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FOIA MARKER

**This is not a textual record. This is used as an
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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: 90555
Folder ID Number: 90555-006

Folder Title:
Wednesday, August 1, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	1	7

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President [redaction] (1 pp.)	08/01/90	(b)(3)	
02. Log	White House Telephone Log [President Bush] [redaction of personal information] (4 pp.)	08/01/90	(b)(6)	
03. Note	From staff to Bruce Re: death of Colonel Dick Malvesti [redaction] (1 pp.)	08/01/90	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Wednesday, August 1, 1990

Pinksheet Number: dw1774
OA/ID Number: 90555-006
Date Closed: 7/9/2010
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

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Date Closed: 7/9/2010	OA/ID Number: 90555-006
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]
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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]
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(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



SCHEDULE OF THE PRESIDENT

Wednesday, August 1, 1990

7:30 am (45 min)	<u>Coffee with Republican Members of the House and Senate</u> (McClure)	State Dining Room (TAB A)
8:15 am (15 min)	<u>Intelligence Briefing</u> (Scowcroft/Sununu)	Oval Office
8:30 am (30 min)	<u>National Security Briefing</u> (Scowcroft/Sununu)	Oval Office
9:00 am (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
9:30 am (45 min)	<u>Administrative Time</u>	Oval Office
10:15 am (75 min)	<u>Personal Staff Time</u>	Oval Office
11:30 am (10 min)	<u>Staff Time</u> (Fitzwater)	Oval Office (TAB B)
11:40 am (15 min)	<u>Interview with Upton Bell</u> (Fitzwater)	Patio (TAB C)
12:00 pm (60 min)	<u>Lunch with the Vice President</u>	Oval Office
1:00 pm (45 min)	<u>Personal Staff Time</u>	Oval Office
1:45 pm (5 min)	<u>Presentation of "Public Papers of the President"</u> (Hagin)	Oval Office (TAB D)
2:00 pm (30 min)	<u>Photos with U. S. Ambassadors</u> (Scowcroft)	Oval Office (TAB E)
2:30 pm (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
3:00 pm (2 hrs)	<u>Administrative Time</u>	Oval Office

3:15

RUNNING AT HAWKS POINT

UNP 07/31/90
5:00 pm

0730 POTUS TO STATE FLOOR VIEW POTUS IN OVAL

0759 ADD SCOWCROFT, DCI (b)(3) 0816 DCI (b)(3) OUT

0818 ADD VP 0837 ADD SUNUNU 0850 SCOWCROFT OUT

0926 VP, SUNUNU OUT 0948 CICCONNI IN 1000 CICCONNI OUT

1129 ADD SUNUNU 1132 ADD GLEN 1139 POTUS TO PATIO FOR INTERVIEW

1204 POTUS TO OVAL 1207 ADD VP 1303 VP ~~OUT~~

1307 ADD HAGIN 1310 ADD SUNUNU 1318 HAGIN OUT

1330 SUNUNU OUT 1336 SCOWCROFT IN 1351 SCOWCROFT OUT

1353 ADD WILSON ET AL 1359 ALL OUT 1401 MILAM ET AL IN

1407 ALL OUT 1409 PHILLIPS ET AL IN 1418 ALL OUT

1419 KINGDOM ET AL IN 1425 ALL OUT 1426 BISHOP ET AL IN

1440 ALL OUT 1442 ADD SUNUNU 1459 SUNUNU OUT

1520 POTUS TO SOUTH GROUNDS 1528 POTUS ARRIVE HAIN

POINT FOR JOGGING 1600 POTUS DEPART HAIN

1605 POTUS ARRIVE SOUTH GROUNDS 1638 POTUS IN OVAL

1648 ADD CHASE UNTERMEYER 1715 UNTERMEYER OUT

1735 POTUS TO DOCTOR LEE'S OFFICE 1752 POTUS IN RESIDENCE

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THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 1st

, 19 90

	TIME		NAME	ACTION
	PLACED	DISC		
QMX	6:45 AM	6:51	MRS. BARBARA BUSH (b)(6)	TLKD-OK
INC	XXM			
OUT	AM			
INC	PM			
OUT	7:20 AM	7:20	GOVERNOR JOHN H. SUNUNU OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 686	TLKD-OK
INC	XXM			
OUT	AM			
INC	PM			
OUT	8:33 AM	8:40	MRS. BARBARA BUSH (b)(6)	TLKD-OK 8:38A.M.
INC	XXM			
OUT	AM			
INC	PM			
OUT	9:36 AM		MR. ANGUS PHILLIPS OFC: WASHINGTON, DC 334-7363	LW ON RECORDER, TOLD MRS. PATRICIA A. (PATTY) PRESOCK
INC	XXM			
OUT	AM			
INC	PM			
OUT	10:11 AM	10:19	SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 422	TLKD-OK 10:15 A.M.
INC	XXM			
OUT	AM			
INC	PM			
OUT	10:34 AM	10:37	MRS. LAURIE G. FIRESTONE OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 672	TLKD-OK
INC	XXM			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 1st

, 1990

	TIME		DISC	NAME	ACTION
	PLACED				
OUT	10:57	AM	11:00	SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 422	TLKD-OK
~~INC~~		~~PM~~			
OUT		AM			
~~INC~~		~~PM~~			
OUT	11:00	AM	11:13	MR. C. BOYDEN GRAY OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 765	TLKD-OK
~~INC~~		~~PM~~			
OUT		AM			
~~INC~~		~~PM~~			
OUT		AM		CONGRESSMAN JOHN J. La FALCE OFC: WASHINGTON, DC 225-3231	TLKD-OK 12:53 P.M.
~~INC~~	12:08	PM	12:54		
OUT		AM			
~~INC~~		~~PM~~			
OUT		AM		CONGRESSMAN WILLIAM F. GOODLING OFC: WASHINGTON, DC 225-5836	OUT OF OFFICE, VOTING TOLD MRS. PATRICIA A. PRESOCK, TLKD TO SECRETARY PAT
~~INC~~	12:18	PM			
OUT		AM		left word that POTUS was calling to thank the Cong.	KHATAMI, 12:23 P.M. CALL CA
~~INC~~		~~PM~~			
OUT		AM			
~~INC~~		~~PM~~			
OUT		AM		MR. PRESCOTT BUSH (b)(6)	PRESUS AT LUNCH, TLKD-OK TO MRS. PATRICIA A. (PATTY) A. PRESOCK
~~INC~~	12:27	PM			
OUT		AM			
~~INC~~		~~PM~~			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 1st, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	XAM		DOCTOR BURTON J. LEE III OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 797	TLKD-OK 2:42 P.M.
~~INC~~	12:35 PM	2:43		
OUT	AM			
INC	PM			
OUT	XAM		MR. PRESCOTT BUSH (b)(6)	TLKD-OK 1:12 P.M.
~~INC~~	1:03 PM	1:13		
OUT	AM			
INC	PM			
OUT	XAM		MR. LEE IACOCCA OFC: DETROIT, MI 313-956-1077	TLKD-OK 1:37 P.M.
~~INC~~	1:11 PM	1:42		
OUT	AM			
INC	PM			
OUT	XAM		SENATOR ROBERT C. BYRD OFC: WASHINGTON, DC 224-3954	TLKD-OK 1:19 P.M.
~~INC~~	1:15 PM	1:24		
OUT	AM			
INC	PM			
OUT	XAM		MRS. DOROTHY (DORO) LeBLOND (b)(6)	TLKD-OK
~~INC~~	4:46 PM	4:51		
OUT	AM			
INC	PM			
~~OUT~~	XAM		SENATOR ROBERT C. BYRD OFC: WASHINGTON, DC 224-3954	TLKD-OK
INC	5:33 PM	5:34		

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

AUGUST 1st

, 19⁹⁰

PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	XAM		MRS. LAURIE G. FIRESTONE OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 672	PRESUS CA
INC	5:41 PM			
OUT	AM			
INC	PM			
OUT	XAM		GENERAL BRENT SCOWCROFT OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 653	TLKD-OK
INC	6:05 PM	6:06		
OUT	AM			
INC	PM			
OUT	XAM		MRS. DOROTHY (DORO) LeBLOND (b)(6)	TLKD-OK
INC	6:08 PM	6:10		
OUT	AM			
INC	PM			
OUT	XAM		MRS. JESSICA CATTO (b)(6)	TLKD-OK
INC	6:17 PM	6:20		
OUT	AM			
INC	PM			
OUT	XAM		SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 422	TLKD-OK 6:22 P.M.
INC	6:20 PM	6:24		
OUT	AM			
INC	PM			
OUT	XAM		MR. JAMES (SKIP) W.F. ALLEN OFC: WASHINGTON, DC WHITE HOUSE ADMIN EXT. 780	TLKD-OK
INC	6:47 PM	6:48		

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

AUGUST 1st

, 19 90

PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
~~OUT~~	~~AM~~		SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, DC	
INC	7:13 PM	7:21	WHITE HOUSE ADMIN EXT. 422	TLKD-OK
OUT	AM			
INC	PM			
~~OUT~~	~~AM~~		GENERAL BRENT SCOWCROFT OFC: WASHINGTON, DC	
INC	8:22 PM	8:23	WHITE HOUSE ADMIN EXT. 653	TLKD-OK 8:23 P.M.
OUT	AM			
INC	PM			
~~OUT~~	~~AM~~		GENERAL BRENT SCOWCROFT OFC: WASHINGTON, DC	
INC	9:38 PM	9:41	WHITE HOUSE ADMIN EXT. 653	TLKD-OK
OUT	AM			
INC	PM			
~~OUT~~	~~AM~~		GENERAL BRENT SCOWCROFT OFC: WASHINGTON, DC	
INC	10:30 PM	10:31	WHITE HOUSE ADMIN EXT. 653	TLKD-OK
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 1 August 1990

TIME	MOVEMENTS
0736	State Floor
0756	Oval Office
1141	South Grounds
1204	Oval Office
1513	South Grounds (LOW KEY)
1522	Depart South Grounds via Motorcade (LOW KEY)
1528	Arrive Haines Point (LOW KEY)
1600	Depart Haines Point via Motorcade (LOW KEY)
1606	Arrive South Grounds (LOW KEY)
1639	Oval Office
1741	Residence
1940	South Grounds
2007	Residence



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, AUGUST 1, 1990 -- 6:00 A.M. EDT EDITION

TODAY'S HEADLINES

NATIONAL NEWS

HOUSE PANEL AXES B-2, MOBILE MISSILES -- The House Armed Services Committee Tuesday voted to kill the B-2 Stealth bomber and both mobile strategic nuclear missiles requested by the Bush Administration, a move that sets up a confrontation with the Senate on where to set the floor for the biggest decline in U.S. defense spending in decades. (Los Angeles Times, Washington Post, AP)

BUSH, DEMOCRATS SEEK TO SET DATES FOR DEFICIT VOTES -- President Bush and top congressional Democrats, surrendering any hope of reaching a deficit-reduction accord in August, are inching toward agreement to try to negotiate a pact immediately after Labor Day. (Wall Street Journal)

INTERNATIONAL NEWS

SOVIET SAYS SUMMIT IS DUE THIS YEAR, CALLS FOR SPEEDUP OF PREPARATIONS -- Soviet Foreign Minister Shevardnadze called Tuesday for speeding up preparation of another Soviet-U.S. summit meeting which, he said, has been agreed upon for later this year. (Washington Post)

NETWORK NEWS (Tuesday Evening)

BUDGET -- Congress faced up to the inevitable and officially raised the debt ceiling.

S&Ls -- Robert Thompson was on Capitol Hill Tuesday, but not testifying to Congress.

GALVESTON SPILL -- A wildlife official on the scene of the Galveston oil spill said it has the potential to be the most damaging ever in the lower 48 states.

NATIONAL NEWS.....A-1

INTERNATIONAL NEWS...A-15

NETWORK NEWS.....B-1

NATIONAL NEWS

HOUSE PANEL AXES B-2, MOBILE MISSILES

The House Armed Services Committee Tuesday voted to kill the B-2 Stealth bomber and both mobile strategic nuclear missiles requested by the Bush Administration, a move that sets up a confrontation with the Senate on where to set the floor for the biggest decline in U.S. defense spending in decades.

The committee also adopted recommendations of its subcommittees in cutting the President's \$4.9 billion request for research into ballistic missile defenses by nearly \$2 billion.... In almost across-the-board fashion, the committee voted to delay or scale back most of the next generation of advanced weapon systems that were conceived and ordered by the Pentagon during years of intense U.S.-Soviet competition and robust U.S. defense budgets.

The committee voted to delay full-scale development of the Advanced Tactical Fighter and the Army's new light helicopter. It slowed the Seawolf attack submarine program to one ship per year and voted for a pause in the development of the Navy's classified A-12 attack plane designed to replace the aging carrier-based attack planes. In addition, the House bill calls for a reduction of 129,000 members of the armed forces during the fiscal year that begins in October, steeper than the 100,000 decline passed by the Senate panel. The House bill overall cuts \$24 billion from the \$306.9 billion request submitted by Bush in January.

(Patrick Tyler, Washington Post, A1)

House Panel Votes To Slash Military Spending, Kill B-2

The House Armed Services Committee voted Tuesday to slash some of the Bush Administration's major military spending programs and recommended the termination of the controversial B-2 Stealth bomber program...

In addition, it directed the President to choose between developing a force of small single-warhead mobile missiles and building a network of rail cars and garrisons to house the nation's force of 10-warhead MX missiles....

The committee did approve \$600 million for the V-22 Osprey, a Marine aircraft that the Pentagon has proposed terminating to save money.

(Los Angeles Times, A9)

Democrats Laud, Republicans Rap Defense Bill That Cuts SDI, Stealth

Democrats are applauding a \$283 billion defense bill approved by the House Armed Services Committee for recognizing the end of the Cold War with deep budget cuts in the SDI and a halt to the stealth bomber program.

"I felt in the past that the committee would never get the message," Rep. Schroeder said Tuesday night.... "The world's changing and even Armed Services can change." "The Administration has asked for more costly weapons than can possibly fit in the years of declining defense budgets ahead," said Rep. Aspin....

"It stinks," said Rep. Dickinson, ranking Republican on the committee. "I voted against it and I will strongly urge the President to veto it."

(Donna Cassata, AP)

-more-

**HOUSE VOTES TO UP DEBT LIMIT TO \$3.4 TRILLION,
NOT INCLUDING SOCIAL SECURITY**

Unable to make any noticeable headway in reducing the deficit, the House voted Tuesday to increase the federal debt limit to \$3.4 trillion. At the same time, members voted overwhelmingly to remove Social Security from the deficit arithmetic....

Meanwhile, partisan rhetoric over who's to blame for the stymied budget summit hit a new decibel level Tuesday, even as President Bush mulled over a Democratic offer to adjourn the talks for now and resume in earnest at the end of August.

Rep. Gingrich urged that Bush denounce the Democrats on national television for stalling on the budget and announce that he will keep Congress from taking its month-long August recess until a deal is reached.

His opposite number, Rep. Gray, denied that the Democrats are stalling the talks. The Republicans must have a "stealth budget," said Gray, because they haven't presented a new plan at the summit....

Rep. Panetta said Bush is leaning toward accepting the Democratic offer for a break in the talks. Said Gingrich: "This is a process that's somewhat akin to Hopi Indian rituals -- people dance in circles waiting for exhaustion to set in."

(R.A. Zaldivar, Knight-Ridder)

**TOP BUSH AIDES BLAME DEMOCRATS ON BUDGET
Gingrich Says Summit Talks 'Collapsed'**

Declaring a break in serious budget talks, White House Chief of Staff Sununu and OMB Director Darman urged congressional Republicans Tuesday to join the Administration in blaming the Democrats for the failure of deficit-reduction negotiations.

President Bush met with budget negotiators Tuesday for an hour and sources said he warned them that his pledge last week not to attack Democrats on the budget was no longer operative. Sununu and Darman then went to Capitol Hill and told House and Senate Republican leadership groups that the partisan cease-fire should be considered over, a senior Administration official said.

Officials said Bush is expected to reinforce that message by telling House and Senate Republicans at a White House breakfast Wednesday morning that key Democrats have not bargained in good faith and that the GOP should make that case to the public during the congressional recess this month.

While the White House would not say Tuesday that all hope for productive talks was gone, Rep. Gingrich said, "For all practical purposes the summit talks have collapsed. There have been no serious discussions for weeks." ...

Many officials expressed strong doubts that politicians heading into a November election would be any more likely in September to agree on unpopular steps they were avoiding in July.... A senior Administration official said the GOP congressional leadership thinks the White House has "been taken for a ride" by the Democrats on the talks so far and the only way to recoup is to force the Democrats into a schedule they must meet or break.

(John Yang & Ann Devroy, Washington Post, A1)

Budget Summit Creeps Along; Schedule Is Near

Day 83 of the budget summit produced no agreement to reduce the deficit, but negotiators reported progress. They decided to set a schedule, maybe Wednesday or Thursday.

"We talked today about the question of whether to try to proceed now or whether to proceed on a definite time schedule in September. No final decision has been made on that," Rep. Gephardt said after he and other congressional leaders met for an hour with President Bush. "We ought to have something on that, probably tomorrow, maybe the next day."

"There's progress," said Deputy White House Press Secretary Glen. "It's just whether it's in millimeters or inches."

(Frank Murray, Washington Times, A4)

Bush, Democrats Seek To Set Dates For Deficit Votes

President Bush and top congressional Democrats, surrendering any hope of reaching a deficit-reduction accord in August, are inching toward agreement to try to negotiate a pact immediately after Labor Day.

A White House official said President Bush and top congressional Democrats Tuesday tentatively agreed to set firm dates in September for floor votes on an agreement, even though they haven't reached one. But some Democratic budget negotiators are resisting what Sen. Fowler termed making any "agreement to agree" on spending cuts and tax increases.

(David Wessel & Michel McQueen, Wall Street Journal, A16)

BUSH PLAN TO LIMIT STATE, LOCAL TAX DEDUCTIONS MAY BE DEAD

An idea floated by the Administration to limit the amount of state and local taxes that can be deducted from federal taxes may never make it to the budget negotiating table.

"I don't know if the body's gone to the morgue yet but it's not doing too well," Rep. Panetta said of the still-unofficial Administration proposal....

"I've not heard any support expressed for it so far," added Sen. Sasser.

Sen. Durenberger...said on the Senate floor that President Bush, like President Reagan before him, "would like to get rid of deductibility entirely" and urged budget negotiators to reject the plan....

"This is just the start. Once state and local deductibility is cut back for some, it won't be long before more and more taxpayers are hit," said Sen. Roth last week....

An aide to a Democratic budget negotiator said the idea may still have a chance. The Democratic aide, who requested anonymity, said there was "a reasonably good chance that there will be limits on all deductions...for rich people" in a deficit reduction agreement between Congress and President Bush. He said budget negotiators may also limit charitable and home mortgage interest deductions for wealthier Americans.

(Bud Newman, UPI)

PROPOSED AIRPORT TAX APPEARS READY TO FLY
Fee Could Add \$12 To Round-Trip Ticket

Top House Democrats and the Bush Administration may be far apart on taxes and budgets, but there is one "revenue enhancer" that they both like.

This week -- perhaps as early as Tuesday -- they will gang up to try to push through the House something called a "passenger facility charge," which could add as much as \$12 to a round-trip air fare inside the U.S.

The charge, which some critics have been impolite enough to describe as a "head tax," could be levied by some 71 major airports to pay for local improvements and expansion.... The passenger fee...is being pushed hard by Secretary Skinner, whose strategy is to beef up spending for airports without worsening the budget deficit.

(Dan Morgan, Washington Post, A17)

PAT IN SOCIAL SECURITY SHIFT

Sen. Moynihan Tuesday moved to breathe new life into his plan to cut Social Security taxes by proposing that the reduction be phased in over five years, instead of all at once.

Moynihan said his new plan would cost the Treasury only \$6.6 billion in tax revenues next year, compared with a \$38 billion loss in his original proposal. He said the change was designed to ease the concerns of negotiators grappling with the ballooning federal deficit.

(Jerome Cahill, New York Daily News, 4)

STORMS BREW OVER S&L DEALS

Treasury Official Says Review May Stir 'Volcanic Eruption'

The Bush Administration's top official dealing with the savings and loan crisis predicted Tuesday that there will be a "volcanic eruption" when the Administration reports to Congress on the cost of a series of thrift deals arranged by the Federal Home Loan Bank Board in 1988.

Deputy Treasury Secretary Robson acknowledged that the Administration is expecting a new round of political criticism over the 1988 deals, in which about 220 failed thrifts were sold to private investors and financial institutions. The buyers were promised government subsidies estimated now to total \$53 billion....

Democrats in Congress led by Sen. Metzenbaum and Rep. Gonzalez contend that the deals were too generous. In the latest congressional hearing on the issue, Metzenbaum Tuesday renewed his demand that the government renegotiate the agreements....

"What you're seeing now from Howard Metzenbaum is a preview of coming attractions," Robson said in an interview with a group of Washington columnists. "For sure you're going to get a whole 'nother round of volcanic eruptions surrounding the '88 deals when we get kicking around in there." ...

The transactions were defended Tuesday at Metzenbaum's hearings by the two officials in charge of arranging them, M. Danny Wall, then chairman of the Home Loan Bank Board, and Stuart Root, director of the FSLIC.

(Tom Kenworthy & Jerry Knight, Washington Post, A1)

**SEIDMAN URGES EASING OF BANK RESTRICTIONS
FDIC Chairman Calls For Sweeping Reforms
To Make Institutions More Competitive**

The keeper of the nation's deposit insurance funds urged a congressional committee Tuesday to consider sweeping changes in the financial system to make U.S. banks more competitive and to protect taxpayers from bearing the full brunt of future bank failures.

L. William Seidman, chairman of the FDIC, told the Senate Housing and Urban Affairs that the government should scrap most of the restrictions placed on commercial banks in the 1930s, but asserted the need for strong regulatory oversight and limits on the use of federally insured funds.

He also repeated recent warnings that the FDIC faces further losses this year and is "very much stressed." He suggested that changes in the banking system should include a limitation on deposit insurance of \$100,000 per account holder rather than allowing an individual to have an unlimited number of insured accounts.

(Steven Mufson, Washington Post, F1)

FDIC Could Lose \$2 Billion This Year, Putting It In Danger Zone

The insurance fund that protects deposits in U.S. commercial banks could lose \$2 billion this year, leaving it with less than half the cushion recommended by Congress for coping with bank failures, a top bank regulator said Tuesday.

L. William Seidman, chairman of the FDIC, said the FDIC expects the \$13.2 billion insurance fund to suffer a loss for the third straight year in 1990, partly as a result of the downturn in the real estate industry. Seidman told the Senate Banking Committee that the loss would mean reserves in the insurance fund could drop to 50 to 60 cents for every \$100 in insured deposits in the nation's banks.... Even with the loss, Seidman expressed confidence that the insurance fund is adequate to cover the deposits of banks that may go under in the near future. "At this point, we believe we can handle anything we can see," Seidman said.

But Stanford University economist Dan Brumbaugh, who is studying the insurance fund for a House Banking subcommittee, predicted in a telephone interview that the fund would need a bailout financed by the taxpayers. (Charles Green, Knight-Ridder)

EX-AIDE TO BUSH ABLE TO REVIEW U.S. DOCUMENTS

Robert Thompson, a lobbyist who used his Bush Administration contacts to help the buyers of insolvent S&L associations, was able to review and suggest modifications to internal government documents affecting his clients' financial interests, according to testimony and documents released by a Senate subcommittee Tuesday.

In one case, the documents show that Thompson, a former aide to George Bush, gained access to a 1989 draft of a report by the inspector general of the Federal Home Loan Bank Board that found Thompson's client, James Fail, should have been precluded in 1988 from buying 15 savings and loan associations in Texas.

(Jeff Gerth, New York Times, A1)

OFFICIAL SAYS HE WAS NOT AWARE OF S&L FIGURE'S GUILT

A federal regulator said Tuesday he would not have recommended the taxpayer-subsidized sale of 15 Texas savings and loan associations to Arizona businessman [James Fall] had he known of the buyer's guilty plea to a fraud charge.

"I would have objected," George Barclay, president of the Federal Home Loan Bank of Dallas, told a Senate Judiciary subcommittee. Having no knowledge of the guilty plea by James Fall, Barclay said, "I was very comfortable" with a decision not to object to Fall's purchase of what is now known as Bluebonnet Savings Bank.

EDITOR'S NOTE: "Lobbyist [Robert Thompson] Called 'Front Man' for Texas S&L Deal," by Lee Michael Katz, appears in USA Today, page 4A.

HOUSE APPROVES BILL TO FORTIFY PENALTIES FOR FINANCIAL CRIMES

In an effort to punish savings and loan crooks and mollify angry voters, the House overwhelmingly approved a bill Tuesday that would strengthen penalties for financial crimes.

The measure, passed 424-4, had not been scheduled to come up for a vote this week, but there was pressure from both parties to act before Congress' scheduled summer recess on Friday, House leadership aides said....

The House bill...increases criminal penalties for financial crimes. It calls for a 10-year minimum prison sentence and fines of \$10 million or more for anyone convicted of engaging in a continuing criminal enterprise. It also more than doubles funding for the Justice Department to pursue savings and loan fraud -- to \$153 million a year from \$75 million -- in the next three years....

Rep. Leach, one of the House's experts on thrifts, voted for the bill but called it a modest effort at best.

(Elaine Povich & Michael Arndt, Chicago Tribune)

GOP AD SPARKS GOVERNORS' FIGHT ON THE S&L CRISIS

MOBILE -- An RNC ad that blamed congressional Democrats for the savings and loan scandal triggered an angry partisan fight at the closing session of the National Governors Association meeting here Tuesday.

Gov. Dukakis led the Democratic assault. "I hope this is the last time we see this kind of garbage," he said. "We had enough of it in 1988."

Several Republican governors also criticized the ad but blamed the Democrats for starting the political row over the thrift issue. In the end, the governors passed with near-unanimous support a watered-down version of a Democratic resolution that called for an investigation by an independent, blue-ribbon commission of "the legislative, regulatory and other causes of this unprecedented disaster."

(David Broder, Washington Post, A8)

GOP Ad On S&L Crisis Infuriates Democrats

MOBILE -- The National Governors Association conference concluded here Tuesday on a harsh note of partisan discord as Republicans and Democrats each sought to blame the other for the S&L crisis.

The GOP got in the first shot with an ad taking up nearly three-quarters of a page in the Mobile Register displaying photos of 12 present and former Democratic congressmen and senators over the headline: "These are the guys who let the S&L problem explode into a \$325-billion national crisis." ...

Democrats vowed to retaliate more directly with countercharges of their own, some pointing out that the party's failure to rebut Republican attacks in the 1988 Presidential campaign contributed to the defeat of Gov. Dukakis. "Let's not make the same mistake Mike Dukakis made in 1988," Dukakis himself told a reporter after the breakfast meeting....

Gov. Celeste said, "If there is a Willie Horton on S&Ls, it's Neil Bush."
(Robert Shogan, Los Angeles Times, A10)

National Governors Group Urges Independent Panel To Probe Thrift Scandal

MOBILE -- The normally sleepy summer meeting of the National Governors Association ended here Tuesday in a loud, bipartisan call for an independent federal commission to investigate the multi-billion-dollar savings and loan scandal.

The unity demonstrated by the governors in calling for President Bush and the Democratic-controlled Congress to appoint the panel contrasted sharply with the outrage Democrats vented over ads placed in the local newspaper by the RNC, blaming Democrats for the savings and loan crisis....

DNC Chairman Brown, here for a meeting with Democratic governors, accused the Republicans of "Willie Hortonizing the S&L issue," said Brown, who said national Democrats were considering a counterattack.

...RNC spokeswoman Leslie Goodman, contacted in Washington, made no apologies for the ads, saying, "Recent history has shown us wherever there is a large gathering of Democrats there is a propensity for hot air and a distortion of the facts." Goodman declined to say whether the ads would appear elsewhere. "Watch us," she said.
(William Hershey, Knight-Ridder)

100TH CONGRESS IS TO BLAME FOR S&L FIASCO, AUTHOR SAYS

Failures of the 100th Congress in the cleanup of the S&L industry make it a candidate for the most corrupt in history, the author of a study of the financial crisis said Tuesday.

James Ring Adams, author of "The Big Fix: Inside the S&L Crisis," added that 18 months on radio talk shows have convinced him the national level of "fear and anger" over the S&L scandal is extremely high.

The 100th Congress failed, under the leadership of former Speaker Wright, because of influence peddling by "bad people" in the S&L industry, the author said.

(Alan McConagha, Washington Times, A5)

EDITOR'S NOTE: "Painful Aftereffects Of S&L Disaster And Bailout Are Beginning To Be Felt All Across The Nation," by Paulette Thomas & Kevin Salwen, appears in The Wall Street Journal, page A16.

HOUSE VOTES TO CONTINUE EASY ACCESS TO FHA HOME FINANCING

Brushing aside Bush Administration objections, the House voted Tuesday to continue easy access to FHA home financing -- and then moved toward passage of a catchall housing bill that keeps the government in the business of providing housing for low-income families.

After a two-hour debate, the House adopted, by a 418-2 vote, a bipartisan plan by Reps. Vento and Ridge that the sponsors said would enable middle-class families to get FHA-insured financing without endangering the solvency of the FHA fund....

Secretary Kemp had proposed to keep the upfront loan insurance premium for homebuyers at 3.8 percent but require the payment of a one-half percent annual premium for those putting less than 10 percent down on their home purchases....

Vento and Ridge said this would boost a buyer's upfront cash requirements by as much as \$2,000 and effectively bar as many as 100,000 families from buying new homes. "By my calculations," Vento said, "the Administration's plan would add about \$30 to a homebuyer's monthly payment over 30 years on a \$75,000 loan." "With home ownership already on the decline," said Rep. Mfume, "we can't afford to put up more barriers to it."

(David Hess, Knight-Ridder)

NEW HOME SALES UP 8 PERCENT Big June Increase Surprises Analysts

Sales of new homes in June jumped by 8 percent over the May level, only the second rise in seven months, the Commerce Department reported Tuesday. Several industry analysts said they were surprised by the size of the increase and it may indicate that the worst of the national housing slump is over.

Lower interest rates were a major factor in the increased sales, according to several economists.... "Not much else has changed" in the economy, said David Seiders, chief economist for the National Association of Home Builders.

(Ann Mariano, Washington Post, F1)

U.S. IS SUSPENDING HEARINGS ON NEW DISABILITY PAYMENTS

With money for administrative expenses running short at the end of the fiscal year, the Social Security Administration has suspended hearings in September for people seeking disability benefits. The order to put off hearings will also affect Medicare beneficiaries....

Officials said they hoped that hearings would resume after Oct. 1..., when they expect to receive an infusion of money. The officials said they believed that the suspension was the first ordered because of a shortage in funds.

(Robert Pear, New York Times, A1)

SENATE DEFEATS GOP ATTEMPTS TO DIMINISH LABOR'S CAMPAIGN CLOUT

The Senate defeated Republican attempts Tuesday to diminish labor's clout at the polls -- usually on behalf of Democrats -- as part of a bill to clean up the way federal election campaigns are financed.

On largely party-line votes, Democrats defeated amendments to strip unions of their tax-exempt status if they stay in politics and to allow their members to demand refunds of any dues spent on elections or lobbying.

Republicans claimed the votes demonstrate their contention that Democrats' campaign finance reform bill and its spending ceilings is a "partisan charade that will assure a veto by President Bush.

"We might as well go on to something else," said Sen. Dole. "So far this campaign reform bill only reforms Republicans." ...

Meanwhile, 16 Democrats joined Republicans in defeating an effort by liberals to have the government pick up 70 percent of a candidate's general election costs through a new checkoff on individual income tax returns. (Matt Yancey, AP)

**SENATE VOTES TO BAR MASS MAILINGS
BY MEMBERS IN YEAR OF REELECTION BID**

The Senate, in a rare display of bipartisanship on the issue of campaign finance reform, Tuesday night approved a Republican proposal to ban members of Congress from sending their constituents unsolicited, tax-payer financed mass mailings during the year in which they are up for reelection.

The proposal, approved by a 98 to 1 vote, would also end the practice under which senators who are not up for reelection give their unused "franking" privileges to senators who face tight reelection contests....

But these provisions appeared certain to be rejected by the House. (Helen Dewar, Washington Post, A6)

BUSH WOULD VETO 'JUNK FAX' LEGISLATION

President Bush has been advised to veto legislation that would ban the use of facsimile machines and automatic dialer recorded message players for unsolicited advertising, a spokeswoman said Tuesday....

