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FOIA MARKER

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Library Staff.**

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

OA/ID Number: 90569
Folder ID Number: 90569-001

Folder Title:
Saturday, November 10, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	3	7

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Note	Handwritten notes of Presidential Phone call with Craig Washington (1 pp.)	11/10/90	(b)(1)	
01b. Note	Handwritten notes of Presidential Phone call with Prime Minister Mulroney (7 pp.)	11/10/[90]	(b)(1)	
02. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (2 pp.)	11/10/90	(b)(6)	
03a. Memo	From Ede Holiday to President Bush (1 pp.)	11/09/90	(b)(1)	✓
03b. Memo	From Carla A. Hills to President Bush (2 pp.)	11/08/90	(b)(1)	✓
04. Memo	From Frederick D. McClure Re: Recommended Telephone Call by the President to convey birthday greetings to Milward Simpson on the occasion of his 93rd birthday [redaction of personal information] (1 pp.)	11/10/90	(b)(6)	

Page 1 of 1

Collection:

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Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, November 10, 1990

Pinksheet Number: dw1880
OA/ID Number: 90569-001
Date Closed: 1/13/2011
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

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Date Closed: 1/13/2011	OA/ID Number: 90569-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

Presidential Phone Calls



DATE: 11-10

TIME: Incoming/outgoing

WITH: Ben Wayshak

SUBJECT: going out & lunch
(WP) story today

* patz

FOLLOW UP: Be sure he's on
a W.H. Xmas
list.

Bush Presidential Library Photocopy

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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

November 10, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
QNZ	7:27 AM	7:31	Mrs. Dorothy LeBlond (b)(6)	Tlkd-ok 7:29 AM
INC	PM			
OUT	8:51 AM	9:09	General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 8:52 AM
INC	PM			
OUT	8:51 AM	9:21	Governor John H. Sununu (b)(6)	Tlkd-ok 9:10 AM
INC	PM			
OUT	9:22 AM	9:26	Mr. Micheal M. McGinnis (b)(6)	Tlkd-ok 9:23 AM
INC	PM			
OUT	10:01 AM	10:07	General Brent Scowcroft Office, Washington, D.C. Secure Voice x7434	Tlkd-ok 10:04 AM
INC	PM			
OUT	10:07 AM	10:22	Speaker Thomas S. Foley (b)(6)	Tlkd-ok 10:14 AM
INC	PM			
OUT	10:23 AM	10:25	General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 10:23 AM
INC	PM			
OUT	10:36 AM	10:40	General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 10:37 AM
INC	PM			
OUT	11:11 AM	11:14	Mrs. Lorna J. Simpson (b)(6)	Tlkd-ok 11:12 AM
INC	PM			
QNZ	AM		General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 12:09 PM
INC	12:07 PM	12:13		
OUT	AM		General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 12:47 PM
INC	12:45 PM	12:47		

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

November 10, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		Conference Call: Prime Minister Brian Mulroney	Tlkd-ok 12:57 PM
INC	12:45 PM	1:09	(b)(6)	
OUT	AM		Mr. Adrian A. Basora White House Situation Room White House Signal 2-2262	
INC	PM			
OUT	AM		General Brent Scowcroft Office, Washington, D.C. White House Signal 2-2260	Tlkd-ok 1:23 PM
INC	1:23 PM	1:25		
OUT	AM		MSCS Wilfredo A Nocon Laurel Lodge, Camp David, Maryland Camp David Signal 4-1680	Tlkd-ok 3:15 PM
INC	3:15 PM	3:15		
OUT	AM		Ms. Laurie G. Firestone (b)(6)	Tlkd-ok 6:09 PM
INC	6:08 PM	6:10		
OUT	AM		Ms. Laurie G. Firestone (b)(6)	Tlkd-ok 6:29 PM
INC	6:28 PM	6:30		
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

NOVEMBER 10 th , 19 90

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	10:54 AM	10:59	MR. BENJAMIN WAGSHAL WASHINGTON, D.C. 202-363-5698	TLKD-OK 10:56 A.M.
INC OUT	PM AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

PRESIDENTIAL MOVEMENTS

LOCATION Camp David, Maryland

DATE 10 November 1990

TIME

MOVEMENTS

[illegible]

~~CONFIDENTIAL~~

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

November 9, 1990

GH
11-10

MEMORANDUM FOR THE PRESIDENT

FROM:

EDE HOLIDAY ~~GH~~

SUBJECT:

MEMORANDUM FROM CARLA HILLS

The attached memorandum from Carla Hills questions whether you should meet collectively with the G-7 Heads of State at the CSCE Conference in Paris on November 19, to discuss the Uruguay Round. I understand that, in response to a memorandum from Brent Scowcroft and Roger Porter, you had previously agreed to meet with the G-7 in Paris, subject to scheduling. We are working with Ambassador Hills to assure that her concerns are addressed and that USTR will have an opportunity to provide policy guidance for any such meeting.

Attachment

cc: Brent Scowcroft
Roger Porter

DECLASSIFIED

PER NSC WAIVER, 1900 2021-02
By SS NARA, Date 10/23/14

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

THE PRESIDENT HAS SEEN

November 8, 1990

Ed
I talked
to Carla
several days
ago

MEMORANDUM FOR THE PRESIDENT

FROM: Carla A. Hills *CHH*
SUBJECT: My Trip to Geneva and Brussels to Assess Uruguay
Round Prospects

AMB
11-10

The European Community's intransigence on agriculture remains the key stumbling block to a successful conclusion of the Uruguay Round by December 3, which is the date of the final Ministerial meeting in Brussels.

On Monday of this week, the Cairns Group of 14 agricultural exporting nations* issued in Geneva a statement condemning the Community for its unwillingness to negotiate fundamental agricultural reform, which will require specific reductions in export subsidies, barriers to market access, and internal supports. Cairns said that if significant progress is not made by mid-November, they would have to "assess the implications for the further conduct of the Round." There is no Cairns consensus yet as to what these "implications" may be.

On Tuesday, the European Community's Council of Ministers finally agreed to table an agricultural offer. As we expected, this offer appears to be wholly inadequate, containing no direct reductions in export subsidies (we've proposed 90%), only a 15% reduction in internal supports (we've proposed 75%), and de minimis reductions in border barriers (again, we've proposed 75%).

Despite the inadequacy of the offer on its face, we have agreed with the Cairns Group and others that we should take roughly one week to ten days to "test" the offer and probe whether the Commission has the requisite flexibility to negotiate on the specifics of reform.

* Argentina, Australia, Brazil, Canada, Colombia, Fiji, Hungary, Indonesia, Malaysia, the Philippines, New Zealand, Thailand, and Uruguay.

CLASSIFIED BY: *CHH*

DECLASSIFY ON: *OADR*

DECLASSIFIED
PER NSC WAIVER, EOO 2021-02
By SS NARA, Date 10/23/24

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Memorandum for the President
Page 2

On the basis of my conversations with the Cairns ministers, my sense is that Canada intends to remain at the table until Brussels, regardless of what the Community does or does not do. The Latins are seriously considering suspending negotiations in mid-November if the EC does not begin to negotiate reductions in export subsidies and in barriers to market access. Australia, which chairs the Cairns Group, is on the fence, placing a high priority on maintaining a common Cairns position. My view is that we must use the next ten days to place maximum pressure on the EC to be forthcoming with respect to agricultural reform.

Next steps: I am coordinating with the Cairns Group, while our negotiators in Geneva probe for EC flexibility on agriculture. I met yesterday with Frans Andriessen, my EC counterpart, and am seeking to meet with him again prior to the start of the annual U.S. - EC Ministerial meeting on November 16 in Brussels.

Canada and certain other countries are advocating that we convene a meeting of the G-7 Heads of State at the CSCE Conference in Paris on November 19. Prime Minister Mulroney may call you shortly with this proposal. I believe that it would be quite difficult for you to accomplish our objective in such a meeting where we have so few philosophical allies.

However, your upcoming bilateral meetings on November 13 with EC President Delors and Italian Prime Minister Andreotti, and on the 18th and 19th with Kohl and Mitterand, do present a far better opportunity to keep the pressure on the Community. You could use these meetings to underscore that the success or failure of the Round now depends entirely on the EC's ability to negotiate agricultural reform. We will be providing you with talking points for these bilaterals, and I will keep you apprised of all developments.

