

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

FOIA Number:
2009-0166-S

FOIA MARKER

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

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

OA/ID Number: 90551
Folder ID Number: 90551-011

Folder Title:
Saturday, June 23, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	1	3

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (2 pp.)	06/23/90	(b)(6)	
02. Note	Handwritten notes of Presidential Phone call with William Buck [Bucky] Bush Re: guard dog [redaction of personal information] (1 pp.)	06/23/90	C	
03. Note	Handwritten notes of Presidential Phone call with Brent [Scowcroft] Re: Mandela (1 pp.)	06/23/90	(b)(1)	
04. Note	Handwritten notes of Presidential Phone call with President Mubarak (1 pp.)	06/23/[90]	(b)(1)	
05. Note	Handwritten notes of Presidential Phone call with Nick Brady Re: EC Meeting (2 pp.)	06/23/90	(b)(1)	
06. Note	Handwritten notes of Presidential Phone call with Al Simpson [redaction of personal information] (1 pp.)	06/23/90	(b)(6)	
07. Note	Handwritten notes of Presidential Phone call with JAB [James A. Baker, III] Re: international issues (3 pp.)	06/23/90	(b)(1)	S
08. List	Lee Atwater Trust Donors (3 pp.)	06/21/90	C	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Saturday, June 23, 1990

Pinksheet Number: dw1733

OA/ID Number: 90551-011

Date Closed: 6/4/2010

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:



SCHEDULE OF THE PRESIDENT

Saturday, June 23, 1990

B Camp David

Sunday, June 24, 1990

B Camp David

4:00 pm

B Arrive White House

South Lawn

UNP 06/22/90
5:00 pm

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (2 pp.)	06/23/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

June 23 , 1990

	TIME		DISC	NAME	ACTION
	PLACED				
OUT	7:30 AM		7:41	Conference Call: King Hussein Ibn Talal b)(6)	Tlkd-ok 7:36 AM
INC	PM				
OUT	AM			Mr. Charles T. Graul White House Situation Room White House Signal 2-2262	
INC	PM				
OUT	8:07 AM		8:15	Conference Call: President Hosni Mubarak b)(6)	Tlkd-ok 8:10 AM
INC	PM				
OUT	AM			Mr. Charles T. Graul White House Situation Room White House Signal 2-2262	
INC	PM				
OUT	8:09 AM		8:23	Senator Alan K. Simpson b)(6)	Tlkd-ok 8:15 AM
INC	PM				
OUT	8:31 AM		9:08	General Brent Scowcroft Office, Washington, D.C. Secure Voice x7400	Tlkd-ok 8:59 AM via Secure Voice
INC	PM				
OUT	8:33 AM		8:40	Mr. William H.T. Bush b)(6)	Tlkd-ok 8:33 AM
INC	PM				
OUT	10:09 AM		10:16	Mr. Bobby Holt b)(6)	Tlkd-ok 10:13 AM
INC	PM				
OUT	10:29 AM		10:36	Mr. Lee Atwater Residence, Washington, D.C. 965-2021	Tlkd-ok 10:32 AM
INC	PM				
OUT	10:49 AM			Mr. Marvin P. Bush Maple Cabin, Camp David, Maryland Camp David Signal 4-1730	PRESUS Cancel 10:51 AM
INC	PM				
OUT	11:16 AM			Mr. William Reilly b)(6)	Tlkd with Mr. McBride 11:16 AM
INC	PM				

Bush Presidential Library Photocopy

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

June 23, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	11:20 AM	11:31	Mr. Charles Bartlet	Tlkd-ok 11:23 AM
INC	PM		b)(6)	
OUT	11:27 AM	11:45	Secretary Nicholas F. Brady	WCB 11:29 AM Tlkd-ok 11:33 AM
INC	PM		b)(6)	
OUT	AM		Secretary James A. Baker III V.I.P. Lounge Andrews Air Force Base, Maryland White House Signal 2-2771	Tlkd-ok 1:32 PM via Secure Voice
INC	1:28 PM	1:47		
OUT	AM		Dr. Michael J. Nash Sequoia Lodge, Camp David, Maryland Camp David Signal 4-1542	Tlkd-ok 4:29 PM
INC	4:29 PM	4:30		
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

TELEPHONE MEMORANDUM

JUNE 23rd

, 1990

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Camp David, Maryland

DATE 23 June 1990

TIME

MOVEMENTS

[illegible]

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Note	Handwritten notes of Presidential Phone call with William Buck [Bucky] Bush Re: guard dog [redaction of personal information] (1 pp.)	06/23/90	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
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

Presidential Phone Calls



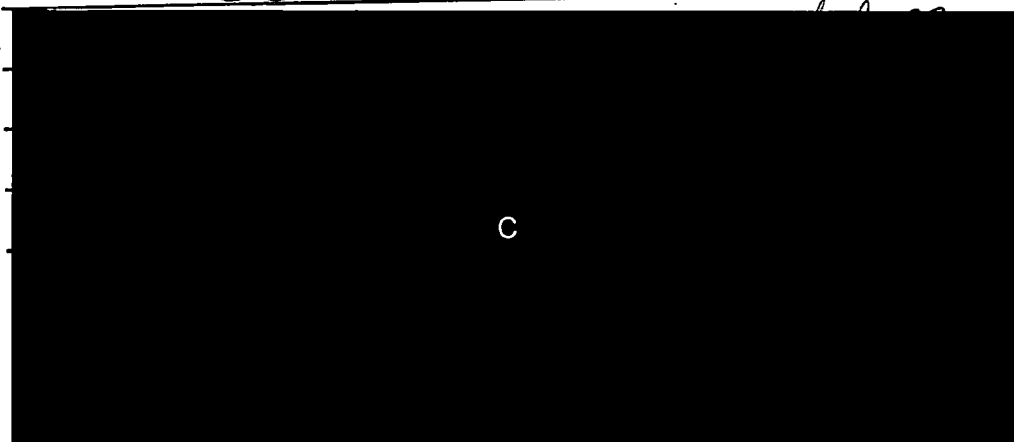
DATE: 6-23-90 TIME: 8³⁰
incoming/outgoing

WITH: W^m Bush Bush

SUBJECT: call from Calif. on
"Hook & Eye"

guard dog for home
she go pick up
"pit bull, shepherd etc.?"
guy brings in Chihuahua
"No"