Under the legislation, anyone who does not wish to receive such advertising would notify their telephone company, which would pass the information along to the FCC. (UPI)

EDITOR'S NOTE: "Top Bush Advisers Will Urge Veto Of Junk-Fax Bill," by Mary Lu Carnevale, appears in The Wall Street Journal, page A16.

SOUTER, AS STATE OFFICIAL, OPPOSED U.S. RACIAL BREAKDOWN RULES

While serving as New Hampshire attorney general, Supreme Court nominee David Souter fought federal regulations requiring the state to submit a racial breakdown of employees because it made the state "color conscious rather than colorblind."

In a strongly worded petition filed with the U.S. Supreme Court in 1976, Souter urged the justices to reverse a federal appeals court ruling that upheld the Equal Employment Opportunity Commission requirement because it "makes a mockery" of the constitutional principle of colorblindness and treats "every employer as if he were a suspected bigot."

The Supreme Court rejected the petition and declined to review the EEOC regulation.... Then-Solicitor General Robert Bork defended the EEOC requirement and opposed New Hampshire's bid for Supreme Court review....

EEOC Chairman Evan Kemp Jr. said Tuesday that the forms opposed by Souter, which are filed by states, local governments and companies with more than 100 employees, are "quite important." Without them, he said, "I think that we would be in the dark when investigating cases."

(Ruth Marcus, Washington Post, A4)

SOUTER RESISTS COMMENTING ON ABORTION, STEINBRENNER

Supreme Court nominee David Souter renewed his low-profile tour of Senate offices Tuesday, even ducking a reporter's question about exiled New York Yankee owner George Steinbrenner.

While chatting briefly with journalists outside one senator's office, the New Hampshire judge was asked, "Any kind words for George Steinbrenner?" After laughing heartily, Souter resolutely skirted controversy yet again. "I wouldn't touch anything that hot," he replied....

Most of the questions thrown at Souter focused on Monday's release by People for the American Way...of a 1976 brief in which the New Hampshire attorney general's office referred to abortion as "the killing of unborn children." ...

Souter declined Tuesday to comment on the brief. Asked if he thought it would play a role in his confirmation hearings set to begin Sept. 13, he answered, "You'll have to tell me."

(Richard Carelli, AP)

Souter Nomination Stirs Abortion Rights Groups

Abortion rights groups are building major direct mail campaigns around the nomination of Judge Souter to the Supreme Court, both to raise money and to encourage senators to press the abortion issue in confirmation hearings in September.

Even as Judge Souter again refused to answer questions about abortion on a visit to Capitol Hill Tuesday, abortion rights groups were making plans to keep the issue alive through the mails.

Sen. DeConcini...said Judge Souter told him Tuesday that he was considering how much he could say about the abortion issue.

"He said he was going to spend some time reviewing how far he could go in responding to constitutional questions, including abortion," DeConcini said. "He said, 'Senator, I have to be careful because what I say can be a signal.'"

(Richard Berke, New York Times, A12)

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AFL-CIO TAKES NO POSITION ON ABORTION

The Executive Council of the AFL-CIO decided Tuesday to take no position on the abortion issue in the November elections.

"The AFL-CIO yields to the good and sound judgment of union members...that they choose to pursue their goals on reproductive issues within political, legislative and legal arenas as their individual consciences dictate," AFL-CIO Executive Council members said in a statement. (Maralee Schwartz, Washington Post, E4)

BAR ASSOCIATION'S PRO-CHOICE STANCE FACES CHALLENGES

Opponents of the American Bar Association's unprecedented pro-choice stand have been marshaling their forces ever since its adoption in February and hope to overturn the contentious measure next week.... "The ABA had no idea how much rancor this resolution would bring," said Darrell Jordan, a Dallas lawyer and co-sponsor of a resolution aimed at returning the ABA to its neutral position on abortion.... If efforts to rescind the measure fail, Jordan predicted, between 20,000 and 30,000 members may resign or simply decline to renew their memberships at the end of August.

(Dawn Weyrich, Washington Times, A1)

EDITOR'S NOTE: "Govs Seek 'National Voice' On Abortion," by Mark Mayfield, appears in USA Today, page 3A.

MURDER RATE SURGES TOWARD U.S. RECORD

A surge in homicides, propelled in part by a tightening of drug supplies and the proliferation of high-powered semiautomatic weapons, threatens to make this year the most murderous in American history, according too a Senate Judiciary Committee report released Tuesday.... Citing an overall nationwide jump of about 8 percent during the first half of this year, the panel projects that more than 23,220 people will be murdered in 1990 -- about 2,000 more than in 1989 and slightly higher than the national record of 23,040 murders in 1980....

During a hearing on the issue, Sen. Biden...called for an "all-fronts assault on the drug epidemic" as well as swift House passage of a Senate passed crime bill that would ban domestically manufactured assault weapons and impose the death penalty for 34 federal offenses.

(Michael Isikoff, Washington Post, A3)

INDEPENDENT COUNSEL UNLIKELY IN DRUG PROBE

HARRISBURG, Pa. -- The Justice Department is expected to reject a request by Sen. Specter that an independent counsel be appointed to investigate allegations here of cocaine use by a longtime aide to Attorney General Thornburgh....

"We are in receipt of the senator's letter, and we will respond in due course," said Justice Department spokesman Dan Eramian. He would not elaborate. Justice Department sources familiar with the Specter letter, however, said the request is expected to be rejected. Thornburgh, they said, historically has been opposed to the appointment of independent counsels and has relied on department prosecutors and U.S. attorneys to handle high-profile cases.

(Jerry Seper, Washington Times, A4)

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**DANGER OF EXPLOSION AT NUCLEAR PLANT
COVERED UP, ENERGY DEPT. PROBE SAYS**

Energy Department officials said contractors have known since the 1970s that tanks of liquid radioactive wastes at the Hanford, Wash., nuclear weapons plant could explode, but failed to inform superiors or take corrective action, according to an internal investigation made public Tuesday....

Two independent panels of nuclear experts disagreed Tuesday about the seriousness of the explosion threat. But Sen. Glenn, who presided at a hearing about Hanford Tuesday, said the Energy Department's management of the Hanford tank farm raises the specter of a mammoth explosion on the scale of the 1957 disaster at Kyshtym in the Soviet Union, which forced evacuation of 10,000 people.

Leo Duffy, the Energy Department's waste management director, said he recently concluded that "the situation at Hanford is quite different" because the temperatures of the wastes are kept low enough to avoid an explosion. But he acknowledged that the department's only proposed method of disposing of the wastes -- vitrification... -- is being reevaluated because of technical problems with a similar program at the Savannah River, S.C., plant.

(Thomas Lippman, Washington Post, A3)

**EPA UNVEILS S. CALIFORNIA AIR PLAN
Federal Pollution Officials Steer Clear Of One-Day-A-Week Car Ban**

LOS ANGELES -- The EPA Tuesday proposed a plan for cleaning Southern California air that it described as a backup in case ambitious local air pollution control plans falter.

The federal plan, forced by a 1988 lawsuit filed by environmental groups, duplicates many proposals for cleaner-burning automobile engines and industrial restrictions already in local and state plans. It also includes some new elements, such as adding oxygen-rich chemicals to gasoline sold in winter to reduce carbon monoxide emissions.

But the plan did not include a threatened one-day-a-week ban on automobile use that local officials and environmentalists had feared would spark a political backlash. "We do not think it is a measure that should be implemented," said EPA Western Regional Administrator Daniel McGovern at a news conference.

(Jay Mathews, Washington Post, A5)

**SAFETY BOARD SPREADS BLAME FOR EXXON VALDEZ OIL SPILL
Hazelwood Claim On Evidence Handling Is Discounted**

The National Transportation Safety Board Tuesday spread the blame for the wreck of the Exxon Valdez among an alcohol-impaired captain, a fatigued and overworked third mate, inadequate Coast Guard vessel controls, and ineffective pilot services to escort the ship beyond a dangerous reef.

The board brushed aside claims by attorneys for former captain Joseph Hazelwood that blood samples were mishandled and do not provide proof that the supertanker ran aground at Bligh Reef....

Board Chairman James Kolstad said that errors in the "chain of evidence" cited by Hazelwood's attorneys were minor technical problems, and, "the fact is, the samples were not tampered with."

(Don Phillips, Washington Post, A2)

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U.S. Calls For New Manning Rules After Exxon Valdez Grounding

Federal safety experts on Tuesday called for sweeping reforms of tanker manning procedures and oil cleanup actions to avert another oil spill like that caused last year when the Exxon Valdez struck a reef off the coast of Alaska.

But the National Transportation Safety Board stopped short of recommending that tankers be fitted with double hulls to minimize leaks from running aground. (Robert Trautman, Reuter)

No Agreement On Next Summer's Cleanup From Exxon Valdez Oil Spill

ANCHORAGE -- As the second summer of cleanup from the Exxon Valdez oil spill nears an end, disputes are arising about whether a third summer's work will be necessary.

The Coast Guard's highest-ranking officer, Commandant Adm. J. William Kime, said Sunday after a visit to Prince William Sound that he saw enough oil to warrant the return of cleanup crews next summer.

But Exxon officials and others in the Coast Guard think Kime's assessment is premature. "There is a good likelihood no future work will be required in 1991," Exxon spokesman Karsten Rodvik said Tuesday. (AP)

APPROVAL OF HEPATITIS DRUG URGED

FDA Advisory Committee Favors Action On Interferon Alpha-2b

An FDA advisory committee Tuesday voted unanimously to recommend approval of interferon alpha-2b as the first effective treatment for an estimated 75,000 patients who develop chronic hepatitis each year. (Susan Okie, Washington Post, A12)

SCIENTISTS GET FEDERAL AID TO DEVELOP AIDS-INFECTION DRUGS

Six teams of scientists will receive a \$2.8 million in federal funds to develop drugs that attack the infections killing people with AIDS, government officials announced Tuesday.

The National Institute of Allergy and Infectious Diseases is setting up a program that will provide a formal way for basic research scientists to collaborate with drug companies to design new drugs, they said.

"The urgency of the AIDS epidemic demands innovation," Anthony Fauci, director of the Institute, said in announcing the program. (AP)

AIDS SPREADING 'DRAMATICALLY' WORLDWIDE

The global AIDS epidemic is "accelerating dramatically" and there may now be as many as 8 million to 10 million people infected with the virus, according to a World Health Organization report released Tuesday.

The revised figures...push the toll 2 million higher than the estimates made by WHO just over a year ago....

"It is now clear that the toll of HIV infection around the globe is worsening rapidly, especially in developing countries," said Michael Merson, director of the WHO Global Program on AIDS.

(Malcolm Gladwell, Washington Post, A1)

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**ARTS CHIEF TESTIFIES ON FUNDING BAN
May Set UP Local Panels To Rule On Obscenity**

National Endowment for the Arts Chairman Frohnmayer testified in a deposition Tuesday the endowment might appoint local panels to determine whether a federally funded artwork violates community standards and may be obscene.

Frohnmayer...offered his testimony under court order in connection with a suit by the New School for Social Research. The school is challenging the constitutionality of a requirement that all NEA grant recipients pledge to abide by a congressionally imposed obscenity ban....

Frohnmayer said the endowment has not settled on the local panel approach and has not developed procedures for creating such panels. The concept is "our best thinking on that point at this date," he said.

He also testified that he had never rejected a grant simply because it might be considered obscene or controversial.

(Kim Masters, Washington Post, D1)

Panelist Favors General Guidelines For NEA Grants

The most conservative member of an independent commission reviewing grant-making practices of the National Endowment for the Arts predicts the panel will endorse a plan calling for Congress to adopt general funding guidelines for the NEA.

Comments by Thomas Agresto, president of St. John's College in Santa Fe, would seem to indicate the panel will not recommend the more specific restrictions sought by some conservative Republicans in Congress.

"In all agencies, sensible guidelines and sensible administrative rules are certainly preferable to any legislation," Agresto said in an interview Tuesday.

(Joyce Price & George Archibald, Washington Times, A3)

EDITOR'S NOTES: "FBI And Navy Probe Bidding At Academy," by Peter Jensen & Karen Warmkessel, appears in The Baltimore Sun, page A1.

"The Republicans Who Took A Left Turn -- Having Survived The '80s, The Liberal Ripon Society Looks Ahead," by E.J. Dionne, appears in The Washington Post, page D1.

INTERNATIONAL NEWS

THIRD SUMMIT BETWEEN BUSH, GORBACHEV SET

MOSCOW -- Presidents Bush and Gorbachev have agreed to hold another summit this year, the Soviet Foreign Minister said Tuesday, and diplomats speculated it would take place on neutral territory, like their meeting in Malta....

The Irkutsk meeting [between Foreign Minister Shevardnadze and Secretary Baker], Tass reported Shevardnadze as saying, "will focus on preparations for another Soviet-American summit" as well as European security, bilateral cooperation and regional problems....

The Soviet news agency did not indicate where the projected summit would be held. Some diplomats said it could be Moscow but others suggested it was more likely to be on neutral territory....

The White House would not officially confirm Shevardnadze's forecast but an Administration official who refused to be identified indicated Baker would comment on the matter in Moscow.

(Oliver Wates, Reuter, Washington Times, A10)

Soviet Says Summit Is Due This Year, Calls For Speedup Of Preparations

MOSCOW -- Soviet Foreign Minister Shevardnadze called Tuesday for speeding up preparation of another Soviet-U.S. summit meeting which, he said, has been agreed upon for later this year.

Shevardnadze was speaking to Soviet journalists on board a special plane taking him to Irkutsk for talks Wednesday and Thursday with Secretary Baker.... Washington has not raised officially the possibility of a second meeting this year between Presidents Gorbachev and Bush.

In Washington, a senior Administration official said that no specific plans have been made for a second summit this year, reported David Hoffman of The Washington Post, but that one might be possible if a strategic arms accord is complete and ready for signing. "I can't see a summit in advance of closure" on a strategic arms treaty, the official said.

...[Meanwhile], speculation of a possible breakthrough [between Baker and Shevardnadze on a settlement in Afghanistan] fanned by President Najibullah's unexpected arrival in Moscow Sunday for what was officially described as "medical treatment." Tass quoted Shevardnadze as saying that Soviet and U.S. positions over Afghanistan had been "coming closer together recently." "The issue of a settlement is now being posed differently," he said, without elaboration.

(Michael Dobbs, Washington Post, A14)

Soviets Will Focus On Next Summit In Meeting With Baker

IRKUTSK -- Secretary Baker and Foreign Minister Shevardnadze flew to this Siberian city Tuesday for wide-ranging talks that the Soviets said will focus on quick preparations for another superpower summit this year....

Soviet officials expressed repeated confidence that progress [on various issues] will be made. The two days of negotiations...promise "interesting results," Foreign Ministry spokesman Yuri Gremitskikh said....

Tass, summarizing Shevardnadze's in-flight remarks, said that "there was extremely little time left to prepare the new summit" and indicated that the Soviet leadership wants that issue to be a major discussion topic in Irkutsk. The Tass report...gave no details about the timing or venue of the third meeting between the presidents. Alixe Glen, White House deputy press secretary, said in Washington that a superpower summit probably will be held in Moscow in 1991, but could come earlier if a nuclear weapons reduction treaty is ready for signing.

(John-Thor Dahlburg & Jim Mann, Los Angeles Times, A4)

Baker And Shevardnadze Meet, Little Optimism On Afghan Deal

IRKUTSK -- Secretary Baker met Foreign Minister Shevardnadze Wednesday but both sides dampened speculation that a deal to end the conflict in Afghanistan was imminent.

Shevardnadze told reporters as he went into the first of three meetings with Baker...that they would discuss another summit meeting, possibly later this year, between Presidents Bush and Gorbachev. "I would be surprised if we didn't at least touch upon the question of whether, when or where there should be a meeting between our heads of state," Shevardnadze said. He said he and Baker also would try to "give a little boost" to a START treaty.... On resolving the conflict in Afghanistan, Shevardnadze said: "We have things to discuss about Afghanistan. I would not call it new ideas but we'll see." Shevardnadze dismissed speculation that President Najibullah's extended stay in the Soviet Union meant he was being edged aside to ease the way for a settlement. "He is on vacation," the Soviet minister said. "You have doubts about that? I have no doubts about it." He said the superpowers could not solve the conflict alone.

(Alan Elsner, Reuter)

Afghanistan Agreement

With major agreements on Germany and arms reductions behind them, Secretary Baker and Foreign Minister Shevardnadze meet in Irkutsk Wednesday in an effort to end another hangover of the Cold War -- the war in Afghanistan. Both sides are close to a "framework for an agreement," a senior official here said. But divisions within the Administration, the Congress and the Afghan anti-communist resistance may become the most serious obstacles to a settlement of the war....

Baker and Shevardnadze...have tentatively agreed on a formula that would allow President Najibullah to remain in office, and perhaps to run as an incumbent, during an election campaign supervised by the U.N. and others, according to the senior official and other sources.

(Saul Friedman, Newsday)

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Afghanistan Talks Hitting Obstacles

Washington and Moscow are close to an agreement to cut off arms to rival forces in Afghanistan but the U.S. will have difficulty persuading its allies in the region to make peace, according to Bush Administration officials and private analysts.

Even before the deal has been closed, its outlines have been rejected by the Islamic mujahideen rebels....

In addition to doubts about Moscow's ability to control communist Afghan President Najibullah, there are questions about whether Pakistan and Saudi Arabia, principal supporters of the resistance, will go along....

U.S. officials said the Administration, which once demanded that Najibullah step down as part of a settlement, now is willing to accept a Soviet proposal in which he would retain his title but give up powers, such as control of propaganda and security forces, that could give him an edge in the election.

(Warren Strobel, Washington Times, A9)

RADIO SAYS ACTING PRESIDENT NAMED TO FILL IN FOR NAJIBULLAH

ISLAMABAD -- Kabul Radio said Tuesday that Abdul Rahim Hatif, deputy vice president of Afghanistan, will head the government while President Najibullah is away on a brief trip to the Soviet Union....

Like Najibullah's trip, Hatif's appointment as acting president took many people by surprise. Such appointments are rarely made during a short trip by the president and Hatif's selection apparently bypassed Najibullah's second-in-command, [hard-liner] Sultan Ali Keshtmand. (AP)

EDITOR'S NOTE: "Soviets Pull Back From Mideast Roles," by Andrew Borowiec, appears in The Washington Times, page A9.

**U.S. CONSIDERING POSSIBILITY OF
SOVIETS LAUNCHING ROCKETS FROM U.S.**

MIAMI -- The nation's space program will soon find out if it is ready for "perestroika."

For the first time in modern space history, the Soviet Union has said it wants to launch rockets from American soil, and it wants to launch from Florida, state officials said Tuesday.

...Soviet space officials have asked Florida's permission to launch Proton rockets from Cape Canaveral Air Force Station, said Ed O'Connor Jr., executive director of the Spaceport Florida Authority, a state agency in charge of private commercial space development. (Sarah Oates & Richard Burnett, Orlando Sentinel)

TERRORIST GROUP THREATENS UNIFIED GERMANY

BONN -- The Red Army Faction, the West German terrorist group..., said Tuesday that it intends to launch a guerrilla war against the rising power of a unified Germany.

The terror group...Tuesday accused the "rising Greater German/West European world power" of creating a "Fourth Reich" that would spread repression through economic domination.

(Marc Fisher, Washington Post, A16)

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E. GERMAN OFFICIALS APPEAL FOR GREATER AID FROM BONN

FRANKFURT -- East German Labor Minister Regine Hildebrandt called Tuesday for a massive expansion of financial aid from Bonn to the struggling East German economy to prevent its complete collapse.

"What are we waiting for?" Hildebrandt snapped at an East Berlin news conference. "For 150,000 people to smash windows on Alexanderplatz?"

Her outburst coincided with a call by East German finance officials for a huge infusion of new aid and a warning by the agency responsible for privatizing state-run industry that much of it is beyond rescue.

(International Herald-Tribune, Washington Post, A20)

TIDE OF DEMOCRACY IN EAST BLOC CLOUDS FUTURE OF RADIO FREE EUROPE

MUNICH -- ...As the nations of the East bloc open themselves to free, private media, the role of Western broadcasters must change, and may cause them to vanish entirely. The National Security Council is expected to release a report later this summer calling for a task force to study whether Radio Free Europe should be folded into the Voice of America...or shut down entirely.

"When our job is done, we ought to close the doors," said William Marsh, executive vice president of the stations. "But that point has certainly not arrived." ...

"We have to be vigilant now not to preach to people," said Robert Gillette, deputy director of Radio Free Europe.

(Marc Fisher, Washington Post, A14)

IRAN JOINS ARAB WORLD LEADERS AT CONFERENCE

CAIRO -- Islamic world leaders, joined by Iran for the first time in several years, convened Tuesday and called for Muslim unity against economic threats from Europe, the immigration of Soviet Jews into the Middle East and the specter of new political turmoil dividing the Arab world.

"Islamic solidarity must be the cornerstone of all our actions," eGYPTIAN President Mubarak told delegates from more than 30 Islamic nations.... "Islamic solidarity at this time is no longer a luxury but an indispensable necessity."

(Kim Murphy, Los Angeles Times, A6)

PRO-PALESTINIAN UNIONS TO DISCUSS U.S. GOODS BOYCOTT

AMMAN, Jordan -- Pro-Palestinian professional and labor unions in Jordan said Tuesday they will call a meeting to discuss imposing a boycott on American goods in protest of U.S. policy in the Middle East. Unions representing some 50,000 members said in a statement they would debate the boycott call at a meeting in Amman on Aug. 5.

The statement said the unions also called on the Jordanian people to "join efforts to confront the increasing hostility of the imperialist American policies in the Middle East, and (Washington's) exclusive role in determining the future of nations."

(UPI)

**FURNACE EXPORT OK'D DESPITE
MANUFACTURER'S WARNING, DOCUMENTS SHOW**

The Commerce Department approved the sale of industrial furnaces to Iraq even though the manufacturer told U.S. officials the teams could be used to produce nuclear weapons material, documents show. The White House intervened to block the sale of the furnaces this month, effectively reversing the Commerce Department's earlier decision....

A senior State Department official said Tuesday that the U.S. is placing new restrictions on exports of items to Iraq that could be used for the Middle Eastern country's development of missiles or chemical and biological weapons.... Iraq's threats against neighboring Kuwait and its massing of troops along the two countries' disputed border are just the latest moves that are causing the Administration "grave concern," Assistant Secretary Kelly told a House Foreign Affairs subcommittee....

Commerce Department officials have refused to talk about the [furnace] case. (Joan Mower, AP)

**IRAQ TAKES HARD LINE AS TALKS OPEN
Baghdad Press Insists That Kuwait Accede To Demands**

KUWAIT -- Iraq and Kuwait opened talks in Jiddah, Saudi Arabia, today intended to end a two-week-old military confrontation, but Iraq's official news media continued to demand concessions by their smaller Persian Gulf neighbor.

"Iraq attends the Jeddah meeting to regain its right and not to hear new talk about 'fraternity and solidarity,' which yields nothing," said Al-Jumhuriya, a government-controlled newspaper in Baghdad. The newspaper reiterated Iraq's claims that Kuwait seized Iraqi territory and stole oil worth \$2.4 billion from disputed oilfields along their border.

Al Thawra, another state-controlled Baghdad newspaper, declared that responding to Iraq's demands "is undoubtedly the correct and appropriate ground for any serious dialogue."

In Washington, Assistant Secretary of State Kelly expressed concern about Iraq's military buildup near Kuwait's border over the past several days, but declined to confirm reports it numbered 100,000 troops. "But I can tell you it is a very large, significant military force," he told a meeting of the House Foreign Affairs subcommittee on Europe and the Middle East Tuesday.

(Carlye Murphy, Washington Post, A14)

Kuwait Assures Iraq It Wants Final Settlement At Crisis Talks

JEDDAH -- Iraq and Kuwait held crisis talks under tight security as U.S. naval forces in the region remained on high alert over a buildup of Iraqi troops on Kuwait's border....

Kuwait's top negotiator, Crown Prince and Prime Minister Sheikh Saad al-Abdullah al-Sabah, Tuesday assured an impatient Iraq that it wanted a "just and lasting" settlement to the deepening rift on oil, money and land.

Reporters were not allowed access to the luxury conference center. (Mariam Isa, Reuter)

GOVERNMENT RECAPTURES LARGE PARTS OF MONROVIA

MONROVIA -- Government troops loyal to President Doe launched a violent counterattack, recapturing large parts of Monrovia's city center from rebel forces, witnesses said....

In seesaw battles with rebels led by Prince Johnson, the government forces recaptured the Finance and Defense ministries and fought their way through the city's main shopping district. (UPI)

**U.S. MOVES FOR CEASE-FIRE AS LIBERIAN WAR WORSENS
U.N. Security Council Meeting Studied**

As fighting intensified in Liberia and the U.S. Embassy in Monrovia was surrounded by rebel forces, the Bush Administration said it would begin discussions on a possible U.N. Security Council meeting aimed at a cease-fire in the bloody seven-month-old civil war.

Saying the situation in Liberia "continues to deteriorate," Assistant Secretary of State for African Affairs Herman Cohen announced that the U.S. is "actively consulting" with other Security Council members about a special meeting on Liberia.

Although the U.S. has ruled out any direct intervention, he said "we see no immediate prospect for the fighting to end without some sort of an international intervention."

Cohen's statement followed renewed calls from members of Congress for a diplomatic initiative to halt the bloodshed such as Monday's massacre.... Rep. Wolpe...said that members of Congress have been urging the Administration "to get this on the Security Council agenda" and "develop an international response." ...Wolpe said he and ranking minority member [of the House Foreign Affairs subcommittee on Africa] Rep. Burton have asked for a meeting with White House National Security Adviser Scowcroft to press their case for a more active U.S. response.

(David Hoffman, Washington Post, A15)

U.S. Fears Chaos, Urges U.N. Action On Liberia

The Bush Administration reversed policy Tuesday and asked the U.N. to intervene to stop Liberia's slide into chaos, and officials warned of the prospect of widespread slaughter in the capital and possible starvation among thousands of refugees....

"We have not been able to supply food to those seeking refuge at our facilities," one State Department official said.... Aid is "urgent," said another U.S. official. "These people are going to starve."

(David Lauter, Los Angeles Times, A1)

**TRINIDAD REBELS RELEASE AILING PRIME MINISTER
Robinson Suffering From Wound, Glaucoma**

PORT OF SPAIN -- Moslem rebels who have held dozens of hostages since Friday in a coup attempt released Trinidadian Prime Minister Arthur Robinson Tuesday but continued to hold about 40 others, including seven members of Robinson's cabinet....

"The prime minister of the Republic of Trinidad and Tobago is now safe (and) in good spirits," Attorney General Anthony Smart said in a news conference. "We continue to pray for the safe return of all those who are still held hostage."

It was unclear whether Robinson remained head of the Trinidad and Tobago government. He said in a telephone interview late Monday that he had agreed to the rebels' demand for his resignation, but government spokesmen have said that they will not be held to any commitments Robinson made while in captivity and wired to explosives. (Lee Hockstader, Washington Post, A1)

Premier Robinson Freed, But Crisis Deepens

PORT OF SPAIN -- Moslem rebels released wounded Prime Minister Robinson, but a nationwide crisis unleashed by their coup attempt entered its fifth day Wednesday with food and fuel running short....

Robinson's authority was seriously in doubt Tuesday, and there was strong speculation of a power struggle between the army and the police for control of the government. Police sources said acting commissioner Leonard Taylor opposes amnesty for the rebels.

(Lindsay Mackoon, UPI)

CENTRAL AMERICAN MILITARY LEADERS MEET TO DISCUSS ARMS CUTS

SAN JOSE, Costa Rica -- Central American officials met here Tuesday to explore ways of cutting their armed forces to improve regional security....

"Armaments should be limited and there should be action for verification and control that can be an adequate response to the interests of all the countries," Costa Rican Foreign Minister Ben Niehaus said.

A Costa Rican foreign ministry official, requesting anonymity, said the officials hoped to revive a regional security commission with the participation of the OAS. (Juan Maltes, UPI)

EDITOR'S NOTE: "Salvadoran Judge Seeks Help Of U.S.," by Lindsey Gruson, appears in The New York Times, page A7.

SOUTH AMERICAN OFFICIALS CONFER ON U.S. TRADE PROPOSAL

RIO DE JANEIRO -- Officials from Argentina, Chile, Uruguay and Brazil met in Brasilia Tuesday to analyze the "new economic partnership" initiative proposed for Latin America by the U.S....

Chilean Foreign Relations Minister Silva Cimma...said before leaving for the three-day meeting that the four nations in general "consider the statement by President Bush positive, but (the initiative) has to be studied in depth." (UPI)

RESPONSE TO MACSHARRY PLAN SHOWS ROUGH RIDE BEFORE GATT FARM PACT

NEWMARKET-ON-FERGUS, Ireland -- Farm ministers from the world's largest foodgrowing and importing powers ended three days of talks here Tuesday apparently more sanguine about prospects for reigning in the massive costs of global farm subsidies, but no closer to bridging the gaps that divide them.

The one surprise during the informal talks this week was EC Agriculture Commissioner Ray MacSharry's offer Monday to cut Community farm supports by 30 percent from their 1986 levels by the year 1996.

But while his aides hailed this proposal as a bold way to breathe new life into the flagging farm reform talks, MacSharry's proposal got a cool reception from Secretary Yeutter...and the leaders of the Irish Farmers Association, who say any more cuts in their protections will put them out of business....

Yeutter...said Tuesday it was a nice start, but that the plan "is not likely to result in the magnitude of reform...that we believe is essential." ...

John Kerin, Australia's Deputy Minister for Primary Industries and Energy, and Canadian Deputy Prime Minister and Farm Minister Donald Mazankowski echoed that view. (Paul Tosto, Knight-Ridder)

**DEFENSE DEPARTMENT WARNS OF DANGER
OF FOREIGN TAKEOVERS OF HIGH-TECH FIRMS**

Foreign takeovers of the U.S.'s high-tech electronics industries present a growing threat to U.S. national security, the Defense Department warns in a new study that promises to fire up debate over U.S. economic competition with Japan.

Because foreign firms now dominate "the leading edge of many critical technologies...successive generations of weapons are increasingly dependent on foreign parts," warns the report from the Defense Science Board released Tuesday.

Such dependence puts defense Department access to critical technologies "at real risk," the report said, citing particularly those in electronics, optics and manufacturing.

"The United States cannot persist in its current laissez-faire approach to the competition in advanced technologies without incurring major economic and security problems of its own in the future," Secretary Cheney warned in a forward to the report.

(Robert Rankin, Knight-Ridder)

**ADMINISTRATION SCORES PROPOSED FOREIGN
INVESTOR CURBS OF DEFENSE INDUSTRIES**

The Bush Administration Tuesday sharply criticized a new congressional proposal to tighten controls on foreign takeovers of defense-related industries.

A bill, sponsored by Rep. Walgren, chairman of the House Energy and Commerce subcommittee on competitiveness, would require the government to review proposed foreign acquisitions of U.S. companies in industries "essential" to the nation's "industrial and technological base." Under the bill, foreigners acquiring such U.S. firms could be asked by the government to "assure" that they will maintain U.S. supplies and research and development activities.

Moreover, the Committee on Foreign Investment in the U.S., the interagency panel that reviews foreign investment for national security purposes, would be co-chaired by the Defense and Commerce Departments, rather than by the Treasury Department....

But John Niehuss, a senior deputy assistant secretary at the Treasury Department, warned Walgren that his bill, if enacted, would "have a severe chilling effect on foreign investment in the United States." The U.S. economy would be damaged and U.S. businesses abroad could suffer reprisals, he said.

(Richard Lawrence, Journal of Commerce)

TELEPHONE COMPANIES/CABLE

A controversial bill that would allow telephone companies to compete in the cable television industry was approved unanimously Tuesday by the Senate Commerce Committee.

"It is only the threat of competition that will force the cable industry to improve their rates and services," said Sen. Burns, sponsor of the bill. "This move will make that competition possible." ...

The cable television industry, which has been solidly against such legislation, downplayed Tuesday's vote.... But at GTE Corp., which is conducting a fiber optics-based experiment to homes in Cerritor, Calif., the vote was seen as a move in the right direction. "Both the FCC and the Bush Administration have said they favor the concept of competition," said spokesman David Russell.

