



# THE BOCA RATON RESORT & CLUB®

501 East Camino Real, Boca Raton, Florida 33432 • (407) 395-3000

February 24, 1994

MEMORANDUM FOR SENATOR DOLE

FR: Mark Miller *MM*  
RE: Elizabeth Ruan

Tomorrow, Feb 25, is Mrs. Ruan's 69th birthday. John is not attending the Campaign America event on Monday but has sent \$ and is raising more.

If you wish to call the # in FL is:

Elizabeth (Betty) Ruan                      407/626-1215

TO SENATOR FROM JO-ANNE:

REMINDER TO CALL GLENN SEDAM'S WIDOW, CHARLOTTE:

1-703/347-3239

*I will put a copy in your  
travel bag* *dy*



# POLYCONOMICS, INC.

## Political and Economic Communications

### CONFERENCE AGENDA

#### Thursday, February 24

12noon-6:00 P.M.  
6:30 P.M.  
8:00 P.M.

Registration  
Reception  
Dinner

Cloister Lobby  
Cloister Garden  
Galleon East

#### Friday, February 25

7:00 A.M.  
7:30 A.M.  
8:00 A.M.  
8:15 A.M.  
  
9:15 A.M.  
  
10:15 A.M.  
10:30 A.M.  
11:30 A.M.

Breakfast  
Continental Breakfast  
Opening Remarks - Mr. Jude Wanniski  
Mr. Rowland Evans  
Evans & Novak Political Report Co.  
Mr. Robert Novak  
Evans & Novak Political Report Co.  
Coffee Break  
Dr. Wayne Angell, Angell Capital  
Sr. Nelson Guzman Ekelund, First Secretary  
Cuban Interests Section

Dining Room/Cabana  
Card Terrace  
Mizner Room

12:30-7:00 P.M.  
7:00 P.M.

Leisure Time  
Reception & Dinner

Ocean Terrace  
(back-up: Galleon East & West)

#### Saturday, February 26

7:00 A.M.  
7:30 A.M.  
8:00 A.M.  
8:00 A.M.  
  
9:00 A.M.  
10:00 A.M.  
10:15 A.M.  
11:15 A.M.

Breakfast  
Continental Breakfast  
Introduction - Mr. Jude Wanniski  
U.S. Senator Robert Dole, (R-Kansas)  
Senate Republican Leader  
Mr. David Gergen, Counselor to the U.S. President  
Coffee Break  
U.S. Senator Robert Bennett, (R-Utah)  
U.S. Congressman Kweisi Mfume, (D-Maryland)

Dining Room/Cabana  
Card Terrace  
Mizner Room

12:30-7:00 P.M.  
7:00 P.M.  
8:00 P.M.

Leisure Time  
Reception  
Dinner

Cloister Garden  
Cathedral

#### Sunday, February 27

7:00 A.M.  
8:00 A.M.  
8:30 A.M.  
9:00 A.M.  
  
10:00 A.M.  
11:00 A.M.

Breakfast  
Continental Breakfast  
Opening Remarks - Mr. Jude Wanniski  
Dr. George Ayittey, Professor, The American University  
Author of "Africa Betrayed"  
Q & A/Summary  
Adjournment of Group  
(Checkout time is 12noon)

Dining Room/Cabana  
Card Terrace  
Mizner Room

BOB DOLE

ID:202-408-5117

FEB 24 '94

15:36 No.014 P.02

SEMI-FINAL  
2/24/94

SENATOR DOLE SCHEDULE -- FEBRUARY 24-28, 1994

Thursday, February 24

7:00 PM      TENTATIVE - PLEASE ADVISE  
                 Lv. Washington National  
                 Signature Aviation  
                 703/419-8440

                 AIRCRAFT: ADM Falcon 50  
                 TAIL NO.: N 144 AD

                 MANIFEST: Senator Dole  
                 Dwayne Andreas

9:15 PM      Ar. Ft. Lauderdale, Florida  
                 International Airport  
                 Ft. Lauderdale Jet Center  
                 305/359-3200

                 RON: The Seaview  
                 305/866-4441

Friday, February 25

4:30 PM      Lv. Seaview

                 Car and driver provided by Polyconomics

                 DRIVE TIME: 1 hr+ in rush-hour traffic

5:30 PM      Ar. Boca Raton Resort and Club  
                 407/395-3000

                 (You will be pre-registered; simply stop  
                 at front desk for key)

                 PROCEED TO ROOM TO FRESHEN-UP

6:15 PM      PROCEED TO ROOM 403

6:30 PM-      TAPING OF CNN'S EVANS AND NOVAK  
7:00 PM

7:00 PM      PROCEED TO BEACH CLUB

                 (via boat or bus --  
                 accompanied by Rowland Evans and Bob Novak)

BOB DOLE

ID:202-408-5117

FEB 24 '94 15:36 No.014 P.03

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Friday, February 25 (continued):

7:00 PM- ATTEND POLYCONOMICS BEACH-PARTY  
9:30 PM

7:00 PM Reception  
8:00 PM Dinner

RON: Boca Raton Resort and Club  
407/395-3000

Saturday, February 26

7:55 AM PROCEED TO MIZNER ROOM

8:00 AM- ATTEND/SPEAK - POLYCONOMICS CONFERENCE  
10:15 AM

CONTACT: Ron De la Rosa  
407/395-3000, Ext. 3089 or 7206

CROWD SIZE: 80-90

PRESS: CLOSED (except Evans and Novak) -

FORMAT: OFF-THE-RECORD

TABLE PODIUM WITH MIC

PROGRAM:

Intro Senator Dole - Jude Wanniski  
REMARKS - SENATOR DOLE  
Remarks - Dave Gergen  
Remarks - Senator Bob Bennett  
Remarks - Congressman Kweisi Mfume

DAIS:

Senator Dole  
Senator Bennett  
David Gergen  
Congressman Mfume  
Jude Wanniski  
Bob Novak  
Rowland Evans

10:00 AM or CONFERENCE BREAK  
10:15 AM SENATOR DOLE DEPARTS AT THIS TIME

(Conference continues after break until  
12:00 or 12:30)

BOB DOLE

ID:202-408-5117

FEB 24 '94 15:37 No.014 P.04

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10:15 AM Lv. Boca Raton  
Car and driver provided by Polyconomics

11:00 AM Ar. Seaview  
305/966-4441

Saturday and Sunday -- RON: The Seaview

Monday, February 28

Time to be determined??

Lv. Ft. Lauderdale

AIRCRAFT: ADM Falcon 50  
TAIL NO.: N 144 AD

??? Ar. Washington National Airport  
Signature Flight Support  
703/419-8440

5:30 PM Ar. The Willard Hotel

5:30 PM- ATTEND CAMPAIGN AMERICA FUNDRAISING RECEPTION/DINNER  
8:30 PM

5:30 PM

SEN. DOLE

# POLYCONOMICS

10<sup>th</sup> ANNUAL

Political Economic Conference

The Boca Raton Resort and Club  
Boca Raton, Florida

February 24–27, 1994

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\*4 NEW JERSEY: LAUTENBERG RATINGS BOLSTER HIS VULNERABILITY

A Newark STAR-LEDGER-Eagleton Poll, conducted 2/10-16, surveyed 801 adults; margin of error +/- 3.5% (Eagleton release, 2/20). Tested: Sen. Frank Lautenberg (D). Running, but not tested: Assembly Speaker Chuck Haytaian (R).

<u>LAUTENBERG JOB</u>	ALL	DEM	IND	GOP	2/93
<u>Excellent</u>	5%	9%	4%	3%	7%
<u>Good</u>	34	36	35	33	35
<u>Only fair</u>	32	34	30	35	34
<u>Poor</u>	7	3	6	13	8

<u>ON LAUTENBERG</u>	ALL	DEM	IND	GOP	2/93
<u>Deserves re-election</u>	28%	36%	27%	22%	38%
<u>Time for a change</u>	49	45	51	53	51

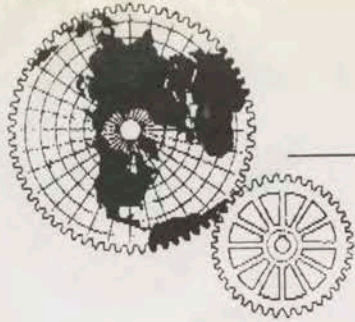
LAUTENBERG IN TROUBLE? NJ analyst Steve Aduato: "There is an unmistakable feeling regarding the upcoming ... race, namely

that incumbent Frank Lautenberg is potentially in big trouble. ... Beyond the shadow of our other senator, Bill Bradley -- and the fact that much of Lautenberg's work often doesn't translate into political capitol back home -- there are his recent votes against the president. More specifically, his refusal to support Bill Clinton on the budget and [NAFTA] ... Notice, Lautenberg wasn't around for the president's big visit to New Jersey last week. Scheduling conflict. Yeah, right!" According to one observer: "Lautenberg has the double whammy. If Clinton's negatives are up, he gets hit for being a Democrat. If Clinton succeeds, he's not seen as part of the team. His move backfired" (BERGEN RECORD, 2/22).

