U.S. exports. In Massachusetts, he said, three companies account for 50 percent of state exports and many small businesses are unaware of the opportunities in international trade.

In addition to improving American education generally, he said, "We need to educate young people, whether they will be managers or workers, to the needs of the inter-

national economy.

"The future requires a new work force, trained and ready for the global economy," he said. "It requires teachers, themselves trained to teach the methods and strategies of science, business and international trade."

He proposed the formation of a citizens task force on public education for the global economy.

This group of business leaders, educators and private citizens, he said, would seek to identify the skills and curricula necessary for training the new work force of the 21st century. Such efforts are essential if Massachusetts is to participate fully in the global economy, he said.

Pierce said the governor's "Export '90s" proposal involves collecting information about state businesses and the extent to which they deal with international trade. In the fall, there will be a conference to weigh the information and set direction, he said.

The council also elected new officers and 16 new directors.

SEN. BOB DOLE-REMARKS
REP. STEVEN PIERCE
BOSTON - JUNE 26, 1989

THE MASSACHUSETTS MIRACLE HAS MELTED INTO THE
MASSACHUSETTS MIRAGE. IF THE PILGRIMS LANDED AT
PLYMOUTH ROCK TODAY AND TOOK ONE LOOK AT THE
COMMONWEALTH'S STATE OF AFFAIRS, THEY WOULD TURN
AROUND AND GO BACK.

THE 1988 ELECTION WAS ABOUT COMPETENCE -- AND IT

WAS THE AMERICAN PEOPLE WHO DEMONSTRATED THE
COMPETENCE.. BECAUSE WHILE DUKAKIS WAS CAVORTING
AROUND THE COUNTRY -- THE MASSACHUSETTS BUDGET WAS
COMING APART AT THE SEAMS.

THE STATE IS STRAPPED FOR CASH -- AND TWO-BILLION
DOLLARS DEEP IN SHORT-TERM DEBT IN ORDER TO MEET THE
PAYROLL.

ONE OF YOUR GOVERNOR'S TOP FINANCIAL AIDES

SUMMED IT UP BY SAYING: " IF THE STATE WERE A BUSINESS
WE WOULD BE INSOLVENT. WE'D BE ELIGIBLE FOR CHAPTER
ELEVEN."

I GUESS THAT PROVES WHAT REPUBLICANS IN
MASSACHUSETTS HAVE KNOWN ALL ALONG -- THAT THE
DEMOCRATICALLY-DOMINATED MASSACHUSETTS STATE
GOVERNMENT HAS MORE IN COMMON WITH EASTERN
AIRLINES THAN JUST BAD SERVICE.



AND WHILE THIS FISCAL STORM WAS CLEARLY ON ITS WAY

-- DUKAKIS BRUSHED ASIDE WARNINGS FROM RESPONSIBLE
LEADERS LIKE REPRESENTATIVE STEVEN PIERCE.

THAT'S WHY I'M NOT SURPRISED THAT A RECENT POLL BY
WBZ-TV FOUND THAT HALF OF THOSE QUESTIONED FELT THE
GOVERNOR SHOULD HAVE RESIGNED DURING THE CAMPAIGN.

THE OTHER HALF -- THEY SAID THEY WISHED HE HAD
NEVER BEEN ELECTED IN THE FIRST PLACE!

AND I'M ALSO NOT SURPRISED THAT GOVERNOR DUKAKIS

INSTINCTIVELY OFFERED THE TYPICAL DEMOCRATIC

RESPONSE TO THE PROBLEM -- MORE TAXES. SAY GOOD-BYE

TO THE MASSACHUSETTS MIRACLE AND WELCOME BACK TO

"TAXACHUSETTS."

ACTUALLY, I UNDERSTAND NOW THAT I SHOULDN'T BE

USING THE WORD "TAXES." IN THE MASSACHUSETTS

DEMOCRATIC VERNACULAR TAXES HAVE BECOME

"EXTRAORDINARY MEASURES."



WHEN I GET BACK TO WASHINGTON, I'LL HAVE TO TELL

LLOYDE BENTSEN -- THE CHAIRMAN OF THE FINANCE

COMMITTEE -- ABOUT THIS CHANGE. I'M SURE HE'LL WANT TO

ENACT A LAW MAKING SURE ALL OF OUR IRS FORMS ARE

BROUGHT UP TO DATE.

I HOPE THIS NEW PHRASE DOESN'T CATCH ON.

SOMEHOW, "EXTRAORDINARY MEASURES WITHOUT

REPRESENTATION" DOESN'T CARRY THE SAME WEIGHT AS THE

PHRASE PREFERRED BY THE PARTICIPANTS AT THE BOSTON

TEA PARTY.

I'M GLAD TO SEE, HOWEVER, THAT GOVERNOR DUKAKIS IS

DEMONSTRATING SOME COMPASSION IN THIS TIME OF CRISIS.

EVEN THOUGH HE'S HAD TO CUT STATE SERVICES, HE'S

MANAGED TO GLUE 27 FORMER CAMPAIGN AIDS TO STATE

PAYROLLS -- AT A COST TO THE TAXPAYERS OF ALMOST

ONE-MILLION DOLLARS A YEAR.

AND WHILE CERTAIN THINGS LIKE STATE SPENDING AND

PATRONAGE JOBS ARE STILL SHOOTING UP -- OTHER THINGS

ARE GOING DOWN -- LIKE DUKAKIS' POPULARITY RATING.



IN FACT, THE ONLY THING DROPPING FASTER THAN

DUKAKIS'S POPULARITY -- IS THE STATE'S BOND RATING.

THIS RECORD OF INCOMPETENCE AND CORRUPTION BY
THE DEMOCRATIC PARTY SHOULD NO LONGER BE TOLERATED
BY THE PEOPLE OF MASSACHUSETTS.

THE REPUBLICAN PARTY HAS A LOT TO OFFER THE
PEOPLE OF MASSACHUSETTS. RESPONSIBLE, SKILLED
LEADERSHIP SUCH AS THAT PROVIDED BY HOUSE MINORITY
LEADER STEVEN PIERCE -- LEADERSHIP FOR THE REPUBLICAN
PARTY IN MASSACHUSETTS AND THE STATE AS A WHOLE.

AS REPUBLICAN LEADER, STEVE HAS FOCUSED THE
REPUBLICAN LEGISLATIVE CAUCUS ON INITIATING POSITIVE,
CREATIVE SOLUTIONS TO MANY OF THE STATE'S MOST
PRESSING CONCERNS.

STEVE IS A LEADING PROPONENT OF "DOWNSIZING
"GOVERNMENT" AND REALISTIC, COMMON SENSE BUDGETING
FOR THE COMMONWEALTH OF MASSACHUSETTS -- CENTERED
ON LIVING WITHIN NORMAL REVENUE GROWTH AND A HALT TO
CHRONIC OVERSPENDING. →

LAST YEAR, DURING THE PRESIDENTIAL RACE, HIS
CRITICISMS OF THE SPENDING PRACTICES OF DUKAKIS AND
THE DEMOCRATIC LEGISLATIVE LEADERSHIP WERE DISMISSED
AS PARTISAN RHETORIC. THIS YEAR THOSE CRITICISMS HAVE
BEEN PICKED UP BY MEMBERS OF THE DEMOCRAT PARTY AS
FRESH IDEAS ABOUT THE NEW FISCAL REALITY IN
MASSACHUSETTS.

STEVEN PIERCE HAS BEEN REPEATEDLY CITED IN

NEWSPAPERS ACROSS THE STATE AS ONE OF THE ONLY
POLITICIANS ON BEACON HILL WHO CONSISTENTLY ARGUES
ON THE SIDE OF TAXPAYERS AND AGAINST THE FORCES
CLAMORING FOR HIGHER TAXES AS THE ONLY SOLUTION FOR
THE PRESENT BUDGET CRISIS IN MASSACHUSETTS.

STEVE PIERCE HAS A SOLID RECORD OF
ACCOMPLISHMENT IN THE LEGISLATURE. HE FOUGHT A PAY
RAISE AND ATTRACTED BIPARTISAN SUPPORT FOR HIS
"ENTERPRISE ZONE" PROPOSAL.



HE LED EFFORTS TO RESTORE THE COMPETITIVE SETTING

OF STATE AUTO INSURANCE RATES IN 1988 AND BLOCKED

LEGISLATION THAT WOULD HAVE SUBSTANTIALLY WEAKENED

PROPOSITION TWO-AND-ONE-HALF.

AND WE KNOW STEVE PIERCE IS A FRIEND OF THE
TAXPAYER. HE WAS A KEY LEADER IN THE REPEAL OF THE
STATE SURTAX AND HAS BEEN IN THE VANGUARD OF
SENTENCING LAW REFORM, TOUGHER DRUNK DRIVING LAWS,
REFORM OF THE STATE EDUCATIONAL SYSTEM, AND REFORM
OF THE HOUSE'S PROCEDURAL RULES.

NOW I KNOW YOU HAVE A GOVERNOR'S RACE COMING

UP. AND I'M NOT HERE TONIGHT TO ENDORSE ANYONE.

BUT I AM HERE TO SAY TO THE PEOPLE OF

MASSACHUSETTS: LOOK -- YOU HAVE A CHOICE. YOU NO

LONGER NEED TOLERATE THE LEVELS OF CORRUPTION,

PATRONAGE, BUREAUCRACY AND BUNGLING THE

DEMOCRATS HAVE BROUGHT YOU FOR SO MANY YEARS.



THE REPUBLICAN PARTY CAN BECOME A FORCE AGAIN IN

THE COMMONWEALTH OF MASSACHUSETTS. IT CAN TURN
THIS SITUATION AROUND. THROW THE RASCALS OUT! GIVE
THE REPUBLICANS A CHANCE TO SAVE THIS STATE.

WITH BRIGHT, YOUNG, RESPONSIBLE AND AGGRESSIVE
LEADERS LIKE STEVEN PIERCE, I KNOW IT WILL.

MEMORANDUM

JUNE 23, 1989

TO: SENATOR DOLE

FROM: DAVE SMITH

SUBJECT: YOUR VISIT TO WELLMAN LABS

---Wellman Laboratories of Photomedicine, associated with Mass General Hospital and Harvard Medical School, was founded in 1978 by its current director, Dr. John A. Parrish, and named after its principal benefactor, the late Arthur O. Wellman.

---Wellman is the world's largest center for doctors, scientists and engineers working on medical applications of light and laser technology, (hence the term "photomedicine").

---The lab concentrates on using light or drugs that are activated by light to diagnose and treat kidney stones, heart disease, eye disease, cancer, burns and skin disease.

---For example, they can attach a photoactive drug to a cancer cell, expose it to light of a certain wavelength, and destroy the cancer cell.

---You will see examples of these techniques applied to:

**glaucoma	**cardiovascular disease	**kidney stones
**cancer	**skin disease	

---Since 1985 the Strategic Defense Initiative Organization (SDIO) has funded Wellman's Medical Free Electron Laser (MFEL) program as a medical spin-off from SDI technology.

---FY-89 funding for Wellman is \$3 million out of a total MFEL program funded at \$17 million. (You should stay out of any discussion on out-year "commitments" made by SDIO to Wellman for higher funding. We really don't know who promised what to whom. Furthermore, we have our hands full correcting SDIO mis-management of the whole program.)

---Briefly, SDIO has spread the money intended for six regional centers to 37 recipients. Most are too small to develop medical applications of MFEL technology. Instead they do basic research which never really feeds into a multi-disciplinary effort.

---A bipartisan group (Wilson, Dixon, Kennedy, Rudman, Dole et.al.) is drafting FY-90 Defense Bill language to restore the program's original intent: \$18 million to seven regional centers (through which smaller researchers could still work).

---Contracts will be awarded by a peer-review process common in the medical research community (Wellman will certainly be one of the winners).

---You should point out that practical applications should be developed as soon as possible, licensed, and sold to fund further work. They can't depend on government funding forever.

REP. STEVEN PIERCE

Rep. Steve Pierce is in his sixth term and 3rd year (2nd term) as House Republican Leader.

Pierce is a potential 1990 Republican Gubernatorial candidate. Other potential or likely GOP candidates for Gov. include former U.S. Attorney William Weld, White House Deputy Chief of Staff Andrew Card, Ex-Metropolitan District Commission Commissioner Guy Carbone, and Ex-Congressman Paul Cronin.

Pierce endorsed Sen. Dole for President in 1988 shortly before the Massachusetts Primary at a news conference with Secretary Dole. After the GOP convention he became chairman of "Victory '88" for the Bush-Quayle campaign.

Pierce is chairman of the Massachusetts Republican Legislative Campaign Committee. He founded it in 1987 to help elect more Republicans to the Massachusetts Legislature.

In 1988 Pierce was honored as Legislator of the Year by the National Republican Legislators Association.

He graduated from Union College, Schenectady, N.Y. with a Phi Beta Kappa in economics and was class co-valedictorian in 1971. He received his Juris Doctor, with honors, from Duke University in 1974.

He was first elected to the Massachusetts House in 1978. Prior to that he practiced law.

He lives in Westfield, MA. with his wife, Mary Jane, a registered nurse, and their son, Jeffrey, age 8.

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THE STATE

In recent years Massachusetts has been one of the most prosperous and most Democratic of all states.

A bastion of liberalism and criticism of American foreign and military policy, Massachusetts nevertheless has one of the nation's highest levels of defense spending.

Massachusetts high tech boom of recent years has moved its politics in different directions. Catholics, who have traditionally been Democrats, are trending Republican. At the same time many Yankees and highly-educated voters have been moving toward the politics of lower taxes and less government spending.

The current makeup of the Massachusetts House is 128 Democrats and 32 Republicans, the Senate has 32 Democrats and 8 Republicans. The Democrats hold every statewide elected office.

The current financial crisis in the state has thrown its politics into a state of confusion -- prompting friction between Dukakis and Democrats in the Legislature and a precipitous drop in both Dukakis' popularity and the state bond rating.

