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Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90520
Folder ID Number: 90520-008

Folder Title:
Thursday, August 24, 1989

Stack:	Row:	Section:	Shelf:	Position:
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Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	08/24/89	(b)(6)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Thursday, August 24, 1989

Pinksheet Number: dw1425
OA/ID Number: 90520-008
Date Closed: 8/17/2009
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

E.D.T. PRESIDENT BUSH

AUGUST 24th

, 1989

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		KENNEBUNKPORT, ME	
INC	PM			
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Withdrawal/Redaction Sheet

(George Bush Library)

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WHORM Cat.:
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Date Closed: 8/17/2009	OA/ID Number: 90520-008
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

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

August 24, 1989

	TIME		DISC	NAME	ACTION
	PLACED				
OUT	8:06 AM		8:11	Attorney General Richard Thornburgh Office, Washington, D.C. White House Signal 2-2129	Tlkd-ok 8:08 AM
INC		PM			
OUT	8:25 AM		8:29	Mr. Marlin Fitzwater Shaumut, Kennebunkport, Maine Kennebunkport Signal x332	Tlkd-ok 8:26 AM
INC		PM			
OUT	8:52 AM		8:57	General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 8:53 AM
INC		PM			
OUT	9:14 AM		9:21	Mr. Allan Greenspan Office, Washington, D.C. 452-3201	Tlkd-ok 9:17 AM
INC		PM			
OUT	9:22 AM			Mr. Fred Malek Office, Washington, D.C. 347-2626	LW with Ms. Kelly 9:24 AM
INC		PM			
OUT		AM		Mr. George Bell (b)(6)	LW with Ms. Healey 6:22 PM
INC	6:18 PM				
OUT		AM		Mr. George Bell Mr. William Truesdale, Residence (b)(6)	Tlkd-ok 7:14 PM
INC	7:13 PM		7:17		
OUT		AM		Reverend William F. Graham Jr. Mariott Hotel, Newton, Massachusetts 617-969-1000 x737	Tlkd with Ms. Casey 8:38 PM
INC	8:35 PM				
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			

PRESIDENTIAL MOVEMENTS

LOCATION Kennebunkport, Maine

DATE 24 August 1989

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, AUGUST 24, 1989 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

COLOMBIA PRESSES FOR U.S. FUNDS -- If U.S. financial aid is to have any impact on Colombia's stepped-up fight against drug traffickers it must come as soon as possible and without strings attached, Colombian Justice Minister Monica de Greiff said Wednesday. (Washington Post)

PRO-SYRIAN LEBANESE GROUPS THREATEN FRENCH FLEET -- Pro-Syrian groups have threatened to attack a French fleet that arrives off Lebanon Thursday but French President Mitterrand has said he will not be pressured. (Reuter)

NATIONAL NEWS

BUSH LAUDS GORBACHEV STAND ON POLISH GOVERNMENT -- President Bush praised Soviet President Gorbachev Wednesday for helping persuade Polish communist leaders to join a Solidarity-led government. (Washington Post, AP, Reuter)

BUSH PRAISES COLOMBIA'S BARCO FOR DRUG-THUG CRACKDOWN -- President Bush Wednesday praised Colombian President Barco's crackdown on drug lords and said the U.S. stands ready to train and arm Colombian law enforcement agents. (Washington Times)

NETWORK NEWS (Wednesday evening)

COLOMBIA -- The Colombian attorney general will be in Washington within 48 hours for talks with the U.S. attorney general on extraditing the 12 Colombian drug cartel kingpins.

NEWS CONFERENCE -- President Bush defended Colombia's much-criticized president and said he will help President Barco any way he can, short of sending American troops.

INTERNATIONAL...A-1

NATIONAL NEWS...A-5

NETWORK NEWS....B-1

INTERNATIONAL NEWS

COLOMBIA PRESSES FOR U.S. FUNDS
\$5 Million Program To Protect Judges Caught In Pipeline

BOGOTA -- If U.S. financial aid is to have any impact on Colombia's stepped-up fight against drug traffickers it must come as soon as possible and without strings attached, Colombian Justice Minister Monica de Greiff said Wednesday.

U.S. aid totaling \$5 million to help protect judges from retribution by the cocaine cartels was announced as available in April, but Colombia has yet to receive a cent of it, de Greiff said. She attributed the delay partly to internal government wrangling here but also to the pace of talks with U.S. Embassy officials on exactly how the money is to be spent....

"Colombia is now at an exceptional moment," de Greiff said. "Right now, the will of the people and the will of the government against the traffickers is clear. If we lose, yes, our institutions, our democracy will be weakened."

A Colombian delegation is likely to go to Washington within the next several days with a formal request for U.S. financial aid, according to officials here.

President Bush, questioned in Kennebunkport...about the U.S. response to drug-related violence in Colombia, said Washington is in "discussions with Colombia on that right now.... They might need certain technical assistance to go after these people. They can use training for some of their forces -- police, for example."

In Washington, Attorney General Thornburgh said the Justice and State departments had agreed to offer Colombia \$2 million for the judicial protection program. Spokesman Dan Eramian could not explain why the original \$5 million had not been spent earlier, or why the entire amount was not the subject of Wednesday's announcement.

(Eugene Robinson, Washington Post, A1)

U.S. SEEKS ARREST OF 'DOZEN MOST WANTED' COLOMBIAN DRUG LORDS

Washington pressed for the arrest and extradition of 12 suspected drug kingpins as U.S. and Colombian officials met to discuss Bogota's crackdown on drug traffickers.

The State Department said Wednesday the U.S. Embassy in Colombia asked the Bogota government to arrest the "Dozen Most Wanted" suspected drug lords named by Attorney General Thornburgh.

U.S. and Colombian officials met to work out details of an extradition plan, State Department spokesman Boucher said. He did not say who was meeting or where for security reasons.

Boucher said "very senior" officials of both countries would meet later in the week but gave no details.

(Deborah Zabarenko, Reuter)

ISRAEL AFFIRMS BACKING FOR WAR AGAINST DRUGS

JERUSALEM -- Israel's government reacted with alarm Wednesday to reports that Israeli mercenaries may have helped drug dealers in Colombia train squads to assassinate public figures.

The apparent involvement came to light when voices in Hebrew were heard on a videotape broadcast by NBC-TV. The tape purportedly pictured the training of assassination teams in the service of Colombian drug dealers.

"If the reports are true, they pertain to actions of individuals who are acting on their own," a Foreign Ministry spokesman said. "Such actions would be in violation of Israeli law and would be contrary to Israeli policy, which is strongly committed to the war on drugs."

(Los Angeles Times, Washington Post, A27)

POLICE CAPTURE LEADING MEXICAN DRUGS SMUGGLER

MEXICO CITY -- Mexican police said Wednesday they arrested one of the country's drug lords, Amado Carrillo Fuentes.

Police anti-narcotics director Fausto Valverde told reporters that Carrillo was picked up in the central Mexican city of Guadalajara. Six weapons and six small planes were confiscated....

Valverde said Carrillo had links to Colombia's Medellin cartel, but gave no other details.

(Reuter)

PRO-SYRIAN LEBANESE GROUPS THREATEN FRENCH FLEET

BEIRUT -- Pro-Syrian groups have threatened to attack a French fleet that arrives off Lebanon Thursday but French President Mitterrand has said he will not be pressured.

The eight French ships, including the 24,000-ton aircraft carrier Foch, were expected off Lebanon at dawn, Lebanese naval sources said.

In Paris, Mitterrand said no one would be allowed to dictate French action in Lebanon....

Christian security forces said the ships were loaded with medical and food supplies. They said the fleet would stay on the edge of Lebanese territorial waters and away from the coast to avoid provocation.

(Samia Nakhoul, Reuter)

MAZOWIECKI EMBRACES FOES TO AVOID 'CIVIL WAR'

WARSAW -- Tadeusz Mazowiecki, the Solidarity editor who is Poland's premier-designate, said Wednesday he would include communists in his government because their exclusion could spark a civil war.

At the same time, 15 reformist communist Polish United Workers Party deputies in parliament said the legislature should strike out a clause from Poland's constitution, dating from 1976, that guarantees the party the leading role in the Polish state....

"This is just a confirmation of the situation which in fact exists," said Jerzy Bartnicki, one of the 15 deputies. "It would be perfectly logical to go ahead with this." (Timothy Heritage, Washington Times, A1)

BALTIC STATES LINK IN PROTEST 'SO OUR CHILDREN CAN BE FREE'
'Chain' Participants Decry Soviet Takeover

TALLINN, USSR -- In one of the largest mass demonstrations ever seen in the Soviet Union, more than a million Latvians, Estonians and Lithuanians linked arms in a 430-mile "human chain" Wednesday to protest the Soviet takeover of the three Baltic states that resulted from secret agreements between Moscow and Nazi Germany exactly 50 years ago.