ALL ABOARD: Haytaian "announced that he will convene a special Assembly session [2/28] to have members speak out against hatred and bias." The session coincides with former Nation of Islam spokesperson Khalid Abdul Muhammad's return to NJ, three months after his speech at Keen College "created a state and national furor." Haytaian: "The last time he was here as a national spokesperson for the Nation of Islam, he delivered a message of hate against Jews, against Catholics, against women, against gays and against the disabled. ... What he had to say was vile and despicable. It was pure, unadulterated bigotry." Haytaian "dismissed a reporter's inference that he might be trying to exploit the issue for political purposes" (Marsico, Newark STAR-LEDGER, 2/18). Filing deadline 4/14; primary 6/7.



FEB-23-94 WED 16:38



## POLYCONOMICS, INC. Political and Economic Communications

February 23, 1994

### MISCELLANEOUS UPS AND DOWNS

**GREENSPAN UP:** Fed Chairman Alan Greenspan's House Banking testimony yesterday was nothing less than historic. By advising the world that he considers the price of gold one of three early warning signals on inflation (the yield curve and foreign exchange being the others), Greenspan has given the bond markets a clear benchmark for sorting out the Fed's intentions. He said as explicitly as he could that the economy can grow as fast as it can, and the Fed will do nothing to rein it in if the gold price is not climbing. The financial press will henceforth make the connection, watching every wiggle in gold, and the bond market will adjust as well. If the gold price begins sliding, as it should if confidence feeds back into dollar assets, market commentary will speculate on whether Fed funds might not come back to 3%! Greenspan could not have been better in his exposition. His discussion of gold in response to a question from Rep. John LaFalce [D-NY] was flawless, a lecture on the unique attributes of gold that will at long last trigger a debate on *the information value of the gold price* that will inevitably lead to a reestablishment of the gold/dollar link. At one point Greenspan was so bold as to tell the committee that he personally favored a gold standard, although carefully acknowledging that his views have evolved over the last two decades. Former Fed Governor Wayne Angell, who had no idea what Greenspan would say, sat in on the hearing, beaming throughout the answer to LaFalce. On CNN's *Moneyline* last night, Angell was almost ecstatic in his praise for Greenspan, well aware that Greenspan has now changed the terms of debate. If there was to be any chance of the 30-year bond this year hitting our forecast of 5.5%, Greenspan had to do what he did. We were incorrect in assuming there would be a Greenspan follow-up in Senate Banking this week. Greenspan will return for that round of Humphrey-Hawkins testimony in early March, which will allow time for the discussion to ripen. Greenspan's appearance tomorrow before Senate Banking is an oversight session on the Resolution Trust Corporation, which will explore the President's Whitewater investment. It could produce fireworks, but more likely will be a dud.

**RUSSIA DOWN:** Yesterday's arrest of a senior CIA official on espionage charges was *transparently timed* to embarrass Russia at the very moment it was savoring its success in Sarajevo. The CIA has had Aldrich Ames in the bag for more than two years. It could have waited another two weeks or two months or two years, but the Cold Warriors in the diplomatic and intelligence community were so chagrined at Moscow's brilliant maneuver to defuse the timebomb in Sarajevo, that they had no choice but to play their trump card yesterday. Abe Rosenthal of *The New York Times* had it exactly right yesterday when he noted that the folks who wanted to bomb the Serbs were disappointed with the Russian maneuver. These are the dark forces inside our political establishment who cannot get used to the idea that the Russians are not our enemies anymore -- and that there is nothing left for them to do. They would *rather* a bloodbath in Bosnia to demonstrate that the U.S. is king of the world. Of course, this is how big wars get started. The CIA is an anachronism, but as it controls \$30 billion in taxpayer funds, it has to generate conflict in order to justify itself. The Republican Party, which kept itself glued together during the Cold War, is being swept along by the international bureaucrats who are playing their Cold War chess games. Former Defense Secretary Dick Cheney seems to be the only key Republican around who worries about raising the level of commitment and conflict in the region. Dr. Fred Ikle, who was Defense undersecretary in the Reagan administration, is about the only intellectual among the old Cold Warriors who wants to treat the Russians as allies.

**JAPAN, REALLY DOWN:** Commerce Undersecretary Jeffrey Garten is on a two-week tour of Asia spreading the disgraceful message that Asian businessmen should not worry about the U.S. bashing

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of the Japanese, because Washington draws a sharp distinction between Japan and the rest of Asia. According to the *Japan Digest* this morning, Garten says Asian leaders should identify with U.S. frustrations, because they have the same difficulty in penetrating the Japanese market. Like the U.S., almost every Asian country runs a deficit with Japan, he said, adding: "We believe we are at a turning point in our relationship with Japan...The closed nature of Japan is a drain on the world economy. Tokyo is taking more from international markets than it is returning." What a jerk. The Department of Commerce has been a mercantilist bastion from the days when Herbert Hoover was its Secretary, but we can't recall anything more ignorant than this statement by Garten. If our international bureaucrats can't get a hot war started in Bosnia, why not a trade war in Japan? Hey, Japan is a prime source of capital to all of Asia, which is why it runs a trade surplus. It gushes finished goods and in exchange accepts debt and equity. We don't expect members of Congress to understand that when we buy a Japanese widget for \$1, Japan can only spend that \$1 here, to buy American widgets or American stocks, bonds or real estate. Every dollar we spend comes back to the United States. Every one, to the last penny. We are embarrassed to have such a complete ignoramus serve as a senior official of the Commerce Department.

**DONALDSON UP, BBA DOWN:** This is surely cause for celebration. Sam Donaldson said something so smart on Sunday's Brinkley Show, about the Balanced Budget Amendment, that we wrote him the following note: "Congratulations! You had exactly the right argument against George Will yesterday on the BBA: Its underlying assumption is that the American people are not smart enough to send men and women to Congress who will balance the budget. *Doesn't Will have confidence in the body politic?* You were right, too, to argue that the line item veto and term limits are in a similar vein. They assume our democracy is flawed -- that the political marketplace is inefficient. When the marketplace is inefficient, we must turn power over to an elite who will decide what the representatives of the people can do and cannot do, or change the *Constitution* to protect the people against their representatives in Congress. I haven't the slightest doubt that if we had a national initiative and referendum process, the American people would soundly reject a balanced-budget amendment. Republicans who campaign on it do so without conviction, responding to public-opinion polls that are meaningless on such matters. I doubt there are more than a handful of Senators who think it's a neat idea." We don't think the BBA will pass the Senate this week, because most of those who publicly say they favor it don't want it to pass. If it looks as if it will, some votes will switch to keep it from happening.

**CUBA UP:** Have you noticed a big push in the press corps on behalf of normalization of relations with Fidel Castro & Cuba? With Vietnam now part of the family of nations again, the Cubans are itching to get the embargo lifted. We are part of the push, having been persuaded by our friend Rep. Charles Rangel [D- NY] that Fidel is prepared to consider a creative scenario toward that end so long as it doesn't involve shock therapy. Which is fine by me. We have had several meetings with the Cubans. Irene Philippi de Soto of our staff has just returned from a week in Havana, having met with the relevant economic officials of Castro's cabinet. The progress has been so encouraging that I'm now awaiting word on a meeting with Fidel himself in Havana. A representative of the Cuban government will be in Boca Raton this weekend, at the 10th annual Polyconomics Supply Side Festival, with Evans & Novak.

