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FOIA MARKER

**This is not a textual record. This is used as an
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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: 90561
Folder ID Number: 90561-001

Folder Title:
Monday, September 17, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	2	6

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President [redaction] (2 pp.)	09/17/90	(b)(3), (b)(7)(c), (b)(7)(e), (b)(7)(f)	
02. Log	White House Telephone Log [President Bush] [redaction of personal information] (2 pp.)	09/17/90	(b)(6)	
03. Note	From President Bush to Brent [Scowcroft] Re: JAB [James A. Baker, III] Memo (1 pp.)	09/17/90	(b)(1)	
04. Report	Developments (1 pp.)	09/14/90	~~(b)(1)~~	~~C~~

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, September 17, 1990

Pinksheet Number: dw1823
OA/ID Number: 90561-001
Date Closed: 10/12/2010
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

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

PRM. Removed as a personal record misfile.

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(b)(9) Release would disclose geological or geophysical information



SCHEDULE OF THE PRESIDENT

Monday, September 17, 1990

8:00 am (15 min)	<u>Intelligence Briefing</u> (Scowcroft/Sununu)	Oval Office
8:15 am (30 min)	<u>National Security Briefing</u> (Scowcroft/Sununu)	Oval Office
8:45 am (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
9:15 am (45 min)	<u>Administrative Time</u>	Oval Office
9:30 am	MTG WITH SECRETARY BAKER	OVAL OFFICE
10:00 am (60 min)	<u>Cabinet Meeting</u> (Holiday)	Cabinet Room (TAB A)
11:00 am (30 min)	<u>Personal Staff Time</u>	Oval Office
11:15 am (10 min)	Gov JUD GREGG (CARD)	OVAL OFFICE
11:30 am (15 min)	<u>Photo Opportunities</u> 1. Departing Military Office Staff (Newman) 2. [REDACTED] 3. (b)(7)(c), (b)(7)(e), (b)(7)(f) 4. Michael Unhjem (Untermeyer)	(TAB B) Oval Office
11:50 am (5 min)	<u>Phone Call to 250th Daily Point of Light</u> (Rogich)	Oval Office (TAB C)
12:00 pm (75 min)	<u>Lunch</u>	Oval Office
1:15 pm (30 min)	~~Personal~~ <u>Staff Time</u> (DEMAREST)	Oval Office
1:45 pm (15 min)	<u>Staff Time</u> (Demarest)	Oval Office (TAB D)
2:00 pm (30 min)	<u>Briefing for Regional Reporters</u> (Demarest)	450 OEOB (TAB E)

Bush Presidential Library Photocopy

UNP 09/14/90
5:00 pm



2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (25 min)	<u>Meeting with Secretary Brady</u>	Oval Office
3:25 pm (5 min)	<u>Presentation of the National Education Goals Poster</u> (Demarest)	Oval Office (TAB F)
3:30 pm (10 min)	<u>Ceremony to honor Winners of Elementary School Recognition Program</u> (Demarest)	South Lawn (TAB G)
3:40 pm (20 min)	<u>Personal Staff Time</u>	Oval Office
4:00 pm (30 min)	<u>Administrative Time</u>	Oval Office
4:30 pm (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office

0709 POTUS IN OVAL 0751 ADD SUNUNU

0802 ADD DCI, SCOWCROFT, GATES (b)(3)

0824 DCI, (b)(3) OUT 0907 SUNUNU OUT

0914 SCOWCROFT, GATES OUT 0935 ADD BAKER

1000 BAKER OUT/ADD FITZWATER 1002 FITZWATER OUT/ADD HOLLI

1004 POTUS TO CABINET ROOM 1059 POTUS IN OVAL

1115 GREGG ET AL IN 1125 ALL OUT

1126 MIL OFFICE STAFF ET AL IN 1130 ALL OUT

1131 MCFARLAND ET AL IN 1134 ALL OUT

1135 USSS OFFICERS ET AL IN 1136 ALL OUT

1137 UNKEM ET AL IN 1140 ALL OUT

1152 ADD ROGICH 1159 ROGICH OUT 1200 ADD BOB STRAUSS

1201 ADD BAKER 1250 STRAUSS AND BAKER OUT

UNP 09/14/90
5:00 pm

1255 CLEMENS ET AL IN 1304 ALL OUT

(ROGER CLEMENS, DEBBIE CLEMENS, BESS CLEMENS, JAN WILDE,)
(JOHN KELLEHER, TERRY SAMWAY, TIM SAMWAY, LYN SAMWAY)

1316 ADD DEMAREST, CHENEY, SCOWCROFT, FITZWATER

1320 ADD CARD 1334 ADD FORSTER, TAYLOR, CICCOUNI

1344 CHENEY OUT 1346 ALL OUT 1357 POTUS TO 450 DEBS

1445 POTUS IN OVAL 1521 NAT'L GEOGRAPHIC ET AL IN

1531 ALL OUT 1532 POLY WILLIAMS ET AL IN

1534 ALL OUT 1535 POTUS TO SOUTH GROUNDS

1546 POTUS IN OVAL / ADD CAVAZOS 1547 CAVAZOS OUT

1640 ADD CARD 1644 CARD OUT 1700 ADD UTERMAYER

1717 UTERMAYER OUT 1726 POTUS TO SOUTH GROUNDS

1737 POTUS IN RESID

Withdrawal/Redaction Sheet

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02. Log	White House Telephone Log [President Bush] [redaction of personal information] (2 pp.)	09/17/90	(b)(6)	

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WASHINGTON

SEPTEMBER 17th

1990

		TIME		NAME	ACTION
		PLACED	DISC		
XX	OUT	XX	AM	CONGRESSWOMAN LYNN M. MARTIN OFC: WASHINGTON, D.C. 225-5676	TLKD WITH MAJOR BRUCE E. CAUGHMAN (ED ROGERS WILL HANDLE per J.S. p.)
INC	OUT	6:14	PM		
INC	OUT		AM		
INC	OUT		PM		
XX	OUT	XX	AM	MR. GREGG C. PETERSMEYER OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 730	TLKD-OK
INC	OUT	6:26	PM	6:29	
INC	OUT		AM		
INC	OUT		PM		
XX	OUT	XX	AM	GOVERNOR JOHN H. SUNUNU WASHINGTON, D.C. 395-1801	TLKD-OK
INC	OUT	7:47	PM	7:50	
INC	OUT		AM		
INC	OUT		PM		
XX	OUT	XX	AM	MR. FREDERICK D. McCLURE WASHINGTON, D.C. 224-1612	TLKD-OK 7:50 P.M.
INC	OUT	7:47	PM	7:52	
INC	OUT		AM		
INC	OUT		PM		
INC	OUT		AM		
INC	OUT		PM		
INC	OUT		AM		
INC	OUT		PM		

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

SEPTEMBER 17th

, 19 90

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:08 AM	9:23	SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 422	TLKD-OK
~~XX~~ INC	~~XX~~ PM			
OUT	AM			
INC	PM			
OUT	9:23 AM		MR. KENNETH DUBERSTEIN OFC: WASHINGTON, D.C. 728-1100	TLKD-OK 12:21 P.M.
~~XX~~ INC	~~XX~~ PM	12:22		
OUT	AM			
INC	PM			
OUT	9:31 AM	9:43	SECRETARY RICHARD B. CHENEY OFC: WASHINGTON, D.C. 509-4601	TLKD-OK 9:42 A.M.
~~INC~~	~~XXX~~ PM			
OUT	AM			
INC	PM			
~~OUT~~	~~XXX~~ AM		MRS. DOROTHY (DORO) LeBLOND (b)(6)	TLKD-OK
INC	12:22 PM	12:23		
OUT	AM			
INC	PM			
OUT	~~XX~~ AM		MR. DAVID F. DEMAREST, JR. OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 697	TLKD-OK
~~INC~~	~~3:18~~ PM	~~3:19~~		
OUT	AM			
INC	PM			
~~OUT~~	~~XXX~~ AM		GOVERNOR JOHN H. SUNUNU CAMP SPRINGS, MD. 981-4082	TLKD-OK
INC	4:19 PM	4:23		

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

SEPTEMBER 17th

, 19 90

PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	XXXAM		MR. BARBARA BUSH RES: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 551	TLKD-OK
XXINC	4:26 PM	4:27		
OUT	AM			
INC	PM			
OUT	XXXAM		MR. CHARLES UNTERMEYER OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 689	MESSAGE PASSED 4:57
XXINC	4:55 PM			P.M.
OUT	AM			
INC	PM			
OUT	XXAM		MRS. BARBARA BUSH RES: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 530	TLKD-OK
XXXINC	5:17 PM	5:19		
OUT	AM			
INC	PM			
OUT	XXAM		MRS. PRESCOTT BUSH (b)(6)	TLKD-OK
XXINC	5:44 PM	5:47		
OUT	AM			
INC	PM			
XXOUT	XXAM		MRS. BARBARA BUSH RES: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 551	TLKD-OK
INC	5:51 PM	5:52		
OUT	AM			
INC	PM			
OUT	XXAM		MR. DEAN BURCH (b)(6)	TLKD-OK
XXINC	5:52 PM	5:57		

WASHINGTON

SIGNAL SWITCHBOARD

September 17 . 19⁹⁰

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 17 September 1990

TIME	MOVEMENTS
0707	South Grounds
0709	Oval Office
1004	Cabinet Room
1144	South Grounds
1146	Oval Office
1400	Room 450, Old Executive Office Building
1443	Oval Office
1727	South Grounds
1738	Residence
2045	South Grounds
2053	Residence



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, SEPTEMBER 17, 1990 -- 6 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

ON IRAQ TV, BUSH CITES RISK OF WAR -- President Bush warned the Iraqi people Sunday in a taped television broadcast that they are "on the brink of war" because of miscalculations by President Saddam that have pitted their country "against the world."

(New York Times, Washington Post, Washington Times, AP, UPI)

SUPERPOWERS SEEKING AN ANGOLA AGREEMENT -- In another sign of growing superpower cooperation, the U.S. and the Soviet Union have agreed to work jointly as mediators to revive Angola's stalled peace talks and end civil strife there, American and Soviet officials say.

(New York Times)

NATIONAL NEWS

DEFICIT DEAL IS POSSIBLE BY TONIGHT -- White House and congressional negotiators hope to strike an accord by Monday night to cut \$50 billion from the deficit.

(Los Angeles Times, USA Today, Washington Post, AP)

NETWORK NEWS (Sunday evening)

TAPE TO IRAQ -- President Bush's eight-minute taped message to the Iraqi people was not well received there.

BUDGET -- Congressional and White House negotiators have yet to come up with a compromise budget agreement.

SOVIET ECONOMY -- Thousands of Soviets marched on the Kremlin demanding that the government resign.

INTERNATIONAL NEWS....A-1

NATIONAL NEWS.....A-10

NETWORK NEWS.....B-1

SUNDAY TALK SHOWS.....C-1

INTERNATIONAL NEWS

ON IRAQ TV, BUSH CITES RISK OF WAR Saddam's Missteps Said To Pit Country 'Against The World'

President Bush warned the Iraqi people Sunday in a taped television broadcast that they are "on the brink of war" because of miscalculations by President Saddam that have pitted their country "against the world."

In an eight-minute speech that many Administration officials had believed would not be broadcast on Iraqi television, Bush said it was not too late for a peaceful resolution of the crisis triggered by Iraq's invasion of Kuwait last month, but he emphasized a growing determination to force Iraq from Kuwait.

"Perhaps your leaders do not appreciate the strength of the forces united against them," Bush said. "Let me say clearly, there is no way Iraq can win. Ultimately, Iraq must withdraw from Kuwait."

In a reply broadcast immediately afterwards, an Iraqi spokesman charged that Bush's statement was full of lies and insisted that the dispute was one between rich and poor, "between Zionism on the one hand and the deprived, persecuted people on the other."...

In his remarks, Bush emphasized to the Iraqi audience that "Kuwait was the victim; Iraq, the aggressor" in the Aug. 2 invasion and pointed out that 27 nations have sent forces to the Persian Gulf region in response to requests from Saudi Arabia and Kuwait rulers in exile....

How much of an audience Bush had was unclear. The Iraqi media gave no advance notice of the broadcast and it appeared at 7 p.m. on Channel One, which usually broadcasts local news at that time....

At a working class cafe in Baghdad's Bab al-Sharij district, Reuter reported, patrons sat in a semicircle around a TV set intently following an Egyptian love story that ended at 7 p.m. Some then watched the cartoon that followed.

(George Lardner and Ann Devroy, Washington Post, A1)

Bush Tells Iraqis Leaders Put Them On 'Brink Of War'

President Bush warned the Iraqi people Sunday that their leaders had now brought them to "the brink of war" with the West and the Arab world.

In a videotaped address broadcast on Iraq's national television, Mr. Bush added a new dimension to a conflict that already has been played out to a great extent on television. The President's eight-minute speech was uncut, and his words, as read in Arabic over his own voice by a VOA interpreter, apparently reflected the severity of his message in English.

Mr. Bush avoided making personal attacks on President Saddam in the message.... But his words, his first direct message to the Iraqi people, were full of warnings about American resolve. Nor did Mr. Bush appear to pull any punches as he told the Iraqis that Mr. Hussein had lied about the Iraqi invasion of Kuwait.

(Andrew Rosenthal, New York Times, A1)

-more-

Bush Argues Case To Iraqi People

In a blend of compassion and menacing resolve, President Bush emphasized to the Iraqi people the high price they will pay, in terms of political isolation and economic deprivation, for the occupation of Kuwait.

The government of President Saddam kept its word by airing a videotaped message Sunday in which Bush portrayed Iraq as aligned against the world and its people as unwitting victims of the Aug. 2 invasion of its oil-rich neighbor.

It was the latest shot in a war of nerves manifested in televised images, a personalized message that not only sought to plant seeds of dissent in the minds of the Iraqi people but to send a sharp warning to Saddam.

Weighing a wide range of military options, Bush vowed that Saddam's use of Western hostages as human shields against possible U.S. attack "will not affect my ability to make tough decisions."

While U.S. officials had no idea how widely it was seen, the audience limited by the availability of televisions in Iraq, they were satisfied that even if it does not cause the Iraqi people to rise up against him, the broadcast stepped up the pressure on Saddam.

It was followed by a lengthy Iraqi rebuttal that denounced Bush's "claims and lies" and "scandalous contradictions."...

Bush twice referred to the prospect of war in describing the storm clouds over the Persian Gulf, where the U.S. and more than two dozen other countries have joined to militarily contain and possibly repel Saddam.

"Perhaps your leaders do not appreciate the strength of the forces united against them," Bush said. "Let me say clearly: There is no way Iraq can win. Ultimately, Iraq must withdraw from Kuwait."...

There was no evidence the speech had any effect on Saddam. And although Bush has said he would not mind seeing Saddam ousted by his own people, the relative absence of an organized and effective political opposition in Iraq makes that unlikely, with or without the kind of public encouragement implied by Bush in his eight minutes of air time on Iraqi TV. (Norman Sandler, UPI)

-more-

Bush Says Decision On War In Saddam's Hands

President Bush, making his case directly to the Iraqi people, says the only way for Iraq to avoid a war it cannot win is to end its occupation of Kuwait.

"That decision is in the hands of Saddam Hussein," Bush said in a taped address broadcast over Iraqi television Sunday.

Bush Monday was meeting with his Cabinet to discuss the Persian Gulf crisis and hear firsthand from Secretary Baker about the \$14 billion pledged by America's allies for the gulf effort....

Iraqi television broadcast the tape unedited Sunday evening in Baghdad, including the Arabic voice-over translation and captions provided by the State Department.

Saddam answered Bush's words with ridicule, disdain and defiance. Speaking through a spokesman, the Iraqi leader said Bush's address was "full of lies and contradictions."

National Security Adviser Scowcroft said Sunday [on "Face the Nation"] that the \$14 billion in pledges that Baker collected from Saudi Arabia, West Germany, the UAE and other allies were "a very heartwarming example of united action against aggression."...

Bush, in his message, emphasized that Iraq "stands isolated and alone" against worldwide condemnation.

"Saddam Hussein tells you that this crisis is a struggle between Iraq and America. In fact, it is Iraq against the world," said Bush, standing in the Oval Office before his desk and an American flag.

"Iraq finds itself on the brink of war," Bush warned....

Former President Carter, appearing on CNN's "Newsmaker Sunday" program, said Iraq should be pushed out of Kuwait militarily if the sanctions do not succeed.

(Christopher Connell, AP)

Bush, Saddam Swap Warnings

President Bush and President Saddam squared off and threatened each other with war in a dramatic video showdown Sunday.

"No one wants war, not the American people nor the American president," Mr. Bush said in a message broadcast on Iraqi national television with Arabic subtitles. "We want to implement all the possible means for a peaceful solution, but when a military option is imposed on us, we will have to take it."

As the American President spoke, thousands of demonstrators poured into the streets of Iraqi cities to join government-organized protests denouncing the U.S. The demonstrations did not spill over into anti-Western violence and were generally over by dark....

As Mr. Bush appeared to prepare the American people and world opinion for military action against Iraq, Mr. Hussein refused to back down. He proclaimed himself the champion of the Islamic and Arab worlds and the defender of the oppressed against the powerful nations led by the U.S.

Mr. Bush, in his broadcast, said, "Iraq stands isolated and alone. Saddam Hussein tells you that this crisis is a struggle between Iraq and America. In fact, it is Iraq against the world."

Mr. Hussein replied with a scathing response, read -- as usual during the crisis -- by his spokesman, Miqdad Muradi. Mr. Bush's message to Iraq lasted eight minutes. The response was three times longer, but it was not read in Mr. Hussein's name, as some past messages have been.

(Martin Sieff, Washington Times, A1)

-more-

BUSH SENDING MIXED SIGNALS ON U.S. FORCES IN GULF

After ordering U.S. forces into Saudi Arabia, President Bush assured Congress that he did not believe hostilities were imminent -- although he is warning Saddam not to count on it.

That mixed message keeps U.S. military options open without triggering a law under which Bush would have to get congressional approval to keep forces in the Persian Gulf for more than 90 days.

There's no doubt that Congress would agree. But the Administration doesn't want to get tangled in the war powers resolution, a Vietnam-era legacy opposed by every president since it was enacted over a veto. And congressional Democrats don't seem anxious to force a vote that would tie them inextricably to Bush policy, although they have so far applauded it....

Bush clearly has overwhelming congressional support for his policy, and broader, national backing evidenced by the public opinion polls. He said he wants to cooperate with Congress, while citing his own constitutional powers as the basis for the Persian Gulf operation....

"I favor a very significant revision...to eliminate the automatic withdrawal provisions and to rely more heavily on Congress' power of the purse to reflect the congressional will," Sen. Nunn told Secretary Cheney at an Armed Services Committee hearing on the Persian Gulf operation.

At the same hearing,, Sen. Cohen said Bush would do well to ask Congress for a vote in support of his policy, even though he seems to have all the backing he needs now.

"Once there's blood on the sand, popular opinion might shift, may very well shift, and Congress would then be in hot pursuit of public opinion that's flowing in the opposite direction," Cohen said.

(Walter Mears, news analysis, AP)

AIR EMBARGO AGAINST IRAQ MAY BE NEXT

Iraq Monday faces a possible air embargo after the U.N. Security Council Sunday condemned Baghdad for storming several embassies and detaining some diplomats in Kuwait.

The 15-member council unanimously warned President Saddam to respect diplomats' safety.

"By singling out diplomatic missions for attack, Iraq confirms its preference for instruments of force," said Thomas Pickering, U.S. ambassador to the U.N.

But Iraq "categorically" denied charges that troops took foreigners from embassies....

Large anti-U.S. demonstrations in Iraq coincided with the broadcast of an eight-minute message from President Bush.

(Sharen Shaw Johnson, USA Today, 1A)

-more-

BAHRAIN WARNS SADDAM, ENDING SILENCE ON BUILDUP

MANAMA, Bahrain -- Ending weeks of public silence on the Persian Gulf crisis, the prime minister of this sheikdom that is hosting the U.S. Navy's regional command center lashed out at President Saddam Sunday, warning that there "is enough power here to eliminate the aggressor" and those supporting him.

Khalifa Bin Salman Khalifa, head of Bahrain's civil government and brother of the emir, said in an interview that he was hopeful Iraq's withdrawal could be achieved by peaceful means. But if that failed, he said, "we must leave open the possibility of military action." "I think the liberation of Kuwait is a must," Khalifa said. "We definitely are not going to just sit and ask Saddam to leave.... As you know, the mass of troops here is not a joke."...

While Khalifa and other government officials stopped short of endorsing a formal, long-term security alliance with the U.S., they said the present crisis would yield an improved economic and political relationship between the West and oil-rich gulf states - including cooperation in keeping oil prices low and investment of oil profits in the U.S. (Steve Coll, Washington Post, A20)

IRAQ BUTCHERS ARMY DISSIDENTS

BAGHDAD -- Some 300 Iraqi army officers have been executed on the orders of President Saddam for opposing his invasion of Kuwait, according to reports from Soviet military advisers in Iraq and East European technicians fleeing the country.

Eyewitness accounts, gathered from both interviews and reports that have filtered through to Eastern European embassies here, describe an increasingly desperate situation, particularly in areas outside the capital of Baghdad. Corpses of suspected black marketers dangle from gallows in towns and villages to which no Westerner has access. In some areas of the country, food shortages are becoming dramatic as the international blockade tightens around Iraq, sapping its resources and straining the social fabric.

Diplomats in Baghdad say that despite tight police control and growing terror, there are signs of a "whispering campaign" against Mr. Hussein and his crusade against the West. The movement is not organized, the diplomats stress, and its future is murky.

(Andrew Borowiec, Washington Times, A1)

**IRAQ OPENS KUWAIT-SAUDI BORDER; REFUGEES
DESCRIBE CHAOS IN SEIZED EMIRATE**

KHAFJI, Saudi Arabia -- Hundreds of Kuwaiti refugees flooded into Saudi Arabia Sunday with tales of terror and anarchy as word spread through the occupied emirate that Iraq had opened the border for the first time in a month.

At least 1,500 refugees were expected to cross over Sunday, following about 1,000 who fled Saturday, border officials said. Many provided grim reports of dwindling food supplies and description of Iraqi troops blowing up homes of suspected resistance fighters....

The Iraqis made no announcement of the border opening, and the refugees could only speculate on why they had allowed it. Some said they believed Iraqi troops wanted access to the home of departing Kuwaitis; some said it was part of President Saddam's long-term plan to repopulate Kuwait with Iraqis.

-more-

(Neil McFarquhar, Washington Post, A20)

CHIEF OF STAFF SAYS ISRAEL WORRIED ABOUT U.S.-SAUDI ARMS DEAL

JERUSALEM -- Israel's chief of staff expressed concern Sunday that the Bush Administration's proposed multibillion-dollar weapons sales to Saudi Arabia could destabilize the military balance in the Middle East.

Chief of Staff Lt. Gen. Dan Shomron also said Israel was worried about events in neighboring Jordan, especially the recent visit of radical Palestinian guerrilla leaders George Habash and Nayef Hawatmeh....

Speaking on Israel radio, Shomron said the arms deal [with Saudi Arabia] would give the Saudis "a large quantity of weapons, which are also of the highest quality."

"From our point of view, giving such weapons...to countries that are still formally at war with us is certainly not a recipe for stability," Shomron said.