He says Karate Expert - "Karate Chair"
She says - "Karate Table" - kindly
FOLLOW UP: He says
"2000"



C

Bush Presidential Library Photocopy

Presidential Phone Calls



DATE:

6-23-90

TIME:

10³⁵
~~Incoming/Outgoing~~

WITH:

Lee Atwater

SUBJECT:

check on his health

1 had better good week

2 " things better - better "

3 exercise - therapy

going well

left side - paralyzed

on mind

LA "you handled that issue

FOLLOW UP:

well "

(no extremes)

Bush Presidential Library Photocopy

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Note	Handwritten notes of Presidential Phone call with Brent [Scowcroft] Re: Mandela (1 pp.)	06/23/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
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

Presidential Phone Calls



DATE: 6-23-90 TIME: 8:30
incoming/outgoing

WITH: Paul D'Brien

SUBJECT: Ireland

wished him well

Simpson called him
yesterday

(Been very sick)
"6 weeks to recover"

FOLLOW UP: _____

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Note	Handwritten notes of Presidential Phone call with President Mubarak (1 pp.)	06/23/[90]	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
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

Presidential Phone Calls



DATE: 6-23-90 TIME: 7:40 AM
incoming/outgoing

WITH: King Hussein

SUBJECT: to discuss
talk points (attach)

Will send private
reply

FOLLOW UP: No - await his
reply

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Note	Handwritten notes of Presidential Phone call with Nick Brady Re: EC Meeting (2 pp.)	06/23/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
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.
06. Note	Handwritten notes of Presidential Phone call with Al Simpson [redaction of personal information] (1 pp.)	06/23/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
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

Presidential Phone Calls



[Handwritten signature]

DATE: 6-23-70 TIME: 8²⁰
incoming/outgoing

WITH: Pl Simpson

SUBJECT: got Fonzi D'Brein
"thank you for message"

① sounded good
can't hardly speak

② at Greenbier - Daniel Ogilvie
got taken over -

b)(6)

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Note	Handwritten notes of Presidential Phone call with JAB [James A. Baker, III] Re: international issues (3 pp.)	06/23/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE WHITE HOUSE
WASHINGTON

DATE:

6-23-98 *done*

FROM THE PRESIDENT

TO:

✓ Brent Patty Presock

I should see JAB on Monday. Trip de-brief.
Important for NATO Summit and
Nouston.

Baker's office will call PP for
appointment on Monday.

gb .

daily File

CAMP DAVID

Mr. William C. Liedtke, Jr.

PERSONAL



CAMP DAVID

(self-typed)
(personal)

6-23-90

Dear Bill,
I believe half yor letter. You indeed maybe
past the qualification date for AARP, way past it,
but how can you suggest our beloved Beverly is
over the hILL... Never, ever.
Anyway thanks for remembering my forgettable
66th. And a HAPPY one to you.
Bill Webster told me of his reunion- loving it all.
Love to AARP's star- Bessie, and to all the great
Liedtke gang. We miss em.

A handwritten signature, likely of Bill Webster, consisting of a stylized 'W' and 'B'.

William C. Liedtke, Jr.
600 Travis • P. O. Box 61289
Houston, Texas 77208

June 19, 1990

THE PRESIDENT HAS SEEN

The Hon. George H. Bush
President of the United States of America
The White House
Washington, DC 20500

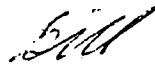
Dear George:

Beverly and I are getting old. I was fishing in the mountains of Colorado and she was loafing out in the country and you may think . . . "Oh, bad word, they forgot my birthday"! We didn't! We're just extremely tardy. But to your credit, or demerit, you are again older than I am!!

In the meantime, I am aware that Bar has qualified for AARP and tomorrow, sweet Bessie will qualify for AARP. Obviously, we are all moving in the same general direction.

I must say that your maturity is beginning to show as you are doing an outstanding job in very fascinating times in being President of our United States.

Sincerely,



Daily

THE WHITE HOUSE
WASHINGTON

DATE: 6-23-

FROM THE PRESIDENT

TO: Brent Patty Presock

I should see JAB on Monday. Trip de-brief.
Important for NATO Summit and
Nouston.

Baker's office will call PP for
appointment on Monday.

gb .

9:30
a.m.

✓ Daily

THE WHITE HOUSE
WASHINGTON

DATE: June 23, 1990

FROM THE PRESIDENT

TO: Brent and John S:

Re: Brady Memo attached.

This is the subject we three
talked about on June 18th at
lunch .

Let's now get you two to sit
down with Nick.

I have made a couple of marginal
notations.

GB

h 775

this paper

I have the only copy of

Mr President,

CS



The purpose of this memorandum is not to put more decisions on your desk. It is to help make sure that on international economic issues the decision-making process provides you with the most informed analysis and balanced advice from your senior advisers.

This memorandum is based on these premises:

- o The dominance of national security issues has shifted; international economic concerns increasingly drive our foreign policy agenda;
- o My strong conviction that economic points of view are being overlooked in our foreign policy process or are being addressed by those with little or no economic background or real world, hands-on business experience; and
- o The fact that foreign policy and international economic policy are inextricably linked and must be integrated in our decision process.

Given the above, the President should not be in a position where, because of inadequate coordination, he either is getting advice without the perspective of those with economic or business background, or is being forced to referee conflicting views that should be resolved below the President. At the same time, the process for advising the President should not be an over-coordinated bureaucratic meat-grinder that produces leaks and the lowest-common-denominator results.

There are a number of incidents which illustrate the above. This has led the economic advisers in your Cabinet to believe that there is a serious disconnect with the foreign policy apparatus and that their particular perspectives on many international economic issues are overlooked or lost in the process. The fact is that views of people who have economic or business backgrounds offer a different dimension on international economic issues than the advice you receive from foreign policy and national security experts. The point is not that you accept the advice of your economic advisers, but rather that you should hear it.

Brunt JS recall our chat:
a) Carla on Salinas FTA changes (Negroponte)
b) Int'l Financial Institutions - suggestions for Houston.

