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FOIA MARKER

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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: 90524
Folder ID Number: 90524-003

Folder Title:
Monday, October 16, 1989

Stack:	Row:	Section:	Shelf:	Position:
V	12	11	4	4

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President [redaction] (1 pp.)	10/16/89	(b)(3)	
02a. Log	White House Telephone Log [E.D.T.] [redaction of personal information] (2 pp.)	10/16/89	(b)(6)	
02b. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	10/16/89	(b)(6)	
03. List	4 Points Re: students killed [Tiananmen Square?] (2 pp.)	10/16/89	(b)(1)	
04. Notes	Handwritten notes of Presidential Phone call with Max Fisher (1 pp.)	10/16/89	(b)(1)	

Page 1 of 1

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Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, October 16, 1989

Pinksheet Number: dw1478

OA/ID Number: 90524-003

Date Closed: 9/25/2009

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

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SCHEDULE OF THE PRESIDENT

Monday, October 16, 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 (75 min)	<u>Administrative Time</u>	Oval Office
10:00 am (10 min)	<u>World Food Day Proclamation</u> <u>Signing Ceremony</u> (Bates/Petersmeyer) (TAB A)	Roosevelt Room
10:15 am (5 min)	Photo with Dick Herman (Hagin) (TAB B)	Oval Office
10:20 am (1 hr 40 min)	<u>Personal Staff Time</u>	Oval Office
12:00 pm (60 min)	<u>Lunch</u>	Oval Office
1:00 pm (15 min)	<u>Personal Staff Time</u>	Oval Office
1:15 pm (15 min)	<u>Meeting with T. D. Lee</u> (Scowcroft) (Distributed Separately)	Oval Office
1:30 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
2:30 pm (30 min)	<u>Meeting with Secretary Cheney</u> (Scowcroft)	Oval Office / <i>Sit Rm</i>
3:00 pm (30 min)	<u>Administrative Time</u> (Scowcroft)	Oval Office <i>Situation Rm</i>
3:35 pm (25 min)	<u>Photos with U. S. Ambassadors</u> (Scowcroft) (TAB C)	Oval Office
4:00 pm (30 min)	<u>Administrative Time</u>	Oval Office

UNP 10/14/89
4:00 pm



SCHEDULE OF THE PRESIDENT

4:30 pm
(30 min)

Meeting with Governor Sununu

Oval Office

5:15 pm
(10 min)

Taping Session
(Demarest)

(TAB D)

Library

6:30 pm

B Private Dinner for Admiral
and Mrs. William Crowe
(Firestone)

(TAB E)

Residence

(7:00 Meet Brady and Potes private study) 7:02 Potes and oval join Brady
7:12 add W/H. Ruben Holden (on guests) 7:13 Holdens out 7:32 Brady out
8:00 add Bates, Scowcroft, DCI + (b)(3) 8:11 Bates out
8:11 Bates in 8:11 Card in 8:14 DCI + out
8:25 Bates + Scowcroft out 8:30 Card out 8:35 Scowcroft in
8:48 add Scowcroft 9:00 Scowcroft + Fitzwater out 9:02 add Bates
9:24 Bates out 9:32 add Meet + Mrs. Brady + Lisa Richards (Brady sister)
9:35 all to patio 9:37 all to Oval 9:38 Brady, Richards out
10:01 add Fitzwater + Card

11:51 dpt Oval 11:53 arr med unit 11:57 Potes + Dr. Lee to End Fld. R.
12:01 Potes + Dr. Lee to Grand Fld → 12:04 arr patio w/out Lee 12:10 - Potes to Cabana for workout
1:08 add Chase Undermyer 1:18 Potes + Undermyer to Oval 1:19 Undermyer out
1:19 add Sumner, Dr. Bromley + Scowcroft
1:21 add T.D. Lee et al 1:35 (approx) Scowcroft out 2:00 Lee et al ~~depart~~ remain
Sununu +
2:04 Solomon out 2:21 Sumner out 2:25 Potes to Horshoepit
2:28 Potes to Oval 2:30 add Cheney + Scowcroft 2:52 add Sumner
2:59 Sumner out 3:02 add Baker, Powell, Bates, DCI Webster
3:03 Sumner in 3:04 Baker out; Scowcroft out
3:05 Scowcroft + Baker in 3:48 Sumner out 3:49 Guckman
for Barbara Curtis 4:00 pm
3:49 Baker out 3:50 Guckman + Curtis out; Potes + Scowcroft remain

UNP 10/14/89

4:00 pm

3:52 - 3:58 add amb. Phyllis
3:58 - 4:01 amb. Roman Waller
at or at al to over

4:02 - 4:06 amb. Ten Shorch at al to over
4:06 - 4:13 amb. Check at al to over

(Acronyff remains in Oval entire time)

4:21 ~~Acronyff~~ out 4:40 Acronyff + Cicconi with over

5:2 Pete to Pato - Thorneke motel
5:24 Pete to Oval/Kilroy

Pete to Pato. Calana ? Potting to Pato.

6:15 (approx) on ~~the~~ and 7th Pato.
6:23 add green to 2nd 7th Pato.

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THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

OCTOBER 16th

, 19⁸⁹

E.D.T. PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		MR. MARTIN ALLDAY OFC: WASHINGTON, DC 343-4423	TLKD OK
INC	8:34 XPM	8:38		
OUT	AM			
INC	PM			
OUT	AM		DIRECTOR WILLIAM WEBSTER OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 808	TLKD OK
INC	8:40 XPM	8:44		
OUT	AM			
INC	PM			
OUT	AM		MRS. BARBARA BUSH RES: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 551	ON PHONE TLKD OK 9:40AM
INC	9:39 XPM	9:41		
OUT	AM			
INC	PM			
OUT	AM		SECRETARY NICHOLAS BRADY OFC: WASHINGTON, DC 566-2773	TLKD OK
INC	10:04 XPM	10:08		
OUT	AM			
INC	PM			
OUT	AM		MARTHA HESSE OFC: WASHINGTON, DC 357-8200	TLKD OK
INC	10:30 XPM	10:31		
OUT	AM			
INC	PM			
OUT	AM		CONGRESSMAN BOB MICHEL OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 805	TLKD OK 10:39AM
INC	10:36 XPM	10:42		

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

OCTOBER 16th

, 1989

E.D.T. PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		SENATOR SAM NUNN (b)(6)	ENROUTE FROM MS, TOLD MRS. PRESOCK TLKD OK TO PATTY PRESOCK
XINC 10:45 PM				
OUT	AM			
INC	PM			
OUT	AM		DOUG SANDERS (b)(6)	TLKD OK 10:50AM
XINC 10:49 PM	10:54			
OUT	AM			
INC	PM			
XOUT	AM		MR. MEADE ALCORN (b)(6)	PRESUS UNAVAILABLE SPOKE TO TIM McBRIDE PATTY PRESOCK GAVE TO ANDY CARD TO HANDLE (Scheduling matter)
INC	PM			
OUT	AM		DOCTOR BURTON LEE OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 797	TLKD OK
XINC 11:06 PM	11:09			
OUT	AM			
INC	PM			
XOUT	AM		AMBASSADOR JEWEL LaFONTANT OFC: WASHINGTON, DC 647-3964	TALKED TO MRS. PRESOCK
INC	PM			
OUT	AM			
INC	PM			
OUT	AM		SECRETARY JAMES BAKER OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 420	TLKD OK
XINC 11:26 PM	11:36			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

OCTOBER 16th

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E.D.T. PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		MR. CHASE UNTERMEYER OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 689	LW PER MRS. PRESOCK MET WITH PRESUS 1:00PM, CA CALL
INC	11:43	XX		
OUT	AM			
INC	PM			
OUT	XX		MRS. PATTY PRESOCK OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 620	MRS. PRESOCK UNAVAILABLE, TLKD TO BRIDGET MONTAGNE
INC	12:48	PM		
OUT	AM	12:49		
INC	PM			
OUT	XX		MR. MAX FISHER OFC: DETROIT, MI 313-871-8000	TLKD OK
INC	3:41	PM		
OUT	AM	3:47		
INC	PM			
OUT	XX		MRS. PATTY PRESOCK OFC: WASHINGTON, DC 456-6508	TLKD OK
INC	5:06	PM		
OUT	AM	5:07		
INC	PM			
OUT	XX		SECRETARY NICHOLAS BRADY (b)(6)	AT DINNER, WILL TALK TO PATTY PRESOCK
INC	7:15	PM		
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

Photocopy from George Bush Presidential Library

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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

October 16, 1989

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:00 AM	9:24	Conference Call: Amir Shaikh Jaber Al Sabah (b)(6)	Tlkd-ok 9:03 AM
INC	PM			
OUT	AM		Ms. Sandra Charles White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Ms. Shuckran Kamal White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 16 October 1989

TIME	MOVEMENTS
0704	Oval Office
0937	South Grounds
0938	Oval Office
1157	Residence
1203	South Grounds
1320	Oval Office
1425	South Grounds
1429	Oval Office
1704	South Grounds
1726	Oval Office
1731	South Grounds
1733	Library
1739	South Grounds
1816	Residence
2140	South Grounds
2148	Residence



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, OCTOBER 16, 1989 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Market Takes Deepest Plunge Of The Year, But No Confidence Is Lost -- Prices on the Tokyo Stock Exchange took their biggest tumble of the year Monday but trading was calm despite Friday's big plunge on Wall Street, which Tokyo analysts blamed on excessive U.S. takeover activity.

(AP, Reuter)

U.S. Said Considering Sale Of Powerful Computer To Israel -- The U.S. is considering a proposal by the IBM Corp. to sell a restricted computer to Israel for military use, the New York Times reported Monday. (Reuter)

NATIONAL NEWS

Poll Finds Bush Rating With Americans Up, Quayle's Down -- President Bush's rating with the American public improved over the last six months, while that of Vice President Quayle declined, according to a new poll conducted by USA Today. (Reuter)

CIA Director Under Fire -- Senior officials in the Bush Administration are expressing increasing frustration with the performance of CIA Director Webster and have begun to talk about possibly replacing him with someone who can play a more active role as an intelligence adviser to the President. (Washington Post)

NETWORK NEWS (Sunday evening)

STOCK MARKET -- The Federal Reserve Board announced it will pump money into the system if necessary, unlike the 1987 crash.

PRESIDENT ROH -- South Korean President Roh is flying to Washington where he will meet with President Bush and address Congress.

