

Originally Processed With FOIA(s):
2009-0166-S

FOIA Number:
2009-0166-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90501
Folder ID Number: 90501-005

Folder Title:
Monday, January 30, 1989

Stack:	Row:	Section:	Shelf:	Position:
V	12	11	1	2

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Schedule	Schedule of the President [redaction] (1 pp.)	01/30/89	(b)(3) 50 USC (403)	
01b. Log	Office of the President Telephone Log, West Wing Log [redaction of personal information] (1 pp.)	01/30/89	(b)(6)	
01c. Log	White House Telephone Log [E.S.T.] [redaction of personal information] (2 pp.)	01/30/89	(b)(6)	
01d. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	01/30/89	(b)(6)	
01e. Notes	Handwritten notes for telephone conversation between President Bush and Jack Stein (1 pp.)	01/30/89	(b)(1)	
02. Letter	From George Bush to Mr. and Mrs. Paul D. Anderson (Peggy and Paul) Re: Letter [redaction of personal information] (1 pp.)	01/30/89	C	
03a. Letter	From George Bush to William C. Matthews Re: campmates [redaction of personal information] (1 pp.)	01/30/89	C	
03b. Letter	From William C. Matthews to Gentlemen [campmates] Re: George Bush's inauguration [redaction of personal information] (1 pp.)	12/28/88	C	

Page 1 of 2

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, January 30, 1989

Pinksheet Number: dw1222
OA/ID Number: 90501-005
Date Closed: 12/23/2008
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet
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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
03c. List	Hill Billies Attending Inauguration [redaction of personal information] (1 pp.)	n.d.	C	
04a. Letter	From George Bush to Fitzgerald Bemiss Re: weekend [redaction of personal information] (1 pp.)	01/30/89	C	
04b. Letter	From Fitzgerald Bemiss to President Bush Re: inauguration [redaction of personal information] (1 pp.)	01/23/89	C	
05. Note	From George Bush to Emmett Smith Re: visit [redaction of personal information] (1 pp.)	n.d.	C	
06. Letter	From George Bush to Arnold M. Zack Re: Letter [redaction of personal information] (1 pp.)	01/30/89	(b)(6)	

Page 2 of 2

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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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SCHEDULE OF THE PRESIDENT

Monday, January 30, 1989

8:00 am (15 min)	<u>Intelligence Briefing</u> (Scowcroft/Sununu)	Oval Office
8:15 am (30 min)	<u>National Security Briefing</u> (Scowcroft/Sununu)	Oval Office
8:45 am (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
9:15 am (40 min)	<u>Personal Staff Time</u>	Oval Office
9:55 am	The President departs for Labor Department to attend Swearing-in of Elizabeth Dole as Secretary of Labor (Bates) (TAB A)	South Lawn
10:35 am	<u>Arrives back at the White House</u>	South Lawn
10:35 am (25 min)	<u>Personal Staff Time</u>	Oval Office
11:00 am (10 min)	<u>Interview with Wire Service Reporters</u> (Fitzwater) (TAB B)	Oval Office
11:10 am (50 min)	<u>Personal Staff Time</u>	Oval Office
12:00 noon (60 min)	<u>Private Lunch</u> (McClure)	Oval Office
1:00 pm (90 min)	<u>Personal Staff Time</u>	Oval Office
2:30 pm (60 min)	<u>Working Session with National Service Team</u> (Studdert/Petersmeyer) (TAB C)	Roosevelt Room
3:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
4:00 pm (45 min)	<u>Haircut</u>	West Basement
4:45 pm (15 min)	<u>Meeting with Governor Sununu</u>	Oval Office

UNP 01/27/89
4:00 pm

7:25 arr. Oval

7:45 Dr. L. Mohr 7:48 L. Mohr out

8:00 Dir. Webster, Bates, Scowcroft, (b)(3) USC (403)

8:01 add Sununu 8:16 DCI & (b)(3) USC (403)

8:17 add V.P. 8:32 Bates, Scowcroft out 9:06 VP out

9:02 Sununu out

9:34 Fitzgerald ~~out~~ in Oval 9:38 Fitzgerald out

10:35 Dpt Labor ex stl WH

10:39 arr B. Gronds

10:40 arr oval

10:50 add Genl Scowcroft 11:18 Scowcroft dpt

11:38 Bates in 11:51 Bates out

12:00 Sununu in, 12:01 Sununu out

12:02 Byrd
Mr. Rockefeller, Mr. ~~McClure~~, Fred McClure, ~~Mr. Sununu~~

12:03 add Sununu

12:58 all depart except Potes.

1:03 dpt to Barbershop 1:40 Dpt Barbershop

1:47 arr oval 2:10 Roosevelt into Oval

2:19 Studdert, Sununu, Carol 2:22 out

2:30 into Roosevelt room. 3:20 to Oval w/ Sununu

3:21 Sununu out

4:00 Sununu in, Untermyer in, 4:01 add Baker, Scowcroft

5:21 Baker, Untermyer, Scowcroft out

5:25 Sununu out 5:32 Dpt to S. grounds

Withdrawal/Redaction Sheet

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01b. Log	Office of the President Telephone Log, West Wing Log [redaction of personal information] (1 pp.)	01/30/89	(b)(6)	

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Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
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P-2/P-5 Review Case #:	Disposition Date:
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OFFICE OF THE ~~VICE~~ PRESIDENT
Bush Library Photocopy WASHINGTON

TELEPHONE MEMORANDUM

WEST WING
LOG
P.

Monday, January 30, 1989

19

	TIME		NAME	ACTION
	PLACED	DISC		
<u>OUT</u>	9:15 AM		<u>Former Congressman Gary Brown</u> (he called you on Friday) 484-5356 or (b)(6)	out - l.w. ✓ 10:45 a.m. - TALKED
INC	PM			
<u>OUT</u>	11:15 AM		<u>Jewel LaFontant</u> re: position offered to her by Gelb	✓ 11:30 a.m. - TALKED
INC	PM			
<u>OUT</u>	1:53 AM		<u>Jack Stein</u>	✓ TALKED
INC	PM			
<u>OUT</u>	2:50 AM		<u>C. Fred Chambers</u> (b)(6)	✓ 3:25 - TALKED
INC	PM			
<u>OUT</u>	4:00 AM		<u>Steve Rhodes</u> (b)(6) NOTE: Patty returned the call at 6 p.m. -- Steve was out	Patty will return
INC	PM			
<u>OUT</u>			Patty gave POTUS credit for returning call. When Steve next calls, Patty will handle	
INC	PM			
<u>OUT</u>			(Untermeyer has been working w/ Steve on a possible Administration position. (b)(6)	
INC	PM			
<u>OUT</u>			-- however -- we will let Chase handle this & Patty will encourage Steve to talk directly to Chase.	
INC	PM			
<u>OUT</u>				
INC	PM			
<u>OUT</u>				
INC	PM			
<u>OUT</u>				
INC	PM			

THE WHITE HOUSE

WASHINGTON

E.S.T.

TELEPHONE MEMORANDUM

JANUARY 30

, 19⁸⁹

PRESIDENT

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:26 AM	9:27	MRS. BARBARA BUSH RESIDENCE WASHINGTON, D.C. WHITE HOUSE ADMIN. X542	✓ TALKED OK
INC	PM			
OUT	AM			
INC	PM			
OUT	9:46 AM	9:50	MR. CHASE UNTERMEYER OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN. X689	✓ TALKED OK
INC	PM			
OUT	AM			
INC	PM			
OUT	11:19 AM	11:22	MR. CHASE UNTERMEYER OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN. X689	✓ TALKED OK
INC	PM			
OUT	AM		re: Jewell LaFontant <i>p.</i>	
INC	PM			
OUT	11:25 AM	11:28	MR. BRUCE GELB OFFICE WASHINGTON, D.C. 485-8032	✓ TALKED OK 11:26a
INC	PM			
OUT	AM		re: Jewell La Fontant <i>p.</i>	
INC	PM			
OUT	11:34 AM	11:39	SEC. JAMES BAKER OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN. X420	✓ TALKED OK
INC	PM			
OUT	AM		re: Jewell LaFontant <i>p.</i>	
INC	PM			
OUT	11:40 AM	11:48	MR. CHASE UNTERMEYER OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN. X689	✓ TALKED OK
INC	PM			

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01c. Log	White House Telephone Log [E.S.T.] [redaction of personal information] (2 pp.)	01/30/89	(b)(6)	

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Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, January 30, 1989

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THE WHITE HOUSE

WASHINGTON

Bush Library Photocopy

E.S.T.

TELEPHONE MEMORANDUM

JANUARY 30, 1989

PRESIDENT

	TIME		NAME	ACTION
	PLACED	DISC		
(OUT)	AM		MR. JACK STEIN (*we ret'd. his call of the weekend) OFFICE HICKSVILLE, N.Y. 516-938-6012	TALKED OK ✓
INC	1:51 PM	1:54		
OUT	AM			
INC	PM			
(OUT)	AM		MRS. GEORGE BUSH RESIDENCE WASHINGTON, D.C. WHITE HOUSE ADMIN. X542	TALKED OK ✓
INC	1:59 PM	2:02		
OUT	AM			
INC	PM			
(OUT)	AM		C. FRED CHAMBERS (He called us at 2:50 - we ret'd. his c OFFICE HOUSTON, TEXAS 713-655-0155	TALKED OK 3:27p ✓
INC	3:25 PM	3:29		
OUT	AM			
INC	PM			
(OUT)	AM		LAURIE FIRESTONE OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN X780	TALKED OK ✓
INC	3:39 PM	3:46		
OUT	AM			
INC	PM			
OUT	AM		MR. STEVE RHODES (b)(6)	SPOKE WITH BRIDGE ~~MONTE~~ MONTAGNE Patty Presock
(INC)	3:42 PM			returned the call.
OUT	AM			at 6 p.m. --Steve
INC	PM			was out so she le
(OUT)	AM		MR. JOHN NEGROPONTE STATE DEPT. 647-0978	word that the POT called. --- TALKED OK ✓
INC	5:10 PM	5:20		

THE WHITE HOUSE

WASHINGTON

Bush Library Photocopy

E.S.T.

TELEPHONE MEMORANDUM

PRESIDENT

JAN. 30

, 1985

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		AMB. JIM LILLEY	ENROUTE RES. KEEP
INC	5:30 PM	6:02	(b)(6)	TRYING
OUT	AM			TALKED OK 5:59p
INC	PM			
OUT	AM		MR. TIM McBRIDE	AT DINNER
INC	7:00 PM	7:19	OFC. WHITE HOUSE	TALKED OK 7:16p
OUT	AM		ADMIN. BD. X620	
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
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INC	PM			

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THE WHITE HOUSE
WASHINGTON

Bush Library Photocopy

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

January 30, 1989

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:30 AM	11:04	Conference Call: President Carlos Salinas de Gortari	Busy-keep trying 9:35 AM
INC	PM		(b)(6)	Tlkd-ok 11:00 AM
OUT	AM		Mr. David Pacielly White House Situation Room White House Signal x22264	
INC	PM			
OUT	AM		Mrs. Stephanie Van Reigersberg State Department Operations Center Washington, D.C. 647-1512	
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
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OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

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THE WHITE HOUSE
WASHINGTON

DATE: 1-30-89

FROM THE PRESIDENT

To:

Chase, JS, files

Talked to gelb... Yes, La Fointant
'will do the State reufgee job after
all.

Cal;led JAB. He will call her right away.

Informed chase.

gb

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 30 January 1989

TIME	MOVEMENTS
0725	South Grounds
0726	Oval Office
0956	South Grounds
0957	Depart South Grounds via Motorcade
1003	Arrive Department of Labor
1036	Depart Department of Labor via Motorcade
1039	Arrive South Grounds
1041	Oval Office
1305	Barbershop
1349	Oval Office
1436	Roosevelt Room
1539	Oval Office
1734	South Grounds
1736	Residence, Ground Floor
1741	Residence

Monday, January 30

6:00 Mrs. Bush to the South Grounds
6:08 Mrs. Bush to the Second Floor
6:10 Breakfast for the President and First Lady
7:30 The President to the Oval Office
8:00 Breakfast for Mr. Siller
8:15 Casey Healey and Celeste to the Second Floor
8:25 down
8:30 Mrs. Bush to the South Grounds
8:45 Mrs. Bush to the Second Floor
9:50 Mr. Siller departed the White House
9:56 The President departed for the Labor Department
10:17 Susan Porter Rose to the Second Floor 12:26 down
10:30 Dr. Billington, Dr. John Cole to the Second Floor for
a meeting with Mrs. Bush 11:36 down
10:43 The President to the Oval Office
11:37 Rose Zameria to the Second Floor 12:26 down
11:49 Mrs. Potter-Stewart to the Second Floor
12:30 Lunch for Mrs. Bush and Mrs. Potter-Stewart
1:05 Mrs. Bush and Mrs. Potter-Stewart down
1:15 Mrs. Bush to the Second Floor
2:35 The First Lady to the South Grounds
2:51 The First Lady to the Second Floor
5:13 The First Lady to the South Grounds
5:32 The President and First to the Doctor's Office
5:40 The President and First Lady to the Second
Floor
6:50 Dinner for the President and First Lady
8:00 Don Rhodes to the Second Floor down 8:07
8:45 The First Lady to the North Grounds
9:00 Retired



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JANUARY 30, 1989 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

NATIONAL

Deposit Fee Still Being Considered, Sununu Says -- White House Chief of Staff John Sununu Sunday said the Bush Administration is still considering a proposal to charge a fee on deposits as one of several options being studied to bail out the failing savings and loan industry, which the government has said is plagued by widespread fraud and mismanagement.

(Dallas Morning News, New York Times, Washington Post, Reuters)

Money Bush Wants For Drug War Is Less Than Sought By Congress -- President Bush will seek only a small increase in money for drug enforcement over Ronald Reagan's final budget, a rise that would fall short of the amount sought in Congress, Administration officials said Sunday.

(New York Times)

INTERNATIONAL

Tower Warns NATO About Soviet Power -- U.S. Defense Secretary-designate John Tower Sunday warned participants at a NATO conference here that the Soviet Union remains a powerful adversary with superior military capability and said modernization of short-range nuclear forces in western Europe was "essential" to ensure defense.

(Baltimore Sun, Washington Post)

NETWORK NEWS (Sunday Evening)

S & L CRISIS -- Chief of Staff Sununu says the user fee plan to bail out S & Ls is still under consideration.

U.S./IRAN/POISON GAS -- U.S. investigators now know how Iran got poison gas from the U.S.

NATO CONFERENCE -- Sen. Tower warns the European allies to be skeptical of Mikhail Gorbachev's peace initiatives.

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NATIONAL NEWS

DEPOSIT FEE STILL BEING CONSIDERED, SUNUNU SAYS

White House Chief of Staff John Sununu Sunday said the Bush Administration is still considering a proposal to charge a fee on deposits as one of several options being studied to bail out the failing savings and loan industry, which the government has said is plagued by widespread fraud and mismanagement.

Sununu defended the potential deposit levy as merely an increase in the premium banks and savings and loan associations already pay for federal deposit insurance.

He indirectly rebuked Congress for leaking word on the possible fee -- which many Republicans and Democrats have labeled a tax -- and acknowledged that the public outcry over the proposal indicated the need for the Administration to "tweak and adjust our internal process as we go along."

He said the Administration presented lawmakers with several options in an effort "to get to Congress early enough to let them be a part of crafting alternatives" for dealing with the S & L crisis rather than being confronted by a Bush initiative. He said it was "most disappointing" that this created a firestorm and allowed "those that were opposed to one slice of the various choices that were there to take the lead and put the worst foot forward."

In an appearance on ABC's "This Week With David Brinkley," Sununu said the fee "was not necessarily the leading candidate," but said it is still alive as one of many options the Treasury Department is considering.

(Kathy Sawyer & Kathleen Day, Washington Post, A1)

Bush To Shape Budget Plan; Aide Says Fee Only One Idea

President Bush is to begin shaping his budget deficit-cutting plan this week, and a top aide says testily that a thrifts fee is only one idea and should not have created such a firestorm in Congress.

...Bush Chief of Staff John Sununu said Sunday the fee was only one idea and should not have created a firestorm among the legislators.

"The most disappointing part of the whole thing is that the effort that was being made to get to the Congress early enough to let them be a part of crafting alternatives resulted in a firestorm on one alternative that was not necessarily the leading candidate," Sununu said on television.

But, he said...the idea was still alive and would be only an adjustment on fees that banks and thrifts have paid for federal insurance since it began 50 years ago.

...Sen. Bentsen called the fee plan "very foolish at a time when we're trying to encourage savings in this country."

He said that calling the revenue plan a user fee instead of a tax was "a matter of semantics."

(Jim Adams, Reuter)

Bush Is Criticized For Not Dropping Deposit-Fee Plan

Members of Congress and bankers criticized the Bush Administration Sunday for insisting that a fee on deposits remains an option to rescue the savings and loan industry.

Sen. Sasser said that "for all practical purposes the proposal is politically dead," noting the "overwhelming bipartisan objection" to the proposal. Any such initiative would require congressional approval.

Sen. Heinz said there was little likelihood that the approach would survive. "It's like saying that a patient who died on the operating table is expected to fully recover," he said.

The two senators were reacting to Administration officials who said Saturday that they were determined to stick with the option of requiring the banking industry and its customers to help pay to resolve the crisis in the savings industry. (Peter Kilborn, New York Times, A1)

Texas Senators Split On S & L Bailout Proposals

Without question, taxpayers will be called on to pick up some of the cost of bailing out the savings and loan industry, Sen. Bentsen said Sunday on NBC's "Meet the Press."

But his Republican counterpart, Sen. Gramm, opposes a taxpayer bailout. He said the industry should continue to be restructured using a combination of contributions from healthy thrifts and private capital.

"If we can get private investors to come in and invest private capital then I think we've got a fighting chance to get through this period with full faith and credit behind the issue of FSLIC," Gramm said, "and possibly work our way out of this without the taxpayer having to pay for it." Gramm appeared over the weekend on "John McLaughlin's One on One."

But Bentsen argued that confidence must be maintained in the banking system and that taxpayers will have to shoulder some of that burden. "There is no question that the taxpayer will have to pick up part of it," the Democrat said. "That is most unfortunate. We have no choice because we have to continue to have confidence in the banking system." (Robert Dodge, Dallas Morning News)

MONEY BUSH WANTS FOR DRUG WAR IS LESS THAN SOUGHT BY CONGRESS

President Bush will seek only a small increase in money for drug enforcement over Ronald Reagan's final budget, a rise that would fall short of the amount sought in Congress, Administration officials said Sunday.

Officials said Bush would add only a "modest" amount to Reagan's \$5.14 billion proposal for all anti-narcotics efforts in his budget for the 1990 fiscal year. But Reagan's proposal was already 25 percent above the current year's figure, and Bush's increase in drug spending would be on top of that.

Officials said the final figure for the Bush proposal had not been determined but because of budget constraints would not be even close to the \$6.5 billion sought in Congress.

...Officials said William Bennett, nominated to be the director of the Office of National Drug Control Policy, would focus on streamlining the sometimes overlapping law enforcement, education and treatment efforts to diminish drug use. Essentially, he will seek to bring the programs of more than 30 federal agencies under his control.

(Bernard Weintraub, New York Times, A1)

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BUSH TO UNVEIL BIG PACKAGE OF PROPOSALS ON TAXES NEXT WEEK, INCLUDING CAPITAL GAINS LEVY CUT TO 15%

The Bush Administration plans to propose a major package of tax breaks next week, including a controversial cut in the top tax rate on capital gains to 15%.

The package, to be released Feb. 9 as part of President Bush's budget revisions, also will include new tax incentives for oil and gas exploration, a child-care tax credit for poor working families, and tax-free "enterprise zones" to encourage economic development in blighted areas. Bush promised to push for all of these measures in his campaign last year.

(Alan Murry & Michael McQueen, Wall Street Journal, A3)

MILITARY PLANE CRASH KILLS AT LEAST SEVEN IN ALASKA

FAIRBANKS -- A C-130 crashed into a snowbank and split in two during a landing in a thick, icy fog, killing at least seven Canadian soldiers heading to the massive Brim Frost '89 exercises, U.S. officials said.

With temperatures around minus 60 degrees, the Canadian Hercules C-130 was carrying eight crewmen and 10 special service paratroopers from Edmonton, when it crashed just short of the runway at Fort Wainwright's airfield, said U.S. Army Capt. Jim Rodgers.

Five of the 18 Canadian servicemen aboard were seriously injured in Sunday night's crash and six sustained minor injuries, said U.S. Army Maj. Jim Tillman.

"The weather was quite bad," said Rodgers.

(AP)

SUPERFUND FIRMS' ROLE CRITICIZED

Hill Agency Reports Shoddy Cleanup Work Yields Hefty Profits

Private contractors have virtually taken control of the Superfund toxic waste cleanup program, reaping hefty profits for work that is often sloppy and costs too much, the Office of Technology Assessment charged Sunday.

The congressional agency sharply criticized the EPA for fostering what it called an "encircling" network of outside consultants and engineers who have gained "considerable influence" over Superfund activities while avoiding the official controls and public scrutiny of government employees.

The report is the latest in a series of stinging criticisms of the \$8.5 billion program, which is high on the agenda of environmental problems for the Bush Administration. Only a handful of the thousands of toxic waste sites nationwide have been cleaned up in eight years of Superfund. Clem Rastatter of the Superfund program said that while some of the OTA criticism was warranted, "I have no question who's in charge. The Environmental Protection Agency is in charge. Agency personnel are making all of the decisions." (Michael Weisskopf, Washington Post, A1)

JUDGE RULES TODAY ON CALLING BUSH

The judge in the Iran-contra case will rule today on whether former White House aide Oliver North can call President Bush and former president Reagan to testify in his trial.

The trial is set to start tomorrow with jury selection.

U.S. District Judge Gerhard Gesell said at a pretrial session Friday that he has the "clear, indisputable" power to call presidents to court, but only "as a last resort."

"Down through the years, push has never come to shove," Judge Gesell said, explaining that alternative forms of testimony have been taken from presidents in the past. Sometimes, he said, issues in cases change, making presidential testimony unnecessary.

(Mary Belcher, Washington Times, A3)

U.S. JUDGE IS RECOMMENDED FOR SOLICITOR GENERAL

The Justice Department has recommended to President Bush that he nominate Kenneth Starr, a moderately conservative judge on the federal appeals court here, as the federal government's chief advocate before the Supreme Court, Administration sources said Sunday.

White House officials said they have received the recommendation, but called uncertain the timing of Bush's decision on whether to nominate Starr as U.S. solicitor general.

Because the choice of a candidate for the post is considered an indication of the direction the Justice Department will take under Attorney General Thornburgh, the nomination has been anticipated with particular interest by those in the Administration, on Capitol Hill, and in both conservative and liberal legal circles.

...Senate sources said that aside from questions about Starr's relative lack of litigation experience, they expected little controversy over confirmation if he is nominated.

(Ruth Marcus & Al Kamen, Washington Post, A4)

INTERPRETATION DISPUTED IN STUDY OF 'RED SHIELD'

A top-secret report requested by Congress on the Soviet version of "star wars" is in limbo because of a disagreement over how intelligence data should be interpreted, according to congressional and Administration officials.

The Administration's dispute is the latest in a series over the strategic purpose of the Kremlin's numerous anti-missile projects -- dubbed "Red Shield" by former president Reagan -- and whether they could undercut the American nuclear deterrent.

This year's defense budget bill requires President Bush to assess the status of the projects, which are similar to the U.S. SDI program. The study was due Jan. 1, but has been indefinitely delayed.

The reason, according to officials who spoke on condition of anonymity, is the defense secretary's office and the Defense Intelligence Agency's disagreement over the effectiveness of the ground-based defense deployed around Moscow to protect the Soviet capital in a nuclear war.

...The DIA, along with the Joint Chiefs of Staff, submitted a draft report that concluded the Moscow system will not be a serious threat once the U.S. completes modernizing its nuclear arsenal, an Administration official said.

The defense secretary's office disagrees, the official said.

(Warren Strobel, Washington Times, A4)

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MILITARY BETS ON NEW DOGFIGHT MISSILE; CRITICS SAY PLAN JUMPS THE GUN

The fast-changing world of aerial warfare has prompted U.S. military leaders to put their heaviest bets yet on a revolutionary weapon designed to offset the Soviet edge in numbers of aircraft, the Defense Department budget reveals.

The Air Force and Navy are asking Congress to allow them to stop buying the old reliables of aerial dogfighting, the Sparrow and Sidewinder missiles, and buy instead a weapon that would guide itself to the target, allowing the pilot to race away or go after other planes while staying a safe distance from enemy aircraft fire.

Called AMRAAM -- for advanced medium range air-to-air missile -- the weapon has had an extremely difficult birth, beset by technical flaws and soaring costs. But Air Force leaders insist the time has come to commit to the missile. The Pentagon plans to buy 24,000 AMRAAMs at a cost exceeding \$10 billion over the next nine years.

...Critics charge that AMRAAM has not been fully tested and that the Air Force is asking for too much too soon. Behind the controversy is a larger debate over ways to make NATO aircraft survivable in the rapidly changing world of aerial combat, where future threats include an airborne missile that would detect the radar emissions from U.S. planes and ride those beams into the aircraft. (George Wilson, Washington Post, A4)

INTERNATIONAL NEWS

TOWER WARNS NATO ABOUT SOVIET POWER

MUNICH -- U.S. Defense Secretary-designate John Tower Sunday warned participants at a NATO conference here that the Soviet Union remains a powerful adversary with superior military capability and said modernization of short-range nuclear forces in western Europe was "essential" to ensure defense.

Urging Western governments not to ignore the East-West military imbalance in the face of what he called a "charm offensive" by Soviet leader Gorbachev, Tower also said the U.S. would continue to press its European allies to shoulder a greater share of NATO's common defense burden.

Rebuffing requests from some NATO members to tone down such appeals, Tower called further on Western allies to provide additional security assistance outside the NATO region.

In a separate development, a senior West German Foreign Ministry official here said that the government would "thoroughly investigate" new allegations published in Sunday's New York Times that West German companies helped build a chemical-arms plant in Iran.

(Robert McCartney, Washington Post, A1)

Tower Tells NATO Allies To Do More

MUNICH -- U.S. Defense Secretary-designate John Tower said Sunday that the U.S. was "spread thin" by its worldwide commitments and admonished "our affluent European allies" to pick up more of the military and financial burden.

Addressing a conference of Western alliance officials, parliamentarians and military representatives, Tower said Americans gravely questioned the investment they were making, not only to defend Europe but to protect European interests far beyond the North Atlantic treaty area.

"This is an issue that Americans take very seriously," he said. He pointedly recalled how close Congress had come to voting for troop withdrawals several times in the past two decades and predicted the renewal of such pressures.

(Charles Corddry, Baltimore Sun, A1)

SOMALIA REFRAINS FROM USING LIBYAN-DELIVERED NERVE GAS

Somalia has obtained nerve gas from Libya but has refrained from employing it in its civil war for fear of an international outcry, according to Western intelligence and Somalia opposition sources.

The sources said Libya delivered the nerve gas on Oct. 7 aboard a Libyan Arab Airlines jetliner.

Somalia has denied charges that it has received chemical weapons from Libya.

A congressional source said crates with a Latin description of their chemical content destined for Somalia were seen at a Libyan airport. The source did not say when the sighting occurred.