I believe there are some straightforward ways to improve the process which do not require creating new cumbersome structures or reestablishing previous White House models of an international economic policy office. These ideas will improve coordination on international economic issues, may help us avoid costly mistakes, and should spare the President from having to deal with interagency squabbles. No one currently in the process will be dealt out -- better international economic judgment will be dealt in:

- o The President should formally direct the Secretaries of State and Treasury and the National Security Advisor to establish among themselves a process for coordination and communication to insure that (a) all international economic issues are adequately analyzed and coordinated in a timely way with your key economic advisors, (b) your key economic advisers are substantively integrated into the preparation of head-of-state meetings that have economic policy content, and (c) any differences in ~~views among these three~~ individuals are resolved prior to any external communication of proposed U.S. Government initiatives or positions on international economic matters.
- o The President should formally direct that all recommendations for Presidential decisions on international economic issues be coordinated in advance with the Chairman of the Economic Policy Council who should also be directly involved in the development of all international economic policies and initiatives. This does not mean the Chairman of the EPC should control the process but rather he should be an integral part of it.
- o The Secretary of the Treasury should be made a full-fledged participating member of the NSC and Treasury representation should be invited at all NSC meetings at both the principal and deputy level.

7
1
Nick
Carla
Bob

Brut. Discuss
May have nothing
to do with economics
eg. Panama, Liberia
etc. etc.

I would like to discuss this with you further at your convenience.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 8, 1989

STATEMENT BY THE PRESIDENT

Today, I am announcing that I will use the Economic Policy Council and the Domestic Policy Council to advise me in the formulation, coordination, and implementation of economic and domestic policy.

Along with the National Security Council, the Economic Policy Council and the Domestic Policy Council will serve as the primary channels for advising the President on policy.

The close interrelationship between the U.S. and international economies illustrates the need to review economic policy issues in a comprehensive manner that best serves the national interest of the United States. The Economic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of economic policy, both domestic and international.

The important social issues facing our Nation require thoughtful and creative solutions. The Domestic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of domestic and social policy.

My commitment to this cabinet council structure reflects my conviction that effective decision-making depends on the President receiving the best information available from his senior advisers. I believe that these policy councils will effectively coordinate advice from the various departments and agencies.

#

✓ Daily

CAMP DAVID

Roger Porter

ccc: John S.

Please analyze this
thoughtful paper from
Lub Ashley.
Tell me where you
agree/disagree.
It looks very sound to me.

GB
6-23-90

ASSOCIATION of BANK HOLDING COMPANIES**THOMAS LUDLOW ASHLEY**
PRESIDENT**730 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20006**
(202) 369-1154**June 21, 1990****To: President Bush****From: Lud Ashley**

As I mentioned in our chat yesterday, I worry that an all-out partisan fight over who caused the thrift debacle will find few winners and will seriously jeopardize a responsible approach to such other important matters as the budget and bank reform. All the same, I agree that Democrat efforts to pin original sin on Republicans leave no alternative but to put a shot across their bow, as Marlin did on Tuesday, and if necessary to fire for effect.

Frankly, I'm appalled at the bad judgment of the Democrats involved. What should be clear to everyone at both ends of Pennsylvania Avenue is that some terrible mistakes were made on a nonpartisan basis, most of which occurred out of equally-shared ignorance or poor judgment. It simply is impossible to indict Republicans without naming Democrats as codefendants and vice versa. Sooner or later the public will learn that it was mistakes made by government -- both Congress and the Administration -- that allowed the imprudent lending, fraud and theft that destroyed the savings industry at such cost. To your credit, you and most Members of Congress have been willing to let the story tell itself without seeking political advantage. But in a body of 535 it only takes a few who seek to advance their own partisan agenda to scuttle such efforts, divisive and destructive as the consequences may be.

What were the government mistakes that led to the collapse of the thrift industry? There are five that get star billing, as follows.

- A product of the Depression era, the Federal Home Loan Bank System established a national thrift industry with built-in government protection and favoritism, all on the irresistible pledge of the American dream: home ownership. Under the FHLB System, the people responsible for regulating the thrift industry were the same people responsible for promoting it. The conflict inherent in this dual role was essentially dormant until a decade ago. Then, forced to choose between regulation to protect the safety and soundness of the system or promoting the industry by relaxing regulation, the latter course was chosen, with all parties concurring.

- To assure low-cost mortgages, the Administration and Congress placed a ceiling on the rate of interest thrifts were permitted to pay depositors. This insulation from market discipline, which was to encourage the disastrous practice of borrowing short and lending long, was supported by all parties.

2.

• When inflation drove interest rates up in the late 1970s, the Administration and Congress responded by phasing out the Reg Q ceiling limiting interest on deposits. The government then acquiesced to the thrift lobby by raising deposit insurance from \$40,000 to \$100,000 and permitting the use of brokered deposits. Efforts to provide funds to assure minimal supervision over thrifts' new, far-ranging activities were squelched. This was largely the doing of then-Treasury Secretary Don Regan and OMB Director Stockman, but it got little static from a Democratic Congress.

• Again responding to pleas from the thrift industry, the Administration and Congress in 1982 agreed on a nonpartisan basis to give thrifts broad authority to make loans unrelated to housing without adequate supervision. This led to high-risk lending backed by you-know-who.

• Because thrifts historically had borrowed short and lent long, high market interest rates resulted in negative yields that produced widespread thrift insolvencies. Again, both political branches of government responded to thrift industry pleas by adopting "forbearance" legislation which propped up ailing institutions with phony capital, thus permitting them to continue operations and to engage in ever-riskier lending in an effort to regain profitability.

What must be understood, if the thrift fiasco becomes a finger-pointing exercise, is the role of the U. S. League (of Savings Institutions), the principal trade association for the savings and loan industry. Over the years the League, through superb grass-roots organization, generous campaign contributions and a sophisticated Washington operation, could count on broad bipartisan support for any legislation it might suggest. Nor do I recall any quarrels between the League and any Administration, Democrat or Republican. Indeed, Kathleen Day (for the WASHINGTON POST) and others have traced a relationship between the League, the Home Loan Bank Board, Congress and the Executive Branch that is nothing short of incestuous.

As far as individual behavior is concerned, there is no question that Congressional culpability goes far beyond the Keating Five (three?) and includes prominent members on both sides of the aisle of the two banking committees, not the least including Frank Annunzio. This is a matter of record for anyone who takes the time to check campaign contributions, review Committee transcripts and voting records and figure out how much Freddie St Germain's American Express card cost the League over a period of 20-plus years.

