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October 5, 1989

1:15-7:30

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Roce Senator Robert J. Dole Senate Minority Leader 141 Senate Hart Office Building Washington, D.C. 20510-1601 Dear Sen. Dole: The Washington Research Group (WRG), a newly-created division of Credit Lyonnais' CL GlobalPartners, will sponsor its Annual Symposium at Washington's Willard Hotel on November 1-1989. This international meeting will have over 200 participants from many of the largest financial institutions in the U.S., Canada, Europe and the Far East. Our agenda will include an assessment of current policies in the areas of the budget, taxes, trade, foreign relations, the environment and the economy. I most cordially invite you to deliver the keynote dinner address on November 2, on your assessment of current legislative issues. You may recall participating in The Washington Forum's Seventeenth Annual Symposium which we sponsored in the fall of 1986. In prior years, presentations at our conferences have been made by Edwin Meese III, Pat Caddell, George Will, Jack Germond, Caspar Weinberger, David Gergen and Robert Teeter. In addition we have been joined by several governors of the Federal Reserve System and nearly two dozen leading members of Congress, including Ernest Hollings, and Sam Nunn and Reps. John Dingell, Tom Foley and Dan Rostenkowski. Staffed and directed by five former partners of the now-disbanded Washington Forum, the WRG is a political/economic research and reporting organization. By way of description, I have enclosed material on our new firm as well as a list of attendees of previous Washington Forum conferences. I do hope your schedule will permit your participation. I would, of course, be pleased to offer your usual honorarium and cover any travel expenses which you might incur. Best regards, dand V Lalis. Edward V. Garlich, Jr. Managing Director EVG:lbc enclosures

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\$2,000 hon.

The Washington Research Group's

Annual Fall Symposium

The Willard Hotel Washington, D.C.

November 1-3, 1989

Wednesday, November 1

6:00 pm Reception

Ballroom

7:00 pm Dinner

Welcoming Remarks
Edward V. Garlich, Jr.
Managing Director,
The Washington Research Group

Ballroom

Keynote Address

Thomas S. Foley (Tentative)

Speaker of the House of Representatives "The Congressional Agenda for the 1990s"

Thursday, November 2

8:00 am Breakfast

Address

Rep. Newt Gingrich
Minority Whip
"A New Look at the
House of Representatives"

Crystal Room

9:15 am

Trends in U.S. Health Care

Ballroom

Speaker

Rep. Fortney (Pete) H. Stark

Chairman, Subcommittee on Health, House Ways and Means Committee

10:00 am

Will the U.S. Economy Keep Growing?

Ballroom

Speaker

Peter M. Taylor

Senior Staff Economist,

Council of Economic Advisors,

The White House

10:45 am Economic Objectives for the Ballroom Bush Administration Speaker Dr. Sidney L. Jones Assistant Secretary for Economic Policy, Department of the Treasury 11:30 am A Look at Federal Reserve Policies Ballroom Speaker Dr. Lyle E. Gramley Senior Vice President and Chief Economist, Mortgage Bankers Association 12:15 pm Luncheon Address Crystal Room Rep. Dan Rostenkowski Chairman, House Ways and Means Committee "Tax Policy in the 1990s" 2:00 pm Budget Deficits in the 1990s Ballroom Speaker Edwin Dale Counselor and Director of External Affairs Office of Management and Budget 2:45 pm A Look at American Political Trends Ballroom Speaker Robert Teeter President, Coldwater Corporation and President Bush's Polltaker 3:30 pm Europe 1992 and Other Trade Issues Ballroom Speaker Ambassasdor Joseph A. Greenwald Member, Editorial Advisory Board of "Europe-1992, The Report on the Single European Market"

> John A. Schnittker President, Schnittker Associates

Speaker

Food Prices and Agricultural Policies

4:15 pm

Ballroom

6:00 pm Reception

Ballroom

7:00 pm Dinner

Introduction

Ballroom

Keynote Address

Friday, November 3

8:00 am Breakfast

Address

Sen. Bob Packwood

Ranking Minority Member Senate Finance Committee "Will Congress Raise Taxes?" Crystal Room