(Laura McFadden, Newsday)

NETWORK NEWS

Tuesday evening, July 31

BUDGET

ABC's Peter Jennings: We begin in Washington again tonight with how the government has handled the budget and the federal deficit today. Since this broadcast yesterday the federal deficit, including the money they need to bail out the S&Ls, has gone up by nearly \$600 million in 24 hours. So today Congress faced up to the inevitable and officially raised the debt ceiling, the level of how much the government is allowed to be in debt. The political leadership, meanwhile, failed again to agree on the shape of next year's budget.

ABC's Brit Hume:

[TV COVERAGE of President Bush with congressional leaders in the Oval Office.]

They had yet another Oval Office budget meeting today, the sixth since the week before last. But it was not clear whether they've actually had six days of meetings or the same meeting six times. Afterward, Rep. Gephardt did another stand-up routine in the White House driveway that sounded like the ones he did all last week. He said they didn't talk about how to cut the deficit today either, but about when to talk about that.

(Gephardt: "We talked today about the question of whether to try to proceed now or whether to proceed on a definite time schedule in September. No final decision has been made on that.")

But wait a minute. Weren't both sides supposed to make proposals by the end of last week, and didn't the White House and the Republicans have one ready? When will the Democrats have a plan?

(Gephardt: "I don't know the answer to that. If we're going to negotiate the package to a conclusion, that's one thing. If we aren't, that may be a different thing.")

On the House floor today, though, a senior Republican pointed out his side hadn't formally offered a plan, either.

(Rep. Conte: "Mr. Speaker, the plain fact is that there's nothing on the bargaining table -- nothing at all. No one is putting a complete proposal forward. No debate has taken place.")

In his repeat performances at the White House, Gephardt has tried, and tried, and tried to explain why that is.

(Gephardt on July 25th: "This is hard to do."

Gephardt on July 27th: "This is hard to do."

Gephardt today: "I'll say it one more time. This is very difficult.")

It would be unfair to say there's been no movement in these talks. There has been movement, backwards. Both sides agreed to offer proposals last week, but it didn't happen. And nobody can say now when it will.

(ABC-Lead)

S&L

NBC's Tom Brokaw: This S&L scandal is like a large, dark, untracked swamp. Every time we wade into it someone gets muddy, and we don't know what else is lurking out there. Today the center of attention was a former aide to George Bush who arranged a generous deal, a very generous deal, for an S&L takeover.

NBC's Andrea Mitchell: Robert Thompson was on Capitol Hill today, but not testifying to Congress. A lobbyist and former aide to then-Vice President Bush, Thompson was a few blocks away outside the expensive townhouse he bought with a loan from a controversial Dallas thrift -- a loan now being investigated. Congress wants to know how Thompson helped his client buy the S&L from the government for only \$1,000 in cash.

(Sen. Metzenbaum: "I ask whether Mr. Robert Thompson is in the audience and if he is prepared to come forward at this time. [pause]. Let the record indicate that there was no response.") Thompson ignored the subpoena but agreed to an interview.

(Thompson: "I have not ever wanted any press.") His ground rules, no camera after the first pleasantries. His lawyer and public relations man interrupted frequently.

(Metzenbaum: "Now the record to date shows a pattern of access and special treatment that frankly I find unbelievable.")

Thompson: "I did nothing illegal, much less inappropriate, much less unethical." The officials who approved the sale did show up and defended it as the best deal they could get.

(M. Danny Wall, former S&L regulator: "We had no alternative to that course that we chose.")

They sold the S&L to Thompson's client, James Fail, even though one of his other companies had pleaded guilty to securities fraud. The top thrift regulator in Dallas said he first learned about the full criminal record last week from a reporter.

(George Barclay, Dallas S&L regulator: "Had I understood on Dec. 22, 1988, the facts as I believe them to be today, I certainly would have objected to Mr. Fail's acquisition of Bluebonnet.")

Banking officials also did not know that Thompson had a secret financial interest in profits from the S&L, Bluebonnet Savings. **Thompson:** "I didn't keep it a secret. Nobody was curious."

Denying that they showed political favoritism to Thompson, thrift officials said the bidders who lost out to Fail had even more clout. His lobbyist was former Sen. Tower. Politicians are in such a panic over the S&L mess that the House voted today to impose tough new criminal penalties on S&L kingpins. Some congressmen said it was rushed through so quickly that no one who voted for the bill could possibly have read it.

Brokaw: William Seidman, who runs the FDIC, said today that his agency will decide within two months whether to sue President Bush's son Neil for negligence in his role as the director of a failed Denver S&L.... (NBC-Lead)

Jennings: If no one wants to be first when it comes to raising taxes, no one wants to be last when it comes to denouncing the more obvious S&L villains. And so the House today passed a bill its supporters say will give S&L investigators new power. Its critics say it's more bluster than substance.

ABC's Sheilah Kast: Leaders of both parties were so eager to vote on a bill cracking down on S&L crooks that they brought it to the House floor marked "HR?" without waiting to give it a number. It would make it a felony to conceal assets from investigators. It would also toughen penalties, calling for life in prison for so-called S&L kingpins. The debate reflected the anger politicians are hearing from their voters.

(**Rep. Schumer:** "They have been robbed once. They will not take kindly to the notion of forking over yet more taxpayer dollars to drain the S&L cesspool without decisive action against the crooks who perpetrated this horror.")

(**Rep. Gonzalez:** "These provisions are touted as addressing the thrift crisis. Yet they will not apply to those who brought the thrifts to insolvency since those crimes were committed a few years ago. Who do we think we're kidding, besides ourselves? The American people are way ahead of us. They know what's going on. This won't kid them one darn bit.")

(**Rep. Kanjorski:** "This Congress today cannot walk away from voting for this and saying they're being honest. They can only walk away saying they're being political.")

In spite of those arguments there were only four votes against the bill. The Senate has passed a similar package, but it's not identical and it will be months before a compromise bill is sent to the President.

ABC's Allan Frank reports that a Senate Judiciary subcommittee investigating the S&L bailout wanted answers today from Washington lobbyist Robert Thompson. But he was not giving any. Thompson is under fire for his role in arranging the controversial sale of a group of Texas S&Ls to his client, James Fail. Thompson has received more than \$1 million in fees and loans so far for helping Fail buy Bluebonnet Savings.

(**Sen. Metzenbaum:** "The Bluebonnet deal was a gift. To add insult to injury, this giveaway of \$3 billion public dollars flows directly to Bluebonnet's owners absolutely tax-free.")

Federal S&L regulators who approved the deal were defensive.

(**George Barclay,** Dallas S&L regulator: "Had I understood on Dec. 22, 1988, the facts as I believe them to be today, I certainly would have objected to Mr. Fail's acquisition of Bluebonnet.")

The regulators denied that Thompson, a one-time aide to Vice President Bush, improperly influenced the Bluebonnet deal.

(**Metzenbaum:** "Would you be willing to concede that your personal relationship with Mr. Thompson did help James Fail get in the door?")

M. Danny Wall, former S&L regulator: "Not any more than anyone else, Mr. Chairman. Having spent 28 years in public service I have never misused or abused my office or position.")

Fail is scheduled to testify before the subcommittee next Monday. Thompson has been invited, but he's declined again. (ABC-2)

CBS's Charles Kuralt: The House voted overwhelmingly today to approve legislation that would stiffen penalties for S&L crimes - penalties including life in prison for the worst offenders. The bill would also expand federal investigation of S&L fraud. The Senate has approved similar measures as part of a larger election-year anti-crime bill. A key figure in the S&L scandal refused today to comply with a congressional subpoena for his testimony.

(CBS-2)

HOME SALES

Jennings: Some signs of life in the housing industry. The sales of new homes rose eight percent last month. (ABC-3)

OIL SPILLS/GALVESTON

Kuralt: The latest major oil spill in American waters is doing its destructive work today in Galveston, Texas. A wildlife official on the scene says it has the potential to be the most damaging oil spill yet in the lower 48 states. In Washington, federal investigators unveiled their report on the disastrous Exxon Valdez spill in Alaska last year. They found plenty of blame to go around.

CBS's Phil Jones reports that in Washington the politicians haven't been able to stop the oil leaks, but the Alaska accident did bring an end to 15 years of bickering over oil spill legislation. Federal legislation near passage will require all vessels to have two hulls by the year 2015. But that's not fast enough for environmentalists. Congress is also ready to approve laws requiring a \$1 billion cleanup fund to be financed by a five cents-per-barrel tax and an increase in shipowner liability from the current limit of \$150 a barrel to \$1,200. The oil giants are accepting these changes, but they're upset because this federal law wouldn't stop states from imposing unlimited liability on the spillers. (CBS-Lead)

Jennings: In Galveston, Texas, today the size of an oil spill that began last weekend has been raised dramatically. At first the estimate was 50,000 gallons when several barges and a tanker collided. Now it is 10 times that, and wildlife officials say it has the potential to be truly devastating.

ABC's Linda Pattillo reports that as globs of oil began to wash ashore, Texas officials warned of an ecological disaster. At least half a million gallons of heavy crude oil have spilled into Galveston Bay since Saturday, when a Greek tanker collided with three barges. The tanker was carrying just fuel, and Coast Guard officials say its double hull prevented an explosion. But since then oil from the barges has spread at least 15 miles, threatening bird breeding grounds and the commercial shellfish industry. Some Texas officials have criticized the Coast Guard for initially underestimating the size of this spill and for responding too slowly. They want to release oil-eating bacteria successfully used in the Mega Borg spill two months ago. Due to the magnitude of this spill, wildlife officials say the cleanup must be fast. They warn that any damage to the beaches and marshes here will affect wildlife for generations. (ABC-6)

Brokaw reports that the National Transportation Safety Board voted on its final report on the Exxon Valdez spill. They recommended that Exxon eliminate personnel policies that encourage long hours without concern for safety, better enforcement of an alcohol and drug program for seagoing employees and the requirement of more watch officers on duty when vessels are navigating through Prince William Sound in Alaska. (NBC-3)

SDI

Brokaw: The Pentagon announced the successful test of a "star wars" missile interceptor. The House Armed Services Committee today drastically cut President Bush's request for Star Wars research next year. The President wanted almost \$5 billion. The committee, however, cut that to \$3 billion. (NBC-10)

LIBERIA

Brokaw: The U.S. and Great Britain tonight find themselves stuck in the middle of that civil war in Liberia. Both governments announced that their embassies now in the capital of the west African country are behind rebel lines. This comes one day after reports of a massacre of 600 refugees by government troops. U.S. Navy ships remain just off the coast in case an evacuation is necessary. (NBC-7)

TRINIDAD

Jennings: In Port of Spain, Trinidad, today Moslem radicals have freed Prime Minister Arthur Robinson five days after they took him hostage in a coup attempt, but there are still 40 other hostages, including 15 cabinet ministers, so the crisis in the two-island Caribbean nation is by no means over. Government officials deny that any deal had been negotiated for Prime Minister Robinson's release. (ABC-8, NBC-8, CBS-3)

U.S. ARMY COMMANDO

Brokaw: In this country there is a manhunt underway for a hero of the Army's elite commando team. Law enforcement officials say he may be a threat to the people that he swore to protect.

NBC's Fred Francis reports that Pentagon officials say Master Sgt. Marshall Brown [phonetic] may have led two secret lives -- one as an anti-terrorist commando, a member of the elite Delta Force, the other as a rapist. Brown, who has been confined for a year, awaiting trial for raping two Rhode Island women, slipped his handcuffs yesterday and escaped from two guards who were driving him to a meeting with his lawyer. An intensive manhunt is underway in the northeastern states for Brown, who is described by one soldier as a man no police officer wants to confront alone. The soldier said, "He's a stone-cold professional Army killer." He has served with the Green Berets, the Rangers, and for most of the past 10 years with the Delta Force. The Army said Brown is charged in North Carolina with four sexual assaults. The 35-year-old is a veteran of the failed hostage rescue attempt in Iran, one of the first missions of Delta Force, and he saw combat in Grenada in 1983, when his unit assaulted the prison there and took heavy casualties. One officer who knows Brown said the Delta commando is no Rambo, but he is the closest thing the Army produces to that fictional character. (NBC-9)

ALBANIA

Jennings: Communist Albania has taken another step to end 40 years of isolation. The Albanian parliament has voted to permit foreign investment and let those investors take their profits out of the country. (ABC-10)

NUCLEAR PLANT

Jennings: A real surge of concern today about nuclear safety in the state of Washington. At the atomic weapons plant in Hanford, Washington, the scientists store nuclear waste in huge metal containers. A Senate committee today said they are a hazard -- they could explode. And what's more, the committee finds the government has been aware of the problem since the 1970s.

ABC's Barry Serafin reports that for years radioactive waste at Hanford has been out of sight, out of mind, buried in 177 huge underground storage tanks. But today there were warnings that because of unstable chemicals and the buildup of flammable gasses, the tanks could explode.

(**Steve Blush**, Department of Energy: "It's potentially explosive. It lacks an ignition source, and we're doing everything we can to keep those ignition sources away from the tanks.")

A tank explosion could blow radioactive contamination as far as six miles from the plant. How to safely remove the waste and what to do with it are still unanswered questions. Officials are not even sure what is in the tanks. (ABC-7)

AIDS

Jennings reports that the World Health Organization estimates that 10 million people are infected with the AIDS virus. That is up 25 percent from the WHO's earlier estimates. The organization warns that the spread of the virus is accelerating dramatically in the poor countries of Africa, Asia and Latin America. (ABC-12)

L.A. SMOG

NBC's Don Oliver reports that if the federal government has to take over the anti-smog campaign in the Los Angeles basin, some drivers here may not be allowed to put their cars on the freeways on certain days. EPA officials were almost apologetic when suggesting no-drive days. But they said a federal proposal was necessary because court suits have challenged whether California plans are strong enough to successfully reduce smog in the next 10 years. Los Angeles basin anti-smog officials said the federal measures won't be needed, that their plan is adequate. The EPA no-drive plan is just a threat, but it may be enough to convince more southern Californians to use fewer vehicles. (NBC-4)

GENE THERAPY

Jennings: The stuff of science fiction is about to become science fact. A government committee today has approved the world's first use of genetic engineering as a potential way to cure an illness in a human being. (ABC-11, CBS-6)

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CONGRESSIONAL MONITOR



Wednesday, August 1, 1990

Volume 26, Number 123

Today in Congress

Floor Action: The House will resume debate on an omnibus farm bill (HR 3950) that would reauthorize agriculture and nutrition programs for five years. Yesterday the Rules Committee approved a new rule that would limit debate on each of the remaining amendments.

Members are also expected to return to legislation (HR 5170) authorizing spending in fiscal 1991-92 from the aviation trust fund for projects to expand airport capacity and improve airway safety.

The Senate will continue debate on legislation (S 137) to overhaul campaign spending rules and limit expenditures for Senate campaigns.

Fish Inspection: The House Merchant Marine Committee will stake out its turf in the fish inspection battle, as it marks up its version of a measure (HR 2511) to create a new federal fish inspection program.

The Agriculture and Energy committees have already approved bills that differ on which federal agency would oversee a mandatory fish inspection program.

The Merchant Marine panel is poised to add another agency to the lineup.

Under the Merchant Marine measure, the Commerce Department would run the inspection program. The Agriculture bill (HR 3508) would give the authority to the Agriculture Department, while Energy's measure (HR 3155) would designate the Food and Drug Administration as the main authority.

Merchant Marine's Fisheries and Wildlife Subcommittee gave speedy voice vote approval to HR 2511 last week, and no amendments are expected to be offered today.

Among the bills also slated for consideration are:

- HR 3977, which is designed to protect Antarctica's environment by requiring the United States to seek an international agreement banning mineral development.
- HR 4333, which is aimed at develop-

ing a uniform federal standard for testing coastal waters and closing beaches with poor water quality.

Water Projects: A bill that gives the nod to 28 new Army Corps of Engineers water projects is likely to grow larger at a markup by the House Public Works Committee.

The biennial water projects authorization (HR 5314) gained approval from the Water Resources Subcommittee last week without amendment. Subcommittee Chairman Henry J. Nowak, D-N.Y., told panel members that any changes or additions would be dealt with in a substitute amendment or a package of en bloc amendments to be proposed at full committee.

Several additional projects are likely to be approved today, a committee staffer said.

The most expensive project is a \$1.2 billion flood control project along the Passaic River in New York and New Jersey, with a federal contribution of \$890 million. The bill also includes five new projects for California, home of Chairman Glenn M. Anderson, a Democrat.

The total federal contribution for the projects in the bill is \$1.8 billion.

In addition to the water projects, the House bill matches Senate-passed language to provide \$37.5 million to battle the zebra mussel, the rapidly reproducing mollusk that has been clogging up intakes for power and drinking water plants in the Great Lakes.

Iraqi Sanctions: The House Foreign Affairs Committee will mark up legislation (HR 4585) that would require the United States to impose stringent economic sanctions against Iraq.

The recent Iraqi troop buildup along the Kuwait border has prompted a re-evaluation of U.S.-Iraq relations by law-

Hill News

HOUSE FLOOR: Debt limit raise voted; housing bill considered.

The House yesterday passed a bill (HR 5355), 221-205, to increase the public debt from \$3.122 trillion to \$3.444 trillion, a level considered adequate to meet the federal government's borrowing needs through fiscal 1991. The White House, which supports the bill, has said the government will default on its obligations if Congress does not raise the debt limit before leaving for its August recess. (See related story, below)

Members adopted an amendment by Byron L. Dorgan, D-N.D., 413-15, to remove the Social Security trust funds from Gramm-Rudman deficit-reduction calculations starting in fiscal 1992. The amendment would prohibit consideration of any legislation that would cause a net increase in Social Security benefits or a net reduction in the payroll tax receipts that finance the program.

- The House worked late last night on the comprehensive housing and community development bill (HR 1180) that would authorize approximately \$28 billion in fiscal 1991. It would reauthorize existing services and establish new housing and home ownership programs.

The measure calls for a 65 percent increase over fiscal 1990 appropriations for housing and community programs administered by the Department of Housing and Urban Development and the Farmers Home Administration.

Among the numerous amendments approved by voice vote were those to create a \$10 million fund to fight drug-related crime in federally subsidized housing and to designate 219 counties in the Lower Mississippi Delta as a high-poverty geographic region targeted for additional housing loans for poor, elderly and disabled residents.

- The House also approved a bill (HR

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makers. At a House Foreign Affairs subcommittee hearing yesterday, John Kelly, assistant secretary of State for Near East and South Asian affairs, refused to confirm reported troop levels of 100,000, but he said that the Iraqi border force "is a very large, significant military force."

As of last week Iraqi troop levels were reported to number 30,000.

Both the House and the Senate included sanctions against Iraq in their farm bills, but the provisions may be dropped in conference because farm-state lawmakers are concerned that a lucrative market for U.S. agricultural commodities may be lost. The bills would cut off credit guarantees for exports of agricultural commodities to Iraq.

HR 4585 was fashioned without the agriculture-related sanctions. One key provision of HR 4585 would prohibit any further loans or credit guarantees to Iraq through the U.S. Export-Import Bank, which promotes the export of non-agriculture U.S. goods through loans and other measures. The bill also would call on the United States to oppose any international financial assistance to Iraq.

The Bush administration opposes the measure because it does not give the president the authority to waive the sanctions.

Puerto Rico: The Senate Finance Committee will mark up legislation (S 712) that would enable Puerto Rico to change political and economic status.

Under S 712, Puerto Rican citizens would vote in 1991 to decide whether to become a state or an independent republic or to remain a commonwealth. The measure is self-executing, allowing Puerto Rico to exercise any of the three options the voters chose without further congressional approval.

The bill has already been approved by the Energy and Natural Resources Committee, which has jurisdiction over U.S. territories. But the Finance Committee must also act on the measure because of tax issues involved.

The move towards independence or statehood has been an emotional issue for Puerto Rico's 3.3 million citizens for many years. Two key coalitions — the Puerto Rican Independence Party and the Puerto Rico Statehood Movement — have lobbied Congress heavily to enact S 712.

The financial considerations could complicate what decision Puerto Rican voters make next year if the bill is passed. Special federal tax exemptions for businesses on the island would be changed with statehood. And the Congressional Budget Office estimates that under statehood the federal aid to individuals would increase from \$2 billion to

\$5 billion a year by 1995.

NIH Reauthorization: The Senate Labor and Human Resources Committee will mark up a proposal to reauthorize several major programs within the National Institutes of Health (NIH). Of the 13 institutes that make up NIH, the two largest — the National Cancer Institute and the National Heart, Lung and Blood Institute — and some smaller programs require periodic reauthorization. The rest are permanently authorized.

One issue to be addressed is whether NIH's research on women's health problems is adequate. Some members, including Sen. Barbara A. Mikulski, D-Md., argue that NIH relies excessively on men and male animals in testing and research activities so that there is no reliable data on women's health issues.

In response to this concern, the draft legislation to reauthorize the institutes includes a women's health research initiative. To force the NIH to redirect its research efforts, the bill would write into law existing NIH guidelines that require women and minorities to be included in clinical trials and research. The bill would also create an Office of Women's Health, a Research Center for Women's Health and a databank to increase the availability of information on women's health issues.

Octane Fraud: A measure designed to stem the problem of octane mislabeling and fraud will be marked up by a House Energy and Commerce subcommittee.

The octane rating is a measurement of resistance to engine knock. The price of gasoline is tied to octane ratings, with higher octane gasolines costing more than lower octane fuels.

The Energy and Power Subcommittee will take up a draft bill that would broaden states' powers to enforce octane regulations. A California court recently ruled that federal enforcement of octane regulations pre-empted more stringent state rules.

An April General Accounting Office study concluded that the federal government has been lax in performing its octane testing and enforcement duties. The study found that in states without their own octane enforcement programs 22 percent to 53 percent of gasoline samples were mislabeled. In states with their own testing programs, mislabeling averaged under 2 percent.

The bill would empower states to employ a range of solutions broader than those currently available under federal law. It would allow states to force gas stations and distributors to immediately halt sales of mislabeled fuel.

The measure would also require that gas stations post the octane rating of all automotive fuels. ■

NEWS from p. 1

5401) to beef up prosecution and recovery of losses for financial crimes.

• Late Monday, the House passed 11 bills by voice vote under suspension of the rules, including one (HR 2921), opposed by the White House, to stop companies from sending advertisements over facsimile machines and from making sales pitches through recorded messages on automatic telephone dialing machines to people who have indicated they do not want to receive the information.

Members also approved a bill (HR 4498) to protect the Grand Canyon by requiring moderate water release levels from the Glen Canyon Dam, located upstream of the Grand Canyon on the Colorado River.

SENATE FLOOR: Consideration of campaign finance bill continues.

The Senate yesterday continued partisan debate on S 137, a bill to establish campaign spending limits, with Democrats still fighting off Republican amendments.

Senators first defeated, 59-41, an amendment by Orrin Hatch, R-Utah, that would have allowed union members to specify that their union dues not be used to contribute to political campaigns.

But the senators approved, 57-43, an amendment by David L. Boren, D-Okla., that would allow non-union members who pay dues to specify that those funds not be used for campaign purposes.

The Senate also defeated along mostly party lines, 41-58, an amendment by Mitch McConnell, R-Ky., that would have prohibited certain tax-exempt organizations from spending so-called soft money in elections. Such organizations usually sponsor voter registration and get-out-the-vote drives and other activities on behalf of a candidate.

An amendment by Lloyd Bentsen, D-Texas, that would prohibit U.S. companies that are more than half-owned by foreigners from forming political action committees was approved, 73-27.

TREASURY, POSTAL spending bill increases funds for the IRS.

A Senate Appropriations subcommittee yesterday approved a \$20.7 billion spending bill for fiscal 1991 for the Treasury Department, U.S. Postal Service, the Executive Office of the President and a number of other independent federal agencies.

The Senate amended the House bill (HR 5241) to include an increase of \$405.6 million for the Internal Revenue Service (IRS), but that figure is more than \$200 million below the \$633.6 million increase the House had approved. In fiscal 1990, the IRS received \$5.5 billion.

The bill also includes a \$21.6 million increase for the U.S. Customs Service

over the fiscal 1990 level of \$1.3 billion. The House approved \$16 million less for Customs.

The Office of National Drug Control Policy would receive a \$32 million funding increase over its current level of \$152 million. The administration requested and the House provided \$194.5 million for the drug policy office.

The full committee will consider the bill today. The panel also plans to mark up the fiscal 1991 military construction spending bill (HR 5313).

STEALTH, SDI come under knife in Armed Services markups.

The House Armed Services Committee voted yesterday to halt further production of the B-2 stealth bomber, stopping at the 15 aircraft already started.

The committee rejected, 34-20, an amendment by stealth supporters to restore B-2 production funds.

The action came as the panel marked up a fiscal 1991 defense authorization bill that would cut President Bush's \$306.9 billion request by \$24 billion.

As approved by the panel's subcommittees, the bill would slice Bush's requested \$4.6 billion for the bomber down to \$1.7 billion, only for research. It also calls for terminating further production of the plane.

The committee planned to complete work on its bill late last night.

Earlier in the day, the committee's Research Subcommittee voted to cut Bush's \$4.7 billion request for research on the strategic defense initiative (SDI) antimissile defense system to \$2.9 billion. SDI opponents said they would press for even deeper cuts in the full House.

PHONE COMPANY access to cable TV to be studied by FCC.

The Senate Commerce Committee approved a slew of measures yesterday, all by voice vote. One measure (S 2800) that would have allowed telephone companies to offer cable television services, sponsored by Conrad Burns, R-Mont., was changed significantly by a substitute amendment offered by Burns.

As amended by the substitute, the measure would require the Federal Communications Commission (FCC) to study the issue of telephone company involvement in the cable industry and to report back to the Congress in one year. The bill also allows telephone companies to carry video dial tone systems, which provide a menu of video services offered by cable companies.

Other bills approved include:

- S 2851, which would eliminate the so-called buy-sell rule at the nation's four busiest airports — Kennedy and LaGuardia in New York, Chicago's O'Hare and Washington's National. The buy-sell rule allows airlines at those air-

ports to sell or lease takeoff or landing slots to other airlines. The bill's sponsors said that by repealing the rule, more slots would be available to new airlines at these airports.

- HR 5131, which would allow the Federal Aviation Administration (FAA) to continue levying civil penalties against errant pilots and airlines. The bill extends a demonstration project giving the FAA power to assess fines of up to \$50,000 for airline safety infractions ranging from inadequate X-ray screening to air traffic violations.

- S 1913, which would require the use of child restraint seats on commercial airlines.

- Draft legislation that would stiffen current regulations governing the transportation of hazardous materials on trucks, ships and railroads.

JOB TRAINING measure gets final nod from Education panel.

Members of the House Education and Labor Committee yesterday gave voice vote approval to a bill (HR 2039) that would amend the 1982 Job Training Partnership Act to make its programs more responsive to the most hard-to-serve portions of the population.

The bill would authorize about \$3 billion for adult and youth training programs in fiscal 1991, a \$300 million increase over fiscal 1990. A similar bill (S 543) in the Senate is awaiting floor action.

Before approving the bill, members spent most of the session disposing of minor amendments to the bill and arguing over whether the amendment had Labor Department support — although each side generally claimed the amendment had the department's favor.

DEFENSE CUT impact on workers softened under panel's bill.

A bill to aid workers who lose their jobs because of defense budget cuts sailed through the House Education and Labor Committee yesterday. The legislation (HR 3999) was approved by voice vote.

The panel considered only the portion of the bill that would give economic aid and training to dislocated workers. In its original form — HR 4585 — the bill would have devised a complicated new program to administer this assistance.

But the panel approved, by voice vote, an amendment by committee Chairman Augustus F. Hawkins, D-Calif., to incorporate the aid for the dislocated workers into the 1982 Job Training Partnership Act instead of creating a new program.

And panel member William D. Ford, D-Mich., offered an amendment to the bill, also adopted by voice vote, to ensure that the \$100 million authorized in the bill for fiscal 1991 would come from Defense Department funds, not Labor Department.

The bill seems to be on the legislative fast track. Hawkins said the House Armed Services Committee would include the amended version of HR 3999 in its defense authorization bill during a markup yesterday and the House Banking Committee plans to mark up the measure on Thursday.

Several members of the panel objected to aiding only one sector of employees. "I can see no reason for this favoritism," said Harris W. Fawell, R-Ill. "The federal government is not the guarantor of jobs."

IMMIGRATION BILL markup begins in House Judiciary panel.

The House Judiciary Committee yesterday began work on a bill (HR 4300) that would authorize a big increase in the number of immigrants allowed into the United States.

The bill, which was modified by its chief sponsor, Bruce A. Morrison, D-Conn., after it was approved by the Immigration Subcommittee on April 18, could increase the number of immigrant visas issued each year by about 50 percent, Morrison said.

During work on the bill, the panel approved, 28-8, an amendment by Howard L. Berman, D-Calif., that would shield the spouses and children of aliens granted legal status under a 1986 immigration law from deportation. To qualify for the protection under the measure, the spouses or children would have to have entered the United States before Jan. 1, 1990.

Most of Morrison's modifications would scale back the original bill that would have resulted in a doubling of legal immigrants.

The latest Morrison proposal would permit up to 115,000 immediate relatives (spouses and minor children) of permanent U.S. residents to enter the country. The proposal would increase the number of visas allocated for other family members and for would-be immigrants with needed job skills.

The Morrison bill also would create a new "diversity" category, with 55,000 visas set aside for immigrants from countries that have had low emigration rates in recent decades. The effect would be to increase the number of Europeans who could get visas.

The markup will continue today.

COASTAL POLLUTION bill approved by Public Works panel.

A House Public Works subcommittee yesterday approved by voice vote legislation (HR 2647) that would create a Coastal Defense Fund to help clean up coastal waters.

The substitute amendment approved by the Water Resources Subcommittee would require the Environmental Protection Agency (EPA) to set minimum water-

quality standards. It would also give states more authority to restrict land uses that could harm coastal waters.

The panel added by voice vote several amendments by Frank Pallone Jr., D-N.J., including one that would require screening or other measures to reduce floatable debris, such as medical wastes, that come from sewage overflows.

The bill authorizes \$150 million for the Coastal Defense Fund, some of which would come from fines and revenue from outer continental shelf mining.

The version of the bill approved by the Merchant Marine Committee April 18 would have raised additional funds through "effluent fees" charged to sewage treatment plants and industrial facilities. The Merchant Marine bill also would have allowed waste dischargers to trade credits for pollution compliance.

DEFAULT LIKELY if debt limit not raised this week, Glauber says.

If Congress leaves for its August recess without increasing the nation's debt limit, the government is likely to default on \$23 billion of Treasury notes due to mature on Aug. 15 and to fail to pay billions of dollars in interest, military wages, federal pension and Social Security income, a Treasury official warned yesterday.

The House yesterday voted to increase the debt limit by more than \$300 billion. (See story above)

Treasury Under Secretary Robert R. Glauber told the Senate Finance Subcommittee on Taxation and Debt Management that raising the debt limit to \$3.5 trillion should get the government through fiscal 1991. The debt is permanently capped at \$3.12 trillion — a level sufficient only through mid-August, Glauber said.

Tom Daschle, D-S.D., who chaired the hearing, said, "The single most important factor contributing to the current need to increase the debt limit is the savings and loan crisis. Taxpayers have a right to know how and to what extent the financing of that gigantic mess has impacted the debt," Daschle said.

Glauber said the Resolution Trust Corporation (RTC) — the federal agency that handles insolvent or failed thrifts — will have spent about \$98 billion by the end of fiscal 1990, with about \$18 billion of that offset by S&L asset sales.

BLUEBONNET thrift purchase detailed by former regulators.

Congressional focus on the savings and loan crisis continued yesterday as former regulators explained how an Arizona insurance executive was able to buy 15 Texas-based thrifts for \$1,000 of his own money and \$70 million in borrowed funds.

Under the 1988 agreement, in return for purchasing the 15 ailing thrifts — which were renamed Bluebonnet Savings

— James M. Fail would receive an estimated \$1.85 billion in federal subsidies. In 1989 Bluebonnet was one of the most profitable thrifts in the nation.

Appearing before the Senate Judiciary Subcommittee on Antitrust, Monopolies and Business Rights, former chief thrift regulator M. Danny Wall tried to explain to lawmakers that selling the S&Ls to Fail was better policy than not selling them at all. "The only other alternative was to do nothing, and that wasn't acceptable," Wall said.

Chairman Howard M. Metzenbaum, D-Ohio, has charged that a 1976 indictment against Fail and an insurance company he owned should have disqualified him as a buyer.

Robert Thompson, who helped Fail purchase the thrifts, refused to comply with a subpoena to appear before the panel. Thompson, who has called the hearings a "rigged game," could be found in contempt of Congress and jailed.