ANTI-DRUG WAR -- Newspaper publishers in several countries have pledged at least \$1 million to keep the besieged newspaper El Espectador publishing.

INTERNATIONAL...A-1

NATIONAL NEWS...A-7

NETWORK NEWS...B-1

TALK SHOWS.....C-1

INTERNATIONAL NEWS

TOKYO STOCKS CLOSE DOWN 647 POINTS

TOKYO -- The Tokyo stock market fell, rebounded and then fell again on Monday following Wall Street's 191-point plunge Friday.

The key 225-share Nikkei index ended down 647.33 points, or 1.84 percent, at 34,501.76

Investors, mostly foreigners and individuals, had sold stocks following the New York market drop. The Dow Jones industrial index fell to 2,569 on news that financing for the proposed buyout of United Airlines had run into problems.

The Tokyo index had plunged as much as 611 points just after trading began, but bargain hunters stepped in to bolster the market in the afternoon. Then sellers reappeared.

High-priced blue chips and small-capital companies, recent big winners, were among the hardest hit. (Reuter)

Market Takes Deepest Plunge Of The Year, But No Confidence Is Lost

TOKYO -- Prices on the Tokyo Stock Exchange took their biggest tumble of the year Monday but trading was calm despite Friday's big plunge on Wall Street, which Tokyo analysts blamed on excessive U.S. takeover activity.

The dollar opened sharply lower against the Japanese yen, then rebounded slightly.

Other financial markets in the Far East, from New Zealand and Australia to Manila and Hong Kong, posted moderate to large declines. But on the whole investors in the region, especially in the rich Tokyo market, did not send share prices reeling deeply as happened two years ago when Wall Street crashed. (Kozo Mizoguchi, AP)

LONDON STOCKS PLUNGE IN REACTION TO WALL STREET SELLOFF

LONDON -- London stocks plunged by more than 150 points when business opened Monday in a selloff that mirrored the Friday plunge on Wall Street.

The dollar tumbled, gold rose and investors bought government bonds in a hectic few opening minutes of trading after the weekend close.

The Financial Times/Stock Exchange index of 100 leading shares opened 157.1 points down, a drop of around seven percent -- almost exactly the same as Friday's losses in New York.

After 10 minutes of frantic trading, the index had risen slightly from its opening 2,076.8 to 2,080.5. (Reuter)

EXPERTS PLAY DOWN FEARS OF BLACK MONDAY AS MARKETS REOPEN

NEW YORK -- Most experts played down fears over the weekend that world stock markets will rerun the Black Monday crash of 1987 when they resume trading, but all eyes were on Tokyo, expected to set the tone for a critical day....

The only clear move emerged in the U.S., where a Fed source said the central bank would probably pump cash into the banking system if prices fell sharply, a step that would ease liquidity problems and deter people from selling shares to raise cash. (Leslie Dowd, Reuter)

-more-

STOCK MARKET SLIDE LIKELY TO PROMPT EASIER U.S. CREDIT

The Fed, which was already in the process of easing its grip on credit, is likely to react to Friday's stock market slide by pushing down U.S. interest rates, private economists say.

Although Wall Street is perhaps less vulnerable to further selling now than it was in October 1987, cheaper money is needed to cushion the deflationary impact of the decline on an economy that was already showing distinct signs of weakness, the economists said.

"I think the Fed will ease aggressively in response to this sudden crash in stock prices -- at a minimum a full percentage point drop in the fed funds rate and possibly a discount rate cut," said David Jones of Aubrey G. Lanston Co., a New York bond-trading firm.

(Alan Wheatley, Reuter)

U.S. SAID CONSIDERING SALE OF POWERFUL COMPUTER TO ISRAEL

NEW YORK -- The U.S. is considering a proposal by the IBM Corp. to sell a restricted computer to Israel for military use, the New York Times reported Monday.

It said the sale of the IBM machine, known as a supercomputer, would be the first of its kind to a country that is not a member of NATO.

The newspaper quoted some experts as saying the sale could undermine an agreement between the U.S. and Japan that prohibits the sale of powerful computers to a wide number of countries.

Some experts on the proliferation of nuclear weapons also oppose the sale because Israel is developing advanced missiles and is widely believed to possess nuclear weapons, the paper said.

(Reuter)

UPRISING LEADERS, SHAMIR DEAL DOUBLE BLOW TO BAKER EFFORTS

JERUSALEM -- Underground leaders of the Palestinian uprising and Israeli Prime Minister Shamir dealt a double blow on Sunday to U.S. efforts to bring about Israeli-Palestinian peace talks in Cairo.

The PLO-backed uprising leadership urged Palestinians to "reject the suspicious American role, foremost of which is the five-point proposal of (Secretary of State) James Baker."

In their 47th leaflet, distributed in the occupied West Bank and Gaza Strip as PLO leaders met in Baghdad, they stressed that only the PLO could appoint Palestinian delegates to peace talks.

Shamir meanwhile told the Israeli newspaper Maariv there was no need for talks in Cairo at all, since Israel would only talk to Palestinians from the occupied territories and would not let the PLO play any role.

"Who says it has to be in Cairo? Why go all the way to Cairo when both sides, Israelis and Palestinian, are here?" the hardline Israeli leader asked.

(Paul Taylor, Reuter)

ROH ARRIVES IN U.S. AMID CRITICISM S. Korean President Accused Of Halting Steps Toward Democracy

SEOUL -- When President Roh delivers a speech to a joint session of the U.S. Congress on Wednesday, he will likely receive a standing ovation. But when Roh gave a speech to the South Korean legislature a month ago, many opposition members refused to even applaud.

This reflects the gap between the way Roh is viewed in Washington, where the Bush Administration has lauded his commitment to democracy, and the criticism he faces in his homeland.

Roh arrived Sunday at Langley AFB...and said he had come to "reinforce" to the U.S. "the sincere commitment of the Korean people toward...friendship and partnership." ...

The reception that Roh receives in Washington from Administration officials, including Bush, who meets him Tuesday, will be watched closely here by many as a barometer of whether the U.S. is concerned about what Roh critics have charged in a resurgence of human rights violations in South Korea.
(Peter Maass, Washington Post, A21)

U.S. EXPLORES ROLE FOR KHMER ROUGE 'Minimal' Formula Aims To Break Impasse

The Bush Administration is exploring possible "minimal participation" of the Khmer Rouge guerrillas in a transitional Cambodian government as a means of breaking the international diplomatic deadlock accompanying intensifications of civil war there, according to U.S. and diplomatic sources.

The U.S. idea, known in diplomatic circles as "the Baker formula" after Secretary of State Baker, has been tried out on Asian non-communist leaders and senior diplomats from China and the Soviet Union.

State Department officials conceded that the U.S. suggestion has not been accepted by some key countries but denied reports in diplomatic circles that the Chinese government rejected the formula and that Vietnam and Phnom Penh government also responded negatively, if less clearly.

(Don Oberdorfer, Washington Post, A21)

BEIJING COMMUNIST PARTY VOTES TO PURGE MEMBERS Dissenters, 'Exploiters' To Be Weeded Out

BEIJING -- Leaders in the Beijing Communist Party voted Sunday to purge the party of "hostile and anti-party elements" and wealthy private businessmen, whom they called "exploiters."

The decision, reported by the official New China News Agency, indicated that the harsh crackdown triggered by student protests in June is not winding down but rather will be intensified.

Also Sunday, an official report said lawmakers have proposed banning Hong Kong residents from anti-government activities after the British colony reverts to Chinese rule in 1997.

The news agency said the Beijing party committee, which has led the nation in hard-line rhetoric, approved a resolution to "purify the party organizations" by requiring all members in the city to reregister during the coming year.
(AP, Washington Post, A27)

AMERICANS ANGERED AT COUP ROLE

PANAMA CITY -- The U.S. failure to take decisive action to aid the attempted coup here earlier this month has left many American military and civilian officials bitterly frustrated at having missed what they saw as a golden opportunity to oust Gen. Noriega from power, a major goal of U.S. policy.

U.S. officials here have admitted that they hesitated in taking advantage of the unfolding situation by intervening in support of the coup attempt on Oct. 3. They say this was in part because of the involvement of coup leaders Maj. Moises Giroldi and Capt. Jesus George Balma, who had reputations of being close to Noriega.

"I'm discouraged that time was taken in Washington to try to determine whether this was a pro-democracy coup or not," one senior U.S. official said. "There wasn't time for that kind of thing. If you're looking at a situation that is so bad that anybody would be an improvement, you take your chances. How much more anti-democratic could they (the coup plotters) possibly be than Noriega, for God's sake?"

(William Branigin, Washington Post, A12)

PANAMA SHUFFLES SENIOR ARMY OFFICERS AFTER COUP

PANAMA CITY -- Panama announced a shakeup of top army officers Sunday, 12 days after strongman Noriega crushed a bloody coup attempt.

Six new appointments announced by pro-government television included a replacement for Col. Julio Ow Young, operations chief of the high command and one of the most senior officers arrested after the failed coup.

Others named were a new deputy chief of military intelligence, a new police chief and new commanders of military areas in the north and west of the country.

(Reuter)

ANC HOLDS RALLY INSIDE SOUTH AFRICA

SOWETO -- The ANC Sunday night held its first political rally inside South Africa since it was outlawed in 1960, as ANC leader Walter Sisulu and other top black nationalists just released from prison called on blacks to exercise restraint and discipline in their celebrations.

Official disregard of the rally by the white-minority government authorities one step closer to de facto recognition of the legitimacy of the congress, which has been labeled an illegal organization under security and emergency laws.

(William Claiborne, Washington Post, A1)

THOUSANDS RESIGN FROM COMMUNIST PARTY

BERLIN -- About 20,000 people have resigned from East Germany's Communist Party amid increasing pressure for reform and speculation that the country's hard-line communist leader will be forced to resign.

The daily Bild newspaper reported Sunday the party's Central Committee will hold an extraordinary session Thursday or Friday to discuss the crisis in East Germany and the future of several leading Politburo members.

East Germany's leader, 77-year-old Erich Honecker, may be forced to resign, the newspaper said. It said the committee may also force out other hard-line government leaders, including Erich Mielke of the State Security police who was involved in violently crushing widespread pro-democracy demonstrations a week ago.

(UPI)

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NATO NATIONS CUT JOINT PROJECTS

NATO members are cancelling billions of dollars in weapons-standardization programs because of simultaneous declines in perceptions of the Soviet threat and in Western defense budgets.