"I hope this situation will be balanced in order to guarantee in the future our technological superiority and deterrent capability," he said. (AP)

DESPITE DEEP GRIEVANCES, SAUDI SHIITES DON'T HEED IRAN

AL-QATIF, Saudi Arabia -- Shiite Moslems in Saudi Arabia, long considered a potential fifth column, say they ignore calls from fundamental leaders of their sect in Iran to fight the Americans in the Middle East.

But many in the estimated 1 million-strong Shiite community complain that discrimination by the Saudi government has left them with a wrenching sense of their minority status.... Shiites interviewed at random over two weeks said they can't find jobs, no matter how educated they are. They also say their freedom to practice their religious rituals is sharply curtailed and they live under a cloud of suspicion as Iranian sympathizers....

But like all Saudis, most Shiites say they threat from Iraq's Saddam justifies deploying U.S. troops in the region.

"The true believer, whether Shiite or Sunni, is against an American presence," conceded a Shiite gold seller. "But they'd rather have the United States here for a while than Saddam."

One of their main concerns is that the Americans might start fighting Iran and bring a resumption of the large-scale arrests carried out by Saudi Arabia during the 1980-88 Iran-Iraq war.

(Neil McFarquhar, AP)

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WIDE MOBILIZATION AGAINST SADDAM ENCOURAGES IRAQI DISSIDENTS

DAMASCUS -- The broad mobilization of Arab and Western governments against President Saddam has inspired new hope among the myriad groups of Iraqi dissidents and rebels headquartered here and in Tehran.

The anti-Saddam militants, organized in a dozen groups under Kurdish, Islamic and Arab nationalist banners, have scheduled a special leadership conference here this week to forge a common front able to speak for all the often quarrelsome groups in a search for financial and political backing in a new atmosphere created by Iraq's Aug. 2 invasion of Kuwait.

Jalal Talabani, head of the Patriotic Union of Kurdistan, said the eagerness in Arab and Western capitals to overthrow Saddam has increased chances of support not only for Kurdish guerrillas but also for other anti-government rebels in Iraq. But this support can be organized only if the various groups put aside their differences and form a clear-cut Iraqi opposition front that speaks with a single voice, he explained.

(Edward Cody, Washington Post, A19)

ARABS WITH TERRORIST TIES LAY CLAIM TO OIL FIELDS

AMMAN -- Radical and Marxist Arab groups tied to Middle East terrorist guerrillas have laid claims to ownership of all oil fields held by oil-rich sheikdoms in the name of all Arabs.

George Habash, leader of the Popular Front for the Liberation of Palestine, made the wider claims for impoverished have-not Arab states by contending "that Arab oil is for the Arabs, and not for the sheiks and sultans." His comments came in remarks to more than 3,000 radicals meeting at Amman's palace of Culture, which opened over the weekend....

The radicals now...claim that the huge oil reserves underneath the Arabian Peninsula belong to them and not the countries pumping the oil currently governed by sheiks.

(Lance Gay, Washington Times, A8)

JAPAN WILL SEND TEAM TO THE GULF

TOKYO -- Stung by international criticism of its slow response to the Middle East crisis, Japan will establish an unarmed force to provide technical aid to U.N.-led efforts in the Persian Gulf region....

Government sources said a proposed new law, tentatively called the U.N. Peace Cooperation Law, would enable Japan to send personnel overseas to help settle a regional conflict.

According to an outline of the law, the government will form an unarmed U.N. Peace Cooperation Team to participate in U.N.-led activities maintaining peace and restoring order. The team will take part in such activities as transportation, communications, medical service, surveillance and construction.

(Edward Neilan, Washington Times, A8)

GAS PUMP PRICES JUMP IN JAPAN

TOKYO -- The Persian Gulf crisis finally caught up with the Japanese consumer Monday as major oil distributors announced they were raising their prices an average of 24 cents a gallon.

Japanese drivers will now have to pay a steep average \$3.60 per gallon of gas at the pump, according to local media estimates.

Industry representatives said the price hikes were inevitable in the face of the rising price of crude.

Until Monday, the government had kept a lid on prices, but it apparently concluded that the more than 40 percent rise in the cost of crude oil since Iraq invaded Kuwait Aug. 2 justified some rise in the retail price. (UPI)

SUPERPOWERS SEEKING AN ANGOLA AGREEMENT

In another sign of growing superpower cooperation, the U.S. and the Soviet Union have agreed to work jointly as mediators to revive Angola's stalled peace talks and end civil strife there, American and Soviet officials say....

Secretary Baker and Soviet Foreign Minister Shevardnadze discussed Angola at length last month in Siberia and agreed to work together to encourage their allies to work out their differences....

Several factors are leading the superpowers to act now, including pressure on Moscow and Washington to wind down their expensive commitments to a conflict that both governments view as peripheral to their interests. Fears are growing inside and outside Angola that if a cease-fire is not reached sometime in the next several months, a spreading famine could kill many thousands of people next year.

Moreover, the Persian Gulf crisis has underscored Angola's potential importance as an oil producer.

(Clifford Krauss, New York Times, A3)

**SOVIET PROTESTERS URGE PRIME MINISTER'S OUSTER
Thousands Seek Shift To Free-Market System**

MOSCOW -- Tens of thousands of protesters marched to the Kremlin Sunday to demand the resignation of Prime Minister Ryzhkov and immediate adoption of a plan to shift the Soviet Union to a free-market economic system.

The demonstration in central Moscow added to political pressure on Ryzhkov to step down in favor of a government of national unity that would include some non-communists. It came on the eve of a crucial session of the Supreme Soviet that is to choose between rival programs for rescuing the Soviet Union from its growing economic crisis. (Michael Dobbs, Washington Post, A1)

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SOVIET GROUP TO MEET IMF, WORLD BANK
Special Status Excludes Entry To Policy Sessions

Soviet officials have accepted an invitation to attend the annual joint meeting later this month of the IMF and the World Bank, extended by IMF Managing Director Michel Camdessus and World Bank President Barber Conable.

The 12 to 15 Soviet officials will be designated "special invitees" and will be assigned a World Bank-IMF office similar to that provided for member countries. The special status, created for the Soviet Union, will allow its representatives to attend all plenary sessions, but not the policy-making IMF Interim Committee and join IMF-World Bank Development Committee.

Bush Administration officials said the initiative had come from the Soviet Union and had been approved without objection by the World Bank and IMF. Officials of the Bush Administration, World Bank and IMF all stressed that the courtesy extended to the Soviet Union...is symbolic and, not a prelude to formal membership this year.

(Hobart Rowen, Washington Post, A17)

DEFENSE SECRETARY SAYS PHILIPPINES NEED U.S. BASES

MANILA -- Calling opponents of U.S. bases in the Philippines "small groups of noisy people," Defense Secretary Fidel Ramos said Monday the country needed the installations, but he defended a gradual phaseout until the end of the century as beneficial to both sides.

Ramos discussed the issue in an exclusive interview as the second round of U.S.-Philippine talks was scheduled to start Tuesday, to discuss renewal of a 1947 agreement scheduled to lapse Sept. 16, 1991.

U.S. government sources have reportedly said the U.S. was willing to agree to a phaseout of the bases over a five- to 10-year term.

(Arnold Zeitlin, UPI)

AIR POLLUTANT MAY COUNTER GLOBAL HEATING
Early Findings Pose Ecological Dilemma

Scientists have gathered preliminary evidence that sulfur dioxide, an air pollutant produced by burning some fossil fuels and a major contributor to acid rain, also may be cooling the planet and counteracting global warming.

The perverse possibility that one pollutant may tend to cool the Earth while others tend to warm the planet is likely to present policy-makers with a profound dilemma over what to do about the apparently linked problems of global warming and acid rain.

Among researchers, there is growing awareness that man-made aerosols such as sulfur dioxide may play a significant and perhaps crucial role in climate change.

The findings have emerged in a spate of recent papers and technical presentations. Scientists who study climatic change have begun to suspect that while "greenhouse" gases trap heat and warm the planet, other pollutants may be counterbalancing the greenhouse effect.

(William Booth, Washington Post, A1)

NATIONAL NEWS

DEFICIT DEAL IS POSSIBLE BY TONIGHT

White House and congressional negotiators hope to strike an accord by Monday night to cut \$50 billion from the deficit.

The key to a deal: combining President Bush's proposed capital gains tax cut with a Democratic tax hike on the wealthy -- or scrapping them both.

Speaker Foley said Sunday Democrats "could conceivably agree" to reduce capital gains taxes if high-income taxpayers who would reap most of the benefits also share the burden.

Sen. Dole agreed. "I think there has to be a balance," he said on NBC's "Meet the Press."

With negotiations resuming Sunday, both Foley and Dole said a long-sought agreement could come by Monday night....

If Bush gives up on capital gains to avoid an income tax hike on the wealthy, negotiators could fall as much as \$10 billion short of their \$50 billion deficit-cutting goal in 1991.

(Richard Wolf, USA Today, 4A)

Capital Gains Compromise May Be Near

Last May, when President Bush first called for budget talks between the White House and Congress to reduce the mushrooming federal deficit, the central dispute between Republicans and Democrats was not really over tax increases but whether to cut capital gains taxes on investments. Four months later, after endless debate back and forth, it still is.

But as the budget negotiators entered their ninth day in seclusion at Andrews AFB, there were finally some hints of a possible compromise.

Speaker Foley made it clear Democrats would accept a cut in capital gains...if Republicans go along with higher taxes on the rich to make the overall tax system more progressive.

"Capital gains is a proposal that the President strongly supported," Foley said in an interview Sunday on NBC's "Meet the Press." "We could conceivably agree to (a reduction in the tax) if there was a balancing burden-sharing by high-income, wealthy taxpayers who are going to get the bulk of the benefit of the capital gains reduction."

And Republicans, whose initial tax proposals would have provided a windfall to every taxpayer making more than \$50,000 while boosting taxes for those with incomes below that level, now concede they must ensure that lower- and middle-income groups come out at least no worse off than the rich.

"We have to have a balance. We have to have progressivity," said Sen. Dole. "And I think we're going to have it."

Dole hinted the White House is seriously considering a proposal to accept stiffer taxes on the wealthy -- perhaps through higher income tax rates or a surtax on the richest taxpayers -- in return for a lower capital gains rate, which Republicans believe would stimulate the sagging U.S. economy.

(Tom Redburn and William Eaton, Los Angeles Times)

Capital Gains Rate: Again A Divisive Issue

The White House and Congress are once again at loggerheads over the issue that has divided them since President Bush took office.

The issue is whether to cut the capital gains tax rate. Although it is one of the smallest components of the tax structure, it has produced some of the most heated exchanges in budget negotiations, according to officials familiar with the proceedings.... When other factors are held constant to show the true impact of tax changes in the 1980s, the effective overall federal tax rate for the richest one percent of Americans dropped from 31.6 percent to 27.2 percent. Meanwhile, the effective overall federal tax rate for Americans in the middle fifth of the income scale rose from 17.5 percent to 20.3 percent.

"Economists don't have a lot to say about how progressive the tax code should be," said Emil Sunley, an economist for Deloitte Touche, a major accounting firm. "In the nation as a whole there is strong consensus in favor of a progressive tax system, but not on how progressive it should be."...

Bush Friday brushed aside questions of whether he would give up the capital gains tax cut. "Everybody in the summit knows of my commitment to it," he said. "It is something that is fundamentally important to continued growth in the economy."

(Steven Mufson and John Yang, Washington Post, A4)

Budget Bargainers Hung Up Over Capital Gains Tax, Spending Cuts

New gaps are opening between congressional and Administration bargainers at their budget negotiations as Democrats back away from about \$35 billion in proposed cuts to benefits programs such as Medicare.

The two sides planned a tenth day of meetings Monday at Andrews AFB after a Sunday evening session ended on a fractious note. "Some of our members are wondering if they want an agreement," said a Republican official familiar with the talks. "It doesn't look good right now."

For the last several days, Democrats have expressed a willingness to pare benefit programs by \$125 billion from the amount needed over the next five years to keep pace with inflation. Differences over spending cuts have been considered one of the bargainers' minor squabbles.

But Sunday, Democrats told GOP bargainers that they could accept a lesser cut of about \$90 billion in Medicare, agriculture and other benefit programs, said two officials who demanded anonymity. Among the proposed reductions they rejected was a Republican plan to save \$27 billion over the next five years by boosting the monthly premium Medicare participants pay for doctors' coverage. Under the GOP proposal, people with higher incomes would pay more than the current \$28.60 monthly fee....

The two sides tried working out a deal on taxes Sunday but got nowhere. Administration Budget Director Darman proposed several alternatives he said Republicans would accept in exchange for dropping the capital gains rate, said one official. Among them was a plan eliminating certain deductions for people with adjusted gross annual incomes of above \$200,000.

(Alan Fram, AP)

**DOLE REBUKES GINGRICH FOR HURLING
A STRING OF ADJECTIVES AT DEMOCRATS**

Sen. Dole Sunday criticized Rep. Gingrich for accusing Democrats involved in budget talks of being "sick, pathetic, liberal, incompetent, tax-spending traitors."

The harsh rhetoric appeared recently in a Republican memo released with Mr. Gingrich's approval. In another release under his name, Mr. Gingrich said Sen. Mitchell is trying to provoke a recession that would create more poor Americans, a traditional Democratic constituency.

"Well, I think it's unnecessary," Mr. Dole said on NBC's "Meet the Press." "I think you have to limit personal attacks and personal insults. But I don't know, a new generation is coming along all the time and maybe after they've been here awhile, they'll change their views."

Speaker Foley, appearing on the same program, described Mr. Gingrich's comments as "very discordant, unhelpful, negative in the (budget) process." He said such rhetoric should be "denounced."

According to Republican sources close to the budget talks, Mr. Dole's comments -- which could be viewed as something of a scolding -- illustrate the deepening philosophical division between moderates and conservatives over tax policy.

(Major Garrett, Washington Times, A1)

**U.S. FINDS LITTLE POWER TO DRIVE ECONOMY
Oil Prices Hold Key To Putting Nation On Road To Stronger Growth**

One by one, the engines of the American economy have been losing the power to push the country ahead.

Now, with the economy virtually dead in the water, most economists and analysts believe that, for the moment, there is little government policy-makers or anyone else can do to get it moving again....

"It is a very difficult environment," said Lewis Coleman, vice chairman of BankAmerica Corp. "For planning purposes, we assume it shortly will be a recession environment. There is some debate, but we and most businessmen have to assume that."...

A successful conclusion to negotiations between President Bush and Congress aimed at cutting the federal budget deficit by \$50 billion in fiscal 1991 and by \$500 billion over the next five years likely would bring down long-term rates only slights, analysts such as Sam Kahan of Fuji Securities in Chicago predicted....

In the end, the key to the economic outlook remains oil prices.... If oil prices again were to fall, slow growth probably would resume, said Charles Schultze of the Brookings Institution. Otherwise, "The odds are 70-30 that we will have a recession," he said.

(John Berry, Washington Post, A1)

DEMOCRATS SEE GULF CRISIS STEALING SPOTLIGHT IN 1990 ELECTIONS

Jim Ruvolo feels the frustration of Democrats who thought the party had the best chance of the issues going into the 1990 campaign. And then Saddam Hussein decided to overrun Kuwait.

"There's this big screen between the voters and information and that screen is Iraq," said Ruvolo, chairman of the Ohio Democratic Party.

For two days, Democrats met in Washington this weekend and tried to define a campaign that so far has been overshadowed by public interest in the Persian Gulf.

Like their Republican counterparts, the Democrats profess to lack a clear signal of what impact the Middle East crisis will have on individual contests this fall.

The odds are that very few of the races will be decided by what voters are thinking about Iraq. But the Persian Gulf is making it far more difficult for candidates to get the attention of voters.

The S&L industry scandal was an issue the Democrats thought would work for them in 1990.

"People are angry," said Ruvolo. "And they blame Republicans more than Democrats" for a crisis that leaves them uneasy about their personal savings and that appears certain to boost the federal deficit.

"But now that's faded into the background."

Ron Brown, national party chairman, tried to set a campaign tone for his party with a speech that expressed unwavering support for the U.S. commitment in the Persian Gulf while sharply criticizing Republican domestic policies.

Brown referred to a "Republican recession" and said Bush wanted to push through another tax cut for the wealthiest Americans. He castigated the President for failing to develop an energy policy that would make the nation less dependent on Middle East oil and said the S&L crisis was the result of "see-nothing Republican justice."

But Brown steered clear of other domestic issues he apparently felt would not work to the advantage of his party's candidates....

"I think he (Bush) has six or eight months of goodwill on this [Persian Gulf] thing," said Ruvolo. Beyond that, he said, the President might face growing questions as to why U.S. troops were remaining in the Saudi desert. (Donald Rothberg, AP)

PENAL COLONIES FOR DRUG CRIMINALS?**Panel Suggests Putting Convicts To Work On Remote Pacific Islands**

Return to Alcatraz? How about Devil's Island?

That may be precisely what the House Armed Services Committee has in mind. But tucked away in the panel's report on this year's defense authorization bill is an unusual, if not altogether novel, idea for dealing with the prison overcrowding problem: Ship drug criminals off to "extremely remote Pacific Islands."

The two islands that the committee has in mind are well known to Americans with a sense of history -- Midway and Wake Islands....

Given the "shortage of available space for convicted drug offenders," the congressional committee proposes turning the islands into drug prisons where inmates could be put to work.

(Michael Isikoff, Washington Post, A13)

**SOUTER NOT CONSISTENTLY CONSERVATIVE
Appears To Walk A Middle-Road Line**

David Souter is a "stealth nominee" no more.

In a broad-ranging dialogue Thursday and Friday with the Senate Judiciary Committee -- more comes Monday -- Supreme Court nominee Souter has said more about his legal views than even his supporters expected.

Souter repeatedly refused to be drawn into a discussion of his views on abortion, but on nearly every other issue, Souter offered revealing answers that don't necessarily place him deep in the court's conservative camp.

In several areas, Souter clearly distanced himself from approaches taken by the intellectual leader of the court's conservative wing, Justice Scalia.

When Souter went out of his way to heap praise on William Brennan, the liberal leader he hopes to replace, some conservative boosters of Souter were disturbed.

"He talks about refinements, not revolution," says former Reagan Justice Department aide Bruce Fein. "His mind works from the status quo."

From answers so far, Souter is no closet liberal, said Fein, but showed a middle-of-the-road approach not unlike that of Sandra Day O'Connor, who sometimes frustrates conservatives.

(Tony Mauro, USA Today, 8A)

NATIONAL SERVICE BILLS STRAY FROM SPONSORS' IDEA

The House and Senate have passed multimillion-dollar bills establishing a civilian "national service" corps for young people. But originators of the idea say the differing bills bear little resemblance to what they had in mind.

"The committee picked up the ball but forgot to run," Rep. McCurdy, one of the sponsors of national service, said after the House passed its bill last Thursday. "This bill is not national service."

Nonetheless, the \$193 million bill the House approved on a voice vote after long debate bears the title National Service Act. It now goes to a conference committee to work out differences with the Senate, which passed a \$125 million bill that, although less costly, is more ambitious.

McCurdy and other original sponsors hope the final version will include a provision in the Senate's bill, a \$35 million demonstration program that will test their idea for linking national youth service with financial aid incentives.

(William Welch, AP)

AS DEADLINE NEARS, U.S. LAGS ON RULES FOR NURSING CARE

Three years after Congress passed a landmark law to protect patients' rights and improve the quality of care in nursing homes, the federal government has not issued regulations needed to carry out the law.

The Department of HHS says it will begin enforcing the law, as required, on Oct. 1. But without detailed standards that should have been available months ago to enable nursing homes to prepare for the changes, the homes have not trained or hired the additional employees they will need to comply with the law. Even though the law requires higher payments from government health insurance programs to cover the extra costs of compliance, many states have not increased those payments. (Robert Pear, New York Times, A1)

EDITOR'S NOTES: A text of President Bush's address to the people of Iraq appears in the Washington Post, A22.

"Bush's Desire To Peacefully Restrain Iraq's Weapons Program May Be Elusive," a Washington Insight by Robert Greenberger, appears in the Wall Street Journal, A10.

"Iraqi Threat Boosts Interest In SDI Spinoff," by AP, appears in the Washington Times, A4.

"How Saddam Built His War Machine," by Glenn Frankel, appears in the Washington Post, A1.

"Promoting Defense-Fraud Recoveries At Justice," by Bill McAllister, appears in the Washington Post, A13.

"WASHINGTON TALK -- Shuffling Of Cabinet May Be At Hand," by Martin Tolchin, appears in the New York Times, A16.

"The 'Not Bork' Test -- Senators Know What Judge Souter Isn't, But A Question Remains: Is That Enough?," a news analysis by Linda Greenhouse, appears in the New York Times, A18.

"Government Wants To Change S&L Sales That Gave \$4.2 Billion In Tax Benefits," by Paulette Thomas, appears in the Wall Street Journal, A5.

"Something About George Bush Just Sends Fish Reeling -- Lure Maker Finds That Fish Like Schools But Loathe The Education President," by James Sterba, appears in the Wall Street Journal, A1.

"Conferees Agree To Tighten Curbs On Industrial Smog," by Rose Gutfeld, appears in the Wall Street Journal, A16.

"In Budget Talks, Gingrich Plays Outsiders' Game While Gramm Is Fast Becoming A Team Player," by David Wessel and Jackie Calmes, appears in the Wall Streer Journal, A16.

"Gingrich's Conservative Rhetoric Often Conflicts With Role As Representative," by Jeffrey Birnbaum, appears in the Wall Street Journal, A16.

NETWORK NEWS

(Sunday evening, Sept. 16)

[Editor's note: CBS News was pre-empted.]

IRAQ

ABC's Forrest Sawyer: America's Commander in Chief appeared on Iraqi television Sunday night. President Bush delivered an eight-minute taped, unedited speech to the Iraqi people and emphasized again Iraq's use of hostages will not affect his ability to make tough decisions.

ABC's John Donovan reports from Baghdad that President Bush's speech was not well received there. At a Baghdad tea-house, the place came to a halt when Bush appeared and no one spoke as he told them that Saddam Hussein has misled them, that he has brought Iraqis once again to the brink of war -- a war he said that Iraq cannot win. He quoted back to them Saddam's own words from a 1988 speech: An Arab country does not have the right to occupy another Arab country. When Bush finished, these viewers called him a liar.

(Donvan: "Did President Bush change your mind tonight?"

Iraqi citizen: "This whole thing is our business.")

(Iraqi citizen: "I left the room as soon as I heard he was coming on. I know who Bush is already.")

(Donvan: "Do you believe that Bush wants peace?"

Iraqi citizen: "I don't think so. I don't think Mr. Bush wants peace.")

The TV announcer who followed Bush spoke for half an hour, calling the President a liar who wants to be dictator of the world. After that, another speaker ran with the same theme, a theme that also spilled onto the streets. Sunday night's demonstrations, among the largest and most widespread since the crisis began, were timed to begin the minute that George Bush went off the air.

ABC's Greg Dobbs reports from the Saudi-Kuwaiti border that thousands of Kuwaitis were allowed to cross into Saudi Arabia. The people say they are fleeing from the Iraqi army. The new refugees told reporters they've seen much suffering. A woman called the Iraqi soldiers animals and a man saw a Kuwaiti executed after he refused to put Saddam Hussein's photo in his window. The refugees expect the Emir of Kuwait to provide them all with a house and the means to live until they can return to their country. Many are counting on the U.S. to get their nation back.