Metzenbaum has questioned whether Fail had special access to regulators through Thompson, a former aide to then-Vice President Bush. Wall denied the allegation, saying that while he met with Thompson several times, Fail's access was "not any more than anyone else."

During the hearing, Gordon J. Humphrey, R-N.H., questioned the fairness of the inquiry. Humphrey said that Thompson declined to appear before the panel because Metzenbaum would not put in writing an agreement to maintain the confidentiality of certain documents.

FDIC LIABILITY should be lessened, Seidman says.

L. William Seidman, chairman of the Federal Deposit Insurance Corporation (FDIC), yesterday said the government should reform banking laws to lessen its liability when institutions fail.

Seidman told the Senate Banking Committee that he was not ready to offer specific proposals to revise deposit insurance laws. But he said it was clear that the government needed to "vastly improve the performance of the financial system of the United States."

Seidman said he did not want to present any recommendations because the FDIC is teaming with the Treasury Department in an ongoing study on deposit insurance.

Seidman said, however, that requiring bank and thrift owners to risk more of their own capital might be a good way to reduce the temptation to take excessive risks with depositor's funds.

The FDIC chairman also told the panel that there should be a limit to the types of investments that can be made with insured deposits. He said "reasonable, conservative and safe" investments should be made with those funds.

Seidman said the FDIC insurance

fund is "under stress" because of losses incurred the past two years. But he said the fund was adequate to take care of any "problem banks" that might collapse in the near future.

MURDER TOLL heading for record high, Senate panel reports.

The nation's murder toll is headed toward a record high this year, with an 8 percent expected increase in the number of slayings attributable mainly to drug-related crime, the Senate Judiciary Committee reported yesterday.

"If this pace continues — and there is every reason to believe it will — 1990 will be the bloodiest year in American history," said Judiciary Chairman Joseph R. Biden Jr., D-Del.

The committee said that if present trends continue, 23,220 murders will be committed this year. That would top the previous record of 23,040 murders in 1980.

Scarce supplies of cocaine in the nation's major cities have contributed to the carnage, causing drug pushers to fight each other for turf, the committee said.

The committee's report also blamed the proliferation of assault rifles.

The murder toll actually dropped 18 percent between 1980 and 1985 but has increased 22 percent since then, the committee said.

Biden urged swift House action on a Senate-passed omnibus crime bill (S 1970) that includes a ban on nine semi-automatic assault-style weapons and the death penalty for 34 federal offenses.

FORMER CONTRA rebels have been neglected, say congressmen.

Three members of Congress yesterday asked for an investigation into alleged neglect of former contra rebels and their families who remain in jungle camps along the Honduran border.

Sen. Harry Reid, D-Nev., and Reps. Duncan Hunter, R-Calif., and Cass Ballenger, R-N.C., said a recent effort by the United Nations to help the former rebels has been a failure. They claimed that many of the rebels now face starvation.

"We put guns in their hands, but now we can't put food in their mouths," Reid said at a news conference.

The three lawmakers called for an investigation by the General Accounting Office into why adequate aid is not being provided.

The State Department, however, maintains that the rebels are being adequately cared for and denied that the United States had broken faith with them.

A supplemental money bill passed earlier this year included \$35 million for continued humanitarian aid to the rebels as well as for repatriation of the fighters, who fought against the Sandinista government that was voted out of office.

Committee Meetings Scheduled Today

Senate Committees

★ TREASURY/MILCON APPROPS MARKUP

Senate Appropriations Committee

The full committee (Chmn Byrd, D-WVa) will mark up fiscal 1991 appropriations for programs under its jurisdiction.

2pm S-128 Capitol Bldg Aug 1

Agenda:

HR 5241 - Treasury, Postal Service and General Government

HR 5313 - Military Construction

BANK & THRIFT FRAUD

Senate Banking Committee

The full committee (Chmn Riegle, D-Mich) will hold hearings on bank and thrift fraud.

10am SD-538 Dirksen Bldg Aug 1

Witnesses scheduled: Richard Fogel - GAO; Benton Gup - prof, Univ of Ala; Bruce Maffeo - atty

■ ELECTRONICS INDUSTRY DECLINE

Senate Commerce Committee

Science, Technology and Space Subcommittee (Chmn Gore, D-Tenn) will hold a hearing on reversing the decline of the U.S. electronics industries.

9:30 SR-253 Russell Bldg Aug 1

Witnesses scheduled: Robert White - under secy of Commerce; Samuel Fuller - vpres, Digital Equipment Corp; Peter Mills - sr vpres for admin, SEMATECH; Mitchell Kertzman - pres & CEO, Powersoft Corp and pres, American Electronics Association; Louis Perrone - pres, Branson International Plasma Corp representing Semiconductor Equipment and Materials Internatl Assn

■ CHEMICAL EXPORTS

Senate Commerce Committee

Foreign Commerce and Tourism Subcommittee (Chmn Rockefeller, D-WVa) will hold a hearing on legislation on chemical exports to South America and will review Title III of PL 100-690, the Chemical Diversion Trafficking Act.

2pm SR-253 Russell Bldg Aug 1

Witnesses scheduled: Gene Haislip - dpty asst admin, Drug Enforcement Admin; Ignacio Gonzalez - Chilean alternate delegate to the Organization of American States; Peter Andreas - Inst for Policy Studies

■ NUCLEAR ENERGY

Senate Environment Committee

Nuclear Regulation Subcommittee (Chmn Graham, D-Fla) will hold an oversight hearing on the role of nuclear energy in meeting future electricity demands.

9:30am SD-406 Dirksen Bldg Aug 1

Witnesses scheduled: Linda Stuntz - dpty under secy of Energy; Michael Wilson - chmn, Fla Public Service Commn; Michael Gent - pres, North American Electric Reliability Council; John Taylor - vpres, Electric Power Research Inst; Christopher Flavin - vpres, Worldwatch Inst

★ PUERTO RICO STATUS MARKUP

Senate Finance Committee

The full committee (Chmn Bentsen, D-Texas) will mark up legislation (S 712) to provide for an islandwide referendum on the political status of Puerto Rico, enabling Puerto Rican citizens to choose among three options: statehood, independence or remaining a commonwealth.

10am SD-215 Dirksen Bldg Aug 1

Note: This markup was originally scheduled for June 26.

★ STATE DEPT NOMINATION

Senate Foreign Relations Committee

The full committee (Acting Chmn Biden, D-Del) will hold a confirmation hearing on the nomination of Edwin D. Williamson to be legal advisor for the State Department.

10am SD-419 Dirksen Bldg Aug 1

■ IRS COLLECTION OF OVERDUE TAXES

Senate Governmental Affairs Committee

The full committee (Chmn Glenn, D-Ohio) will hold an oversight hearing on the Internal Revenue Service (IRS), focusing on collection efforts and why IRS accounts receivable are so large.

9:30am SD-342 Dirksen Bldg Aug 1

Witnesses scheduled: Sen Conrad, D-ND; Paul Posner - assoc dir, Tax Policy & Admin, GAO; Fred Goldberg - commnr, IRS

PANEL: Robert Tobias - pres, Natl Treasury Employees Union; John Rozos - IRS Revenue Officer; Bob Bates - IRS Revenue Officer; John Pepping - IRS Revenue Officer

GOVT AFFAIRS NOMINATIONS

Senate Governmental Affairs Committee

The full committee (Chmn Glenn, D-Ohio) will hold a confirmation hearing on pending nominations.

2pm SD-342 Dirksen Bldg Aug 1

Agenda:

Wallace Stickney - to be dir of the Fed Emergency Mgmt Agency

Stephen Potts - to be dir of the Ofc of Govt Ethics, Ofc of Personnel Mgmt

Russell Miller - to be inspector gen, Fedl Emergency Mgmt Agency

INDIAN BILLS MARKUP

Senate Select Indian Affairs Committee

The full committee (Chmn Inouye, D-Hawaii) will mark up pending legislation.

2pm SR-485 Russell Bldg Aug 1

Agenda:

S 1980 - Provide for the repatriation of the Native American group or cultural patrimony

S 2770 - Establish the Indian Finance Corporation

S 2451 - Establish in the Department of the Interior a Trust Counsel for Indian Assets

S 2850 - Innovative Indian Health Facilities and Delivery System Demonstration Project Act

S 2645 - to improve the health status of the urban Indian population and to enhance the quality and scope of health care services, disease prevention activities, and health promotion initiatives targeted at the urban American Indian population

CALLER ID

Senate Judiciary Committee

Technology and the Law Subcommittee (Chmn Leahy, D-Vt) will hold a hearing on legislation (S 2030) to require phone companies offering "caller ID," a technology that allows a call recipient to see the phone number of origin of each incoming call, to provide "blocking" technology, which would allow callers to prevent their phone numbers from being identified.

9:30pm SD-226 Dirksen Bldg Aug 1

Witnesses scheduled:

PANEL: Bonnie Guiton - special adviser to the pres for consumer affs & dir, US Ofc of Consumer Affs

PANEL: James Cullen - pres & CEO, NJ Bell; John Stangland - asst vpres, Product Development & Mgmt Pacific Bell; S E Leftwich - chmn, Central Telephone Co

PANEL: Mark Cooper - research dir; Consumer Fedn of America; Janlori Goldman - legis counsel, American Civil Liberties Union; Stacy Blazer - People Against Telephone Terrorism and Harrassment; Judy Yucavage - dir of public education, Pennsylvania Coalition Against Domestic Violence

PANEL: Carol Knauff - dir, Intelligent Network Services, AT&T; Richard Barton - sr vpres, Direct Marketing Assn

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Senate continued...

LABOR CMTE BUSINESS

Senate Labor Committee

The full committee (Chmn Kennedy, D-Mass) will meet to consider pending business.

9am SD-430 Dirksen Bldg Aug 1

Agenda:

MARKUP

S-- National Institutes of Health Reauthorization

S-- Transplant Amendments of 1990

S 2649 - Provide for improved drug abuse treatment and prevention

S 930 - Establish an Office of Construction, Safety, Health and Education within the OSHA and improve inspections investigations, reporting and recordkeeping in the construction industry and require certain construction contractors to establish construction safety and health prgms and onsite plans and appoint construction safety specialists

S 2793 - Honor the memory of the late Spark M Matsunaga, US senator from the state of Hawaii

S Res -- Commend Erich Bloch for his six years of dedicated service as director of the National Science Foundation

NOMINATIONS

Richard Bertain to be associate director of the ACTION agency

Elmer Staats to be a member of the board of trustees of the Harry S Truman Scholarship Foundation

Julian De La Rosa to be inspector general of the Labor Department

MINORITY-OWNED SMALL BUSINESSES

Senate Small Business Committee

Urban and Minority-Owned Business Development Subcommittee (Chmn Kerry, D-Mass) will hold a hearing to examine the impact on minority-owned small businesses of the Supreme Court decision in *City of Richmond v. J.A. Croson Company*. The decision struck down a Richmond, Va., ordinance designed to give a greater share of construction contracts to minorities.

9:30am SH-216 Hart Bldg Aug 1

Witnesses scheduled: Drew Days III - professor, Yale Law School; Raymond Marshall - Univ of Texas; Andrew Brimmer - Brimmer & Company; Parren Mitchell - Legal Defense and Education Fund; Maria Elena Torano - Commn on Minority Business Development; Alfred Daniels - HH Aerospace Design Co; Edward Bowen - Prentiss Properties

DISASTER CONDITIONS

House Agriculture Committee

The full committee (Chmn de la Garza, D-Texas) will hold a hearing on the effects of disaster conditions on agriculture.

9:30am SO Longworth Bldg Aug 1

Note: This hearing has not been rescheduled.

BIOTECHNOLOGY REGULATORY AUTHORITY

House Agriculture Committee

Department of Agriculture, Research and Foreign Agriculture Subcommittee (Chmn Brown, D-Calif) will hold a hearing to review regulatory authority over agricultural biotechnology.

9:30am 1302 Longworth Bldg Aug 1

Note: This hearing has not been rescheduled.

DEFENSE CONVERSION MARKUP DEFENSE PRODUCTION ACT MARKUP

House Banking Committee

The full committee (Chmn Gonzalez, D-Texas) will mark up pending legislation.

10am 2128 Rayburn Bldg Aug 1

Agenda:

HR 486 - Amend the Defense Production Act to revitalize the defense industrial base of the US
HR 3999 - Promote economic stability in communities adversely affected by reductions in defense spending reductions on workers, and facilitate the conversion of defense-related industries to civilian uses

Note: This markup has been rescheduled for Aug 2.

COMMEMORATIVE COINS

House Banking Committee

Consumer Affairs and Coinage Subcommittee (Chmn Lehman, D-Calif) will hold a hearing on commemorative coins.

10am 2128 Rayburn Bldg Aug 1

Agenda:

HR 4962 - Authorize the minting of commemorative coins to support the training of American athletes participating in the 1992 Olympic Games
HR 5053 - Require the secretary of the Treasury to mint a silver dollar coin in commemoration of the 38th anniversary of the ending of the Korean War and in honor of those who served

Witnesses scheduled: Reps Parris, R-Va, Rangel, D-NY

Donna Pope - dir, US Mint; Richard Stillwell - Korean War Veterans Memorial; Robert Helmick - US Olympic Cmte; Harvey Schiller - US Olympic Cmte

INTERNATIONAL FINANCIAL TRENDS

House Banking Committee

International Competitiveness Task Force (Chmn LaFalce, D-NY) will hold a hearing on international trends in the financial services industry. The hearing will focus on U.S. non-bank financial institutions.

2pm 2359A Rayburn Bldg Aug 1

Witnesses scheduled: Robert Downey - Securities Industry Assn; Timothy Wahl - First Nationwide Bank; David Shute - Sears

EEOC COMPLAINT PROCESSING

House Education and Labor Committee

House Post Office Committee

Employment Opportunities Subcommittee (Chmn Martinez, D-Calif) of House Education and Labor Committee and Civil Service Sub-

committee (Chmn Sikorski, D-Minn) of House Post Office and Civil Service Committee will hold a joint hearing on complaint processing by the Equal Employment Opportunity Commission.

9:30am 2175 Rayburn Bldg Aug 1

Witnesses scheduled:

PANEL 1 - EEOC claimants: Alexander Eucairey; Virginia Delgado; Deborah Katz; Larry Evans
PANEL 2: Eleanor Holmes Norton - former chmn, Equal Employment Opportunity Commn

OSHA REVIEW

House Education and Labor Committee

Health and Safety Subcommittee (Chmn Gaydos, D-Pa) will hold a hearing on the Occupational Safety and Health Administration (OSHA).

9:30am 2261 Rayburn Bldg Aug 1

Witness scheduled: Gerald Scannell - asst secy of Labor for the Occupational Safety & Health Admin

CHILD LABOR LAWS

House Education and Labor Committee

Labor Standards Subcommittee (Chmn Murphy, D-Pa) will hold a hearing on the child labor provisions of the Fair Labor Standards Act of 1938.

10:30am 2257 Rayburn Bldg Aug 1

Witnesses scheduled: Linda Golodner - Natl Consumer League Task Force on Child Labor; Richard Berman - chmn, Minimum Wage Coalition to Save Jobs

GREYHOUND RACING

House Energy and Commerce Committee

Commerce, Consumer Protection and Competitiveness Subcommittee (Chmn Walgren, D-Pa) will hold a hearing on legislation (HR 3429) to regulate interstate commerce with respect to parimutuel wagering on greyhound racing and maintain the stability of the greyhound racing industry.

9:30am 2322 Rayburn Bldg Aug 1

Witnesses scheduled:

PANEL 1: Gary Guccione - secy/treasurer, Natl Greyhound Assn; Dave Brosnan - Cmte on Simulcasting, Natl Greyhound Assn; Janet Allen - greyhound breeder

PANEL 2: Kay Spitzer - pres, American Greyhound Track Operators Assn; Arden Hartman - gen mgr, Mile High Kennel Club; William Bissett - Geneva Lakes Kennel Club

OCTANE MISLABELING MARKUP

House Energy and Commerce Committee

Energy and Power Subcommittee (Chmn Sharp, D-Ind) will mark up legislation (HR—) to regulate the octane-level labeling of gasoline

9:30am 2123 Rayburn Bldg Aug 1

HYDROELECTRIC POWER PLANTS FEDERAL LICENSES

House Energy and Commerce Committee

Energy and Power Subcommittee (Chmn Sharp, D-Ind) will hold a hearing on legislation (HR 1069, S 635) to establish guidelines to be used by the Federal Energy Regulatory Commission (FERC) when issuing licenses to operate existing hydroelectric facilities.

Immediately following markup (above) Aug 1

Witnesses scheduled: Reps Gilman, Upton
PANEL 1: Martin Allday - chmn, Fed Energy

■ Revised listing

House Committees

LOW-INCOME HOUSING CONDO CONVERSION

House Select Aging Committee

The full committee (Chmn Roybal, D-Calif) will hold a hearing on conversion of low-income housing to condominiums, focusing on prepayment provisions in housing bills currently pending.

9:30am 2203 Rayburn Bldg Aug 1

Witnesses scheduled: Richard Daley - Mayor of Chicago; Carol Fennelly - Community for Creative Non-Violence

House continued...

Regulatory Commn; Elizabeth Anne Moler - commnr, Fed Energy Regulatory Commn; Charles Trabant - commnr, Fed Energy Regulatory Commn

PANEL 2: Victor Roque - vpres and gen counsel, Orange & Rockland; John Webster - pres, Southern New Hampshire Hydroelectric Development Corp; John Echevarria - vpres & conservation dir, American Rivers

IRAQ SANCTIONS MARKUP**House Foreign Affairs Committee**

The full committee (Chmn Fascell, D-Fla) will mark up legislation (HR 4585) to impose sanctions against Iraq.

2pm 2172 Rayburn Bldg Aug 1

INTERNATL EXCHANGE PRGMS**House Foreign Affairs Committee**

International Operations Subcommittee (Chmn Dymally, D-Calif) will hold a hearing on international exchange programs.

9am 2255 Rayburn Bldg Aug 1

Witnesses scheduled:

PANEL 1: Eugene Kopp - dpty dir, US Information Agency (USIA); William Glade - assoc dir, Bureau of Education & Cultural Affs, USIA

PANEL 2: Edwin Feulner Jr - chmn, US Advisory Commn on Public Diplomacy; Charles Dunn - chmn, J William Fulbright Scholarship Board

PANEL 3: Richard Dye - chmn, Exchange 2000 Liason Group for Internatl Educational Exchange; John Richardson - counselor, US Inst of Peace; William Reese - pres, Partners of America; William Robertson - chmn, Sister Cities Prgm, Reston, Va & Nyeri, Kenya

APPRAISAL OF GOVT PROPERTY**House Government Operations Committee**

Commerce, Consumer and Monetary Affairs Subcommittee (Chmn Barnard, D-Ga) will hold a hearing on proposed regulations to raise the minimum value of government property that is subject to appraisal from \$15,000 to \$25,000.

2pm B-302 Rayburn Bldg Aug 1

Note: The hearing has not been rescheduled.

DRAFT REPORTS**House Government Operations Committee**

Human Resources and Intergovernmental Relations Subcommittee (Chmn Weiss, D-NY) will meet to consider pending draft reports.

9:25am 2247 Rayburn Bldg Aug 1

AIDS DRUGS**House Government Operations Committee**

Human Resources and Intergovernmental Relations Subcommittee (Chmn Weiss, D-NY) will hold a hearing on drugs used to treat the infections and other symptoms associated with acquired immune deficiency syndrome.

Following meeting above 2247 Rayburn Bldg Aug 1

Witnesses scheduled: Dr. Anthony Fauci - dir, NIAID; persons with HIV infection; physicians and nurses who treat AIDS sufferers

★ New listing

CONGRESSIONAL USE OF RECYCLED PAPER**House Committee****on House Administration**

Procurement and Printing Subcommittee (Chmn Bates, D-Calif) will hold a hearing on legislation (HR 4523) to require the Congress to purchase recycled paper and paper products to the greatest extent practicable.

10am H-328 Capitol Bldg Aug 1

Witnesses scheduled:

PANEL: Robert Houk - public printer, GPO

PANEL: Warren Bell - chief printer, Agriculture Dept; James Prospero - asst commnr, Ofc of Commodity Mgmt, GSA

INTELLIGENCE BUDGET MARKUP**House Intelligence Committee**

The full committee (Chmn Beilenson, D-Calif) will mark up the fiscal 1991 intelligence budget request.

10am H-305 Capitol Bldg closed Aug 1

Note: This meeting has been rescheduled for August 2.

INTERIOR CMTE MARKUP**House Interior Committee**

The full committee (Chmn Udall, D-Ariz) will mark up pending legislation.

9:45am 1324 Longworth Bldg Aug 1

Agenda:

HR 5063 - Provide for the settlement of the water rights claim of the Fort McDowell Indian Community in Arizona

HR 3764 - Designate certain segments of the Delaware River in the states of Pa and NJ as components of the National Wild and Scenic Rivers system

HR 3960 - Increase the amounts authorized to be appropriated for the Colorado River storage project

HR— - Puerto Rico Self Determination Act (subject to subcommittee action as yet unscheduled)

IMMIGRATION BILL MARKUP**House Judiciary Committee**

The full committee (Chmn Brooks, D-Texas) will mark up legislation (HR 4300) to revise the system of admission of aliens on the basis of family reunification and to meet identified labor shortages.

10am 2141 Rayburn Bldg Aug 1

Note: This is a continuation of the July 31 session.

MERCHANT MARINE MARKUP**House Merchant Marine Committee**

The full committee (Chmn Jones, D-NC) will mark up pending legislation.

2pm 1334 Longworth Bldg Aug 1

Agenda:

HR 2511 - Direct the president to develop a comprehensive safety prgm to ensure the quality and wholesomeness of all fish products intended for human consumption in the U.S.

HR 188 - Relating to the rights and interest of the United States under a conservation easement affecting certain land in Wood County, Texas

HR 3977 - Antarctic Protection and Conservation Act

HR 4210 - Antarctic Environmental Protection Clean-up and Liability Act

HR 4333 - to establish the Clean Coastal Beaches Council to develop a program for monitoring coastal zone recreation waters

HR 4632 - to impose penalties for inducing the Coast Guard to render aid under false pretenses, to impose liabilities for costs incurred by the Coast Guard in rendering that aid, and to autho-

rise appropriations for use for acquiring direction-funding equipment for the Coast Guard

PUBLIC WORKS MARKUP**House Public Works Committee**

The full committee (Chmn Anderson, D-Calif) will mark up pending legislation.

9:30am 2167 Rayburn Bldg Aug 1

Agenda:

H Res 402 - Resolution designating two office buildings as the "Thomas P O'Neill Jr House of Representatives Office Building" and the "Gerald R Ford House of Representatives Office Building"

HR 4985 - Designate the federal building located at 51 Southwest 1st Avenue in Miami, Fla, as the "Claude Pepper Federal Building"

Three 11(b) resolutions

One 11(b) report on Northwest Indiana

Seven prospectuses

HR 4323 - Amend the Federal Water Pollution Control Act relating to water quality in the Great Lakes

HR 5314 - Provide for the conservation and development of water and related resources, authorize the US Army Corps of Engineers civil works program to construct various projects for improvements to the nation's infrastructure

HR 5315 - Provide an off-budget treatment for the Highway Trust Fund and the Airport and Airway Trust Fund, if such treatment is provided for the Social Security Trust Fund

★ RULES FOR FLOOR DEBATE**House Rules Committee**

The full committee (Chmn Moakley, D-Mass) will meet to consider rules for floor debate for pending legislation

10:30am H-313 Capitol Bldg Aug 1

Agenda:

HR 5399 - FY91 Legislative branch approps

HR 1465 - Conf Rpt: Oil spill bill

HR 4000 - Civil rights

COASTAL PROGRAMS MARKUP**House Science Committee**

The full committee (Chmn Roe, D-NJ) will mark up legislation (HR 4115) to authorize appropriations for certain ocean and coastal programs of the National Oceanic and Atmospheric Administration

11am 2318 Rayburn Bldg Aug 1

FEDERAL PRISON INDUSTRIES**House Small Business Committee**

Procurement, Tourism and Rural Development Subcommittee (Chmn Skelton, D-Mo) will hold a hearing on the affect on small businesses of the federal prison industries program.

9am 2359A Rayburn Bldg Aug 1

Witnesses scheduled: Whitlow Wyatt - Altama Delta Corp; William Collett - Nationwide Glove Co; Van Jacobson - Panel Concepts; John Lyons - Systems, Inc

UNEMPLOYMENT BENEFITS FOR DISLOCATED WORKERS**House Ways and Means Committee**

Human Resources Subcommittee (Acting Chmn Downey, D-NY) and Health Subcommittee (Chmn Stark, D-Calif) will hold a hearing on the Downey-Stark amendments to provide cash and health insurance benefits to dislocated workers.

10:30am 1100 Longworth Bldg Aug 1

Witnesses scheduled: Reps of Labor Dept, Defense Dept, Health Care Financing Admin, AFL-CIO

■ Revised listing

News Events Today

--from Reuters

The *Monitor* has received notice of the following events scheduled to take place in Washington. Associations, non-profit organizations and public interest groups who wish to have events listed in the section should send pertinent information to: The Congressional Monitor, Other Events Editor, 1414 22nd St. N.W., Washington, D.C. 20037. Notices must include a telephone number. Notices may be transmitted by facsimile to 728-1862, attn: Robert Healy. Only events related to Congress can be listed. Deadline is Noon. For further information call (202) 887-8686.

MADD EVENTS

News conference and rally by Mothers Against Drunk Driving (MADD) to kick off its 10th anniversary observance. Speakers include Sens Lautenberg, D-NJ, and Danforth, R-Mo, Reps Dorgan, D-ND, and DeWine, R-Ohio, MADD President Micky Sadoff, MADD Chairman of the Board Harold Brandt and Stella Parton, the sister of singer Dolly Parton.

12:45pm Capitol Bldg, west front, lower terrace **Aug 1**

Contact: Bill Bronrott, 202-652-6016.

CLEAN AIR BRIEFING

Clean Air Working Group Administrator William Fay and Denny Technical Services President Dale Denny deliver a cost analysis of pending clean air bills.

10am, National Press Club, 14th and F Sts NW, Main Lounge **Aug 1**

Contact: Susan Roth, 202-682-8181

ECONOMIC INDICATORS AND REPORTS

No set time: Federal Reserve releases weekly report on selected borrowings of large member banks

8:30am: Commerce Department releases leading indicators for June

10am: Commerce Department releases construction spending for June

5pm: Energy Information Administration releases weekly report on petroleum inventories

Congressional Committee Phone Numbers

Senate Committees

Agriculture.....	224-2035	Governmental Affairs.....	224-4751
Appropriations.....	224-3471	Judiciary.....	224-5225
Armed Services.....	224-3871	Labor and Human Resources.....	224-5375
Banking, Housing and Urban Affairs.....	224-7391	Rules and Administration.....	224-6352
Budget.....	224-0642	Select Ethics.....	224-2981
Commerce, Science and Transportation.....	224-5115	Select Indian Affairs.....	224-2251
Energy and Natural Resources.....	224-4971	Select Intelligence.....	224-1700
Environment and Public Works.....	224-6176	Small Business.....	224-5175
Finance.....	224-4515	Special Aging.....	224-5364
Foreign Relations.....	224-4651	Veterans' Affairs.....	224-9126

House Committees

Agriculture.....	225-2171	Post Office and Civil Service.....	225-4054
Appropriations.....	225-2771	Public Works and Transportation.....	225-4472
Armed Services.....	225-4151	Rules.....	225-9486
Banking, Finance and Urban Affairs.....	225-4247	Science, Space and Technology.....	225-6371
Budget.....	226-7200	Select Aging.....	226-3375
District of Columbia.....	225-4457	Select Children, Youth and Families.....	226-7660
Education and Labor.....	225-4527	Select Hunger.....	226-5470
Energy and Commerce.....	225-2927	Select Intelligence.....	225-4121
Foreign Affairs.....	225-5021	Select Narcotics Abuse and Control.....	226-3040
Government Operations.....	225-5051	Small Business.....	225-5821
House Administration.....	225-2061	Standards of Official Conduct.....	225-7103
Interior and Insular Affairs.....	225-2761	Veterans' Affairs.....	225-3527
Judiciary.....	225-3951	Ways and Means.....	225-3625
Merchant Marine and Fisheries.....	225-4047		

Senate Committees Future Listings

Agriculture, Nutrition & Forestry

224-2035

CFTC NOMINATION

Senate Agriculture, Nutrition and Forestry Committee (Chmn Leahy, D-Vt) will hold a confirmation hearing on the renomination of Wendy Lee Gramm to be a member and chairman of the Commodity Futures Trading Commission.

2pm SR-332 Russell Bldg Aug 2

Note: This hearing was originally scheduled for July 24.

Banking, Housing & Urban Affairs

224-7391

BANK & THRIFT FRAUD

Senate Banking, Housing and Urban Affairs Committee (Chmn Riegle, D-Mich) will hold hearings on bank and thrift fraud.

10am SD-538 Dirksen Bldg Aug 1 & 2

Witnesses scheduled:

Aug 1: Richard Fogel - General Accounting Office; Benton Gup - professor, Univ of Ala; Bruce Maffeo - atty

Aug 2: Dick Thornburgh - atty gen; L William Seidman - cmn, Federal Deposit Insurance Corporation

FINANCIAL CONDITION OF FANNIE MAE & FREDDIE MAC

Housing and Urban Affairs Subcommittee (Chmn Dixon, D-Ill) of Senate Banking, Housing and Urban Affairs Committee will hold a hearing on the financial condition of the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac).

2pm SD-538 Dirksen Bldg Aug 2

Witness scheduled: Alfred Dellibovi - under secy of Housing & Urban Development

Commerce, Science & Transportation

224-5115

SCIENCE & TECHNOLOGY POLICY

Senate Commerce, Science and Transportation Committee (Chmn Hollings, D-SC) will hold a hearing on the National Science Foundation's (NSF) views on science and technology.

10am SR-253 Russell Bldg Aug 2

★ New listing

ADDED FREQUENCIES FOR TELECOMMUNICATIONS TECHNOLOGY

Communications Subcommittee of Senate Commerce, Science and Transportation Committee will hold a hearing on legislation (S 2904) to allow public use of 200 megahertz of the broadcast spectrum currently reserved for federal government use. The advent of advanced telecommunications technology, such as fax machines and mobile telephones has increased demands on the broadcast spectrum and additional space is needed to allow new technologies to expand.

2pm SR-253 Russell Bldg Aug 2

Energy & Natural Resources

224-4971

ENERGY CONSERVATION

Energy Regulation and Conservation Subcommittee (Chmn Wirth, D-Colo) of Senate Energy and Natural Resources Committee will hold a hearing on proposed legislation to amend Title III of the Energy Policy and Conservation Act to encourage energy efficiency through the use of waste and recoverable materials.

9am & 2pm SD-366 Dirksen Bldg Aug 2

Environment & Public Works

224-6176

RURAL TRANSPORTATION ISSUES Field Hearing

Water Resources, Transportation and Infrastructure Subcommittee (Acting Chmn Symms, R-Idaho) of Senate Environment and Public Works Committee will hold a field hearing on rural transportation issues within the Federal-Aid Highway program.

9am, Les Bois Rm, City Hall, 150 N Capitol Blvd, Boise, Idaho Aug 20

NATIONAL RECREATIONAL TRAILS Field Hearing

Water Resources, Transportation and Infrastructure Subcommittee (Acting Chmn Symms, R-Idaho) of Senate Environment and Public Works Committee will hold a field hearing on legislation (S 2150) to set aside a portion of Highway Trust Fund moneys for use in constructing and maintaining off-highway recreational trails.

9am, Council Chambers, City Electrical Bldg, 140 S Capitol Ave, Idaho Falls, Idaho Aug 22

Finance

224-4515

EMPLOYEE BENEFITS & PENSIONS

Private Retirement Plans and Oversight of the Internal Revenue Service Subcommittee (Chmn Pryor, D-Ark) of Senate Finance Committee will hold a hearing on pending legislation.

9:30am SD-215 Dirksen Bldg Aug 3

Agenda:

S 2901 - Employee Benefits Simplification Act
S 2902 - Church Retirement Benefits Simplification Act

U.S.-JAPAN TRADE TALKS

International Trade Subcommittee (Chmn Baucus, D-Mont) of Senate Finance Committee will hold a hearing on the final report of the U.S.-Japan Structural Impediments Initiative talks. The report is the result of negotiations between the two nations on distribution and business practices in Japan that inhibit exports from the United States to Japan.