The gas, sources said, was obtained by Libya from Iran and was not manufactured at the plant outside the Libyan capital of Tripoli....

(James Dorsey, Washington Times, A9)

BONN TO PROBE CHARGES THAT FIRMS HELPED IRAN WITH TOXIC GAS

MUNICH -- A senior Foreign Ministry official promised here Sunday that the Bonn government will investigate new charges that West German firms helped supply Iran with materials for the manufacture of chemical weapons.

Previously, West German companies have been implicated in helping design and construct, as well as supply, suspected poison gas factories in Iraq and Libya.

The official, Helmut Schaefer, a deputy foreign minister, was attending a defense symposium here when asked about U.S. newspaper accounts that West German firms were linked to moves by Iran to boost its inventory of chemicals used to make poison gas.

Schaefer said that he had no knowledge of the reports but declared: "I'm sure the accusations will be thoroughly investigated. We have to stop this business. German industry is deeply embarrassed by some of these black sheep."

(William Tuohy, Los Angeles Times)

IRAN ASKS BUSH TO INITIATE HIS POLICY OF 'GOOD WILL'

TEHRAN -- A senior Iranian official has called on the Bush Administration to initiate its "good will" policy toward Iran either by paying at least a token amount of compensation to families whose relatives perished on the Iranian jetliner shot down last summer by a U.S. Navy vessel or by releasing some undisputed Iranian funds currently tied up in litigation at The Hague.

In remarks clearly aimed at influencing the new U.S. Administration's policy toward Iran, Mohammed Javad Larijani, deputy foreign minister for European and American affairs, said in an interview Saturday that "it doesn't have to be that much money" in both instances, "but it is a symbolic act which helps America get a better image inside our country."

He pointed out that Iran recently had "upgraded to the highest level" its relations with the Soviet Union and suggested that Iran was ready to balance its relations with both superpowers.

"If someone wants to deal with us on the basis of mutual interest, mutual respect and noninterference, then we are definitely ready to deal with that country," he said.

(Patrick Tyler, Washington Post, A1)

EX-IRANIAN PRESIDENT SAYS BOOK DETAILS U.S. ARMS DEAL

PARIS -- Former Iranian president Abolhassan Bani-Sadr said Sunday he has detailed in a book how Islamic militants were promised arms in return for delaying the release of the American hostages in Tehran until after Ronald Reagan's 1980 election.

"The Plot of the Ayatollahs," scheduled for release next month, describes a secret arms-for-hostages agreement between Reagan aides and directors of the militant Moslem revolutionary forces, Bani-Sadr said.

"The agreement was to delay the liberation of the hostages until after the 1980 elections," Bani-Sadr said in a telephone interview from his home outside Paris. "In return, once Reagan was in office, arms would be provided to Iran."

(UPI)

U.S. CLOSES KABUL EMBASSY

KABUL -- Marine guards lowered the Stars and Stripes in a brief ceremony Monday outside the U.S. Embassy in Kabul, temporarily closing the mission as Moslem rebels encircled the capital awaiting a Soviet withdrawal.

"We are honored to have served and helped the Afghan people toward peace and freedom," U.S. Charge d'Affaires John Glassman said. "We will be back as soon as the conflict is over. God bless the USA. We are going home."

The embassy's seven staff members and four Marine guards were to leave aboard a chartered Indian Airlines flight, but fresh snow that has blanketed the Afghan capital since Sunday evening disrupted air traffic and threatened to delay their departure.

"The plane is still on the ground in Dehli," said an Indian Airlines spokesman. He said the plane would make the two-hour flight to Kabul "as soon as the weather has improved." (Adam Kelliher, UPI)

Afghan Troops Fight Rebels For Key Road

KABUL -- Afghan troops and U.S.-backed Moslem guerrillas continued Sunday to fight for control of a highway that is the only road leading from Kabul to the Soviet border and is the main food and fuel supply route for the capital's more than 2 million residents.

Along the strategic Salang Highway, helicopter gunships swung in low and headed toward a clash visible at the edge of a plain about 10 miles from the last perimeter outpost for Kabul.

...Meanwhile, Afghanistan's communist government Sunday accused Western nations of closing their embassies in Kabul to spread fear that government forces will be unable to protect the capital when all Soviet troops have left the country.

The government, which will soon have to fight the guerrillas without Soviet troops for the first time, issued a statement through the Foreign Ministry saying that government forces were capable of protecting the capital. (Richard Weintraub, Washington Post, A11)

A Departing Envoy's Grim Afghan View

The U.S. cannot prevent the Afghan rebels from accelerating their onslaught against the Soviet-backed government in Kabul once Moscow completes its expected troop withdrawal next month, says Richard Murphy, the State Department's senior Middle East policy maker during much of the Reagan administration.

Murphy, who will remain a consultant to the State Department in the Bush Administration, also expressed concern in an interview on Friday that the Afghan guerrilla groups, which have remained united, sometimes loosely, during their nine-year war by hatred for the Soviets, might turn against each other if the Afghan government falls, as is widely expected.

The pessimistic assessment of the U.S.'s future role in Afghanistan contrasted with the comments of President Bush, who said at a news conference last week that he envisioned a "catalytic role for helping to bring about stability in Afghanistan."

Murphy and senior Bush Administration officials stressed that the U.S. would not try to determine the shape of a future Afghan government and that the primary role for the U.S. would be to help rebuild the country and ease the return of five million Afghan refugees.

(Elaine Sciolino, New York Times, A3)

JACKSON, IN MOSCOW, TO PRESS FOR ARMENIAN AID
First Soviet Visit May Raise Profile Abroad

MOSCOW. -- Former Democratic presidential candidate Jesse Jackson arrived here Sunday on a six-day trip to pursue a relief plan he has devised for Armenia, the Soviet republic that is slowly recovering from devastation caused by an earthquake last month.

Jackson is also due to hold talks with leading Politburo member Alexander Yakovlev and other senior members of the Kremlin leadership, mainly to discuss the major strategic proposals President Gorbachev presented at the U.N. in December.

In his U.N. address, the Soviet leader announced a unilateral cut of 500,000 Soviet troops, a move Jackson said he feels President Bush's new Administration should match.

"I certainly look forward to Bush making comparable gestures," he said. "The U.S. should not only be a monitor in U.S.-Soviet relations but an initiator."
(Gary Lee, Washington Post, A15)

U.S. UNDERESTIMATED SOVIET FORCE SIZE
McNamara Says Communication Failures Fueled '62 Cuban Crisis

MOSCOW -- The U.S. greatly underestimated the number of Soviet forces that would have been prepared to defend Cuba during the 1962 missile crisis, former defense secretary Robert McNamara said Sunday.

Addressing a news conference here at the end of a two-day conference on the missile crisis, McNamara said he had assured Soviet and Cuban participants that the U.S. never had any intention of invading Cuba prior to the outbreak of the crisis. But he said he was convinced that the Cubans genuinely believed that an invasion was likely.

New revelations at the conference, the first-ever meeting of American, Soviet and Cuban officials to discuss the crisis, suggest that there were major failures of communication between Moscow, Washington and Havana. It has become apparent that both president Kennedy and former Soviet leader Krushchev lacked vital information about each other's motives and actions.

The Americans now appear to accept that one of Krushchev's primary goals in installing missiles in Cuba was to defend the island against a possible U.S. invasion. When U.S. officials and academics met in Florida in 1987 to discuss the crisis, they speculated that Krushchev may have been acting to shore up his domestic political position or strengthen his hand over Berlin.
(Michael Dobbs, Washington Post, A15)

U.N. NAMIBIA FORCE TOO SMALL, SAYS CASTRO

HAVANA -- Cuban President Castro said Sunday a U.N. inspection force of 4,650 was too small to oversee the transition to democracy in Namibia, the Cuban-based Prensa Latina news agency reported.

The Cuban president spoke to more than 2,000 Namibian students from schools on the Isle of Youth, to the south of the Cuban mainland.

Castro said the recent U.N. resolution on Namibia was "acceptable enough because it recommends that the Secretary General of the U.N. try to cut down expenses but does not speak of the reduction of troops."

But, "the Secretary General and his team made a report that does not satisfy Cuba and the other peoples of the Third World," he said.

(Reuter)

ORTEGA SET TO ANNOUNCE NICARAGUAN ECONOMIC PLANS

MANAGUA -- The leftist Sandinista government is desperately seeking the support of capitalists and workers to brake Nicaragua's rapid slide into economic chaos.

With the war against U.S.-backed rebels virtually stalled, President Ortega faces a potentially deadlier enemy: an economy so feeble even Sandinista supporters are becoming restless.

"There's a general awareness that the problem belongs to the whole country," and the government cannot rescue the economy single-handedly, said Bayardo Arce, a member of the ruling Sandinista National Directorate.

"We must establish a harmony of interests, outlining the responsibilities of the government, private enterprise and workers, so we can face the country's problems," he said in an interview.

Ortega on Monday is to announce his government's economic plan for 1989, which is expected to include a series of austerity measures.

The measures reportedly include a three-month wage and price freeze to curb inflation, which independent economists predict will reach as high as 300 percent a month from now through May. (AP)

DUARTE URGED TO RETHINK REBEL OFFER

SAN SALVADOR -- The leader of El Salvador's Catholic church Sunday asked the government of Jose Napoleon Duarte to reconsider its rejection of a recent peace proposal by the country's Marxist-led rebels, and condemned recent guerrilla actions taken in response to the government position.

Archbishop Arturo Rivera y Damas, in a nationally broadcast homily from the Metropolitan Cathedral here, said two rebels attacks against civilians last week represented a "qualitative jump" in the violence in El Salvador, and he asked the government to "leave the door open" to a peaceful settlement.

...Duarte summarily rejected the offer on Wednesday, although the U.S. State Department and even some of his own aides now are trying to reinterpret what the president said in order to give him room to make a counterproposal amid the domestic and international pressure that the plan has generated. (Douglas Farah, Washington Post, A12)

ISRAEL FREES TOP PALESTINIAN ACTIVIST

Move Seen As Readiness To Start Dialogue With Local Leaders

JERUSALEM -- Israel Sunday released from prison an activist widely considered to be the leading spokesman of the PLO in the occupied West Bank, a move seen here as part of an Israeli attempt to launch a dialogue with local Palestinians.

Speaking to reporters in front of his East Jerusalem home Sunday afternoon, Faisal Husseini said he believed "some of the Israeli people and even some of the high leaders are going in a new way which I believe is the right direction." But he quickly sought to dampen speculation that his release was linked to any agreement between him and the authorities over political negotiations in the occupied territories.

(Glenn Frankel, Washington Post, A14)

Palestinian Leaders, PLO Reject Hussein's Support For Poll

JERUSALEM -- The most senior PLO figure in the West Bank declared support for elections in the Israeli occupied territories after being freed from prison but the PLO itself and local Palestinian leaders rejected the idea.

Faisal Hussein, jailed without trial for 18 of the last 21 months, set international supervision and PLO approval of the elections as conditions, but made no mention of Israeli withdrawal from the territories.

Security sources meanwhile said Defense Minister Rabin had decided to step up efforts to find Palestinians in the West Bank and Gaza Strip who would agree to a poll aimed at electing local representatives to talks with Israel.

But Palestinian leaders united behind the PLO as Israel's sole negotiating partner and backed the organization's view that no elections could take place before Israeli troops withdrew. (Gail Fitzer, Reuter)

RENEWAL OF U.S.-CHINA TECHNOLOGY AGREEMENT STALLED

Renewal of a U.S.-China technology agreement is being delayed because of Chinese opposition to copyright protection for computer software and patent protection for drugs, American officials said.

The decade-old accord is to expire at the end of this month, but a State Department official involved with the talks said it is likely the earlier pact will be extended in hopes of reaching agreement through additional negotiations.

This official, who spoke on condition that he not be identified, said it was "too strong" to say the talks were at an impasse.

"We've exchanged information and talked a lot, but we've only had one negotiating session," he said. "We certainly anticipate that we'll have some additional negotiating sessions, trying to bring our positions closer together."

He said further talks are expected next month in Beijing, following up on a session held in Washington on Jan. 12-13. (Barton Reppert, AP)

JAPANESE RULING PARTY SUFFERS ELECTION SETBACK

TOKYO -- Prime Minister Takeshita's ruling party suffered an election setback Sunday that analysts attributed to the snowballing influence-buying scandal and unpopular sales tax.

Takeshita, when asked if the two factors were to blame for the poor showing, said "It could be." He added, however, "We have to analyze the outcome from all aspects."

The ruling Liberal Democratic Party lost three of their 17 seats in the 64-member municipal assembly in Kitakyushu City on Japan's southernmost island. Opposition socialist and communist parties raised their total seats to 10 and nine seats, respectively. (Mark Kuramitsu, UPI)

PLUMS, POLITICS AND DIPLOMATS FOR DOLLARS

In a system as old as the nation, Republicans who gave their time or a lot of money to George Bush are flooding the Administration with requests for prestigious ambassadorial posts and applications that often read like this one concerning a big-money man: "He wants Italy, but will take any appropriate West European country."

According to Administration officials, more than 300 requests to Secretary Baker are already computerized at the State Department -- listed by name, country or region sought, and sponsor. That number does not include the several hundred deposited with the White House personnel apparatus, the central bank of job-seekers.

(Ann Devroy, Washington Post, A7)

NETWORK NEWS SUMMARY

(Sunday evening, January 29, 1989)

S&L CRISIS/SUNUNU

CBS's Susan Spencer: The Bush Administration apparently will push ahead with its idea of having depositors bail out the struggling S&L industry, despite the chorus of boos that greeted the plan last week. It's one of several plans still alive, and none of them is likely to win any prizes from taxpayers.

CBS's Jacqueline Adams: The White House was extraordinarily quiet today after a week of frenzied activity. A typically restless George Bush canceled his plans to unwind at Camp David with Speaker Wright and instead he stayed indoors to nurse his cold. It was up to Chief of Staff Sununu to try to breath life back into last week's deflated trial balloon: a proposed fee on bank and S&L depositors to help solve the nation's \$17 billion S&L crisis.

(Chief of Staff Sununu: "I would think that that is part of the mix that will come as alternatives that the President will eventually be asked to examine.")

Lawmakers insisted that the fee is a nonstarter.

(Sen. Hollings: "The [proposal is] dead on arrival. You couldn't get a vote put that I know of.")

Nervous consumers have already begun taking their money out of troubled thrifts. Deposits fell a record \$7 billion in November alone. Aides say President Bush will try to staunch the flow with some concrete proposals in the next week or so.

(Sununu: "There are about five or six possibilities in the package that are being examined now.")

Among them: adding a one- or two-percent fee on new mortgages, issuing \$90 billion worth of new Treasury bonds, tightening regulation of S&Ls, and possibly raising banks' insurance fees. Whatever the solution, Senate Finance Committee Chairman Bentsen fears the taxpayer will ultimately foot the bill.

(Sen. Bentsen: "No question, the taxpayer's going to pick up part of it. And that's most unfortunate, whether it comes out of general revenues or it's set aside in bonds that are payed over a long period of time.")

Neither the President nor Sununu believes last week's stumble on the depositor fee has killed it. They plan to continue using their honeymoon period to bring Congress on board to ensure that the outcry against what's certain to be a bitter S&L bailout pill is directed at both ends of Pennsylvania Avenue. (CBS-1)

ABC's Sam Donaldson: White House Chief of Staff Sununu said today the controversial proposal to charge S&L and bank account customers a fee as a means of paying for bankrupt S&L bailouts is still alive, though not yet before the President, and he defended it.

ABC's Ann Compton: Chief of Staff Sununu complained of being burned in his first week in the White House. On "This Week with David Brinkley," Sununu said it was congressional Democrats who put the worst foot forward on that S&L proposal for a 25¢ fee on every \$100 deposited.

(Chief of Staff Sununu: "I guess the most disappointing part of the whole thing is that the effort that was being made to get to Congress early enough to let them be a part of crafting alternatives resulted in a firestorm on one alternative that was not necessarily the leading candidate.")

Under questioning, Sununu said that fee is still under consideration. Another possibility is said to be a fee on federally-backed home mortgages. But there are Democrats in Congress who argue that customers using a S&L should not be the ones to foot the bill.

(Rep. Gray: "If the Administration is going to propose taxes or revenues, those revenues ought to be fair. And a lot of Americans look at the low savings rate already that's occurred in the last eight years under Republican leadership and say, then you're going to tax it on top of that, which would further decline our savings rate.")

In just 10 days the time for consultation will be over. President Bush will deliver his budget to Congress personally. Chief of Staff Sununu complains members of Congress already believe the new President will fail, and with an attitude like that, he says, neither side can succeed.

Donaldson: Sununu acknowledged today that he and others made some errors in President Bush's first full week in the way they packaged the new Administration's message. "We will have to tweak and adjust our process as we go along," said Sununu, the man all of Washington is watching to see if he can adjust his suffer-no-fools-gladly style to work with the Capitol's big egos. Today Sununu was properly humble, saying, "I'm still learning." (ABC-4)

PRESIDENT/COLD

NBC's Garrick Utley: George Bush has a cold. The President was to have gone to Camp David today, his first trip there as president, but he stayed at the White House taking decongestants, according to a White House spokesman. (NBC-8)

PRESIDENT/NBC COMMENTARY

Utley: The honeymoon is still on, and like most honeymoons, it is not yet real life. The President is trying to get his relationship with Congress off on the right foot. He emphasizes civility, which is good. He has gotten the White House press corps to stop shouting questions, which is an accomplishment. And yesterday when he went out to lunch in Washington he had his limousine stop at red lights, a nice touch for the common man.... George Bush is trying not to make political enemies, but this is the start, not the end, of his presidential life. The honeymoon can last only so long, probably only until Feb. 9 when he presents his budget to Congress. Then he'll have to start making enemies; it goes with the job. And then the Bush Administration will finally be underway. (NBC-9)

U.S./IRAN/POISON GAS

Utley: Investigators now know how it happened, how chemicals essential to the production of poison gas went from the U.S. to Iran. It involves fronts and fraud, and in the middle of it were Iranian diplomats and West German businessmen. The revelations come as this country has been criticizing Germany for its lax export controls which allowed a German company to build a poison gas plant in Libya.

NBC's Jamie Gangel: The chemicals came from this Baltimore firm, Alcolac. Over a two-year period, Iran was able to get 90 tons of thiodiglicol [phonetic], an essential ingredient in mustard gas, enough to wipe out almost 50 square miles. The Baltimore company insists it did not know the chemicals were going to Iran, but federal investigators say they uncovered a secret network of front companies, shipping routes and false documents. The operation was run out of Iran's embassy in West Germany and investigators say an Iranian diplomat used this West German chemical company Chemco as a front. To avoid suspicion, the German company ordered the chemicals from Baltimore, then illegally sent shipments which stopped in Greece, Singapore and Pakistan before the final trip to Iran. Sen. McCain, in Germany attending a top-level military conference, says the U.S. shares some of the blame but that the West Germans have ignored the problem.

(Sen. McCain: "An incredible lack of ability on the part of the West German government to enforce and have in place legislation which will prevent this kind of activity to continue.")

The German government says it is trying to cooperate.

(Foreign Minister Schaefer: "We have to stop this business. We have to do all the best, we have to maybe strengthen our laws, we have to increase punishment.")

The U.S. has known about this Iran stockpile for almost a year, and that that essential chemical was shipped from the U.S. But unlike the case of the Libyan plant, the White House has yet to make a public protest.

Utley: In West Germany today a government official there said there will be an investigation of any possible German role in the chemical shipments. (NBC-1)

NATO CONFERENCE/GORBACHEV

Utley: There was a press report [in West Germany] that Mikhail Gorbachev will visit West Germany in June. It will be his first trip there and Gorbachev is expected to try to convince Germans that there is no need for them to fear him or the Soviet Union. And that goes right to the heart of a NATO meeting this weekend in Munich. John Tower...is there, and the question is how to keep NATO's defenses up in the face of Gorbachev's smile and his promises to reduce the size of his army.

thio +
not pure

NBC's John Dancy: John Tower held out the prospect today that other nuclear weapons stored in Germany might be reduced in numbers if the Germans would allow NATO to modernize its primary weapon, the American Lance missile.

(Defense Secretary-designate Tower: "Modernization is essential. It may be that we will have to make some sacrifices in other areas for the sake of military modernization.")

That view is unpopular with politicians like Kausten Foisht [phonetic] of the German Social Democrats, the opposition party. He warned the German voters may push the politicians not to modernize but to negotiate with Gorbachev on short-range missiles in return for troop cuts on the Russian side. But Foisht was criticized by the British representative to NATO:

(Sir Michael Alexander: "These are not matters in which public opinion can simply be followed. At a time when hope is breaking out all over, this is not a very comfortable posture.")

What this weekend conference revealed is the growing division between Germany and the rest of the alliance. Gorbachev is talking peace; he's finding a receptive audience here. And this alliance, set up for war, doesn't know quite how to handle it. (NBC-2)

Donaldson: The NATO countries [held] the annual defense strategy session in Munich, West Germany this weekend. U.S. Defense Secretary-designate Tower warned NATO strategists to be skeptical of the Kremlin's disarmament overtures and to avoid letting down their guard because of perceived improvements in superpower relations. Tower said NATO must modernize its conventional and nuclear forces so the Soviet Union can't undermine NATO's unity. (ABC-7)

EUROPEAN COMMON MARKET/TRADE BARRIERS

NBC's Jim Bitterman examines the impact on the U.S. of the EEC effort to form by 1992 an economic United States of Europe. A series of reforms to be implemented by the end of 1992 by the 12 members of the EEC include lowering financial, legal and social barriers. The aim is to break down the continent's nationalistic trade barriers which tend to slow down the way Europe presently does business. In the process, with 320 million consumers in one marketplace, the Europeans will create the largest single trading block in the free world, and perhaps the largest single trade headache for the U.S.

(Alfred Kingon, U.S. ambassador to the EEC: "I have, among others, expressed concerns, not complaints or arguments, but concerns on the part of American business.")

What the Europeans hope to do is remove obstacles to trade and commerce so that the 12 individual nations interact more the way our 50 united states do. As interesting as 1992 may be to Europeans, its consequences create concern among outsiders. Critics fear that as the Europeans lower the barriers which inhibit trade among themselves, they may raise barriers to protect their market as a whole. They may become a trade fortress able to exclude the competition.

(Kingon: "That's in a sense the main purpose of this mission. To make sure that as these directives and these rules are put into place that it will not exclude legitimate exports of goods and services from the United States.") (NBC-7)

AFGHANISTAN/SOVIET PULLOUT

Donaldson: Soviet troops and equipment were still withdrawing from Afghanistan today by road, but the harassment from Moslem guerrillas was so great that one Soviet diplomat predicted today's would be the last convoy out, meaning presumably that the balance of Soviet forces would be airlifted out. The deadline for the total Soviet withdrawal is Feb. 15. (ABC-2, NBC-6, CBS-4)

MIDEAST ARMS SHOW

ABC's Mike Lee reports on an arms show taking place in Dubai. All the major players in the Persian Gulf conflict were on hand. Buyers and sellers are present to review the arms and make deals. Officials from Iran did some discreet window-shopping; the Iraqis are expected here too. Arms sales to both Iran and Iraq are embargoed by the U.S. and some other Western nations. But the so-called moderate gulf states are considered to be eligible shoppers. Even if Arab countries, including Saudi Arabia, place new orders for the F-16C and other American-made air defense equipment, there will be renewed opposition among pro-Israeli members of the U.S. Congress. But American defense contractors here are expecting the Bush Administration to propose safeguards against the weapons being turned upon Israel.

(Neil Anderson, General Dynamics: "We are encouraged by signals from the new Administration that say the United States intends to be a brother, to be a friend to its allies, to its allies all over the world.")

Arab states, concerned about the gradual scale-down of the U.S. military presence in the gulf are in the market for new warplanes, American or not. (ABC-6)

ISRAEL/PLO

Spencer: Israel made a surprise move today, one that might indicate a shift in policy toward the PLO.

CBS's Tom Fenton: The Palestinian the Israelis described as Yasser Arafat's chief operative in the Occupied Territories walked out of prison today. Faisal Husseini was released in what the government called a goodwill gesture aimed at calming the West Bank. Husseini, who's been held without charge for most of the past 21 months, said he believes some members of the Israeli government are now changing their attitude toward the PLO.

(Faisal Husseini: "We are forced to go and try to find a way to get together and have cooperation together in the Middle East, in the whole Middle East.")

His release comes at a time when the government is looking for a way to talk to the PLO without talking directly to Arafat. Husseini, who's widely respected by West Bank Palestinians, is seen by the Israelis as a possible intermediary.

(Vice Premier Peres: "If he will disengage on violence, yes, why not?")

But Husseini said today there's no need for a go-between.

(Husseini: "We are enemies, the PLO. If you would like to make peace, you don't make peace with your friend, you make it with your enemy.")

-more-

Fenton continues:

Husseini's release is an indication the government may be having second thoughts about the wisdom of locking up leading Palestinians. There are a number of potential leaders among the more than 5,600 Palestinians now being held in prison camps such as this one in the Negev Desert. As part of the growing debate in Israel over detentions, there were demonstrations at the camp this weekend by members of the Israeli peace movement. Husseini's usefulness to the Israelis may be limited; the fact that the government thinks that this is a Palestinian it could deal with could turn out to be a liability for Husseini. There was graffiti on the walls outside his home this morning warning him not to trust the Jews.... (CBS-5)

POLAND/WALESA/CONSUMER GOODS

Spencer: Youths shouted "traitor!" at Solidarity leader Lech Walesa at a rally in Gdansk because of his agreement to start talks with the government next month.

CBS's Bert Quint reports the Soviet Union this week is cracking down on the closest thing to a meaningful common market in the socialist world. Russians have been crossing the border to this little Polish town, Bialystok, to sell Poles what they've been lucky enough to find in Soviet shops: refrigerators, television sets, caviar -- goods even more difficult to obtain in Poland. And the Russians buy what they can't get at home. Starting Wednesday, the Soviets will impose tighter export controls, but as long as shortages persist, the cross-border raids are bound to continue. (CBS-6)

SOVIETS/MARS MISSION

Spencer reports an unmanned Soviet space craft went into orbit around Mars today after a voyage of more than 100 million miles. It's a major step towards sending a manned craft to Mars early next century, possibly in a joint mission with the U.S. (CBS-7)

CUBAN MISSILE CRISIS CONFERENCE

NBC's Peter Kent reports on a conference convened in Moscow to examine the Cuban missile crisis. Soviet officials from the Khrushchev era confirmed that there were 20 nuclear warheads deployed in Cuba in October 1962. The conference's common conclusion was that the world was even closer to nuclear war during the crisis than previously believed. The Soviet, American and Cuban delegations agreed that the original decision by Khrushchev to secretly ship missiles to Cuba was based on the mistaken belief in Moscow and Havana that the U.S. planned an invasion to topple Castro's communist government. But while revealing that some nuclear warheads had arrived in Cuba before President Kennedy's naval blockade, the official Soviet line today was that the warheads could not have been quickly attached to the missiles. The former adversaries issued a joint closing document which hoped that the mistrust, miscalculations and mistakes that created their crisis would be used by leaders like Gorbachev and Bush to avoid similar confrontations in the future. (ABC-1, NBC-3)

CONGRESSIONAL PAY RAISE

Spencer: Challenging the depositor fee for most unpopular idea has been the congressional pay hike, which goes into effect in February unless both houses vote it down. Lawmakers are trying to blunt criticism of the big raise by promising to limit their other income.