A declaration issued in the name of the demonstrations denounced the Soviet Union as "a colonial power" and called for the restoration of the "independent statehood" of the three Soviet republics. It said that President Gorbachev's goal of a "common European home" could only be realized if all European nations were granted "a free right to self-determination."

Dubbed the "Baltic Way" by organizers, the human chain stretched from Tallinn, the Estonian capital, in the northeast through Latvia to Vilnius, the Lithuanian capital, in the southwest.

(Michael Dobbs, Washington Post, A1)

ALL-OUT ASSAULT FORSEEN IN LEBANON
Syrian-Backed Forces Reported Ready To Crush Christian Army

DAMASCUS -- The latest battle for Lebanon, which flared five months ago when Gen. Aoun declared a "war of liberation" to expel the Syrian army from his country, is grinding toward a brutal military climax and has moved Lebanon farther away from a political settlement than at any other time in its 14 years of civil war.

With a death toll nearing 800 in five months, and with injuries and psychological trauma affecting tens of thousands among the half-million refugees living in tent cities and makeshift shelters, it appears that too much blood has been spilled and too many political ultimatums served for the carnage to be easily stopped without a clear-cut victory for one side.

According to sources here and in Beirut, a war council comprising more than a dozen Lebanese militias backed by Syria is drawing up battle plans to open a five-front assault to crush the remnants of the Lebanese army that still take orders from Aoun.

Another anti-Aoun leader, however, has told Soviet officials in Damascus that the coalition of forces will simply bleed Aoun's army in a war of attrition that will make much of Beirut, its surroundings and the Christian heartland uninhabitable.

(Nora Boustany & Patrick Tyler, Washington Post, A1)

CHENEY BLASTS CUTS BY HOUSE
Politics, Over-Optimism Said To Harm Defense

Defense Secretary Cheney, in a blistering attack Wednesday that could set a combative tone for upcoming congressional budget conferences, accused the House of undercutting critical weapon programs in favor of political pork and an overly optimistic view of Soviet military intentions.

Cheney, who has been more strident in his criticism of Soviet President Gorbachev's initiatives than other Administration leaders, said some of his former colleagues have been too quick to believe the U.S. can begin trimming strategic forces because of promised Soviet military cutbacks.

"They have seen some changes and apparently believe everything now is just fine," the former Wyoming representative said in a speech delivered to a national convention of the Veterans of Foreign Wars in Las Vegas but directed at members of Congress who will return Sept. 6 from their summer recess to settle differences in the defense authorization bill. "It is as if they had decided to give away their overcoats on the first sunny day in January." ...

He urged the House and Senate conferees on the authorization bill to "restore the President's priorities." Cheney warned that if the House version, which contains more drastic cuts than the Senate measure, prevails in the conference committee, "you can be sure it will be veto bait."

(Molly Moore, Washington Post, A1)

TUTU HIT BY TEAR GAS AFTER CHURCH RALLY

JOHANNESBURG -- South African riot police fired tear gas at Anglican Archbishop Desmond Tutu and a group of students outside Cape Town church Wednesday, minutes after Tutu reportedly persuaded the students to cancel a planned protest march on a nearby police station.

The police also opened fire with tear gas and rubber bullets to disperse an anti-government rally at the University of the Western Cape as nationwide demonstrations continued to escalate in support of a three-week-old campaign of civil disobedience and defiance of emergency restrictions against dissents. (William Claiborne, Washington Post, A25)

NATIONAL NEWS

BUSH LAUDS GORBACHEV STAND ON POLISH GOVERNMENT

KENNEBUNKPORT -- President Bush praised Soviet President Gorbachev Wednesday for helping persuade Polish communist leaders to join a Solidarity-led government.

In an outdoor news conference at Walker's Point, his family compound here, Bush said the Gorbachev statement was "very positive in this regard -- very."

He was questioned about a 40-minute telephone conversation on Tuesday between Gorbachev and Polish Communist Party leader Rakowski, in which Gorbachev encouraged the Polish communists to participate in a Solidarity-led government. Following the call, a spokesman for Rakowski pledged cooperation with Solidarity in forming a new government....

Also Wednesday, Bush said he would meet with some Cabinet members next week on his forthcoming anti-drug plan. He is also scheduled to meet with Danish Prime Minister Schluter on Thursday and Canadian Prime Minister Mulroney next week. Otherwise, he said, "This has been a total vacation."

(David Hoffman, Washington Post, A26)

Bush Praises Colombia's Barco For Drug-Thug Crackdown

KENNEBUNKPORT -- President Bush Wednesday praised Colombian President Barco's crackdown on drug lords and said the U.S. stands ready to train and arm Colombian law enforcement agents.

Bush, appearing before local Maine reporters at his summer home, also encouraged Barco to extradite drug traffickers wanted in the U.S. on several criminal indictments.

"I am hopeful that they will see that extradition should go forward. We have a list of people that are key kingpins...that we'd like to see extradited and brought to justice for their violation of United States law," he said.

Bush pledged his support to Barco as U.S. and Colombian officials prepared to open talks on American military and economic aid....

"Facing trial in the United States is what these drug lords fear the most," he said in a statement.

In a 39-minute interview at the Bush home on Walker's Point here, the President also praised Soviet President Gorbachev for encouraging democratic reforms in Poland.

(Paul Bedard, Washington Times, A10)

President Breaks Vacation To Tend To Business

KENNEBUNKPORT -- President Bush admitted Wednesday he is "frustrated" by the fighting in Lebanon, but vowed to continue efforts to stop it.

Talking to reporters at his seaside home where he's been vacationing for a week, the President also expressed support for France placing warships off Lebanon, despite threats by Shiite factions that the move could jeopardize the lives of the U.S. hostages.

"The French have had a long-standing interest in Lebanon," he said. "They have a lot of French citizens in that corner of the world. They made clear the movement of the ships was to protect their citizens. So I am not about to criticize the French."

(Richard Benedetto, USA Today, A4)

Bush Applauds Gorbachev's Attitude Toward Poland

KENNEBUNKPORT -- President Bush is welcoming Mikhail Gorbachev's intervention in the Polish crisis as a positive step toward establishing a new coalition government.

Bush, speaking at a news conference on the lawn of his oceanside vacation home Wednesday, praised the Soviet president's unusual telephone call to a Polish communist leader, in which Gorbachev urged the party to be more cooperative with Solidarity leaders.

The President, on a three-week vacation that lasts until Labor Day, Wednesday was entertaining the prime minister of Denmark, Poul Schluter...and his wife....

"I expect we'll be talking about NATO-related matters," Bush said about Schluter, whom he described as an old friend....

The President's Wednesday news conference with reporters primarily from Maine-based news organizations ranged from events in Poland to the price of lobsters.

(Tom Raum, AP)

Bush Calls Gorbachev Comments On Poland 'Very Positive'

KENNEBUNKPORT -- President Bush praised Soviet leader Gorbachev's response to changes in Poland but cautioned there will be "bumps in the road" to reform in Eastern Europe.

During an outdoor news conference Wednesday, Bush said he was encouraged by reports of a telephone conversation in which Gorbachev encouraged Polish communist leaders to cooperate with Solidarity-led forces....

"I felt that the statement that I saw attributed to Mr. Gorbachev was very positive ... very," Bush said.

Bush, who visited Poland and Hungary last month, has been trying to encourage political and economic reforms in the Eastern bloc without posing a threat to the Soviet Union.

"There's a lot of change taking place. The change is dramatic," Bush said at his family's estate overlooking the Atlantic Ocean.

(Laurence McQuillan, Reuter)

'CATASTROPHIC' COST ESTIMATE RISES SHARPLY

The Congressional Budget Office will soon report that estimated five-year costs for catastrophic-illness coverage under Medicare will soar to \$45 billion, \$15 billion more than expected when the bill passed last year, Rep. Fawell said Wednesday.

The Bush Administration, which has consistently projected greater costs than the budget office, has now raised its five-year estimate to more than \$55 billion, sources said Wednesday....

With five-year costs of \$45 billion, it would be far more difficult for Congress to cut the surtax without jettisoning major program benefits or repealing the law altogether....