Jude Wanniski

**SENATOR BOB DOLE**

**TALKING POINTS**

**POLYCONOMICS EVENT**

**FEBRUARY 26, 1994**

**\*DWIGHT EISENHOWER ONCE  
SAID THAT "WASHINGTON, D.C.  
ISN'T MUCH OF A TOWN FOR  
THINKING." WELL, ALL THAT  
CHANGES WHENEVER JUDE  
COMES TO TOWN.**

**\*JUDE IS A ONE-MAN THINK  
TANK. HE KNOWS ALL THE  
FACTS--AND HE KNOWS  
EVERYONE'S "FAX" NUMBER. I  
DON'T KNOW IF THE MAN EVER  
SLEEPS.**

**HE IS ALWAYS THINKING OF  
NEW IDEAS--AND ONE OF HIS  
BEST WAS TO HOLD HIS FORUM  
IN FLORIDA, RATHER THAN**

**SOMEPLACE WHERE THERE'S  
SNOW.**

**\*IT'S ALSO GOOD TO SEE MY  
FRIENDS WAYNE AND BETTY  
ANGELL.**

**\*ONE OF THE BEST  
DECISIONS I MADE WAS TO  
RECOMMEND WAYNE'S  
APPOINTMENT TO THE FED TO  
PRESIDENT REAGAN.**

**\*THE LOW INFLATION AND  
LOW INTEREST RATES WHICH  
HAVE DRIVEN OUR ECONOMY  
ARE TESTIMONY TO WAYNE'S  
LEADERSHIP.**

**\*AND AS WE SAW LAST  
WEEK, WAYNE'S FOCUS ON THE  
SO-CALLED "PRICE RULE" IN  
GUIDING MONETARY POLICY  
LIVES ON. ALAN GREENSPAN'S**

**TESTIMONY CONFIRMED THAT.**

**\*JUDE TOLD ME THAT MY  
JOB THIS MORNING IS TO SHARE  
A FEW BRIEF THOUGHTS ON  
HEALTH CARE REFORM AND ON  
THE FUTURE OF THE  
REPUBLICAN PARTY--AND I'M  
HAPPY TO REPORT THAT I THINK  
THE OUTLOOK FOR BOTH ARE  
FAIRLY GOOD.**

## **HEALTH CARE**

**\*DAVID GERGEN AND I WERE BOTH AT THE WHITE HOUSE THE OTHER NIGHT WHEN PRESIDENT AND MRS. CLINTON HOSTED A SMALL DINNER TO DISCUSS WHAT THE NEXT STEP IS IN HEALTH CARE REFORM.**

**\*AND I SAID THEN, AS I HAVE SAID MANY TIMES BEFORE, THAT**



**THE PRESIDENT AND MRS.  
CLINTON ARE TO BE  
CONGRATULATED FOR  
STARTING THE HEALTH CARE  
DEBATE.**

**\*THE DEBATE HAS BROUGHT  
FORWARD A LOT OF GOOD  
IDEAS--FROM BOTH DEMOCRATS  
AND REPUBLICANS--AND A LOT  
OF BAD IDEAS--FROM BOTH**

**DEMOCRATS AND REPUBLICANS.**

**\*THERE HAVE BEEN  
DISAGREEMENTS, OF COURSE.  
AND THE DEBATE HAS TAKEN  
SOME WRONG DETOURS WHEN  
WE QUIBBLED OVER WHETHER  
OR NOT THERE IS A CRISIS, AND  
WHEN SOME IN THE WHITE  
HOUSE THINK WE SHOULD FIND**

**SOME VILLAINS TO TAR AND  
FEATHER.**

**\*BUT WE STARTED DOWN  
THIS ROAD TOGETHER OVER A  
YEAR GO, AND WE'RE STILL ON  
THE SAME ROAD. AND THAT'S  
GOOD NEWS FOR THE  
AMERICAN PEOPLE.**

**\*THERE IS STILL A LONG WAY  
TO GO, HOWEVER. AND I TOLD**

**THE PRESIDENT THAT THE  
AMERICAN PEOPLE DESERVE  
MORE THAN A HEALTH CARE  
REFORM BILL THAT GETS 51  
VOTES IN THE SENATE AND 218  
IN THE HOUSE. I THINK WHAT  
THE AMERICAN PEOPLE WANT IS  
A REFORM BILL THAT RECEIVED  
OVERWHELMING BI-PARTISAN**

**SUPPORT. AND I THINK WE CAN  
STILL GET THERE.**

**\*WE'RE NOT GOING TO GET  
THERE, HOWEVER, WITH PRICE  
CONTROLS, WITH GLOBAL  
BUDGETS, OR WITH MANDATORY  
ALLIANCES.**

**\*THE ONE OVERRIDING  
LESSON OF THIS ENTIRE  
DEBATE IS THAT AMERICA HAS**

**THE BEST HEALTH CARE  
SYSTEM IN THE WORLD. YES, IT  
HAS PROBLEMS. YES, THERE  
ARE PEOPLE IN NEED. BUT DO  
WE NEED TO TURN THE ENTIRE  
SYSTEM INSIDE OUT? DO WE  
NEED MASSIVE GOVERNMENT  
INTERVENTION? DO WE NEED  
GOVERNMENT MANDATES  
INSTEAD OF COMPETITION? I**

**DON'T THINK SO, AND I BELIEVE  
THE AMERICAN PEOPLE DON'T  
THINK SO EITHER.**

**\*SO, LET'S FOCUS ON AREAS  
OF COMMON AGREEMENT--LIKE  
ALLOWING SMALL BUSINESSES  
TO POOL TOGETHER...LIKE  
GUARANTEERING COVERAGE  
EVEN WHEN YOU LEAVE OR  
LOSE YOUR JOB...LIKE TAX**

# CREDITS AND VOUCHERS FOR LOW INCOME AMERICANS.

**\*MY FALL-BACK POSITION IS  
THAT IF WE CAN'T PASS ANY  
LEGISLATION, THEN WE SIMPLY  
TELL THE AMERICAN PEOPLE  
THAT THE BEST WAY TO  
GUARANTEE GOOD HEALTH IS  
TO DO EVERYTHING THAT  
STROM THURMOND DOES.**



**WHEN STROM EATS A BANANA,  
THEY SHOULD EAT A BANANA.**

**WHEN STROM DOES A PUSH-UP,  
THEY SHOULD DO A PUSH-UP...**

## **REPUBLICAN PARTY**

**\*REGARDLESS OF THE ISSUE-  
-HEALTH CARE, CRIME,  
WELFARE REFORM, FOREIGN  
POLICY--REPUBLICANS HAVE A**

**RESPONSIBILITY TO STAND UP  
FOR OUR PRINCIPLES.**

**\*WE ARE, OF COURSE, IN THE  
MINORITY. DEMOCRATS  
CONTROL THE WHITE HOUSE,  
THE SENATE, THE HOUSE OF  
REPRESENTATIVES--AND EXCEPT  
FOR EVANS AND NOVAK, THEY  
CONTROL THE MEDIA, AS WELL.**

**\*SO, WHAT CAN WE DO? DO  
WE JUST TRY AND BLOCK  
EVERYTHING THE PRESIDENT  
PROPOSES? DO WE JUST SIT  
ON THE SIDELINES AND DO  
NOTHING? I DON'T THINK SO.**

**\*OUR DUTY, AS THE LOYAL  
OPPOSITION, IS <sup>TO</sup> ~~THE~~ SUPPORT  
THE PRESIDENT WHEN HE IS  
RIGHT--AS HE WAS WITH NAFTA.**

**AND WHEN HE'S MOVING  
AMERICA IN THE WRONG  
DIRECTION, THEN IT'S OUR DUTY  
TO TRY AND CHANGE  
DIRECTIONS, AND IF THAT  
DOESN'T WORK, THEN  
SOMETIMES WE SIMPLY HAVE  
TO OPPOSE HIM.**

**\*AND IF THAT MEANS  
"GRIDLOCK," THEN THAT'S NOT**

**BAD, IF WHAT WE'RE  
"GRIDLOCKING" MEANS MORE  
TAXES, MORE SPENDING, OR  
MORE REGULATION.**

**\*BY THE WAY, LET ME SHARE  
WITH YOU THAT DESPITE ALL  
THE TALK OF "REINVENTING  
GOVERNMENT," LAST YEAR THE  
CLINTON ADMINISTRATION  
REGULATIONS FILLED 69,688**

**PAGES OF THE FEDERAL**  
**REGISTER--THE THIRD HIGHEST**  
**TOTAL IN HISTORY--BEHIND**  
**ONLY THE LAST TWO CARTER**  
**YEARS.**

