

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

FOIA Number:
2009-0166-S

FOIA MARKER

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

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

OA/ID Number: 90558
Folder ID Number: 90558-005

Folder Title:
Monday, August 27, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	2	3

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (2 pp.)	08/27/90	(b)(6)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, August 27, 1990

Pinksheet Number: dw1800
OA/ID Number: 90558-005
Date Closed: 9/2/2010
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

THE WHITE HOUSE
WASHINGTON

8/29

8/25

10-1100 Meetg w/ Gen Scowcroft

8/26

0815-0840 Scowcroft
1300-1400 -

8/27

0830-0945 Scowcroft
1415-1530 Scowcroft, Mulrooney,
Ambassador Be

8/28

0730-0810 Scowcroft Mulrooney
0810-0830 Scowcroft

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (2 pp.)	08/27/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, August 27, 1990

Date Closed: 9/2/2010	OA/ID Number: 90558-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

August 27, 19 90

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	4:55 AM	4:59	Mr. Eric E. Herbst White House Situation Room White House Signal 2-2264	Tlkd-ok 4:56 AM
~~INC~~	PM			
~~OUT~~	8:51 AM	8:56	Mr. Marlin Fitzwater Nonantum Portside Hotel Kennebunkport, Maine Kennebunkport Signal x332	Tlkd-ok 8:52 AM
INC	PM			
OUT	9:03 AM	9:10	Ms. Bridget M. Montagne Office, Washington, D.C. White House Signal 2-2199	Tlkd-ok 9:04 AM
~~INC~~	PM			
~~OUT~~	9:26 AM	9:38	Conference Call: President Hosni Mubarak (b)(6)	Tlkd-ok 9:33 AM
INC	PM			
OUT	AM		Mr. David C. Welch White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	9:38 AM	9:41	Ms. Bridget M. Montagne Office, Washington, D.C. White House Signal 2-2199	Tlkd-ok 9:39 AM
~~INC~~	PM			
~~OUT~~	AM		Conference Call: Secretary General Javier Perez de Cuellar	LW with Ms. Bonsanti 3:13 PM
INC	3:09 PM			
OUT	AM		(b)(6)	
INC	PM			
OUT	AM		Dr. Richard N. Haass Office, Washington, D.C. 395-6900	
INC	PM			
OUT	AM		Mr. Corneilius F. O'Leary White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Ms. Nancy Bearg Pyke Office, Washington, D.C. 395-5694	
INC	PM			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

August 27, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		Secretary Nicholas F. Brady Office, Washington, D.C. 566-2533	WCL 4:16 PM Tlkd-ok 6:02 PM
~~INC~~	4:15 PM	6:06		
OUT	AM		Mr. Marlin Fitzwater Nonantum Portside Hotel Kennebunkport, Maine Kennebunkport Signal x220	Tlkd with Major Byrne 6:12 PM
~~INC~~	6:06 PM			
OUT	AM		Mr. Marlin Fitzwater Nonantum Portside Hotel Kennebunkport, Maine Kennebunkport Signal x220	Tlkd-ok 6:20 PM
~~INC~~	6:20 PM	6:23		
OUT	AM		Mr. Don Rhodes (b)(6)	Tlkd-ok 8:12 PM
~~INC~~	8:12 PM	8:16		
~~OUT~~	AM		Mr. Prescott Bush, Jr. (b)(6)	Tlkd-ok 8:35 PM
~~INC~~	8:34 PM	8:41		
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

WASHINGTON

PRESIDENT BUSH

AUGUST 27

19⁹⁰_____

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Kennebunkport, Maine

DATE 27 August 1990

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, AUGUST 27, 1990 -- 6 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

IRAQ SEIZES LEBANON'S AMBASSADOR TO KUWAIT -- Iraqi occupation troops have seized Lebanon's ambassador to Kuwait and 12 of his staff, foreign ministry sources told Reuter Monday. (Reuter)

U.S. HOPEFUL SADDAM WILL BOW TO PRESSURE -- The Administration is expressing hope the Persian Gulf crisis still can be resolved without military conflict, if worldwide economic sanctions force Iraq's Saddam to withdraw his forces from Kuwait.

(Washington Times, AP, Reuter)

SOME SOUR NOTES IN CHORUS OF PRAISE FOR BUSH -- Although the approval rating for President Bush in the Persian Gulf crisis is running high -- more than 70 percent in recent polls -- some notes of doubt and criticism are beginning to creep in. (UPI)

NATIONAL NEWS

FED'S CONCERNS OVER RECESSION ARE INCREASING -- Fed policy makers are increasingly concerned about the possibility of a recession in the U.S., and lean toward a modest easing of credit.

(Wall Street Journal)

NETWORK NEWS (Sunday evening)

GULF -- After negotiations between the U.S. and Iraq, 55 dependents of American diplomats were allowed to leave Baghdad.

U.N. Secretary-General Perez de Cuellar will meet with Iraq's foreign minister this week.

President Bush basked not only in perfect weather, but in a growing sense of confidence Saddam has been check-mated.

INTERNATIONAL NEWS....A-1

NATIONAL NEWS.....A-13

NETWORK NEWS.....B-1

SUNDAY TALK SHOWS.....C-1

INTERNATIONAL NEWS

IRAQ SEIZES LEBANON'S AMBASSADOR TO KUWAIT

BEIRUT -- Iraqi occupation troops have seized Lebanon's ambassador to Kuwait and 12 of his staff, foreign ministry sources told Reuter Monday.

They said ambassador Adnan Badra and the other diplomats, who were due to return to Lebanon last Thursday, had been taken to Baghdad after being detained on leaving the embassy en route to Saudi Arabia.

Lebanon's pro-Syrian government decided to withdraw Badra in protest against Iraq's Aug. 2 invasion of Kuwait and Baghdad's order to close embassies in the annexed northern Persian Gulf state.

The sources said the diplomats had been banned from leaving Baghdad and their precise whereabouts were unknown. (Reuter)

THREE AMERICAN DEPENDENTS STOPPED AT IRAQ-TURKISH BORDER

Fifty-two of 55 dependents of U.S. Embassy personnel from Kuwait crossed from Iraq into Turkey late Sunday, but three young men were detained by Iraqi border authorities, the State Department said.

A spokeswoman for the Kuwait task force at State Department headquarters said, "The convoy of Kuwait embassy dependents crossed the border from Iraq into Turkey about 2 a.m. Iraqi time (6 p.m. EDT). Fifty-two of the group of 55 who earlier had permission to cross were allowed to leave.

"Three young men in the group, male dependents of Kuwait embassy diplomats, were not allowed by Iraqi officials to transit the border and are in the company of an American Embassy Baghdad escort officer....

The spokeswoman, who declined to allow her name to be used, said she had no information on the ages of the three males held back, nor on what would happen to them. State Department officials previously have described all 55 of the dependents as "women and children."

An Administration official with President Bush in Kennebunkport, said later that all three of those kept from crossing the border were over 18 years of age. The official, who declined to be identified by name, said there was no indication that the three were harmed, but that they were sent back to Baghdad with the escort officer. (George Gedda, AP)

-more-

U.N. LEADER TO HOLD TALKS WITH IRAQI IN MEDIATION BID

CAIRO -- The U.N. announced Sunday that Secretary-General Perez de Cuellar will meet Thursday in Jordan with Iraq's foreign minister to discuss the Persian Gulf crisis, as Iraq allowed more than 50 Americans to leave the country but continued to round up Westerners.

The announcement marked the first formal attempt by the U.N. leader to mediate in the international dispute sparked by Iraq's Aug. 2 invasion of Kuwait and its detention of thousands of Westerners.

National Security Adviser Scowcroft said on ABC Sunday that the Bush Administration "would have no problem" with a mediation effort by Perez de Cuellar but made clear that the only thing the U.S. is ready to negotiate now would be "the timetable, the modalities" of an Iraqi withdrawal from Kuwait.

Saddam Hussein, who has called for talks with the nations arrayed against him, has declared that his conquest of Kuwait is irreversible. But Iraqi Foreign Minister Aziz told CNN Sunday: "We are open to listen to suggestions. We have not closed the door to any idea, but this question is complicated by the American threat to Iraq." (William Claiborne, Washington Post, A1)

SHEVARDNADZE: SOVIETS WILL NOT USE FORCE

But Moscow Has No Objection If Others Enforce Iraqi Embargo

MOSCOW -- The Soviet Union will not use force in the Persian Gulf despite voting for a U.N. resolution last week permitting limited military enforcement of the embargo of Iraq, Foreign Minister Shevardnadze said Sunday.

After talks here with French Foreign Minister Dumas, Shevardnadze said in a joint news conference that while Moscow will not object if other countries, including the U.S., use military means to back up the embargo, "we have no such plans to use force or take part in such an operation."

"We voted (for the U.N. resolution) because other countries are ready to take part in inspecting the ships and vessels suspected of carrying prohibited cargo," Shevardnadze said. "The United States and other countries represented in this region -- I mean which have their own armed forces -- they should act, but within the guidelines of the resolution."

Shevardnadze also denied reports that the 193 Soviet military advisers still in Iraq are helping it "prepare details for military operations." Other officials have said the advisers help teach Iraqi soldiers how to use and maintain Soviet-made arms and equipment.

(David Remnick, Washington Post, A13)

-more-

U.S. SAYS IRAQIS BRIEFLY ENTERED CHINESE EMBASSY IN KUWAIT

Iraqi authorities reportedly entered the Chinese Embassy in Kuwait and tightened their grip on other foreign embassies there Sunday by shutting off their water supply, Administration officials said.

The U.S. Embassy, which now houses about 10 diplomats, has been virtually cut off from the 2,500 people who make up the American community and surrounded by Iraqi forces, the State Department said.

Ambassador Nathaniel Howell and his staff of mostly consular officers have stored adequate food and water, including that which fills several jugs and the compounds swimming pool. While their electricity has been cut, a couple of telephone lines work from time to time.
(Clifford Krauss, New York Times, A10)

U.S. HOPEFUL SADDAM WILL BOW TO PRESSURE

The Administration is expressing hope the Persian Gulf crisis still can be resolved without military conflict, if worldwide economic sanctions force Iraq's Saddam to withdraw his forces from Kuwait.

"I can see a peaceful way out of it," National Security Adviser Scowcroft said Sunday. "Saddam Hussein must now see he's facing overwhelming world opinion. He is casting about for a way out of the box in which he finds himself," Scowcroft said....

The specter of global economic pressure on Iraq, combined with the U.S.-led military buildup in Saudi Arabia, prompted several analysts who appeared on network television talk shows Sunday to forecast an eventual reversal by Saddam of his Aug. 2 conquest of Kuwait.

Former national security advisers Henry Kissinger and Zbigniew Brzezinski indicated there was room for hope that the gulf crisis could be resolved short of military conflict. (George Gedda, AP)

Bush To Meet With Canada's Mulroney On Persian Gulf Crisis

KENNEBUNKPORT -- President Bush, buoyed by a crucial U.S. victory in the U.N., is exploring ways to increase pressure on Iraq's Saddam Hussein in talks with Prime Minister Mulroney.

Mulroney, a key ally, was to arrive at Bush's seaside vacation complex at midday Monday for a 24-hour visit.

Although Canada earlier voiced some reservations about using force in the Persian Gulf, it now has joined other nations in providing forces in the region.

The two leaders were expected to discuss Mulroney's recent talks with Arab leaders, as well as the role of three Canadian ships sent to the Persian Gulf to help enforce the trade embargo, said an Administration source who asked not to be identified.

Bush and Mulroney also were likely to discuss the emergence of U.N. Secretary-General Perez de Cuellar as a conduit to talk with Saddam Hussein, the Administration official said.

(Tom Raum, AP)

Bush Set To Confer With Canadian Leader On Gulf Crisis

KENNEBUNKPORT -- As U.S. warships shadow Iraqi merchant vessels to implement a trade embargo on Iraq, President Bush invited Prime Minister Mulroney to his seaside holiday home Monday to discuss the gulf crisis.

Mulroney, accompanied by his wife, Mila, and four children, was to arrive at midday for "extensive discussions" with Bush, a White House spokesman said. Canada has two destroyers and a support ship in the multi-national force arrayed against Iraq in the Persian Gulf.

The Canadian leader's visit comes amid signs that Bush and his advisers believe their strategy in the 25-day-old crisis is starting to make headway.

President Saddam "certainly is showing that he is concerned by what is in place against him.... He is casting about for a way out of the box in which he finds himself," National Security Adviser Scowcroft told ABC News on Sunday.

With massive ground, air and naval forces in the gulf and armed with U.N. backing to cut Iraqi economic lifelines by force if necessary, the White House seemed hopeful of a peaceful resolution of the crisis and emphasized it would be on Bush's terms.

Scowcroft said U.N. Secretary-General Perez de Cuellar's plan to meet Iraqi officials in Amman on Thursday was "clearly acceptable" and pointedly added that Perez de Cuellar's agenda was unambiguous.

(Gene Gibbons, Reuter)

War Fears Diminish But West Dismisses Saddam's Peace Feelers

NICOSIA, Cyprus -- Fears of imminent war in the Persian Gulf diminished Monday after a jittery weekend but both sides seemed set for a lengthy stand-off in the crisis.

Western leaders scorned hints that Iraq's Saddam Hussein, faced with a huge military buildup in Saudi Arabia, was ready to talk peace. "This man is a despot and a tyrant and must be stopped," said Prime Minister Thatcher.

But National Security Adviser Scowcroft said Saddam seemed to be looking for a way out.

"He certainly is showing that he is concerned by what is in place against him.... He is casting about for a way out of the box in which he finds himself," Scowcroft said in a television interview.

Scowcroft said Washington was ready for talks at any time if Iraq met its conditions -- mainly a total withdrawal from Kuwait and restoration of the emir....

Saddam appeared to set for a long haul. The Independent newspaper reported from Baghdad that food rationing would start Sept. 1 in an attempt to beat the U.N. embargo which has cut off almost all Iraq's trade.

(Simon Martin, Reuter)

Bush Set To Talk, If...

KENNEBUNKPORT -- The Bush Administration, confident that it now has enough forces in Saudi Arabia to repel an Iraqi attack, is ready to talk with President Saddam -- but only after Iraq leaves Kuwait and restores its pre-invasion government.

Believing that Iraq is on the run due to the American military buildup and a united Arab front against Saddam, senior Administration officials said Sunday for the first time that diplomacy could lead to a peaceful resolution of the 25-day-old crisis.

But in Washington the Pentagon is still fearing for war, making sure that if a military confrontation breaks out, the thousands of American troops in Saudi Arabia for Operation Desert Shield are fully supplied for an all-out offensive.

Senior military officials told the Washington Times that the Pentagon has placed urgent orders with arms suppliers for jet- and tank-killing missiles, shells and bullets, the officials said. The purchases include Sidewinder air-to-air missiles.

In addition, the officials said, the Pentagon is not slowing the shipment of troops and equipment to the gulf and will continue to call up thousands of reservists -- many of whom would go to Saudi Arabia.

(Paul Bedard, Washington Times, A1)

ECONOMIC BLOCKADE

KENNEBUNKPORT -- The U.N. economic blockade already is "pinching" Iraq -- forcing President Saddam to seek some way "out of the box" that eventually could undermine his reign over his own people, top Bush Administration officials said Sunday.

"He is certainly showing that he is concerned by what is in place against him," Gen. Scowcroft said. "I think he is casting about for a way out of the box in which he finds himself."

In addition, the officials said the U.S. would support the efforts of U.N. Secretary-General Perez de Cuellar to mediate the Persian Gulf crisis, but pointed out that Perez de Cuellar should adopt recent U.N. Security Council resolutions as his framework for the negotiations now set for Thursday in Amman....

And Scowcroft told reporters here Sunday that the U.S. would grant political asylum to the crews of any Iraqi ships if they permitted American or allied forces to board their vessels or to turn the ships away. Saddam reportedly has threatened to execute any ship captains who comply with searches or any other orders authorized by the U.N. to enforce the economic sanctions. But Scowcroft downplayed the possibility that any such confrontations are near, saying, "While right now there are a few ships that conceivably could be a problem, right now, as I understand it, there are no problems in the area." (Timothy Clifford, Newsday)

U.S. Offers Asylum To Iraqi Crews That Help With Embargo

KENNEBUNKPORT -- The U.S. will offer asylum to Iraqi tanker crews that cooperate with efforts to enforce a U.N. trade embargo against Baghdad, a senior U.S. official said Sunday.

"To the extent that some of them may fear for their safety or lives if they do comply with the U.N. orders, of course we will (offer asylum to the crew members)," said National Security Adviser Scowcroft....

The U.N. Security Council early Saturday approved by a 13-0 vote with two abstentions the use of military force to carry out the embargo imposed following Iraq's Aug. 2 invasion of Kuwait.

However, Scowcroft said voluntary compliance with the U.N. sanctions was good and he foresaw no military confrontations soon.
(Irwin Arieff, Reuter)

**DEMANDS FOR OVERALL U.S. ENERGY POLICY INCREASE
Role Of Taxes, Costs Of Persian Gulf Deployment
May Be Focus Of Congressional Debate**

Not for a decade has the U.S. energy policy agenda been so full.

The Persian Gulf crisis has doubled U.S. oil prices in a month. Congress returns next week to face a budget battle in which the role of energy taxes and costs of a huge military deployment to protect oil supplies are likely to be the focus of debate....

The Bush Administration does not want the authority to impose energy price controls or to allocate energy resources. But beyond that, its overall energy policy has never been articulated -- it is still being developed, 14 months after Secretary Watkins, in a White House ceremony, said he would develop a comprehensive national energy strategy aimed partly at eliminating decision-making based on crisis or panic....

"The initial response of the Bush Administration to this latest crisis signals a continuation of the short-sighted policies which have gotten the U.S. into this mess in the first place," said the Energy Conservation Coalition in a comment typical of criticism of the Administration. "Although inflating our tires will reduce some oil use, it is not the hard-hitting policy and program recommendations this country needs."

The demand for action on an energy policy framework is not coming just from the environmental community.

Texaco Inc. released the results of a poll it commissioned indicating that 86 percent of Americans favor development of a comprehensive energy policy and 73 percent believe the situation in the Middle East represents "a serious threat to the American economy and the nation's way of life."

(Thomas Lippman, Washington Post, A4)

IMAGE-MAKERS SEE RISK AS BUSH GOLFS THROUGH GULF CRISIS

When Americans recall the gulf crisis of August 1990, they'll picture their President in a golf cart and a motorboat -- images that some Democrats are mentally stockpiling for their 1992 campaign arsenal.

Why does the White House permit President Bush, the nation's best-known vacationer, to be photographed talking about troops, tensions, hostages and hardships while he's fishing or golfing?

"It's over-compensation. It's an attempt to prove that George Bush and Iraq are not Jimmy Carter and Iran," said GOP analyst Stuart Rothenberg, editor of The Political Report.

But he and others suggest that Bush could have made the same point in a less jarring way by taking a working vacation at Camp David, for example, or by limiting his activities in Maine to a morning run, relaxation with his family and work related to the crisis....

To the image-makers, Bush is committing a cardinal sin and taking a potential risk.

"What you need when you're the president is a lot of personal credibility to get you over the rough spots," said Bob Squier, a Democratic media consultant. "This operation is not going to be easy. He's squandering his goodwill by giving pictures that make it look like he's not taking this seriously."

(Jill Lawrence, AP)

SOME SOUR NOTES IN CHORUS OF PRAISE FOR BUSH

Although the approval rating for President Bush in the Persian Gulf crisis is running high -- more than 70 percent in recent polls -- some notes of doubt and criticism are beginning to creep in.

Some of the critics fault the Administration for past actions such as not recognizing the potential dangers of President Saddam before the Aug. 2 invasion of Kuwait. Others raise questions about how the U.S. is going to pull its forces out of the Middle East without destabilizing the region or going to war.

