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FOIA MARKER

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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: 90558-010

Folder Title:
Friday, August 31, 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.)	08/31/90	(b)(6)	
02a. Note	Handwritten notes of Presidential Phone call with Mitterrand [double-sided] (1 pp.)	08/31/[90]	(b)(1)	
02b. Talking Points	Points to be Made for Phone Call to President Mitterrand (3 pp.)	n.d.	(b)(1)	S
03a. Note	Handwritten notes of Presidential Phone call with King Fahd (1 pp.)	08/31/[90]	(b)(1)	
03b. Talking Points	Points to be Made for Phone Call to King Fahd (1 pp.)	n.d.	(b)(1)	S
04a. Note	~~Handwritten notes of Presidential Phone call with Thatcher (1 pp.)~~	~~08/31/[90]~~	~~(b)(1)~~	
04b. Talking Points	Points to be Made for Phone Call to Prime Minister Thatcher (2 pp.)	n.d.	(b)(1)	S

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, August 31, 1990

Pinksheet Number: dw1804
OA/ID Number: 90558-010
Date Closed: 9/7/2010
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

THE WHITE HOUSE
WASHINGTON

31 Aug 90

0755-0830

NAT'L SECURITY BRIEF

w/ SCOWCROFT

1200-1430 PRESS PICNIC

1 SEP 90

0600-0710

NAT'L SECURITY BRIEF

w/ SCOWCROFT

0830-0835 }
0850-0855 } MTG w/ JOHN PRESCOTT
KB, CHIEF OF POLICE

2/3 SEP 90

NO MEETINGS ALTHOUGH

POTUS & SCOWCROFT DID

GO BOATING AND GOLFING

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.)	08/31/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
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WHORM Cat.:
File Location: Friday, August 31, 1990

Date Closed: 9/7/2010	OA/ID Number: 90558-010
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 31, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	5:45 AM	6:39	Conference Call: King Fahd (b)(6)	Tlkd-ok 6:08 AM via Secure Voice
~~INC~~	PM			
OUT	AM		Ms. Sandra L. Charles White House Situation Room Secure Voice x7409	
INC	PM			
OUT	AM		Ms. Shuckran Kamal White House Secure Voice Facility Secure Voice x7002	
INC	PM			
OUT	6:44 AM	7:03	Conference Call: Prime Minister Margaret Thatcher (b)(6)	Tlkd-ok 6:46 AM
~~INC~~	PM			
OUT	AM		Mr. Adrian A. Basora White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Mr. Stephen E. Benko White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	7:07 AM	7:36	Conference Call: President Francois Mitterrand (b)(6)	Tlkd-ok 7:12 AM
~~INC~~	PM			
OUT	AM		Mr. Adrian A. Basora White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Mr. Stephen E. Benko White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Mr. Alex Toumayan (b)(6)	
INC	PM			
~~OUT~~	10:25 AM	10:38	Secretary James A. Baker III En Route Houston, Texas SAM 204	Tlkd-ok 10:30 AM via Secure Satellite
INC	PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

August 31, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	10:25 AM	10:44	General Brent Scowcroft Nonantum Portside Hotel Kennebunkport, Maine Kennebunkport Signal x289	Tlkd-ok 10:42 AM
~~INC~~	PM			
~~OUT~~	10:55 AM	11:01	Secretary James A. Baker III En route Houston, Texas SAM 204	Tlkd-ok 10:55 AM via Secure Satellite
INC	PM			
OUT	AM		Secretary James A. Baker III Ms. Baker's Residence	Tlkd-ok 3:48 PM
~~INC~~	3:43 PM	3:49	(b)(6)	via YANKEE ZULU
~~OUT~~	AM		Secretary James A. Baker III Ms. Baker's Residence	Tlkd-ok 4:14 PM
INC	4:13 PM	4:17	(b)(6)	via YANKEE ZULU
OUT	AM		Major Sean Byrne Dock Square Kennebunkport, Maine 207-967-8987	Tlkd-ok 4:21 PM via YANKEE ZULU
~~INC~~	4:19 PM	4:23		
~~OUT~~	AM		Mr. Tom Lasorda Olympic Stadium Montréal, Canada 514-253-3434	Tlkd-ok 5:55 PM
INC	5:53 PM	5:58		
OUT	AM		Secretary Louis H. Sullivan (b)(6)	LW with Mr. Halsted Sullivan 6:02 PM
~~INC~~	5:58 PM			
~~OUT~~	AM		Secretary James A. Baker III Houston Country Club Houston, Texas 713-956-9561	Tlkd-ok 8:06 PM via YANKEE ZULU
INC	7:59 PM	8:10		
OUT	AM		Lieutenant Ellen M. Shebuski Walker's Point Kennebunkport, Maine Kennebunkport Signal x384	PRESUS Cancel 9:17 PM via YANKEE ZULU
~~INC~~	9:15 PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

Bush Presidential Library Photocopy

TELEPHONE MEMORANDUM

1990

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Kennebunkport, Maine

DATE 31 August 1990

TIME

MOVEMENTS

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, AUGUST 31, 1990 -- 6 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. MILITARY ATTACKS -- The Bush Administration has decided against pursuing its own diplomatic efforts with Iraq to end the Persian Gulf crisis and is planning instead massive military attacks, mostly by air, if, as most officials expect, the economic embargo and U.N. initiatives fail to dislodge the Iraqis from Kuwait within the next four to 10 weeks, according to informed sources. (Newsday)

U.S. TO ASK OTHER NATIONS TO CONTRIBUTE TO COST OF DESERT SHIELD - The U.S. is asking its allies to help pay the bills for opposing Iraq's aggression, President Bush announced on Thursday, tacitly confirming that in the 1990s, the U.S. is a military superpower with an empty wallet. (Boston Globe, Chicago Tribune, Dallas Morning News, Washington Times, Copley, Knight-Ridder, Scripps Howard)

CIA TRAINING KUWAITIS TO HARASS IRAQIS -- The CIA is helping to organize and train Kuwaiti resistance fighters at bases in Saudi Arabia in an effort to harass the estimated 150,000 Iraqi troops now occupying Kuwait, U.S. officials said Thursday. (Los Angeles Times)

NETWORK NEWS (Thursday evening)

GULF -- Iraqis are still saying the women and children can leave, provided they first negotiate a maze of red tape.

President Bush said, in the strongest language yet, that he would not allow the fate of the hostages held by Iraq to affect his foreign policy decisions, and he is asking a handful of the world's richest countries to pay the U.S. cash money for defending Saudi Arabia.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-13

NETWORK NEWS.....B-1

INTERNATIONAL NEWS

U.S. MILITARY ATTACKS

The Bush Administration has decided against pursuing its own diplomatic efforts with Iraq to end the Persian Gulf crisis and is planning instead massive military attacks, mostly by air, if, as most officials expect, the economic embargo and U.N. initiatives fail to dislodge the Iraqis from Kuwait within the next four to 10 weeks, according to informed sources.

There appear to be no fundamental differences of opinion within the Administration on whether to use the military for massive air strikes against Iraq if other options fail, several sources said. As one put it, "The only debate about military force going on in the Administration is over timing. How long can we keep our boys waiting in the desert? How long must we wait until sanctions really bite? Will they bite?"

A senior Administration official said, "The Administration must now wait to see whether the sanctions and the diplomatic initiatives work, but obviously, there are other options."

The timetable for military action was estimated by government officials and other knowledgeable sources at four to 10 weeks and depends on both military and political factors.

(Knut Royce and Saul Friedman, Newsday)

BUSH WARNED NOT TO HESITATE

National security advisers are telling President Bush that international support for sanctions against Iraq will crack in three to six months and military action will be required to free Kuwait, according to Pentagon and Administration officials.

The advisers reportedly include Gen. Powell, the officials said.

"Six months is too long," a senior White House official said. The official said a more aggressive strategy will be drawn if Iraqi leader Saddam continues to balk at world demands to pull out of Kuwait.

A new U.S. intelligence assessment delivered to Mr. Bush states that Mr. Hussein can stay in power for at least one year, and probably two, before facing a serious internal challenge, the officials said. One Administration goal for the sanctions is to stir a revolt that topples Mr. Hussein.

The Pentagon is already mapping contingency plans for a permanent military presence in several Persian Gulf nations, including Saudi Arabia. The military services have shown Secretary Cheney proposals for new construction programs in the gulf.

Senior Pentagon planners have even suggested to Senate committees that oversee the military that a contingent of U.S. ground forces could remain in the region for over a decade as gulf policemen.

(Rowan Scarborough and Paul Bedard, Washington Times, A1)

ALLIES ANXIOUS TO PRESS SADDAM

Several U.S. allies, including Saudi Arabia, Britain and Israel, are urging the Bush Administration to resolve the Persian Gulf crisis by crushing President Saddam's military machine, according to U.S., British and Middle East sources.

The allies fear that anything less would leave Mr. Hussein's conventional, chemical and nuclear weapons intact and would put Saudi Arabia and the smaller, oil-rich gulf nations at Iraq's mercy once U.S. and other foreign troops are withdrawn from the region, sources said.

"There is no doubt that the Saudis and the Israelis fear that the United States will accept a deal that leaves a wounded rather than a defeated tiger in place in Baghdad," a well-placed U.S. source said.

Among those advising the U.S. to take military action against Iraq are Turkey and Saudi Arabia's allies in the Gulf Cooperation Council -- Kuwait, the UAE, Qatar, Bahrain and Oman, the sources said....

Officially, Saudi leaders insist that they oppose an offensive U.S. military operation and wish only to see U.S. military action should Mr. Hussein launch an attack on the kingdom. But privately, the Saudis have taken a much tougher position, the sources said.

"That is certainly their public posture, but in reality they are talking something different," said a U.S. source. "They believe it's no good to escalate, pay all the political costs but get no military and strategic benefits from this all."

(James Dorsey and Martin Sieff, Washington Times, A1)

**BUSH SAYS HOSTAGES WON'T BLOCK ACTION
Iraq Continues To Deny Freedom To Families**

President Bush said Thursday that he will not be deterred from taking military action in the confrontation with President Saddam by threats to the American hostages held in Iraq.

Asked at a White House news conference if the lives of the hostages are expendable in a military conflict with Iraq, Bush replied: "I will not change the policy of the U.S. to pay homage or to give credibility to this brutal move of staking out citizens and a brutal move of holding people against their will."...

At the news conference, Bush said he supports the Kuwaiti resistance movement and its "patriots" who "feel the their country has been pillaged and aggressed against," but he declined to say whether the U.S. is lending covert support to them. He also said he would be happy if the Iraqi people overthrew Saddam, but Iraqi dissidents said that there is currently no effective opposition within Iraq.

Speaking to reporters before flying back to his vacation home in Kennebunkport, Bush announced that he has approved a U.S. initiative to provide "substantial economic assistance" to countries adversely affected by the international economic embargo against Iraq such as Egypt and Turkey....

Although some U.S. officials have criticized Japan and West Germany for not committing more resources to the international effort to force Iraq to withdraw its troops from Kuwait, Bush said he was satisfied with their offers of help.

(David Hoffman, Washington Post, A1)

**IRAQI EXILES DESPAIR OF INTERNAL OPPOSITION
Bush's Nudge Comes In Face Of Skepticism;
Leader's Own Clan Seen A Possible Exception**

President Bush said Thursday he would be happy if the Iraqi people decided to dump their leader, President Saddam. But the problem with this approach, according to Iraqi dissidents, is that there is no effective opposition within Iraq.

"It wouldn't disappoint me if the Iraqis got up and said, 'Look, this man is our problem,'" Bush said in answer to a question during his televised news conference....

But in interviews this week, several prominent Iraqi dissidents stressed that Iraq's splintered and exiled opposition organizations are ill-prepared to conduct effective operations inside Iraq to oppose Saddam.

Because of years of suppression by Saddam's multiple security agencies, "there is no opposition to Saddam inside Iraq," said Saad Jabr, the leader of a London-based Iraqi opposition group, the New Umma (Nation) Party. "If someone tells you he has an organization or cells inside Iraq, he is lying...or being too optimistic."

The Iraqis most likely to act against Saddam are those of his own clan who hold key government and military positions, Jabr said.

(James Rupert, Washington Post, A18)

PUBLIC THINKS BUSH IS PLAYING HIS CARDS RIGHT

President Bush -- already riding a wave of popularity for his Iraq policies -- moved Thursday to keep it rolling.

He collared other countries to seek help with the costs of containing Saddam Hussein.

"The American public loves it," says Democratic consultant Victor Kamber. "There is a feeling out there we shouldn't be fronting all the money and footing all the bills."

He says Bush's plan to seek help paying for the Mideast arms buildup will go over especially well with budget red ink growing and economic confidence waning.

It also removes an argument about fairness that congressional Democrats Wednesday leveled against Bush.

"This just continues to make it difficult for Democrats to take potshots," says Republican consultant Eddie Mahe Jr.

Mahe says Bush's skilled use of personal diplomacy throughout the crisis "reinforces the public perception of him as a master orchestrator."

(Richard Benedetto, USA Today, 4A)

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U.S. TO ASK OTHER NATIONS TO CONTRIBUTE TO COST OF DESERT SHIELD

The U.S. is asking its allies to help pay the bills for opposing Iraq's aggression, President Bush announced on Thursday, tacitly confirming that in the 1990s, the U.S. is a military superpower with an empty wallet.

Secretary Baker and Secretary Brady soon will lead delegations to the Middle East, Europe and Asia to seek the aid, Bush said.

They will attempt to work out terms for sharing the financial burdens of defending Saudi Arabia from potential attack, enforcing a naval embargo against Iraq and helping Iraq's neighbors and trade partners cope with the economic strains imposed upon them by complying with the embargo.

"It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil," Bush said.

"...The United States has large interests in the balance and has undertaken commitments commensurate with them, and we're more than willing to bear our fair share of the burden.... But we also expect others to bear their fair share," the President said at a White House news conference.

At the conference, Bush called President Saddam's recent television appearances with hostages "brutal...manipulative...cynical." (Robert Rankin and Susan Bennett, Knight-Ridder)

Baker, Brady Will Ask Allies To Share Cost Of Gulf Mission

President Bush said that he was dispatching Secretary Baker and Secretary Brady throughout the world to solicit financial backing for the U.S. military buildup and other allied costs involved in confronting Iraq.

The President told reporters at the White House that he decided to implement the burden-sharing plan crafted by various government agencies after conferring with his national security advisers.

"It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil," Bush said. "Indeed, anyone with a stake in international order has an interest in ensuring that all of us succeed."

Although Bush would not affix a dollar amount to the burden-sharing plan, he said it "calls for substantial economic assistance" for Turkey, Egypt, Jordan, Eastern Europe and other countries that are bearing the worst of the economic sanctions and higher oil prices.

The President said countries that will be called on for increased assistance include Japan, South Korea, West Germany, Saudi Arabia the UAE and the exiled government of Kuwait....

Bush appeared to target his appeal to allies by outlining the high stakes involved in Operation Desert Shield. His remarks also were meant to generate continued domestic support for what may turn out to be a long-term Persian Gulf presence.

(Robert Dodge, Dallas Morning News)

Rich Nations Will Be Billed For Cost Of Persian Gulf Stand

Rich nations are being asked to share the cost of the multibillion-dollar effort to oust Iraq from Kuwait, President Bush said Thursday.

At a White House news conference before returning to his vacation in Maine for the Labor Day weekend, Bush said:

"It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil. Indeed, anyone with a stake in international order has an interest in ensuring that all of us succeed."