**\*REPUBLICANS HAD A GOOD**  
**YEAR LAST YEAR. WE WERE SIX**  
**FOR SIX IN THE MAJOR**  
**ELECTIONS. OBVIOUSLY, WE'RE**  
**NOT GOING TO WIN 100% OF**

**THE RACES THIS NOVEMBER,  
BUT I THINK WE HAVE A GOOD  
CHANCE TO MAKE SOME GAINS  
IN BOTH THE HOUSE AND  
SENATE.**

**\*AND WE CAN DO THAT BY  
STICKING TO OUR PRINCIPLES,  
AND BY MAKING CLEAR TO THE  
AMERICAN PEOPLE THAT THERE  
IS A DIFFERENCE BETWEEN THE**

**PARTIES. WE ARE NOT JUST  
"DEMOCRATS LITE." WE ARE A  
DIFFERENT WAY OF DOING  
BUSINESS. WE ARE LESS TAXES,  
LESS SPENDING, AND LESS  
REGULATION.**

**\*WE ALSO NEED TO MAKE  
THE POINT THAT IF IT'S CHANGE  
THE AMERICAN PEOPLE WANT,  
THEN THEY SHOULD CHANGE**



**CONGRESS. EVERYWHERE I GO,  
PEOPLE ARE AMAZED WHEN I  
TELL THEM THAT THE  
DEMOCRATS HAVE CONTROLLED  
THE HOUSE FOR 40 STRAIGHT  
YEARS, AND THE SENATE FOR 32  
OF THE 40 YEARS.**

**\*LET ME PUT IT THIS WAY--  
THE LAST TIME REPUBLICANS  
HAD CONTROL OF THE HOUSE,**

**WILL HAPPEN.**

**\*THERE IS NO WAY,**  
**HOWEVER, WE WILL EVER GAIN**  
**A MAJORITY IF WE ARE**  
**PERCEIVED AS A PARTY THAT**  
**CLOSES IT'S DOORS TO**  
**ANYONE.**

**\*WHEN I WAS PARTY**  
**CHAIRMAN, WE LITERALLY TOOK**

**THE FRONT DOORS OFF THE  
BUILDING.**

**\*JUDE HAS WRITTEN AND  
TALKED ABOUT THIS SUBJECT  
FOR ABOUT AS LONG AS I  
HAVE...AND I THINK WE ARE  
MAKING PROGRESS.**

**\*BOTH BRETT SHUNDLER  
AND CHRISTIE WHITMAN MADE  
SUBSTANTIAL INROADS INTO**

**ATTRACTING THE AFRICAN-  
AMERICAN VOTE IN NEW  
JERSEY.**

**\*I'VE HOSTED BREAKFASTS  
IN MY OFFICE TO ALLOW  
REPUBLICAN SENATORS TO  
MEET WITH AFRICAN-AMERICAN  
LEADERS LIKE TONY BROWN  
AND ARMSTRONG  
WILLIAMS...AND HISPANIC-**

**AMERICAN LEADERS, AND  
ASIAN-AMERICAN LEADERS.**

**\*OUR MESSAGE IS THAT WE  
ARE THE PARTY OF  
OPPORTUNITY...WE ARE THE  
PARTY THAT THINKS THAT  
ECONOMIC DECISIONS ARE  
BEST MADE BY INDIVIDUALS AND  
NOT BY THE GOVERNMENT.**

**\*AND I THINK IF WE GET**

**THAT MESSAGE OUT, THEN 1994  
WILL BE A GOOD YEAR...WE  
HAVE SOME GREAT CANDIDATES  
OUT THERE--INCLUDING THE  
LARGEST NUMBER OF WOMEN  
EVER RUNNING FOR  
SENATE...WE COULD STILL USE A  
FEW CANDIDATES IN A FEW  
STATES, SO IF ANYONE'S  
INTERESTED WE PAY**

**RELOCATION COSTS--I'VE MADE  
THAT OFFER TO DAVID GERGEN  
A NUMBER OF TIMES, AND AM  
STILL WAITING FOR AN ANSWER.**

**\*AND ANOTHER MESSAGE I'M  
DELIVERING IS THAT WE MUST  
FOCUS ON 1994--AND NOT 1996.**

**\*I CAN GUARANTEE YOU THAT  
THERE WILL BE AN ELECTION IN  
1996, AND THE REPUBLICAN**

**PARTY WILL HAVE A CANDIDATE.  
THERE ARE LOTS OF GOOD  
CANDIDATES OUT THERE--BUT  
THERE'S PLENTY OF TIME TO  
WORRY ABOUT 1996 LATER.**

**\*I'LL BE IN NEW HAMPSHIRE  
SOON TO MAKE THAT POINT  
AGAIN.**

**\*AGAIN, JUDE, THANK YOU  
FOR INVITING ME THIS**

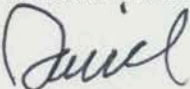


**MORNING, AND I'M HAPPY TO  
TAKE QUESTIONS OR  
COMMENTS.**

February 24, 1994

MEMORANDUM TO THE REPUBLICAN LEADER

FROM: David Taylor



SUBJECT: Greenspan Testimony a Victory for Inflation Hawks

Wayne Angell, Jude Wanniski and others who will be attending the Annual Polyconomics Conference in Florida this weekend believe that Fed Chairman Alan Greenspan took a major step in his testimony this week by essentially rejecting the "Phillips Curve" and endorsing a "price rule" that is tied to gold.

What is the Phillips Curve?

In the late 1950s, a New Zealand economist named Alban William Housego Phillips speculated that economic growth would produce higher wages and inflation. The "Phillips Curve" is used to show this relationship. President Clinton and most of his economic advisers appear to agree that strong growth--in excess of 3 percent per year--will trigger inflation. With strong 4th quarter growth, higher interest rates may be needed to prevent the economy from "overheating."

What is the Price Rule?

Price rule advocates--like Wayne Angell--argue that there is no trade-off between strong growth and low inflation. In fact the two can occur simultaneously--they did in the 1980s. In 1980, inflation stood at 13.5%. By 1986, it had dropped to 1.9%. For price rule advocates, the goal of monetary policy is to "make the dollar as good as gold." In 1985, Angell wrote, "The primary aim of monetary policy is to achieve a stable price level." Inflation, not growth is the enemy.

What Did Greenspan Say?

First, he clearly stated that the Fed's move to raise interest rates was aimed at "expectations about inflation." Why act now? Monetary policy changes take a year or more to affect inflation. Greenspan says, "If the Federal Reserve waits until actual inflation worsens before taking counter-measures, it would have waited far too long." He added, "The implication is clear: when it comes to inflation expectations, the nearer zero the better." The message: even though Angell and Mullins have departed, the Fed remains committed to keeping inflation under control. (BNA, 2/24)

Greenspan said that while there is no clear way to measure inflation expectations, price-indexed bonds, the price of gold, exchange rates, and other factors all give "important clues" about changing expectations. He added that gold prices in particular have "shown a fairly consistent lead on inflation expectations.... It's not a perfect indicator, but it is a very good indicator." (BNA, 2/24)

## SENATE '94

Outlook	DEMOCRATS	REPUBLICANS
Leaning Takeover	Minnesota (DURENBERGER)	Arizona (KYL) Virginia (Robb)
Probable Takeover		(NORTH/MILLER)
Leaning Retention	Maryland (Sarbanes) Michigan (RIEGLE) Nebraska (Kerrey) Nevada (Bryan) *N.J. (Lautenberg) N.M. (Bingaman) Ohio (DEWINE, HEALY ETC) *Penn. (Wofford) Tennessee (THOMPSON) Tennessee (Sasser)	Delaware (Roth) Missouri (ASHCROFT) Montana (Burns) Utah (Hatch) Vermont (Jeffords) Washington (Gorton)
Probable Retention	California (Feinstein) Mass. (Kennedy) Hawaii (Akaka) North Dakota (Conrad) Wisconsin (Kohl)	Rhode Island (Chafee) Texas (Hutchison) Wyoming (THOMAS)
Sure Retention	Conn. (Lieberman) Maine (Mitchell) New York (Moynihan) West Virginia (Byrd)	Florida (Mack) Indiana (Lugar) Mississippi (Lott) Italics = Open Seat

an Effective Congress had rated Sarbanes "safe"--a distinction that does not come easily. Tellingly, Sarbanes' standing fell with voters even as that of Clinton's rose. In response, Sarbanes spent the past week traveling the state reacquainting himself with voters. For the GOP to take advantage of the situation, former Tennessee Sen. Bill Brock (R) would have to be accepted as a Marylander rather than another GOP interloper. Brock is expected to win the GOP nod over State Del. Ron Franks (R) and Montgomery Co. Planning Commission Ruthann Aron (R). Leaning Democratic Retention.