The budget office had no comment on Fawell's statement, saying new estimates have not yet been released. But sources familiar with its latest calculations said the cost rise to \$45 billion "is in the ballpark."

A House Ways and Means Committee aide said the budget office estimates are not yet final and could be offset somewhat by reduced Medicare hospital costs and savings on Medicaid resulting from the 1988 law.

(Spencer Rich, Washington Post, AI)

PENTAGON MEMO OPPOSES MILITARY'S ROLE IN DRUG WAR

While the Pentagon is striking a public posture of cooperation with Congress in America's war on drugs, it also has circulated a memo vehemently objecting to all new anti-drug missions lawmakers plan to assign the military next year.

The closely held memo came from the Pentagon office in charge of monitoring drug interdiction and arrived on Capitol Hill just as the House voted July 25 on a new military drug-interdiction bill, according to a congressional source.

One of the memo's arguments is that the defense budget already is stretched "to levels at which we are marginally prepared to defend this country from hostile threats." ...

According to the congressional source, the unsigned memo opposing new drug missions was drafted by a deputy in Assistant Secretary of Defense Stephen Duncan's office. The source did not know if Duncan had reviewed the document.

(Rowan Scarborough, Washington Times, A3)

AIDE DENIES THORNBURGH SEEKS TO USURP WALSH'S AUTHORITY

RICHMOND -- A top aide to Attorney General Thornburgh sought to persuade a federal appeals court Wednesday that Thornburgh was not usurping authority of independent counsel Lawrence Walsh by seeking to intervene in the Iran-Contra trial of a former CIA station chief.

"Yes, there are tensions between the...responsibilities of the U.S. attorney general's office and the prosecution of this case," acting deputy attorney general Edward S.G. Dennis Jr. said in response to questioning from the three-judge panel. But "we're not trying to prosecute the case."

The Justice Department and Walsh are battling over release of government secrets at the trial of Joseph Fernandez, a former CIA station chief in Costa Rica.

(Joe Pichirallo, Washington Post, A8)

FHA TARGETED FOR ACTION AMID RECORD LOSSES, CHARGES OF FRAUD

While Congress wrestles with allegations of influence-peddling at the Department of HUD, a quieter debate is raging about a deeper problem at HUD, one that carries the largest price tag of those attached to various aspects of department mismanagement.

The perennially troubled Federal Housing Administration's single-family mortgage insurance program -- plagued by record losses and charges of fraud and equity skimming -- has emerged as the primary target for action by all sides: the mortgage industry, Congress and the agency itself.

HUD Secretary Kemp calls FHA..."one of this government's great success stories." But he also acknowledges that the nation's primary housing finance agency has been deeply scarred by mismanagement and by losses from regional economic downturns....

But there is a sharp difference of opinion within the housing industry about the extent of the FHA's troubles. And HUD is awaiting the results of a new study of the FHA being conducted by the accounting firm Price Waterhouse for the GAO before acting.

(Gwen Ifill, Washington Post, A4)

EDITOR'S NOTES: "Nuclear Power Debate Shifts," by William Booth, appears in the Washington Post, A1.

"Number Of Graduates Is Steady But School Costs Keep Soaring," by Lawrence Feinberg, appears in the Washington Post, A2.

-end of A-section-

White House News Summary - Thursday, August 24, 1989 -- B-1

NETWORK NEWS SUMMARY for Wednesday, August 23

COLOMBIA/DRUGS/PRESIDENT'S NEWS CONFERENCE

NBC's MARY ALICE WILLIAMS: As the net tightens around the Colombian drug barons, U.S. embassies worldwide are on alert for the dirty dozen -- the top 12 drug cartel kingpins who may be fleeing Colombia's crackdown. And NBC News has learned the Colombian attorney general will be in Washington within 48 hours for talks with the U.S. attorney general on extraditing them.

NBC's BRIAN ROSS reports American and Colombian authorities are investigating whether Israelis are involved in training and equipping assassination teams organized by the drug cartel bosses.

(U.S. CUSTOMS AGENT DENNIS FAGAN: "They're not using slingshots, so therefore, you know, they're using some heavy armaments. So they are military weapons.")

In Israel, a foreign ministry spokesman said the government was investigating. Meanwhile, back in Bogota, police have arrested five of the suspected assassins in the murder last Friday of Luis Galan. The military continues to seize some of the vast holdings of the drug bosses.

WILLIAMS: Four lower-ranking traffickers now under arrest are to be extradited to this country within two weeks, and President Bush says his Administration is discussing with Colombia right now the possibility of additional help in battling the drug barons.

NBC's JOHN COCHRAN: The vacationing President defended Colombia's much-criticized president and said he will help President Barco any way he can, short of sending American troops, a move which Bush feels would be unpopular throughout Latin America.

(PRESIDENT BUSH: "I know enough about this hemisphere, and have had enough experience in dealing with countries in Latin America, to know the constraints that should exist in terms of dispatching troops. So there would not be any unilateral action of this kind.")

Drug violence in Colombia may trouble Bush, but he was pleased with events in Eastern Europe, especially now that Mikhail Gorbachev has told Poland's Communists to cooperate with the incoming non-Communist prime minister.

(PRESIDENT: "The change is dynamic; it will be far reaching; there will be bumps in the road as these countries move towards more democracy, there's no question about that. But I've felt that the statement that I saw attributed to Mr. Gorbachev was very positive in this regard, very.")

The President pointed to the trend toward democracy in Eastern Europe as one reason why Americans have given high marks in the polls.

(PRESIDENT: "They've got enormous difficulties, but they sense the strength of the United States and they see world events coming our way and so maybe some of that is why things make it appear that I'm not doing too badly.")

Bush also said many Americans like him because they like Barbara Bush. He invited reporters to check on his wife's tennis game. She joked that the President's invasion of her privacy might result in divorce. In a battle of one-liners, the President responded that her tennis game was deadly dull.

(TV COVERAGE: First Lady playing tennis. PRESIDENT: "It's like watching grass grow out here." Laughter.)

Mrs. Bush was on the court only one day after medical treatment for double vision.

-more-

COCHRAN continues:

(PRESIDENT: "Can we inspect your eyeballs, please?"

TV COVERAGE: First Lady rolls eyes. FIRST LADY: "My eyes are perfect.")

The Bushes are obviously relishing their first summer vacation as First Family, and their high ranking in the polls. But Bush admits that what goes up must also come down, and that for most Americans the jury is still out on his young presidency.

(NBC-Lead)

ABC's CAROLE SIMPSON: President Bush praised Colombia for its crackdown on drug traffickers. Speaking to reporters in Maine, the President said the U.S. could supply training and equipment to help Colombia deal with the problem. The raids against the drug lords are continuing.

ABC's MARK POTTER reports from Colombia that despite limited success, Colombian authorities say the widespread drug raids will continue.

(ABC-3)

CBS's CONNIE CHUNG: President Bush offered to help Colombia crack down on drug laws any way he can. The help will not involve U.S. combat troops. The President said talks are underway between U.S. and Colombian officials.

CBS's WYATT ANDREWS: For starters, Colombia's Justice Minister is apparently on her way to Washington for discussions with Attorney General Thornburgh. And apparently she is just one of several top Colombian officials who will be coming to Washington over the next week for discussions on just how to take on the Colombian drug cartel. Speaking out for the first time since the drug crisis erupted in Colombia, President Bush interrupted his Maine vacation today to pledge the U.S. is prepared to give Colombia what it needs.

(PRESIDENT BUSH at outdoor news conference: "They have enclaves of these narco-traffickers. They might need certain technical assistance to go after those people. They can use training for some of their forces.")

They will get \$2 million worth of bodyguard training immediately. The U.S. announced an agreement to teach Colombian police security techniques for protecting judges and other officials who might be targeted by the drug lords. Colombia will get training, but not U.S. troops. Despite statements from his own attorney general that U.S. force is an option, Mr. Bush said Colombia's leaders had ruled that out.

(PRESIDENT BUSH: "The President did make clear that he was not requesting United States troops. That whole question of troop speculation got, I thought got out of whack.")

The President praised Colombia for its crackdown on the cartel but then kept the pressure on Bogota to capture the criminals the Administration calls the 12 most wanted.

(PRESIDENT BUSH: "We have a list of people that are key -- kingpins, you might say, that we'd like to see extradited and brought to justice.")

But having said that, the U.S. already fears that those 12 criminals are already fugitives in other countries, including Manuel Noriega's Panama.

CHUNG reports the U.S. Embassy in Colombia formally requested the arrest of 12 fugitive drug kingpins as the first step towards bringing them to justice in the U.S. if they can be found. And police interrogated suspects in the assassination of a presidential candidate.