And still others criticize him for operating on a double standard -- invading Panama in December 1989 but then responding with military force to another nation's invasion of a small country.

But the critics remain the distinct minority, even among such traditional opponents as the Heritage Foundation.

James Phillips, a Middle East analyst with the foundation, said, "Bush has operated flawlessly in the crisis so far, although I'm a little nervous about the future."

Phillips said, "Where I would fault him is for giving Saddam Hussein the benefit of the doubt for too long. We continued our policy of using him as a force for containing Iran for too long. Perhaps a sharp word of warning from Bush before the invasion could have headed Saddam off."

(Jim Anderson, UPI)

MITCHELL, FOLEY

After the first wave of American combat troops was already en route to Saudi Arabia, President Bush tried to reach one congressional leader who controls the constitutional authority to declare war, call up the militia and -- in the case of Saddam Hussein -- punish felonies against the law of nations.

But Sen. Mitchell was traveling. The White House operators left a message for him in Nashville. When he called back, Bush was busy.

"I did finally speak to Gen. Scowcroft, who merely informed me in general terms of the proposed deployment," Mitchell told reporters Aug. 8. There was no conversation beyond that."

Since then, Mitchell and Speaker Foley -- who did talk to Bush on Aug. 7 -- have vanished into vacationland. Before leaving --

Mitchell for Maine and Foley for the Virgin Islands -- they gave Bush a virtual congressional carte blanche for the biggest commitment of American force overseas since the Vietnam War....

When the two leaders return to Washington for a meeting with Bush, they will encounter some second-guessing from their colleagues over the risk that "Operation Desert Shield" presents to the U.S.

"There's a feeling that things have escalated beyond expectations and that this co-equal branch of government is not plugged in," said a House leadership official who took a telephone poll of key Democrats. Among the concerns voiced about Bush's policy was the potential use of military power to force Hussein out of Kuwait, the leadership official said.

(Patrick Slovan, Newsday)

ISRAEL VOWS AID FOR PALESTINIAN GULF REFUGEES

ALLENBY BRIDGE, West Bank -- As Palestinian refugees from Kuwait and Iraq streamed westward across the Jordan River on Sunday, a senior Israeli government official promised to expedite the flow of those returning to the West Bank from the Persian Gulf crisis area.

Shmuel Goren, occupied territories coordinator, paid a visit to this historic crossing place between Jordan and the West Bank and declared that Israel would "obviously help" any foreign citizens wishing to pass this way....

But the official also said that Israel, during the impending harvest season, would crack down on any effort to truck West Bank food supplies across the Allenby Bridge into Jordan with Iraq as the ultimate destination.

(William Tuohy, Los Angeles Times)

SAUDIS ACT TO RAISE OIL PRODUCTION

DHAHRAN, Saudi Arabia -- The Saudi government has ordered the state-owned oil company Saudi Aramco to begin increasing production but has yet to set any new ceiling, according to informed oil sources....

The sources said the government order to Saudi Aramco was issued early last week after Oil Minister Nisham Nazer publicly warned Saudi Arabia's OPEC partners that if they refused to hold an emergency meeting to discuss the current crisis in the market, his government reserved the right to take unilateral action "immediately."

(David Ottaway, Washington Post, A13)

-more-

U.S. BUILDUP PUTS STRAIN ON SAUDIS
Feets Hand Over Air Bases, Box Lunches To Massing Americans

AN AIR BASE IN SAUDI ARABIA -- ...In the past 2 1/2 weeks, the U.S. has inundated Saudi Arabia with more military weaponry and hardware than this country's own armed forces possess and with almost as many troops as comprise the 65,700-man Saudi military.

Operation Desert Shield has pushed the U.S. military's airlift and sealift capabilities farther than ever before. In the process, it is straining the ability of Saudi Arabia to support the largest buildup of military forces on its soil in modern history.

"Some of our demands have been very, very high," said Army Maj. Gen. William Pagonis, who is directing the massive transport of ground forces and equipment at this base, which cannot be identified under U.S. military rules. "Even the United States would have a hard time moving into New Jersey and dumping the amount of soldiers we've dumped here."

The Saudi forces have vacated entire airfields and other military facilities to accommodate the growing contingent of U.S. troops, which is expected to exceed 100,000 men and women within the next few weeks.

(Molly Moore, Washington Post, A1)

IRAQ SO FAR HOLDS THE EDGE IN PROPAGANDA BATTLE WITH WEST

...A study of international broadcasting and press worldwide suggests that, so far, the Western allies are holding together to a degree that may surprise those skeptical of Western European and Asian resolve.

But the U.S. may not be succeeding so well in waging the word war in the Middle East.

First, the Iraqi government is successfully jamming American and British broadcasts in Arabic in the region, using equipment purchased from the West for its war with Iran.

Second, the U.S. is typically not adept at understanding the nuances of the region, a problem that former officials of the Jimmy Carter Administration admit severely limited the success of the Camp David accords in the 1970s.

Third, President Saddam's miscalculation of the Western response to his invasion of Kuwait may be more than matched by his skill at employing the code words and passions that move politics, at least among masses, in his own region....

William Quandt, of the Brookings Institution, said he thinks President Bush should direct more of his own actions at the international audience. There has been "no major statement," he said, "addressed to the Middle Easterners."

Earlier last week, several Bush aides argued in private White House sessions that the President was actually harming U.S. interests abroad by not paying enough attention to how his remarks would be played overseas, according to a senior Administration source. They were concerned in particular about Bush's descriptions of Saddam as a "liar" and an "evil" force who had no regard for "human life." (Thomas Rosenstiel, Los Angeles Times)

MUBARAK: IRAQ MAY COMPROMISE

CAIRO -- Egyptian President Mubarak Sunday made an apparent plea to President Saddam to avert war by withdrawing from Kuwait.

Asked if Saddam was likely to "make a deal" or "fight to the finish," Mubarak told CBS's Dan Rather, "He may come to compromise" by withdrawing. There's no other way."

Mubarak said if Saddam does not respond to global diplomatic measures, he fears "force may be used."

Mubarak also admitted Saddam is in "a very tight corner" and "will meet terrible problems" from militant supporters if he pulls out now.

The Egyptian leader also:

- * Said President Bush "will be in a difficult situation if he withdraws without" a solution....

- * Said other Moslems don't believe Saddam's claim that the crisis is a "holy war."

- * Said Saddam got very bad advice about being videotaped last week with hostage children. "It was very stupid."

(USA Today, 1A)

SUPPRESSED AT HOME AND DISMISSED ABROAD

**Prophetic Iraqi Opposition Considered Too Far-Flung,
Fractious To Engineer Saddam's Overthrow**

LONDON -- As much of the world is drawn into a crisis spawned by the actions of President Saddam, one group feels entitled to say, "We told you so": Iraq's scattered and diverse political opposition.

Ruthlessly suppressed at home, ignored, denigrated and at times betrayed by the West, and hopelessly divided among themselves, Saddam's opponents for years have been issued unheeded warnings about the Iraqi leader's expansionist goals and willingness to use weapons of mass destruction and Gestapo-style tactics against enemies foreign or domestic.

Yet even within the Persian Gulf in crisis, they remain prophets without honor. Many Western analysts and intelligence specialists dismiss the opposition -- much of which is based here -- as too weak to play a significant role in overthrowing the Iraqi president or destabilizing his government. "We don't see them as particularly effective," said an official in the State Department, which this month rejected a meeting with one of the leaders of Iraq's Kurdish resistance movement.

(Glenn Frankel, Washington Post, A13)

END OF COLD WAR STRENGTHENS U.N.
Gulf Acts Signal Harmony Not Seen Since Founding

U.N. -- After years of being dismissed as a failure and a forum for Third World demagoguery, the U.N. suddenly has been transformed into the mechanism through which the world community hopes to prevent the Persian Gulf crisis from becoming an arena of bloody warfare.

It is perhaps the most dramatic illustration to date of how the long Cold War rivalry between the U.S. and the Soviet Union and their allies has been replaced by a determination to work together against threats to peace....

If there has been a discordant note in the U.N.'s approach to the gulf crisis, it involves the feeling of some Third World countries that the new harmony among the Security Council's members could erode the power of the General Assembly's larger numbers. That feeling led some to argue that any naval forces enforcing the embargo should be controlled by the U.N.

(John Goshko, news analysis, Washington Post, A1)

GULF CRISIS TESTS BAKER, 'SHEV' TIES

The Persian Gulf crisis has highlighted the special relationship that has developed between Soviet Foreign Minister Shevardnadze and Secretary Baker, the superpowers' top diplomats.

Beginning with their unprecedented joint declaration early in the crisis condemning Iraq's Aug. 2 invasion of Kuwait, Mr. Baker and Mr. Shevardnadze have been in almost constant contact, coordinating diplomatic strategies and fretting together over their trapped citizens.

By an informal count, the secretary of state has talked with Mr. Shevardnadze no less than nine times in the last three and a half weeks....

The close working ties between the two men helped the superpowers avoid confrontation in the Middle East and was a key element in Washington's effort to build an unprecedented international coalition against President Saddam....

"They have both frank and cordial types of conversations," Margaret Tutwiler, Mr. Baker's spokesman and close aide, said recently. "They're both very straight with each other."

(Warren Strobel, Washington Times, A7)

PENTAGON SUSPENDS MEDIA POOL COVERING GULF CRISIS

The Pentagon suspended its media press pool covering the Persian Gulf Sunday, saying it was no longer needed because Saudi Arabia was not permitting open coverage of operations there.

"We are pleased that the government of Saudi Arabia has chosen to allow reporters to cover military operations in the gulf region," a Defense Department statement said.

It said the pool was suspended as of 5 p.m. EDT because of the large numbers of reporters that had been allowed into the country.

(Reuter)

SUNUNU-LED GROUP TO MEET WITH SOVIETS
Officials Will Discuss Presidential Process

KENNEBUNKPORT -- Another step in the improving relationship between the U.S. and the Soviet Union will take place this week with the arrival in Moscow of White House Chief of Staff Sununu and a delegation of top White House aides, who will spend the week advising the Soviets on how to organize a presidential office.

Despite the continuing crisis in the Middle East, Sununu was to leave Washington Sunday night and, with a stop en route to meet with Finnish President Mauno Koivisto, arrive in Moscow late Monday. He and the others are to meet with Soviet officials on Tuesday and Wednesday, then depart for Leningrad for another day of meetings. The White House team is to leave the Soviet Union on Friday and stop in London, where Sununu is to meet with Prime Minister Thatcher, on the way back to Washington, arriving Saturday....

The fact that such a senior U.S. delegation will be leaving for Moscow in the middle of the gulf crisis speaks volumes about Bush's desire to nurture the improving relationship with Gorbachev.

(Dan Balz, Washington Post, A15)

Sununu's Smooth Operation Is Winning Over His Critics

KENNEBUNKPORT -- White House Chief of Staff Sununu's managerial philosophy, which will be on display this week in an unusual visit to Moscow, is what he calls "the acorn theory of management."

He says he would rather deal "with a couple of dozen problems when they're acorns rather than on big problem when it's become an oak tree."

In practice, it means keeping his door open and giving aides ample opportunity daily to contact him on even the most trivial matters....

Brookings Institution scholar Stephen Hess calls Mr. Sununu "the big surprise of the Bush Administration."

How has he done it?

In part by working long hours, maintaining an open-door policy and displaying an ability to cut deals even with such liberals as Sen. Edward Kennedy....

"He's got an open door and an open mind," said Andrew Card, the deputy chief of staff and part of the delegation to Moscow. "He is not a micromanager. He does not do an awful lot of minutiae."

(AP, Washington Times, A4)

EDITOR'S NOTES: "With Embargo, U.S. Farmers Lose One Of Their Best Clients," by William Robbins, appears in the New York Times, A9.

"Japanese Feel Pressure On Aid For Gulf Effort," by Urban Lehner, appears in the Wall Street Journal, A3.

NATIONAL NEWS

FED'S CONCERNS OVER RECESSION ARE INCREASING

GRAND TETON NATIONAL PARK, Wyo. -- Fed policy makers are increasingly concerned about the possibility of a recession in the U.S., and lean toward a modest easing of credit.

But at the same time, Fed officials suggest they won't move to cut short-term interest rates until financial markets settle down. The crisis in the Middle East has caused the U.S. dollar and the bond market to fall sharply in recent days.

That's the conclusion drawn from interviews with a half-dozen top Fed officials attending a conference here. Some spoke for the record; others asked that their names not be used. Their comments strongly suggest that at its meeting this past week, the Fed's policy-making committee adopted a directive that allows Fed Chairman Greenspan to reduce short-term interest rates modestly in the next few weeks, if market conditions allow. The panel adopted a similar directive at its meeting in early July.

(Alan Murray, Wall Street Journal, A2)

U.S. AGAIN SAYS GNP ROSE 1.2% IN 2nd QUARTER

The economy wasn't quite as bad off in the second quarter as the government originally estimated, although overall growth was just as weak.

After reviewing new data, the Commerce Department made minor revisions to its calculation of the second-quarter real GNP...showing that personal spending and exports during the period were stronger than originally estimated. Business inventories, the new data showed, were smaller.

(Hilary Stout, Wall Street Journal, A2)

FBI DRUG PROBE TAKES DAY TO CLEAR THORNBURGH'S SON

HARRISBURG, Pa. -- Allegations that Attorney General Thornburgh's son used drugs first surfaced here eight years ago, but they were looked into only last month in a federal investigation that consisted of two interviews over the course of a single day.

Confirming that only two former friends of Mr. Thornburgh's son, William, had been interviewed, Justice Department spokesman Dan Eramian said the investigation was thorough and that it was not unusual to close an inquiry after just two interviews.

He said FBI agents found no evidence of wrongdoing....

But a Harrisburg businessman, who described himself as a friend of the two men interviewed by the FBI, told a different story.

"It was pretty common knowledge among the cocaine crowd in Harrisburg that Bill Thornburgh was doing drugs," said the businessman, now on probation for cocaine possession.

(Jerry Seper, Washington Times, A1)

**METHADONE MAKER DOUBLES PRICE; OFFICIALS WARN
OF IMPACT ON TREATMENT EFFORT**

The main U.S. producer of methadone, the synthetic narcotic used to treat heroin addicts, is doubling its prices for the drug - a move federal officials warn could result in thousands of inner-city drug abusers being denied access to treatment programs.

The prices hike, announced recently by the Mallinckrodt Specialty Chemicals Co. of St. Louis, has raised concerns among Bush Administration drug policy officials and prompted some drug treatment administrators to accuse Mallinckrodt of exploiting its dominant market position to engage in "drug war price gouging."

(Michael Isikoff, Washington Post, A8)

EDITOR'S NOTES: "Discussing Yellowstone, Lujan Creates New Stir," by Robert Reinhold, appears in the New York Times, A12.

"GOP Fund-Raising Group Finds A Way To Get More Cash To Senate Candidates," by Jill Abramson, appears in the Wall Street Journal, A12.

-end of A-section-

NETWORK NEWS SUMMARY

(Sunday evening, August 26)

ABC's Forrest Sawyer: After long negotiations between U.S. and Iraqi officials, 55 dependents of American diplomats -- mostly wives and children -- were allowed to leave Baghdad to make the long and difficult journey overland to Turkey.

ABC's Peter Collins reports from the Turkish-Iraqi border the bus carrying the Americans arrived on the Iraqi side of the border at mid-afternoon. U.S. officials waiting at the border have been disappointed to learn the Americans will not be coming out Sunday. They're hopeful the hostages will come out Monday, but given Iraq's record so far there are no guarantees.

Sawyer reports while Iraq says peace talks are possible, it is still preparing for a fight. Officials are waging a propaganda campaign as Western reporters were shown Saddam's popular army. Ministry of Information officials, who only days ago were slow to answer reporters' requests, are now manning a table at the hotel where journalists are housed. And the Iraqi news agency stated Saddam's peaceful reply to U.N. Secretary General Perez de Cuellar's offer to negotiate the crisis. Of course, Saddam said, the secretary general is always welcome. Shortly after that statement, Perez de Cuellar's office announced the secretary general will meet with the Iraqi foreign minister on Thursday in Amman. In Kuwait, Iraqi soldiers have rounded up eight more Britons and have a standing order to execute anyone sheltering foreigners. The standoff continues at the embassies, meanwhile.

ABC's Bob Zelnick reports on the U.S. military buildup in the Gulf. To get U.N. authority to use force, diplomatic sources say the U.S. had to agree to place maximum reliance on political, not military means, to achieve Iraq's withdrawal from Kuwait. This was a distinct change in the administration's tone. Throughout much of last week, administration officials appeared to be signaling the U.S. could tolerate no solution which left Saddam Hussein in charge of an Iraq whose military power remains unbroken. But Sunday, on "This Week with David Brinkley," National Security Advisor Scowcroft suggested a political settlement would be acceptable.

(**Scowcroft:** "If we can go back to the status quo ante in terms of Iraqi forces out of Kuwait and the leadership back in Kuwait and hostages released, there will still be a fundamentally different situation in that area.")

For the moment at least, the word is a united international front and an embargo -- not an invasion -- will be used to get the Iraqis out.

ABC's Jim Hickey reports on the economic problems of countries like Egypt caused by Iraq's invasion of Kuwait.

ABC's Carole Williams reports Newsweek magazine polled people on which countries Americans feel are trying to help solve the Persian Gulf crisis. Japan fared the worst with only 18 percent if those polled saying Japan is doing as much as it can, 59 percent said Japan is not doing enough.

-more-

ABC's Mark Litke reports from Tokyo on the Japanese reaction to the Persian Gulf crisis. The Japanese government has been almost paralyzed with indecision since the crisis erupted.

(Taizo Watanabe, Foreign Ministry spokesman: "It's very difficult because many people are suffering from this kind of Second World War trauma. We've got to be concerned about the possibility of the re-emergence of Japan as a military power.")

Still, the Japanese are aware of the mounting criticism that Japan talks of support but so far has sent no money and no manpower. More public figures are hoping that the country will live up to its international responsibilities.

(Taichi Masuzoe, political analyst: "Personally, I will be really embarrassed and I'll criticize our government and our prime minister.")

The Japanese government is finally planning on sending medical supplies and financial support.

(Watanabe: "This is the first ever venture in the post-War era that we are going to change our policy from passive to positive in the field of peacekeeping efforts.")

ABC's Chris Bury reports from Indianapolis on the American Legion convention. The legionnaires talked tough and were itching for a fight with Saddam.

(World War Two veteran: "In my day we wouldn't take that stuff. We'd go out and get him. We'd clean house with him. I'm not a kiddin' ya'.")

Vietnam veterans were more cautious.

(Miles Epling, National Commander American Legion and Vietnam veteran: "If we're going to get into a conflict, let's get in it to win. Let's don't get in it to do what we did in Vietnam.")

ABC's Greg Dobbs reports on the families of soldiers sent overseas. Crisis counseling centers have been created at military bases to help the families cope. (ABC-Lead)

[Editor's note: Most of the NBC broadcast was pre-empted]

NBC's Garrick Utley: ...This week, on Thursday, U.N. Secretary General Perez de Cuellar will meet with Iraq's foreign minister, here in Amman, Jordan. The announcement came Sunday afternoon. The U.N. secretary general has said it is time for him to get involved as a mediator in this crisis, and his first job here will be to find out whether the Iraqis are interested in negotiating a withdrawal from Kuwait. Is this development going to complicate life for George Bush?

NBC's John Cochran: No one on the Bush administration will put it this bluntly, but the only kinds of negotiations the United States is interested in are the kinds that Gen. Douglas MacArthur conducted in 1945 on a battleship in Tokyo Bay, the kinds where the enemy surrenders, period. As President Bush began his final week of vacation, he had a fine warm day, but he had a cool response to U.N. offers to mediate.