~~CONFIDENTIAL~~

CAMP DAVID

11-10-90

Sam:

Thanks for htis report.

Alsrming and yet I see no
easy answer. Please keep me
advised.

If the 'jaw boning' option
makes sense I'm glad to
engage.

gb .

GB/

cc: Ede



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

November 9, 1990

THE PRESIDENT HAS SEEN

MEMORANDUM FOR: The President

THROUGH: John H. Sununu
Chief of Staff

FROM: Samuel K. Skinner 

SUBJECT: The Impact of Higher Fuel Prices
on the Airline Industry

Earlier this year, I reported to you that our study of airline industry competition revealed that deregulation has worked, leading to more frequent and expanded service at lower cost. Recent events in the Middle East, however, may have the potential to reverse our progress and to jeopardize the vitality of this critical industry. I am becoming increasingly concerned that the recent run up in the price of kerojet fuel could trigger the demise of a number of air carriers within the next 120 days. While the collapse of any one carrier would not have a major national impact, a rapid consolidation in the airline industry could have an adverse impact on competition and lead to Congressional calls to reregulate the industry.

At the airlines' request, Secretary Watkins and I have conducted listening sessions in the past two days with senior executives from every major air carrier. All carriers are taking a variety of steps to conserve energy, and I have directed the Federal Aviation Administration to review air traffic control procedures with a view towards developing more fuel-efficient direct routing procedures. In the meantime, our analysis and the industry figures raise serious concerns.

Jet Fuel Prices Have Dramatically and Disproportionately Increased

Jet fuel prices went from 63¢ per gallon in early August to a high of \$1.39 in October to \$1.09 yesterday. Data from the Energy Information Administration (EIA) indicate that kerojet fuel prices have gone up, in percentage terms, far more than gasoline or heating oil since the Iraqi invasion. Over the period August 1 to November 2, crude oil prices increased 57%, gasoline 42%, heating oil 43% and kerojet fuel prices 66%.

Because prevailing expert opinion is that no shortage exists, the exact cause of this speculative pricing behavior remains unclear. Industry analysts have suggested two troubling reasons: (1) that gasoline and heating oil prices are more sensitive to consumer and

political outcry, while jet fuel is one step removed from the traveling public; and (2) that the greater rise in jet fuel is attributable to concern about future hostilities, where the military, which recently switched to using commercial jet fuel, will be given priority over increasingly scarce refinery capabilities.

The Impact of Higher Fuel Costs on the Airline Industry Is Severe.

Most industry analysts, who had originally estimated an approximate \$500 million industry profit this year, now estimate that the airline industry will suffer a record loss year -- between \$1.5 to \$2.0 billion. Some airline observers estimate that if fuel prices remain at present levels or increase in the next six months, as many as 40% of the airline seats currently being operated could fall under bankruptcy protection, as the vast majority of equity held by U.S. carriers will be eliminated. To fully understand the impact of higher jet fuel costs, consider the following:

- o Fuel represents an airlines' second highest operating cost, after labor. We estimate that fuel as a percentage of operating costs will grow from 15% in the second quarter of 1990 to 20% in the fourth quarter.
- o Each 1¢ per gallon increase in jet fuel translates into an approximate \$164 million annual added industry cost; if oil goes up \$1 a barrel, it adds \$560 million more in annual operating expenses.
- o The airlines spent \$8.5 billion on fuel last year. An average carrier burns 5 million gallons of jet fuel daily.
- o One healthy carrier, which burns 2.5 billion gallons each year, has seen its annual fuel bill rise by over \$875 million since the Middle East crisis began.

These losses, which are directly attributable to sharply higher fuel costs, traditionally sluggish winter months and very elastic demand, could well cause a major restructuring and consolidation of the airline industry in the next six months. Some have even gone so far as to suggest that perhaps only four of our major carriers will survive the current situation, which could result in extensive disruption to over 175,000 employees, which does not take into account the substantial number of employees in associated industries.

The airlines have raised fares 15% since late August in an attempt to recoup increased fuel costs, but price elasticity and the substantial lag time for fare increases to take effect are resulting in a substantial shortfall. We estimate that each 10% fare increase results in an 8% loss in traffic. Airlines currently are laying off employees, scaling back operations and grounding

aircraft. Nonetheless, about 130 new aircraft are expected to be delivered in the next six months, at an expense of over \$5 billion.

Virtually every major carrier has expressed alarm over these developments, indicating that they either (1) cannot continue as viable entities, or (2) worry about reregulation and the global competitiveness of the industry. Today in the industry, everything is in a state of flux. Each of the airlines is looking at others as possible merger partners, or as a source of acquisitions of routes, planes and gates. Some argue that a number of carriers are so financially weak (Eastern, Pan Am and TWA) that some orderly consolidation is long overdue. But at the same time, artificially high fuel prices could serve as a catalyst for the collapse of some competitively significant carriers (Continental, Northwest, Midway and US Air). This result, in turn, could lead to significantly higher fares, less service and efforts to reregulate the industry. In the event the situation in the Mideast deteriorates, industry experts estimate a substantial increase in jet fuel prices will occur, and the airlines' liquidity position will decrease rapidly, perhaps prompting a number of airlines to file for bankruptcy protection within weeks.

Governmental Options Are Limited

The federal government appropriately eliminated the pricing and allocation schemes that allowed airlines to survive previous oil crises in the 1970s. The Defense Production Act, which would have set forth an allocation scheme in the event of hostilities, expired as a result of Congressional inaction in this past session. The airline industry is now searching for some form of governmental action that could be viewed as consistent with our free market principles. First, they would have us to review jet fuel pricing, and take appropriate actions, such as subtle jaw boning. Second, most are renewing with a sense of urgency a request for exercise of your authority to tap the Strategic Petroleum Reserve (SPR) and exercise of the Secretary of Energy's authority to promulgate regulations allocating any oil drawn from the SPR to designated recipients at specified amounts and prices.

Third, most are suggesting relaxation of foreign investment restrictions in the airline industry, provided reciprocity exists with respect to pricing, access and foreign investment. Finally, some seek deferral in the collection of the 10% aviation ticket tax. We are currently in the process of evaluating their suggestions and have taken no position on the merits of any suggestion. Given the possible gravity of the situation and the need for extensive coordination to arrive at an Administration position, I have suggested to Secretary Brady that he call the Economic Policy Council together to take up this issue.

I have attached a recent news article on the situation for your perusal.

L.A. Times P.A1 11/6

Airlines Facing Their Most Devastating Year

■ **Travel:** Iraq-induced fuel price hikes may lead to industry loss of \$2 billion. Fares to rise, carriers dwindle.

By ROBERT E. DALLOS
TIMES STAFF WRITER

NEW YORK—These are turning out to be the worst of times for the nation's airlines, the most devastating 12 months the industry has ever experienced.

"This is going to be an awful year, dreadful, stinko," said Robert L. Crandall, chairman of AMR Corp., the parent of American Airlines.

Estimates of the industry's probable losses for 1990 range from \$1.5 billion to \$2 billion. At best, the deficit is expected to be double that of the airlines' worst year to date—1982, when carriers collectively lost \$733 million from operations.

Already, fares are going up and services are being reduced as the airlines struggle against the losses. And, over the longer term, experts say such measures won't be sufficient to save some of the weaker carriers.

The chief culprit—although by no means the only one—in the industry's troubles is the dramatic increase in the price of jet fuel resulting from the crisis in the Persian Gulf. Next to labor, fuel is the second largest expense for the carriers, accounting for about 15% of operating costs.

Their fuel bill is expected to balloon from \$9 billion in 1989 to between \$13 billion and \$14 billion this year, Robert Aaronson, president of the Air Transport Assn., the industry's main trade group, predicted. It could soar an additional \$5 billion to \$10 billion next year.

Another way to look at the cost of Iraq's aggression: For each penny that jet fuel rises, the industry's

revenues are reduced by \$160 million annually, according to George W. James, chairman of Airline Economics, a Washington, D.C., consulting firm. At American Airlines alone, it costs \$26 million every time fuel costs go up 1 cent, Crandall said.

And, with fuel prices more than doubling from the 57-cents-a-gallon price before the Iraqi invasion of Kuwait, the pressure on airlines has been intense.

"We certainly feel more threat-

ened by the fuel issue combined with what appear to be longer term trends in the economy than we have in many years," said Edwin I. Colodny, chairman of USAir Group, which is unique in the industry in not having had a losing year since 1975.