The implications are raising alarms among NATO leaders, who fear a resurgence of old "go-it-alone" habits that the 16-nation alliance has struggled against for years.

"I am concerned about it," NATO Secretary General Woerner told the Washington Times. "I know these projects will not get additional funding, but they deserve higher priorities. Even if they turn out to be a little more expensive, you get a higher degree of standardization that in the longer run is cheaper." (Peter Almond, Washington Times, A1)

SOVIETS SLOW TO CUT FORCES DOMESTICALLY

The Soviet Union is on schedule in withdrawing forces from Eastern Europe but has made little progress on military reductions within its borders, says a congressional report released Sunday.

The House Armed Services Committee study found that since late April the Soviets have been pulling back their forces as part of reductions proposed by President Gorbachev on Dec. 7.

But the withdrawal of six tank divisions, 50,000 men and 5,000 tanks from Eastern Europe has not been carried out as Western observers expected.

"Rather than withdrawing a tank division in its entirety, the motorized rifle regiment assigned to it is being transferred to a division that would remain in Eastern Europe and a tank regiment from that division withdrawn instead," the report said....

The committee's assessment is consistent with comments made by Defense Secretary Cheney last month in releasing the Pentagon study Soviet Military Power. (AP, Washington Times, A5)

PENTAGON PREPARES ARMS 'HIT LIST' FOR HILL

The Pentagon will present a new "hit list" to Congress next year that targets popular weapon systems as it scrambles to meet White House demands to trim some \$10 billion from its 1991 budget, according to Administration officials.

The Pentagon...will try to convince lawmakers that savings anticipated from a superpower treaty cutting armed forces in Europe by 10 percent coupled with the hit list will more than cover budget cuts required over the next two years, the officials said.

When Defense Secretary Cheney in January presents the 1991 budget now being prepared, he will be carrying to Capitol Hill an unusual message: No more growth.

"We've got to kill this real-growth mentality" created by President Reagan and fostered by a Congress that enjoyed the surge of defense dollars into their districts, said a Pentagon official.

(Paul Bedard, Washington Times, A1)

U.S. ELECTRONIC SHIPMENTS UP SEVEN PERCENT FROM LAST YEAR

U.S. factories shipped \$193.3 billion worth of electronic equipment and related products in the first nine months of 1989, a seven percent increase from the same period in 1988, the Electronic Industries Association said Monday.

According to the EIA's preliminary estimates, U.S. sales for the same period last year totaled \$181 billion. The association attributed the rise to a rapid growth in the electronic components sector, which reported sales of over \$39 billion, a 6.1 percent rise over the first three quarters of 1988.
(Peter Ramjug, Reuter)

EDITOR'S NOTES: "Soviets Reducing Arms For Managua," by Mark Uhlig, appears in the New York Times, A13.

"U.S. Is Urged To Rejoin Unesco If It Adopts Changes," by Paul Lewis, appears in the New York Times, A6.

"Smoothing The Track For Tank Sale; Presentation Of Saudi Deal Contrasts With Reagan-Era Strategy," by David Ottaway, appears in the Washington Post, A17.

"Foreign Journal; The Pits Of (Latin American) Summitry," by Eugene Robinson, appears in the Washington Post, A22.

"Poland Sends Emissaries To The West To Beg For Aid," by Andrew Borowiec, appears in the Washington Times, A7.

"Hills Walked Fine Line In Japan Trade Talks," by Edward Neilan, appears in the Washington Times, A7.

"Hills's Trade Talk Is Pleasant Surprise To Japanese," by Elisabeth Rubinfiel & Jacob Schlesinger, appears in the Wall Street Journal, A11.

"U.S. Increases Some Countries' Steel Quotas," by Peter Truell, appears in the Wall Street Journal, A16.

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NATIONAL NEWS

POLL FINDS BUSH RATING WITH AMERICANS UP, QUAYLE'S DOWN

President Bush's rating with the American public improved over the last six months, while that of Vice President Quayle declined, according to a new poll conducted by USA Today.

Fifty-one percent of respondents to the latest poll gave Bush a favorable rating compared with a 47 percent in April.

Quayle's favorable rating, however, fell to 21 percent from 25 percent in April, the poll showed.

The poll was taken on Oct. 10 and 11, one week after Bush was criticized for his Administration's handling of events during the Oct. 3 abortive coup against Gen. Noriega.

A total of 612 randomly selected individuals from across the country were interviewed in the poll which has a sampling error of plus or minus four percent.

Bush's rating was mainly boosted by higher marks for his handling of the U.S. drug problem and dealings with the Soviet Union.

His rating for development of foreign policy gained two percentage points and stood at 44 percent in the latest poll. (Reuter)

STOCK MARKET FALL HITS AS EMBARRASSING TIME FOR WHITE HOUSE

The current wave of stock market uncertainty comes at a politically embarrassing time for the White House and Congress, grappling to close a budget deficit blamed for sparking "Black Monday" two years ago.

Despite one of the more harmonious budget negotiations between Congress and the Administration, no agreement was reached in time to avoid automatic across-the-board spending cuts from going into effect Monday night....

When Wall Street stock values plunged two years ago, the size of the U.S. budget and trade deficits was blamed for fueling investor uncertainty.

"It's two years later and we're in the same mess," said an aide to an influential congressional leader. "It doesn't exactly restore confidence, does it." ...

Some financial experts claim the 190-point plunge of the Dow Jones industrial averages on Friday can be traced to a move in the Senate to drop a capital gains tax cut from the 1990 budget.

White House officials, although they have been pressing for a lower tax rate on the sale of assets, refused to join the chorus blaming the Senate action for the worst day on Wall Street since "Black Monday."

(Laurence McQuillan, Reuter)

DARMAN OPPOSES RESCINDING \$16 BILLION CUT
Budget Chief Suggests Congress 'Live With' Across-The-Board Trim

Across-the-board cuts of \$16 billion in federal spending scheduled to go into effect Monday night should remain in place for the current fiscal year and should not be rescinded by Congress as has been widely expected, budget Director Darman said Sunday.

"I think it would be good if people would live with it and say, 'Don't restore the cuts,'" Darman said on ABC News's "This Week With David Brinkley."

Darman's comments indicate that the Bush Administration will take a tough line with Congress in the next several weeks as lawmakers struggle to complete action on a deficit-reduction package.

(Paul Blustein, Washington Post, A5)

CIA DIRECTOR UNDER FIRE
Bush Aides See Webster As Ineffective

Senior officials in the Bush Administration are expressing increasing frustration with the performance of CIA Director Webster and have begun to talk about possibly replacing him with someone who can play a more active role as an intelligence adviser to the President.

White House Chief of Staff Sununu quipped at a recent staff meeting that he had learned more about the attempted coup in Panama from watching CNN than from Webster's CIA. Webster was out of the country during the coup attempt, and no CIA official attended White House meetings where it was discussed, according to a Senate intelligence committee source.

The White House "is playing without a full deck of advisers," according to another official critical of Webster....

One knowledgeable source said Webster is considered "too captive of Congress," too lax in day-to-day management of intelligence and lacking a broad strategic overview of foreign policy and the intelligence community's role.

(Ann Devroy & David Ottaway, Washington Post, A1)

ABORTION FOES GET WELCOME LIFT FROM THE BUSH ADMINISTRATION

Anti-abortion activists, rebounding from two defeats last week, said Sunday they are jubilant over the Bush Administration's statement to the Supreme Court that the states should be able to protect the unborn, and they expressed new confidence that women's rights to abortion will be withdrawn.

Meanwhile, pro-choice activists' victories in the House and the Florida legislature have been tempered by the expectation of certain defeat in the Pennsylvania legislature.

(Dawn Weyrich & Joyce Price, Washington Times, A4)

GOVERNORS URGE COURT TO UPHOLD ABORTION RULING

Ten governors filed a brief with the Supreme Court urging it to uphold an Illinois court ruling that refused to restrict a woman's right to an abortion.

Vermont Gov. Kunin, addressing a meeting in Washington of the National Abortion Rights League on Sunday, said she and the other governors filed a friend of the court brief Saturday in the Supreme Court abortion clinic case of *Turnock v. Ragsdale*.

"As governors, we recognize that if these clinics can no longer operate, abortions will be exceedingly difficult to obtain except by women who have the finances and the ability to do so," Kunin said.

"Because this sensitive and divisive issue clearly affects the states, I believe it is appropriate for governors to make their views known to the Supreme Court," the Democratic governor said. (UPI)

HURRICANE JERRY

GALVESTON, Texas -- Hurricane Jerry roared into the Texas coast Sunday, killing at least two people as it tossed cars and ripped down power lines, balconies and trees in this island city. The storm also spun off tornadoes that inflicted damage along the Gulf Coast.

Jerry's fury combined with the highest tides of the year to flood coastal areas as thousands of people, mostly in Louisiana, fled to higher ground. (AP)

BUSH UNRUFFLED AS CRITICS SCOFF AT ZEAL FOR DEALS

"Mr. Smooth" wasn't always that way.

Recalling past battles, President Bush said last week that he suffered from ulcers 20 years ago because he used to stew over disagreements. "I kept it all inside," he said.

But not anymore, Bush said. He proudly explained that criticism won't ruffle his feathers when he believes he has made a right decision.

"I've learned now to get out there, do your best, get the best information you can, have confidence in good people. And those fundamental principles are guiding me now," Bush told reporters Friday as he explained his much-criticized response to the foiled Panamanian coup attempt.

As the Bush Administration enters its 10th month in office this week, it is building a solid reputation for doing its best to strike deals on tough issues rather than fight with Congress for the high ground.

(Paul Bedard, Washington Times, A3)

EDITOR'S NOTES: "Executives Hope Dow's Decline Signals End To Wave Of Takeovers," by Mark Potts, appears in the Washington Post, A16.

"Stock Market's Plunge Leads To Finger-Pointing In Washington But, Barring Further Slides, Isn't Seen As Likely To Spark Action," by Alan Murray & John Yang, appears in the Wall Street Journal, A16.

"Capital-Gains Tax Cut Plan Could Resurface," by Jeffrey Birnbaum, appears in the Wall Street Journal, A16.

"Bush's Ties To Congress Show Strain," by Andrew Rosenthal, appears in the New York Times, B10.