White House News Summary - Thursday, August 24, 1989 -- B-3

CBS's JUAN VASQUEZ reports from Colombia that police are asking eyewitnesses to come forward and identify the suspects as the killers of Galan.
(CBS-4)

BALTIC STATE PROTESTS

SIMPSON: We begin tonight with an anniversary whose commemoration makes the Soviet Union very uneasy. On this date in 1939, Adolf Hitler and Josef Stalin carved up Eastern Europe. Today, 2 million residents of the Baltic states linked hands to protest not only what happened 50 years ago but to send a message of defiance to Moscow today.

ABC's JIM LAURIE reports on the human chain of protest. People all across the Baltic states formed a line for nearly 400 miles. There were freedom songs and tears among those who remembered when the Baltics were free. What people here now demand is that Moscow repeal the deal signed so long ago between Stalin and the Nazis. They want complete independence from Moscow. While Moscow has now moved to denounce the 1939 pact as immoral, it says it makes no difference to the status of the Baltics now. A Soviet TV commentary tonight made it plain that real independence is not an option. Mutual trust and negotiations, say the Soviets, are the answer; history must not aggravate the events of today.
(ABC-Lead)

CHUNG: Even the new face of European Communism has never seen anything like it. It was an extraordinary show of mass defiance in the Baltic region of the Soviet Union, a human chain of protest that reached across the three Baltic republics.

CBS's BILL MCLAUGHLIN reports from Tallin, Estonia, on the people locked together in a human chain, united in their determination to free themselves from Soviet control. Perhaps a million people linked in a peaceful demand for freedom. Throughout Estonia, Latvia and Lithuania there is a sense of excitement, a feeling that almost anything is possible: political freedom, non-communist government and even independence. No police pulled down the signs that demanded that the Russians go home, no troops to arrest ex-political prisoners denouncing Soviet occupation, and no fear in the faces in the crowd -- a good-natured but still astonishing show of defiance. But the people of the Baltics know they are not masters of their own fate.

CHUNG reports that at a protest in Moscow in support of the Baltic protesters, Soviet riot police dispersed hundreds of demonstrators. The government news agency said 75 people were detained. (NBC-3, CBS-Lead)

POLAND

SIMPSON reports Solidarity and Communist members of Parliament unanimously condemned the old Soviet-German pact as shameful. Solidarity and the Communists also appear closer to agreement on who will do what in a new government.

ABC's JIM HICKEY reports from Warsaw that Poland's army and security forces will remain in the hands of the Communists. This morning, he said he has assurances from President Jaruzelski that the armed forces will cooperate with the new coalition government. But in return, he said, the Communist Party must have more than just the two cabinet posts already offered it.

-more-

HICKEY continues: Mazowiecki warned a Solidarity caucus meeting that with Solidarity's rise to power, there is a feeling of danger within the armed forces which must not be aggravated. He said they have no choice but to bring Communists into the government because of what might happen if they don't, telling his colleagues there is no opposition in the world which controls the army and remains the opposition. In a phone call to the Communist Party leader last night, President Gorbachev warned that Poland's problems cannot be solved if the party is not included. Tonight the Parliament adjourned without voting on Mazowiecki's appointment as prime minister; that is expected tomorrow. By this time next week, he wants the new government formed. (ABC-2)

CBS's BERT QUINT reports youths bent on immediate full-scale democracy shouted, "Down with communism," outside Communist Party headquarters in the Soviet Embassy today, but their cries were ignored as Poland's two major political forces laid the groundwork for a coalition government. The Communists appear ready to cooperate, but today President Jaruzelski's top political advisor, Wieslaw Gornicki, accused Lech Walesa of reneging on an agreement to let the Communists rule during a transition period of several years. Poland's Communists consider the future prime minister a decent man and say they hope they can work with him. (CBS-2)

EAST GERMAN REFUGEES

CHUNG says Hungarian authorities using dogs reportedly are cracking down on would-be East German refugees trying to escape into Austria. Austria says 2,000 East Germans have crossed in the last four days alone. A West German newspaper says East Germany will sharply restrict travel to Hungary. (CBS-3)

NBC's PETER KENT reports on the exodus of East Germans. While it has embarrassed and enraged East Germany, Hungary has no intention of re-erecting the Iron Curtain to please its Warsaw Pact partner. (NBC-2)

PANAMA/NORIEGA

CHUNG reports the campaign to remove alleged drug-trafficker Manuel Noriega from power suffered a big setback.

CBS's LINDA TAIRA reports this afternoon foreign ministers trooped to the OAS to receive the news: A U.S.-backed effort by the organization to arrange a transfer of power in Panama by September 1 has failed. Adding to the bleak picture: unconfirmed reports that Noriega is harboring fugitive drug cartel bosses from Colombia.

(RICHARD BOUCHER: "Noriega's proven willingness to aid the international drug cartels is a clear threat to hemispheric security. His departure and the creation of a democratic government in Panama is vital if the fight against drugs is to succeed.")

The tough talk in Washington has only made Noriega dig in his heels. "Panama is a country where everyone wants to interfere," said a defiant Noriega after talks had broken off. "Everyone," he argues, "wants to command us. It is an insult that the foreign countries want to dictate to us what we must do." In Panama, the streets are thick with tension. And last week, in what some analysts saw as an effort to keep Noriega guessing and off balance, U.S. troops conducted the largest military exercises in more than a year.

-more-

TYRA continues:

(EVA LOSER, Center for Strategic and International Studies: "We're seeing a new round of sabre-rattling. Whether or not the Administration is in fact willing to back it up is another question entirely.")

With the OAS failure to date, and with the U.S. declaring war on international drug traffickers, the Administration may now have to decide if it's willing to act against Noriega. (CBS-5)

MINORITIES & ALCOHOL

SIMPSON reports a coalition of 22 black, Hispanic and health organizations are calling for less alcohol in malt liquor and there is concern about the way malt liquor is advertised.

ABC's GEORGE STRAIT reports that in a letter to the Bureau of Alcohol, Tobacco and Firearms, the coalition asks the alcohol content of malt liquor be restricted to that of regular beer. (ABC-4)

HIJACKING

SIMPSON reports an Algerian man who said he had a bomb hijacked an Air France jet carrying him from Paris to Algeria today. When the plane landed in Algiers, the passengers got off. The hijacker was then allowed to make a statement calling for a peace conference in Lebanon. Then he was arrested. No one was hurt. The bomb turned out to be a bag containing soap and shaving cream. (CBS-12, NBC-4, ABC-7)

LABOR MOVEMENT

CBS's ROD ALLEN reports national labor leaders brought their members together to a courthouse in the coal fields of Southwestern Virginia, trying to put an end to a series of labor defeats. Analysts argue it will take more than rhetoric to revive America's unions.

(THOMAS GEOGHEGAN, analyst: "Management is much, much stronger in this country than ever before. Workers are more inclined to identify with management and not with labor, which is very weak and easy to bust.")

Union organizers insist this rally is just a preview of the traditional demonstrations that will take place in two weeks on Labor Day.

(CBS-7)

SOUTH AFRICA

SIMPSON reports police in South Africa used tear gas and rubber bullets to break up a series of protests in several townships around Capetown. They are part of a new campaign against apartheid.

ABC'S RICHARD Sergay reports from South Africa, Archbishop Tutu appealed to people to cancel their protest march, fearing police violence. The protesters began to leave but riot police opened fire with tear gas. Today's protests were part of a wider movement known as The Defiance Campaign. For three weeks, Tutu and others have been openly and deliberately defying apartheid laws. By cracking down so hard, the government seems intent on showing who is in charge despite the possible backlash here and abroad. Tutu issued a stern warning to the government that South Africa is on the brink of a very serious catastrophe.