The carriers were headed for losses this year even before the August invasion of Kuwait. Fuel prices had already jumped 25%, and airline traffic—and thus profits—had begun to level off. Even then, consumer caution was becoming evident, with people cutting back on vacation plans and businesses curtailing travel.

The industry could probably have muddled through a business downturn or even a mild recession. But then came the jump in fuel prices. And now, with little chance that fuel costs will drop dramatically any time soon, things will probably get worse before they get better.

"The airline industry," Aaronson said, "is experiencing a financial crisis the likes of which it has never seen before."

The industry's problems have serious implications.

Already, scheduled service to some places has been cut as airlines trim unprofitable routes and ground some aircraft. Pan American World Airways and America West Airlines have dropped some flights, for example, and USAir announced that it would ground 24 older Boeing 727-200s over the next year.

Fares—up an average of 15% in the last six months, including a 5.8% rise on many routes that took effect last week—may continue to climb.

Daniel A. Hersh, an airline analyst with the Los Angeles brokerage firm of Bateman Eichler, Hill Richards, predicts that before it's all over travelers will be paying 25% more for plane tickets than they did in the summer. However, some airline executives doubt that further fare hikes could take hold.

Also, service might suffer as carriers try to cut corners, analysts warn. Layoffs and hiring freezes already are spreading through the

industry, and some carriers, including USAir, have postponed delivery of new aircraft.

California fliers remain the object of the airlines' competitive affection, however. According to Hersh, each of the biggest U.S. airlines—American, USAir, United Airlines and Delta Air Lines—has "flooded" the California market with seats, increasing capacity on intrastate flights by about 150%.

With all those seats, and because of the low fares of Southwest Airlines on Oakland-to-Burbank runs and other routes, intrastate fares have come down about 60%.

Nationally, the bigger picture is that there may soon be fewer airlines to choose from, with all the disadvantages for consumers that accompany a lessening of competition.

Because of a speeded-up trend toward consolidation—the unintended consequence of more than a decade of airline deregulation—experts are predicting that soon only a few major carriers will be left.

Initially, the industry's deregulation in 1978 spawned more than 200 new airlines. In the dozen years since, almost all of them have disappeared—victims of merger, liquidation or the loss of

their permits to fly—which erased some established airlines, as well.

Just a few of the well-known names that have vanished:

—National Airlines merged with Pan Am.

—Ozark Airlines merged with Trans World Airlines.

—Frontier Airlines was bought by People Express, which was acquired by Texas Air Corp., which has since changed its name to Continental Holdings.

—North Central Airlines and Southern Airlines merged into Republic, which was then taken over by Northwest Airlines.

Who will go next? The devastating economics of the last half of 1990 have candidates for the airline graveyard stacked up at the gate.

Sources maintain that bankrupt

Eastern Airlines has only a slim chance of surviving in the current climate. It has already sold off its most lucrative operation—the Northeastern shuttle—and it was forced to sell its Latin American routes, another money-making operation, to American.

continued

continued from preceding page

Financially ailing Pan Am, which has been disposing of assets for the last decade, has agreed to sell its London routes to United. And Pan Am plans to auction off its Northeastern shuttle just to scrape up enough cash to see it through the winter.

Last week, the company was forced to seek postponements of \$62 million in debt payments; days later it announced a \$29.1-million quarterly loss. It gave fuel prices much of the blame for a deficit in its busiest third quarter ever, in terms of passenger traffic.

Continental Airlines considered, but then rejected, a Chapter 11 bankruptcy filing just two weeks ago. And TWA is teetering, too.

Without a dramatic reversal of fortunes, one or more of these airlines is likely to collapse soon, experts say. Candace Browning, an airline analyst with Wertheim Schroder & Co., predicts disaster by year's end. "The terrible results of the fourth quarter will hasten the restructuring of weak carriers," she said.

Even the healthy airlines—American, Delta, USAir and United—have been hurting: reporting losses, trimming schedules or making other cost reductions. Delta had an operating loss of \$73.6 million in the third quarter; USAir lost \$120 million.

American's parent company made \$175.5 million in the first nine months of the year. But Crandall, its chairman, says the outlook for the rest of 1990 is dismal. "The fourth quarter is [going to be] so bad," Crandall said, "that we may end up losing money for the entire year."

Still, the handful of strong airlines is expected to ride out the storm, picking up assets from weaker carriers in the meantime and, thereby, becoming even more dominant.

"It is almost certain that a year from today, the big [carriers] will be bigger and a couple [airlines] may no longer be flying," said Thomas Longman, an airline analyst with Bear, Stearns & Co. in New York. "The amount of industry consolidation is almost directly proportional to fuel and the economy."

For both the airlines and the flying public, unless fuel prices decline, the worst is yet to come.

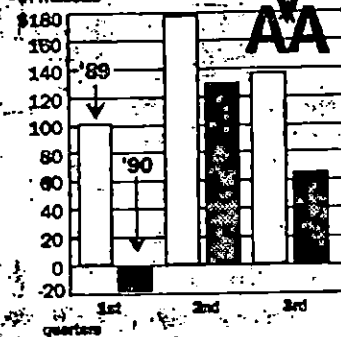
New taxes on tickets and surcharges on airport usage will begin going into effect on Jan. 1. The costs of higher-priced airline labor agreements also will be passed on to the consumer.

—To make matters still worse, once some carriers take their

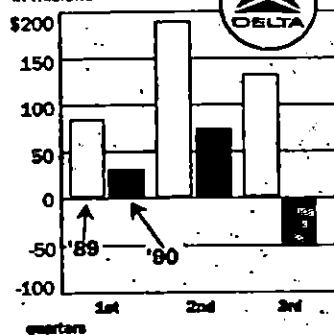
AIRLINE INDUSTRY SLUMP

Third quarter, 1990, earnings for other major airlines—TWA, Continental and Eastern—have not yet been announced. Northwest Airlines is privately held and not required to release financial data. Earnings data below is for comparable periods during fiscal years 1989 and '90.

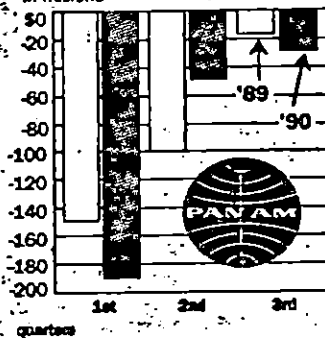
American Airlines
in millions



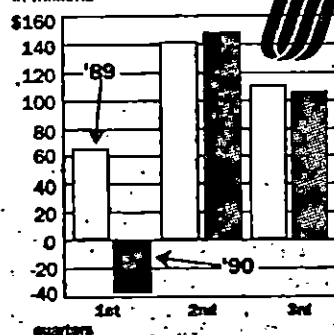
Delta Air Lines
in millions



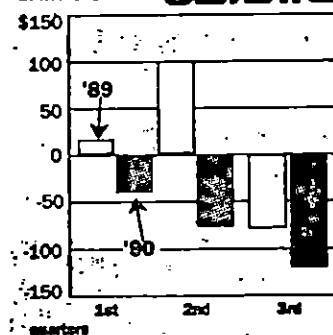
Pan Am
in millions



United Airlines
in millions



USAir
in millions



Planes out of service, airports will be forced to raise the landing fees charged remaining flights to make up for the lost revenues.

All these will make it even harder for the airlines to turn a profit. And one plus for travelers will detract further from the carriers' bottom lines.

Because most passengers—especially those not flying on business—make their plans months in advance, the full effect of the Nov. 1 fare hikes won't be felt until early next year. Most of the 32 million passengers who will travel in the United States during the holidays will do so at the fares in force before the latest increases.

ROBERT BURNS / Los Angeles Times

"Although [the airlines] have gotten a couple of fare increases, these take a while to work through the system," said Hans J. Plickert, an airline analyst with The Transportation Group, an affiliate of the New York investment firm of Paine Webber. "But, at \$1.20 a gallon, there is no way you can make money in the airline business."

continued

continued from preceding page

FARES TAKE OFF

With fuel prices spiraling higher in the wake of the Iraqi invasion of Kuwait, the nation's airlines have boosted fares an average of 15% in the last three months. Examples:

ROUTE	OLD FARE	CURRENT FARE
-------	----------	--------------

■ L.A.-CHICAGO

One way with no restrictions	\$551	\$648
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Typical deep-discount fare (advance purchase, non-refundable supersaver)	\$338	\$398
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■ SAN FRANCISCO-DALLAS

One way with no restrictions	\$496	\$584
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Typical deep discount fare	\$378	\$445
----------------------------	-------	-------

Source: American Airlines

CAMP DAVID

11-10-90

Bill:

I read the Press Club speech in its entirety, with keen interest. This is a fine summary of the environmental record. You were most generous to me in thsi speech.