9:00 am

A Briefing on Antitrust and Communications Issues

Ballroom

Speakers

Timothy J. Waters

Partner, McDermott, Will & Emery

Michael Faber

Partner, Reid & Priest

10:30 am

U.S. Energy Policy and

the Environmental Movement

Ballroom

Speaker

Rep. Phil R. Sharp (Tentative) Chairman, Subcommittee on Energy and Power, House Energy and Commerce Committee

11:15 am

George Bush's Domestic Agenda

Ballroom

Speaker

Roger Porter

Assistant to the President for Economic and Domestic Policy,

The White House

12:00 pm Luncheon

Address

Sen. Richard G. Lugar

Committee on Foreign Relations "Overview of U.S. Foreign

Policy Objectives"

Pierce Room

The Washington Research Group

Selected Speakers List from Prior Symposia

Members of Congress

Sen. Bill Bradley Sen. Bob Dole Sen. Jake Garn Sen. Ernest Hollings Sen. Sam Nunn Sen. Bob Packwood Rep. Les Aspin Rep. John Dingell Rep. Tom Foley Rep. Bill Frenzel Rep. Willis D. Gradison Rep. Dan Rostenkowski

Cabinet Members

C. Fred Bergsten
Director, Institute for International Economics,
former Assistant Secretary of the Treasury

Michael Bluementhal Secretary of the Treasury

William Brock Secretary of Labor

Sidney L. Jones
Assistant Secretary of the Treasury

C. Everett Koop Surgeon General of the United States

Frank Lavin
Deputy Assistant to the President
for Political Affairs

John Lehman Secretary of the Navy

Edwin L. Meese Attorney General

Robert Ortner
Undersecretary for Economic Affairs,
Department of Commerce

John A. Schnittker
Agribusiness Consultant,
former Undersecretary of Agriculture

Casper Weinberger Secretary of Defense

Advisors

Zbigniew Brzezinski Former National Security Advisor

Edwin Dale
Assistant Director,
Office of Management and Budget

Gail Fosler
Chief Economist
Senate Budget Committee (Minority)

Lyle Gramley
Chief Economist, Mortgage Bankers Association,
former Deputy Chairman, Federal Reserve

Bert Lance Former Director, Office of Management and Budget

Albert Sommers
Economic Counselor, The Conference Board

Vernon Walters
U.S. Ambassador to the United Nations

Polltakers and Strategists

Patrick Caddell Polltaker Peter Hart Robert Teeter Polltaker

Polltaker

Polltaker

Edwin Rollins

Richard Wirthlin

Lyn Nofziger Political Strategist

Political Strategist

Maurice Husken

Alberta Treasury

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John Embry

Royal Bank Invest. Commo

Gunnar Kack Forsten Johanson Sicandia Insurance Skundin Insurance Robeco N.V.

lian Representatives

John Mulvihill Gerry Aziz Canada Trust Invest. Mgm Canada Life Invest.

Phillip Falls

George Morgan Gerry Cloutier C.N. Pension Fund C.P. Pension Fund

Paul Rathgaber Karen Schofner aboth Peters Gryphon Invest. First City Trust E.J. McConnell Counsel

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Department of Commerce Department of State

Dr. Sidney & Marlene Jones Cochard Porter Department of the Trea Department of the Treasury

Xu Shangwei Wang Hongbeo Department of the Treasury Embassy, People's Rep. of China

Norman & Gail Harvey Anthony Stout GOVERN ly, People's Rep. of China cat lavest. Mgmt. Corp.

Merrill Lynch Asset Pund

K.S. & Tacko Wu leffrey Weinberg Pocrs & Company Office of Management & Budget

Dr. John A. Schnitther loseph & Kaki Slevin ioan Davidson Schmitther Associ Editor, Washin agion Bond Report

Robert Feinberg Washington Financial Info. Say.