The worsening financial situation, a widely expected tax increase and a series of scandals in Massachusetts Democratic politics has created the best opportunity Republicans have had in more than a decade to win statewide office in 1990 and make significant gains in the Legislature.

The governor is now viewed as an ineffective lame duck, the Senate President was under a cloud of suspicion earlier this year for an alleged sweetheart real estate deal, the Speaker has had two former members of his staff (including his former chief of staff) indicted, the Attorney General has been criticized for his unwillingness to zealously investigate political corruption, the State Treasurer has been linked to a developing scandal involving the state pension system, and the Secretary of State recently had to suspend a member of his staff for pressuring a corporation with state contracts for not contributing enough to his boss' campaign committee.

1986 Est. population:	5.8 million
1986 Share of Tax Burden	2.8% (10th largest)
1986 Share of Federal Expenditures	
Total 3%	Non-defense 2.55%
	Defense 4.19%

- 3 -

MICHAEL DUKAKIS

Elected 1982, term expires Jan. 1991; b. Nov. 3, 1933, Brookline; home, Brookline; Swarthmore Col., B.A. 1955, Harvard U., LL.B. 1960; Greek Orthodox.

Army, Korea; Practicing atty., 1960-74; MA House of Reps., 1963-70; Dem. nominee for Lt. Gov., 1970; Moderator, "The Advocates," Natl. TV show, 1970-73; Gov. of MA, 1974-79; Dir., Intergovernmental Studies, Harvard U., appointed 1979.

1986 election	Dukakis	69%
	George Kariotis	31%
1982 election	Dukakis	59%
	John W. Sears	37%

Dukakis has the loyalty of college-educated liberals and some Yankee Republicans.

The proposition 2 and 1/2 property tax cap, enacted in 1980, cut property taxes 40%. Despite dire warnings from The Boston Globe that this would devastate the economy, the exact opposite happened. Lower property taxes generated more revenue. Property values and construction soared. Personal income rose -- unemployment dropped. Dukakis took advantage of the booming state economy to push a lot of new policies and programs..

Because of recent state budget woes, Dukakis's disapproval rating has soared above 50%. A WBZ-TV poll recently found that 57-percent of Massachusetts' registered voters think the Legislature would do a better job at solving the state's financial crisis than Gov. Dukakis. Fifty percent felt Dukakis should have resigned during the presidential campaign.

- 4 -

THE STATE BUDGET CRISIS

Massachusetts suffers from serious budget problems this year -- two problems, in fact. First, a deficit of roughly \$400 million for this fiscal year; second, a painful choice between raising taxes or making painful budget cuts to balance next year's budget. It has no budget yet for FY1990 -- which begins July 1.

The top item on Dukakis' agenda has been a \$600 million tax increase. But the opposition of House Ways and Means committee Chairman Richard A. Voke to a tax increase next year has so far staved off any movement on taxes and prompted Dukakis to publicly suggest maneuvering around the Ways and Means Committee and appealing directly to the House membership.

All the talk about taxes has raised the ire of activist tax opponents -- spearheaded by a group called "Citizens for Limited Taxation." CLT originally pushed through Proposition 2 and 1/2 in 1980.

The Senate used the euphemism "extraordinary measures" to refer to higher taxes in its budget proposal. This has caused the Citizens for Limited Taxation to jokingly refer to itself as "Citizens for Limited Extraordinary Measures."

The budget situation is so grave that the state is already saddled with more than \$2 billion in short-term debt, just to meet payrolls, and is considering issuing more bonds to cover this year's deficit -- with immediate repayment the following fiscal year -- most likely through higher taxes.

The top negotiators on the budget crisis [Dukakis, Volke, Senate President William Bulger, House Speaker George Keverian and Senate Ways and Means Committee Chairman Patricia McGovern] have become known as the "Gang of Five." They are all Democrats and their personal relationships has become a story onto itself.

Despite the clear fiscal crisis, total spending in the state jumped \$1.5 billion or 11.6 percent, over the past year.

- 5 -

BOND RATING

The gravity of the Bay State's fiscal mess has prompted two bond rating firms to downgrade the state's bond rating to levels normally reserved for economic basket cases. The action has shocked state treasurer Robert Crane.

On Wednesday, Moody's Investor's Service lowered the state bond rating from Aa to A, due to "a growing state deficit and debt, a weakening economy, and a perceived failure to grapple with fiscal problems." "While Massachusetts has enjoyed several years of economic and financial prosperity, unrealized revenues this year have produced a sizable budget deficit and a larger cash deficit," Moody's said.

The new bond rating places Massachusetts 40th out of 41 states on Moody's list. This is the lowest rating Moody's has given the Commonwealth since the great depression of the 1930's.

Standard & Poors lowered its Massachusetts bond rating from AA-plus to AA last month.

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THE HACK AND PRIVILEGE ISSUE

The number of relatives and friends of powerful Bay State politicians employed by a myriad of state agencies has become an issue -- especially given the state of fiscal affairs.

Since Dukakis returned from the presidential campaign trail, 27 of his former campaign aids have landed jobs in state government at salaries that average nearly \$39,000 a year -- including 11 persons in his own office. The total annual cost of their salaries to the state is \$932,818.

The Central Artery/Harbor Tunnel project (Tip's Tunnel) has been termed "the hackerama of the 1990's" in Massachusetts. EXAMPLE: Charlie Barker, a career Duke aide. His wife works at the Massachusetts Bay Transportation Authority and his sister, Janet, has landed a job at the Central Artery/Harbor Tunnel office at the Department of Public Works.

A FAMILY AFFAIR: House Majority Leader Charles Flaherty (\$1,010 a week; Charles "Chip" Flaherty, son, assistant to state Treasurer Robert Crane, \$596.15 a week; Ann Patterson, sister, state Lottery Commission, \$701.92 a week; Donald Flaherty, brother, court officer, Dorchester District Court, \$651.11 a week. Total annual family take: \$154,261.96.

State Senator Pat McGovern's brother-in-law earns \$36,000 a year at the state Lottery Commission.

Sen. Biff MacLean's sister works at the Lottery Commission.

State Sen. Dal Albano's wife works at the Department of Human Services and his two sons work for the MDC as "skate guards."

[Senate President Billy Bulger has two sisters, a brother, a brother in law, an ex-sister-in-law, a nephew and a niece, over \$300,000 worth of patronage, on the state payroll.]

TRAVEL SCHEDULE
MASSACHUSETTS

FINAL

MONDAY, JUNE 26, 1989

2:25pm DEPART Capitol Hill for National Airport/Butler
Aviation

2:40pm ARRIVE National Airport and proceed to departing
aircraft

FBO: Butler Aviation
703/549-8340

2:45pm DEPART Washington, DC for Boston, MA/Logan International

FBO: Butler Aviation
Aircraft: Hawker 700(US Tobacco)
Tail number: 23SB
Pilots: Lee Kraus
Chris Cain
203/661-1100
Flight time: 1 hour 30 minutes
Seats: 6
Meal: Snack
Manifest: Senator Dole
M. Glassner

4:15pm ARRIVE Boston, MA/Logan International Airport

FBO: Butler Aviation
617/567-8010

Met by: Lynn Drake
Fred Kocher - DFP Advance

4:20pm DEPART airport for Wellman Labs

Location: 50 Blossom Street
Boston, MA

Drive time: 30 minutes

PAGE 2
TRAVEL SCHEDULE
MASSACHUSETTS

MONDAY, JUNE 26, 1989

4:50pm ARRIVE Wellman Labs and proceed to tour of Kidney,
Glaucoma, Heart and Cancer areas
617/726-6119

Event runs: 40 minutes
Press: Closed
Format: Informal tour - see
attached shedule
Facility: None
Contact: Lynn Drake
617/726-6119

Met by: Dr. John Parrish -
Director of Wellman Lab

5:30pm DEPART tour for Reception with Wellman Lab staff

Location: Bulfinch II

5:35pm ARRIVE Reception with Wellman staff

Location: Bulfinch II
Attendance: 40
Event runs: 30 minutes
Press: Closed
Format: Mix and mingle
Facility: None
Contact: Lynn Drake
617/726-6119

NOTE: See attached list of attendees.

6:00pm DEPART Reception for holding room

Location: Dr. Parrish's Office

6:05pm Holding Room

Location: Dr. Parrish's Office

WELLMAN LABORATORIES OF PHOTOMEDICINE

Massachusetts General Hospital
Boston, Massachusetts 02114
Telephone (617) 726-



Harvard Medical School
Department of Dermatology

Senator Robert Dole

Monday, June 26, 1989

4:50 - 4:55	Arrive Wellman Laboratories Greeting and Introduction (including briefing on psoriasis [poster] by Dr. Parrish)
4:55 - 5:00	Glaucoma - Wellman 2 - Peter Kobsa
5:00 - 5:05	Cancer - Wellman 2 - Tayyaba
5:05 - 5:08	To Bartlett X6 Conference Room
5:08 - 5:15	Cardiovascular - Kenton (including poster, video, heart machine)
5:15 - 5:22	Balloon w/posters on portwine stains and tattoos - Rox, Bill F.
5:22 - 5:30	Stone breaking and video - Norm
5:30	Walk to reception
5:35	Reception - Bulfinch 2

Please be prepared in the event of an early arrival.

As you can see, time is very tight. It is imperative that you keep within the time frames indicated.

Hosts

John A. Parrish, M.D.
Director, Wellman Laboratories of Photomedicine

Lynn A. Drake, M.D.
Deputy Director, Wellman Laboratories of Photomedicine

Receiving Line:

Dr. Robert Buchanan
General Director

Dr. Ronald Lamont-Havers
Director, Research Administration

Mr. Lawrence Martin
Associate General Director

Distinguished Guests:

Dr. Gerald Austen
Chief, Department of Surgery

Dr. George Baker
Associate General Director

Mr. Martin Bander
Director, News and Public Affairs

Dr. Robert Buchanan
General Director

Mr. Richard Crater
Director, Accounting Department

Dr. Patricia Donohoe
Chairman, Executive Committee on Res.

Dr. Thomas Durant
Associate General Director

Ms. Diane Gilbert
Research Affairs

Mr. Edward Kaplan
Director for Corporate Contracts

Mr. Walter Kiebach

Wellman Associate

Dr. Ronald Lamont-Havers
Director for Research Administration

Mr. Lawrence Martin
Associate General Director

Mrs. Yvonne Munn
Vice Chairman, GEC

Mr. Charles Murphy
Assistant Director, Technology Affairs

Dr. Ronald Newbower
Technology Affairs

Dr. John Potts
Chief, Department of Medicine

Dr. Herman Suit
Chairman, GEC

Mr. Nicholas Thorndike (Trustee)
Wellington Management Co.

William Walch
Vice President, Resources &
Development and Public Affairs

Mr. Arthur and Mrs. Mary Wellman, Jr.
Wellman Associate

Dr. Howard Baden
Associate Chairman of Dermatology, HMS

Dr. Michael Wick
Chief, Dermatology Division
Dana Farber Cancer Institute

Wellman Staff:

Dr. R. Rox Anderson

Dr. Reginald Birngruber

Ms. Nora Chen

Ms. Ellen Davis

Dr. Thomas Flotte

Dr. Richard Granstein

Dr. Howard Green
Dr. Kenton Gregory
Dr. Tayyaba Hasan
Dr. Yaron Hefetz
Dr. John Hurley
Mr. Peter Kobsa
Dr. Irene Kochevar
Ms. Diane Kovacev
Dr. Glenn LaMuraglia
Ms. Claudia Maffeo
Mr. Daniel McAuliffe
Mr. Eric Menn
Dr. Norman Nishioka
Mr. Bernhard Ortel
Mr. Martin Prince
Dr. Wolfgang Radtke
Ms. Sharon Samuels
Dr. Kevin Schomaker
Ms. Peggy Sherwood
Ms. Amy Stoddard
Ms. Elizabeth Torres
Dr. Gene Tudor
Ms. Susan Weeks

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TRAVEL SCHEDULE
MASSACHUSETTS

MONDAY, JUNE 26, 1989

6:25pm DEPART Wellman Labs for Press Conference with
Representative Pierce

Location: Westin Hotel - Copley
Place
10 Huntington Avenue
Boston, MA

Location: 20 minutes

6:45pm ARRIVE Westin Hotel and proceed to Holding Room
617/262-9600

Location: Administrative Office -
5th Floor

Met by: Fred Copeman - Dinner
Chairman
Dan Burger - DFP Advance

6:50pm Holding Room 617/262-9600

Location: Administrative Office -
5th Floor

Met by: Representative Pierce

6:55pm DEPART Holding Room for Press Conference with
Representative Pierce

Location: St. Georges Room D -
3rd Floor

7:00pm PRESS CONFERENCE with Representative Pierce
617/262-9600

Location: St. Georges Room D -
3rd floor

MONDAY, JUNE 26, 1989

7:15pm DEPART Press Conference for FR Reception

Location: Essex Ballroom North
3rd floor

7:20pm ARRIVE FR Reception 617/262-9600

Location: Essex Ballroom North -
3rd Floor
Attendance: 200
Event runs: 6:00-8:00pm
Ticket: \$100/person
Press: Open
Format: Mix and mingle
Senator Dole introduced
by David Locke, Senate
Republican Leader
Remarks by Senator Dole
David Locke introduces
Rep. Pierce
Remarks by Rep. Pierce
Risers, podium and mike
Facility:
Contact: Brad Minnick - Pierce
staff 617/722-2100

NOTE: On risers with Senator Dole will be David Locke,
Representative Pierce, Mary Jane Pierce, his
wife and Ray Shamie, State Republican
Chairman.

NOTE: Attached is a list of attendees.

8:00pm DEPART Reception for FR Dinner for Representative
Pierce

Location: Adams Room - 7th Floor

NOTE: Attached is a list of attendees.