Sawyer reports at a pro-Iraq conference in Jordan Sunday, delegates from eight Arab states applauded calls for an oil embargo against the West. Radical Palestinian leader George Abbas issued a veiled threat, saying an invasion of Iraq would lead to "everything." The U.N. Security Council Sunday condemned Iraq for sending troops into foreign embassies and detaining diplomats in occupied Kuwait.

ABC's David Ensor reports on the U.N.'s unanimous vote. Diplomats say in the next few days they will consider banning air shipments and adding sanctions against any nation that flouts the trade embargo against Iraq.

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Ensor continues: As a next step, France is proposing that the U.N. order all governments to refuse overflight permission to Iraqi planes or any planes bound for Iraq and to refuse to refuel them. While diplomatic pressure is growing, so is military. The U.S. Air Force chief of staff told reporters that if it came to war, U.S. plans include massive aerial bombing, some of it targeted against Saddam Hussein, his family and even his mistress. The President's national security advisor Sunday stressed that the general was not authorized to speak for the Bush administration, but he conceded the U.S. has plans ready in case of war.

(Gen. Scowcroft: "What I'm saying is that the contingency plans are broad and deal with anything that might happen.")

U.S. officials predict that the break-ins by Iraqi troops into the French and other ambassador's residences in Kuwait were a blunder that will end up costing Saddam dearly.

ABC's Morton Dean reports on the Iraqi government's control over the media in that country. The six daily newspapers -- four Arabic, one Kurdish, one English -- all slant the news in Saddam's direction. His photo is on the front page of every newspaper every day. He uses the press to attack his enemies and to glorify his own deeds; no dissent is allowed.

(Iraqi citizen: "I'm reading a story about how all of the Arab and Islamic nations are backing Iraq and opposing the American military intervention.")

The editor of the English-language daily is a government official.

(Naji Al-Hadithi, Director, Foreign Information: "We look for the news which supports the general line in Iraq.")

The economic embargo is having an impact on the news. Newspapers are cutting back -- fewer pages to conserve paper. They no longer carry advertisements to discourage the buying of scarce goods. The West counters with the Voice of America and the BBC. Iraq jams the signals, leaving most Iraqis with Saddam's vision of the news.

(ABC-Lead)

NBC's Garrick Utley: If you were living in Iraq and watching television this evening, you would have seen something highly unusual: the President of the United States speaking to you. The Bush statement was pre-recorded in Washington and sent to Baghdad where the state-controlled television broadcast it. It lasted about nine minutes and when it was over a government commentator attacked the message and the messenger.

NBC's Tom Aspell reports from Baghdad on Iraqi reaction to the airing of President Bush's statement. President Bush's words fell on deaf ears. These people here weren't even allowed to watch it on TV -- at least not in public. Immediate comments from some Iraqis on the streets of Baghdad was predictable.

(Iraqi citizen: "I'm sure everything Mr. Bush when he speaks, he lies.")

(Iraqi citizen: "He's a big liar. He thinks that we believe him but we refuse what he is saying.")

(Iraqi citizen: "We are always in Saddam's care. Whatever he says we obey him.")

Demonstrations had begun before George Bush finished speaking. They were anti-American, pro-Hussein. Any other reaction would have been out of the question. The country is fully behind everything Saddam says, does or wants to do.

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Utley: The White House has had no reaction to Iraqi criticism in reaction to the President's speech. The President returned to the White House Sunday afternoon from Camp David.

(TV coverage: President and First Lady stepping off Marine One.) Bush felt that it was a good idea to be able to speak directly to the Iraqi people, but as far as we know there are no further plans for such speeches....

Air Force Chief of Staff Dugan, in an interview in Sunday's Washington Post, warned of a massive bombing campaign against Iraq -- including specific air strikes against Saddam Hussein and his family to "decapitate the Iraqi leadership." But key cultural sites there would be spared. The reason, according to Gen. Dugan: "When the bombing is over we don't want the Iraqis to be angry at us."

NBC's Rick Davis reports from the Saudi-Kuwaiti border on the flood of Kuwaitis entering Saudi Arabia. They say Iraqi border guards told them they can leave Kuwait any time they want. Kuwaitis at the border pleaded for American aid. One Iraqi told a Kuwaiti they have the best weapon against the American forces in Saudi Arabia; he reached into his pocket and produced a white flag. Iraq gave no reason for the sudden opening of the border, but Saudi officials and the U.S. military fear that terrorist infiltrators may be among those fleeing into Saudi Arabia. (NBC-Lead)

BUDGET TALKS

ABC's Carole Simpson reports congressional and White House negotiators have yet to come up with a compromise budget agreement -- nearly a week after their self-imposed deadline. Despite the slow going, some negotiators think there's reason to be optimistic.

ABC's Jim Wooten reports from Capitol Hill on the negotiations.

(**Sen. Dole:** "We have a lot of issues -- you know, there are probably 20 or 30 we haven't resolved -- but I think we all understand we've got to get serious; stop leaking, stop faxing and get our work done.")

Dole suggested a possible agreement by mid-week. Speaker Foley was similarly semi-optimistic.

(**Rep. Foley:** "While there's always a possibility of failure, I think the movement is toward getting an agreement.")

But Sens. Gramm and Hollings couldn't agree on the size of the deficit they're trying to cut. Said Hollings, counting everything it'll reach \$427 billion next year. No, said Gramm.

(**Gramm:** "It's about \$250 billion today.")

(**Hollings:** "That's our problem. We can't even agree on -- ")

(**Gramm:** "But whether we agree or we don't, that's a big, big problem.")

Sequestration would be a genuine train-wreck, of course, but even such dire consequences still don't make it any easier to reach an agreement so politically painful just a few weeks before the November election. (ABC-2)

Utley reports that Sen. Gramm said balancing the budget is like going to heaven: everyone wants to do it, they just don't want to do what you have to do to make the trip. (NBC-4)

SOVIET ECONOMY/PROTEST

ABC's Barrie Dunsmore reports from Moscow that thousands of Soviets marched on the Kremlin demanding that the government resign. Sunday's demonstrators blamed Prime Minister Ryzhkov for the country's economic crisis and are demanding his resignation. The fact is the communist system has nearly collapsed and the entire Soviet leadership has yet to decide what to replace it with. Sunday's demonstration was timed to influence the Soviet parliament, which begins debate Monday on the very radical economic plan now before it. Under that plan, the Soviet Union would be dramatically transformed; most state-owned industries, businesses and farms would be sold to the private sector. Apartments would be given to their tenants and most economic policy-making would be transferred to the 15 republics from the central government. Ryzhkov appeared on television this weekend to warn the plan will cause huge inflation, massive unemployment and social chaos. Supporters, including President Gorbachev, say it is the only way to save the Soviet Union. (ABC-3)

NBC's Jim Maceda reports on the economic debate within the Soviet Union. Earlier this week, Commerce Secretary Mosbacher visited Moscow with 15 chief executives of top U.S. firms. All agree the time is ripe to tap the vast Soviet market.

(Mosbacher: "The people here have a good attitude and they're willing to work collectively or separately with the Americans and I think we can get the job done.") (NBC-8)

SOVIET-SAUDI RELATIONS

Utley reports the Saudi foreign minister flew to Moscow where he was met by Foreign Minister Shevardnadze. The two countries plan to re-establish diplomatic relations after a break of 51 years. (NBC-7)

REAGAN TRIP

Simpson reports President and Mrs. Reagan arrived in Moscow as personal guests of President Gorbachev. Monday, Reagan will address the Soviet parliament and visit with Gorbachev in the Kremlin. (ABC-4)

Utley reports the Reagan's flew to the Soviet Union aboard the late Malcolm Forbes' plane, Capitalist Tool. (NBC-6)

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ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. **Panel:** Sam Donaldson and George Will.
Guests: Secretary Brady, followed by Reps. Gramm and Hollings.

Brinkley: ...In these labors at the air base on the budget deficit, have you made any progress?

Brady: We've made some progress. I do underline the word "some." People understand each other's positions. But the real question is how this will all end and what will bring it to a conclusion. It's been 125 days since President Bush first called for the budget negotiations, and we've been up in Andrews Air Force since a week ago Friday.

Brinkley: What is the real problem? Somebody afraid of taking an unpopular position and losing some votes? ...Isn't that really the problem?

Brady: ...Yes, it really is.

Will: ...I want to know how big the deficit is....

Brady: ...The figure that we've used up there -- one that we're aiming at -- is \$250 billion this particular year. The program that both sides have agreed on -- \$50 billion in the first year, \$500 billion over five years -- is something that both sides agree to.

Donaldson: ...Two-hundred fifty billion dollars is your estimate for this first year -- and you intend and hope to reach a \$50-billion agreement. Clearly that means that the Gramm-Rudman targets must be changed.

Brady: I think that's correct -- they must be changed. But over a five-year period, because of the fact that the savings accelerate, get bigger over that period...at the end of that five-year period we believe that the deficit will be in balance.

Donaldson: Why not recommend that the law simply be scrapped...?

Brady: That doesn't make any sense at all to us because we think that this is the only discipline in the system.

Donaldson: ...Do you agree with those who say we are either in a recession now, or just about to slip into one and it's inevitable?

Brady: No. I think we're in a period of slower growth.... But I don't believe we have to use the word "recession." The Iraq situation with higher prices for oil will even bring that down a little closer. But I believe that the American economy has an underlying strength that economists don't understand, and we can count on it.

Donaldson: You said we don't have to use the word "recession." You mean, we'll use another word that says when this blockade --

Brady: Slower growth is what you use.... I think if we can get an agreement on the budget deficit, that will produce a resurgence of activity in the economy that will make a difference. I really believe that.

Will: Last week, there erupted on Capitol Hill some debate of unusual vituperation, charging the Japanese and the Germans particularly with not paying their fair share, taking an equitable, friendly approach to supporting our operation in the Gulf. Do you think the criticism is justified? And what can you tell us about their contributions?

Brady: I have to say Jim Baker, as you know, has been in the Gulf states and in Germany and Italy where the results have all been most encouraging. I went to Japan, Korea, France, and England. And in the case of the Japanese, where a good part of the criticism is leveled...we upped their contribution. We said you've promised \$1 billion; we want four. And in one week they answered the question: here's the four. So maybe we asked for too little. I don't think so, but they did what we asked them to do.

Two billion is what I understand [the Germans have pledged]. And that brings the total somewhere between \$18 and \$20 billion; and that's significant.

Donaldson: That's significant, but what does that mean in terms of the total cost to the United States?

Brady: The figure that's being used [as the] increase in our defense costs -- is \$6 billion between now and the end of the year, between the end of August and the end of the year...and I would say that these contributions to that effort will take care of that. Now they come in in different times and in different forms. Some is cash, some is transportation, aid, some this, some that....

Guests: Reps. Gramm and Hollings.

Brinkley: ...You've both spent a good deal of time out...at Andrews Air Force Base.... Tell me what progress you've been making.

Gramm: I think we have basically defined our positions. I think the gap is narrowing. We've all agreed not to get into the details. But I think we are moving toward an agreement. I think the reason that we're meeting is because of the pressure of Gramm-Rudman-Hollings. I think the reason that we're going to reach an agreement, which will be bitter and unpopular but will probably be good medicine for the economy -- and, if we can avoid the recession, I think it's going to be one of the ingredients that helps make that possible.

Hollings: ...What I don't buy is trying to get together Republicans and Democrats.... What you really need is the President of the United States on that national TV telling the American people about the problem and his solution, and getting the people and all of us behind him.

Brinkley: The President tunes in this program. Why don't you tell him now what you want him to say? What do you want him to say?

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Hollings: ...I've studied it closely.... You need, rather than the \$500 billion, you need nearer one trillion, as the Government Accounting Office said this week. And what you need is then the approach we used in the budget committee. We got eight votes, bipartisan, of a consumption tax, a value-added tax.

Will: The first thing that the President or anyone else ought to do, and you two can start now, is tell our viewers how big the deficit is....

Hollings: I was just dismayed -- the Secretary of the Treasury talking about 250. We know exactly what it is. It's 232 that the President used plus 30 billion more that Bill Seidman says, rather than the 70-billion figure that the President used --

Brinkley: On Bill Seidman bailing out the S&LS?

Hollings: S&LS -- 30 more there; and the revenues are down 30 billion, according to CBO. So add 60 to the 232, you've got 292. Add 135 billion of trust funds. You're up to 427 we're spending this minute. If you had an exam, you'd have to put that answer down -- 427 billion more than you're taking in.

Gramm: The quickest way to get your name in the papers is to come up with a bigger number. Let me go back to what the deficit was when Gramm-Rudman-Hollings went into effect. It was \$233 billion -- I'm going to work from there....

Will: ...Will there be a capital gains cut, to begin with...?

Gramm: I think...you've got a majority of the House and the Senate ready to vote for capital gains. But therein is the problem. When the President comes and says we really got to do something, and puts it into a capital gains, then he puts it into progressivity, fairness and that kind of thing, and you ought not to be in that kind of political argument. You can't afford it; it's a more serious problem than that.

Will: Is there going to be (a) capital gains passed and (b) if so, what kind of bill will be paid in the form of increased progressivity to buy Democratic support?

Gramm: I think (a) that capital gains tax reduction will take place. We need it to strengthen the economy. I think (b) it will be offset so that the system does not get less progressive. But I think (c) what the Democrats want -- and I mean the people that are in the negotiation -- is a dramatically more progressive tax cut. And that's an agenda quite aside from the budget summit.

Will: There are three ways of doing it: you can have a surtax on the very wealthy; you can increase the top bracket rate to 34 or 35 percent; or you can cap the deductibility of state and local taxes. All of those hit the rich. Which will it be?

Gramm: My preference is to cap the deductibility. I am not going to vote to raise marginal rates because it stifles incentive.

Hollings: It's not going to be those things; that's not going to pass. That's my dilemma right now. They're working hard. The summit is a bad mistake. They got the right people out there. But...when you got this kind of problem -- suppose, for example, in the Gulf, [the President had] gotten together the leadership of the Republicans and the leadership of the Democrats and brought them over there, we wouldn't have gotten anywhere into Saudi Arabia.... You really don't get to the nation's problems by trying to make it a political problem and have political parties solve it.

Donaldson: ...The Secretary of Treasury says that the suggestion was made there be no more votes on Capitol Hill until the summiteers complete their work. Do you both agree that that's a good idea?

Hollings: No. No, we got a lot of work to do and we're accomplishing a good bit up there.

Gramm: I think that we ought to continue to work in the committees...but I think that we ought not to be running back and forth to the Hill. I think in a day or two we can solve this thing if we keep our shoulder to the wheel. And I think we ought to suspend floor action that forces us to come back so that some precise detail leaks out, some special interest group spends a million dollars sending letters telling people not to support it because it's going to affect somebody.

Donaldson: ...Is there going to be an agreement...?

Hollings: The fallacious assumption is that when you've got an agreement, you've got a bill passed. Look, the fellows who are running right now in November are not going to have but four to five weeks to explain it. They're not about to vote for it. You had 119 Republican House members and a formal resolution come out against all taxes. You had a similar group in the Senate come out against all taxes....

Donaldson: So you're saying that even if these guys agree at Andrews...the rest of you aren't going to agree?

Hollings: No, they're not going to agree; they're not going to agree to this thing.

Gramm: ...Balancing the budget is like going to heaven. Everybody wants to do it; they just don't want to do what you have to do to make the trip.

Donaldson: Do you think there's going to be an agreement that works?

Gramm: There will be an agreement, and I believe it will be adopted. Now, will it be adopted before the sequester? I believe it will. But if it's not, it will be adopted after the sequester.

Donaldson: Will you allow the sequester to happen, or will you simply slip those targets?

Gramm: I am committed to staying with the agreement and forcing the acceptance of a compromise. I think it's too dangerous for the economy not to do it.

Hollings: You have to slip the targets. Yes, you can't have that sequester. It would ruin this government, on the one hand; and, on the other hand, I don't see getting the agreement. So we got a couple of weeks before October the 1st when a new fiscal year starts; and they're going to slip the targets and probably try to come back after the election when people are re-elected and see if they can do something.

Will: ...It is said in the reports coming out of Andrews that about half the cuts in non-defense spending would come from Medicare, programs for the elderly.... Is that going to happen in an election year, cutting the elderly?

Gramm: ...If you're going to deal with the deficit, you have got to deal with the explosive growth in Medicare. Now, I'm not speaking for the summit; I'm stating my own opinion here, because that's too detailed. I believe that there will have to be action to contain the explosive cost of Medicare.

Hollings: ...We got (inaudible) support for a consumption tax right across the board. It gets all of these: it gets fuel, it gets energy, it gets income, it gets it all.

Donaldson: Senator, you're from the great textile-producing state of South Carolina. Is it true you have a Korean tailor? ...Let's see the label in there. What is the label in there?

Hollings: I bought it the same place right down the street where, if you want to personalize this thing, where you got that wig, Sam....

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Discussion, Cokie Roberts joins.

Will: ...You cannot meaningfully attack the deficit without doing something that annoys the elderly, and that will be the political drama this fall.

Brinkley: ...President Bush has, in effect, asked Congress to endorse and support his commitment to forces in the Middle East.... Congress is dubious; why are they worried about it?

Roberts: They're worried about it because they remember the Gulf of Tonkin Resolution and they see it as their involvement....

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CBS -- FACE THE NATION

Moderator: Lesley Stahl. **Guests:** French Ambassador to the United States Jacques Andreani, followed by Gen. Scowcroft, then Shaol Bakhsh (George Mason University Iranian expert).

Stahl: ...It is possible [France is] going to take military reprisals against Iraq?

Andreani: ...No, this is not the idea. We are there to be ready for any contingency. The experience of yesterday shows that Iraqis won't stop at anything, and they have crossed several lines.... At this point, the position is that we should rely on the line we have followed from the beginning -- U.N. sanctions, U.N. embargo. They have to work. We have to make them work more efficiently. They are already quite efficient, but if we hope that these sanctions will force Iraq to retreat, we have to make them more stringent. And we also at the same time have to enhance our military forces to give signals of firmness to Iraq, and to be ready for any contingency.

Stahl: ...Was it a local commander [who ordered the blockade of the embassies in Kuwait] as has been suggested by a White House official?

Andreani: No, certainly not. I am sure not.... For example, the decision to take the hostages was not a mistake by a local authority. The decision to blockade the whole of the embassies in Kuwait was not a mistake by a local commander. And yesterday not only the French ambassador's residence, but three other ambassadorial residences -- maybe four -- according to my information, were invaded. So it is not a local mistake.

Stahl: ...What is the signal you want Saddam Hussein to get today? Is it that you might attack him? Or is it that you're not going to attack him; you're just going to wait and see if the sanctions hold? What signal do you want him to hear most?

Andreani: The signal of firmness and resolution.... Saddam Hussein does not evaluate; there is a bellicose attitude with no evaluation of the risks. So we have to make him think hard about the risks he is taking for his nation....

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Guest: Gen. Scowcroft.

Stahl: There are big stories on the front pages of newspapers today that we are building up an offensive capability in Saudi Arabia. One report in The Washington Post, quoting the chief of staff of the Air Force, says we're actually targeting Saddam Hussein himself -- possibly his family, and even his mistress.... Are we planning an offensive attack on Iraq?

Scowcroft: ...I would just point out that General Dugan is not in the chain of command, and he does not speak for the administration.

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Stahl: ...Are you saying we have not targeted his family and --

Scowcroft: We have contingency planning going on for anything that might happen. That's only prudent. The President has described our strategy, which is to defend Saudi Arabia, to impose economic sanctions, and to force Saddam Hussein to withdraw from Kuwait.

Stahl: ... Is the story that we are building an offensive capability accurate?

Scowcroft: We're building adequate capability to deal with the situation out there. After all, Iraq has an armed force of over 900,000 men....

Stahl: ...It doesn't make any sense that [Saddam] broke into these embassies, because it was obvious that it would push the French, and possibly these other countries, to also send troops. What does our government think he was up to?

Scowcroft: All we can do is speculate. Certainly, his logic train is not what yours is, which is not to provoke further reaction from the civilized world against him. That obviously is not his purpose. It doesn't seem to me to serve any useful purpose to do this, but once again he has demonstrated the solidarity of the world through the action of the U.N. against what he's doing.

Stahl: Have we gotten any kind of diplomatic back channel messages from him saying, you know, we didn't mean it, or it was a mistake by a local commander? I had a White House official remind me that one of our local commanders in Panama went into the residence of the Nicaraguan diplomats there, and that it was a mistake....

Scowcroft: No, we've had no such communication, and this was not just one incident....

Stahl: Here you have a situation where he's taken hostages. He's put our people in as human shields. He's broken into these embassy compounds. And in each case, we don't seem to respond in kind. How concerned are you that we're going to be in this kind of situation, where there are these provocations and we react relatively mildly and we get into this bogged down situation, as we did with our hostages in Lebanon? What's your response?

Scowcroft: We have long memories. We will act according to our interests and the interests of the United Nations, which has set forth a program. And the last element of the resolution they passed is that they will consider further concrete measures to deal with the situation.

Stahl: Iran -- what is our analysis of whether they are breaking the embargo, whether they have made a secret deal to send in food -- to buy Iraqi oil and send in food? Do we believe these rumors, which I guess are true?

Scowcroft: There's no concrete evidence that they are not subscribing to the economic sanctions. They have said that they would, and we see no reason not to expect them to.

Stahl: One of the things we're asking these countries to do is give aid to the so-called front-line states -- Egypt, Turkey, and Jordan. Saturday, Jordan hosted a conclave of all the pro-Iraq Arab states. There was a lot of anti-American rhetoric and so forth.... Why are we working so hard to get money for them if they are hosting these kinds of anti-American conclaves, and so forth?

Scowcroft: I think that there's genuine hardship in Jordan brought about by the sanctions. Actually, the sanctions through Jordan aren't quite effective. They are doing better than they were doing for a while. It is a significant problem. There's no question about it....

Stahl: But we're still going to ask people to give them money?

Scowcroft: With the terrorists there.

Stahl: ...China has been with us on this in the United Nations Security Council sanctions. Because of that, will we then move to lift the sanctions against China, even though they haven't repaired all of their human rights violations?

Scowcroft: ...I don't think the two are directly connected, but certainly responsible Chinese behavior is what we've been asking for.

Stahl: And this qualifies?

Scowcroft: In part.

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Guest: Shaol Bakhash.

Bakhash: ...I think the reports that Iran is about to cooperate with Iraq are grossly exaggerated. It is implausible that the Iranians would want to do anything to help Saddam Hussein consolidate his hold on Kuwait, or to assist the Iraqis -- a dangerous rival, a potential enemy -- to become a regional superpower.

Stahl: Who do the Iranians dislike more -- is it the United States, the great Satan, or it is Saddam Hussein?

Bakhash: There's very strong hostility against the United States in Iran. But to allow Saddam Hussein to successfully annex Kuwait would be a very dangerous and threatening thing to the Iranians.

Stahl: ...What about the Ayatollah Khamenei calling for a holy war against us? Are our troops now in the desert vulnerable?

Bakhash: He didn't actually call for a holy war. But he used some very inflated rhetoric. I think the reasons are...a fear that the U.S. will stay in the Gulf permanently, that they will lead any future regional security arrangements, and that Iran will be excluded in a major way from these arrangements.... This anti-American stance does not mean that the Iranians are going to go ahead and assist Saddam Hussein to stay in Kuwait.