I am asking Ede to circulate the press club speech ot all Members of the Cabinet and to other key memebbers of our admin. Also it should go to soem of the governors.

Well Done.

GB

CAMP DAVID

11-10-90

Ede:

Please send Reilly Press Club speech to Cabinet, to all Republican Governors, to any opther admin people who might be speaking on our agenda.

It is positive and spells out some real accomplishments.

gb .

ay



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

November 5, 1990

THE ADMINISTRATOR

THE PRESIDENT HAS SEEN

Memorandum for The President

SUBJECT: Avoiding "Middle Class Enthusiasms" in Setting Environmental Priorities

Looking back over the history of EPA, one is struck by a notable feature: the steady increase in statutes conferring new responsibilities. Beginning with Clean Air in 1970, then clean water, toxic substance control, noise, oil spill contingency planning, hazardous waste management, environmental education, global climate change, ozone depletion, cleanup in Eastern Europe, Great Lakes, medical waste regulation, Chesapeake Bay, etc., each Congress added to the list. These laws express the concerns and reflect the expectations of the people and the Congress and obviously we work to implement and enforce them effectively.

However, the piecemeal addition of statutory responsibilities has not resulted in a coherent philosophy for environmental protection, nor has it ordered our priorities very usefully. From the moment of my appointment I have tried to address this problem. Borrowing from some advice given me by Pat Moynihan, I have described the problem as how to avoid being transported by middle class enthusiasms.

Early in 1989 I asked our independent Science Advisory Board to rank the principal risks and threats to public health and the environment. They did so in a report I released on September 26 in a speech at the National Press Club. It is fascinating to see how differently the scientific community sees the big issues versus popular impressions. Environmental polls show hazardous waste consistently at the top of public concerns, whereas the experts rank the big issues as air pollution, drinking water contamination, ozone depletion and climate change.

I do not expect that there will ever be a precise convergence of experts' and the public's assessment of environmental problems. But I do want to foster that debate and try to better inform the public and Congress.

Essentially, my message is that to ensure integrity and an informed sense of priority in decisionmaking, EPA must rely on sound science. And we must elevate the scientific component in our work.

Science magazine reported on this effort. I am enclosing a copy of the Science article, along with the speech I delivered to the National Press Club, and a summary of the report from my Science Advisory Board. While other decisions and the battles of the week get the press, this is the effort to which I attach most importance during my time at EPA.

A handwritten signature in dark ink, appearing to read "Bill", with a stylized, large initial "B".

William K. Reilly

Attachments

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Memo	From Frederick D. McClure Re: Recommended Telephone Call by the President to convey birthday greetings to Milward Simpson on the occasion of his 93rd birthday [redaction of personal information] (1 pp.)	11/10/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Saturday, November 10, 1990

Date Closed: 1/13/2011	OA/ID Number: 90569-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE WHITE HOUSE
WASHINGTON

90 NOV -9 PM 8:26

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: SENATOR ALAN SIMPSON (R-WY) or
LORNA SIMPSON, wife of former Senator Milward
Simpson

DATE: November 10, 1990

RECOMMENDED BY: Frederick D. McClure *fm*

PURPOSE: To convey birthday greetings to Milward
Simpson on the occasion of his 93rd birthday.

BACKGROUND: Former Senator Milward Simpson, Alan
Simpson's father, will be 93 years old on
Saturday, November 10. Milward Simpson is
currently in a nursing home in Cody, Wyoming.
He has recently had a leg amputated because
of circulatory problems related to
Parkinson's Disease, which he has had for
years. He is unable to take phone calls, but
he is visited regularly by his wife, Lorna,
and his son, Alan. Either of these two could
convey birthday greetings.

Lorna Simpson (home in Cody):

(b)(6)

Alan Simpson (home in Cody):

(until 1:00 pm EST on Saturday, November
10)

Bush Presidential Library Photocopy

*got hr 11¹⁵ 11-10
very pleased I called*

90 NOV -9 PM 9:40

*Office of
Cabinet Affairs*



11-10
THE PRESIDENT HAS SEEN

CABINET REPORT

For the Week of:

November 11 - 17

THE WHITE HOUSE

WASHINGTON

November 9, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY 
SUBJECT: Cabinet Report -- November 11-17

AGRICULTURE

November 13-19. Secretary Yeutter will travel to Germany, France, Belgium, the Netherlands, Sweden and the United Kingdom to meet with various senior foreign government officials. Topic: the Uruguay Round.

November 15. The National Academy of Sciences will hold a public hearing on the Food Safety and Inspection Services's Streamlined Inspection System for Cattle. The Academy recently released a report endorsing the system with quality control provisions. Activist groups continue to oppose its implementation and are likely to attempt to generate media interest in their presentations at the hearing.

COMMERCE

November 13. Secretary Mosbacher will deliver opening remarks to a U.S.-U.S.S.R. joint legal seminar. Conducted under the auspices of the Joint U.S.-U.S.S.R. Commercial Commission, the seminars are held annually, alternating between the U.S. and the Soviet Union.

EDUCATION

November 11-15. Secretary Cavazos will travel from London to Paris to attend an Organization for Economic Cooperation and Development (OECD) meeting on education. Cavazos serves as Vice Chairman of the OECD Education Committee. The theme of this year's meeting is "High Quality Education and Training for All." Cavazos will address two sessions of the meeting. Topics: the challenges confronting universal education, improving access to education, overcoming failed education policies and the role of the national education goals in U.S. education policy.

November 15. Cavazos will visit a kindergarten class and a day care center in Paris. Later in the day he is scheduled to meet with French Minister of State for Education, Research and Sport Lionel Jospin.

ENERGY

November 14-15. The Department will conduct two Energy Emergency Decision Simulation Exercises. The first, which Secretary Watkins will attend, will present the scenario of an oil product shortage this Winter resulting from a shutdown of major refineries. The second will simulate the impact of a conflict with Iraq on the energy infrastructure in Iraq and Kuwait and on oil prices worldwide. The first exercise will be open to industry and Congressional representatives; members of the media, although not invited to attend the exercise, are aware of it. The second exercise is classified.

November 15. Deputy Secretary Henson Moore will address the Fall meeting of the National Ocean Industries Association. Topic: the National Energy Strategy.

November 15. Watkins will address the annual international symposium of the Washington Research Group. Topic: the National Energy Strategy.

November 16. Watkins will travel to Norman, Oklahoma to address a dinner in conjunction with the dedication of the University of Oklahoma Energy Center, a research facility that will focus on such areas as energy efficiency and technological advances for the energy industry. Topics: basic research, education and technology transfer issues.

HEALTH AND HUMAN SERVICES

November 11-17. Secretary Sullivan will travel to Italy to attend the International Conference on the Human Mind in Rome. The conference, which is sponsored by the Vatican, will be attended by more than 1,000 participants.

November 13. Sullivan will travel to Padua to tour the Fidia pharmaceutical company. Fidia manufactures a number of drugs available in the U.S. and is known for producing medication used in the treatment of Chagas' disease, a severe tropical illness.

November 14. Sullivan will travel to Florence to visit the UNICEF Child Development Center. The center has studied problems related to child health in Africa, and Sullivan will discuss his January trip to Africa with UNICEF researchers.

November 14-16. Assistant Secretary for Health James O. Mason

will travel to the Mexico-U.S. border and meet with Texas Commissioner of Health Dr. Robert Bernstein. Topic: public health conditions in the Texas-Mexico border area.

November 16. Sullivan will travel to Rome to meet with Italian Minister of Health Francesco De Lorenzo. Topic: cooperation under the U.S.-Italy health agreement. The agreement provides for joint research and training between Italian and American health professionals. Later in the day, Sullivan will attend a meeting of the U.S.-Italy Bilateral Science and Technology Review. Participants will discuss a number of areas in the fields of science and technology, including health and medicine.

November 16. Sullivan is scheduled to meet with Pope John Paul II. Topics: the International Conference on the Human Mind and Sullivan's forthcoming trip to Africa.