OTHER NOTABLES WHO WILL BE AT RECEPTION

- MR. JOHN SEARS.....Former Republican State Chairman, 1982 gubernatorial nominee
- MR. WILLIAM BARNSTEAD.....Former Republican State Chairman
- HON. PAUL CELLUCCI.....Assistant Republican Leader, Massachusetts Senate, Massachusetts Co-Chair of 1988 Bush Campaign
- MR. MICHAEL VALLANTE.....Rhode Island Republican State Chairman
- HON. AGUSTUS HORNBLOWER.....State Representative, current Republican National Committeewoman
- MRS. POLLY LOGAN.....Former Republican National Committeewoman
- MR. BAYARD WARING.....Representing his father, former Republican State Chairman Lloyd Waring
- HON. KEVIN POIRIER.....Assistant House Republican Leader, endorsed Dole in '88
- HON. WILLIAM CONSTANTINO.....State Representative, endorsed Dole in '88
- HON. ROBERT HOWARTH.....State Representative, endorsed Dole in '88
- HON. IRIS HOLLAND.....State Representative, former Assistant House Republican Leader, endorsed Dole in '88
- HON. WALTER DeFILIPPI.....State Representative, endorsed Dole in '88
- HON. PETER TORKILDSEN.....State Representative, potential candidate for Lt. Governor, endorsed Dole in '88
- HON. MARY JEANETTE MURRAY.....State Representative, endorsed Dole in '88
- HON. PETER BLUTE.....State Representative, potential candidate for Lt. Governor, endorsed Dole in '88

Other Massachusetts Republican Legislators will also be attending

As of: 6/26/89

A TRIBUTE TO STEVE PIERCE
DINNER GUESTS

NAME	TITLE
MR. FOSTER ABORN.....	President, Investment & Pension Section, John Hancock Mutual Life Insurance Co.
MR. ARMAND BREault.....	Massachusetts Realtors Association
MR. CHARLES BERGERON.....	Massachusetts Realtors Association
MR. FRED COPEMAN.....	Executive Vice President, Boston Bay Capital, Inc. (Does historic preservation around country) DINNER CHAIRMAN
MRS. PAMELA COPEMAN.....	His wife
MR. DANIEL DALEY.....	Daley & Co.
MR. CHARLES DOLAN.....	Assistant D.A., Hampden Co., Massachusetts
MR. JOSEPH DiGIOVANI.....	Legislative Agent, American Insurance Assn.
MR. ERIC DIRATS.....	Owner, Dirats Lab
MRS. CAROL DIRATS.....	His wife
MR. C. EUGENE FARNMAN.....	
MS. CYNTHIA GRAF.....	Regional Political Director, Massachusetts Republican Party & Member, Republican State Committee
MR. JOHN GRAY.....	Former state representative
MR. DAVID GRIFFEL.....	
DR. GARY GOVER.....	Independent Investor & Dentist, PIERCE FINANCE CHAIRMAN
MRS. PRISCILLA GOVER.....	His wife, independent investor
MR. TIMOTHY HALL.....	Independent Businessman
MR. JAMES HARRINGTON.....	Attorney, Former State Representative
MR. GEORGE KARIOTIS.....	President, Alpha Industries, 1986 GOP gubernatorial nominee

PIERCE TRIBUTE
 DINNER GUESTS, CON'T

- MR. THOMAS KERSHAW.....Owner, Hampshire House Restaurant (his bar was the inspiration for the TV series "Cheers." RNC Eagle
- HON. DAVID LOCKE.....Massachusetts Senate Republican Leader
- MRS. DAVID LOCKE.....His wife
- MR. JOHN MATHEWS.....Real Estate Developer
- MR. JOHN MOFFETT.....Former Small Business Administration appointee
- HON. MARY JANE McKENNA.....House Republican Whip, endorsed Dole in 88
- MR. EDWARD McDONALD.....Fundraiser for non-profit organizations
- MR. THEODORE PEREZ.....Owner, with his wife, of East Mountain Country Club, Westfield, MA.
- MRS. MARIA PEREZ.....His wife
- HON. STEVEN D. PIERCE.....House Republican Leader
- MRS. MARY JANE PIERCE.....His wife
- MR. BENJAMIN SCRANTON.....Massachusetts Realtors Association
- HON. RAYMOND SHAMIE.....Republican State Chairman
- MRS. EDNA SHAME.....His wife
- MR. STEVEN SILVERA.....Dir. of Operations, Massachusetts Republican Party, former MA DFP staff
- MRS. MAGGIE SILVER.....President, Pioneer Valley Railroad
- MR. ROBERT SMITH.....Mrs. Silver's husband
- MR. MICHAEL TRANT.....Attorney
- MR. DANIEL TRANT.....Hampden Co. District Attorney's Victims Witness Bureau
- MR. DONALD WILLIAMS.....President, Westfield Savings Bank
- MRS. KAREN WILLIAMS.....His wife
- MR. BAYARD WARING.....Former Reagan Administration official/ Dept. of Education

MONDAY, JUNE 26, 1989

8:05pm ARRIVE FR Dinner for Representative Pierce
617/262-9600

Location: Adams Room - 7th Floor
Attendance: 40
Event runs: 8:00-9:30pm
Ticket: \$500/person
Press: Closed
Format: Mix and mingle
Brief remarks
Facility: No head table, round
tables, podium, no mike
Contact: Brad Minnick - Pierce
staff 617/722-2100

NOTE: Dinner will be served after Senator Dole
departs.

8:20pm DEPART Westin Hotel for Logan International Airport

Drive time: 20 minutes

8:40pm ARRIVE Logan International Airport and proceed to
departing aircraft

FBO: Butler Aviation
617/567-8010

8:45pm DEPART Boston, MA for Washington, DC/National Airport

FBO: Butler Aviation
Aircraft: Hawker 700(US Tobacco)
Tail number: 23SB
Pilots: Lee Kraus
Chris Cain
Flight time: 1 hour 30 minutes
Seats: 6
Meal: Snack
Manifest: Senator Dole
M. Glassner

10:15pm ARRIVE Washington, DC/National Airport

FBO: Butler Aviation
703/549-8340

10:20pm DEPART airport for Residence

10:35pm ARRIVE Residence for PRIVATE

BOSTON HARBOR

LEVEL 1 - 1 OF 161 STORIES

Proprietary to the United Press International 1989

June 22, 1989, Thursday, BC cycle

SECTION: Regional News

DISTRIBUTION: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

LENGTH: 371 words

KEYWORD: Ma-Epa

BODY:

EPA chief says no new federal aid for harbor cleanup

BOSTON (UPI) -- Environmental Protection Agency chief William Reilly, in town to tout the president's new clean air bill, said Thursday that current rates of federal aid for the Boston Harbor cleanup would probably not increase.

Reilly, a native of Fall River, said federal funding for water cleanups has been reduced substantially since the mid-1970s, leaving "a dark cloud" over

Proprietary to the United Press International, June 22, 1989

an estimated \$80 billion in water cleanup needs.

George Bush often cited the heavily polluted Boston Harbor in criticisms of opponent Gov. Michael Dukakis in last year's presidential race.

Dan Greenbaum, commissioner of the state Department of Environmental Quality Engineering, said present projections indicate the federal government will contribute about 5 percent of the \$6 billion in Boston Harbor cleanup costs over the next decade.

"The federal government is simply going to have to expect more from states and towns" in cleaning up areas such as the harbor, Reilly said. "If we're to be judged by how much money we're putting into water pollution cleanups, I'm afraid we will always come up short."

Reilly called the president's new clean air proposals "ambitious and expensive," saying they were evidence Bush's commitment to be the "environmental president" would be fulfilled.

Bush's clean air proposals call for sulfur dioxide emissions from utilities and factories, the chief cause of acid rain, be cut in half by the end of the century.

Proprietary to the United Press International, June 22, 1989

About 20 million tons of sulfur dioxide are emitted annually in the country, three-quarters of it the result of the burning of fossil fuels by electric utilities and the rest from other industrial and transportation sources.

The proposals would also require all cities currently in violation of federal smog standards be brought into compliance by 2010.

"I think anyone who questioned the president's claim to be the environmental president will realize these are very significant proposals," he said, adding they represent the first reauthorization of the Clean Air Act in 12 years.

Reilly was president of the World Wildlife Foundation for four years before Bush tapped him as EPA administrator in February.

! NEXIS
®

MASSACHUSETTS
Economic Statistics

Massachusetts has seen the creation of over 400,000 new jobs in the past five years; over 80,000 new businesses have opened their doors; we've held the lowest unemployment rate of any of the largest states in America since 1983; 50,000 people have left the welfare rolls to find good jobs at good wages, saving the state over \$280 million; last year our growth in personal income was 24 percent above the national average; our overall tax burden was 5 percent below the national average; and, since 1983, Governor Michael S. Dukakis has cut both personal and corporate taxes by over \$750 million.

1988 UNEMPLOYMENT RATES
 (January - June)

	<u>AVG.</u>	<u>June</u>	<u>May</u>	<u>Apr.</u>	<u>Mar.</u>	<u>Feb.</u>	<u>Jan.</u>
<u>MASSACHUSETTS</u>	<u>3.2%</u>	<u>3.5%</u>	<u>2.8%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>3.4%</u>	<u>3.4%</u>
United States	5.6%	5.3%	5.6%	5.4%	5.6%	5.7%	5.8%
Largest States (excluding Massachusetts)	5.6%	5.2%	5.4%	5.4%	5.8%	5.8%	6.0%

UNEMPLOYMENT RATES
 (Yearly)

	<u>PCT. DECREASE</u> <u>1987-1982</u>	<u>87</u>	<u>86</u>	<u>85</u>	<u>84</u>	<u>83</u>	<u>82</u>
<u>MASSACHUSETTS</u>	<u>60%</u>	<u>3.2%</u>	<u>3.8%</u>	<u>3.9%</u>	<u>4.8%</u>	<u>6.9%</u>	<u>7.9%</u>
United States	36%	6.2%	7.0%	7.2%	7.5%	9.6%	9.7%
Largest States (excluding Massachusetts)	41%	6.1%	7.0%	7.4%	8.0%	10.3%	10.4%

UNEMPLOYMENT RATES
 (Demographic Groups)

MASSACHUSETTS/United States

	<u>PCT. DECREASE</u> <u>1987-1982</u>	<u>87</u>	<u>86</u>	<u>85</u>	<u>84</u>	<u>83</u>	<u>82</u>
TOTAL	<u>60/36</u>	<u>3.2/ 6.2</u>	<u>3.8/ 7.0</u>	<u>3.9/ 7.2</u>	<u>4.8/ 7.5</u>	<u>6.9/ 9.6</u>	<u>7.9/ 9.7</u>
Male	<u>59/37</u>	<u>3.4/ 6.2</u>	<u>3.9/ 6.9</u>	<u>4.1/ 7.0</u>	<u>4.8/ 7.4</u>	<u>7.1/ 9.9</u>	<u>8.3/ 9.9</u>
Female	<u>59/34</u>	<u>3.0/ 6.2</u>	<u>3.7/ 7.1</u>	<u>3.8/ 7.4</u>	<u>4.7/ 7.6</u>	<u>6.7/ 9.2</u>	<u>7.4/ 9.4</u>
White	<u>60/38</u>	<u>3.1/ 5.3</u>	<u>3.7/ 6.0</u>	<u>3.9/ 6.2</u>	<u>4.6/ 6.5</u>	<u>6.6/ 8.4</u>	<u>7.8/ 8.6</u>
Black	<u>47/31</u>	<u>6.0/13.0</u>	<u>6.3/14.5</u>	<u>5.3/15.1</u>	<u>9.7/15.9</u>	<u>13.7/19.5</u>	<u>11.3/18.9</u>
Hisp.	<u>69/35</u>	<u>5.3/ 9.0</u>	<u>8.4/10.5</u>	<u>9.4/10.5</u>	<u>16.4/10.7</u>	<u>17.3/13.7</u>	<u>NA/13.8</u>
16-19	<u>64/27</u>	<u>7.7/16.9</u>	<u>9.5/18.3</u>	<u>9.4/18.6</u>	<u>9.6/18.9</u>	<u>17.4/22.4</u>	<u>21.4/23.2</u>

LABOR FORCE
 (Employment By Industry)

	<u>1987</u>	<u>1982</u>	<u>New Jobs Created</u>	<u>Pct. Chng.</u>
<u>TOTAL</u>	3,045,800	2,638,000	407,800	15.5%
Services	847,300	681,900	165,400	24.3%
Wholesale and Retail	719,000	577,000	142,000	24.6%
Manufacturing	597,000	640,200	- 43,200	- 6.7%
Government	397,500	370,700	26,800	7.2%
Finance, Insurance and Real Estate	217,200	168,700	48,500	28.7%
Transportation, Communications, and Utilities	129,300	120,000	9,300	7.8%
Construction	136,700	78,400	58,300	74.4%

A STRONG AND DIVERSE ECONOMY
 (Percentage of Jobs)

Services.....	28%
Wholesale and Retail Trade.....	24%
Manufacturing.....	20%
(Non High-Tech/60%, High Tech/40%)	
Government.....	13%
Finance, Insurance and Real Estate.....	7%
Transportation, Communications and Utilities.....	4%
Construction.....	4%

JOB GROWTH/LAYOFFS
 (Yearly)

<u>Year</u>	<u>Job Growth</u>	<u>Layoffs</u>
1988	60,000-65,000 (est.)	4,400 (Thru 3/31/88)
1987	61,000	24,400 (down 10% from '86)
1986	58,800	27,200 (down 17% from '85)
1985	74,200	32,600
1984	159,300	Layoffs not tabulated prior to enactment of 1985 plant closing legislation.
1983	54,500	

PERSONAL INCOME

<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>
\$18,926	\$17,657	\$16,324	\$15,230	\$13,780	\$12,751

In 1987, Massachusetts had the third highest per capita income in the nation; at the same time, it was the second-fastest growing per capita income in the country as well.