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NBC -- MEET THE PRESS

Moderator: Garrick Utley. **Panel:** Andrea Mitchell and Tim Russert. **Guests:** Rep. Foley and Sen. Dole.

Utley: ...The Republicans...are outraged by what they say are leaks by Democratic sources on proposed tax plans, reports and analyses.... Is this the kind of thing that should be done these days at this sensitive stage of the negotiations?

Foley: Of course not. We are definitely opposed to all leaks. I think everybody out there is trying to avoid any kind of leak which would disrupt the talks.... And I think we ought to put it behind us and go forward toward getting an agreement.

...It did happen; we're not happy about it.

Dole: ...I'm still an optimist. I didn't see anything in the paper [Sunday] that upset me. So maybe by [Monday] night at midnight, our deadline, we can have it all worked out.

Utley: Do you agree? Is there going to be an agreement?

Foley: I think so.... I think [Monday] night we may well see an agreement.

Mitchell: ...Is it worth giving up any prospect of a deal just because of Democratic opposition to capital gains?

Foley: I don't think you can take one issue and say is it worth giving up over this issue? Capital gains is a proposal that the President strongly supported. We could conceivably agree to one if there was a balancing burden-sharing by high-income, wealthy taxpayers who are going to get the bulk of the benefit of the capital gains reduction. That issue hasn't been decided. Senator Dole says it's one of the remaining critical issues; and it's one that may well be critical to the success of the talks. But we're going forward with the idea that these things are open for discussion.

Mitchell: The Speaker has just said that perhaps the Democrats could go for capital gains, if there were some equalizing tax change on the other side. Should the White House now concede and agree to either this surtax on the wealthy, or some form of higher income tax rate?

Dole: I think there has to be a balance. And I think I can say, without violating any of our guidelines, we're on that issue right now. I think what we did agree to do on Friday is to get this issue behind us. It's not the only issue.... It's not the issue that I've heard reported that may be blocking the deal. But our view was, if everybody feels that we ought to get out of it, let's do it. So at 11 o'clock [Sunday] morning we'll be dealing with that issue.

Mitchell: Do you think, though, that the White House should begin to look at those top rates in exchange for getting capital gains?

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Dole: It's fair to say that that's in the process right now.

Russert: ...Why shouldn't those who make under \$50,000 also have a tax cut?

Dole: Again, that's based on a distribution, say, that I don't have happen to agree with.... So I think we have to have a balance; we have to have progressivity. And I think we're going to have it. I think the mistake we make is when we get one little hang-up like that, all the focus is there instead of the total package. My view -- and I think the Speaker's view -- is everything's on the table until it's over. Then we'll come out together if we get an agreement -- and I believe we will; and we'll all embrace it. Some of it's bad -- I mean, a lot of it's bad. I can't find many things that people really want us to do.

Russert: On the issue of Medicare, there were reports that Medicare was raised as an issue at the Andrews Air Force Base summit. And the next day when it leaked, you were besieged in your office by angry Democrats saying this is just not the kind of issue we want to run with in November.

Foley: Again, we've discussed a whole range of possibilities and issues and approaches. These things haven't been decided yet.... There are going to be unpleasant aspects of any package that deals with a \$50-billion reduction in one year and \$500 billion over five years.... I'm not saying there are going to be cuts in Medicare.... I can't tell you at this time how it's going to be affected. I suppose we'll have a variety of programs affected in some way.

Dole: But I think it's fair to say, if you're going to change Medicare, upper-income people ought to pay more. It ought to be means-tested in some way.

Foley: Obviously, you want this package to be as fair as possible, to distribute whatever responsibility and burden-sharing as fairly as possible. That's the intent here. It's not easy to have good news to report to everybody out of a deficit-reduction proposal.

Utley: But let's say that this does work out, there is an agreement -- \$50 billion in cuts, \$500 billion over five years. Now, the General Accounting Office and others are saying you need twice that -- that we may be headed into a recession. That still isn't enough to support or to please Gramm-Rudman. We still come up to October 15th.... What happens then?

Foley: It was proposed from the beginning that if we hit a \$50-billion target the first year, \$500 over five years, we'd adjust Gramm-Rudman accordingly.... The full hit in a budget reduction would have to be over \$100 billion. And I don't think anyone thinks that that's safe or desirable in the present economic circumstances of the country.

Utley: So you think the \$50 billion will be enough of a strong, positive signal to please the markets and please the public --

Dole: I would think so.... But if we really get to where it's going to be a real package -- no smoke and mirrors, no changing dates, no games -- I think it's going to have an impact; and I think the Fed can then respond, as Mr. Greenspan said earlier this week, by lowering interest rates. And that would be very important.

Utley: ...Turning to the Persian Gulf and the cost of this operation -- more than \$1 billion a month at the latest estimates. We're getting some money, some action. The Germans are kicking in \$2 billion; the Japanese another few billion dollars. Is this going sort of diminish the criticism in Congress about the allies not paying their share?

Foley: Oh, I think it will. There is no question that there's a feeling in the country and in the Congress that we shouldn't bear these burdens alone -- either the military side of it or the financial side of it. So I think it's welcome news. The Japanese are promising another \$3 billion in addition to that money they've already pledged....

Dole: Well, as a short-term, I think it's fine. I think we both recognize if this drags on in the next year and you go around passing the hat the second time and nobody puts anything in, then you're right back where you were. But I think initially this is certainly good news. I think the American people believe, as Speaker Foley said, that we shouldn't be out there alone picking up the tab.

Mitchell: Is the money coming from Japan real? We read that it still has to go through the legislature there? ...Are we really going to see that money?

Foley: First of all, the Japanese sometimes take a little longer to make up their mind to do something. But once they do make up their mind, they usually come through pretty clearly on it. And I think that the ruling party in Japan, the Liberal Democratic Party, clearly has the votes in the Diet to come through with anything they promise.

Dole: ...I think Speaker Foley's correct. I mean, obviously, we think there ought to be a contribution, substantial contribution, by Japan, Germany, whatever. And if it doesn't come, if they keep playing around, delaying it, stalling, then you're going to see the mood change in Congress.

Russert: Just this morning, former President Carter said that if Iraq does not leave Kuwait voluntarily, they should be pushed back militarily. Do you agree with that?

Foley: I think the time is way too early to make a decision of that kind. The strong support the President's had in the Middle East is based on the fact that he's been deliberate, he's been careful, he's been focused on the goals -- the four goals that he's announced....

Russert: It's been five weeks since the troops were sent to Saudi Arabia. Is it not time for Congress to invoke the war powers resolution?

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Foley: Sen. Mitchell and I wrote to the President and asked him to respond under the War Powers Act. The President did respond, as all administrations have done. They don't recognize, technically, the constitutionality of the War Powers Act. But he said...that American forces were not in imminent danger of hostilities. And so far I think that's probably technically correct. The forces in Saudi Arabia are numerous enough today to prevent any attack by Saddam Hussein on them; and I think, whether that was intended or not at one time, I think we clearly established a deterrent. Now, what happens later on, if you start using American forces in a more direct, aggressive way, would involve the War Powers Act; and I think Congress then would have to be consulted.

Utley: ...The United States has sort of waived \$7 billion in debt held by Egypt. Israel's is about \$4 billion; they'd like to have this equal treatment. Do you think that we should write off that debt to Israel because of our close relationship with them?

Dole: We're advised by OMB and the State Department that waiving the Egypt debt isn't a cost. But if you get into the Israeli debt and other debts owed to us, then you're getting into a cost, because Egypt wasn't paying the debt in any event.

Utley: So Israel should just do the same thing -- not pay the debt -- and they'd get it waived?

Dole: We passed other laws to help Israel pay the debt.... If we do something for Egypt, we'll probably end up doing pretty much the same thing for Israel.

Foley: Can I make just a technical interjection there? The President has recommended this.... The Congress has to concur.... He's proposed it be waived.

Mitchell: ...Should Israel now get a similar kind of big arms deal [like Saudi Arabia received]?

Dole: I think we've been pretty consistent in our support of Israel and arms.... The whole Mideast has changed in the past five weeks...so we have to take a long view of our relationship with Israel and the Arab countries.

Foley: The United States will always insure that Israel has adequate defense forces.

Russert: Do you think restoring the emir of Kuwait should be a central part of our plan in this, in the Persian Gulf?

Dole: ...I'm not certain that's our primary goal; and certainly it wouldn't be my primary goal.

Foley: I think that in terms of status quo, getting back to the condition before the invasion, yes. As far as the ultimate political development of Kuwait, that's another story.

Dole: The important thing is getting rid of Saddam Hussein.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. **Panel:** Fred Barnes, Pat Buchanan, Eleanor Clift and Morton Kondracke.

McLaughlin: ...Is the U.S. effort in the Persian Gulf gaining ground...or is it losing steam?

Buchanan: Diplomatically, I think George Bush is at his apogee. His speech, his summit meeting with Gorbachev...I think he's very strong there. The problem there comes with the Arab alliance that supports us. Americans have got the stamina, I'm not sure the Arabs have got the perseverance. But militarily, the President is getting stronger and stronger.... Overall, if you take a look at this past week, the Americans ended the week much stronger than they began it.

Barnes: ...I think [Buchanan] is exactly right. And not only is the U.S. military stronger but the Bush administration added last week a new pretext for using military forces and that is...they said [to Iraq] if you sponsor any terrorism around the world against the U.S. we're going to blame you...which means that we'll move militarily against you if you bomb a U.S. airplane or kill hostages or something like that.

Clift: I think the U.S. policy is in a stall in the Gulf and I think that the President is preparing the country and the Congress for a long and possibly bloody stay in the sand. I think there is a window, perhaps until Christmas, when we will wait to see if the embargo squeezes Saddam out of power. If that doesn't work I think we may have a...surprise in January, and I think Gorbachev gave Bush permission to go ahead with that.

Kondracke: I completely agree with that. I would not call it a stall -- I would call it a build. I think the pressure is on Saddam Hussein. The one problem is this Iranian element of the equation. Iran and Iraq are sort of like the Hitler-Stalin pact in the Middle East.... If [U.S. policy] doesn't work I think George Bush will do to Saddam Hussein what he did to Noriega except with air power.

Barnes: But there is a domestic problem and that is the whole question of burden-sharing. The Japanese have come through with some more money but the Germans haven't done squat, and if the idea sets in that it's only the U.S....then support domestically for the Bush policy is doomed.

Buchanan: ...If an act of terrorism occurs that sends American bombs on Iraq, do not be surprised if Syria is behind it. Iraq doesn't want this war.... The last thing I think Saddam Hussein is going to do is some atrocities against Americans that bring the bombs in on him....

Clift: ...U.S. policy has been geared strategically towards Israeli interests in that region and we are shifting away from that and it is a painful transition....

On the Souter nomination:

McLaughlin: Is Souter a shoe-in?

Barnes: Almost a shoe-in but not quite a shoe-in because it's clear the opposition is now just based on one issue: abortion....

McLaughlin: He got Bush's first nomination. It's seldom that first nominees to the Supreme Court are repudiated by the Senate.... [Another qualification] is George Bush's popularity. They're not going to turn him down.

Kondracke: ...This is so different from the Bork circumstance. In Bork you had an ideologue who looked as though his mind was closed.... In this case, you've got a man who is open to information, who shows some heart and compassion....

McLaughlin: Let's say the hearings have transpired. I want you to predict what he will pretty much universally get on an A to F scale.

Buchanan: He can only go down. He's A+ as of today.... I give him an A.

Barnes: I think he'll probably get an A- but still about 20 Democrats who are afraid of feminist retribution will vote against him.

Clift: I think a B....

Kondracke: A.

McLaughlin: The answer is A.

McLaughlin: Will the White House accept in exchange for a reduction in capital gains a hike in the income tax rate?

Buchanan: No.

Barnes: I think they will.

Clift: Yes.

Kondracke: You bet.

McLaughlin: The answer is it's too close to call; however, I will...say no, not alone by itself.

###

INSIDE WASHINGTON

Moderator: Tina Gulland. **Panel:** Elizabeth Drew, Charles Krauthammer, Carl Rowan and Juan Williams.

Gulland: Is Souter a shoe-in?

Rowan: ...I think he'll be confirmed easily.

Krauthammer: He's a very smart man. He made no gaps, he stayed off abortion. And most important, unlike Robert Bork, he sold himself to this committee as a regular people-person who cares about women and children. The liberal opposition to him has melted.

Drew: On the basis of what we've seen thus far, yes.

On the Iraqi crisis:

Gulland: Certainly Saddam Hussein has upped the ante. Is he getting desperate?

Rowan: No, I think he's simply reckless, which we've known for some time. What's going on makes me all the more doubtful about our ability to get out of there without some shooting.

Krauthammer: He's becoming a little reckless and also he's become something of a spectator. The real player here is George Bush. If there's going to be war peace it's up to him and not Saddam.

Williams: I think Saddam Hussein is...looking for any deal he can make, and I think desperation is a good way to pose his situation.

Drew: Obviously, the administration hasn't been very good at reading his mind in the past and can't really read it now. There is a view held by important people that Saddam Hussein does believe that time is on his side; that he can break the embargo and the unity of the allies.

Rowan: ...In the President's speech after he came back from Helsinki, he didn't back away one wit.... In the wake of that we had the spiritual leader of Iran calling for a holy war against the so-called Great Satan. We had the Iraqis pulling all kinds of provocations. There isn't much to negotiate, almost nothing.

Krauthammer: I think Carl is right. The President really placed himself out on a limb with his speech on Tuesday night. He essentially said his prestige -- America's prestige -- is on the line; Iraq has to get out of Kuwait. I think the most important event of the week was the deal Iraq made with Iran. If it can sell even a small amount of oil and if it has access to food and other goods through Iran as it apparently does, it can hold out for an extremely long time. If that's that case, then the way President Bush has positioned himself he'll have only two options: capitulation or war....

Drew: I don't think the President did or said anything different this week about his goals in the Persian Gulf than he had been saying all along. He may have been more emphatic and the setting made it more emphatic.... He still has the fourth goal plus this, I think unreal, goal of a new world order....

Williams: ...Among some White House as well as State Department officials [this week] there is more of a...desire for action; more bellicose talk coming out of the White House this week than I've seen throughout this whole conflict.... I think that many people on the right-wing...say we really didn't get much out of Gorbachev in Helsinki and as a result they feel that there's more and more need for direct confrontation; there's more of an appetite for getting this thing done. I think patience is running low.

Krauthammer: There was nothing to be gotten out of Helsinki. It was a show to have a photo opportunity. The Soviets aren't a player in this big game. What we wanted out of Helsinki was cover and we got it.... The people who are insisting that the U.S. act immediately are the Saudis and the Egyptians and Turks and the Syrians and the Israelis. They are all very, very emphatic.... There has been a tremendous reluctance in Washington, which I share, to do their bidding.

Williams: ...I think the big news out of Helsinki and out of that summit was the fact that the United States for the first time said to the Soviet Union, you can come into the Middle East, you are going to be a partner in our Middle East considerations; it's now going to be part and parcel of what happens between Iraq and the United States and Saudi Arabia, what goes on between Israel and its West Bank, and that to me is a true breakthrough. That is saying that the stability of the entire Middle East is at stake here.... I think it truly is an historic moment in terms of what is possible now in the Middle East.

Krauthammer: ...The real culprits here are not the Japanese but the French and the Russians who armed Saddam Hussein and the German companies which gave him the material to make chemical and biological weapons....

On the Souter nomination:

Drew: ...This man is not Robert Bork.... Everybody knows that he is not going to tell the Senate Judiciary Committee how he is going to rule on Roe vs. Wade no matter how many ways they try to ask it....

Williams: ...The Senate has consent and they should be exercising it. At some point they've got to play ball.

Rowan: ...Here is a man who had a real understanding of what the 14th Amendment is all about of equal protection under the laws.... The best I expect to get out of any Bush nominee to that court is fairness and if we get that I'll say okay.

Krauthammer: He could be a sleeper and he could surprise us. He's not a Bork. He specifically rejects the idea of original intent as the only guiding light for Constitutional interpretation. He seems open to liberal perspectives and he spoke of being responsible for a living Constitution, which would imply that it would adapt to changing conditions. He's an unknown; my guess is that he's going to be a moderate.

On the budget talks:

Krauthammer: ...There are two obstacles here. The President's absolute insistence on capital gains...but the other is that the longer that this drags on...and the more the constituencies become affected and react, the more that congressmen are beginning to hear about this.

Williams: Literally, you have a situation where you have these guys fiddling while Rome burns.... This idea of a cut in the capital gains tax seems almost an indulgence at this point, yet Bush refuses to move on it -- I think at the insistence of John Sununu who feels that he's been taken in the first place because he's agreed to some kind of taxes.

On the Soviet Union:

Krauthammer: ...This week World War II ended, the Cold War ended and the Soviets have proposed an economic plan which abolishes communism -- and that's on page 82 of our papers.... The Soviets have completely reoriented themselves in the world....

Williams: I think it's a little premature at this point to say that the situation is one that's totally calm. Clearly it's dynamic; clearly the Soviet Union isn't giving everything that we like and we really have to keep our eyes open after the changing face of what communism is in the world.

Drew: This radical economic plan which Gorbachev finally signed on to could be his death-knell because it does distribute so much more power to the individual republics.... One of the reasons the President went to Helsinki was to give Gorbachev a boost because he has been helpful in the Middle East....

-End of News Summary-



The White House
Office of Public Affairs

THE WHITE HOUSE

WASHINGTON

September 17, 1990

MEMORANDUM TO PUBLIC AFFAIRS DIRECTORS

FROM: CHRISS WINSTON *aw*
DEPUTY ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS

SUBJECT: WEEKLY PUBLIC AFFAIRS PACKAGE

Enclosed in this week's package, you will find copies of the President's speeches at the following events: the National Medal of the Arts luncheon; an address to federal, state and local prosecutors; and remarks to the International Appellate Judges Conference.

For further information please call Kristen Gear, Associate Director of Public Affairs at 456-2483.

AT THE WHITE HOUSE.....

PRESIDENT BUSH:

Monday, September 17

President Bush briefed a group of regional reporters. The President was presented with the first copy of the National Education Goals poster produced by National Geographic. Later, the President unveiled the poster, which every school in the country will receive, at a ceremony on the South Lawn honoring the winners of the Elementary School Recognition Program. Secretary of Education Lauro Cavazos attended the event also.

Tuesday, September 18

President Bush will depart for Denver to speak at a fundraiser for the Colorado Republican Party. Later in the day, he will travel to Los Angeles to address a fundraising dinner for Gubernatorial candidate Pete Wilson.

Wednesday, September 19

President Bush will attend a fundraising breakfast for the California Republican Party. The President will then proceed to San Francisco to participate in a fundraising luncheon for Gubernatorial candidate Pete Wilson.

VICE PRESIDENT QUAYLE:

Monday, September 17

Vice President Quayle traveled to South Carolina to speak at a fundraiser for Jim Miles, candidate for Secretary of State. He then addressed a fundraiser for Congressional candidate Terry Haskins. The Vice President will finish the day with a speech at a luncheon fundraiser for Senator Jesse Helms.

Tuesday, September 18

Vice President Quayle will address the Hudson Institute at the National Press Club. He will then meet with Moshe Arens, Defense Minister of Israel. The Vice President departs for New York City to speak at a fundraiser for Congressional candidate Bill Coeppel.

Wednesday, September 19

The Vice President will travel to Buffalo, New York to attend a fundraiser for Congressman Bill Paxton.

Thursday, September 20

Vice President Quayle will meet with Norman Augustine, Chairman of the Space Advisory Committee.

Friday, September 21

The Vice President will attend a reception at the National Republican Congressional Committee.

AT THE AGENCIES.....

AGRICULTURE:

On September 17, **Secretary Yeutter** addressed the state Commissioners of Agriculture around the nation through an audio teleconference. On September 19, Yeutter will travel to Ohio to address the Ohio Farm Science Review.

COMMERCE:

On September 18, **Secretary Mosbacher** will participate in a roundtable discussion with representatives of the American Business Conference. September 19-22, Mosbacher will travel to Spain to discuss commercial opportunities.

EDUCATION:

On September 17, **Secretary Cavazos** addressed the kick-off ceremony for the federal government's observance of Hispanic Heritage Month. On September 18, Cavazos will meet Eastern European education ministers who are in the U.S. to attend a conference on preserving national heritage through education. Later, he will meet with British Secretary of State for Education and Science John MacGregor. **Director Bromley** will also meet with MacGregor.

HEALTH AND HUMAN SERVICES:

On September 17, **Secretary Sullivan** traveled to Milwaukee to address the annual meeting of the Society of Research Administration. On September 18, Sullivan will address the Drug Exposed Babies Conference. On September 19, Sullivan will travel to Baltimore to address the annual awards ceremony of the Health Care Financing Administration. On September 21, Sullivan will travel to Detroit to address a reception of minority civic leaders. On September 22, Sullivan will travel to Chicago to address the Society of Thoracic Surgeons. Also on the 22nd, Sullivan will travel to Kansas City to address a conference of the American Academy of Nurse Practitioners.

HOUSING AND URBAN DEVELOPMENT:

On September 17, **Secretary Kemp** addressed the annual meeting of the Federal City Council. Kemp also addressed the executive directors of regional public housing authorities. On September 18, Kemp will travel to Chicago to speak to employees of the Allstate Insurance Company. On the 19th, Kemp will attend the Southern Suburban Action Conference hosted by Congresswoman Lynn

Martin. On September 21, Kemp will meet with editors of the National Journal.

INTERIOR:

On September 18, Secretary Lujan will preside at the annual Take Pride in America national awards ceremony. The Take Pride in America program is the Department's centerpiece to honor volunteer efforts to preserve America's natural, cultural and historical resources. This year 89 individuals and organizations will be recognized for their outstanding contributions. Also on the 18th, Lujan will speak to a meeting of the Energy and Natural Resources Committee of the U.S. Chamber of Commerce. On the 19th, Lujan will address the kick-off ceremony for the federal government's 1990 Combined Federal Campaign. Lujan is the chairman of the National Capitol Region for the campaign.

LABOR:

On September 19, Secretary Dole will present the 1990 Labor Investing in Future Talent - "LIFT America" awards to 16 business and public organizations that have forged exemplary programs to upgrade the skills of the American workforce and improve employee education, efficiency and well-being. On September 22, Dole will travel to Hendersonville, North Carolina to address a jobs conference for Western North Carolina small business owners sponsored by Lieutenant Governor James Gardner.

TRANSPORTATION:

On September 17, Secretary Skinner traveled to Jacksonville, Florida to address a conference on tourism sponsored by Governor Bob Martinez.

TREASURY:

On September 20, Secretary Brady will chair a meeting of the board of directors of the Resolution Trust Corporation. On September 22, Brady will participate in a meeting of the G-7 finance ministers and central bankers.

UNITED STATES TRADE REPRESENTATIVE:

September 16-18, Ambassador Hills and James A. Robinson, III, Chairman of American Express and of the President's Advisory Committee on Trade Policy and Negotiations, will lead a group of 30 chief executive officers to Geneva. The group will discuss the status of the Uruguay Round negotiations with key officials of the GATT Secretariat, heads of foreign delegations to the

Uruguay Round and foreign private sector executives. September 18-19, Hills will travel to Brussels to meet with EC commissioners and parliamentarians. September 19-20, Hills will be in Rome to meet with Italian Minister of Foreign Trade Renato Ruggiero, who is hosting an informal EC ministerial on the Uruguay Round.

