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2009-0166-S

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FOIA MARKER

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

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

OA/ID Number: 90571
Folder ID Number: 90571-001

Folder Title:
Tuesday, November 27, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	4	2

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	11/27/90	(b)(6)	
01b. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	11/27/90	(b)(6)	
02. Note	Handwritten notes of Presidential Phone call with Neil [Bush] (1 pp.)	11/27/90	C	
03a. Note	Handwritten notes of Presidential Phone call with John Major Re: Schedule (1 pp.)	11/27/90	(b)(1)	
03b. Talking Points	Points to be Made for Call to New British Prime Minister (Designate) John Major (1 pp.)	11/27/90	~~(b)(1)~~	~~C~~
04a. Index Cards	Points to be Made at the One-On-One Meeting with President Salinas in Monterrey [Card 1 of 6 only] [double-sided with George Bush handwriting on back] (1 pp.)	n.d.	~~(b)(1)~~	~~C~~
04b. Index Cards	Points to be Made at the Meeting with Full Delegation in Monterrey [Cards 2-8 and 10 of 12 are missing - all others are double-sided with George Bush handwriting on back] (4 pp.)	n.d.	(b)(1)	C

Page 1 of 3

Collection:

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

Pinksheet Number: dw1895
OA/ID Number: 90571-001
Date Closed: 1/27/2011
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
04c. Index Cards	Points to be Made at the Meeting with President Salinas in Agualeguas [4 cards are double-sided with George Bush handwriting] (19 pp.)	n.d.	(b)(1)	C
05. Letter	From Sheldon B. Lubar to Newt Gingrich Re: Budget compromise [redaction of personal information] (1 pp.)	11/05/90	(b)(6)	
06. Note	From President Bush to Brent [Scowcroft] (1 pp.)	11/27/[90]	(b)(1)	
07a. Memo	From Brent Scowcroft to President Bush (1 pp.)	11/27/90	(b)(1)	S
07b. Talking Points	Points to be made for Meeting with President of the Freely Associated States of Micronesia, John Haglelgam (2 pp.)	n.d.	(b)(1)	S
07c. Report	Government Report (1 pp.)	02/13/90	(b)(1)	C
07d. Briefing Paper	Informal Visit of Federated States of Micronesia President John R. Haglelgam (3 pp.)	n.d.	(b)(1)	~~C~~
08a. Memo	From Brent Scowcroft Re: Meeting with Vice President Ricardo Arias Caderon of Panama (2 pp.)	11/27/90	(b)(1)	S
08b. Talking Points	Points to be Made for Meeting with President Calderon (1 pp.)	n.d.	(b)(1)	~~C~~
08c. Report	Government Report (1 pp.)	03/19/[90]	(b)(1)	S

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
09a. Diagram	VC137C-27000 Passenger Seating Arrangement, Andrews AFB to Monterrey, Mexico (1 pp.)	11/26/90	(b)(7)(e)	
09b. Diagram	VC137C-27000 Passenger Seating Arrangement, Monterrey, Mexico to Andrews AFB (1 pp.)	11/27/90	(b)(7)(e)	
09c. Diagram	Seating Diagram of VH-3D, South Lawn to Andrews AFB (1 pp.)	11/26/90	(b)(7)(e)	
09d. Diagram	Seating Diagram of VH-3D, Monterrey, Mexico to Agualeguas, Mexico (1 pp.)	11/26/90	(b)(7)(e)	
09e. Diagram	Seating Diagram of VH-3D, Agualeguas, Mexico to Monterrey, Mexico (1 pp.)	11/26/90	(b)(7)(e)	
09f. Diagram	Seating Diagram of VH-3D, Andrews AFB to South Lawn (1 pp.)	11/27/90	(b)(7)(e)	

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Date Closed:	1/27/2011	OA/ID Number:	90571-001
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.

PRML 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]
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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

TELEPHONE MEMORANDUM

PRESIDENT BUSH

NOVEMBER 27 th , 19 90

	TIME		DISC	NAME	ACTION
	PLACED				
OUT		AM		VIDEO SERVICES WASHINGTON, D.C. 202-456-4125	SPOKE WITH SGT. JEROME STOECKER TLKD-OK
~~INC~~	7:59	PM	7:59		
OUT		AM			
INC		PM			
OUT		AM		SECRETARY JAMES A. BAKER III RES: WASHINGTON, D.C. WHITE HOUSE SIGNAL	TLKD-OK 8:35 P.M.
~~INC~~	8:20	PM	8:40		
OUT		AM			
INC		PM			
OUT		AM		MRS. DOROTHY LEBLOND (b)(6)	TLKD-OK
~~INC~~	8:28	PM	8:30		
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			

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

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

[illegible]

PRESIDENTIAL MOVEMENTS

Monterrey, Mexico
LOCATION Washington, D.C.

DATE 27 November 1990

TIME	MOVEMENTS
0928	Depart Holiday Inn via Motorcade
0932	Arrive Museum de Nuevo Leon
1048	Depart Museum de Nuevo Leon via Motorcade
1050	Arrive Teatro de la Ciudad
1136	Depart Teatro de la Ciudad via Motorcade
1139	Arrive Casino Monterrey
1219	Depart Casino Monterrey via Motorcade
1222	Arrive Governor's Palace
1409	Depart Governor's Palace via Motorcade
1440	Arrive General Mariano Escobedo International Airport
1506	Depart General Mariano Escobedo International Airport
	via Air Force One
EST 1855	Arrive Andrews Air Force Base, Maryland
1907	Depart Andrews Air Force Base via Marine One
1913	Arrive South Grounds
1918	Residence
1928	Doctor's Office
1932	Residence



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, NOVEMBER 27, 1990
5:00 A.M. MEXICO/6:00 A.M. EST EDITION

TRIP NEWS

BUSH VISITS SALINAS IN MEXICO -- President Bush Monday began a two-day visit to Mexico that will focus on trade, drugs and other issues, pledging to move rapidly to negotiate a free-trade agreement that is a top priority of President Salinas.