The previous year, 1986, Massachusetts had the fourth highest per capita income in America and the fastest growing income (at more than 8 percent) of any state in the nation.

Overall, the state's growth in personal income was just 5 percent ABOVE the national average in 1975. In 1987, Massachusetts' growth in personal income was 24 percent ABOVE the national average.

TAX BURDEN

In 1975, Massachusetts' tax burden was 5.3 percent ABOVE the national average. In 1987, the commonwealth's tax burden was 5.0 percent BELOW the national average.

AVERAGE ANNUAL WAGES
(1986)

	<u>MASSACHUSETTS</u>	<u>United States</u>	<u>Index of Mass. to U.S.</u>
<u>TOTAL</u>	<u>\$20,925</u>	\$19,996	104.8%
Wholesale Trade	<u>\$27,083</u>	\$24,820	109.1%
Services	<u>\$19,229</u>	\$17,643	109.0%
Construction	<u>\$24,591</u>	\$22,190	108.2%
Government	<u>\$22,218</u>	\$21,083	105.4%
Finance, Insurance and Real Estate	<u>\$25,515</u>	\$24,429	105.2%
Manufacturing	<u>\$25,886</u>	\$24,861	104.1%
Retail Trade	<u>\$11,599</u>	\$11,139	104.1%
Transportation, Communications and Utilities	<u>\$25,573</u>	\$26,561	96.3%

MANUFACTURING

Massachusetts has experienced an increase of 32.6 percent in real terms in the manufacturing gross state product from 1982-1985, as opposed to the previous three-year period when there was an increase in real terms of a mere 0.9 percent, while the increase at the national level during that same period was 5.7 percent.

Just as impressively, manufacturing's total share of the gross state product rose from 21 percent in 1982, to 22.9 percent in 1985, compared to the national increase of 21.7 percent.

In addition, the governor has instituted the following initiatives to bolster manufacturing in the commonwealth. They are:

- the Massachusetts Product Development Corporation (MPDC), to help smaller manufacturers gain the venture capital they need to finance new processes and development;
- the Massachusetts Metalworking Partnership (MMP), to begin comprehensive job referral and retraining programs to meet the needs of our manufacturers and their employees in the commonwealth; and
- the Center for Applied Technology (CAT), to help meld new and emerging technologies to existing traditional industries.

TARGETS OF OPPORTUNITY
(Unemployment Rates)

<u>AREA</u>	<u>1987</u>	<u>1983</u>	<u>Pct. Chng.</u>
<u>MONTACHUSETT</u>			
Fitchburg/Leominster	4.2%	9.2%	- 5.0%
Gardner	5.0%	13.1%	- 8.1%
<u>NORTHERN BERKSHIRE</u>			
North Adams	4.5%	8.9%	- 4.4%
<u>NORTHERN TIER</u>			
Athol	4.8%	12.3%	- 7.5%
Greenfield	2.7%	6.3%	- 3.6%
<u>SOUTHEASTERN MASSACHUSETTS</u>			
Attleboro	4.5%	10.5%	- 6.0%
Brockton	3.6%	8.1%	- 4.5%
Fall River	5.7%	9.7%	- 4.0%
New Bedford	5.1%	9.8%	- 4.7%
Taunton	4.2%	10.3%	- 6.1%
<u>SOUTHWEST CORRIDOR</u>			
Boston	2.7%	5.8%	- 3.1%
<u>TARGET AREA AVERAGE</u>	<u>4.3%</u>	<u>9.5%</u>	<u>- 5.2%</u>

Budget

70 AP 06-25-89 21:03 EDT 62 LINES

AM-MA--State Budget, 1st Ld-Writethru,0540<

Eds: UPDATES with legislators adjourning; EDITS to conform; picks up 9th graf pvs: Voke, however<

By SONNI EFRON=

Associated Press Writer=

BOSTON (AP) House and Senate negotiators adjourned Sunday evening without ironing out the differences in their respective budget plans for the fiscal year that dawns next week.

Joan Fallon, a spokeswoman for Senate Ways and Means Chairman Patricia McGovern, D-Lawrence, said no agreement had been reached among legislators who spent the weekend trying to hammer out a budget compromise.

``They'll be back again and attempt to resolve their differences (Monday),'' she said.

The two sides have been meeting since 6ast Thursday but progress has been slow in reconciling the House's \$12.3 billion budget plan for fiscal 1990 with the Senate's \$12.4 billion blueprint.

After several hours of negotiation Sunday, the two sides agreed on funding for the Gateway Cities program to help cities strained by immigration.

The House had proposed spending \$2 million and the Senate \$5 million, but both sides reached a comprise figure of \$3 million, said Ann Murphy, spokewoman for House Ways and Means Chairman Richard Voke, D-Chelsea.

Murphy said the conference committee also accepted House language that would impose stricter guidelines to funnel the money only to those areas most affected by immigration.

Key differences between the two plans still to be resolved included a Senate proposal to sell \$670 million in bonds to pay the state's 1990 Medicaid bills, Fallon said. She said the plan would bring in \$337 million in federal reimbursements.

Voke, however, has questioned the size of the bond issue and has expressed concern about taking on more debt at a time when the state's credit is already stretched, Murphy said.

The Senate's budget plan also includes a \$30 million fund for communitites in fiscal distress, a kitty not included in the House version, Fallon said. The Senate has also proposed requiring the state's independent authorities to share \$45 million of their profits with the cash-strapped government, she said.

Also at variance are each side's revenue projections. The House figure gives the most optimistic estimate of how much the state will collect, higher than either the Senate or the administration projection, Fallon said.

Voke has maintained that the House projections are accurate and insists there will be no need for permanent taxes to balance the fiscal 1990 budget.

``If the governor feels this budget is out of balance he should veto enough to balance it,`` Murphy said.

McGovern sounded a similar note Saturday, saying, ``Whatever we do, the governor's going to have to veto.`` The swath of Gov. Michael Dukakis' budget ax will depend on the bottom line spending

figure agreed to by the House and Senate.

On Saturday, House members agreed to restore the state energy office, which it had eliminated but the Senate wanted to keep.

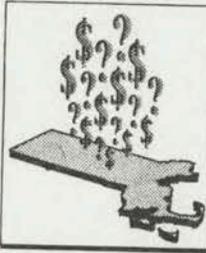
Under a compromise agreement, the energy office will be saved but all other cabinet offices will have to absorb a 10 percent cut in administrative costs, for a total savings of about \$1 million.

The new fiscal year dawns on Saturday, July 1. State Treasurer Robert Q. Crane has said the new budget must be ready by Thursday or as many as 11,000 state employees won't receive their paychecks.

The Bay State Crack-Up

What a difference a year can make. Last May, Governor Michael Dukakis flew home to Boston from his victory in the Oregon primary to proclaim that soon the rest of the country "will share in the Massachusetts economic miracle." This week, the Governor's top financial aide told the legislature, "If the state were a business, we would be insolvent. We'd be eligible for Chapter 11."

The state's revenue shortfall is so severe that a confidential Dukakis administration memo says the state may have to impose a "total freeze on operations" as early as mid-June. The state is out of cash and more than \$2 billion deep in short-term debt needed to meet payrolls. This week, both Standard & Poor's and Moody's finally lowered credit ratings on some Massachusetts securities.



In January, Governor Dukakis announced he wouldn't run for re-election, and since then his negative ratings have soared above 50%. But more has collapsed in Massachusetts than Mr. Dukakis's political career. In a real sense, the new brand of liberalism he claimed to represent is being buried right next to his political fortunes.

When New York City collapsed financially in 1975, after borrowing and spending its way into bankruptcy, political analysts said it marked the end of the postwar liberal practice of solving problems by throwing money at them. A new political creed, called neo-liberalism, held that government could be both realistic and compassionate, make tough choices and resist special interests. A crop of new governors, led by Jerry Brown of California and Michael Dukakis, sold themselves as liberal technocrats who would manage government efficiently.

Massachusetts, a state in which liberals held every lever of state power, was a test case for neo-liberalism. But instead of tough choices, Mr. Dukakis used the economic boom to go on the biggest spending spree of any state in American history. Now that the party is over, Governor Du-

kakis's proposed solution is \$600 million in new taxes. Other states with budget shortfalls are cutting spending, but the proposed Dukakis budget is nearly 10% larger than last year's.

The tax-raising strategy of Governor Dukakis is precisely the "tough choice" that the Beltway is now telling George Bush he must embrace eventually. Maintaining the Reagan strategy, Mr. Bush has shut down the tax option in an effort to force "tough choices" on the spending side. On the evidence, the Bush-Reagan policy pays larger dividends, both economically and politically.

Massachusetts voters clearly have been sending their state government the same message. In the last year, citizens of half a dozen cities have overwhelmingly rejected proposed tax increases. Gerry Chervinsky, a pollster with KRC Communications Research, says large majorities of voters think the state's budget woes stem from a bloated government larded with patronage employees and unresponsive bureaucracies. "Nearly half the people in Massachusetts say they've become more conservative over the last 10 years," notes Mr. Chervinsky. "This suggests liberalism needs to be tempered with some practicality, some realism."

But that's the message neo-liberals claimed to have gotten 14 years ago following New York City's collapse. Like the old-fashioned liberals they disdained, however, many of them in the crunch can't say no to the special-interest groups that form the basis of their political support.

Liberals have a whole galaxy of favored, holier-than-thou constituencies that they simply can't offend with a tough choice. But unless they finally show some willingness to break with these right-minded folks and embrace the new status quo on taxes and genuine fiscal prudence, they'll continue to experience what writer R. Emmett Tyrrell has called the liberal crack-up. As Jon Keller, political reporter for the Tab newspapers in Boston, notes, "If someone as bright, experienced and opportunistic as Michael Dukakis can't make the neo-liberal vision fly under near-perfect circumstances, who can, where and when?"

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`Gang of Five' Still Divided on Budget<

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By JOHN DIAMOND=

Associated Press Writer=

BOSTON (AP) A group that has become known as ``the gang of five'' including Gov. Michael S. Dukakis and top legislators emerged from a marathon session Wednesday evening still divided on the state budget crisis and the issue of taxes.

Following indications earlier this week that the group would reach an agreement within days, Dukakis said Wednesday that he was ``hopeful'' there could be an agreement on this year's budget deficit and next year's state spending plan by the end of the fiscal year in 10 days.

Indications of a split were reinforced as Dukakis indicated that the fight over state spending may involve the administration bypassing House Ways and Means committee Chairman Richard A. Voke and seeking support from rank-and-file House Democrats.

The meeting between Dukakis, Voke, Senate President William Bulger, House Speaker George Keverian and Senate Ways and Means committee Chairman Patricia McGovern took place amid reports of a lowered state bond rating issued by Moody's Investors Service.

The bond rating service said the decision which forces Massachusetts to pay higher interest rates on borrowed money came as a direct result of the failure of Dukakis and the legislative leaders to reach an agreement.

Dukakis agreed that delay was the culprit.

``My original recommendation was for new taxes no later than April 1st. It's now late June. Further delay will hurt us more,'' said a weary looking Dukakis following the two-hour private meeting in his office.

``Raising taxes is never pleasant,'' Dukakis said. ``But it's the only responsible course. We need new revenue just to pay for housing, education and human services.''

Other participants in the meeting had little to say following the meeting.

Bulger recommended reporters talk to Dukakis, saying, ``The only way you'll get a coherent point of view is to get one point of view.''

The state faces two budget problems: a deficit of roughly \$400 million for this fiscal year; and a choice between raising taxes or making painful budget cuts to balance next year's budget. Dukakis said that while the group was making progress, there were no firm agreements on any of the outstanding issues.

The top item on Dukakis' agenda has been a tax increase. But the opposition of Voke to a tax increase for next year presents a problem since all tax-raising bills must originate in the House and would usually come out of the Ways and Means committee.

Dukakis Wednesday suggested that the way around that problem was to rally the rank-and-file around a tax increase.

``There are 160 House members,'' Dukakis said. ``It's a majority that has to make a decision.''

Amid the budget deliberations, House Democrats Wednesday proposed a ``citizen audit'' of state government. State Rep.

Geoffrey Beckwith, D-Reading, and Rep. Mary Jane Gibson, D-Belmont, the assistant majority whip proposed that an independent, private sector commission to recommend cuts in state spending and ways to improve government efficiency.

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By DUNCAN MANSFIELD=
Associated Press Writer=

BOSTON (AP) Wall Street bond rating agencies may accept short-term borrowing by Massachusetts to bail out a fiscal 1989 deficit as long as state revenues are sufficient to pay off the bonds in fiscal 1990, rating agency analysts said Friday.

The Legislature and the Dukakis administration have not reached a decision on issuing bonds to cover the fiscal 1989 shortfall, now estimated at \$250 million.

But House Ways and Means Chairman Richard Voke, D-Chelsea, and Senate Ways and Means Chairman Patricia McGovern, D-Lawrence, have both said bond borrowing that would shift payment into the next fiscal year was a possibility.

McGovern raised an additional issue Thursday, besides the likely deficit, that could send the state back to the bond markets a potential cash flow problem in meeting \$1.3 billion in scheduled payments for state salaries, local aid and retiring previous bond issues by the end of the fiscal year on June 30.

Analysts at Moody's Investors Service and Standard & Poor's, the two main bond rating houses on Wall Street, are closely watching how the budget situation plays out in Massachusetts.

The credit worthiness of the state hangs in the balance, and S&P has already placed Massachusetts' high AA-plus bond rating on ``credit watch status, with negative implications.''

``Basically, ... we are waiting to see the final outcome of the policy debate,' ' Cathy Daicoff, a vice president with Standard & Poor's, said in a telephone interview.

``Once the policy decisions are made and there is legislation that we can evaluate, we will evaluate not only how (fiscal) 1989 ends, but really more importantly, how (fiscal) 1990 is balanced.''