Credit Lyonnais

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Dan Donovan Frederick Klein Larry Jones **Paul Carlson** Howard Freis HEIGH MOCH ill Barton Allison Martier Keystone Custodias Funds Hawaiian Trust IDS Advisory Harvard Ma Gardner Preston Moss Fidelity Mg Equitable Capital Mana Equitable Capital Manua

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Richard Boomer

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Groupe Brussels Lambert

Yves Sabourot Hachette Bloom Anderson

Foreign policy issues

U.S.-Soviet relations

o NO QUESTION ABOUT IT: THE CHANGES WE SEE IN THE SOVIET UNION, AND IN U.S.-SOVIET RELATIONS, ARE PROFOUND.

- O A SOVIET SPOKESMAN YESTERDAY SAID THAT THE
 BUSH-GORBACHEV MEETING DECEMBER 2-3 WILL MARK
 THE END OF THE COLD WAR; THAT THE COLD WAR
 WOULD BE DUMPED OVERBOARD INTO THE
 MEDITTERANEAN.
- O I DON'T BUY THAT. BUT OUR RELATIONS ARE ON A

 TOTALLY DIFFERENT PLANE THAN THEY WERE EVEN FOUR

 OR FIVE YEARS AGO.

- O I MET GORBACHEV THE FIRST TIME WHEN HE WAS IN WASHINGTON FOR HIS SUMMIT WITH PRESIDENT REAGAN. I MET HIM AGAIN IN MOSCOW, WHEN WE SIGNED THE INF TREATY.
- O MY OWN VIEW IS THAT GORBACHEV IS SINCERE IN
 WANTING TO BRING FUNDAMENTAL CHANGES TO THE
 SOVIET UNION -- NOT BECAUSE HE'S A GOOD GUY, BUT
 BECAUSE HE'S IN A LIFE-AND-DEATH "RACE" AT HOME.

 IT'S A RACE BETWEEN THE RISING POLITICAL AND
 ECONOMIC EXPECTATIONS HE HAS SPARKED WITH HIS
 MORE OPEN POLICIES -- AND THE ABILITY OF THE SOVIET
 SYSTEM TO MEET THOSE EXPECTATIONS.

O HE WANTS TO OPEN UP THE POLITICAL SYSTEM, BUT
THERE ARE STILL STRONG FORCES WITHIN THE SOVIET
POLITICAL STRUCTURE THAT MUST SEE WHAT HE'S DOING
AS VERY DANGEROUS. HE HAS TO RECKON WITH THEM --AND HE'S GOT TO MAKE SURE HE NEVER EXPOSES HIS
BACK TO THEM.

- O HE ALSO KNOWS THE SOVIET ECONOMY IS A MESS; A
 MESS THAT'S NOT GOING TO BE STRAIGHTENED OUT
 WITHOUT A REDUCTION IN SOVIET MILITARY SPENDING,
 AND THE INFUSION OF WESTERN TECHNOLOGY, CAPITAL
 AND ECONOMIC CONCEPTS.
- O SO -- FOR ALL HIS BOLD PUBLIC RELATIONS -- HE'S

 FUNDAMENTALLY ON THE DEFENSIVE. THAT'S WHY WE

 CAN DEAL WITH HIM. WE HAVE WHAT HE NEEDS -
 REDUCED TENSIONS, REDUCED MILITARY SPENDING,

 TECHNOLOGY AND CAPITAL. WE OUGHT TO BE ABLE TO

 STRIKE SOME PRETTY BARGAINS.

O THERE ARE ECONOMIC OPPORTUNITIES FOR US,
ESPECIALLY EXPANDED TRADE IN NON-STRATEGIC
AREAS. WE OUGHT TO BE EXPLOITING THOSE
OPPORTUNITIES. I THINK WE'RE ON THE PATH TO AN
EARLY WAIVER OF JACKSON-VANIK. I THINK CONGRESS
WANTS THAT, AND WILL MOVE POSITIVELY AS SOON AS
THE PRESIDENT SIGNALS THE TIME IS RIGHT.