(Dallas Morning News, Los Angeles Times, USA Today,
(Washington Post, AP, Reuter)

INTERNATIONAL NEWS

U.S. GAINS BACKING FOR USE OF FORCE -- The five permanent members of the U.N. Security Council Monday appeared in agreement on a U.S. call to authorize use of military force to end Iraq's occupation of Kuwait, but there was disagreement about whether the draft resolution should set a deadline of Jan. 1 or Jan. 15 for President Saddam to withdraw his forces.

(Washington Post)

CHINA SAYS TRADE VICE MINISTER HAS BEEN INVITED TO WASHINGTON -- China announced Monday that it had been invited by the U.S. to send a high-level trade official to Washington, signaling an easing of the sanctions against China just as U.S. officials are lobbying for China's vote in the U.N. Security Council to authorize the use of force against Iraq.

(Washington Post)

NETWORK NEWS (Monday evening)

GULF -- The U.N. Security Council appears ready to authorize the use of force in ousting Iraq from Kuwait.

MEXICO TRIP -- President Bush met with President Salinas on a treaty to reduce trade restrictions.

MCA BUYOUT -- The Japanese company Matsushita is paying more than \$6 billion for MCA.

TRIP NEWS.....A-1

INTERNATIONAL NEWS....A-5

NATIONAL NEWS.....A-15

NETWORK NEWS.....B-1

TRIP NEWS

SALINAS HINTS EASING OF U.S. ACCESS TO OIL

MONTERREY -- President Salinas Monday for the first time gave President Bush an optimistic reply on the thorny issue of U.S. investment in Mexican oil.

A Bush Administration officials said Mr. Salinas changed his approach during "casual, rolled-up sleeve" talks at his family's centuries-old homestead....

An old-line newspaper here, Porvenir, greeted Mr. Bush Monday with a commentary calling for an end to anti-dumping laws that prohibit selling for less than cost. Mexico has run afoul of them on cement, glass, steel and textiles.

"For us, it is not dumping," wrote the author, Jose Roberto Mendirichaga. "We're talking about free commerce and the United States is putting embargos on Mexican tuna and cement."

If the oil report proves accurate, the Mexican president virtually contradicted his own recent statements in seeking a way to stimulate production of oil without violating Mexico's constitution. "One of the things Mexico is doing is talking about turn-key operations for offshore drilling," said the U.S. official who spoke on condition of anonymity.

"He's been moving toward some kind of privatization," said the official, who declined to discuss details for fear of upsetting the delicate talks.

(Frank Murray, Washington Times, A3)

BUSH VISITS SALINAS IN MEXICO

MONTERREY, Mexico -- President Bush Monday began a two-day visit to Mexico that will focus on trade, drugs and other issues, pledging to move rapidly to negotiate a free-trade agreement that is a top priority of President Salinas.

Arriving in this northern Mexican industrial city at midday, Bush immediately flew by helicopter to Agualeguas, a town of about 5,000 people 30 miles from the Texas border, where Salinas's family home is located. He and First Lady Barbara Bush attended a rodeo with Salinas and his wife Cecilia, watched folk dancing in the town plaza, and walked to Salinas's house for lunch and talks.

The two talked mostly about their joint desire for a free-trade agreement, as well as about efforts to cooperate in the war on drugs, Press Secretary Fitzwater said in a statement. They also agreed to press for a cease-fire and a negotiated settlement to the 11-year-old civil war in El Salvador, which last week saw new attacks by leftist rebels.

Bush returned to Monterrey Monday evening for a festive reception and fireworks display at the Heroes' Plaza in front of the Governor's Palace, where he hailed improved relations. "I believe that U.S.-Mexican relations have never been better," Bush said. Calling the relationship of "vital importance" to the U.S., he added, "We will never neglect it. We are neighbors and we are friends."... "Our overall purpose can be expressed simply," Bush said in an interview with the Mexican news agency Notimex last week. "We want to increase the economic well being of both our people."... U.S. Trade Representative Hills said Monday Bush and Salinas are not expected to discuss oil as part of their trade talks, although Mexico's oil industry will likely be part of the eventual trade negotiations.

(Dan Balz, Washington Post, A14)

-more-

BUSH, SALINAS TRY TO PUT TRADE PACT ON FAST TRACK

MONTERREY -- President Bush and President Salinas on Monday opened two days of meetings intended to put approaching negotiations for a free-trade agreement on a fast track and to lay the groundwork to head off potential opposition from special interest groups.

Recognizing the possible roadblocks facing an agreement, Salinas said in an interview with the Monterrey newspaper El Norte that he is concerned "with some protectionist attitudes that are arising in the United States," which, he said, could grow worse if the U.S. economy weakens in a recession....

White House officials made clear that in the view of the Bush Administration, the journey...is little more than a courtesy call demonstrating support for what they are calling "a new-generation leader."

By turning the spotlight on trade, the visit reflects a recent shift --perhaps on the surface, perhaps deeper -- in the political dialogue between the U.S. and Mexico. Previous presidential meetings, which occur as often as every six months, have focused more on such sore points as unchecked Mexican immigration to the U.S. and the flow of drugs northward across the border.

(James Gerstenzang and Marjorie Miller, Los Angeles Times, A1)

MEXICANS RECEIVE BUSH FOR SUMMIT WITH ENTHUSIASM, FESTIVITIES

MONTERREY -- Speaking to thousands of cheering Mexicans, President Bush said Monday night a free-trade agreement between the U.S. and Mexico was crucial to the economic welfare of both countries.