CBS's Deborah Potter: For years, it's been standard practice for members of Congress: collecting a fee for appearing on a golf course, all expenses paid by a lobbyist; or pocketing a \$2,000 honorarium for a quick speech to a business group.

(Robert Szabo, lobbyist: "There's nothing fundamentally wrong with it. You certainly do not buy a member of Congress by giving him an honorarium.")

But House leaders want to ban those fees as a trade-off for raising their pay to \$135,000 a year.

(Rep. Glickman: "If we're doing something in connection with our job we ought to be compensated from Uncle Sam and from the taxpayers and not from outside interests.")

Most taxpayers, however, don't quite see it that way, swamping congressional offices with angry letters opposing the pay hike.

(Sen. Grassley: "The public out there in the Midwest where I live is not in any way going to accept my not taking honorariums that they don't pay for anyway with a fifty percent pay raise that they are going to pay for.")

..House leaders hope their compromise would quiet the storm over the pay raise, letting it take effect without a vote next month. But Senate opponents already are pushing to cancel the hike, which would put the House right back on the hot seat. (CBS-2, NBC-5)

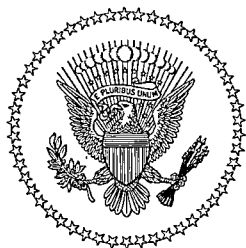
BUREAU OF INDIAN AFFAIRS/FRAUD

Spencer: Senate investigators reportedly have uncovered rampant corruption and mismanagement at the Bureau of Indian Affairs and in federal programs designed to help American Indians. Among charges expected to surface at a hearing tomorrow, that officials at the Small Business Administration took bribes. (CBS-3)

EDITOR'S NOTE: Transcripts of the three network talk shows are available from the News Summary office upon request.

Weekly Compilation of

Presidential Documents



Monday, January 30, 1989

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Editor's Note: The final index to Reagan administration documents appearing in Issues Nos. 1–3 of 1989 will be incorporated in the 1988 Annual Index, being printed separately.

The first quarter index to documents of the Bush administration will begin with next week's issue and will be printed at the back of the issue as is customary.

WEEKLY COMPILATION OF

PRESIDENTIAL DOCUMENTS

Published every Monday by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, the *Weekly Compilation of Presidential Documents* contains statements, messages, and other Presidential materials released by the White House during the preceding week.

The *Weekly Compilation of Presidential Documents* is published pursuant to the authority contained in the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15), under regula-

tions prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The *Weekly Compilation of Presidential Documents* will be furnished by mail to domestic subscribers for \$64.00 per year (\$105.00 for mailing first class) and to foreign subscribers for \$80.00 per year, payable to the Superintendent of Documents, Government Printing Office, Washington, DC 20402. The charge for a single copy is \$1.75 (\$2.20 for foreign mailing).

There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents*.

Week Ending Friday, January 27, 1989

Inaugural Address

January 20, 1989

Mr. Chief Justice, Mr. President, Vice President Quayle, Senator Mitchell, Speaker Wright, Senator Dole, Congressman Michel, and fellow citizens, neighbors and friends:

There is a man here who has earned a lasting place in our hearts and in our history. President Reagan, on behalf of our nation, I thank you for the wonderful things that you have done for America.

I've just repeated word for word the oath taken by George Washington 200 years ago, and the Bible on which I placed my hand is the Bible on which he placed his. It is right that the memory of Washington be with us today not only because this is our Bicentennial Inauguration but because Washington remains the Father of our Country. And he would, I think, be gladdened by this day; for today is the concrete expression of a stunning fact: our continuity these 200 years since our government began.

We meet on democracy's front porch. A good place to talk as neighbors and as friends. For this is a day when our nation is made whole, when our differences, for a moment, are suspended. And my first act as President is a prayer. I ask you to bow your heads.

Heavenly Father, we bow our heads and thank You for Your love. Accept our thanks for the peace that yields this day and the shared faith that makes its continuance likely. Make us strong to do Your work, willing to heed and hear Your will, and write on our hearts these words: "Use power to help people." For we are given power not to advance our own purposes, nor to make a great show in the world, nor a name. There is but one just use of power, and it is to serve people. Help us remember, Lord. Amen.

I come before you and assume the Presidency at a moment rich with promise. We live in a peaceful, prosperous time, but we can make it better. For a new breeze is

blowing, and a world refreshed by freedom seems reborn. For in man's heart, if not in fact, the day of the dictator is over. The totalitarian era is passing, its old ideas blown away like leaves from an ancient, lifeless tree. A new breeze is blowing, and a nation refreshed by freedom stands ready to push on. There is new ground to be broken and new action to be taken. There are times when the future seems thick as a fog; you sit and wait, hoping the mists will lift and reveal the right path. But this is a time when the future seems a door you can walk right through into a room called tomorrow.

Great nations of the world are moving toward democracy through the door to freedom. Men and women of the world move toward free markets through the door to prosperity. The people of the world agitate for free expression and free thought through the door to the moral and intellectual satisfactions that only liberty allows.

We know what works: Freedom works. We know what's right: Freedom is right. We know how to secure a more just and prosperous life for man on Earth: through free markets, free speech, free elections, and the exercise of free will unhampered by the state.

For the first time in this century, for the first time in perhaps all history, man does not have to invent a system by which to live. We don't have to talk late into the night about which form of government is better. We don't have to wrest justice from the kings. We only have to summon it from within ourselves. We must act on what we know. I take as my guide the hope of a saint: In crucial things, unity; in important things, diversity; in all things, generosity.

America today is a proud, free nation, decent and civil, a place we cannot help but love. We know in our hearts, not loudly and proudly but as a simple fact, that this country has meaning beyond what we see, and that our strength is a force for good. But have we changed as a nation even in

our time? Are we enthralled with material things, less appreciative of the nobility of work and sacrifice?

My friends, we are not the sum of our possessions. They are not the measure of our lives. In our hearts we know what matters. We cannot hope only to leave our children a bigger car, a bigger bank account. We must hope to give them a sense of what it means to be a loyal friend; a loving parent; a citizen who leaves his home, his neighborhood and town better than he found it. And what do we want the men and women who work with us to say when we're no longer there? That we were more driven to succeed than anyone around us? Or that we stopped to ask if a sick child had gotten better and stayed a moment there to trade a word of friendship?

No President, no government can teach us to remember what is best in what we are. But if the man you have chosen to lead this government can help make a difference; if he can celebrate the quieter, deeper successes that are made not of gold and silk but of better hearts and finer souls; if he can do these things, then he must.

America is never wholly herself unless she is engaged in high moral principle. We as a people have such a purpose today. It is to make kinder the face of the Nation and gentler the face of the world. My friends, we have work to do. There are the homeless, lost and roaming. There are the children who have nothing, no love and no normalcy. There are those who cannot free themselves of enslavement to whatever addiction—drugs, welfare, the demoralization that rules the slums. There is crime to be conquered, the rough crime of the streets. There are young women to be helped who are about to become mothers of children they can't care for and might not love. They need our care, our guidance, and our education, though we bless them for choosing life.

The old solution, the old way, was to think that public money alone could end these problems. But we have learned that that is not so. And in any case, our funds are low. We have a deficit to bring down. We have more will than wallet, but will is what we need. We will make the hard choices, looking at what we have and perhaps allocating it differently, making our

decisions based on honest need and prudent safety. And then we will do the wisest thing of all: We will turn to the only resource we have that in times of need always grows: the goodness and the courage of the American people.

And I am speaking of a new engagement in the lives of others, a new activism, hands-on and involved, that gets the job done. We must bring in the generations, harnessing the unused talent of the elderly and the unfocused energy of the young. For not only leadership is passed from generation to generation but so is stewardship. And the generation born after the Second World War has come of age.

I have spoken of a thousand points of light, of all the community organizations that are spread like stars throughout the Nation, doing good. We will work hand in hand, encouraging, sometimes leading, sometimes being led, rewarding. We will work on this in the White House, in the Cabinet agencies. I will go to the people and the programs that are the brighter points of light, and I'll ask every member of my government to become involved. The old ideas are new again because they're not old, they are timeless: duty, sacrifice, commitment, and a patriotism that finds its expression in taking part and pitching in.

We need a new engagement, too, between the Executive and the Congress. The challenges before us will be thrashed out with the House and the Senate. And we must bring the Federal budget into balance. And we must ensure that America stands before the world united, strong, at peace and fiscally sound. But of course things may be difficult. We need to compromise; we've had dissension. We need harmony; we've had a chorus of discordant voices.

For Congress, too, has changed in our time. There has grown a certain divisiveness. We have seen the hard looks and heard the statements in which not each other's ideas are challenged but each other's motives. And our great parties have too often been far apart and untrusting of each other. It's been this way since Vietnam. That war cleaves us still. But, friends, that war began in earnest a quarter of a century ago, and surely the statue of limitation has been reached. This is a fact: The

final lesson of Vietnam is that no great nation can long afford to be sundered by a memory. A new breeze is blowing, and the old bipartisanship must be made new again.

To my friends—and, yes, I do mean friends—in the loyal opposition—and, yes, I mean loyal, I put out my hand. I am putting out my hand to you, Mr. Speaker. I am putting out my hand to you, Mr. Majority Leader. For this is the thing: This is the age of the offered hand. And we can't turn back clocks, and I don't want to. But when our fathers were young, Mr. Speaker, our differences ended at the water's edge. And we don't wish to turn back time, but when our mothers were young, Mr. Majority Leader, the Congress and the Executive were capable of working together to produce a budget on which this nation could live. Let us negotiate soon and hard. But in the end, let us produce. The American people await action. They didn't send us here to bicker. They ask us to rise above the merely partisan. "In crucial things, unity"—and this, my friends, is crucial.

To the world, too, we offer new engagement and a renewed vow: We will stay strong to protect the peace. The offered hand is a reluctant fist, once made, strong and can be used with great effect. There are today Americans who are held against their will in foreign lands and Americans who are unaccounted for. Assistance can be shown here and will be long remembered. Good will begets good will. Good faith can be a spiral that endlessly moves on.

Great nations like great men must keep their word. When America says something, America means it, whether a treaty or an agreement or a vow made on marble steps. We will always try to speak clearly, for candor is a compliment; but subtlety, too, is good and has its place. While keeping our alliances and friendships around the world strong, ever strong, we will continue the new closeness with the Soviet Union, consistent both with our security and with progress. One might say that our new relationship in part reflects the triumph of hope and strength over experience. But hope is good, and so is strength and vigilance.

Here today are tens of thousands of our citizens who feel the understandable satisfaction of those who have taken part in de-

mocracy and seen their hopes fulfilled. But my thoughts have been turning the past few days to those who would be watching at home, to an older fellow who will throw a salute by himself when the flag goes by and the woman who will tell her sons the words of the battle hymns. I don't mean this to be sentimental. I mean that on days like this we remember that we are all part of a continuum, inescapably connected by the ties that bind.

Our children are watching in schools throughout our great land. And to them I say, Thank you for watching democracy's big day. For democracy belongs to us all, and freedom is like a beautiful kite that can go higher and higher with the breeze. And to all I say, No matter what your circumstances or where you are, you are part of this day, you are part of the life of our great nation.

A President is neither prince nor pope, and I don't seek a window on men's souls. In fact, I yearn for a greater tolerance, and easy-goingness about each other's attitudes and way of life.

There are few clear areas in which we as a society must rise up united and express our intolerance. The most obvious now is drugs. And when that first cocaine was smuggled in on a ship, it may as well have been a deadly bacteria, so much has it hurt the body, the soul of our country. And there is much to be done and to be said, but take my word for it: This scourge will stop.

And so, there is much to do. And tomorrow the work begins. And I do not mistrust the future. I do not fear what is ahead. For our problems are large, but our heart is larger. Our challenges are great, but our will is greater. And if our flaws are endless, God's love is truly boundless.

Some see leadership as high drama and the sound of trumpets calling, and sometimes it is that. But I see history as a book with many pages, and each day we fill a page with acts of hopefulness and meaning. The new breeze blows, a page turns, the story unfolds. And so, today a chapter begins, a small and stately story of unity, diversity, and generosity—shared, and written, together.

Thank you. God bless you. And God bless the United States of America.

Note: The President spoke at 12:05 p.m. from a platform erected at the West Front of the Capitol. Immediately before the address, the oath of office was administered by Chief Justice William H. Rehnquist. The address was broadcast live on radio and television.

Proclamation 5936—National Day of Prayer and Thanksgiving, 1989

January 20, 1989

By the President of the United States of America

A Proclamation

On this Bicentennial of the Presidency of the United States of America, it is fitting to recall our first President, George Washington, who believed in our country's divine destiny. He said, "No people can be bound to acknowledge and adore the invisible hand, which conducts the affairs of men, more than the people of the United States."

As we celebrate this American Bicentennial Presidential Inaugural, we celebrate America's brotherhood—our common ideals, our common kinship, our national unity. We celebrate America as "one nation under God."

As I assume the office of President, I am humbled before God and seek His counsel and favor on our land, and join with our first President who said, "... it would be peculiarly improper to omit in this first official act, my fervent supplications to that Almighty Being who rules over the universe ... that his benediction may consecrate to the liberties and happiness of the people of the United States, a government instituted by themselves for these essential purposes."

Now, Therefore, I, George Bush, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, do hereby proclaim January 22, 1989, a National Day of Prayer and Thanksgiving and call upon the citizens of our great Nation to

gather together on this day in homes and places of worship to pray in thanksgiving for our blessings of peace, freedom, prosperity, and Independence. Let all Americans kneel humbly before our Heavenly Father in search of His counsel and for His divine guidance and wisdom upon the leaders of the United States of America.

In Witness Whereof, I have hereunto set my hand this twentieth day of January, in the year of our Lord nineteen hundred and eighty-nine, and of the Independence of the United States of America the two hundred and thirteenth.

George H.W. Bush

[Filed with the Office of the Federal Register, 12:07 p.m., January 23, 1989]

Remarks to Visitors of the White House

January 21, 1989

The President. Good morning, everybody. Thank you. Thank you all very much. Let me just say that I know some of you have been up all night long. And so, what we want to do is not delay this but take whoever is first. And I gather that's been sorted out by whoever got first in line into the—

Visitors. No!

The President. Not quite?

Visitors. No!

The President. Okay, so there's some injustice out there. *[Laughter]*

Visitor. We love you, George. I love you.

The President. No, but this is the people's house, and it just seemed appropriate on this first day that we welcome as many as we can. I have a little hiatus in the middle because I do have to go over to this building. I'm sure most of you recognize that as the West Wing, and then the office you see in the corner is the President's Oval Office. And I have to go sign one or two things and at least start to work over there, and then I will come back. Barbara will be here—some of our kids inside. But we just wanted to wish you well and welcome you to the people's house.

Thank you all very, very much. Thank you. We'll scoot on in.

Note: The President spoke at 8:05 a.m. at the Executive Entrance of the White House.

Question-and-Answer Session With Reporters

January 21, 1989

The President. Good morning, Helen [Helen Thomas, United Press International].

First Day of the Presidency

Q. How are you? How does it feel to be President?

The President. It feels just fine—setting in now, after the glamor and excitement of the inauguration. It's a great joy to have my mother here, the leader of our family, a great joy to have our ten kids over there last night. One got sick, so I had the duty at about 6 a.m. this morning. Ellie LeBlond—pumped a half a Tylenol into her, and she's looking good. Ate two pancakes—what you'd call a rapid recovery.

Q. Which one was ill, sir?

The President. Ellie, Doro's daughter, the "Thousand Points of Light" kid that ran across in the commercial. No, but it's so exciting over there and just a joy to have the family all there. They'll start leaving. We have a luncheon today with 240.

Mrs. Bush. Oh, really?

The President. Yes, 240—family.

Mrs. Bush. Oh, my Lord.

Q. Are you responsible for all that? Are you responsible for 240?

Mrs. Bush. No. [Laughter]

Q. What are your thoughts, Mrs. Bush?

Mrs. Bush. What did you say?

Q. What are your thoughts about today?

Mrs. Bush. Oh, I think it's the most exciting day of my life so far. It's just been wonderful. Everything has been perfect. Everything is so beautifully arranged.

The President. This is the one that told me not to brag about myself and to bend my knees when I volleyed. Right here. You're looking at her. [Laughter]

POW-MIA's and Hostages

Q. Mr. President, you seem to be holding out an olive branch to Iran or the Shi'ites in terms of Terry Anderson and the hostages. Were you hinting a movement there, or a change of policy, or—

The President. No, Helen, I don't think it's a change of policy, but I wanted to be sure I mentioned in that speech my absolute determination not to forget either category: POW-MIA or these hostages. And I wanted that right in there. It was one of the few specific points in an otherwise thematic speech. And in terms of your question, I hope it was heard around the world. You know, we keep hearing rumors that countries want to have improved relations with the United States. I wanted to make clear to them that good will begets good will. I also know enough about the situation to think, in fairness, that because of the nature of the hostage-holding you can't finger any one country for holding Americans hostage against their will. But people have, in the past, facilitated the release of our citizens, and I'd love to see that happen again. And I won't forget it. Having said that, we're not going to escalate the currency of holding Americans hostage. We're not going to have people feel that we are going to make concessions in order to free those precious lives. We simply can't.

Q. You talk about a fist, sir.

The President. Yes. That is a broad term to indicate that the United States will stay strong, and occasionally Presidents are called upon to use force in one situation or another around the world. And this President will be no different. It wasn't in the context of the people held against their will necessarily.

Relations With Congress

Q. Do you plan any official business today, Mr. President?

The President. There just is—no, today—

Q. Like the ethics order, for instance.

The President. —I haven't talked to John Sununu. We had one or two formal things we were going to do, I think.

Mr. Sununu. Yes, but ethics is not today.

The President. Ethics won't be today. We're going to talk to the leadership early

next week—the bipartisan leadership of the Congress—on how we proceed on the budget. We're contemplating how we best make clear to the Hill my determination to do one of the things I talked about yesterday and try to reach for bipartisanship in foreign affairs. And so, we're thinking of a meeting that will say to those who have shown the most interest in that in Congress, Look, we're ready. The President has unique responsibilities under the Constitution for foreign policy and for the national security. But we want, through consultation, to have the Congress in as much as possible on the takeoff. We've got to figure out how we do that.

There was a very good letter sent to me before I was elected President by David Boren and Senator Danforth—Senator Boren and Senator Danforth. I'm sure that has been released. There's been some editorial comment on it, and that caught my imagination. And I wrote him back and said, "Okay, let's talk about it." We can't do it one way. The President has certain unique responsibilities, and I intend to carry those out. But we can, I think, do a better job of having the Congress understand initiatives that we might take. Certainly in some difficult areas I need their advice. I welcome it. But I'd love to think we could go back to the Vandenberg days, partisanship stopping at the water's edge. But I'm not naive. I know they're very difficult.

One thing, however, having said all those sweet and nice things, I am concerned, as a lot of Congressmen are, as a lot of Senators are, about the erosion of Presidential power, and I have been. And so, I want to talk with reasonable Members in the Senate and the House, Democrat and Republican. Some have told me they share that concern. And I say, What do we do about it? How do we work with you people in consultation not only to avoid the erosion of power but to reestablish in the Presidency the firm hand that I think the Constitution gave the President?

Q. Well, the Constitution also lets Congress declare war.

The President. Well, that's right.

Q. And Vietnam was the part of the not keeping Congress really informed as they made these moves. So, don't you think that

what you're really saying is, you want something different from the Reagan administration.

The President. I'm saying I've just spelled out what I want for the Bush administration.

The President's Inaugural Address

Q. Sir, there was criticism of your speech that there wasn't any meat in it, that it set a tone, but that you didn't have any specific initiatives. What do you say to that?

The President. I haven't heard too much criticism about that. I've been very pleased with the wonderful—well, put it this way—very overly, perhaps, generous response, at least from the Members of the Hill. But I say, Stay tuned. February 9th we'll have something a little different, if that's the date that's settled on.

Q. Is that the State of the Union?

The President. Yes. That'll be up there with the Congress.

Communications With Foreign Leaders

Q. Mr. President, often, a President on his first day makes some kind of communications with foreign leaders. Have you spoken or sent notes to any of the allies or to Mr. Gorbachev, or has he tried to contact you?

The President. Well, he has contacted me through a nice, very generous letter, pledging to work for world peace, something of that nature. And clearly I will respond not only to that communication from Mr. Gorbachev but to expressions of good will from all around the world. It's been very heartwarming, and I want to be sure we do get these responses out.

Former President Reagan's Farewell Note

Q. What did the President's note say?

The President. Grab it out of the drawer there, Tim. Tim, could you get the note from the President there?

Mr. Fitzwater. Wait. Wait. Let's restore the lights here. The stills are okay.

The President. Am I violating any rules here, Marlin?

Q. They're your rules, sir. They're your rules.

The President. Oh, I set the rules. Okay, but, we've established one thing, haven't we: that this is not a "photo op."

Q. That's right.

Q. Whatever you say, sir.

The President. No, that was—Marlin, help me.

Mr. Fitzwater. That's right. We've talked earlier and said you'd have a chance for a discussion here and questions and—

Q. We don't care what you call it, just so you answer the questions.

The President. No, no. I care what I call it because I don't want to demean your profession further by making you raise your voice, Helen. I love it when it's tranquil and peaceful like this.

Q. We do too.

The President. I know you do.

Q. I know about Presidential power.

The President. Let me see if I can—[laughter]. And I know about UPI [United Press International]—[laughter]—let's see whether I dare read you this:

"Dear George"—this is from President Reagan—"You'll have moments when you want to use this particular stationery. Well, go to it. George, I treasure the memories we share and wish you all the very best. You'll be in my prayers. God bless you and Barbara. I'll miss our Thursday lunches. Ron"

The heading on the paper is "Don't let the turkeys get you down." So, nobody here should take personal to this at all. I mean, this is a broad, ecumenical statement: "Do not let the turkeys get you down."

Q. That's not written.

The President. Don't know who he's speaking about there. And it shows a bunch of turkeys trying to get an elephant down. And it says "Boynton" on the bottom.

First Day of the Presidency

Q. How does it feel, sir, to be in the Oval Office the first day?

The President. It's wonderful. I can't wait to get to work—I mean, serious work. And we're going to do some here today with the Chief of Staff—go over some. But it really feels wonderful. And I know how to begin. And we're going to start right in Monday, and then we'll have a good, full schedule on Tuesday. And I couldn't wait to come over here this morning. I did because we had some people, you know, come through the White House just to symbolically open the

door of the people's house. I must say that was kind of interesting, the expressions. I was saying to myself, Now, what does it take for somebody to stay awake all night to come into the White House? What kind of people are they? Well, they were all different kinds of people: a lot of kids, a lot of young people, some older, some with their children, a couple of families. Three had been to one of these balls—black ties—and just pitched—you know, like we used to do when we were little, maybe—slept out there. But the common thread was that they felt they were lucky to be there, which amazed me, in a sense, because I thought we were so lucky to have people that would care that much.

Q. Do you feel the same way, sir?

The President. A lot of people—I do. I do. All right.

Q. Have you gotten lost?

The President. What?

Q. Have you gotten lost?

The President. I got lost in the White House yesterday evening when we came in, trying to find a couple of kids' rooms, yes.

Q. Thank you.

The President. Thank you all.

Q. And there was one for every room?

The President. Ten children. I mean—five kids and ten spouses and ten grandchildren, and then Paula, who has lived with us for 29 years.

Q. It's a nice hotel, isn't it?

The President. It's unbelievable, Helen. It's unbelievable.

Note: The exchange began at 9:09 a.m. in the Oval Office. John H. Sununu is Chief of Staff to the President. In his remarks, the President referred to Timothy McBride, Assistant to the President, and Marlin Fitzwater, Assistant to the President and Press Secretary.

Remarks to Campaign Staff Members and Political Supporters January 21, 1989

Thank you, Governor Sununu. And let me say at the outset—I'm sure you all know John Sununu, but I am very grateful that he

has agreed to—having just left the Governorship of his State—to be our Chief of Staff. And I know he'll do a superb job over there. In fact, he already put me to work this morning signing things. The Republic is still in reasonably good shape, I think, but I signed a bunch of stuff and—[laughter]—looked official in there.

And it is a wonderful feeling. We have a tremendous—Barbara's not here. And I called her on the phone a minute ago, and I said, "Bar, are you coming over to the State Department—going to the State Department?" She said, "We have 240 family members coming here at 12 o'clock, and you'd better be back." [Laughter] So, she's not here, but we have one representative: the singing and dancing star the other day at Bar's, Noelle Bush from Miami. You get over there. I don't want to be upstaged. [Laughter]

But look, I will be very informal because I look around the room and see just so many people from here, from Puerto Rico, from out in the Pacific and all 50 States, people that have made it possible for me to take on this new responsibility. And people say to you—we had a press group over at the White House. I took my mother over there to the Oval Office, and then we took some questions from the press. And they asked a very appropriate question that seems very obvious: But has it all sunk in yet? And I guess the answer is: When you spend the first night in the White House and then when you go to work in that Oval Office, it does sink in, but it sinks in in a wonderful way. I opened the top drawer of my desk now—a beautiful, historical Presidential desk—and here was a really lovely, warm note from my predecessor, which I think demonstrates more than the continuity. It says a lot because it said a lot about our own personal friendship, and it said a lot to me—though he, the modest, now former President, would never say it—but a lot of how I got the chance to be in this job. And so, it was emotional, and yet it had a very nice steady feeling to it: that the Presidency goes on. I heard, when he got to California, that President Reagan said he left me a note over where the underwear goes—[laughter]—or wherever that top right hand drawer, but I haven't found it yet. I'll have to keep looking. [Laughter]

But I wanted to come over and thank the movers and shakers of the Team 100—Larry Bathgate of the National Committee, and Mel and Joe and Wally Ganzie—Mel Sembler and Joe Zopalo, Wally Ganzie—who these three I single out with some trepidation in this room because there are various other stages along the way to the White House. Each and every one of you came out and did disproportionately more than his or her share. Bobby Holt is here, who has blossomed forth from being not only one of the classic arm-twisters and—[laughter]—persistent fundraisers, but now his new horizons are frightening in that he was kind of running parades and running all kinds of marvelous events—[laughter]—to save the Republic. And I'm very grateful to him. I don't know that Penne Korth is here, but she was our peripatetic—I've just learned what that means—[laughter]—everywhere, never lets up, always around co-chairman. And she did an outstanding job as well.

But to each and every one of you, really, I am very, very grateful to you. A serious note—I said some of it yesterday, perhaps with less specificity than I will when I address the Joint Session of the Congress in early February. And what I wanted to say is: Yes, the problems are big out there. There's no question of it. And I did single out the Federal budget deficit yesterday. I talked about the new relationship with the Soviet Union. But let me just say a word on each.

I'm convinced that if we approach it properly with the Congress, without rancor, that we can get it done. I know it's not going to be easy, and I know they're not going to accept even some of the fundamental premises upon which I was elected. I'm sure of that. But I also know that with Governor Sununu at my side coming out of the political process, and with me in a sense a creature of Congress as well, that we're going to try. And I think maybe we can make the headway that the American people are really properly demanding in terms of addressing ourselves to this one fundamental remaining problem. I put the trade deficit in a different category because I think if we get demonstrable progress on the Federal budget deficit that will send a

psychological signal to world markets that will help us enormously in terms of the expense of interest, for example, on the Federal debt. So, we're going to start, and we're going to reach out. And on Tuesday of next week, we're going to have our first meeting with the bipartisan leadership—House and Senate, Democrats and Republicans—to start addressing this. We're not expecting miracles, but I want them to know we are going to try. I'm going to try to do that which I said, in that speech on the west front of the Capitol, I wanted to do.