- o MORE BROADLY, WE OUGHT TO EXACT A STRATEGIC

 PRICE FOR OUR ECONOMIC COOPERATION. FOR

 STARTERS, WE OUGHT TO INSIST THAT THE SOVIETS

 CONTINUE TO MODERATE THEIR POLICIES IN PLACES LIKE

 NICARAGUA.
- O THE PRESIDENT IS PLAYING ALL THIS JUST RIGHT. HIS

 CRITICS -- WHO GET PRETTY DESPERATE WHEN THEY

 LOOK AT HIS 70+% APPROVAL RATINGS -- HAVE BEEN

 TRYING OUT THIS "TIMID" CHARGE. IT FELL FLAT.

O I THINK THE PRESIDENT HAS DONE EXACTLY THE RIGHT
THING IN SCHEDULING THIS "NON-SUMMIT." IF YOU WANT
TO GET SERIOUS WORK DONE, IT'S ALWAYS A GOOD IDEA
TO PUT A COUPLE THOUSAND MILES OF OPEN SEA
BETWEEN YOU AND THE TV NETWORKS.

O THIS WILL BE A MEETING WHERE THE TWO LEADERS

CAN GET TO KNOW EACH OTHER BETTER; AND WHERE

THEY CAN FIGURE OUT WHICH AREAS OFFER THE

POTENTIAL FOR RAPID PROGRESS IN THE MONTHS AHEAD

AND AT THE REAL SUMMIT. HOPEFULLY, WE WON'T LET

OUR EXPECTATIONS GET AHEAD OF THOSE MODEST BUT

IMPORTANT GOALS.

Poland

O ON ANOTHER IMPORTANT ISSUE, AS YOU KNOW, THE CONGRESS IS NOW WORKING ON A MAJOR AIR PACKAGE FOR POLAND.

O DON'T BE TAKEN IN BY ALL THE PHONY CHARGES

ABOUT "HOLDING UP THE POLAND AID PACKAGE." IF

ANYBODY IS HOLDING ANYTHING UP, IT'S THE

DEMOCRATS -- WHO HAVE TAKEN THE POLAND

AUTHORIZATION BILL HOSTAGE TO THEIR OWN

STUBBORN DETERMINATION NOT TO LET THE MAJORITY IN

THE CONGRESS WORK ITS WILL ON CAPITAL GAINS.

- O BUT EVEN IF THE BILL WE'RE CONSIDERING WERE

 PASSED TOMORROW, THAT BILL DOESN'T APPROPRIATE

 MONEY FOR POLAND. IT JUST FORMALLY LAYS OUT THE

 PARAMETERS OF OUR PROGRAMS. THE ACTUAL

 SPENDING BILLS -- THE APPROPRIATIONS BILLS -- WHICH

 PROVIDE OVER \$300 MILLION FOR POLAND THIS YEAR ARE

 MOVING FORWARD.
- O THERE IS A CONSENSUS THAT WE SHOULD HELP THE NEW POLISH GOVERNMENT IN A BIG WAY.

O POLAND IS AT AN HISTORIC CROSSROADS, AND THE
RESULT OF THE EXPERIMENT IN DEMOCRACY THERE IS
GOING TO REVERBERATE ALL OVER EASTERN EUROPE
AND RIGHT INTO THE SOVIET UNION ITSELF.
O I WAS IN POLAND IN AUGUST, AND FOR AN AMERICAN IT
GAVE YOU A SENSE OF BEING BACK IN THE 13 COLONIES,
WATCHING A NEW NATION BEING FORMED. IT WAS THAT

DRAMATIC AND EXCITING.

O BUT THE NEW GOVERNMENT HAS A VERY TOUGH ROAD

AHEAD. HUGE ECONOMIC PROBLEMS -- ITS INHERITANCE

FROM 40 YEARS OF COMMUNIST RULE. A VERY RESTIVE

POPULATION, THAT ISN'T GOING TO BE IN A MOOD TO

MAKE MORE SACRIFICES, UNLESS IT CAN BE CONVINCED

THAT THE SITUATION IS REALLY TURNING AROUND.

O IT NEEDS OUR HELP, AND IT WILL HAVE OUR HELP.

O MY WIFE, ELIZABETH, WHO HAPPENS TO BE SECRETARY

OF LABOR, WILL BE GOING TO POLAND WITH THE SPECIAL

MISSION ANNOUNCED BY THE PRESIDENT THIS WEEK.