(TV coverage: President golfing.)

Administration officials responded politely but without enormous enthusiasm.

-more-

Cochran continues:

(**Assistant Secretary of State Kelly:** "We're not going to reject out of hand anybody who can contribute successfully to the improvement of the situation.")

With his aide Brent Scowcroft, the President conferred by phone with Egypt's President Mubarak.

(TV coverage: Still of President on phone.)

Bush wants the allies to stand firm: no backing down from the demand that Iraq withdraw from Kuwait. Scowcroft said the only thing to negotiate is the timing of the withdrawal.

(**Gen. Scowcroft:** "What is negotiable? I think the timetables of his getting out, exactly the modalities of it.")

It's not clear whether timing was all Perez de Cuellar had in mind Saturday when the U.N. secretary general offered to meet with Iraqi officials, but Saddam Hussein quickly accepted the offer and it didn't take long to arrange the meeting next Thursday between the U.N. envoy and Iraq's Foreign Minister Aziz.

(**Aziz:** "We are open-minded and we are open to listen to suggestions, to ideas. We have not closed the door for any idea and constructive suggestion.")

President Bush's aides say he expects little, in anything, to come from this week's talks. They also say the President must give formal support to U.N. peace efforts.

(TV coverage: President entering car.)

The U.S. has gotten the tough anti-Iraq resolutions it wanted this month from the U.N. Now, it would be very bad form to undermine the U.N. peace mission.

(**Donald McHenry,** former U.S. Ambassador to the U.N.: "If we were resistant to some diplomatic effort to resolve this question, I think we probably would lose some of the international support. There would be those who would say that the United States is on the warpath.")

Ambassador McHenry said he expects Secretary General Perez de Cuellar will try to find some face-saving way for Saddam Hussein to back out of this crisis, but McHenry also said he does not think the secretary general will succeed. White House aides are equally pessimistic.

NBC's Keith Miller reports from Baghdad Iraq's new recruits for its popular army look they will need a good deal of time to shape up. The mood in Baghdad, at least on the surface, appeared calm.

NBC's Mary Alice Williams reports Prime Minister Thatcher says there will be no negotiating with Saddam.

(**Thatcher:** "This man is a despot and a tyrant and must be stopped.") (NBC-Lead)

CBS's Bob Schieffer: It's been fairly quiet in the region around the Persian Gulf Sunday, but there were several developments on the diplomatic front. U.S. Secretary General Perez de Cuellar announced Sunday afternoon that he will discuss the crisis with the Iraqi foreign minister on Thursday in Amman, Jordan. In Baghdad, 55 wives and children of the U.S. diplomats who have been trapped in Iraq were finally told that they could leave for the Turkish border. Iraqi authorities still refused to let the diplomats themselves leave. At the U.S. Embassy in Kuwait, where a skeleton staff of Americans is still in place, the standoff with Iraqi soldiers continued. At the Pentagon, more reservists and National Guard troops were called to active duty. -more-

CBS's Deborah Potter reports on the 55 U.S. Embassy dependents who were allowed to leave for Turkey. At the U.S. Embassy in Kuwait the U.S. ambassador and a handful of staffers are still surrounded by Iraqi troops, but officials say the Americans will keep the flag flying for as long as possible.

(Undersecretary of State Kimmitt: "They are up, they are functioning, the moral is good and they're doing what they can under difficult circumstances to serve the American community still there.... They are without power at this moment. They're operating on auxiliary means.")

Conditions are getting tougher by the day.

(Ambassador Al-Sabah, Kuwaiti Ambassador to the U.S.: "The Iraqis are persecuting them. They are going from home to home, from apartment to apartment looking for these foreign nationals...and we are trying to hide them away as much as we can.")

But some are being found. Sixteen Westerners and two more Americans were taken into custody this weekend and the roundups continue.

Schieffer: In Kennebunkport, President Bush kept to his vacation schedule Sunday. He got in a round of golf after church and left most pronouncements on the crisis to his advisors.

CBS's Wyatt Andrews: The President Sunday basked not only in perfect weekend weather, but in a growing sense of confidence Saddam has been check-mated.

(TV coverage: President golfing.)

White House officials Sunday even said they approve of U.N. chief Perez de Cuellar's proposal to start peace talks with Saddam, but made it clear any talks should focus only how Saddam might give up.

(Gen. Scowcroft: "We're prepared to talk about anything after Saddam Hussein has withdrawn from Kuwait, has allowed the leadership of that country to come back and has released all the foreigners who want to leave.")

And what, if anything, would the U.S. negotiate?

(Gen Scowcroft: "What is negotiable? I think the timetables of his getting out, exactly the modalities of it.")

To the White House, the U.S. finally cornered Saddam early Saturday when the U.N. blessed the use of force against any ship doing business with Iraq. The Navy, which had been shadowing suspect ships, could now at any time decide to stop them. The other source of official confidence is that the blockade, even without the use of force, seems to be working.

(Assistant Secretary of State Kelly: "We know that internal food prices are going through the roof for certain commodities like rice, sugar and so on.")

As if to confirm the blockade has begun to bite, Iraqi officials Sunday began to publicly complain.

(Iraqi Foreign Minister Aziz: "Because the American blockade against Iraq might lead to the starvation of the Iraqi people, it might lead to the starvation of the Iraqi children.")

Assured now that he's put the maximum diplomatic and military pressure on Saddam Hussein, the President's strategy is to wait. Outside of the two potential flashpoints -- harm to the hostages or a clash at sea -- this once hot crisis is evolving into a test of patience and nerve.

Schieffer reports Soviet Foreign Minister Shevardnadze said that Soviet ships would not use force to interdict vessels trying to bring supplies into Iraq, but he added the Soviets will not interfere with other ships who use force to carry out the blockade.

CBS's David Martin reports no interdictions have taken place yet probably because the embargo seems to be working on its own without force. Iraqi-flagged vessels are the only ships determined to defy the embargo and right now the Navy has nine of them under surveillance. They seem to be either empty or so far away from port that there is no immediate prospect that they will be able to unload their cargo. By one count, the Navy has stopped and searched 14 vessels but so far have not found any embargo runners.

Schieffer reports Gen. Schwarzkopf has transferred his headquarters from Florida to Saudi Arabia.

CBS's Bob Simon reports on the continuing U.S. military buildup in Saudi Arabia. What's coming in now is the equipment and the personnel which could launch an offensive against Kuwait or Iraq. Military planners say it will be another month before they've got what it takes.

(Maj. Gen William Pagonis: "Our forces are growing rapidly and our combat power is growing rapidly and we're all here to sustain it for as long as necessary to bring the forces in.")

U.S. AWACS Sunday spotted a lot of Iraqi air traffic going into Kuwait. Soldiers from around the Middle East are deployed in the desert. Predictably, however, U.S. commanders say they don't want any foreign multinational or U.N. strings attached, so it's basically an American operation.

CBS's Dan Rather interviewed President Mubarak:

Rather: Can Saddam Hussein withdraw from Kuwait and still remain in power -- still have face in this part of the world?

Mubarak: After the invasion of Kuwait and the complete withdrawal from Iran, I think he has put himself in a very difficult corner. To withdraw again from Kuwait easily would be a disaster....

Rather: Can President Bush bring this much military power this far and not use it and still keep U.S. credibility in this part of the world?

Mubarak: ...It depends on the situation, frankly speaking. Of course, I think that President Bush didn't bring all these forces just to use it right away. President Bush will be in a difficult situation if he withdraws without solving the problem. That's why he is using all ways and means to tighten the circle around Iraq.

Rather: When this crisis is over, will it be more difficult or less difficult to find a solution to the Palestinian question?

Mubarak: I think it will be a little bit easier to find a solution...if the Kuwaiti problem is solved because occupying another's territory by force will be an example to the Israelis.

Rather: Is Yasser Arafat's stature being increased or diminished by all of this?

-more-

Mubarak: In our country it is diminishing.... Overall, he lost lots of his credibility all over this part of the world. I can't say that he's finished, but his curve went down -- sharply.

Rather: Is Saddam Hussein the kind of man who can look at all this military force arrayed against him and make a deal? Is he the kind of person who might compromise or is he a fight-to-the-finish, never-give-in person?

Mubarak: I think he may come to a compromise.

Rather: What kind of a compromise could there be?

Mubarak: A withdrawal.... There's no other way out.

Schieffer reports that hundreds of small defense contractors suddenly have more business than they know what to do with.

(Lawrence Korb, defense analyst: "This is good for the defense industry because it shows people that even after the Cold War we will still need a defense industry.")

The defense industry credits the Iraqi invasion with playing a major role in saving continued funding for the B-2 Stealth bomber.

(Michael Lauer, Kidder Peabody defense analyst: "If the market is an accurate gauge of what may be ahead of us, then I think it's telling us that, unfortunately, fireworks may begin and I think the industry is going to do okay.")

Schieffer reports Saudi Arabia and Venezuela asked OPEC for the go-ahead to exceed their quotas. According to an AAA survey, the price of gas has jumped nearly 20 cents a gallon since Iraq invaded Kuwait.

CBS's James Citori reports on the stalled drive for increase fuel efficiency in cars.

(Christopher Flavin, Worldwatch Inst.: "That momentum has now slowed down. We're dead in the water and we're not making the kind of progress that we need to.")

Average economy is down slightly from 1988, all the result, say car makers, of consumers indulging in relatively inexpensive gas and bigger vehicles. If cars averaged 40 miles per gallon, the U.S. would save 2.8 million barrels of oil a day -- equal to the daily production of Iraq.

(David Cole, auto analyst: "The biggest trick of all is to get the population to want to make the sacrifices associated with cars with that kind of fuel economy.")

Experts say the one thing which will guarantee conservation and accelerated research into more efficient cars is perhaps the least likely course of action: a tax making gasoline in the U.S. as costly as in many other countries -- \$2 to \$3 a gallon. (CBS-Lead)

BULGARIA

Schieffer reports thousands of demonstrators sacked the headquarters of Bulgaria's former Communist Party. Police fired on the demonstrators with plastic bullets. (CBS-3, ABC-3)

THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. **Panel** Sam Donaldson & Cokie Roberts.
Guests: Jordanian Crown Prince Hassan, Henry Kissinger and Zbigniew Brzezinski, followed by Gen. Scowcroft.

Brinkley: Do you see a peaceful way out of this? And, if you do, describe it for us, will you?

Hassan: The continued emphasis on the conditionality of withdrawal of forces, or non-conditional withdrawal of forces, is very clear. An act of aggression has been committed; annexation is unacceptable to everyone, including my own country.... However, I note with interest that the United Nations secretary general has been invited to find a middle ground. And I think that that middle ground should surely include recognition of guarantees of non-aggression from that enormous build-up of troops south of Kuwait. I think we have to get the problem back into its component parts of Kuwait and Iraq, rather than just focusing on the international aspect of the problem.

Brinkley: Is there a good chance of this coming about?

Hassan: I think that President Waldheim's visit to Baghdad Saturday, was very clear. Saddam does want to negotiate, and he does want an interlocutor. So how that can come about, how we can get things into perspective, as President Bush has said, is the challenge to us all.

Roberts: We have reports here that you and King Hussein have met with Yasser Arafat with a new peace plan of putting U.N. peace-keeping forces in Kuwait, taking the U.S. forces and the Iraqi forces out of the territory. Is that true?

Hassan: There was not such a meeting in recent days. We are looking at talking points at the present time which we can, I hope, offer to the Iraqis -- and, indeed, to the world community, if and when that is possible.

...I think that outlining peace plans is premature because I think that we need discreet diplomacy at this stage and not up-front, media-type diplomacy. What we need to emphasize is, clearly, the withdrawal from Kuwait and, indeed, the future of that very complicated and historically complicated territorial issue between Kuwait and Iraq.

- - -

Guests: Henry Kissinger and Zbigniew Brzezinski.

Brinkley: If you were President Bush right now, what would you do?

Kissinger: I would stick to the policy that President Bush has been pursuing. I would state the two objectives that he put forward -- withdrawal from Kuwait, and restoration of the government.... And I would be prepared to start withdrawing our troops, if those conditions are achieved.

-more-

Brzezinski: I think the President has succeeded in deterring Iraq from moving against Saudi Arabia. He has resisted the temptation to act alone and unilaterally. He now has the opportunity to bring to bear the collective pressure of the international community, thereby making possible some form of a regional solution along the lines that I thought very intelligently was being recommended by the crown prince of Jordan.

Roberts: Mr. Kissinger, you've written that the United States has crossed the Rubicon here -- that it simply cannot lose, cannot be perceived as losing, but that time is not on our side.... Does that argue for a quick military strike?

Kissinger: No. I think that the President has to balance a variety of elements -- maintaining international support as against the possibility of achieving the fundamental objective -- which he stated and which the United Nations has unanimously endorsed.... My basic point is, we cannot after the deployment into the Gulf march out of the Gulf without having achieved these objectives. And when the time has come to take other measures, that is not for me to say. And I hope that sanctions will work, and I hope that international pressure will work. And if that does work, we will have had a great success; but if it doesn't work, the consequence of a setback would be disastrous.

Brzezinski: ...My judgment is that time is working on our side, that collective international pressure will work and that, in any case, the costs of unilateral and solitary American military action would be disproportionate to any possible achievement. I think it would explode the Middle East. It would turn not only the Arab community against us, but much of the international community -- and it could even jeopardize our vital interests. In fact, I think this is the first post-Cold War crisis in which America has the unique opportunity to fashion a new form of leadership -- leadership which is genuinely supported by the international community and gives us its moral sanctions; and that entitles us to exercise prudence and patience.

Donaldson: How do you reduce the Iraqi military and perhaps their chemicals without military action?

Kissinger: One is by military action. The other would be, if the sanctions are as effective as the advocates maintain, that the sanctions are maintained until the chemical facilities are either dismantled or put under United Nations' supervision.

Donaldson: What about the question of whether the destabilization of Saddam Hussein ought to be one of our objectives?

Brzezinski: The defense of Saudi Arabia is such a vital American interest that we should pursue it unilaterally. The expulsion of the Iraqis from Kuwait is a general interest which I think the international community can achieve by sustained pressure. The toppling of Saddam Hussein can only be achieved by force. That force could only be pursued by the United States. I believe we would be alone and, therefore, it is not worth it.

Kissinger: My view is -- and apparently it's the view of the administration, as well -- is that, if this crisis ends with Iraqi forces in possession of Kuwait and American forces in Saudi Arabia, that the protection of Saudi Arabia and of the Gulf states will not be possible over an extended period of time -- that it would be possible only by the presence of a very large American force permanently, which would be a constant irritation and that, therefore, you cannot separate the future of Kuwait from the future of the Gulf area.

Roberts: So that sounds like what you're saying is that you have to invade, that you have to take military action.

Kissinger: I'm not saying you have to invade. I believe Iraq must be made to withdraw from Kuwait, which most people seem to think the sanctions can accomplish. And I'm saying that if the sanctions don't accomplish it, then we will face the problem that Zbig has mentioned, namely, the protection of Saudi Arabia by other measures. But I'm not recommending that for now.

Brzezinski: It seems to me that, of course, the disgorging of Kuwait by Iraq is desirable. But if the choice is a prolonged American presence in Saudi Arabia with all the complications that Henry rightly mentions, or a solitary and largely unilateral American military effort to throw Iraq out of Kuwait, then I prefer the former to the latter. I prefer to sit in the sands in Saudi Arabia than to have American soldiers fighting through the streets of the city of Kuwait, taking very heavy casualties and precipitating an Arab anti-American explosion which could even destabilize the governments they were seeking to protect -- and thereby in the end even deprive us of the oil that we so vitally need.

Donaldson: ...Apart from the views which you've both expressed this morning...looking at the situation in total, do you expect that there will be major military action?

Kissinger: I believe that Saddam Hussein is looking for some way out; and I think if we remain firm and if we keep open the prospect that we will not stop, he will settle. There will not be military action.

Brzezinski: I think if we sustain collective international pressure with the United States actively involved, there will be some form of an intermediary regional solution, as discussed by Crown Prince Hassan.

- - -

Guest: Gen. Scowcroft.

Brinkley: ...There seems to be a feeling that we may have to sit for a time in the desert and wait for the sanctions to work and wait for other things to develop. In the meantime, in the United States, Saddam Hussein is playing for American public opinion very effectively...which certainly will cause pressure in this country to build up on President Bush. Are you ready for that?

-more-

Scowcroft: Yes, we're certainly ready for it. I'm not sure that it will take place exactly as you have outlined. We just now have our strategy in place with the U.N. resolution passed early Saturday morning, and I think it's time now to see whether or not it will work. And that's what we're prepared to do.

Roberts: ...We now have thousands of American troops in place at tremendous cost. We have thousands of Americans being held hostage in the region. Is it acceptable to us at this point after these kinds of expenditures to go back to the situation as it was before Saddam invaded Kuwait, to the status quo ante, or do we have to do something more dramatic than that -- get him out of the region or get his power out of the region?

Scowcroft: ...If we can go back to the status quo ante in terms of Iraqi forces out of Kuwait and the leadership back in Kuwait and hostages released, there will still be a fundamentally different situation in that area, in that collective action will have been shown to work against a case of aggression; and, therefore, the situation will not be the same afterwards.

Roberts: Speaking of that collective action, the U.N. secretary general has offered to go and negotiate. Is that something that would be acceptable to you?

Scowcroft: I think it's clearly acceptable.

Brinkley: Can you see a peaceful way out of this -- and if so, describe it for us?

Scowcroft: Yes, I can see a peaceful way out of it.... I think that Saddam Hussein must now see that he's facing overwhelming world opinion, backed by forceful actions to sanction him, to prevent his commerce and economically to squeeze him. It seems to me that the course of prudence for a leader in this situation would be do what we're asking, what the world community is asking that he do. I see no reason that would prevent him from doing it. He has certainly, after launching a war in 1980, now given up all of the putative gains of that war. So he has shown that he can be a realist when it needs to be done.

Brinkley: Henry Kissinger said a minute ago...that he is looking for a way out. Is that your information?

Scowcroft: I don't know. He certainly is showing that he is concerned by what is in place against him and some of his moves, which I think have not been very effective -- that is, the attempted use of women and especially small children -- to make his threats. But I think it shows that he is casting about for a way out of the box in which he finds himself.

Roberts: What effect does it have to have someone like Waldheim go in there and get his people out? Does it make us look somehow that our hands are tied?

Scowcroft: Oh, I don't think so at all. I think one can sympathize with the leader of a country wanting to get his own citizens out...

Donaldson: ...What would it take to justify the use of American troops and the body bags that would come back to this country...for President Bush to make a decision to actually strike in a land war in that part of the war?

Scowcroft: I think you could assume that if Iraq...should launch a major assault into Saudi Arabia, it would be resisted forcibly and with considerable strength.

Brinkley: ...We've heard a good deal lately about a "peace dividend" with the end of the Cold War and so on. Can we forget it now?

Scowcroft: I think we have an entirely new situation in which we have to review the costs of what we're doing and make the appropriate adjustments.

- - -

Discussion. Tom Wicker joins.

Donaldson: ...The thought that we would send American forces in on land -- or for that matter anywhere -- to die in a war for the oil by itself is one that you have to think very hard about....

Wicker: ...I think it behooves us to look ahead and to begin to remove our dependence upon foreign oil....

Brinkley: Will there be a shot fired in the Middle East by us?

Donaldson: I think not. Obviously, if they harm our diplomats or our citizens there we're going to have to take action. Short of that, I think the President's policy -- and if you listened to Gen. Scowcroft -- it seemed to me [they want] to give the blockade a chance to work.... It just seems to me a lot of people in this town and a lot of people on the air have just reveled in the idea that we're going to war -- our toughness -- that the American eagle has talons on its claws. I'd like to say to those people...why don't you lead the charge...?