VETERANS AFFAIRS:

On September 21, Secretary Derwinski will address a ceremony at the Pentagon to commemorate POW/MIA Recognition Day.

ENVIRONMENTAL PROTECTION AGENCY:

On September 18, Administrator Reilly will hold a press availability for several major daily newspapers, including the Washington Post and the New York Times, and a press availability for leading international publications.

REPORTS:

The Department of Commerce will release:

- September 17, manufacturing and trade inventories and sales for July.
- September 18, merchandise trade report for July.
- September 18, Consumer Price Index for August.
- September 19, housing starts for August.

The Federal Reserve Board will release:

- September 19, the Beige Book.

UPDATE:

On September 14, the National Cancer Institute (NCI) released a two-year survey that showed no increased risk of death from cancer for people living close to nuclear facilities. The NCI surveyed death rates from 16 types of cancer among residents of 107 U.S. counties that contain or are close to a nuclear facility. Cancer death rates in these counties were found to be neither significantly higher or lower than rates found in similar counties that do not contain nuclear facilities.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 10, 1990

REMARKS BY THE PRESIDENT
DURING NATIONAL MEDAL OF THE ARTS LUNCHEON

The East Room

12:00 P.M. EDT

THE PRESIDENT: First, a greeting to the members of the President's Cabinet that are here today. I want to welcome all of you. And I'm very happy to have John Frohnmayer here. As a matter of fact, I'm very happy to have him heading the National Endowment for the Arts. And, of course, Barbara -- awake now, after -- (laughter) -- a kind of rather hectic trip. And I want to welcome the new Chairman of our Committee on the Arts and Humanities, Don Hall, whom I have not seen, but is here someplace -- right over here. Don, thank you for undertaking this.

And thanks, especially, to our honored guests, the artists and the patrons of a special American tradition who grace us with their presence here today. Welcome to the White House. Welcome to the sixth annual presentation of the National Medal of the Arts.

Last year -- I'll never forget it -- this luncheon was held a week before Thanksgiving and was delayed when I got held up in the Rose Garden doing a photo opportunity with the national turkey. (Laughter.) We awarded medals that day to some of the artistic giants of our time -- Alfred Eisenstaedt and John Updike, Katherine Dunham, Dizzy Gillespie, among others. And with all that assembled talent, guess which one was pictured standing next to the President on the news that night? The national turkey. (Laughter.) So we've done a little better on the scheduling this year, Helsinki notwithstanding.

The people we honor today who have earned a collection of awards with names that have become the world's touchstones of excellence -- names like Grammy and Oscar and Tony and the Pulitzer Prize and the Kennedy Center Honors -- a collection of awards that would just about fill its own Smithsonian. But where most of these awards were aimed at honoring individual works that today we gather to salute the full body of their work.

Their contributions to the arts, to the nation and to -- really to life in the twentieth century. Embracing an era that reaches back as far as George Abbott's birth in 1887 and representing many generations of American talent, our artists stand alongside the artists who helped define America. No longer just another sprawling industrial nation, but one of the cultural giants of the world.

Most had humble beginnings. I think of Jessica Tandy, sewing her own costumes in a backroom theater in Soho. B.B. King, touring backstreet bars and dance halls-- somebody had to do that. And on the road for over twenty years before most Americans would ever even hear his name. Even their hometown names read like the very tapestry of America itself -- Forestville, New York; Centralia, Washington. Itta Bena, Mississippi. Brooklyn and Atlantic City. Three were foreign-born, drawn here by freedom and opportunity, seeking not to enrich themselves but to enrich our culture. And today, they are Americans all, striving in the creation of beauty.

Taken together, today's honorees represent an apparently inexhaustible reserve of creativity, one that's often defied categorization. But there are at least two characteristics, I

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believe, that can apply to each. Each is a trailblazer, an authentic pioneer who literally helped to shape his or her art form. And each is an artist who pressed the very limits of his or her particular art form, often crossing over to combine distinct mediums in new and very different ways. Sometimes that cross-fertilization is self-evident, such as with the multidisciplinary approach of landscape architect Ian McHarg. With New York legends like George Abbott and Beverly Sills who've thrilled audiences with their performances onstage -- and with their leadership behind the scenes. Or with the love and magic of Hume Cronyn and Jessica Tandy whose creations seem to float effortlessly from stage to screen and back again.

I probably shouldn't do this, but I might tell you of a frustration. Not an overwhelming frustration, but a frustration that I have. I think Barbara Bush is secretly in love with Hume Cronyn. (Laughter.) There they go again. (Applause.) But you also see it in painter Jasper Johns' collaborative efforts with choreographer Merce Cunningham. And the visual arts, where Frederick Douglass was brought to new life beneath the brush of Jacob Lawrence; and in the cries and hollers and work songs of field hands who labored in another time, once again heard rising on the wind through the guitar of B.B. King.

Speaking at Wellesley College back in June, Barbara urged young Americans to go out and seek their own true colors. And that's, of course, exactly what our honorees have done. You've created sights and sounds and characters, crafted anew within the human imagination. And in doing, enriched the colors on the canvas of our national life. And that's why America continues to need and want and appreciate your creativity, your talent and your diversity. Indeed, it is your efforts in the arts and humanities and the realm of the spirit that distinguish America as a world leader rather than as merely a world power.

And I'm proud that -- as a people, and as a nation -- we continue to support the arts, both through public agencies and through private champions of the arts. Patrons like our old friends Harris and Carol Masterson from Houston, Texas. A Southwestern Bell company in the forefront of all of this, St. Louis; and Washington's own David Lloyd Kreeger. We salute you for the joy you have given to Americans of many ages.

Thank you. Congratulations to all of you. And now, I'd like to ask John Frohnmayer to assist me in presenting the awards. Well done, each and every one of you. Thank you very much. (Applause.)

(The awards are presented.)

END

12:09 P.M. EDT

Office of the Press Secretary

For Immediate Release

September 12, 1990

REMARKS BY THE PRESIDENT
TO FEDERAL, STATE AND LOCAL PROSECUTORS

The Rose Garden

2:05 P.M. EDT

THE PRESIDENT: Please be seated. And please take off your coats. I mean, it's a little warm out here in the Rose Garden.

Well, thank you, Attorney General Thornburgh, and U.S. attorneys, state attorneys general. I see our Director of the FBI here, and local district attorneys and other law enforcement officials. I am just delighted to have this opportunity to welcome our nation's prosecutors to the White House.

I know that you spent the morning over at Justice with Dick Thornburgh. I just got briefed on that -- discussing the legal changes that we need to help you do your jobs more effectively. And I know that other subjects are preoccupying all of us these days, but I repeat today what I said last week -- drugs and violent crime remain a top priority.

And on behalf of all the American people, I want to thank you, all of you, for working to help us take back the streets. (Applause.) We know full well that the life of a prosecutor is not easy. For gifted, hard-working lawyers like yourselves, the financial sacrifice is immense. And more importantly, over the past 30 years, America's criminal justice system has become bogged down with technicalities that stymie our prosecutors' simple goals -- to see the truth come out, the guilty punished, the law upheld, and justice done.

Too many times, in too many cases, too many criminals go free because the scales of justice are unfairly loaded against dedicated lawmen and women like you.

Since taking office, we've worked with many of you to try to steady the scales of justice, to seek a fair balance between the legitimate rights of criminals and criminal suspects, and society's right to protect itself from evil predators. And America took an important step towards balancing these scales when I had the chance to name a tough, a fair-minded, intellectually brilliant judge as my first nominee to the Supreme Court -- New Hampshire's Judge David Souter. (Applause.) With a decade of law enforcement experience prior to being elevated to the Bench, Judge Souter comes from your own ranks. The Senate starts these confirmation hearings tomorrow, and I call on them to act swiftly so that he can take his place as the only career prosecutor on the Court -- in time for the Court's first sitting. (Applause.)

And, of course, I am very pleased -- all of us are pleased that the American Bar Association gave him their highest rating by a unanimous vote. And we're especially pleased that the National District Attorneys Association endorsed Judge Souter for the Supreme Court, praising him as a tough anticrime judge. This is a group that knows all too well the problems with the criminal justice system that all too often simply doesn't work.

And that's why I stood before the Capitol on a rainy day in May last year -- and many of you were there -- calling on Congress

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to pass legislation to give our prosecutors and police the tools they need to fight back against the epidemic of violent crime still raging in America. That was over a year ago. And despite the urgency of the problem, the Congress has failed to act on key aspects of my proposal. What's worse, several measures receiving serious consideration in the House this week would actually weaken law enforcement and hamper your efforts to protect the citizens of this nation.

But your presence here today sends a powerful warning to Congress, a shot across the bow of a ship that is moving in the wrong direction. We will not accept a crime bill that is tougher on law enforcement than it is on criminals. (Applause.)

We need a crime bill that will stop the endless abuse of habeas corpus, that guarantees that criminals who use serious weapons face serious weapon charges and serious time, and that ensures that evidence gathered by good cops acting in good faith isn't barred by technicalities that let bad people go free. And for the most unspeakable of crimes, we do need a workable death penalty, which is to say a real death penalty. (Applause.)

I simply will not accept anything that rolls back the clock on America's ability to fight crime and punish wrongdoers. The bottom line is really this: I will not sign a crime bill that handcuffs the police. (Applause.) I will not sign a bill that overturns recent Supreme Court decisions limiting frivolous habeas corpus petitions, that expands the coverage of the exclusionary rule, or that creates a racial quota system for capital punishment. (Applause.)

You know the difference between my proposals which give you the legal tools you need to win this fight and the antilaw enforcement proposals that some in the Congress are attempting to peddle as a crime bill. For the past two weeks America's been gripped by chilling headlines that tell of kids going back to school in bullet-proof coats; and a visiting Utah man, a kid really, sports lover, killed while defending his mother from a New York subway gang said to be after pocket money so they could go dancing.

The American people really are fed up. You know this perhaps better than I because you're on the front lines, but they're fed up. And I urge the Congress to heed the voices of our people, our police and our prosecutors, and send me a crime bill that will help take back the streets. (Applause.)

I want to thank you. I really wanted to have this meeting, and so did Dick, so that both of us here, in the majesty of the Rose Garden and the shadow of the White House, we could tell you that we are grateful to you. And we know it's not easy, but keep up your dedicated efforts to make our community safe. We're lucky -- America is lucky to have men and women of your quality and your character out doing the job for all of us.

Thank you and God bless you. And God bless our great country. Thank you very much. (Applause.)

END

2:13 P.M. EDT

For Immediate Release

September 14, 1990

REMARKS BY THE PRESIDENT
TO THE INTERNATIONAL APPELLATE JUDGES CONFERENCE

The East Room

11:35 A.M. EDT

THE PRESIDENT: Welcome to the White House, everybody. I'm delighted that you all are here and very pleased to be sharing this platform, this stage, with two people for whom I have very high regard: Justice Sandra Day O'Connor, Justice of our Supreme Court; and then my own legal counsel in whom I have great confidence, Boyden Gray.

I wanted to single out for special commendation, Judge Cynthia Hall, for all the work that you have done, ma'am, on making this a highly successful event and making this conference possible. (Applause.)

And, of course, someone else I think we all should thank for his role in the conference, and, of course, I'm talking about our Chief Justice William Rehnquist, Chief Justice of the Supreme Court, who regrettably could not be with us today. He wanted to be here.

Rarely has the White House been graced by such distinguished talent. More than 100 chief judicial officers from around the world, chief justices representing most of Americas 50 states and territories, and practically the entire leadership of the Judicial Conference of the United States.

I heard that Judge Souter might invite some friends to Washington for his hearing, but I never dreamed it would get out of control like this. (Laughter.) Truly it is a great honor to welcome this extraordinary assembly to Washington. And a great honor to welcome you here at the White House.

It's an historic visit for many reasons, yours. Your Washington gathering marks the first time this conference has been held in the United States. But even more historic than the place are the times. And your visit comes as the capstone of America's celebration of 200 years of the world's oldest continuous Constitution and independent judiciary. And with what I call the Revolution of '89 just behind us, your conference also serves to commemorate the emergence of some of the world's newest democracies.

And so I'm especially pleased to welcome and congratulate those justices representing the new and more independent judiciaries of Central Europe and Central America. And, yes, also our new friends from the Soviet Union.

More than 200 years ago, 55 Americans met late into the night during a sweltering hot Philadelphia summer, debating a document that would be adopted by the American people as the supreme law of the land. By common agreement, Americans chose to live not under individual dictate, but according to the rule of law. It's greatest innovation, an independent judiciary that protects constitutional principles through judicial review of executive and legislative actions. And truly, the U.S. Constitution stands as one of the world's great experiments in freedom and diversity -- and one of the world's great milestones in the effort to be free of tyranny, to be just, and to be civilized.

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And as we stand here today commemorating more than 200 years of constitutional government in America, we look back with pride on the justice that we've achieved as a nation and the promise that has been offered the world through this one simple, magnificent idea: the idea known as the rule of law. Because like many of the

One of the leaders of the world's last great united alliance before the chilly descent of the cold war was Dwight David Eisenhower, a man that occupied this house as President of the United States. And like understood the stakes when he said, "The clearest way to show what the rule of law means to us in everyday life is to recall what is happened when there is no rule of law."

But as we gather to talk about the rule of law this week, there's another subject that I'm sure is on everybody's mind, and I've said many times in the past year that we've entered into a new era in world affairs. And the international response to Iraq's naked aggression against a tiny neighbor proves just how true that is. As I said in Helsinki, just six days ago when I was over there to meet with President Gorbachev, if the nations of the world acting together continue to isolate Iraq and deny Saddam the fruits of aggression, we will set in place the cornerstone of an international order, more peaceful, stable and secure than any we have known.

And I understand that after the conference ends today many of you are going to go out to observe our state supreme courts in action. They are America's judicial laboratories. The court of last resort for most of our citizens' cases. The proving grounds for some of our most distinguished U.S. Supreme Court justices. New York's great jurist, Benjamin Cardozo; William Brennan, who has just stepped down after 34 years on the Supreme Court; and, of course, Oliver Wendell Holmes.

My old friend and neighbor, and one who I think Sandra Day O'Connor admires as well, was the late and beloved Justice Potter Stewart. He was once asked to name the most important attributes in a judge. And he fired back without hesitating, "Quality and competence, temperament and character, and diligence." Well, those attributes are exactly the qualities that I believe describe Judge Souter, my nominee to the Supreme Court. He's strong, incisive, and an independent devotion to the constitution that was demonstrated during 12 years of distinguished service on the trial court, the U.S. Court of Appeals, and in particular, on the Supreme Court of his state, the New Hampshire Supreme Court.

I mention the historic times, and of course, it's also an historic week right here in Washington. Even as we speak, our constitutional experiment is unfolding up the street in the United States Senate, where America is engaged in the solemn process of the confirmation of a very fine and decent judge. A judge who I hope and believe will be our next -- our newest Supreme Court Justice.

Our Supreme Court plays a role of referee; it does not make up the rules, but rather applies the rules to the situation that comes before it. And thus, our judiciary is not a substitute, you see, is not a substitute for representative government -- rather it's a limitation on it.

And in the American tradition, the key to preserving a truly independent judiciary is ensuring that the role of the judiciary, like the role of the government itself, remains true to its constitutional function. The role of our judiciary is not to set policy, but to apply the law of the land as found in our constitution and in our statutes.

The American experience is a continuing one, and our success as a nation that is ruled by law and not by men depends upon our continuing commitment to an independent judiciary -- a judiciary that is not subject to the political whims, to the nation's changing political climate, but that will interpret fairly and impartially our constitution and the statutes as adopted by the elected representatives of our people.

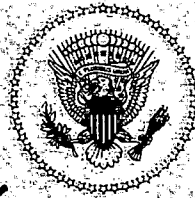
principal nations you represent, all today who embrace the rule of law, stand as a powerful force for justice at home and as a powerful example for justice abroad. I salute this great tradition, its rich heritage, and all the fine men and women gathered here who are dedicated to justice and the rule of law.

I want to thank you all once again for coming to the White House. Congratulations on what I'm told has been a highly successful conference. And Godspeed, all of you, in your service in the cause of justice around the world. Thank you all very, very much.

END

11:45 A.M. EDT

Presidential Phone Calls



DATE:

9-16

TIME:

9 ¹⁷ A
incoming/outgoing

WITH:

Nick Brady

SUBJECT:

Mitchell stepped
up "progressivity"

I call re: Budget

Capital Gains ----

John holding firm

Brady "I look at it
mechanically" —

FOLLOW UP:

I told Brady can't give
on cap gains - "No way
you can get out of this
without rate adjustment.

Mitchell trying to make you
pay dearly —

sum-

1. Brady would compromise
more on cap. gains
than we

the individuals I
must have it.

Additions to the Schedule

9:30 a.m. - SECRETARY BAKER
WANTS TO STOP BY TO SEE YOU
FOR A PRIVATE one-on-one

11:15 - Andy Card and Governor
Gregg

Brady

From the desk of

George Bush

FOR BRENT SCOWCROFT

FROM THE PRESIDENT

~~TOP SECRET~~ EYES ONLY.
DELIVER DIRECTLY TO GEN Scowcroft.

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

DW

10/12/10

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Note	From President Bush to Brent [Scowcroft] Re: JAB [James A. Baker, III] Memo (1 pp.)	09/17/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
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Date Closed: 10/12/2010	OA/ID Number: 90561-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
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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]
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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

THE WHITE HOUSE
WASHINGTON

DATE:

9-17-90

FROM THE PRESIDENT

M

TO:

Brent

Jim asked me to pass this to you.

He asked that it NOT be shared
with anyone at all. He
asked it be returned to him
to put in final form.

Thanks.

GB

There are some very interesting
things in the memcon.

GB

*Office of
Cabinet Affairs*



**CABINET
REPORT**

For the Week of:

September 16 - 22

THE WHITE HOUSE

WASHINGTON

September 14, 1990

MEMORANDUM FOR THE PRESIDENT

FROM:

EDE HOLIDAY *EH*

SUBJECT:

Cabinet Report -- September 16-22

* * * THE WEEK AHEAD * * *

AGRICULTURE

September 17. Secretary Yeutter will address state Commissioners of Agriculture around the nation through an audio teleconference. Topics: the 1990 farm bill and GATT.

September 19. Yeutter will travel to London, Ohio to address the Ohio Farm Science Review. Topics: the 1990 farm bill and GATT.

COMMERCE

September 18. Secretary Mosbacher will participate in a roundtable discussion with representatives of the American Business Conference. Topic: international commercial opportunities and initiatives.

September 19-22. Mosbacher will travel to Spain to discuss commercial opportunities. Mosbacher will meet with King Juan Carlos, Prime Minister Felipe Gonzalez, government officials and private sector representatives.

September 21. Challenges from local governments of the preliminary 1990 Census counts are due to the Census Bureau. These challenges serve as the basis for Departmental identification of problem areas requiring additional review.

EDUCATION

September 17. Secretary Cavazos will address the kick-off ceremony for the federal government's observance of Hispanic Heritage Month.

September 17. Cavazos will join the President on the South Lawn to honor representatives from 221 schools selected in the Department's Elementary and Secondary School Recognition Program.

September 18. Cavazos will meet Eastern European education ministers who are in the U.S. to attend a conference on preserving national heritage through education. Later he will meet with British Secretary of State for Education and Science John MacGregor. Topics: access to and funding for higher education and research on the craft of teaching. Director Bromley will also meet with MacGregor.

September 19. Cavazos will meet with Chairman of the National Governors Association, Colorado Governor Roy Romer. Secretary Dole will also meet with Romer.

ENERGY

September 17. The Senate Armed Services Committee will hold a hearing on the ratification of the Threshold Test Ban and the Peaceful Nuclear Explosion Treaties. The treaties, which govern nuclear tests of less than 150 kilotons, were signed by the U.S. in the 1970s but never ratified due to concerns over verification. Protocols for on-site verification have now been agreed to by the U.S. and the Soviet Union. Department personnel will testify in support of ratification of the treaties and the need to continue nuclear testing.

September 19. Secretary Watkins will meet with leaders of the Metal Trades Industrial Union and the Building and Construction Trades Departments of the AFL-CIO. Topic: ways to strengthen programs to ensure the health and safety of workers at Department production facilities.

HEALTH AND HUMAN SERVICES

September 17. Secretary Sullivan will travel to Milwaukee to address the annual meeting of the Society of Research Administration. Topics: the Human Genome Project, which attempts to map the gene and trace the genetic components of disease, and the importance of research.

September 17-18. The Food and Drug Administration's Antiviral Drugs Advisory Committee will discuss protocols for a controlled trial of zidovudine (AZT) in pregnant women to prevent the transmission of HIV infection to unborn children.

September 18. Sullivan will address the Drug Exposed Babies Conference. Topic: HHS programs dedicated to helping drug-exposed babies and pregnant women who use drugs.

September 19. Sullivan will travel to Baltimore to address the annual awards ceremony of the Health Care Financing Administration.

September 21. Sullivan will travel to Detroit to address a reception of minority civic leaders. Topic: the Administration's record on minority health.

September 22. Sullivan will travel to Chicago to address the Society of Thoracic Surgeons. Topic: health care costs. Later he will address a convention of Operation PUSH. Topic: personal responsibility.

September 22. Sullivan will travel to Kansas City, Missouri to address a conference of the American Academy of Nurse Practitioners. Topic: nursing shortages.

HOUSING AND URBAN DEVELOPMENT

September 17. Secretary Kemp will address the annual meeting of the Federal City Council. Topic: the President's HOPE legislation. Kemp will also address the executive directors of regional public housing authorities. Topics: resident management and urban homesteading of public housing communities.

September 18. Kemp will travel to Chicago to address employees of the Allstate Insurance Company. Topic: public/private partnerships in the inner city.

September 19. Kemp will attend the Southern Suburban Action Conference hosted by Congresswoman Lynn Martin.

September 21. Kemp will meet with editors of the National Journal. Topic: the President's agenda for HUD.

INTERIOR

September 18. Secretary Lujan will preside at the annual Take Pride in America national awards ceremony. The Take Pride in America program is the Department's centerpiece to honor volunteer efforts to preserve America's natural, cultural and historical resources. This year 89 individuals and organizations will be recognized for their outstanding contributions.

September 18. Lujan will address a meeting of the Energy and Natural Resources Committee of the U.S. Chamber of Commerce. Topic: management policies regarding multiple uses of federal lands.

September 19. Lujan will address the kick-off ceremony for the federal government's 1990 Combined Federal Campaign. Lujan is the chairman of the National Capitol Region for the campaign.

September 19. National Park Service Director James Ridenour will testify before the Senate Energy and Natural Resources Committee. Topic: legislation to provide for the reintroduction of the gray wolf into Yellowstone National Park. Environmental groups strongly support the legislation, while the Idaho, Montana and Wyoming Congressional delegations are generally opposed, citing the potential risks to livestock.

JUSTICE

Conferees are expected to be named for the House-Senate conference on the Civil Rights Act of 1990. One of the major areas to be resolved in conference is a cap on punitive damages for acts of intentional discrimination. The House version of the bill includes a cap of the greater of \$150,000 or the amount of compensatory damages awarded, while the Senate version contains no cap.

LABOR

September 19. Secretary Dole will present the 1990 Labor Investing in Future Talent-"LIFT America" awards to 16 business and public organizations that have forged exemplary programs to upgrade the skills of the American workforce and improve employee education, efficiency and well-being.