At the same time, it won't take long for Don Regan's role to come under scrutiny. Here the problem is not only his direct role in the understaffing of thrift examiners but also his complicity (and I use the word advisedly) in the appointment of Lee Henkel to the three-man Bank Board. Simply stated, Henkel was a mole for Keating. In point of fact, Keating first tried to engineer the appointment of George Bentsen, an academic, to the Board but he was an anathema to Bill Proxmire. Failing that, he managed the appointment of Henkel who, it turns out, was not only an attorney for Keating but had an unsecured letter of credit from him for \$1,000,000 or so. It's all part of the record.

From the desk of
George Bush

P
put cc Hold
back on us
up desk
after distribute

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

Document Originally
Attached to
Following Page

THE PRESIDENT HAS SEEN

CAMP DAVID

Roger Porter

ccc: John S.

Please analyze this
thoughtful paper from
Lub Ashley.
Tell me where you
agree/disagree.
It looks very sound to me.

GB
6-23-90

ASSOCIATION of BANK HOLDING COMPANIES

THOMAS LUDLOW ASHLEY
PRESIDENT

750 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20006
(202) 293-1188

June 21, 1990

To: President Bush

From: Lud Ashley

As I mentioned in our chat yesterday, I worry that an all-out partisan fight over who caused the thrift debacle will find few winners and will seriously jeopardize a responsible approach to such other important matters as the budget and bank reform. All the same, I agree that Democrat efforts to pin original sin on Republicans leave no alternative but to put a shot across their bow, as Marlin did on Tuesday, and if necessary to fire for effect.

Frankly, I'm appalled at the bad judgment of the Democrats involved. What should be clear to everyone at both ends of Pennsylvania Avenue is that some terrible mistakes were made on a nonpartisan basis, most of which occurred out of equally-shared ignorance or poor judgment. It simply is impossible to indict Republicans without naming Democrats as codefendants and vice versa. Sooner or later the public will learn that it was mistakes made by government -- both Congress and the Administration -- that allowed the imprudent lending, fraud and theft that destroyed the savings industry at such cost. To your credit, you and most Members of Congress have been willing to let the story tell itself without seeking political advantage. But in a body of 535 it only takes a few who seek to advance their own partisan agenda to scuttle such efforts, divisive and destructive as the consequences may be.

What were the government mistakes that led to the collapse of the thrift industry? There are five that get star billing, as follows.

- A product of the Depression era, the Federal Home Loan Bank System established a national thrift industry with built-in government protection and favoritism, all on the irresistible pledge of the American dream: home ownership. Under the FHLB System, the people responsible for regulating the thrift industry were the same people responsible for promoting it. The conflict inherent in this dual role was essentially dormant until a decade ago. Then, forced to choose between regulation to protect the safety and soundness of the system or promoting the industry by relaxing regulation, the latter course was chosen, with all parties concurring.

- To assure low-cost mortgages, the Administration and Congress placed a ceiling on the rate of interest thrifts were permitted to pay depositors. This insulation from market discipline, which was to encourage the disastrous practice of borrowing short and lending long, was supported by all parties.

2.

- When inflation drove interest rates up in the late 1970s, the Administration and Congress responded by phasing out the Reg Q ceiling limiting interest on deposits. The government then acquiesced to the thrift lobby by raising deposit insurance from \$40,000 to \$100,000 and permitting the use of brokered deposits. Efforts to provide funds to assure minimal supervision over thrifts' new, far-ranging activities were squelched. This was largely the doing of then-Treasury Secretary Don Regan and OMB Director Stockman, but it got little static from a Democratic Congress.

- Again responding to pleas from the thrift industry, the Administration and Congress in 1982 agreed on a nonpartisan basis to give thrifts broad authority to make loans unrelated to housing without adequate supervision. This led to high-risk lending backed by you-know-who.

- Because thrifts historically had borrowed short and lent long, high market interest rates resulted in negative yields that produced widespread thrift insolvencies. Again, both political branches of government responded to thrift industry pleas by adopting "forbearance" legislation which propped up ailing institutions with phony capital, thus permitting them to continue operations and to engage in ever-riskier lending in an effort to regain profitability.

What must be understood, if the thrift fiasco becomes a finger-pointing exercise, is the role of the U. S. League (of Savings Institutions), the principal trade association for the savings and loan industry. Over the years the League, through superb grass-roots organization, generous campaign contributions and a sophisticated Washington operation, could count on broad bipartisan support for any legislation it might suggest. Nor do I recall any quarrels between the League and any Administration, Democrat or Republican. Indeed, Kathleen Day (for the WASHINGTON POST) and others have traced a relationship between the League, the Home Loan Bank Board, Congress and the Executive Branch that is nothing short of incestuous.

As far as individual behavior is concerned, there is no question that Congressional culpability goes far beyond the Keating Five (three?) and includes prominent members on both sides of the aisle of the two banking committees, not the least including Frank Annunzio. This is a matter of record for anyone who takes the time to check campaign contributions, review Committee transcripts and voting records and figure out how much Freddie St Germain's American Express card cost the League over a period of 20-plus years.

At the same time, it won't take long for Don Regan's role to come under scrutiny. Here the problem is not only his direct role in the understaffing of thrift examiners but also his complicity (and I use the word advisedly) in the appointment of Lee Henkel to the three-man Bank Board. Simply stated, Henkel was a mole for Keating. In point of fact, Keating first tried to engineer the appointment of George Bentsen, an academic, to the Board but he was an anathema to Bill Proxmire. Failing that, he managed the appointment of Henkel who, it turns out, was not only an attorney for Keating but had an unsecured letter of credit from him for \$1,000,000 or so. It's all part of the record.

Presidential Phone Calls



DATE: 6-23-90

TIME: incoming/outgoing

10:20 am

WITH: Bobby Holt

SUBJECT: I called hi re: attached on Lee Atwater
total now \$340,000

Henry Kravis did mentiooin wanting to help
on some international trade advisory deal

Has he been to State Dinner or soem
WH event- not MONEY RAISING.

GB

FOLLOW UP: _____

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08. List	Lee Atwater Trust Donors (3 pp.)	06/21/90	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Saturday, June 23, 1990

Date Closed: 6/4/2010	OA/ID Number: 90551-011
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE PRESIDENT HAS SEEN

Daily

BUDGET NEGOTIATIONS:
"REALITIES" AS OF 6/22/90 (A.M.)

CD.

Depl
for Mandy
+

- (1) A satisfactory deal cannot be put together for announcement before the July recess. A deal still could be put together and enacted before the August recess and debt limit crisis -- provided we get things ready to move fast when the Congress returns.
- (2) The big negotiating group is insufficient to do the job. A top leadership group will also have to get in the act.