And then the second point—we're standing in this spectacular building which George Shultz so ably led and that now will be led by my friend of such long standing, Jim Baker. And somebody—there was an editorial in the Times the other day that said the Vice President—or the President-elect has been dealt a good hand on foreign affairs. I think that's true. We've got some tough problems in our own hemisphere. We're got some problems we're watching very carefully in Africa. We've got problems in the subcontinent in terms of nuclear proliferation. So, you've plenty of problems to go around. But because of the reestablished credibility of the United States, because our word is seen as good, because our determination is not doubted, I think I have been dealt a very good hand. And I salute, obviously, President Reagan and men with whom I worked, women of ability in the trade areas or in the defense areas or wherever is it, because I think I come in with a stronger hand now, and I think the horizon is bright. I'd talk to kids in the campaign, and I'd tell them, Listen, if I were in your shoes, I'd be optimistic that I might grow up in a land less afraid of nuclear holocaust, less worried about regional conflagration, more optimistic about human rights worldwide.

So, the agenda, though fraught with some problems, is one that I look forward to tackling. We already had a first meeting—Governor Sununu and Brent Scowcroft and me—this morning. We met first with the Director of the Central Intelligence and one of our regular briefers, and then Bob Gates, the new Deputy over there, joined us. And you begin to get the sense where we should start, what areas we should tackle first, and again going right back with

the Congress, trying to do a better job in letting them understand.

The President has a unique responsibility. I am concerned about the erosion of Presidential power, particularly in the field of national defense and foreign policy. But I want to work with Congress. They want in on the takeoff—fine. I've got to make the decision. I have constitutional responsibility, and they have theirs—largely in the purse strings and whatever—and responsibilities there. But again, we're going to approach it with openness, with firmness, but with a spirit that, look, we really should try to return to the Vandenberg days of partisanship stopping at the water's edge.

So, this challenge, this one of foreign affairs and working so Noelle back here can grow up in a world much more peaceful, so the kids don't have to worry quite as much about the tensions that perhaps their mom and dad had to do, is a good one. And we're ready for it, and we're putting together a first-class team.

Lastly—again, thank you—but lastly, this morning Barbara and I, having attended I think it was 14 events last night—[laughter]—there's somebody behind the scene. You say, Who's responsible for this? [Laughter] I looked around and can't find anybody. The only body that's come close to taking credit is Bobby Holt, and he even jumped sideways on me there a time or two at the end of the 12th event the other night. But so, we got home last night—I say “home”—we did, climbed into bed. And I—nervous guy, you know, tension and work—my system working on the 6 o'clock call. So, they got the coffee. And I looked out the window of the White House, and here were people all over the darn place. [Laughter] They'd spent the night there, literally, in the cold, some of them later coming through the receiving line with their blankets. And some of them had been there for 12 hours, staying out there. Some of them got there—I know one—I said, “What time did you get there?” And he said, “4 o'clock.” He's near the end of the line, so I don't know whether that means you had to be there before 4 o'clock, but a lot of them literally had spent all night long there. And they came to the White House, and they were thanking us for giving them this fan-

tastic opportunity to spend all night—[laughter]—outside when it got colder than the devil. But there is something wonderful about that. It made a tremendous impression on both Barbara and me. I should have known it because we see the lines along here all the time—probably out there right now if the place is still open for the tours. But it said something wonderful about the stability, the continuity, and the greatness of the United States.

Thank you. Thank you all.

Note: The President spoke at 11:12 a.m. in the Diplomatic Reception Room at the State Department. In his remarks, he referred to John H. Sununu, Chief of Staff to the President; Laurence E. Bathgate, finance chairman of the Republican National Committee; Wally Ganzie, Mel Sembler, and Joe Zopalo, members of the State Election Committee; Bobby Holt and Penne Percy Korth, cochairmen of the American Bicentennial Inauguration Committee; Brent Scowcroft, Assistant to the President for National Security Affairs; and Robert Gates, Deputy Assistant to the President.

Remarks During a Walk With Family Members and an Informal Exchange With Reporters

January 21, 1989

The President. This is going to be the scene of a lot of real action. Marlin, do you think this would be an appropriate time to mention the first exhibition match?

Q. Yes.

The President. It has nothing to do with betting. This is a very important announcement: that this spring sometime a match that was rained out last year is going to be played here. And the players are Pam Shriver and Chris Evert versus Marvin Bush and Neil Bush. These women, confident of their own ability, have suggested that the Bush boys will not get over two games a set. And yesterday Chris Evert renewed the bet, renewed the challenge.

I am absolutely confident that the Bush boys will get over two games a set. [Laughter] And reliable tennis authorities, like Jeff

Austin, the brother of Tracy Austin, thinks that those two Bush boys have a reasonable chance to beat Chris Evert and Pam Shriver. And there's going to be a tremendous match right here on this court as soon as spring is here. And it's going—

Q. What's the—

The President. Did you get all that down? It is 6-2, 6-2, and it's Evert and Shriver versus Bush and Bush. [Laughter] That's true. They are dead serious.

Q. What's the prize?

The President. Well, we don't bet on the White House grounds. I don't know what's going on on the off-the-record kind of a thing. I'll tell you there's going to be a lot of hostility on this one, a lot of—building. The pressure's mounting.

Q. Where are you going to put the horseshoe pit?

The President. We're looking for the horseshoe place right now.

Note: The President spoke at 11:40 a.m. on the South Lawn of the White House. In his opening remarks, he referred to Marlin Fitzwater, Assistant to the President and Press Secretary. A tape was not available for verification of the content of these remarks.

Letter to Congressional Leaders on a Deficit Reduction Meeting and an Address Before a Joint Session of Congress

January 21, 1989

Dear Jim: (Dear George; Bob; Tom; and Bob;)

Yesterday, in my Inaugural Address, I suggested that together we should begin the process of working to achieve a deficit reduction plan—and that we should do so soon. I had previously stated that I would lead such an effort on behalf of the Executive branch and that I would begin the process promptly upon taking office.

In accord with that commitment and our discussions, I extend to you today an invitation to join me in a meeting at the White House on Tuesday, January 24. At that meeting, I would hope we could discuss how best to proceed toward deficit reduc-

tion. I would also like to take the opportunity to follow up on suggestions made by you and your colleagues on ways we can move towards effective bipartisan support for our foreign policy.

In addition, I would like to confirm my request, which you indicated could be honored, for the opportunity to address a joint session of the Congress on Thursday, February 9.

Again, let me say how much I look forward to our working together on these critical issues. I am sure the American people expect that concerns of such national import should be tackled in a spirit of bipartisan cooperation, and am hopeful that we may prove worthy of the confidence they have placed in us.

Sincerely,

George Bush

Note: Identical letters were sent to Jim Wright, Speaker of the House of Representatives; George J. Mitchell, Majority Leader of the Senate; Robert Dole, Minority Leader of the Senate; Thomas S. Foley, Majority Leader of the House of Representatives; and Robert H. Michel, Minority Leader of the House of Representatives.

Remarks at the Swearing-In Ceremony for Members of the White House Staff January 23, 1989

Well, that official act having been completed, we all now are about to embark on a really great adventure. And I've often said that I see responsibilities in life as missions defined, and so I want to just say a few words, first welcoming all of you to what I know will be a superb White House staff. And we have a tremendous opportunity to make life better for people in this country, better in so many ways. And I think we can, by hard work, make this a safer and a more secure country.

The long hours and hard work that's associated with the White House staff are well-known. But these long hours can result in a country with more opportunity for all. And we've got to tackle, as you know—some of you actively involved in this already—the

budget deficit and ensure an economy that is sound and stable. We can do a lot through the wonder of the White House to exhort, to use government resources widely, to make the educational system second to none.

As I mentioned in the Inaugural Address, many of you here will be involved in what I mentioned, which was the antinarcotics effort. And I said in the Inaugural Address we've got to get rid of the scourge, and some of you will be involved in all of that. We've got to challenge all elements of government and the private sector in the environment, to do better in protecting our land and water so these kids back here will grow up in a happy, sound—I'm glad they're somebody else's kids, I'll tell you. [Laughter] You ought to have been around here the last 48 hours; it's been fantastic. [Laughter]

But the mission is great. But it really has to be accomplished in the finest tradition of our nation: pride, honesty, spirit of idealism when it comes to public service, knowing that our actions must always be of the highest integrity. It's not really very complicated. It's a question of knowing right from wrong, avoiding conflicts of interest, bending over backwards to see that there's not even a perception of conflict of interest.

And so, I know that we'll all set a high standard in that regard. We've got to try. I am very proud of all of you. I think we have a wonderful team, and I'm confident that when our time is over in this marvelous place I'll be just as proud of you. I'm delighted to see the families here today, and I would simply ask for your understanding because your spouses, husbands and wives, are embarking on an ordeal that is known to be a time-consuming killer in a lot of ways. The lights burn brightly well after dark around this place. And I just hope you'll be understanding because the system works that way. Work is really never done. And I thank you all for sharing your spouses with us.

I want you to know that all of you are important also as part of a team. Those who work in the White House make the personal commitment, and with that comes this sense of personal sacrifice. And I know that you all will be struggling at times with the

give-and-take that goes hand in hand with assignments like this.

Barbara understands this. She set a good example, it seems to me, in a lot of volunteer action, and I hope that all of us in the White House and outside will do our part in terms of encouraging the volunteer sector, the thousand points of light that I plan to keep on talking about. Government itself can't do it all.

So, I really came over with the Vice President to thank you all, to encourage your understanding, those here and to all of you here standing up here with me. I'm very, very proud to have you on our team. And now I understand there is going to be a little chance to browse through the room and wander down there and have a cup of coffee. But let's go to work.

Thank you all, and God bless you.

Note: The President spoke at 8:20 a.m. in the East Room at the White House. Prior to his remarks, Vice President Quayle swore in the members of the White House staff.

Remarks to Participants in the March for Life Rally

January 23, 1989

Good afternoon, ladies and gentlemen. This is George Bush in the Oval Office. And before you begin your march today, on this first Monday of my Presidency, I wanted to take just a few brief moments to restate my firm support of our cause and to share with you my deep personal concern about our American tragedy of abortion on demand.

We are concerned about abortion because it deals with the lives of two human beings, mother and child. I know there are people of good will who disagree, but after years of sober and serious reflection on the issue, this is what I think. I think the Supreme Court's decision in Roe versus Wade was wrong and should be overturned. I think America needs a human life amendment. And I think when it comes to abortion there's a better way: the way of adoption, the way of life.

I know that this morning several of your leaders had a meeting in the White House with Vice President Quayle. I know, too, that you and hundreds of thousands with you across the country have raised a voice of moral gravity about abortion, a voice of principle, a voice of faith, a full voice that properly asserts and affirms the basic dignity of human life. I'm confident that more and more Americans every year—every day—are hearing your message and taking it to heart.

And, ladies and gentlemen—and, yes, young people as well—I promise you that the President hears you now and stands with you in a cause that must be won.

God bless you all, and God bless life.

Note: The President spoke at 12:05 p.m. from the Oval Office at the White House via an electronic communications link with the rally site. Participants had gathered on the Ellipse for a march to the Supreme Court on the occasion of the 16th anniversary of the Court's decision of Roe v. Wade, which legalized abortion.

Interview With Gerald Boyd of the New York Times and Katherine Lewis of the Houston Post

January 25, 1989

Abortion

Q. We just had a few things we wanted to get your views on.

Q. What has Sullivan [Secretary of Health and Human Services-designate] told you about his views on Roe versus Wade? Can you straighten that out?

The President. Exactly what you heard him say when he was announced. He has supported my position 100 percent.

Q. Even privately on Roe versus Wade?

The President. One hundred percent. The only thing he said, and that's what he said.

Q. So, you don't envision dropping him under any circumstances?

The President. None. And I've not heard anyone suggesting that he will not be con-

firmed. I haven't heard one single person suggest that.

Q. If Roe versus Wade is overturned, as you support, how concerned would you be about women being allowed to have abortions in cases of rape, incest, and—

The President. We'll have to wait and see what the decision is on Roe versus Wade. Obviously you have to comply with the law, and what the law is is defined by the courts.

Savings and Loan Crisis

Q. What about this new Brady [Secretary of the Treasury-designate] option we're hearing about on S&L's—the idea of charging for insurance for depositors?

The President. That's one option. It hasn't come to me as a formal recommendation. And so, I'm not going to say what I'm going to do, but that is one option.

Q. Would that not be a tax?

The President. I will answer the question with a question. Is it a tax when the person pays the fee to go to Yosemite Park?

Q. Well, on that point—

The President. Using the park. There will be a lively debate on this, but I would simply leave that rhetorical question out as one way of answering your question.

Q. Well, Governor Sununu [Chief of Staff to the President] is—

The President. I don't want to signal that this is what we're going to do. I'm not trying to suggest that.

Q. But it sounds like you're receptive to the idea, though?

The President. I'm receptive to any idea that will solve this problem. I'm not receptive to a tax increase.

Tax Increases

Q. Governor Sununu said over the weekend—he was talking about whether your no-tax pledge increase is a 1-year increase or is it throughout your term. Can you sort of clarify your thinking on that?

The President. I'm not thinking beyond anything other than to say I will not raise taxes, and I've got to stay with that approach. And again, we're going to, you know, just send a proposal up there that solves this budget problem without raising taxes. And the fundamental reason for that is, I want to keep the economy going. I want to keep the recovery—not recovery,

but the growth going in this economy. I do not want to kill off investment or employment opportunity. And the higher the taxes, the more you do that. So, I really feel strong on that particular point, and I haven't thought beyond 1 year, Jerry, or anything of that nature.

Drug Abuse and Trafficking

Q. So, no timeframe.

You mentioned in your Inaugural Address that you wanted to eliminate the scourge of drugs. How can you do that? I mean, what do you have in mind when President Reagan was unable to eliminate drugs?

The President. I think the elimination of drugs is going to stem from vigorous change in the society's approach to narcotics. It's going to be successful only if our education is successful. The answer to the problem of drugs lies more on solving the demand side of the equation than it does on the supply side, than it does on interdiction or sealing the borders or something of that nature. And so, it is going to have to be a major educational effort, and the private sector and the schools are all going to have to be involved in this.

Q. More money on that?

The President. I don't know what resources are going to be available yet. I would like to think that we can funnel more money into it, but I also have this overriding problem of the deficit to contend with. So, the question is, we cannot permit the measure of concern on any issue—drugs or education or environment—to be determined simply by how much Federal money goes after the problem. We can't do it. We have got to use this office to encourage all elements in our society to participate in the fight against drugs, in the fight to improve education, or working to make the environment better. Because we're dealing with scarce resources in terms of Federal money. And the law has constraints on all of us in that regard.

International Conference on Human Rights

Q. Secretary [of State-designate] Baker said in the confirmation hearing that he was concerned about going ahead with the Moscow summit on human rights in 1991. Are you concerned about that?

The President. Well, I think that we need to look for performance. And there will be time in which to see performance in that regard. And I think the Soviets know that we feel this way after the Secretary's testimony. And I think that Mr. Gorbachev knows of my commitment to human rights because I had several meetings with him. And I'd say that there has been definite improvement in some ways there. But let's see what develops as we move towards that conference date.

Interest Rates and Inflation

Q. What are your views on Mr. Greenspan's [Chairman of the Board of Governors of the Federal Reserve System] comments on inflation from yesterday?

The President. I haven't read them yet, and I want to be sure to read them. I must say I'm encouraged that the markets, at least recently, have been saying that things are reasonably stable and certainly not there's no signals out there in the markets that this economy is in real trouble. I haven't talked to Alan lately, but I don't want to see us move so strongly against fear of inflation that we impede growth. We have to keep expanding opportunities for the working men and women of this country. I just saw this little summary of what Greenspan said.

Mr. Fitzwater. I think his comments were a lot closer to our position than was reported, too.

Q. That's what I was told.

The President. That's why I don't want to get into commenting on his—

Presidential Visit to China

Q. Are we going to China?

The President. Stay tuned.

Q. Sounds like yes.

The President. We may have it. We may have something on that—you know, yea or nay—before the close of business today. But I just don't know yet.

The President's Agenda

Q. There's talk that you're hitting the ground walking.

The President. Where'd you get "we"? Are you going?

Q. Yes, she's going.

The President. Oh, great. Oh, that's right, you don't go off till—

Q. November.

The President. Oh, November.

Q. There's a lot of talk that you're hitting the ground walking rather than running, that you're taking—or that you're starting slow. Are you concerned about that?

The President. In what sense starting slow? In sense of—talking about—

Mr. Fitzwater. You missed the 7 a.m. starts at the South Ground races.

Q. No, but you're not moving ahead on the budget. You're not moving ahead on any agenda.

The President. Moving ahead on the budget—I mean, we're spending a lot of time on it. I know we've got some meetings—meeting with budget team, 10 a.m. Can't do anything about that for 15 minutes. But you mean in terms of sending up legislation or—

Q. Yes, and that there's no sort of an active agenda that you're pursuing from day one and that you're putting things off, you're studying things, you're waiting.

The President. Well, I've been a President since January 20th, and I think it's a little early to make conclusions one way or another on all that.

Environmental Issues

Q. The environmentalists say they're going to be making a litmus test out of ANWR [Arctic National Wildlife Refuge]. Is there any chance you're going to reconsider the Interior seat?

The President. I'm in favor of prudent development there. I remember the pipeline. I remember the arguments against it. And I also know the effect it did not have on the caribou. You may remember that. Phrases that lived on from campaign history about caribou bumping up against the pipeline. [Laughter]

Mr. Fitzwater. We've got to stop.

Mr. President. No—so, I mean, I think I'm determined to be an environmentalist. I am one, and I'm concerned that we not do irreparable damage to the environment. On the other hand, I remember some of the same arguments being made against the Alaska pipeline. And we have some national security interests at stake here, and I'm one

who believes we can find the balance between environmental interests and national security interests that dictate prudent development of our domestic oil and gas resources.

The President's Style of Doing Business

Q. A lot's been made about how you're doing things differently—you have a different way of doing business. Was it important to you to particularly demonstrate that in this first week in office?

The President. Not to do it differently, but it's important to me to do it my way. And that's what we're trying to do, and what I will do. I have to do that. Like the old advice from Jackman—you remember the guy that came out—character. He says, "And then I had some advice: Be yourself." That proved to be the worst advice—[laughter]—I could possibly have. And I'm going to be myself. Do it that way.

Note: The interview began at 9:38 a.m. in the Oval Office at the White House. Marlin Fitzwater is Assistant to the President and Press Secretary.

Remarks on Signing the Executive Order Establishing the President's Commission on Federal Ethics Law Reform

January 25, 1989

Well, I want to—especially at the opening of these brief remarks—thank Judge Wilkey and Judge Bell, former Attorney General, for joining me today and for agreeing to take on this critical task.

Our National Government depends for its success on the excellence and the integrity of those who serve the public. And in choosing officials from my administration, I have sought out individuals of unquestioned competence and the highest integrity. But along with these high standards of selection, we need an unambiguous code—a code of conduct—to ensure that those who serve the public trust avoid any actual or apparent conflict between their personal and public interests.

As we've seen in the recent debates about ethics legislation, current Federal ethics rules do not adequately serve to eliminate abuse of public office for private gain. And the current framework is fragmented; it's confusing; and most important, does not incorporate sufficient safeguards to protect the public interest in honest and fair government. It's the difficulty of these issues that leads me to create the President's Commission on Federal Ethics Law Reform.

Judge Wilkey, thank you, sir, for taking on the arduous responsibilities of Chairman. And Judge Bell, thank you for agreeing to be the Vice Chairman. You both come to this task with extensive experience in public service and a deep interest and understanding of these interests in and understanding of ethics matters. And I'm asking you and other members of the Commission to take a fresh look at the ethical standards that apply to all three branches of the Federal Government and to give me your recommendations by March 9th, if you can. I know this does not give you a lot of time, but I'm eager to move forward with reform, and I'm confident that you can get this job done.

Before I issue this Executive order, let me leave you with four key principles to guide you as you take up your efforts. One, ethical standards for public servants must be exacting enough to ensure that the officials act with the utmost integrity and live up to the public's confidence in them. Two, standards must be fair. They must be objective and consistent with common sense. Three, the standards must be equitable all across the three branches of the Federal Government. And the fourth one—we cannot afford to have unreasonably restrictive requirements that discourage able citizens from entering public service.

The task of reforming and revitalizing Federal ethical standards is really of the highest importance to me and to the American people. And I'll await your recommendations with great interest.

And now I'll sign this Executive order.

Note: The President spoke at 2:36 p.m. in the Roosevelt Room at the White House.

Executive Order 12668—President's Commission on Federal Ethics Law Reform

January 25, 1989

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to establish, in accordance with the provisions of the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2), an advisory committee on reform of the Federal ethics laws, it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the President's Commission on Federal Ethics Law Reform. The Commission shall be composed of not more than eight members appointed by the President. These members shall be distinguished individuals with broad experience in ethics and public service.

(b) The President shall designate a Chairman and Vice Chairman from among the members of the Commission.

Sec. 2. Functions. (a) The Commission shall review Federal ethics laws, Executive orders, and policies and shall make recommendations to the President for legislative, administrative, and other reforms needed to ensure full public confidence in the integrity of all Federal public officials and employees.

(b) The Commission shall report to the President by March 9, 1989, and shall provide a copy of its report to the Attorney General.

Sec. 3. Administration. (a) The heads of Executive agencies and the Director of the Office of Government Ethics, to the extent permitted by law, shall provide the Commission such information, advice, and assistance as it may require for purposes of carrying out its functions.

(b) Members of the Commission shall serve without compensation for their work on the Commission. However, while engaged in the work of the Commission, members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (including 5 U.S.C. 5701-5707), to the extent funds are available therefor.

(c) The Attorney General, to the extent permitted by law and subject to the availability of appropriations, shall provide the

Commission with such administrative services, funds, facilities, staff, and other support services as may be necessary for the performance of its functions.

Sec. 4. Counsel to the President. Following the submission of the Commission's report, the Counsel to the President shall provide the President with periodic reports regarding the implementation of reforms to Federal ethics laws, Executive orders, and policies.

Sec. 5. General. (a) Notwithstanding any other Executive order, the functions of the President under the Federal Advisory Committee Act, as amended, except that of reporting to the Congress, which are applicable to the Commission, shall be performed by the Attorney General, in accordance with guidelines and procedures established by the Administrator of General Services.

(b) The Commission shall terminate 30 days after its report, unless sooner extended.

George Bush

The White House,
January 25, 1989.

[Filed with the Office of the Federal Register, 4:27 p.m., January 25, 1989]

Nomination of Donald J. Atwood To Be Deputy Secretary of Defense

January 25, 1989

The President today announced his intention to nominate Donald J. Atwood to be Deputy Secretary of Defense. He would succeed William H. Taft IV.

Mr. Atwood has been vice chairman of the board of General Motors, 1987 to present, and a member of the finance committee and executive and administration committees. He was appointed president of Delco Electronics Corp. in 1988. He has served as executive vice president of General Motors and a member of the corporation's board of directors since January 1, 1984, and president of GM Hughes Electronics Corp., since 1985. Mr. Atwood was vice president and group executive in

charge of the worldwide truck and bus group, 1981-1984.

Mr. Atwood attended the Massachusetts Institute of Technology. He served in the U.S. Army, 1943-1946. He was born May 25, 1924, in Haverhill, MA.

Nomination of W. Henson Moore To Be Deputy Secretary of Energy
January 25, 1989

The President today announced his intention to nominate W. Henson Moore to be Deputy Secretary of Energy. He would succeed Joseph F. Salgado.

Mr. Moore has served as a Member of the U.S. House of Representatives from the Sixth Congressional District in Louisiana, 1975-1987. He has served on the Energy and Commerce Committee, Ways and Means Committee, and the Budget Committee and has worked extensively in both energy and tax policy. Mr. Moore has also been a partner with the law firm of Sutherland, Asbill, and Brennan, an Atlanta/Washington-based firm since January 1987. He was also a Republican candidate for U.S. Senate in 1986. Between 1987 and 1988, he also served as one of three American commissioners of a Panama Canal Consultative Committee created by the Panama Canal Treaty.

Mr. Moore graduated from Louisiana State University (B.A., 1961; M.A., 1973) and Louisiana State University Law School (J.D., 1965). He served in the U.S. Army, 1965-1967. He was born October 4, 1939, in Lake Charles, LA. He is married to the former Carolyn Ann Cherry of Franklin, LA, and has three children.

Nomination of William M. Diefenderfer III To Be Deputy Director of the Office of Management and Budget
January 25, 1989

The President today announced his intention to nominate William M. Diefenderfer III to be Deputy Director of the Office of

Management and Budget. He would succeed John F. Cogan.

Mr. Diefenderfer is currently a partner in the law firm of Wunder & Diefenderfer in Washington, DC. Prior to this he served as chief of staff and counsel to the chairman of the Senate Finance Committee, 1985-1986. From 1983 to 1984, he was a partner with the law firm of McNair, Glenn, Konduros, Corley, Singletary, Porter & Dibble in Washington, DC. He was chief counsel of the Senate Committee on Commerce, Science, and Transportation, 1979-1983, and administrative assistant/legal counsel for Congressman Bruce Caputo, 1977-1979. He was assistant director for the domestic council at the White House, 1976-1977.

Mr. Diefenderfer graduated from Dickinson College (B.A., 1967); Duquesne University School of Law (J.D., 1973); and Kings College, University of London (L.L.M., 1974). He served in the U.S. Army, 1970-1972. He was born May 3, 1945. He is married, has two children, and resides in Great Falls, VA.

Nomination of Susan S. Engeleiter To Be Administrator of the Small Business Administration
January 25, 1989

The President today announced his intention to nominate Susan S. Engeleiter to be Administrator of the Small Business Administration. She would succeed James Abdnor.

Mrs. Engeleiter has served as the senate minority leader in the Wisconsin State Senate since 1984, and served as assistant minority leader, 1982-1984. She was first elected to the State senate for the 33d district of Wisconsin in 1980. She has also served as a candidate for the United States Senate, 1987-1988.

Mrs. Engeleiter received a bachelor of science degree from the University of Wisconsin and a juris doctorate degree from the University of Wisconsin Law School. She was born March 18, 1952, in Milwaukee, WI. She is married and has two children.

Nomination of Paul D. Coverdell To Be Director of the Peace Corps
January 25, 1989

The President today announced his intention to nominate Paul D. Coverdell to be Director of the Peace Corps. He would succeed Loret M. Ruppe.

Mr. Coverdell is currently president and chief executive officer of Coverdell & Co., Inc., in Atlanta, GA. He has served in the Georgia State Senate since 1970; and senate minority leader since 1974; and chairman of the Fulton senate delegation, 1974-1984. He was chairman of the Georgia Republican Party, 1985-1987, and was president and a member of the board of directors of the Urban Study Institute of Georgia and the Georgia Health Foundation.

Mr. Coverdell received a bachelor of arts degree from the University of Missouri. He served as a captain in the U.S. Army. He is married to the former Nancy Nally of Atlanta, GA.

Nomination of Constance Berry Newman To Be Director of the Office of Personnel Management
January 25, 1989

The President today announced his intention to nominate Constance Berry Newman to be Director of the Office of Personnel Management. She would succeed Constance Horner.