NETWORK NEWS SUMMARY

(Sunday Evening, October 15)

[NBC News was pre-empted]

STOCK MARKET

ABC's Forrest Sawyer: There were efforts today to ease the fears of investors who are worried the stock market may continue the nose dive it began on Friday. Officials at the Federal Reserve...reportedly said they are prepared to flood the nation's banking system with cash to insure that traders do not run out of money.

ABC's Mark Litke reports from Tokyo that the Japanese seem determined not to panic and blindly follow Wall Street. This weekend, the government reportedly urged major institutions to buy when the market opens, matching the Federal Reserve promise to pump cash into the U.S. market. Another concern here is that the price of the U.S. dollar will drop too far, too fast.

ABC's Mike Lee reports from London that analysts there are predicting a sharp fall, but not a crash, tomorrow morning. Analysts say the Bank of England and other big European central banks have this weekend agreed on a strategy, stressing that conditions are not the same as the crash of 1987. They are preparing to rescue banks in sudden trouble and standing by to inject cash into the market and to counter wide fluctuations in currency exchange rates.

Sawyer reports there are many different opinions on where the market is going now. On "This Week with David Brinkley," two veteran Wall Street watchers offered their views, along with some advice.

(Jim Rogers, Columbia University: "A lot of people should sell their stocks on Monday morning. A lot of people own stocks which have been up on unrealistic speculation of a takeover.... If you own any of those shares, you should get out, no questions asked, on Monday morning. If however, you own companies which have not been involved in this mania which has been going on, hang on. It's just going to be a bear market, it's not the end of the world.")

(Lawrence Kudlow: "I think, very importantly with respect to Monday morning, the situation here in October 1989 is substantially different from October 1987. In 1987, the dollar was crashing and there was a great loss of confidence in the U.S. dollar. So my view on Monday is, yes, there may be some anxieties and some hard knocks early in the day, but I see this stabilizing pretty soon, because basically U.S. monetary conditions are much better.")

Sawyer interviews John Phelan, Chairman of the New York Stock Exchange:

Sawyer: Are you planning any extraordinary measures for tomorrow?

Phelan: I think, first of all, we have tried to assess what happened on Friday, all our systems performed well, our circuit breakers with the other exchanges performed well.

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Phelan continues: And so tomorrow morning what we're going to do is to open our systems early -- 7:30 -- so that if there is an onrush of orders that we can handle them in a timely fashion. We've checked the capital of all the dealers....

Sawyer continues: I take that to mean, no, you're not planning any extraordinary measures.... If traders really want to sell, are circuit breakers going to be effective?

Phelan: They will be effective in what they're supposed to do, which is to slow the market down....

ABC's Stephen Aug reports that circuit breakers are a good idea because it gives people a chance to think. Despite this, if people wish to sell, they will do so. (ABC-Lead)

CBS's Ray Brady reports that the Federal Reserve Board announced it will pump money into the system if necessary, unlike the 1987 crash. (Sen. Gramm: "I think our obligation is to assure that we get [inadible] liquidity, the clearing mechanism works well.") Veteran Wall Streeters, however, worry about the impact of programmed trading. For now, the belief is New York will open down tomorrow morning, though some think prices could steady later in the day.

Chung interviews John Phelan, Chairman of the New York Stock Exchange:

Chung: Will we see another Black Monday as we did in 1987, tomorrow?

Phelan: I certainly hope not. I think a lot of things are different. The economy is certainly in better shape, interest rates are not having the same problems they were in 1987. There are a whole bunch of technical reasons why that would not happen.

Chung: But all the safeguards are not in place. Our Ray Brady just reported that programmed trading is still in effect.

Phelan: ...The one that I think that everybody refers to is the arbitrage between the futures market and the equities market, and that is still in effect, although there are some circuit breakers in place and they were kicked off on Friday, that do in fact slow the market down.... So we're hoping that with those in place, with people using prudence in the marketplace, I think learning from their experience of 1987, which basically said that panic selling did not pay off, that tomorrow morning will not be like October of 1987.

Brady says that the New York Stock Exchange and the government are trying to calm the people down.... They are going all-out to try to prevent another big plunge tomorrow. (CBS-4)

SOUTH KOREA

Chung reports that South Korea's president is flying to Washington tonight where he will meet with President Bush and address Congress, where calls are growing for phasing out U.S. forces in South Korea.

CBS's David Martin reports that President Bush reaffirmed the U.S. commitment to keep American troops in South Korea as recently as last February in Seoul.

(President, file tape of February 27: "As President, I am committed to maintaining American forces in Korea, and I am committed to support our mutual defense treaty.")

South Korean President Roh Tae Woo wants American troops to remain, but the commander of those troops, Gen. Louis Menetrey, has been quoted as saying that if South Korea continues to build up its own forces, there will be no military need for those troops by the mid-1990s. Members of Congress say the time is fast approaching when the U.S. should begin withdrawing forces from South Korea.

(Sen. Levin: "I think we've got to decide that we're going to have a mutual, phased in, gradual reduction of our forces in Korea.")

But North Korea remains a formidable military threat, fielding the seventh largest army in the world. No one doubts the North Korean threat, but members of Congress are asking why the U.S. has to spend \$2.5 billion a year to defend against that threat if South Korea can afford to do it alone.

(Sen. Levin: "There's a great deal of resentment that comes from the fact that we have helped Korea onto their feet, that they have this absolutely booming economy, they've got much greater economic strength and much greater population than the North, and we still have 45,000 troops there.")

Administration officials insist there are no plans to withdraw U.S. forces from South Korea, but at the same time they acknowledge some change in the American military presence there is inevitable. There is no longer a question of if, but when and how much. (CBS-7)

ABORTION/NEW JERSEY

Sawyer reports that more than 10,000 abortion-rights activists rallied in front of the state capital building in Trenton urging the legislature not to consider restrictive new abortion laws. (ABC-4)

APARTHEID/SOUTH AFRICA

ABC's Richard Sergay reports from South Africa on the release of Walter Sisulu and seven other freed ANC leaders. By unconditionally freeing Sisulu and the others, the government seems to have given its tacit permission for these men to resume their political roles. The veteran activists vowed to continue their struggle for equal rights. (Andrew Mlangeni, freed ANC leader: "If the government does not meet our demands, we have no alternative but to continue to fight for freedom.") (CBS-3, ABC-5)

ANTI-DRUG WAR/COLOMBIA

Sawyer reports that U.S. Information Agency Director Bruce Gelb, who toured the bombed headquarters of the Bogota newspaper El Espectador, announced that newspaper publishers in several countries have pledged at least one million dollars to help the besieged newspaper continue publishing. (ABC-7)

PEACE TALKS/EL SALVADOR

Chung reports El Salvador's right-wing government and leftist rebels hold peace talks tomorrow in Costa Rica. The government wants an immediate cease-fire, but the rebels insist political reforms must come first. (CBS-8)

RAOUL WALLENBERG/SOVIET UNION

Sawyer reports that a group of Wallenberg's relatives arrived in Moscow today, at the government's invitation, to investigate for themselves the fate of Raoul Wallenberg. They say they are convinced that Wallenberg is still alive and still being held prisoner. (ABC-6)

CBS's Barry Peterson reports from Moscow that in the growing campaign to deal with the abuses of the Stalin era, the new Soviet leadership is showing a sudden willingness to answer the question of Wallenberg's fate. (CBS-5)

ESPIONAGE

Chung reports military officials questioned a U.S. airman detained yesterday in West Berlin as he met with two Soviet army officers. The officers had asked him to provide classified information. (CBS-9)

HURRICANE JERRY

CBS's Connie Chung: Hurricane Jerry is teaming up tonight with the highest tides of the year and bearing down rapidly on the Texas-Louisiana coast. Authorities in Galveston, Texas, are warning residents to be prepared for high winds, surges, and numerous tornados. Thousands are being told to board up their houses and evacuate. Warnings are posted from Freeport, Texas, to Intercoastal City, Louisiana.

CBS's Bob McNamara reports from Cameron, Louisiana, on those who are in the path of Hurricane Jerry. (ABC-2, CBS-Lead)

REAGAN ASTROLOGY

Chung reports that Nancy Reagan, in a frank interview with Mike Wallace, acknowledges for the first time that her astrologer did help determine President Reagan's White House schedule.

(Wallace: "I'm told, by somebody senior in the White House, that the President's news conference was never scheduled without her input, saying --

Mrs. Reagan: "She would pick out dates that were good or bad."

Wallace: "For?"

Mrs. Reagan: "For trips, if he were going say, to Chicago, and I would say to her, gee, is it better if he leaves in the morning or the afternoon, or maybe the night before, and she'd tell me. I don't see anything wrong with that."

Wallace: "And the same is true with news conferences?"

Mrs. Reagan: "Same thing, yeah."

(CBS-10)

ABC -- THIS WEEK WITH DAVID BRINKLEY

(Sunday Evening, October 15)

Moderator: David Brinkley.

Panel: Sam Donaldson, George Will.

Guests: Jim Rogers (Columbia University) and Lawrence Kudlow (Chief Economist, Bear Stearns), followed by Sens. Lloyd Bentsen and Warren Rudman, then Richard Darman.

Brinkley: This is the obvious question.... What caused the stock market to drop Friday?

Rogers: ...The problem with...the American stock market is there's been a great deal of over-leveraging of American corporations in the last six months, and many of those deals are starting to fall apart. Many of them are based on false expectations of no recession, no inflation. It's not going to happen....

Kudlow: ...My own sense is that the market started selling off earlier this week...and the reason is that the chances now for a capital gains tax rate reduction seems to be substantially less as a result of decisions made by the Senate leadership.... The UAL deal may have been the straw that broke the camel's back.

Rogers: ...It's nonsense to say that the fact that they cut out the capital gains tax made the stock market go down.... The central banks around the world are raising interest rates, the money is getting tight, and we're going into a recession. That's what's making the stock market go down.

Will: ...The question a lot of Americans want to know is what's it going to be like Monday morning?...

Rogers: There's no question that Monday morning is going to be a difficult time.... I hope the stocks go down a great deal on Monday morning. Maybe we'll clean it out of our system. What I'm afraid of is it will go down, then come back up and it won't be a disastrous day, which means the bear market will just go on and on and on for the next several months, because we are going to have a recession in this country in the next few months. I won't guarantee it, but I assure you, even if we have a recession it's not the end of the world. We've had them for thousands of years, and we're going to have them for the next few thousand years.