"It is vital for the creation of jobs and enterprise," Bush said in a brief speech that capped the first day of a two-day summit with President Salinas.

Bush praised Salinas as "the architect of a breathtaking transformation" of Mexico's economy. He called Salinas "a great world leader" who has raised Mexico's standing. He closed his talk with the traditional exhortation "Viva Mexico."

Salinas, who spoke before Bush, said the two countries now found themselves on friendly terms after years of being "distrustful neighbors."

"We invited you to Mexico, knowing that you value our home, where you are held in high regard," Salinas said. "With us is a president of the United States who respects Mexico. That is the reason for this enormous and enthusiastic reception." He praised Bush for being sensitive and knowledgeable about Mexican culture....

Bush did not speak publicly in Agualeguas before retiring to Salinas' home for private discussions. But this was only a small disappointment to the thousands who crammed the main plaza.

"He didn't come to make any declarations," said Victor Villarreal, 70. "But for me, it's an honor, a satisfaction because he was here. That's the most important thing. It's history."

(Maggie Rivas and Gregory Katz, Dallas Morning News)

BUSH HAILS CLOSE PARTNERSHIP BETWEEN U.S., MEXICO

MONTERREY -- President Bush, buoyed by a cheering throng and a fireworks welcome, says Mexico and the U.S. are embarking on "an era more cooperative and more prosperous" than ever before.

"I've come to Mexico tonight with a message of respect, of admiration and hope for a brighter future shared by our two countries," Bush told tens of thousands packed into Heroes' Plaza outside the Governor's Palace Monday evening.

"Viva Mexico," Bush shouted before he and his wife viewed an elaborate fireworks demonstration from a glassed-in stage on the plaza....

Following his one-on-one talks Monday with President Salinas, Bush Tuesday was addressing a group of business leaders and holding talks with Cabinet advisers on environmental, anti-drug and economic issues.

Bush heralded the goal of reaching a free trade agreement with Mexico even as Salinas sounded a cautionary note, citing Mexican worries about what they see as U.S. protectionist sentiments.

(Rita Beamish, AP)

U.S., MEXICAN LEADERS STRESS COMMITMENT TO STRONG TIES

MONTERREY -- President Bush and President Salinas proclaimed a new era of U.S.-Mexican cooperation Monday as they began a two-day summit designed to spur negotiations on a free-trade pact.

"Let me tell you as President of the United States -- this relationship is of vital importance to my country. We will never neglect it!" Bush told tens of thousands at a tumultuous welcoming ceremony in a center-city plaza.

"We want to work together toward the free and open trade so vital to creating jobs and enterprise in your economy and our own," he said.

Salinas, calling Bush a man who respected Mexico, told the cheering crowd: "Geography has forced us to be neighbors and history has shaped us into distrustful neighbors. May our will and vision of the future now turn us into neighbors in respect and progress."

While Bush was being feted with music and fireworks in northern Mexico, thousands of anti-American demonstrators marched on the U.S. Embassy in Mexico City, chanting "Bush, Go Home" and protesting a proposed North American free trade agreement.

Scores of riot police lined the fortress-like embassy building while some 5,000 leftist demonstrators snarled rush-hour traffic on the avenue outside, railing against Bush's two-day visit and the "traitorous" welcome given him by Salinas....

Saying that the U.S. and Mexico were at "a promising moment in our shared history," the U.S. leader declared: "I believe that our two peoples are now on the eve of an era more cooperative and more prosperous than ever we have known before."

(Gene Gibbons, Reuter)

MEXICO TRIP

AGUALEGUAS, Mexico -- President Bush Monday traveled to the northern Mexico home of his counterpart, Carlos Salinas de Gortari, mingling rodeos and folklore presentations with talks on a proposed free-trade agreement between the countries.

With little more than a day's rest after his visit to Europe and the Middle East, Bush hopped off Air Force One into the Mexican industrial city of Monterrey. Shedding his jacket and tie, he traveled to this town of 12,000, Salinas' ancestral home, 65 miles southwest of McAllen, Texas.

First he was treated to a festive rodeo; then there was a folkloric dance in the town plaza. Later, the presidents and their official parties walked down a narrow colonial street to the humble house where Salinas grew up.

Bush and Salinas held a luncheon that officials said was intended to be a working session on the economy....

Bush called his visit with Salinas "a promising moment in our shared history" and praised him as "the architect of a breathtaking economic transformation." Salinas praised Bush with the American president's own words, calling him "a kinder, gentler neighbor...sensitive to our traditions and knowledgeable about the culture of Mexicans and of those Mexican-Americans who live beyond the border."
(Peter Eisner, Newsday)

'NEW ERA' FOR USA, MEXICO

MONTERREY -- President Bush affirmed Monday his commitment to warmer relations between the U.S. and Mexico.

At meetings with President Salinas, Bush underscored his support for a free-trade agreement between the two countries. He also vowed cooperation in halting the flow of drugs from South America, through Mexico and into the USA....

Salinas, welcoming Bush, said the meetings symbolized a "new era" stemming from changed attitudes.

"Geography has forced us to be neighbors, and history has shaped us into distrustful neighbors," he said. "May our will and vision of the future now turn us into neighbors in respect and progress." Bush noted that he'd visited Mexico "more often than any other country" and said he had "developed especially deep ties and respect for its people."
(Richard Benedetto, USA Today, 4A)

MEXICO LAUNCHES RAIDS TO CRACK DOWN ON RISING PRICES

MEXICO CITY -- Mexican authorities Monday launched raids across the capital to crack down on a recent wave of price increases that has stymied the government's efforts to control inflation and sparked outrage among consumers.