Ms. Newman has been a codirector for outreach programs in President Bush's transition office. Prior to this she was deputy director of national voter coalitions for the Bush-Quayle '88 campaign. She has also served as Assistant Secretary of Housing and Urban Development, Director of VISTA, Commissioner of the Consumer Product Safety Commission, and president of the Newman & Hermanson Co., a consulting firm.

Ms. Newman received an A.B. degree from Bates College and a bachelor of science degree from the University of Minnesota Law School.

Nomination of Fred M. Zeder II To Be President of the Overseas Private Investment Corporation
January 25, 1989

The President today announced his intention to nominate Fred M. Zeder II to be President of the Overseas Private Investment Corporation, U.S. International Development Cooperation Agency. He would succeed Craig A. Nalen.

From 1987 to 1988, Mr. Zeder has been senior adviser for President Bush's transition office. He served on the committee on special projects and surrogate speakers panel for the Bush-Quayle '88 campaign and on the finance committee of the George Bush for President campaign. Prior to this he was President Reagan's personal representative for Micronesian status negotiations serving with rank of Ambassador, 1982-1987. He has also served as Director of Territorial Affairs at the Department of the Interior, 1975-1977.

Mr. Zeder attended the University of Michigan and the University of California at Los Angeles. He served in the U.S. Army Air Force, 1941-1946, and Air Force Reserve, 1946-1950. He is married, has 5 children and 10 grandchildren.

Nomination of Bruce S. Gelb To Be Director of the United States Information Agency
January 25, 1989

The President today announced his intention to nominate Bruce S. Gelb to be Director of the U.S. Information Agency. He would succeed Charles Z. Wick.

Mr. Gelb is currently vice chairman of the board of directors of Bristol-Myers Co. Mr. Gelb became president of Bristol-Myers consumer products group in 1981 and was named executive vice president in charge of both Bristol-Myers consumer products and health care groups in 1984. He is a member of the Public Sector Committee of the USIA [United States Information Agency], and vice president and a board member of the Proprietary Association.

Mr. Gelb graduated from Yale University (B.A., 1950) and Harvard University (M.B.A., 1953). He is married and has four children.

Remarks to Members of the Senior Executive Service

January 26, 1989

Mr. Vice President, thank you for that very warm welcome. Mr. Vice President and members of the Cabinet and designees and ladies and gentlemen, let me first recognize especially the recipients of the Presidential Distinguished Rank Award who are with us here today. And it's great to be here with all of you, the men and women whom I regard as certainly among America's finest. You're the first group that I am addressing as President outside the White House, and you're one of the most important groups I will ever speak to.

And you know, I wanted to be fully briefed before I came, so I asked one of my staff, "When does open season begin?" [Laughter] And he says, "For you, sir, it begins as soon as the honeymoon ends." [Laughter]

We're all wise in the ways of Washington, especially you who've served this country with such distinction. And we know there are ups and downs. But I must say, there is a nice feeling around today in the country. I think people, when a new President comes in, do root for him regardless of partisan politics. That comes up tomorrow. But for today, why, I think there's a good mood out there, and I thank you for that welcome to me and to the members of my Cabinet and designees and others that are here with us on this platform. Pundits agree, regardless of party, that of all the candidates I had the best Form 171. [Laughter] But really, what we do have in common is that each of us is here to serve the American people. Each of us is here because of a belief in public service as the highest and noblest calling. And each one of us, on our first day, took a solemn oath: We pledged to defend the Constitution of the United States. And that is exactly what we shall do.

And our mandate comes from the people, because as Abraham Lincoln said: "No man is good enough to govern another man without that other's consent." And so, now that the people have spoken, I'm coming to you as President and offering my hand in partnership. I'm asking you to join me as full members of our team. I promise to lead and to listen, and I promise to serve beside you as we work together to carry out the will of the American people.

Our principles are clear: that government service is a noble calling and a public trust. I learned that from my mom and dad at an early age, and I expect that that's where many of you learned it—there or in school. There is no higher honor than to serve free men and women, no greater privilege than to labor in government beneath the Great Seal of the United States and the American flag. And that's why this administration is dedicated to ethics in government and the need for honorable men and women to serve in positions of trust. Yesterday I appointed a bipartisan commission, headed by Judge Wilkey and former Attorney General Griffin Bell, to develop ethics reform proposals which will include all branches of the Federal Government. The guiding principle will be simply to know right from wrong, to act in accordance with what is right, and to avoid even the appearance of what is wrong. Our duty is to serve, and my strong conviction is that we must do it only for the right reasons, as you do: out of a sense of service and love of country. Government should be an opportunity for public service, not private gain. And I want to make sure that public service is valued and respected, because I want to encourage America's young to pursue careers in government. There is nothing more fulfilling than to serve your country and your fellow citizens and to do it well. And that's what our system of self-government depends on.

And I've not known a finer group of people than those that I have worked with in government. You're men and women of knowledge, ability, and integrity. And I saw that in the CIA. I saw that when I was in China. I saw it at the United Nations. And for the last 8 years, I saw that in every department and agency of the United

States Government. And I saw that commitment to excellence in the Federal workers I came to know and respect in Washington, all across America, and indeed around the world. You work hard. You sacrifice. You deserve to be recognized, rewarded, and certainly appreciated. I pledge to try to make Federal jobs more challenging, more satisfying, and more fulfilling. I'm dedicated to making the system work and making it work better.

Starting 8 years ago, I led a task force to remove unnecessary regulation of the private sector, to free up the energies of the American people. But I think we also need to continue to remove unnecessary and counterproductive regulation of Federal workers and senior executives. I believe that there is tremendous pent-up energy in the Federal Government, a powerful force for good that needs to be released. And I want to be the President to do that, to release the Federal manager from bureaucratic bondage so that together we can, as I said on the steps of the Capitol, use power to serve people.

I think Connie Horner has done an outstanding job at OPM, at the Office of Personnel Management. And I'm delighted that my new Director of OPM will be Connie Newman. She is an outstanding executive. I have great confidence in her, and I think she's learned a few things on her way up since 1962—that's the year she began in Federal service as a clerk-typist at the Department of the Interior. And just as the award winners here today represent the best and the brightest, I think in choosing Connie I found one of the best and brightest as well.

Now, as the Cabinet secretaries staff their agencies, particularly the senior positions, they'll be looking for ability, for people committed to fulfilling the mandate we received from the American people and to doing it with excellence. And if we find that the best choice for an appointment is a career government executive, I am for that, and I hope that my selection of Tom Pickering to be our Ambassador at the United Nations is underlining that point.

I have a conservative vision of government. I ran and was elected on those terms. And I see no strain or tension between those values and the values of a professional

civil service whose highest principle is one of patriotism, whose foremost commitment is to excellence, whose experience and expertise is in itself a national resource to be used and respected. I urge all my appointees to build a spirit of teamwork between the political and career officials. And each of you has a special role to play here. You've reached the top of your profession, and you're skilled managers, knowledgeable in your fields, respected by your colleagues. And I'm asking you to join with our political appointees not only in setting an example of cooperation but, again, one of excellence as well.

To those who work outside Washington, I would send a special message. At times it may be frustrating when it seems that the head office is thousands of miles away and the message is not getting through. But if I may, I'm going to issue a verbal Executive order: We're going to listen, because the heart of our government is not here in Washington, it's in every county office, every town, every city across this land. Wherever the people of America are, that's where the heart of our government is. And since, in any organization, so many of the best ideas come from the bottom up, I hope the people in this room will listen, listen closely, to the people who work for you. The civil servants on the front lines know what works because they're right there. Whether they're working with disadvantaged children, promoting American exports, or managing our public lands, they are in touch with the American people.

And there's much we need to accomplish for America. There is a mandate to fulfill. And there are problems to solve. We have work to do in promoting education, protecting the environment, and certainly in fighting crime. We have work to do in our cities and on our farms, and we have a war on drugs to win. We must provide for the common defense, strive for a lasting peace, and we must keep our economy growing so it can keep producing jobs and opportunity. Above all, we have a compact with the American people. They pay for excellent government, and they deserve to receive it. And together we can assure that that is done.

And there's one more thing we need to do. The Government is here to serve, but it cannot replace individual service. And shouldn't all of us who are public servants also set an example of service as private citizens? So, I want to ask all of you, and all the appointees in this administration, to do what so many of you already do: to reach out and lend a hand. Ours should be a nation characterized by conspicuous compassion, generosity that is overflowing and abundant. And you can help make this happen outside of your workplace, in your communities and your neighborhoods, in any of the unlimited opportunities for voluntary service and charity where your help is so greatly needed.

Well, I'm honored to be with you, to work with you, you here in Washington, your colleagues in the Federal service around the nation. They're some of the most unsung heroes in America. The United States is the greatest nation in the world because we fulfill that mission of greatness one person at a time, as individuals dedicated to serving our country.

And as we embark on this great new chapter in our nation's history, I want to tell you—came over here to tell you—that I am proud of you and very glad that we will be working to write this chapter together.

Thank you all, and God bless you in your important work. Thank you very, very much.

Note: The President spoke at 2:10 p.m. at DAR Constitution Hall.

The President's News Conference

January 27, 1989

Government Ethics and the President's Trip to the Far East

The President. Harmony and peace in here. [Laughter] First, I sound worse than I feel. Let me—

Q. What's wrong with you?

The President. Slight cold. But it's been a full week since the Inauguration. I just wanted to stop by under our new policy, give you an update.

I've been talking this week about ethics and the emphasis is not, believe me, a fad or some passing fancy. We're going to be hearing more about it—I think a lot more. In broader terms, I'm trying to set high standards for government service: duty, honor, personal sacrifice for the common good. And I want to assemble a government that the people of this nation can be proud of. That's our goal; that's our mission. We did appoint this week, as you know, a new commission on ethics. We've got two able Chairmen, Vice Chairmen: Judge Wilkey and [Attorney] General Griffin Bell. That commission started a fresh, constructive dialog with Congress on both sides of the aisle. I'm pleased with the way those initial meetings have gone. So, we're ready to roll.

I think it's been officially announced that we're going to—certainly to Tokyo, then on to China, and I'm looking forward to it very much. And then, also, we'll be stopping for a relatively brief stop in Korea on the way back from China. We've had other invitations. That's about all we can do. And in a nostalgic basis, needless to say, Barbara and I are looking forward in a very personal way to going to back to Beijing.

Now, with no further ado, I'll be glad to take some questions.

Terry [Terence Hunt, Associated Press]P

Federal Pay Raise

Q. Mr. President, you said before you became President that you supported Ronald Reagan's decision on a 50-percent pay raise for Members of Congress and that you'd have something more to say about it once you'd get to the Oval Office. Most of the polls show that a vast majority of Americans oppose that pay raise.

The President. Yes.

Q. Now you're President, what's your view on that pay increase?

The President. Well, I did say I supported it, and I do support it. A raise is overdue. There's no question about that. There are some good things in this. The reform of the honorarium, payments for these speeches, I think, is very, very good. I think it's good government. It's a complicated formulation. There are some elements that bother people, including me. But the President did consider all this carefully. He went forward

with the Commission's [Quadrennial Commission on Executive, Legislative, and Judicial Salaries] recommendation, and because of the way it works on Congress—and the ball is clearly in their court—it leaves us with either the Commission recommendation or nothing. And so, seeing the problems as I do, I still feel that I should not go about undoing the Reagan decision.

Yes, Helen [Helen Thomas, United Press International].

Savings and Loan Crisis

Q. Mr. President, your trial balloon on the S&L's taxing savings and checking accounts has fallen like a lead balloon. Are you dropping that plan? Do you have any other plans in the works?

The President. First place, I think it's a little absurd to be commenting on a facet, a possible facet, of solving a problem when it hasn't even come to me. You're talking about speculating on something that hasn't even reached the desk of the President even as an option—say nothing of its being a proposal.

Q. Well, it certainly has come from your people.

The President. Well, as an option, not as a proposal. And I think you're right. There seems to be some controversy around it. But that doesn't mean that any thinking along those lines should cease. But I'm going to reserve comment until I actually have it presented to me. And I expect this is the first of many such things that's going to happen of this nature. I will say this: that the savings and loans deposits are backed by the full faith and credit of the Government. And they are sound; they are good—dollar good. And I just want to assure the American people of that, and nothing is going to change in that regard. But in terms of this one idea, let them float around. It doesn't bother me for a lot of ideas to be considered and debated.

Q. The reaction is very negative—the public reaction, congressional reaction. Will that enter into your decision?

The President. Anything I do on savings and loans or when we get into this budget deficit reduction program—look, I don't expect it's all going to be sweetness and harmony and light. The minute we get those proposals up there on February 9th, I

expect we're going to have other firestorms swirling around. But I have not made decisions on this one. I'll wait until I get all the facts, call them as I see them, and hope that we can convince the American people that that's the way to go.

Q. Mr. President, you've set a tone of high-mindedness and propriety this week with your emphasis on ethics, also of bipartisanship in your discussions with Congress. Beyond those matters of process and tone, sir, what would you like the country and the world to say is the message of your first week in office as to what your administration is about?

Relations With Congress and Government Ethics

The President. Reaching out to the Congress. I really am serious about this trying to get more of a bipartisan foreign policy, for example. And though we haven't addressed that specifically in terms of issues, I have addressed it in broad terms to the Members of Congress with whom I've met here and with whom I met over in the Residence. And so, I'd like to signal an era of real openness with Congress.

Look, I know we're going to have conflicts, Brit [Brit Hume, ABC News]. And I know we're going to run up against each other. But I want to start with that approach. And we're in a broad review—as you've heard from my various nominees as they appear before the Senate—on specific areas of foreign policy. A message would be taking steps to make clear to the congressional leadership that that's what I want to do. The other one, as I mentioned, is trying to set a tone in terms of conflict of interest that I hope will serve us in good stead.

The President's Visit to China

Q. What signal do you think it may send the world, sir, that you're making your first visit to China—after, of course, the ceremonial trip to Tokyo—while Soviet leader Gorbachev, having asked for early talks, is still waiting for a response?

The President. Well, I don't know what signal it sends in that regard. But let me just remind you that I'm the one who does not believe in "playing the Soviet card" or "playing the China card." We have a strong bilateral relationship with the People's Re-

public of China. I have a personal acquaintance with the leaders with whom I will be meeting there, including Deng Xiaoping [Chairman of China's Central Military Commission], and being that close—it just seemed like an appropriate visit, but not to signal a playing of the card to go one up on Mr. Gorbachev. There's nothing of that nature in this visit. That is a strong, important strategic and commercial and cultural relationship that we have with the Chinese—the largest number of people in the world in that country. And so, the visit stands on its own and does not have any signaling that should be detrimental to anybody else's interest.

Going right across here. How do we get in the back here, Marlin [Fitzwater, Assistant to the President and Press Secretary]?

Soviet-U.S. Relations

Q. Mr. President, your national security adviser, Brent Scowcroft, said last week on television that the Cold War was not over and that he felt that Mr. Gorbachev was trying to make trouble for the Western alliance. What is your view, sir?

The President. Well, I'm not sure that's an exact—I should let the General defend himself. But I've expressed my view not only in the campaign context but in several times afterward, and also to Mr. Gorbachev. And our administration position, in which General Scowcroft is in total agreement—indeed, he'll be one of the leaders in this reassessment—is: Let's take our time now. Let's take a look at where we stand on our strategic arms talks; on conventional force talks; on chemical, biological weapons talks; on some of our bilateral policy problems with the Soviet Union; formulate the policy and then get out front—here's the U.S. position.

And I don't think the Soviets see that as foot-dragging. I'm confident they don't. Indeed, I made that clear to General Secretary Gorbachev just this week in a rather long talk with him. So, I want to try to avoid words like "Cold War" if I can because that has an implication. If someone says Cold War to me, that doesn't properly give credit to the advances that have taken place in this relationship. So, I wouldn't use that term. But if it's used in the context of—do we still have problems; are there still

uncertainties; are we still unsure in our predictions on Soviet intentions—I'd have to say, yes, we should be cautious.

Tax Increases

Q. Mr. President, there seems to be some question about just how long your no-tax pledge applies. Is that a 1-year pledge, a 2-year pledge, a 4-year pledge?

The President. I'd like it to be a 4-year pledge.

Q. Is it a 4-year pledge? Are you—

The President. I'd like it to be a 4-year pledge, yes.

U.S. Contact With the PLO

Q. Mr. President, Yasser Arafat's [Chairman of the Palestine Liberation Organization] been over in Europe meeting with Foreign Ministers of Spain, France and Greece. Marlin has said, and so has Mr. Scowcroft, that it's too early for Arafat to meet with Secretary of State-designate Jim Baker. On what level would it be appropriate for Arafat to meet with an American official? An Assistant Secretary of State, for example?

The President. As we changed the policy on the Middle East on dealing with—I mean, as the change came about in the policy on communicating with the PLO, it was based on their acceptance of three principles. As long as they stay hooked and stay committed to those three principles, we will have, when appropriate, meetings with the PLO.

I haven't given any thought at all to when a meeting with Chairman Arafat with an American official is appropriate. And I would wait to see how we go forward. The point in talking to them is to try to facilitate peace in the Middle East. And it seems to me that if there's some logical step that requires high-level sign-off by various participants over there, then, and then only, would it be proper to elevate the meetings to that level.

You crawl before you walk. We're just starting to talk to them because they have, dramatically I'd say, agreed to the principles that are part of our policy.

U.S. Foreign Policy Initiatives

Q. Let me ask you if I can in that regard: You said in a wire service interview the

other day that you needed to have some foreign policy initiative early in your administration. It seems the Soviet relationship is going on the back burner while you discuss the nuclear force structure, for example. In what area are you going to try to move forward? Central America? The Mideast? Where?

The President. All of them. But we had to have a little time. We're not going to let this Soviet thing put us in the mode of foot-draggers. We're going to be out front. There's no reason to suggest that all we have to do is react to a speech by the General Secretary. I want to take the offense in moving this relationship forward and taking steps that are in the interest of freedom around the world, whether it's in Eastern Europe or in strengthening our alliance.

But there's plenty of trouble spots—one of them, as you mentioned I think, Central America. But we need to complete the reviews. But I can't tell you, John [John Cochran, NBC News], where you will see the first major initiative—whether it's going to be the Middle East, whether it's going to be Central America. We have problems, of course, that afflict the whole continent and other continents in this Third World debt problem, and then, of course, the Soviet Union.

But, no, I don't want to play defense, and I don't want to look like we're foot-dragging, just waiting around to, you know, let others set the agenda. But prudence is the order of the day. And when you're gunning for something as important as a bilaterally supported policy in Central America, it does take a little time. I've only been here less than a week.

Yes, Owen [Owen Ullmann, Knight-Ridder].

Minimum Wage

Q. As you know, the minimum wage has been frozen for even longer than congressional pay raises. Since you support a large increase in pay for the most affluent 1 percent of the country, would you favor pushing for an increase in the minimum wage, which would benefit the lowest income groups of the country, as part of your promise in your Inaugural Address to reach out to all the people?

The President. I've always said that my position in minimum wage is that I would want it linked to a training wage, to a differential of sorts, so that you don't throw people out of work by raising the minimum wage. And I'm not one who has felt that the minimum wage is the key to economic prosperity for people on the lowest end of the economic spectrum. But as I indicated, a certain flexibility on that question—and again I'll wait for Elizabeth Dole—takes office next couple of days—to come in with her recommendation.

Saul [Saul Friedman, Newsday]?

Followup Questions by the Press

Q. If I could just follow: Do you—

The President. Now, let me ask you to stop the proceedings. Don't take it out of their time. What would be the fair and noble way to handle followup questions as we do these things? Would it be good to have them or not have them?

Q. Handle them. Handle them, yes.

Q. There should be one followup.

Q. One followup.

The President. But then if we do it, everybody else doesn't get a chance to ask a question, and I'm about to pull the ripcord on this thing. [Laughter] No, seriously, how do we—I want some—

Q. Staying longer. [Laughter]

Q. If you make the statement and just leave and not have anyone follow it up, it just hangs out there.

The President. Yes.

Q. Suppose you don't answer the question?

The President. You mean my first answer is less than precise? [Laughter]

Q. Yes—[laughter]—on occasion. [Laughter]

The President. On occasion. No, but I'm asking. We've got to get—I'd like to get—because here we are, all these—

Q. One followup.

Q. Make a deal: one followup.

Q. You'll just have to be more precise.

The President. —women and men who have a Leubsdorf area there—untested on the question. [Laughter]

Q. And the standee!

Q. Spread it out.

The President. And the standees have gotten no time at all, so—

Q. When, in fact, it's a true followup.

The President. Instead of yet another question, you mean?

Q. Yes.

Q. Right, right.

Q. A real followup.

Q. Exactly. You decide. If you think somebody's playing games with you, say, I'm sorry.

The President. Say I've already answered that? Then what happens? [Laughter]

Saul?

Q. Wait a minute. Where's my followup?

Q. You're finished. [Laughter]

The President. You didn't have a follow—

Q. The first row gets to follow up? That wouldn't be fair.

The President. All right. I've already answered that one.

Yes, Saul. [Laughter]

Q. I yield to Owen first.

Federal Pay Raise and the Minimum Wage

Q. Are you concerned from the standpoint of perception you're supporting a pay raise for a high income group and not pushing on an equal basis for a lower income group to give the public the perception that you're lobbying for a wealthy sector of the country?

The President. No, I'm not concerned by that perception, but I am troubled by certain aspects of the proposal, as I think I've indicated—the pay raise proposal. But we're down to the crunch here: recommendations up there on the Hill. It's yea or nay. I mean it's one way or another. But I don't think that would be fair at all.

I think the main thing in terms of the question you raise: jobs—how do we continue to create jobs, keep it going. And I've given you one ingredient that I think has to be a part of any consideration of the minimum wage. But as I've indicated, I'm flexible on how that should be accomplished.

I'm not sure that one can make a connection between the minimum wage and more employment. If you raise the minimum wage without this differential, I think you will reduce employment. So, I think the main thing in the area you're talking about is: How do we increase economic opportu-

nity? And maybe there is a way to do it, but I don't think it would be fair to say when you take a pay raise that affects a tiny fraction—judges and Congressmen—that that has a broad economic impact on the country. I've expressed some concern about it, but for other reasons.

Strategic Defense Initiative

Q. Do you agree with Senator Tower's [Secretary of Defense-designate] testimony in which he doesn't seem to believe that the SDI program, as envisioned by President Reagan, is likely? And if you do agree with it, can you expand on that, please?

The President. No, I think I should wait and see a little more what John Tower means. My position has not changed on SDI.

Q. Which is? I mean, John Tower has said that he doesn't believe that a large-scale SDI to protect the population, as envisioned by Reagan—

The President. I'd better—

Q. —is likely.

The President. Saul, before I comment on Tower's testimony, I'd better read it. If he's talking about a shield so impenetrable that that eliminates the need for any kind of other defense, I probably would agree with that, certainly short-run. But I'd better cover by waiting until I see what he said.

The standees, two standees?

Afghanistan

Q. Thank you. The first action taken by your Secretary of State was to order the boarding up of the Embassy in Kabul. Does that indicate that this administration, this country, then, has no influence with the rebels and you are now fearful of chaos and massacres there? And to what extent did you discuss this with Gorbachev the other day?

The President. Did not discuss it with him the other day. And what it indicates is a prudent policy to protect a handful of American life. And it's a step that other countries have taken in Afghanistan. Certainly I think we'd all agree there is uncertainty about what follows. I'm convinced the Soviets will continue their withdrawal, and well they should. But it is simply a prudent way in which to protect life, I think. We've had meeting after meeting

with Afghan rebels, and there's no question in their mind how we feel about, say, a Soviet presence in that country. But I think there's a lot of uncertainty. And there's enough uncertainty that a Secretary of State was taking prudent action in this regard.

Q. What role do you see for the United States after the Soviets withdraw in that country?

The President. Catalytic role for helping bring about stability hopefully in a government where the people have a lot of say. And it won't be easy.

Yes, Tom [Tom DeFrank, Newsweek].

Federal Pay Raise

Q. Mr. President, I'd like to try the pay raise one last time. As you just said, it's not just for Members of Congress and not just for Federal judges. It's for a lot of senior officials of the Government, political appointees. You also have told some reporters in recent days that you're concerned about the long-term pension implications of all these larger salaries. Wouldn't you be happier with a pay raise that's a little bit less rich than 50 percent?

The President. I don't have that option to get into that now. I have, I think, expressed myself in the past on separating out some of these categories, but regrettably you're never dealing with just the way I would like it to be. And so, I'll just leave it that—my earlier statement.

The First Days of the Presidency

Q. Sir, this is a thematic question. You've had a week on the job. Has it been easier or tougher than you expected? Any surprises? And did you find the note in your underwear drawer? [Laughter]

The President. No note in the underwear, and it's been a good, easy week. And I expect it will change dramatically in the days ahead. But my view is to—if it weren't for the cold—smile and enjoy it while you can, because I can already sense, you know, looking forward to a little more confrontation out there.

Q. Have there been any surprises, sir?

The President. None particularly, no. And I think one of the reasons is that I've been around here in a different role for 8 years and then in and out on the other jobs. But

there's still the wonder of it all. I mean, it still feels different, but not surprises.

Q. A followup, sir?

The President. You already had a follow-up. Nice try. [Laughter]

Rita [Rita Beamish, Associated Press]?

William J. Bennett

Q. Mr. President, there seems to be some brouhaha about the fact that Bill Bennett's ["Drug Czar"] not an actual member of the Cabinet, as are the USTR [U.S. Trade Representative] and the OMB [Office of Management and Budget] Director. In light of the fact that you emphasized drugs as an overriding consideration in your campaign and also that public opinion polls show consistently this is among the top priorities of the public, why isn't he in the Cabinet? And do you foresee that you might change your mind on that?

The President. No. The reason he isn't in the Cabinet is that I tried to reduce down the numbers of full Cabinet members. And I think Bill Bennett's time is best spent not worrying about agricultural subsidies, when we have a meeting on agriculture, but concentrating on drugs. To the degree there's symbolism that this means I think it's less important, I'd like to knock that down hard. And I have to do that in substantive ways: sitting at his side as we meet with his peers at Cabinet level, making clear to them that I will be insisting on cooperation as he asks for the support of the Defense Secretary for military assets on interdiction, as he asks for the support of the Education Secretary on certain educational initiatives.

But the Cabinet rank is there, giving him the standing that I think the job not only requires but demands. And I think the idea of not sitting through Cabinet meetings that have nothing to do with that subject should be a rationale for having Cabinet level, but not being in all those meetings.

I'm glad he mentioned this because I think there's been some feeling, well, that means I'm less interested in drugs. That's not right. I'm very interested in the economic statistics, but our chief of economic advisers [Michael J. Boskin, Chairman of the Council of Economic Advisers] is not a Cabinet member, as he's been designated by previous Presidents. Our Chief of Staff, in

whom I have full confidence, is not a Cabinet member, but I think we have a very strong Chief of Staff setup.

Over here, way up in the window—innovative standing.

Monetary Policy

Q. You just touched on the issue of Third World debt. There are many experts who are saying that if there's any danger for the U.S. economy it's in how greatly leveraged it is, both in terms of corporated indebtedness and Third World debt. And they say that the S&L crisis, for example, is simply a subsumed feature of this. Do you see this as a real problem that you're going to address aggressively, and what kind of steps would you take to overcome the high proportionality of debt to equity that exists in the U.S. economy now?