Kudlow: ...I think, very importantly with respect to Monday morning, the situation here in October 1989 is substantially different from October 1987. In 1987 the dollar was crashing and there was a great loss of confidence in the U.S. dollar. Today, the problem is, at least to some observers, that the dollar is too strong. Second, in 1989, interest rates are coming down in the United States, and have been for the last six months, and, in fact, unnoticed by the roar of the stock market problem on Friday, the Fed looks like it actually eased credit slightly with the key policy indicator, the Fed Funds Rate.... So my view on Monday is, yes, there may be some anxieties and some hard knocks early in the day, but I see this stabilizing pretty soon, because basically U.S. monetary conditions are much better.

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Donaldson: How much [of a role] does psychology play?...

Kudlow: ...If you want to talk about psychology, one thing that continues to worry me is this monetary warfare between the Treasury Department and the Federal Reserve Board, where the Treasury, for whatever its poorly thought-out motivations, keeps bashing the dollar in exchange markets, and the Fed, with greater wisdom, keeps stabilizing the dollar. If we could square that loop, and then move ahead to a capital gains reduction, I think the stock market is going to resume its long-term rise.

Brinkley: ...What would you like [the Senate] to do to carry on a healthy economy in this country?...

Rogers: That's a very simple answer: Cut capital gains tax; do everything you can to encourage long-term investment in America. Stop taxing savings, stop taxing dividends, and cut the budget deficit.

Kudlow: I would cut the capital gains tax and I would also enforce Gramm-Rudman. I think a Gramm-Rudman sequester would be far better than this current budget deal. And then I think Gramm-Rudman, which has served some useful purpose, should be patched up with respect to its imperfections, and we should move ahead to gradual, but steady, deficit reduction in the 1990s.

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Guests: Sens. Bentsen and Rudman.

Brinkley: You have heard the two Wall Street experts before you.... What do you say?

Bentsen: I listened to Mr. Kudlow talk about blaming -- not moving forward on the capital gains for the 190-point drop. I can't help but remember when he was also the principle advisor for David Stockman at OMB when they missed by tens of billions of dollars on their estimates....

Rudman: I really think that your other guest had it more on the mark.... The leveraged buy-outs have concerned all of us in Congress, outside of Congress -- so much debt in American corporation today. The fact that we have not done as much on the deficit as a general environment, the background music the economy is playing against, has not helped either. But, contrary to what people think, we have been making progress in that area, including this year.

Will: ... Good old Rudman is in favor of taking the Social Security off budget.

Rudman: That's right.

Will: You favor it. What are the chances of doing this?

Rudman: I think the chances are very good.... We would like to phase out the Social Security contribution over the next three years.... Gramm-Rudman-Hollings has not worked perfectly, in fact, it's worked imperfectly. But the fact is that no one who follows the budget process can disagree with the basic fact that federal spending has been cut roughly one-third in terms of growth since 1985. We have done that....

Will: A rising economy certainly deserves a lot of credit for having done that -- not your law.

Rudman: ...If that law were not in place, federal spending would be higher today and deficits would be higher today than they were yesterday.

Donaldson: You're right.

Bentsen: ...I must say, in defense of my friend here, that I think the Gramm-Rudman has helped. It's obviously imperfect; you had a lot of creative accounting. But the biggest problem is that you see this Administration not really cutting that deficit enough, and then you see the Congress not willing to reach beyond those cuts.

Donaldson: Sixteen billion dollars on paper of cuts, but it will take about a month for it to really bite. Before that month is over, will you (a) have a budget deal which will obviate the cuts, or (b) change your law?

Rudman: ...If the Senate clean reconciliation bill is adopted by the House and we agree to it, we will truly have deficit reduction. If we now tinker, as we were up until Friday night, then we won't. And I will tell you this much -- that if a sequester falls, in my view, it might be the best thing in the world for this country to understand that there's no such thing as a free lunch. I hope we can fix it; I hope the House goes along with it. But if we don't, I'd rather save a real \$16 billion than save nothing at all -- that's my view.

Donaldson: For eight years, we've taught there was a free lunch....

Brinkley: Who's buying lunch -- the Japanese?

Rudman: No, our grandchildren are buying lunch.

Bentsen: I think you're going to see sequester take effect, but I think it will be softened, and then it will be turned around within three or four weeks....

Donaldson: Tell me what you think is going to happen on Monday....

Bentsen: ...Remember that there are certainly basic differences between 1987 and now. And the melt-down procedures to protect against melt-down is much more sophisticated than it was.... The underlying economic factors are relatively stable....

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Guest: Richard Darman.

Donaldson: Let's talk about this grand deal you're going to have to cut in the next two or three weeks if we're not going to actually have this sequestering and cutting of money.

Darman: ...I think that it may be that sequester is the best available alternative. At least it's real.... This time, if it goes into effect, I think it would be good if people would live with it and say, don't restore the cuts.

Donaldson: ...The President would not sign the bill if it contained any new taxes or new tax increases?

Darman: No. He's been extremely clear on that if we mean new taxes.

Will: Is there any thought that the best thing you could do is to veto it?

Darman: Yes, absolutely.... If a bad bill comes to the President, I feel certain it will be vetoed.... There are certain provisions in the House bill that relate to pensions which are extremely objectionable to the Administration. There are some environmental provisions that are problematic. There are some child care provisions that are troublesome. There is a long list.... We've provided it to Congress.

Donaldson: ...Look what you did to the savings-and-loan bailout. That was sort of a fraud, wasn't it -- setting up a corporation to put it off the budget so that, in fact, higher interest will be paid by the taxpayers.

Darman: No, I don't think so.... The fact is...it's on-budget -- \$20 billion of it in fiscal year 1989....

Donaldson: Isn't it a fact that taxpayers will pay more in interest than if they just paid it out of general revenues?

Darman: No, not necessarily. But it's a technical argument.... What would have happened had you done it otherwise? What would have happened to interest rates? If they would have been higher than it would have been the wrong way to go.

Will: Would that be a reason for vetoing the bill -- the fact that it is fraudulent? I mean, if you did that stuff in the private sector, you'd go to prison for that kind of stuff, wouldn't you?

Darman: Fraud would be a good reason, but --

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DISCUSSION -- Ellen Goodman joins.

Brinkley: Abortion.... It does seem now that changes are taking place.... What do you make of it?

Donaldson: ...What we've seen in the last several years is the anti-abortion forces having the field all to themselves.... Martinez getting his ears pinned back, and what's happening in Florida has been very salutary. I think now legislators can stand up if they believe in pro-choice and vote that way without fearing that somehow they're going to have their head cut off.

Goodman: Prior to the Webster decision, a lot of legislators who didn't feel strongly about this issue either way felt, well, if I have to throw a vote, I'm safer off throwing this vote in the direction of pro-life, and now that's shifted.

Will: Now, that is exactly the box that President Bush finds himself in. He gave the not altogether lucid explanation of his views on abortion, his latest version of his views on abortion, in his press conference this week, where he said, I'm not going to change my position any, I hope there is flexibility to deal with the House and the language coming out of Congress, and, as he says about most things, I don't want any conflict. He can't have it all three ways.

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Donaldson: That was an extraordinary press conference. I didn't see it, unfortunately. I read the transcript; having read the transcript I don't think I want to see it. But here seems to be a key quote. Question: Are you unalterably opposed, or is there some room for compromise? George Bush, the President of the United States is pleased to answer. Answer: Yes, I'm opposed. And I hope we'll see what we can do in terms of the conference committee to see if there is room for flexibility.

Goodman: That's been the problem with his position all along. It's never rung true.... The larger symbolic notion behind that is that George Bush doesn't know where to go on this. He doesn't want to come out looking as if he's attacking the most vulnerable women, and he's going with the polls again, which is the other thing --

Donaldson: In 1980, George Bush ran for the presidency and he favored abortion in some limited circumstances. Then he became Mr. Reagan's vice presidential nominee and he discovered that he was opposed to abortion completely. Now there's a little pressure and he may decide that, after all, he may not be opposed completely. And this is leadership?

Will: It's just one of the accidents of politics that this comes in the aftermath of the Panama episode. It raises the general feeling that the Administration doesn't mean what it says....

Donaldson: As the leader of the Bush-bashers in Washington, you wrote another column saying this was an unserious presidency.

Will: I think there are grounds for wondering what it is he and his Administration care deeply about. Where do they want to dig their heels in? ...The question is, does this President want to go down to honorable defeat every now and then, or does he want to split every difference.

Goodman: ...What we have is maybe the end of the honeymoon, but I think of it more as the end of the campaign.

Donaldson: I haven't been the chief Bush-basher in town, but I have often thought that George Bush's problem was to overcome that view that he was a wimp. I thought he had done it to some extent, although probably by means that were not completely honorable during the campaign. But something happened this past week.... Sen. Boren came from Capitol Hill to say publicly that he and his committee members had given the Administration everything they'd asked for in the way of authority to deal with Noriega. He was followed immediately by Gen. Scowcroft...who said that just wasn't true.... Did Mr. Bush back up Gen. Scowcroft? Ehh, in a way through his spokesman. And then he invited Senators Boren and Cohen down to the White House to be stroked and to be told, oh, that's all right. Now I think that humiliates Gen. Scowcroft. I think the President ought to have said, Scowcroft's my man, he told the truth, you haven't given me everything I wanted, and I want it....

Will: There is a pattern here. That is, this President suffered a really quite stunning, unprecedented rebuff, when his nominee to be secretary of defense was rejected.... When it was over, the President of the United States sat down with pen and ink...and he wrote Weyrich [phonetic] a note saying, hey, no hard feelings. Well, maybe there ought to be some hard feelings there. That is leadership.... What are these people serious about? ...They just cave too often.

NBC -- MEET THE PRESS

Moderator: Garrick Utley.

Panel: Albert Hunt, Andrea Mitchell.

Guests: Sen. Phil Gramm and Rep. Leon Panetta.

Utley: The Federal Reserve has said it's going to pump liquidity...into the financial system.... Do you think this...action is sufficient?

Gramm: I think it's sufficient.... You need to remember that we learned a lot when the market plummeted.... I think we made dramatic changes.... In terms of a market collapse, it's not going to happen.

Utley: ...What is going on in Washington -- this failure to meet the [budget] deadline -- what kind of a signal is it sending to markets around the world?

Panetta: I think there is a relationship because I think for the last eight to ten years, we've been essentially on a debt binge in this country.... Part of what's happening on Wall Street is fear that somehow they're not going to be able to get the credit anymore they need to do the take-overs. Here in Washington, we have the same problem. We've reached a point where we simply don't have strong leadership to try to reduce the deficit and make tough choices....