September 22. Dole will travel to Hendersonville, North Carolina to address a jobs conference for Western North Carolina small business owners sponsored by Lieutenant Governor James Gardner. Topics: job diversification and American competitiveness.

Negotiations between the United Auto Workers (UAW) and General Motors (GM) are continuing under a news blackout, with both sides expressing optimism that a strike can be avoided. The critical unresolved issue appears to be job security, which is potentially the most expensive issue. GM states that it is prepared to spend \$3 billion over the next three years on job security benefits. Auto industry experts believe that GM may have to lay off 10-15 percent of its current workforce to regain its competitive standing in the world market.

Ten Polish craftsmen are visiting the U.S. as part of the Department's program to establish a modern building trades training center in Praga, Poland, a suburb of Warsaw. The group is receiving training in instruction techniques and modern U.S. construction procedures. They will return to Poland in early November with American counterparts from the AFL-CIO to open and begin operating the Praga facility. The Praga training center is being outfitted with equipment donated by U.S. businesses, and Polish trainers at the center will be supported by a grant from the Coca-Cola Company.

TRANSPORTATION

September 17. Secretary Skinner will travel to Jacksonville, Florida to address a conference on tourism sponsored by Governor Bob Martinez. Topic: the value to tourism of investments in transportation infrastructure.

September 18. Skinner will travel to Orlando, Florida to participate in a press conference announcing a federal grant to support the expansion of the Orlando airport.

TREASURY

September 16. Secretary Brady will appear on ABC's "This Week with David Brinkley." Topics: the budget summit, Brady's recent trip to discuss Persian Gulf burden sharing, the savings and loan crisis and the FDIC insurance fund.

September 20. Brady will chair a meeting of the board of directors of the Resolution Trust Corporation. Topic: a review of FSLIC transactions in 1988. Sensitive -- In closed session, the board will also discuss the RTC's plans for asset dispositions -- Sensitive.

September 21. The Senate Banking, Finance and Urban Affairs Subcommittee on International Development, Finance, Trade and Monetary Policy will hold a hearing on the Structural Impediments Initiative.

September 22. Brady will participate in a meeting of the G-7 finance ministers and central bankers. Topic: preparations for the upcoming annual meetings of the World Bank and the International Monetary Fund.

UNITED STATES TRADE REPRESENTATIVE

September 16-18. Ambassador Hills and James A. Robinson, III, Chairman of American Express and of the President's Advisory Committee on Trade Policy and Negotiations, will lead a group of 30 chief executive officers to Geneva. The group will discuss the status of the Uruguay Round negotiations with key officials of the GATT Secretariat, heads of foreign delegations to the Uruguay Round and foreign private sector executives.

September 18. The textile bill is scheduled for a vote in the House and will almost certainly pass by a wide margin. Because passage of this protectionist legislation would invite retaliation in a variety of areas, it could become an issue in the Uruguay Round.

September 18-19. Hills will travel to Brussels to meet with EC commissioners and parliamentarians. Topic: the Uruguay Round.

September 19-20. Hills will travel to Rome to meet with Italian Minister of Foreign Trade Renato Ruggerio, who is hosting an informal EC ministerial on the Uruguay Round.

VETERANS AFFAIRS

September 17. Secretary Derwinski will meet with the Geriatrics and Gerontology Advisory Committee, the panel of independent medical experts who advise VA on issues of aging. Derwinski will outline his expectations for the current and future quality of care for older patients in VA health care facilities.

September 21. Derwinski will address a ceremony at the Pentagon to commemorate POW/MIA Recognition Day.

ACTION

September 20. Director Kenny will meet with personnel at the Office of National Service and the Justice Department. Topic: the impact of tort reform policy on volunteers.

AGENCY FOR INTERNATIONAL DEVELOPMENT

September 21. Administrator Roskens will travel to Omaha, Nebraska to address the Rotary Club of Omaha. Topic: AID programs in Eastern Europe and the Middle East.

Procurement and delivery of relief food aid for Persian Gulf refugees continues to be a priority for AID. Bids have been accepted for a special tender of approximately 27,000 metric tons of rice, wheat flour and vegetable oil. A ship bound for India carrying over 1,000 metric tons of rice and vegetable oil has been diverted to Jordan, and 7,000 metric tons of rice, flour and oil will be moved to Cyprus or Pakistan for storage to meet other emergency relief needs as they arise.

COUNCIL ON ENVIRONMENTAL QUALITY

September 18. Chairman Deland will address a gathering of over 300 heads of major U.S. and international chemical companies. Topic: competitiveness and the environment.

ENVIRONMENTAL PROTECTION AGENCY

September 18. Administrator Reilly will hold a press availability for several major daily newspapers, including the Washington Post and the New York Times, and a press availability for leading international publications. Topic: general environmental issues.

NASA

September 18. The space shuttle Columbia is scheduled to be launched.

OFFICE OF PERSONNEL MANAGEMENT

OPM has conducted a survey of 73 agencies concerning their plans for possible furloughs. Of the agencies surveyed, six are not subject to sequestration and 59 have made plans to furlough. Almost all have issued furlough notices and are planning to furlough their employees equally within their agencies.

PEACE CORPS

September 16-19. Director Coverdell will travel to Tokyo as the President's personal representative for the meeting of the International Olympic Committee that will choose the site for the 1996 Summer Olympic Games. Atlanta is the U.S. entry to host the 1996 Games.

September 21. The first "World Wise City" program will be initiated in Tulsa, Oklahoma. The entire Tulsa school system is participating in the World Wise Schools program, which matches Peace Corps volunteers overseas with classrooms in the U.S. to exchange information and support.

SMALL BUSINESS ADMINISTRATION

September 21. Administrator Engeleiter will tape a public service announcement with Mrs. Quayle on disaster relief assistance programs available through the SBA.

UNITED STATES INFORMATION AGENCY

Director Gelb has established a Task Force for Soviet Affairs to oversee all USIA programs related to the Soviet Union. The task force will focus on the appropriate role for USIA in assisting Soviet visitors to the U.S. and the prospects for USIA exhibits.

CABINET POLITICAL APPEARANCES DURING THE WEEK

Cavazos	-- Congressional candidate Gloria Gonzales Roemer (Colorado)
	-- Congressional candidate Randy Cunningham (California)
	-- Congressman Chip Pashayan (California)
Dole	-- Congressman Chris Cox (California)
	-- Gubernatorial candidate Senator Pete Wilson (California)
	-- Congressional candidate Charles Taylor (North Carolina)
	-- Congressional candidate Ted Blanton (North Carolina)
Kemp	-- Republican State Senators (New York and Illinois)
	-- Gubernatorial candidate Jim Edgar (Illinois)
	-- Congressional candidate Dick Zimmer (New Jersey)
	-- Senator Daniel Coats (Indiana)
Mosbacher	-- Gubernatorial candidate Clayton Williams (Texas)
Skinner	-- Congressman Mel Hancock (Missouri)
	-- Congressman Don Ritter (Pennsylvania)
	-- Senator Daniel Coats (Indiana)
Sullivan	-- Congressman Vin Weber (Minnesota)
Yeutter	-- Senator Jesse Helms (North Carolina)
Bennett	-- Senatorial candidate Congressman Hank Brown (Colorado with the President)
	-- Gubernatorial candidate Senator Pete Wilson (California with the President)
	-- Senatorial candidate Bill Cabaniss (Alabama)
	-- Congressman Clyde Holloway (Louisiana)
	-- Senatorial candidate Congresswoman Lynn Martin (Illinois)

RELEASES

September 17. Release of report on manufacturing and trade inventories and sales for July (Commerce). Inventories edged down in June, but were up for the second quarter after a first-quarter decline. Based on data already available for July, sizeable increases in manufacturers' and wholesalers' inventories are expected.

September 18. Release of merchandise trade report for July (Commerce). The trade deficit narrowed to \$5.1 billion in June, the lowest figure since December 1983. The deficit is expected to climb to slightly more than \$7.0 billion in July.

September 18. Release of the Consumer Price Index for August (Labor). Prices rose by 0.4 percent in July after a 0.5 percent average monthly increase during the first half of 1990. Higher gasoline and fuel oil prices are expected to push the August index up sharply to nearly 1.0 percent.

September 19. Release of report on housing starts for August (Commerce). Starts declined for a sixth straight month in July, and that trend is expected to continue in August.

September 19. Release of the Beige Book (Federal Reserve Board). The Beige Book is a summary of economic statistics from each of the Federal Reserve's 12 districts and is being released in advance of the next meeting of the Federal Open Market Committee on October 2.

CABINET MEETINGS AND CABINET COUNCILS

The Cabinet will meet on September 17. The Economic Policy Council will meet to discuss the Uruguay Round negotiations on September 21. The Domestic Policy Council Global Change Working Group will meet on September 18 and the Children and Family Working Group will meet on September 19.

* * * UPDATE * * *

September 14. The National Cancer Institute (NCI) released a two-year survey that showed no increased risk of death from cancer for people living close to nuclear facilities. The NCI surveyed death rates from 16 types of cancer among residents of 107 U.S. counties that contain or are close to a nuclear facility. Cancer death rates in these counties were found to be neither significantly higher or lower than rates found in similar counties that do not contain nuclear facilities.

September 10. The Court of Claims ruled for the Internal Revenue Service in Shimota v. United States. Federal retirees had challenged the IRS' treatment of lump-sum payments received under a new retirement option. The court ruled that the payments do not constitute a tax-free return of capital to the retirees and are taxable. An estimated \$1 billion in taxes hinged on the outcome of the case.

September 7. The Department of Commerce issued a decision that should serve as the basis for lifting an embargo against the importation of tuna from Mexico, Venezuela, Ecuador and Vanuatu. The embargo was imposed as the result of a lawsuit brought by Earth Island Institute against the Commerce Department. An embargo against Panama will remain in effect.

September 2-13. The Department of Health and Human Services invoked the Emergency Repatriation Plan on five occasions to accommodate the number of Americans seeking repatriation from the Middle East. The plan provides assistance to American citizens brought to the U.S. from a foreign country involved in a crisis. HHS intends to invoke the plan again on September 16.

* * * ON THE HORIZON * * *

Over the next few weeks the Department of Energy, joined by other departments and agencies, plan to announce a series of initiatives responding to energy security and environmental concerns raised by the current situation in the Middle East:

- o A joint DOE-Department of Agriculture program to conduct ethanol feedstock research and development;
- o A joint DOE-Department of Housing and Urban Development program to improve energy efficiency in federally funded housing;
- o A joint DOE-General Services Administration-Potomac Electric Power Company federal relighting initiative in the District of Columbia area, toward which GSA and PEPCO have each pledged \$10 million;
- o Elevation of the Solar Energy Renewable Institute, located in Boulder, Colorado, to the National Renewable Energy Laboratory; and
- o Publication of final energy efficiency standards for washing machines, dryers and dishwashers.

September 26. Administrator Reilly will address the National Press Club to highlight the Administration's environmental record and unveil the Report on Relative Risk Reduction prepared by the independent EPA Science Advisory Board and EPA's report to Congress entitled Environmental Investments: The Cost of a Clean Environment. The Relative Risk Report will recommend that EPA emphasize ecological risks as much as health risks and evaluate relative risks more carefully in targeting its environmental protection efforts. It will also recommend that EPA focus its environmental protection efforts on pollution prevention and work

to ensure sensitivity to environmental considerations at other federal agencies. The report will identify nine relatively high-risk environmental problems, including global climate change, ozone depletion, habitat destruction, ambient and indoor air pollution, and chemical and pesticide exposure. The Environmental Investments Report will find that total annual U.S. costs for pollution controls have increased from \$27 billion in 1972 to \$85 billion in 1987, or from 0.9 percent of GNP to 2.0 percent, and are expected to increase by the year 2000 to \$155 billion, or 2.74 percent of GNP. The report will conclude that investments on environmental protection, including those required by federally mandated pollution controls, have earned a significant return for the nation; that the U.S. generally spends more on pollution controls than Western European nations; and that an increasingly substantial portion of the costs of pollution control will be borne by local governments, local taxpayers and utility ratepayers.

September 27-28. Energy Assistant Secretary for International Affairs and Energy Emergencies John Easton will attend a special session of the International Energy Agency's governing board. The session is another in a series of IEA meetings to discuss the effects of and responses to the energy situation caused by Iraq's invasion of Kuwait.

The House Interior and Insular Affairs Committee is expected by the end of September to report out the Puerto Rico Self-Determination Act. The Administration has endorsed the bill, which should be considered by the House before adjournment. Action by the Senate on the companion legislation is considered less likely this year, however.

CABINET SCHEDULE
For the Week of September 16 - September 22

Sunday 16	Monday 17	Tuesday 18	Wednesday 19	Thursday 20	Friday 21	Saturday 22
DERWINSKI						
	10:00 Attend ceremony for Hispanic Heritage Month with Rep. E. Kika de la Garza 2:00 Meeting with Geriatrics and Gerontology Advisory Committee	11:00 Address Polish American Congress at the White House 5:30 Attend American Legion reception for Members of Congress	12:00 Attend Saints and Sinners lunch 5:30 Attend Non-Commissioned Officers Association award presentation to Sen. Strom Thurmond 6:00 Attend retirement dinner for Sen. Jim McClure	3:00 Address United Hellenic-American Congress at the White House	11:00 Address POW/MIA ceremony at the Dept. of Defense CHEEKTOWAGA, NY 6:30 Attend Gen. Pulaski Association reception and dinner BUFFALO, NY	BUFFALO, NY 12:00 Serve as Grand Marshall for Gen. Pulaski Day Parade WASHINGTON, DC
DOLE						
	NEWPORT BEACH, CA 8:00 Address fundraiser for Rep. Chris Cox SAN DIEGO, CA 12:00 Address fundraiser for Sen. Pete Wilson WASHINGTON, DC	12:30 Lunch with American Enterprise Institute Director of Economic Policy Studies Marvin Koters 2:30 Address DOL ceremony for Hispanic Heritage Month	10:30 Present 1990 "Labor Investing in Future Talent" awards 6:30 Attend retirement dinner for Sen. Jim McClure			HENDERSONVILLE, NC 11:30 Address jobs conference and fundraiser for Congressional candidate Charles Taylor
HILLS						
GENEVA, SWITZERLAND	GENEVA, SWITZERLAND	GENEVA, SWITZERLAND BRUSSELS, BELGIUM	BRUSSELS, BELGIUM ROME, ITALY	ROME, ITALY WASHINGTON, DC		
KEMP						
	12:00 Address Federal City Council meeting 2:00 Address regional public housing authority executive directors HUNTINGTON, NY 6:00 Attend fundraiser for New York GOP State Senators WASHINGTON, DC	CHICAGO, IL 9:30 Address Allstate Insurance Co. employees 12:00 Attend lunch with Allstate executives 6:00 Attend fundraiser for Illinois GOP State Senators	CHICAGO, IL 8:00 Attend fundraiser for Illinois gubernatorial candidate Jim Edgar 9:45 Tour Chicago public housing projects with Edgar 2:15 Attend Southern Suburban Action Conference WASHINGTON, DC 6:30 Attend retirement dinner for Sen. Jim McClure	2:00 Attend Resolution Trust Corp. board meeting	8:30 Meeting with <i>National Journal</i> editors MENDHAM, NJ 6:00 Attend fundraiser for GOP Congressional candidate Dick Zimmer WASHINGTON, DC	6:00 Attend fundraiser for Sen. Dan Coats

CABINET SCHEDULE

For the Week of September 16 - September 22

Sunday 16	Monday 17	Tuesday 18	Wednesday 19	Thursday 20	Friday 21	Saturday 22
LUJAN		Preside at Take Pride in America ceremony Address the U.S. Chamber of Commerce Energy and Natural Resources Committee	Address 1990 Combined Federal Campaign kick-off	Address Dept. ceremony for Hispanic Heritage Month		
MOSBACHER		10:00 Address Polish American Congress at the White House 12:00 Attend American Business Conference roundtable 3:15 Meeting with Dow Co. CFO Enrique Falla 6:00 Attend fundraiser for Texas gubernatorial candidate Clayton Williams	NEW YORK, NY 5:30 Attend fundraiser for Clayton Williams MADRID, SPAIN	MADRID, SPAIN 1:00 Meeting with King Juan Carlos 5:00 Meeting with Spanish Minister of Foreign Affairs Francisco Fernandez Ordonez 6:30 Meeting with Spanish Minister of Economy Carlos Solchaga 8:30 Reception with Ambassador Joseph Zappala	MADRID, SPAIN 9:00 Breakfast with the American Business Council 1:00 Meeting with Spanish Prime Minister Felipe Gonzalez 6:00 Meeting with senior partners of U.S. Windpower 8:30 Attend Confederation of Spanish Chambers of Commerce and Industry dinner	MADRID, SPAIN WASHINGTON, DC
SKINNER		ORLANDO, FL 10:30 Attend press conference for Orlando Airport grant announcement WASHINGTON, DC	6:00 Attend fundraiser for Rep. Mel Hancock 6:30 Attend retirement dinner for Sen. Jim McClure	8:00 Attend fundraiser for Rep. Don Ritter 12:00 Address GOP Association for Mutual Support lunch	11:15 Address GOP Congressional Leadership Council Fall briefing 12:00 Lunch with Chase Untermeyer	6:00 Attend fundraiser for Sen. Dan Coats
SULLIVAN		12:00 Address Drug Exposed Babies Conference 4:45 Interview with "Washington Report"	8:00 Breakfast with Sen. John Chafee 10:30 Address Alaskan Child Poster Contest winners BALTIMORE, MD 1:00 Address Health Care Financing Administration awards ceremony WASHINGTON, DC 4:45 Address Society of Nuclear Medicine 6:30 Attend retirement dinner for Jim McClure	9:15 Interview with <i>Washingtonian</i> 12:00 Lunch with Administrator Reilly 3:30 Interview with "Morning Exchange" television show	3:10 Visit Eleanor Hutzel Recovery Center DETROIT, MI 5:00 Address Minority Civic Leaders Reception	CHICAGO, IL Address Operation PUSH and Society of Thoracic Surgeons KANSAS CITY, MO Address American Academy of Nurse Practitioners

CABINET SCHEDULE
For the Week of September 16 - September 22

Sunday 16	Monday 17	Tuesday 18	Wednesday 19	Thursday 20	Friday 21	Saturday 22
THORNBURGH						
WARE- HAM, MA	WAREHAM, MA WASHINGTON, DC 11:00 Address <i>Justice</i> magazine inaugural symposium 12:30 Host lunch for <i>Justice</i> symposium participants		8:15 Breakfast with Ede Holiday and Richard Porter 10:00 Meeting with Colombian National Police officials 11:00 Address Dept. ceremony for Hispanic Heritage Month 6:30 Attend retirement dinner for Sen. Jim McClure		6:45 Attend reception for leaders of state bicentennial commissions and educational organizations attending the National Meeting on the Bill of Rights	
WATKINS						
			11:30 Meeting with Sen. Al Gore 3:00 Meeting with AFL-CIO representatives 3:00 Meeting with nuclear waste negotiator David Leroy 6:30 Attend retirement dinner for Sen. Jim McClure			
YEUTTER						
1:00 Lunch with Jack and Esther Coopersmith	11:00 Interview with the BBC's Anthony Rosen 3:00 Meeting with Japanese Forestry Products Industry Mission 4:00 Teleconference with state Commissioners of Agriculture 6:00 Attend fundraiser for Sen. Jesse Helms 6:30 Attend dinner for Rep. and Mrs. Frenzel	10:00 Address Dept. Hispanic Heritage Month ceremony 11:30 Address North Carolina Congressional Chambers of Commerce 2:00 Meeting with Take Pride in America award winners 3:00 Meeting with U.S. Ambassador to Colombia Thomas McNamara	7:45 Meeting with Dawson County, Nebraska citizens LONDON, OHIO 1:30 Address Farm Science Review 4:30 Address Ohio GOP meeting		WASHINGTON, DC 8:00 Meeting with Regional Reporters Association 8:00 Attend Hope reception	

*Cabinet
Correspondence*

THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

September 14, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: CLAYTON YEUTTER



The speech to the Congress went very well. Many told me they thought it was your best ever in that context. I thought it was exceptionally well crafted on both the Iraq and budget deficit issues.

I'm off to Chicago today to speak to the Chicago Farmers after which Jeanne and I will join John and Priscilla Richman for opening night of the Lyric Opera. You will remember John from his days as CEO of Kraft, and from his help with the business community when the Reagan Administration was working on tax reform. He could be an asset in helping to sell a deficit reduction package too.

The Chicago speech is my critique of the 1990 farm bill as it goes to conference. There is plenty to try to fix, and I've been working the conferees in recent days. Some of the most onerous provisions have come from Chairman Leahy, particularly in dairy where he wants a total supply management program. That in itself comes close to being veto bait. You may hear from Leahy before we're through. He told me yesterday that if we objected too vigorously to his farm bill provisions, he just wouldn't be able to find the time to focus on the Administration's foreign aid bill!

It looks as if the agricultural protectionists (sugar, dairy, peanuts, cotton) have now joined the industrial protectionists in pushing for the textile bill. You will recall that we sustained two Presidential vetoes of textile legislation during my tenure as USTR, but Carla may have an even tougher battle this time. The strategy of proponents is to override your veto and hope that the legislation will then kill the Uruguay Round.

On a more positive note Roger Porter, John Sununu and I have all been working away on the spotted owl issue in recent days, doing a lot of hand holding with the Pacific Northwest Senators. We believe we're close to wrapping up a well balanced response. Whatever we do will generate criticism, but I'm cautiously optimistic that we'll calm the waters a bit.



THE SECRETARY OF THE TREASURY

Mr. President,

For your information.

NFB

~~CONFIDENTIAL~~

Declassified
Authority Treasury Waiver 8/22/06
By SS NARA, Date 10/21/24

September 14, 1990
Report on Iraq-Kuwait Developments

Japan announces new package including additional dols 1 billion to support military effort in Gulf and dols 2 billion in financial assistance to front line states. That brings Japan's total combined military and financial aid commitments to dols 4 billion. As expected, economic aid involves dols 600 million in quick disbursing loans at concessional interest rate to Egypt, Jordan and Turkey. Balance of economic aid to be coordinated with other donors and IBRD/IMF.

Differences over the appropriate individual country assessments delaying EC financial assistance package. Meeting of Community's Foreign Ministers on Monday now seen as unlikely to produce agreement.

Chancellor Kohl said Germany will increase aid for Gulf efforts. Details to be worked out with Secretary Baker, who will be visiting the country tomorrow.

South Korea commits to provide financial assistance, but indicates that amount will be negatively affected by domestic relief requirements resulting from recent flooding and it will be some time before details can be worked out.

U.K. announces that it will deploy additional 6,000 man force to Gulf.

Philippines indicates that it is trying to arrange transportation so its 70,000 nationals in Iraq/Kuwait can be relocated. It anticipates that most will be go to jobs in other countries, e.g., Taiwan and Saudi Arabia.

U.N. Security Council approves resolution on provision of food to Iraq calling for:

- Security Council to determine when urgent humanitarian need for food exists in Iraq/Kuwait; and
- distribution to be through United Nations in co-operation with International Red Cross or appropriate humanitarian agencies.
- It also recommends that medical supplies be exported under the supervision of the government of exporting state or humanitarian organization.