Nebraska: Sen. Kerrey is facing his first race defending a record as an incumbent, new terrain for an avowed outsider. That distinction will go to former US West executive Jan Stoney (R), who has a clear path to the nomination with the decision by State party Chairman Jerry Schenken (R) to stay out of the race. GOP strategists are enthused about Stoney's chances and she will need it as Kerrey has nearly \$1.5 million in the bank. Leaning Democratic Retention.

Ohio: In a reversal reflecting how strongly the primary battle is being waged, the Hamilton County GOP pulled back from an endorsement of former Bush NIH Dir. Bernadine Healy (R). But now Lt. Gov. Mike DeWine (R) must contend with an observation from Minority Leader Dole that Healy is in a "pretty strong position." Still, DeWine's grass roots strength and name ID give him a powerful tool in a race that is growing nastier. Leaning Democratic Retention.

===== SENATE WATCH =====

\*6 FEC REPORTS: MOST INCUMBENTS HAVE WIDE CASH MARGINS  
34 seats are up in '94 (21D, 13R). Dems currently control the Senate 56-44. The following information is derived from FEC reports for the period from 7/1/93 - 12/31/93. Incumbents in CAPS. Only those non-incumbents with reports available listed. Candidates who did not raise or spend \$5,000 by 12/31/93 were not required to file. Some (Moynihan, DeWine, Watts) have more than one campaign committee filed with the FEC. In such cases, the figures reflect totals from adding all reports. DeWine's '92 campaign cmte has the \$205K debt; his '94 cmte is debt-free.

	RAISED	SPENT	PAC \$	DEBT	C-O-H
ARIZONA					
Coppersmith (D)	98,935	39,552	46,400	30,000	126,516
Kyl (R)	937,281	435,725	195,934	59,394	1,325,187
CALIFORNIA					
FEINSTEIN (D)	1,489,480	603,911	258,225	2,927	1,773,125
Squires (R)	20,287	17,758	0	0	2,528
CONNECTICUT					
LIEBERMAN (D)	914,058	399,750	206,999	2,100	2,243,158
DELAWARE					
ROTH (R)	338,792	126,559	143,900	0	502,007
Oberly (D)	131,680	1,551	7,000	0	128,854
FLORIDA					
MACK (R)	1,113,753	382,292	244,056	0	2,019,189
HAWAII					
AKAKA (D)	N/A				
INDIANA					
LUGAR (R)	632,401	362,372	149,950	0	2,083,215
Jontz (D)	12,679	1,799	8,500	0	10,970
MAINE					
MITCHELL (D)	376,377	98,338	0	10,883	2,015,532
Zirnkilton (R)	36,388	9,700	0	0	26,289
MARYLAND					
SARBANES (D)	295,859	21,601	126,783	0	567,116
Aron (R)	44,028	10,704	0	10,869	43,820
Franks (R)	45,784	49,257	1,275	1,548	5,600
MASSACHUSETTS					
KENNEDY (D)	1,456,766	1,393,273	0	0	2,542,238
Jeghelian (R)	16,333	44,866	0	30,000	1,467
Lakian (R)	25,649	80,048	0	90,036	20,766
Romney (R)	260,664	27,452	0	14,000	247,212
Todd (R)	25,357	24,451	0	0	907
MICHIGAN					
Brodhead (D)	114,080	15,274	450	0	98,682
Carr (D)	272,314	91,523	75,752	0	445,647
Marlinga (D)	24,100	37,890	800	0	12,355
Pollack (D)	363,010	142,528	20,350	0	225,641
Abraham (R)	423,584	229,501	3,700	16,699	340,614
DiNello (R)	14,290	13,790	300	719	1,219
Romney (R)	119,150	55,315	0	100,376	163,835

	RAISED	SPENT	PAC \$	DEBT	C-O-H
<b>TENNESSEE "A"</b>					
SASSER (D)	603,043	128,296	295,182	0	1,651,967
Frist (R)	324,890	83,814	0	0	241,076
Wilson (R)	20,405	31,658	100	27,883	16,630
<b>TENNESSEE "B"</b>					
MATHEWS (D)	55,340	50,244	800	0	78,383
Cooper (D)	717,731	316,795	0	0	1,339,704
Thompson (R)	664,422	216,843	40,350	50,599	447,704
<b>TEXAS</b>					
HUTCHISON (R)	1,548,088	926,787	328,603	11,363	1,493,291
Andrews (D)	102,030	32,577	20,500	0	429,886
Fisher (D)	176,048	86,181	0	250,000	339,867
Mattox (D)	206,990	93,211	7,450	0	113,779
<b>UTAH</b>					
HATCH (R)	965,899	617,722	323,743	2,186	1,057,756
<b>VERMONT</b>					
JEFFORDS (R)	129,951	76,083	75,433	1,530	510,634
Sanders (I)	18,764	7,041	17,000	72	29,626
<b>VIRGINIA</b>					
ROBB (D)	658,618	248,122	199,914	0	953,634
Clute (D)	17,504	37,279	0	19,643	2,303
Miller (R)	177,006	124,523	3,000	4,500	53,017
North (R)	1,569,012	1,116,667	10,250	102,562	452,346
<b>WASHINGTON</b>					
GORTON (R)	802,993	397,622	215,699	0	865,253
Wineberry (D)	28,033	22,958	100	0	4,375
<b>WEST VIRGINIA</b>					
BYRD (D)	186,450	60,709	82,000	0	993,464
<b>WISCONSIN</b>					
KOHL (D)	503,547	549,247	0	0	17,639
Welch (R)	85,175	78,310	2,106	0	27,015
Gunderson (R)	9,121	2,500	0	0	6,689
<b>WYOMING</b>					
Thomas (R)	67,566	32,481	33,650	0	84,276

**MOST RAISED: INCUMBENTS** -- Moynihan raised the most for the quarter, due in large part to a NY event which raised over \$1M. Hutchison, Feinstein, Kennedy, Mack and Wofford also raised over \$1M during the period. **CHALLENGERS** -- Oliver North (R) in VA led in fund-raising among challengers, but due to the expensive nature of his direct mail fund-raising, he also spent more than any challenger. Bernadine Healy (R) in OH also raised over \$1M in the period.

**BIGGEST WARCHEST:** Lautenberg with \$2.6M had the largest warchest. He is joined in the \$2M-Plus club by Kennedy, Moynihan, Lieberman, Lugar, Mack and Mitchell.

**MOST DECEPTIVELY BAD CASH POSITION:** Multi-millionaire Sen. Kohl (D-WI) reports only \$17K on-hand. But he already has put up \$480,000 for his campaign while spending over \$600K this year.

**HIGHEST PERCENTAGE OF PAC MONEY:** Conrad won this honor hands-down with almost 73% of his total contributions for the period coming from PACs. ROLL CALL reports that for the year, his PAC take was 79% of his total. Those with one-third or more