...We're going into recession in this country....

###

FACE THE NATION

Moderator: Bruce Morton.

Guests: Iraqi Ambassador the the U.S. Al-Mashat followed by Undersecretary of State Kimmitt.

Al-Mashat: ...I think you should tell the people openly this is the biggest deception in history that we in Iraq are threatening anybody. We haven't taken anything from the United States. We haven't threatened you. We haven't threatened Saudi Arabia.... When we went into Kuwait it was the 2nd of August, you did not come in until the 8th of August. If we had harbored any design, we would have gone right through then. So let us tell the American people that this is the biggest deception in history.

Morton: You are the one who says we are moving towards war. What the United States has done, as I understand it, is to send troops to protect Saudi Arabia in response to a Saudi request. That is not an invasion, as I understand the English language.

Al-Mashat: ...Then there is no problem if this is the case as you claim.

Morton: ...I don't think any American official has promised to invade Iraq. You keep saying we are going to do that. I don't know who the "we" is. But I don't recall any official of the United States government saying that, do you?

Al-Mashat: Yes. I have heard many.

Morton: Who?

Al-Mashat: I have heard many that we are going to force Iraq out of Kuwait by all what it takes. What it means "by all what it takes?" Even they are talking about our president, many times, even they are talking about taking out Iraq by air. Why is this?

Morton: ...Are the sanctions working, is Iraq short of food?

Al-Mashat: Definitely the sanctions will affect us. But we are people with lots of pride and we are going to resist and we are going to give sacrifices, we will tighten our belt to defend our own country. We wanted peace, we have to talk peace, not to talk war because of this big armada that you have assembled -- it is not just to defend Saudi Arabia as you claim. You have to tell the American people the truth.

...God gave you a brain to think logically. Why you have the biggest ever, ever in American history -- to have such a big --

Morton: Because the Saudis asked the United States for help, and the United States sent troops. What's so extraordinary about that?

Al-Mashat: And you needed such a big offensive troop? This is not defensive.

- - -

Guest: Undersecretary Kimmitt.

-more-

Morton: ...One of the Lebanese hostages was released. Any word on any chances for anybody else...?

Kimmitt: ...At present we have no other indication that others are coming out. Although I would certainly note that at a time Saddam Hussein is holding thousands of people hostage against their will the hostages holders in Lebanon and their sponsors certainly could put themselves at a distance from Saddam Hussein by letting the people in Lebanon go free.

Morton: What's the...rationale for keeping the embassy [in Kuwait] open?

Kimmitt: The rationale for keeping the embassy open is that there is a legitimate government of Kuwait. We recognize that government.

Morton: There was, but, I mean, it's gone.

Kimmitt: It is not gone. It has been displaced by Iraqi force. But the United Nations Security Council in one of five unprecedented unanimous resolutions has declared the Iraqi annexation of Kuwait null and void. We, and many other countries, are keeping our flags flying for as long as we can to make clear that we and the rest of the civilized world stand behind the notion that there is still a legitimate Kuwaiti government and it should be restored promptly. We also, I might add, have still quite a number of American citizens in Kuwait, and, as I said, that's the primary function of our embassy -- to stay in touch with those people and to facilitate their departure.

Morton: How effective are the sanctions? Do you have any word so far...?

Kimmitt: I think they are becoming increasingly effective. I think the difference between this sanctions regime and past sanctions regimes is that it enjoys the virtually unanimous support of the world community. And therefore, I think that the sanctions are beginning to pinch more and more as each day goes by. We see that both in terms of the drop-off in supplies and revenues for Iraq. We also see it in Iraq's frantic attempts to circumvent the sanctions, which we and other nations are working very hard to stop. We do not want revenues flowing to a leader like Saddam Hussein who says that his first priority is to feed not his people, but his million-man army.

Morton: How long might it take, do you think, for sanctions really to take hold, to cause such a degree of shortage or economic dislocation that Saddam Hussein would really have to do something, get out of Kuwait, invade Saudi Arabia, whatever?

Kimmitt: I think that would be very hard to predict. I think again they will start to take an increasing toll as each day goes by. I think that the sanctions will have both a material effect, but we also hope that they would have a political effect, when he sees that the world community is not breaking ranks, that it is staying behind the U.N. Security Council mandated sanctions, that he would understand that he has only one way out, and that is to withdraw from Kuwait.

-more-

Morton: Have American objectives changed? I mean the fact is now that if Saddam Hussein were to withdraw from Kuwait this noon, the United States wouldn't want to withdraw from Saudi Arabia, because they wouldn't trust him, they wouldn't be sure that he wouldn't go back two days later.

Kimmitt: We certainly would like to see him withdraw at noon, completely, unconditionally, immediately. We would like to see the legitimate government restored. At the same time...the President has made clear that one of the objectives that we seek to ensure is the free, uninterrupted flow of oil from the Persian Gulf. I think that we would assess the situation at the time upon his withdrawal. But we would certainly take those steps that are necessary to ensure that oil would continue to flow freely. At the same time I would note that your hypothetical did not posit the release of Americans held against their will in both Iraq and Kuwait. That certainly, too, would have to be accomplished before we could talk about next steps.

Morton: Would the long-term interests of the United States require a new government in Iraq...?

Kimmitt: I think that the leadership of Iraq should be left up to the Iraqi people themselves. I think what not only the United States but the rest of the world community needs to do is to ensure that Iraq does not pose a threat either to its neighbors or in a broader sense to people throughout the region....

Morton: Are we there for a long time, is this turning into a stalemate?

Kimmitt: We are there for as long as it takes to accomplish the objectives that the President has set out.

###

MEET THE PRESS

Moderator: John Dancy. Panel: R.W. Apple and David Broder.

Guests: Assistant Secretary of State John Kelly and Sen. Kerrey.

Broder: ...What are we going to do about all this [in Iraq]? So far, we have a lot of deploring but not much acting.

Kelly: I think we've done a lot more than deplore. We have gotten an unprecedented international response....

Broder: U.N. Secretary General Perez de Cuellar has suggested that he may try to negotiate; and there are some reports, at least, that Hussein would welcome that. Is this something that we would approve of and welcome?

Kelly: I think the mandate for the secretary general has already been laid down in the Security Council resolutions: the withdrawal immediately of Iraqi forces from Kuwait; the restoration of the legitimate government of Kuwait; the freeing of all foreign citizens who are held in those two countries against their will; and a return to stability in that region.

Dancy: Are you saying that Iraqi troops must pull out of Kuwait before the United States will sit down and negotiate with them about the future of Kuwait?

Kelly: I'm saying that from the outset of this crisis 23 days ago, the President of the United States and the United Nations Security Council unanimously have been demanding the immediate withdrawal of Iraqi troops from Kuwait.

Dancy: I know we've said that's an objective. But is that a precondition to talks?

Kelly: No, we're willing to talk. We have our charge d'affaires, Joe Wilson, in Baghdad. He has been talking to the Iraqis; and, if they want to talk to him more, he's there and available.... We're not going to reject out of hand anybody who can contribute successfully to the improvement of the situation. On the other hand, the Iraqis know very clearly -- just like everyone else in the world -- what they ought to do; and that is stop this aggression and get out of Kuwait and free all these people they're holding captive against their will.

Apple: Mr. Kelly, we've been saying what you just said for more than three weeks now.... How long do we wait to see whether economic sanctions are going to work...?

Kelly: I think the economic sanctions are already pinching in Iraq -- I don't think that; I know that.... This is a boycott that is working, and economic sanctions that are real and genuine and will produce results.

Apple: You're predicting, then, that Saddam Hussein will have to pull out of Kuwait, allow the restoration of the monarchy as a result of these sanctions? You just said it will work.

-more-

Kelly: I'm saying at the end of the day, the international community and legality and law and order will prevail.

Apple: Without military force?

Kelly: I hope without military force. Nobody wants to see a war over there. But certainly the international community has made it repeatedly clear what the government of Iraq has to do.

Broder: ...Have we now undertaken a permanent commitment to the security of Saudi Arabia and the Gulf states?

Kelly: I don't think we've undertaken a permanent stationing of land forces in that part of the world. I think we have demonstrated the American commitment to security and the American commitment to resist aggression. I mean, let's face it: a small state here has been conquered by a rapacious neighbor -- and the United States and the world community have responded.

Dancy: Can you foresee a solution to this crisis that leaves Saddam Hussein in power in Iraq?

Kelly: I'm not going to rule anything in or out. But, clearly, his own people must have something to think about....

Apple: ...With all of the flashpoints that we have -- the embassy, the hostages, shooting at Iraqi ships -- can we avoid setting something off, or can they avoid setting something off?

Kelly: We certainly hope so...but there's no reacting to aggression without an element of risk; and I think that's what the American forces out in the region face, but I know they don't want....

Broder: You said that we know that the blockade is beginning to pinch. What do we know specifically? What's happening inside Iraq?

Kelly: We know that internal food prices are going through the roof for certain commodities like rice, sugar and so on. We know that there are bread lines. I've seen TV footage in the last few days of stores that appear to be fairly normal. I suspect that may be a put-up job.

- - -

Guest: Sen. Kerrey.

Dancy: ...How do you feel after the commitment of 50,000 American reserves?

Sen. Kerrey: I'm still very uncomfortable... I mean, what it does is it increases the ante and changes the dynamic in the area. I mean, now you're talking about a massive retaliatory strike if Iraq were to penetrate into Saudi Arabia. So, I mean, it does change the dynamic substantially.

Dancy: The congressional leaders have asked for a briefing from the White House on Tuesday morning. What is that all about? Are the Democrats about to go on the attack here?

-more-

Sen. Kerrey: I don't know. I wasn't invited to the meeting so I don't know. I, like most of the American people, am learning about what's going on through whatever investigative journalism is permitted. Part of the problem is, in fact, at the first post-Cold War moment when we're putting Americans in harm's way, we aren't, it seems to me, being provided a sufficient amount of information to really engage meaningfully in a debate about whether or not this is appropriate.

Dancy: You mean, you're being shut out by the administration?

Sen. Kerrey: I know from reading the newspaper that it's hot in the desert and that the chow is bad.... I'm starting to get some additional detail about where the troops placements are; but it's generally after the fact. Now, there may be legitimate reasons for that....

Apple: ...If we have a stalemate in the desert, how long will people put up with it? How long will they keep patience with the President?

Sen. Kerrey: ...Our troops are in Saudi Arabia...and they're in harm's way.... I want us, the taxpayers, those of us who are safely back here at home, to put ourselves on the line as well. So I don't like this notion that somehow we're going to be able to do this for free here at home. And, as a matter of fact, I think the American people are demonstrating a willingness. They're being very tolerant of higher oil prices, even though they're grumbling a bit about it. And there's going to be a real cost to all of us. I think it is a demonstration that politicians can risk a bit as well.

Apple: Are the American people going to want to take some affirmative action...?

Sen. Kerrey: ...The truth is, you know, unless Colin Powell becomes George Bush's Maxwell Taylor, it seems to me that we do have an opportunity here to evaluate where and when we'll use American force in the post-Cold War era.... The President's strategy for preparing for a land war in Europe, preparing for a major war in Asia and having some sort of mobile forces ready as well as a nuclear deterrent was wrong. The first post-Cold War crisis has occurred in the Middle East; and it's likely to be that there will be additional crisis in South Asia. So it seems to me that our strategy has to be evaluated, as well as our long-term political and diplomatic strategy.... In general, have been blinded by money, it seems to me; and, as a consequence, we put into place policy that encouraged Hussein to become extremely strong.

Broder: ...You've said you're uncomfortable. Are you saying that there is no American national interest in the Persian Gulf that justifies the President's decision to send troops in these numbers to that region?

Sen. Kerrey: The only justification that I find legitimate is the United States had to move quickly, we're the only nation that could move quick enough to prevent an invasion of Saudi Arabia. That justification I find legitimate.... I question a response that says that we're going to go there and have our young people die so that we can have cheap oil here at home, or cheap gasoline here at home. In fact, the United Nations Security Council resolution mentions nothing about oil...

Dancy: If that's the case, should Democrats then get behind an oil import fee to raise the price of oil and perhaps cut some of our dependence on it?

Sen. Kerrey: I don't know what the Democrats ought to do, in truth.... I think it does have implications -- not just for Democrats but for the American people. We are going to have to conserve energy. I think we need to have higher CAFE standards for our automobiles. I think we ought to be looking for alternative fuels. It doesn't mean that we're going to be independent of oil entirely. But it does mean, it seems to me, that we are going to have to change our personal attitude and our personal habits....

- - -

Discussion. Garrick Utley joins.

Dancy: If I were looking for a headline out of what I heard this morning, it would be, I believe, that the United States is willing to negotiate, is willing to have the good offices of the U.N. secretary general, and does not insist that Iraq leave Kuwait as a precondition for those talks.

Utley: I would not agree with Iraq not leaving Kuwait. I wouldn't say I would go that far because, even if Perez de Cuellar goes to Baghdad...he has these Security Council resolutions which call for a withdrawal, call for the foreigners being allowed to go. He cannot do anything else to go against those Security Council resolutions....

###

THE MCLAUGHLIN GROUP

Moderator: John McLaughlin. **Panel:** Fred Barnes, Patrick Buchanan, Jack Germond and Morton Kondracke.

Buchanan: ...I don't think the United States should want war because...we'd lose thousands of men, we'd lose our hostages, our interests and people in the Arab world would be destroyed, and all this little sheikhdoms and kings and emirs we're defending in the Gulf would be rolled over at the convulsion that would happen. There are only two groups that are beating the drums right now for war in the Middle East, and that is the Israeli defense ministry and its amen corner in the United States.

Barnes: ...The Bush administration...decided they're not trying to provoke a war; they wouldn't have pulled the Marines out of Kuwait away from the embassy there if they wanted a provocation. They pulled them away to avoid a provocation. They're going to try to see if the economic blockade will work against Iraq....

Germond: ...I thought from the beginning it was wise to send those troops into Saudi Arabia. It was not wise to postulate such a strong position; it's an absolutist position that Bush did at the time because politically it is not sustainable in this country.

McLaughlin: The joint chiefs of staff are urging the President that any military action against Saddam Hussein and his huge war machine must be sweeping, it must be deadly and it must be comprehensive. Do you agree with that?

Kondracke: You could argue a different way. You could start attacking his military installations, his chemical plants, his nuclear weapons plants, his tanks, and then say...okay, now get out. And if he doesn't get out you bomb some more.... We don't have to invade Kuwait. All we have to do is bomb his military installations and he's finished as a military power.

McLaughlin: ...It's gotta be sweeping, it's gotta be simultaneous, and it's got to be deadly, and the joint chiefs are right.

Buchanan: Iraq has an army of one million men. It is something like North Korea. It's not going to go out because of a couple of air strikes.

Germond: ...The American people don't want [conflict] if it involves the lives of hundreds of hostages and thousands of troops for oil. The American people will not sustain the policy.

Barnes: The polls show just the opposite.

McLaughlin: Your objective must be once you use military force to topple Saddam Hussein.

...The President has been fishing and golfing. TV footage of the recreating commander in chief has been juxtaposed on the nightly news with shots of the soldiers in the sweltering Saudi desert.... Is too much being made of George Bush's being on vacation as he conducts affairs of state?

-more-

Barnes: Of course too much is being made. This is entirely a media-generated controversy. Bush can do everything he needs to do there. He shouldn't play golf -- he's a pretty lousy player.... There's no reason why he should let the Butcher of Baghdad decide whether he's in Kennebunkport or down in Washington.

Germond: I don't think he ought to be dancing on Saddam Hussein's string. I think people think he's entitled to vacation. But the irony of this thing is that the Sununu's of the world -- they would have called those pictures good visuals three weeks ago. Now they're coming back to haunt them. And politically it is a stupid thing to do....

Kondracke: I think he should have come back from vacation when he called up the reserves. Now he is in a position of making people leave their jobs, or taking pay cuts, people leaving their families. That's the moment of solidarity with these people.

Buchanan: ...A President needs to relax and think clearly, that's where he gets it. But he ought to realize that when he's on the golf course they're going to juxtapose those positions and politically it's a media problem and he's got to pay for it.

McLaughlin: I'll tell you what's in the public interest: exactly what George Bush is doing. That is to contain expectations, not to put the country in a crisis mode as would be the case were he in the White House squirreled away.... He's got to stretch this thing out until the forces get there.

Barnes: Bush should not be giving these photo opportunities out on the golf course. If he wants to talk to reporters he should drop by the press center and do that and then go out and golf on his own without the press.

McLaughlin: Is Dan Quayle the Stealth Vice President?

Barnes: He's participating as heavily as Jim Baker....

Buchanan: Some people are making the point that Jim Baker wants to distance himself from what seems to be a very military policy because he's not totally 100 percent in agreement....

McLaughlin: Is the press making too much of President Bush's minor recreational indulgences?

Germond: ...I don't think it is smart long-run politics for him to play it this way. I think he ought to come back to Washington and tend to business now. I know he can do it there, but the people are very concerned about this thing....

McLaughlin: Whenever the Democrats need footage of the President burning a gallon of gas for every two miles traveled while we send American boys over there to fight for oil, they've got the footage they want.

Barnes: It all depends on how this comes out. If he loses then they'll have a great issue. If he wins, they'll forget about it.

-more-

McLaughlin: Do you think President Bush is a trifle too optimistic, possibly even gullible about the Soviet [advisors in Iraq]?

Kondracke: I think he's giving them the benefit of the doubt in the hope that they'll come around....

Buchanan: The Soviet Union is playing a double game. You cannot have hundreds or thousands of advisors in Iraq...without knowing what is coming. On the surface, they're with the United States....

Barnes: What they're figuring on is that this is not going to end with Saddam Hussein being bounced from power. He'll stay in power, they will have kept their ties open to him and they'll still have a friendly power over there in the Middle East.

Germond: I don't know what in the world we could have expected the Soviets do beyond what they have done so far....

...Anyone that imagines that this is really the international community coming together and likely to stay together in the Persian Gulf, they are kidding themselves. This is a U.S. operation...and it is never going to be anything else.

Buchanan: Five years from now America first...is going to be the foreign policy of the United States partly as a consequence of this no matter how it comes out.... We [conservatives] believe that American blood should not be spilled in large quantities unless America's vital interests are at stake -- not democracy, not realpolitik, not somebody's idea of how the world ought to be ordered.

McLaughlin: Next week, shooting in the Gulf?

Buchanan: No.

Barnes: No.

Germond: No.

Kondracke: Yes.

McLaughlin: Yes.

###

INSIDE WASHINGTON

Moderator: Gordon Peterson. Panel: Tina Gulland, James Kilpatrick, Carl Rowan and Strobe Talbott.

Peterson: If there is a shooting war, how much of a threat is it to our economy?

Rowan: I think it's a serious threat to our economy.... We've already paid immensely for just the threat of war.

Gulland: Big threat, but not as big in oil terms as the oil embargo of '73, and we can face it if we've got the will.

Talbott: May turn out that the biggest casualty of this crisis is that we may not have a deficit reduction agreement this year.

Peterson: ...What happens if the Iraqis move into the American Embassy compound -- actually invaded and take Ambassador Howell and other people into custody?

Rowan: That's tantamount to invading the United States. That embassy is U.S. territory and it violates every diplomatic law that goes back almost to the days of Christ.

Gulland: I think what was interesting was the decision...to remove the Marine guards.... We don't want a fire-fight at the embassy to start what could be a worldwide war. And so I think we're being prudent even if he is violating absolutely every international norm and civilized norm.

Talbott: The President is getting advice from two directions. One camp is telling him that time is on Saddam Hussein's side.... We need to seize the first provocation that comes along, and of course the violation of embassy property would be a very good one in order to pre-empt, in order to knock Saddam Hussein out of this thing once and for all. On the other hand, the President is getting advice from...the center and certainly from the international community: The most important thing for him to do here is to keep the U.N. with him and to keep his Arab allies with him and that means not going in.