Mitchell: ...The Senate has...passed a clean, stripped-down, bare-bones budget bill which basically says, if it doesn't raise money or cut spending, it doesn't belong in here. The House has this enormous budget bill with all sorts of goodies.... Will the House now...strip that down?...

Panetta: I think the Senate has done a good job and I commend them for passing the stripped-down version on deficit reduction. That was important. And the thing that helped the most was that the President and the Administration backed off on insisting that the capital gains cut be part of the deficit reduction package. And I think that's in line, frankly, with the economic agreement that we worked out with the White House. On the House side, unfortunately, that offer was made by the Speaker of the House to the White House. We will strip catastrophic, we will strip capital gains, we will strip child care and some other provisions. We're prepared to move with the stripped-down version. That was refused by the White House at that time. They knew they had the votes, and they pushed for capital gains. If the White House continues that position, then I'm convinced that we can expedite this conference and move towards a stripped-down version.

Mitchell: ...Senator Hollings has said, this is a mess -- I want a divorce. I want out from this budget bill [Gramm-Rudman-Hollings] -- this budget law. Do you want a divorce?...

Gramm: ...Has the Congress cheated? Has the President, in the best spirit of bipartisanship, worked with Congress to cheat? The answer is yes. But are we better off with Gramm-Rudman than we would be without it? I think the answer is clearly yes. Would I like to strengthen it? Yes -- and I'd be glad to work on a bipartisan basis to do that....

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Hunt: ...If the democrats were to give on entitlements, would you be willing to consider tax increases in order to balance the budget?

Gramm: ...The answer is that that is not the way I believe we need to do it.

Panetta: I don't think there's any question that that's what you have to do.... The problem we've had in this town for the last ten years now is a political log-jam -- one party saying you can't cut defense and you can't raise taxes, and the other saying you can't touch entitlements. Until both sides are willing to put everything on the table and make those tough choices, we're going to continue to play games....

Utley: ...What is it that will require some kind of action? Does there have to be another big collapse in the stock market, some calamity that is going to force you people and those in the White House to take action.

Panetta: Understand that in our system of government you get things done either through leadership or crisis. Now what the Gramm-Rudman law tried to do -- and we worked together at that time in developing the Gramm-Rudman law -- was to be a club, trying to force the President and the Congress to come up with the right decisions. Unfortunately, the leadership has not been there. The leadership has not been there on this issue, either from the President or the Congress.

Hunt: But you're part of the leadership; so is Sen. Gramm.

Panetta: Obviously, and we can continue to push, try to get the Congress to make the right choices. But when the President says, read my lips, no new taxes, he takes a major ingredient off the table....

Utley: ...How would you like to see your bill -- Gramm-Rudman-Hollings -- revised? What should be done in the future?

Gramm: ...I believe we should expand the horizon of it from one to four years. I'd like to eliminate the ability to shift spending back and forth across artificial time lines in terms of fiscal years. I'd like to do away with the ability to prepay debt and incur big losses and claim that as deficit reduction. We have a vehicle, it is a tool, it is a good wrench. If you get a good plumber committed to using it, you can do great work. But you can't blame the wrench when the job does not get done.

Panetta: There is no question that it is fed into the wrong incentives. And the wrong incentives are basically what the country and the Administration and the Congress are into, what is short-term policy, not looking at the long term.... But let's not kid anybody. You can make all the process changes in the world. But if you don't have the leadership and the courage to make tough choices, you're not going to replace courage and will with process changes.

Mitchell: You can't stop the cheating, can you?

Panetta: Exactly.

Mitchell: Senator Gramm...aren't you just like everybody else on that? You try to get what's good for Texas on that?

Gramm: ...Obviously, my state has a set of preferences like any other state. But I am willing to commit to a bottom line, absolute limit in spending, and then Texas will take its chances.

Mitchell: But if [the capital gains tax cut] is done now, separately, since the President seems to have the votes for that, what is the impact, the potential for any real deficit negotiation?

Panetta: I think there's a terrible price to be paid if the Administration pushes on the capital gains cut. Not only does it undermine the cooperation with the Congress, but it eliminates one of the important chips for discussion in terms of revenue package, and ultimately it adds to the deficit.

DISCUSSION

Utley: ...How is George Bush's stock doing today -- after Panama, after what may be the signal of a change on the abortion issue, and after again the failure to reach this budget agreement?

Mitchell: ...There's no question his polls are high. But there are people, in Washington in particular, questioning the depth of it -- whether or not they handled the budget situation well -- most people think they did not, that the negotiations were murky and mixed signals were sent, and it was really the Senate Republicans who forced the White House to back down on its insistence on linking capital gains to the budget, at least right now. And on the abortion thing, he's all over the lot. You see that his position has changed, I don't know how many times. And now he's trying to get a compromise that I'm not sure he's going to get.

Hunt: I agree with Andrea. I think Panama could hurt him more over the long run, even more than some of the others.... He's like a stock that's paying good dividends right now, profits look great right now, but the fundamentals are a little bit shaky. You know, Ronald Reagan always had a base that could catch him, no matter how bad things were.... George Bush, it's very wide, but it's not very deep, and if things go bad -- another Panama or two, you have an economic downturn, I think that 70% popularity would head south quickly.

Utley: ...Are we going to see any more precise and better leadership in the weeks and months to come?

Mitchell: I think there's been an extraordinary failure of leadership. There was a real chance when they had that sort of phony budget deal last spring, that there was going to be this grand compromise this fall. And by pushing capital gains -- I think prematurely -- they've given up that opportunity, and I think that you're going to have them limping along on the budget.

Hunt: I just got back from a trip to Asia, and when you see here from 8,000 miles away, there is no strong sense of any strong economic leadership in this country at all -- from Congress or the White House.

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CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Sen. George Mitchell, followed by Sen. William Armstrong and Rep. Pat Schroeder.

Stahl: Let's talk first about what happened on Friday with the market.

Mitchell: ...While the market will decline early tomorrow, the consensus is that it will not be a repeat of 1987. However, it certainly does add urgency and points up the need for us to take serious and responsible action with respect to the deficit. Although that apparently was not a precipitating factor -- an immediate precipitating factor in Friday's action, it remains a very serious problem.

Stahl: You know, some people in Congress feel that...the Senate's action to turn down any capital gains tax cut may have had something to do with what happened on Wall Street.... You know, that Wall Street wants this cut and that they're disappointed.... Will you feel that pressure? Will that change?

Mitchell: No, not at all. There have been many preposterous reasons advanced to support a capital gains cut; but I suggest that that is, perhaps more than any of the others.... The reality is this, that we're trying to deal with the deficit.... The President's proposal on capital gains will increase the deficit by \$67 billion over the next decade, according to the tax committee of experts, nonpartisan. Now how can you say you want to deal with the deficit, on the one hand, and then propose to increase the deficit by \$67 billion? It just doesn't make any sense. So that proposal was ill-timed and inappropriate, and the Senate wisely rejected it.

Stahl: ...What is the relationship now between you Democratic leaders in Congress and the President, in terms of the budget? Has it so soured that you can't come to an agreement to get this deficit down now? What's the situation?

Mitchell: Obviously, our personal relationship continues to be a good one. I like the President and he's a courageous person.

Stahl: You blame each other and then you shake hands.

Mitchell: That's part of the process.... On the budget, I think there is no prospect of any so-called grand compromise or deal next year because the Administration simply didn't live up to this year's deal.... If you make an agreement and someone doesn't live up to it, then you don't go ahead and make another agreement...as though this didn't happen.

Stahl: Let me ask, though, to be candid: Don't you think it's going to pass [the capital gains cut]?

Mitchell: No, no, I do not.

Stahl: With all these Democrats who want it?

Mitchell: No, I do not.... It didn't pass the Senate this weekend because the votes aren't there for it.

Stahl: ...I know you want to blame the President, but I want to talk about the Democrats. When you were writing this bill that was supposed to reduce the deficit and Senator Bentsen put in an inheritance tax break...and Senator Boren wants to -- these are Democrats -- wants to expand the capital gains -- and all these little goodies for hometown programs that the Democrats added. As I understand it, you added \$38 billion onto the deficit in this process before, in the end, you sliced it all down.... It was like gluttons. It was extraordinary.

Mitchell: First, let me say that more amendments were offered by Republicans in that process than Democrats.... In the end, I made a motion on the Senate floor to strike all of those provisions from the bill then pending, and it passed overwhelmingly with an overwhelming majority of Democrats favoring....

Stahl: Are you going to propose a tax increase...or reductions in entitlements, to really get a serious bite into the deficit?...

Mitchell: ...If you or anyone else can point out to me a single valid reason for us to go through that exercise and give the President the opportunity to veto such a bill, knowing in advance that it cannot become law, then I will consider it. But no one has yet suggested an alternative. What we're going to try to do is to work for responsible policies with the President's participation.

Stahl: But that's not leadership on your part, is it?

Mitchell: It is not leadership to lead a light cavalry charge into a certain political debacle in the circumstances which now exist.... We're going to try to deal with the deficit in a responsible way. But in the American system of government, taxes cannot be enacted without the active support of the Chief Executive -- let alone the violent opposition to any taxes....

Stahl: ...Are you saying capital gains will not pass this year?

Mitchell: I do not believe it will pass this year.

Stahl: ...What if the President vetoes this bill that both House and Senate have passed to expand federal funding for abortion in cases of rape and incest? Is there any possibility that Congress can override that or not?

Mitchell: No, there is not.... I think President Bush will be making a terrible mistake if, just to honor another campaign promise, he vetoes this bill.

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Guests: Sen. Armstrong and Rep. Schroeder.

Stahl: ...President Bush says he hopes that he doesn't have to veto this new bill that both the Senate and the House have passed to expand federal funding for abortion. What is this compromise that everybody's talking about, and would you go along with a compromise if it could be found?

Armstrong: I think I'm going to follow the President in being willing to listen to whatever is said, but the reality is that the President does not favor funding abortions, except in very, very unusual cases involving the life of the mother, nor do I.... If you think it's morally wrong to fund them, it's hard to avoid language that avoids that.

Stahl: ...It's my understanding that the White House is the one instigating these negotiations, that there are no negotiations going on outside of talks with John Sununu.... Is that your understanding?

Armstrong: No, there's a number of members of the House and outside groups that are also talking about the possibility for a compromise. But what it comes down to is a question of, do you think it's right or wrong....