November 17. Sullivan will address the closing session of the International Conference on the Human Mind. Topic: brain research in the United States.

HOUSING AND URBAN DEVELOPMENT

November 12. Secretary Kemp will address the charter members of GOPAC. Topic: the importance of grassroots efforts in achieving a Republican majority.

November 13. Kemp will attend a signing ceremony for a "Joint Declaration" among public housing authorities, public housing residents and HUD. The declaration will express support for resident management and ownership initiatives. Later in the day, Kemp will meet with representatives of the Teen Challenge Training Center, an organization involved in drug and alcohol abuse prevention programs.

November 14. Kemp will address the Harvard Business School Alumni Club. Topics: public sector management reform, the management clean-up at HUD and the Administration's anti-poverty strategy.

November 15. Kemp will chair the first meeting of the Economic Empowerment Task Force. The mission of the Task Force is to develop a strategy for creating opportunity by expanding wealth, fostering a strong social fabric and increasing access to education, jobs and property. For this first meeting, Kemp has asked members to present ideas for an empowerment strategy.

November 16. Kemp will travel to Pittsburgh to address the City Innovation Convention sponsored by a group of local business leaders. Topic: the Administration's anti-poverty strategy. Later in the day Kemp will travel to Lawrence, Massachusetts to

address the Lawrence Boys Club's 100th anniversary dinner. Topic: the Administration's anti-drug initiatives in inner cities, particularly the support for Boys Clubs in public housing communities.

INTERIOR

November 12. Secretary Lujan will travel to Chicago to address the annual meeting of the American Petroleum Institute. Topic: the petroleum industry's role in the National Energy Strategy. Energy Deputy Secretary Henson Moore will also address the meeting on the current energy situation. Substantial press attention for both addresses is expected.

JUSTICE

November 16. Attorney General Thornburgh will address a Department symposium marking the 25th anniversary of the Voting Rights Act of 1965.

November 17. Thornburgh will travel to San Antonio to address the annual dinner of the Southwest Voter Registration Education Project. Topic: voting rights.

LABOR

November 11. Secretary Dole will address the first International Women in the Media Awards ceremony and present one of four Outstanding Journalist Awards.

November 12. Dole will travel to Bronxville, New York to address students and faculty at Sarah Lawrence College. Topic: Dole's initiatives as Secretary of Labor. Dole will also meet with a small group of college seniors and college career advisors to discuss career options in public service.

November 13. Dole will travel to New York City to address the YWCA's "Salute to Women." The audience at the event will include chief executive officers and vice presidents of New York City-based companies. Topic: the Labor Department's agenda for women in the workforce. Dole will also receive the Labor-Management Cooperation Award at the AFL-CIO Work in America Institute Awards.

November 14. Dole will visit the Sumner Avenue Homeless Shelter in Brooklyn, accompanied by New York City Mayor David Dinkens. During this visit, Dole will announce a new initiative that strengthens the criteria for receiving grant funds under the Employment and Training Administration provisions of the McKinney

Homeless Act. This initiative encourages delivery of an integrated, broad range of services to the homeless, requiring grantees to make job and housing commitments part of their programs.

November 15. Dole will meet with editorial writers from the Washington Post. Topic: the Administration's labor agenda. Later, Dole will address a conference sponsored by the National Alliance to End Homelessness, Inc. The conference will be attended by national leaders in social work, transitional housing, church and civic organizations. Topic: employment and training to stabilize the lives of the homeless.

November 16. Dole will be interviewed by Washington Times reporter Cal Thomas. Topic: a retrospective of her political career.

STATE

November 13. Secretaries Baker and Cheney will join the President for a meeting with the House and Senate Leadership. Later, Baker and Secretary Brady will join the President for a meeting with European Community President Giulio Andreotti. Baker will also host a working dinner for Andreotti that evening.

November 15-16. Baker will travel to Brussels to attend the U.S.-EC Ministerial meeting. Secretary Yeutter and Ambassador Hills will also be members of the U.S. delegation to the Ministerial.

November 16-17. Baker will travel to Prague in advance of the President's visit.

TRANSPORTATION

November 14. Secretary Skinner will travel to Armonk, New York with Federal Aviation Administrator James Busey to meet with IBM Chairman John Akers. Topics: the status of significant Federal Aviation Administration government contracts held by IBM and the success of IBM's employment diversity programs. Later that day, Skinner will return to Washington to meet with Frank Luerssen, Chairman of the Illinois/Indiana Bi-State Airport Commission. Topic: the Commission's progress toward recommending a location for a third Chicago area airport.

November 15. Skinner will address a meeting of the U.S. Chamber of Commerce. Topic: personal management philosophies, including the importance of strategic planning.

TREASURY

November 15. Secretary Brady will chair a Resolution Trust Corporation (RTC) Oversight Board meeting to discuss a report on the RTC's Affordable Housing Disposition Program. Secretary Kemp will also attend the meeting.

This week representatives of the IRS, Customs Service and Office of the Comptroller of the Currency are visiting Bogota, Columbia. Their visit is a follow-up to the President's Cartagena Summit and will assess the feasibility of developing financial investigations and financial intelligence capabilities in Columbia.

UNITED STATES TRADE REPRESENTATIVE

November 14. Ambassador Hills will address the American Electronics Association's Washington Insiders breakfast. Topic: the Uruguay Round. Later, Hills will be interviewed for the "Nightly Business Report" on PBS. Topics: the Uruguay Round and general trade issues.

VETERANS AFFAIRS

November 12. Secretary Derwinski will travel to Indianapolis to address the Indianapolis American Legion Veterans Day Banquet. Topic: the significance of Veterans Day.

ACTION

November 16. Director Kenny will travel to Pittsburgh to serve on a panel at a conference on public-private partnerships sponsored by the National Volunteer Retiree Center.

COUNCIL ON ENVIRONMENTAL QUALITY

November 12. Chairman Deland will address the 1990 Nuclear Energy Forum, sponsored by the U.S. Council for Energy Awareness and American Nuclear Society. Topic: the future of nuclear energy. Deland will participate in a press conference following his address.

November 14. Deland will meet with Francis Pandolfi, Chairman of the Times-Mirror Company, which publishes a dozen outdoor-oriented magazines. Topic: the Administration's environmental record.

ENVIRONMENTAL PROTECTION AGENCY

November 13. Administrator Reilly will meet with Soviet Chairman of the State Committee for Protection of the Environment Nikolay Vorontsov. Topic: U.S.-U.S.S.R. environmental cooperation. Reilly will also meet with Swiss Vice President Flavio Cotti, who is responsible for environmental issues in the Swiss government. Chairman Deland will also meet with Vorontsov and Cotti.

November 14. Reilly will participate with the President in awarding the President's Environmental Youth Awards at an Old Executive Office Building ceremony.

November 14. Reilly will meet with EPA's ten regional administrators. On November 16, Reilly and the regional administrators will meet with Secretary Skinner, the regional administrators of the Federal Highway Administration and personnel from the U.S. Army Corps of Engineers to discuss wetlands issues.

November 15. At the request of Senator John Heinz, Reilly will address an environmental conference of the GLOBAL Legislators Organization, to be attended by 45 U.S., European and Japanese legislators. Topic: international environmental issues.

November 15. Pursuant to a court order, EPA must issue regulations determining whether wastes from wood preserving processes should be subject to regulation under the Resource Conservation and Recovery Act (RCRA). In 1988, EPA proposed designating such wastes as hazardous under RCRA based on the presence of toxic and carcinogenic components. Public comments generally did not dispute the risks posed by the wastes and the need for regulatory control. Many of the comments did assert, however, that regulation under RCRA would lead to severe economic effects on the approximately 575 wood preserving operations in the U.S., most of which are small businesses, and proposed regulation under other statutes. EPA is considering several alternatives for regulation that are intended to minimize the practical and economic disruptions to the industry.

November 16. Reilly is scheduled to join Brazilian Secretary of the Environment Jose Lutzenberger to sign a U.S.-Brazil Memorandum of Understanding on environmental cooperation. Under the memorandum, the U.S. and Brazil will hold regular consultations on environmental issues, and the U.S. will provide technical assistance and resources to Brazil.

NASA

November 15. The space shuttle Atlantis is scheduled to be launched from the Kennedy Space Center on a Department of Defense mission.

OFFICE OF NATIONAL DRUG CONTROL POLICY

November 14. Director Bennett will address the National Association of Manufacturers.