NOTE: In addition to the normal jurisdictional and ideological splits in the big group, there is this complication: Sasser and Fowler are highly partisan, unwilling to negotiate without the President first putting taxes on the table -- as a precondition. Further, Sasser insists on negotiating through the press -- saying our proposal "stinks," and releasing a report titled "SNL II -- Still No Leadership II."

Hold
OK

6-23

- (3) Defense is probably do-able at the Nunn levels.
- (4) Protect this info: Bentsen and Rosty are prepared to negotiate a private deal with us; to help sell it to the leadership; and to try to get it delivered and enacted prior to the August recess. They appear to be willing to accept the BTU tax as the only new tax. But they say capital gains (which they assume must be in) will require bursting the bubble. Bentsen says the President will actually have to make the tax offer in order to get the negotiations moving -- but that the way should be prepared with Mitchell, Foley, Bentsen, Rosty so that they are positive/supportive when the President moves. He thinks this can be done.
- (5) Gephardt seems adamant against a COLA freeze, as is Domenici. But both feel other negotiable entitlement reforms can produce significant savings.
- (6) Budget process reform is do-able in substantial measure. But line-item veto/enhanced rescission is highly unlikely.
- (7) A detailed deal, legislated as a package, imposed top-down and enforceable, seems to be what is generally taken to be necessary -- and is now presumed to be what we are up to.
- (8) If no deal is done by the August recess, we're headed for a lame duck -- which no member seems to believe will be productive.
- (9) Next steps involving the President: Meetings with (a) key Republicans; (b) Mitchell/Foley/Bentsen/Rosty. Decisions re July 15th presentation. {NOTE: The President is out-a-here 'til July 11.]

Bush Presidential Library Photocopy

BUDGET NEGOTIATIONS:
"REALITIES" AS OF 6/22/90 (A.M.)

CD. *Dick
for Munch*

- (1) A satisfactory deal cannot be put together for announcement before the July recess. A deal still could be put together and enacted before the August recess and debt limit crisis -- provided we get things ready to move fast when the Congress returns.
- (2) The big negotiating group is insufficient to do the job. A top leadership group will also have to get in the act.

NOTE: In addition to the normal jurisdictional and ideological splits in the big group, there is this complication: Sasser and Fowler are highly partisan, unwilling to negotiate without the President first putting taxes on the table -- as a precondition. Further, Sasser insists on negotiating through the press -- saying our proposal "stinks," and releasing a report titled "SNL II -- Still No Leadership II."

- (3) Defense is probably do-able at the Nunn levels.
- (4) Protect this info: Bentsen and Rosty are prepared to negotiate a private deal with us; to help sell it to the leadership; and to try to get it delivered and enacted prior to the August recess. They appear to be willing to accept the BTU tax as the only new tax. But they say capital gains (which they assume must be in) will require bursting the bubble. Bentsen says the President will actually have to make the tax offer in order to get the negotiations moving -- but that the way should be prepared with Mitchell, Foley, Bentsen, Rosty so that they are positive/supportive when the President moves. He thinks this can be done.
- (5) Gephardt seems adamant against a COLA freeze, as is Domenici. But both feel other negotiable entitlement reforms can produce significant savings.
- (6) Budget process reform is do-able in substantial measure. But line-item veto/enhanced rescission is highly unlikely.
- (7) A detailed deal, legislated as a package, imposed top-down and enforceable, seems to be what is generally taken to be necessary -- and is now presumed to be what we are up to.
- (8) If no deal is done by the August recess, we're headed for a lame duck -- which no member seems to believe will be productive.
- (9) Next steps involving the President: Meetings with (a) key Republicans; (b) Mitchell/Foley/Bentsen/Rosty. Decisions re July 15th presentation. (NOTE: The President is out-a-here 'til July 11.]

Bush Presidential Library Photocopy

BUDGET NEGOTIATIONS:
"REALITIES" AS OF 6/22/90 (A.M.)

CD.

Don't
for Monday

- (1) A satisfactory deal cannot be put together for announcement before the July recess. A deal still could be put together and enacted before the August recess and debt limit crisis -- provided we get things ready to move fast when the Congress returns.
- (2) The big negotiating group is insufficient to do the job. A top leadership group will also have to get in the act.

NOTE: In addition to the normal jurisdictional and ideological splits in the big group, there is this complication: Sasser and Fowler are highly partisan, unwilling to negotiate without the President first putting taxes on the table -- as a precondition. Further, Sasser insists on negotiating through the press -- saying our proposal "stinks," and releasing a report titled "SNL II -- Still No Leadership II."

- (3) Defense is probably do-able at the Nunn levels.
- (4) Protect this info: Bentsen and Rosty are prepared to negotiate a private deal with us; to help sell it to the leadership; and to try to get it delivered and enacted prior to the August recess. They appear to be willing to accept the BTU tax as the only new tax. But they say capital gains (which they assume must be in) will require bursting the bubble. Bentsen says the President will actually have to make the tax offer in order to get the negotiations moving -- but that the way should be prepared with Mitchell, Foley, Bentsen, Rosty so that they are positive/supportive when the President moves. He thinks this can be done.
- (5) Gephardt seems adamant against a COLA freeze, as is Domenici. But both feel other negotiable entitlement reforms can produce significant savings.
- (6) Budget process reform is do-able in substantial measure. But line-item veto/enhanced rescission is highly unlikely.
- (7) A detailed deal, legislated as a package, imposed top-down and enforceable, seems to be what is generally taken to be necessary -- and is now presumed to be what we are up to.
- (8) If no deal is done by the August recess, we're headed for a lame duck -- which no member seems to believe will be productive.
- (9) Next steps involving the President: Meetings with (a) key Republicans; (b) Mitchell/Foley/Bentsen/Rosty. Decisions re July 15th presentation. (NOTE: The President is out-a-here 'til July 11.]

Bush Presidential Library Photocopy

BUDGET NEGOTIATIONS:
"REALITIES" AS OF 6/22/90 (A.M.)

CD. *Don't
for M... /*

- (1) A satisfactory deal cannot be put together for announcement before the July recess. A deal still could be put together and enacted before the August recess and debt limit crisis -- provided we get things ready to move fast when the Congress returns.
- (2) The big negotiating group is insufficient to do the job. A top leadership group will also have to get in the act.