10am SD-215 Dirksen Bldg Sept 21

Foreign Relations

224-4651

CONVENTION TO ELIMINATE DISCRIMINATION AGAINST WOMEN

Senate Foreign Relations Committee (Chmn Pell, D-RI) will hold a hearing on an international convention (Ex. R 96-2) on the elimination of all forms of discrimination against women.

10am SD-419 Dirksen Bldg Aug 2

★ AMBASSADORIAL NOMINATION

Senate Foreign Relations Committee (Acting Chmn Moynihan, D-NY) will hold a confirmation hearing on the nomination of Ryan Crocker to be ambassador to the Republic of Lebanon.

10am SD-419 Dirksen Bldg Aug 3

PEACE CORPS IN EASTERN EUROPE

Western Hemisphere and Peace Corps Affairs Subcommittee (Chmn Dodd, D-Conn) of Senate Foreign Relations Committee will hold a hearing on new Peace Corps programs in Eastern Europe.

2pm SD-419 Dirksen Bldg Sept 18

Note: This hearing was originally scheduled for July 26.

Governmental Affairs

224-4751

"M" ACCOUNTS

Senate Governmental Affairs Committee (Chmn Glenn, D-Ohio) will hold a hearing on financial management of "M" accounts, ex-

■ Revised listing

Senate continued...

pired appropriations accounts of federal agencies.

9:30am SD-342 Dirksen Bldg Aug 2

FEDERAL USE OF CONSULTANTS

Federal Services, Post Office and Civil Service Subcommittee (Chmn Pryor, D-Ark) of Senate Governmental Affairs Committee will continue hearings on the reliance by federal agencies on private consultants and contractors to perform government work.

9:30am SD-342 Dirksen Bldg date TBA

Indian Affairs

224-2251

SAN CARLOS DIVESTITURE**Joint Hearing**

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) and House Interior and Insular Affairs Committee (Chmn Udall, D-Ariz) will hold a joint hearing on legislation (HR 4117) to provide for the divestiture of certain properties of the San Carlos Indian irrigation project in the state of Arizona.

9:30am SR-485 Russell Bldg Sept 11

INDIAN WATER BILLS**Full Committee Markup**

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will mark up pending legislation.

9am SR-485 Russell Bldg Sept 12

Agenda:

S 1554 - Truckee-Carson-Pyramid Lake Water Rights Settlement Act

HR 5063 - Provide for the settlement of the water rights claim of the Fort McDowell Indian Community in Arizona

Intelligence

224-1700

INTELLIGENCE MATTERS

Senate Select Intelligence Committee (Chmn Boren, D-Okla) will meet to consider pending intelligence matters.

2pm SH-219 Hart Bldg Aug 2

Judiciary

224-5225

JUDICIARY CMTE BUSINESS

Senate Judiciary Committee (Chmn Biden, D-Del) will meet to consider pending business.

10am SD-226 Dirksen Bldg Aug 2

S&L RESTRUCTURING

Antitrust, Monopolies and Business Rights Subcommittee (Chmn Metzenbaum, D-Ohio) of Senate Judiciary Committee will hold a hearing on the impact of restructuring the savings and loan industry, focusing on the purchase by an investor of 15 insolvent Texas thrifts at very low prices, and, with the aid of very high government subsidies, building them into a profitable institution.

Time & room TBA Aug 6

SOUTER NOMINATION

Senate Judiciary Committee (Chmn Biden, D-Del) will hold confirmation hearings on the nomination of David Souter to be Associate Justice of the United States Supreme Court.

10am SH-216 Hart Bldg Sept 13 & addl dates TBA

Labor & Human Resources

224-5375

STUDENT LOAN PROBLEMS

Education, Arts and Humanities Subcommittee (Chmn Pell, D-RI) of Senate Labor and Human Resources Committee will hold a hearing on the near financial collapse of the Higher Education Assistance Foundation, one of the largest private backers of student loans.

10am SD-430 Dirksen Bldg Aug 3

Small Business

224-5175

SMALL BUSINESS INVESTMENT COMPANIES

Senate Small Business Committee (Chmn Bumpers, D-Ark) will hold a hearing on the financial condition of small business investment companies. The companies provide financing to small businesses looking to raise capital.

9:30am SR-428A Russell Bldg Aug 2

Witness scheduled: Susan Engeleiter - adminr, Small Business Administration

TAX IMPACT ON SMALL BUSINESSES

Senate Small Business Committee (Acting Chmn Boschwitz, R-Minn, Bumpers, D-Ark, & Boren, D-Okla) will hold a hearing on the impact on small businesses of proposed changes in the tax code.

Time TBA SR-428A Russell Bldg date TBA

Note: This hearing was originally scheduled for Aug 1.

Veterans' Affairs

224-9126

HAWAIIAN VA HEALTH CARE**Field Hearing**

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold a field hearing on health care for veterans in Hawaii.

10am State Capitol Bldg Auditorium, Honolulu, Hawaii Aug 14

VA AGENDA & THE AMERICAN LEGION**Joint Hearing**

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) and House Veterans' Affairs Committee (Chmn Montgomery, D-Miss) will hold a joint hearing on the legislative agenda of the American Legion.

9am SD-106 Dirksen Bldg Sept 18

House Committees Future Listings

Agriculture

225-2171

ANIMAL RESEARCH Subcommittee Markup

Department Operations, Research and Foreign Agriculture Subcommittee (Chmn Brown, D-Calif) of House Agriculture Committee will mark up legislation (HR 3270) to make it a federal crime to damage an animal research facility.

10am 1302 Longworth Bldg Aug 2

Note: This markup has not been rescheduled.

DISASTER CONDITIONS

House Agriculture Committee (Chmn de la Garza, D-Texas) will hold a hearing to examine the effects of disaster conditions on agriculture.

Time TBA 1300 Longworth Bldg date TBA

Note: This hearing was originally scheduled for Aug 1.

BIOTECHNOLOGY REGULATORY AUTHORITY

Department Operations, Research and Foreign Agriculture Subcommittee (Chmn Brown, D-Calif) of House Agriculture Committee will hold a hearing to review regulatory authority over agricultural biotechnology.

Time TBA 1302 Longworth Bldg date TBA

Note: This hearing was originally scheduled for Aug 1.

Armed Services

225-4151

REPORT ON MILITARY EDUCATION

Military Education Panel (Chmn Skelton, D-Mo) of House Armed Services Committee will hold a hearing on the new Joint Chiefs of Staff military education policy report.

9am 2216 Rayburn Bldg Aug 3

Witness scheduled: Adm David Robinson - dpty dir for military education, Joint Chiefs of Staff

Banking, Finance & Urban Affairs

225-4247

INTERNATIONAL FINANCIAL TRENDS
International Competitiveness Task Force (Chmn LaFalce, D-NY) of House Banking, Finance and Urban Affairs Committee will hold a hearing on international trends in the financial services industry.

2pm 2359A Rayburn Bldg Aug 1

8:45am 2359A Rayburn Bldg Aug 2

Agenda:

Aug 1: US nonbank financial institutions

Aug 2: Nature of Japanese banking system

AFFORDABLE HOUSING

Policy Research and Insurance Subcommittee (Chmn Erdreich, D-Ala) of House

★ New listing

Banking, Finance and Urban Affairs Committee will hold a hearing on regulatory impediments to the development and placement of affordable housing.

10am 2222 Rayburn Bldg Aug 2

Witnesses scheduled: Daniel Madelker - prof, Washington Univ Law School; William Fischel - prof, Dartmouth College; Susan Wachter - prof, Univ of Pa; Madelyn Glickfield - senior researcher, Univ of Calif; Gus Bauman - chmn, Montgomery County, Md, Planning Bd

DEPOSIT INSURANCE FOR DEFERRED COMPENSATION PLANS Field Hearing

General Oversight and Investigations Subcommittee (Chmn Hubbard, D-Ky) of House Banking, Finance and Urban Affairs Committee will hold a field hearing on deposit insurance coverage for Section 457 plans. Section 457 of the tax code covers deferred compensation plans of state and local governments and non-profit organizations. The plans are similar to 401(k) plans operated by private companies.

10am State Capitol Bldg Sacramento, Calif Aug 7

REAL ESTATE SETTLEMENT & PROCEDURES

Housing and Community Development Subcommittee (Chmn Gonzalez, D-Texas) of House Banking, Finance and Urban Affairs Committee will hold a hearing on real estate settlements and procedures, focusing on computerized loan origination systems, which charge borrowers a fee for information about mortgages. The subcommittee also will consider controlled business arrangements (CBAs), in which a borrower's business is steered to title insurance companies and related businesses in which the brokers and lenders handling the loan have a financial interest.

9:30am 2128 Rayburn Bldg Aug 8

REAL ESTATE LENDING

House Banking, Finance and Urban Affairs Committee (Chmn Gonzalez, D-Texas) will hold a hearing to examine the real estate lending by commercial banks, including the recent transactions involving real estate developer Donald Trump.

10am 2128 Rayburn Bldg Aug 9

INTERNATIONAL FINANCIAL POLICY

House Banking, Finance and Urban Affairs Committee (Chmn Gonzalez, D-Texas) will hold a hearing on the Treasury Department's conduct of international financial policy. The hearing will focus on the administration's foreign currency intervention activities.

10am 2128 Rayburn Bldg Aug 14

Witnesses scheduled: David Mulford - under secy of the Treasury; Allan Mendelowitz - General Accounting Office; Allan Meltzer - Carnegie-Mellon Univ; Anna Schwartz - Natl Bureau of Economic Research; Martin Mayer - author; Rudigar Dornbusch - Mass Institute of Technology

Education & Labor

225-4527

DISPLACED HOMEMAKERS Subcommittee Markup

Employment Opportunities Subcommittee (Chmn Martinez, D-Calif) of House Education and Labor Committee will mark up legislation (HR 3069 - Displaced Homemakers Employment & Family Self Sufficiency Act) to establish an employment training program for displaced homemakers. Displaced homemakers are women who, because of divorce, widowhood or other circumstances, are forced to re-enter the work force after a prolonged absence.

Time & room TBA date TBA

EMPLOYMENT SERVICES

Employment Opportunities Subcommittee (Chmn Martinez, D-Calif) of House Education and Labor Committee will hold a hearing to review employment services.

Time & room TBA date TBA

Note: This hearing was originally scheduled for June 19

WHISTLEBLOWER PROTECTION

Health and Safety Subcommittee (Chmn Gaydos, D-Pa) of House Education and Labor Committee will hold hearings on legislation (HR 3368) to strengthen the protections against reprisals available to employees who disclose information to protect public health and safety.

Time & room TBA date TBA

ERISA ENFORCEMENT

Labor-Management Relations Subcommittee (Chmn Clay, D-Mo) of House Education and Labor Committee will hold a hearing on the enforcement of the Employee Retirement Income Security Act (ERISA) of 1975.

Time & room TBA date TBA

Note: This hearing was originally scheduled for July 25.

Energy & Commerce

225-2927

TELEPHONE COMPANY COMPETITION

Telecommunications and Finance Subcommittee (Chmn Markey, D-Mass) of House Energy and Commerce Committee will hold an oversight hearing on price caps for local telephone companies and competition in the long-distance telephone industry.

9:30am 2322 Rayburn Bldgs Aug 2

AUDITOR'S RESPONSIBILITIES

Telecommunications and Finance Subcommittee (Chmn Markey, D-Mass) of House Energy and Commerce Committee will hold a

■ Revised listing

House continued...

hearing on proposals to require that private company auditors report illegal activities, such as tax fraud, to the Securities and Exchange Commission.

2pm 2322 Rayburn Bldg Aug 2

LENDER LIABILITY

Transportation and Hazardous Materials Subcommittee (Chmn Luken, D-Ohio) of House Energy and Commerce Committee will hold a hearing on the potential liability of lending institutions and the federal government for the costs of cleaning up the environment under the superfund law.

9:30 2123 Rayburn Bldg Aug 2

PESTICIDE RESIDUES IN FOOD Subcommittee Markup

Health and the Environment Subcommittee (Chmn Waxman, D-Calif) of House Energy and Commerce Committee will mark up legislation (HR 1725 - Food Safety Amendments) to regulate pesticide chemical residues in food.

Time & room TBA date TBA

LAWRENCE LIVERMORE LAB

Oversight and Investigations Subcommittee (Chmn Dingell, D-Mich) of House Energy and Commerce Committee will hold a hearing on the adequacy of controls to protect government property and other interests at the Lawrence Livermore National Laboratory.

Time & room TBA date TBA

DRUG DEALERS' BEEPER BAN

Telecommunications and Finance Subcommittee (Chmn Markey, D-Mass) of House Energy and Commerce Committee will hold a hearing on legislation (HR 3976) to establish procedures to end mobile radio services to drug dealers.

Time & room TBA date TBA

Foreign Affairs

225-5021

U.S. CAMBODIA POLICY

Asian and Pacific Affairs Subcommittee (Chmn Solarz, D-NY) of House Foreign Affairs Committee will hold a hearing on U.S. policy toward Cambodia and the prospects for a negotiated settlement to the civil war.

2pm 2172 Rayburn Bldg Aug 2

Witness scheduled: Robert Kimmitt - under secy of State for Political Affs

EXECUTIVE BRANCH COMPLIANCE & NARCOTICS CONTROL LEGISLATION

International Narcotics Control Task Force (Chmn Smith, D-Fla) of House Foreign Affairs Committee will hold a hearing on executive branch compliance with international narcotics control legislation enacted in 1986, 1988 and 1989.

Time & room TBA date TBA

Note: This hearing was originally scheduled for July 18.

★ New listing

Government Operations

225-5051

DRAFT REPORTS

Government Information, Justice and Agriculture Subcommittee (Chmn Wise, D-WVa) of House Government Operations Committee will meet to consider pending draft reports.

9:30am 2157 Rayburn Bldg Aug 2

LEGISLATION & NATL SECURITY BUSINESS Subcommittee Markup

Legislation and National Security (Chmn Conyers, D-Mich) of the House Government Operations Committee will mark up pending legislation.

9:30am 2154 Rayburn Bldg Aug 2

Agenda:

HR 4131 - Ensure that executive agencies have adequate authority to review the performance of foreign contractors and subcontractors under certain procurement contracts

HR 4279 - Amend Title 31 US Code to improve cash management of funds transferred between the federal government and the states

S 535 - Increase civil monetary penalties based on the effect of inflation

GOVT OPERATIONS BUSINESS Full Committee Markup

House Government Operations Committee (Chmn Conyers, D-Mich) will meet to consider draft reports and mark up pending legislation.

10am 2154 Rayburn Bldg Aug 2

Agenda:

HR 4131 - Ensure that executive agencies have adequate authority to review the performance of foreign contractors and subcontractors under certain procurement contracts

HR 4279 - Amend Title 31 US Code to improve cash management of funds transferred between the federal government and the states

S 535 - Increase civil monetary penalties based on the effect of inflation

HR 4179 - Establish a pilot program to improve the economy and efficiency of federal procurement of construction services

H J Res 226 - Establish a national policy on permanent papers

Draft Reports & Committee Business

SAFE DRINKING WATER

Environment, Energy and Natural Resources Subcommittee (Chmn Synar, D-Okla) of House Government Operations Committee will hold a hearing on the Environmental Protection Agency's Safe Drinking Water Program.

9:30am 2247 Rayburn Bldg Aug 3

■ APPRAISAL OF GOVT PROPERTY

Commerce, Consumer and Monetary Affairs Subcommittee (Chmn Barnard, D-Ga) of House Government Operations Committee will hold a hearing on proposed regulations to raise the minimum of value of government property that is subject to appraisal from \$15,000 to \$100,000.

Time & room TBA date TBA

Note: This hearing was originally scheduled for Aug 1.

PRESIDENTIAL DIRECTIVES REGISTRATION

Legislation and National Security Subcommittee (Chmn Conyers, D-Mich) of House Government Operations Committee will hold a hearing on draft legislation to require the president to register all presidential directives in the Federal Register and to send copies to the Speaker of the House and the president of the Senate.

10am 2154 Rayburn Bldg date TBA

House Administration

225-2061

CONGRESSIONAL USE OF RECYCLED PAPER

Procurement and Printing Subcommittee (Chmn Bates, D-Calif) of House Committee on House Administration will hold a hearing on legislation (HR 4523) to require the Congress to purchase recycled paper and paper products to the greatest extent practicable.

10am H-328 Capitol Bldg Aug 1 & 2

Witnesses scheduled

Aug 1: See "Committee Meetings Scheduled Today" section for witnesses

Aug 2:

PANEL: Rep Anderson, D-Calif

PANEL: Benjamin Cooper - sr vpres, Printing Industries of America; Richard Goodstein - vpres, Natl Govt Affs, Browning-Ferris Industries; Alan Rooks - editor & assoc publisher, Paper Industry Mgmt Assn; Robert Ackerman - pres, Lincoln Pulp & Paper Co; Thomas Norris - chmn, pres & CEO, P H Glatfelter Co

PANEL: Bill Perkins - dir of recycling, Prince Georges County, Md; Patricia Dollar - eastern sales dir, Conserve-A-Tree; Richard Keller - project dir, Northeast Md Waste Mgmt Disposal Assn

Intelligence

225-4121

■ FY91 INTELLIGENCE BUDGET Full Committee Markup

House Intelligence Committee (Chmn Beilenson, D-Calif) will mark up the fiscal 1991 intelligence budget request.

10am H-405 Capitol Bldg closed Aug 2

Note: This meeting was previously scheduled for August 1.

Interior & Insular Affairs

225-2761

OVERSIGHT SUBCMTE BUSINESS

General Oversight and Investigations Subcommittee (Chmn Kostmayer, D-Pa) of House Interior and Insular Affairs Committee will hold a hearing on Bureau of Reclamation cost policies.

10am 1324 Longworth Bldg Aug 2

■ Revised listing

House continued...**NATL PARKS MARKUP
Subcommittee Markup**

National Parks and Public Lands Subcommittee (Chmn Vento, D-Minn) of House Interior and Insular Affairs Committee will mark up pending legislation.

10am 210 Cannon Bldg Aug 2

Agenda:

HR 4728 - Designate a segment of the Klamath River in Oregon as a component of the National Wild and Scenic Rivers System

HR 4912 - Authorize the secretary of the Interior to revise the boundary of the Minute Man National Historical Park in the state of Massachusetts
HR 4687 - Designate a segment of the Lower Merced River in California as a component of the National Wild and Scenic Rivers System

HR 4227 - Designate segments of the Sudbury, Assabet, and Concord rivers as a study area for inclusion in the National Wild and Scenic Rivers System

HR 4811 - Expand the boundaries of the San Antonio Missions National Historical Park

HR 1330 - Private relief bill

HR 4687 - Amend the Wild and Scenic River Act by designating a segment of the Lower Merced River in California as a component of the National Wild and Scenic Rivers System

SAN CARLOS DIVESTITURE**Joint Hearing**

House Interior and Insular Affairs Committee (Chmn Udall, D-Ariz) and Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a joint hearing on legislation (HR 4117) to provide for the divestiture of certain properties of the San Carlos Indian irrigation project in the state of Arizona.

9:30am SR-485 Russell Bldg Sept 11

WATER SUBSIDIES

Water, Power and Offshore Energy Resources Subcommittee (Chmn Miller, D-Calif) of House Interior Committee will hold a hearing on a General Accounting Office report titled "Water Subsidies: Basic Changes Needed to Avoid Abuse of the 960-Acre Limit."

Time & room TBA date TBA

CALIFORNIA DROUGHT**Field Hearing**

Water, Power and Offshore Energy Resources Subcommittee (Chmn Miller, D-Calif) of House Interior and Insular Affairs Committee will hold a hearing on the drought in California.

Time TBA San Francisco date TBA

Judiciary

225-3951

**LEGAL SERVICES CORP ACT
Subcommittee Markup**

Administrative Law and Governmental Relations Subcommittee (Chmn Frank, D-Mass)

of House Judiciary Committee will continue to mark up legislation (HR 5271) to reauthorize the Legal Services Corporation.

10am 2226 Rayburn Bldg Aug 2

PROCESSED FOOD CONTRACTS

Administrative Law and Governmental Relations Subcommittee (Chmn Frank, D-Mass) of House Judiciary Committee will hold a hearing on legislation (HR 4500) to amend the Walsh-Healey Act to provide that contracts for processed food will be covered by that act.

10am 2226 Rayburn Bldg Aug 3

**Merchant Marine
& Fisheries**

225-4047

GREAT LAKES FISHERIES

Fisheries and Wildlife Conservation and the Environment Subcommittee (Chmn Studds, D-Mass) of House Merchant Marine and Fisheries Committee will hold a hearing on legislation (HR 4299) to authorize a study of the fishery resources of the Great Lakes.

10am 1334 Longworth Bldg Aug 2

SHIPBUILDING TECHNOLOGY**Joint Hearing**

Oversight and Investigations Subcommittee (Chmn Foglietta, D-Pa) and Merchant Marine Subcommittee (Chmn Jones, D-NC) of House Merchant Marine and Fisheries Committee will hold a joint hearing on the state of U.S. and foreign shipbuilding technology.

Time & room TBA date TBA

**Post Office &
Civil Service**

225-4054

**SENIOR EXECUTIVE
SERVICE IMPROVEMENT**

Civil Service Subcommittee (Chmn Sikorski, D-Minn) of House Post Office and Civil Service Committee will hold a hearing on the Senior Executive Service Improvement Act (HR 532).

10am 311 Cannon Bldg Aug 2

Note: This hearing has not been rescheduled.

1990 CENSUS**Field Hearing**

Census and Population Subcommittee (Chmn Sawyer, D-Ohio) of House Post Office and Civil Service Committee will hold a field hearing on preliminary indications of the 1990 census.

10:30am Anaheim, Calif Aug 8

**Public Works
& Transportation**

225-4472

HAZARDOUS MATERIALS**Subcommittee Markup**

Surface Transportation Subcommittee (Chmn Mineta, D-Calif) of House Public Works and Transportation Committee will mark up legislation (HR 3520) to authorize appropriations to provide for greater consistency in laws and regulations governing the transportation of hazardous materials in intrastate, interstate, and foreign commerce.

10am 2167 Rayburn Bldg Aug 2

BUFORD DAM**Field Hearing**

Water Resources Subcommittee (Chmn Nowak, D-NY) of House Public Works and Transportation Committee will hold a field hearing on the Corps of Engineers operations procedures for the Buford Dam and Lake Sydney Lanier.

9am Decatur, Ga Sept 28

GREAT LAKES OIL SPILLS**Field Hearing**

Water Resources Subcommittee (Chmn Nowak, D-NY) of House Public Works and Transportation Committee will hold a field hearing on oil spill response in the Great Lakes.

Time TBA Holland, Mich, date TBA

Veterans' Affairs

225-3527

**VA AGENDA &
THE AMERICAN LEGION****Joint Hearing**

House Veterans' Affairs Committee (Chmn Montgomery, D-Miss) and Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold a joint hearing on the legislative agenda of the American Legion.

9am SD-106 Dirksen Bldg Sept 18

Note

The offices of all members of Congress and all congressional committees and subcommittees may be reached by calling (202) 224-3121.

Conference Committees Future Listings

CPSC REAUTHORIZATION

Conferees will meet on legislation (S 605) to reauthorize the Consumer Product Safety Commission.

Time and room TBA date TBA

Senate conferees: TBA

House conferees: Dingell, Walgren, Slattery, Lent, Ritter

S 605 reported by Senate Commerce, Science and Transportation Committee May 25, 1989 (S Rpt 101-37)

S 605 passed Senate Aug 3, 1989

HR 4952 reported by House Energy and Commerce Committee May 24, 1990 (H Rpt 101-567)

S 605 passed House July 16, 1990 (House amended S 605 to contain the text of HR 4952)

House insisted on its amendments, requested a conference and named conferees July 20, 1990

STRATEGIC PETROLEUM RESERVE

Conferees will meet on legislation (S 2088) to reauthorize the Energy Policy and Conservation Act to extend the authority for the Strategic Petroleum Reserve.

Time and room TBA date TBA

Senate conferees: TBA

House conferees: Dingell, Sharp, Markey, Tauzin, Bruce, Lent, Moorhead, Dannemeyer

S 2088 reported by Senate Energy and Natural Resources Committee May 15, 1990 (S Rpt 101-289)

S 2088 passed Senate amended May 22, 1990

HR 3193 reported by House Energy and Commerce Committee July 16, 1990 (H Rpt 101-604)

S 2088 passed House amended July 16, 1990 (House amended S 2088 to contain the text of HR 3193)

House insisted on its amendments, requested a conference and named conferees July 20, 1990

BUDGET RESOLUTION

Conferees will meet on legislation (H Con Res 310) setting forth the congressional budget for the United States for fiscal 1991, 1992, 1993

Time and room TBA date TBA

Senate conferees: Sasser, Fowler, Domenici

House conferees: TBA

H Con Res 310 reported by House Budget Committee April 23, 1990 (H Rpt 101-455)

H Con Res 310 passed House May 1, 1990

H Con Res 210 passed Senate June 14, 1990 (the Senate amended H Con Res 310 to contain the text of S Con Res 110, a similar Senate measure)

Senate insisted on its amendments, requested a conference and named conferees June 14, 1990

AIDS ASSISTANCE

Conferees will meet on legislation (S 2240) to provide grants to improve the quality of care for individuals and families with HIV disease.

Time & room TBA date TBA

Senate Conferees: Kennedy, Pell, Metzenbaum, Dodd, Hatch, Jeffords, Durenberger

House Conferees: Dingell, Waxman, Rowland of Ga, Lent, Madigan

S 2240 reported by Senate Labor and Human Resources April 24, 1990 (S Rpt 101-273)

S 2240 passed Senate May 16, 1990

HR 4785 reported by House Energy and Commerce May 31, 1990 (H Rpt 101-511)

S 2240 passed House June 13, 1990 (House amended S 2240 to contain the text of HR 4785)

House insisted on its amendment and requested a conference June 13, 1990

Senate named conferees June 18, 1990

TAFT INSTITUTE

Conferees will meet on legislation (S 1939) to reauthorize the Taft Institute.

Time & room TBA date TBA

Senate Conferees: Kennedy, Pell, Dodd, Hatch, and Kassebaum

House Conferees: Hawkins, Ford of Michigan, Williams, Goodling, Coleman of Missouri

S 1939 passed Senate Nov 20, 1989

HR 3315 reported by Education and Labor Committee Feb 26, 1990 (H Rpt 101-406)

HR 3315 passed House Feb 27, 1990

House insisted on its amendments, requested a conference and named conferees June 7

Senate agreed to a conference and named conferees July 19

FY90 FOREIGN AID AUTHORIZATION

Conferees will meet on legislation (S 2364) to authorize supplemental economic assistance to support democracy in Panama, Nicaragua, and sub-Saharan Africa, and for other purposes.

Time & room TBA date TBA

House conferees: Farnell, Hamilton, Yatron, Solarz, Wolpe, Broomfield, Gilman, Lagomarsino

Senate conferees: TBA

S 2364 reported by Senate Foreign Relations Committee March 29, 1990

S 2363 passed Senate April 5, 1990

S 2364 passed House, amended, May 24, 1990

House insisted on its amendment, requested a conference and named conferees May 24, 1990

CLEAN AIR

Conferees will meet on legislation (S 1630) to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards.

Time and room TBA addl dates TBA

Senate conferees:

From the Environment Committee: Sens Burdick, Moynihan, Mitchell, Baucus, Chafee, Simpson, Durenberger

From the Finance Committee: Sens Bentsen, Moynihan, Baucus, Mitchell, Packwood, Chafee, Durenberger

House conferees:

From Energy & Commerce Committee for consideration of the Senate bill (except that portion of section 702 adding a new section 512(a) to the Clean Air Act), and the House amendment, and modifications committed to conference: Dingell, Scheuer, Waxman, Sharp, Thomas A. Luken, Swift, Synar, Tauzin, Wyden, Hall of Texas, Eckart, Slattery, Sikorski, Boucher, Rowland of Ga, Manton, Lent, Madigan, Moorhead, Dannemeyer, Whittaker, Bliley, Fields, Oxley, Nielson

of Utah, Bilirakis

From Public Works Committee for consideration of sections 106 (g) and (h) of the Senate bill, that portion of section 101(c) adding a new section 110(m) to the Clean Air Act, and sections 101(f) and 102(g) of the House amendment, and modifications committed to conference: Anderson, Roe, Mineta, Oberstar, Nowak, Rahall, Applegate, Savage, Bosco, Borski, Kolter, Valentine, Lipinski, Visclosky, Trafficant, Lewis of Ga, Hammerschmidt, Shuster, Stangeland, Clinger, McEwen, Petri, Packard, Boehlert, Lightfoot, Hastert

From Public Works Committee for consideration of sections 103, 106(f), those portions of 106(g) adding new sections 108(f) (3) and (4) to the Clean Air Act, those portions of section 107 adding new sections 183(b)(4)(B) and (c)(1) to the Clean Air Act, that point of section 108 adding a new section 189(a) to the Clean Air Act, 222, 226, that portion of section 301 adding a new section 112(n)(1) to the Clean Air Act of the Senate bill, for sections 102(d), those portions of section 103 adding new sections 182(c)(5), (d)(1), and (e)(4) to the Clean Air Act, that portion of section 104 adding a new section 187(a)(2) to the Clean Air Act, 108(a), and that portion of section 301 adding a new section 112(n)(1) to the Clean Air Act of the House amendment, and modifications committed to conference: Anderson, Roe, Mineta, Hammerschmidt, Shuster; Except that for consideration of that portion of section 301 adding a new section 112(n) to the Clean Air Act of the Senate bill, and for consideration of that portion of section of 301 adding a new section 112(n)(1) to the Clean Air Act of the House amendment: Nowak is appointed in lieu of Mineta, Stangeland is appointed in lieu of Shuster

From Ways & Means Committee for consideration of that portion of section 702 adding a new section 512(a) to the Clean Air Act of the Senate bill, and modifications committed to conference: Rostenkowski, Gibbons, Archer

From Ways & Means Committee for consideration of that portion of section 702 adding new section 512(a) to the Clean Air Act of the Senate bill, and modifications committed to conference: Rostenkowski, Ford of Tenn, Downey, Pease, Matsui, Kennelly, Andrews, Coyne, Gibbons, Pickle, Rangel, Stark, Jacobs, Jenkins, Guarini, Russo, Archer, Vander Jagt, Crane, Frenzel, Schulze, Gradison, Thomas of Calif, McGrath, Chandler, Shaw

From Ways & Means Committee for consideration of those portions of section 103 adding new sections 183(e)(4), (e)(5), and 185 to the Clean Air Act, that portion of section 108 adding a new section 302(y) to the Clean Air Act, and that portion of section 401 adding a new section 401(b)(3) to the Clean Air Act, and section 802 of the House amendment, and modifications committed to conference: Rostenkowski, Pickle, Rangel, Archer, Vander Jagt; Except for consideration of section 802 of the House amendment, Gibbons is appointed in lieu of Rangel

From Education & Labor Committee for consideration of section 303 of the Senate bill, and sections 112 through 114, and 302 of the House amendment, and modifications committed to conference: Hawkins, Ford of Mich, Gaydos, Clay, Miller of Calif, Murphy, Kildee, Williams, Martinez, Owens of NY, Hayes of Ill, Perkins, Sawyer, Payne of NJ, Poshard, Unsoeld, Goodling, Gunderson, Henry, Smith of Vt, Roukema, Fawell, Ballenger, Petri, Grandy, Robinson

From Interior Committee for consideration of sections 112 of the Senate bill, and section 712 of the House amendment, and modifications committed to conference: Udall, Miller of Calif, Levine of Calif, Young of Alaska, Craig

From Merchant Marine Committee for consideration of section 112, that portion of section 301 adding a new section 112(n) to the Clean Air Act, 411, and 412 of the Senate bill, and that portion of

Conference continued...

section 103 adding a new section 183(f) to the Clean Air Act, that portion of section 301 adding a new section 112(n)(1) to the Clean Air Act, sections 712, 805, and 901(e), of the House amendment, and modifications committed to conference: Jones of NC, Studds, Tauzin, Davis, Shumway

From Science & Technology Committee for consideration of that portion of section 304 adding new section 129(e)(7) to the Clean Air Act, sections 310, 408, and 1103 of the Senate bill, and titles IX and X of the House amendment, and modifications committed to conference: Roe, Brown of Calif, Lloyd, Glickman, Volkmer, McCurdy, Mineta, Valentine, Torricelli, Stallings, Nowak, Nagle, Hayes of La, Costello, Tanner, Browder, Walker, Sensenbrenner, Schneider, Boehlert, Lewis of Fla, Morrison of Wash, Packard, Henry, Morella, Campbell of Calif

From Science & Technology Committee for consideration of those portions of section 301 adding new section 112 (n) and (r) to the Clean Air Act of the Senate bill, and those portions of section 301 adding new sections 112(i) and (n)(1) to the Clean Air Act of the House amendment, and modifications committed to conference: Roe, Brown of Calif, Lloyd, Walker, Schneider

Additional conferee for consideration of subtitle B of title I of the House amendment, and modifications committed to conference: Wise

Additional conferee for consideration of section 709 of the House amendment, and modifications committed to conference: Cooper

S 1630 reported by Senate Environment and Public Works Committee Dec 20, 1989 (S Rpt 101-228)

S 1630 passed Senate April 3, 1990

HR 3030 reported by House Energy and Commerce Committee May 17, 1990 (H Rpt 101-490, pt I)

HR 3030 reported by House Ways and Means Committee May 21, 1990 (H Rpt 101-490, pt II)

HR 3030 reported by House Public Works Committee May 21, 1990 (H Rpt 101-490, pt III)

S 1630 passed House May 23, 1990 (House amended S 1630 to contain text of HR 3030 as amended by the House)

House insisted on its amendments and requested a conference May 23, 1990

House named conferees June 28

CHEMICAL WEAPONS

Conferees will meet on legislation (HR 3033) to control the export to countries pursuing or expanding the ability to produce or deliver chemical or biological weapons of items that would assist such countries in acquiring such ability, to impose sanctions against companies that have aided in the proliferation of chemical or biological weapons and to provide for sanctions against countries that use or prepare to use chemical or biological weapons in violation of international law

Time & room TBA date TBA

Senate Conferees: From the Foreign Relations Committee: Pell, Sarbanes, Dodd, Kerry, Riegle, Helms, Pressler, McConnell, Garn

From the Finance Committee for any provisions regarding sanctions upon imports into the United States: Bentsen, Moynihan, Baucus, Packwood, Heinz

House Conferees: TBA

HR 3033 reported by House Foreign Affairs Committee Nov 7, 1989 (H Rpt 101-334 pt I)

HR 3033 reported by House Ways & Means Committee Nov 8, 1989 (H Rpt 101-334, pt II)

HR 3033 passed House Nov 13, 1989

★ *New listing*

S 195 reported by Senate Foreign Relations Oct 17, 1989 (S Rpt 101-166)

HR 3033 passed Senate May 17, 1990 (Senate amended HR 3033 to contain text of S 195)

Senate insisted on its amendments and requested a conference May 17, 1990

Senate named conferees June 28

TRADE ISSUES

Conferees will meet on legislation (HR 1594) to revise and extend the Caribbean Basin Initiative and extend most-favored-nation status to Hungary.