Bush wouldn't put a pricetag on the multi-national effort. But he said countries including Turkey, Egypt, Jordan and those in Eastern Europe will have to be paid for losses resulting from economic sanctions against Iraq.

He said the U.S. also must have some help for the estimated \$1.25 billion monthly cost of sending a mammoth military operation to Saudi Arabia. Most of it is likely to be in transportation and fuel aid to avoid the image of U.S. soldiers as "mercenaries." Bush ruled out a U.S. "war tax." (Ann McFeatters, Scripps Howard)

Bush Approves Plan To Solicit Billions From Nations To Help Pay For Embargo

Saying he "expects others to bear their fair share of the costs," President Bush approved a plan Thursday to solicit billions of dollars in aid from other nations to pay for the embargo against Iraq and to help those countries suffering most because of higher oil prices.

The President said he will dispatch Secretary Baker and Secretary Brady to Europe, Asia and the Persian Gulf to coordinate the economic and military aid needed to confront Iraq.

In a White House news conference, Bush said he is still not optimistic about finding a diplomatic solution to the gulf crisis despite efforts by U.N. Secretary-General Perez de Cuellar to negotiate with Iraqi Foreign Minister Aziz in Amman.

But Bush said he is prepared to go "as long as it takes" to get Iraqi troops to withdraw from Kuwait.

Eager to bolster the already widespread support for his actions domestically and abroad, the President said the shape of the post-Cold War world is at stake in the gulf crisis, along with the dependability of America's commitments to its friends.

(Timothy McNulty, Chicago Tribune)

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Bush Calls For International Financial Effort To Back Sanctions

President Bush Thursday said the Administration will conduct an international fund-raising drive to help pay for the American troop buildup in the Persian Gulf and to compensate nations for economic losses due to their compliance with the trade embargo against Iraq.

"It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil," Bush said. "Indeed, anyone with a stake in international order has an interest in ensuring that all of us succeed."

Bush told reporters at a news conference that the "sanctions are beginning to bite" and "we want to ensure that countries contributing to this unprecedented collective response do not suffer for doing so."

"What I've announced today and what I expect will be implemented in the coming days should help create a context in which sanctions against Iraq can be sustained with the intended effect."
(Benjamin Shore, Copley)

Bush Unveils Plan For U.S. Allies To Help Pay Costs Of Gulf Crisis

Faced with growing domestic concern over the cost of the Persian Gulf operation, President Bush unveiled a plan Thursday for U.S. allies to pay billions of dollars toward the deployment of U.S. troops to the Middle East and economic aid to nations hurt by the trade embargo with Iraq.

In a push for more global support, Bush said the spiraling cost of the Mideast deployment, now estimated at \$46 million a day for U.S. troops,, should be shared by countries defended by the deployment and by those benefiting from the flow of the region's oil.

Rejecting suggestions that the plan would in effect make U.S. troops mercenaries for the world, Bush stressed shared interests in the Persian Gulf, declaring at a brief news conference that "the shape of the post-Cold War world" is at issue in the outcome of Iraq's invasion of neighboring Kuwait....

"Indeed, anyone with a stake in the international order has an interest in ensuring that all of us succeed," Bush said. "The United States has large interests in the balance and has undertaken commitments commensurate with them, and we're more than willing to bear our fair share of the burden."

(Michael Frisby and John Mashek, Boston Globe)

Bush Asks Rich Nations To Share Costs

President Bush is dispatching top aides to rich countries in Europe, Asia and the Middle East to ask them to help defray the \$1.5 billion monthly tab for keeping U.S. forces in the Persian Gulf.

"We're more than willing to bear our fair share of the burden...but we also expect others to bear their fair share," Mr. Bush said at a press conference Thursday before returning to his vacation home in Kennebunkport....

Administration officials told the Washington Times Thursday that just sustaining U.S. forces in the gulf will cost up to \$1.5 billion a month. The outbreak of war could more than triple that figure, a senior Administration official said.

The Administration wants foreign contributions to pay for one-third of the U.S. mission and to help countries suffering economically from the gulf crisis -- notably Egypt, Turkey and Jordan.

The Administration hopes to raise about \$12 billion in the first year, officials said privately.

(Paul Bedard, Washington Times, A8)

CIA TRAINING KUWAITIS TO HARASS IRAQIS

The CIA is helping to organize and train Kuwaiti resistance fighters at bases in Saudi Arabia in an effort to harass the estimated 150,000 Iraqi troops now occupying Kuwait, U.S. officials said Thursday.

And, largely or entirely independent of the CIA's still-embryonic efforts, Kuwaitis still inside the occupied country continue to resist the Iraqi forces with hit-and-run attacks, numerous reports from Kuwait indicate....

The goal of the CIA's operation in Saudi Arabia is to increase the scale and effectiveness of such assaults, sources suggested. On Thursday, the scale of the CIA operation and the number of Kuwaiti guerrillas involved remained unclear.

(Nick Williams and Robin Wright, Los Angeles Times)

U.S. Supporting, May Be Training, Kuwaiti Resistance Forces

President Bush confirmed U.S. support for Kuwaiti resistance forces Thursday but ducked comment when asked whether U.S. forces were training and arming them.

"I support anybody that can have a hand in restoring legitimacy there to Kuwait," Bush told reporters at a White House press conference. "I'm just encouraging people who are patriots and feel that their country has been pillaged and aggressed against."

Recent reports from the Middle East have said the CIA and U.S. Special Forces trainers are mounting Kuwaiti guerrilla operations from staging areas on the Saudi Arabia border.

(Frank Greve, Knight-Ridder)

U.S. Is Said To Assist Kuwaiti Resistance

President Bush Thursday said he supports the Kuwaiti resistance movement and its "patriots" who "feel that their country has been pillaged and aggressed against," but he declined to say whether the U.S. is lending covert support to the guerrilla fighters who have used car bombs and nighttime raids to harass Iraqi forces in Kuwait.

Administration officials said Thursday, however, that the CIA, some special forces units and other unspecified U.S. agencies were "doing everything they can" to support the resistance movement, including providing intelligence to them on Iraqi troop deployments and targets and provisioning them with special weapons, maps and other materials.

One military official said there was a report on the Kuwaiti resistance movement's activities classified at a level above top secret, which is consistent with classification rules for U.S. covert assistance programs that involve the CIA and U.S. special forces.

The official described the Kuwaiti resistance as "minimal" but said it had nevertheless had effectively become a "thorn in the side" of the Iraqi occupation forces in Kuwait....

NBC News, which first reported the U.S. involvement with the resistance, said the CIA was providing maps, special weapons and target-selection advice to the guerrillas. It also said U.S. Green Beret forces were offering advice but not participating in any paramilitary activity. (Patrick Tyler, Washington Post, A18)

BUSH SEES STABILITY IN WORLD OIL MARKET

President Bush said Thursday the U.S. expects no "major imbalance" in the oil markets from the Persian Gulf supply stemming from Iraq's invasion of Kuwait.

"At the present time we don't anticipate major imbalances in the oil market," Mr. Bush told a news conference....

On the New York Mercantile Exchange oil futures rose Thursday. Light sweet crude for October delivery closed at \$26.77 a barrel, up 85 cents, after dropping nearly \$2 Wednesday.

The President praised OPEC for increasing its oil production to make up for some of the 4 million barrels a day previously produced by Kuwait and Iraq.

"We are pleased with OPEC's decision to help take up the slack in crude-oil production and although we're in what I would see as a transition period, the situation appears manageable," Mr. Bush said. (From combined dispatches, Washington Times, C1)

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IRAQ TO FLY OUT BRITISH WOMEN, CHILDREN, BUT DETAILS UNCLEAR

LONDON -- Iraq is arranging for Iraqi Airways to fly some 132 British women and children held hostage in Baghdad to London but it was not clear when they would leave, the Foreign Office said.

British airlines have planes waiting to fly out Westerners trapped by the gulf crisis and pop music tycoon Richard Branson said his Virgin Atlantic Airways had clearance from Iraq to fly to Baghdad on Friday. "The clearance we have got is a 24-hour window, and we can fit in one flight in that time. But the impression that we have got is that they will accept as many flights as are necessary to go in," Branson said. (Giles Elgood, Reuter)

**BUSH ADMINISTRATION OUTRAGED AS IRAQ
IMPOSES MORE RESTRICTIONS ON FOREIGNERS**

The Bush Administration expressed outrage and growing nervousness about the safety of American hostages Thursday as Iraq continued to seize U.S. citizens and imposed more restrictions on foreign women and children it had promised could go free.

Only one American, a man of Indian origin, was reported among the trickle of Westerners leaving Iraq on Thursday, as the State Department assailed the new, more cumbersome exit producers that the government of President Saddam imposed as a condition for their departure.

State Department spokeswoman Tutwiler said Iraqi authorities were suddenly demanding letters in English and Arabic from each woman and child desiring to leave the country, as well as validation from unspecified "fiscal authorities" verifying that all Iraqi taxes had been paid.

Even then, no exit visas had yet been issued and confusion and chaos reigned as Iraq appeared to be using fearful American woman and children in what Tutwiler referred to as "another barbaric tactic" of intimidation. Once again, Iraqi promises have been followed by new restrictions on foreigners and cumbersome practices," Tutwiler said. "This emotional roller coaster is inhumane and disgraceful." (George de Lama, Chicago Tribune)

U.S. BUILDING WAR CRIMES CASE AGAINST HUSSEIN

U.S. officials have begun cataloguing alleged violations of international law by President Saddam for future use at a possible Nuremberg-style war crimes trial, Bush Administration sources said Thursday.

The allegations, which officials said could also help justify any direct military action that the U.S. might take against Iraq, so far include using chemical weapons, waging an illegal war of aggression, taking hostages, kidnapping diplomats, violating embassies and placing captives at military installations.

The formation of legal charges represents a new front in the Administration's effort to isolate and intimidate Hussein, a campaign that so far has included economic quarantine, a massive military buildup and an international diplomatic offensive.

Officials hope that the threat of a war crimes tribunal will deter Hussein from taking any further action against the thousands of foreign hostages he now holds or against prisoners of war if fighting should erupt.

(John Broder and Robin Wright, Los Angeles Times)

-more-

SOVIET OFFICIAL CRITICIZES U.S. BUILDUP

MOSCOW -- A senior Soviet official criticized the U.S. military buildup in Saudi Arabia and said there is "no guarantee" American troops would leave the oil-rich emirate when the gulf crisis ends.

In Warsaw, the Soviet chief of Warsaw Pact forces said Thursday the presence of a large U.S. military contingent in Saudi Arabia could harm arms talks in Vienna and even affect the Soviet Union's troubled Transcaucasian region.... In an appearance before the legislative panel, Deputy Foreign Minister Alexander Belonogov expressed concern over the U.S. troops sent to Saudi Arabia to stop further Iraqi aggression. "The buildup of American military might cannot make us happy -- neither from a short-term perspective, since the situation is becoming even more explosive, nor in the long term since there is no guarantee that the U.S. will leave Saudi Arabia after the crisis is over," Belonogov said.

(James Rosen, UPI)

ISRAELIS OBJECT TO U.S. PLANS TO SELL MORE WEAPONS TO SAUDIS

JERUSALEM -- In their strongest statement to date on U.S. handling of the Persian Gulf crisis, Israeli officials objected Thursday to U.S. plans to sell arms to Saudi Arabia and reiterated fear of any compromise settlement that would leave Iraq as a powerful military threat to Israel.

At an official briefing Thursday, a government spokesman said Israel is not happy with the proposed sale of \$2.2 billion in arms to Saudi Arabia and will insist on maintaining its "qualitative edge," a clear indication that Israel will ask for an increase in U.S. military aid. In an interview Thursday night, a senior Israeli official raised the prospect that one day Saudi Arabia might seek to use its new weaponry against Israel. "Some time ago, we said Iraq was a potential danger, and we were told no" by the U.S., the official said. "Today Saudi Arabia is not a threat. But who knows about the future?" (Walter Robinson, Boston Globe)

CRISIS PERMITS COOLING OF U.S., ISRAEL DISPUTES

Among its many byproducts, the Persian Gulf crisis has averted what seemed just one month ago like an unavoidably looming confrontation between President Bush and Prime Minister Shamir over the Palestinian question and for the moment, at least, has virtually eliminated longstanding opposition by Israel's American supporters to major U.S. arms sales to Saudi Arabia....

U.S. officials and diplomatic sources say that since the first days of the crisis, both governments have been aware of the need to put their differences, on the Palestinian question as well as the arms sales, on hold while they confront a common foe.

On Sunday, Bush sent Shamir a letter expressing thanks for Israel's willingness to be helpful in the gulf situation. According to sources, what one called "the exceedingly warm tone" of the letter was particularly remarkable because only a month ago Shamir was regarded within the Administration as an untrustworthy ally whose obstructionist position on peace talks with the Palestinians had made him unwelcome in Washington.

(John Goshko, Washington Post, A18)

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U.S. WARSHIPS INTERCEPTING UP TO 75 CARGO VESSEL DAILY

U.S. warships are intercepting up to 75 commercial ships daily in the Persian Gulf and Red Sea and "shipping has dropped off significantly," a senior U.S. naval commander said Thursday, as Arab officials attempted to get sluggish diplomatic efforts to resolve the crisis underway.

"It appears...the economic embargo is working extremely well," said Rear Adm. Jerry Unruh, commander of the aircraft carrier battle group led by the USS Independence in the Gulf of Oman, just outside the Persian Gulf. Besides the drop in cargo shipping, he said, "we do not see oil flowing in and out of Iraq as it once was."...

Unruh told pool reporters aboard the carrier Thursday that the commercial ships are being intercepted by radio. U.S. sailors have boarded only "five or six" -- the most recent one Wednesday -- since the intercept operation to enforce the U.N. trade embargo against Iraq began, he said.

Unruh added, "There has been no difficulty to this point, no hostilities, no shots fired in anger."

(Molly Moore and William Claiborne, Washington Post, A18)

**MOVEMENT OF HEAVY COMBAT FORCES GOING
SLOW DUE TO LACK OF SHIPS**

Although Pentagon officials said Thursday the movement of U.S. forces to Saudi Arabia is going well, a shortage of cargo ships and a rash of problems with available vessels has slowed the arrival of tanks and other heavy combat gear needed for ground defense.

The first of the Army's M-1 main battle tanks did not arrive in Saudi Arabia until Tuesday, three weeks after President Bush triggered Operation Desert Shield in response to Iraq's invasion of Kuwait.

All of the 24th Mechanized Infantry Division, with its 174 M-1 tanks and 162 Bradley armored troop carriers, is not expected to be in place for at least another week. That leaves the First Marine Expeditionary Force's 100 older and smaller M-60 tanks and a handful of the 82nd Airborne's M-551 medium tanks available to match 5,500 Iraqi tanks....

Some Army officials have complained anonymously that their deployments are handicapped by a lack of suitable ships, a deficiency that has been well known by defense and maritime industry officials for years.

(Otto Kreisher, Copley)

IRAQ APPEALS TO AFRICA FOR SUPPORT

LUSAKA, Zambia -- Iraqi Labor and Social Affairs Minister Omid Mubarak said Thursday his nation wanted moral support from Africa in its showdown with most of the world over its invasion of Kuwait.

Mubarak, in Zambia on the second leg of a seven-nation African tour, said after meeting President Kenneth Kaunda, "We are not necessarily going to get foodstuffs and medicine from Africa...but we want moral support."

He defended canvassing for the support of Africans as Iraq's right. "We have come to Africans as friends, being with the legitimate right as everybody...it is vital to explain the facts face-to-face," Mubarak told reporters.