Claire Cohen, a vice president at Moody's, said that ``what you really have to look for from a credit point of view is what they do both to pay off what they owe, which is really what spending more than you take in amounts to, and what they put in place to see that it doesn't happen again next year.''

Daicoff said if the state does decide to ``balance '89 and '90 together even with short-term debt, that would certainly be viewed much more positively than if they issued it over four or five years.

``If they issued (a deficit-covering bond) over four or five years, I think it is fair to say that is inconsistent with a AA-plus rating,' ' she said.

Cohen agreed, saying, ``a short-term borrowing in essence financing this year's bills until next year is obviously less serious.''

Cohen noted that New York state recently waited until the last day of its fiscal year to float a \$460 million deficit-covering

bond to be retired in the following fiscal year. The move didn't hurt New York's bond rating, said Cohen. ``On the other hand, they are rated lower than Massachusetts,'' she added.

Massachusetts has issued \$2.1 billion in short-term notes this fiscal year to cover cash shortfalls, racking up \$23.6 million in interest costs.

Treasurer Robert Crane is considering issuing another short-term note of \$200 million to \$500 million later this month to help cover \$490 million in short-term notes due May 23.

Any short-term issues will have to be paid off by the end of the fiscal year. The Legislature would have to change current law to allow the payment schedule on a short-term note to extend beyond June 30.

The state is also planning to issue a \$250 million long-term bond in June.

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By JOHN DIAMOND=

Associated Press Writer=

BOSTON (AP) The state budget crisis deepened Wednesday as Moody's Investors Service lowered the state bond rating from Aa to A on the eve of a \$365 million state bond issue.

The lowered rating will force Massachusetts to pay a higher interest rate on the money it borrows to pay end-of-the-year debt and on any other loans it seeks. State Treasurer Robert Q. Crane said that over the life of the 20-year bonds to be issued Thursday, the state will pay an additional \$4 million in interest.

The New York investment rating house said in a release that the lowered rating stemmed from the growing state deficit and debt, a weakening economy, and a perceived failure to grapple with fiscal problems.

``While Massachusetts has enjoyed several years of economic and financial prosperity, unrealized revenues this year have produced a sizable budget deficit and a larger cash deficit,`` Moody's said in a statement.

``Regardless of the outcome of budgetary negotiations, (Massachusetts) will remain dependent upon the markets for operating cash,`` Moody's said. ``Financial problems have not been contained within the fiscal year involved and deficit funding, which will add to debt, is planned.``

With the new bond rating, Massachusetts stands near last ahead of Louisiana and Puerto Rico among 41 states that issue general obligation bonds, according to Moody's.

``What Moody's is saying in simpler terms is that delay has hurt us and every taxpayer in the commonwealth,`` said Gov. Michael S. Dukakis in a news conference Wednesday evening following a two-hour meeting with top legislators.

The announcement from one of the nation's most prestigious bond rating services, came a month after Standard & Poors lowered its Massachusetts bond rating from AA-plus to AA.

Lowered ratings translate into fractions of percentage points in terms of the higher interest the state must pay. But when multiplied out over hundreds of millions of dollars the lower rating can have a serious impact.

Claire Cohen, Moody's vice president, said that as of June 16, the difference between Aa and A amounted to two-tenths of a percent. Had the state resolved its budget problems earlier, Cohen said, the lowered bond rating might have been avoided.

State Treasurer Crane said the Moody's announcement was ``not entirely unexpected because we haven't resolved the problem.`` He said that unless the Legislature acts quickly on a tax increase to balance this year's budget and either a spending curb or tax increase for next year, the rating could drop even lower.

In addition to raising the interest rate the state must pay, Crane said the lowered bond rating makes Massachusetts bonds less attractive to the investor because of uncertainty about the state's

budget and economy.

Crane laid the blame squarely on the doorstep of Dukakis and four legislative leaders who have been meeting for the past two weeks on the budget problem: House Speaker George Keverian, Senate President William Bulger, House Ways and Means committee Chairman Richard Voke and his Senate counterpart, Patricia McGovern.

``Up to today they haven't come up with a plan, a plan that would balance our budget for 1989, a plan which would have a tax flow with it, a plan which would give us a balanced budget in 1990,'' Crane said. ``All of these things tend to reflect poorly on our ability to solve a problem.''



GEORGE KEVERIAN



WILLIAM BULGER



GOV. MICHAEL DUKAKIS



PATRICIA MCGOVERN



RICHARD VOKE

Budget stalemate is tale of 5 Democrats

By Bruce Mohl
Globe Staff

6/19/89

Five key Beacon Hill Democrats have been struggling for the past several months to solve the state's escalating financial crisis, but their efforts are being hampered by the absence of a

NEWS ANALYSIS

common goal and what in some cases amounts to a personal dislike for each other.

Gov. Dukakis, House Speaker George Keverian, Senate President William Bulger, Rep. Richard A. Voke (D-Chelsea) and Sen. Patricia McGovern (D-Lawrence) are the five key players when it comes to the budget. They met twice last

week and scheduled another meeting for today.

Individually, they are smart and have enormous political strengths, but they are not working that well as a team. They have no captain, share no common agenda and, according to members of this "Gang of Five," often find it hard to put aside personal

political aspirations and longstanding rivalries and grudges.

This group dynamic is one element of the state's financial crisis that has received almost no attention so far, primarily because it plays itself out behind closed doors around a conference table in the governor's office. It is carefully
BUDGET, Page 16

cludes 16 major facilities in 12 according to W. Henson Moore, Energy De- clear weapons program since its begin- classified nature of the process of making

Struggle to solve state's budget crisis is tale of 5 Democrats

BUDGET

Continued from Page 1

hidden from public view and glossed over by the steady stream of comments to the press that great progress is being made inside.

But in private conversations, Gang of Five members and others on the periphery of the group reveal that much more than public policy is going on in the meetings in Dukakis' office.

"There are egos involved, there are different agendas involved and there's some genuine hostility involved," said one participant.

Judy Meredith, a longtime lobbyist familiar with the games played on Beacon Hill, said she believes a lot of bluffing and posturing goes on at the meetings as each individual follows his or her own personal agenda.

"Public policy sometimes gets lost in that process," Meredith said. "And the stakes are very high here."

Only one member of the group, the governor, holds a statewide office. The others represent far narrower constituencies from South

Boston, Everett, Lawrence and Chelsea. Much of the discussion at the meetings focuses on what type of spending and tax packages will be acceptable to the other 196 members of the Legislature.

Within the group, the relationships are complex. Dukakis is well liked by nearly everyone, but as a lame duck with credibility problems he is not accepted as the leader. It has taken him months to realize the severity of the fiscal crisis, which he continues to call a challenge.

One member bluntly calls Dukakis "irrelevant," saying that the real negotiations are between the House and Senate. Another participant says the governor did little until last week, when he began pushing specific proposals to deal with the various budget problems facing the group.

Lobbyist Kevin Harrington, who was Senate president in 1975 at the height of the first financial crisis Dukakis faced, said he does not even need to be in the room to know how Dukakis is handling himself at the private meetings.

"He's a moderator," Harring-

ton said. "He's basically there to say: 'Are we any closer fellas?'"

Keverian and Bulger are an odd pairing. One member of the group said a psychiatrist would be helpful in unraveling their relationship. The two legislative leaders put on a Laurel and Hardy act with the press as they leave most of the meetings and reportedly are getting along better than ever, but it is no secret they do not like each other personally. At one session, according to one source, Keverian leaned back in his chair, shut his eyes and said nothing during the entire meeting.

Rounding out the relationships, Voke and Bulger do not trust each other and Voke and McGovern have an intense professional rivalry. McGovern seems to get along well with Bulger, Keverian and Dukakis.

Sen. David Locke (R-Sherborn) likens the four legislative leaders and their antics to the movie "Bob and Carol and Ted and Alice." Locke says the Beacon Hill version is "Bill and George and Richie and Pat. . . . They're using this budget for their own handwork and the public be damned."

Last year, when the state was facing a fiscal crisis of smaller dimension, the same group met almost constantly. Sources say there was a common goal last year - to help Dukakis win the presidential election by avoiding budget embarrassment at home.

It worked then, but this year the state is facing its worst financial crisis in more than a decade and the group's meetings have been far less frequent and produced few, if any, agreements. The White House fever that held the group together last year has dissolved.

"We can't even agree on what the problem is," said one member of the group.

Said another: "It's been a total waste of time so far."

McGovern was a bit more optimistic after Thursday's session. "We're doing better. We're really

doing better," she said in a defensive tone. "That may not sound like much, but it's true."

The four lawmakers had their first private meeting together in 1985, shortly after Keverian toppled Speaker Thomas McGee of Lynn. McGovern set up a get-acquainted dinner at Locke-Ober, which was changed at the last minute to Anthony's Pier 4. The meeting reportedly went well. Bulger talked about growing up in Southie and he and Keverian seemed to hit it off. Yet it would be the last time the four lawmakers would dine together.

There are many theories on why the good feelings dissipated. Some chalk it up to inevitability, saying that it is impossible for House and Senate leaders to see eye to eye for long. There is also an institutional rivalry between the two branches, which surfaces most dramatically in the budgets released by the House and Senate ways and means committees. Even the committees' staffs are competitive and at times play cut-throat politics.

Bulger and Keverian have been on good terms lately, but there is a history of problems in their relationship. Some cite differences in the two leaders' personalities. Others say Bulger cannot bargain with Keverian as easily as he did with McGee, and therefore, they butt heads more often.

For example, Bulger has sought additional funding for the Massachusetts Convention Center Authority for years, while Keverian pursued money to build a convocation center at the University of Massachusetts at Amherst in memory of the late Rep. William Mullins. Each lawmaker held the other's project hostage until Bulger gave in last year and gave the go-ahead for the convocation center. Action on the convention center is still pending.

At one point during the stalemate, according to three sources who have heard the story, an exasperated Bulger telephoned Keverian and asked him sarcastically if he would have to name the Hynes after some deceased legisla-

tor to get the funding. Keverian, insulted, responded with an expletive and hung up. Friends say he has not forgotten the incident.

The two men have had angry standoffs on a number of other issues over the years, but lately they and Dukakis seem to be getting along well. One source floats the theory that the three men are hitting it off because they have all been through rough times lately. Keverian has seen two former aides indicted, Bulger was blistered by the media over the 75 State Street controversy and Dukakis has seen his popularity plummet in the wake of his presidential defeat.

Voke is the wild card in the group. He hit a responsive chord with the public when he rejected as "pie in the sky" the governor's \$12.9 billion spending plan for fiscal 1990 and its accompanying \$604 million tax package. He won kudos again when he unveiled his own "no-new-taxes" \$12.3 billion budget in March. His budget has made him a hot attraction on the lecture circuit and a hero to anti-tax advocates like Barbara Anderson, executive director of Citizens for Limited Taxation.

But as time goes by, his budget appears to be resting on increasingly shaky assumptions. The budget relies on the most optimistic tax forecasts of any on the table as well as nearly \$100 million in savings initiatives that have yet to see any action in the House.

The uncertainty does not bother Voke. He has accepted the need for temporary new taxes to deal with the fiscal 1989 deficit, but insists the fiscal 1990 budget can be balanced without permanent new taxes.

Dukakis, Bulger and McGovern think Voke is wrong, and that he is merely delaying an inevitable tax package until next fall. Their aides have charged that Voke is sticking to his no-new-taxes theme because he wants to ride it into some statewide office in 1990.

Keverian has not committed yet to Voke's reasoning, but he has not joined forces with Duka-

kis, Bulger and McGovern, either. Sources say the speaker appears to be open to the idea of new taxes, but is reluctant to break with Voke and is also concerned the votes for taxes may not be there in the House. The Voke-Keverian relationship is further complicated by rumors that Voke has his eye on the treasurer's office, a job Keverian also covets.

At one meeting in the governor's office, sources say Voke launched into a speech about how the House had made the tough choices to cut spending while Dukakis had sat by and done nothing.

Bulger interrupted, arguing that the House had made no tough choices. He charged that approving an out-of-balance budget with no new taxes was the easy way out.

Voke has not been dissuaded, and he gets encouragement practically wherever he goes to stand up to Dukakis and the other "big spenders" at the State House. Voke has already told Dukakis, through the media, that he should veto whatever level of spending he thinks is excessive when the fiscal 1990 budget reaches his desk. Aides to the governor say that figure might run as high as \$600 million.

"Facts are facts," Dukakis said testily on Friday when asked about the dispute. "It's very important that whatever budget that is passed this year has enough funds to fund it."

So far Voke has not budged in the private meetings in the governor's office and it's unlikely he will. Voke apparently senses that Dukakis is politically vulnerable and that taking him on carries no down-side risk.

It did not go unnoticed last week what Voke did after Dukakis signed legislation allowing Boston University to take over operation of the Chelsea public school system, a measure Voke badly wanted. Voke confidently strolled out of the governor's office afterward and told waiting reporters that there was absolutely no need for taxes in 1990.

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New Duke aides struggle

By JONATHAN WELLS

SIX MONTHS after a wholesale transition in Gov. Michael Dukakis' State House inner circle, the governor's new team of top advisers is winning lukewarm reviews on and off Beacon Hill.

Many observers suggest the governor's rebuilt staff —

which includes a cadre of transferees from Dukakis' ill-fated presidential campaign — has stumbled in its efforts to sell both the governor and his plan to solve the state's fiscal crisis to an increasingly skeptical public and state Legislature.

"In terms of public relations, the last six months have

been a disaster," said Paul Watanabe, chairman of the political science department at UMass/Boston.

There is a general recognition that Dukakis' management team is faced with a formidable task. Crafting an effective strategy for a lame-duck governor pushing a major tax increase is, at best, difficult and,

at worst, impossible, observers said.

"I think they've done the best they can to help keep Michael Dukakis relevant," said Democratic political consultant Michael Goldman. "Every day they suck it up and go out there and try to hit the ball. They and everyone else knows they'll never win the pennant."