An army of some 200 clipboard-carrying price inspectors -- soon to be bolstered by 300 housewives -- swooped down on several of the capital's largest markets and closed down businesses that were overcharging for essential foods, consumer protection chief Javier Coello Trejo told reporters. He said that over the weekend some 600 businesses were shut down nationwide as part of the crackdown on price violators.
(Reuter)

INTERNATIONAL NEWS

U.S. GAINS BACKING FOR USE OF FORCE
Security Council Members Discuss Kuwait
Resolution With Possible January Deadline

U.N. -- The five permanent members of the U.N. Security Council Monday appeared in agreement on a U.S. call to authorize use of military force to end Iraq's occupation of Kuwait, but there was disagreement about whether the draft resolution should set a deadline of Jan. 1 or Jan. 15 for President Saddam to withdraw his forces.

Such a resolution, if passed, would not mean that allied forces would attack Iraq immediately as the deadline for withdrawal is passed. Rather, it would allow for the use of "all necessary means," implying the use of force, to end Iraq's occupation of Kuwait anytime thereafter.

The Bush Administration proposed Jan. 1 as the deadline. But the Soviet Union countered with Jan. 15, and diplomatic sources here said Monday night that the later date seemed more likely to be chosen....

U.S. officials said their primary goal is to get a U.N. stamp of approval for military operations against Iraq, if that approach appears unavoidable, and they are prepared to be flexible about the question of a deadline. As of Monday night, the feeling among diplomats here was that the Security Council either will abandon the idea of a deadline or set one later than Jan. 1.

(John Goshko, Washington Post, A1)

SOVIET WARNS OF 'TOUGH RESOLUTION'
AT U.N. UNLESS IRAQ MEETS DEMANDS

MOSCOW -- President Gorbachev warned Monday that if Iraq does not withdraw from Kuwait and release all foreign hostages, it would face the consequences of a "tough resolutions" in the U.N.

Tass said Gorbachev told Iraqi Foreign Minister Tariq Aziz that Baghdad had to begin taking concrete steps to show that it wanted to avoid war in the Persian Gulf.

Gorbachev told Aziz, Tass said, that "if Iraq really wants a settlement in the entire region and is trying to avoid the worst, it must now openly declare and show in its actions that it is leaving Kuwait, freeing hostages and in general is not preventing anyone from leaving Kuwait. Otherwise the U.N. resolution will be adopted -- a tough resolution."... Gorbachev and Foreign Minister Shevardnadze have signaled that they have grown so frustrated with Iraq that they are prepared to vote for the resolution [to use "all means necessary" to oust Iraq from Kuwait] despite earlier hesitation.

In a session of the Supreme Soviet Monday, Gorbachev told the legislators that the Soviet Union must continue to cooperate with the rest of the world to show President Saddam "that there is no hope that he can break international unity. We should prove to ourselves and to all nations that we can solve the most acute conflicts by political means characteristic of this new ear."

(David Remnick, Washington Post, A16)

GORBACHEV NEARS FORCE ENDORSEMENT, BUT SOVIET TROOPS UNLIKELY

MOSCOW -- President Gorbachev may be moving toward endorsing the use of force against Iraq but seems unlikely to commit Soviet troops to fight in the Persian Gulf.

Gorbachev told Iraqi Foreign Minister Aziz in the Kremlin Monday that Iraq must withdraw from Kuwait or face the consequences. His angry comments, reported by Soviet television, showed his patience with Iraq was almost at an end.....

Gorbachev says he does not rule out force if sanctions fail. But he could face strong opposition to any Soviet armed action from within his country.

"This is not a war for the Soviet Union," said Yuri Blokhin, a leading member of the biggest faction in the Soviet parliament, the right-wing Soyuz (Union) group. "We have just emerged from a war in Afghanistan and we will not allow ourselves to be drawn into a senseless conflict again."

Foreign Minister Shevardnadze has said no troops would be sent to a foreign war without parliament's backing....

"I don't think any proposal to back force, still less to send troops, would get through parliament," Blokhin said.

(Ralph Boulton, Reuter)

IRAQ VOWS NEVER TO BOW TO PRESSURE, BLASTS SECURITY COUNCIL

BAGHDAD -- Iraq denounced broad agreement by members of the U.N. Security Council resolution to authorize the use of force to dislodge it from Kuwait and declared it would never bow to pressure.

The official Iraqi News Agency INA quoted Foreign Minister Aziz as saying: "Iraq, which believes in peace and justice, will never succumb to pressure and will continue to struggle to achieve peace and justice in the region, especially the rights of the Arab Palestinian people."

Aziz made the remarks on his return from Moscow Monday night after President Gorbachev told him that Iraq must pull out from Kuwait or face the consequences....

Aziz said: "The successive resolutions issued by the Security Council, including the one which the Americans are busy working on to issue this week, confirm the double standard methods and injustices practiced by the council under the influence of the United States." He added: "These resolutions don't serve the cause of peace."

(Reuter)

BRITISH MILITARY LEADERS PRAISE DEADLINE FOR SADDAM

RIYADH -- The overall British commander of gulf forces said Monday an ultimatum warning Saddam Hussein that war could begin after a given deadline "might help focus his attention."...

Such an ultimatum might be necessary because diplomatic efforts so far have brought "no pressure on (Saddam) at all," said the British officer, Air Chief Marshal Sir Patrick Hine.

If the Iraqi leader became convinced that war was inevitable, "we might see some movement," such as a full or partial Iraqi withdrawal from Kuwait, he said.