(UPI)

NORTH KOREA CONDEMNS KUWAIT TAKEOVER BUT OPPOSES U.S. ROLE

TOKYO -- North Korea said it opposed Iraq's annexation of Kuwait but called for a peaceful settlement of the dispute and demanded the withdrawal of U.S. and other foreign troops from the Persian Gulf region.

A North Korean Foreign Minister spokesman, speaking to the official KCNA news agency monitored in Tokyo Friday, also denied what he called an insidious false report in a U.S. newspaper that Pyongyang was delivering arms to Baghdad.

According to the agency, the spokesman said: "We oppose Iraq's invasion of Kuwait and annexation and, at the same time, denounce the United States for taking this opportunity of massing large armed forces in the gulf area and attempting to start a wholesale military intervention in the region." (Reuter)

COMPETING NATIONS TO VOTE ON BANNING IRAQ FROM ASIAN GAMES

BANGKOK -- The Olympic Council of Asia is expected to ban Iraq from next month's Asian Games in Beijing to forestall a boycott by other Arab states, a senior official said Friday.

"The Beijing Asiad has been saved," Santiparb Techavanich, a Thai who is treasurer of the OCA, told Reuter. He said he expected Asia's national Olympic committees to ban Iraq because of its invasion of Kuwait. (Reuter)

JACKSON DISCUSSES GULF CRISIS WITH IRAQI PRESIDENT

NICOSIA -- Jesse Jackson discussed the Persian Gulf crisis Thursday with President Saddam, as Iraq reiterated that Kuwait would remain part of its territory "forever."

The officials Iraqi News Agency INA said the two discussed the "situation in the region and current developments" -- a reference to the growing buildup of U.S. and other foreign forces in the region. (Reuter)

EDITOR'S NOTES: "Iraq Moves Some Captives To Hotel In Possible Step Toward Departure," by Joseph Treaster, appears in the New York Times, A1.

"Texans Use Their Influence With Bush To Open U.S.-Mexico Free-Trade Talks," by Peter Truell, appears in the Wall Street Journal, A12.

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NATIONAL NEWS

JUSTICE DEPARTMENT GIRDS FOR DEEP CUTBACKS

The Justice Department is preparing deep cuts in its operations, including what it termed a virtual shutdown of the Dallas Bank Fraud Task Force, in case Congress and the White House do not agree on a budget soon.

In a letter released Thursday, Assistant Attorney General William Barr told budget Director Darman that the proposed spending cuts mean the task force's staff "will be unable to investigate and prosecute even the high-priority cases."

Barr's letter, written Monday, detailed the Justice Department's plans for implementing \$3.1 billion in reductions ordered by the OMB to help meet Gramm-Rudman deficit-reduction targets....

The Justice Department's plan includes calls for furloughing 9,800 FBI agents, 4,000 Border Patrol agents and 3,800 federal prosecutors across the country for 22 to 110 days. It also calls for reducing hours worked by other employees, eliminating overtime pay and curtailing travel expenses.

(Steve McGonigle, Dallas Morning News)

THRIFT CRISIS WORSENING, SURVEY SHOWS
Agency Downgrades Rating On 232 S&Ls

The health of the already-sick S&L industry is continuing to decline dramatically and further deterioration of real estate markets or a recession will make it even worse, government officials and private analysts said Thursday.

In its latest quarterly review, the OTS said it has lowered its rating of 232 associations based on their performance in the first three months of the year. As a result, less than half the nation's 2,505 S&Ls are officially classified as in top fiscal health.

"Given the showdown in the economy and the real estate market in many sections of the country, we are not surprised by the slippage," said OTS Director Timothy Ryan.

"If we have a recession or if the real estate markets would continue to decline, that will affect the industry significantly," Ryan said. "It's very possible we will see additional deterioration."...

Ryan said OTS economists still are evaluating the health of thrifts in various regions of the nation, but private analysts said they see clear evidence that the crisis is spreading out of the Southwest and into California, the Middle Atlantic states and New England.

(Jerry Knight, Washington Post, A1)

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**U.S. BOOSTS OVERSIGHT OF S&L RESCUE
New Group To Watch For Fraud, Kickbacks**

As the government gears up to sell its battered inventory of hundreds of failed S&L institutions, officials overseeing the cleanup said Thursday they plan to hire a special cadre of employees to watch for fraud and kickbacks.

the RTC, the agency supervising the rescue, will rely on thousands of private contractors for a wide variety of services in the next several years, from filing lawsuits to running auctions. Without vigorous oversight, officials fear a reprise of the sort of looting that helped bring down the thrift industry.

Officials said they plan to hire 20 to 30 "contractor cops" as an early warning system for other law enforcement agencies, including the RTC inspector general, who expects his staff of auditors and investigators to number 150 by the end of the year.

"It looks like the opportunities for fraud are going to be enormous," said RTC Inspector General John Adair.

(Susan Schmidt, Washington Post, F1)

DOW AVERAGE FALLS 39 AS OIL PRICES REBOUND

NEW YORK -- The Dow Jones industrial average fell 39 points as the bond market slumped on rebounding oil prices and computer-program sellers took the stock market's helm. The Dow was off 49 points just before a rebound into the final bell.

While crude-oil prices did not rise dramatically Thursday -
- October crude futures settled up 85 cents per barrel at \$26.77 -
- they did convince the financial markets that Wednesday's nearly \$2 drop might be short-lived. The market was also ambivalent about prospects for a settlement in the Middle East, traders said.

(Ralph Cato, Washington Post, F2)

**U.S. ACTS TO REDUCE REPETITIVE MOTION INJURIES
Labor Department's Voluntary Workplace
Standards To Be Basis For Mandatory Rules**

With repetitive motion injuries accounting for nearly half the nation's occupational illness, the Labor Department Thursday took the first major step toward developing mandatory standards to protect workers from the factory floor to the executive suite.

The department issued comprehensive ergonomic guidelines for the nation's meatpacking industry and said the voluntary standards would be used as the basis for starting the federal process leading to mandatory rules for all industries.

"These painful and crippling illnesses now make up 48 percent of all recordable industrial workplace illnesses," said Secretary Dole. "We must do our utmost to protect workers from these hazards, not only in the red meat industry, but all U.S. industries."

(Frank Swoboda, Washington Post, A7)

'CATASTROPHIC' COVERAGE FOR ALL?

As one possible option for overhauling the nation's health-care system, the HHS Department's Social Security Advisory Council is looking at a plan to turn the government's role in the health insurance system on its head.

Currently, the government pays for routine bills of the elderly and many of the poor -- and there has been a movement to extend coverage to the whole population by creating a national health insurance system.

However, the plan under consideration, based on a concept favored by council Chairman Deborah Steelman, goes the opposite direction: For people under 65, the government would remove itself from the business of paying for routine health bills.

Instead, the government's role would be that of a "catastrophic" insurer, picking up a person's medical bills when they reached a ye-to-be-determined, although extremely high, figure. The individual would have to buy private insurance to cover expenses up to the point where the government's "catastrophic" payments start to kick in. The plan conceivably also could be used to cover the Medicare population and phase out the Medicare program as it now operates.

(Spencer Rich, Washington Post, A25)

PACs GIVE CANDIDATES \$93.7 MILLION

Congressional candidates received a record \$93.7 million from PACs during the first 18 months of the 1989-90 election cycle, the Federal Election Commission reported Thursday.

Democrats, who control Congress, easily outdistanced Republicans, receiving more than \$59 million from PACs compared with more than \$34 million for GOP candidates. The money was given to House and Senate candidates seeking election in the current two-year cycle....

The FEC study, covering contributions from January 1989 through June 1990, said the record \$93.7 million total compares with \$88 million in the first 18 months of the 1987-88 cycle.

The new figure represents a dramatic increase from the \$71 million given to congressional candidates in the 1985-86 cycle.

(Larry Margasak, Washington Post, A25)

U.S. INFANT MORTALITY RATE DROPS TO RECORD LOW

The U.S. infant mortality rate dropped last year to 9.7 per 1,000 live births, its lowest level ever, Secretary Sullivan announced Thursday. But the rate remains higher than in many other developed nations.

"Although we've made progress in reducing this nation's infant mortality, we must do better," Sullivan said. "In particular, we must continue to direct prevention, education and health care opportunities to our minority and poor citizens, where infant mortality strikes hardest."...

(Spencer Rich, Washington Post, A10)

EDITOR'S NOTE: "U.S. Energy Policy To Stress Output And Conservation," by Keith Schneider, appears in the New York Times, A1.

-end of A-section-

(Thursday Evening, August 30)

IRAQI HOSTAGES

ABC's Sam Donaldson: The fate of the hostages in Iraq, whether some will be permitted to leave, is still uncertain tonight. But there's growing apprehension here in Washington that once again, Saddam Hussein does not intend to keep his word. Forty-eight hours ago, the Iraqi president promised to release the women and children hostages -- yes, detained against their will, is the way he describes them. But so far, only one person has been given an exit visa, and no one has been permitted to go. As Forrest Sawyer reports from Baghdad, the only thing that happened to the hostages today was to be used once again in the propaganda war.

Sawyer reports that Iraq's public relations campaign Thursday grew even more intense, with dozens of reporters and photographers herded a hotel where Western and Japanese hostages are being held. The men who will remain here were kept out of camera range. The women and children, promised their freedom, were put on display.

(Iraqi: "We want you to meet them one by one so that at least you can have a good message.")

Former Peace Corps worker Beth Kweckler [phon.] sent a different message; that Americans are now being rounded up in Baghdad itself. U.S. officials declared her missing two days ago. Today, she turned up with other hostages on the list to go home.

(Kweckler: "I have only been at the hotel three days.")

Eight other Americans are still missing. There is still no word on when, or how, any of these people will be allowed to leave. The hostages must now obtain a transit letter, translated into Arabic, and obtain a stamp showing their taxes are fully paid. The women here are worried about the children, who are growing sick with dysentery. The hostages here today say they are still frightened, still afraid Saddam's promise of freedom will be withdrawn, and even more afraid of what might happen to the husbands they're being forced to leave behind. (ABC-Lead)

Donaldson: At the State Department, there was outrage over the delay in letting the women and children leave.

(Spokeswoman Tutwiler: "Once again, Iraqi promises have been followed by new restrictions on foreigners, and burdensome procedures. This emotional roller coaster is inhumane and disgraceful.")

The Iraqis are also holding nearly 200 British citizens; they rounded up 32 more today. And the Japanese say 143 Japanese men were taken from Baghdad yesterday and moved to industrial and military facilities. (ABC-2)

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Brokaw: Tonight in Iraq, more women and children are being moved from military installations to Baghdad, apparently to prepare for their evacuation, although we can never be sure. Other women and children already in the Iraqi capital were put through another anxious day, as we learn in this [partially censored report from NBC's Keith Miller].

Miller reports that journalists expected the first evacuation of foreign women and children today, but when they assembled at a Baghdad hotel, the announcement was the freedom flight was delayed. The government did allow the captives to speak with reporters, and they were as confused by the delay as everybody else.

(British woman: "We haven't been told anything. We don't know when we're going. We hope to be going soon, but we don't know anything other than that.")

Forty to fifty children are being held at one hotel, along with their mothers. The strain is evident on the adults and the children. The women said they've been moved six times, and some of the children are suffering dysentery.

At this point, a disclaimer appears on the screen, which reads, "This part of the report censored by Iraq." The screen is frozen, and then briefly rewound. Miller's report then continues.

U.S. Embassy officials worked all day to speed up the evacuation. The hangup, they said, appeared to be bureaucratic, but that didn't lessen the feeling of harassment. U.S. Embassy officials say they are attempting to evacuate 259 American women and children from the country, but they say another 1,200 are in Kuwait, and they have no idea how to get them out of the country. All the women said the Iraqis had treated them kindly. The one thing they couldn't give us, said one woman, was freedom, and freedom is the only thing we want. (NBC-2)

Rather reports that after interviewing Saddam Hussein in the wee hours of the morning, they flew from Baghdad to Amman with a few foreigners -- the lucky ones. The vast majority of the hostages, including at least 259 American women and children, are still trapped in Baghdad, despite Saddam Hussein's promise to let them go. The hostages are caught in a bureaucratic mess, with rules constantly changing, with those wanting to leave required to write a letter of intent -- and in Arabic, yet. Only one exit visa was issued to an American today, and that after a seven-hour ordeal. In Kuwait, Western diplomats say there are still about 100 people in the American compound there, with no water and no electricity. In Washington, Iraq's ambassador to the U.S. denied reports Thursday that his government demanded food and medicine shipments as ransom before it would let the Western women and children leave. But the vast majority of the U.S. and other foreign hostages are still waiting to get out.

CBS's Mark Phillips reports that the Iraqis are still saying the women and children can leave, provided they first negotiate a maze of red tape.

(State Dept. spokeswoman Tutwiler: "Once again, Iraqi promises have been followed by new restrictions on foreigners and burdensome procedures. This emotional roller coaster is inhumane and disgraceful.")

Furthermore, most of the Americans are in Kuwait, and are being told they must go to Baghdad to sort out the bureaucratic mess. And while the hostage problem continues, there is also no movement on the main point of conflict -- Iraq's claim to Kuwait. Saddam Hussein said again Wednesday night that Kuwait will remain a part of Iraq forever, that he was merely restoring to Iraq what the colonial powers had taken away. Many historians disagree with Saddam's view of history. It may be true that pre-World War I maps show that the Turkish Ottoman Empire administered the area as one province. But even then, the maps clearly identified a separate political entity called Kuwait, which has been ruled by the ancestors of today's ruling family for centuries. The current borders, including Iraq's, were more or less carved out by the Western powers after the war. (CBS-2)

PRESIDENT'S NEWS CONFERENCE

ABC's Sam Donaldson: President Bush said again today he was very concerned about the hostages, but added their detention cannot be permitted to shape the foreign policy of this country. Mr. Bush's remarks came in a news conference before he left for Kennebunkport -- a news conference where the first order of business was money.

ABC's Brit Hume: With the Pentagon now saying Operation Desert Shield will cost \$2.5 billion by the end of next month, the President wants this country's richer allies to foot much of the bill, and to aid smaller countries hurt by joining the embargo of Iraq.

(President Bush: "It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil.")

The President singled out Turkey, Egypt and Jordan as nations hard hit by the sanctions and by higher oil prices. He also cited some of the countries he expects to get help from, and how.

(President Bush: "...Japan, the Republic of Korea, Federal Republic of Germany, Saudi Arabia, the Emirates, Free Kuwait, and others to join us in making available financial and, where appropriate, energy resources to countries that have been most affected.")

Senior officials said, however, no decisions have been made on who should get or give how much. This initiative, they said, is to dissuade wavering nations from backing out of the embargo, and to blunt political criticism at home that the U.S. is bearing the world's burden alone. But as one question illustrated, being reimbursed can carry its own problems.

(Cragg Hines of the "Houston Chronicle," at news conference: "Are you concerned that this burden-sharing, as you call it, is going to make American forces look like mercenaries in the Middle East?"

President Bush: "I don't think so. But there are ways that burden-sharing can be accomplished without making the forces mercenary, and I'm thinking of the enormous fuel bills that are involved, and transportation.")

The President also said that his goal is to get Saddam Hussein out of Kuwait, though not necessarily out of office. But he said if that were to happen too, "It wouldn't disappoint me."

Donaldson discusses the issue with Hume.

Donaldson: Brit, there's been a lot of speculation around the world this week that Saddam Hussein is actually looking for a way out, that he would like to find some way to negotiate, save some face. Is that the view in the White House?