OFFICE OF PERSONNEL MANAGEMENT

November 14. Director Newman will participate in the signing of a Memorandum of Understanding between OPM and the United Nations Development Program to assist Eastern European countries in restructuring their civil service laws and human resource management.

November 15. Newman will address the Black Human Resources Network, a non-profit, non-partisan organization of minority human resource professionals. Topic: creating a diverse and competitive federal workforce.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

November 13. Director Bromley and Secretary Mosbacher will participate with the President in the presentation of the 1990 Medals of Science and Medals of Technology in an East Room ceremony.

November 14-18. Bromley will travel to Hawaii to address a symposium on high technology hosted by Governor John Waihee. He will also visit the Hawaii Institute of Astronomy and the Mauna Kea Observatory and a natural resources laboratory.

PEACE CORPS

November 12. Director Coverdell will travel to Miami to meet with Peace Corps country directors from the inter-American region. Topic: the directors' country programs.

November 13-14. Coverdell will travel to Bolivia and Ecuador to meet with U.S. embassy staff, government officials and Peace Corps volunteers. These are standard country visits to update Coverdell on the progress of and any problems facing the Peace Corps programs in these two countries.

UNITED STATES INFORMATION AGENCY

November 14. Director Gelb will convene the annual meeting of the 12 USIA private sector committees. The over 200 prominent volunteer members of these committees have generated \$3 million in cash and in-kind contributions to USIA since January 1989.

RELEASES

November 14. Release of the advance retail sales report for October (Commerce). Sales rose by 1.1 percent in September, reflecting strong automobile sales and sharply higher gasoline prices. Markets are expecting October sales to be relatively flat from the September level.

November 14. Release of data from the annual survey of occupational injuries and illnesses at 280,000 establishments (Labor).

November 15. Release of report on manufacturing and trade inventories and sales for September (Commerce). Business inventories were up significantly during the first two months of the third quarter. Sales, however, more than kept pace with the rise in inventories, pushing the inventory-sales ratio in August to its lowest monthly reading since the early 1980s.

November 15. Delivery of the Strategic Petroleum Reserve quarterly report to the House Energy and Commerce and Senate Energy and Natural Resources Committees (Energy).

November 15. Release of a status report on State Drug Control Measures (Office of National Drug Control Policy). This latest ONDCP "white paper" reviews more than 20 drug control measures and quantitative indicators of state drug control policy. The report also includes a chart that allows state-by-state comparisons of anti-drug initiatives and expenditure levels.

November 16. Release of the merchandise trade report for September (Commerce). The trade deficit widened slightly to \$9.3 billion in August from \$9.1 billion in July. Markets are expecting some narrowing of the deficit in September.

November 16. Release of the Consumer Price Index for October (Labor). Sharp increases in petroleum-based energy prices pushed consumer prices up by a sizeable 0.8 percent for a second consecutive month in September. Private forecasters anticipate a slightly smaller but still significant increase for October.

Release of the New Jersey Strike Force Report is expected this week (Housing and Urban Development). The Strike Force was created by Secretary Kemp in January in response to revelations that several top officials of the Passaic, New Jersey Housing Authority had misappropriated almost \$1.7 million in federal funds. The report will recommend that HUD continue to emphasize resident participation in public housing authority management; that further guidelines regarding the use of federal funds by public housing authorities be developed; and that the Inspector General review a larger percentage of public housing authority audits.

CABINET MEETINGS AND CABINET COUNCILS

The Cabinet will meet on November 13 to discuss the situation in the Persian Gulf. The Economic Policy Council will meet on November 14 to discuss the President's Enterprise for the Americas Initiative. The Domestic Policy Council Wetlands Task Force will meet on November 13 and 15 and the Environmental Policy Review Group will meet on November 15.

* * * UPDATE * * *

November 4. The Department of Justice released a report on probation and parole populations around the country. At the end of 1989, over 2.5 million offenders were on probation, an increase of 126 percent since 1980, and over 460,000 offenders were on parole, a 107 percent increase since 1980. The population of probationers increased 5.6 percent in 1989 and the parolee population increased 12.1 percent. At the end of 1989, an estimated 4.1 million adults -- approximately one in every 46 adults -- was in the custody of or under supervision by a corrections agency. Jails and prisons house 26.5 percent of that population, while 73.5 percent is supervised in the community.

The Department of Energy/Ad Council energy conservation public information campaign continues. Print advertisements were mailed on November 7 to over 9,000 daily and weekly newspapers. Ads have been placed on almost 20,000 billboards throughout the nation. Texaco will include brochures on energy conservation in all of its credit card statements beginning in January and has purchased air time on 67 radio stations in the Northeast to run the DOE/Ad Council spots.

Since the Iraqi invasion of Kuwait, crude oil prices have more than doubled. The overall financial performance of the major oil companies essentially has remained unchanged as a result of these price increases, although there has been a marked difference in income from production operations and refining and marketing activities. Income from domestic oil and gas production has risen 90 percent, while income from refining and marketing operations has shown a 42 percent decline.

One of the key ingredients to success in agricultural negotiations in the Uruguay Round is Japan's liberalization of its rice market. Japan continues to refuse to soften its position on a total import ban on rice. Despite overwhelming consumer support for opening the market and some encouraging statements by individual politicians, Prime Minister Toshiki Kaifu has yet to build a consensus to open the market.

Senior officials at the Department of Agriculture are implementing measures to respond to the EC's recent suspension of

U.S. meat exports. The prohibition on U.S. pork imports was effective on October 31, 1990 and the ban on beef imports will take effect on December 31, 1990. Consultations between the U.S. and the EC under GATT are scheduled for November 19-20 in Washington. The U.S. is intensifying its review and inspection of EC meat plants and inspection laws.

* * * ON THE HORIZON * * *

November 27-28. NASA will host Technology 2000, the first industrial exposition and conference to showcase the transfer of NASA technology to American business. The Washington conference will feature speakers from NASA and NASA contractors who will address prior and potential spin-offs of the agency's research. One of the primary goals of the conference is to provide industry with information on how to gain access to new and emerging technologies through NASA's Technology Utilization Division. Presentations will feature emerging technology in robotics and artificial intelligence; computer technology and software engineering; information and data management; manufacturing and fabrication technology; materials science; optics and communications; power, energy and control systems; and superconductivity.

The Department of Transportation has begun organizing an interagency project with the Departments of Health and Human Services, Labor and Veterans Affairs and the private sector that will provide grants to support a series of homeless demonstration projects. The Wall Street Journal estimates that the private sector transportation industry expends more than \$100 million a year (primarily in maintenance and security costs) to deal with the problem of the homeless who seek refuge in public transportation facilities.

CABINET SCHEDULE

For the Week of November 11 - November 17

Sunday 11	Monday 12	Tuesday 13	Wednesday 14	Thursday 15	Friday 16	Saturday 17
BAKER		10:00 Cabinet Meeting 4:00 Meeting with EC President Giulio Andreotti with the President 7:00 Working dinner with Andreotti	7:15 Breakfast with Sec. Cheney and Gen. Scowcroft at the White House 11:00 Meeting with Congressional leaders and the President 1:30 Meeting with the President	BRUSSELS, BELGIUM	BRUSSELS, BELGIUM Attend EC Ministerial meeting PRAGUE, CZECHOSLOVAKIA	PRAGUE, CZECHOSLOVAKIA
BRADY		10:00 Cabinet Meeting 4:00 Meeting with EC President Giulio Andreotti at the White House Attend Senate GOP dinner for the President and Mrs. Bush	9:00 Address President's Committee on Arts and Humanities	4:00 Chair Resolution Trust Corp. Oversight Board meeting		
CAVAZOS		PARIS, FRANCE Attend Organization for Economic Cooperation and Development (OECD) meetings 1:15 Working lunch with OECD ministers 8:00 Attend dinner hosted by OECD Conference Chairman Javier Solana	PARIS, FRANCE Attend OECD meetings 1:15 Working lunch with OECD ministers 8:00 Attend dinner hosted by U.S. Ambassador to the OECD Alan Larson	PARIS, FRANCE 9:00 Visit local kindergarten and day care centers. 11:15 Meeting with French Minister of State for Education, Research and Sport Lionel Jospin	WASHINGTON, DC	
CHENEY		10:00 Cabinet meeting 2:00 Testify before House Armed Services Committee 7:30 Attend Senate GOP dinner for the President and Mrs. Bush	7:15 Breakfast with Sec. Baker and Gen. Scowcroft at the White House 11:00 Meeting with Congressional leaders and the President 6:30 Host reception for South Korean Minister of National Defense Jung-Too Lee	10:00 Host ceremony for Lee 12:00 Lunch with Lee		
11:00 Address Veterans Day ceremony at Arlington National Cemetery	PARIS, FRANCE					
LONDON, ENGLAND						
PARIS, FRANCE						