But even within the administration, some officials feel strongly that the former campaign aides fighting the uphill battle have made matters worse by underestimating the depth of dissatisfaction among citizens and lawmakers.

"If this were school, they'd all be kept back a year," said one Dukakis administration of-

Boston Herald,

The Boston Herald, Sunday, May 21, 1989 29

to succeed in uphill battle

From Page 28

ficial. "It doesn't seem we have anything more than a cosmetic strategy."

The former high-ranking campaign aides now in the governor's office include chief of staff Stephen Rosenfeld, chief of operations Jack Corrigan and press secretary Mindy Lubber.

Dukakis' budget office has been taken over by longtime adviser Edward Lashman, who had no formal role with the campaign, and former campaign field director Charles Baker.

Rep. Joseph Mackey (D-Somerville), a member of the House Ways and Means Committee, conceded that Lashman and Baker have been thrown into a complex and difficult budget situation, but said the governor's new crew of aides has made little effort to establish a rapport with rank-and-file legislators.

"I don't think we've seen a great deal of them over on this side of the building," Mackey said. "There's a lot less communication between the administration and individual legislators."

Said Watanabe: "I have never seen the relationship between the Legislature and the governor's office quite so acrimonious as it is now."

Since Dukakis finished his unsuccessful White House bid, his administration also has been rocked by minor scandals, reports of questionable state spending and charges of cronyism in judicial appointments.

As the governor unveiled a bill to toughen state ethics laws, his personnel director and former campaign operative, Paul Pezzella, was called before a federal grand jury to answer questions about a \$10,000 interest-free loan from a Worcester developer.

While Dukakis assured the public he has taken a sharp knife to state spending, State Treasurer Robert Crane announced spending is already up \$1.2 billion over last year and it was reported that Rosenfeld was being chauffeured between his Back Bay home and the State House each day by a state

employee in a state car.

By most accounts, Dukakis and his aides have had little success countering the spate of negative press.

Meanwhile, polls show that the governor's popularity with the public has plummeted and that his credibility on fiscal matters has plunged among once-loyal Democratic leaders in the House and Senate.

One part of the problem, some on Beacon Hill argued, is

that Dukakis and his top aides have continued to soft-pedal the state's growing fiscal crisis, which many feel was allowed to fester during the presidential election.

Veteran human services lobbyist Judy Meredith suggested Dukakis' new management team has done yeoman's work trying to sell a damaged political product.

"I believe there's a general consensus that Governor Duka-

kis, by running for president and not paying attention, did not respond quickly enough to the economic slowdown and pay attention to the dissolving of the Massachusetts Miracle," Meredith said.

"I think the present team should get an A-plus for effort but, until the governor himself can figure out how to turn to the public, the press and the Legislature and say he's sorry, nobody is going to listen to his

message."

Comparisons also are being made between the governor's handling of adversity on the presidential campaign trail — his refusal, until the final weeks before the election, to respond in kind to GOP attacks — and his stubborn determination to downplay the state's mounting fiscal crisis.

"That strategy was wrong then and it's wrong to continue it now," said Watanabe.

Dukakis new chief of staff

MINDY LUBBER
Headed campaign scheduling

PATRICK HAMILTON
In \$52,000 Criminal Justice post

Governor's chief of operations

Resigned

B. Herald May 21, 1989

27 ex-campaign staffers rejoin gov

SINCE GOV. Michael Dukakis returned from the presidential campaign trail, 27 of his former campaign aides have landed jobs in state government at salaries that average nearly \$39,000 per year.

As the state continues to grapple with a growing budget deficit, the appearance of these former political operatives on the public payroll has been criticized by Republicans and others on Beacon Hill as both untimely and inappropriate.

But Dukakis defends the hires, which include 11 in his own office. He believes the individuals involved are well-qualified for the state jobs they now have.

"The governor chose the best people he could find to work on his presidential campaign, so it's no surprise he would ask some of them to come and work for him in state government," said Dukakis press secretary Mindy Lubber.

Lubber said Dukakis is sen-

sitive to the public's perception of the campaign hires.

"I think he's conscious of that, but the governor is more conscious of finding the right person for the right job, whether they come from the campaign or Harvard Law School," she said.

The following is a list of 24 of the 27 former campaign aides hired by the state since the election. Their average pay is \$38,867 per year and the total annual cost of their salaries to the state is \$932,818.

● Stephen Rosenfeld. Managed the campaign in Florida. Now earns \$74,125 as the governor's chief of staff.

● Jack Corrigan. Director of operations on the campaign. Now earns \$62,626 as the governor's chief of operations.

● Paul Pezzella. Rosenfeld's deputy in Florida and other states. Resigned as governor's \$60,000 personnel director on April 29 because of a federal grand jury probe into his role

in a Worcester development project.

● Mark Gearan. Campaign press secretary. Now earns \$58,000 as director of federal/state relations in Washington D.C.

● Mindy Lubber. Head of scheduling for the campaign. Now serves as the governor's press secretary and earns \$57,200.

● Freddie Kay. Campaign field worker. Now makes \$35,800 in the governor's legal office.

● Mary Sullivan. Campaign staffer. Now earns \$28,000 in Dukakis' education office.

● Eugenia Kedas. Worked in campaign press office. Now paid \$25,000 to be Corrigan's assistant.

● Brendon Doherty. Campaign staffer in Florida. Now earns \$18,200 as Rosenfeld's administrative assistant.

● James Palmer. Campaign staffer. Now earns \$18,000 working in governor's community services office.

● Stephanie Katz. Campaign volunteer. Now earns \$18,000 in governor's scheduling office.

● Samuel Richardson. Maine campaign director. Will earn \$25,000 for six months as head of state's summer jobs program.

● Charles Baker III. Campaign field director. Now makes \$73,156 as assistant secretary of Administration and Finance.

● Tripp Jones. Assistant to Gearan in campaign press office. Now earns \$25,147 as Baker's assistant at A&F.

● Ann Day. Managed Oregon campaign. Now earns \$34,497 in the budget bureau at A&F.

● Jack Weeks. Campaign advance man. Now earns \$51,403 as chief of staff for state DPW Commissioner Jane Garvey.

● Terry Bergman. Campaign staff in New York, Boston and Florida. Now earns \$62,000 as undersecretary in the Executive Office of Economic Affairs.

● David O'Brien. Campaign

staffer. Now makes \$29,815 in economic affairs office.

● Joyce Carrier. Campaign's director of advance. Now has \$40,000 consulting contract for environmental law enforcement.

● Andrew Savitz. Kitty Dukakis' press secretary. Now makes \$39,064 as head of environmental law enforcement unit.

● Anthony Munter. Campaign staff in Ohio. Now has \$18,645 (\$17.93/hour) consulting contract at Department of Environmental Management.

● Patrick Hamilton. Campaign issues. Now makes \$52,000 as director of the Criminal Justice Training Council.

● Wendy Swart. Campaign staff. Now earns \$27,140 in the Executive Office of Human Services.

● Elizabeth Bartle. Campaign press liaison. Will start in June as communications specialist for the Executive Office of Transportation and Construction.

— JONATHAN WELLS

F B HORN

Knowing where to sell your

* Zayre

Hack havens for the '90s

WELCOMED to the Central Artery/Third Harbor Tunnel project.

With any luck, it could be the hackerama of the 1990s in Massachusetts.

It's still early, but you can begin to see the handwriting on the wall, and the handwriting says: DUKAKIS '88.

Exhibit A: Remember Charlie Baker, the career Duke hack who's currently making \$1,406.84 a week in Administration and Finance (and whose wife makes \$702.02 a week at the MBTA)?

Well, guess where Charlie's sister Janet has landed?

In the Central Artery/Third Harbor Tunnel office at the Department of Public Works, for \$780.38 a week.

All together now: Hmhmhmhmhm.

Exhibit B: Mike Shea, the Duke hack who was on the campaign staff last year. Guess where Mike has just landed a \$33,000 six-month consulting contract.

At MassPort, to work on the Central Artery/Third Harbor Tunnel project.

All together now: Hmhmhmhmhm.

Let's look at this from the point of view of the Duke's people. In January 1991, Pee Wee takes the Long Walk down the State House steps and steps into his waiting car (which probably takes him to Logan Airport to board the next flight to Iowa, but that's another story).

The new governor immediately begins firing the Duke hacks, giving them the opportunity they claim they've always resisted: to go into the private sector and make some real money.

Yeah, right.

Most of these people know that they have only one true skill: bum-kissing. And that's why you couldn't pry them out of their public-sector jobs even if you had the Jaws of Life.

So now they already have started looking for some new hack jobs they can hang onto past 1991.

And the Central Artery/Third Harbor Tunnel is going to be around — mark my words — well into the 21st century.

Most of the people who live here now may have moved away by then to escape the gridlock, but somebody still will be working on that rathole.

And how many of the soon-to-be-appointed artery hacks is the new governor going to be able to fire? I mean, if he (or she) fires too many, then it's going to become the new guy's project.

● Read Carr again Friday.

And who wants to inherit a project that is positively going to be a first-class fiasco?

Now, there is one other place the Dukakis hacks will be fleeing toward when the days dwindle down, as they say, to a precious few. The state's authorities. Take MassPort, Mike Shea's latest port in a storm.

After Jan. 4, 1991, Pee Wee will be little more than a bad memory, but his appointees will be in the majority for years on the boards of the state's authorities. At MassPort, the new governor won't get control of the board until July 1, 1994.

A lot of the Duke's guys are starting to get a little long in the tooth, and by '94 a lot of 'em will be about ready to cash in, start collecting the pension and move to Florida.

So what better place to spend their final years in hackery than at MassPort, where they have some real good jobs at



HOWIE CARR

real good wages? According to my MassPort payroll, as of last December, the top-paid guy was Dave Davis, the executive director, at \$1,802 a week — \$93,704 a year.

But that's just the start of the MassPort cornucopia:

● MassPort has another 10 people making more than \$70,000 a year.

● And another 20 making more than \$60,000.

● And another 30 making more than \$50,000.

Plus, it's not like any of them are doing a lot of heavy lifting. Consider Mike Shea's contract — it's basically PR work. Do you know how many people MassPort already had doing PR?

Seven.

They have one woman assigned to handling PR just for the Tobin Bridge. Now, wouldn't you think the bridge manager — who makes \$1,326.92 a week — could handle press inquiries? Or maybe he could delegate them to his \$1,013-a-week deputy.

Anyway, as you start seeing the hacks moving to MassPort and the other authorities and the Central Artery project, think about Mike Shea.

And repeat after me: Hmhmhmhmhm.

Hacks can save \$\$ by firing kin

THOSE tax-fattened hyenas on Beacon Hill still don't get it.

Wasn't it the state Senate that said a couple of weeks back that "extraordinary measures" were needed to balance the budget. But now we find out their only real suggestion is ... new taxes.

New taxes aren't extraordinary. They're business as usual.

Well, I have a suggestion for the Legislature, the Senate in particular. How about you poils instituting some real "extraordinary measures" to balance the budget?

You start by firing every one of your relatives on any state payroll you've buried them on.

Then, after all your kin are slashed off the payroll, we get rid of all the ex-senators on the state mammary. And then we get rid of their relatives.

Then we talk about new taxes. Maybe.

Sen. Pat McGovern, you came up with this notion of extraordinary measures. So let's fire your brother-in-law, George Stella, from his \$36,900-a-year job with the Lottery Commission.

And speaking of the Lottery, what about Sen. Biff MacLean? The guy has more money than God, his wife owns a piece of the Bostonian Hotel, and guess where his sister, Patricia Foster, is stashed?

At the Lottery. With State Treasurer Bob Crane. For \$31,000 a year.

How about Sen. Cherokee Sal Albano? Never met a tax he didn't like. Put your money where your mouth is, Cherokee Sal. Your wife, Gloria — make her quit her \$730.11-a-week job as "employment specialist" at the Department of Human Services.

And your sons Peter and Michael — no more MDC jobs as "skate guards."

Sen. Mike Creedon, you've been doing quite well lately as an anti-tax guy, but your brother Kevin in the Brockton District Court — he's gotta go. Ditto brother Brian who works for ... Bob Crane, at the Treasury.

And Sen. Creedon's predecessor, Anna Buckley. Guess where her son Dan and her son-in-law Greg draw their checks? At the Lottery. See ya later, Buckleys.

How about the Corrupt Midget, Senate President Billy Bulger? We'll have to get rid of his two sisters, a brother, a brother-in-law, an ex-sister-in-law, a nephew and a niece — over \$300,000 worth of patronage in one fell swoop.

Now that would be an

extraordinary measure.

And Sen. Artie Lewis — his brother the judge has gotta go. (Judge Paul Lewis makes \$80,300 a year in the court where Jackie Bulger makes \$70,800 as the clerk.)

Sen. Linda Melconian — your mother-in-law is hereby fired from her \$20,000 job at the Criminal Justice Training Council.

Is Sen. Ted Aleixo's uncle still on the dole? Not anymore he's not. Sen. Paul Sheehy, the ex-con from Lowell — your wife, Molly, is hereby terminated from her \$971.25-a-week job at Middlesex Community College. And if your son Ned is still on the MDC payroll, he's gone too.

Sen. Dave Locke's two sons who are assistant district attorneys? They're history. And Sen. Ed Burke — his wife, Lisa Zankman, probably was up for one of those bloated pay hikes at the MWRA, but now she and her \$63,000-a-year MWRA job are gonzo.

Let's move into the ex-senator category. Gerry D'Amico gave up his



HOWIE CARR

\$61,000 hack sinecure, so why can't George Kenneally? Is George worth \$72,000 a year as Senate counsel (although I'm sure he's a good boss to the CM's sister).

Senator, you're fired! And take ex-Sen. Bob Cawley with you. He's not worth the \$60,000 he collects on a Senate payroll, and neither of you guys has won an election since 1970. Forgotten, but not gone, just like ex-Sen. John Aylmer (\$96,100 a year at Mass. Maritime).