Hume: In a word, Sam, no. The view here of all of this activity this week, the posturing on television, the photo opportunities with the hostages, the talk of negotiation, is that it is just an effort on his part to divide the world now arrayed against him, and perhaps to divide political sentiment in the United States that he's a man with his heart set, and remaining set, on staying in Kuwait; and that is what this effort today with Secretary Brady and Secretary Baker sent out to try to gather money for and other aid for the countries participating [with] the U.S. is intended to do. As one official put it to me today: We're trying to create a political atmosphere in which time is on our side, not on his side. (ABC-3)

NBC's Tom Brokaw: If Saddam Hussein is looking for a public signal that President Bush is now ready to talk or change his conditions, he didn't receive it today. The President reaffirmed his original positions, and said the hostages would not affect his policy. But the President is looking for more financial help. NBC's John Cochran is at the White House tonight, where, John, donations now are gratefully accepted, I gather.

Cochran: Well, yes, but only big ones, Tom. Today, the President rewrote John Kennedy's famous line. It now reads: "The United States will pay any price, bear any burden -- but not alone." The President said the U.S. is already doing its fair share in the campaign against Saddam Hussein.

(President Bush: "This includes, above all, the thousands of men and women in our armed forces who are in the Gulf; but we also expect others to bear their fair share.")

Bush said he will send Secretary of State Baker and Treasury Secretary Brady to friendly and wealthy countries like Germany, the Gulf oil kingdoms, South Korea, and Japan. Bush put no pricetag on the help he wants, but aides said \$23 billion over the next year or so should do the trick. But some are offended at the thought of accepting foreign aid to offset the cost of sending GIs.

(Sen. Kerrey: "I mean, our troops are in Saudi Arabia, in the Persian Gulf, in the Mediterranean; they're in harm's way. And I don't want to pay them with yen. And I don't want the Kuwaitis to say, well, we'll pay them with our oil money. I want to pay them with American cash.")

Another Democrat would rather pay a special tax than ask for help overseas.

(Sen. Leahy: "The United States, the greatest military power on Earth, can pay its own people, and should. We're not a mercenary military force.")

President Bush said he doesn't like the idea of a special tax, and he doesn't think accepting help makes American GIs mercenaries.

(President Bush: "But there are ways that burden-sharing can be accomplished without making the forces mercenary, and I'm thinking of the enormous fuel bills that are involved, and transportation, and these kinds of things that are involved in moves of this nature.")

Bush also said he will not limit his military options out of concern for American hostages.

(President Bush: "Look, I feel very concerned about Americans that are held against their will, but we cannot permit hostage-taking to shape the foreign policy of this country.")

A top aide said Bush decided to say publicly what he's been saying privately: That Saddam Hussein is dead wrong if he thinks he can use the hostages to buy anything, including time. (NBC-Lead)

CBS's Dan Rather: For his part, President Bush said today, in the strongest language yet, that he would not allow the fate of the hostages held by Iraq to affect his foreign policy decisions. Mr. Bush also asked U.S. allies to help pay the billion-dollar-a-month cost of the military buildup in the Persian Gulf.

CBS's Wyatt Andrews: In one of the surest signals this is a brand new world, the President is asking a handful of the world's richest countries to pay the U.S. cash money for defending Saudi Arabia.

(President Bush: "It is important that the considerable burden of the effort be shared by those being defended and those who benefit from the free flow of oil.")

Germany, Japan, Saudi Arabia, and Kuwait are being asked for almost \$10 billion in payments; the Saudis and Kuwaitis because their existence is at stake, the Japanese and Germans because their economies are threatened. Mr. Bush said part of the money will also help compensate countries forced to sacrifice national income by halting most of their trade with Iraq.

(President Bush: "In particular, I'd single out Turkey and Egypt, who are bearing a great part of the burden of sanctions and higher oil prices.")

The initiative drew general praise from those worried about the cost of this crisis, but also specific criticism that the \$1 billion contribution Japan has offered isn't enough.

(Sen. Lautenberg: "The American people are feeling the pinch of our economic problems, and the last thing they'd like to see happen is having to carry Japan on their back as well.")

The payments are called burden-sharing, but they represent an unprecedented global tax in support of an unusual global police force. The President was asked directly if U.S. troops are now guns for hire.

(President Bush: "U.S. troops should never appear to be mercenary forces, and that will not be the outcome of this, I can guarantee it.")

The President's burden-sharing drive is also, in part, a psychological attack on Saddam Hussein. Mr. Bush wants Hussein to see a world prepared to starve him out through sanctions, while the world's deepest pockets pay the armies arrayed against him.

(CBS-3)

GULF CRISIS/PEREZ DE CUELLAR

Rather: The next best hope for possibly ending the Persian Gulf crisis without bloodshed may be right here in Amman. The Secretary-General of the United Nations flew in Thursday for what he called "extremely difficult and delicate meetings with Iraq's foreign minister." But the U.N. Secretary-General insisted he can make no adjustments, no concessions, on the U.N. Security Council resolutions. They demand withdrawal of Iraqi forces from Kuwait and restoration of the ousted Kuwaiti government.

(Secretary General Perez de Cuellar: "I am hopeful that the reason the Iraqi authorities have accepted my invitation is because they are prepared to discuss with me on ways and means of lessening the tensions and solving the problem.") (CBS-Lead)

Donaldson reports that U.N. Secretary-General Perez de Cuellar arrived in Amman, Jordan Thursday for a meeting Friday with Iraqi Foreign Minister Tariq Aziz. It is his first direct involvement in the crisis since the Security Council passed five resolutions to try to force Iraq out of Kuwait.

ABC's John McWethy reports that as the Secretary-General arrived in Jordan, even he was trying to dampen expectations. His intent is to express the U.N. view that Iraq should get out of Kuwait and release all hostages.

(Perez de Cuellar: "I never said that it was a negotiation. It is an exchange of views, because of, I wanted to believe, that the government of Iraq is as interested as we all are in finding a just and lasting solution of the problem.")

There is a slim hope that once talks begin in private, some new Iraqi position might emerge, some softening of Saddam Hussein's hard line. But optimism among America's friends does not run high.

(British Foreign Secretary Hurd: "I would be doubtful if, of this round, the Secretary-General finds that the Iraqis were willing to comply with the U.N. resolution.") (ABC-3)

GULF CRISIS/ARABS

Donaldson: Meanwhile, the Egyptians called together the foreign ministers of the Arab League to consider how to get Iraq to withdraw from Kuwait. Only half of the member countries showed up, underscoring the deep divisions within the Arab world about crossing Saddam Hussein. As for the U.S., officials say that all the diplomacy, even if it does not win concessions from Iraq, does accomplish other goals. It keeps pressure on Saddam Hussein, and helps to demonstrate that this is not just an American fight, even if the U.S. is shouldering most of the military burden.

(ABC-4, NBC-3, CBS-7)

Brokaw: Jordan's King Hussein Thursday was off to Europe, insisting that the only solution is an Arab solution. (NBC-5)

GULF CRISIS/THATCHER

Brokaw: Prime Minister Thatcher Thursday rebuked her NATO allies for not offering the U.S. more military assistance in the Middle East; only England and France have contributed so far. (NBC-4)

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GULF CRISIS/SHEVARDNADZE

Donaldson: Soviet Foreign Minister Shevardnadze sent urgent messages to all the Arab countries today, calling on them to work harder for a diplomatic settlement in the Gulf. At the same time, one of Shevardnadze's deputies was telling the Soviet parliament in Moscow that Moscow does not approve of the U.S. military buildup. The situation, he said, is becoming more and more explosive. (ABC-5)

KUWAITI RESISTANCE

Brokaw: For the first time since Iraq invaded Kuwait, some U.S. troops stationed in West Germany left Thursday for the Persian Gulf. NBC's Fred Francis reported to you Wednesday night that the CIA and Army Green Berets are giving support to resistance forces now inside Kuwait, and he has more on that tonight.

Francis: Any CIA-assisted operation can backfire in the Arab world, but this support for the Kuwaiti underground seems to be an accepted open secret. In occupied Kuwait, Iraqi tanks and troops have become daily targets of at least 2,000 surviving Kuwaiti soldiers and civilian volunteers, secretly helped by the U.S. The sources say the underground forces are attacking the heavily-armed Iraqis with machine guns, homemade explosives and a lot of nerve. Nasa al-Mari claims he was a member until wounded 10 days ago.

(al-Mari: "Some soldiers or some targets, which we have to destroy, we go at night, and we fight with them; we destroy it, and we shoot them.")

President Bush would not confirm or deny the covert U.S. role.

(President Bush: "...But in a broad way, I support the Kuwaiti underground. I support anybody that can add a hand in restoring legitimacy there to Kuwait.")

Intelligence sources say that as many as 10,000 more resistance fighters are being organized in Saudi Arabia. NBC News has been told that Green Berets from Fort Campbell, KY, are assisting the training. And 3,000 Green Berets will soon be sent. While that secret war is growing, so is the second phase of President Bush's military plan. The first phase was a few thousand paratroopers and jet fighters to stall and Iraqi attack. But phase two is tanks, lots of them. More than 500, which must be carried there in ships brought out of mothballs. Three ships have broken down en route, and it will be October's end before all the President's firepower is in place. Pentagon sources say the cost of all this is over \$11 billion by Christmas -- much much more if there is war. (NBC-6)

GULF CRISIS/MILITARY

Donaldson reports that the Pentagon says F-16 fighters based in Spain will be flown to the Persian Gulf state of Qatar. Despite the huge buildup, however, not everything is going smoothly.

-more-

ABC's Bob Zelnick reports that one transport ship was towed back to Beaumont, Texas today; the ship encountered boiler problems just eight hours after setting out for Saudi Arabia with its cargo of tanks and other weapons. The ship is part of the Navy's so-called ready reserve: 96 old cargo ships acquired during the early 1980s. They're kept idle until needed in a crisis. But many of the ready reserve ships are little more than floating scrap heaps. Only 25 are now operating. One result is that helicopters, tanks and trucks are backed up in ports such as Galveston and Jacksonville while the ships undergo repair. Officials say it will be four to six weeks before all the equipment gets to the Persian Gulf. Modern sealift ships are unloading equipment for Operation Desert Shield, but the Pentagon has only eight of them; for the last three years it ignored congressional instructions to buy more.

(Rear Admiral Eugene Carroll (Ret.), Center for Defense Information: "We spent too much money on the big, high-tech items like bombers and missiles and submarines to fight a nuclear war with the Soviet Union, when what we really need to do is invest this money into true defense needs, and that includes mobility forces.")

The Operation has also stretched thin the Air Force's fleet of C-5 and C-141 cargo planes. Many are at least 20 years old and require longer runways than most Saudi Arabian airfields have.

(Pete Williams, Defense Department spokesman: "Do we wish we had more left? Yes. I don't know what else to say beyond that.")

So far, what Operation Desert Shield has shown is that in the future, the U.S. needs to be as concerned with equipment to transport weapons as it is with the weapons themselves.

Donaldson discusses the U.S. military preparation with Prof. Anthony Cordesman, International Security Studies at Georgetown Univ. and national security assistant to Sen. McCain.

Donaldson: Are [the delays Zelnick reported on] just an inconvenience to the American troops already there, or a real danger?

Cordesman: I think it's a real danger. We face some 15 divisions and 1,500 tanks. As yet, the entire allied forces probably have less than four divisions and 400 tanks. The Navy has been warning us for a decade that we didn't have enough fast sealift; it turns out the Navy was right.

Donaldson: But you suspect that Iraq is in fact going to invade Saudi Arabia. To put it directly, are the troops in danger of having to fight off an invasion?

Cordesman: I think there is always some danger, but so far the Iraqis seem to be postured more for defensive operations than offense. If we're inferior on the ground, we have a tremendous amount of airpower, and there we have a definite edge.... One thing is clear; [in the event of war], we are not talking about days and weeks; we're talking four to six months. And day by day something can happen that can lead us to conflict.

Donaldson: One whose side is time, if it's going to be four to six months or longer?

-more-

Cordesman: Time, at least militarily, definitely helps us. Each day we're closing more men and more equipment. We're finding more allies, and we're bringing more allied forces in.

Donaldson: Are you optimistic that negotiations can get anywhere?

Cordesman: I give it fifty-fifty.

(ABC-6)

Rather: There are new indications tonight of some rough spots in the flow of U.S. military personnel and machines to the Middle East.

CBS's David Martin reports that there are indications the massive air and sea lift is falling behind schedule.

(Defense Department spokesman Pete Williams: "I'm unaware of any big problems. I know of isolated cases where ships are having mechanical problems or airplanes haven't arrived when they're supposed to.")

One ship got under way from Beaumont Texas last night, but broke down, and today is being towed back to port. Fast sealift ships capable of making the journey to Saudi Arabia in two weeks are experiencing delays ranging from half-a-day to weeks in the case of one ship, which broke down in the middle of the Atlantic and is now under tow. Engineering problems are compounded by the fact the army is taking more equipment than the plan called for. Seven ships were scheduled to transport a brigade of the 24th Infantry division, but the brigade showed up with 10 shiploads worth of equipment. Air Force squadrons are also taking more equipment than planned, and the resulting shortage of transport planes delayed the deployment of Stealth fighters by several days. Despite the problems, the amount of equipment moved dwarfs previous operations. So far, Operation Desert Shield has accomplished its primary mission of preventing an Iraqi invasion of Saudi Arabia. But time remains critical, since the Iraqis still have superiority on the ground, and this huge deployment is starting to show signs of strain.

(CBS-4)

IRAQI THREAT/ISRAEL

Donaldson: The commander of Iraq's air force warned today that if his country is attacked, it will retaliate by striking what he called the nest of traitors in Saudi Arabia, and would also attack Israel.

(ABC-7)

NBC's Martin Fletcher reports that in public, Israeli leaders shy away from the word war. Privately, however, top officials tell NBC News Israel wants the U.S. to go to war; otherwise Saddam Hussein will stay in power and remain a threat to Israel and the region. Israel would love to, as in 1981, destroy Iraq's nuclear potential. Now, officials say, Iraq is well on the way to having a nuclear bomb, but it could still take five years.

(Gary Milhollin, University of Wisconsin Nuclear Arms Project: "The West, in general, has imprudently sent Iraq a tremendous amount of important high technology which we may be forced to destroy.")

Israel is also worried about the \$2.2 billion arms package the U.S. has approved to Saudi Arabia. Israeli officials agree the Saudis need the weapons, but they're worried about what will happen after this crisis. Will the Saudis use those arms against Israel?

(Prime Minister Shamir: "Arab countries that do not maintain peaceful relations with Israel ought not get new arms and sophisticated arms in huge quantities.")

Quietly, Israel is preparing for war -- chemical war. If there is a war, Israel expects every civilian will be on the front line, targets for Iraqi poison gas. (NBC-7)

GULF CRISIS/U.S. POLITICS

Brokaw: Although the Persian Gulf crisis broke into the headlines just four weeks ago, it is already a major factor in political races around the country. As NBC's Andrea Mitchell reports, it is pushing many other issues out of sight.

Mitchell reports that candidates are scrambling to find the most popular position on the Gulf crisis, which is overwhelming every domestic issue.

(Rep. Tauke: "Clearly right now, what's foremost in the minds of the American people is the problem in the Persian Gulf.")

People support the President, but worry about a stalemate. In Iowa, there was even a small demonstration against the callup of reserves.

(TV Coverage: Scattered protesters holding signs)

One of the few politicians to criticize the deployment, Democratic incumbent Tom Harkin, said the U.S. should not be playing policeman to the world. This was to have been the year when incumbents were on the defensive about the savings and loan mess and a weakening economy. Saddam Hussein has changed all that. Senators are now wrapping themselves in incumbency, trying to portray themselves as leaders in a time of crisis. In Rhode Island, it's an issue tailor-made for Senate Foreign Relations Chairman Claiborne Pell.