While high-level U.S. commanders in the gulf have shied away from predictions in recent weeks, Marshal Hine, who is stationed in England, and Lt. Gen. Sir Peter de la Billiere, the top on-scene British commander in the gulf, forecast a quick, decisive victory over Iraq if war erupts.

They said detailed plans must be made now and more ground forces sent in so that a swift and decisive war could be waged once the politicians gave the go-ahead.

(Michael Hedges, Washington Times, A8)

GIVE EMBARGO TIME TO WORK, BUSH IS URGED

Three former high-ranking American diplomats Monday urged President Bush to show patience in the Persian Gulf crisis and give the economic embargo of Iraq much more time to work before moving to a military solution.

Using force soon could inflict lasting damage on U.S. strategic interests in the region, warned Richard Murphy, an assistant secretary of state in the Reagan Administration, and George Ball, undersecretary of state in the Kennedy Administration.

"We can outlast him," said Paul Nitze, retired arms control adviser, referring to Saddam.

The statements were made at a Capitol Hill forum sponsored by the Federation of American Scientists on the eve of separate Senate and House hearings on Bush's recent decision to double the number of U.S. troops in the gulf region....

However, another participant in the forum, former Marine Lt. Gen. Bernard Trainor, said it appears to him that the President has decided to take the military option. "I don't believe he (Bush) is bluffing. I think he's going straight at Saddam Hussein.... I believe he's written off the embargo....

"I wish that somebody in the U.S. government was giving one-tenth of 1 percent of the time in writing the political scenario that they have in giving him the military options," said Harold Saunders, an assistant secretary of state under both presidents Ford and Carter....

"The reason the President has enjoyed high popularity ratings was because he was talking about defense and deterrence," Ball said. "If we actually do get into a war, they (Bush's poll ratings) would go to hell in a hurry."

(William Eaton, Los Angeles Times)

ULTIMATUM CUTS BOTH WAYS FOR U.S.

The Bush Administration, by calling on the U.N. to send an ultimatum to Iraq, increases the pressure on Saddam but also reduces U.S. ability to maneuver in the increasingly complex Persian Gulf crisis....

From the U.S. standpoint, the ultimatum may get Saddam's attention in a way that 10 previous U.N. resolutions have failed to do.

However, the strategy also gives Iraq assurances that it will not be attacked until the deadline is reached, robs the anti-Iraq coalition of strategic surprise and increases the pressure on Washington and its allies to take action shortly after the deadline passes.

For weeks, Secretary Baker tried to discourage talk about a specific deadline because he was convinced that it would limit American flexibility. However, according to a well-informed Saudi official, the U.S. agreed to include a deadline to win Soviet support....

"It's a terrible idea," said Judith Kipper, a guest scholar at the Brookings Institution in Washington. "This is a person (Saddam) who is paranoid. He is not familiar with the ways of the world. There is a date and he will take that as a declaration of war. Any date puts his back up against the wall."

William Quandt, a former National Security Council Middle East expert, said that by setting a firm deadline, the Administration virtually rules out the option of giving economic sanctions time to work.... I really do believe it will take something like an ultimatum with a deadline to persuade Saddam to back down," he said. "But I don't think the President can go down that road with just an international resolution as his basis for support. He also needs domestic support and I'm not sure he's got that now."

(Norman Kempster, news analysis, Los Angeles Times, A7)

ARIAS SAYS GULF WAR DISASTROUS FOR THIRD WORLD

MANAGUA -- A Persian Gulf war would bring unimaginable consequences for the poorest countries of Latin American and Africa, Nobel peace prize laureate and former Costa Rican president Arias said Monday.

"As always, the poorest will pay the biggest price for this war," Arias told reporters upon arrival in Managua where Tuesday he will be named honorary member of a government disarmament commission.

He said the world's poorest countries now struggling for economic survival would be further burdened, not only by expected higher oil prices, but also a new arms race which he said would result from a war in the gulf.

"What would the consequences be for those countries?" Arias asked. "They are unimaginable. We would be condemning them to much more poverty." He said the countries involved should have patience and put more energy into diplomatic solutions. (Reuter)

JUSTICE STRONGLY OPPOSES LAWSUIT TO BAR BUSH FROM GOING TO WAR

The Justice Department Monday night opposed a lawsuit by 45 House Democrats seeking to force President Bush to get approval from Congress before going to war against Iraq.

The department, in a 50-page legal brief filed at the U.S. courthouse just hours before the deadline, urged a judge to reject the request for a court order that would bar Bush from attacking Iraq without congressional approval....

Department lawyers argued in a brief that the lawmakers lacked legal standing to sue, partly because they were not representative of the entire Congress.

They also said the case was brought prematurely, pointing out that there is no certainty that the U.S. would attack Iraq. The department lawyers also said the dispute was a political one between the executive and legislative branches of government, a dispute that falls outside the jurisdiction of the courts and that judges are ill-equipped to decide.

(James Vicini, Reuter)

CAN U.S. RELY ON GULF ALLIES?

NORTHEASTERN SAUDI ARABIA -- Military experts with the multinational force in Saudi Arabia hope for a quick victory if war breaks out but have serious doubts about their Arab allies in a long conflict....

Few American generals are eager to take the political and military risk of trying to take Baghdad or of occupying the whole of Iraq, especially since Saudi Arabia and Egypt, the two most important Arab countries in the alliance, oppose any military campaign into the Iraqi heartland.

Western military analysts regard the Saudi army and national guard as a dire liability, should war break out. The division of Saudi troops close to the Kuwaiti border is known mockingly as "the doormat."

"Either we walk over them or the Iraqis walk over them" en route to the real battle, said one Western military expert.

Desert wars, runs the conventional wisdom, are fast and furious. If no speedy result is achieved, the alliance could be in deep trouble....