THAT MISSION CAN HELP US MAKE SURE THAT OUR AID

PACKAGE IS ON TARGET IN MEETING POLAND'S REAL

MEEDS.

O THE BOTTOM LINE IS: WE ARE COMMITTED TO DOING

EVERYTHING WE CAN TO MAKE SURE POLAND'S

EXPERIMENT IN DEMOCRACY SUCCEEDS. THERE IS A

BIPARTISAN CONSENSUS ON THAT.

Nicaragua

- o FINALLY, A WORD ABOUT NICARAGUA.
- O I THINK WE'VE GONE THE FIRST MILE, THE EXTRA MILE,
 AND THEN SOME TO GIVE THE SANDINISTAS THE CHANCE
 TO LIVE UP TO THEIR OWN COMMITMENTS.
- O WE'VE GIVEN UP ON THE CONTRAS, WE'VE JOINED IN
 SUPPORT OF A REGIONAL PEACE PROCESS, WE'VE
 BOUGHT ONTO A PLAN FOR FREE AND FAIR ELECTIONS.

O NOW ORTEGA HAS UNILATERALLY TRASHED THE

CEASEFIRE. HE'S THUMBED HIS NOSE AT THE WHOLE

PROCESS -- AT HIS OWN COMMITMENTS, HIS OWN

PEOPLE, AND HIS DEMOCRATIC NEIGHBORS.

O I'M NOT SUGGESTING WE RESUME MILITARY AID TO THE

CONTRAS. BUT I AM SUGGESTING THAT WE WAKE UP AND

REALIZE WHAT IT IS WE'RE DEALING WITH IN NICARAGUA.

O IF ORTEGA CONTINUES TO CRACK DOWN, IF WE SEE

MARTIAL LAW, IF THE ELECTIONS ARE CANCELLED OR

POSTPONED -- AS ORTEGA THREATENED YESTERDAY -- I

HOPE WE WILL HAVE THE WILL AND THE COMMON SENSE

TO DO WHATEVER WE MUST TO HELP THE NICARAGUAN

PEOPLE RID THEMSELVES OF COMMUNIST TYRANNY.

- O THAT WAS OUR GOAL IN THE PHILIPPINES AND POLAND
- -- AND WE MET OUR GOAL. THAT IS OUR GOAL IN CHILE

AND SOUTH AFRICA AND AFGHANISTAN AND MANY

OTHER PLACES AROUND THE WORLD -- AND WE

CONTINUE TO PURSUE THAT GOAL VIGOROUSLY.

O IN MY VIEW, THAT OUGHT TO BE THE GOAL WE PURSUE,

AND PURSUE VIGOROUSLY, HERE ON OUR OWN

DOORSTEP.

THE FEDERAL BUDGET

- RIGHT NOW, THE BIGGEST PROBLEM FACING OUR COUNTRY IS THE FEDERAL DEFICIT. MOST PUBLIC OPINION POLLS, HOWEVER, RANK DRUGS FIRST ON AMERICANS' LIST OF CONCERNS, WITH THE DEFICIT A DISTANT SECOND. AMERICANS SEEM TO BE HAVING A DIFFICULT TIME UNDERSTANDING THE DEFICIT PROBLEM, IN LARGE PART, BECAUSE THE NEWS COVERAGE OF THIS ISSUE IS NOT BALANCED. LET'S FACE IT: DEFICIT BUSTERS DON'T MAKE FOR HIGH NEWS RATING, DRUG BUSTS DO.
- O EVEN THE RECENT GRH BUDGET SEQUESTER DID NOT GET MUCH ATTENTION IN THE PRESS. THE SEQUESTER, WHICH CUT THE DEFICIT BY 16 BILLION REAL DOLLARS, WILL STAND UNTIL CONGRESS CAN COME TO AN AGREEMENT ON A BUDGET RECONCILIATION/REDUCTION BILL.