Time & room TBA addl dates as needed

House conferees:

From the Ways & Means Committee, for consideration of the House amendment to the Senate amendment, and the Senate amendment, and modifications committed to conference: Rostenkowski, Gibbons, Jenkins, Downey, Pease, Russo, Guarini, Archer, Vander Jagt, Crane & Frenzel

As additional conferees, solely for the consideration of Title II of the House amendment to the Senate amendment, and for Title II of the Senate amendment, and modifications committed to conference: Pickle & Schulze

From the Agriculture Committee, for consideration of Titles VI and VII of the Senate amendment, and the Senate amendment, and modifications committed to conference: de la Garza, Volkmer, Brown of Calif, Olin, Stallings, Morrison of Wash, Bob Smith, Hergert

From the Interior Committee, for consideration of Titles VI and VII of the Senate amendment, and modifications committed to conference: Udall, Vento, Williams, DeFazio, McDermott, Young of Alaska, Craig, Denny Smith

From the Foreign Affairs Committee, for consideration of Titles VI and VII of the Senate amendment, and modifications committed to conference: Fawell, Wolpe, Gejdenson, Kostmayer, Feighan, Broomfield, Roth & Miller of Wash

Senate conferees: Bentsen, Moynihan, Baucus, Packwood, Dole

HR 1594 reported by House Ways and Means Committee June 21, 1989 (H Rpt 101-99)

HR 1594 passed House June 27, 1989

HR 1594 reported by Senate Finance Committee March 22, 1990

HR 1594 passed Senate, amended, April 24, 1990

House agreed to Senate amendment with an amendment, insisted on its amendment and requested a conference May 9, 1990

Senate agreed to a conference and named conferees May 14, 1990

CHILD CARE

Conferees will continue to meet on legislation to extend Head Start programs and programs under Elementary and Secondary Education Act to include child-care services (HR 3)

Time & room TBA addl dates if needed

Senate conferees:

From the Labor and Human Resources Committee: Kennedy, Dodd, Pell, Harkin, Adams, Mikulski, Hatch, Kassebaum, Jeffords & Coats

From the Finance Committee: Bentsen, Moynihan, Baucus, Mitchell, Packwood, Dole & Roth

House conferees:

From the Education & Labor Committee, for consideration of the House bill (except Titles III and VI), and the Senate amendment (except Titles II and III), and modifications committed to conference: Hawkins, Ford of Mich, Clay, Miller of Calif, Kildee, Williams, Martinez, Owens of NY, Hayes of Ill, Perkins, Sawyer, Payne of NJ, Lowey of NY, Unsoeld, Washington, Jontz, Goodling, Petri, Gunderson, Bartlett, Tauke, Henry, Grandy, Ballenger & Fawell

From the Ways & Means Committee, for consideration of Titles III and VI of the House bill and Title II of the Senate amendment, and modifications committed to conference: Rostenkowski, Downey, Ford of Tenn, Pease, Matsui, Kennelly, Andrews, Archer, Vander Jagt, Crane & Shaw

From the Ways & Means Committee, for consideration of Title I (except section 125) of the Senate amendment, and modifications committed to conference: Rostenkowski, Downey & Archer

From the Ways & Means Committee, for consideration of Title III of the Senate amendment, and modifications committed to conference: Rostenkowski, Jacobs, & Brown of Colo

From the Energy & Commerce Committee, for consideration of section 124 of the Senate amendment, and modifications committed to conference: Dingell, Walgren, Lent

HR 3 reported by House Education and Labor Committee July 27, 1989 (H Rpt 101-190, pt I)

HR 3 reported by House Ways and Means Committee Sept 12, 1989 (H Rpt 101-190, pt II)

HR 3 passed House March 29, 1990

S 5 reported by Senate Labor and Human Resources Committee April 12, 1989

S 5 passed Senate June 23, 1989

HR 3 passed Senate April 24, 1990 (Senate amended HR 3 to contain text of S 5)

Senate insisted on its amendment, requested a conference and named conferees April 24, 1990

House agreed to a conference and named conferees May 9, 1990

VOCATIONAL EDUCATION

Conferees will meet on legislation to reauthorize vocational education programs (HR 7).

Time and room TBA addl date TBA

Senate conferees: Kennedy, Pell, Metzenbaum, Dodd, Simon, Mikulski, Hatch, Kassebaum, Cochran, Jeffords, Thurmond

House conferees: Hawkins, Ford of Mich, Miller of Calif, Kildee, Williams, Martinez, Perkins, Hayes of Ill, Sawyer, Owens of NY, Payne of NJ, Lowey of NY, Poshard, Unsoeld, Rahall, Goodling, Fawell, Grandy, Smith of Vt, Bartlett, Gunderson, Petri, Roukema, Coleman of Mo

HR 7 reported by House Education and Labor Committee April 28, 1989 (H Rpt 101-41)

HR 7 passed House May 9, 1989

S 1109 reported by Senate Labor and Human Resources Committee Nov 21, 1989 (S Rpt 101-221)

HR 7 passed Senate April 5, 1990 (Senate amended HR 7 to contain text of S 1109)

Senate insisted on its amendments, requested a conference and named conferees April 5, 1990

House agreed to a conference and named conferees May 9, 1990

NASA AUTHORIZATION

Conferees will meet on legislation to reauthorize the National Aeronautics and Space Administration (NASA) (HR 3729).

Time & room TBA date TBA

House conferees: Roe, Nelson of Fla, Valentine, Brown of Calif, Lloyd, Glickman, Volkmer, Mineta, Torricelli, Nagle, Walker, Sensenbrenner, Lewis of Fla, Buechner, Packard, Slaughter of Va & Rohrabacher

Senate conferees: TBA

HR 3729 passed House Nov 20, 1989

HR 3729 passed Senate, amended, Nov 22, 1989

■ *Revised listing*

Conference continued...

House disagreed to the Senate amendment, requested a conference and named conferees Feb 28, 1990

DRUG PROGRAMS AUTHORIZATION

Conferees will meet on legislation (S 1735/HR 3630, HR 3550) to authorize drug control programs.

Time & room TBA date TBA

Senate conferees: Kennedy, Dodd, Pell, Hollings, Inouye, Biden, Sarbanes, Hatch, Coats, Danforth, Wilson, Helms, Gramm

House conferees:

For HR 3630: Dingell, Waxman, Scheuer, Lent, Madigan

For HR 3550 from the Judiciary Committee: Hughes, Mazzoli, Feighan, McCollum, Gekas

For HR 3550 for the Energy & Commerce Committee: Dingell, Waxman, Lent

S 1735 passed Senate Oct 5, 1989

HR 3614, HR 3630, HR 3550, HR 3611 passed House Nov 13, 1989

By unanimous consent the Senate agreed that when the House bills were received by the

Senate, all after the enacting clause was stricken, the text of S 1735 was substituted, the bills were deemed as passed and the Senate insisted on its amendments and requested a conference.

HR 3614 and HR 3611 passed the House

and Senate Nov 21, 1989

HR 3611 signed by the president Dec 13, 1989 (PL 101-231)

HR 3614 signed by the president Dec 12, 1989 (PL 101-226)

HR 3630 and HR 3550 remain in conference

Joint Committees

MIDYEAR ECONOMIC REVIEW

Joint Economic Committee (Chmn Hamilton, D-Ind) will hold a hearing to receive the Council of Economic Advisers' midyear economic outlook.

9:30am 2325 Rayburn Bldg Aug 2

Witnesses scheduled: Michael Boskin - chmn, Council of Economic Advisers; Richard Schmalensee and John Taylor - mbrs, Council of Economic Advisers

JULY EMPLOYMENT

Joint Economic Committee (Chmn Hamilton, D-Ind) will hold a hearing to receive the employment and unemployment statistics for the month of July.

9:30am 2203 Rayburn Bldg Aug 3

Witness scheduled: Janet Norwood - commr, Bureau of Labor Statistics

Other Events Future Listings

The Monitor has received notice of the following events scheduled to take place in Washington. Associations, non-profit organizations and public interest groups who wish to have events listed in the section should send pertinent information to: The Congressional Monitor, Other Events Editor, 1414 22nd St. N.W., Washington, D.C. 20037. Notices must include a telephone number. Notices may be transmitted by facsimile to 728-1862, attn: Robert Healy. Only events related to Congress can be listed. Deadline is Noon. For further information call (202) 887-8686.

TRADE NEGOTIATIONS

Economic Strategy Institute will sponsor a conference on the Uruguay Round of multilateral trade negotiations, focusing on agriculture and textiles.

8:30am to 12:15pm 1100 Connecticut Ave NW, Suite 1300 Aug 2

Contact: (202) 728-0993

Agenda:

8:30am: Coffee & donuts

9am: Textiles

Ron Sorini - USTR chief negotiator for textiles; Carlos Moore - exec vpres, American Textile Manufacturers Inst; Tomas Uribe - dir, Columbian Govt Trade Bureau, representing Internatl Textile & Clothing Bureau

MODERATOR: Robert Jerome - fellow, Economic Strategy Inst

10:45am: Agriculture

Suzanne Early - USTR chief negotiator for agriculture; David Dawson - first secy (agriculture),

Embassy of Great Britain; Graeme Thomson - minister (commercial), Embassy of Australia

Note: Space is limited and reservations are required. For reservations call Virginia Rowan at 728-0993.

Deadline is Tuesday, July 31.

ELECTRIC VEHICLES

Environmental and Energy Study Institute in cooperation with the Environmental and Energy Study Conference will sponsor a briefing for members and staff on the status and outlook for electric vehicles.

10am 2318 Rayburn Bldg Aug 3

Contact: (202) 628-1400

Participants: Ken Barber - dir, Electric Vehicle R&D Prgm, Energy Dept; Steve Plotkin - analyst, Ofc of Technology Assessment; Ben Yamagata - counsel, Electric Transportation Coalition; Chris Flavin - vpres for research, Worldwatch Inst

TRADE COMMISSION CHANGES

Women in International Trade will sponsor a luncheon meeting to hear U.S. International Trade Commission General Counsel Lyn Schlitt discuss "Transitions at the U.S. International Trade Commission."

Noon (cocktails) 12:30pm to 2pm (lunch), Natl Press Club, 521 14th St NW Aug 6

Contact: Brenda Jacobs at (202) 223-4433

Note: There is a charge for this event of \$25 for members and \$35 for non-members. For reservations call Brenda Jacobs at (202) 223-4433

CHENEY SPEECH

Women Officers Professional Association and Women in Defense will sponsor a luncheon meeting to hear from Secretary of Defense Dick Cheney.

10:45am Ritz-Carlton Pentagon City, Arlington, Va Aug 7

Contact: Denise Shafer at (703) 553-1330

Note: There is a charge for this event of \$25 for members of WOPA and WID and \$28 for non-members. For reservations send a check, made payable to Women Officers Professional Association, to:

Women Officers Professional Assn

P.O. Box 1612

Arlington, Va 22210

Deadline is August 3

AGRICULTURAL TRADE REFORM

Women in International Trade will sponsor a luncheon meeting to discuss "Agricultural Trade Reform: the Linchpin of the Uruguay Round."

Noon (cocktails) 12:30pm to 2pm (lunch) Natl Press Club Sept 14

Contact: Irene Cunanan at (202) 857-2740 or Catherine Curtiss at (202) 626-5964

Participants: Ann Veneman - dpty under secy of Agriculture; Carol Brookins - pres, World Perspective; congressional staff specializing in agriculture issues

Note: There is a charge for this event of \$25 for members and \$25 for non-members.

Status of Appropriations

Week of July 30

FULL COMMITTEE

House 225-2771; Senate 224-3471

Senate Markups scheduled:

Treasury-Postal Service	Aug 1
Military Construction	Aug 1

FY90 SUPPLEMENTAL APPROPRIATIONS

Bill No:	HR 4404
House Full Cmte reported	March 27 (HRpt 101-434)
Senate cmte reported	April 24 (SRpt 101-272)
Passed House:	April 3
Passed Senate:	May 1
Conferees appointed in House:	May 4
Conferees appointed in Senate:	May 1
Conf rpt filed:	May 23 (HRpt101-493)
Conf rpt adopted by House:	May 24
Conf rpt adopted by Senate:	May 24
Signed by the president:	May 25 (PL 101-302)

AGRICULTURE

House: 225-2638; Senate: 224-7240

Bill No:	HR 5268
House subcmte hearings completed:	March 30
House subcmte markup completed:	July 10
House full cmte rpt filed:	July 13 (H Rpt 101-598)
Senate subcmte hearings completed:	April 4
Passed House:	July 18

COMMERCE, JUSTICE, STATE, & THE JUDICIARY

House: 225-3351; Senate: 224-7277

Bill No:	HR 5021
House subcmte hearings completed:	April 3
House subcmte markup completed:	June 7
House full cmte rpt filed:	June 13 (H Rpt 101-537)
Senate subcmte hearings completed:	May 2
Passed House:	June 26

DEFENSE

House: 225-2847; Senate: 224-7255

House subcmte hearings completed:	May 8
Senate subcmte hearings completed:	June 12

DISTRICT OF COLUMBIA

House: 225-5338; Senate: 224-7236

Bill No:	HR 5311
House subcmte hearings completed:	June 28
House subcmte markup completed:	July 12
House full cmte rpt filed:	July 19 (H Rpt 101-607)
Senate subcmte markup completed:	July 24
Senate full cmte markup completed:	July 27
Passed House:	July 26

ENERGY & WATER DEVELOPMENT

House: 225-3421; Senate: 224-7260

Bill No:	HR 5019
House subcmte hearings completed:	April 4
House subcmte markup completed:	June 7
House full cmte rpt filed:	June 13 (H Rpt 101-536)
Senate subcmte hearings completed:	May 3
Senate subcmte markup completed:	July 18
July 19 (S Rpt 101-378) Passed House:	June 19

FOREIGN OPERATIONS

House: 225-2041; Senate: 224-7209

Bill No:	HR 5114
House subcmte hearings completed:	April 4
House subcmte markup completed:	June 13
House full cmte rpt filed:	June 21 (H Rpt 101-553)
Passed House:	June 27

INTERIOR

House: 225-3081; Senate: 224-7233

House subcmte hearings completed:	May 23
House subcmte markup completed:	July 24
Senate subcmte hearings completed:	June 12

LABOR/HHS/EDUC

House: 225-3508; Senate: 224-7283

Bill No:	HR 5257
House subcmte hearings completed:	May 1
House subcmte markup completed:	June 20
House full cmte markup completed:	July 12 (101-591)
Senate subcmte hearings completed:	June 27
Passed House:	July 19

LEGISLATIVE BRANCH

House: 225-5338; Senate: 224-7338

Bill No:	HR 5399
House subcmte hearings completed:	Feb 8
House subcmte markup completed:	July 24
House full cmte rpt filed:	July 30 (H Rpt 101-648)
Senate subcmte hearings completed:	April 6
Senate full cmte rpt filed:	

MILITARY CONSTRUCTION

House: 225-3047; Senate: 224-7255

Bill No:	HR 5313
House subcmte hearings completed:	March 29
House subcmte markup completed:	July 11
House full cmte rpt filed:	July 19 (H Rpt 101-608)
Senate subcmte hearings completed:	April 2
Senate full cmte markup scheduled:	Aug 1
Passed House:	July 30

TRANSPORTATION

House: 225-2141; Senate: 224-7245

Bill No:	HR 5229
House subcmte hearings completed:	April 26
House subcmte markup completed:	June 19
House full cmte rpt filed:	July 10 (H Rpt 101-584)
Senate subcmte hearings completed:	May 16
Senate subcmte markup completed:	July 26
Senate full cmte markup completed:	July 27
Passed House:	July 12

TREASURY/POSTAL SERVICE

House: 225-5834; Senate: 224-6280

Bill No:	HR 5241
House subcmte hearings completed:	April 4
House subcmte markup completed:	June 13
House full cmte markup completed:	July 11
House full cmte rpt filed:	July 11 (H Rpt 101-589)
Senate subcmte hearings completed:	May 23
Senate subcmte markup completed:	July 31
Senate full cmte markup scheduled:	Aug 1
Passed House:	July 13

Appropriations continued...

VA, HUD & INDEPENDENT AGENCIES

House: 225-3241; Senate: 224-7211

Bill No: HR 5158
 House subcmte hearings completed: May 3
 House subcmte markup completed: June 12
 House full cmte reported: June 26 (HRpt 101-556)
 Passed House: June 28

House Floor Action

Week of July 30

Monday, July 30:

HR 5315 FY91 Military Construction approps passed 312-82
 Under suspension of the rules
 HR 2921 Prohibit certain practices involving the use of telephone equipment for advertising and solicitation purposes passed by voice
 HR 2965 Require secy of Commerce to make addl frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies passed by voice
 HR 293 Direct Secy of Health and Human Services (HHS) to promulgate fire safety standards for cigarettes passed by voice
 HR 4638 Revise the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and the Orphan Drug Act passed by voice
 HR 4437 National Health Service Corps passed by voice
 S 2461 Drug Treatment Waiting Period Reduction Grant Program Reauthorization and Improvements Act passed by voice
 HR 3562 Prescribe nutrition labeling for foods passed by voice
 HR 5084 Authorize the National Park Service to acquire and manage the Mary McLeod Bethune Council House National Historic Site passed by voice
 HR 3493 Authorize a study on methods to commemorate the nationally significant highway known as Route 66 passed by voice
 HR 2949 Authorize study of nationally significant places in American Labor History passed by voice
 S 1230 Authorize the acquisition of addl lands containing Indian burial grounds for inclusion in Knife River Indian Villages Natl Historic Site, ND, and provide addl development funding for the historic site visitor center passed by voice
 S 1524 Designate segments of the Pemigewasset River in NH for study as a Natl Wild and Scenic River passed by voice
 S 1046 Designate the Merrimack River in NH as a river to be studied for inclusion in the Natl Wild and Scenic Rivers System passed by voice

HR 4498 Direct the secretary of the Interior to establish and implement emergency interim operational criteria at Glen Canyon Dam passed by voice
 HR 3687 Authorize the Colonial Dames at Gunston Hall to establish a memorial to George Mason in DC passed by voice
 H J Res 183 Natl Fire Academy in Emmitsburg, Md passed by voice
 HR 2575 Establish a congressional commemorative medal for members of the Armed Forces who were present during the attack on Pearl Harbor on December 7, 1941 passed by voice
 HR 4983 Change in programs under which awards may be made to federal employees for superior accomplishment or cost savings disclosures and for other purposes passed by voice

Tuesday, July 31:

HR 5355 Increase the statutory limit on the public debt passed 221-205
 HR 1180 Omnibus Housing Act continued consideration
 Under suspension of the rules
 HR 5401 Improve the enforcement of criminal laws relating to banking, facilitate the recovery of assets of failed financial institutions, increase existing penalties and provide new penalties for offenses involving financial institutions passed 424-4

Wednesday, August 1:

HR 3950 Food and Agricultural Resources Act continue consideration
 HR 1180 Omnibus Housing Act continue consideration (if not completed Tuesday)
 HR 5170 Reauthorize Airport and Airway Improvement Act may continue consideration

Thursday, August 2 &

Friday, August 3:

HR 4000 Civil Rights Act begin consideration (subject to a rule)
 HR 5399 FY91 Legislative approps begin consideration
 HR 1465 Conf Rpt: Oil Pollution Liability and Compensation Act begin consideration

House Floor*continued...***Outlook**

At the close of the week's business the House is scheduled to adjourn for the August recess. However, if debt limit legislation has not cleared by then the adjournment may be delayed.

Senate Floor Action**Week of July 30****Monday, July 30:**

- S 137 **Campaign Finance revision**
[continued from May 18]
RULES COMMITTEE amendments, withdrawn
MITCHELL (for BOREN) substitute amendment 2432, pending at recess
McCONNELL amendment 2433 to MITCHELL (for BOREN) substitute amendment 2432 to strike provisions relating to taxpayer funding of Senate campaigns, rejected by 46-49 (modified)
[continued July 31]
- S Res 293 **Concerning Polish debt reduction**
FOREIGN RELATIONS COMMITTEE amendments, agreed to by voice
BOREN (for SIMON) substitute amendment 2434, agreed to by voice
BOREN (for SIMON) amendment 2435 to amend the preamble, agreed to by voice
S Res 293, as amended, agreed to by voice
- HR 3086 **Grant appeal rights to mbrs of the excepted service affected by adverse personnel actions**
GOVERNMENTAL AFFAIRS substitute amendment, agreed to by voice
BOREN (for PRYOR) amendment 2436 to specify employees who may appeal certain personnel actions to the Merit Systems Protection Board, agreed to by voice, HR 3086, as amended, passed by voice

- HR 5040 **Extend the authorization of appropriations for the Tribally Controlled community Assistance Act of 1978 and the Navajo Community College Act**
BOREN (for INOUE-PRESSLER) substitute amendment 2437, agreed to by voice
HR 5040, as amended, passed by voice
- HR 293 **Direct the secretary of Health and Human Services (HHS) to promulgate fire safety standards for cigarettes passed by voice**
HR 293 is now cleared for the president.

Tuesday, July 31:

- S 137 **Campaign Finance revision** continued consideration

Wednesday, August 1:

- S 137 **Campaign Finance revision** continue consideration

Thursday, August 2 &**Friday, August 3:**

- Schedule is uncertain following completion of action on S 137. Majority leader Mitchell has announced that he would like to take up the following bills before the August recess begins:
- S 2884 **Defense Authorization**
HR 5019 **FY91 Energy & Water approps**
HR 5355 **Debt limit**

CQ
EXEU-20500-00A 20500
WHITE HOUSE OFFICE
PATTY PRESCOTT WHH-1ST FL WW
EXECUTIVE OFC OF THE PRESIDENT
CQ
WASHINGTON DC
CQ



CONGRESSIONAL MONITOR



A Publication of

Congressional Quarterly Inc.
1414 22nd Street, N.W.
Washington, D.C. 20037

daily

golf cancelled

Document Originally
Attached to
Following Page

THE WHITE HOUSE
WASHINGTON

Wednesday, August 1, 1990
2:40 pm

Sir:

Secretary Brady called. He said that Sam Nunn would be available to play golf on Sunday UNLESS the Senate is in session.

Bridget

Reminder
need 4th

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Note	From staff to Bruce Re: death of Colonel Dick Malvesti [redaction] (1 pp.)	08/01/90	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Wednesday, August 1, 1990

Date Closed: 7/9/2010	OA/ID Number: 90555-006
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)]

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

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.

(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

1 August, 1990

Bruce:

This note is per our discussion concerning Colonel Dick Malvesti. He was killed in a parachute accident at Fort Bragg, NC the night of 26 July. At the time he was the Director for Operation (J-3) for the Joint Special Operations Command at Fort Bragg. As you know he did quite a bit of work supporting us at the White House. He worked closely with the Secret Service and the Military Office on contingency planning and protective techniques. [REDACTED]

(b)(7)(e)

His pertinent information is as follows:

Colonel Richard (Dick) J. Malvesti
DOB: 11 November, 1945
Died: 26 July, 1990
Wife: Carol S. Malvesti
Daughters: Michele (19 years old)
Daniele (16 years old)

Charlie Horvath is preparing a condolence letter. I will be accompanying a group from the Secret Service to the funeral and will pass the President's letter to Mrs. Malvesti.

(b)(7)(c), (b)(7)(e), (b)(7)(f)

Presidential Phone Calls



DATE: 8-1-90

TIME: 10¹⁵
incoming/outgoing

WITH: Sec Brady

SUBJECT: Budget

1) thoughts meet met well

2) Neut called him

Brady told him to lead
or not. referred to Neut
Press

Neut called Brady cause

FOLLOW UP: John S. told met not
criticize President.

THE WHITE HOUSE
WASHINGTON

8:10 a.m.
8/1

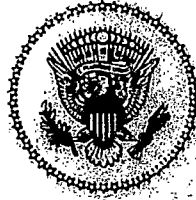
Sir:

Nick Brady stopped by.

Asked that you call him when
you have a minute.

Patty

Presidential Phone Calls



DATE: 8-1-90

TIME: 1:42
Incoming/outgoing

WITH: Iacocca

SUBJECT: _____

① called to say I accept
Ellis

② In our small way sent

auto business - dealing with

Fiat - don't want to

sell out to Japanese -

But might merge with Chrysler

^{GOS}
FOLLOW UP: They are prostrate

BPB run into her - I've her

your "instructions" are right

Presidential Phone Calls



DATE: 8-1-90

TIME: 10:25
incoming/outgoing

WITH:

Sen. Byrd

SUBJECT:

if it comes back to
Senate as quota

511 vote vs. Conf.

Report "E71 call

House Members"

Will call away Dennis (W4)

in House to support

La Falce

FOLLOW UP:

Will call me back!!

Bush Presidential Library Photocopy

WEDNESDAY
AUGUST 1, 1990
3:15 p.m.

CONGRESSMAN LARRY HOPKINS

BRITT HUME

FLOYD WILLIS (EPS Officer)
(Assigned to oval office
for past year and half)

~~1 copy~~
for our daily
file

Presidential Phone Calls



DATE: 8-1-90

TIME: 5:30
incoming/outgoing

WITH: Sen Byrd

SUBJECT: returning call
of civil rights

contacted 2 of 4
feel good on:
a) Molihan
b) Rahall
for other two

FOLLOW UP: _____

Bush Presidential Library Photocopy

THE WHITE HOUSE
WASHINGTON

DATE:

8-1

FROM THE PRESIDENT

TO:

P

Delivered ^{7:40} AM

8-1-

State Dining
Room

Bush Presidential Library Photocopy.

Bush Library Photocopy
George Bush Handwriting

COFFEE WITH REPUBLICAN MEMBERS OF CONGRESS
STATE DINING ROOM
AUGUST 1, 1990 7:30 A.M.

THANK YOU ALL FOR COMING DOWN THIS MORNING, AND ON SUCH SHORT NOTICE. BEFORE YOU HEAD FOR PARTS UNKNOWN DURING THE RECESS, I WANTED TO TALK TO YOU A LITTLE ABOUT THE CIVIL RIGHTS BILL AND THE BUDGET SUMMIT.

ON CIVIL RIGHTS, I'VE SAID REPEATEDLY THAT I SUPPORT AND WILL SIGN A CIVIL RIGHTS BILL, BUT I WILL NOT -- I REPEAT -- I WILL NOT SIGN A QUOTA BILL. THE BILL THAT CAME OUT OF THE SENATE IS ^{STILL A QUOTA BILL} ~~JUST THAT~~, DESPITE EFFORTS ON THE PART OF MANY REPUBLICAN SENATORS TO MAKE IT A CIVIL RIGHTS BILL.

THE BILL THAT CAME OUT OF THE HOUSE EDUCATION AND LABOR COMMITTEE AND THE JUDICIARY COMMITTEE IS NO BETTER THAN THE SENATE BILL. HERE, TOO, WE TALKED TO THE DEMOCRATIC LEADERSHIP, THE COMMITTEE CHAIRMEN, AND COULDN'T GET THEM TO BUDGE ONE INCH ON QUOTAS AND REMEDIES.

FORTUNATELY, WE HAVE WORKED SUCCESSFULLY TOGETHER WITH A NUMBER OF OUR HOUSE REPUBLICANS AND SOME OF YOUR DEMOCRATIC COLLEAGUES. THE RESULT IS A BIPARTISAN SUBSTITUTE THAT I COULD SIGN, AND ONE, I MIGHT ADD, THAT THE BUSINESS COMMUNITY SUPPORTS.

IT'S A GOOD BILL. SO GOOD IN FACT THAT THE HOUSE
DEMOCRATIC LEADERSHIP IS AFRAID THE VOTES ARE THERE TO PASS
THIS SUBSTITUTE. AS A RESULT, THEY'VE BEEN PLAYING GAMES WITH
BOTH THE RULE AND THE SCHEDULE. *Michael - La Folle - Gooding -*

THEY ARE GOING TO OFFER AMENDMENTS THAT PROVIDE "COVER"
FOR MEMBERS WHO ARE THINKING OF VOTING WITH US. BUT THOSE
AMENDMENTS DO NOT ADDRESS THE PROBLEMS WITH THIS BILL. *Hyde*

Bush Library Photocopy
George Bush Handwriting

I WANT TO URGE ALL OF YOU - AND I KNOW THERE ARE 10 OR SO OF YOU HOUSE MEMBERS WHO ARE NOT YET WITH US - TO SUPPORT THE MICHEL-LAFALCE-GOODLING-HYDE SUBSTITUTE. WE CAN WIN THIS FIGHT, BUT I NEED YOUR HELP.

THAT MEANS NOT ONLY YOUR VOTE, BUT ALSO YOUR HELP IN CONVINCING YOUR COLLEAGUES TO SUPPORT THE SUBSTITUTE. TOGETHER THESE CHANGES ARE THE DIFFERENCE BETWEEN A QUOTA BILL MASQUERADING AS A CIVIL RIGHTS BILL, AND A BILL THAT I CAN SIGN.

keep for our daily files

thanks

p.

Document Originally
Attached to
Following Page

THE WHITE HOUSE

WASHINGTON

Talking Points for Coffee with
Republican Members of the House and Senate

169 million
Sol's
231 with

- o Regarding the budget, the Democrats are passing bills that would increase the deficit rather than reduce it. It is clear that they will leave without having done the job to reduce the deficit.
- o A \$100 billion sequester should not be anyone's first choice. Congressional enactment of a more responsible, five-year deficit reduction program is clearly preferable.
- o That is why I convened a budget summit. That is why I offered to the summit negotiators what remains the only detailed deficit reduction plan yet put on the table. That is why I agreed to offer a further deficit-reduction plan just ten days ago - if the Democratic negotiators would offer just one plan, and exchange it with us.