CABINET SCHEDULE
For the Week of November 11 - November 17

Sunday 11	Monday 12	Tuesday 13	Wednesday 14	Thursday 15	Friday 16	Saturday 17
DERWINSKI						
11:00 Host Veterans Day ceremony at Arlington National Cemetery 1:00 Attend anniversary reception for Paralyzed Veterans Association	INDIANAPOLIS, IN 6:30 Address Indianapolis American Legion Veterans Day banquet	WASHINGTON, DC 10:00 Cabinet meeting 12:00 Lunch with Ron Kaufman at the White House 6:30 Drop by reception for Japanese Amb. Ryohei Murata 7:00 Attend Senate GOP dinner for the President and Mrs. Bush	9:30 Attend American Legion National Committee briefing 1:15 Attend Equal Employment Opportunity award ceremony 8:00 Attend dinner for Greek Amb. Christos Zacharakis	6:30 Attend reception for American Legion Executive Director Mylio Kraja 7:00 Attend reception for Chase Untermeyer		
DOLE						
7:30 Address International Women in the Media Awards ceremony	BRONXVILLE, NY 4:00 Address Sarah Lawrence College (SLC) Lawrence Lecture series 5:30 Meeting with SLC seniors and career advisors 6:00 Address SLC dinner	NEW YORK, NY 12:00 Address YWCA Salute to Women 6:00 Address AFL-CIO Work in America Institute award ceremony	BROOKLYN, NY 9:15 Visit Sumner Avenue Homeless Shelter and announce new Employment and Training Administration initiative with Mayor David Dinkins WASHINGTON, DC	10:30 Meeting with <i>Washington Post</i> editorial board 12:15 Address National Alliance to End Homelessness, Inc. conference 5:00 Address Dept. ceremony for 25th anniversary of Office of Federal Compliance Programs	12:30 Meeting with <i>Washington Time's</i> Cal Thomas	
HILLS						
		10:00 Cabinet Meeting 6:00 Drop by celebration for the birthday and enthronement of Japanese Emperor Akihito	7:30 Address American Electronics Association's Washington Insiders breakfast 9:30 Interview with PBS's "Nightly Business Report" BRUSSELS, BELGIUM	BRUSSELS, BELGIUM	BRUSSELS, BELGIUM Attend U.S.-EC Ministerial meetings	WASHINGTON, DC
KEMP						
	8:00 Address GOPAC Fall charter members meeting	10:00 Cabinet meeting 11:00 Attend Joint Declaration signing ceremony for HUD public housing authorities and public housing residents 3:00 Meeting with Teen Challenge Training Center representatives 4:00 Interview with <i>National Review's</i> Wick Allison	11:00 Attend Dept. National American Indian Heritage Month kick-off 12:00 Address Harvard Business School alumni club 3:00 Meeting with National Association of Real Estate Brokers Executive Director Eleanor Reeves	10:00 Chair Economic Empowerment Task Force meeting at the White House 4:00 Attend Resolution Trust Corp. board meeting	PITTSBURGH, PA 1:00 Address City Innovation Conference LAWRENCE, MA 6:00 Address Lawrence Boys Club 100th anniversary dinner	WASHINGTON, DC

CABINET SCHEDULE
For the Week of November 11 - November 17

Sunday 11	Monday 12	Tuesday 13	Wednesday 14	Thursday 15	Friday 16	Saturday 17
LUJAN						
CHICAGO, IL	CHICAGO, IL Address American Petroleum Institute annual meeting WASHINGTON, DC	10:00 Cabinet meeting	7:00 Breakfast with Gov. Sununu	Host Combined Federal Campaign breakfast		
MOSBACHER						
	6:30 Address National Medals of Science and of Technology dinner	9:00 Address U.S.-U.S.S.R. joint legal seminar 10:00 Cabinet meeting 2:00 Attend National Medals of Science and of Technology award ceremony at the White House	12:00 Lunch with Soviet joint legal seminar delegation	12:00 Meeting with Allied Signal Corp. Chairman Edward Hennessy		
SKINNER						
WINCHESTER, VA	WASHINGTON, DC	10:00 Cabinet meeting 2:00 Attend President's Commission on Integrity and Ethics meeting	7:00 Breakfast with Gov. Sununu ARMONK, NY 10:00 Meeting with IBM CEO John Akers WASHINGTON, DC 5:00 Meeting with Illinois-Indiana Bi-State Airport Commission Chairman Frank Luerssen 6:30 Attend Senate GOP dinner for the President and Mrs. Bush	8:00 Address U.S. Chamber of Commerce 12:00 Interview with <i>Fortune</i> magazine 6:00 Attend reception for DOT-EPA interagency wetlands conference	8:30 Address DOT-EPA interagency wetlands conference	
SULLIVAN						
NEW YORK, NY MILAN, ITALY	MILAN, ITALY VENICE, ITALY	PADUA, ITALY Meeting with <i>Fidia</i> Pharmaceutical Corp. President Letizia Amadini FLORENCE, ITALY	FLORENCE, ITALY Visit UNICEF center	ROME, ITALY Meeting with Italian Minister of Health Francesco De Lorenzo	ROME, ITALY Meeting with Pope John Paul II	ROME, ITALY 5:00 Address International Conference on the Human Mind

CABINET SCHEDULE
For the Week of November 11 - November 17

Sunday 11	Monday 12	Tuesday 13	Wednesday 14	Thursday 15	Friday 16	Saturday 17
THORNBURGH PHILADELPHIA	PHILADELPHIA, PA WASHINGTON, DC	9:30 Host reception for Young Americans Medal recipients 10:00 Cabinet meeting 3:30 Attend Young Americans Medal award ceremony at the White House 7:00 Attend Senate GOP dinner for the President and Mrs. Bush	10:30 Address annual memorial service for FBI Special Agents		11:00 Address Dept. symposium on 25th anniversary of Voting Rights Act BALTIMORE, MD 4:00 Address Easter Seal Society national convention WASHINGTON, DC	SAN ANTONIO, TX 7:00 Address Southwest Voter Registration Education Project annual banquet
WATKINS		10:00 Cabinet Meeting	7:00 Breakfast with Gov. Sununu	Address National Ocean Industries Association 3:45 Address Washington Research Group	NORMAN, OK 3:30 Attend dedication of Univ. of Oklahoma Energy Center 7:00 Address dedication dinner	WASHINGTON, DC
YEUTTER	LONDON, ENGLAND	LONDON, ENGLAND	BONN, GERMANY	PARIS, FRANCE	BRUSSELS, BELGIUM Attend U.S.-EC Ministerial meeting	THE HAGUE, NETHERLANDS STOCKHOLM, SWEDEN

File

THE WHITE HOUSE
WASHINGTON

DATE: 11-10-90

FROM THE PRESIDENT

To: John Sununu *GB*
cc: Ed Rogers

I have reviewed the Site
Selection report.

Before making a final decision I
would like to sit down with the top
2 or 3 people on the Committee-
Harris plus 2 maybe

If decision needs to be done soon
please set up meeting for this week.

GB

THE WHITE HOUSE
WASHINGTON

November 7, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: ED ROGERS *ER*

SUBJECT: 1992 CONVENTION SITE SELECTION

Attached please find Bill Harris' report on the 1992 Convention Site Selection process. Essentially, tabs 1-5 outline the specifications required to be a host city, offer a brief review of the 1984 and 1988 conventions, and provide the qualifications of each of the 5 cities that have submitted bids.

Note on page 1, that the ideal time frame calls for a November decision.

Please review and let me know how you wish to proceed. If you make a decision based on this package, we can call in the people necessary to get the process underway. If, however, you would like more information, we can easily schedule a meeting with the appropriate people to discuss the pros and cons of any/all cities.