Stahl: He did say he didn't want to veto....

Armstrong: The President does not try to be controversial or confrontational. He tries to find and accommodation.

Stahl: Conservatives who are anti-abortion do not see what he said as a weakening of his position?

Armstrong: No, I don't think so. In fact, I think he's almost certain to veto it, unless some unexpectedly accommodating language can be found.

Stahl: What did the pro-choice people say about a compromise? Is one possible in the case of rape and incest?

Schroeder: I can't imagine what it would be.

Armstrong: ...If a person is the victim of incest or rape, does that convey to that person the right to take another life, an innocent life?...

Stahl: ...What would happen in terms of politics if the the President does veto this?

Schroeder: ...What it almost sounds to people like, if they listen to the President, is he's involved maybe more in political calculations. I hope that's not really true because I think what he's going to find is it's going to be very difficult to weasel through this....

Schroeder: I don't think there's anyone in America who thinks abortion is just a terrific idea, for heaven's sake. But I do think they realize there are circumstances under which they really don't want the federal government saying absolutely no, any child that's...subject to incest has to carry the baby to term....

Stahl: What are your positions on parental consent?...

Schroeder: My first instinct is always that, of course, I want parental consent; I'm a parent like you. But I've also been counsel to Planned Parenthood and sat in those teenage pregnancy clinics, and I've got to tell you, for certain people, it is not possible.

Armstrong: Parental consent is a must -- informed parental consent -- so that they really know what's at issue.

Schroeder: But, you know, a child was killed in the Northwest this week when she reported it.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin.

Panel: Fred Barnes, Patrick Buchanan, Jack Germond, Morton Kondracke.

On Abortion:

McLaughlin: ...Which side has the momentum?

Buchanan: Since the Webster decision, there's no doubt about it; the pro-choice side has been energized by its defeat and has rallied. But over the long haul, I think the pro-life forces...have the momentum....

Barnes: I agree with that, and these decisions that were taken this week are of symbolic importance but not real importance.... One thing hasn't happened, and this is important: There hasn't been a shift in the national mood on abortion. There is still a national majority that doesn't want a ban on abortions but does not want to have abortion on demand....

Germond: I hear the sound of whistling past the graveyard from these two. There's no question which way the momentum has gone, and both sides recognize it, is pro-choice.... What has happened so far is that the pro-choice people have been very successful in the way they have framed the debate as a question of government interference in women's rights to privacy...to make their own decisions, rather than in terms of life.... That won't last.... The real measure of this thing is that what's happened is the pro-life politicians have discovered that the worst thing they can do is waffle. The proof of that is Jim Courter and Marshall Coleman....

Kondracke: Don't forget about Bush.... What Bush is doing is returning to his original position which was, that abortion was okay in the case of rape and incest, so I don't see why he's waffling.

McLaughlin: Will Bush maintain his announced position that he will veto government funding for abortions for the poor in the instances of rape and incest?

Buchanan: I think he will, but I'm not as sure as I was before this morning.

Barnes: No, he's not going to because Republicans on the Hill don't want to put his feet to the fire on that. They're going to try and narrow the bill, let him sign it while vetoing the D.C. appropriations bill and the foreign aid bill....

McLaughlin: Will he renege on his veto threat?

Germond: It appears now they're going to try to find some face-saving language.... Yes, he's going to cave, back to where he was originally. This'll be the second time around.

Barnes: I think both politics and his conscience, his now-conscience, require him to sign that bill --

McLaughlin: Does it amount to a flip-flop?

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Barnes: From last week, yes.

McLaughlin: ...Underneath it all, he's reversing himself and he's going against his veto threat. The answer is, he will flip-flop.

On Panama Coup Attempt:

McLaughlin: Was this failed coup a tragic embarrassment for the Bush Administration, or was it a terminal blunder?

Barnes: Well, it's somewhere in between the two. I mean, this is a very damaging incident for the Bush Administration, for Bush personally.... The people that have been hurt badly are Bush, who did get cold feet.... And Dick Cheney has put himself in a peculiar position; now he's adopted this super-isolationist position that only Pat would agree with, that somehow we can't use American forces anywhere because it might endanger the lives of American soldiers. That's nutty.

Germond: I agreed with the decision not to be the sponsors of this coup. On the other hand...the fact that we didn't have a plan in place...shows incredible incompetence on the part of the Administration. Particularly in light of the fact that the President had said so much about getting rid of Noriega.

McLaughlin: Besides you Buchanan, who trashed George Bush, also Jeanne Kirkpatrick, Elliott Abrams, and George Will. Four stalwart conservatives, right?

Buchanan: Look, I didn't trash George Bush. I was the one that made that question or that statement that this is an embarrassment, they made a mistake. Cheney is right, we've got no obligation to replace the government in Panama. The problem is...that Mr. Bush has been going along with, read my lips, Noriega must go, again, again, and again. When a chance came, now we get all this legalisms about whether or not we could take him out.

Kondracke: This guy was supposedly the crisis manager during the Reagan Administration. He's been in office nine months screaming for Noriega's head, and they didn't have a plan, and they did not execute it when they did have a plan. You know, what's going to happen when they have a big crisis like East Germany or something?

McLaughlin: ...What do you think of this appraisal of George Bush by the liberal democratic Congresswoman Patricia Schroeder.... She calls George Bush the Revlon President because he proposes only cosmetic solutions to acknowledge problems.

Kondracke: I've got two better lines than that. One is...after complaining about Willy Horton, George Bush has now furloughed Manuel Noriega.... The other one is, that most of what comes from George Bush's bully pulpit is bull.

Germond: ...The real problem for Bush is the criticism that he is getting in this town now is not coming just from liberal Democrats, it's coming from a lot of people who have been pretty supportive of him in the press and in the Republican Party, and it's because...there's so little substance behind the rhetoric on one issue after the other....

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Barnes: [It's] George Will you're looking for.... George Bush has a way that he can redeem himself and stick it in Pat Schroeder's ear. And all he has to do is do what he should have done in the first place: mount a snatch mission -- it doesn't have to be an invasion of Panama -- they're two miles away in the Canal Zone. Go in and snatch Noriega and take him out like that [snapping].... It would be so easy.

McLaughlin: On a damage scale of zero to ten, zero meaning zero political damage to George Bush, ten meaning the reemergence of the wimp factor, which is right there beneath the surface, where do you think George Bush comes out now with all of this, Panama and the apparent flip-flop on abortion?

Buchanan: It's a three but a hard three.... There is some damage here but it is not Bay of Pigs.

Barnes: The wimp is creeping out of the box. I give it about a five. He also caved in to Senator Boren.... I give him a five but a hard five.

Germond: He caves in to everybody. I give him about a five or a six.

Kondracke: He's better off than he would if he had lots of dead American bodies around, but the wimp is there. Five.

McLaughlin: ...Well, I'm going to cut him back to a three, so the answer is three.

PREDICTIONS

Buchanan: The GOP could lose the seat in Mississippi, it could lose New Jersey, it could lose New York City, and may...lose Virginia. If that happens, there'll be a summit crisis in the Republican Party led by the President in November.

Barnes: The Hungarian Communist Party...is going to apply to join the Socialist International, which will create great tension in the whole Soviet bloc because they hate the Socialist International.

Germond: Both houses of Congress have now passed the flag desecration legislation.... My guess is they're going to find some way to fenagle this thing and they are not going to get an amendment approved by both houses in the same form this year, and never.

Kondracke: I think you will not get a deal on the capital gains bill, therefore there will be sequestration next week. But they're cheating, as usual, on the numbers. It's only \$16 billion that they're going to fenagle. No one will ever notice the sequestration.

McLaughlin: ...Carlos Menem will successfully, before the end of this year, privatize 35% of the nationalized industry....

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INSIDE WASHINGTON

Moderator: Gordon Peterson.

Panel: Tina Gulland, Charles Krauthammer, Strobe Talbott, Juan Williams, James Kilpatrick (recorded earlier), Carl Rowan (recorded earlier).

On Market Fall:

Talbott: I would say that if this is not the beginning of the end of civilization as we know it, and if it is the beginning of some kind of backlash against junk bonds and debt, it could be a good thing.

Krauthammer: It's worth putting this in perspective. It was a drop of only eight percent and it's probably the run-up of the last month or two. So it isn't as if we're at some low level of the market. We're over 2,500 on the Dow, which is extremely high.

Peterson: The chief economist for the Chamber of Commerce says the stock market drop is a direct result of the Senate stripping away the capital gains tax rate reduction reconciliation.

Gulland: Hogwash! That's nonsense. He's got to say that because they want the capital gains tax cut in there and they're going to have to fight to get it. It got pulled out so that Congress could get on with its reconciliation bill. They've cut a deal and what it means is that the capital gains tax cut will be sidetracked. But it's not dead, it'll get done later, probably the Administration thinks within the next six months.

Williams: My God, the body's still warm and they're trying to feast on it, trying to use it now for the capital gains tax. My God, let us feel bad about the stock market for a few days.

On Abortion:

Peterson: Well, the President, at an impromptu news conference yesterday, softened a bit. He did not promise a veto.

Gulland: Apparently he's taken Congresswoman [Boxer's] advice. I think he sees there's no political gain in this one and he's trying to be rescued from his own rhetoric, I think at this stage, and he wants congressional leaders to come to him with some language which will camouflage the fact that he's caving in. And that's what he wants to do and I think you will not see a veto.

Williams: ...Well, it's been a very rough week on abortion.... And the Bush Administration is very sensitive to it. They realize right now that they don't want to go before the Supreme Court and bring this issue up because the American people have now clearly stated that they want to have choice available. And I think that's what you're seeing; the politicians this week realizing the American public was on the other side
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Talbott: There's a lesson here.... And that is the so-called pro-life group here...was guilty of arrogance. They felt that they had a monopoly on both the morality of this issue and also on political passion on this issue. And they were wrong on both counts.

Kilpatrick: It just seems inconceivable to me that a conservative could take a position that a poor woman should be deprived of this health treatment, this abortion, if she conceives by reason of rape or incest. The idea of the omnipotent power of the state saying to this poor woman, you must carry this pregnancy to term, when it's a pregnancy caused by rape. To me that is unconscionable.

Rowan: I can't say it any more eloquently than Jack has said it. How this could get to be a Republican or conservative business is beyond me....