Gulland: Part of the assumption in Washington has been that American will and public support will not stick with the President, and that's why time is on [Saddam's] side --

Kilpatrick: And that's a pretty valid assumption.

Gulland: I don't know.... George Bush...needs to move beyond what he did Monday in Baltimore, which is simply reiterate the first moves into the region. He's got to say why, what his vision is of being there long-haul, because it looks like a long haul and if he does there can be public support.

Kilpatrick: This is not like what happened after Pearl Harbor.... I don't detect in my reading, in my conversations, any great wave of strong patriotic support.

Rowan: I think there is....

-more-

Talbott: ...There's a huge difference here between this situation and...the beginning of World War I, and that difference is that Iraq, Saddam Hussein, is all by himself....

Rowan: ...Where has the Secretary of State been? He's been out hunting in Wyoming and the rumors are all over this town that he disagrees with the policy and so forth.

Talbott: I think the rumors are overdone about a disagreement between Baker and Secretary Cheney. I think the President has decided he wants to send a very tough, strong signal to Saddam Hussein and the Iraqis, and one way to do that is to let the Secretary of Defense and the Chairman of the Joint Chiefs of Staff to be very much out in front.

Rowan: If this is just a signal, it's the costliest signal in human history.

Kilpatrick: Do you go in right now and hit hard and destroy, and I think that probably is a better option than waiting and waiting and waiting because sanctions are not going to work.

Gulland: Instantly you'd have the world saying we shot first...and all those pictures would come back to haunt us....

Talbott: If Saddam Hussein goes down in flames, he could spread those flames very wide. He could do a great deal of damage throughout the Gulf setting whole oilfields on fire.

...The important thing here is who "we" are. "We" is not just the United States, it's the international community....

...When George Bush prudently recreates in his Miami Vice speedboat there, he's burning up 25 gallons of hydrocarbons an hour, by the way. I predict that if this thing ends in anything other than a clean win for President Bush, we are going to see lots and lots of tapes replayed of him zooming around off the coast of Maine. And where are we going to see them in 1992? In Democratic Party commercials.

Gulland: I think this is a little bit of a bum rap; I think Bush did some lousy PR pics this week when he got in the golf cart and it took him a long time to finally put on a suit and tie and stand out in front of his vacation home with Cheney and Colin Powell and talk serious stuff.

Rowan: I don't think it's a bum rap. I can understand that he doesn't want to appear to be hiding out in the White House, worrying about Saddam Hussein, but it is very insensitive when people are being called up from the reserves for him to be up there running around the golf course...recreating.

...When you start calling up reserves you had better be right....

Talbott: We had another national security crisis before Saddam Hussein became a household word and it was called the budget -- it was called the deficit. I think that there would be huge and lasting damage from all of this if as a result of the Gulf crisis the President was not able to knock heads together -- including heads within his own administration -- and get a budget agreement before the end of this year.

-more-

Talbott: ...Saddam has reminded us that the post-Cold War era is still going to be a very dangerous and tricky place.

Peterson: ...Have we learned nothing [on energy conservation] over the past two decades?

Gulland: When I said it was a bum rap, I don't mean that the Bush administration doesn't have a responsibility to look the conservation issue...straight in the eye and try to construct some kind of a program that is going to make us not appear to be fighting a war for cheap oil.... I think when he got testy it was, wait a second, I've got to mobilize my troops and figure out what to do here. Next I'll turn to a conservation program, a foreign policy that addresses some of the broader issues in the Persian Gulf.

Talbott: Remember poor old Jimmy Carter...when he said that the energy crisis was the moral equivalent of war. That phrase has a certain validity and resonance that it didn't have maybe a few weeks ago.

Peterson: Do you object to seeing the President on his boat, playing golf, in an informal setting at his vacation home in Kennebunkport?

Kilpatrick: I think it was insensitive, I certainly do. Bad public relations. This is a serious matter and by this vacation attitude the President diminishes the seriousness and undercuts...the public support for this....

-End of News Summary-



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

DATE:

8/27/90

TO: Sec. Brady

FROM: ALAN GREENSPAN

Nick—

Here is the language
we used on budget
deal.

A-

For release on delivery
9:45 a.m., E.D.T.
July 18, 1990

Statement by

Alan Greenspan

Chairman, Board of Governors of the Federal Reserve System

before the

Committee on Banking, Housing, and Urban Affairs

U.S. Senate

July 18, 1990

extent and persistence of the tightening of credit terms, the prospective path of potential output growth--especially in view of the recent slowing in the labor force--and the outlook for fiscal policy. It is the last of these that is the focus of the remainder of my comments today.

Fiscal and Monetary Policy Interaction

The determination displayed by the Congress and the Administration in their efforts to come to an agreement on cutting the deficit has been enormously heartening to all who are concerned about the long-run health of the U.S. economy. As a nation, we have been saving too little and borrowing too much; significant progress on the federal deficit would be an important step in rectifying this situation. As you know, I favor not only eliminating the deficit, but also ultimately bringing the government's accounts into surplus over time to compensate for the private sector's tendency to save relatively little. In the long run, the nation's saving and investment behavior is crucial in determining its productivity and hence its standard of living.

Major, substantive, credible cuts in the budget deficit would present the Federal Reserve with a situation that would call for a careful reconsideration of its policy stance. What adjustment might be necessary, and how it might be timed, cannot be spelled out before the fact. The actions required will depend on the constellation of other influences on the economy, the nature and magnitude of the fiscal policy package, and the likely timing of its effects. I can only offer the

assurance that the Federal Reserve will act, as it has in the past, to endeavor to keep the economic expansion on track.

Phone call
to AG

Concerns that the Federal Reserve would be unable to offset

17

7 Economists

argue that

a 50B cut

would produce

a result

which

couldn't

be offset

by Fed action

27 AG says

monetary policy

lags are

no longer

than the

fiscal lags

undesirable macroeconomic effects of a budget pact are, I believe, .
largely unfounded. It is true that, in general, monetary policy cannot
be calibrated extremely finely in response to economic developments, as
we are all subject to imperfect data and an imperfect understanding of
the myriad economic interrelationships of the real world. However, some
doubts seem to focus on whether the various lags²⁷ involved permit
monetary policy to catch up to a change in the fiscal stance. I am less
concerned on this point. We can decide that a policy adjustment is
appropriate and implement it fully, all in the same morning if need be,
and the effects of the change will show through to interest rates and
financial asset prices almost immediately. Granted, the impact on
economic growth and inflation will be spread out over several quarters,
but this is true of changes in fiscal policy as well.

In the final analysis, no one can guarantee that growth in the
economy will proceed smoothly, without a hitch on a quarter-to-quarter
basis. Nevertheless, a major cut in the budget is unquestionably
the right thing to do. Because the federal government has been
borrowing too much for too long, it is well past time to reduce the
government's draw on credit markets and to free up more resources for
enhancing investment and production by the private sector. In this way,
fiscal policy, by augmenting national saving, will be doing its part to
promote maximum sustainable economic growth. With monetary policy
similarly keeping sight of its long-run goal of price stability, the two

together will have set a favorable backdrop for vibrant and enduring
economic growth.

August-September 1992

27	28	29	30	31	1	2	3	4	5	6	7	8	9
Major International Events													
UNSC permanent members discuss Cambodia				Soviet/Russian Republic experts to report moves toward market economy			RSFSR parliament convenes						
NPT review conference in Geneva													
CFE talks resume		10th anniversary of Solidarity			Azerbaijan legislative elections		N.-S. Korean PMs meet in Seoul			EC finance ministers meet in Rome			
		Thatcher at EDU conclave in Finland					2+4 meeting in Berlin						
Visits to US													
Australian FM Evans in US (27-NYC; 28-DC)							Honduran President Callejas in US						
Mulroney in Maine													
Visits Abroad													
Najibullah to India							Pope John Paul II in Africa						
Sununu to USSR and UK							NATO SYG Woerner in Prague						
Mandela in Libya and Algeria							Shevardnadze in Japan						
Senator Dole in Belgrade							Spanish PM Gonzalez in Stockholm						
Thatcher on official visit to Finland							French PM Rocard in Canada						
J. Carter, Mitterrand, Walesa, and Havel in Norway							Chinese FM Qian to Turkey and Latin America						
							AG Thornburgh in S. Korea and Japan						

POLITICS & POLICY

HOW BUSH MANAGES THE PRESIDENCY

He says he's dedicated to problem solving, and he's got a big one in Kuwait. Not to mention the S&L bailout and the deficit. Is it time for a little vision? ■ by Ann Reilly Dowd

NOTHING tests a President like a world crisis. The one Saddam Hussein handed George Bush in early August had just about everything: blatant aggression, horrendous economic ramifications, and no easy way for the U.S. to exercise its power. To make the testing even more severe, the Iraqi tanks rolled into Kuwait just as a few other things were unraveling for the President.

Bush had wafted into his second summer on a cushion of good will. The Cold War was over. The economy was still growing, although sluggishly. Despite 13 successful vetoes, Bush's relations with Congress remained chummy. And his approval ratings topped the charts.

Then his charmed life abruptly ended. Bush broke his no-tax pledge. The price of the S&L bailout exploded to \$100 billion-plus, and the President was dramatically linked to the scandal through his son Neil's directorship of a bankrupt S&L. His deficit reduction talks with Congress collapsed, and it looked as if he had given away the defining Republican issue for nothing. His approval ratings dropped sharply. When the Iraqi invasion sent oil prices soaring and the Dow plummeting, murmurs began around Washington demanding stronger action. One Washington disc jockey taunted: "Kick ass, George. Kick ass."

REPORTER ASSOCIATE Jennifer Reese

Sorry, boys. In calm or crisis, manager Bush is much the same: energetic, engaged, consultative, and ever cautious. While Ronald Reagan governed with bold ideas expressed passionately and often, Bush prefers behind-the-scenes dealmaking with friends. Not only does he feel uncomfortable in the bully pulpit, he believes public sabre-rattling—whether aimed at recalcitrant Democrats in Congress or an Arab dictator

completed." He understands the mechanics of government, and he loves to pull the levers. While he respects the bureaucracy, he often circumvents it, going out of channels for information. He dives into the nitty-gritty of policymaking. And yes, he likes to check who's playing on the White House tennis court and horseshoe pit, who's flying on Air Force One, and who's sitting next to whom at White House dinners.

Bush hates controversy, values secrecy, and delights in surprise. He is cautious but will take a calculated risk. Though he reaches out for a broad range of opinion, in the end he turns to a very few close aides, mostly in the White House, where power within the Administration has become increasingly concentrated. He delegates, but like a CEO who's held every job in the company, he sometimes can't resist penciling himself in. He insists on loyalty and team play, but

make no mistake, he loves being captain of the team.

WHILE MOSTLY a plus, Bush's hands-on management style has its minuses. During the abortive coup against Panamanian strongman Manuel Noriega that preceded the successful U.S. invasion, the President's attention to detail proved paralyzing. Taking calls directly from the field, he turned the Oval Office into a military operations



With (from left) Boskin, Brady, Darman, and Porter: "At the top it's very small, very clubby."

running amok—is counterproductive. Instead he goes out of his way to build consensus one-on-one, behind closed doors. Yet, if Americans begin demanding bolder leadership, and Bush seems stymied in the Middle East, he could stumble on vision as Reagan did on details.

George Bush's is a high-energy, do-it-yourself presidency driven by a zest for problem solving—or as he put it in his acceptance speech at the Republican National Convention, "missions defined, missions

CAROL T. POWERS/THE WHITE HOUSE



In contrast to Ronald Reagan, Bush treats his staffers like family. But this baby really is family: the President's newest grandchild, Charles Walker Bush.

center replete with maps and raw intelligence data that he personally ordered from the CIA. Buried in unfiltered and often contradictory information, the President hesitated and the coup fizzled.

Since then, procedures for crisis management have emphasized more thorough staffing. The invasion itself was a model of delegation. After Bush made the basic decision, he let Defense Secretary Richard Cheney and his generals manage the operation. Between phone briefings by Cheney every 20 minutes or so, Bush called world leaders to inform them of the U.S. action.

Bush's handling of the Iraqi crisis followed the same pattern. After he learned of the attack around 9 P.M., he instructed U.N. Ambassador Thomas Pickering to call a meeting of the Security Council. While National Security Adviser Brent Scowcroft worked through the night in the White House situation room, Bush slept. Scowcroft awakened Bush at 5, and the President signed orders freezing Iraqi assets and blocking most imports, including oil. The President was in his office by 5:45,

watching the news, reading reports, and talking to aides.

Though it turned out to be a very long day, it included most of what Bush had on his original calendar. He flew off to Colorado for a scheduled meeting with Britain's Margaret Thatcher, who joined Bush in strongly denouncing the invasion. In between meetings, speeches, and a press conference, Bush squeezed in detailed discussions by phone with the leaders of Egypt, Jordan, Yemen, and Saudi Arabia. Though the Pentagon got three carrier battle groups moving toward the region, the President understood that his military options were difficult at best. He worked for consensus among Arabs, whom he recognized would be key to any move against the Iraqis.

Bush did not have to phone Soviet President Mikhail Gorbachev, because Secretary James Baker was already meeting with Soviet Foreign Minister Eduard Shevardnadze in Siberia. After flying to Moscow, they made a joint statement demanding Iraqi withdrawal and an end to arms shipments to

Iraq by all countries. Throughout the early hours of the crisis, Bush characteristically revealed little in public.

The President's emphasis on teamwork has its occasional downside. Says one aide, "Sometimes controversial ideas and issues get swept under the rug." Adds former Bush chief of staff Craig Fuller: "People tend to watch where Baker and [Budget Director Richard] Darman are coming down on an issue, then fall into line. Sometimes the President may put too much faith in individuals. After the Tiananmen Square massacre, Chinese leader Deng Xiaoping, who once called Bush 'old friend,' would not even return his phone call.

His near obsession with secrecy can backfire too. Had he talked with conservatives before breaking his no-tax pledge, Bush might have avoided an embarrassing vote in the House Republican conference against any tax increases. His misinformation campaigns have from time to time undercut his otherwise warm relationship with the press.

The presidential management style took

POLITICS & POLICY

shape during Bush's struggling days as a Texas oilman. Recalls younger brother William "Bucky" Bush, who worked on his rigs as a roughneck: "He knew all his people by their first names. He studied geological charts and logs to figure out what properties to buy. Then he'd assemble rights, raise money to drill, and get a

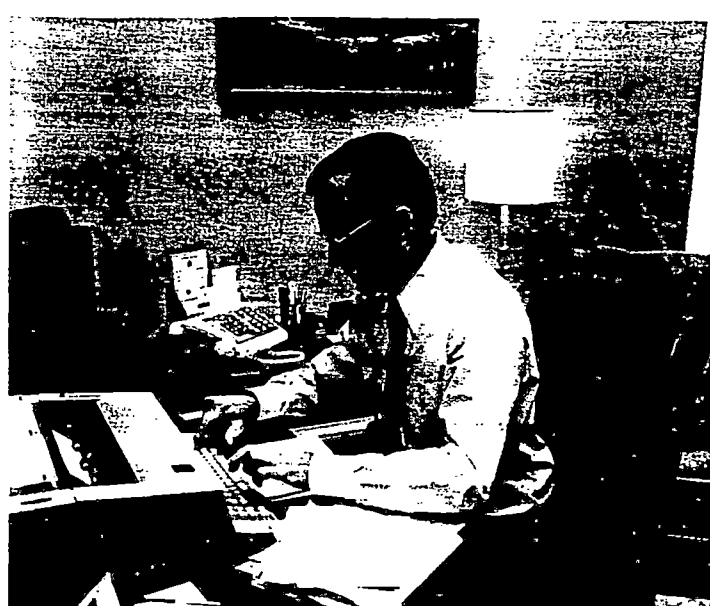
in New York. Says White House Chief of Staff John Sununu: "He is a master of the small gesture."

With the exception of four years as a Texas Congressman, Bush's management experience has always been in executive jobs where business was conducted mostly in private. Loose lips don't work for oilmen, party

Beyond the Cabinet, Bush chose personal friends for most top White House positions as well as some judgeships, ambassadorships, and a surprising number of key agency positions. Among them: the Peace Corps, the Federal Trade Commission, the Federal Energy Regulatory Commission, and the Overseas Private Investment Corp.



Flying to Kennebunkport with granddaughter Marshall Bush and dog Millie



After a 6:30 A.M. breakfast in his private study, Bush pecks out notes.

chunk of the common stock for his sweat equity." He was a risk taker, but within limits: Unlike many wildcatters, he didn't personally guarantee anything. His deals always had more upside than downside.

Most important, the young Bush placed a high priority on people and trust. "In those days deals were done on a handshake," says Bucky Bush. "On closing day you'd whip up a two-page contract, then you were off and running. The key was personal trust and knowledge of character—and boy, were there some characters in Midland in those days! If you didn't know the good ones from the bad, you were history."

Such personal skills helped George Bush boost morale at the Republican National Committee during Watergate, and at the CIA after congressional revelations of wrongdoing. At the CIA's Langley, Virginia, headquarters, he often rode the employee elevator instead of the personal one reserved for the director, and he asked that staffers call him George. (When he left a year later, he received a standing ovation in a crowded CIA auditorium.) His first day as President Nixon's Ambassador to the United Nations, he shook every employee's hand at the 12-story U.S. mission

chairmen, diplomats, spy masters, or Vice Presidents. A member of the secret Skull and Bones Society at Yale, Bush reveled in the cloak-and-dagger privacy of the CIA: He once stunned aides by coming to a meeting in a CIA disguise—a red wig, a big nose, and thick glasses. As Vice President he steadfastly refused to tell even his closest aides what he was saying to Reagan. His Chief of Staff Admiral Dan Murphy told prospective employees: "If you leak, you will be fired." Not surprisingly, his office was known as a tight ship.

AT THE WHITE HOUSE, Bush's past is prologue. Outraged by the internal warfare that characterized the Reagan Administration, Bush put a high priority on team play. While Reagan turned to a headhunter to fill most Cabinet and White House posts, Bush personally chose loyal and seasoned friends. Sitting around the pool at Camp David, First Lady Barbara Bush told Environmental Protection Agency Administrator William Reilly, the only newcomer to Bush's inner circle. "I said to George: 'You know, almost your entire Cabinet are our friends.' He said: 'Well, what would you expect?'"

To drama seekers' dismay, the bickering has stopped. It's not that Bush's team lacks ego or differences of opinion. No one has ever called Baker, Darman, or Sununu fainting flowers. But in sharp contrast to the Reagan years, Cabinet members and senior White House aides have direct and frequent access to the President. He invites strongly argued points of view and takes his time deciding. But once he's spoken, he expects his troops to fall in line. Bush told a packed Republican fund-raiser on his 66th birthday in June: "I thank my lucky stars that we can fight like cats and dogs in Cabinet meetings but once I make a decision, move on as a team." He also likes to point out: "Loyalty is not a character flaw."

Bush shares credit, often allowing his Cabinet Secretaries to announce new initiatives. He also shares blame. After his devastating defeat in the Iowa caucuses, his Iowa campaign manager Richard Bond said, "It's my fault." Replied Bush: "No, it's mine." Similarly, in policy battles the loser is rarely punished. More often he's built up. Shortly after Transportation Secretary Sam Skinner lost to Darman in a bid for more money for roads, bridges, and other items of infrastructure, Bush invited

him to Kennebunkport for a weekend of golf, boating, and family fun. At 6 A.M. on Saturday, Skinner heard a knock on his cottage door. When he opened it, he found the President in his robe, carrying a tray with a pot of steaming coffee. "It's your wake-up call," said Bush.