In the Saudi military itself, "nepotism and tribalism are rife -- they destroy the entire army," said one expert.

(Xan Smiley, Washington Times, A1)

CHINA SAYS TRADE VICE MINISTER HAS BEEN INVITED TO WASHINGTON
Announcement Made As U.S. Officials
Lobby For U.N. Gulf Resolution

China announced Monday that it had been invited by the U.S. to send a high-level trade official to Washington, signaling an easing of the sanctions against China just as U.S. officials are lobbying for China's vote in the U.N. Security Council to authorize the use of force against Iraq.

In an announcement in Beijing, China said its vice minister for trade, Gu Yongjiang, had been invited to meet with Commerce Undersecretary for International Trade Michael Farren to discuss economic issues from Dec. 10-14. Gu would be one of the most senior Chinese government officials to come to the U.S. since President Bush ordered an end to high-level exchanges with China following the 1989 crackdown on pro-democracy demonstrators....

Although Chinese officials have not said how China intends to vote [on the latest gulf resolution], they have suggested that it would not veto a resolution [to use "all means necessary" to oust Iraq from Kuwait].... Separately, a U.S. Embassy spokesman in Beijing, Sheridan Bell, said China had notified the U.S. that it would send Foreign Minister Qian Qichen to the U.N. to cast China's vote, AP reported. (David Hoffman, Washington Post, A16)

AMERICAN HOSTAGE FREED FROM IRAQ
AFTER SISTER, BROTHERS VISIT SADDAM

With harsh words for President Bush and warm praise for his captor, President Saddam, John Stevenson said Monday in Baghdad that he was "pleased and moved" that his brothers and twin sister, Mary Trundy of Brockton, Mass., came to Iraq and secured his release.

"We've had a real big day," said an elated Stevenson, recounting the whirlwind chain of events that began with an early morning audience before Saddam Hussein with Trundy and who of his brothers from Florida, and ended with negotiations for Stevenson's exit visa.

Saddam, who smiled for Iraqi television during the audience, said he would release the three hostages whose family members journeyed to Baghdad for Thanksgiving. Iraqi television, however, showed only Stevenson and Fred Harrington, 59, of Bellevue, Wash., whose son, Vala Fouroochi, has been seeking his release....

In a 20-minute telephone interview that ranged in mood from cautious to ecstatic, Stevenson described the American government as "war-mongering" and emphasized that Iraq was open to peaceful negotiation.... He noted that the Iraqi leader told the three prisoners and their families Monday: "We hope you will take to American people our love and wish for peace."

As for the Bush Administration, Stevenson said: "We never got a kind word. We never got anything but war, war, war."

(Elizabeth Neuffer and Peter Canellos, Boston Globe)

OIL PRICES SHOULD NOT CLIMB STEEPLY IN EVENT OF WAR, ENERGY CHIEF SAYS

Worldwide supplies of oil have recovered to the point where not even an outbreak of hostilities in the Persian Gulf would justify another sharp increase in price, Secretary Watkins said Monday.

Watkins, who is going to Saudi Arabia at the end of the week to discuss the oil supply situation, told a group of reporters he and other Administration officials will be "jawboning" traders in an effort to break what he called "the self-fulfilling prophecy" that war in the desert will send energy prices through the roof.

Noting that other nations have replaced the 4.3 million barrels a day of oil that used to be shipped from Iraq and Kuwait, Watkins said it is projected that by March 1, one million barrels a day more will be available to world markets than when Iraq invaded Kuwait Aug. 2.

(David Broder and Thomas Lippman, Washington Post, A16)

SOVIETS TO CUT AID OVERSEAS, DEFENSE

MOSCOW -- The Kremlin said Monday it wants to slash foreign aid by 75 percent and defense spending by 10 percent in next year's budget, which for the first time makes a distinction between national and republic revenues.

Communist countries including Cuba, Vietnam, Ethiopia, North Korea and Angola likely would be hard hit by the cutback.

"We have a crisis in the management system, instability is besetting the economy in all republics and the country as a whole," First Deputy Premier Yuri Maslyukov told the Supreme Soviet legislature, according to Tass.

(Thomas Ginsberg, Washington Times, A7)

MAZOWIECKI STEPS DOWN AS PREMIER

WARSAW -- Prime Minister Mazowiecki, forced by a political unknown into a humiliating third place in the initial round of Poland's first popular presidential election, announced the resignation Monday night of his 15-month-old Solidarity-led government.

"Society has made a choice, and I have drawn a conclusion from it," Mazowiecki said, adding that he and his ministers would remain in office until the new president -- to be chosen in a runoff vote in two weeks -- could appoint a successor. "We accomplished a great deal over the past year," Mazowiecki said, "the election results showed, however, that the government's political line had come into question."

(Blaine Harden, Washington Post, A1)

THATCHER BACKS MAJOR IN CONTEST TO BECOME NEXT PRIME MINISTER

LONDON -- As the three men contending to succeed Margaret Thatcher wound up another round Monday in their battle for 10 Downing Street, much of Britain's attention remained focused on the prime minister it is about to lose, not the one it will soon get.

John Major's chances got another boost as Thatcher's aides made it known she would be voting for her chancellor of the exchequer and former protege Tuesday when Conservative Party legislators try again to choose her successor. Major's aggressive campaign has produced a bandwagon effect that seems to have brought him even with Michael Heseltine....

Foreign Secretary Hurd is believed to be running third, and some insiders say his campaign is fading.

(Glenn Frankel, Washington Post, A14)

MATSUSHITA TO ACQUIRE MCA FOR \$7.5 BILLION

Another piece of the American entertainment business passed to foreign ownership Monday as Matsushita Electric Industrial Co. of Japan reached agreement on a \$7.5 billion buyout of MCA Inc., the producer of movies, records and books and the owner of two huge theme parks.