	RAISED	SPENT	PAC \$	DEBT	C-O-H
<b>MINNESOTA</b>					
Berg (D)	41,178	42,377	4,139	5,000	3,823
Berglin (D)	43,746	42,266	5,800	318	14,199
Peterson (D)	124,254	33,742	87,900	0	122,097
Wynia (D)	154,579	72,031	3,225	0	82,549
Grams (R)	64,418	26,588	1,601	20,924	48,657
McFarland (R)	43,667	39,040	250	0	7,504
McKasy (R)	230,979	115,031	1,200	8,332	114,492
Olson (R)	40,195	42,643	250	11,553	2552
<b>MISSISSIPPI</b>					
LOTT (R)	524,486	87,950	232,626	0	1,249,327
Harper (D)	25,299	19,989	17,500	27,979	33,422
<b>MISSOURI</b>					
Ashcroft (R)	742,915	231,343	127,751	26,332	587,617
Carroll (D)	23,496	7,657	650	150,000	172,570
Murphy (D)	214,544	35,323	27,000	101,200	279,528
Ortbals (D)	6,425	0	0	0	6,425
Wheat (D)	608,457	196,899	223,439	16,291	634,934
<b>MONTANA</b>					
BURNS (R)	538,313	237,743	214,070	0	1,008,119
Melcher (D)	81,725	28,517	39,600	0	53,208
Mudd (D)	65,213	21,504	2,500	0	43,709
<b>NEBRASKA</b>					
KERREY (D)	881,428	324,925	195,725	0	1,341,140
Stoney (R)	30,001	10,886	0	50,000	69,116
<b>NEVADA</b>					
BRYAN (D)	748,996	173,786	281,321	18,000	1,202,361
Furman (R)	48,976	52,205	488	52,000	48,770
<b>NEW JERSEY</b>					
LAUTENBERG (D)	835,956	328,445	195,934	137,701	2,620,542
Haytaian (R)	342,418	74,966	12,500	--	267,452
<b>NEW MEXICO</b>					
BINGAMAN (D)	330,394	220,101	101,215	7,096	1,038,353
McMillan (R)	152,081	81,501	3,000	22,714	87,711
<b>NEW YORK</b>					
MOYNIHAN (D)	1,879,684	782,345	363,533	0	2,403,019
<b>NORTH DAKOTA</b>					
CONRAD (D)	360,044	87,825	261,046	0	672,385
<b>OHIO</b>					
Boyle (D)	257,992	96,956	16,945	0	161,036
Hyatt (D)	414,022	256,628	39,408	26,957	857,885
DeWine (R)	670,249	356,754	62,255	205,800	330,156
Healy (R)	1,148,322	444,957	29,055	9,883	704,104
Watts (R)	441,957	239,214	42,715	0	262,285
<b>PENNSYLVANIA</b>					
WOFFORD (D)	1,072,787	438,781	222,375	14,931	1,869,142
<b>RHODE ISLAND</b>					
CHAFEE (R)	366,146	93,664	17,500	0	873,911
Kushner (D)	124,699	82,650	27,200	25,000	124,313

MEMORANDUM

DATE: February 24, 1994  
FROM: Rolf Th. Lundberg, Jr.  
TO: Senator Dole  
SUBJECT: Response to Possible Questions on U.S.-Japan Trade

David Taylor informed me that you may be questioned at this weekend's Annual Polyconomics Conference about your stand on U.S.-Japan trade. Some of the more unconditional free-traders in attendance may ask you why you think this is a bi-partisan issue, and why you said that if Japan does not act, the U.S. Congress will act.

Attached are suggested talking points responding to possible questions.

TALKING POINTS ON U.S.-JAPAN TRADE

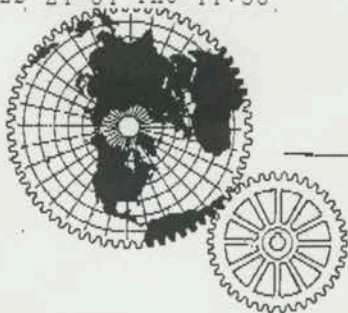
- I BELIEVE IT IS THE OBLIGATION OF OUR U.S. TRADE REPRESENTATIVE TO CONSULT CLOSELY WITH U.S. INDUSTRY. MANY U.S. INDUSTRIES HAVE BEEN EXPRESSING THEIR FRUSTRATION FOR A LONG TIME WITH ACCESS TO JAPANESE MARKETS. SOME OF THESE COMPLAINTS ARE JUSTIFIED, AND SOME ARE NOT.
  
- FOR THOSE COMPLAINTS THAT ARE JUSTIFIED, I BELIEVE THE BEST APPROACH TO RESOLVE THEM IS TO NEGOTIATE WITH THE GOVERNMENT OF THE COUNTRY WHERE THE COMPLAINT ARISES. THIS IS THE PROPER APPROACH WHETHER THE PROBLEM IS WITH JAPAN, EUROPE OR CANADA.
  
- THERE ARE PROBLEMS IN U.S.-JAPAN TRADE. EVERYONE AGREES THAT BARRIERS TO MARKET ACCESS EXIST IN CERTAIN SECTORS IN JAPAN. EVERYONE AGREES THAT SOME OF JAPAN'S HUGE TRADE SURPLUS IS IN PART ATTRIBUTABLE TO GOVERNMENT POLICIES THAT RESTRICT FOREIGN PARTICIPATION IN THE JAPANESE MARKET.
  
- I HAVE SAID THIS IS AN AMERICAN PROBLEM. I BELIEVE THAT ANY MARKET THAT IS CLOSED TO AMERICAN PRODUCTS OR THAT DISCRIMINATES AGAINST AMERICAN GOODS IS AN AMERICAN PROBLEM.
  
- HOWEVER, WE MAY NOT ALL AGREE ON A STRATEGY TO RESOLVE THAT PROBLEM.



- I THINK VERY HIGHLY OF MICKEY KANTOR -- HE DESERVES GREAT CREDIT FOR COMPLETING THE NAFTA AND THE URUGUAY ROUND OF THE GATT -- AND I BELIEVE THAT HE HAS DONE HIS BEST IN THIS SITUATION. HOWEVER, I SUSPECT THAT OVERALL, MANY OTHERS IN THE CLINTON ADMINISTRATION LACKED A CLEAR STRATEGY FOR DEALING WITH THE JAPAN PROBLEM. MAYBE THEY HAVE A STRATEGY NOW, BUT FOR A LONG TIME THEY SEEMED TO THINK THAT, AS IN THE PAST, JAPAN WOULD SEE THE LIGHT AND MAKE CONCESSIONS AT THE LAST MINUTE. WHEN THIS DID NOT HAPPEN, THEY SEEMED SURPRISED.
  
- IT WAS NEVER CLEAR WHAT THE ADMINISTRATION WAS SEEKING. DEPENDING ON THE DAY OF THE WEEK AND THE OFFICIAL BEING QUOTED, THE U.S. DEMANDED "TARGETS," "GOALS," "OBJECTIVE CRITERIA," "QUANTITATIVE INDICATORS," "BENCHMARKS," "YARDSTICKS," OR NONE OF THE ABOVE.
  
- I DO NOT BELIEVE IT IS THE RIGHT APPROACH TO REQUIRE MARKET ACCESS AT A FIXED NUMERICAL LEVEL. BUT IF A FIXED NUMBER IS WHAT YOU DEMAND IN A NEGOTIATION, AND THE NEGOTIATION FAILS, THEN YOU LOSE CREDIBILITY IF NOTHING HAPPENS. IF THERE ARE NO CONSEQUENCES OF FAILURE CLEARLY STATED DURING NEGOTIATIONS, THEN THE OTHER SIDE HAS NOTHING TO LOSE. IF A DEADLINE PASSES AND NOTHING HAPPENS, YOU ARE WEAKER IN THE NEXT ROUND. THIS IS TRUE IN ANY NEGOTIATION.
  
- I SAID THAT IF JAPAN FAILS TO ACT, THEN THE U.S. CONGRESS

WILL ACT. I DO NOT SUPPORT THESE EFFORTS BY CONGRESS TO LEGISLATE LEVELS OF MARKET ACCESS. I BELIEVE IT IS A MISTAKE FOR ANYONE, BUREAUCRATS OR LEGISLATORS, TO FIX THE SHARE OF A MARKET FOR ANY COMPANY OR INDUSTRY. NEVERTHELESS, THE JAPANESE NEEDED TO KNOW THAT IF THE NEGOTIATIONS FAILED, THESE PROPOSALS WOULD BE RESURRECTED IN CONGRESS. SURE ENOUGH, WE HAVE SEEN SEVERAL BILLS INTRODUCED THIS PAST WEEK SEEKING TO MANDATE LEVELS OF MARKET ACCESS IN JAPAN.

- I BELIEVE A NEW APPROACH IS NEEDED THAT TAKES INTO ACCOUNT THE DIFFERENCES BETWEEN THE JAPANESE ECONOMY AND OUR OWN. MUCH HIGHER LEVELS OF MARKET ACCESS IN JAPAN FOR U.S.-MADE PRODUCTS IS UNQUESTIONABLY POSSIBLE. WE SIMPLY NEED TO FIND THE MEANS TO MAKE THAT POSSIBLE THROUGH CLEAR, COHERENT, CONSISTENT NEGOTIATION WITH THE JAPANESE GOVERNMENT AND INDUSTRY. WE NEED A STRATEGY THAT UNDERSTANDS WHEN, WHERE AND HOW MUCH PRESSURE SHOULD BE APPLIED FOR MAXIMUM RESULTS AND MINIMAL JAPANESE RESENTMENT.