The President. The question of corporate debt—on that one, the role of the White House and the role of the Federal Government ought to be to do its level best to keep a strong economy. And I don't believe that it's the government role to assign levels beyond which a corporation can't borrow. In terms of Third World debt, we do have a responsibility, and a lot of that's going to be working with the private banks and others. And again, we'll have some recommendations; we have to have them pretty soon on that question.

I'm not sure I got to the substance of your question—separating out these two things.

Q. Try another one.

Q. —reported differences that you have with Alan Greenspan's [Chairman of the Board of Governors of the Federal Reserve System] testimony in Congress earlier this week with regard to interest rates and monetary policy.

The President. I'll be honest with you. I don't think I'm far apart from Chairman Greenspan at all—far apart. There may be some differences. Because of plant capacity utilization, he is more concerned about inflationary pressures than I am right now. Seems to me, there's an area of difference. But basically and generally speaking, I think we're fairly close together.

Government Ethics

Q. Mr. President, by spending your first week dwelling as you have on ethics, aren't you voicing an implicit criticism of the Reagan administration's ethical record?

The President. No.

Q. Why else was it necessary to declare National Ethics Week, so to speak?

The President. Because I feel strongly about it.

Q. Can I follow on that line, sir?

The President. No, she's in first, and then you. Let's cool off on that one. [Laughter]

Savings and Loan Crisis

Q. Mr. President, given your strong anti-tax ban in the campaign, why are you allowing Mr. Brady [Secretary of the Treasury-designate] to consider as an option for the S&L's a tax increase?

The President. I'm not. He has thrown out a lot of different possibilities in discussions we've had. We have people that are experts on what a tax is. I would refer you to Richard Darman, who is the head of the OMB. And he's the guy that defined that very well up there with the duck test on the Hill and—

Q. So, you're not thinking of a tax?

The President. Well, I'm just saying I'm not prepared to say what I think on it right now till I hear from it, because the more I discuss it, the more you all go out and say this is something that I'm considering when I'm not. It hasn't come to me yet. But I've been around for a long time, and I don't remember hearing people talk about the fee that went into covering the FDIC [Federal Deposit Insurance Corporation] or FSLIC [Federal Savings and Loan Insurance Corporation] as a tax. I don't remember people writing that before. But—not trying to get into the fight anymore right now. I'll be back.

Government Ethics

Q. You've mentioned ethics in a number of ways, and you've talked about the value of service this year. The last 2 days we've picked up the headlines in the papers, and they've read President Reagan has a \$5 million book deal. He's got a \$50,000 a speech deal. With all respect for the office and the

former President, do you think it's appropriate to cash in on the Presidency?

The President. I don't know whether I'd call it cashing in. I expect every President has written his memoirs and received money for it. Indeed, I read that a former President—was it Grant? Grant got half a million bucks. That's when half a million really meant something. [Laughter] I mean, you know, so I think there is plenty of tradition that goes with Presidents' writing memoirs and being paid for it.

Q. But you've also talked about perceptions. Is there a perception problem here?

The President. No, because I think there has been a long history of that, and I don't think it's ever been challenged as inappropriate.

Secretary of Health and Human Services-Designate Louis Sullivan

Q. Mr. President, would you try to clear up the continuing controversy over the reported disagreements on abortion between your nominee for Health and Human Services and yourself? Are you in sync?

The President. Yes.

Q. Is he in sync with you? Does it matter? Do you have to be absolutely in sync as long as once in office he would support your position?

The President. Well, I think that last point is the important point, but also, we are in sync. And so, I have a person who has stood in front of you all when I nominated him and said that, and I have no reason to think anything differently.

Tax Increase

Q. Mr. President, a few moments ago you talked about—on your no-new-taxes pledge—the idea that you'd like it to be a 4-year pledge, and that does appear to be a softening of language from the campaign. I wonder, has anybody—Mr. Darman or any of your advisers—told you to change your mind about the duration of that pledge—revenues needed and so on?

The President. No, that hasn't changed my mind—anything in the last few days of talking like that.

Abortion

Q. Mr. President, we've heard a lot about your position on abortion this week because

of Mr. Sullivan. Are you planning any initiatives from the White House related to abortion? Or are you going to wait and see what the Supreme Court does, number one? And number two, as a person who's always, from what we know, had the financial and emotional resources to know that you could raise your children comfortably, do you feel any awkwardness about telling other people, whose situations you don't know, how they should run their lives?

The President. Not when it comes to the question of life. I do feel an awkwardness in terms of having been able to take care of my kids when they were sick or raise them properly or something like that. I feel a certain privilege. I was very fortunate in that regard, and I know a lot of people aren't. But on this issue, I think we're talking here of principle. And I sure would like to put the emphasis on adoption, and that means a broader acceptance of that principle.

Q. Are you going to have any White House initiatives, or are you going to wait for the Supreme Court?

The President. I think probably wait, but I have been pledged, as you know, to an amendment. But I'd like to see the Supreme Court decision as soon as possible. One, two, three.

Hostages Held in the Middle East, and Iran-U.S. Relations

Q. Mr. President, a Tehran radio report this morning seems to indicate that they are rejecting your statement of a week ago today that good will would beget good will. While you didn't specifically mention Iran by name in your speech, what would your message to them be on relations, and what would your message be to them about helping get the hostages out?

The President. Well, I would make a broad appeal, transcending Iran, to anybody that can be helpful to get the hostages out. I haven't seen the wire copy, but if there is such a story by them, maybe they're saying, Well look, we're not holding your hostages. And I'd have to say, Well, from our intelligence, our information, that's probably correct—probably correct. In terms of the future—there was a period of time when we had excellent relations with Iran, and I

don't want to think that the status quo has to go on forever. But I do think that the renunciation of terror in any form and facilitating to the degree they can the release of the hostages would be a couple of good steps they could take.

Q. A followup, Mr. President—follow up on that?

The President. No, you don't get to follow his question. [Laughter] Ann [Ann McFeters, Scripps-Howard] and then here. We've got to get these ground rules—sure.

Minority Set-Aside and Affirmative Action Programs

Q. Mr. President, you've spoken frequently about reaching out to blacks, that you want that to be an important goal of your administration. This week the Supreme Court issued a decision that may kill many of the minority set-aside programs that have been so helpful to blacks across this country. Does that concern you? Are you worried about these programs?

The President. It didn't kill all set-asides, and it didn't kill off affirmative action. I have been committed to affirmative action. I want to see a reinvigorated Office of Minority Business in Commerce. I want to see our SBA [Small Business Administration] program go forward vigorously. And so, I would say that decision spoke to one set of facts—in Richmond, I believe it was—and—but I will not read into that a mandate to me to stop trying on equal employment and on affirmative action generally.

Capital Gains Taxes

Q. You said during the campaign, Mr. President, that you would roll back taxes on capital gains if elected. Now that you've begun to look at the budget numbers, is that going to be a promise you can keep when you make your submission to Congress, or is that no longer affordable?

The President. I hope it's affordable. It gains you revenue. And we've got a big argument with some people about that. They don't want to go back and look at what happened in 1978. It gains revenue. Now, I know we've got all kinds of bureaucracies around here that doesn't agree with that, but that was discussed in the campaign. I'm convinced it will bring in additional revenue and, in the process, create

additional jobs for men and women. So, I would like to see it a fundamental part of whatever we do.

Now, if your question is: Can I get it done, that's something else again. But I want to see it done. There was an issue in our campaign where there was a clear difference. That was when there was a clear difference. The opposition was saying: My opponent is proposing something that'll cost the taxpayer \$30 billion. And I'm saying: It'll create jobs. And indeed, I've seen estimates by intelligent people thinking it'll bring in revenues in excess of \$4 billion. And so, I'm going to keep pushing that, because I know it's right, and I ran on it.

Federal Pay Raise

Q. Mr. President, once more on the pay raise. You've portrayed yourself as a late-comer on the issue who has no real power to affect it. But in point of fact, I believe that you do have the power, if you want to, to limit the pay raises that would otherwise automatically go to your own staff. Will you do that, number one? And number two, do you think both Houses of Congress ought to vote on this?

Q. Sununu [Chief of Staff to the President] already—

The President. Well, I think in the best of all worlds—[laughter]—wait until I get—

Mr. Fitzwater. It's a trick question, sir. [Laughter]

The President. He's a fairminded guy. [Laughter] No, I think our Chief of Staff has tried to hold the line in increases in hiring people. And I think you're all aware of that. And I think he's done a very good job on it. I don't know how the law affects the staff in terms of automatic increases, but there's a nice little problem that if you do go forward with automatic increases, or any money, that has to be appropriated some way. So, we'll have to talk about what we'll do.

What was the other part of it?

Q. Do you think both Houses of Congress ought to vote on this issue?

The President. In a perfect world, in a world where we're starting over, yes, I'd have to say I do. But that isn't the proposal that's up there, and it's all or nothing. And

in my view, I've told you where I come down on that.

We've got time for a couple of more, because it's 3857.89, 58.80—this thing is buzzing away up here.

Yes, go back—

Hostages Held in the Middle East

Q. Mr. President, a few minutes ago on the answer concerning the hostages, you indicated that Iran was probably not holding the hostages. Did you mean to say that we believe that Iran exercises no control over people who are holding the hostages?

The President. No, I mean to say they are not holding the hostages. Do they have any control? I think you can get varying degrees of intelligence on that, various assessments as to how much control they have over Hezbollah or these families or whoever it is. And also, you've got different groups involved in the holding of these hostages. But, no, I'm glad to get a chance to clarify it because, unless the information I have is wrong, Iran itself, the government, is not actually holding these people. And if they were, I would just reiterate my view that the way to improve relations is to let them go, give these people their freedom. They didn't do anything wrong.

Q. And a followup, Mr. President. Do we believe that Iran can exercise influence to gain the hostages' release?

The President. I think they can have influence.

Defense Spending

Q. You inherited a budget from President Reagan that calls for something like a 2-percent real increase in defense spending. In the campaign, you seemed to think that maybe zero real growth in defense spending would be adequate. With deficit pressures, do you think there's some room for reduction in the Reagan defense budget to fund some of the other programs, like the S&L problem that you've got to worry about?

The President: We're wrestling with that problem right now. I'm committed to a strong defense. I did say certain things in the campaign that fit into our flexible freeze concept. And so, I will have to address that with some detail on February 9th, and I will.

We've got time for just a couple of more.

Drug Abuse and Trafficking

Q. Mr. President, just the other day that education was the main way of dealing with drugs.

The President. Yes.

Q. Isn't that a backing away from your commitment on drugs? Certainly there are other things than education to deal with the problem.

The President. Absolutely. And I was surprised when I read that some interpreted what I said as suggesting that interdiction is not important, or cooperation with foreign governments in terms of eradication at the source is not important. They are very important. My point is: We are not going to solve the problem of drug use in this country through interdiction alone, through cutting off the supply alone. And a larger component of this solution lies in education, and in that whole demand side of the equation: law enforcement at home—these things.

Last one here. This is a followup?

Q. It is a followup. But, Mr. President, how much money are you going to spend on drugs? If it's a major problem that you say it is, certainly education is just one very small part of it, isn't it?

The President. It's not a small part; it's a tremendous part. And the Federal Government can spend some on it, and the private sector has got to spend enormous amounts. The media has done a good job in terms of pro bono advertising, and that's got to be enormously stepped up. So, look, it has got to be a tremendous increase not only on the money but the emphasis on the educational side. I do want to find a way to step up the total funding on antinarcotics.

And I want to go back to what I said on Bill Bennett, because this question of Cabinet rank and whether that shows less an interest in narcotics troubles me. You will see me side by side with Bill Bennett, on putting the proper emphasis from the Oval Office on my determination to do everything in the Government's power, Federal Government's power, to eliminate this scourge.

Last one.

The President's Agenda

Q. Mr. President, you and your aides have talked about the need for a fast start, and you've talked all week about ethics and about bipartisanship. And yet the week has been marked by unexpected controversies over Dr. Sullivan's views on abortion and then the S&L issue, which is sort of a self-inflicted wound. Are you finding it harder to control the agenda here than you thought you would?

The President. No, no. I'm just getting a preview of coming attractions, and it's been lovely. [*Laughter*] And it's going to change, and I know it. But, no, I think it's been a wonderfully harmonious week, and these are just little ripples on the surface of an otherwise calm pond.

Q. You're not concerned that if you just talk about things that—I mean, everyone approves of ethics, just about, and everyone approves of bipartisanship. Isn't there a danger of people saying that there's not much meat behind the words?

The President. There's a danger of that, yes, but people realize that we've been here 4 days of this week, or 5—this is the fifth day in office after the weekend. And they understand that in things like the foreign policy area that it's prudent to have a review. They understand that we've got to get our people in place. And so, there's some danger I guess, Carl [Carl Leubsdorf, Dallas Morning News], but I wouldn't say an overwhelming danger. I mean, we just go forward. If we just sat around and did nothing except be pleasant to people on the Hill or something, why I expect that would grow a little old for you all.

But we're going to—[*laughter*]—I think we set a certain tone and certain outreach and then go forward. As soon as these specific proposals start up there, whether it's on education or antinarcotics or on foreign policy or on some bilateral foreign visitor coming in, there will be plenty of time for controversy and plenty of time for lively debate on substance. But I would simply say that I'll follow, and follow pretty soon.

Thank you all very much.

Note: The President's first news conference began at 11:02 a.m. in the Briefing Room at the White House. Marlin Fitzwater is Assistant to the President and Press Secretary.

Remarks at the Swearing-In Ceremony for James A. Baker III as Secretary of State

January 27, 1989

The President. Well, if I could ask the Secretary of State and Mrs. Baker and Chief Justice to come forward, we'll get on with the program here.

[*At this point, Secretary of State Baker was sworn in.*]

Mr. Vice President, distinguished Members of the United States Senate and House, Mr. Speaker, Mr. Chief Justice, thank you, sir, for doing the honors today.

This is a very special occasion for me because, as you all know, Jim and I have been friends for a long time, going back perhaps more years than either of us would care to admit—long really before our public lives began. And we've served in government together, campaigned together, traveled a long way through some rough and tumble times. And it's well known that the new Secretary of State is my friend. I have great confidence in him. And judging from how he sailed through the confirmation process—thank you, gentlemen—the United States Senate shares that confidence.

And as Secretary of State, he will be my principal foreign policy adviser. As I pledged in my Inaugural Address a week ago, my Presidency will usher in the age of the offered hand, and that applies certainly to foreign policy. I've also spoken of a new engagement. Nowhere is the need for a new engagement greater than in foreign policy.

The postwar generation has come of age, and today we live in a distinctly different world than that which we were born into: a world that demands new strategies and new solutions. And today we see a process of change in the Soviet Union and Eastern Europe, in the Middle East. A changing situation creates new possibilities as well as dangers. In southern Africa and in Indochina, there is diplomatic progress. And in Central and South America, totalitarian forces still threaten to undermine the will of the people. We must keep democracy on the march. And we're faced with change and the potential for change all over the

world. And it's up to us to guarantee that the United States remains an engaged power for positive change.

In another era, the Secretary of State's role was largely confined to matters of war and peace. Today's world is much more complex than that—more dangerous, too. Today's Secretary of State must be prepared to work with our allies to solve such global threats as the international narcotics trade, terrorism, the degradation of the world's environment, and the economic distress of developing countries. And that's why I chose James Baker. He's savvy; he's sensitive; he's tough—a rare combination, indeed. And so, Jim, you've got a big job ahead of you, leading; coming up with bold, new initiatives; helping all of us fulfill the President's special role in foreign policy. We will also try to restore bipartisanship to foreign policy. It will be a bipartisanship based on trust, open communication, and consistency of action.

This is a time for America to reach out and take the lead, not merely react. And this is a time for America to move forward confidently and cautiously, not retreat. As the freest and the fairest and the most powerful democracy on the face of the Earth, we must continue to shine as a beacon of liberty, beacon of justice, for all the people of the world.

And those of you who are here today—Jim Baker's family, closest friends—know something that many other people will soon learn for themselves: Jim Baker will be a great Secretary of State.

Jim, congratulations. The floor is yours.

Secretary of State Baker. Mr. President, Barbara, Mr. Vice President, Mr. Speaker, Mr. Chief Justice, distinguished Members of the Congress, my friends—most of whom are relatives—[*laughter*]
—I am truly honored and privileged to stand before you today. Many of you have come a long distance to be here, and as you mentioned, Mr. President, you and I have come a long distance together. I hope to continue to merit your confidence. I know I will continue to enjoy our friendship. One other thing: I hope that in foreign policy we're going to make a better team than we oftentimes did on the tennis courts in Texas. [*Laughter*]

Ladies and gentlemen, the taking of an oath is always a solemn moment. Yet I

cannot help but think that there will be even more solemn moments to follow, because it's been my experience for 8 years here now in Washington that after the swearing-in, sooner or later, comes the swearing at. [*Laughter*]

Mr. President, through your choice and the Senate's consent, I will occupy an office that dates from the infancy of our Republic. Over the last few weeks, I've learned a lot about the job. I find the more I learn about it the more humble I become. Yet mixed with that humility is a pride—not in myself but in our great country.

One of his statutory duties of the Secretary of State is to be the custodian of the Great Seal of the United States. We're all pretty familiar with the great eagle holding the olive branches—but also holding the arrows. There's a reverse side to that seal, however, that interests me. And on it is an unfinished pyramid. And on the bottom, a Latin inscription which means, "A new order of the ages." It's dated 1776. To me this expresses our forefathers' conviction that our country offers something new. Our Constitution, our democracy is a new order of human activity. And the unfinished pyramid is a symbol of strength, and it's a symbol of continuity.

America rests on the broadest possible base which, of course, is the contribution of every American. But the work of America—to perfect our society, to strengthen and extend freedom—is really never finished. So, as I stand here today, very grateful to you, Mr. President, I recognize that we are entering a new era of international relations. One that's filled with more than its share of promise, but perhaps more than its share of perils as well. I also recognize that our country is ever new in our capacity to meet the challenge and to advance the cause of freedom.

I enter this office secure in the knowledge that under your leadership, Mr. President, and with the support of the Congress and the support of the American people we can continue successfully what we began two centuries ago.

Thank you very, very much.

Note: The President spoke at 5:02 p.m. in the East Room at the White House.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

January 20

Following the Inaugural luncheon at the Capitol, the President and Mrs. Bush went by motorcade along the parade route to the White House, where they viewed the Inaugural parade from the viewing stand. In the evening, the President and Mrs. Bush attended several Inaugural balls in their honor.

January 21

The President commissioned the following members of his White House senior staff:

John H. Sununu, of New Hampshire, as Chief of Staff to the President of the United States of America;

Brent Scowcroft, of Maryland, as Assistant to the President of the United States of America for National Security Affairs;

David Q. Bates, Jr., of Texas, as Assistant to the President of the United States of America and Secretary to the Cabinet;

Richard C. Breeden, of Virginia, as Assistant to the President of the United States of America for Issues Analysis;

Andrew H. Card, Jr., of Massachusetts, as Assistant to the President of the United States of America and Deputy to the Chief of Staff;

James W. Cicconi, of Texas, as Assistant to the President of the United States of America and Deputy to the Chief of Staff;

David F. Demarest, Jr., of New Jersey, as Assistant to the President of the United States of America for Communications;

Max Marlin Fitzwater, of Kansas, as Assistant to the President of the United States of America and Press Secretary;

C. Boyden Gray, of North Carolina, as Counsel to the President of the United States of America;

Frederick D. McClure, of Texas, as Assistant to the President of the United States of America for Legislative Affairs;

J. Bonnie Newman, of New Hampshire, as Assistant to the President of the United States of America for Management and Administration;

Roger B. Porter, of Utah, as Assistant to the President of the United States of America for Economic and Domestic Policy;

Stephen M. Studdert, of Utah, as Assistant to the President of the United States of America for Special Activities and Initiatives;

Charles G. Untermeyer, of Texas, as Assistant to the President of the United States of America and Director of Presidential Personnel;

Joseph W. Hagin II, of Ohio, as Deputy Assistant to the President for Appointments and Scheduling;

Edward M. Rogers, Jr., of Alabama, as Deputy Assistant to the President and Executive Assistant to the Chief of Staff.

January 22

In the morning, the President and Mrs. Bush attended church services at the National Cathedral.

January 23

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;

- Senior White House staff, for lunch;

- the Vice President;

- the Cabinet, to discuss staff organization, major issues of the weeks ahead, foreign policy, and the Federal budget;

- John H. Sununu, Chief of Staff to the President.

In an Oval Office ceremony, John H. Sununu was sworn in as Chief of Staff to the President by the Vice President.

January 24

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; and Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;

- the congressional leadership;

- Frank Nebeker, Director of the Office on Government Ethics;

- John H. Sununu, Chief of Staff to the President.

The White House announced that the President will meet with Prime Minister Brian Mulroney of Canada in Ottawa on

Administration of George Bush, 1989

February 10 for a working visit to discuss bilateral and international issues.

In the evening, the President hosted a dinner in the Residence at the White House in honor of United Nations Secretary-General Javier Perez De Cuellar and Mrs. De Cuellar.

January 25

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- administration officials, to discuss the budget;
- Secretary of State-designate James A. Baker III;
- Malcolm R. Wilkey and Griffin B. Bell, Chairman and Vice Chairman, respectively, of the President's Commission on Federal Ethics Law Reform;
- John H. Sununu, Chief of Staff to the President.

In the evening, the President hosted a reception in the Residence at the White House for the Congressional Core Group, who are political supporters of the President.

The President announced the appointment of the following individuals to positions in the Office of Management and Budget:

Robert E. Grady, of New Jersey, to be Associate Director, Natural Resources, Energy, and Science. Mr. Grady has served as senior adviser to President Bush's transition team. Prior to this he was senior adviser for speechwriting and policy to the Bush-Quayle '88 campaign.

Janet Hale, of the District of Columbia, to be Associate Director, Economics and Government. Ms. Hale has served as Assistant Secretary for Budget and Programs at the Department of Transportation from 1986 to the present.

Edwin L. Dale, Jr., of Pennsylvania, to be Counsellor and Director of External Affairs. Since 1987 Mr. Dale has been Counsellor to the Secretary at the Department of Commerce in Washington, DC.

Thomas A. Scully, of Virginia, to be Associate Director for Congressional Affairs. Since 1986 Mr. Scully has been with the law firm of Akin,

Gump, Strauss, Hauer & Feld in Washington, DC.

The President appointed the following individuals as members of the President's Commission on Federal Ethics Law Reform:

Malcolm Richard Wilkey, of Texas, as Chairman. Since 1985 Judge Wilkey has served as U.S. Ambassador to Uruguay. Previously he was a circuit judge on the U.S. Court of Appeals for the District of Columbia.

Griffin B. Bell, of Georgia, as Vice Chairman. Judge Bell served as Attorney General of the United States from 1977 to 1979 and was formerly a circuit judge on the U.S. Court of Appeals for the Fifth Circuit. He is currently a senior partner in the Atlanta and Washington, DC, law firm of King & Spalding.

Jan Witold Baran, of Virginia. Mr. Baran is a partner in the Washington, DC, law firm of Wiley, Rein & Fielding. He currently serves as general counsel to the American Bicentennial Presidential Inaugural Committee and to the Republican National Committee. He was also general counsel to the Bush-Quayle '88 organization. He has previously served as Executive Assistant to the Chairman of the Federal Election Commission.

Judith Hippler Bello, of Virginia. Mrs. Bello is the outgoing General Counsel to the U.S. Trade Representative and has served as the agency's designated agency ethics official. She will be joining the Washington, DC, office of Sidley & Austin as a partner.

Lloyd N. Cutler, of Maryland. Mr. Cutler is a partner in the Washington, DC, law firm of Wilmer, Cutler & Pickering and is Chairman of the Quadrennial Commission on Executive, Legislative, and Judicial Salaries. From 1979 to 1980, he served as Counsel to President Carter.

Fred Fisher Fielding, of Virginia. Mr. Fielding is a senior partner in the Washington, DC, law firm of Wiley, Rein & Fielding. From 1981 to 1986, he served as Counsel to President Reagan.

Harrison H. Schmitt, of New Mexico. Dr. Schmitt was a U.S. Senator from New Mexico from 1977 to 1983 and served as vice chairman of the Senate Select Committee on Ethics from 1977 to 1979. A former Apollo astronaut, Dr. Schmitt is now a private consultant, scientist, and businessman.

R. James Woolsey, of Maryland. Mr. Woolsey is a partner in the Washington, DC, law firm of Shea & Gardner. From 1977 to 1979, he served as Under Secretary of the Navy, and from 1970 to 1973, he was general counsel to the U.S. Senate Committee on Armed Services.

January 26

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- Ambassador Robert Oakley;
- the Vice President, for lunch.

In the afternoon, the President attended the swearing-in ceremony for Richard G. Darman as Director of the Office of Management and Budget.

In the evening, the President hosted a reception in the Residence at the White House for members of the Republican congressional leadership.

January 27

The President met at the White House with:

- the Vice President; John H. Sununu, Chief of Staff to the President; Brent Scowcroft, Assistant to the President for National Security Affairs; and members of the CIA briefing staff;
- U.S. Inspectors General;
- John H. Sununu, Chief of Staff to the President.

In the morning, the President telephoned South Korean President Roh Tae Woo to accept President Roh's invitation to make an official visit to Seoul on February 26.

**Nominations
Submitted to the Senate**

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 20

James Addison Baker III,
of Texas, to be Secretary of State.

Submitted January 20—Continued

John Goodwin Tower,
of Texas, to be Secretary of Defense.

Manuel Lujan, Jr.,
of New Mexico, to be Secretary of the Interior.

Clayton Yeutter,
of Nebraska, to be Secretary of Agriculture.

Robert Adam Mosbacher,
of Texas, to be Secretary of Commerce.

Elizabeth Hanford Dole,
of Kansas, to be Secretary of Labor.

Louis W. Sullivan,
of Georgia, to be Secretary of Health and Human Services.

Jack Kemp,
of New York, to be Secretary of Housing and Urban Development.

Samuel Knox Skinner,
of Illinois, to be Secretary of Transportation.

Adm. James D. Watkins, USN, Ret.,
of California, to be Secretary of Energy.

Edward J. Derwinski,
of Illinois, to be Secretary of Veterans Affairs.

Edward J. Derwinski,
of Illinois, to be Administrator of Veterans Affairs.

Richard G. Darman,
of Virginia, to be Director of the Office of Management and Budget.

Carla Anderson Hills,
of California, to be U.S. Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary.

Submitted January 20—Continued

William J. Bennett,
of North Carolina, to be Director of National Drug Control Policy.

Michael J. Boskin,
of California, to be a member of the Council of Economic Advisers.

Thomas R. Pickering,
of New Jersey, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

William Kane Reilly,
of Virginia, to be Administrator of the Environmental Protection Agency.

**Checklist
of White House Press Releases**

The following list contains releases of the Office of the Press Secretary which are not included in this issue.

Released January 26

Advance text:
Remarks to members of the Senior Executive Service

**Acts Approved
by the President**

Note: No acts approved by the President were received by the Office of the Federal Register during the period covered by this issue.

**United States
Government
Printing Office**

**SUPERINTENDENT
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Letter	From George Bush to Mr. and Mrs. Paul D. Anderson (Peggy and Paul) Re: Letter [redaction of personal information] (1 pp.)	01/30/89	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

January 30, 1989

Dear Peggy and Paul,

Many thanks for your loving letter, so full of memories and good wishes. Our Midland days will always be evident, even here in the White House.