(CBS-6, NBC-5, ABC-8)

-more-

ABORTION/PARENTAL CONSENT

NBC's LISA MYERS reports only half the states with parental consent laws actually enforce them; the other laws have been declared or are believed to be unconstitutional. But this fall, the Supreme Court takes up two cases requiring that one or both parents be notified before a teenager can have an abortion. Anti-abortion groups have put parental consent laws at the top of their legislative agenda. Polls show a strong majority of Americans say it is a right and an obligation of a parent to know what is being done to or for their children.
(NBC-7)

DRUGS-ALCOHOL ON THE JOB

ABC's BETH NISSEN reports on some companies combatting drug and alcohol abuse on the job. An estimated 10% of the workforce has a problem with drugs, especially alcohol. According to the National Institute on Drug Abuse, the cost to American business: \$100 billion a year. Businesses are trying to crack down, using undercover investigators. More than half of the larger companies now require drug tests on applicants. Most companies are not doing anything at all. But growing numbers of companies are realizing that getting addicted workers into treatment is part of the business of business.
(ABC-10)

ETHIOPIA

CBS's PETER SCHWEITZER reports on a refugee camp filled with orphan boys in Southwest Ethiopia, where there are tales of horror from the war. U.N. money pays for the camps and the children largely run the camps themselves.
(CBS-11)

FISHING/SPACE PROGRAM

CBS's ERIN HAYES reports on "space junk" -- space launch structures discarded by NASA and placed off the coast of Florida as part of a reef development program to attract fish.
(CBS-14)

RETIREMENT AGE/SOCIAL SECURITY

NBC's JOHN CHANCELLOR comments: ...Why do people have to retire at 65? ...The average 65-year-old American man is going to live about another 20 years. Women live longer. Some experts say the retirement age should be 72 or 73. Most people are still vigorous in their 60s. George Bush runs, plays tennis and holds down a demanding job.... If the retirement age were raised, the country would have a larger and more experienced workforce, Social Security would cost less....
(CBS-11)

-end of News Summary-

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207 9672979;# 2
P. 01

Southwest Research Associates

P.O. BOX 721 • LUBBOCK, TEXAS 79408 • (806) 745-2507

R. K. Towery
Jane Anne Stinnett
Lisa Nowlin

01/

FAX TRANSMITTAL SHEET

TO: Ms. Brigitte Montague

FROM: Bob Blake

FAX # 745-5066

DATE: 8/24/89

* Please call 806-745-2507 if not received in good order.

TOTAL PAGES (including this page) : 6

This is the third Public Opinion Survey from
Lubbock, Texas. It is being sent via Federal
Express to the major newspapers around the
country.

Bush Library Photocopy
George Bush Handwriting

Bush Library Photocopy
Preservation

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P. 82

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R. K. Towery
Jane Anne Stinnett
Lisa Nowlin

SURVEY OVERVIEW

Southwest Research Associates is pleased to present the results of this survey. This report contains the results of a telephone survey of 400 randomly regenerated telephone numbers from throughout Lubbock County. Responses to the survey were gathered on August 21 through August 22, 1989. As is always the case, responses to a random sample may result in a sample that is slightly at variance with the actual ethnic population of the total audience. For instance, in this case the number of respondents who identify themselves as Hispanic, while closely representative of the U. S. Hispanic population as a whole, is somewhat under-represented of that population in Lubbock county. Effect upon the results is minimal in this case, since a larger than necessary sample was taken. Sample size should result in an accuracy level of plus or minus 4% with a confidence level of 95 percent. This poll was commissioned and paid for by the Lubbock Board of City Development, Lubbock, Texas.

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P. 03

Southwest Research Associates

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R. K. Towery
Jane Anne Stinnett
Lisa Nowlin

A PUBLIC OPINION SURVEY LUBBOCK COUNTY, TEXAS August 21 - 22, 1989

- 1) First I would like to ask you some questions on the National scene. As you know, the hostage situation in the Middle East has been in the news recently. Are you generally satisfied with the way President Bush has handled the hostage situation or do you believe he should have been much more aggressive like bombing Iran or the terrorist bases in Lebanon?

Handled about right	61%
More aggressive	30%
Did not answer	9%

- 2) If another hostage was killed by the terrorist, would you be in favor of bombing Iran, Syria or Lebanon in retaliation even if it meant the death of the remaining hostages?

Favor bombing	40%
Do not favor bombing	48%
Did not answer	12%

- 3) Would you be in favor of negotiation on a face to face basis with Iran and Syria if it could lead to the release of the hostages?

Favor negotiations	79%
Do not favor negotiations	16%
Did not answer	5%

- 4) As a general rule do you believe we will see real peace in the Middle East in your lifetime or do you believe that conflict in the area will be more or less constant for years to come?

Real peace in my lifetime	13%
Conflict for years to come	82%
Did not answer	5%

- 5) Do you believe our current policies of support for Israel are about right and should be continued or do you believe that American foreign policy in the Middle East is tied too closely to economic and military support for Israel.

About right	37%
Tied too closely	42%
Did not answer	21%

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A PUBLIC OPINION SURVEY
LUBBOCK COUNTY, TEXAS
August 21 - 22, 1989
Page - 4

R. K. Towery
Jane Anne Stinnett
Lisa Nowlin

16) What is your occupation?

(CHECK ONE THAT
BEST FITS WHAT
THEY TELL YOU)

Retail	5%
Sales	5%
Banking	3%
Attorney	2%
Medical	5%
Housewife	11%
Insurance	2%
Office	7%
Farming	1%
Oil & Gas	3%
Food	3%
Transportation	1%
Teacher	4%
Student	9%
Retired	11%
Unemployed	3%
Other	25%

17) Sex (by observation)

Male	45%
Female	55%

This is all of our questions. Thank you for taking the time
to participate in the survey.

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R. K. Towery
Jane Anne Stinnett
Lisa Nowlin

A PUBLIC OPINION SURVEY
LUBBOCK COUNTY, TEXAS
August 21 - 22, 1989
Page - 3

- 11) In terms of where you get your information about national and international events and issues, do you get your information from television, newspaper or radio?

Television	69%
Newspaper	25%
Radio	5%
Did not answer	1%

- 12) In terms of where you get your information about local events and issues, do you get your information from television, newspaper, or radio?

Television	61%
Newspaper	32%
Radio	6%
Did not answer	1%

- 13) Which of the news media do you believe does the best job and most accurately reports local events and issues television, newspaper or radio?

Television	59%
Newspaper	31%
Radio	3%
Did not answer	7%

Now just a few final questions for statistical purposes only --

- 12) What is your age, please?

18-24	16%
25-29	12%
30-34	12%
35-39	11%
40-44	11%
45-54	15%
55-64	11%
65-over	12%

- 15) What do you consider your race or ethnic background black, white, hispanic or what?

Black	8%
White	74%
Hispanic	17%
Other	1%

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R. K. Towery
 Jane Anne Stinnett
 Lisa Nowlin

A PUBLIC OPINION SURVEY
 LUBBOCK COUNTY, TEXAS
 August 21 - 22, 1989
 Page - 2

- 6) Turning now to State Government. As you may know a recent session of the Texas Legislature recommended that the salary of State Legislators be increased, threefold, from about \$7200 per year plus expenses to about \$22,000 per year plus expenses. The vote on this issue will come in November as a constitution amendment. If the vote were today, would you vote to increase the Legislators salary by the amount requested?

✓ Would vote for raise 31%
 Would vote against raise 66%
 Did not answer 3%

- 7) Turning now to local affairs. As you know there is a good bit controversy over the tax increase proposed by the Lubbock Independent School District Board of Trustees. Do you believe the Trustees have been wise and prudent in the expenditure of public funds in the past years?

Wise and Prudent 21%
 Not wise and Prudent 59%
 Not enough information 15%
 Did not answer 5%

- 8) Would you support the proposed 30 cent tax increase for the Lubbock School District if it were necessary to balance the school district budget or should the trustees balance the budget through cuts in expenditures.

✓ Raise taxes 36%
 Cut expenditures 53%
 Did not answer 11%

- 9) Do you believe that classroom teachers are paid to little, too much or about right?

✓ Too little 58%
 Too much 4%
 About right 33%
 Did not answer 5%

- 10) In terms of teachers salaries, do you believe that the pay of classroom teachers is close to \$50 per day or \$75 per day or in excess of \$100 per day?

\$50 per day 35%
 \$75 per day 36%
 Excess of \$100 per day 12%
 Did not answer 17%

Presidential Phone Calls



DATE: 8-24 TIME: 9²³
incoming/outgoing

WITH: Alan Greenspan

SUBJECT: Didn't like his remark
Doesn't help anyone

If some polit. advantage to you
to hit Fed I'd understand.

our basic view - keep it
"stable" - get economy
in such shape so we can
run again -

FOLLOW UP ~~not~~ re-ignite infl. pressure

Brady - I very close on
these matters

S

(NO DATE)
(POSSIBLY) 8/24/89

066886

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from ORM

FILE



THE PRESIDENT HAS SEEN

Mr Pres

rather of S&L presentation
we can amplify any part
of it you want.