# POLYCONOMICS, INC.

## Political and Economic Communications

### CONFERENCE AGENDA

#### Thursday, February 24

12noon-6:00 P.M.  
6:30 P.M.  
8:00 P.M.

Registration  
Reception  
Dinner

Cloister Lobby  
Cloister Garden  
Galleon East

#### Friday, February 25

7:00 A.M.  
7:30 A.M.  
8:00 A.M.  
8:15 A.M.  
  
9:15 A.M.  
  
10:15 A.M.  
10:30 A.M.  
11:30 A.M.

Breakfast  
Continental Breakfast  
Opening Remarks - Mr. Jude Wanniski  
Mr. Rowland Evans  
Evans & Novak Political Report Co.  
Mr. Robert Novak  
Evans & Novak Political Report Co.  
Coffee Break  
Dr. Wayne Angell, Angell Capital  
Sr. Nelson Guzman Ekelund, First Secretary  
Cuban Interests Section

Dining Room/Cabana  
Card Terrace  
Mizner Room

12:30-7:00 P.M.  
7:00 P.M.

Leisure Time  
Reception & Dinner

Ocean Terrace  
(back-up: Galleon East & West)

#### Saturday, February 26

7:00 A.M.  
7:30 A.M.  
8:00 A.M.  
8:00 A.M.  
  
9:00 A.M.  
10:00 A.M.  
10:15 A.M.  
11:15 A.M.

Breakfast  
Continental Breakfast  
Introduction - Mr. Jude Wanniski  
U.S. Senator Robert Dole, (R-Kansas)  
Senate Republican Leader  
Mr. David Gergen, Counselor to the U.S. President  
Coffee Break  
U.S. Senator Robert Bennett, (R-Utah)  
U.S. Congressman Kweisi Mfume, (D-Maryland)

Dining Room/Cabana  
Card Terrace  
Mizner Room

12:30-7:00 P.M.  
7:00 P.M.  
8:00 P.M.

Leisure Time  
Reception  
Dinner

Cloister Garden  
Cathedral

#### Sunday, February 27

7:00 A.M.  
8:00 A.M.  
8:30 A.M.  
9:00 A.M.  
  
10:00 A.M.  
11:00 A.M.

Breakfast  
Continental Breakfast  
Opening Remarks - Mr. Jude Wanniski  
Dr. George Ayittey, Professor, The American University  
Author of "Africa Betrayed"  
Q & A/Summary  
Adjournment of Group  
(Checkout time is 12noon)

Dining Room/Cabana  
Card Terrace  
Mizner Room

## OPINION

# Blacks are the future of the Republican Party

In per capita income, Morris County is said to be the richest county in America, richer than Montgomery County, Md., in the suburbs of Washington, D.C. By the same measure, Morris County is richer even than Switzerland, the richest country in the world.

It's nice to know our county is at the top of the social pyramid. On the other hand, this good fortune suggests we think especially hard about the people at the bottom — which happens to be one of the things I do for a living.

In thinking about the political economy, I think about what New York's Sen. Pat Moynihan 30 years ago termed "the urban underclass" and why it persists.

This is the last and hardest part of the racial problem that has been with us for three centuries. It's probably the most important problem facing our country today — more important than crime or education or the federal deficit or the economy, because it is at the core of these other problems.

Those of us who are white and those who are not can hardly imagine a peaceful progress of the United States into the next century with this problem remaining unsolved.

The problem lies in the economic realm, the solution in the political. Gov. Christine Todd Whitman, I think, knows what must be done — at the state and federal level.

African-Americans constitute almost 13 percent of the population, but possess less than 3 percent of the nation's capital, its accumulated wealth. Because capital is a primary source of growth, black Americans have to attract capital from white America if they are to have much chance of catching up.

Without capital, black businesses can't get started, or, if they do, find it



JUDE  
WANNISKI

OPINION SHAPERS

almost impossible to expand. It's difficult enough for young white men and women to do so, but at least they have access to their *white* network of family and friends which controls most of the nation's capital.

Other ethnic and racial groups that came to the United States in centuries past also brought with them networks of capital pools and credit associations. Each in turn fought the biases of those atop the social pyramid, but the tax system was not the burden it is today. Labor income was scarcely taxed, which meant an individual could more easily accumulate capital through savings. And capital flowed freely between social groups, as the people at the top invested in the people at the bottom.

Black Americans, on the other hand, came out of slavery with zero capital and zero education. Racial bias denied them even legal access to capital in the South, where it was impossible to get a drink of water in a bank, much less a loan. Not until the civil rights laws passed in the 1960s did that change.

At the same time, though, the tax laws changed as well, warped by the worst inflation in U.S. history. The flow of capital between social groups slowed to a trickle as the tax on capital formation became confiscatory. Apprentices and shop girls in their teens faced progressive income taxes once meant for plutocrats. The capital pool has dried up for everyone, but those hurt the worst are those who arrived last.

Starved for capital, black Americans must resort to relying exclusively on labor — that which they control within their own skins. It's no surprise that black Americans have become the nation's best athletes and entertainers.

There is a steady, glacial climb of professional black men and women up the opportunity ladder. U.S. society is not completely frozen. To solve the problem

Republicans should no longer concede the black vote to Democrats, says a Morristown-based political economist.

of the urban underclass, though, requires political change. The biggest change must come in the Republican Party, which for the past 30 years has conceded the black vote to the Democrats as part of its national strategy.

As long as black votes are sought only by Democrats, that's where they have gone. People have to be asked for their vote, for that is our most precious possession. The Democrats only offer one kind of meal in exchange, however, that of the welfare state.

If the GOP were to campaign for black votes, offering to restore the kind of fluid society white Americans alone enjoyed in our not-so-distant past, we would soon see the problem greatly alleviated and finally solved — as the Democratic Party would also have to offer a varied menu, in order to compete.

To be sure, New Jersey is leading the way in this revolution. Two years ago in Jersey City, Brett Shundler, a young Republican, ran for mayor actually going door-to-door asking black folks for their vote. He won.

Last year, Christie Whitman, a white lady from the horse country, even bought radio spots on black stations to ask for support in her gubernatorial race. She would not have won if she followed the national GOP strategy.

At the national level, Republicans like Sen. Bob Dole and Jack Kemp are spreading this message through the ranks of the party. This year and beyond, both of our two great political parties will be courting the votes of African-Americans, which practically assures that the underclass problem will soon wither away. Remember, you read it here, at the top of the world.

JUDE WANNISKI is president of Polyconomics Inc., a Morristown-based political and economic think tank. Opinion Shapers appear on Wednesday.

Polyconomics, Inc.

February 24-27, 1994

## GUEST LIST

Dr. Wayne and Betty Angell	Angell Capital	Washington, DC
Dr. Alfred and Philip Arcidi	Whittier Rehabilitation Hospital	Haverhill, MA
Dr. George Ayittey	The American University	Washington, DC
The Hon. Robert and Joyce Bennett	U.S. Senator	Washington, DC
Joseph, Jr. and Valerie Brown	Talegen Holdings, Inc.	Seattle, WA
James and Eva Brzycki	Polyconomics, Inc.	Morristown, NJ
John Calamos	Calamos Asset Management	Oak Brook, IL
Roland and Annette Caldwell	Caldwell & Company	Venice, FL
Thomas Carpenter	ASB Capital Management	Washington, DC
Bruce and Joyce Chelberg	Whitman Corporation	Rolling Meadows, IL
Hugo and Carol Churchill	C. S. McKee & Co., Inc.	Pittsburgh, PA
Kenneth and Diane Corba	Stein Roe Capital Corporation	Chicago, IL
Doug Dial	College Retirement Equities Fund	New York, NY
Ronald and Cecelia deLaRosa	Polyconomics, Inc.	Morristown, NJ
The Hon. Robert Dole	U.S. Senator	Washington, DC
Rowland and Katherine Evans	Evans & Novak Political Report Co.	Washington, DC
Nicholas Forstmann and Lana Wolkonsky	Forstmann, Little & Company	New York, NY
Richard and Gerry Fox	The Fox Companies	Wayne, PA
Alfonso Fraga Perez	Cuban Interests Section	Washington, DC
David and Anne Gergen	The White House	Washington, DC
Scott and Norma Grannis	Western Asset Management	Pasadena, CA
Barbara Haslam	Polyconomics, Inc.	Morristown, NJ
Paul and Lulu Hilliard	Badger Oil Corporation	Lafayette, LA
John Holman, Jr.	Hintz, Holman & Hecksher Inc.	New York, NY
David Howe and Charlene Wang	Gilder, Gagnon, Howe & Co.	New York, NY
Steven Klinsky and Maureen Sherry	Forstmann, Little & Company	New York, NY

Polyconomics, Inc.