NOTE: In addition to the normal jurisdictional and ideological splits in the big group, there is this complication: Sasser and Fowler are highly partisan, unwilling to negotiate without the President first putting taxes on the table -- as a precondition. Further, Sasser insists on negotiating through the press -- saying our proposal "stinks," and releasing a report titled "SNL II -- Still No Leadership II."

- (3) Defense is probably do-able at the Nunn levels.
- (4) Protect this info: Bentsen and Rosty are prepared to negotiate a private deal with us; to help sell it to the leadership; and to try to get it delivered and enacted prior to the August recess. They appear to be willing to accept the BTU tax as the only new tax. But they say capital gains (which they assume must be in) will require bursting the bubble. Bentsen says the President will actually have to make the tax offer in order to get the negotiations moving -- but that the way should be prepared with Mitchell, Foley, Bentsen, Rosty so that they are positive/supportive when the President moves. He thinks this can be done.
- (5) Gephardt seems adamant against a COLA freeze, as is Domenici. But both feel other negotiable entitlement reforms can produce significant savings.
- (6) Budget process reform is do-able in substantial measure. But line-item veto/enhanced rescission is highly unlikely.
- (7) A detailed deal, legislated as a package, imposed top-down and enforceable, seems to be what is generally taken to be necessary -- and is now presumed to be what we are up to.
- (8) If no deal is done by the August recess, we're headed for a lame duck -- which no member seems to believe will be productive.
- (9) Next steps involving the President: Meetings with (a) key Republicans; (b) Mitchell/Foley/Bentsen/Rosty. Decisions re July 15th presentation. (NOTE: The President is out-a-here 'til July 11.]

Bush Presidential Library Photocopy

BUDGET NEGOTIATIONS THE PRESIDENT HAS SEEN
"REALITIES" AS OF 6/22/90 (A.M.)

CD.

Don't
for M... /

- (1) A satisfactory deal cannot be put together for announcement before the July recess. A deal still could be put together and enacted before the August recess and debt limit crisis -- provided we get things ready to move fast when the Congress returns.
- (2) The big negotiating group is insufficient to do the job. A top leadership group will also have to get in the act.

NOTE: In addition to the normal jurisdictional and ideological splits in the big group, there is this complication: Sasser and Fowler are highly partisan, unwilling to negotiate without the President first putting taxes on the table -- as a precondition. Further, Sasser insists on negotiating through the press -- saying our proposal "stinks," and releasing a report titled "SNL II -- Still No Leadership II."

- (3) Defense is probably do-able at the Nunn levels.
- (4) Protect this info: Bentsen and Rosty are prepared to negotiate a private deal with us; to help sell it to the leadership; and to try to get it delivered and enacted prior to the August recess. They appear to be willing to accept the BTU tax as the only new tax. But they say capital gains (which they assume must be in) will require bursting the bubble. Bentsen says the President will actually have to make the tax offer in order to get the negotiations moving -- but that the way should be prepared with Mitchell, Foley, Bentsen, Rosty so that they are positive/supportive when the President moves. He thinks this can be done.
- (5) Gephardt seems adamant against a COLA freeze, as is Domenici. But both feel other negotiable entitlement reforms can produce significant savings.
- (6) Budget process reform is do-able in substantial measure. But line-item veto/enhanced rescission is highly unlikely.
- (7) A detailed deal, legislated as a package, imposed top-down and enforceable, seems to be what is generally taken to be necessary -- and is now presumed to be what we are up to.
- (8) If no deal is done by the August recess, we're headed for a lame duck -- which no member seems to believe will be productive.
- (9) Next steps involving the President: Meetings with (a) key Republicans; (b) Mitchell/Foley/Bentsen/Rosty. Decisions re July 15th presentation. (NOTE: The President is out-a-here 'til July 11.)

Bush Presidential Library Photocopy

From the desk of
George Bush

done
Put on desk
for me to handle
cc to Brent - TS
Mundy - as

Bush Presidential Library Photocopy

Document Originally
Attached to
Following Page

Bush Library Photocopy
George Bush Handwriting

THE WHITE HOUSE
WASHINGTON

DATE: June 23, 1990

FROM THE PRESIDENT

To: Brent and John S:

Re: Brady Memo attached.

This is the subject we three
talked about on June 18th at
lunch .

Let's now get you two to sit
down with Nick.

I have made a couple of marginal
notations.

GB



Mr President,

I have the only copy of
this paper

hfb

07
/

The purpose of this memorandum is not to put more decisions on your desk. It is to help make sure that on international economic issues the decision-making process provides you with the most informed analysis and balanced advice from your senior advisers.

This memorandum is based on these premises:

- o The dominance of national security issues has shifted; international economic concerns increasingly drive our foreign policy agenda;
- o My strong conviction that economic points of view are being overlooked in our foreign policy process or are being addressed by those with little or no economic background or real world, hands-on business experience; and
- o The fact that foreign policy and international economic policy are inextricably linked and must be integrated in our decision process.

Given the above, the President should not be in a position where, because of inadequate coordination, he either is getting advice without the perspective of those with economic or business background, or is being forced to referee conflicting views that should be resolved below the President. At the same time, the process for advising the President should not be an over-coordinated bureaucratic meat-grinder that produces leaks and the lowest-common-denominator results.

There are a number of incidents which illustrate the above. This has led the economic advisers in your Cabinet to believe that there is a serious disconnect with the foreign policy apparatus and that their particular perspectives on many international economic issues are overlooked or lost in the process. The fact is that views of people who have economic or business backgrounds offer a different dimension on international economic issues than the advice you receive from foreign policy and national security experts. The point is not that you accept the advice of your economic advisers, but rather that you should hear it.

Bumt. JS recall our chat:
a) Carla on Salinas FTA changes (Negroponte)
b) Int'l Financial Institutions - suggestions for Houston.