In fact we felt there was a total misunderstanding in this

Last week, we informed the Democratic leadership that we were ready to exchange plans as the Democratic leaders suggested. They did not respond. Again this week, we informed them that we were ready. We are still waiting for a Democratic proposal. *We*

- o Their plan seem to be: leave town for vacation.
- o The disruptive effects of deep across-the-board cuts lie ahead - if the Congress does not act responsibly.
- o If the Democrats really care about preserving economic growth and essential public services, the Democratic negotiators must offer a deficit reduction plan before leaving for vacation.
- o Our negotiators remain ready to meet at any time, anywhere, to exchange serious deficit reduction proposals with the Democratic negotiators.
- o I hope budget negotiations will move forward in good faith. They should intensify in early September at the very latest. The Congress - before adjourning for recess - must set a firm date in September for an up-down vote on a summit agreement.

Bush Presidential Library Photocopy

- o And just so everyone's cards are on the table, I will veto any spending bill that exceeds the budget I have proposed. Until the Congress enacts a responsible, five-year program for economic growth and deficit reduction.

And if the Democratic in Congress fail to act by October 1, it is they who will have to bear the responsibility for the consequences.

- o I need the support of each and every one of you. We must stand together if we are going to get some action on a sensible deficit reduction plan.

That is the message I will make sure is heard over the next few weeks, until serious negotiations are resumed again. I believe the public does care that the democrats have led congress into this deficit swamp and should know that *Democrat* failure is the cause of the crunch of Sequester.

- o Thanks for coming, and have a safe, happy recess.

With Your Help

Chronology of Significant Events in S&L Deregulation

o Prior to 1989, Congress had provided that every major regulator except the Comptroller of the Currency would be an "independent" agency, accountable primarily to Congress:

Federal Home Loan Bank Board
Federal Reserve Board
Federal Deposit Insurance Corporation
Federal Savings and Loan Insurance Corporation
Securities and Exchange Commission
Commodities Futures Trading Corporation
National Credit Union Administration

daily

o During the 1970's, money market mutual funds offering market interest rates began drawing funds away from banks and thrifts where interest rates were capped at low levels under "Regulation Q." Because of the very high inflation and interest rates during the Carter Administration, this "disintermediation" accelerated dramatically during the late 70's.

✓ o At the same time, because thrift assets were limited primarily to low interest-rate home mortgages, this high inflation had produced an overall negative net worth in the thrift industry before 1980.

o In 1980, President Carter proposed, and a Democratic Congress passed, the Depository Institutions Deregulation and Monetary Control Act (DIDMCA). Principal features:

- ✓ o Provided for the phased deregulation of interest rates in savings and checking accounts
- ✓ o Provided S&Ls with greater discretion in making loans, holding commercial paper, and offering credit cards
- ✓ o Increased deposit insurance from \$40,000 to \$100,000 per account (this provision was added in Conference, without the scrutiny of the usual legislative process)

o Also in 1980, the independent Federal Home Loan Bank Board loosened restrictions on thrifts' use of brokered deposits.

o In 1982, Congress passed the Garn-St. Germain Depository Institutions Act. Building on the Carter Administration's DIDMCA initiative, the new law expanded the ability of thrifts to make commercial loans and increase their consumer lending. In addition, the new law fully deregulated interest rates on savings and checking accounts.

o In 1982, the independent Home Loan Bank Board adopted new regulatory accounting rules that concealed the insolvency of many thrifts. In 1982 and 1983, the Board also eased or eliminated

many restrictions on the ability of thrifts to invest directly in real estate and to engage in commercial lending.

- o By late 1984, FSLIC was experiencing high rates of staff turnover at Federal civil service pay scales. In July 1985, the Bank Board solved this problem by delegating examining responsibility to the district Federal Home Loan Banks (which could pay examiners competitive salaries).

- o In 1984, the Bush Task Group on Regulation of Financial Services recommended a comprehensive reform of the regulatory apparatus. Highlights included:

- o More effective regulation through the elimination of archaic and overlapping regulatory structures, and making the reformed structure more accountable to the President.
- o Uniform capital and accounting standards to end low capital levels and phony accounting standards in the thrift industry - the Report noted that low capital levels encouraged insured institutions to engage in high-risk speculative activities.
- o Strengthening the FDIC's ability to oversee deposit insurance, and authorizing it to institute risk-based insurance premiums - the Report noted that the current flat-rate premium system forced prudently managed institutions to subsidize high risk institutions.

In early 1985, a working group of President Reagan's Cabinet Council on Economic Affairs published a report adopting the main elements of the Bush Task Group recommendation. In early 1987, legislation to implement the Task Group proposals was introduced by the Administration, but the Democratic Congress refused to move the legislation.

- o In early 1986, the Reagan Administration asked Congress for \$15 billion to recapitalize FSLIC, which was insolvent. The request encountered strong opposition, especially from Speaker Jim Wright. More than two years later, Congress finally enacted a bill providing:

- o only \$10.8 billion in recapitalization (28% less than the Administration had requested 2 years earlier)
- o "statutory forbearance" provisions not sought by the Administration -- these provisions required the use of phony "regulatory accounting" and permitted thrifts in "depressed areas" to operate with capital of less than one-half of one percent of assets

- o new reductions (opposed by the Administration) in the President's ability to control spending by the bank and thrift regulatory agencies

The delay in recapitalizing FSLIC prevented regulators from closing insolvent institutions before their losses ballooned. The "statutory forbearance" provisions had similar effects.

Note: The House of Representatives' Special Outside Counsel who investigated Speaker Wright found that Wright:

- o on at least one occasion took the FSLIC recapitalization bill off the House calendar in order to pressure the Bank Board into altering its position on a matter affecting a major Dallas real estate syndicator
- o sought to have at least two federal regulators removed from office
- o intervened on behalf of a Democratic Party official who had been banned from the thrift industry for engaging in regulatory violations and unsound practices.

The House ethics committee did not regard any of this as evidence of undue influence because: "The assertion that the exercise of undue influence can arise based upon a legislator's expressions of interest jeopardizes the ability of Members effectively to represent persons and organizations having concern with the activities of executive agencies."

- o In 1989, President Bush proposed the legislation that became FIRREA. The President also asked for an immediate supplemental appropriation for DOJ bank fraud investigations, but the Democratic Congress refused to act on this request.

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL FOR THE PRESIDENT

TO: Congressman John LaFalce (D-NY)

DATE: August 1, 1990

FROM: Frederick D. McClure *fm*

PURPOSE: To discuss the Michel/LaFalce substitute that the Rules Committee has scheduled to make in order today.

BACKGROUND: Representative LaFalce has worked with Henry Hyde (R-NY), Bill Goodling (R-PA) and others to fashion a reasonable compromise we can support on the civil rights bill. What is now being called the Michel-LaFalce substitute is expected to be made in order today in a Rules Committee hearing. If we can get an up or down vote on it, we think we have a chance of winning. The Democratic leadership is becoming increasingly concerned about the substitute, and as a result they are now considering amendments to their own bill to pull support from LaFalce.

The substitute is similar to the Kassebaum bill on the Senate side and has broad support in the business community.

As you can imagine, as this substitute has gained support, Representative LaFalce has been under significant and increasing pressure from the Democrats. We believe he needs "bucking up" at this critical juncture and that he will respond very favorably to encouragement from you.

TALKING
POINTS:

- Your willingness to sit down with Henry Hyde, Bill Goodling and us to fashion a good civil rights bill is appreciated. You are doing the right thing and I applaud you for it.
- I can sign your bill because it handles the quota problem and largely resolves the remedies issues.

- I know you are under pressure and I know your leadership is looking at amendments to their bill. Let me tell you, John, these amendments are merely "cover" that don't do the job.
- I understand you have a lot of business support for your bill because of what you've done in the area of employment practices and remedies.
- Again, I congratulate you for acting responsibly and for putting together this winning coalition: now let's hope you can get an up or down vote on it.

DATE OF
SUBMISSION: August 1, 1990

ACTION:

Wednesday
August 1, 1990
12:30

*called him
+ hauled him
1/2 8-1*

PHONE CALL FROM PRESCOTT BUSH

The Blue fish mystery has been solved. You are fishing at the wrong time. The fellow who runs the Mobile station at Kport told Prescott that they catch lots of blue fish at 6 a.m. in the morning. Pres thinks you should talk to him.

No need to call Pres back. They're leaving tomorrow. Pres will be back to work on Friday.

Patty Presock

8-1-90 /daily

2

- (1) The Congress will soon be leaving for its August recess. It is clear that they will leave without having done the job that needs to be done to reduce America's growing debt and deficit. They are marking up bills that would increase the deficit rather than reduce it. They have passed no budget. They have offered no plan to meet their obligation to produce a responsible budget.
- (2) If we continue on the current Congressional path, we will have to impose automatic across-the-board program cuts of \$100 billion -- so-called "sequester" -- starting October 1. That is a fail-safe mechanism built into the law. It is clumsy. But it is the only discipline we have left if Congress fails to do its job.
- (3) A \$100 billion sequester should not be anyone's first choice. It would mean cuts in virtually everything the government touches -- from air traffic control to drug abuse prevention; from military readiness to the prevention of contagious disease. Congressional enactment of a more responsible, five-year deficit reduction program is certainly to be preferred.
- (4) That is why I convened a budget summit. That is why I offered to the summit negotiators what remains the only detailed deficit reduction plan yet put on the table. That is why I agreed to offer a further deficit-reduction plan if the Democratic negotiators would offer just one plan -- and exchange it with us.
- (5) Our revised plan is ready. We are ready to exchange it with the Democrats in the context of the summit negotiations -- as the Democratic leaders suggested.
- (6) But though our revised plan is ready, we have waited in vain for a Democratic proposal. Their plan seems to be: to leave town for vacation.
- (7) But, as I have warned before: Economic growth is not as secure as it should be. Financial markets reflect some nervousness. The disruptive effects of deep cross-the-board cuts lie ahead -- if the Congress does not act responsibly. This is no time for business as usual.
- (8) If the Democratically-controlled Congress really does care about preserving economic growth and essential public services, the Democratic negotiators ought at least to offer one deficit reduction plan before leaving for vacation. [If they refuse to take even this small step, they will have to bear the brunt of responsibility for whatever unattractive consequences may follow.]

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

8/1/90

keep here in our daily files

(Brit Hume ran w/ POTUS today and
they discussed the attached ...this
is a follow-up note from Britt)

p.

Document Originally
Attached to
Following Page

1 August

fyi p.

Dear Mr. President,

As the attached will strongly indicate, Alice's quote was about GOP members of Congress, not the White House or the President.

Also, please note what Mr. Gingrich said. I think that was the source of the trouble.

The paraphrase of Alice is not borne out by the quote.

Best,

BT

SEQ. SLUG

WIRE CATALOG

PRIORITY WORDS DATE

TIME

8810 PM-Budget, 2nd Ld-Wr AP WASHINGTON RUSH 1558 08/01/90 09:44:00
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Bush Says Democrats Have 48 Hours To Offer Deficit Plan

By ALAN FRAM

Associated Press Writer

WASHINGTON (AP) - An irate President Bush told Republican lawmakers today he is giving the Democrats 48 hours to put a deficit-reduction plan on the table.

Bush vowed to veto spending bills and force Congress to live with a sequester, or deep automatic cuts, if the lawmakers fail to come to terms on a plan to slash \$500 billion from the deficit over the next five years, GOP leaders said.

Bush has been under increasing pressure from members of his own party to turn the heat up on Democrats, who have yet to outline their own spending proposals. The White House laid out its tax increase plans last week.

White House deputy press secretary Alixe Glen said Bush told about 150 Republican members of the House and Senate that he would give the Democrats 48 hours to come up with a budget-cutting plan.

If that doesn't happen, she said, "You can assume that when the GOP lawmakers go home they won't be shy about the foot-dragging we've seen by the Democrats about finding a credible solution to the budget deficit."

"We're not going anyplace until (the Democrats) get some numbers on the table," said House Minority Leader Bob Michel of Illinois. Bush is "certainly not going to keep his trap shut all during August."

"I think that the first phase of the summit has collapsed," said Rep. Newt Gingrich of Georgia, the No. 2 House Republican.

Bush and the Republicans held out hopes of reviving the budget negotiations in early September after Congress returns from its summer vacation.

But unless the Democrats put a plan on the table by Friday, there will be no agreement before Congress takes its recess next week, they said.

"The president said he hoped the Democrats would submit a plan by Friday," said Gingrich. But if they don't, then "obviously any agreement to not talk in public has no meaning," he said.

"He hopes to bring everybody back in early September and have serious negotiations," said Gingrich. But "he'll veto spending bills across the board if they're above his spending request. He will sustain a sequester until Congress passes a five-year agreement and not let the Congress get out of sequester."

The White House previously has estimated that without a budget agreement, the Gramm-Rudman law could inflict automatic cuts of \$100 billion or more on many federal programs in October.

About 150 of the 176 House Republicans and 45 GOP senators attended the strategy session with Bush over coffee at the White House, participants said.

Michel said, "He's a very kind, gentle individual, but, brother, he's got fire in his belly over ... the summit negotiations, where we're getting nowhere and he takes all the

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growing for him much as Reagan had, in which our members want to
.ETX

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GINGRICH-08/01/90

2-2

WHITE HOUSE DRIVE

.STX

help the President succeed because they truly like George Bush. And I think that George Bush is truly an extraordinarily decent man. I think he is extremely patient with the Democratic leadership. I think that he essentially was saying this morning that if they don't turn in a plan by Friday, if they don't start meeting their responsibilities, that beginning in August, he's going to communicate to the country who is responsible for control of the Congress, which is the Democratic leadership, and what they've been doing on spending bills, on appropriations bills.

Q Will he keep the Congress in? What do you tell the American people when you've highlighted the deficit as so important, the budget negotiations, and then you go off for recess? The President goes up to Kennebunkport, and you --

REP. GINGRICH: Well, I think what you've got to say is that the people in charge of the House and Senate are determined not to accomplish anything.

President Bush

Hme

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daily file

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White House New Summary

Wednesday, August 1, 1990 -- A-3

Budget Summit Creeps Along; Schedule Is Near

Day 83 of the budget summit produced no agreement to reduce the deficit, but negotiators reported progress. They decided to set a schedule, maybe Wednesday or Thursday.

"We talked today about the question of whether to try to proceed now or whether to proceed on a definite time schedule in September. No final decision has been made on that," Rep. Gephardt said after he and other congressional leaders met for an hour with President Bush. "We ought to have something on that, probably tomorrow, maybe the next day."

"There's progress," said Deputy White House Press Secretary Glen. "It's just whether it's in millimeters or inches."

(Frank Murray, Washington Times, A4)

Bush, Democrats Seek To Set Dates For Deficit Votes

President Bush and top congressional Democrats, surrendering any hope of reaching a deficit-reduction accord in August, are inching toward agreement to try to negotiate a pact immediately after Labor Day.

A White House official said President Bush and top congressional Democrats Tuesday tentatively agreed to set firm dates in September for floor votes on an agreement, even though they haven't reached one. But some Democratic budget negotiators are resisting what Sen. Fowler termed making any "agreement to agree" on spending cuts and tax increases.

(David Wessel & Michel McQueen, Wall Street Journal, A16)

BUSH PLAN TO LIMIT STATE, LOCAL TAX DEDUCTIONS MAY BE DEAD

An idea floated by the Administration to limit the amount of state and local taxes that can be deducted from federal taxes may never make it to the budget negotiating table.

"I don't know if the body's gone to the morgue yet but it's not doing too well," Rep. Panetta said of the still-unofficial Administration proposal....

"I've not heard any support expressed for it so far," added Sen. Sasser.

Sen. Durenberger...said on the Senate floor that President Bush, like President Reagan before him, "would like to get rid of deductibility entirely" and urged budget negotiators to reject the plan....

"This is just the start. Once state and local deductibility is cut back for some, it won't be long before more and more taxpayers are hit," said Sen. Roth last week....

An aide to a Democratic budget negotiator said the idea may still have a chance. The Democratic aide, who requested anonymity, said there was "a reasonably good chance that there will be limits on all deductions...for rich people" in a deficit reduction agreement between Congress and President Bush. He said budget negotiators may also limit charitable and home mortgage interest deductions for wealthier Americans.

(Bud Newman, UPI)

NO-

From the desk of
George Bush



TO
AG
today
✓ done
budget
8/1
—

Bush Presidential Library Photocopy

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Bush Library Photocopy
George Bush Handwriting



Department of Justice

*Thanks for sending
Dick — his
me this
From this 1st baseman
who threw out the 1st
ball with thanks!!
Good speed*

"BOX SCORE ON THE SAVINGS AND LOANS"

REMARKS

BY

DICK THORNBURGH
ATTORNEY GENERAL OF THE UNITED STATES

TO THE
NATIONAL PRESS CLUB

WASHINGTON, D.C.
WEDNESDAY, JULY 25, 1990

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

BY MESSENGER

The Honorable Richard L. Thornburgh
The Attorney General
U.S. Department of Justice
Constitution Avenue and 10th Street, NW
Washington, D.C.

From the desk of
George Bush



TO
AG
today ✓



THE PRESIDENT

August 1, 1990

Dear Berta,

Thanks so much for the "Mickey Mouse" golf balls. I'm delighted to have them and you can be assured they will be put to good use.

With best wishes,

Does Mickey
hook, slice, or 4 putt
I have not!

Sincerely, *Barack*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Ms. Berta Maginniss
Regional Sales Manager
Walt Disney World Meeting Resources
655 Fifteenth Street, NW
Suite 300
Washington, D.C. 20005

bcc: Gift Unit

1 package (1 dozen)
Mickey Mouse Golf Balls
Titleist
(by Mickey Mouse Productions)

4 boxes of 3 balls
POTUS gave 1 box of 3 balls to
General Scowcroft --others were taken
to the Residence

bcc: Jan

THE WHITE HOUSE
Office of the Press

Bridget Montagne
West Wing

PRESS BRIEFING
BY
DEPUTY PRESS SECRETARY ROMAN POPADIUK

August 1, 1990

The Briefing Room

10:44 A.M. EDT

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11:25 A.M. EDT
#232-08/01

THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY
DEPUTY PRESS SECRETARY ROMAN POPADIUK

August 1, 1990
The Briefing Room

10:44 A.M. EDT

MR. POPADIUK: Good morning, everyone.

THE PRESS: Good morning Roman. (Laughter.)

Q All right.

MR. POPADIUK: It worked. It worked. (Laughter.)

Okay, I got "Mr. Budget" here. I'm safe now.

Q Ooooooh.

Q Hey, you bailed him out the other day, you know.

MR. POPADIUK: Let me just briefly go through the schedule. I don't have any announcements. And then we'll just go to questions.

Q You don't have any -- (laughter.)

MR. POPADIUK: (Laughter.) Wrong. At 7:30 a.m. this morning the President met with the House and Senate Republican members in the State Dining Room. At 8:15 a.m., intelligence briefing; 8:30 a.m. the national security briefing, 9:00 a.m. --

~~Q~~ Moving right on --

MR. POPADIUK: -- 9:00 a.m. meeting with the Governor. The rest of the day is spent in internal decision-making staff time. So the President will be working. There are no public appearances.

Q What will he be making decisions on?

MR. POPADIUK: All the great issues of domestic and foreign affairs. He'll be going over those.

Q Thanks. Bye.

Q Well, I guess that's all we need to know.

MR. POPADIUK: That's about it.

Q How about his summit?

MR. POPADIUK: One at a time here.

Q Is he going to turn up in the Briefing Room to discuss perhaps the budget or anything else?

MR. POPADIUK: There are no plans for the President to speak on the budget today.

MORE

#232-08/01

Q Why?

MR. POPADIUK: What?

Q Why? Is it because the negotiations are in a delicate stage? (Laughter.)

MR. POPADIUK: Brit, I'm glad you raised that line. Let me just give you a brief readout of this morning's meeting. As I mentioned at the outset of going over the schedule, the President met this morning at 7:30 a.m. in the Residence with -- in State Dining Room with House and Senate Republicans. He invited them down to discuss the -- and as the session was wrapping up to go over various issues, it was an informal setting. Coffee and donuts were served.

The President spoke of the civil rights bill in the House. He reiterated his strong desire to sign a civil rights bill and made it clear the House bill remains a quota bill. He expressed support for the bipartisan alternative, the Michel-LaFalce amendment.

On the budget, the President reiterated the critical nature of the need to reduce the deficit. And he also pointed out the reality of the Gramm-Rudman-Hollings sequester if an agreement is not reached. He once again expressed his commitment to keeping the summit talks moving in the hope of getting an agreement. He said we have been dealing with the Democrats in good faith. We have a plan we are prepared to share with them when they present theirs. They have not yet done so. He stated his expectation that the talks will intensify in September when the Congress returns from its recess, and stated that the sequester is a reality he will enforce if no agreement is reached.

The President made it clear that he is going to veto any spending bills that come to him that exceed his budget requests unless we get a viable five-year agreement and urge Republican members of the House and Senate to support his efforts to get a budget agreement and control spending.

The President also praised the Republican leadership for their steadfast efforts in the negotiations. And I want you to get your pens ready here. The President's remarks were greeted with sustained applause -- (laughter) -- that clearly reflected --

Q By members of the White House.

MR. POPADIUK: -- strong support for his leadership in the budget negotiations. (Laughter.) The members --

Q Could you repeat that?

MR. POPADIUK: Oh, yes, I'll be happy to. (Laughter.) We'll put that out as a separate statement.

Q What was the decibel level?

MR. POPADIUK: The members have clearly not forgotten that it was the President who called for the summit, that he has been personally involved in the negotiations whenever needed, and has remained committed to getting a credible agreement despite the slow progress to date.

That's a readout of today's breakfast. I'll be happy to take questions.

Q Roman, in addition to his praising the Democrats, or whatever it was he did, about good faith --

Q Democrats?

Q Republicans.

Q I'm sorry. Did he say anything about the Democrats that was in any way other than singing their praises?

MR. POPADIUK: I'm not aware of anything. I wasn't at the meeting, Brit. But what the President took an opportunity to do -- and I'll reiterate it one more time -- is to state that the Republican side has some ideas planned that it's willing to present, and that we're willing to present this simultaneously when the Democrats have some ideas to present.

Q Was anything said about what would happen if the Democrats had not come forth by the end of the week with a plan?

MR. POPADIUK: No deadlines were set.

Q No deadlines were set?

MR. POPADIUK: No deadlines were set.

Q No deadlines were set, I see. And now, was anything said --

MR. POPADIUK: I think what the President said -- the President did not impose any deadlines whatsoever. What the President said is that there are about three or four legislative days left, we'd like to get something done before then; if we can't, we're still committed to the process and we'll continue working it. And that when the Congress comes back from recess in September, intensified, obviously, negotiations will take place. But we're willing to meet during the course of August at ad hoc, informal basis.

Q Okay. Now, let me just take that a step further. Was anything said about what might occur on the stump by the President, or what the tenor of his remarks would be if there was no Democratic budget proposal before everybody left for the recess?

MR. POPADIUK: No, I'm not aware of, in that context. I think what the President made quite clear is -- and I'll have to just repeat this to put it in context for you, Brit -- is that, obviously, there is a level of frustration in the sense that the Republicans have put forth a plan -- not have put forth, but have a plan -- the Republicans have a plan which we are willing to put forth at the table once the Democrats have a plan that they can present simultaneously.

That was the agreement originally when we initiated the budget negotiations; and we expect that both sides will abide by that. In terms of the rhetoric as you mentioned, during the course of August, I don't foresee any -- outside of the fact we're stating the fact; and let the American people judge for themselves.

Q If we agree to listen to the applause, will you play the rest of the speech? (Laughter.) Why not put in on the mult so we can hear what he said? Why do we have to depend on readout from a man who says he wasn't there?

MR. POPADIUK: I've spoken to people who were there, very high up, Frank.

Q I'm not asking how you know, I'm asking why we can't hear it. Can we have a transcript or a tape?

MR. POPADIUK: No, no transcript is available.

Q Why not? Why is a closed meeting?

MR. POPADIUK: Because it was with the Republican members.

Q Yes, but there were 200 guys in there, and they were all out yapping in the driveway, saying things that contradict the President.

Q Why isn't somebody from the press office in there?

MR. POPADIUK: We don't have any plans to release it.

Q Roman, what I don't understand is, the President -- at one of the same times -- says this is a critical issue. This is very serious. He wants the negotiations to get off dead center, and then he's going on vacation. (Laughter.) And he says, it's fine; see you in September. Why doesn't the President, to demonstrate his leadership, pack all the negotiators up to Camp David and keep them there until it's resolved?

MR. POPADIUK: Leo, the President has demonstrated his leadership. He initiated the budget --

Q He's also going on vacation.

MR. POPADIUK: Leo, can I please respond?

Q Sure.

MR. POPADIUK: Thank you. The President has demonstrated leadership. It was the President who called for these negotiations. It's the President who's personally got himself involved at a critical moment in the negotiations. We've had these talks going on for 80 days. The President has expressed the willingness to deal with this issue even during the month of August. He's available anywhere at anytime. It's up to Congress to decide its own schedule. And then we'll just leave it at that right now.

Q Well, can I just follow up?

MR. POPADIUK: Sure.

Q Doesn't it set a bad example for the country and really could have some negative economic impact for everybody to sort of take this nice, three-four week vacation when you've had the leadership on both sides -- the President and the congressional leadership -- tell the country that, you know, we're on the edge of the abyss?

MR. POPADIUK: Leo, the President is always working. I've made two points very clear to you. One, that we're committed to the process. Secondly, we're willing and able to talk at anytime, anywhere. The President's made that quite clear in the past. He's been willing to clear his schedule to engage in budget negotiations. That rule of thumb stays even during the month of August. It's up to the Congress to decide its own schedule. In terms of initiatives and everything, as I mentioned to you, the Republican side does have a plan. We're ready and willing to present it. We are still awaiting a Democratic plan on which we can base further negotiations. So I'll let you draw your own conclusions.

Q Yesterday at the budget summit, the President said that as far as he's concerned this code of silence is lifted, and he's not going to be bound by the restrictions once this week wraps up to cool the rhetoric. When and how is he going demonstrate his anxiety publicly?

MR. POPADIUK: I don't have any set schedule in terms of presidential appearances over the next few days. But I'm sure you know, George Bush -- President Bush is very accessible to the press, whether formally or informally. If he has anything to say, I'm sure he'll say it at the proper time. But there's nothing right now that I foresee is planned.

Q Has he made the decision, then, that this is something that his concern with the Democrats -- his frustration, his anger, as it's been described -- is something that needs to be taken --

MR. POPADIUK: I have not raised that particular point with him, whether he personally has decided that, Frank.

Q Are there any plans for additional meetings on the budget before the end of this week, before the recess? Anything here at the White House, or with the Senate?

MR. POPADIUK: There's nothing scheduled as far as I can tell, but we're always ready and willing to sit down at any time.

Q Is it true that, as they were saying last night, that effectively they've given up? That the President and the Republicans have given up on that for the recess?

MR. POPADIUK: No, we have not given up on anything. We are still committed. There's still time before the Congress recesses, and we're always hopeful and we're willing and able and we're standing by for any kind of discussions at any time, anywhere.

Q You mentioned, if I could just follow up, that ad hoc meetings in August. Is there any sort of plan at all for budget summit sessions in August still kicking around?

MR. POPADIUK: If need be, I'm sure we would be happy to engage in those. Right now, there are no formal meetings being scheduled. I threw out the notion of ad hoc just to let you know that the President and the administration is always willing to sit down and discuss this issue. It's a very important issue, we put high emphasis on it, and the President wants to get this resolved.

Q When the congresspeople come out and say the President expressed his frustration, how did he do that?

MR. POPADIUK: I think I just reiterated it to you.

Q Well, nothing in here expresses frustration.

MR. POPADIUK: I think I made it quite clear that the President made quite clear in the context of the breakfast that progress has not been as great as we had hoped, that we still are committed to the process, we want more progress, that the Republicans have taken a position that we're ready to table. Unfortunately, the Democrats have not come forward to meet us with a likewise position.

Q Is that the tone he took? Is that really the tone he took. I mean, they made it sound as though he was far more angry and irritated than that.

MR. POPADIUK: I have not seen their words. I'm expressing to you what the President stated.

Q Has Bush rejected Newt Gingrich's call to go public with this, to take it to the people?

MR. POPADIUK: I'm not sure exactly what Representative Gingrich said.

Q Well, Gingrich is saying is it's time for the President to speak out, take it to the people -- either campaigning or get on TV or do something. He's calling for -- he says the whole thing has been a sham and it's time for the President to say so. Is Bush rejecting that position?

MR. POPADIUK: I don't think the President is rejecting

or accepting anyone's position. I understand what Gingrich says based on what you've told me. The President will address the issue when appropriate. There are no plans in the near future that I know of to deal with this issue.

Q Roman, were your earlier remarks meant to specifically deny the AP story that Bush has given the Democrats 48 hours to table a plan?

MR. POPADIUK: I've seen stories to that effect. I would strongly tell you there is absolutely no deadline set. No. No deadline was discussed. No deadline was discussed or mentioned or given in the meeting this morning.

Q What about privately?

MR. POPADIUK: I don't think the notion of 48 hours ever was mentioned.

Q What about two days?

MR. POPADIUK: I'm sorry?

Q What about before they recess, before the end of --

MR. POPADIUK: The only thing that I'm aware of the President addressing in terms of the legislative calendar now is that he's mentioned -- I think there are three or four days left before Congress may adjourn. We would like to recess. We would like to get something done before then. If not, we will continue, as I mentioned, in the ad hoc basis and also in September. But, no; no deadlines were imposed.

Q He didn't say if not, then I feel free to go out on the stump against Democrats?

MR. POPADIUK: No deadlines were imposed. No deadlines were imposed.

Q But, Roman, wait. Could I follow up, please? That wasn't a deadline. Did he say anything indicating if we don't have a Democratic plan by the end of the week, I will feel free to say whatever I please about Democrats? Was there anything that even vaguely resembled those remarks?

MR. POPADIUK: Not that I'm aware of. Not that I'm aware of at all, no.

Q Are Gingrich and the others who were saying precisely that, incorrect? They were in the meeting, and they say that he said if they don't have a plan by the time they leave town, then I'm going to go out there and remind the American people that they're the ones who have --

MR. POPADIUK: I wouldn't want to respond to that directly because I haven't seen what those representatives have said. What I would do is say that the President -- and I'm going to repeat this for about the fifth time, so you don't really have to even take it down -- the President did voice his concern about the fact that negotiations have been going on quite sometime, that the Republican side has come up with details for a plan that we are ready to present; however, that the Democrats have not presented their plan, and we're waiting for this simultaneous exchange.

Q How do you account for the difference in tone?

MR. POPADIUK: And we are prepared to present our plan, as agreed, when the Democrats present their plan. Otherwise, there is nothing to negotiate. That's obvious.

Q How do you explain the difference --

MR. POPADIUK: If we can't get a good agreement, it will be because the Democrats have failed to come to the table with their plan.

Q Roman, how do you explain the difference in tone?

Q Roman, if the Democrats are being that perfidious, why not just dump your plan out in the public limelight? Or, do you think that it's so politically costly that you can't afford to do that?

MR. POPADIUK: You know what our conditions are for the budget negotiations, Jerry. We don't comment on specifics.

Q Well, except that you said in effect that the Democrats are not abiding by the conditions, so presumably you're no longer bound as well.

MR. POPADIUK: We're not supposed to comment on any specifics. I am not commenting on any specifics regarding the Republican details.

Q How do you account for the difference in characterizing the tone of the meeting between what you're saying, which is -- it sounds very conciliatory; if we have to, we'll wait until September; the Congress gets to decide when they go in and out -- and the sense we got from these people in the meeting that he was angry and he's going to come out swinging, and he's --

MR. POPADIUK: I'll leave it to the congressmen and their own words. I'm trying to portray to you our commitment, but also the sense of frustration. I think it's far from being totally -- I don't want to use your words -- you say "conciliatory" -- I don't want to use either your words or the words that you're saying that the congressmen used.

There is a sense of frustration -- there is a sense of frustration. I only have one word, and it starts with "F".

~~Q~~ Whooa!

Q Free to say whatever he wants? Is that what it is?

MR. POPADIUK: Thank you, Brit. Frustration.

Q So far, you've portrayed this meeting as being only one-sided -- George Bush talking to the representatives.

MR. POPADIUK: Let me repeat what I said about the Republican side.

Q Wait a minute. What level of frustration was expressed by the congressmen with how the White House has been dealing with this problem and in talking about George Bush going out and speaking to the American public? Was he encouraged by these representatives to do that?