(Potential voter: "In my opinion, it would put him a little leg up in this particular situation, with his foreign relations background.")

It's an advantage Pell needs. His challenger, Rep. Schneider, has been helped by the perception that the Senator is aging -- a point made painfully clear when he was asked in this debate to cite any recent accomplishments.

(Pell, during debate: "I couldn't give you a specific answer; my memory's not as good as it should be.")

Schneider is also trying to get as much mileage as possible out of the Gulf crisis.

(TV Coverage: Schneider, speaking at podium next to President Bush)

(Schneider: "I am behind you, 100 percent, as are all of the Rhode Islanders.")

But there are political risks. People are nervous about the President's action, and the situation could change overnight.

(Citizen: "I think he's doing right. But I think he should try to end this as quick as possible, before somebody does get hurt.")

But right now, leading a trip to the Middle East is the best place to campaign for reelection. Which is why members of Congress are abandoning beaches at home, fighting for seats on the next government flight to Saudi Arabia. (NBC-9)

-more-

Rather: As the buildup of U.S. forces in and around the Gulf continues, President Bush continues to ask for and get sizable bipartisan support by Congress. Still, some Americans are beginning to raise questions and objections to what President Bush has done, and how he has done it.

CBS's Jerry Bowen: Whispers of dissent are turning to shouts across America now.

(TV Coverage: Protests of the Gulf deployment)

A protest in San Francisco. Anti-war activists huddling in New York to plan strategy. Echoes from the Vietnam era, with many of the same faces.

(**Ramsey Clark:** "It's no way to try to keep peace. We cannot be policemen for the world.")

In Santa Monica this week, it was back to the future -- a teach-in, with Daniel Ellsberg. Twenty years ago, he told America the Pentagon was lying about Vietnam. War veteran turned activist Ron Kovic is warning that it is Vietnam all over again.

(**Kovic:** "Will we have another monument to Washington, with the names of those killed in Saudi Arabia?")

But the Persian Gulf is not Vietnam, and this protest is not broadly based, is not a chorus -- yet. Even a prominent Vietnam dove says President Bush has done the right thing -- so far.

(**George McGovern:** "Well, the difference with Vietnam is that most of the world is with us this time. Almost nobody supported our intervention in Vietnam.")

So, the dissent is scattered. Two Marines in Hawaii have filed for a conscientious objector status rather than go to the Mideast. A Wisconsin father has gained international attention with his open letter to the President, criticizing the call-up of his Marine son.

(**Father:** "I'm doing what I'm doing because I love my son.")

And friends and critics contend time is against the President. Each day the troops are in the desert is a test of American patience, another day to ponder the value of oil and blood.

(**McGovern:** "There are no casualties yet. But if we begin to lose American lives, and you see the television images of young men dying on both sides, you'll very quickly see a strong dissent against our involvement.")

For now, the opposition is small, the critics relatively few. It's not Vietnam -- just the first faint echoes of the past. (CBS-6)

GULF CRISIS/OIL PRICES

CBS's Ray Brady reports that war jitters are sending the price of crude oil rising and the rise is sending the stock market on a roller coaster ride. Many experts feel that even with increased OPEC output, there could be tight supplies ahead. President Bush today for the first time noted that the U.S. could dip into the Strategic Reserve.

(**President Bush:** "We don't anticipate major imbalances in the oil market. But we do have the strategic petroleum reserve tested and available, if it is truly needed.") (CBS-8)

GULF CRISIS/ALTERNATIVE FUELS

ABC's Charles Thomas reports that although there is not a drop of oil in ethanol, its price has increased more than 20 percent in the last three weeks. Since virtually all the fuel is sold to oil companies to make gasohol, ethanol processors say that's why they've always tied their prices to the cost of gasoline.

(Larry Schiario, Minnesota Corn Processors: "I wouldn't use the word gouging. I would use opportunistic.")

Minnesota Agriculture Commissioner Jim Nichols accuses ethanol makers of profiteering, saying that with a falling corn market, there was absolutely no reason to raise prices. He says if Congress passes antigouging legislation, it should apply to ethanol makers as well as oil companies. (ABC-7)

HOSTAGES/KEENAN

Brokaw: In Dublin Thursday, Brian Keenan, a hostage for 4.5 years in Lebanon, urged negotiations for the release of the other captives there. A hostage, said Keenan, is a man hanging by his fingernails over the edge of chaos -- and feeling his fingers slowly straightened. (NBC-8)

INFANT MORTALITY

Donaldson: The rate of infant mortality in the U.S. last year was the lowest ever recorded in this country. New figures from the National Center for Health Statistics show 9.7 deaths out of every thousand live births, a two percent drop from the previous year. The report also showed that more than 21,000 Americans of all ages died from AIDS-related illness last year, a 32 percent increase over 1988. (ABC-8)

-End of B-Section-

8/31/90
Revision
6615
CLASSIFIED

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

DW 9/2/10

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Note	Handwritten notes of Presidential Phone call with Mitterrand [double-sided] (1 pp.)	08/31/[90]	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, August 31, 1990

Date Closed:	9/7/2010	OA/ID Number:	90558-010
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]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Talking Points	Points to be Made for Phone Call to President Mitterrand (3 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, August 31, 1990

Date Closed: 9/7/2010	OA/ID Number: 90558-010
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:

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Note	Handwritten notes of Presidential Phone call with King Fahd (1 pp.)	08/31/[90]	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, August 31, 1990

Date Closed: 9/7/2010	OA/ID Number: 90558-010
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 #:
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Talking Points	Points to be Made for Phone Call to King Fahd (1 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, August 31, 1990

Date Closed: 9/7/2010	OA/ID Number: 90558-010
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)]

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Presidential Phone Calls



645

DATE:

8-31

TIME:

incoming/outgoing

WITH:

T. Thatcher

SUBJECT:

in agreement

"No Negotiations on
U.N. principles"

I believe de Cuellar ^{SH} - release
w. 2 children

FOLLOW UP:

Ship carry down Gulf
"Hittin" - load up

of course receive
Brady -

separate -
Germans will help.

copy to US.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04b. Talking Points	Points to be Made for Phone Call to Prime Minister Thatcher (2 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, August 31, 1990

Date Closed: 9/7/2010	OA/ID Number: 90558-010
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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our daily
file 8/31/90

this should be
filed on the
date of the
press picnic
inkport

thanks p

THE WHITE HOUSE
WASHINGTON

9/6/90

President and Mrs. Bush:

Thank you so much for inviting the press
to your home during the August vacation. Perhaps
this story sums up the press attitude:

Larry Downing's 10 yr. old son finished his
ride with "Dad" on Fidelity, and together they walked
toward your office. The boy stopped his father and
said, "When we went to California, the President
borrowed a friend's house and came in on his
helicopter for a visit. But President Bush lets us
come to his house and play with all his
toys. What a nice man."

The boy was right.

Thanks again, Mallin

Document Originally
Attached to
Following Page

md,

copy in our daily, copy to records,
and send copy to marlin with my
note.

thanks,

bridget

Bush Library Photocopy
George Bush Handwriting

The Washington Post

1150 15TH STREET, N.W.

WASHINGTON, D. C. 20071

(202) 334-6000

WRITER'S DIRECT TELEPHONE NUMBER

202-334-7429

July 16, 1990

*Patty
save this
nice about Fred
not so much about
others - GB
8-31-*

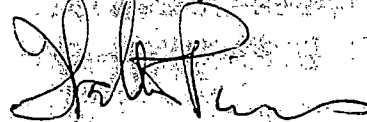
Dear Mrs. Chambers,

Mention of you in our news columns last week in association with the economic summit reminded me that I had postponed writing you a note at the time of your husband's death.

I admired him enormously having met him in the spring of 1988 when I was in Houston gathering material for a series of articles on then-candidate George Bush. Of all the president's friends, your husband was the most open and honest with me at a time when others would either not discuss some critical matters or presented totally fictional or misleading accounts. Men or women who fit the latter category think they are doing their political friends a favor, when in fact they are not since they leave us with no choice but to depend on a politicians' critics for the explanations of controversial matters.

In the few conversations I had with your husband that spring, I came to believe that President Bush was lucky to have such a friend.

Yours truly,



Walter Pincus

Copy

*W is mr that so thoughtful
of Mr Pincus to send me this.*

Bush Presidential Library Photocopy

Presidential Phone Calls



DATE: 8-31-90 TIME: 6 ^{PM}
incoming/outgoing

WITH: Tommy Lasorda

SUBJECT: his son.

NHT release to prohibit
hyperthermia operation

Kid'd do anything to
harm it if they ban
operation

FOLLOW UP: about NHT
is about to ban
this - highly questionable

Sir:

-- some articles on this subject --
would you like them to included
with the letter???

yes

no

Document Originally
Attached to
Following Page

THE WHITE HOUSE
WASHINGTON

PERSONAL

September 5, 1990

Dear Tommy:

It was good to talk to you the other day. After receiving your call, I immediately called Secretary Sullivan and found out the following:

(1) There is no prohibition by NIH on use of hyperthermia treatment. However, FDA is reviewing Dr. Alonzo's request to use the treatment for the virus.

(2) Dr. Alonzo has reported that he has used the treatment on two patients, one of whom showed no improvement, the other apparently showed great improvement. There is, however, a dispute as to whether the improved patient even has the virus. Dr. Sullivan said several tests show that he has another disease altogether.

(3) This is all contained in a report done by NIH doctors, and NIH hopes Dr. Alonzo will release the report. If he doesn't, they will.

(4) Dr. Sullivan said there are serious reservations about the effectiveness of the treatment, and there are scientific reasons which lead them to believe it might accelerate the progress of the disease. Dr. Sullivan said he will be surprised if the FDA approves the use of the treatment, but in any case he strongly recommends against use of the treatment. He said, "the evidence really isn't there" regarding its effectiveness.

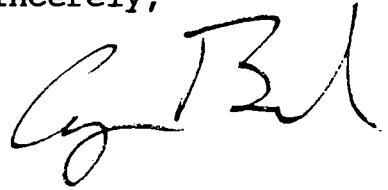
FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Tom Lasorda
1473 Maxxim Avenue
Fullerton, California 92633

Tommy, I hope this is helpful to you. Barbara and I are with you in spirit as you and your family face this tough time.

Good luck on the ball field.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cy T. B. L.", written in dark ink.

Mr. Tom Lasorda
1473 Maxzim Avenue
Fullerton, California 92633

USA Today: 9-5-90--

Heating blood discounted as AIDS therapy

By Kim Palmer
USA TODAY

A much-hyped blood-heating treatment for AIDS appears to be useless, federal investigators said Tuesday.

The hyperthermia experiment in Atlanta — covered extensively on television — “led to a lot of confusion, frustration and false hope on the part of HIV-infected individuals,” said Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases.

Fauci said the investigation began at the request of the hyperthermia researcher, Dr. Kenneth Alonso, of Atlanta Hospital, who is not personally criticized in the report. Patient advocates also wanted to know more, Fauci said.

After hearing about the negative report, Alonso and his first patient, Carl Crawford, 33,

still insisted the blood heating reversed Crawford's AIDS-related skin cancer and improved the health of another AIDS patient. “I'm doing great. I haven't been sick at all,” said Crawford, treated in February.

But the government researchers, who visited Atlanta, examined the patients and studied lab results, said:

► Crawford didn't have the skin cancer, Kaposi's sarcoma, and remains infected with the AIDS virus, HIV. He probably had a skin infection and was helped by antibiotics given after the hyperthermia.

► A second patient, a 28-year-old man with advanced AIDS, wasn't helped and continues to get sicker.

Hyperthermia — removing, heating and replacing blood in a process similar to dialysis — sometimes is useful in cancer treatment.

Blood heating no help for AIDS, fed says

Wash. Times: 9-5-90

ATLANTA (AP)—A controversial AIDS treatment that involves heating patients' blood offers "no benefit" and shouldn't be repeated, federal investigators said yesterday. Three researchers visited Dr. Alfonso in July to study his technique. Two patients were treated here; the third, who died, was treated in Mexico.

The first patient, 33-year-old Crawford, told reporters he had been cured of AIDS. He reported dramatic progress against Kaposi's sarcoma, a skin cancer afflicting many AIDS patients.

However, the national institute didn't find any evidence Mr. Crawford ever had Kaposi's sarcoma. The report suggested his skin problems were caused by cat scratches that became infected and were cured by antibiotics during the hyperthermia procedure. The report also said he remained HIV-positive.

"Your conclusion... is absurd," Dr. Alfonso said in a letter to Dr. Lawrence Deyton, who headed the government investigation. Dr. Alfonso said yesterday he was sending photographs and microscopic slides to pathologists to ask their opinion on whether it was Kaposi's sarcoma or a cat scratch.

The second patient, a 38-year-old man with advanced AIDS identified only as "Tony," reported little or no improvement, the report said. Dr. Alfonso said he increased his strength and mobility and expected a remission in Kaposi's lesions.

"Hyperthermia, as applied in these two cases, appears to have offered no clinical, immunologic or virologic benefits to these two patients," according to a summary of the findings. Kenneth Alonso, one of the physicians who used the technique, characterized the team's findings as "replete with errors."

During the AIDS treatment, the patient's blood was run through a 115-degree heater and back into his body, to raise body temperature as high as 108 degrees in an attempt to combat acquired immune deficiency syndrome.

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AIDS Treatment Called Ineffective

Wash. Post: 9-5-90

Associated Press

ATLANTA, Sept. 4—A controversial AIDS treatment that involves heating patients' blood offers "no benefit" and should not be repeated, federal investigators said today. Researchers from the National Institute of Allergy and Infectious Diseases concluded that two patients who submitted to hyperthermia were neither cured nor significantly helped.

"Hyperthermia, as applied in these two cases, appears to have offered no clinical, immunologic or virologic benefits to these two patients," according to a summary of the findings. Kenneth Alonso, one of the physicians who used the technique, characterized the team's findings as "replete with errors."

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Heating Blood Is Called Useless in Treating AIDS

By PHILIP J. HILTS
Special to The New York Times

WASHINGTON, Sept. 4 — After six months of speculation and controversy over experiments to treat AIDS by heating patients' blood, a Federal panel said today that they did not work and should not be tried again on humans for now.

The Government's chief AIDS researcher, Dr. Anthony S. Fauci, added in a statement today that it was theoretically possible that the treatment might actually increase the activity of the AIDS virus.

But Dr. Kenneth Alonso of the Morehouse School of Medicine in Atlanta, one of two doctors who have conducted the experiments on three patients, said in an interview today that he would continue his work, possibly in European or Latin American hospitals. "The next step is to continue," he said. "I have received invitations from other governments to train people to do this as well as to do research."

Two of the three patients underwent the treatment in Atlanta. The third, who was treated by Dr. Alonso last month in Mexico City, died a day after undergoing the procedure.

In the experimental treatment, called hyperthermia, a catheter is inserted into an anesthetized patient, and blood is pumped out of the body and heated to 108 degrees Fahrenheit. The blood is then cooled and returned to the patient's body in a continuous cycle for hours. Dr. Alonso said his hope was that cells infected with the human immunodeficiency virus, which causes AIDS, or invaded by an AIDS-related cancer, Kaposi's sarcoma, would die during the heating more readily than healthy cells.

However, the Federal investigators concluded after interviewing the doctors and reviewing the records of the two patients treated at Atlanta Hospital: "There appears to be no clinical, immunologic or virologic support for the use of hyperthermia in the treatment of HIV disease or Kaposi's sarcoma. Neither does there appear any support for further human experimentation in this area at this time."