Matsushita, a consumer-electronics concern that ranks as Japan's third-largest company, wrapped up details of its friendly takeover of the Los Angeles-based company early Monday after an all-day bargaining session in New York. By paying \$6.13 billion in cash, plus pledging stock and assuming debt valued at another \$1.45 billion, Matsushita's buyout of MCA ranks as the largest ever by a Japanese concern of an American company, surpassing the \$4.8 billion Sony Corp. paid last year to purchase another Hollywood studio, Columbia Pictures Entertainment Inc.

(Paul Farhi, Washington Post, A1)

SENATOR SAYS U.S. FLUBBED TRADE TALKS

The Bush Administration has failed to press hard enough in [GATT] talks to draft new global trading rules, a key senator complained Monday.

Sen. Baucus told reporters that Administration negotiators could be "a little more fervent, active and aggressive" in the current round of trade talks.

"That's partly because of their attention on the Persian Gulf," said Mr. Baucus....

Mr. Baucus told reporters that Congress has no intention of extending fast-track authority to give the GATT talks additional time, a message he intends to take to Brussels himself next week [for the final GATT meetings].

(Karen Riley, Washington Times, C3)

COLOMBIAN REBELS KIDNAP 3 AMERICAN OIL WORKERS

BOGOTA -- Hard-line Marxist guerrillas have kidnapped one Colombian and three American petroleum engineers, the state oil company said Monday.

A spokesman for Ecopetrol, the Colombian state oil company, said five engineers -- two Colombians and three Americans -- were seized by three heavily armed guerrillas from the National Liberation Army Sunday from a norther oil field near Venezuela. One of the Colombians was freed Sunday night and provided the information. No conditions for their release were made public.

The spokesman said the Americans worked for National Tank Co. of Tulsa, Okla., under contract to steam-clean oil tanks.

(Douglas Farah, Washington Post, A14)

SPYING HEATS UP AS COLD WAR THAWS

The Cold War may have finally ended, but the vast network of spies that decades of East-West tensions produced is still not out of work.

FBI intelligence chief Douglas Gow, in an interview Monday, says the KGB is now shifting its focus from military espionage to U.S. economic and scientific secrets.

And, he says, as a result of communism's fall in Eastern Europe, "we do have some" investigations of U.S. citizens who may have aided spy rings.

The breakup of communist-controlled spy agencies -- particularly East Germany's Stasi -- is a "very serious blow to the KGB," says Stanislaw Levchenko, ex-KGB major and author of "On the Wrong Side."

(Sam Meddis, USA Today, 1A)

SINGAPORE'S PRIME MINISTER RESIGNS

SINGAPORE -- After 31 years in office, Prime Minister Lee Kuan Yew Monday submitted his resignation in favor of a hand-picked successor in a move he has described as a "changing of the guard" to allow a younger generation of leaders to take over.

Lee, whose tenure makes him the world's longest-serving prime minister, formally announced his resignation, effective Wednesday, in a letter to Singapore's ceremonial president, Wee Kim Wee....

Lee, who assumed the premiership of this former British colony in 1959 and led Singapore to full independence in 1965, has been perceived as grooming his son, Lee Hsien Loong, to eventually take over his post. A retired brigadier general, the 37-year-old Lee Hsien Loong currently serves as trade and industry minister in his father's government.

(William Branigin, Washington Post, A14)

EFFORTS GROW IN ISRAEL TO BAR PALESTINIAN WORKERS

JERUSALEM -- Labor inspectors have been raiding businesses throughout Israel this month, detaining thousands of illegal Palestinian workers and fining their employers \$250 for each of them. Officials say the raids are meant to send a message: the employment in Israel of an estimated 70,000 unlicensed Palestinians from the occupied territories, tolerated and even encouraged by the government for many years, must end.

In Jerusalem, an unofficial but more brutal kind of enforcement is being practiced. Monday, police arrested at least three Jews who were supporters of anti-Arab Rabbi Meir Kahane, who was assassinated in New York last month, on suspicion of involvement in a campaign by self-appointed vigilantes who have been demanding that employers fire all their non-Jewish workers. (Jackson Diehl, Washington Post, A1)

BULGARIANS STAGE FIRST PROTEST STRIKE

SOFIA -- Workers demanding the resignation of the fragile socialist government took part Monday in a general strike in most Bulgarian cities that was patchy in effect but marked the first such protest in the country's history.

(Marc Champion, Washington Post, A14)

'COMMUNICATOR' AWARD TO SOVIET SPOKESMAN

Gennadi Gerasimov, who has lauded Stalinism and glasnost alike, is a great communicator.

That is, according to the National Association of Government Communicators. It has chosen the former Soviet Foreign Ministry spokesman as its "Communicator of the Year."

Mr. Gerasimov, 60, "gives credible and eloquent voice to Soviet foreign policy changes which have had a profound effect on the world," NAGC President Lewis Brodsky said in a statement announcing his group's choice.

"His forthright, honest statements, which helped explain the programs of Gorbachev and Shevardnadze to Western audiences, have captured the respect and attention of a thankful world population," Mr. Brodsky said. (Carleton Bryant, Washington Times, A4)

NATIONAL NEWS

CAVAZOS URGES COLLEGES TO CLARIFY
MISSION, CUT COSTS TO HOLD DOWN TUITION

Secretary Cavazos Monday urged every college in the nation to clarify its educational mission and cut administrative costs in order to hold down tuition charges, which rose faster than inflation in the last decade.