IVFB

THE PRESIDENT HAS SEEN



Provisions of the New Legislation

- Reform of thrift industry regulation
- Strengthen financial position of deposit insurance system
- Strengthen thrift capital requirements
- Enhanced enforcement powers to reduce fraud
- New organizations to manage and finance the S&L cleanup
- Provide adequate funding

Provisions of the New Legislation

Reform of Thrift Industry Regulation

- Separates role of federal thrift regulator from role of thrift insurer
- Office of Thrift Supervision (OTS), under Treasury oversight, will regulate federal and state-chartered savings associations and thrift-holding companies
- Deposit insurance for thrifts will be transferred to the new Savings Association Insurance Fund (SAIF) under the FDIC
- Federal Housing Finance Board (FHFB) will be created to supervise the credit activities of the 12 regional Federal Home Loan Banks

Provisions of the New Legislation

Strengthen Deposit Insurance System

- Strengthen thrift capital requirements
- Use of industry and government funds to recapitalize and resolve insolvent thrift institutions
- Makes bank and thrift deposit insurance funds self-funding by increasing premiums and authorizing adjustments based on the needs of funds
- Permits the FDIC to suspend deposit insurance when a thrift has no tangible capital

Provisions of the New Legislation

Strengthen Thrift Capital Requirements

- Requires thrift institutions to meet national bank capital standards, including a leverage limit and a risk-based capital requirement
- Requires minimum 3% tangible capital by mid-1991 except that thrifts may still count some supervisory goodwill during a 5-year phase-out period
- Requires that investments not permissible for national banks be done in separately capitalized subsidiaries outside the insured deposit institution
- Reins in direct investment and junk bond powers of thrifts
- Severely limits growth by undercapitalized thrifts
- Restricts the use of brokered deposits by undercapitalized thrifts

Provisions of the New Legislation

Enhanced Enforcement Powers to Reduce Fraud

- Increase the maximum prison terms for major financial institution crimes, such as bribery and fraud, to twenty years
- Increase the maximum criminal fine for these violations to \$1,000,000
- Expand the bases for civil penalties imposed by the regulators
- Increase the maximum civil penalty to \$1,000,000 a day
- \$75 million a year (1990-92) to Department of Justice for enforcement

Provisions of the New Legislation

New Organizations to Manage and Finance the S&L Cleanup

- Resolution Funding Corporation (REFCORP) to finance cleanups of institutions that fail over next three years
- Resolution Trust Corporation (RTC), managed by FDIC, to implement the cleanup
- Oversight Board with policy-setting and oversight responsibility for RTC and REFCORP
- Saving Association Insurance Fund (SAIF), managed by the FDIC, to resolve thrifts that fail after 1992

Provisions of the New Legislation

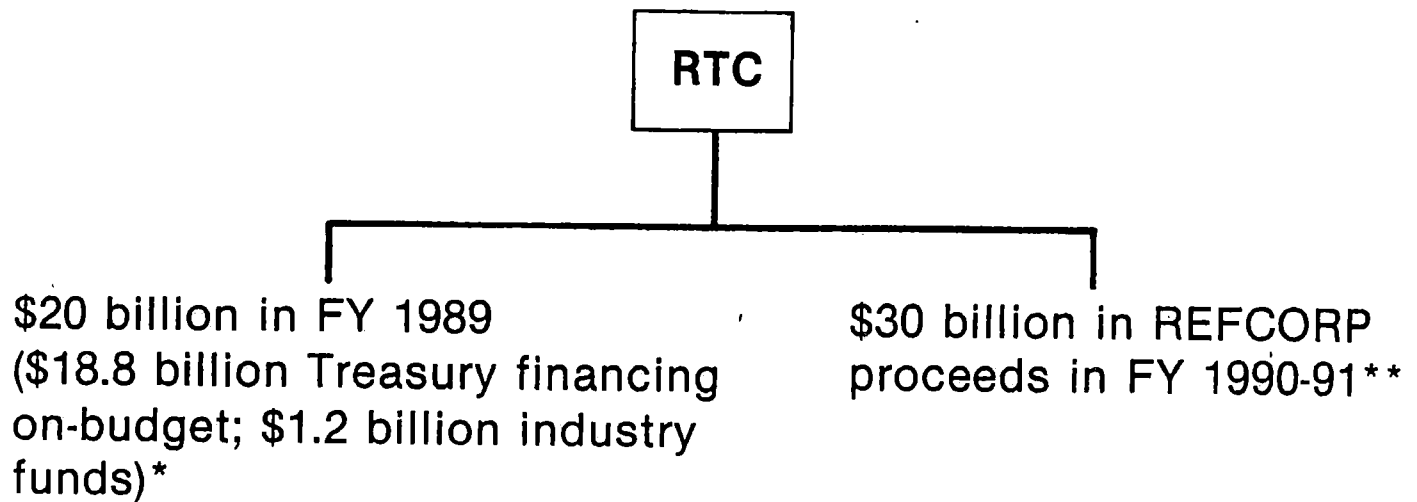
Provide Funding

- For old cases: Provide necessary funds --about \$41 billion--to FSLIC Resolution Fund (a fund within and managed by FDIC) for cases resolved before January 1, 1989
- For current cases: Provide \$20 billion to be raised by Treasury and industry funds in fiscal year 1989, and \$30 billion to be raised by REF-CORP during fiscal years 1990-91 to resolve currently insolvent thrifts and thrifts that fail during the next three years
- For future cases: Provide \$32 billion in public and private funds to the new Savings Association Insurance Fund (SAIF) to resolve thrifts that fail from 1992-99 and to capitalize SAIF