MR. POPADIUK: I think the congressional members probably equalled the type of frustration that was expressed by the administration side, in the sense that these negotiations have been going on quite sometime, that there's been very little progress, that the Republicans have acted in good faith and have come up with something that they're willing to present, but that we're in a waiting game now for the Democratic side to come up with something. And sure, in that sense, there's a, I think, a sharing of the frustration and concerns on the part of both the legislative members of the party --

Q Are you saying that none of these representatives said, Mr. President, it's about time you got up and spoke out about this?

MR. POPADIUK: I'm not aware of that. I'd have to check on that kind of specific detail.

Q Roman, I don't want to create problems, but AP quotes Alixe as saying just what you have said is not the case, that there's a 48-hour deadline, and that if the Democrats don't produce a plan by then, she's quoted as saying, you can assume that when the GOP lawmakers go home, they won't be shy about foot-dragging that's seen by the Democrats about finding a credible solution to the budget deficit. Can you and Alixe please reconcile --

MR. POPADIUK: I think that story may have been correct, that -- since it initially ran. There is no deadline.

Q Roman, if Congressman Michel also came out and said, as Gingrich said, that if there's no deal from the Democrats on the table by Friday, Bush will no longer be constrained to -- and that he will go directly to the people. Are you telling us that both Gingrich and Michel, the two Republican leaders of the House, got Bush's message wrong? Michel also said that Bush came out of this meeting -- or, in the meeting showed fire in his belly. Fire in his belly -- (laughter) --

Q And if you believe that --

Q That was a donut. (Laughter.)

MR. POPADIUK: Chris, I don't know. You might have missed it here, but I think I answered that question when I spoke to Mick's question.

Q No you didn't.

MR. POPADIUK: The question Mick posed without naming individual representatives, was -- did the congressional members share the same feelings that the President did? And I said, yes. And I outlined the points. So I think that answers your question quite adequately.

Q No it doesn't.

Q Michel came out and said that Bush is going to start taking his case to the people if there's no plan on the table by Friday. Gingrich said the same thing. Now you're denying it.

MR. POPADIUK: Chris, I think I've -- I did not deny anything -- I gave an answer to a specific question --

Q You said our story was corrected, which it was not.

MR. POPADIUK: I was told the story was being corrected, and that's what I just said. So I'm under the impression that the story is being corrected. There is no 48-hour deadline. Period. And that was what the question was from Deborah.

Now, let me finish -- let me just finish.

Q Roman, the question wasn't just to that. It was also to the suggestion that if -- people were going to go and shoot their mouths off if the Democrats didn't put a plan on the table.

MR. POPADIUK: Let me rephrase it one more time. Let me say it one more time. The President expressed his concerns, frustration -- whatever other word you want to use now, since -- that the Democrats have not been able to come up with a plan, details, that meet the ones that the Republicans have already put together and

are willing to put on the table.

We still have a Congress in session. We're hopeful that we can get something done by the time Congress recesses. It is obvious that if Congress cannot resolve this issue by the time of recess that we will have to continue working it. It is also obvious that we are frustrated by this process, that there's very little progress, and, of course, we'll let the American people judge for themselves on this issue.

Now, that goes to the other question that people have asked me in terms of whether the President will be speaking out. Yes, I can expect the President to speak out, but in what degree or shape, form, or manner, I do not know. And I would not want to have comments by individual respected congressmen on the lawn or up on the Hill judge my own comments without having seen theirs. I'd have to give them the respect of seeing their comments or talking to their staff or themselves and know exactly what they had portrayed the meeting as being.

Q Two questions. One is, isn't part of the problem here that, in fact, the President has been speaking out all along? He's been trashing the Democrats consistently, as he did in Billings a couple of weeks ago, as he did in New York last week? So in fact, he has not been reticent to say what he thinks of their big spending policies and their gridlock. Isn't that part of -- so nothing has to change for him to just keep doing this, then, right?

MR. POPADIUK: I would argue with the premise of your question. But the President has quite rightly been pointing out the high degree of spending on the part of the Congress and, specifically, the Democratically-controlled Congress. That, obviously, is not part of any budget negotiation agreement or anything. We expect that kind of statement to continue. The President is stating a simple fact.

Second question?

Q The second question is, isn't part of the other problem here that -- and does the White House recognize that there's never going to be an agreement on the budget until you're either faced with sequestration about to happen, or having happened?

MR. POPADIUK: I'm not going to put any limits, physical or policy, on --

Q Is there any feeling that this can be resolved short of that and, if so, how?

MR. POPADIUK: There's a feeling that we're going to keep trying to resolve this thing.

Q What has happened since earlier this morning when some of us were told that if there is no progress by Friday that Republicans will not be shy about accusing Democrats of foot-dragging?

MR. POPADIUK: I think I just rephrased it in the question. There is uncontrolled spending going on. The President's addressed that. You can expect the Republican leadership to address that, whether in public or on the Hill in discussions. There is a certain concern about the lack of progress in the budget negotiations. That will be expressed, no doubt, either by the President or Republican congressional leaders without getting into any specifics. I think we're getting into a nuance term here of whether there's a gung-ho attempt to do something or an attempt to state the facts. I prefer to explain it as we're stating the facts.

Q So you're saying, just to follow up here, that this does not hinge -- this kind of talk that you've just elaborated on

does not hinge on whether or not there's progress by Friday? Is that what you're saying?

MR. POPADIUK: What we would like to see is progress, of course. But whether there's progress or not, you can expect us to be concerned about uncontrolled spending.

Q I want the correction. Who got what wrong on the 48 hours that we ran this morning attributed to Alixe?

MR. POPADIUK: I don't know who got it wrong. I prefer to leave it at that. I understand that the issue has been resolved and then corrected.

Q That tells me that you have backed away from it. Can you deny that?

MR. POPADIUK: Yes, I can deny that, because there was no deadline set.

Q Is this the reality of sequestration? In the President's view, is that a bad reality, a good reality, a neutral reality? Is that something he would really not like to see, or now is it looking better and better?

MR. POPADIUK: You know, look -- we've started a budget process here. We're committed to it. We want that resolved.

Q -- sequestration. Is that good or bad?

MR. POPADIUK: We would want the budget process to succeed. We're operating in good faith. We assume the other side is obviously operating in good faith, and we hope we can resolve this issue.

Q But if it's not resolved, is sequestration good, bad, or indifferent?

MR. POPADIUK: It comes down to this. It's a reality the President will have to enforce if no agreement is reached. But I'm not going to characterize it good, bad, or indifferent at this time.

~~Q~~ Will he do it joyfully, or remorsefully, or --

MR. POPADIUK: We're still negotiating, Cragg.

Q Gingrich said the first phase of the summit has collapsed and that Bush is going to come back in September and try to revive it. Does the White House agree with Gingrich's assessment?

MR. POPADIUK: I'm not aware of what Mr. Gingrich said. I wouldn't want to --

Q The quote was, "the first phase of the summit has collapsed."

MR. POPADIUK: I wouldn't want to characterize phases to budget negotiations. The Congress is still in session; anything can happen.

Q Has the President received agreement or whatever from the Democrats that the budget negotiators will return a week early in September to take up their task with the goal of producing a budget resolution by September?

MR. POPADIUK: I'm not aware of anything of that nature. I'm not aware of that. We're flexible, though, I'm sure. You know, the President wants an agreement.

Q Does the President agree with the economic view

which I think has also been stated --

MR. POPADIUK: I'm not aware of us asking for that, Frank, is what I'm saying.

Q It was the discussion -- it was one of the items of discussion yesterday in the budget summit. It was what -- when Brit was asking yesterday what these guys spent an hour talking about, that was one of the things they talked about.

MR. POPADIUK: I'm not aware of --

Q They talked about how they were going to deal with this and what kind of deadlines they were going to impose on it. And what is being expressed in this room in terms of frustration is that you've got all kinds of administration officials, you've got all kinds of congressional members, your own allies among them, running around discussing what's going on, and we can't get a straight line out of this White House about what's going on.

MR. POPADIUK: I think you've --

Q Sounds -- (laughter.)

MR. POPADIUK: Is that frustration, Frank? I'm glad you share in that. I think the point here is, that's a level of detail that we're not going to get into. It's in the process of negotiation and I'm not going to get into any specifics.

Q Does the President agree that sequestration of the magnitude likely will tip the country into recession?

MR. POPADIUK: I think that's a hypothetical question. We're still in the budget negotiating session. It's still hypothetical, as far as I'm concerned. We still have a budget negotiating process underway and we're hopeful.

Q I was going to ask about the Baker and Shevardnadze and a summit.

MR. POPADIUK: Okay, any budget questions?

~~Q~~ Any budget answers? (Laughter.)

MR. POPADIUK: I heard that.

Q One of the things we were told about yesterday's meeting was the issue of legislative deadlines. One of the things we were told about yesterday's meeting was that the President was trying to get deadlines or dates in September by which Congress would have to vote on a budget package. Is that something there's been made any progress on?

MR. POPADIUK: No, I'm sorry. I can't offer you anything beyond what I had mentioned to Frank. That's a level of specifics that I can't get into.

Q If there's an agreement in the \$50 billion range, that still leaves a lot that would be below -- between there and the sequester. Does the President support legislative language to override Gramm-Rudman on that, or would he want a, say, \$14 billion sequester?

MR. POPADIUK: Cragg, that's something for the negotiators to resolve.

Q You made clear the President's frustration at lack of progress, and you've also made clear the President, before Congress leaves at the end of the week, would like to see the Democrats put their plan on the table so he can put his plan on the

table. If, in fact, the Democrats agree with the President on the timing of submitting their plan, would the President then be willing to cancel his vacation and go into post-haste negotiations on the basis of these two plans?

MR. POPADIUK: Let's have the presentation of plans, Leo. I mean, it's --

Q Wait a minute. You're leaving open the possibility that you would immediately follow exchange of the two plans with intensive negotiations, or is the President still committed to just returning in September, in effect, leaving --

MR. POPADIUK: Look, the President has shown decisive leadership. He has an able team. He has an excellent team of Sununu and Darman and Brady that are doing the negotiating. If there's a need be for the President, he's flexible. But I'm not going to get into whether he's canceling anything or not. Let's wait for the plans to be presented.

Q Let me just follow on that point. What I'm trying to determine --

MR. POPADIUK: Think this is easy, Ann.

Q -- is really what the President's intentions are with regard to the next few days and weeks. Does he merely want the two plans to be offered? Or does he want the two plans to be offered to be followed immediately by serious negotiations?

MR. POPADIUK: The quicker the action the better all around, Leo.

Q So he wants negotiations during the months of August?

MR. POPADIUK: I'm sure the President is flexible in all respects in any way that we can get a budget agreement.

Q Clarification on what I asked before. You were not in the meeting.

MR. POPADIUK: No.

Q Were either of the other deputies in there?

MR. POPADIUK: No.

Q How do you know what you know? I mean, we're talking about sources of information --

MR. POPADIUK: That's right. And I don't get into discussing my sources of information. That's an intelligence matter. (Laughter.)

Q Isn't it customary for a press officer to attend these kind of meetings?

MR. POPADIUK: Sometimes yes, sometimes no.

Q Why not today?

Q Wouldn't it have been easier today if there had been somebody in there?

MR. POPADIUK: No. I think we're -- I have a very good idea of what transpired. I'm comfortable.

Q Why not today, if I could follow up on that? Why was --

MR. POPADIUK: Oh there are decisions made all around for various reasons. I think it was --

Q I know that, but why was this one made?

MR. POPADIUK: I don't have to get into discussing why decisions --

Q No, you don't have to, but the purpose of this meeting was is so we can ask questions and you can answer them.

MR. POPADIUK: We feel very comfortable in the press office with the information we've gotten.

Any budget questions?

THE PRESS: No.

MR. POPADIUK: No. Good. Let's go. That's the end of the budget. Thank you. Let's go on to --

Q Are Baker and Shevardnadze discussing the possibility of summit by year's end.

MR. POPADIUK: A summit by year's end. That's a very good question. And here is the answer.

Q It's hypothetical. (Laughter.)

MR. POPADIUK: Let's see. I'm trying to think which is the best answer to that one.

Q Are they frustrated?

Q -- deplore the cycle of violence. (Laughter.)

MR. POPADIUK: I'm sure you've all seen the comment by the -- attributed to Foreign Minister Shevardnadze and other members in the Soviet Foreign Ministry about the intentions of the Soviets to try to pursue a summit sometime this year, a U.S.-Soviet summit. We've always maintained that obviously we are willing to have a START treaty this year. We are working a START agreement. If it's at all possible to get one this year, then obviously that would have to be signed this year. So that would not bar a summit from taking place at the site of a START agreement.

Now, a START agreement can be signed in any number of localities. It could either be at Paris at a CSCE conference, if one takes place. Or it can be in Moscow, or it could be a neutral site. In terms of actual summits, the only thing that is in the hopper for a possible meeting between the President and President Gorbachev is Paris in November. As Alixe mentioned quite rightly yesterday, we are discussing the forming of a CSCE summit November 19th in Paris. That is contingent, of course, on a CFE agreement. If there is a CFE agreement, the President would attend that summit. If Gorbachev attends, obviously, the two Presidents would interact during the course of that summit. And we would be willing to entertain or look at a possibility of a bilateral meeting outside the context of that summit.

Now, Secretary Baker, in his meetings with Foreign Minister Shevardnadze, is willing to discuss any such arrangements, is willing to discuss the progress of CFE for the possibility of a CSCE summit and also the progress of START for the possibility of having a START signing. The Secretary, as far as I know, does not carry any specifics, but is basically in a listening mode to see what Foreign Minister Shevardnadze has in terms of plans or ideas for a possible meeting.

Q What are you talking about? (Laughter.)

Q But, Roman, if there's --

MR. POPADIUK: Now --

Q Roman, would you entertain -- is there any talk or consideration of a summit outside the context of either CSCE or START?

Q Yes, if there's not a START treaty --

MR. POPADIUK: Not at this time, no.

Q What about tomorrow?

MR. POPADIUK: Check with me tomorrow.

Q You're talking about a possible bilateral in Paris in November. What about possible bilaterals in New York at the end of September?

MR. POPADIUK: The President will be attending the Children's Summit on the 30th of September, I believe Sunday, and will be addressing the UNGA on the following day, October 1. If President Gorbachev were to be in New York at the U.N. at that time, I'm sure we're open to any meeting at that time.

Q Do you know if that's planned?

MR. POPADIUK: But there is nothing planned at this time. As far as we know right now there are no plans for President Gorbachev to be in New York at that time.

Q Is he expected to show up in Aspen? (Laughter.)

MR. POPADIUK: Aspen's another thing.

Q Roman, on this we've been told that START is basically wrapped up and there is very little left. What's the hang-up?

MR. POPADIUK: Well, I can't get into the specifics, but obviously there are some varification issues that need to be addressed and some others.

Q Iraq. The talks between Iraq and Kuwait have collapsed and there have been some indication of troop reinforcements and activities up there. What is the current status of that and what degree of concern is there around here that something in terms of a hot war is imminent?

MR. POPADIUK: Frank, I've seen the press reports about the collapse. As the reports say, there's a collapse in the talks. There was a round of discussions in Jedda yesterday between the Iraqis and the Kuwaitis. We would hope that another round will take place, and obviously, coercion and intimidation have no function in this kind of dialogue. We are concerned about the Iraqi buildup on the border. Over the past few days there's been an augmentation in their force levels along their border. This has obviously put even greater impetus into the dialogue process to diffuse the type of augmentation that the Iraqis have undertaken.

I can't get into details because this involves intelligence matters, sources and methods. But we do follow the situation along the border; we are concerned. But we do look forward to the Arab neighbors of those two countries to continue the mediation efforts and to continue urging dialogue. And we're still hopeful that second round will take place and that some kind of amicable agreement can be reached.

Q Doesn't this augmentation involve troop reinforcements and heavier material being brought up to the border?

MR. POPADIUK: Well, I don't want to get into specifics, Frank, but you've seen all kinds of stories about the troops.

Q What about U.S. military exercises? Are there any U.S. military exercises underway now?

MR. POPADIUK: There are no U.S. military exercises as such. There is the aerial refueling exercise or mission or training program that has been instituted between the United States and the United Arab Emirates. That has been going successfully, as far as I know. There's a possibility -- I think that's been extended for a period of time.

Q That's been extended?

MR. POPADIUK: I believe it's been extended for a period of time. You might want to check with DOD for the --

Q What's the period of time --

MR. POPADIUK: I don't know -- no, no, there's a terminal point on it, but I don't know how long. I think DOD would have the details on it.

Q What did you mean no U.S. military exercises, and then you tell us about a military exercise? What did you mean?

MR. POPADIUK: I said -- I took it to mean unilateral military exercises or something like that -- ship movements or something. I'm sorry. I misunderstood the question then.

Q What if anything can you tell us about the President's speech tomorrow in Aspen?

MR. POPADIUK: The President will give a very electrifying speech on the world situation. You're smiling, Bill.

Q Wait, wait a minute. Are we going to have more Colorado ~~and~~ --

MR. POPADIUK: Without giving away what the President will be talking about I think it's safe to say that it'll be a fairly substantial speech on foreign policy. The President will be looking at a number of things. He will be specifically focusing on the defense aspects of U.S. foreign policy. He will note that there is a changing world out there. There's been movement toward democracy. The frictions that have existed among states seems to be decreasing in certain areas of the world. He would also note that there is considerable responsibility on the part of the United States for maintaining its global presence in various regions of the world. We are, after all, a Pacific power, an Atlantic power through the NATO Alliance. And in the context of those two points, I think the President will address how he foresees the U.S. budget -- defense budget -- and U.S. force structure meeting the change in demands.

Q Is he still planning to have that afternoon?

MR. POPADIUK: The present plan is for the President to meeting with Prime Minister Thatcher around 12:30 p.m. for approximately an hour and a half, followed by a brief press availability. And then the speech is scheduled for approximately 3:30 p.m. to 3:45 p.m., in that time range. I think we would try to plan at this time -- it's not been firmed up -- but I would try to have General Scowcroft give a background briefing on the speech between 5:00 p.m. and 5:30 p.m. Aspen time.

Q Local time or Eastern time?

MR. POPADIUK: Local time.

Q Oh, good. (Laughter.)

Q That really helps.

Q -- we get briefed on what the speech is.

MR. POPADIUK: We're going to try to have two things for you. We're going to try hardest to have the advanced text of the speech and, if possible, a fact sheet. So that will give you at least 90 percent of --

Q Did you say on check-in?

MR. POPADIUK: I said no on close of business today. Just kidding.

Q When are you going to --

MR. POPADIUK: As soon as possible.

Q After we get to Colorado.

Q Are you suggesting -- would there be some proposal or some element that needs explanation rather than simply being a reassessment of policy?

MR. POPADIUK: What I'm trying to point out is I think the President is going to try to address the broad philosophical approach and lay some parameters down. And I think -- this is tentatively planning, just for your schedule purposes -- and General Scowcroft may be able to present more of the details --

Q Are there initiatives in here that --

MR. POPADIUK: -- on the speech beyond what I've said.

Q Well, why is he briefing? Is there a new proposal or --

MR. POPADIUK: I would guide you away from proposals, but I think there are things that need to be explained. That's it's a broad philosophical speech. An excellent speech. Be there.

Q Roman, is there anything bilaterally? Any pressing issues that Bush will discuss with Thatcher?

MR. POPADIUK: No, it's just that the Prime Minister has accepted a private engagement in Aspen. The President has also accepted as a forum to discuss his views on the world. We are, after all, very close allies. But there's nothing specific. They may discuss the British notion of changing it's force structure in the face of a CFE agreement, but there's no pressing bilateral concerns, no.

THE PRESS: Thank you.

END

11:25 A.M. EDT

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9:00 A.M. NEWS UPDATE

IRAQ-KUWAIT DISPUTE (Jeddah/Reuter) -- Talks of defusing an explosive crisis in the Gulf collapsed Wednesday when Kuwait refused to give in to Iraqi demands for money and territory, a Kuwaiti official said. "The talks have collapsed because Kuwait did not give in to Iraqi demands to write off the (Gulf War) debts and to relinquish some of its territory," the official told Reuters in Jeddah.... U.S. warships...were on high alert in the Gulf Wednesday.

BAKER TRIP (Irkutsk/AP) -- Foreign Minister Shevardnadze and Secretary Baker tried Wednesday to build on fast-moving developments in Afghanistan to end the bloodiest conflict dividing the superpowers.... "We will be able to help solve the Afghanistan question," Shevardnadze told reporters before his first meeting with Baker.... He also said he and Baker would complete plans for a third summit between Presidents Gorbachev and Bush. Shevardnadze said he and Baker would try to set a date.

APEC MEETING (Port Vila/Reuter) -- China warned the South Pacific Forum Wednesday it might withdraw as a dialogue partner if Taiwan were given similar status. "The government of the People's Republic of China is the sole legitimate government representing...China, and Taiwan is an integral part of the Chinese territory," said Yongqiu Wang, a foreign affairs official with the Chinese delegation at the annual Forum meeting here.

CIA/TERRORISM (Rome/Reuter) -- An American businessman told Italian state television that the CIA sent him to Czechoslovakia to buy arms and explosives for terrorists. "Weapons, revolvers, bombs, explosives like Semtex were bought in Czechoslovakia. In the late 1960s and early 1970s, I was dealing with Czechoslovakia," Dick Brennecke, an Oregon businessman, said in an interview with Rai television shown on Tuesday evening.... Brennecke says he worked for the CIA in the late 1970s and was one of its contact agents in the 1980s. The CIA denies it had any association with him.

DEA AGENTS/PHILIPPINES (Manila/AP) -- The military filed murder charges Wednesday against three American drug agents and 13 Filipino policemen in the slaying of three soldiers killed during an alleged drug bust last month.... The U.S. Embassy said the three Americans have left the country and "have no immediate plans to return."

PHILIPPINES/HOSTAGES (Bacolod, Philippines/UPI) -- Civilian negotiators expressed confidence Wednesday that communist guerrillas would honor their word and release a kidnapped U.S. Peace Corps volunteer and a Japanese aid worker. "Everything is OK," said Antonio Fortich, the retired bishop of Bacolod and head of a team of civilians negotiating with the rebels. "They will be released."

12:00 P.M. NEWS UPDATE

BUDGET TALKS (UPI) -- President Bush vented frustration over the budget stalemate, threatening to veto spending bills and hold the Democrats to blame for the absence of a bipartisan agreement to cut the deficit. In a meeting with Republican members of Congress, Bush held out hope the Democrats will still come forward with concrete proposals to salvage [the budget negotiations].... Rep. Gingrich said Bush indicated he may heed calls from angered Republicans on Capitol Hill for a more confrontational strategy to make the budget an issue in the fall campaign. Describing Bush as "very frustrated" and "very disappointed," Gingrich said, "He reached out a hand to be as reasonable and as decent, as good a host down here as he could be and the Democrats bit his hand." "He's a very patient man who truly believes that other people can be convinced to be reasonable," Gingrich said. "And the Democrats in Congress are doing what they can to convince him that that's not a very smart assessment."

(AP) -- ...Rep. Dingell said Republican plans to bash Democrats for not offering a deficit-cutting plan would backfire because the public realizes it is the President's responsibility to offer a budget. "The Republicans are going to look like a congregation of jackasses," Dingell told reporters.

TRINIDAD & TOBAGO (Port of Spain/AP) -- A Moslem militant said in a radio interview that the coup attempt he is leading in Trinidad is a "small family squabble" and that an accord has been reached to end the standoff. In an interview with the BBC, rebel leader Abu Bakr indicated that 40 people being held prisoner by his followers would soon be released. "The negotiations are over. We already have a signed agreement," he said. "We are making preparations now for the evacuation of all the people, all the people at the television house and the people who are at the parliament building." Earlier, the government suggested that any agreements reached "at gunpoint" may not be considered binding.... Although Bakr said in the interview everyone being held would be freed, he also denied the people being held were in fact hostages. "We don't have any hostages, sir. We never had any hostages," he told the BBC interviewer.

RTC (UPI) -- Top federal thrift officials said they hope to sell by the end of the year more than \$11.6 billion worth of securities, mortgages and real estate once held by failed thrifts. L. William Seidman...also announced a Nov. 15 real estate auction, which alone is expected to generate sales of \$1.6 billion. Seidman also said the agency is working to reduce its inventory of 247 failed thrifts by 130 by year's end, which would reduce the RTC's asset inventory by \$50 billion.

MONGOLIA/BAKER TRIP (Ulan Bator/Reuter) -- Mongolia is preparing for a visit this week by Secretary Baker but may have to wait rather longer to receive most favored nation status, diplomats said Wednesday. Mongolians hope that he will announce Washington has granted them MFN status...but diplomats said such an agreement was not likely to be ready yet. A general trade agreement between the two countries is also unlikely as negotiations are still in progress, one diplomat said. "I don't see it being signed," he said.

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PLO (Cairo/Reuter) -- The PLO sharply criticized the U.S. Wednesday, accusing it of insincerity in Middle East peace efforts and of aiding Israel by deliberately playing for time. "The United States of America adopts or offers (peace) proposals hoping to gain time and avoid entering international, Arab or Palestinian initiatives," said Farouk Kaddoumi, head of the PLO's political department. Kaddoumi...told a ministerial meeting of the Islamic Conference Organization in Cairo that Washington was no longer capable of achieving peace between Arabs and Israelis.

ISRAEL (Jerusalem/Reuter) -- Foreign Minister Levy will seek U.S. commitments to shut the PLO out of any Israeli-Palestinian peace talks when he visits Washington next week, Israeli officials said Wednesday. "One of the ideas he will suggest is a written commitment from the United States on no participation of the PLO, no Israel-PLO dialogue and no Palestinian state," an official said.

SOVIET ECONOMY (Moscow/AP) -- President Gorbachev and Boris Yeltsin have agreed to establish a joint committee to revamp the Soviet economy, officials said. The agreement signaled that the country's two strongest political leaders were trying to bury their differences on the economy, and that Gorbachev was willing to consider more radical steps to match those outlined by Yeltsin. "This is the most important information of 1990" in internal Soviet politics, Gorbachev's top economic advisor, Nikolai Petrakov said in a telephone interview. Petrakov said the committee...would "widely use" the program of experience of Yeltsin's Russian republic.

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3:30 P.M. NEWS UPDATE

BUDGET TALKS (AP) -- President Bush promised Wednesday to turn up the political heat on Democrats unless they produce a deficit-reduction plan by the end of the week, Republican lawmakers said. However, the White House said it was not imposing any deadlines and expected the budget talks would intensify in September when Congress returns from its summer recess. Congressional Democrats gave no indication they were ready to offer a budget proposal. Noting that Republicans have been hit with tough criticism for their package, Rep. Panetta said, "We didn't pledge that every time the Republicans slit their wrists that we would slit ours."... Rep. Gingrich said Bush indicated he was willing to stay in Washington to get a budget agreement, even though he is under pressure from his wife to join her at their Kennebunkport retreat. Gingrich quoted Bush as saying, "You know, Barbara's up at Kennebunkport with two dogs, one of them sick, and with six grandkids and she needs me." White House deputy press secretary Roman Popadiuk said Bush, in his meeting with Republicans, said, "We have been dealing with the Democrats in good faith and we have a plan we are prepared to share with them when they present theirs. They have not done so yet."... "We're not going anyplace until (the Democrats) get some numbers on the table," said Rep. Michel. Bush is "certainly not going to keep his trap shut all during August. I think that the first phase of the summit has collapsed," said Gingrich.

(UPI) -- ... "I think the first phase of the (budget) summit has collapsed," Rep. Gingrich said. "I think the President is committed to trying to resurrect it in September."... Rep. Edwards said the meeting with Bush left Republicans feeling "very pleased" and like "troops who are ready to go to war, waiting for the commander to give them their marching orders." "We're going Democrat-bashing," said Rep. DeLay.... On Capitol Hill, Rep. Foley insisted it was "not incumbent" upon Democrats to come forward with a plan, but predicted both sides would have deficit-reduction proposals to compare in September. In the meantime, he said, "I don't think that partisan bashing is going to accomplish anything."

TRINIDAD & TOBAGO (Reuter) -- The leader of a coup attempt in Trinidad and Tobago surrendered Wednesday and his black Moslem rebels began freeing the 40 people they have held hostage for five days, witnesses said. It was not immediately clear whether all the hostages have been freed, but witnesses said that Abu Bakr had surrendered at the rebel-held television station with his arms held in the air, still holding his assault rifle. The witnesses said that 29 hostages, mainly television workers, had so far left the building. A government spokesman said all hostages...should be freed by the end of the day.

CHEMICAL WEAPONS DESTRUCTION (Port Vila/Reuter) -- South Pacific countries Wednesday accepted that the United States will use remote Johnston Atoll for the destruction of lethal chemical weapons already stored there.... But it called for the closure of the \$240 million Johnston Atoll Chemical Agent Disposal System as soon as the weapons have been destroyed. "The Forum felt very strongly that the facility at Johnston Atoll should not become the permanent toxic waste disposal center for the world," the Forum's final communique said.

-more-

BEER TAX (UPI) -- ...Capitol Hill offices are being flooded with mail protesting [a proposed increase in the federal tax on beer].... But the bulk of mail appears to be part of a campaign that a top aide to Sen. Bentsen described as "organized to an unusual extent."... Rep. Roth said the proposed increase was "outrageous. No other group is being singled out for this kind of tax increase. You can't claim...to represent the working people of America and then turn around and propose an increase in the tax on beer of 400 percent," Roth said. Rep. Bond (R-Mo.), whose office has received 3,500 letters on the issue said, "To me, it seems this screwball proposal will single out one class of American who drinks beer and say 'You were more responsible for the deficit than anyone else. Therefore we are going to single you out to lay the tax burden on you.'" A spokesman for Rep. Chapman (D-Tex.)...said her boss would oppose "an increase in any excise tax." "He said it was interesting that the administration had this tax on beer, but not on Dom Perignon champagne or things like that," said [a] Chapman aide, adding "the administration was trying to target, as my boss put it, 'the Bubbas'."... The organized mail has been generated by the Beer Drinkers of America and the Beer Institute.

SOUTER (AP) -- ...During a visit with Sen. Heflin, Souter stuck by his no-comment policy but said he would be glad when he could answer some questions. "It's going to destroy my reputation for not saying much. But, yes, I'm looking forward to the moment.

AIDS (UPI) -- Responding to the concerns of activists and many doctors who care for AIDS patients, the government Wednesday announced it is stepping up its drive to find drugs to combat deadly AIDS-linked infections.... "As we move into the 1990s, controlling these deadly infections has become a top priority of AIDS research," HHS Secretary Sullivan said in a statement outlining the new initiative.... Under the new strategy, the National Institute of Allergy and Infectious Diseases has granted six teams of scientists \$2.8 million in first-year money to design drugs to treat AIDS-linked opportunistic infections.

###

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

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The following material was transferred to:

☒ **Audiovisual Collection**

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☐ **Museum Collection**

☐ **Other**

Other (Specify):

DESCRIPTION:

White House Photographs: P14894-06 [President Bush shaking hands after jogging]; P14895-21A [President Bush jogging w/Larry Hopkins, Brit Hume, and Floyd Willis at Hains Point]

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Donor:

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Book Location:

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Daily Files

Box Number:

56

Folder Title:

Wednesday, August 1, 1990

OA/ID Number:

90555-006

Transferred by:

Deborah Wheeler

Date of Transfer:

7/9/2010

Received by:

Mary Finch

Date Received:

7/9/2010

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OFFICIAL WHITE HOUSE PHOTOGRAPH 01 AUG 90 P14894-06 CP



Bush Presidential Library Photocopy

OFFICIAL WHITE HOUSE PHOTOGRAPH 01 AUG 90 P14895-21A CP

THE WHITE HOUSE

WASHINGTON

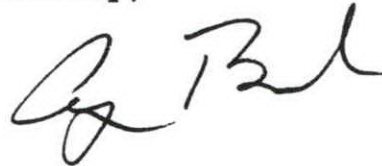
August 1, 1990

Dear Mark:

Thanks for the nice pin that Ed Rogers sent with your kind note. I'm glad we share the same sense of humor on broccoli, as well as a mutual fondness for card writing.

My appreciation for your support, and best regards.

Sincerely,

A handwritten signature in black ink, appearing to be "Bill Clinton", written in a cursive style.

Mr. Mark D. Cowan
The Jefferson Group, Inc.
Suite 1100
The Colorado Building
1341 G Street, N.W.
Washington, D.C. 20005