A panel of scientists says, End the experiments.

The Federal report said that the first patient to undergo the treatment had a "dramatic clinical improvement" after the therapy, including the disappearance of skin lesions that Dr. Alonso had diagnosed as Kaposi's sarcoma. But the Federal investigators, led by Dr. Lawrence Dayton, chief of the Community Clinical Research Branch for the AIDS program at the National Institutes of Health, concluded that the patient never had the skin cancer. The panel said the patient's improvement was probably a result of two or more other factors, including his treatment with interferon and antibiotics before the hyperthermia treatment.

Dr. Fauci, the chief Federal AIDS researcher, said there was very little rationale for the procedure, since some laboratory experiments had shown that heat actually increased the activity of the virus, rather than killing it. In addition, he said, there is a substantial risk from the procedure, including blood clotting and heart failure, which can be caused by the heating and cooling procedures.

"It's a Slap in the Face"

Dr. William Logan Jr., a surgeon in private practice who carried out the work at Atlanta Hospital along with Dr. Alonso, said: "I am very, very surprised and concerned about their conclusions. It's a slap in the face to me to say that there is no evidence that it works. Well, we don't agree with that."

Dr. Logan, who is no longer associated with Dr. Alonso, said he was pleased with the results so far. "We have two living patients," he said. "I don't think would have been alive if we hadn't done it. We don't know if this is any cure; in fact, I doubt it. But I think it is a little opening we should pursue further." At the least, he said, experi-

ments should be continued with outside supervision. "But to stop this, I just don't understand that," he complained.

He said he had arranged with other hospitals to carry out more of the work, including those at the University of Illinois at Chicago and Mercer University in Georgia. "But I suppose this report could very easily knock the whole thing in the head," he said. "My opinion is that if they stop this in the U.S., it will go on elsewhere. I heard of a case in Munich."

Dr. Fauci, who is director of the National Institutes of Allergies and Infectious Diseases, said the Government had no control over whether the procedures continued, because each hospital and its review board decided what medical experiments to allow.

Criticism of Experiments

The experiments, which can cost up to \$100,000 for a single procedure, have been criticized at least partly because they were publicized on television news and talk programs before any scientific papers were written or the experiments were reviewed by other physicians.

"This kind of thing raises false hope among thousands of patients," said Dr. Gabriel Torres, associate medical director of the AIDS center at St. Vincent's Hospital of New York. "There was a lot of media hype. It was played up as some kind of cure." Dr. Torres said people infected with the AIDS virus began seeking the treatment soon after reports of the experiments appeared last spring. One patient appeared on television, saying that the treatment had been a success. In July, the Cable News Network broadcast a videotape from the operating room where the second patient was treated in June.

"As AIDS advocates, we are deeply disturbed by the apparent exploitation of people with HIV revealed in this report," said David Barr, assistant director of policy at the Gay Men's Health Crisis in New York. "People with a life-threatening illness were led to pay incredible prices — \$30,000 and more — for a treatment which has had no effect on their medical condition. We are equally disturbed by the careless

broadcast media coverage of hyperthermia, which lead many people with HIV to believe it could cure them."

Mr. Barr said the third patient, who died, sought hyperthermia treatment after seeing it "touted" on television.

Dr. Alonso said the patients in two of the experiments did not pay for the treatment, which cost \$50,000 in one case and \$100,000 in another. In the second case, the patient's insurance company may cover some of the cost. He said the patient treated in Mexico City did pay for the treatment, the cost of which he estimated at \$50,000.

Hyperthermia is a treatment that has been tried with limited success in cancer patients, and is now used experimentally only in conjunction with chemotherapy. Until this year, it had not been tried for infectious diseases or Kaposi's sarcoma.

"Hyperthermia appears to have offered no benefits to these two patients," the Federal panel said of the two cases in Atlanta. "Both remain HIV antibody positive and have mild and severe immune suppression, respectively."

Researchers familiar with the investigation said that a more normal procedure for a doctor who wanted to carry on such experiments would be, after one procedure appeared to be successful, to invite independent specialists to help with all subsequent procedures to assure the rigor of the scientific work. They said the media attention that accompanied the announcement that the first patient of his "successful" treatment added to the difficulty of carrying out such an experiment.

L.A. Times; 9-5-90

U.S. Officials Criticize

Hyperthermia AIDS Treatment

■ **Health: inquiry finds no benefit from the controversial procedure. Nor does it find any reason to encourage further experiments.**

By MARLENE CIMONS
TIMES STAFF WRITER

WASHINGTON—There is no evidence that the highly publicized heat treatment known as hyperthermia can help AIDS patients, nor is there any reason to encourage further experiments with the procedure, federal health officials said Tuesday.

The National Institute of Allergy and Infectious Diseases, the federal government's lead AIDS research agency, said that an investigation conducted by its researchers showed "no clinical, immunologic or virologic support" for the use of hyperthermia to treat AIDS or Kaposi's sarcoma, an AIDS-related cancer.

Further, the agency said, "neither does there appear [to be] any support for further human experimentation in this area at this time."

The controversial treatment, which involves removing the patient's blood, heating it to about 115 degrees Fahrenheit and then returning it to his body, has received considerable public attention in recent months after two patients were treated with the procedure in Atlanta by Dr. Kenneth Alonso, a pathologist, and Dr. William Logan Jr., an Atlanta surgeon. A third patient, who was treated with hyperthermia in August in Mexico by Alonso, died several hours later.

Hyperthermia has been used during the last two decades as a treatment for various cancers, but usually in combination with chemotherapy, radiation or other therapies. Its use as a single form of cancer therapy "is unwarranted because the clinical response is so

short," the federal institute said.

The use of hyperthermia as an AIDS treatment has been met with both widespread interest and skepticism by members of the AIDS community, many of whom criticized Alonso and his patients for promoting a procedure before it had been thoroughly studied.

"This is another example of why we've got to be careful before we jump on claims, be they from physician or patient, of a new treatment or cure for HIV," said Dr. Anthony Fauci, the director of the institute.

Fauci, in an interview, said that such experimental treatments should not be considered "until we have adequate scrutiny of data that has been peer-reviewed."

But Alonso called the infectious disease institute's report "judicious" and said in an interview that the investigators "have basically ignored any and all evidence that does not support their position."

When asked if he would perform the procedure again, Alonso replied, "Most likely."

The National Institute of Allergy and Infectious Diseases investigation was initiated by Alonso himself, who asked the agency to evaluate the technique and its results. The federal team was headed by Dr. Lawrence Deyton, assistant director for community research at the institute and chief of the community clinical research branch of its AIDS program.

Deyton requested the outside assistance of Dr. Ian Robins, chief of medical oncology at the University of Wisconsin and a leading authority on the clinical use of hyperthermia, and Dr. Ramon Torres, a New York physician with a large AIDS practice and a member of the AIDS clinical drug development committee, which advises the institute on promising new therapies.

The institute said that throughout its investigation Alonso and Logan "acted with professionalism,

openness and a desire to help their patients with HIV disease."

The first patient to undergo hyperthermia, a 23-year-old man diagnosed as HIV-infected in October, 1989, had claimed dramatic improvements in his condition, including the disappearance of the virus and of his Kaposi's lesions.

But the federal researchers said their investigation showed that the patient was initially misdiagnosed and never, in fact, had Kaposi's.

They said that biopsy specimens of the patient's skin and rectum, on which Alonso's Kaposi's diagnosis had been based, were reviewed by researchers at the Armed Forces Institute of Pathology here and "show no evidence of [Kaposi's

sarcoma]."

The patient, who initially had crusty skin lesions and itchy skin, redness, had a history of cat scratches, and federal researchers suggested that he might have been suffering from disseminated bacillary epithelioid angiomatosis, a bacterial infection related to the scratches. Moreover, before undergoing hyperthermia on Feb. 20, the patient had been treated with antibiotics and alpha interferon, they said.

"The team cannot attribute the clinical improvement of patient No. 1 directly to hyperthermia and suspects his very rapid response was secondary to administration of broad-spectrum antibiotics during the hyperthermia procedure, which inadvertently treated an infectious condition," the institute said.

The second patient, a 33-year-old man with late-stage infection who underwent hyperthermia on June 14, had been diagnosed with Kaposi's sarcoma in May. The institute said that he experienced "no objective short-term or long-term clinical response to this treatment. Both physical and radiologic results demonstrated continued disease progression after hyperther-

mia."

Both surviving patients remain HIV antibody positive, meaning that there are antibodies to the virus in their blood and both continue to suffer immune suppression, the second patient more severe than the first, the institute said.

"This report reaffirms the need for quick, credible information about any HIV treatment, so that people with HIV and their doctors can make treatment decisions based on fact, not desperation," said David Barr, assistant director of policy for the Gay Men's Health Crisis in New York.

Balt. Sun: 9-5-90

Officials discourage heat treatment for AIDS

There is no evidence that the highly publicized heat treatment known as hyperthermia can help AIDS patients, nor is there any reason to encourage further experiments with the procedure, federal health officials said yesterday.

The National Institute of Allergy and Infectious Diseases said that an investigation showed "no clinical immunologic or virologic support" for the use of hyperthermia to treat AIDS or Kaposi's sarcoma.

The controversial treatment, which involves removing the patient's blood, heating it to about 115 degrees Fahrenheit and then returning it to the body.

Bush Library Photocopy
George Bush Handwriting

Mr. President,

Notes from Secretary Sullivan's phone call:

- 1 * There is no prohibition by NIH on use of hyperthermia treatment. HOWEVER, FDA is reviewing Dr. Alonzo's request to use the treatment for the virus.
- 2 * Dr. Alonzo has reported that he has used the treatment on two patients, one of whom showed no improvement, the other apparently showed great improvement. There is, however, a dispute as to whether the improved patient even has the virus. Dr. Sullivan said several tests show that he has another disease altogether.
- 3 * This is all contained in a report done by NIH doctors, and NIH hopes Dr. Alonzo will release that report. If he doesn't, they will.
- 4 * Dr. Sullivan said there are SERIOUS RESERVATIONS about the effectiveness of the treatment, and there are scientific reasons which lead them to believe it might accelerate the progress of the disease. Dr. Sullivan said he will be surprised if the FDA approves the use of the treatment, but he in any case strongly recommends AGAINST use of the treatment for your friend's son. He said, "the evidence really isn't there" regarding its effectiveness.

Tony I hope ^{1c} this is
helpful to you. Barbara
I am with you in spirit
as you & your family
face this tough time.
Good luck at the
ball field - SP

Patty
Finished
on

Patty:

This all came in for the President after he left for tennis -- he did not have time to do it, and did not want to bring it home with him.

He said he would do it in the a.m.

b

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Attached to
Following Page

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

August 31, 1990

NOTE FOR THE PRESIDENT

SUBJECT: JOINT SESSION ADDRESS

Attached is a revised draft. It incorporates your changes and suggestions. I think this gets us close to the "90% there" mark -- with plenty of time for refinement.

I'm turning this over to John Sununu upon his return -- to coordinate its further development.

Richard G. Darman

*Maybe personalize with
refines to Turkey*

cc: Brent Scowcroft
Nick Brady
John Sununu

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

OUTLINE: POTENTIAL JOINT SESSION ADDRESS
ON IRAQ AND THE ECONOMY

[Guidance for speechwriter: This speech should be about 25 minutes long excluding applause. It should be designed to produce at least 25 interruptions for applause -- i.e., an average of one applause line per minute. Potential applause lines are suggested here below.]

[I. INTRODUCTION]

Mr. President, Mr. Speaker, members of the Congress, distinguished guests, fellow Americans: We gather here while brave young members of the armed forces struggle in a distant desert and on distant seas to protect the rule of law. We gather as an Iraqi aggressor suppresses peaceful Arab neighbors whose country he has ruthlessly invaded -- an Iraqi President who, in violation of law and decency, holds innocent people from many nations hostage; an Iraqi dictator who, if left unchecked, would hold the global economy hostage to his expanding control of oil; and who, if not restrained, might extend his reign of terror with chemical weapons, as he has done before.

My purpose tonight is to clarify what is at stake -- and what we, together, must do to protect civilized interests in the world, and economic growth here at home.

Peace is at risk. Lives are at risk. The global economy is at risk. Indeed, the shape of a new world order is at risk.

We are all rightly concerned. But we cannot allow ourselves -- or the world -- to be terrorized. [Applause]

It is important that we stand firm, and that we stand together. [Applause]

There are times to put partisanship aside. This is surely such a time. [Applause]

So let me thank you all, Republicans and Democrats, for the bipartisan support you have shown in the face of terrorist aggression.

- other bits etc.
Let me also, on behalf of all Americans, express our deepest thanks to the young men and women of the military who are serving with honor in the Persian Gulf, and to the thousands of reservists whose lives have been disrupted, but who have responded to the call. [Applause] Our thanks, too, go out to the sons of Saudi Arabia, Egypt, Morocco, and Syria who stand with our fighting forces in the sands of Saudi Arabia.

And, not least, let us thank the leaders of the military who are here tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, what a magnificent job you have done. [Applause]

In the past few weeks, the response of the United States armed forces has been nothing short of heroic.

[II. IRAQ]

Soviet

~~I have talked directly with some of our troops in the Gulf. They are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud.~~ [Applause]

Unfortunately, their work is not yet done.

The community of civilized nations is united. But the man whose actions so offend the global community shows no respect for international norms. Saddam Hussein started out as a terrorist. He has not changed. He has misled his Arab brethren, and brutally invaded a peaceful neighbor. He continues to hold land and people in violation of law and decency.

It is a testament to his isolation that the United Nations Security Council has passed five resolutions opposing his actions, without a single dissenting vote -- and that his forces are now opposed by Arab nations from throughout the region, in addition to our own forces and those from nations as diverse as Norway and Bangladesh.

In the world community, the man is an outlaw. His naked aggression cannot be allowed to stand. [Applause]

Our objectives are clear:

- o Iraq must withdraw from Kuwait completely and unconditionally.

by Saddam H

A new world order under which the world can no longer be blackmailed by threatening use of chemical weapons, nuclear weapons on
The legitimate government of Kuwait must be restored. *just plain conventional for*

- o The security and stability of Saudi Arabia must be assured. *aggression*
- o The risk of future terrorist aggression must be reduced.
- o American citizens and American interests must be defended.

The situation we face is what some have termed the first crisis of the post-cold-war era. The way we -- and the community of nations -- manage this crisis may well determine the pattern of international affairs for decades to come.

It is therefore important that, in the pursuit of our objectives, we keep certain principles in view:

- o First, we should not allow the reduced threat of super-power conflict to be replaced by an increased threat of regional violence and lesser-power terrorism.
- o Second, in the context of reduced super-power tension, the responsibility of the United States to protect our cherished values is not in any way diminished. We are the world's number one economic and military power. Our responsibility is both evident and inescapable.
- o Third, our efforts to protect rules of law and decency must, where possible, be cooperative -- exercised in concert with other responsible nations in the international community. An effective system of cooperative action -- economic sanctions, enforcement, and financial burden-sharing -- can reduce the likelihood of unilateral aggression, and the need for unilateral corrective action.
- o Fourth, where aggression does still show its ugly face, the lesson learned at horrendous cost half-a-century ago must guide us: Rather than wait in naive hope for aggressors somehow to restrain themselves, it is far better for the defenders of civilized values to act early, quickly, concertedly, and decisively.

Burdu Sharning

In the face of the Iraqi aggression, we have so acted. We have done so in concert with the world community and the Security Council of the United Nations.