DEBT LIMIT EXTENSION

- THE ONLY THING THAT ILLUSTRATES THE BREAKDOWN OF OUR BUDGET PROCESS BETTER THAN A SEQUESTER, IS THE \$3.12 TRILLION DEBT LIMIT EXTENSION BILL WE ARE WORKING ON. YES, \$3.12 TRILLION.
- BILLION ON INTEREST ALONE IN FY 1989. THAT IS MORE THAN
 THE FEDERAL GOVERNMENT SPENT ON FOREIGN AID, DRUGS,
 EDUCATION, AGRICULTURE, AND TRANSPORTATION COMBINED. THE
 BOTTOM LINE IS WE CAN'T FIGHT DRUGS, REBUILD OUR
 INFRASTRUCTURE, AND SPEND MORE MONEY ON EDUCATION UNTIL WE
 GET THIS DEFICIT MONSTER UNDER CONTROL

- 2 -

BUDGET REFORM

- O IS THE ANSWER BUDGET REFORM? SOME HAVE ARGUED THAT BUDGET REFORM HAS NOT ONLY GOTTEN US INTO THIS MESS, BUT HAS MADE IT WORSE. SURE, GRAMM-RUDMAN-HOLLINGS HAS HELPED PUT THE DEFICIT ON A DOWNWARD COURSE, BUT AT THE COST OF INCREASED GIMMICKRY AND TRICKS. SOME EXPERTS HAVE ESTIMATED THAT ALMOST HALF OF THE "SAVINGS"
- IN THE \$13.4 BILLION SENATE DEFICIT REDUCTION BILL ARE FAKE. MEMBERS OF CONGRESS ARE GROWING INCREASINGLY FRUSTRATED AND EMBARRASSED BY THE BUDGET PROCESS. AND JUSTIFIABLY SO.

RECONCILIATION

- THE FINAL STRAW FOR A LOT OF SENATORS WAS THE 13 POUND RECONCILIATION BILL SENT OVER BY THE HOUSE. THIS BILL, WHICH WAS INTENDED TO CUT THE BUDGET -- PERIOD, CONTAINED EVERYTHING FROM PROVISIONS ON KIWI FRUIT TO A HUGE, NEW CHILD CARE PACKAGE.
- FRANKLY, SOME OF THESE THINGS WERE LIKED BY REPUBLICANS AND SOME BY DEMOCRATS. BUT AFTER DAYS OF DEADLOCK ABOUT HOW TO PROCEED, THE SENATE OVERWHELMINGLY REBELLED AGAINST PUTTING A WHOLE YEAR'S WORTH OF LEGISLATION IN A MUST-PASS BUDGET BILL. BY THE TIME WE HAD STRIPPED OUT THE 300 SOME EXTRANEOUS PROVISIONS, THE 13 POUND BILL HAD SLIMMED DOWN TO A TRIM 3 POUNDS.
- THE EFFORT WAS A GIANT STEP FORWARD FOR GOOD GOVERNMENT.

 UNFORTUNATELY, THE HOUSE IS RELUCTANT TO ACCEPT OUR

 PACKAGE. UNTIL WE CAN GUARANTEE A CLEAN DEBT LIMIT

 EXTENSION. SO, FOR THE TIME BEING WE ARE STUCK WITH A

 SEQUESTER.

- 3 -

TAX REFORM AND SECTION 89

O AMONG THE CASUALTIES OF THIS GOOD GOVERNMENT EFFORT WERE SECTION 89 REFORM AND THE FINANCE COMMITTEE'S "EXTENDERS".

I CAN ASSURE YOU THAT SECTION 89, IN PARTICULAR, IS NOT DEAD. BOTH HOUSE AND SENATE HAVE AGREED TO ITS REPEAL.

NOW THEONLY QUESTIONS THAT REMAIN ARE 1) WHEN? AND 2) ON WHAT VEHICLE? THE ANSWER WILL MAY DEPEND ON WHAT HAPPENS WITH CAPITAL GAINS. RIGHT NOW SECTION 89 REPEAL IS PENDING AS PART OF THE PACKWOOD/ROTH CAPITAL GAINS/IRA INITIATIVE.