C and Bar joins me in wishing you both the very best for the coming year.

Sincerely,

GEORGE

Mr. and Mrs. Paul D. Anderson

C

C O P Y
from ORM

GB:JDEC:JB:pps

✓ cc: Barbara P. Bush

890202

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Letter	From George Bush to William C. Matthews Re: campmates [redaction of personal information] (1 pp.)	01/30/89	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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AR Disposition Date:	MR Disposition Date:

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(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

January 30, 1989

Dear Bill,

Thanks for all your efforts in gathering our Bohemian friends. Knowing you were all there rooting for me made an already important event in my life all the more special.

We're off to an exciting start, and the challenges I'm facing will be a little easier knowing my campmates will be with me all the way.

Best wishes, with appreciation for your friendship.

Sincerely,

GEORGE

Mr. William C. Matthews

C

GB:JDEC:JLB:pps

✓ cc: Don Rhodes

890202

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Letter	From William C. Matthews to Gentlemen [campmates] Re: George Bush's inauguration [redaction of personal information] (1 pp.)	12/28/88	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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(b)(9) Release would disclose geological or geophysical information.

WILLIAM C. MATTHEWS

C

December 28, 1988

Gentlemen:

To say that we are proud of our campmate and friend, George Bush, is an outrageous understatement.

We are absolutely thrilled -- for him and for his family and for our country. He will be a great President!

From here it looks as though a respectable number of Hill Billies will be in Washington for the exciting inauguration of George as our next President of the United States.

For your information, a preliminary listing is enclosed. Three of our campmates (Christopher Buckley, Mike Stone, and Jim Symington) already live there, and others will be heading in that direction.

If you are planning to attend and are not on the enclosed list, please let me know right away, with address and telephone number, so that we will have a complete roster.

If it makes sense, can be fit into the busy schedule, and looks like fun, we might even try to gather in some central location -- if only to congratulate each other on our good fortune!

I'll keep you posted and, in the meantime, Joan and I send along warmest wishes to you and your family for the New Year ahead.

Cordially,

Bill

William C. Matthews

Mr. George H.W. Bush
The Vice President's House
34th and Massachusetts, N.W.
Washington, D.C. 20500

We'll all be cheering you on, George!

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03c. List	Hill Billies Attending Inauguration [redaction of personal information] (1 pp.)	n.d.	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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- (b)(9) Release would disclose geological or geophysical information

HILL BILLIES ATTENDING INAUGURATION

(Preliminary Listing)

Christopher T. Buckley

C

Lucy & Christo

William H. Draper, III

C

Phyllis & Bill

Clinton E. Frank

Westin Hotel Washington
2401 M Street, N.W.
Washington, D.C. 20037
202-429-2400

Mike & Clint

Angus L. MacLean, Jr.

Westin Hotel Washington
2401 M Street, N.W.
Washington, D.C. 20037
202-429-2400

Ginny & Angus

William C. Matthews

J.W. Marriott Hotel
1331 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
202-393-2000

Joan & Bill

George H. Pfau, Jr.

C

Anne & George

Michael P.W. Stone

C

Ann & Mike

James W. Symmington

C

Sylvia & Jim

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04a. Letter	From George Bush to Fitzgerald Bemiss Re: weekend [redaction of personal information] (1 pp.)	01/30/89	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
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AR Disposition:	MR Disposition:
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PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- (b)(1) National security classified information [(b)(1) of the FOIA]
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- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

Bush Library Photocopy

January 30, 1989

Dear Gerry,

Having you and Margaret with us on our special weekend meant a lot to Barbara and me. The challenges we face will be a little easier knowing our dear friends will be with us all the way.

We send our love and warmest wishes.

Sincerely,

GEORGE

Mr. Fitzgerald Bemiss

C

GB:JDEC:JB:pps

cc: Barbara P. Bush

890202

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04b. Letter	From Fitzgerald Bemiss to President Bush Re: inauguration [redaction of personal information] (1 pp.)	01/23/89	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, January 30, 1989

Date Closed: 12/23/2008

OA/ID Number: 90501-005

FOIA/SYS Case #: 2009-0166-S

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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P-1 National Security Classified Information [(a)(1) of the PRA]
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(b)(9) Release would disclose geological or geophysical information

114

FITZGERALD BEMISS

C

23 Jan 1989

Dear Mr President,

Being with you and Bar at St John's Church and witnessing your swearing-in were among the most moving and up-lifting experiences of my life. I looked back with gratitude for years of priceless ties, and I looked ahead with confidence, knowing that the Country will be led with ability, integrity, and kindness. Margaret and I were truly privileged to witness a great event in the lives of dearest friends, and take part in the beginning of a new page of our history which I know will be filled with deeds of distinguished service to the USA and the World.

We loved the visit and the house tour with you and Bar last evening. Heartfelt thanks for so much.

As ever

Garry

002839

THE WHITE HOUSE

GT 11821

Jan 30, 1989

Dear Roone,

Barbara - I watched
the tape you sent us. It's
great - will treasure it.

May many thanks.

Ran Burke is a fine messenger.

Sincerely,

[Signature]

THE WHITE HOUSE
WASHINGTON

Mr. Roone Arledge
President, ABC News
7 West 65th Street
New York, New York 10023

✓ BCC:
Governor John Sununu
Marlin Fitzwater
Gift Unit (1 video tape)

✓ cc: JanB.

890131

American Broadcasting Company Telephone 212 887-4000

Roone Arledge, President
ABC News

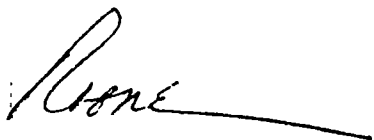
THE PRESIDENT HAS SEEN

Dear Mr. President:

I am delighted to send you the enclosed cassettes of the highlights of your Inauguration. I hope you and your family have time to enjoy it.

It was a wonderful occasion; certainly very memorable for us. I hope this will serve to recall many happy moments for you and Barbara.

Best regards,

A handwritten signature in dark ink, appearing to read "Roone", followed by a long horizontal flourish line.

The Honorable George Bush
Office of the President
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

January 26, 1989

004054

PP010-05

January 30, 1989

Dear Bob,

Thanks for your great letter of inauguration eve. The burdens will be a little lighter knowing those who have shored us up over the years are still behind us.

Barbara joins me in sending warm wishes, with appreciation for your steadfast friendship.

Sincerely,

GEORGE

Mr. Robert K. Gray
Washington Harbour
Washington, D.C. 20007

GB:JDEC:JLB:pps

cc: Barbara P. Bush

890202

Robert K. Gray
Washington Harbour
Washington, D.C. 20007

J. Burmeister

My dear Mr. President-elect,

Tomorrow a 35-word oath
will catapult you to leader of
the free world.

None of us can appreciate
fully the dimensions of the
burdens we have asked you to
assume. But I hope you know
how grateful we are to you and
Barbara for doing so.

And I hope you can appreciate
the thrill it will give me, after all
these years, to hear Hail to the Chief
and know they are playing your song.

Gratefully,
Bar

19 January 1989

004105

PP010-05

January 30, 1989

Dear Arnold,

Many thanks for your thoughtful letter, which underscored our common goal. The reaching-out you observe comes from a deep belief that mutual understanding, even if you agree to disagree, gives great possibility to the national challenges we face in the coming decade. You may have heard my father say something similar.

Best wishes to you, with deep appreciation for your hand of friendship.

Sincerely,

GEORGE BUSH

Mr. Arnold M. Zack
170 West Canton Street
Boston, Massachusetts 02118

GB:JDEC:JLB:pps

✓ cc: Lee Atwater
Jim Wray
John Sununu

890202

"voices"...

Sample

ARNOLD M. ZACK, INC.
ARBITRATION AND MEDIATION

170 WEST CANTON ST., BOSTON, MASS. 02118
(617) 262-1193

Jan 18, 1989

President George Bush
White House
1600 Penna ave. NW
Washington DC.

Dear Mr. President,

As a longtime friend of Michael Dukakis, and as a strong supporter of his campaign, I opposed your candidacy. I feel compelled to write this letter by your actions during the transition. I'm awed by the efforts you have made to reach out to your adversaries. I applaud your approach.

In 1956, as a student at Yale Law School I was fortunate to spend some time with your father. The Senator provided me assistance in setting up a labor management conference in the law school, he was indeed a "kinder and gentler" man.

I have full faith that you will do your utmost to be President of all the people

Best of luck,

Arnold Zack

004109
PP01D-05

January 30, 1989

Dear Danny,

Those "points of light" are shining our way from every direction, and our greatest desire is to connect and multiply them till no dark corners remain.

Thank you for your warm words, and for your desire to identify the Hollenbeck Youth Center as an example while others continue to catch the vision.

Sincerely,

GEORGE BUSH

Mr. Danny Hernandez
Executive Director
The Hollenbeck Youth Center
2015 East First Street
Los Angeles, California 90033

GB:JDEC:JLB:pps

cc: G. Petersmeyer

890202

THE HOLLENBECK YOUTH CENTER DH
2015 EAST FIRST ST
EAST LOS ANGELES CA 90033

Western
Union Mailgram



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2132634989 MGM8 TDRN LOS ANGELES CA 39 01-20 1236P EST

PRESIDENT GEORGE BUSH
WHITEHOUSE
WASHINGTON DC 20500

CONGRATULATIONS FROM ONE OF YOUR THOUSAND POINTS OF LIGHT. GOD BLESS
YOU AND GOD BLESS THE UNITED STATES OF AMERICA
DANNY HERNANDEZ
EXECUTIVE DIRECTOR
THE HOLLENBECK YOUTH CENTER
EAST LOS ANGELES, CALIFORNIA

12:37 EST

MGMCOMP

THE WHITE HOUSE

Gift ✓
Jan 30, 1989

Dear Roone,

Barbara - I watched
the tape you sent us. It's
great - will treasure it.

May many thanks.

Dan Burke is a fine messenger.

Sincerely,

Gift

THE WHITE HOUSE
WASHINGTON

Mr. Roone Arledge
President, ABC News
7 West 66th Street
New York, New York 10023

BCC:
Governor John Sununu
Marlin Fitzwater
Gift Unit (1 video tape)

cc: JanB.

Time
Newsweek
U.S. News
and 1st week



Such good friends. Both President Bush and the Democrats believe that cooperation is the political strategy of choice, for now

Time for make-nice politics

Status quo governing is the rage as tough choices are put off

During the Reagan years, congressional leadership breakfasts at the White House became largely Republican affairs. George Bush's first meeting last week was pointedly bipartisan, an obvious symbol duly noted by the House minority leader. "I think that tells us something," Bob Michel announced to his colleagues. The President was the first to elaborate. "What it tells us," Bush said, "is that I can count."

The Democrats loved it, and why not? With such an inclusive and mannerly President in the White House, the burden of contention has suddenly been lifted from their shoulders. In fact, as Bush began his first week in office, he received more encouragement from the Democrats than from his own flock. "We are here to make a new start," said George Mitchell in his first official declaration as Senate majority leader. "I will do my utmost to foster true bipartisanship." The pledge was not empty honeymoon rhetoric; it was an artful calculation. The politics of the offered hand is the best immediate strategy for a Democrat-

ic congressional majority with a great stake in the status quo, at least for the next two years. Since the only new ideas are painful solutions to massive problems, then both the Democrats and Bush will govern at the margins until forced to do otherwise. And when that time comes, as it will, the Democrats will ask the President to lead.

GOP renegades. Conservatives are uncomfortable with such make-nice politics. As the Democratic loyal opposition offered wreaths of olive branches, the potential Republican renegades grew particularly uneasy about news that Dr. Louis Sullivan, the nominee to head Health and Human Services, had privately indicated his support for the Supreme Court decision that legalized abortion. Sullivan quickly stated his opposition to abortion and announced conservative appointees to his team. But the purists remained skeptical. And they were not further cheered when it became clear that favorite son William Bennett would not be given a seat at the cabinet table in his new role as drug czar, de-

spite Bush's insistence that there was no "symbolism" in the perceived snub.

The Democrats preferred to watch, appearing to give Bush every benefit. "He is handling it all beautifully," said House Majority Whip Tony Coelho. Of course, even newfound friends felt the need to complain about the administration's floated option to charge commercial-bank depositors a tax, er, fee to bail out the savings and loan industry. But since sincere Republicans of all ilk seemed to agree with the assessment of Senator John Heinz that it was an idea a politician would "only vote for posthumously," no Democrat needed to lead the charge. And when Bush allowed that the national drug scourge he pledged to end in his inaugural would be attacked largely through an educational effort, the Democrats again were content to listen to Republicans grouse.

In the past, such presidential miscues would have been reason enough to end the honeymoon. Not this time. Aside from last session's unfinished business, including such issues as child care, campaign-

finance reform and an increase in the minimum wage, the Democrats have no great new compelling agenda of their own to offer. That might have been a disaster, save for the fact that Bush has the same predicament. "I like to think he has a plan," smiles House Ways and Means Chairman Dan Rostenkowski. "But I think he's a seat-of-the-pants guy." Bush aides prefer to describe the approach as "methodical." Both may be correct. But the unhappy reality behind all this comity and all this caution is that neither the President nor the Congress has much money to spend.

Tax evasion. Predictably, much political energy is devoted to guessing when the statute of limitations will expire on Bush's no-new-tax pledge. "I'd like it to be a four-year pledge," said Bush. But will it be? Pressing concerns such as the \$100 billion S&L bailout or the equally expensive nuclear-waste cleanup make that seem impossible. Even so, some budget virtuosos now reason that Bush can escape without taxes for one year, particularly if the economy remains stable and he agrees to halt all growth in defense, as many predict he will. That scenario leaves him calling for new revenues in an election year. Such a prospect is unappetizing, since the ever helpful Democrats would sit back and wait for direction. "We will not propose new taxes," says New Jersey Democrat Bill Bradley. "No Democrat is going to play the fool in his political drama."

This is not to say that Bradley and his compatriots will not squawk about the administration's budget when it is presented in early February. Bush is expected to soften the hard edges of the Reagan proposal, and the Democrats will massage it more. "The budget is bad news, so why be first?" smiles one House Democratic leader. "Besides, we love vague budget negotiations." Such sessions are bound to produce disagreement, and the President may be forced to say some nasty things about the Democrats by next fall when the deficit goals set by the Gramm-Rudman-Hollings law force hard choices.

By that time, the theatrics of veto politics may make it appear bipartisan thinking has dissolved, but that will not be entirely the case. Both Bush and the Democrats, at least in this election cycle, are fully invested in a system that produces few surprises. Even some Democrats are stunned at Bush's overtures. "He should manhandle the Congress more," says one Democratic strategist. He will probably learn to do that. But for now, at least, Bush and the Democrats have an unspoken gentlemen's agreement. They will fight, but they will try not to create any losers in the process. ■

by Gloria Borger

A QUESTION OF RACE

The Democrats' next dilemma

The almost certain ascension of Washington attorney Ron Brown as Democratic National Committee chairman can be seen two ways: As the final bullet-in-the-kneecap for a party that has wandered hopelessly adrift from the mainstream of American voters, or as a historic first step in bridging the persistent racial chasm that gapes across the nation's politics. In either case, the painful truth for Democrats is that dealing with the unfinished business of race and politics is a task that devolves almost exclusively on them.

Brown's surprise surge in the chairmanship race last week rolled like a thunderclap through the Democratic establishment. Never before has a black risen to become head of a major U.S. party, and at first Brown's chances seemed slim. Yet in two months of hard campaigning by telephone and private jet (at an estimated cost of nearly \$200,000), the immaculately tailored lobbyist convinced a reported majority of the 403 members of the DNC to vote for him at the committee's meeting on February 8, 9 and 10. Jubilation in liberal, labor and black circles was matched by hand wringing among conservative Southern Democrats, as well as among some Jews disillusioned by the prospect of a former Jesse

in May, 1988." Brown also argues that precisely what the Democrats need now is a leader with strong ties not only to party regulars but to Jackson.

Brown's first test will come on the controversial issue of whether the party should undo rules changes it made last summer that will help Jackson in his presumptive 1992 presidential race. Brown splits his vote. He supports reinstating DNC members as automatic convention delegates but wants to keep the new rule awarding states' primary delegates in direct proportion to votes won. "We don't need to open that can of worms," he says, though many DNC members would like to rescind it. One Southern party chairman believes the rules question is just the kind of issue on which Brown should challenge Jackson. "If he does that, he'll put all the doubts to rest."

The contrarian view is that Brown's elevation works as an automatic neutralizer on Jackson. By this



Chairman-to-be. Ron Brown seeks unity

Jackson associate's heading up the party. Though Jackson has made strides winning the confidence of some Jewish leaders, many still harbor deep suspicions about him because of his amicable relationship with Nation of Islam leader Louis Farrakhan and his "Hymietown" references to New York City.

Ties that bind. To allay doubts, Brown's chief message was that he could be the great unifier of the party he likes to call "the last best hope in this country of dealing with issues of race, sex, religion and ethnicity." Brown insists that a mere three-month tour in Jackson's campaign did not compromise his independence after 10 years of party activism. "I wasn't born

theory, Brown will be forced to bend over backward not to show favoritism to Jackson, thus giving comfort to those who see the unpredictable preacher as the party spoiler. True or not, just when Democrats thought they had gotten a breather from focusing on race questions, the issue has arrived again. "It's a saga that has to play itself out, and we've got to go through it," says Democratic consultant Paul Maslin. Republican Chairman Lee Atwater, who can peel off black votes for the GOP if Brown is maltreated or white votes if the race controversy worsens, must be delighted at the possible mischief. ■

by Peter Ross Range

Behind closed doors. John Tower could face the roughest hours of his lengthy confirmation hearings this week when the Senate Armed Services Committee is scheduled to go behind closed doors to review questions about his personal life. Sources on Capitol Hill say that committee files include accusations about Tower's financial dealings as well as charges, raised by those familiar with his activities overseas, involving liaisons with women who turned out to be foreign intelligence agents. There have been so many allegations leveled against Tower that the committee borrowed three investigators from the General Accounting Office to help sift through "the voluminous files." Nevertheless, Virginia's John Warner—the panel's ranking Republican, who has seen an FBI report on Tower—has told committee colleagues he believes there is nothing in the files that would hamper the ability of their former chairman to head the Pentagon. Even Democrats concede that, in the end, Tower's personal peccadilloes will not be enough to derail his confirmation.

Buying time. To avoid divisive squabbling at the outset of the new administration, Congress and the White House will compromise on the contentious issue of aid to the Nicaraguan Contras. The deal will involve funding humanitarian assistance at the current rate of \$2.4 million a month through September. The hope is that by then the White House will have found some diplomatic solution for Central America.

Splitting at the summit. The Bush administration is headed for a collision with some NATO allies over a secret position paper on nuclear arms being prepared for the NATO heads-of-government summit in Europe this spring. The U.S., Britain and France are adamant that in responding to Mikhail Gorbachev's torrent of arms-reduction proposals, nuclear deterrence must remain a key to Western defense. In contrast, Denmark, Belgium, the Netherlands and Spain believe NATO should set a nuclear-free Europe as a long-range goal. West Germany argues that it would be wrong to commit to either position at this time. The policy in dispute forms part of NATO's "comprehensive concept" that will define how the alliance envisions East-West relations in the 1990s.

Learning curve. After an embarrassing series of political gaffes on the ever sensi-

John Tower's roughest hours are still to come

Congress delays Contra-aid showdown

Meet George Bush, practical joker

...tive abortion issue, Dr. Louis Sullivan, Secretary-designate of Health and Human Services, has been at least temporarily relegated to the back benches of the cabinet. Administration officials believe that Sullivan, Bush's highest-ranking black appointee, still needs some time to learn to navigate the shoals of Washington politics. But he is hardly in trouble. Despite the recent missteps, Sullivan gets high marks for intellect and grasp of the issues, and he counts George and Barba-

TAYLOR JONES



HHS Secretary-designate Louis Sullivan
A poor sense of direction

...ra Bush among his most ardent supporters in Washington.

Checked claims. U.S. officials are accusing Iraq of stonewalling on its promise to pay compensation for the missile attack on the frigate *Stark* in May, 1987. Despite frequent prodding, the Iraqis have not paid the families of the 37 sailors killed in the unprovoked attack,

which Baghdad called "a tragic accident." Claims for the injured still have not been presented to Iraq because it took the Navy many months to track down the sailors who had been discharged since the incident. When all the personal claims plus the bill for damage to the ship are added up, the total is expected to be around \$120 million.

The best revenge. Even if the Justice Department fails to win convictions in all the cases it has brought in the Pentagon procurement scandal, the results already are considered a vindication for the man who originally inspired the investigation: Former Assistant Atty. Gen. William Weld. Friends of Weld, who is now in private practice in Boston, say his real goal was not just to win convictions but to expose the unethical procurement routines used by what he calls the Pentagon's "old boy" network. Whatever happens in court, Weld's former colleagues say he feels that the public washing of the Pentagon's laundry ultimately will force changes that former Defense Secretary Caspar Weinberger pooh-poohed as unnecessary when Weld first raised them in Capitol Hill testimony two years ago. In a letter to Weld's boss, former Atty. Gen. Edwin Meese, Weinberger accused Weld of being off base in his judgments and out of line in his charges. However, Weld's friends say, the tidal wave of revelations about Pentagon procurement has proved that his charges were on the mark and that it was Weinberger who was off base and out of line.

Qadhafi the dove. Libya's Muammar Qadhafi is trying to arrange a good-will visit to France to convince Europeans that—chemical-weapons plants notwithstanding—he loves peace. Arab sources in Paris say that he wants France to host a summit to settle the on-and-off, decades-old war between Libya and its neighbor Chad. Besides the public-relations dividends such a conference might produce for Qadhafi, it could also help win freedom for several thousand Libyan prisoners of war held by Chad.

A playful President. George Bush, it turns out, is a practical joker. He has taken to surprising friends by suddenly turning on his "pocket terminator"—a gadget that imitates the rattle of a machine gun or the whine of a falling bomb. Friends say the President will leave the device home when he packs for the next summit with Mikhail Gorbachev.

Edited by Charles Fenyesi

CENTRAL AMERICA

Bush wades into his first quagmire

George Bush came into office promising to try negotiations as a way of solving Central America's major conflicts and lessening his own troubles on Capitol Hill. But he scarcely expected to be tested so soon or from such an unlikely quarter. An opening for peace in El Salvador was suddenly dangled before him last week, only to close up again—at least for now—when his 2-day-old administration failed to act with dispatch.

El Salvador's Marxist rebels announced they would participate in presidential elections and abide by the results if the voting were delayed six months and leftist candidates were permitted to run unmolested. If not, the rebels warned, the war, which has already killed 60,000 Salvadorans, would inevitably escalate. The offer looked like a godsend for Bush. With the ultraright ARENA party almost certain to win the March 19 election, U.S. officials faced the prospect of crumbling Capitol Hill support for more aid to El Salvador. If the guerrilla proposal was serious, however, the war would end. If it wasn't, Bush



Duarte

could prove his commitment to negotiated settlements just by calling the guerrillas' bluff. That commitment is key not only to getting approval of more aid for El Salvador but to persuading Congress to provide more nonmilitary assistance to the Contra rebels in Nicaragua.

U.S. policymakers knew the stakes were high when they called the Salvadoran rebel plan "tactically brilliant" and "something that cannot be ignored." Yet they didn't pass the word fast enough, most likely because the administration has yet to install a new Latin policy team and forge a detailed Central America policy. Christian Democratic President José Napoleón Duarte promptly joined his ARENA rivals in rejecting the offer, calling it "a proposal of war" meant to weaken the government by upsetting a constitutionally mandated election timetable. "You give someone your finger and they want the whole arm," said one Duarte aide. Duarte is battling liver cancer and desperately wants to live long enough to pass the presidential sash to his successor, an unlikely event if the vote is delayed.



War without end. Over 60,000 Salvadorans have died in nine years of violence, and both

Still, the guerrillas and the Americans both insist the game is not yet over. "That's a bargaining position, not a rejection," one State Department official said of Duarte's dismissal of the plan. Rebel leader Salvador Samayoa, allowing that Duarte was under "extreme pressure from the right," said, "We are waiting for a responsible, serious answer." The left seemed especially heartened by Washington's soft line. "The U.S. recognizes this proposal represents a fundamental change," said leftist presidential candidate Guillermo Ungo, a guerrilla ally who came home from exile to campaign.

If the opening closes for good, violence is sure to grow. The guerrillas have stepped up terror attacks and vow to disrupt the elections if their offer is spurned. Right-wing violence also is rising. The bad vibrations sent by such a failure could make a negotiated peace tougher to achieve in Nicaragua, too. Bush may pay a hefty price if he does not formulate his Central America policy quickly, something Secretary of State James Baker is promising to do.



Running scared. The left's candidate Ungo won't take no for an answer

The Presidency

Hugh Sidey

Smile, and Sharpen Your Knives

Notes and remembrance. Week 1. Bush presidency:

► Overheard in a gaggle of White House reporters waiting for a sighting of the peripatetic George Bush: "Such a good guy. Such a normal, wonderful family ... It's disgusting." Beltway political maxim: the only thing worse than persistent corruption is unrelenting wholesomeness.

► Word from the Hill to the White House that a former wife of John Tower, Secretary of Defense-designate, wants to testify about Tower's alleged indiscretions. Question to a White House aide: "Can the Bush Administration stand a sex story so soon?" Thoughtful pause from White House aide, then, "Maybe it will help."

► Feisty House Democratic Whip Tony Coelho tells newspeople after the first congressional leadership meeting with Bush, "Very harmonious. No dissent. This is the first day of the honeymoon, and it was very hopeful and exciting, just like a honeymoon." Question from the edge: "Come on, Congressman, when do you get tough?" Slow smile over the little scrapper's face and a glint in his bright, crafty eyes. "When he gets specific, we'll get tough. About budget time." Interpretation: if Coelho couldn't fight, he'd go back to California.

► Liberal lady commentator from the Washington *Post* walks up the White House drive carrying bright red tote bag, a souvenir from last summer's Democratic Convention. Big braying donkey is stamped on the bag's side. Reminder of late Speaker Sam Rayburn's caution: "Any jackass can kick a barn down, but it takes a carpenter to build it." Footnote to the above: on



Sullivan gets the eyeball from G.O.P. Senator Orrin Hatch

any given day there are three times as many jackasses in Washington as there are Democrats.

► Gentleman from the New York *Times* calling out to House Speaker Jim Wright and Majority Leader Tom Foley, who have just visited President Bush at the White House: "Come on over here and dump on them." Recall Lyndon Johnson's characterization of this singular capital: "A lot of people just love to feel bad in this city, everybody attacking everybody else, always telling you why you can't or shouldn't do something you ought to. The

way up seems to be to chop somebody else down."

► Muttering among camera operators, early morning on the South Lawn, waiting for some sign of life in the Bush White House: "Where are all those kids and dogs? Get 'em out here. We gotta have some action." Warning: if kids are used to get a President elected, he'd better keep them around for slow news days. Suggestion: an "urchin mobile," first discovered in China by Richard Nixon in 1972, a van that carries cute kids from camera position to camera position with changes of sweaters, hair ribbons and jump ropes inside.