While Reagan inspired his staff with a few big ideas articulated often and with feeling, Bush keeps his team of problem solvers on their toes with rifle-shot questions. Bred on sports and socializing, he prefers people and action to theory. He was raised in preppy Connecticut, where grand notions passionately expressed were considered freakish. While Reagan focused on a single issue of the day, Bush handles dozens at a time, often blurring his message in a whirl of activity. When he talks off the cuff, sentences disappear in a tumble of words and clipped phrases. Even when he's listening, he's apt to be fiddling with something.

TYPICALLY Bush begins his day at 5:30 to strains of country music, after about 6½ hours' sleep. As he sips coffee and watches CNN, he skims the *New York Times*, the *Washington Post*, the *Washington Times*, the *Wall Street Journal*, *USA Today*—for the baseball scores—and the *Houston Chronicle*. By 6:30 he's eating a breakfast of grapefruit, coffee, and sometimes bran cereal in his private study behind the Oval Office, usually alone. Then there's an hour for reading, note writing on his electronic typewriter, and phoning unsuspecting aides before his regular national security briefing at 8:15. When Treasury Secretary Nicholas Brady caught a glimpse of Bush walking from the residence to the Oval Office for that briefing, his old friend and campaign chairman pointed to his watch in mock disapproval. Minutes later a note arrived in the Cabinet Room: "Brady, I've been at work since 7:10. I just got back from a meeting at the residence."

After his national security briefing, Bush meets with Sununu for up to an hour, working through a briefing book of "action items" that could range from a California poll to a speech draft to a legislative update. Afterward his day is scheduled minute by minute with meetings and events until 4:30 or so, when Sununu returns with the "P.M. agenda," a second notebook filled with items for the President's approval.

Even with his tight schedule, Bush often squeezes in spontaneous events—an unannounced appearance at a meeting, an impromptu news briefing, a quick lunch on the

Hill—before leaving the office around 6:45. Says Deputy Chief of Staff Andy Card, a former Reagan aide: "Reagan was comfortable with structured events. Bush invites spontaneity. He manages by walking around."

Most evenings the President has either a formal event or dinner with friends. It's not unusual for him to phone Cabinet members, staffers, or old friends on the spur of the moment to "come over for a beer and a movie." Or he may go out to one of his favorite local restaurants. He never dines with four if he can find 40, and he loves house guests. Says one aide: "In the past the White House family quarters were as accessible as the Dalai Lama's palace. But with Bush, it seems the mattress in the Lincoln Bedroom is never cold." He also may fit in some exercise—maybe tennis, horseshoes, racquetball at the House gym, jogging at Fort McNair, or a fast game of golf. (He rushes through the course, rarely finishes, and never reveals his score.)

Still, Bush manages most nights to spend some time in his study on the second floor of the White House, where he writes more notes, reads up to 30 briefing papers, and signs decision memos. Friends say he does not agonize over choices. When he needs a break, he might fiddle with a favorite fishing rod or box of lures he keeps in the closet. As he told his brother Bucky: "I like to play with them. I put the orange ones with the orange ones. The green with the green. I check the lines. And I think about fishing off Islamorada," the area in the Florida Keys where Bush has fished for 20 years.

Says Bucky: "He relaxes with friends, family, and exercise. It's part of his ecosystem. It's the way we grew up. There were always games." When the Trinity River flooded in Texas last May, Bush choppered into the area and tromped around in the steamy heat. Then he flew on to Houston, landing at the Deerwood Country Club, where pro golfer Doug Sanders, an old friend, was playing host at a charity golf

tournament. Bush played 18 holes on foot—relishing every minute, save a few short putts. Said a weary cameraman at the sixth hole: "Hey, this is nothing. A few weeks ago he played 18 holes, three sets of tennis, and then went jogging. He never stops." One staffer calls such marathons "weekends from hell."

Bush's warmth, energy, and accessibility have saved him from the isolation that plagues the presidency. While Reagan was Olympian with staff, Bush treats them like family. By now most have been invited to some homey event at the residence, Camp David, or Kennebunkport. Many have jogged, fished, motorboated, or played tennis, walleyball, golf, or horseshoes with the boss. Most feel they get a fair hearing. At his first Cabinet meeting, he encouraged calls and memos. When he gets them, he promptly responds by phone, note, or comments scribbled in the margin. When Sununu asked Cabinet members to keep him informed of such communications, Bush cut in: "When you think of it." Nor has Sununu been a bottleneck. Says EPA Administrator

Even sorting lures relaxes Bush, as does real fishing in Wyoming.



JOHN BRADY FOR THE NEW YORK TIMES

POLITICS & POLICY

Reilly, "During the Reagan years EPA administrators had problems getting access not just to the President but to Don Regan, the Chief of Staff. Such a thing is unthinkable in the Bush White House."

In general Bush prefers getting information from people rather than from memos. So did Reagan. But while Reagan was usually a passive participant, Bush is an active questioner. In preparation for Reagan's Soviet summits, the CIA produced movies and staged lectures. Bush's pre-summit briefings, by contrast, were interactive events involving heads of state and experts in and out of government. Before meeting Soviet President Mikhail Gorbachev at the Malta Summit last year, Bush got in touch with Prince Sadruddin Aga Khan, a U.N. official involved in aid to

Margaret Thatcher, as well as several well-known Soviet experts.

In such meetings Bush is moved by information, not ideology. Says Brady: "He believes if you do the pick-and-shovel work, the solution will jump out. He likes a discussion framed by facts." If he can't get the answers he wants, he'll pick up the phone and call experts four and five levels down in the bureaucracy. Nor does he suffer unprepared pleaders gladly. When one Congressman questioned Bush's timid response to the Soviet embargo of Lithuania, the President shot back: "What do you have in mind? What should I say when Soviet tanks roll in? We'll be right there? We couldn't protect the Lithuanians under any circumstances. They're not even in our orbit." Or as he often asks recalcitrant aides: "If you're so smart, why weren't you elected President?"

Bush's independent style was evident in his nomination of Federal Appeals Court Judge David Souter of New Hampshire for the Supreme Court. With his top aides divided, the President retired to his small study behind the Oval Office, where, as is his habit, he jotted down on a legal pad in order of importance short phrases outlining the pros and cons of each candidate. He decided on Souter, a solid conservative jurist without a paper trail on controversial issues like abortion, then called his staff to tell them.

IN FOREIGN POLICY Bush often circumvents the bureaucracy. When a lengthy government-wide foreign policy review failed to produce the bold arms control plan he wanted for his first NATO summit, Bush turned to Baker, Sununu, Cheney, National Security Adviser Brent Scowcroft, and William Crowe, then chairman of the Joint Chiefs, to come up with an alternative. Scowcroft proposed deep cuts in U.S. and Soviet manpower and planes in Europe. Bush liked the idea but wanted it studied more thoroughly by his military advisers. Days later Crowe told Bush the Pentagon could live with a 20% cut in manpower and a 15% cut in aircraft. Baker argued for a more dramatic 25% reduction. After checking with Cheney, Bush settled on 20%. "OK, that's consensus," said the President. "Let's go."

He generally feels more confident on foreign than domestic policy issues. Aides say Bush phones four or five heads of state a week for a total that exceeds that of the last six Presidents combined. It's a habit that helped mightily in the Iraqi crisis. His woo-

ing of Gorbachev, Kohl, and Mitterrand also paid dividends in European affairs. Says former U.S. diplomat Robert Hormats, now vice chairman of Goldman Sachs International, who recently dined with Kohl: "Bush's personal diplomacy enabled him to discuss a new European security arrangement with Gorbachev in Washington without the Germans feeling he was going behind their backs. It's all about trust."

In the domestic arena Bush is more likely to rely on the bureaucracy as a way of sorting out different points of view. But even then he often pulls the management of policymaking into the White House. The Administration's education, crime, child care, and clean air proposals were developed in small meetings with Cabinet members around an antique table in the West Wing office of Roger Porter, the President's domestic policy chief.

To whatever is done by staff, Bush adds his own layer of personal intelligence gathering for what national security types call "sanity checks." After the Senate sustained his 11th veto (Amtrak) and before it took up his 12th (the Hatch Act revision), the President slipped up to the Hill for a friendly, pulse-taking lunch with Senate Minority Leader Bob Dole, who was his GOP primary rival but is now a staunch ally, and longtime friend and hunting buddy Alan Simpson, the Wyoming Senator who is minority whip. A quick visit to the kitchen staff topped off the lunch.

Before deciding to convene a budget summit, the President met separately in the family quarters with Dole, Senate Majority Leader George Mitchell, House Speaker Thomas Foley, and Minority Leader Robert Michel. Says Porter, who taught Harvard's course on the presidency before joining the Bush Administration: "Every President does some of this. But Bush does a great deal more."

WHILE the President casts his net wide for information, he turns to a few key aides when it's time to decide. Says one aide: "At the top it's very small, very clubby. There's lots of camaraderie, humor, and male bonding. That's how the boys defuse tension and avoid burnout." The President's inner circle is filled with heavyweights, though of surprisingly different temperaments. There are three hard-nosed competitors—Baker, Sununu, and Darman—and two soft-spoken ones—Brady and Scowcroft. A step removed from the inner sanctum are two brainy but



Bush often shines when jousting with reporters.

Afghanistan whom Bush had known since his own U.N. days. Bush invited his old friend to Camp David for a discussion of how Afghan factions were faring after the Soviet pullout. Before this year's summit he spoke with West German Chancellor Helmut Kohl, French President François Mitterrand, and British Prime Minister

mild-mannered professors: Porter, the domestic policy chief, and Michael Boskin, chairman of the Council of Economic Advisers. Chief White House counsel Boyden Gray, an old Bush friend and tennis partner, is also a trusted adviser.

Bush is clever about using different personalities for different tasks. Sununu, the brusque but brainy engineer and former New Hampshire governor, plays bad cop to Bush's good cop. When Democratic Senator Daniel Patrick Moynihan proposed cutting Social Security payroll taxes, some conservatives appeared to be circling favorably around the idea. The White House thought for a while that the U.S. Chamber of Commerce might back Moynihan. Sununu reportedly phoned Chamber President Richard Leshner and threatened to "cut your b--- off with a chainsaw." The Chamber did not lobby for the proposal, which went nowhere.

Darman, who has built a powerful alliance with Sununu, is the President's chief economic strategist. Baker drives foreign policy. Scowcroft and Brady are trusted counselors who mainly stick to their respective areas of expertise—defense and finance. But the President knows neither has ambitions beyond making the Bush presidency work, so they are often the last guys in the room before the President decides.

Still, Bush has no single guru. He enhances his personal power by sharing information only on a "need to know" basis. When Bush sent Scowcroft and Deputy Secretary of State Lawrence Eagleburger on a secret mission to China after the Tiananmen Square massacre, he didn't tell Sununu. When he met with congressional leaders before calling a budget summit, he didn't tell his own congressional aides what he was going to talk about. Though the President drops FYIs to aides, his White House staff has long ago stopped trying to keep track of all his private conversations. Says one aide: "If the President is making the decisions, the only important thing is that *he* keeps track."

At times it seems no decision is too small or innocuous for Bush. During the development of his 1991 budget, he made about 70 relatively micro decisions, most of which would have been settled by staff in the



An ecosystem of support: first partners at dusk at Kennebunkport

Reagan years. He's often his own foreign desk officer, political strategist, even his own office manager. When Bush discovered that his correspondence unit was 70,000 letters behind, he trotted down to the letter-writing shop to see what the problem was. The pace quickened and the backlog is down to a few thousand.

ON MORE substantive issues his peripatetic presence makes for a very personal and unpredictable pattern of decisions. When there is controversy, Bush typically splits the difference. When the steel quotas were about to expire last year, Labor Secretary Elizabeth Dole argued for a five-year extension. Commerce Secretary Robert Mosbacher and U.S. Trade Representative Carla Hills pushed for four with a reassessment after two. Boskin wanted only one, limited to certain product lines. The President asked Porter to propose an alternative. The final compromise was a 2½-year extension for all product lines.

When there is consensus, Bush usually goes with it—but not always. After the Tiananmen Square massacre he bucked his staff and vetoed a popular bill allowing Chinese students to remain in the U.S. Even when he goes with the broad consensus, he

often fiddles with the final details at the last minute. He picked the exact dollar-and-cents increase for his minimum wage and federal employee raise proposals. After three discussions with Porter over what constitutes an assault rifle, he decided to propose a ban on all automatic weapons with magazines that hold more than 15 rounds.

Accessibility and unpredictability are clever strategies for keeping the opposition off guard. In only 18 months Bush held 57 press conferences, more than Reagan did in eight years, and many on less than an hour's notice. "How's the temperature out there?" Bush often asks Press Secretary Marlin Fitzwater. If it's rising, Fitzwater quickly briefs Bush on likely questions. Then he's off to meet reporters. Though wooden in formal speeches, Bush's grasp of detail and zest for competition let him shine when jousting with the press, despite his occasional woolly syntax. Fitzwater has never had to issue a correction.

a frequent occurrence with Reagan. Congress has also found it difficult to categorize this President. While Reagan took bold stands but then compromised, Bush focuses quickly on what's possible. Faced with hopeless odds, as in aid to the Nicaraguan contras, he caves artfully and proclaims victory. When he agrees with Congress on the objective—such as the Clean Air Act—he works closely with the opposition. When he thinks he can win, as in the case of his successful vetoes, he doesn't budge. Says Brookings Institution scholar Thomas Mann: "He's a very adept tactician."

But what about a strategic plan? When reporters bring up the "vision thing," Bush's stock answer is: "Don't put me on the couch. Don't analyze me." Insiders say dealmaker Bush doesn't want to invite criticism or limit his options by defining goals. Outsiders wonder whether he knows what he wants. Brother Bucky's explanation is pure Bush pragmatism: "I think George would agree with investor Warren Buffett, who says that long-range planning has extreme limitations, especially when it comes to macroeconomic policy. What really counts are the day-to-day things. If you do well in the short run, the long run will take care of itself." So far in this Administration, vision is what works today. **F**

DAVID VALDEZ THE WHITE HOUSE

Fri 10-Aug-90 17:56 EDT

Bush not a 'hostage in the White House'

By TOM FERRARO

KENNEBUNKPORT, Maine (UPI) — Refusing to be "held hostage in the White House" by the Persian Gulf crisis, President Bush began his summer vacation in Maine Friday by levelling a salvo at Iraq's Saddam Hussein and zipping around in his speedboat.

Bush said his planned 25-day stay at the family's seaside estate would be a combination of work and play — keeping abreast of developments in the Middle East while enjoying such activities as tennis, golf and fishing.

Speaking with reporters aboard Air Force One on the trip from Washington to Kennebunkport, Bush said he was comfortable with his decision to go ahead with his vacation while U.S. troops, planes and warships converged on the newest global hot spot.

He stressed, however, that he would get constant briefings from aides, keep in touch with world leaders by telephone and, if needed, could return to Washington within as little as 90 minutes.

Bush pointed out that he has "an excellent communications system," including phones on his red, white and blue speedboat and golf cart.

The president also disclosed that Secretary of State James Baker would fly to Kennebunkport in the next few days to report on his visit to Turkey and meeting with NATO officials, and there may be a parade of other advisers arriving on the scene.

"I am determined that life goes on," the president said. "I will have a busy schedule, busier than I would liked to have had. I have a list of calls I will be making over the next couple of days."

"So it will be a different than I'd hoped, but I think I've done the right thing" by going ahead with the vacation, he said.

The president dismissed as "radical rhetoric" Saddam's threat of a "holy war" against the United States in the Middle East.

"He (Saddam) is so isolated ... so backed in a corner by world opinion" that the threat is merely "a frantic ploy to try to gather some support," Bush said, predicting "it's going to be ineffective."

As for his vacation, the president said he felt it necessary to go ahead with his summer plans in the small fishing village that is dominated by the Bush family's Walker's Point estate.

"What you don't want to do is appear held hostage in the White House to events," Bush said. "I'm not going to do that."

"Look, if I'm on vacation, I want to have a vacation," he added.

"I don't want to kid the American people that I'm working."

"Play and play hard, and work like hell the rest of the time, when you're in Washington, and I think I've done that."

Perhaps to underline his position, Bush took his speedboat, Fidelity, out for a cruise on the gray Atlantic shortly after arriving at the compound.

Bush has spent every summer in Kennebunkport but one — 1944, when he was a Navy pilot.

Before leaving the White House Friday afternoon, Bush sent a report to Congress consistent with the War Powers Resolution saying that he did not believe hostilities involving American troops were imminent in the gulf and that the deployment of U.S. forces would help bring about a "peaceful resolution of the crisis."

He also sent Congress a request to exempt the armed forces from the automatic spending cuts required by the Gramm-Rudman balanced budget law if budget negotiators fail to reach a deal by Oct. 1.

Bush planned to make a quick trip to Washington for briefings Wednesday, returning to Maine the same day.

First lady Barbara Bush and several of their children and grandchildren accompanied the president to Kennebunkport.

For all the tensions over a possible Gulf War, Bush managed a big smile and a quip when asked if he had any advice for Americans.

"Yeah," he said. "Stay out of Kuwait and Iraq."

Sat 11-Aug-90 11:49 EDT

The Going Looks Tough for Many Incumbent Governors

By WILLIAM M. WELCH

Associated Press Writer

WASHINGTON (AP) Kansas Gov. Mike Hayden's near-loss in a three-way Republican primary last week is the latest evidence that 1990 is turning into a mean campaign season for incumbents.

Voters have lots of reasons to be dissatisfied with government - among them the savings and loan crisis, the federal budget deficit and the weakened economy. Their discontent already is shaping some of the 36 governor's races this year.

"There's a loss of confidence in government," said Arkansas Gov. Bill Clinton, who is having his own difficulties as he seeks a fifth term.

"There's a reserve of cynicism in the electorate for a variety of reasons," said Mark Gearan, director of the Democratic Governors' Association. "There's a concern among incumbents. But every state takes on a different hue and cast."

Hayden won renomination in Kansas by fewer than 8,000 votes and 3 percentage points, after trailing through most of a long night of vote counting Tuesday.

Hayden's political troubles stemmed from changes in the property tax system that had resulted in big tax increases for many Kansans. His predecessor, former Gov. John Carlin, who shared some of the heat for tax changes dating back to his term, lost a comeback bid and the Democratic nomination by fewer than 1,800 votes to Joan Finney, veteran state treasurer.

An incumbent's advantage is strong, through the ability to raise money, generate publicity and use the powers of government. Yet Kansas is hardly alone in its unease with incumbents.

Next door in Nebraska, Republican Gov. Kay Orr is at the top of the GOP endangered list as she seeks a second term.

She's in trouble over tax increases and her belated admission that taxes had indeed been raised. To bolster her campaign, she's hosted visits from President Bush, Barbara Bush and Vice President Dan Quayle. Ronald Reagan is expected to show up, too.

Another shaky Republican, Florida Gov. Bob Martinez, is considered vulnerable because of his opposition to abortion, his vacillation on taxes and general doubts about his management ability. He's presented the Democrats with an opportunity to capture the governorship of one of the largest states, and one that will be a redistricting battleground next year.

Democratic governors are having difficulty, too. Clinton in Arkansas, James Blanchard in Michigan and Rudy Perpich in Minnesota all have been in office for eight years or more and face their most serious challenges yet.

Nearly all the New England governors have suffered along with the region's economy. And the three Democrats - Michael Dukakis in Massachusetts, William O'Neill in Connecticut, and Madeleine Kunin in Vermont - all decided not to run again.

Meanwhile, Republican Govs. John McKernan of Maine and Edward DiPrete of Rhode Island are trailing their Democratic challengers in the polls.

DiPrete's troubles stem not only from Rhode Island's flagging

economy but also from personal ethics questions. His favorability rating has been as low as 17 percent in polls. While Democrats have yet to select their nominee, DiPrete trails all three Democratic contenders in one-on-one polling tests.