That said, I know there are some who will question America's staying power. I do not know how long it may take for internationally mandated sanctions to do their intended job. And I cannot know whether Saddam Hussein will be so unwise as to increase his provocation. But I do know these things:

- o America must support the rule of law. And we will. [Applause]
- o America -- and the international community -- must defend innocent countries against aggression. And we will. [Applause]
- o America must protect her vital interests. And we will. [Applause]
- o America must never modify its policy in response to brutal blackmail. [Applause] ~~too~~ ^{SH's} ~~obscur~~

treatment

of innocent

civilians

has

focused

the world's attention

on his

our

misconduct

I cannot say how long American troops may have to stay in the Gulf to achieve our objectives. That depends, in large measure, on our adversary.

We do not intend to initiate conflict. The United States, the Gulf countries, ^{Gulf States} our Western allies -- we have no argument with the people of Iraq. But we are now prepared and positioned to support the United Nations sanctions, and to defend our interests.

Having started down the correct path, America must stay the course. I know we will.

No one should doubt our resolve. [Applause]

Out of these troubled times, a new world order will emerge. With the course we have charted, we can not only reverse the Iraqi aggression. We can also establish a cooperative precedent -- making the post-Cold-War era freer from the threat of terror; and making the community of nations stronger in the pursuit of justice, and more secure in the quest for peace.

So as we may about faced once held

again

No one should doubt our resolve.
Confidence
the threat
with
its power
one single
bit in
the face of
this
sickening
pastor

[III. ECONOMIC ISSUES]

There will, of course, be costs. Precious lives have already been sacrificed. Additional lives will be lost if military conflict breaks out. Even if it does not, there will be economic costs.

But whatever they are, they will be less now than they would be later if we let Saddam Hussein's aggression against Kuwait stand. Unchallenged, Hussein could not only dictate the world price of oil. With increased oil revenues, he could support an expansive militarist ambition that seems to know no bounds.

Our challenge is to keep the costs of restraining aggression at a reasonable minimum -- without sacrificing our larger objectives.

The price of oil is already up. This will take its toll on the economy. But it need not throw us into deep recession.

We have worked with oil producing countries to replace lost Iraqi and Kuwaiti production. With increased production, with our collective defense of Saudi Arabian oil fields, and with use of the Strategic Reserve, as necessary, we can keep oil prices from rising to economically destructive levels. Indeed, oil prices should, in time, start coming down.

Our military deployment also involves economic costs. We have developed a plan to share this cost -- and the cost of other nations' economic burdens -- among those allies who have an ability to finance our collective action. This will help defray some expenses.

But still, the effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, we cannot let stand.

The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt. [Applause]

Iran
From Venezuela to Nigeria etc to the Gulf they have responded
Bush Presidential Library Photocopy

It is up to us to straighten this out -- NOW.
[Applause]

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy -- battles that produce nothing. It is time for us to pull together -- and get the job done right.

Let me tell you what that job is. It has five basic parts.

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprise Zones; and, yes, reduce the tax rate for capital gains. [Partial Applause]

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: Recession is unfair. The loss of a job is unfair. The loss of American competitiveness is unfair. So for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow! [Applause]

Second: The Congress should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. Over five years, defense outlays can be reduced below the baseline by \$___ billion. But beyond that, one crosses a line that threatens a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, [INSERT: new measures, including tax measures (if any)], to be incorporated here

~ Call on Americans ~

When the oil embargo was imposed in the early 1970's, the U.S. imported _____ million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to _____ million barrels a day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, the Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real. [Applause]

Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then [. . . .]

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group.

*My program should lead them
ask Congress to do this*

My deficit reduction program has these basic characteristics -- as any acceptable program must:--

- ✓ o It includes the measures I've recommended to increase economic growth and reduce dependence on foreign oil.
- ✓ o It is balanced. The burden of contributions is not excessive for any one group of programs or people. About one-third of the savings come from defense, one-third from domestic spending programs, and one-third from revenue measures.
- ✓ o It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- ✓ o It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- o It is enforceable.
- o And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to raise income tax rates. But that is one path we should not head down again.

[Applause] *I have compromised -- now it is time*

for Congress
To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree to my plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th. *like it*

If the Congress fails to enact my compromise package, Americans will then have to face sequester, increased risks of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will, at last, have put ourselves on the right course here at home.

[IV. CONCLUSION]

I am confident that, in this context, the Congress will do what it should. At this very moment, Arabs, Americans, Europeans, and Africans stand shoulder-to-shoulder in the distant desert sands -- doing what is right. If they can come together there, surely we who are so fortunate as to be in this great chamber -- Democrats and Republicans; left, right, and middle -- can come together to fulfill our responsibility here.

There are times to highlight differences, and times to find common ground; times to posture, and times to act. This is a time to come together, and to ACT. [Applause]

[Introduce poignant, illustrative anecdote or letter from Saudi Arabia -- and use to make concluding point.]

Thank you very much.

God bless our brave young men and women. God bless America.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

August 29, 1990

NOTE FOR THE PRESIDENT

SUBJECT: JOINT SESSION ADDRESS

Per conversation this morning, attached is a first rough draft of a potential speech. It is just a beginning -- but may serve as a useful basis for discussion of tone, range, organization, emphasis.

I have provided copies only to you, Brent, and Nick -- no one else -- on the theory that if this seems of value, you might get us together to talk about it before you head back.

Thanks.

A handwritten signature in dark ink, appearing to read "Dick", with a long horizontal stroke extending to the right.

Richard G. Darman

cc: Brent Scowcroft
Nick Brady

OUTLINE: POTENTIAL JOINT SESSION ADDRESS
ON IRAQ AND THE ECONOMY

[Guidance for speechwriter: This speech should be about 20-25 minutes long excluding applause. It should be designed to produce at least 20-25 interruptions for applause -- i.e., an average of one applause line per minute.]

[I. INTRODUCTION]

Mr. President, Mr. Speaker, members of the Congress, distinguished guests, fellow Americans: We gather here while brave young members of the armed forces struggle in a distant desert and on distant seas to protect the rule of law. We gather as an Iraqi aggressor suppresses peaceful neighbors whose country he has ruthlessly invaded -- an Iraqi President who, in violation of law and decency, holds innocent foreigners hostage; an Iraqi dictator who, left unchecked, would hold the global economy hostage to his expanding control of oil; and who, unrestrained, might seek to extend his reign of terror with chemical, and even nuclear, weapons.

My purpose tonight is to clarify what is at stake -- and what we, together, must do to protect civilized interests in the world, and economic growth here at home.

Peace is at risk. The global economy is at risk. Lives are at risk. We are all rightly concerned. But we cannot allow ourselves -- or the world -- to be terrorized.

It is important that we stand firm, and that we stand together.

There are times to put partisanship aside. This is surely such a time. So let me thank you all, Republicans and Democrats, for the bipartisan support you have shown in the face of terrorist aggression.

Let me also, on behalf of all Americans, express our deepest thanks to the young men and women of the military who are risking their lives in the Persian Gulf. Thanks, too, to the thousands of reservists whose lives have been disrupted, but who have responded to the call. And, not least, let us thank the leaders of the military who are here tonight -- the first-class professionals of the Joint Chiefs of Staff.

In the past few weeks, the response of the United States armed forces has been nothing short of heroic.

[II. IRAQ]

[I have just come from a visit to our troops in the Gulf.] They are bravely helping to keep the world free from further aggression. In trying circumstances, their morale is excellent. They are making us all proud.

Unfortunately, their work is not yet done.

The community of civilized nations is united. But the man whose actions so offend the global community shows no respect for international norms. He continues to hold land and people in violation of law and decency.

Saddam Hussein started out as a terrorist. He has not changed.

He pretends to represent the Arab people. But he shows fellow Arabs no respect. He used chemical weapons against Iraqis and Kurds. He lied to his Arab colleagues about his intentions for Kuwait. Then, he invaded his peaceful, defenseless neighbor. And he threatened Saudi Arabia.

It is little wonder that he is now opposed by Arab nations throughout the Mideast. It is a testament to his isolation that his forces are opposed not only by Saudi Arabians, but by Arab soldiers from Egypt, Morocco, Syria, Oman, Qatar, Bahrain, and the United Arab Emirates -- in addition to our own forces and those from nations as diverse as Norway and Bangladesh.

In the world community, the man is an outlaw. His naked aggression cannot be allowed to stand.

Our objectives are clear:

- o Iraq must withdraw from Kuwait completely and unconditionally.
- o The legitimate government of Kuwait must be restored.
- o The security and stability of Saudi Arabia must be assured.
- o American citizens and American interests must be defended.
- o And the risk of future terrorist aggression must be reduced.

The situation we face is what some have termed the first crisis of the post-cold-war era. The way we -- and the community of nations -- manage this crisis may well determine the pattern of international affairs for decades to come.

It is therefore important that, in the pursuit of our objectives, we keep certain principles in view:

- o First, we should not allow the reduced threat of super-power conflict to be replaced by an increased threat of regional violence and lesser-power terrorism.
- o Second, in the context of reduced super-power strife, the responsibility of the United States to protect our cherished values is not in any way diminished. We are the world's number one economic and military power. Our responsibility is both evident and inescapable.
- o Third, our efforts to protect rules of law and decency must, where possible, be cooperative -- exercised in concert with other responsible nations in the international community. An effective system of cooperative action -- economic sanctions, enforcement, and financial burden-sharing -- can reduce the likelihood of unilateral aggression, and the need for unilateral corrective action.
- o Fourth, where aggression does still show its ugly face, the lesson learned at horrendous cost half-a-century ago must guide us: Rather than wait in naive hope for aggressors somehow to restrain themselves, it is far better for the defenders of civilized values to act early, quickly, concertedly, and decisively.

In the face of the Iraqi aggression, we have so acted. And we have done so in concert with the world community and the Security Council of the United Nations.

That said, I know there are some who will question America's staying power. I do not know how long it may take for internationally mandated sanctions to do their intended job. And I cannot know whether Saddam Hussein will be so unwise as to increase his provocation. But I do know these things:

- o America must support the rule of law. And we will.

- o America -- and the international community -- must defend innocent countries against aggression. And we will.
- o America must protect her vital interests. And we will.

I cannot say how long American troops may have to stay in the Gulf to achieve our objectives. That depends, in large measure, on our adversary. We do not intend to initiate conflict. But we are now prepared and positioned to support the United Nations sanctions, and to defend our interests.

Having started down the correct path, America must stay the course. I know we will.

No one should doubt our resolve.

[III. ECONOMIC ISSUES]

There will, of course, be costs. Lives may be lost if military conflict breaks out. Even if it does not, there will be economic costs. But whatever they are, they will be less now than they would be later if we let Saddam Hussein work his will.

Our challenge is to keep the costs at a reasonable minimum -- without sacrificing our larger objectives.

The price of oil is already up. This will take its toll on the economy. But it need not throw us into deep recession.

We have worked with oil producing countries to replace lost Iraqi and Kuwaiti production. With their cooperation, with our collective defense of Saudi Arabian oil fields, and with use of the Strategic Reserve, as necessary, we can keep oil prices from rising to economically destructive levels. Indeed, oil prices should, in time, start coming down.

Our military deployment also involves economic costs. We have developed a plan to share this cost -- and the cost of other nations' economic burdens -- among those allies who have an ability to finance our collective action. This will help defray some expenses.

But still, the effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, we cannot let stand.

We must act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needed an additional reason for action, surely the Iraqi situation can help focus the mind: Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt.

It is up to us to straighten this out -- NOW.

Most Americans are sick and tired of endless Congressional battles over economic policy -- battles that produce nothing. It is time for us to pull together -- and get the job done right.

Let me tell you what that job is. It has five basic parts.

First: The Congress should enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprize Zones; and, yes, reduce the tax rate for capital gains.

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: Recession is unfair. The loss of a job is unfair. The loss of American competitiveness is unfair. So for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow!

Second: The Congress should enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. The defense budget can still decline in real terms. Over five years, defense outlays can be reduced below the baseline by \$___ billion. But beyond that, one crosses a line that threatens a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, [new measures, including tax measures (if any), to be incorporated here].

When the oil embargo was imposed in the early 1970's, the U.S. imported _____ million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to _____ million barrels a day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, the Congress should enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. The deficit reduction program should be balanced: one-third from defense, one-third from domestic spending, and one-third from revenue measures. It should also include reforms of credit programs and the budget process.

I ask the Congress to present me with such a program for signature before the 1st of October. That would be in time to avoid the clumsy axe of "sequester," deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present to me the comprehensive, five-year deficit reduction program as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real.

Fifth, and finally: It is important that the combination of these legislative actions allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then [. . . .]

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group. And I am releasing it to the public.

I say to the Congressional members of the Summit: The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. I offer all of you my plan tonight as a further compromise that might, at last, bring us together. It will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope this plan provides a basis for agreement within the Budget Summit. But if the Summit cannot reach prompt agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 25th.

If the Congress fails to enact my compromise package, we will then have to face sequester, increased risks of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will have put ourselves on the right course here at home.

[IV. CONCLUSION]

I am confident that, in this context, the Congress will do what it should. At this very moment, Arabs, Americans, Europeans, and Africans stand shoulder-to-shoulder in the distant desert sands -- doing what is right. If they can come together there, surely we who are so fortunate as to be in this great chamber -- Democrats and Republicans; left, right, and middle -- can come together to fulfill our responsibility here.

[Introduce poignant, illustrative anecdote or letter from Saudi Arabia -- and use to make concluding point.]

Thank you very much.

God bless our brave young men and women. God bless America.



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 31, 1990

8/31
P.

[Handwritten signature]

NOTE FOR THE PRESIDENT

SUBJECT: JOINT SESSION ADDRESS

Attached is a revised draft. It incorporates your changes and suggestions. I think this gets us close to the "90% there" mark -- with plenty of time for refinement.

I'm turning this over to John Sununu upon his return -- to coordinate its further development.

[Handwritten signature]

Richard G. Darman

cc: Brent Scowcroft
Nick Brady
John Sununu

OUTLINE: POTENTIAL JOINT SESSION ADDRESS
ON IRAQ AND THE ECONOMY

[Guidance for speechwriter: This speech should be about 25 minutes long excluding applause. It should be designed to produce at least 25 interruptions for applause -- i.e., an average of one applause line per minute. Potential applause lines are suggested here below.]

[I. INTRODUCTION]

Mr. President, Mr. Speaker, members of the Congress, distinguished guests, fellow Americans: We gather here while brave young members of the armed forces struggle in a distant desert and on distant seas to protect the rule of law. We gather as an Iraqi aggressor suppresses peaceful Arab neighbors whose country he has ruthlessly invaded -- an Iraqi President who, in violation of law and decency, holds innocent people from many nations hostage; an Iraqi dictator who, if left unchecked, would hold the global economy hostage to his expanding control of oil; and who, if not restrained, might extend his reign of terror with chemical weapons, as he has done before.

My purpose tonight is to clarify what is at stake -- and what we, together, must do to protect civilized interests in the world, and economic growth here at home.

Peace is at risk. Lives are at risk. The global economy is at risk. Indeed, the shape of a new world order is at risk.

We are all rightly concerned. But we cannot allow ourselves -- or the world -- to be terrorized. [Applause]

It is important that we stand firm, and that we stand together. [Applause]

There are times to put partisanship aside. This is surely such a time. [Applause]

So let me thank you all, Republicans and Democrats, for the bipartisan support you have shown in the face of terrorist aggression.

Let me also, on behalf of all Americans, express our deepest thanks to the young men and women of the military who are serving with honor in the Persian Gulf, and to the thousands of reservists whose lives have been disrupted, but who have responded to the call. [Applause] Our thanks, too, go out to the sons of Saudi Arabia, Egypt, Morocco, and Syria who stand with our fighting forces in the sands of Saudi Arabia.