► Louis Sullivan, nominee for Secretary of Health and Human Services, is called to White House woodshed because he whispered around Capitol Hill that perhaps he might not want the *Roe v. Wade* abortion decision to be rescinded. This is leaked instantly, contradicting Bush's pro-life stand. Note to newcomers to heed John F. Kennedy's rule: "If there is more than one person (yourself) in a room, consider anything said to be on the record and a probable headline in the morning paper."

Debtor's Prison

Lyndon LaRouche goes to jail for swindling his supporters

From his perch on the fringe of the American political spectrum, Lyndon H. LaRouche Jr. has accused Queen Elizabeth II of drug trafficking and blamed the International Monetary Fund for creating and spreading the AIDS virus. Henry Kissinger and Walter Mondale, among others, have earned spots on his list of Communist spies. But last week LaRouche gave his conspiracy theories a more personal and self-aggrandizing touch. In an Alexandria, Va., courtroom, he declared that as a result of his conviction last month on fraud charges, "the vital interests of the United States have been put in jeopardy." A four-time presidential candidate on small-party tickets, he accused the Government of

waging a campaign to "eliminate" him from the political scene.

"Arrant nonsense," retorted U.S. District Judge Albert V. Bryan. He proceeded to sentence LaRouche, 66, to 15 years in prison for evading taxes and swindling his political contributors out of \$30 million in loans. Six LaRouche associates also received prison sentences of three to five years and fines of \$6,000 to \$11,000. Soon afterward, federal prosecutors in Boston dropped obstruction of justice charges against LaRouche. Four years of investigations into the financial shenanigans of the LaRouche movement had come to an end. "This is not a political case," said Assistant U.S. Attorney Kent Robinson. "This was a case of theft."

A former computer operator and onetime Marxist who moved to the far right in the

mid-1970s, LaRouche has been living in luxury on an estate near Leesburg, Va., where heavily armed guards watch for would-be assassins. His followers set up tables in airports to solicit contributions and sell books and magazines whose extreme views are disguised by innocuous titles like *Executive Intelligence Review*. Believing that LaRouche's goals justified his means, others borrowed millions from supporters, knowing the money would never be returned. Judge Bryan refused to grant LaRouche bail pending appeal, and dispatched him to an Alexandria jail in handcuffs. If his sentence is upheld, LaRouche will have to serve at least five years in prison. He has declared himself an innocent victim of Soviet sympathizers in the top tiers of U.S. Government. His enemies, he said, would kill him behind bars. ■



Payback time

Hitting the Ground Running

Bush dashes around Washington, but his first-week stumbles on abortion and taxes point to a rougher road ahead

BY MICHAEL DUFFY

Barely two weeks in office, George Bush is already a victim of his own success. As President-elect, he seemed to do no wrong: he ad-libbed long speeches and looked good on television. His Cabinet appointments, if not dazzling, were largely reassuring. His humor was winning, and his informality a relief. Freed of his campaign handlers, he seemed spontaneous, working without a net and keeping his balance.

Nothing that good is forever. Last week Bush opened in the Big Top and turned in a more mixed performance. The Capitol crowd that liked his warm-up act took a dim view of some of his proposals. The President briefly took control of his agenda, but then other events—abortion, taxes—seized control of him. Bush hit the ground running, but ran into trouble.

A President's first weeks in office are remembered more for symbolism than for lasting achievements. Jimmy Carter turned the White House thermostat down to 65° F. Ronald Reagan slapped a freeze on federal hiring. For Bush, the goal was to let Americans know that the new President, unlike his predecessor, is active and engaged. He phoned nearly two dozen foreign leaders, including Soviet Leader Mikhail Gorbachev, to thank them for their congratulatory notes. He gave Government employees two lectures about ethics—something hardly anyone opposes—implying that the store is now under stricter management. Bush also reversed Reagan's deaf-ear strategy for handling the press, inviting several reporters to dinner and asking others to the Oval Office on short notice for impromptu question-and-answer sessions. Just in case anyone missed the point about a fast start, the President even went jogging.

To reassure financial markets that he is serious about attacking the deficit, Bush held two hour-long sessions with congressional leaders. His aides knew lawmakers would decline their offer of a full-fledged budget summit with the White House, but the feint did nothing to hurt the mood on Wall Street: the New York Stock Exchange surged all week.

The first steps are often the hardest



closing Friday 87.5 points higher than the week before. Moreover, after years of sleepy meetings with Ronald Reagan, the Congressmen could barely contain their enthusiasm for the more engaged Bush. Many seemed astonished that a President could think and talk extemporaneously. "He didn't need a prepared text," marveled Philadelphia Democrat Bill Gray.

But the Administration might have begun better if Bush or his chief of staff, John Sununu, had written a tighter script. A series of small but telling snafus sent the White House scrambling. The day after Bush telephoned a cheer to right-to-life advocates massed nearby on the Ellipse, the New York Times reported that Louis Sullivan, the nominee for Secretary of Health and Human Services, had privately told some Congressmen that he still believes in a woman's right to an abortion. Sullivan, who had sent mixed signals on abortion prior to his nomination in December, was summoned to Sununu's West Wing office, then hurriedly dispatched to reassure conservative Senators. The President, whose changing views on abortion have been hard to parse, tried to clear up the controversy by explaining, "He has supported my position 100%."

Events slipped further from Bush's control the next day, when his old friend Treasury Secretary Nicholas Brady proposed paying for a \$90 billion bailout of bankrupt savings and loan institutions by slapping bank depositors with a 25c surcharge for every \$100 invested. It did not help matters that Federal Reserve Board Chairman Alan Greenspan had told lawmakers the day before that the country needed policies to encourage Americans to save. Fearing the wrath of passbook holders, most of Capitol Hill immediately lined up behind Republican Senator John Heinz's characterization of Brady's idea as "boneheaded." So did bankers and thrift operators, who predicted that new fees would drive depositors away.

Rather than jettisoning the plan, the White House curiously decided to defend it. Chief of Staff Sununu said the surcharge should be thought of as an insurance premium, not a tax. He refused to yield to suggestions that the Brady plan passed Budget Director Richard Darman's "duck" test for taxes. (Darman had told Congress that if a revenue plan "looks" or "quacks" like a tax, it is a tax.) Spokesman Marlin Fitzwater tried to calm things down by saying the surcharge was only a trial balloon. But Bush would not let the matter drop. Asked

if the surcharge would be a tax, the President replied, "Is it a tax when the person pays a fee to go to Yosemite Park?"

By week's end, with few outside the White House in favor of the idea, even Bush backed off, telling a Friday-morning press conference that "it's a little absurd to be commenting on a facet, a possible facet, of solving a problem when it hasn't even come to me." But one senior Administration official was less defensive about the flap. "Any fool could plainly see the general public wouldn't stand for it," he said.

Some Bush aides criticized Brady for not knowing when to keep quiet. The Washington Post reported that Brady had suggested the surcharge to the Reagan Administration last month, and was told then that it was a bad idea. Others tagged Sununu for putting Bush on a light, no-substance schedule in the crucial first week of his presidency—creating a news vacuum that Sullivan and Brady blundered into.

Bush's no-new-taxes vow means he will not be able to keep promises to propose spending for new programs in education, child care and the war on drugs unless he breaks other promises to protect the defense budget and farm subsidies. Asked last week if his read-my-lips pledge would expire after one year, Bush replied meekly, "I'd like it to be a four-year pledge." But even he acknowledged that the kind of flap that followed the savings and loan mess may be repeated when he tells a joint session of Congress on Feb. 9 which promises he will keep and which ones he will abandon. "Look, I don't expect it's all going to be sweetness and harmony and light," the President said. "The minute we get those proposals up there on Feb. 9, I expect we're going to have other firestorms swirling around."

Bush's plan for the first weeks of his presidency is essentially a holding action. He has invited Prime Minister Noboru Takeshita to Washington this week for the first meeting with a foreign leader. Bush



At a White House meeting, Democratic leaders present the President with some North Carolina hot sauce

The sauce, said Jim Wright, came from Texas "the way some Texans were born in Kennebunkport."

At times, it did appear that Bush lacked a coherent plan for governing beyond crusading for gauzy themes. The turmoil over Brady's proposal quickly overwhelmed the sketchy "theme" agenda worked up for the President by outgoing political operative Robert Teeter. Said a senior Administration official on Day 5: "If we have a 100-day plan, I haven't seen it." Added another: "This is what happens when you don't have a strategic thinker in the White House."

But it is also what happens when a new President takes office without an escape route from the fiscal cul-de-sac he has backed himself into. Candidate

will visit Korea and the People's Republic of China after attending the Feb. 24 funeral of Japan's Emperor Hirohito. Before then, the President will pop up to Canada on Feb. 10, the day after he delivers his budget speech on Capitol Hill. Explained a senior official: "We're getting out of town."

If that skimpy agenda lacks a certain grit, it has plenty of room built in for Bush to wrestle with budget proposals—as well as time to telephone friends, schedule last-minute lunches and swear in new staff members. If most of Bush's specific plans will not be unveiled for a few weeks, it is because Bush's aides have not yet figured them out.



DOUG MILLS—AP

gy beat." Of course, ecology is of far more enduring importance than some of what Donaldson and the rest of the pack covered in the Rose Garden. It is just not recognized as a "power" beat worthy of sustained attention. The environment is covered full time by fewer than a half-dozen Washington reporters, none from TV. In "The Power Game," a 793-page book by former New York Times reporter Hedrick Smith, the issue appears not once. The debut of "American Agenda" on ABC and some longer analytical features on other evening news programs marks a move toward such real issues and away from transitory news-of-the-day stories. "We've got to cover ideas

Covering the White House isn't enough: George Bush meets the corps

NEWS MEDIA

The President and the Press

Can this love match last? Not very likely.

George Bush has had a puffy press of late, but it probably won't last. After eight years of feeling manipulated by Ronald Reagan, the White House press corps is primed to work out its frustrations on his successor. To forestall that, Bush has begun to change the rules. Reporters were dumbfounded last week to find they could actually enjoy frequent give-and-take with the president. That will no doubt change. But even when the news is bad, Bush is unlikely to hide out as much as Reagan.

For news organizations, revising the terms of engagement is harder. How to chart a middle course between the harshness of the Carter coverage and the pliancy of the Reagan era? Everyone seems to want a new kind of Washington reportage in the Bush years, but no one knows exactly what it should be. What it *shouldn't* be—the traps to avoid—are easier to identify:

The popularity trap: Mr. Dooley, the famous turn-of-the-century fictional character, once said that the Supreme Court follows the election returns. The same can be said for the press. "If [the president] is highly popular, he will be treated with kid gloves, and vice versa," Jimmy Carter said recently at a forum sponsored by Columbia University's Gannett Center for Media Studies. The "Carter Curve," as the forum's moderator, Robert MacNeil of PBS, quickly dubbed it, suggests that presidential-popularity polls and the tone of press coverage track almost perfectly. This is the Washington press corps at its conformist

worst, hewing to power as defined by the whims of the public. There's an older and more noble press tradition that argues that when a public figure is riding high he needs more tough scrutiny, and when he's in trouble it's sometimes because he has done something commendable but politically offensive. Avoiding the pack judgment—writing against the tide—is so rare that it almost constitutes an exclusive.

The good-visuals trap: This is a TV problem that prompts much hand wringing but little action. Last week, at another Columbia forum (this one sponsored by the journalism school), ABC News president Rooney Arledge said: "Somehow we have to cut through the wall of phoniness and camouflage" built by media advisers who want their pretty pictures on the air. If public officials deny access, Arledge threatens, ABC News might say, "Either you talk to us—and let us see some meat—or we're not going to show you in a cowboy hat." These are welcome threats. The only problem is that Arledge also made them last year, before the empty 1988 campaign. Will good pictures—the lifeblood of TV—again speak louder than good intentions?

The prestige trap: The best way to reduce coverage of colorful-but-empty visuals is to change the status system of Washington reporters and to rethink assumptions of what constitutes news. When he left his White House beat last month, Sam Donaldson said, "I'm walking away, kid, no one's carrying me out or shifting me to the ecolo-

and documents instead of buildings," says NBC News president Michael Gartner. But in TV, anyway, the White House beat has disproportionate prestige.

The briefing trap: This is what keeps reporters chained to the White House press room waiting for public-relations handouts when they might be elsewhere digging up stories. The need for sound bites from briefers keeps the TV folks, in particular, on short leashes. Scheduling frequent, useless briefings is a time-honored way of distracting reporters from the real stories; the Soviets have even picked up on the technique. Then there's the related "body watch" problem. Despite "pool" arrangements, many news organizations devote thousands of man-hours making sure they don't miss an assassination attempt—or Bush's jogging. That time could be spent exploring real stories instead of playing defense.

The match trap: Oakland Tribune Editor Robert Maynard, a former Washington Post White House correspondent, notes that enterprise reporting from the White House is difficult because so much time is spent "matching" often inconsequential stories printed by the competition. Editors and producers often insist on such coverage; perhaps they imagine someone is keeping score. The reporters themselves, in turn, fret that they have "missed" something, even when there is little to miss.

Given these traps and more, is it any wonder that huge stories like Watergate and Iran-contra are uncovered by people who are not assigned to the White House? To break the old patterns, reporters would do well to keep in mind John Mitchell's advice at the beginning of the Nixon administration: "Watch what we do, not what we say." In practice, that means worrying less about every comment from the new president and his men, and more about what they are doing to the country.

JONATHAN ALTER

Bush's Bow to Japan

His trip is good diplomacy. It's not a policy.

BY ROBERT J. SAMUELSON

President Bush's decision to attend the funeral of Emperor Hirohito (Feb. 24) is full of symbolism. Here's a World War II aviator, shot down by the Japanese, honoring Japan's wartime leader. Surely this signals the end of the postwar era and U.S. acceptance of Japan as a major power. To amplify the message, Bush invited Prime Minister Noboru Takeshita to Washington this week. Good will is gushing out all over.

After visiting Japan for two weeks, my sense is that there's less to it than meets the eye. Yes, Bush is doing the right thing. It's not merely a matter of catering to Japanese sensitivities but also of acknowledging global realities. The United States is no longer the colossus it once was. American purposes in the world—economic, political and military—can be accomplished only through alliances built on mutual interests and trust. But Bush's sensible gesture won't magically erase the basic conflicts with Japan.

Bush and Takeshita could best improve relations if each took the hard steps at home that would cut the huge trade and investment imbalances between the two countries. The United States needs to reduce its federal budget deficit, which would mean lower spending in the U.S. economy and less demand for imports. Japan needs to spur consumer and construction spending, which would increase its demand for imports.

Each country's problem is the mirror image of the other's. Americans overspend. We buy more than we produce. And the Japanese underspend. They produce more than they buy. Consumer prices (for similar products) are higher in Japan. Typical homes and apartments are cramped. When Japanese argue that they must export to satisfy American appetites, it's a confession that their system—the amalgam of tax, banking and land policies—still discriminates against consumer and housing spending. By the same token, U.S. overspending is not a genetic flaw of national character. The budget deficit is curable.

By the normal standards of diplomacy, U.S.-Japanese relations ought to be in tiptop shape, because Japan has recently followed U.S. policy proposals. Consider:

■ Japan is spending more to defend sea

lanes in the Pacific. Japan now has twice as many destroyers as the U.S. Seventh Fleet. True, Japan still devotes only about 1 percent of its GNP to defense. But because its economy has grown rapidly, so have military outlays. Japan's defense spending now exceeds West Germany's, Britain's and France's.

■ Japan is shouldering more of the costs of the Western Alliance. In 1989 Japan will replace the United States as the largest donor of foreign aid (loans and grants). Its foreign assistance is estimated at \$9.6 billion this year. In addition, Japan pays about \$2.5 billion (or 40 per-



SHIGEAKI MIYAJIMA—SYGMA

Good will all over? Hirohito memorial

cent) of the costs of maintaining the 55,000 U.S. military personnel in Japan.

The trouble is that the Japanese regard these commitments cynically, as the political price to be paid so the United States will keep its markets open to Japan's exports and investments. Trade and investment surpluses are still seen as badges of success. The Japanese do not yet fully grasp the risks of excessive surpluses. There has to be a crude balance—other countries need roughly as much access to Japan's market as the Japanese have elsewhere. Otherwise, there will be a political backlash abroad.

Japan's trade surplus is also driving its increased investment in the United States. As long as dollars from the export surplus were used to buy U.S. bonds and stocks, the trend seemed relatively

harmless. But the more the Japanese acquire U.S. office buildings, golf courses or companies, the more Americans will fear they're losing control over their economy. Each major purchase unsettles U.S. officials in Japan. "I just pray every night that they don't buy the Sears Tower," says one embassy official.

For now, fears that Japan is taking over the United States are wildly exaggerated. Japanese direct U.S. investment (\$33.4 billion at the end of 1987) still lags behind the Dutch (\$47 billion) and the British (\$74.9 billion). The dangers are also misunderstood. What can the Japanese do with office buildings? They can't take them home. If they raise rents too high, tenants will move. Office markets are highly competitive.

Even so, present trends portend trouble. Japan's trade surplus had been declining. Manufactured imports had risen sharply; they account for half of Japan's imports, up from 23 percent in 1980. Now the trade surplus is rising. Economist Ron Napier of Salomon Brothers suggests one reason why. Construction of Japanese factories in other countries had been expected to cut exports, as production moved abroad. But, Napier finds that exports have increased to supply machinery and parts to the factories.

Unstable situation: No one knows whether the trend will persist, but Japanese exporters think they have sufficiently improved their efficiency to overcome the yen's rise. The stronger the trade surplus, the greater the danger it will trigger a reaction in foreign-exchange markets or Congress. The surplus might be cut by a further rise of the yen (and fall of the dollar), making Japan's exports less competitive. At some price, Japan's car exports would become too costly. A distant possibility is that exasperated Americans would push Congress to limit Japan's imports or investments.

I am not advocating these measures, which would hurt both Japan's economy and ours. My point is that the current situation may be unstable—and that prudence suggests averting problems. This means Japan should be energetically reforming its restrictive land policies, costly farm subsidies and inefficient distribution system; the changes would boost housing and consumer spending. The United States should cool import demand by trimming its budget deficits.

But there is little sense of urgency in either country. The United States and Japan anchor the global economy. If relations go awry, who can foretell the outcome? Gracious gestures are not a policy: if Bush and Takeshita want a new start, they should do more than smile.

The Frenetic President

An action-packed start for Bush

Ronald Reagan almost never allowed work to intrude on his private time in the White House living quarters. He liked to get out of the Oval Office and upstairs by 5 p.m. A quiet dinner with Nancy, some TV, maybe a little reading and lights out by the end of prime time was the typical pattern. But if last week is any indication, the electric bill at the White House is about to go up. George Bush has been getting down to business by around 7 in the morning and continuing at a frenetic pace until dinner time. And he doesn't necessarily quit then. On Wednesday the new president capped his double-digit hours with a reception for a select group of loyal Republican congressmen and a few senior aides. The guests loved it when Bush, ever the ebullient host, gleefully led the way to the Lincoln Bedroom and snapped Polaroid souvenir shots of his friends sitting on Abe's bed. "We're using the residence for extended business," a senior Bush aide explained at the end of the president's first full week in office. Next thing you know, Bush will start carrying around a cellular phone so he can extend business all the way to the horseshoe pit.

Aides had predicted that Bush would be something of a whirling dervish in office, but even they weren't fully prepared for last week's hyperkinetic binge. In contrast to his predecessor's take-it-as-it-comes passivity, Bush at times acted as if he had four days to do the job rather than four years. The new president has already urged the reversal of the Supreme Court's abortion decision, dined with the secretary-general of the United Nations, appointed an ethics in government commission, praised civil servants as America's "unsung heroes" and telephoned Mikhail Gorbachev and a host of other international leaders. Bush has even shown an early enthusiasm for some of the job's more tedious chores. While Reagan held three or four staff meetings a day, Bush has been averaging 10 to 12. He met with small groups of reporters for informal on-the-record discussions, and held a 43-minute press conference on Friday morning—one week after he took office. Bush has kept his promise to meet regularly with Vice President Dan Quayle. "My gosh, he's got so much more energy than Reagan," says a senior Bush aide who worked for the former president. "He's so

If only there were enough hours in the day . . . His first presidential press conference

excited to be president. He just loves it!"

Not everyone, however, is swooning over Bush's scattershot style. The Secret Service can hardly be pleased with the president's inclination to abruptly alter his schedule in order to squeeze a little more activity into an already busy day. On Tuesday afternoon Bush decided, on 20 minutes' notice, to go jogging at Fort McNair Army base two miles from the White House—declaring in the process that his motorcades should be cut from 15 vehicles to seven to facilitate future excursions (to his favorite Chinese restaurant, for instance).

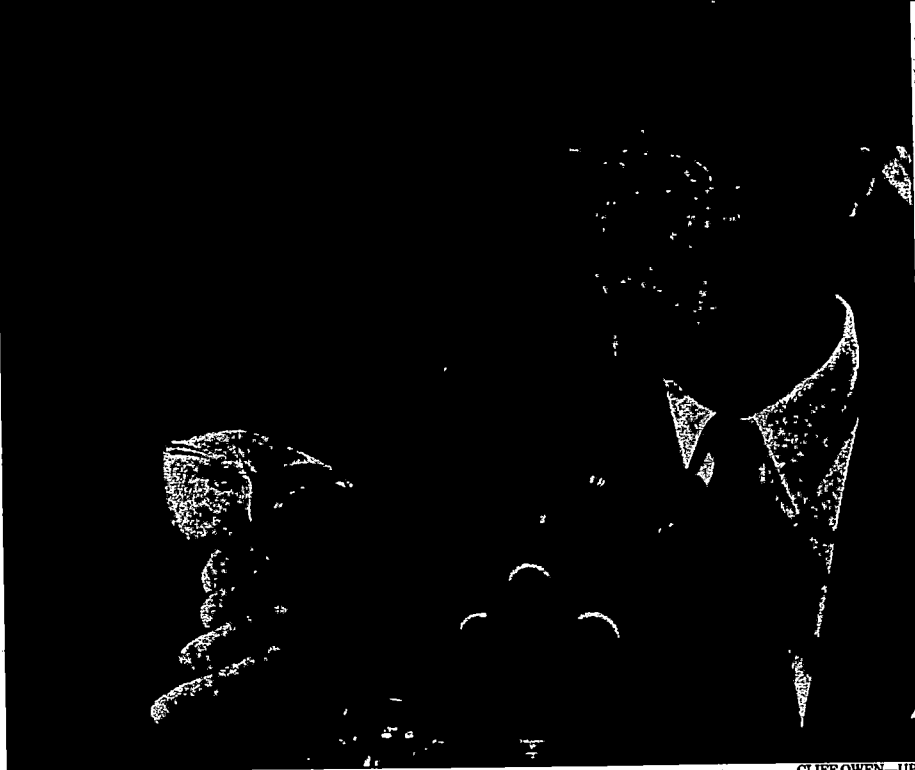
Bush has also appeared a bit trigger happy when it comes to policy pronouncements. During one interview the president implied that he might favor a higher inflation rate in exchange for increased economic growth, a position at odds with that of Federal Reserve Board Chairman Alan Greenspan. That remark prompted press secretary Marlin Fitzwater to take the extraordinary measure of interrupting the interview to change the spin of his boss's remarks. During the discussion Bush seemed to say that his "no new taxes" promise was only good for one year. Then he appeared to soften his Inaugural pledge that "this scourge [of drugs] will stop" by saying that there was probably only enough money for education programs, not enforcement. The confusing statements supported the notion that while Bush clearly *likes* being president, he hasn't completely thought through what he intends to do. In other words, while there was plenty of motion, the direction remained unclear.

At the same time some members of the

Bush team appeared to suffer from a similar lack of direction. Health and Human Services Secretary-designate Louis Sullivan was reported not to favor overturning the court decision on abortion, contradicting Bush's view. Treasury Secretary Nicholas Brady floated the unpalatable proposal that the savings and loan bailout be financed by depositor "fees." That seemed to shorten the "no tax" pledge to one week.

Weekly 'theme': Some of the early policy clangers may be written off as opening-week fumbles. But some Bush aides privately worry that the president's shoot-from-the-hip work habits forecast similar problems in the future. "He can't do all things at all times," says one old friend. "He wants to solve everything and get into everything right away. This town, this country and this world operate on a rhythm. You have to sense those rhythms and ride with them." Bush's inner circle has a plan to slow him down. Longtime friend and adviser Robert Teeter is directing one senior planning group to chart policy goals and develop tactics for the first 100 days and beyond. Every week will have a "theme," similar to the "issues of the day" used during the campaign. Last week's message of "ethics, values and service" played well around the country. "They're going to keep him focused," says a Bush aide. "He will have a focused agenda, and an identifiable one." But before the aides can accomplish that, they first have to concentrate on getting Bush over the sheer excitement of being president.

GEORGE HACKETT with THOMAS M. DEFRANK and ANN MCDANIEL in Washington



CLIFF OWEN—UPI

Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Note	From George Bush to Emmett Smith Re: visit [redaction of personal information] (1 pp.)	n.d.	C	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, January 30, 1989

Date Closed: 12/23/2008	OA/ID Number: 90501-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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RESTRICTION CODES

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*The President
of the United States of America*

*Dear Smitty - Great
seeing you. You look great.
Sincerely, your friend
Geo Bush*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Emmett Smith

C

Enclosure: 1 Box of WH Clip Pens

Jan Burmeister

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

whataguy

Mr. Philip Terzian
Providence Journal-Bulletin
527 National Press Building
Washington, DC 20045

Nov/Dec
-89



Dear Mr. Terzian,

I was a little
tired when I left Providence
last night. Then, on AF1,
someone showed me your
column. I felt like a
spring colt —

most sincerely,

Ag Bush

bcc:
Governor Sununu
Marlin Fitzwater
(WITH ATTACHMENT)

JB

January 30, 1989

Dear Paul,

Many thanks for your good wishes and offer to help reach the people.

As for your October invitation, I've asked the scheduling office to keep the information handy when the time comes to form the fall calendar. They will be in touch with you later in the year.

In the meantime, best wishes for a great 1989. We're off to a great start!

Sincerely,

GEORGE BUSH

Mr. Paul K. Taff
Executive Director
Connecticut Broadcasters Association
101 Tall Timbers Lane
Glastonbury, Connecticut 06033

GB:JDEC:JLB:pps

cc: Buckey Bush
Joe Hagin
Kristin Taylor

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890202

unity

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PP010-05

January 30, 1989

Dear Agnes,

Barbara and I appreciated your thoughtful message, which underscored our common goal. Such a spirit of cooperation gives great possibility to the national challenges we face in the coming decade.

Best wishes to you, with deep appreciation for your hand of friendship.

Sincerely,

GEORGE BUSH

Ms. Agnes Welch
Chairperson
Baltimore City Democratic Central Committee
Baltimore, Maryland

GB:JDEC:JBB:pps

✓ cc: Lee Atwater
Jim Wray
John Sununu
Barbara P. Bush

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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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 (b)(9) Release would disclose geological or geophysical information

Bush Library Photocopy

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PP010-05

January 30, 1989

Dear Arnold,

Many thanks for your thoughtful letter, which underscored our common goal. The reaching-out you observe comes from a deep belief that mutual understanding, even if you agree to disagree, gives great possibility to the national challenges we face in the coming decade. You may have heard my father say something similar.

Best wishes to you, with deep appreciation for your hand of friendship.

Sincerely,

GEORGE BUSH

Mr. Arnold M. Zack

(b)(6)

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✓ cc: Lee Atwater
Jim Wray
John Sununu

C O P Y
from ORM

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