Then there's ex-Sen. Ditto Dan Foley, he of the \$58,400-a-year job at the Legislative Research Bureau (where his staff includes three ex-reps).

While we're firing Ditto, let's also hit his brother the Senate doorkeeper, his nephew the Senate aide, and his daughter the \$1,000-a-week pencil-pusher at UMass-Boston.

I'll bet ex-senators Arthur Tobin and Vite Pignata thought I'd missed them. No way, Jose. Both of them make more than \$50,000.

Forgotten, but not gone.

● Read Carr again Friday

Called to duty

THE SUFFOLK County court system has been rounding up

State House Hack Family of the Week

HOUSE Majority Leader Charles Flaherty (D-Cambridge) \$1,010 a week; Charles "Chip" Flaherty, son, assistant to state Treasurer Robert Q. Crane, \$596.15 a week; Ann Patterson, sister, state Lottery Commission (also controlled by Crane), \$701.92 a week; Donald Flaherty, brother, court officer, Dorchester District Court, \$651.11 a week. Total annual family take: \$154,261.96.

5/14/89
B Herald

PATRICK J. PURCELL, Publisher
KENNETH A. CHANDLER, Editor

ALAN S. EISNER,
Managing Editor

RACHELLE COHEN,
Editorial Page Editor

Of taxes, anger, and Dylan Thomas

FACED WITH the panic of a state budget crisis growing blacker by the week, House Speaker George Keverian has cracked. Though it was his chamber (and his Ways and Means chairman) that had been showing the courage to stand fast against the chanting of the "raise-taxes" crowd, apparently the heat became too much to take.

"I have no doubt," said Keverian on Wednesday, "that at some point additional revenues will be needed."

That settles that, some are saying. Even House Republican Leader Steven Pierce (R-Westfield), as valiant an advocate as the taxpayers of this state are ever likely to know, is giving up. Keverian's surrender, he said, means "it's a question of when, and not if."

But this is *not* the time to give up.

□□□

MORE taxes are the remedy to this fiscal sickness the way more cocaine is the remedy to drug addiction.

Spending is the disease. For the fiscal year almost ended, spending was to have increased by 7.5 percent. In fact, it rose nearly 10 percent, and if the governor had his way, it would go up another 8.5 percent — \$1 billion — next year.

The problem with Massachusetts is *not* that we are undertaxed. Not with the fifth highest tax burden in the nation. Not when taxes, fees and fines went up by nearly \$200 million last summer and another \$150 million or so since then.

More taxes? Oh, no: What we need is less *spending*.

If taxes are raised, Citizens for Limited Taxation will launch an initiative to repeal them. CLT has gotten pretty good at this kind of operation, and any taxes it targets will almost surely be repealed. But that will take a year and a half. And in a representative

democracy, it is outrageous for the people to be forced for so long to pay higher taxes they adamantly oppose.

Beyond the halls of the State House, Massachusetts is angry. Angry at Gov. Dukakis, for lying to them repeatedly about the economic health of the Commonwealth. Angry at his administration, for its feverish fee-raising frenzy. Angry at the Legislature, for going along with almost any scheme, however dangerous or irresponsible — remember the raid on the pension fund, the phony revenue projections, the overdrawn bank account? — in order to remain loyal to Dukakis, whose presidential campaign was given greater deference than the faithful governance of the state.

Above all, perhaps, Massachusetts is angry at Beacon Hill's "hack" mentality — the mindset that would rather sacrifice valuable human services or renege on relied-upon debts than take an ax to the useless commissions, tax-fattened consultants, chauffeured administrators, do-nothing secretariats, and jobs for ex-campaign workers which this newspaper finds itself chronicling time and time again.

It is honest, justified anger. And it is the only weapon that can still save Massachusetts from being totaled by a government too paralyzed to get a grip on itself and too panicked to think of anything but raising taxes.

Right about now, the words of Dylan Thomas seem keenly appropriate. "*Do not go gentle into that good night,*" wrote the poet. "*Rage, rage against the dying of the light.*"

An aroused citizenry is a powerful force for good — more powerful, even, than a speaker who can't take the heat. Use your anger. It may be all we have left.

State's spending jumps ^{6/16/89} \$1.5B

By JONATHAN WELLS

AGAINST A backdrop of declining tax revenue growth, total spending by the state has jumped \$1.5 billion, or 11.6 percent, over last year, the state treasurer's office said yesterday.

A spokeswoman for State Treasurer Robert Crane said a comparison of overall spending figures from the first 11 months of the fiscal year with the same period last year shows an increase from \$13.2 billion to \$14.7 billion.

During that same period, tax collections have increased by only \$388.8 million, or 5.3 percent, according to the state Department of Revenue. Tax revenues are the state's largest, but not its only, source of revenue.

The figures from Crane's office cover all forms of state spending — including expenditures of federal funds and spending on capital construction projects.

Also yesterday, the Massachusetts Taxpayers Foundation released data which shows the amount of state-approved spending has risen by \$466 million since last July while the estimated take from tax collections has dropped by \$449 million.

Those figures do not account for either authorized spending which has been withheld by Gov. Michael Dukakis or added revenues from a virtual across-the-board hike in state fees.

Nevertheless, MTF President Richard Manley said the \$915 million structural gap his analysis reveals is disturbing and indicates efforts by the administration to bring spending in line with revenues have largely failed.

"Even in the face of declining revenues which were quite clear in January, spending has continued to increase," Manley said. "I can't think of anything that better illustrates the need to down-size government — starting today."

Duke hits pages of Enquirer

PAUL SULLIVAN

HEAVENS to Betsy, our starchy Gov. Mike Dukakis will be on page three of next week's National Enquirer.

And if that's not embarrassing enough, one of his former speech writers, Vicki Rideout, will be on the front page of the steamy national tabloid.

The story, which broke in the Herald's Eye column, is all about Vicki's romance with Jane Fonda's soon-to-be ex-hubby, Tom Hayden. Vicki and Tom met while both were on the campaign trail last year for the Duke.

Vicki appears on Page 1 with a teaser for the story, which runs on Page 3. And there's the Duke, bigger than life, on a campaign plane last year with Rideout at his side.

"It was Vicki who brought the Hayden-Fonda marriage to an end," a source told the Enquirer. "Even Tom's dates with people like Margot Kidder and Morgan Fairchild were something Jane could live with.

"The one thing she always feared was an intelligent young woman," the source said.

Rideout, a Harvard grad in her 30s, departed her pad on Commonwealth Avenue



DUKAKIS



FONDA

months ago and has moved to Los Angeles, where she is whole country closer to Hayden, 49.

Can you imagine the Duke's name even mentioned in the same story with Jane Fonda, Morgan Fairchild and Margot Kidder? What will Kitty say?

AP

CONGRESSIONAL MONEY FLAP

Markey's PAC-ing his coffers

By TOM SQUITIERI

WASHINGTON — For Rep. Edward Markey, the PAC-man still cometh with campaign contributions, except now he comes through the side door, according to Federal Election Commission records.

Markey (D-Malden) swore off taking money from special interest political action committees during his short-lived race for the U.S. Senate in 1984.

But as chairman of the powerful Telecommunications and Finance subcommittee, Markey has collected thousands in \$1,000 and \$500 nuggets from those in the entertainment, communications and fi-

Pol benefits through committee

nance industries whose livelihoods are directly affected by his subcommittee.

"The most important factor is disclosures," Markey said. "As long as the public can see where the contributions are coming from, they're in a position to make up their minds (whether the contributions are proper)."

Markey scorned suggestions that individual contributions from outside were unhealthy, noting that money that comes from PACs is dominated by non-Massachusetts interests.

"PAC money comes from out of state (in) national contributions that are put together in

a very large check and contributed by special interests," Markey said.

Among those contributing last year to Markey included Leon Black, Drexel Burnham Lambe; Steven Rattner, Morgan Stanley & Co.; Michael Adler, IntellCall; William Borman, Motorola; Daniel Burke, Capital Cities/ABC; Leroy Carlson, Telephone & Data Systems; Marshall Cohen, MTV; Nando DiFilippo, Home Shopping Network; John Hoffman, U.S. Telecom; Linda Johnson, IBM; Douglas Kidd, Bankers Trust Co.; Jeffrey Lane, Shearson Lehman Brothers; Richard

McGraw, Comsat; Virginia Pape, American Stock Exchange; Jon Corzine, Goldman Sachs; and T. Boone Pickens, investment executive.

Among those contributing to Markey from the entertainment world were Merv Adelson, Lormar; producers Grant Tinker, Jay Bernstein, Dean Hargrove, Lee Rich, Alan Horn, Mel Blumenthal and Arthur Price, MTM Productions; Robert Daly and Paul Maslansky, Warner Brothers; Sean Daniel, Universal Pictures; Joseph Shapiro, John Cooke, Michael Fisher and Richard Frank, Disney; Mel Harris, Frank Mancuso and Robert Pisano, Paramount; singer Don Henley; Ed Weinberger, Carson Productions; Richard Cronin, Nickelodeon.

"What I have done is put this self-imposed restrictions



EDWARD MARKEY

'Disclosure is most important

on my fund-raising. What has resulted (is) that I have a large number of individual contributors who are limited to \$1,000 what they can contribute to me," Markey said.

"There is no question that public financing is preferable."

Where did Bay State reps get their money?

HERE IS how Massachusetts representatives collected their election dollars for the 1987-88 campaign cycle:

● CHESTER ATKINS does not accept PAC money. He raised \$356,230 from individuals, about half not itemized. Almost all contributors were from Massachusetts.

● SILVIO CONTE: \$72,624 from PACs; \$28,420 from individuals, \$14,570 not itemized. Almost all individual contributors from Massachusetts.

● BRIAN DONNELLY: \$131,300 from PACs; \$133,025 from individuals, at least \$19,310 not itemized. Almost all individual donors from Massachusetts.

● JOSEPH EARLY: \$93,250 from PACs; \$128,602 from individuals, \$59,265 not itemized. Just over 50 percent of individual contributors from Massachusetts.

● BARNEY FRANK: \$141,635 from PACs; \$284,351 from individuals, about two-thirds not itemized. Almost all individual contributors from Massachusetts.

● JOSEPH P. KENNEDY: \$272,840 from PACs; \$1,110,943 from individuals, almost all itemized. About 60 percent individual contributions from Massachusetts.

● EDWARD MARKEY: Does not accept PAC money; \$482,109 from individuals, almost all itemized. But of that, only \$87,625 came from Massachusetts.

● NICHOLAS MAVEROULES: \$107,360 from PACs; \$238,831 individuals, \$138,021 unitemized. Three-fourths of individual contributors from Massachusetts.

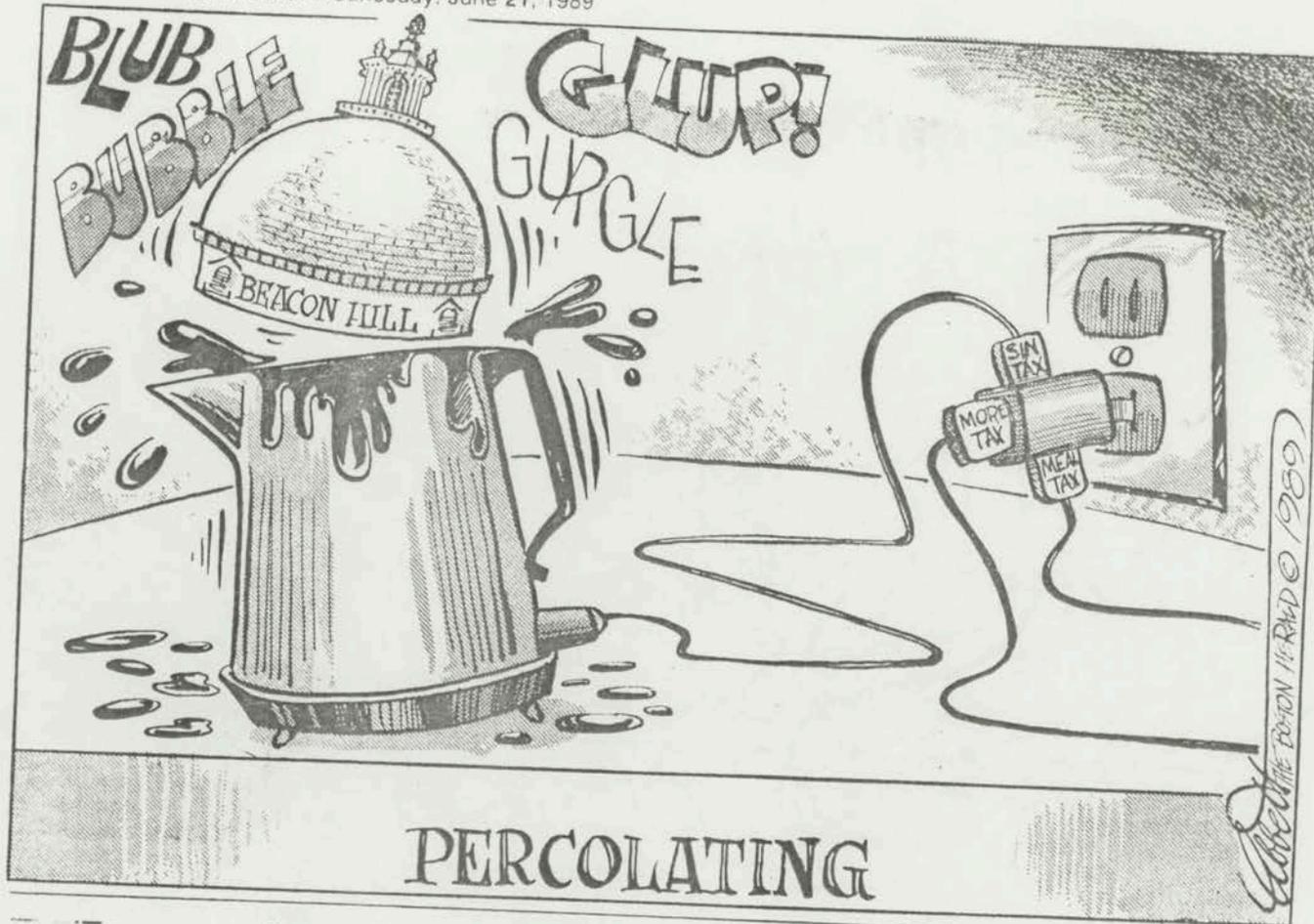
● JOE MOAKLEY: \$180,830 from PACs; \$177,005 from individuals, \$107,530 not itemized. About 75 percent individual donors from the Bay State.