I believe there are some straightforward ways to improve the process which do not require creating new cumbersome structures or reestablishing previous White House models of an international economic policy office. These ideas will improve coordination on international economic issues, may help us avoid costly mistakes, and should spare the President from having to deal with interagency squabbles. No one currently in the process will be dealt out -- better international economic judgment will be dealt in:

- o The President should formally direct the Secretaries of State and Treasury and the National Security Advisor to establish among themselves a process for coordination and communication to insure that (a) all international economic issues are adequately analyzed and coordinated in a timely way with your key economic advisors, (b) your key economic advisers are substantively integrated into the preparation of head-of-state meetings that have economic policy content, and (c) any differences in views among these (three) individuals are resolved prior to any external communication of proposed U.S. Government initiatives or positions on international economic matters.
- o The President should formally direct that all recommendations for Presidential decisions on international economic issues be coordinated in advance with the Chairman of the Economic Policy Council who should also be directly involved in the development of all international economic policies and initiatives. This does not mean the Chairman of the EPC should control the process but rather he should be an integral part of it.
- o The Secretary of the Treasury should be made a full-fledged participating member of the NSC and Treasury representation should be invited at all NSC meetings at both the principal and deputy level.

7
1
Nick
Carla
Bob

Brut. Discuss

May have nothing
to do with economics
eg. Panama, Liberia
etc. etc.

I would like to discuss this with you further at your convenience.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 8, 1989

STATEMENT BY THE PRESIDENT

Today, I am announcing that I will use the Economic Policy Council and the Domestic Policy Council to advise me in the formulation, coordination, and implementation of economic and domestic policy.

Along with the National Security Council, the Economic Policy Council and the Domestic Policy Council will serve as the primary channels for advising the President on policy.

The close interrelationship between the U.S. and international economies illustrates the need to review economic policy issues in a comprehensive manner that best serves the national interest of the United States. The Economic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of economic policy, both domestic and international.

The important social issues facing our Nation require thoughtful and creative solutions. The Domestic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of domestic and social policy.

My commitment to this cabinet council structure reflects my conviction that effective decision-making depends on the President receiving the best information available from his senior advisers. I believe that these policy councils will effectively coordinate advice from the various departments and agencies.

#



CAMP DAVID

6-23/91

Dear Ray,

Thanks for my Zachary
Taylor material Love this one:
Food taste way 2.T's food taste"
Great seeing you out there. Again thanks
Heartily - GB

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Raymond Siller
1373 Monument Street
Pacific Palisades, CA 90272

THE WHITE HOUSE
WASHINGTON

DATE:

6-24

FROM THE PRESIDENT

TO:

Tim C

① Please have
someone go
through this blast
and comment on
each charge
against us.

e.g. why did we bail
out depositors whose
deposits were greater than \$100,000
(over)



② when the "charge"
is correct
acknowledge this!



THE WHITE HOUSE
WASHINGTON

DATE: June 25, 1990

NOTE FOR: EDE HOLIDAY

The President has reviewed the attached, and it is forwarded to you for your:

information

☐

action

☒

I really think your office-- and your old department-- are best people to handle the attached. Could you ask Treasury to please prepare the analysis requested by the President (though without sending over copy of his note, please)?

Many thanks.

Thank you.

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
(x-2702)

cc: Chief of Staff
Roger Porter

THE WHITE HOUSE
WASHINGTON

DATE: June 25, 1990

NOTE FOR: EDE HOLIDAY

The President has reviewed the attached, and it is forwarded to you for your:

information

☐

action

☒

I really think your office-- and your old department-- are best people to handle the attached. Could you ask Treasury to please prepare the analysis requested by the President (though without sending over copy of his note, please)?

Many thanks.

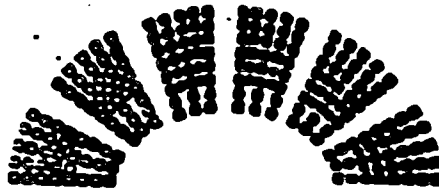
Thank you.

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
(x-2702)

cc: Chief of Staff
Roger Porter

STENY H. HOYER
CHAIR

VIC FAZIO
VICE-CHAIR



THE PRESIDENT HAS SEEN

*Camp
Readers*

Democratic Caucus

U.S. HOUSE OF REPRESENTATIVES

718 ANNEX #1 HOUSE OFFICE BUILDING

WASHINGTON, DC 20515

(202) 226-3210

Penny Gentilly
Executive Director

June 18, 1990

Dear Democratic Colleague:

This week's Democratic Message to the American people focuses our attention on the Bush administration's lack of leadership in cleaning up the S&L mess.

As Democrats, we share the growing concern of our working families about the ever-escalating amount of tax dollars the Administration estimates it needs to bail-out insolvent S&Ls. In the past several months, the President's top advisors have more than doubled the estimate they intend to apply to the bailout, and then cautioned that even these projections were soft. Yet rather than putting a stop to this hemorrhaging, the Bush administration is continuing to allow hundreds of failed savings and loans to remain open — further compounding the costs of the S&L bailout by billions of dollars.

It is the costs unseen that truly alarm and dismay America's working families. Our youngest working families are now confronting the first effects of this fiasco when they apply — and are denied — their first home mortgage. And our children will bear the brunt of the President's foot-dragging well into the next century. The schools that will go unbuilt, the bridges that will go unrepaired, and the educations that will go unfunded are the real toll of Bush mismanagement.

I have attached an excellent package on the S&L bailout, which includes S&L facts and Democratic talking points, prepared by DNC Research. I hope that it is helpful as you talk with your colleagues and constituents this week, and in the weeks ahead.

With warmest personal regards, I am

Sincerely yours,

STENY H. HOYER

MESSAGE BULLETIN

PRINTED ON RECYCLED PAPER

Talking Points on the S&L Issue

1. There is no need to pick over the bones of the S&L scandal--we know what happened. What we need to do is fix the S&L mess.
2. Bush is foot-dragging on the S&L cleanup and is already repeating the costly mistakes made by the Reagan Administration. The result is a doubling in taxpayer cleanup costs to \$500 billion -- in just 7 months.
3. Bush supports hiding the costs of the S&L bailout from taxpayers by keeping it "off-budget" and out-of-sight. Democrats, it must be remembered, supported "truth-in-budgeting" on the Bush bailout last year by margins of 181-67 in the House and by 47-6 in the Senate.
4. Public discontent with President Bush's mishandling of the S&L bailout is growing. The mid-February Harris Poll which gave President Bush a 70 percent approval rating also found that 60 percent of Americans disapproved of his plan to bailout the S&Ls.

Hey George, How Much Will It Cost?

Every time you look the other way, it seems like the Bush Administration is revising its projections on how much Bush's S&L bailout will cost U.S. taxpayers.

- o In August, 1989, Bush declared that it would cost taxpayers \$166 billion to make sure "these problems will never happen again." (Weekly Compilation of Presidential Documents, 8/89)

5 days ago, just how much cost for that bailout?