Talbott: And it'll be very interesting to see whether President Bush not just retreats on the issue but returns to his own moderate roots, because for much of his career he was what might be called pro-choice. He became pro-life, anti-abortion, largely to endear himself to the Republican right wing, and I hope he was paying close attention to what Jack had to say.

Peterson: He still has to keep his on that right wing for 1992.

Talbott: Oh, less than he thinks, I suspect.

Krauthammer: Well, he does internally. But he understands now, the fact that he's backing away on this bill, indicates how he understands how the political winds have changed. But the real irony is that he and his party are trapped now because they have been endorsing a human life amendment....

On Panama Coup Attempt:

Peterson: ...I'm wondering...how badly [President Bush] has been damaged by this?

Talbott: Well, it'll depend in part on what happens next. But he said what he pretty much had to say. But the bottom line on this affair is that the United States was enough involved in this to share in the blame for the debacle but not sufficiently involved to prevent the debacle.

Gulland: I think he actually stumbled into the right policy the first time, and the danger is now, that he's reeling from charges that he's been gutless and wimpy....

Krauthammer: Well, Bush made a point yesterday about his statements earlier in the year about wanting Noriega gone were just expressions of a wish...and they didn't oblige him to help the people in the coup. Now, he's the President of the United States. He's not a guy at a bar on a Saturday night saying, I wish Noriega were gone.... He has to understand he's encouraged that kind of action [a coup] and that he has a responsibility to do something. If he's not going to, he shouldn't speak at all. I think he's beginning to understand that.

Talbott: And there's a lot of indication that the Administration basically knows that it screwed up here. And one indication is that this is the first instance so far, in the life of the Bush Administration, where there is real nasty backbiting, second-guessing, and recrimination beginning among individuals and among agencies.

Gulland: I think the coup was doomed from the start and it was probably prudent they sat it out....

Withdrawal/Redaction Sheet

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03. List	4 Points Re: students killed [Tiananmen Square?] (2 pp.)	10/16/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

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WHORM Cat.:

File Location: Monday, October 16, 1989

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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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Notes	Handwritten notes of Presidential Phone call with Max Fisher (1 pp.)	10/16/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, October 16, 1989

Date Closed: 9/25/2009

OA/ID Number: 90524-003

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

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

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

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
 C(2) Closed by statute or by the agency which originated the information
 C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
 PRM. Removed as a personal record misfile

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

P-2 Relating to the appointment to Federal office [(a)(2) 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]

THE WHITE HOUSE
WASHINGTON

DATE:

FROM THE PRESIDENT

To:

TIME IS
OF
ESSENCE

THE WHITE HOUSE
WASHINGTON

phone file

DATE: 10-16-89

FROM THE PRESIDENT

*I called
MARTIN ALLEDAY
Martin
on FERC*

To: ~~Howard~~

1. Congrats.

2. Loved Interior

2 from Mr. Lavel

Chase - Howard

Shaferman to take

Martin's Place

Max

White House News Summary

Monday, October 16, 1989

STOCK MARKET (Headline News Ticker) -- The Dow again reversed direction and was down 70.70 points at 10:34 a.m. The volume was heavy at 151,000,000 shares traded.

CHARLES L. BARTLETT

1529 18TH ST., N.W.

WASHINGTON, D.C. 20036

CB

THE PRESIDENT HAS BEEN

Memo to the President
from Charley Bartlett

✓ The NYTimes use of Johnny Apple's commentary in the news columns has become increasingly vexing to me since he never seems to give you an even break. He used to be a pretty good fellow with a sense of humour but since he returned from London, he writes like a pompous sorehead. At any rate I have faxed the letter below to the editor's office and am sending a copy to Punch. I think this is worth doing because I have the feeling that he is engaged in a vendetta.

October 16, 1989

C.B.

To the Editor
The New York Times

Sir:

R.W. Apple has been counting George Bush out since he proclaimed him a loser on the eve of the New Hampshire primary in 1988 and I am concerned by the elevation of his most recent disparagement of the President to a double-column head on page one of the Sunday Times. To assert, as Mr. Apple did, that Washington "seems to have made up its mind" that Mr. Bush is too timid is a sweeping generality, supported in the piece by anonymous sources or by quotations from those who, like Mr. Apple, are well-established as critics of the President. This is commentary with a heavy-handed bias and to accord it the prominence of inclusion with the news on the front page of The Times is a long step away from the Adolph Ochs tradition.

Respectfully,

Charles Bartlett

October 16, 1989

12

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

0786531
FG 001-08

The Honorable Bill Archer
House of Representatives
Washington, DC 20515

COPY
FROM ORMY



10-16-89

Dear Bill,

Thanks for your note
about the phone call - no
sweat. You're right it worked
out, OK, on the substance.
Rep Gephardt was all over

✓cc: Governor Sununu
Fred McClure

891017

me on my "rich friends" be-
quite ugly -

Hang in, my friend
all well!

Cy

78653

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515BILL ARCHER
SEVENTH DISTRICT
TEXAS

9-29-89

Dear Mr. President -

My sincere apologies for what happened on your telephone call to me. I am upset and chagrined that I wasn't quick enough in telling you the call had been put through on a speaker phone in the press gallery during our press conference.

I'd give anything to have been in my office when the call came. The last thing I would ever do would be to put you in that position. I blame myself completely and have felt awful about it for the last 24 hours.

Fortunately, I believe the results were OK, because what you said was moderate and justified; but that in no way excuses your being caught unaware.

(OVER)

I hope you'll forgive me for not
being more alert and for any embarrassment
it caused you.
Sharon sends all her love and best
wishes along with mine to you and
Barbara.

Sincerely,
John

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Commanding Officer J.A. Patton
USS Bluefish (SSN-675)
FPO, New York 09565



CAMP DAVID

Oct-15, 1989

Dear Commanding Officer Patton

The Bluefish had
did indeed work for
breaking my fishing junk.

As for Golf - the Turf
is still out - Sincerely. Cap B.

bcc: White House Military
Office

Jan B.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Ms. Jennifer Scott
6301 Old Pond Road
Montgomery, Alabama 36117

Oct. 15, 1989



CAMP DAVID

Dear Jennifer -

We cannot come to
your wedding, but with
this note I send you our
family love. Your Dad is
my close, loyal friend

and that means a lot
to me. It means I have
a keen interest in his
family and thus to you
and your Larry - we
Bushes send our family
love - Most sincerely,
George Bush

bcc:

INCOMING & OUTGOING

Mrs. Bush done
B.Y.
10/16

Jm

JB

THE WHITE HOUSE

WASHINGTON

October 16, 1989

Dear Ms. Milner:

It is with deep regret that I accept your resignation from the National Commission for Employment Policy.

With dedication and hard work, you enabled the Commission to carry out its mission for the benefit of the American people. I know that in the years ahead you will look back with pride on your accomplishments and on your service to our nation. I'm grateful for your efforts.

You have my best wishes for every future success.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush", is written below the word "Sincerely,".

Ms. Virginia S. Milner
706 North Canon Drive
Beverly Hills, California 90210

October 16, 1989

Dear Mrs. Bouch,

How much I appreciate your thoughtful message.
George and I are both grateful.

Thank you, also, for the enclosure. Your
thoughts and interest mean a lot.

With all best wishes,

Warmly,

BARBARA BUSH

Mrs. Elizabeth C. Bouch
Apartment 2-F
3378 Chiswick Court
Silver Spring, Maryland 20906

BB/JDeC/DK/lynn--10BB (PC)
BB-6B

cc: Jan Burmeister w/ copy of incoming

THE WHITE HOUSE

WASHINGTON

October 16, 1989

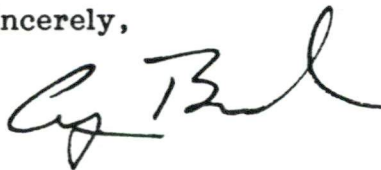
Dear Mr. Kelfer:

It is with deep regret that I accept your resignation as a Member of the United States Holocaust Memorial Council. I understand the concerns that led you to make this decision and want you to know that I appreciate your efforts.

With dedication and hard work, you've enabled the Council to carry out its mission for the benefit of all Americans. As we move forward to build on your record of achievement, we are grateful for your accomplishments in service to the nation.

You have my best wishes for the future.

Sincerely,

A handwritten signature in dark ink, appearing to be "G. H. W. Bush", written in a cursive style.

Mr. Marvin G. Kelfer
101 Sheffield Street
San Antonio, Texas 78213

THE WHITE HOUSE

WASHINGTON

October 16, 1989

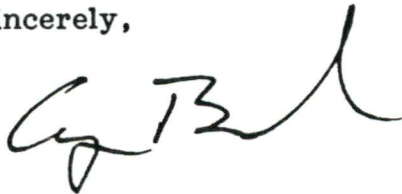
Dear Mr. Shoemaker:

It is with deep regret that I accept your resignation as a Member of the Advisory Committee for Trade Policy and Negotiations.

With dedication and hard work, you've enabled the Committee to carry out its mission for the benefit of the American people. I know that in the years ahead you will look back with pride on your contributions to our nation's prosperity and to the growth of free and fair trade. I'm grateful for your efforts.

You have my best wishes for every future success.

Sincerely,

A handwritten signature in dark ink, appearing to be "G. Bush", written in a cursive style.

Mr. Alvin V. Shoemaker
34 Chandler Road
Chatham, New Jersey 07928

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

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

☐ Transferred During Accessioning

☒ Transferred During Processing

2009-0166-S

The following material was transferred to:

☒ **Audiovisual Collection** ☐ **Book Collection** ☐ **Museum Collection** ☐ **Other**

Other (Specify):

DESCRIPTION:

White House Photographs: P07196-18 [President Bush and Chef throwing horseshoes], P07190-13 [Dog sitting on rug]

When transferring
material to the
museum
collection,
complete the
following.

Donor:

Donor Org.:

Address:

Telephone:

Book Location:

Row: **Section:** **Shelf:** **Position:**

Map Case Location:**Series:**

Daily Files

Box Number:

25

Folder Title:

Monday, October 16, 1989

OA/ID Number:

90524-003

Transferred by: Deborah Wheeler

Date of Transfer:

9/25/2009

Received by: Mary Finch

Date Received:

9/25/2009

Go to Database
Navigator

Go to Accession
Register

Go to Withdrawal Sheet

Print Record



OFFICIAL WHITE HOUSE PHOTOGRAPH 16 OCT 89 P07196-18 DV



OFFICIAL WHITE HOUSE PHOTOGRAPH 16 OCT 89 P67190-13 CP