In addition, the Security Council approved shipment of food by India to meet needs of its nationals in Iraq/Kuwait.

Note: Information drawn from a variety of news sources and cables

~~CONFIDENTIAL~~

September

17	18	19	20	21	22	23	24	25	26	27	28	29	30
Major International Events													
Franco-German summit opens in Munich	UN General Assembly convenes			Asian Games open in Beijing					Council of Europe Parliament meets			UNICEF summit in NY	
Philippine bases negotiations							CSCE environment meeting opens in Spain						
EC for. min. convene in Rome													
Visits to US													
Hungarian Pres. Goncz in DC					Collor in US								
									Honduran Pres. Callejas in DC			UNITA Pres. Savimbi in US	
						de Klerk in US							
South Pacific Forum delegation in DC					Western Samoa's PM Tofilau in DC					Ozal in US			
									Salvadoran Pres. Cristiani in DC and NY				
Visits Abroad													
Thatcher in Czechoslovakia, Hungary, and Switzerland													
Cavaco Silva in Japan and California													
von Witzsaecker in Ottawa													
Chinese FM Qian in Latin America													

THE WHITE HOUSE

WASHINGTON

September 17, 1990

Talking Points

Conversation with Linda Warsaw

250th Daily Point of Light

Telephone: (714) 882-1344

Time: 11:50 a.m. EDT; 8:50 a.m. PDT

- Hello, Linda. How's my "Point of Light" today?
- Linda, I'm calling you today because not only are you today's Daily Point of Light, but you are also the 250th Daily Point of Light that I have recognized.
- Your leadership and service are so important, and I think you and your friends prove something I believe: that young people everywhere can identify community problems and help solve them.
- I understand that in San Bernardino you have been a real leader among other young people working against crime.
- I hear that you have been involved with "Kids Against Crime" since you were 12 years old and that 4000 young people are now helping in your efforts.
- You certainly must enjoy your work to have been so involved for five years.
- What keeps you going?
- Congratulations again and keep up the good work.

The Real Capital-Gains Rate—75%

By DAVID GOLDMAN

The U.S. economy cannot long survive the present capital-gains tax environment. If you purchased a stock portfolio in 1975 and sold it today, the effective capital gains tax rate on the transaction would be about 75%. The 28% tax rate applies both to your real gain, measured in constant 1975 dollars, as well as to the inflation built into the present price of your portfolio.

After paying taxes on both the real and inflationary gains, you are left with only a quarter of your capital gain, measured in the 1975 dollars with which you bought the portfolio. The 28% nominal capital-gains rate, in fact, is the highest in history, as the graph below indicates. But the real rate, taking into account past inflation, has risen much more, to about 75% now from only 23% in 1965. Of course, different holding periods for the same portfolio involve different inflation penalties.

Most of the nation's capital stock represents mature investments made during the 1970s or early 1980s. That is, risk investors who bought securities or formed businesses in such growth areas as computers or cable television now hold mature investments that have the bulk of their capital gains behind them. Normally, risk investors would sell such portfolios to income investors and seek new risk investments. The effective 75% capital-gains rate on an investment held for 15 years, though, immobilizes their capital, and reduces the relative price of risk investments. That is why the Dow Jones Industrial Average, representing the stocks of mature companies, has

outperformed all other indices.

It is important to view the 1990 stock market in the context of recent economic history. Between 1954 and 1969, the rate of increase of stock prices was higher than inflation, i.e., investors had real capital gains. From 1969 to 1982, when the Reagan tax cuts began to take effect, the inflation rate exceeded the appreciation of stock

price investments, providing an incentive for risk investors to cash in their capital gains and take new risks.

High capital-gains tax rates make innovative companies less attractive to investors, with the result that technology stocks filled 35% of institutional portfolios in 1989 as against 47% in 1987. Similarly, more capital-backed stock offerings have appeared since 1987.

A lower tax rate on capital gains is required to restore the attractiveness of new risk investment. The recession in the Northeast stems from the decline of real estate, high tech and the securities markets, i.e., the sectors most sensitive to the high capital-gains rate. The deficit of state capitals and the bill for the S&L bailout would fall drastically if the capital-gains rate were cut to a tolerable level.

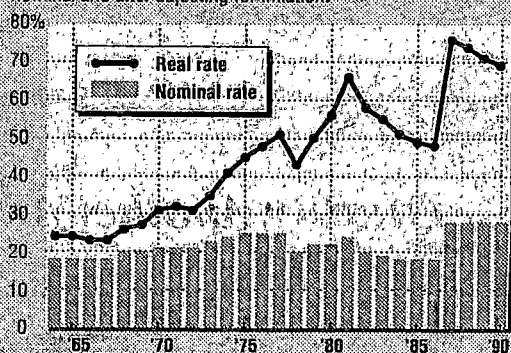
But the true significance of a capital-gains tax cut is not that it would avert recession in the short term—although it would—but that it would enable this country to unbottle the benefits of the Reagan years and mobilize capital for a new generation of investment.

Economic growth is the result not of investing "money," but effort and skill. At the margin, higher productivity comes from better skills, that is, technological innovation. The capital-gains tax as it now stands crushes innovation at both ends, by destroying the incentive to make new risk investments while imposing a prohibitive cost on cashing in mature investments.

Mr. Goldman is an economist at Polyconomics, in Morristown, N.J.

Paying More on Your Capital Gains

Capital-gains tax rates on a 15-year investment in the S&P 500, nominal and after adjusting for inflation.



Source: Polyconomics, Inc.

prices, i.e., investors had real capital losses. Between 1982 and 1987, they enjoyed real capital gains once again. Investors who held out through the bad years now cannot afford to make their capital liquid. That is, the economy cannot turn the benefits of the good years into a new generation of investments.

These numbers make clear why both a lower, basic rate and inflation indexing of capital-gains taxes are essential. Indexation is needed to break the logjam of ma-

know what you like and where your price cut-off point is. Call the agent yourself; it will be faster.

Ms. Peterson is delighted that she never made enough money as a temp to buy a highly mortgaged co-op in Manhattan.

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address. For subscription rates see Page A2.

THE WHITE HOUSE
WASHINGTON

Bush Library Photocopy
Miscellaneous Handwriting

AGENDA

CABINET MEETING
September 17, 1990

1. Iraqi Invasion of Kuwait
(Secretary Baker)
2. The Budget Summit
(Chairman Boskin)

Patty-

this was in the President's out box.

daily file?? (it looks like it came
from Jack Kemp during the Cabinet meeting
today . . .)

Bush Presidential Library Photocopy

Mr President

I was astounded at the empirical
evidence in support of your goal to
lower Cap.Gns to 15% (or so.)
This article could be useful to you in explaining
J Kemp

SCHOOL RECOGNITION CEREMONY \ SOUTH LAWN
SEPTEMBER 17, 1990 \ 3:30 P. M.

THANK YOU, SECRETARY CAVAZOS. AND THANK YOU
ESPECIALLY FOR YOUR LEADERSHIP IN KEEPING EDUCATION AT
THE VERY TOP OF OUR NATIONAL AGENDA. \ \ A SPECIAL
WELCOME TO SOME OF OUR GOVERNORS WHO WERE INVOLVED WITH
LAST YEAR'S EDUCATION SUMMIT AND WHO ARE WITH US TODAY:

- 2 -

CARROLL CAMPBELL OF SOUTH CAROLINA; ROBERT CASEY OF
PENNSYLVANIA; RUDY PERPICH (PURR-PITCH) OF MINNESOTA;
AND DON SCHAEFER OF MARYLAND. \ \ ALSO WITH US TODAY IS
GIL GROSVENOR (GROVE-NUR), PRESIDENT OF THE NATIONAL
GEOGRAPHIC SOCIETY. \ \ AND TO ALL OF YOU ACROSS THE
SOUTH LAWN, OUR SPECIAL GUESTS: WELCOME TO THE WHITE
HOUSE. \ \ \

I'M HONORED TO WELCOME HERE TODAY REPRESENTATIVES
OF THE 221 ELEMENTARY SCHOOLS CHOSEN THIS YEAR AS
WINNERS IN OUR SCHOOL RECOGNITION PROGRAM.

EACH OF YOUR SCHOOLS IS AS DIVERSE AS THIS GREAT COUNTRY. THEY ARE PUBLIC AND PRIVATE AND RANGE IN SIZE FROM 170 TO OVER 1400 PUPILS; THEY SERVE CHILDREN FROM SCARCELY POPULATED RURAL AREAS TO SOME OF OUR LARGEST CITIES. BUT YOU ALL HAVE SOMETHING IMPORTANT IN COMMON -- YOUR SUCCESS AND ACHIEVEMENT -- IDEALS TO WHICH THE OTHER SCHOOLS ACROSS THE BREADTH OF THIS NATION CAN LOOK FOR INSPIRATION.

THIS YEAR'S WINNERS WERE JUDGED ON THE QUALITY OF THE EDUCATION THEY PROVIDE; THEIR STUDENTS' ACHIEVEMENTS AND ATTITUDE; AND THEIR TEACHERS' AND ADMINISTRATORS' LEADERSHIP. BUT PERHAPS THE MOST IMPORTANT CRITERIA WAS A SENSE OF SHARED PURPOSE AMONG FACULTY, STUDENTS, PARENTS, AND COMMUNITY.

THESE SCHOOLS SHARE A VISION OF HOPE -- THAT THEY CAN FOSTER THE FULL POTENTIAL AND DEVELOPMENT OF EACH CHILD AND, BY DOING THAT, HELP MAKE THIS A BETTER NATION AND A BETTER WORLD. \\\

HOWEVER, THOSE HIGHER GOALS MAY HAVE BEEN LOST ON SOME OF THE YOUNGEST WINNERS. I UNDERSTAND THAT WHEN ONE FIRST GRADER FROM COLWYN ELEMENTARY SCHOOL TOLD HER PARENTS ABOUT HER PRINCIPAL BEING HONORED, SHE EXCLAIMED: "SISTER MARY WON THE ACADEMY AWARD." \\\

WE'RE HERE TODAY NOT ONLY TO SALUTE THESE INDIVIDUAL SCHOOLS, BUT ALSO TO RE-STATE OUR COMMITMENT AS A NATION TO EDUCATION.

FOR OUR DEMOCRACY CAN REMAIN VITAL ONLY IF OUR PEOPLE CONTINUE TO GROW IN KNOWLEDGE AND WISDOM -- FACING EACH NEW CHOICE WITH AN INCREASED UNDERSTANDING OF THE COMPLEX AND COMPETITIVE WORLD IN WHICH WE LIVE. AND WE MUST REALIZE THAT EDUCATION IS THE KEY TO OUR FUTURE; TO OUR IDENTITY AS A NATION; AND TO OUR VERY SOUL AS A PEOPLE. \\\

I CAME TO THIS JOB BELIEVING THAT AMERICA CAN AND MUST HAVE A RESTRUCTURED AND REVITALIZED EDUCATION SYSTEM TO ENABLE US TO COMPETE SUCCESSFULLY IN THE WORLD -- AND TO EMPOWER EACH CITIZEN TO ACHIEVE HIS OR HER FULLEST POTENTIAL. AFTER ALL, EDUCATION IS OUR MOST ENDURING LEGACY, VITAL TO EVERYTHING WE ARE AND CAN BECOME.

WE'RE CELEBRATING AN IMPORTANT ANNIVERSARY HERE. ONE YEAR AGO THIS MONTH, WE HELD THE PRESIDENT'S EDUCATION SUMMIT WITH THE GOVERNORS.



IN FACT, MY FIRST STOP AFTER THE SUMMIT WAS RIGHT HERE WHERE I SPOKE TO LAST YEAR'S WINNERS OF THESE PRESTIGIOUS AWARDS. THE SUMMIT ITSELF GREW OUT OF OUR PLEDGE TO LEAD A NATIONAL EFFORT TOWARD A RENAISSANCE OF EXCELLENCE IN AMERICA'S SCHOOLS. AS A RESULT OF THIS HISTORIC EVENT, INVOLVING THE NATION'S GOVERNORS AND MY CABINET, WE EMERGED WITH A SENSE OF DIRECTION FOR INDIVIDUAL AND COLLECTIVE EFFORTS TO IMPROVE THE QUALITY OF EDUCATION FOR ALL.

**FOR THE FIRST TIME, AMERICANS NOW HAVE A CLEAR SENSE OF
DIRECTION TOWARD NATIONAL EDUCATION. **

**WITH THE INVALUABLE COOPERATION OF TEACHERS,
PARENTS, COMMUNITY LEADERS AND A VARIETY OF EDUCATORS;
AND WORKING WITH THE GOVERNORS, AT THE BEGINNING OF
THIS YEAR, I ANNOUNCED OUR SIX EDUCATION GOALS TO BE
MET BY THE YEAR 2000: ABSOLUTELY ESSENTIAL GOALS THAT
RECOGNIZE EDUCATION AS A LIFELONG ENTERPRISE.**



**I REPEAT THEM NOW BECAUSE THEY MUST BECOME SO FAMILIAR
THAT THEY SEEM WOVEN INTO THE FABRIC OF OUR LIVES. **

**FIRST: BY THE YEAR 2000, ALL CHILDREN IN AMERICA
MUST START SCHOOL READY TO LEARN. SECOND: THE HIGH
SCHOOL GRADUATION RATE MUST INCREASE TO AT LEAST 90
PERCENT. THIRD: AMERICAN STUDENTS MUST BE COMPETENT IN
FIVE CRITICAL SUBJECTS WITH THEIR PROGRESS MEASURED IN
GRADES FOUR, EIGHT AND TWELVE.**

**FOURTH: OUR STUDENTS MUST BE FIRST IN THE WORLD IN
SCIENCE AND MATH.**

**FIFTH: EVERY ADULT AMERICAN MUST BE ABLE TO READ. AND
FINALLY: EVERY ONE OF OUR SCHOOLS MUST BE SAFE,
DISCIPLINED, AND DRUG-FREE. **

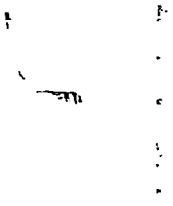
**I'M PLEASED TODAY TO BE ABLE TO UNVEIL A WONDERFUL
POSTER DISPLAYING THESE IMPORTANT GOALS THAT HAS BEEN
PRODUCED BY THE NATIONAL GEOGRAPHIC SOCIETY AND THAT
WILL BE SENT TO EVERY SCHOOL IN THE NATION. NATIONAL
GEOGRAPHIC HAS JOINED THE FIGHT TO ENSURE A FIRST-CLASS
EDUCATION FOR EVERY AMERICAN CHILD, AND WE ARE GRATEFUL
-- THANKS, GIL. **

**YOU KNOW, IN THIS PAST YEAR SINCE OUR SUMMIT, AS
WE'VE TURNED OUR ATTENTION TO THE FORMIDABLE TASK OF
ENSURING THAT THESE GOALS ARE ATTAINED, WE'VE SEEN AN
EXTRAORDINARY RESPONSE, AS REFORM TOOK OFF ACROSS OUR
NATION. AND ONE OF THE MOST IMPORTANT REFORMS SWEEPING
OUR GREAT COUNTRY IS EDUCATIONAL CHOICE: EMPOWERING
PARENTS TO GET INVOLVED IN THEIR CHILDREN'S EDUCATION.
TODAY, WITH US IS POLLY WILLIAMS, A COURAGEOUS LEADER
WHO BROUGHT CHOICE TO MILWAUKEE, WISCONSIN'S SCHOOLS.
**

AND IT'S TEAMWORK THAT'S ENGENDERING THIS INSPIRING
SUCCESS -- AN EXTRAORDINARILY CONSTRUCTIVE PARTNERSHIP
BETWEEN THE FEDERAL LEVEL AND THE GOVERNORS OF OUR
STATES AND TERRITORIES. SHOWING OUR
ADMINISTRATION-WIDE COMMITMENT TO EDUCATIONAL
EXCELLENCE, WE HAVE ALSO BEGUN EXCITING PROGRAMS
INVOLVING EVERY CABINET DEPARTMENT.

TODAY, I ISSUE A CHALLENGE TO EVERY AMERICAN TO
JOIN US. STEP FORWARD IN YOUR OWN WAY TO RESPOND TO
ONE OF THE MOST CRUCIAL ISSUES WE FACE.

STUDENTS: SET YOUR SIGHTS AND YOUR PERSONAL GOALS HIGH
SO YOUR FUTURE CAN MATCH YOUR FINEST DREAMS. \\


EDUCATORS: YOU'RE ENGAGED IN NOBLE, TERRIBLY IMPORTANT
WORK -- WE CONGRATULATE YOU AND LOOK FORWARD TO YOUR
CONTINUING DEDICATION TO AMERICAN EDUCATIONAL
EXCELLENCE \\
PARENTS: WE URGE YOU TO BECOME MORE
INVOLVED IN YOUR CHILDREN'S EDUCATION. \\


AND COMMUNITIES: WE'VE MADE GREAT LEAPS IN GETTING COMMUNITIES MORE ENGAGED IN LOCAL-LEVEL ACTION -- BUT WE NEED MORE.

ALL OF US MUST COMMIT OURSELVES FULLY NOW. RIGHT NOW. AMERICA CAN'T AFFORD TO WAIT -- OR WASTE -- A GENERATION. TO ALL OF YOU, AS WE LOOK AHEAD TO OUR GOALS AND TO THE YEAR 2000, LET'S ANSWER THE CALL: "LET TOMORROW BEGIN TODAY." \\\

CONGRATULATIONS TO ALL OF YOU -- AND GOD BLESS AMERICA.

* * * * *

Daily

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Congressman Larry Craig (R-ID)

DATE: September 17, 1990

RECOMMENDED BY: Fred McClure 

PURPOSE: To urge Congressman Craig to vote against the textile bill on the House floor today.

BACKGROUND: Congressman Craig is normally a strong proponent of free trade policies and a solid supporter of your position on key issues. However, his situation is complicated by the fact that retiring Senator James McClure (R-ID), who Craig is running to succeed, voted for the bill when it passed the Senate.

KEY POINTS: We've got a tough vote today on the textile bill and I need your help.

This bill would seriously restrict textile and footwear imports and violate international trade rules.

We're currently enjoying a huge export boom, the greatest in our nation's history. This bill will place at risk our \$400 billion in exports and the millions of American jobs that depend on trade.

Furthermore, the timing of this bill is terrible. It sends the wrong signal to the rest of the world when other countries are on the verge of adopting America's model of free enterprise and competition.

-2-

It also sends the wrong signal to other countries as we commence this round of the GATT negotiations.

DATE OF SUBMISSION: September 17, 1990

ACTION:

Daily

THE WHITE HOUSE
WASHINGTON

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Congressman Richard Stallings (D-ID)

DATE: September 17, 1990

RECOMMENDED BY: Fred McClure *FM*

PURPOSE: To urge Congressman Stallings to vote against the textile bill on the House floor today.

BACKGROUND: Congressman Richard Stallings (D-ID) has consistently voted against textile legislation. He has voted against two textile bills and voted to sustain two of President Reagan's vetos. His position is wavering, however, (he tells us) because Senator McClure (R-ID) voted for the bill and Congressman Craig (R-ID) is considering supporting it too.

A phone call from you, asking for his help and reminding him of his consistent support for free trade in the past, may be enough to solidify his opposition to the bill.

KEY POINTS: We've got a tough vote today on the textile bill and I need your help.

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DATE OF SUBMISSION: September 17, 1990

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THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Congresswoman Susan Molinari (R-NY)

DATE: September 17, 1990

RECOMMENDED BY: Fred McClure *fm*

PURPOSE: To urge Congresswoman Molinari to vote against the textile bill on the House floor today.

BACKGROUND: Representative Susan Molinari is facing her first vote on the textile bill today and tells us she is truly undecided. Her father opposed the bill in 1987 and Bill Green (R-NY) is spearheading the effort against it. Therefore she has some good reasons to vote no.

Some feel she committed her vote to Duncan Hunter (R-CA) who is a strong supporter of the bill in exchange for his help last week on the "home porting" issue.

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Daily

THE WHITE HOUSE

WASHINGTON

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DATE: September 17, 1990

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PURPOSE: To urge Congressman Solomon to vote against the textile bill on the House floor today.

BACKGROUND: Congressman Gerry Solomon (R-NY) has consistently supported textile legislation, but has told our legislative affairs staff and other private sector lobbyists that he may consider switching his position and oppose the bill this year.

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daily

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DATE OF SUBMISSION: September 17, 1990

ACTION:

daily

THE WHITE HOUSE
WASHINGTON

W

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DATE: September 17, 1990

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DATE OF SUBMISSION: September 17, 1990

ACTION:

got him
11:42 AM
leaving against it
opposed in first
do have problems

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Congresswoman Susan Molinari (R-NY)

DATE: September 17, 1990

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daily

✓
11 AM
EST
OK

It also sends the wrong signal to other countries as we commence this round of the GATT negotiations.

DATE OF SUBMISSION: September 17, 1990

ACTION:

difficult

Hill's made good speech

"For Us"

daily

THE PRESIDENT HAS SEEN

h
✓

September 17, 1990

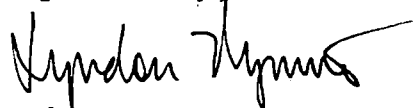
The President
The White House
Washington, DC 20500

Dear Mr. President,

In observance of the events that are taking place in the Middle East such correspondence might appear trivial, but I wanted to take the time to write on behalf of the family of Lyndon B. Johnson.

Every year on the anniversary of my grandfather's birthday the President of the United States has sent a wreath to celebrate and to remember. Once again we were honored to have another wreath sent to my grandfather's grave, and we as a family are grateful to you and nation for remembering.

Respectfully,



Lyndon Nugent
Second Lieutenant, United States Army

80311 DOCUMENT= 4 OF 9

PID MS
OCDATE 890930
ECTYP IBA
EDIA L
TAFF PRESIDENT BUSH
PRBUSH
AME MR. PATRICK LYNDON NUGENT, 2LT, AV
SAL PATRICK
RG THE LBJ COMPANY
TREET SUITE 700
13809 RESEARCH BOULEVARD
DDR AUSTIN TX 78750
UBJECT LETTER OF APPRECIATION FOR THE WREATH FROM
THE PRESIDENT TO BE LAID AT HIS GRANDFATHER 'S
GRAVESITE (FORMER PRESIDENT LYNDON JOHNSON)
UBCODE FG002-35
NDCODE 5200
PTCODE MI
ACTION PRPRES ORG 891011 CP2 A 891012
0607 * End of document.

THE WHITE HOUSE
WASHINGTON

Date: 10/10/90

TO: P. Presock
(FBI)

Found in regular mail.
No Address given, postmarked
from Dothan, AL.

(grandson of LBJ)

FROM: GLORIA CHONKA
Presidential Correspondence,
Mail Analysis
Room 58, Extension 6600

Gloria C.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

W-A-G

The Honorable Edward J. Derwinski
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, D.C. 20420



THE PRESIDENT

9-17-90

Dear Ed -

I watched ABC tonight.
My advice - Don't let the
bastards get you down.

Like all Americans I know
you don't have one prejudicial
bone in your body - nor

would you demean anyone else
keep big yourself!!

I'm 'nit' ya

bcc: John Sununu
Ede Holliday

GB

ister

daily

Sir:

Please note that
this is from
Rev. Jackson's
son.

THE WHITE HOUSE

WASHINGTON

JC

9-17-90

Dear Jesse:

Thank you for your warm and thoughtful message
regarding the situation in the Persian Gulf.