In March, 1990, the Bush bailout squad quietly requested an additional \$100 billion in "working capital" from the U.S. Treasury to finance new S&L bailouts in 1990 (WSJ, 3/6/90).

- o In May, 1990, the Bush Administration admitted the bailout will cost over \$300 billion in the years ahead -- double the amount predicted by Bush just 7 months ago (WP, 5/24/90). That same month, the General Accounting Office estimates that the bailout will cost a little bit more -- between \$325 and \$500 billion.
- o On June 14, 1990, Administration officials warned that this latest estimate was as perishable as sour cream on a hot summer day. Treasury Secretary Nicholas Brady explained that the Administration was "in the midst" of calculating how much money the Administration would need. (NYT, 6/15/90)
- o Federal Reserve Chairman Greenspan put it another way: "the size of this hole is astronomical." (NYT, 6/15/90)
- o Bush's S&L black hole: just how much will it cost?

You Too Can Own an S&L

- o Desperate for working cash to bailout additional S&L's, the RTC is selling off control of S&L deposits at firesale prices -- to corporate raiders like Ronald Perelman.
- o On March 15, 1990, the Resolution Trust Corporation (RTC) actually gave North Carolina National Bank \$700,000 to take Bankers S&L of Galveston and its \$104 million in deposits off the agency's hands (RTC Releases).
- o Three other S&L's -- with \$154 million in deposits -- have been sold for the price of a new Buick Le Sabre automobile (RTC releases).
- o S&L buyers are being allowed to pick over the assets of acquired thrifts for months -- creamskimming the best assets and returning unwanted, worthless properties to the U.S. taxpayer.
- o Asset buyers are paying the U.S. taxpayer an average of 60 cents on the dollar for the properties they do want (Southern Finance Project).
- o And who are getting these "bargain basement" deals? People like corporate raider Ronald Perelman, who was recently awarded the \$2 billion San Antonio Savings Association for just \$10 million (RTC).

Isn't This Taking Kinder and Gentler A Bit Too Far?

U.S. taxpayers may be a bit surprised to find out that President Bush isn't just paying off insured deposit holders -- under the Bush bailout, everybody in line is getting paid off.

- o Unless something is done, the Bush Administration is planning to pay off millions -- perhaps billions -- in uninsured S&L deposits and liabilities (RTC, Southern Finance Project).
- o So far, the RTC has already paid out \$50 million to investors whose accounts were above the \$100,000 insured limit (RTC).
- o And because the Reagan and Bush Administrations dragged their feet on closing down failing S&L's, U.S. taxpayers may be forced to pay off some \$26 billion in mortgage-backed bonds issued by S&L's during the late 1980s (Business Week, 4/23/90).
- o Most of these bonds were issued by high-flying S&L's who had no business being in business -- but investors flocked to buy these high-interest bonds because they knew that the federal taxpayer would ultimately foot the bill.
- o The added cost of President Bush's "generosity" to uninsured investors will be enormous -- driving up the cost of the bailout by as much as 33 percent.

1 Out of 21,000 Is Not a Good Batting Average

The Don Dixon indictment last week was a long overdue first step in bringing S&L thieves to justice.

- Unfortunately, the Justice Department is still dragging its feet on more than 21,000 S&L fraud and embezzlement cases (Washington Post, 3/27/90).

Maybe this isn't surprising given that George Bush decided to spend only \$50 million of the \$75 million appropriated by Congress for the S&L crimes. Mr. President, what's the holdup?

One out of 21,000 is not an unacceptable batting average when it comes to recovering stolen taxpayer funds.

Don't Let History Repeat Itself: Close'em Down Now

Ignoring the lessons of the 1980s, the Bush Administration is allowing hundreds of failed S&L's to remain open -- compounding the costs of the S&L bailout by billions of dollars.

700 More Failing S&Ls: Are They Being Ignored?

In May 23 testimony to Congress, Treasury Secretary Nicholas Brady understated the true size of the S&L problem, saying that at most 1,000 thrifts will have to close down.

By contrast, the non-partisan Congressional Budget Office predicts that as many as 700 additional thrifts will need to be shut down -- at an additional cost to taxpayers of up to \$100 billion (NYT, 6/14/90).

The Costs of Ostrich Mentality

Losses at insolvent thrifts ignored by the Bush Administration will soar because thrift owners, having nothing to lose, often gamble taxpayer funds on risky new investments to try and recoup their losses. These thrifts stay open by paying interest on deposits not from any profits on investments, but from new deposits lured in by excessively high interest rates. And who guarantees these new deposits? Why taxpayers, of course.

Mr. President what are you waiting for? Take your head out of the sand and learn the lessons of the past. Stop the S&L bleeding today.

FOR FURTHER INFORMATION, CONTACT:

DNC RESEARCH

863-8000

Minimum Funds Needed to Resolve
The Savings and Loan Crisis

(All amounts in billions)

Estimate Based on OMB's July 1989 Funding Summaries:

FSLIC Assistance Transactions	\$ 56
RTC Resolutions	50
REFCORP Interest Expense	69
Financing Corporation (FICO) Interest Expense	31
Establish Savings Association Insurance Fund (SAIF)	9
Post-RTC Resolutions	24
Non-RTC Administration and Other	9
Subtotal - Direct Funding Needs	<u>248</u>
Lost Tax Revenues From FSLIC Transactions	<u>9</u>

Total Based on OMB's July 1989 Estimates

\$257^a

Additional Funds Needed For:

FSLIC Assistance Transactions	\$ 12
RTC Resolutions	13
RTC Administrative Expenses	10
Interest on RTC Working Capital	28
Additional REFCORP Interest Expense	<u>5</u>

Minimum Funds Needed

68^b

\$325

^aThis estimate is based on OMB's estimates of the funds needed during fiscal years 1989 through 1999. However, funds will be needed in later years to pay interest on REFCORP and FICO bonds. OMB assumed that they would issue 30-year bonds. Therefore, our estimate included the entire amount of interest that would be incurred over the 30-year life of the bonds.

^bThese additional funds will be needed over different periods of time. Most of the funds (\$63 billion) will be needed before the end of fiscal year 1999. The additional interest is primarily due to an extra 10 years of interest because REFCORP issued 40-year bonds instead of 30-year bonds.

Source: OMB July 1989 funding summaries and information from FSLIC, FDIC, RTC, and REFCORP.