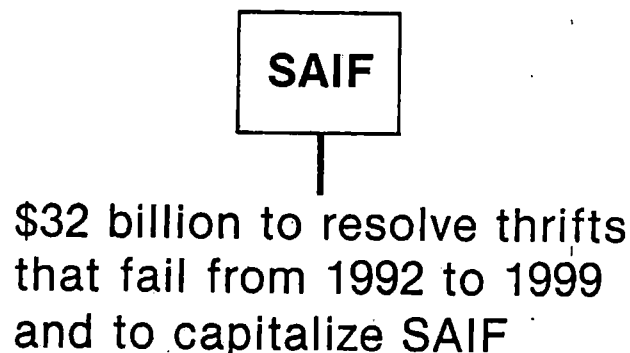
THE ECONOMICS OF THE CLEANUP

Sources of Funds for Case Resolutions

For the first three years



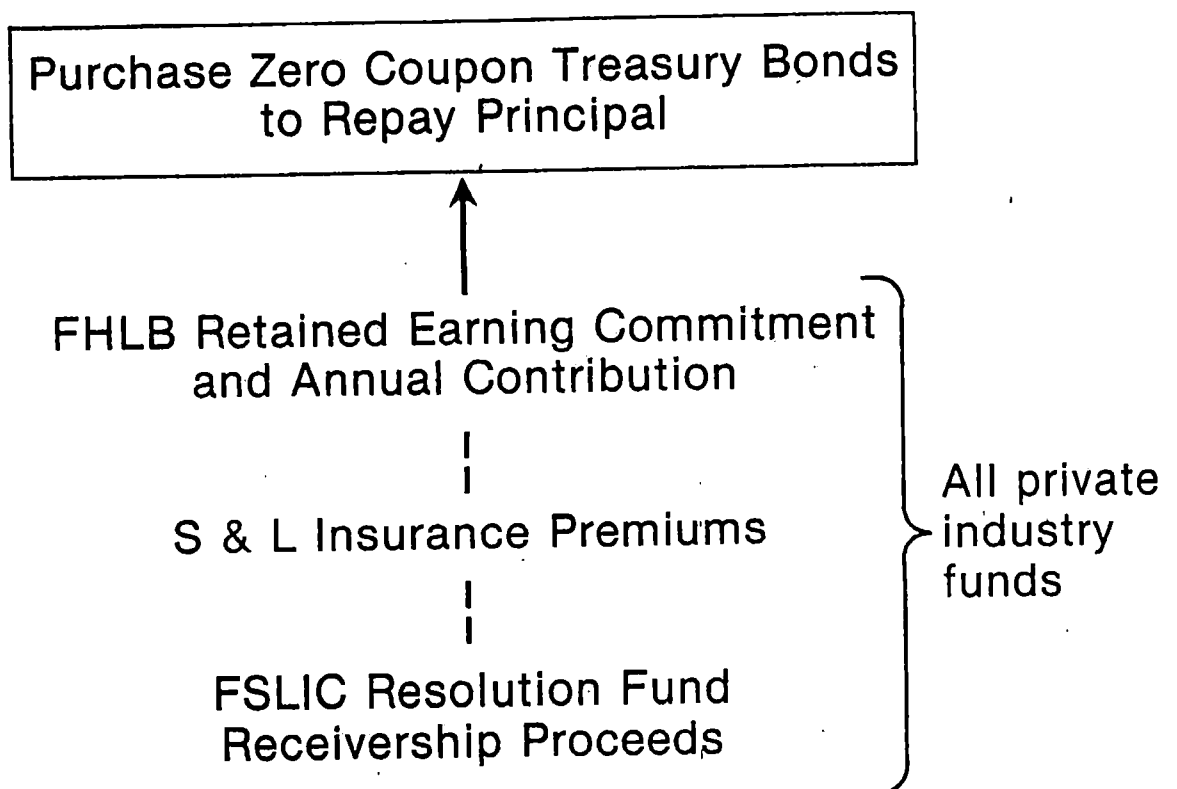
After the first three years



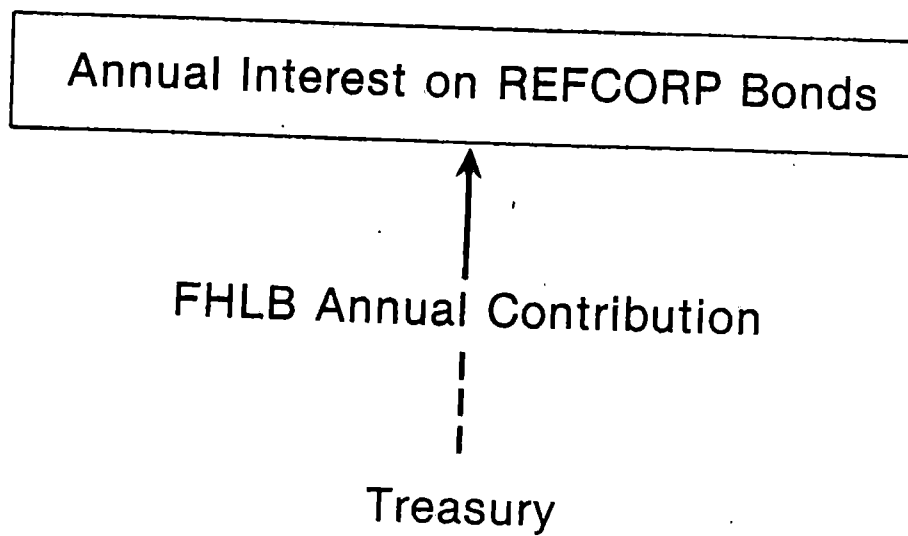
*\$18.8 billion Treasury payments counted in FY 1989 deficit but not in GRH targets because FY 1989 had already begun

**\$30 billion principal and por interest, both paid by industr not counted in deficit or ag targets; portion of interest Treasury counted in deficit against GRH targets

Repayment of REFCORP Principal



Payment of REFCORP Bond Interest



Funding Summary

(\$ Billions)

	<u>1989-99</u>	<u>2000-21</u>	<u>1989-2021</u>
<u>Outflows</u>			
Case Resolutions			
Old (Pre 1989)	41.0		
RTC (1989-92)	50.0		
Post RTC (After 1992)	<u>24.2</u>		
	115.2		
Interest			
Old	19.9	18.2	38.1
RTC Net ¹	<u>23.7</u>	<u>71.7</u>	<u>95.4</u>
	43.6	89.9	133.5
Total	158.8 ²		
<u>Inflows (Private Sources)</u>	74.1		
<u>Net Cash Outflow</u>	84.7		
Additional FDIC Premiums	21.7		
<u>Net Government Cost</u>	63.0 ³		

¹ Government cost only

² February estimate: 157.6

³ February estimate: 39.9 (Increase due mainly to \$18.8B on-budget in FY 1989)

Interest Cost of \$50 Billion to Fund RTC

(\$ Billions)

	<u>1989-99</u>	<u>2000-21</u>	<u>1989-2021</u>	<u>Present Value in FY89 \$ at 9.0%</u>
Administration Plan (REFCORP)	34.4	79.7	114.1	
House Plan (Treasury Borrowing)	33.2	77.0	110.2	
Difference	1.2	2.7	3.9	1.2

NOTE: Interest cost over 33 years is slightly more than
twice the amount borrowed.

Features of Financing Plan Compromise

- Plan provides \$20 billion in Treasury and industry funds in FY 1989, and \$30 billion in REFCORP funds in FY 1990-91.
- Maintains financial discipline of Gramm-Rudman-Hollings (GRH) by avoiding amendment to GRH. (\$20 billion in FY 1989 requires waiver from 1989 Budget Resolution, not to GRH.)
- Financing plan sets difficult-to-duplicate precedent for other large, costly programs.
 - \$30 billion through REFCORP requires private industry contributions for principal and interest.
 - \$20 billion on-budget in FY 1989 is only possible because of legitimate emergency need, which arose after GRH “snapshot” at beginning of fiscal year and which requires that total amount be spent by end of fiscal year.
- Alternative financing plan originally reported out of Conference contained an explicit amendment to GRH, for which any costly future program could qualify, thereby gutting discipline of GRH.
- Treasury financing for FY 1989 spending makes funds immediately available and allows S&L clean-up to get off to fast start.

HUCKABY AND ASSOCIATES

Political Financial Consulting

August 24, 1989

CB

The Honorable James A. Baker III
United States Secretary of State
Attn: Ann Banta
2201 C Street, N.W.
Washington, D.C. 20520

Dear Secretary Baker:

I understand that the President has some questions concerning the excess funds from the campaign committees.

General Election funds still available when all obligations are met by the committee must be returned to the United States Treasury since the funding was originally from the government. Primary election funds still available following any required repayment to the United States Treasury may be given to charity. The residual funds for both the primary and general election are not taxable to the President.

I hope this clarifies any questions the President might have concerning excess campaign funds. Please do not hesitate to call me if I may be of any further assistance

Sincerely,

Stan

Stan Huckaby

EDT

Political Financial Consulting

The Honorable James A. Baker III
United States Secretary of State
2201 C Street NW
Washington, DC 20520

As Treasurer of Bush-Quayle '88, I would like to give you a brief update on the current financial status of the General Election Committee.

Total funds <u>available</u> to be expended	\$ 54,391,454
Total funds expended	\$ <u>54,320,278</u>
Remaining balance	\$ <u>71,176</u>

I will keep you advised of the progress of the audit, and hope to have the opportunity to work with you on future projects for the President.

Shirley

~~SOUTH LEXINGTON STREET SUITE 201 ALEXANDRIA VIRGINIA 22314 (703) 840-7705~~

DEPARTMENT OF STATE

THE SECRETARY

8/11/89

NOTE FOR PRESIDENT BUSH

FROM:

JABIII



I thought you might like to
see the attached summarizing
how much of the campaign's
allocated resources were
expended.

Records

HUCKABY AND ASSOCIATES
Political Financial Consulting

August 3, 1989

The Honorable James A. Baker III
United States Secretary of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Baker:

As Treasurer of Bush-Quayle '88, I would like to give you a brief update on the current financial status of the General Election Committee.

The figures outlined below are preliminary pending the outcome of the Federal Election Commission audit. However, we presently anticipate no major complications or material differences. The General Election Campaign is summarized as follows:

Total funds <u>available</u> to be expended	\$ 54,391,454
Total funds expended	\$ <u>54,320,278</u>
Remaining balance	\$ 71,176 =====

These figures reflect your success in the fiscal management of the campaign. As you know, one of the major goals of the campaign was to expend all funds available for the election of the President without exceeding the legal limits. This goal was accomplished within one-tenth of one percent.

I will keep you advised of the progress of the audit, and hope to have the opportunity to work with you on future projects for the President.

Sincerely:



Stan Huckaby

*What do we
do with surplus??
Does it go to charity?
Can it go to RNC
without my paying
tax on it
as income.*
CS

COPY
from ORM



THE WHITE HOUSE
WASHINGTON

file 075057
Aug. 24 '89 PP001
K'pont.

Dear Michael,

I'm no 'headline'
kind of guy; but your
front page on Nolan
was terrific. I look
forward to seeing the
'framed commemorative.

Thanks for your
very thoughtful letter.