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

Your kind words mean a great deal to me, and
I appreciate your support.

Sincerely,



Mr. Jesse L. Jackson, Jr.
Vice President At-Large
Operation PUSH, Inc.
930 East 50th Street
Chicago, Illinois 60615

5
A New Agenda :

The Challenge for the

90'S

S. Green

173529

Operation PUSH, Inc.
19th Annual National Convention
930 E. 50th Street, Chicago, IL 60615

Tel: (312) 373-3366

Fax: (312) 373-3571

August 31, 1990

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James L. Wright
Rev. Addie Wyatt
Rev. Claude S. Wyatt, Jr.
Doris Zollar

President George Bush
The Whitehouse
Washington, DC 2410-0001

Dear President Bush:

It is with great admiration that I write you. The task before you is a very difficult one. Your concern for the safety of the American citizens abroad and the manner in which you have orchestrated the international embargo in the Middle East is commendable.

I pray that you continue in the strength, knowledge, and wisdom. May this mission be successful and may our men return safely to their families and country.

Sincerely,



Jesse L. Jackson, Jr.
Vice President At-Large

JLJ, JR:bms



THE PRESIDENT

9-17-90

Tim -

Tim Kinnear of Texaco
sent me this survey.

Thought you might
like to have someone look at it
Best GB,

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

The Honorable James D. Watkins
Secretary of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

From the desk of

George Bush

Sec. Jim Watkins
↑
send report to him

**NATIONAL SURVEY
ON
THE IRAQI CRISIS**

Prepared for TEXACO INC



Penn + Schoen Associates, Inc.

August 23, 1990



THE PRESIDENT

September 17, 1990

Dear Duane,

I am sorry I missed talking to you, but I do appreciate your thoughts and prayers during these complicated times.

Can't wait to hear the new album.

Barbara joins in sending warm regards.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Duane Allen
329 Rockland Road
Hendersonville, Tennessee 37075



THE PRESIDENT

September 17, 1990

Dear Reuben and Hilda,

Barbara and I wish you and your household a
Happy Rosh Hashanah and another year full of
blessing.

Warmest wishes from all the Bushes.

Sincerely,

A handwritten signature in dark ink, appearing to be "G. H. W. Bush", followed by a long diagonal stroke.

FROM
THE WHITE HOUSE
WASHINGTON, D.C

Mr. and Mrs. Reuben Askanase

5050 Woodway

Houston, Texas 77056

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 17, 1990

REMARKS BY THE PRESIDENT
AT THE CEREMONY FOR WINNERS OF THE
ELEMENTARY SCHOOL RECOGNITION PROGRAM

The South Lawn

3:36 P.M. EDT

THE PRESIDENT: Thank you, and welcome to the White House lawn on this beautiful fall day. We're delighted to have you all here. And thank you, Secretary Cavazos, and thank you especially for your leadership in keeping education at the very top of our national agenda. And special welcome to the governors who are with us today, and those who participated in last year's economic summit. I'm so glad that this many are here. And I want to greet Governor Campbell, and Governor Casey, Governor Perpich, Governor Schaefer; and I'm just delighted they are here. Will you all stand up, please, and have a welcome from the crowd here? (Applause.)

And also with us today is Gil Grosvenor, a great friend of ours, friend of education, President of the National Geographic Society to whom we are indebted for the distribution of this pro-education poster. Gil, thank you very much to you and your associates. (Applause.) And a special welcome to all of you, our special guests. You know, Barbara's here. I happen to think with some husbandly pride that she's doing a remarkable job for education. (Applause.)

She's just finished a reception inside for her new radio program: Barbara Bush Story Time. It's going to be kind of like Fiorello LaGuardia for you old-timers -- (laughter) -- used to do this. There's a slight complication on this, however, because attending that reception, and with us today, is Bob Saggett of America's Funniest Home Videos. Is he over there somewhere? (Applause.) Bob, you're welcome to stay, but your act is over there in the press room; that's where you ought to be to get your material. (Laughter.) Thank you very much for joining us today.

I'm honored to welcome the representatives of the 221 elementary schools chosen this year as winners in our School Recognition Program. Each of your schools is as diverse as this great country. They are public and private, they range in size from 170 to 1,400 pupils. They serve children from scarcely-populated rural areas to some of our largest cities. But you all have something important in common: your success and achievement -- ideals to which the other schools across the breadth of this nation can look for inspiration.

This year's winners were judged on the quality of the education they provide, their students' achievements and attitude, and their teachers' and administrators' leadership. But perhaps the most important criteria was a sense of shared purpose among faculty, students, parents, and then the entire community.

These schools share a vision of hope that they can foster the full potential and development of each child and, by doing that, help make this a better nation and a better world.

However, those higher goals may have been lost on some of the youngest winners. I understand that when one first-grader from Colwyn Elementary School told her parents about her principal being honored, she exclaimed: "Sister Mary won the Academy Award?"

MORE

(Laughter.)

We're here today not only to salute these individual schools, but also to restate our commitment as a nation to education. (Applause.) For our democracy can remain vital only if our people continue to grow in knowledge and wisdom; facing each new choice with an increased understanding of the complex and competitive world in which we live. And we must realize that education is the key to our future, to our identity as a nation, and to our very soul as a people.

I came to this job believing that America can and must have a restructured and revitalized education system to enable us to compete successfully in the world; and to empower each citizen to achieve his or her fullest potential. After all, education is our most enduring legacy, vital to everything we are and everything we can become.

We're celebrating an important anniversary here. One year ago this month, we held the President's Education Summit with the governors. In fact, my first stop after the summit was right here where I spoke to last year's winner of this prestigious award. And the summit itself grew out of our pledge to lead a national effort toward a renaissance of excellence in American schools. As a result of this historic event, involving the nation's governors and our Cabinet, we emerged with a sense of direction for individual and collective efforts to improve the quality of education for all. For the first time, Americans now have a clear sense of direction toward national education.

With the invaluable cooperation of teachers, and parents, and community leaders, and a variety of educators, and working with the governors at the beginning of this year, I announced our six education goals to be met by the year 2000. Absolutely essential goals that recognize education as a lifelong enterprise. And I want to repeat them now, because they must become so familiar that they seem woven into the fabric of our lives.

First, by the year 2000, all children in America must start school ready to learn. And second, the high school graduation rate must increase to at least 90 percent. And third, American students must be competent in five critical subjects with their progress measured in grades four, eight and twelve.

Fourth, our students must be first in the world in science and math. And fifth, every adult American must be able to read. And finally, every one of our schools must be safe, disciplined, and drug-free. (Applause.)

I am very pleased today to be able to unveil a wonderful poster displaying these important goals that have been produced, as I said earlier, by the National Geographic Society; and it will be sent to every single school in the nation. National Geographic has joined the fight to ensure a first-class education for every American child. And once again, Gil Grosvenor, we are very, very grateful to you and your associates over there. (Applause.)

And I'm grateful to you two for holding that up in the wind. (Laughter.) You're doing a first-class job there, Marcus and Jennifer.

You know, in this past year since our summit, as we've turned our attention to the formidable task of ensuring that these goals are attained, we've seen an extraordinary response, as reform took off across our nation. And one of the most important reforms sweeping our great country is educational choice; empowering parents to get involved in their children's education. Today, with us -- and I spot her right down here -- is Polly Williams, a courageous leader who brought choice to Milwaukee, Wisconsin's school. Polly, would you please stand up, too? (Applause.)

And it's teamwork that's engendering this inspiring success -- an extraordinarily constructive partnership between the federal level, the governors of our states and territories. Showing our administration-wide commitment to educational excellence, we've also begun exciting programs involving all of the Cabinet departments.

Today, I issue a challenge to every American to join us. Step forward in your own way to respond to one of the most crucial issues that we face. And students, set your sights and your personal goals high, so that your future can match your finest dreams.

Educators, you're engaged in noble, terribly important work. And we congratulate you, and look forward to your continuing dedication to American educational excellence. And then to parents, we urge you to become more involved -- more involved in your children's education. And lastly, to the communities, we've made great leaps in getting communities more engaged. The governors have done a sensational job going to the communities getting them more engaged in local-level action, too. But we need more.

All of us must commit ourselves fully now. Right now. And America, really on this one, can't afford to wait -- or waste -- a generation. To all of you, as we look ahead to our goals and to the year 2000, let's answer the call: "Let tomorrow begin today."

Congratulations to all of you. Thank you for interest in education. Thank you for caring about our kids. Thank you very, very much. (Applause.)

END

3:45 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 17, 1990

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END

3:45 P.M. EDT

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

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

☐ Transferred During Accessioning

☒ Transferred During Processing

2009-0166-S

The following material was transferred to:

☒ **Audiovisual Collection**

☐ **Book Collection**

☐ **Museum Collection**

☐ **Other**

Other (Specify):

DESCRIPTION:

P15817-12A [Roger Clemens]

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

Donor:

Donor Org.:

Address:

Telephone:

Book Location:

Row:

Section:

Shelf:

Position:

Map Case Location:**Series:**

Daily Files

Box Number:

62

Folder Title:

Monday, September 17, 1990

OA/ID Number:

90561-01

Transferred by:

Deborah Wheeler

Date of Transfer:

10/12/2010

Received by:

Mary Finch

Date Received:

10/12/2010

[Go to Database
Navigator](#)

[Go to Accession
Register](#)

[Go to Withdrawal Sheet](#)

[Print Record](#)



11:30 A.M. NEWS UPDATE

GULF CRISIS (AP) -- Young Kuwaiti men trying to flee their occupied homeland were seized by Iraqi troops, refugees reported, and their sobbing wives and daughters were forced to cross into Saudi Arabia without them.

...International opposition to Iraq appeared to pick up strength.... Twelve member nations of the EC, meeting today in Brussels, are expected to consider new retaliatory measures against Iraq and more aid for countries hurt by the embargo. Dutch Premier Ruud Lubbers said he expected European nations to agree on toughening the embargo within the next two days. But he said the Netherlands has no immediate plans to expel Iraqi diplomats in retaliation for Iraq's intrusion into diplomatic premises in Kuwait last week.

An Egyptian military source said Egypt will send 250 soldiers to Saudi Arabia today and more will follow in a few days. The source said Egypt would also send tanks, armored personnel carriers and air defense systems to Saudi Arabia.

Japan's first mission of doctors, nurses and support staff was preparing to leave for Saudi Arabia Tuesday to lay groundwork for a planned 100-member Japanese medical team, officials said.

Moscow announced it will restore diplomatic ties with Saudi Arabia, cut in 1938.

Kuwaiti refugees said food is becoming scarcer in their homeland, and Iraqi soldiers are trying to quell resistance by blowing up blocks of houses. Their government-in-exile called the unannounced weekend exodus evidence that Saddam intends to depopulate Kuwait and move in his own people.

There was concern the Iraqis might be trying to infiltrate spies or terrorists into Saudi Arabia, leading a multinational force. Refugees without proper identity documents were being questioned carefully by Saudi authorities.

GULF/IRAQI PRESS (Baghdad/AP) -- Newspapers derided President Bush for warning in a broadcast message to Iraqis that Saddam Hussein was steering them toward war. One declared: "Mr. Bush, we listened to your message, but please shut up."

Bush's speech touched off street protests Sunday in Baghdad. Thousands of Iraqis marched and shouted, "Death to Bush! Death to America!"

In a move consolidating control of Kuwait, authorities announced Iraq has ordered the dissolution of Kuwait Airways.

IRAQ/BRITAIN (London/AP) -- Britain will expel the Iraqi military attache and three aides from the embassy in London, Foreign Secretary Douglas Hurd said. Hurd indicated that the Home Office would be announcing further sanctions against Iraq later in the day. "This all arises because I feel, the government feels, that we've got to act in solidarity with the French and the other countries whose embassies have been invaded and people taken out during the last few days," Hurd said in an interview relayed to London from Brussels by the government's information office.

GULF/FRANCE (Paris/UPI) -- Defense Minister Chevenement played down France's decision to send 4,000 troops to the Persian Gulf, saying the deployment was not intended to lock his country "in the logic of war.... The policy of France, as the president of the republic recalled, remains the embargo, to constrain Iraq to return to international law," Chevenement said in an interview with the newspaper La Tribune de l'Expansion.

JORDAN/PLO (Amman/UPI) -- King Hussein, in a reconciliation attributed to the Persian Gulf crisis, has met with leaders of two radical PLO factions who were expelled from Jordan 20 years ago, PLO spokesmen said. George Habash, head of the Popular Front for the Liberation of Palestine, and Naif Hawatmeh, head of the Democratic Front for the Liberation of Palestine, met with Hussein separately Sunday night. The meetings appeared to be an acknowledgement of the widespread popular support for Saddam Hussein.

MAYOR BARRY (AP) -- Federal prosecutors said they will not retry Mayor Barry on a dozen drug and perjury charges a jury could not resolve. "The government has made a determination not to seek retrial on the pending counts," Assistant Attorney Judith Retchin said. Barry, who wore a relaxed smile as he entered the courtroom, leaned back in his chair at the defense table and smiled broadly when Retchin announced the government's decision.

POLAND/WALESA (Warsaw/UPI) -- Lech Walesa announced he will run for president. Walesa said he would seek the presidency to implement the reforms to the end which he started in 1980.

CAMBODIA (Bangkok/UPI) -- The leaders of Cambodia's four battling factions failed to reach agreement at the first meeting of a new Supreme National Council created to bring peace to their nation, officials said. The talks will continue Tuesday afternoon, a senior Thai official stated. "We have some problems. We will continue discussions tomorrow," Prime Minister Hun Sen said after 3 1/2 hours of talks.

(Beijing/UPI) -- Vietnam's prime minister and Communist Party leader held secret talks with Chinese officials early this month that led to a breakthrough agreement toward a peace settlement by Cambodia's warring factions, foreign diplomats said today. The talks were the first among the two nations' leaders since Hanoi and Beijing fell out more than a decade ago. Diplomats said the secret talks led to acceptance by Vietnam and the Phnom Penh government of the peace settlement framework devised by the permanent five members of the U.N. security council.

PHILIPPINE BASES (Manila/UPI) -- President Aquino and her defense minister, bowing to political reality, conceded that talks this week on U.S. bases in the Philippines will focus on a timetable for U.S. withdrawal. Aquino took the stand as anti-bases protesters at the U.S. Embassy battled riot police firing guns and tossing teargas canisters twice. At least 20 people were hurt. Facing substantial internal opposition to a continued U.S. military presence, Aquino said she would not try to evade the Philippine constitutional provision that bans U.S. military bases after the current basing treaty expires in September 1991.

SOVIET REFORMS (Moscow/AP) -- President Gorbachev called for a national referendum on whether to end the collectivization of farmland and turn it back to individuals. In a 30-minute address to the national parliament, Gorbachev said the referendum "is such a crucial question, it cannot be decided in any office, by any small group or even by this parliament."

REAGAN VISIT (Moscow/UPI) -- Former President Reagan told a Soviet Parliament committee he was impressed with the reforms that have made Moscow a valued partner in world affairs. Reagan told the Supreme Soviet international affairs committee he was amazed at the rapid changes in the country since he was last in Moscow. Reagan said he realized reforms like the move to a market economy being debated in the Supreme Soviet were causing an uproar, and he advised patience during the transition period. Reagan praised the changes that have suddenly put the U.S. and the Soviet Union on the same side in international issues, particularly the international condemnation of Iraq's invasion of Kuwait.

WHOLESALE PRICES (Bern/UPI) -- Wholesale prices rose 0.5% in August because of sharply higher oil prices caused by the Gulf crisis, the government said. Excluding petroleum products, the wholesale price index declined 0.4%, the government said.

BUSINESS INVESTMENT (UPI) -- Business inventories jumped 0.7% in July while sales declined 0.5%, the Commerce Department said, in yet another sign of a faltering domestic economy. Private economists expected an increase in the nation's stockpile of unsold goods as consumers spend less money in anticipation of a recession.

-end-

3:30 P.M. NEWS UPDATE

GULF CRISIS/KUWAITI MEN (Khafji/Reuters) -- Iraq is rounding up young Kuwaitis in what they fear may be a first step to drafting them into the Iraqi army. Refugees fleeing Kuwait across the Saudi border said Kuwaiti men of military age were being taken at Iraqi checkpoints. The flow of refugees slowed today because of Iraqi indecision and strict conditions for departure.

GULF/BLOCKADE CHALLENGES (Simon Haydon/Reuters) -- Libyan planes are being used to break the U.N. embargo and a number of Western European companies are believed still exporting to Baghdad, according to Western intelligence sources. The sources, who represent NATO countries, said intelligence services had documented several cases of Libyan aircraft flying supplies into Iraq since the Security Council banned trade with Baghdad. They said there were also strong indications -- but no evidence -- that companies in Western Europe were chartering aircraft supplying false flight plans to escape detection, and sending goods to Iraq. The sources said Libyan exports to Iraq were probably originating in the West. The sources said that, with the naval blockade now in place, Western governments were looking for ways of preventing goods from reaching Iraq by air and were preparing to clamp down on cargoes from Western Europe.

(Amman/Reuters) -- Pro-Iraqi troops meeting in Jordan said they would send a shipload of food and medicine to challenge the naval blockade of Iraq as part of a propaganda offensive against the West. The ship will carry Arab and European peace activists including women and children. "The most important goal is a propaganda one," said Samir al-Mazghani, from Tunisia's National Committee to Support Iraq. The "peace boat" plan was first announced in Tunis Thursday. It was due to be formally endorsed at the closing session of the Amman meeting later today.

GULF/E.C. (Brussels/UPI) -- The EC called for expulsion of all Iraqi military attaches and restrictions on other Iraqi diplomats in retaliation for Iraqi raids on Western diplomatic compounds in Kuwait last week. Some countries, including Britain and Belgium, announced such retaliatory measures today, and others were expected to quickly follow.

GULF/IRAN (Nicosia/Reuters) -- Tehran reaffirmed it would abide by U.N. sanctions against Iraq as a senior Iranian official discussed normalization of ties to Baghdad. Tehran Radio said Deputy Foreign Minister Mahmoud Vaezi, briefing EC ambassadors in Tehran, stressed Iran's commitment to the Security Council resolution imposing an embargo on Iraq. "The Islamic Republic of Iran has explicitly condemned the Iraqi invasion of Kuwait," the radio quoted Vaezi as saying.

GULF/INFANT MORTALITY (Amman/Reuters) -- The U.N. Childrens Fund said that infant mortality had risen in Jordan since the start of the crisis and predicted health conditions would get worse because of economic distress. "Infant mortality has risen slightly in Jordan since the start of the crisis, a noticeable increase," UNICEF spokesman Tuma Hazou told Reuters.

-more-

JORDAN/RADICALS (Amman/AP) -- Arab radicals meeting in Amman cheered calls for suicide attacks against American forces and for an Islamic uprising to topple President Mubarak. "We have striking examples of heroes who turned their bodies into bombs that horrified the aggressors and forced them to flee in darkness as happened to the American Marines in Beirut in 1983," said Ibrahim Al-Kharraz of the Libyan Peoples Congress. He drew rapturous applause on the final day of the three-day meeting by exhorting Arabs to swiftly move against U.S. forces and Saudi oil pipelines. "We have to move swiftly and with all means against the American military presence on the peninsula and in the gulf and follow the examples of the Arab struggles in the 50s and the 60s," said Al-Harraz. The call for Mubarak's ouster came from Adnan Saududdin, a member of the Jordanian Islamic Front and the fundamentalist Moslem Brotherhood.

OIL PRICES (New York/Reuter) -- Energy prices soared to their highest levels in seven years as supply fears and a new bout of jitters over the Mideast crisis swept through the market. "People are very nervous about where their next cargo is coming from," one London-based crude trader said.

SOUTER HEARINGS (AP) -- Judge Souter said he would not rule out the death penalty as a violation of the constitutional ban on "cruel and unusual punishment." "I think that would be an insupportable constitutional conclusion," Souter told the Senate Judiciary Committee. "That is an opinion I could not join."

In testimony today, Souter said the checkpoints differed from other searches because driving a car is "a highly dangerous and regulated activity." He said if the checkpoints were properly conducted, police were correct in using them to try to prevent tragedy.

(Reuter) -- Souter said the court must defend individual rights even when they are unpopular, but refused to say if that included abortions.

Souter was asked by Sen. Metzenbaum if the Supreme Court had an obligation to defend individual rights, such as flag burning, when those rights are opposed by a majority of Americans. "There's no question about it. If that were not the case, there would be no point in having the Bill of Rights," Souter replied. But when Metzenbaum asked if a woman's decision about reproduction, including abortion, was protected, Souter said, "Those considerations, to me, point exactly to the kind of inquiry the court must make."

Metzenbaum said he still had reservations about Souter, but Sen. DeConcini said he was impressed by Souter's testimony and predicted he would be confirmed.

DUGAN (AP) -- Air Force Chief of Staff Mike Dugan was relieved of his duties, the Pentagon said. The unusual move followed Dugan's blunt comments about U.S. contingency plans for massive air strikes against Baghdad. "Secretary Cheney took the action this morning after consulting with the President," said a terse, three-sentence statement issued at the Pentagon. Dugan will no longer serve as the Air Force's top commander, but he retains his rank as a four-star general, the Pentagon said.

BANK INSURANCE (UPI) -- The House, moving to avoid another multibillion dollar bailout for the financial industry, voted to have banks pay higher premiums for the insurance fund that protects bank depositors. The bill, passed by voice vote and sent to the Senate, would allow the FDIC to raise the premiums to whatever level is needed to keep the fund solvent.

Rep. Gonzalez told the House the condition of the fund "will almost certainly continue to deteriorate as the bank industry's condition declines along with the economy. Clearly, the bank insurance fund will go the way of the (thrifts fund) unless quick action is taken to shore up the fund." Rep. Wylie, the ranking Republican member of the committee, said higher premiums are "essential for maintaining a healthy balance" in the fund.

LIBERIA (Freetown, Sierra Leone/UPI) -- Refugees evacuated from Monrovia told the children starving to death on the streets of the city and a cholera epidemic sweeping through the stranded population. As more refugees were evacuated from Monrovia by U.S. Marine helicopters, they described how starving people, too weak to stand, would lie down on the streets to die. Rebel rockets flew overhead and fires burned out of control in the city center, the refugees said.

PAKISTAN/U.S. AMBASSADOR (Islamabad/Reuter) -- A government minister called for Ambassador Oakley to be replaced following his criticism of the controversial prosecution of Pakistan's former rulers. "My personal view is that they should send somebody more serious for the job," caretaker Interior Minister Zahid Sarfraz told reporters.

PALESTINIAN GUERRILLA/GREECE (Athens/Reuter) -- Greek authorities have begun questioning a Palestinian guerrilla wanted in the U.S. in an airplane bombing, the first step toward his trial in Greece, his attorney said. The U.S. wants to try Mohammed Rashid, 34, for the 1982 blast that ripped through a Hawaii-bound Pan Am airliner, killing a Japanese teenager and wounding 15 other passengers. The Greek government says a decision has not been made yet on whether to extradite Rashid.

LEBANON (Beirut/Reuter) -- President Hrawi threw more troops around Lebanon's Christian enclave, tightening a noose around defiant Gen. Aoun. Military sources said hundreds of soldiers, backed by tanks, arrived in Syrian armored vehicles at the Green Line dividing Beirut to step up pressure on Aoun to acknowledge Hrawi's authority.

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