Michele Davis, director of the Republican Governors' Association, says she doesn't see a wave of anti-incumbent sentiment washing across the governors races. Each, she says, is a victim of individual or regional difficulties.

"I don't see it as an overarching theme or problem," she said.

"Each incumbent is judged by their own merits."

Clinton, however, says President Bush's break with his read-my-lips pledge against new taxes has contributed to an eroding confidence in government at all levels.

"He said X and now he's doing Y," Clinton said. "It's hurting not just him, it's hurting all of us."

In Clinton's case and a few others, another factor may be at work: voters are just getting tired of the same names and faces.

Clinton has been on the Arkansas political scene since 1974 and he's only 43 years old. He's been governor for 10 of the last 12 years, including three two-year terms and one four-year term that ends this year.

Now seeking a fifth term, Clinton is facing a strong challenge from Republican Sheffield Nelson, himself the victor in a tough primary. Polls show Clinton ahead, but Republicans say he fails to get more than 50 percent in their polls — giving them reason to believe he is vulnerable.

Blanchard won re-election in Michigan four years ago with 68 percent of the vote, but he faces a tougher test this time.

He's leading Republican John Engler, majority leader of the state Senate, but Republicans believe Engler is within striking distance. Blanchard vetoed a restrictive abortion bill this year, and abortion could emerge as a big issue in the race. To top off his problems, his ex-wife Paula Blanchard, whom he divorced while in office, has written a book about their marriage and has embarked on a promotional tour.

daily

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Monday, August 27, 1990

Mrs. Bush	(in folder)
Governor Sununu	West Wing
Marlin Fitzwater	West Wing
Patty Presock	West Wing
First Lady Detail	Staircase
Denise Balzano	Room 268 OEOB
Karen Connell	Room 58 OEOB
Shirley Green	Room 94 OEOB
Anne Griffith	Room 98 OEOB
Diana Kellogg	Room 190 OEOB
Gregg Petersmeyer	Room 100 OEOB
Carolyn Washington	Room 268 OEOB
Benita Somerfield	hold one copy
Ann Brock	
Kim Brady	
Julie Cooke	
Joan DeCain	
Laurie Firestone	
Susan Porter Rose	
Anna Perez	
Sondra Haley	
Jean Becker	
Jay Suchan	(plus originals)

Rooting for Lee Atwater in his toughest campaign

King's
Things ... We
visited Lee
Atwater at
George Wash-
ington Univer-
sity Hospital in
the Nation's
Capital. The
GOP chief is
giving it his all
in a battle with
a brain tumor
and resultant
complications
(some clotting

causing swelling in the legs.)
Lee says all his friends stay
in touch daily and that he's
constantly hearing from po-
liticos as well. He said he has
received visits from Barbara
Bush and Dan Quayle.
Atwater, a fighter from the
word Go, says, "I'm hangin'
in there, pal."



**LARRY KING'S
People**

CAPITAL LINE

USA TODAY'S BRIEFING ON WASHINGTON

PEOPLE WATCH



By Scott Perry, AP

SON'S SUPPORT: President Bush helps his 89-year-old mother, Dorothy Bush, leave St. Ann's Episcopal Church after Sunday morning services in Kennebunkport, Maine. A church clergyman and Secret Service agent also assist.

Bush aunt scares kin

KENNEBUNKPORT, Maine — This whole town tensed up yesterday when two ambulances answered an emergency call at President Bush's vacation retreat, Walker's Point compound.

It turned out that Nancy Walker, an elderly aunt of Bush's, fainted briefly, the White House said. She later was reported fully recovered.

She is the older sister of Bush's mother, Dorothy, 89. Their brother, Dr. John Walker, 81, died last week after being stricken at Walker's Point, and Nancy Walker attended the funeral Tuesday in a wheelchair.

The Associated Press

Value of The Dolls

Paper Creations Are Making a Comeback

By Irene Lacher
Los Angeles Times

Tom Tierney swears he has never seen George Bush in his underwear.

Kindly turn to Plate 1 of the artist's latest entry in his motley stable of paper doll all-stars—the nation's 41st president and family in "full color" and minutely researched wardrobe. Except for the undies, that is. Even though Tierney's paper brainchildren spring full grown onto the page only after he studies their true-life garb down to the fabric swatch, when it came to Bush's skivvies, the ever-vigilant artist was forced to, well, guess.

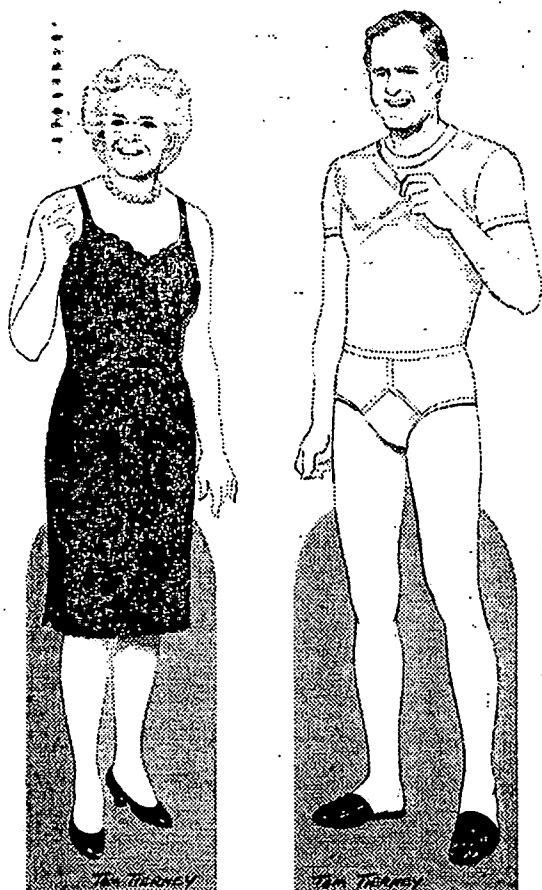
Plate 1, you see, is the actual doll, which always comes nearly in the buff, except for Tierney's two-dimensional Pope John Paul II, who gets special dispensation from appearing in public in his drawers.

"The publisher said, 'You have to be dignified,'" says the *uber* paper doll artist of our time.

Don't snicker. Designer Bob Mackie called him someone who "probably knows more about glamour than anybody," Tierney says. Garbo once asked for his autograph. And the humble paper doll has made Tierney a millionaire.

"They're just beautifully drawn," says paper doll expert Emma Terry, who writes, edits, copies and ships the bimonthly Paper Doll News,

See DOLLS, F7, Col. 1



Tom Tierney's first couple without the trimmings.

Paper Doll Collecting

DOLLS, From F1

circulation 225, from tiny Vivian, La. "I would say he's about the best."

Tierney, a 62-year-old New Yorker, is considered a paper doll celebrity to those in the know, a tiny but growing, offbeat and impassioned assortment of grown-ups who meet, swap dolls that may run into the thousands of dollars, research their history endlessly, study chatty newsletters, send each other paper dolls instead of greeting cards and convene once a year to dress up as fantasy characters.

And, yes, they play with dolls too. "I play all day long," says John Darcy Noble, a Vista, Calif., resident and "toy curator emeritus" of the Museum of the City of New York. "I have always played and I have never stopped playing since I was a child. . . . The most highly evolved animals are always playing—monkeys, whales play all the time.

"Only stupid humanity has stopped playing. The whole stupid world has gone crackers."

Noble is an aristocrat to Southern California's knot of enthusiasts, one of the country's larger groups of collectors, about 50 of whom meet regularly. (Serious collectors are a select group—there are only an estimated 1,000 nationwide.)

They are women of a certain age who remember playing with Mary Pickford paper dolls. They are historians, of course. They are artists and art dealers, like Barb Rausch, a comics illustrator whose style is detectable to aficionados, even though her official Barbie paper dolls are unsigned. There is Evelyn Gathings, who resurrects the 19th-century fashion of putting monkeys and insects into costume. There is Noble himself, who draws on his own sometimes fantastic experiences to create such dolls as his bride, now under construction, who trips down the aisle with a cat snoozing on her train.

But the hard-core paper doll fan sets his sights quite a bit further than the nearest gift or museum shop, where some of the fancier paper dolls can be found. In fact, Noble's own collecting preference stretches back a couple of centuries.

"It's the earlier and earlier things that excite me," he says. "I'm not terribly into the late Victorian things. I get excited about 1860, and 1820, I'm jumping with joy. Eighteenth century, I'm like a humming top."

His choicest pieces include tiny toy theaters modeled after productions of actual English melodramas popular in the 1820s, European paper dolls with moving parts, and "tinsel pictures"—paper dolls of knights in armor that young boys would collect and decorate with bright bits, to be hung in English parlors. There is a paper Noah's ark and tiny boxed landscapes that you peep at through a pinhole—an 18th-century castle with stags and hounds, a party at Versailles and a hermit in his cell.

The highlight of his collection is a bitty French kitchen from the 1850s. "It is in an alcove with curtains. The paper stove opens on a hinge and there are paper saucepans. There's a paper dresser with paper cups and saucers and the drawer opens and there are paper knives and forks. The paper cook, he has a paper hat you can take off and you can put a ladle in his hand. It's enchanting," he says.

But paper doll collecting isn't just charm, nostalgia and fairy dust. It's big bucks these days. "Like the real dolls, it's getting so it is quite an important collecting area," Noble says. "It's not like collecting milk bottle caps. When you pay \$2,000 for a handful of paper, the handful of paper is something precious and important."

"If I sold all my paper dolls, I could move into a smaller house, my closets are so full," says Williams, a college art history lecturer.

The trophies of this world, the ones that bring up to five figures at auction, are the earliest paper dolls from France and Germany that date back to the mid-18th century, dolls that paraded the latest fashions for adult aristocrats, or came with moving parts to amuse the French court in puppet shows. For decades, paper dolls did the job of fashion magazines and advertisements, championing such products as flour, stove polish

and mercerized thread. And women studied them, in front and side views, for fashion tips for make-your-own wear.

The last people whom paper dolls were intended for were children.

But by the time the Depression

One collector, Deanna Williams, figures that if she really wanted to, she could sell her collection and buy a Rolls-Royce. She doesn't want to.

rolled around, paper dolls had become America's favorite dime store toy—and an inspiration for generations of designers. "One thing I found out from designers was that every one of them started with paper dolls as a kid," Tierney says during a telephone interview. "Here are people making millions of dollars, and paper dolls got them started. . . . A lot of designers learned how to design through paper dolls."

The favorites were paper dolls of the stars, Shirley Temple and the like. But by the '50s, the economical Shirleys had succumbed to an even more compelling force: Barbie.

"Barbie is indestructible," Tierney says. "No matter what they do to her, she survives. When Barbie came out, here was a plastic doll that was affordable. People switched. Betsy McCall was a paper doll in McCall's, but finally Barbie killed off Betsy."

Still, even the humble paper doll is seeing its day of resurrection. Western Publishing Co., a Racine, Wis., company that bills itself as the largest commercial paper doll manufacturer, declines to disclose sales figures but says the children's market for paper dolls seems to be growing.

And as far as the zealous adult market goes, you can thank Tom Tierney for putting paper dolls back on the shelves. Tierney, considered one of the most successful paper doll artists ever, is credited with trigger-

ing a comeback for paper dolls. More than 1 million copies of his 58 books are sold each year at \$3.95 a pop, often in pairs—one to keep and one to cut.

Tierney, a former fashion illustrator, began a dozen years ago with paper dolls of such movie stars as Joan Crawford and Marilyn Monroe and moved on to such unlikely playmates as Gertrude Stein, Golda Meir, Christian Science Church founder Mary Baker Eddy and the pope, whose paper wardrobe includes a historically correct ski outfit.

Tierney is particularly keen on researching wardrobe, to produce what he calls "biographical paper dolls." Tierney's pope wears a wristwatch and leather shoes instead of the traditional velvet slippers. When Tierney produced his book of the presidential Kennedys, he consulted Oleg Cassini's assistants on color and fabric, because most photos of John and Jackie were black-and-white. His insistence on accuracy has earned him mixed reviews, particularly in the case of his paper Egyptian women.

"Cleopatra is bare-bosomed, as is Nefertiti. We got a lot of fan mail from people who say, 'You have guts,' and the others say, 'Why would you do a paper doll for children with bare bosoms?' I write back and say, 'I'm sorry I offended you, but they're historically accurate.'"

So no cracks about Tierney's virtually svelte Barbara Bush doll. "I think a lot of people were surprised that I drew her as she is, but she's really not that big and fat. She's big-boned, as we say."

Such details are important to paper doll folk, who figure that, in another century or two, posterity will look to these objects of their affection for clues to the images of early astronauts and mythical monsters, to presidents and popes.

Says Noble: "If you built a house in 1930, it's probably fallen down or you sold it. If you built furniture, it's tattered. But the paper things survive. They somehow follow you around the world."

"I have things that were made in Yorkshire in 1810, and they're still here and they're still intact, although houses and towns fall down in decay. This is the great magic of paper. It's immortal."



THE PRESIDENT

August 27, 1990
(Kennebunkport)

Dear Mary,

Many thanks for the note about General Wilson. Someone from the staff has already been in touch with him, and I've asked that other appropriate staff follow up.

I hope all is well with you. Barbara sends warmest best wishes, too.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. D. Eldredge Jackson Jr.
Box 177
South Woodstock, VT 05071

THE WHITE HOUSE

WASHINGTON

August 27, 1990
(Kennebunkport)

Dear General Hultman:

Please convey to all the members of the Reserve Officers Association of the United States my sincere thanks for the resolution in support of our efforts in the Persian Gulf.

I am heartened by the widespread support of the American people for the efforts to enforce United Nations sanctions aimed at bringing about a withdrawal of Iraqi troops from Kuwait and restoration of Kuwait's independence. I am also encouraged by the number of other countries that have joined the international effort to defend Saudi Arabia against aggression.

I remain committed to finding a prompt and lasting solution to the crisis caused by the Iraqi invasion of Kuwait, and the support of the ROA in this effort is very important. My thanks again.

Warm regards.

Sincerely,



Evan L. Hultman
Major General, AUS (Ret.)
National Executive Director
Reserve Officers Association of
the United States
No. 1 Constitution Avenue, N.E.
Washington, D.C. 20002-5624

12:00 NOON NEWS UPDATE

GULF CRISIS (Kennebunkport/Tom Raum, AP) -- President Bush, buoyed by a crucial U.S. victory in the U.N., is exploring ways to increase pressure on Iraq's Saddam Hussein in talks with Prime Minister Mulroney. Before meeting with Mulroney today, Bush spent two-and-a-half hours fishing from a small boat without any luck. Afterward he was asked by reporters how he gauged U.N. chances in mediation talks with Iraqi officials scheduled to begin later this week. "Better than we did today," Bush cracked.

IRAQ/U.S. DEPENDENTS (Lisa Genasci, AP) -- Iraq allowed 52 American detainees to cross into Turkey today and the U.N. Secretary General announced he would meet a top Iraqi diplomat, in tentative new steps toward a diplomatic resolution of the Middle East crisis. The Americans, dependents of diplomats from the U.S. Embassy in Kuwait who the Iraqis have refused to release, crossed into Turkey at the Habur border post early today and later flew to a NATO base at Incirlik, 320 miles to the west. Three members of the group, sons of diplomats, were turned back at the border by Iraqi officials, the State Department said in Washington.... The group's other members were to leave Turkey for the U.S. on Tuesday, said Sgt. Marty Davis, spokeswoman at Incirlik.

IRAQ/WESTERNERS (Ruweished, Jordan/Peter Smerdon, Reuter) -- Iraqi troops are hunting for Westerners in Kuwait City, sending squads to scour fashionable apartment buildings, travelers reaching Jordan said on Monday. A Filipino technician, who asked not to be named, told Reuters he had seen heavily-armed soldiers searching buildings in the Salmiya district before he fled Friday.... The technician said he knew a group of 12 British, Canadian and American friends hiding in one apartment in an area where the search was closing in. "I don't know whether the Iraqis found them," he said.

IRAQ/STATE DEPT. (George Gedda, AP) -- The State Department summoned Iraq's ambassador and informed him that new restrictions were being imposed on the movement of Iraqi diplomats, U.S. officials said. The restrictions were outlined by Deputy Secretary Eagleburger to Iraqi Ambassador Mohamed Al-Mashat. The nature of the restrictions was not disclosed.

KUWAITI RESISTANCE (Abu Dhabi/Reuter) -- A Kuwaiti resistance group said Monday it would strike at Baghdad in retaliation for Iraq's invasion of Kuwait Aug. 2. A statement read out on Free Kuwait radio on behalf of what it called the "February 25 Movement" said Kuwaitis were determined to expel the Iraqi invaders and restore Kuwait's exiled emir Sheikh Jaber al-Ahmed al-Sabah. "We will work along with honorable and free Iraqis to hit the regime of Saddam Hussein in the heart of Baghdad," said the statement, monitored by Reuters in Abu Dhabi.... "We pledge to our people that we will burn the land under the feet of Saddam and his regime. Saddam will not enjoy a single inch of our dear land," the statement from the previously unknown group said.

QATAR/FORCES (Nicosia/Reuter) -- Qatar Monday became the fifth Persian Gulf state to approve the basing of foreign forces on its territory to deter attack following Iraq's invasion of Kuwait. The Qatar News Agency, monitored in Nicosia, said a joint cabinet and consultative council meeting in Doha had approved the deployment of friendly forces in the central Gulf emirate.... The agency said Qatar's Emir, Sheikh Khalifa Bin Hamad al-Thani, briefed the meeting on Gulf deployments which made it necessary "for certain fraternal and friendly states to deploy military forces in the Gulf...to repulse any possible aggression."

(Doha, Qatar/AP) -- The state of Qatar joined other Arab states in the Persian Gulf in agreeing to extend military facilities to the multinational buildup confronting Iraq. An official statement after a joint meeting of the government and the Shura Council...said Qatar "has agreed to extend military facilities to some friendly countries at their request." It did not specify which countries would be able to use the military facilities.

IRAQI TANKERS (New York/Reuter) -- Iraqi vessels have been given new orders by Baghdad not to defy the Western blockade in the Gulf, CBS News reported Monday. CBS Pentagon correspondent David Martin said captains have been told to allow U.S. Navy ships to stop their vessels and board and search them.... The CBS report gave no source for its information and added there was no official confirmation.

GULF CRISIS/PICKERING (George Gedda/AP) -- The Administration is expressing hope the Persian Gulf crisis still can be resolved without military conflict, if worldwide economic sanctions force Saddam Hussein to withdraw his forces from Kuwait. "He's a classic case of someone who is vulnerable to sanctions," Ambassador Pickering said of Saddam.... "We're watching if the sanctions are going to bite and how rapidly," Pickering said on NBC's "Today" Show.... "It might be a month or two before it begins to bite."

OPEC PRODUCTION (Vienna/Sally Jacobsen, AP) -- OPEC ministers were moving toward an agreement allowing for a temporary increase in oil production to help fill the gap caused by the Persian Gulf crisis, sources said. Ten of the 11 nations of OPEC meeting informally in Vienna have agreed in principle to authorize an increase, said a delegation source, who demanded anonymity. "They see the need for some kind of OPEC sanction to increase production," he said. Only Iran, which contends there is enough excess oil in the industrialized world to meet any shortfall, was opposed, he said.... He said talks were continuing to work out the details.

(Vienna/Joby Warrick, UPI) -- OPEC Ministers huddled behind closed doors for a second day Monday as Iran and other key members resisted efforts to convene an extraordinary formal conference to raise oil output quotas.... "I think this is not the necessary time to increase production -- maybe in the future, if we change the situation, but not now," Iranian Minister of Petroleum Gholamreza Aghazadeh said during a lunch recess. Earlier he told reporters it was "not necessary to have formal meetings" to boost output quotas.