Thank you.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Rick Perry
607 North Avenue F
Haskell, Texas 79521



CAMP DAVID

11-10-97

Dear Rick —

Great, fantastic
win. You proved that
the impossible dream is
possible. Great job!
Ag Bush

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Kay Hutchinson
4646 Shadywood Lane
Dallas, Texas 75209



CAMP DAVID

11-10-90

Dear Kay,
Barbara & I are
very proud of you.
Well Done - Good luck.
Love from the Bushes
A B,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Robert Mosbacher
6421 Vanderbilt
Houston, Texas 77005



CAMP DAVID

11-10-90

Dear Rob,

It hurts to lose but
you ran a great race in a
tough Texas year.

Barbara & I are very
proud of you - Good luck
Ag T Bush

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Joseph Malone
15 Cushman
Watertown, MA 02172



CAMP DAVID

11-10-90

Dear Joe -

Great win - and
well deserved.

I'm very proud
of you - Good luck
Ag Bush



CAMP DAVID

(personal/self-typed)

11-10-90

Dear Larry,

I read your letter of Nov. 7th with concern.

I am glad you will be sitting down with Dick Darman to try to resolve the matters you raised.

As you know, the budget deal put serious constraints on all of us, but I am hopeful that you and Dick can resolve whatever differences there are. We must have a forward looking education program. Sincerely

George Bush

From the desk of

George Bush

bcc

Dick Darman

Ede Holiday

John S

~~Confidential~~
CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX #

30

ADMIN FAX #

RECORD #

PAGES

4

DTG

102153Z

RELEASED

J. Doyle

FROM/LOCATION

MARY JANE "TEX" BURGESS / THE WHITE HOUSE

1.

TO/LOCATION/TIME OF RECEIPT

COMMANDER JUSTICE / CAMP DAVID

1.

2.

3.

4.

5.

6.

7.

INFORMATION ADDRES/LOCATION/TIME OF RECEIPT

1.

2.

SPECIAL INSTRUCTIONS/REMARKS:

PLEASE GIVE TO THE PRESIDENT "FYI". THANKS!

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

Du 1/13/11

~~Confidential~~
CLASSIFICATION

*Office of
Cabinet Affairs*



**CABINET
REPORT**

For the Week of:

November 11 - 17

THE WHITE HOUSE

WASHINGTON

November 10, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY (dictated but not read)

SUBJECT: The Attached Cabinet Report Correspondence from
Secretary Cavazos

This memo provides background regarding Secretary Cavazos's letter to you (attached) that was submitted with this week's Cabinet Report.

Prior to this letter, the Education Department had not advised me or my staff of any budget or policy development problems with OMB. I called Cavazos in London on Friday to suggest that he speak directly to Dick Darman about his concern. Cavazos has not yet spoken with Dick and the Secretary did not wish to accept my offer to hold his letter until after he had done so. Not wanting to violate the confidentiality of the Secretary's communication to you, I of course did not give Dick the Secretary's note.

I did, however, try Friday to call Dick to ask if he was aware of any OMB-Education Department disagreements regarding higher education issues. I finally reached Dick today.

Dick is unaware of any such problems and said that -- unlike other Cabinet officers with whom Dick has regular contact -- Cavazos had not raised this or related issues with him. Dick will be happy to meet with Cavazos about the Secretary's concerns after Cavazos returns from Europe next week.

Attachment



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

November 7, 1990

The Honorable George Bush
President of the United States
The White House

Dear Mr. President:

I know you share my deep commitment to improving the quality of education for all Americans, whatever their background, from a child's earliest years through postsecondary education. By creating and promoting the national goals you have made substantial strides toward improving elementary and secondary education. Now I would like to work with you to move boldly and decisively in the area of higher education.

Our higher education programs, including the vital student aid programs, will be up for reauthorization in the next Congress. I have publicly pledged, in hearings and meetings throughout the country, that the Bush Administration will take the lead in the reauthorization debate. That is what I want and I strongly believe it is what you want, Mr. President.

To this end, I have provided OMB with wide ranging proposals to make student aid more efficient, better targeted to the needy, and better designed to reward merit in both students and institutions. These proposals are the result of nearly fourteen months of discussion and analysis, including extensive public hearings, review of public comments, and a spirited debate within this Department under the direction of a high-level Task Force. My proposals strongly reflect the 35 years of experience with higher education that I have brought to bear on this important issue.

Unfortunately, certain staffers at OMB have been, quite frankly, dismissive and outright contemptuous of both my proposals and my Department's capacity to lead a bold initiative on higher education. OMB is prejudging major issues without an opportunity for serious consideration by your Administration, thereby setting the stage for merely minor tinkering at the margins of a system that needs a major overhaul and the decisive stamp of the Education President.

Page Two - The Honorable George Bush

Time is running out for us to seize the leadership here, Mr. President, and the Congress will be only too eager to run with the ball if we drop it. That is why I would like your support for a joint effort between my Department and the White House to seal an early agreement on major policy initiatives for higher education. The involvement of your Chief of Staff would, I believe, be very beneficial. In my view, we need to have some major decisions made by Thanksgiving in order to keep pace with next year's legislative and budget schedules. We are already in the process of setting up a meeting between myself and Director Darman to see if some progress can be made.

I would not raise this with you personally, Mr. President, were I not deeply concerned about the attitude that has been displayed by OMB, at least at the staff level. In my view, they lack an appreciation of your commitment to Cabinet government.

As always, I am proud to serve you in the cause of American education and look forward to an ambitious agenda for 1991.

Sincerely,

A handwritten signature in black ink, appearing to read "Lauro", with a long, sweeping horizontal stroke extending to the right.

Lauro F. Cavazos



UNITED STATES DEPARTMENT OF EDUCATION
THE SECRETARY

November 7, 1990

The Honorable George Bush
President of the United States
The White House

Dear Mr. President:

I know you share my deep commitment to improving the quality of education for all Americans, whatever their background, from a child's earliest years through postsecondary education. By creating and promoting the national goals you have made substantial strides toward improving elementary and secondary education. Now I would like to work with you to move boldly and decisively in the area of higher education.

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As always, I am proud to serve you in the cause of American education and look forward to an ambitious agenda for 1991.

Sincerely,

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

Lauro F. Cavazos

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Kristin Clark Taylor
1133 21st Street, NW
Suite 900
Washington, D.C. 20036



CAMP DAVID

A rainy Saturday
Nov. 10, 1990

Dear Kristin,

I was very touched -
'moved' is a better word when
I read your Nov. 8th letter.
You are a very special
person to the Bushes. You've

dove will live; and
now I wish you
God's speed and
great happiness in your
life ahead. If you ever
need a hand to help you
along the way just holler
Family Love - Ag Bunk

THE WHITE HOUSE

WASHINGTON

November 8, 1990

Dear Mr. President:

It is certainly with mixed emotions that I leave the White House.

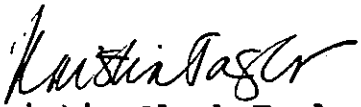
The years that I've spent working for you have changed my life.

During the campaign, we were all wonderfully swept away with and completely consumed by the goal of electing you President of the United States. I have been blessed by God to have been a part of that process.

During that time, I also lost my mother. She and my father met you a few weeks before she died, just before you left Washington for the Republican Convention. Meeting you changed her life; you'll never realize how much. Seeing her daughter, the "baby" of seven children, so wonderfully consumed by such a cause made her very proud. That visit changed her life. We buried her wearing the stick pin you gave her during her visit. I did not want to leave without thanking you for shining that light into her life before she left us.

I know I have been blessed with the rare opportunity of serving you -- not only once, but twice; during the Vice Presidency and the Presidency. I leave feeling more love and pride for my country than I ever thought possible. I leave with an undying respect for you and your Administration. And I leave a legacy of excellence to my children and grandchildren.

I do hope that I will one day again have the opportunity to work for you. The experience changed my life.



Kristin Clark Taylor

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Joseph Malone
15 Cushman
Watertown, MA 02172



CAMP DAVID

11-10-90

Dear Joe -

Great win - and
well deserved.

I'm very proud
of you - Good luck
Ag Bob

bcc: Governor Sununu
Andy Card
Ed Rogers
Ron Kaufman

A handwritten signature, likely of Bill Clinton, in cursive script.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Rick Perry
607 North Avenue F
Haskell, Texas 79521



CAMP DAVID

11-10-97

Dear Rick —

Great, fantastic
win. You proved that
the impossible dream is
possible. Great job!
By Bush!

bcc: Governor Sununu
Ed Rogers

Jan