February 24-27, 1994

Robert Lovell	First Quadrant Capital Corporation	Florham Park, NJ
Morris and Susan Mark	Mark Partners	New York, NY
Kevin and Loraine Melich	Delaware Investment Advisors Inc.	Philadelphia, PA
Jack and Margi Meyerhoff	Caldwell Trust Company	Venice, FL
The Hon. Kweisi Mfume	U.S. Representative	Washington, DC
Michael and Lori Milken	Education Entertainment Network	Los Angeles, CA
Timothy and Ann Morris	The Portfolio Group	New York, NY
Thomas Myers	AEGON USA Investment Management	Cedar Rapids, IA
Robert and Geraldine Novak	Evans & Novak Political Report Co.	Washington, DC
Hal and Nancy Ofstie	Delaware Investment Advisors Inc.	Philadelphia, PA
William and Margy O'Keefe	American Petroleum Institute	Washington, DC
George and Ginger Petty	Repap Enterprises, Inc.	Montreal, Canada
Thomas and Marilyn Pownall	Martin Marietta Corporation	Washington, DC
Clarke and Judy Reed	Private Investor	Greenville, MS
Sal Sacro	Sacro Corporation	Everett, MA
Michael and Alice Sandifer	Amerindo Investment Advisors Inc.	London, England
James and Lynn Slagter	Polyconomics, Inc.	Morristown, NJ
Peter Thompson	Cooke & Bieler, Inc.	Philadelphia, PA
Alberto Vilar	Amerindo Investment Advisors	San Francisco, CA
Jude and Patricia Wanniski	Polyconomics, Inc.	Morristown, NJ
Lawson and Jane Whitesides	Stein Roe Capital Corporation	Chicago, IL
Bruce Wilcox	Cumberland Associates	New York, NY
Donna Wolderich	Polyconomics, Inc.	Morristown, NJ
Dr. Richard Zecher and Joan Herberger	UBS Asset Management (New York) Inc.	New York, NY

Feb. 26

M E M O R A N D U M

TO: Senator Dole  
FROM: Tyler  
DATE: January 28, 1994

FEBRUARY 1994 OUT OF TOWN SPEAKING REQUESTS

THURS, FEB. 24-  
SUN, FEB. 27

SPEAK: Polyconomics' "supply-side"  
festival w/Evans & Novak  
LOCATION: Boca Raton, Fl  
TIME: OPEN  
NOTE: Travel on the Forstmann jet would  
be arranged.

CONTACT: Jude Wanniski (201) 267-4640

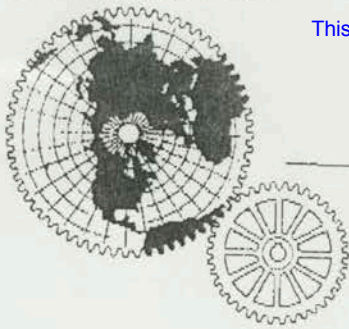
ACCEPT\_\_\_REGRET\_\_\_NO DECISION\_\_\_

SAT, FEB. 26

SPEAK: Satanta Chamber of Commerce annual  
banquet  
LOCATION: Satanta, KS  
TIME: 7:30 p.m.

CONTACT: Kevin Wagner (316) 649-2220

ACCEPT\_\_\_REGRET\_\_\_NO DECISION\_\_\_



# POLYCONOMICS, INC.

Political and Economic Communications

February 10, 1994

Memo To: Bob Dole  
From: Jude Wanniski  
Re: 'Boca Raton'

Wayne says you're 75% persuaded to come to Boca. My guess is that you get so little time with Elizabeth at your Florida place that you hate to cut out. You should try to persuade her to join you. You could both come just for Saturday. She has been to thousands of conferences over the years, but ours is really different. We call it "a supply-side festival." Bob Bartley tells me it's the best conference he's been to anywhere in the world, because no matter who you sit next to at lunch or dinner, you find someone who is genuinely interesting. The spouses are the same. Betty Angell would love to come year after year even if Wayne had something else to do. We'd love to have you both for the whole event, but if, say, you came in Friday evening, attended our cocktail and dinner party (there are no speakers and I'd arrange a marvelous table for eight for you), you could do the Saturday morning event (we go from 8 to 12, and Dave Gergen will be in one of the slots). We could have lunch with the Angells and talk lots of politics. And you could be on your way, Saturday afternoon, evening, and Sunday free. These are hard-core Wanniski/Angell family in the business and financial community. The true believers in bottom-up, entrepreneurial capitalism. They want to believe me that you are the right guy to save the world from creeping corporatism, to prevent the U.S. from turning into an annex of Europe. Meeting you and Elizabeth in this way will make that happen, I think, and communicate the good news throughout the national network of supply-siders and Reaganauts.

*Copy to*  
*Jude Wanniski*



MEMORANDUM

TO: Senator Dole  
FROM: Tyler  
DATE: January 28, 1994

FEBRUARY 1994 OUT OF TOWN SPEAKING REQUESTS

THURS, FEB. 24-  
SUN, FEB. 27

SPEAK: Polyconomics' "supply-side"  
festival w/Evans & Novak  
LOCATION: Boca Raton, Fl  
TIME: OPEN  
NOTE: Travel on the Forstmann jet would  
be arranged.

CONTACT: Jude Wanniski (201) 267-4640

ACCEPT \_\_\_\_\_ REGRET \_\_\_\_\_ NO DECISION   

SAT, FEB. 26

SPEAK: Satanta Chamber of Commerce, annual  
banquet  
LOCATION: Satanta, KS  
TIME: 7:30 p.m.

CONTACT: Kevin Wagner (316) 649-2220

ACCEPT \_\_\_\_\_ REGRET \_\_\_\_\_ NO DECISION \_\_\_\_\_

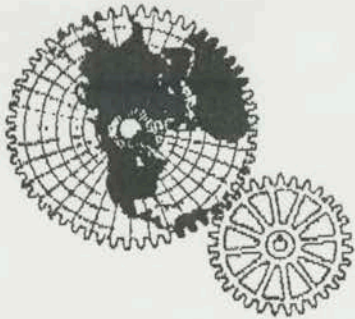
*Faxed to Judy  
1.28 - asked her  
to decline*

02/08/94 18:06  
SEP-27-93 MON 16:48

SENATOR DOLE SH 141

SPEAK

Feb 24-27



**POLYCONOMICS, INC.**  
Political and Economic Communications

Jude T. Wanniski  
President  
86 Maple Avenue  
Morristown, NJ 07960  
Tel. 201-267-4640  
Fax. 201-539-4025

YH

Thurs-Sun  
Boca Raton Resort & Club

September 27, 1993

The Hon. Bob Dole  
U.S. Senator, Kansas  
141 Hart  
Washington, DC 20515

Dear Bob:

Every year for the last ten, in late winter, Polyconomics throws a "supply-side" festival in a wonderful, sunny place. We do this with your good friends, Evans & Novak, inviting our clients and their wives to gather for an immensely enjoyable and informative weekend. We'd be honored if you and Elizabeth joined us for this 10th Anniversary festival in Florida, at the most hospitable Boca Raton Resort & Club, February 24-27, Thursday evening to Sunday noon.

It's really a terrific experience. In years past, we've had Senators Packwood, Lott, Boren, and Bradley, and I'm sure they will tell you they enjoyed the experience. Jack Kemp has attended all but two, but will not attend this time. As you see from the enclosed speaker list, from '85 through '93, we invite folks who are on the margin of public policy debates. We meet mornings and relax in the afternoons, gathering for high-spirited dinner sessions.

The attendees, about 50 couples, are almost all the chief strategists for their corporations or financial groups. There are no lobbyists here, but rather people who are interested in soaking up information about how the future might unfold. In one fell swoop, you could engage some of the brightest, most active opinion leaders in Wall Street's "growth wing."

You get a zillion invitations, I know, but believe me, this event would open you to a different world. We'll even get you a ride down on the Forstmann jet, as at least Nick has signed up so far. Please let me know as soon as you can if you'd like to do this, and if it's possible. Even a tentative yes would be nice.

Cheerfully, as usual,