-more-

GAS PRICES (Los Angeles/AP) -- Gasoline rose more than a nickel a gallon at the pump in the past two weeks as motorists continued to feel the effects of the Persian Gulf crisis, according to a national survey. The average prices for all grades of gasoline rose 5.2 cents to \$1.3316 a gallon, the Lundberg Survey of 3,500 gas stations reported Sunday.

BIG OIL (Oxford, Ohio/UPI) -- Big oil companies are falsely pleading they are hostage to the crisis in the Middle East, a Miami University economist who believes there really is no competitive gasoline market said Monday.... "This notion that OPEC appeared on the scene and for the first time in its history supplies were tightly controlled is a fiction," said James Brock... And contrary to what oil companies argue, there is no consistent link between the price of crude oil and the price of gasoline, Brock said.

SHEVARNADZE/CHINA (Beijing/Reuter) -- Foreign Minister Shevardnadze will make a brief stop in China Saturday on his way to Japan and will have talks with his Chinese counterpart on the Persian Gulf crisis and Cambodia. He will meet Qian Qichen in the northeastern city of Harbin, the official New China News Agency said Monday.... The New China News Agency gave no details of the substance of the Soviet foreign minister's planned talks with Qian.

U.N./CAMBODIA (Bangkok/Angus MacSwan, Reuter) -- A U.N. peacekeeping force envisaged for Cambodia could be empowered to disarm combatants and control camps but would stop short of hunting down guerrillas, the U.S. deputy permanent secretary to the U.N. said Monday. The military issue was one of five papers the permanent members of the U.N. Security Council were finalizing in New York over Monday and Tuesday to try to end 20 years of bloodshed in Cambodia, Ambassador Watson told reporters during a one-day visit to Bangkok. The U.S., the Soviet Union, China, France and Britain were expected to agree on the papers, he said.

LEBANON BOMBING (Sidon/UPI) -- A car bomb exploded Monday in a Moslem Shiite village in southern Lebanon, killing six people, police said. They said the bomb in a Japanese-made car went off in the village of Houmine, 11 miles east of the port city of Sidon, 24 miles south of Beirut. Six people in the car were killed.

EXISTING HOME SALES (John McClain, AP) -- Sales of existing homes rose 3.3 percent in July, their second straight increase, as mortgage rates dropped into the single digits, a real estate trade group reported. The National Association of Realtors said house resales totaled a seasonally adjusted annual rate of 3.44 million units compared to June's rate of 3.33 million.... But Realtor's President Norman Flynn said the recent mortgage rate increases [after the Iraqi invasion of Kuwait] probably will push down sales this month.

PERSONAL INCOME (Vincent Del Giudice, UPI) -- Personal income increased 0.6 percent in July, while consumption slowed to 0.5 percent and the personal savings rate remained unchanged at 4.9 percent, the Commerce Department said Monday.

12:00 NOON NEWS UPDATE

GULF CRISIS (Kennebunkport/Tom Raum, AP) -- President Bush, buoyed by a crucial U.S. victory in the U.N., is exploring ways to increase pressure on Iraq's Saddam Hussein in talks with Prime Minister Mulroney. Before meeting with Mulroney today, Bush spent two-and-a-half hours fishing from a small boat without any luck. Afterward he was asked by reporters how he gauged U.N. chances in mediation talks with Iraqi officials scheduled to begin later this week. "Better than we did today," Bush cracked.

IRAQ/U.S. DEPENDENTS (Lisa Genasci, AP) -- Iraq allowed 52 American detainees to cross into Turkey today and the U.N. Secretary General announced he would meet a top Iraqi diplomat, in tentative new steps toward a diplomatic resolution of the Middle East crisis. The Americans, dependents of diplomats from the U.S. Embassy in Kuwait who the Iraqis have refused to release, crossed into Turkey at the Habur border post early today and later flew to a NATO base at Incirlik, 320 miles to the west. Three members of the group, sons of diplomats, were turned back at the border by Iraqi officials, the State Department said in Washington.... The group's other members were to leave Turkey for the U.S. on Tuesday, said Sgt. Marty Davis, spokeswoman at Incirlik.

IRAQ/WESTERNERS (Ruweished, Jordan/Peter Smerdon, Reuter) -- Iraqi troops are hunting for Westerners in Kuwait City, sending squads to scour fashionable apartment buildings, travelers reaching Jordan said on Monday. A Filipino technician, who asked not to be named, told Reuters he had seen heavily-armed soldiers searching buildings in the Salmiya district before he fled Friday.... The technician said he knew a group of 12 British, Canadian and American friends hiding in one apartment in an area where the search was closing in. "I don't know whether the Iraqis found them," he said.

IRAQ/STATE DEPT. (George Gedda, AP) -- The State Department summoned Iraq's ambassador and informed him that new restrictions were being imposed on the movement of Iraqi diplomats, U.S. officials said. The restrictions were outlined by Deputy Secretary Eagleburger to Iraqi Ambassador Mohamed Al-Mashat. The nature of the restrictions was not disclosed.

KUWAITI RESISTANCE (Abu Dhabi/Reuter) -- A Kuwaiti resistance group said Monday it would strike at Baghdad in retaliation for Iraq's invasion of Kuwait Aug. 2. A statement read out on Free Kuwait radio on behalf of what it called the "February 25 Movement" said Kuwaitis were determined to expel the Iraqi invaders and restore Kuwait's exiled emir Sheikh Jaber al-Ahmed al-Sabah. "We will work along with honorable and free Iraqis to hit the regime of Saddam Hussein in the heart of Baghdad," said the statement, monitored by Reuters in Abu Dhabi.... "We pledge to our people that we will burn the land under the feet of Saddam and his regime. Saddam will not enjoy a single inch of our dear land," the statement from the previously unknown group said.

QATAR/FORCES (Nicosia/Reuter) -- Qatar Monday became the fifth Persian Gulf state to approve the basing of foreign forces on its territory to deter attack following Iraq's invasion of Kuwait. The Qatar News Agency, monitored in Nicosia, said a joint cabinet and consultative council meeting in Doha had approved the deployment of friendly forces in the central Gulf emirate.... The agency said Qatar's Emir, Sheikh Khalifa Bin Hamad al-Thani, briefed the meeting on Gulf deployments which made it necessary "for certain fraternal and friendly states to deploy military forces in the Gulf...to repulse any possible aggression."

(Doha, Qatar/AP) -- The state of Qatar joined other Arab states in the Persian Gulf in agreeing to extend military facilities to the multinational buildup confronting Iraq. An official statement after a joint meeting of the government and the Shura Council...said Qatar "has agreed to extend military facilities to some friendly countries at their request." It did not specify which countries would be able to use the military facilities.

IRAQI TANKERS (New York/Reuter) -- Iraqi vessels have been given new orders by Baghdad not to defy the Western blockade in the Gulf, CBS News reported Monday. CBS Pentagon correspondent David Martin said captains have been told to allow U.S. Navy ships to stop their vessels and board and search them.... The CBS report gave no source for its information and added there was no official confirmation.

GULF CRISIS/PICKERING (George Gedda/AP) -- The Administration is expressing hope the Persian Gulf crisis still can be resolved without military conflict, if worldwide economic sanctions force Saddam Hussein to withdraw his forces from Kuwait. "He's a classic case of someone who is vulnerable to sanctions," Ambassador Pickering said of Saddam.... "We're watching if the sanctions are going to bite and how rapidly," Pickering said on NBC's "Today" Show.... "It might be a month or two before it begins to bite."

OPEC PRODUCTION (Vienna/Sally Jacobsen, AP) -- OPEC ministers were moving toward an agreement allowing for a temporary increase in oil production to help fill the gap caused by the Persian Gulf crisis, sources said. Ten of the 11 nations of OPEC meeting informally in Vienna have agreed in principle to authorize an increase, said a delegation source, who demanded anonymity. "They see the need for some kind of OPEC sanction to increase production," he said. Only Iran, which contends there is enough excess oil in the industrialized world to meet any shortfall, was opposed, he said.... He said talks were continuing to work out the details.

(Vienna/Joby Warrick, UPI) -- OPEC Ministers huddled behind closed doors for a second day Monday as Iran and other key members resisted efforts to convene an extraordinary formal conference to raise oil output quotas.... "I think this is not the necessary time to increase production -- maybe in the future, if we change the situation, but not now," Iranian Minister of Petroleum Gholamreza Aghazadeh said during a lunch recess. Earlier he told reporters it was "not necessary to have formal meetings" to boost output quotas.

-more-

GAS PRICES (Los Angeles/AP) -- Gasoline rose more than a nickel a gallon at the pump in the past two weeks as motorists continued to feel the effects of the Persian Gulf crisis, according to a national survey. The average prices for all grades of gasoline rose 5.2 cents to \$1.3316 a gallon, the Lundberg Survey of 3,500 gas stations reported Sunday.

BIG OIL (Oxford, Ohio/UPI) -- Big oil companies are falsely pleading they are hostage to the crisis in the Middle East, a Miami University economist who believes there really is no competitive gasoline market said Monday.... "This notion that OPEC appeared on the scene and for the first time in its history supplies were tightly controlled is a fiction," said James Brock... And contrary to what oil companies argue, there is no consistent link between the price of crude oil and the price of gasoline, Brock said.

SHEVARDNADZE/CHINA (Beijing/Reuter) -- Foreign Minister Shevardnadze will make a brief stop in China Saturday on his way to Japan and will have talks with his Chinese counterpart on the Persian Gulf crisis and Cambodia. He will meet Qian Qichen in the northeastern city of Harbin, the official New China News Agency said Monday.... The New China News Agency gave no details of the substance of the Soviet foreign minister's planned talks with Qian.

U.N./CAMBODIA (Bangkok/Angus MacSwan, Reuter) -- A U.N. peacekeeping force envisaged for Cambodia could be empowered to disarm combatants and control camps but would stop short of hunting down guerrillas, the U.S. deputy permanent secretary to the U.N. said Monday. The military issue was one of five papers the permanent members of the U.N. Security Council were finalizing in New York over Monday and Tuesday to try to end 20 years of bloodshed in Cambodia, Ambassador Watson told reporters during a one-day visit to Bangkok. The U.S., the Soviet Union, China, France and Britain were expected to agree on the papers, he said.

LEBANON BOMBING (Sidon/UPI) -- A car bomb exploded Monday in a Moslem Shiite village in southern Lebanon, killing six people, police said. They said the bomb in a Japanese-made car went off in the village of Houmine, 11 miles east of the port city of Sidon, 24 miles south of Beirut. Six people in the car were killed.

EXISTING HOME SALES (John McClain, AP) -- Sales of existing homes rose 3.3 percent in July, their second straight increase, as mortgage rates dropped into the single digits, a real estate trade group reported. The National Association of Realtors said house resales totaled a seasonally adjusted annual rate of 3.44 million units compared to June's rate of 3.33 million.... But Realtor's President Norman Flynn said the recent mortgage rate increases [after the Iraqi invasion of Kuwait] probably will push down sales this month.

PERSONAL INCOME (Vincent Del Giudice, UPI) -- Personal income increased 0.6 percent in July, while consumption slowed to 0.5 percent and the personal savings rate remained unchanged at 4.9 percent, the Commerce Department said Monday.

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

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

☐ Transferred During Accessioning

☒ Transferred During Processing

2009-0166-S

The following material was transferred to:

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

Other (Specify):

DESCRIPTION:

White House Photographs: P15340-07 [Sam LeBlond plays with Mulroney boy]; P15336-17A [Barbara Bush and Mrs. Mulroney]; P15333-17A [Fishing w/Raynor]; P15322-01 [President Bush and Brian Mulroney]

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

Donor: _____
Donor Org.: _____
Address: _____
Telephone: _____

Book Location:

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

Map Case Location:**Series:**

Daily Files

Box Number:

59

Folder Title:

Monday, August 27, 1990

OA/ID Number:

90558-005

Transferred by: Deborah Wheeler

Date of Transfer: 9/2/2010

Received by: Mary Finch

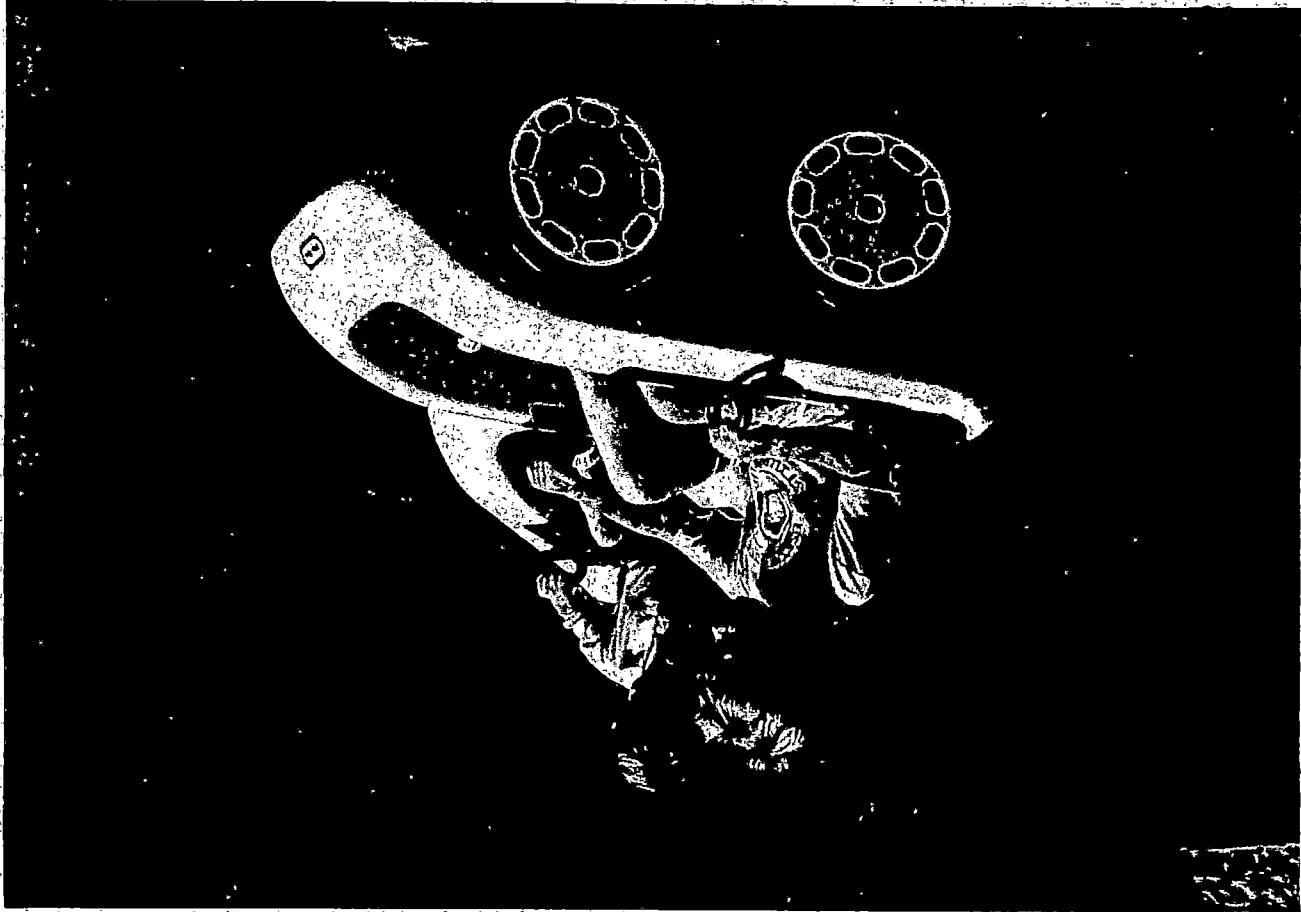
Date Received: 9/2/2010

Go to Database
Navigator

Go to Accession
Register

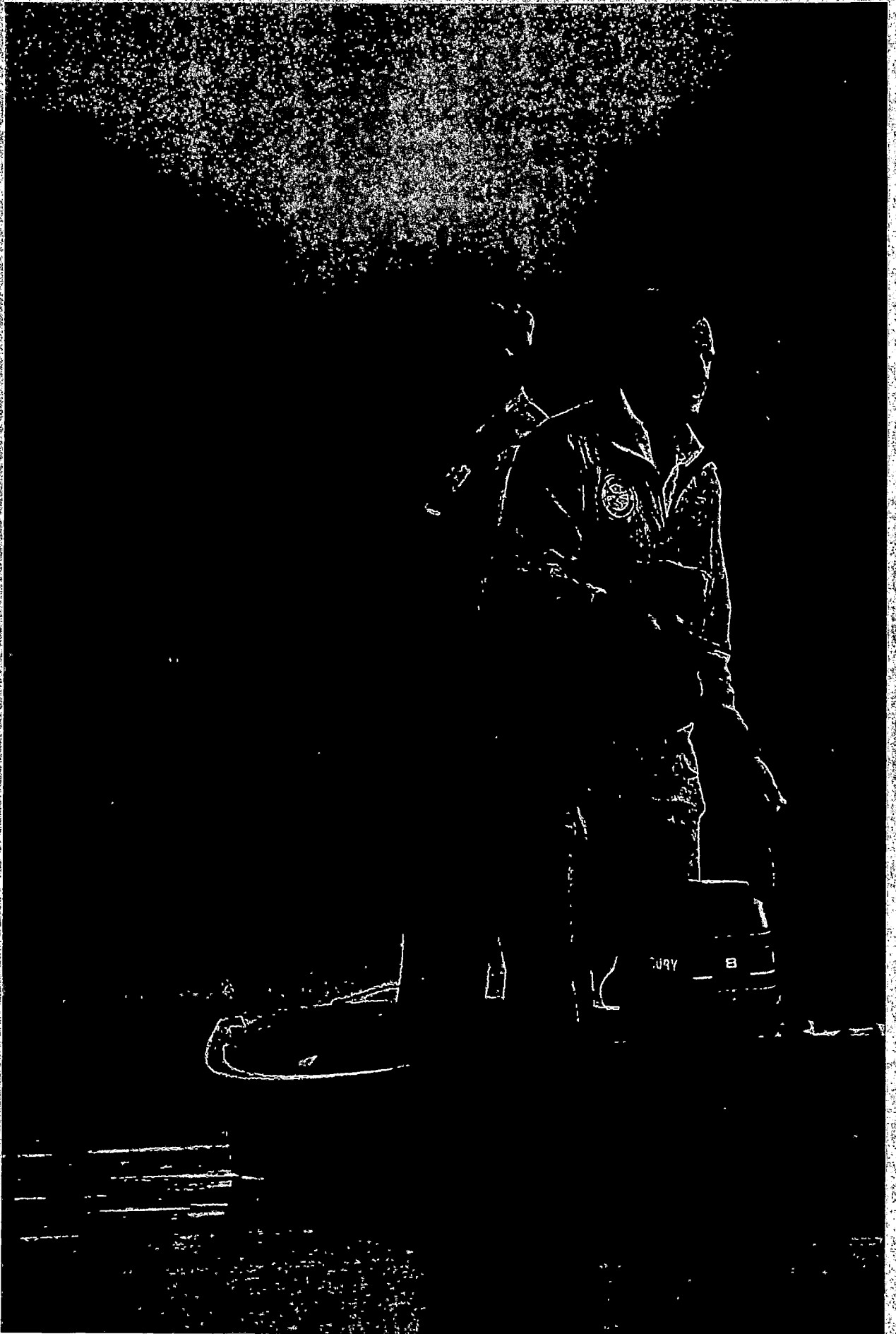
Go to Withdrawal Sheet

Print Record





OFFICIAL WHITE HOUSE PHOTOGRAPH 27 AUG 90 P15336-17A CP





OFFICIAL WHITE HOUSE PHOTOGRAPH 27 AUG 90 P15322-01 DV