● RICHARD NEAL: \$87,000 from PACs; \$275,267 from individuals, all itemized. Most individual contributors from Massachusetts.

● GERRY STUDDS: \$83,545 from PACs; \$155,286 from individuals, \$105,168 not itemized. About three-fourths of individual donors from the Bay State.

ATLANTIC CITY

8 The Boston Herald, Wednesday, June 21, 1989



Proposed plan to cost average taxpayer \$292

By ROBERT CONNOLLY

A PLAN to hike the state tax on personal income by 25 percent would cost the average taxpayer \$292 during the year the rate is in effect, according to a special commission studying the tax picture in the Bay State.

But for a family with a joint income of \$50,000 to \$74,999, the higher tax rate would cost \$647, the study conducted by the Special Commission on Tax Reform shows.

Three junior members of the House earlier this week proposed hiking the income tax rate from 5 percent to 6.25 percent, and gradually easing the rate back until it reaches 5.5 percent in 1993. The plan, which includes the rollback of Registry of Motor Vehicles fees, would net the state \$774 million in its first full year.

While Beacon Hill ponders the income tax and a host of other tax plans, Gov. Michael Dukakis met behind closed doors yesterday with key legislative leaders as the state tries to grapple with a crisis that will see this fiscal year end in a sea of red ink and threatens the

Poll: State better off without gov

A WBZ-TV poll yesterday showed 57 percent of Massachusetts' registered voters think the Legislature would do a better job of solving current state problems than Gov. Michael Dukakis.

The survey of 400 registered voters also showed most feel the state would be better off financially if Dukakis had resigned during the presidential campaign.

Fifty percent of those questioned said they felt the governor should have resigned.

And the pollsters found a majority of voters, 58 percent, believe the nation's image of Massachusetts declined as a result of the campaign.

Forty-six percent of those questioned said the state's fi-

financial underpinnings of fiscal 1990, which begins July 1.

Dukakis said legislative and gubernatorial staffs will meet this weekend, prior to another closed-door budget summit scheduled for Monday.

After yesterday's session, Dukakis still resisted characterizing the state's rocky financial road as a "crisis," despite a downgrading of the state's bond rating that will all but certainly drive up borrowing costs.

"I consider it a major challenge and one that we can solve and we're going to solve," he said.

None of the legislative leaders leaving the meeting indicated that a solution was close at hand.

"I think we are close to finding ourselves on the same wavelength — not solution at this point, but rather on definition of the problem," Senate President William Bulger (D-South Boston) said after the session.

House Speaker George Keverian said it shouldn't be surprising that the meeting — attended by the Ways and Means chairmen of both bodies — didn't yield a final plan. "I mean every meeting isn't Yalta," the speaker observed.

"What you see here is the legislative leaders and the governor working cooperatively together to resolve a problem," Keverian added. "Imagine how it would be if none of us were speaking to each other?"

MOVING FORWARD--TOGETHER

STATE OF THE STATE ADDRESS
GOVERNOR MICHAEL S. DUKAKIS

Delivered Before A Joint Session
of the General Court of Massachusetts

January 5, 1989

Mr. Speaker, Mr. President, my colleagues in public service, citizens
all.

Tuesday, I announced that this will be my last term as Governor of
Massachusetts. My decision was not an easy one. I've often said--and I
meant it--that I know of nothing I could do with my life that could be
more fulfilling, more satisfying, and more fun than being the chief
executive of Massachusetts.

We've done great things over the past six years, and we've done them
together--as one community, as one family, as a true commonwealth.

That is the spirit in which I want to complete my governorship.

Because I want to help make these next two years two of the best in
the history of the Commonwealth.

The past twenty-one months have been the adventure of a lifetime for
Kitty and me and our family and many of you who campaigned with us.

We began our quest for the presidency right here in this chamber.

And millions of Americans responded...Steelworkers in Pennsylvania and Ohio...family farmers in Iowa and South Dakota...and people in our great urban centers all saw in our achievements here in Massachusetts, a path to economic opportunity and to better lives.

No--we didn't win the biggest and most important battle of all--and that was a great disappointment.

In fact, in the final weeks of the campaign, when people would come up to me and try to tell me that I was on a roll, that we were surging, I was reminded of a story about the great heavyweight, Max Baer...It seems he was really taking a pounding in one of his fights and stumbled to his corner at the end of a round. His handlers told him, "You're doing great...you're gonna get this guy next round...he ain't layin' a glove on you." Baer lifted his swollen face and mumbled: "Well, you better keep an eye on the referee, because somebody out there's beating the hell out of me!"

But as the new administration and the Congress begin to make the decisions that can be postponed no longer--the issues we raised; the enthusiasm we stirred; the need for a government that is on our side--all of these will, I am convinced, play a critical role in the shaping of a nation that is kinder and more gentle and a world that settles its differences at the conference table and not at the point of a bayonet--in Europe, in the Middle East; in southern Africa and in Central America.

Now, I'm home--ready and eager to take on the formidable challenges--and the great opportunities--that we face in the weeks and months ahead.

Because tonight is a night for straight talk--and no lip reading.

Sure, we face some tough challenges--as do many of our sister states here in the Northeast and across the country.

But we've faced them before...

Remember when I first addressed you from this rostrum as a returning governor in January of 1983?

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Boston Fed-Rela
Another deficit was staring us in the face.

Ten thousand homeless people were wandering the streets of our cities and towns--and we had just two--that's right--just two state-supported shelters in a state of six million people.

Our older cities and towns were reeling under the impact of Proposition 2 1/2.

110 communities in the Commonwealth had double-digit unemployment.

Ten thousand teachers had lost their jobs in this, the nation's preeminent education state.

And the State Department of Revenue was wallowing in incompetence and corruption.

What did we do six years ago?

We didn't run around like Chicken Little; bemoaning our fate and complaining that the Sky was Falling.

We went to work to put the government of the Commonwealth on the side of working families and working communities once again.

And, that hard work paid off with the strongest economy of any industrial state in America; with tough and effective crime fighting that has put five times more drug pushers behind bars than ever before; with a new sense of pride in a state government that worked with integrity for all its citizens; and with real progress in the fight against homelessness.

Today, we are facing a serious revenue shortfall.

Why? For four fundamental reasons.

First, changes in the Federal tax laws have led to significant revenue declines that were not predicted by anyone, not just here in Massachusetts but in other states with strong economies like New York and California and Connecticut and New Jersey.

Second, for eight years, the Federal government has walked away from its responsibilities to provide decent and affordable housing and health care and investments in transportation and the environment--and we've stepped in to fill the gap.

Third, our local communities have not had the resources to pay for good schools and police and fire services because of Proposition 2 1/2, and here, too, the state stepped in.

Fourth, we cut state taxes by over 700 million dollars, and we've made our tax system a lot fairer in the process.

Some say that we've got fiscal problems because we're spending too much. That's baloney. We're now spending hundreds of millions of dollars less than the ceiling set by the voters of this state in 1986.

Last spring we froze all expansion. In July, I vetoed or withheld nearly \$200 million in new spending.

And we will continue to work hard to get every ounce of value we can from the dollars we spend. But we must and we will go forward to build a future of opportunity for every one of our citizens.

Over the past two months, I've had town meetings in every part of the Commonwealth. I've listened to citizens tell us what a difference we've made in their lives and the lives of their families and communities.

I listened to Linda Reed, a young mother on welfare in Fall River who, thanks to ET, is now attending Bristol Community College with a 3.9 grade point average. You know what she said to me? She said, "Governor, ET has saved my life", as it has transformed the lives of 50,000 other citizens. We're going forward, not back, with ET.

I listened to Tom Tellier, whose life was changed by his experience at Longwood Treatment Center; I listened to Kay Dudley of Mothers Against Drunk Driving and to police officers from all over the Commonwealth who, with our help, have made our state's highways the safest in the nation. We're going forward, not back, to assure even safer highways in Massachusetts.

I listened to Michael Curtis and other patients at Westborough State Hospital who are now ready to return to their communities and live with independence and dignity. Sure we could go back to the days when mentally ill people in this state were locked in utter hopelessness, but not while I'm around. We're going forward, not back, to help the mentally ill and their families.

I listened to Allen Koenig, the president of Emerson College, Mayor Kevin Sullivan and business leaders like Vin Manzi, who are bringing a first class educational institution with new jobs and new hope to the city of Lawrence. Yes, the Commonwealth is investing in that project, as we have in so many job-creating, economy-building partnerships all across Massachusetts. And we're going forward, not back, with investments in healthy, thriving communities.

I listened to Freddie Torres and other young people who yesterday helped us to celebrate the fourth anniversary of the Alliance Against Drugs and a dramatic decline in the use and abuse of drugs among young people in Massachusetts. We're going forward, not back with the Alliance Against Drugs.

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I listened to Vera Ajanaku, a person with AIDS, tell us what our commitment to AIDS prevention and treatment can mean. And, yes, thanks to Richie Voke's leadership, we're doing more than any other state on AIDS--and yes, thanks to Pat McGovern's leadership, we're the first state in the nation to commit itself to basic health insurance for all of our citizens. And, we're going forward, not back, in the fight against AIDS and the fight for basic health insurance.

And tonight, I have a message for those who seek headlines and not solutions. Before you head for the television cameras at the end of this speech, stop and talk to the police officers and the business leaders who are here...listen to Freddie Torres and Tom Tellier and Michael Curtis and Kay Dudley and Vera Ajanaku and Linda Reed and Allen Koenig and Vin Manzi--and they'll tell you what this state stands for and why we must invest in its future.

One week from today, I'll make a series of recommendations to the Legislature that will give us the resources we need to build a bright future for our children and grandchildren and generations to come.

There will be screams from the chronic complainers and the gloom and doomers--from some of the people who just three months ago wanted to override my budget vetoes and spend more, not less. The people who want us to be tough on crime but haven't got the guts to make the tough decisions about where new prisons should be located. The people who just a few months ago were cynically rewriting the history of our efforts to clean up Boston Harbor while cutting funds for clean water at the same time.

Well, I have a message for them tonight. Because they are the gutless wonders of Massachusetts politics, I'm not going to let them get away with it, and neither are you.

Over the next two years, we've got to tackle some vitally important challenges and opportunities that can and must and will go forward.

A strong and vibrant economy that creates quality jobs for our people is, and will remain, one of our most important priorities.

All of our forecasts tell us that the outlook for Massachusetts and New England looks good for the next decade and beyond. In fact, we added 70,000 new jobs here in Massachusetts this past year--more than in 1987. But, like any good football team, we can't sit on our lead.

This year we'll begin an all out campaign to encourage exports by our companies. We'll continue to nurture the spirit of innovation. We'll work closely with our small and medium-sized businesses to help them find new markets. In the 1990's the newly unified European Community will provide the next frontier for Massachusetts' products...and this year we must and will move to seize that opportunity.

I want every parent in this commonwealth, whether from Natick or Springfield, Dorchester or Holden, to know that they can send their son or daughter off to school without worrying that their child will be approached at the busstop by drugdealers or stopped in the playground by someone trying to sell them a joint. Every child in this state should go to a school where there is a healthy learning environment, not one where drugs and violence breed havoc. And that is why I'll be in Brockton tomorrow to announce new, tough, mandatory sentences for those who would exploit our children for their profit. Our goal is "Drug Free Schools by 1990" and we mean it.

We want quality schools at all levels in Massachusetts. We need a

College Opportunity Fund so that young families can invest in a college education for their children without mortgaging themselves for life.

We're going to have first-rate schools and colleges and universities in this state. And I will do everything I can to make sure that the enormous strides we've made in improving the quality of public education in Massachusetts will go forward.

We cherish our environment. It's the heart and soul of what makes this commonwealth so special. And that's why in 1989 we'll get even tougher with polluters. And why on Monday, I will recommend a series of steps that we can and must take together, this year, to preserve and protect Cape Cod, our precious watersheds, our seacoast and special places from Boston to the Berkshires. We must and we will leave our Commonwealth a more beautiful place for all the generations to come.

Some time this month John and Lisa will make Kitty and me grandparents for the first time. And as we think about the joy and hope, and, yes, the responsibility that we will carry for that grandchild in the years to come, we're reminded of those wonderful words that Ann Richards used at the Democratic National Convention to describe her granddaughter and what that little baby meant to her:

"I'm a grandmother now," she said. "And when I hold that grandbaby I feel the continuity of life that unites us, that binds generation to generation, that ties us with each other...."

"I think of all the political fights I fought, and all the compromises I've had to accept as part payment. And I think of all the small victories that have added up to national triumphs, and all the things that never would have happened, and all the people who would have been left behind if we had not reasoned, and fought, and won those battles."

Some people may think that over the next two years I intend to ride off into the sunset. Well, they're sadly mistaken. Because I'm going to fight as hard for the future of this state as I have fought for anything in my life.

My friends, we have values and ideals and dreams and aspirations to uphold and affirm.

We have new worlds to conquer.

And we have much work to do in the coming weeks and months.

And if we work together, as we have these past six years, we'll do the job--and do it well.

I'm looking forward to it with energy and enthusiasm, I hope you are too.

Thanks, and God bless you.