And, not least, let us thank the leaders of the military who are here tonight -- the first-class professionals of the Joint Chiefs of Staff. General Powell, Chiefs, what a magnificent job you have done. [Applause]

In the past few weeks, the response of the United States armed forces has been nothing short of heroic.

[II. IRAQ]

I have talked directly with some of our troops in the Gulf. They are brave. In trying circumstances, their morale is excellent. Helping to keep the world free from further aggression, they make us all proud. [Applause]

Unfortunately, their work is not yet done.

The community of civilized nations is united. But the man whose actions so offend the global community shows no respect for international norms. Saddam Hussein started out as a terrorist. He has not changed. He has misled his Arab brethren, and brutally invaded a peaceful neighbor. He continues to hold land and people in violation of law and decency.

It is a testament to his isolation that the United Nations Security Council has passed five resolutions opposing his actions, without a single dissenting vote -- and that his forces are now opposed by Arab nations from throughout the region, in addition to our own forces and those from nations as diverse as Norway and Bangladesh.

In the world community, the man is an outlaw. His naked aggression cannot be allowed to stand. [Applause]

Our objectives are clear:

- o Iraq must withdraw from Kuwait completely and unconditionally.

- o The legitimate government of Kuwait must be restored.
- o The security and stability of Saudi Arabia must be assured.
- o The risk of future terrorist aggression must be reduced.
- o American citizens and American interests must be defended.

The situation we face is what some have termed the first crisis of the post-cold-war era. The way we -- and the community of nations -- manage this crisis may well determine the pattern of international affairs for decades to come.

It is therefore important that, in the pursuit of our objectives, we keep certain principles in view:

- o First, we should not allow the reduced threat of super-power conflict to be replaced by an increased threat of regional violence and lesser-power terrorism.
- o Second, in the context of reduced super-power tension, the responsibility of the United States to protect our cherished values is not in any way diminished. We are the world's number one economic and military power. Our responsibility is both evident and inescapable.
- o Third, our efforts to protect rules of law and decency must, where possible, be cooperative -- exercised in concert with other responsible nations in the international community. An effective system of cooperative action -- economic sanctions, enforcement, and financial burden-sharing -- can reduce the likelihood of unilateral aggression, and the need for unilateral corrective action.
- o Fourth, where aggression does still show its ugly face, the lesson learned at horrendous cost half-a-century ago must guide us: Rather than wait in naive hope for aggressors somehow to restrain themselves, it is far better for the defenders of civilized values to act early, quickly, concertedly, and decisively.

In the face of the Iraqi aggression, we have so acted. We have done so in concert with the world community and the Security Council of the United Nations.

That said, I know there are some who will question America's staying power. I do not know how long it may take for internationally mandated sanctions to do their intended job. And I cannot know whether Saddam Hussein will be so unwise as to increase his provocation. But I do know these things:

- o America must support the rule of law. And we will. [Applause]
- o America -- and the international community -- must defend innocent countries against aggression. And we will. [Applause]
- o America must protect her vital interests. And we will. [Applause]
- o America must never modify its policy in response to brutal blackmail. [Applause]

I cannot say how long American troops may have to stay in the Gulf to achieve our objectives. That depends, in large measure, on our adversary.

We do not intend to initiate conflict. The United States, the Gulf countries, our Western allies -- we have no argument with the people of Iraq. But we are now prepared and positioned to support the United Nations sanctions, and to defend our interests.

Having started down the correct path, America must stay the course. I know we will.

No one should doubt our resolve. [Applause]

Out of these troubled times, a new world order will emerge. With the course we have charted, we can not only reverse the Iraqi aggression. We can also establish a cooperative precedent -- making the post-Cold-War era freer from the threat of terror; and making the community of nations stronger in the pursuit of justice, and more secure in the quest for peace.

[III. ECONOMIC ISSUES]

There will, of course, be costs. Precious lives have already been sacrificed. Additional lives will be lost if military conflict breaks out. Even if it does not, there will be economic costs.

But whatever they are, they will be less now than they would be later if we let Saddam Hussein's aggression against Kuwait stand. Unchallenged, Hussein could not only dictate the world price of oil. With increased oil revenues, he could support an expansive militarist ambition that seems to know no bounds.

Our challenge is to keep the costs of restraining aggression at a reasonable minimum -- without sacrificing our larger objectives.

The price of oil is already up. This will take its toll on the economy. But it need not throw us into deep recession.

We have worked with oil producing countries to replace lost Iraqi and Kuwaiti production. With increased production, with our collective defense of Saudi Arabian oil fields, and with use of the Strategic Reserve, as necessary, we can keep oil prices from rising to economically destructive levels. Indeed, oil prices should, in time, start coming down.

Our military deployment also involves economic costs. We have developed a plan to share this cost -- and the cost of other nations' economic burdens -- among those allies who have an ability to finance our collective action. This will help defray some expenses.

But still, the effects of higher oil prices, slower growth, and higher defense costs will only make our fiscal deficit problem worse. It was already worse than it should have been -- at a projected \$232 billion for the coming year. This, too, we cannot let stand.

The Congress should act this very month -- before the next fiscal year begins -- to get our economic affairs in order. If anyone needs an additional reason for action, surely the Iraqi situation can help focus the mind. We are more vulnerable economically than we should be. Americans must never again enter any crisis -- economic or military -- with an excessive dependence on foreign oil and an excessive burden of Federal debt. [Applause]

It is up to us to straighten this out -- NOW.
[Applause]

Most Americans are sick and tired of endless battles between the Congress and the Administration over economic policy -- battles that produce nothing. It is time for us to pull together -- and get the job done right.

Let me tell you what that job is. It has five basic parts.

First: The Congress should, this month, enact growth-oriented tax measures -- to help avoid recession in the short term; and to increase savings, investment, productivity, and competitiveness for the longer term. Specifically, the Congress should extend incentives for research and experimentation; expand the use of IRAs for new homeowners; establish tax-deferred Family Savings Accounts; create incentives for the development of Enterprise Zones; and, yes, reduce the tax rate for capital gains. [Partial Applause]

I know that a minority in the Congress likes to say that a capital gains rate cut looks unfair on some tax expert's distribution table. But let me say what's unfair for most Americans: Recession is unfair. The loss of a job is unfair. The loss of American competitiveness is unfair. So for those who care about fairness -- and I am one -- I say: Don't hold America back. Don't hold Americans back. Let this economy grow! [Applause]

Second: The Congress should, this month, enact a prudent five-year defense program -- one that reflects both the improvement in East-West relations, and the continuing risks of outlaw action and regional conflict, as represented most vividly now by Iraq. Even with Iraq, the defense budget can decline in real terms. Over five years, defense outlays can be reduced below the baseline by \$___ billion. But beyond that, one crosses a line that threatens a vital margin of safety. Given my Constitutional obligation as Commander-in-Chief, that is a line I cannot cross.

The world is still dangerous. Surely that is now clear. Stability is not secure. American interests are far-reaching. Interdependence has increased. The consequences of regional instability can be global. This is no time to trifle with America's capacity to protect her vital interests.

Third: The Congress should, this month, enact measures to increase domestic energy production and energy conservation -- in order to reduce dependence on foreign oil. These measures should include my proposals to increase incentives for domestic oil and gas exploration, and to accelerate the development of Alaskan energy resources. In addition, [INSERT: new measures, including tax measures (if any), to be incorporated here _____]

When the oil embargo was imposed in the early 1970's, the U.S. imported _____ million barrels of oil per day. This year, before the Iraqi invasion, U.S. imports had risen to _____ million barrels a day. We had moved in the wrong direction. Now we must act to correct that trend -- so that our vulnerability does not increase again.

Fourth, the Congress should, this month, enact a five-year program to reduce the projected deficits and debt by \$500 billion -- that is, by half-a-trillion dollars. If Congress presents me with a satisfactory program by the end of the month, that would be in time to avoid the clumsy axe of "sequester" -- deep across-the-board cuts that would otherwise threaten our military capacity and risk substantial domestic disruption.

I ask, further, that Congress present the comprehensive, five-year deficit reduction program to me as a single legislative package -- with associated measures to assure that it can be fully enforced. The American people are tired of phony deficit reduction on the promise-now-save-later-plan. Enough is enough. It's time for a program that is credible and real. [Applause]

Fifth, and finally: The combination of these legislative actions should allow the Federal Reserve to facilitate a substantial reduction in interest rates -- in a context of economic growth, without increased inflation. I have discussed my proposed program in detail with the Chairman of the Federal Reserve Board, Alan Greenspan. He assures me that if Congress acts promptly to enact the program I am recommending here tonight, he will then [. _____]

In addition to discussing this program with the Chairman of the Federal Reserve, I have today provided it -- in detail -- to the members of the Budget Summit negotiating group.

My deficit reduction program has these basic characteristics -- as any acceptable program must:

- o It includes the measures I've recommended to increase economic growth and reduce dependence on foreign oil.
- o It is balanced. The burden of contributions is not excessive for any one group of programs or people. About one-third of the savings come from defense, one-third from domestic spending programs, and one-third from revenue measures.
- o It reaches beyond the visible parts of the budget and begins to control the government's expanding credit programs and hidden liabilities.
- o It reforms the budget process to provide some of the tools that have allowed many governors to keep state budgets under control -- like "pay-as-you-go" requirements and line-item veto.
- o It is enforceable.
- o And, to the extent that it includes new revenue measures -- which it does -- it avoids any measure that might threaten economic growth or raise people's income tax rates. I know there are some who are anxious to raise income tax rates. But that is one path we should not head down again.
[Applause]

To the Congressional members of the Budget Summit, I say: I first called for negotiations many months ago. The negotiations have already dragged on too long. I have compromised, and compromised again. Some others have, as well. The plan I offer tonight is a further compromise that should, at last, bring us together. I hope to persuade you of its merit in this coming week.

My plan will not fully satisfy any of us. But it will do the job that needs to be done. And now: it is time to produce.

I hope the Summit leaders will agree to my plan. But with or without agreement, I ask both Houses of the Congress to allow a straight up-or-down vote on my comprehensive package -- not later than September 28th.

If the Congress fails to enact my compromise package, Americans will then have to face sequester, increased risks of recession, and perhaps increased military risks abroad. If, on the other hand, the Congress responds favorably, we will, at last, have put ourselves on the right course here at home.

[IV. CONCLUSION]

I am confident that, in this context, the Congress will do what it should. At this very moment, Arabs, Americans, Europeans, and Africans stand shoulder-to-shoulder in the distant desert sands -- doing what is right. If they can come together there, surely we who are so fortunate as to be in this great chamber -- Democrats and Republicans; left, right, and middle -- can come together to fulfill our responsibility here.

There are times to highlight differences, and times to find common ground; times to posture, and times to act. This is a time to come together, and to ACT. [Applause]

[Introduce poignant, illustrative anecdote or letter from Saudi Arabia -- and use to make concluding point.]

Thank you very much.

God bless our brave young men and women. God bless America.

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
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PROCESSING CASE
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☐ **Other**

Other (Specify):

DESCRIPTION:

White House Photographs: P15424-14A [Barbara Bush in hat]; P15421-08 [Margaret Bush and Marshall];
P15436-13 [Family portrait with Doro and Marvin]

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museum
collection,
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Daily Files

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59

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Friday, August 31, 1990

OA/ID Number:

90558-010

Transferred by:

Deborah Wheeler

Date of Transfer:

9/8/2010

Received by:

Mary Finch

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PHOTOGRAPH

Barbara Bush's stepmother speaks out

by Gwen Gibson

Maturity News Service

NEW YORK — Willa Martin Pierce, Barbara Bush's stepmother, is a study in contrasts. As a professional artist, she speaks out candidly. As the first stepmother, she measures her remarks as carefully as she measures her watercolors for a landscape painting.

"I'm a perfectly good Republican, but I'm an artist and we do have our problems," Pierce said recently, in discussing attitudes and legislation which she feels are unfair to artists.

"I didn't know until after the (Bush) inauguration that my opinions were so important," she hedged in her cultured voice with its hint of a Southern accent.

Pierce discussed the state of the arts, her own background and her memories of Barbara Bush as a young woman, during an interview in the commodious, smoke-filled lounge of the Yale Club in midtown Manhattan. She also gave a tour of some of her impressionistic watercolor landscapes, reminiscent of John

Singer Sargent, which hang in her niece's Park Avenue apartment.

A still young-looking charmer, only 12 years older than the first lady, Pierce, 76, launched her career in New York as an artist and writer in the late 1930s. She was a brown-eyed, chestnut-haired belle from Greenville, S.C., fresh out of the Yale School of Fine Arts.

Today, she is a brown-eyed blonde. "As I turned slightly gray, my hair looked streaked and not attractive like Barbara's," Pierce said with a laugh.

Pierce free-lanced in New York for a few years before landing a job in 1942 with The Associated Press as a special features writer and illustrator.

She interviewed stars like Lucille Ball, Cary Grant, Joan Fontaine and John Barrymore, socialized with artists, actors and journalists like Frank Fay, Alistair Cooke, Charles Dana Gibson and the illustrious

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Willa Martin Pierce, left, Barbara Bush's stepmother and widow of McCall's publisher Marvin Pierce, at the White House with the First Lady.

Photo David Valdez, the White House.

members of the Algonquin Round Table, and dated writers like Alec Waugh, Evelyn's older brother.

She was a radio officer with the British Information Service in New York when she met Marvin Pierce, president of McCall's Corp. and Barbara Bush's father, in 1950. Pierce's first wife, Pauline, the mother of his four children, died in an automobile accident in 1949.

Pierce and Willa Martin were married in 1952 and moved into a sprawling English Georgian house in Rye. Although she was a talented beauty, 19 years younger than her husband, Pierce says her four stepchildren — Martha, James, Barbara and Scott — never showed any signs of jealousy or resentment.

"They were grown, and their lives were so interesting. I think they were glad their father was not lonely anymore," she says.

"In 1952," Pierce recalled, "Barbara was already married to George Bush and living in Midland, Texas. She looked me over for the first time when she flew up from Texas for our wedding in Greenville. She came bounding off the plane saying, 'Hi, Dad!' She adored her father. They were always kidding each other. In

fact, all the Pierce children were a little on the extrovert side.

"I remember Barbara most vividly through the years at parties on the lovely, sprawling summer porches of Kennebunkport, Maine. She would enter the group in Bermuda shorts, make a funny remark and become the life of the party. She was outgoing, friendly...always making fun of herself and saying whatever came into her mind."

Pierce says she is impressed with Barbara's self-discipline and her wonderful speeches: "She has apparently learned just what to say and what not to say."

Tediously diplomatic when discussing her family, Pierce speaks out bluntly about the need for changes in the law "that prevents artists from getting full credit for the paintings they donate to charity. We can only deduct (for tax purposes) the cost of materials we used," she complains.

Pierce would also like to see more women appointed to top positions in the art world. "I am not a basic feminist, but I am an independent thinker, and I feel women have been denied positions in arts administration far too long," she said.

Would she like such a job, with a

major museum or art gallery, for instance?

"Well, it would be exciting to do something beyond Westchester County," Pierce conceded. "And I wouldn't mind being 'discovered' because of my tie-in with George Bush.

I won't be coy about that. But I would hope that anyone who offered me a position would do so on the basis of my qualifications and ability and not my connection with the first family."



John Barrymore in a cozy, 1945 interview with Associated Press reporter Willa Martin, who later became the wife of McCall's publisher Marvin Pierce, Barbara Bush's father.