Sincerely,

Ag Bush

Mr. Michael Blackman
Executive Editor
FORT WORTH STAR-TELEGRAM
400 West Seventh Street
Fort Worth, Texas 76102

bcc: John Sununu
Marlin Fitzwater

LARGEST COMBINED DAILY CIRCULATION IN TEXAS

FORT WORTH STAR-TELEGRAM

MORNING EVENING SUNDAY

MICHAEL BLACKMAN
Executive Editor

August 23, 1989

President George Bush
The White House
1600 Pennsylvania Ave. N.W.
Washington, DC 20500

Dear President Bush:

Should you ever tire of D.C. summers or the rigors of your job, take heart. We have just the spot for you: Chief Headline Writer.

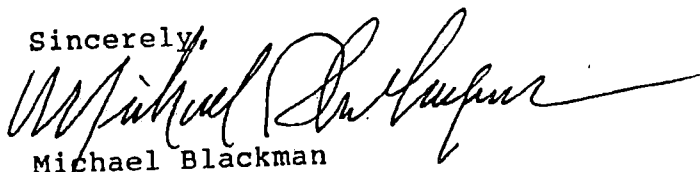
Just check out our front page today. It simply wouldn't have been the same without your timely and graceful touch. Your closing words in tribute to Nolan Ryan on the occasion of his 5,000th strikeout captured most eloquently the emotion of a genuinely remarkable evening in sports history.

"Well done, my friend. Well done, my noble friend."

Simple words. Direct words. Words that get to the heart of the matter. They fit a page layout perfectly. And you made deadline with minutes to spare.

So, we in the Star-Telegram family extend our heartfelt thanks for your headline help (it's an excellent touch to the best Rangers coverage in the Metroplex). For a rookie headline writer, you're all right, and we might even be moved to say, "Well done, our friend."

Sincerely,



Michael Blackman

MB/mm

P.S.: Mr. President, a framed commemorative front page will be sent to you for your work in our special edition.



THE WHITE HOUSE
WASHINGTON

August 24, 1989
(Kennebunkport, Maine)

file

COPY
from ORM

Dear Bishop McKinstry:

Your letter of August 3 reached me here at Kennebunkport. I was delighted to hear from you.

Coincidentally, Bishop Jack Allin, our former Presiding Bishop, spoke at St. Ann's this past Sunday, and Billy Graham will be speaking there this coming Sunday. Reverend Bruner is still our Rector.

The Church hasn't changed a bit, and it's a joy for me to attend Sunday Church with my Mother, now 88, who was born in a little house just a few hundred yards from St. Ann's Church.

Thank you for your thoughtful letter. Warmest regards from all Bushes.

Sincerely,

Cy Bush

*my 88 year old Mother
sends her love - as*

The Right Reverend Arthur R. McKinstry
Fifth Bishop of the Episcopal Diocese
of Delaware
Methodist Country Home
4830 Kennett Pike
Wilmington, Delaware 19807

bcc: Mrs. Prescott Bush, Sr.

THE PRESIDENT HAS SEEN



61703
August 3rd
1989

Dear President Bush:

I greatly appreciate your letters of June 29th and July 25th! They will be always treasured. In the latter - you send greetings on my 95th birthday - in which Barbara also joins. Well do I remember - your assistance at the altar at St. Anne's, Rennabunkport! My first year in the capacity as Summer Rector, there - I was still Rector of St. Mark's Church - San Antonio - However in 1939 - I was consecrated Bishop of Delaware, - a bit closer to Rennabunkport!

The last time I was with you was at The University of Delaware - where you rec'd an Honorary Degree and made an important address at that time - you

Bishop
Arthur R. McKinst.
Methodist Church
Wilm. Del. 19807



President George Walker Bush
The White House
Washington, D.C.

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

☐ Transferred During Accessioning

☒ Transferred During Processing

FOIA/SYSTEMATIC
PROCESSING CASE
NUMBER (if app.):

2009-0166-S

The following material was transferred to:

☒ **Audiovisual Collection**

☐ **Book Collection**

☐ **Museum Collection**

☐ **Other**

Other (Specify):

DESCRIPTION:

White House Photographs: P05816-24 [Prime Minister Schluter of Denmark]; P05989-06 [Barbara and George Bush at Kennebunkport]

When transferring
material to the
museum
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complete the
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Donor:

Donor Org.:

Address:

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Book Location:

Row:

Section:

Shelf:

Position:

Map Case Location:**Series:**

Daily Files

Box Number:

21

Folder Title:

Thursday, August 24, 1989

OA/ID Number:

90520-008

Transferred by:

Deborah Wheeler

Date of Transfer:

8/17/2009

Received by:

Mary Finch

Date Received:

8/17/2009

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Go to Accession
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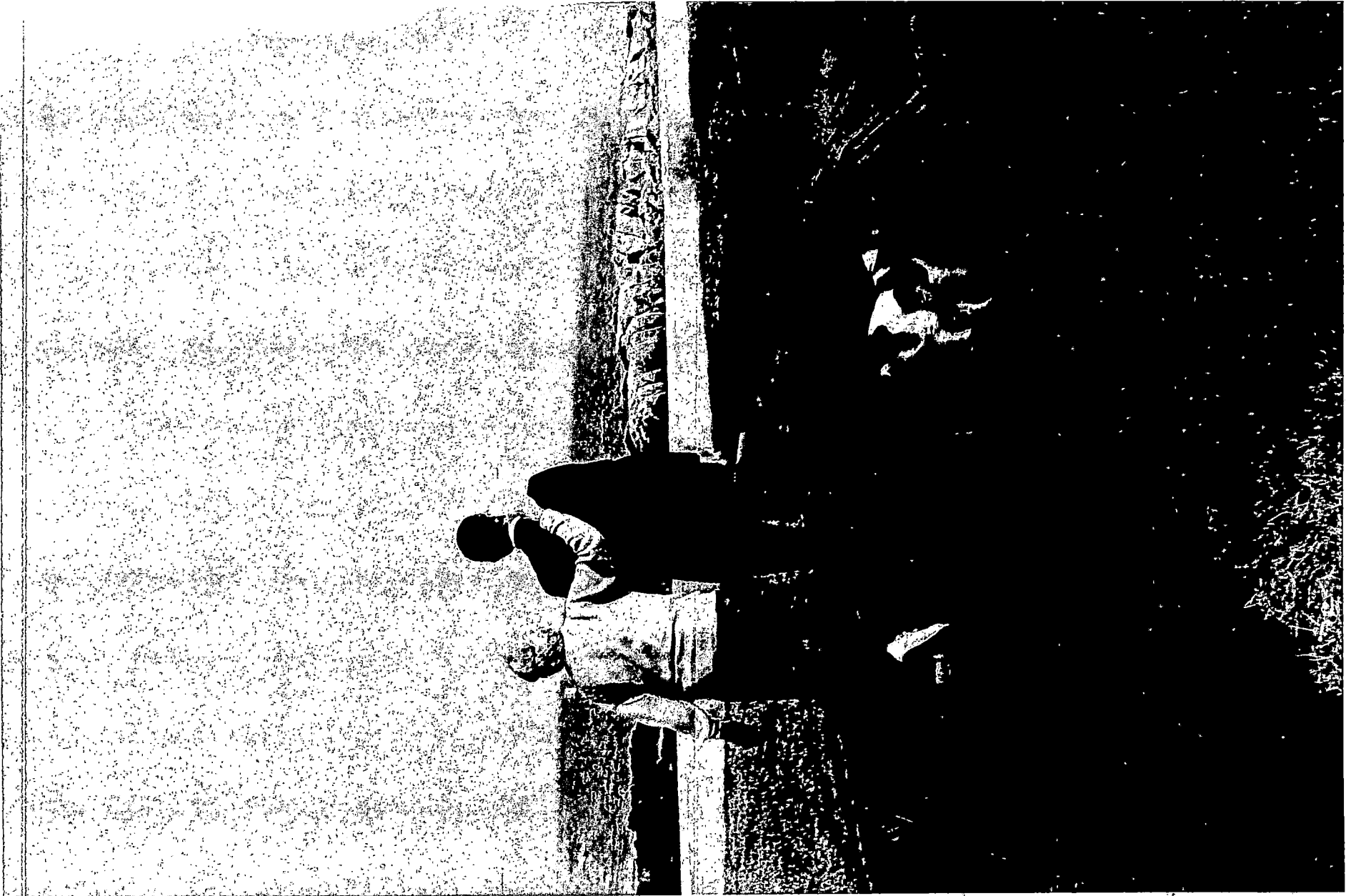
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OFFICIAL WHITE HOUSE PHOTOGRAPH 24 AUG 89 P5989-06 DV

PLEASE CREDIT THIS PHOTO
DAVID VALDEZ
THE WHITE HOUSE