NON-BUDGET ISSUES

THIS TIME OF YEAR IT IS EASY TO FORGET THAT THERE ARE OTHER ISSUES BESIDES THE BUDGET PENDING BEFORE CONGRESS. YOU HAVE ASKED ME TO SPECIFICALLY ADDRESS MINIMUM WAGE, AMERICANS WITH DISABILITIES ACT, RESALE PRICE MAINTENANCE, AND PROTECTIONIST TRADE LEGISLATION. SO, I WILL BRIEFLY SUM UP WHERE THESE ITEMS ARE AND WHERE THEY ARE EXPECTED TO GO IN THE 101TH CONGRESS.

MINIMUM WAGE

- O MANY OF YOU MAY HAVE HEARD NEWS REPORTS THAT A MINIMUM WAGE COMPROMISE IS IN THE WORKS. WELL, THOSE REPORTS ARE RIGHT. THE PRESIDENT, THE SECRETARY OF LABOR, AND THE DEMOCRATIC LEADERS IN CONGRESS HAVE AGREED TO A COMPROMISE PACKAGE THAT WOULD RAISE THE MINIMUM WAGE TO \$4.25 AN HOUR OVER THE NEXT YEAR-AND-A-HALF AND WOULD PROVIDE FOR A SIX-MONTH TRAINING WAGE FOR TEEN AGE EMPLOYEES.
- 0 MY HOPE IS THAT THIS LEGISLATION WILL MOVE QUICKLY THROUGH CONGRESS IN A BIPARTISAN FASHION.

- 4 -

PROTECTIONIST TRADE LEGISLATION

- O LAST MAY, AT THE SUGGESTION OF SENATOR DANFORTH, I CONVENED
 A TASK FORCE OF REPUBLICAN SENATORS TO ADDRESS BARRIERS TO
 COMPETITIVENESS WITHIN THE CONTROL OF THE FEDERAL
 GOVERNMENT.
- THE TASK FORCE IS NOT LOOKING TO ESTABLISH AN INDUSTRIAL POLICY, INSTEAD, OUR INITIAL FOCUS HAS BEEN ON WAYS GOVERNMENT IMPEDES COMPETITIVENESS THROUGH ANTI-TRUST LAWS, TAX POLICY, OR EXCESS REGULATION. IN ADDITION, THE TASK FORCE WILL SEARCH FOR WAYS GOVERNMENT CAN ASSIST PRIVATE SECTOR INITIATIVE, INCLUDING REASONABLE PRODUCT LIABILITY STANDARDS, PATENT PROTECTION, AND BETTER TRANSFORMATION OF FEDERAL RESEARCH ADVANCES INTO PRODUCTIVE USES BY AMERICAN BUSINESS.

CONCLUSION

- NEXT YEAR WE WILL BE FACING A NUMBER OF ITEMS INCLUDING
 CLEAN AIR AND ETHICS. IT IS MY BELIEF THAT YOU CAN'T
 LEGISLATE MORALITY. THE BEST YOU CAN DO IS FORCE
 POLITICIANS TO MAKE THEIR CONTRIBUTOR LISTS AVAILABLE TO
 THE PUBLIC, AND LET THE VOTERS MAKE THE NECESSARY ETHICAL
 JUDGEMENTS.
- WE WILL ALSO HAVE TO DEAL WITH A PAY RAISE, WHICH IN A
 ELECTION YEAR WILL BE DIFFICULT. THE REAL PROBLEM IS NOT
 WHAT WE PAY SENATORS, MANY OF WHOM CONSIDER THEIR SENATE
 SALARY POCKET CHANGE, BUT WHAT WE PAY JUDGES AND MEMBERS OF
 THE EXECUTIVE BRANCH. TIME AND TIME AGAIN, WE HEAR STORIES
 OF JUDGES WHO FIND THAT NEW LAWYERS FRESH OUT OF SCHOOL ARE
 OUT-EARNING THEM. IF WE WANT TO CONTINUE TO ATTRACT GOOD
 PEOPLE TO THE BENCH AND TO GOVERNMENT SERVICE IN GENERAL,
 WE MUST SUMMON UP THE COURAGE TO RAISE OUR SALARIES, AS

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WELL AS THEIR'S.