Despite those increases, Cavazos said, a college education remains affordable to qualified students, and cost-cutting on campus could keep it that way in the 1990s. He cited a College Board finding that almost half of all college students pay less than \$2,000 a year in tuition and fees.

The secretary criticized news media for focusing on tuition charges at the most expensive schools while 80 percent of students attended two-year or four-year public colleges where tuition averages \$1,800. The average is \$9,400 at private four-year colleges.

"We need to be sure...that future increases do not make college unattainable," Cavazos told reporters. "Colleges and universities need not -- and must not -- try to do everything. Instead, each institution must determine its mission and make the necessary tradeoffs."

Cavazos...said he would even suggest that colleges eliminate entire academic departments if they are tangential to a school's central mission and the courses are available at nearby institutions.
(Kenneth Cooper, Washington Post, A9)

ANOTHER REPUBLICAN FIGHT ERUPTS

Another knife was unsheathed Monday in the bloody post-elections war Republicans are fighting among themselves.

Rep. Carl Pursell of Michigan, billing himself as an anti-tax conservative, announced he will challenge Rep. Jerry Lewis of California for the chairmanship of the House Republican Conference next week.

The Pursell-Lewis fight is not expected to get quite as nasty -- or as potentially destructive for the Republican party itself -- as the ones that have been raging for chairmanship of the NRCC and for ideological control of the party.

(Ralph Hallow, Washington Times, A3)

-end of A-section-

NETWORK NEWS SUMMARY

(Monday evening, November 26)

GULF

ABC's PETER JENNINGS: We begin Monday night with an 11th and probably the most important U.N. resolution on the Iraqi occupation of Kuwait, one that could actually lead to fighting. Just hours after Saddam Hussein's troops crossed into Kuwait, the Security Council demanded they pull-out -- they did not. Three weeks later, the U.N. authorized an economic embargo; it is yet to be effective. Now, 16 weeks after the invasion and after furious lobbying by the Bush administration, the Security Council appears ready to authorize the use of military force to back up its demands.

ABC's JOHN MCWETHY reports that when asked if he had the votes to pass a U.N. resolution authorizing use of force, the President seemed confident.

(TV coverage: President giving thumbs-up on while walking to Marine One.)

Behind closed doors Monday afternoon in New York, the U.S. formally circulated a draft of what it wants the Security Council to pass. The U.S. proposal would set a January 1 deadline for Iraq to pull out of Kuwait. After that deadline passes, the resolution would automatically authorize countries to "use all necessary means to force Iraqi troops to leave." A January 1 deadline, U.S. officials concede, is just an opening position and could well slip to January 15 or February 1 by the time the resolution is voted on later this week.

(DOUGLAS HURD, British Foreign Secretary: "January 1, if that's the deadline agreed, wouldn't be a date on which military action started. It would be the date after which member states would have authority to use force if need be.")

In Moscow Monday, Iraqi Foreign Minister Tareq Aziz got more bad news: a first public warning from President Gorbachev that the Soviet Union will vote for the toughest U.N. measure yet if Iraqi troops don't get out of Kuwait immediately. Though U.S. officials believe they have the votes to pass this resolution in the U.N., in order to make a stronger statement to Saddam Secretary Baker wants the vote to be overwhelming. U.S. officials believe the British and maybe the French will participate in initial fighting if it is necessary. If the fighting doesn't go into Kuwait, they believe both the Egyptians and Syrians will participate as well. While there will be a deadline, it does not mean war will begin the day after this thing is actually passed.

JENNINGS reports Saddam said hospital patients are dying for lack of food and medicine due to the embargo.

ABC's DENNIS TROUTE reports from Baghdad three American hostages were told they were free after their relatives had traveled to Iraq. Saddam met with the hostages and their families and used the moment to claim the embargo is killing hospital patients.

(SADDAM HUSSEIN: "If we were to go to hospitals and ask them to provide us with lists, then we would discover the numbers are tragically high.")

-more-

TROUTE continues: The Iraqi leader offered no proof of his charge and diplomats doubt that it's true. Analysts say he's trying to divide the West both by sowing a sense of guilt and by releasing hostages to relatives who visit Baghdad. Iraq wants more Americans traveling here to lessen the chance of a military invasion by the West. The State Department has warned the relatives of hostages to stay away from Iraq because they too might be taken captive. Those who have come say governments have accomplished nothing and now it's up to individuals.

(HOSTAGE'S WIFE: "Come, come as quick as you can. Don't leave your man over here; he belongs home.")

That's a message that Washington will not like, but one that other families will find difficult to resist.

ABC's JIM HICKEY reports from Saudi Arabia that Iraq is building elaborate defenses around Kuwait. Britain's Royal Engineers believe they will be leading the charge in order to help troops thwart these defenses. Because of the confusion expected, there will be no such thing as a surgical assault on the ground.

(ABC-Lead)

NBC's TOM BROKAW: Saddam Hussein Monday night appeared to be more isolated than ever. He faces a U.N. vote that could lead to war against Iraq. Soviet President Gorbachev told him Monday to shape up or else. And yet, none of this seems to be having any effect.

NBC's JOHN DANCY reports from the State Department the Persian Gulf crisis is about to enter a dramatic new phase with the U.N. vote on Thursday. After three weeks of behind-the-scenes maneuvering by his Secretary of State, George Bush was feeling buoyant Monday about chances for the U.N. resolution.

(TV coverage: President giving thumbs-up while walking to Marine One.)

The U.S. expects to get at least 11 votes out of the 15 members on the Security Council. More important, none of the permanent five members with a veto are expected to vote no. The Soviet Union set the stage for a yes vote Monday when President Gorbachev called in Iraqi Foreign Minister Aziz and told him bluntly the fate of Iraq is in its leaders hands -- time is running out. Soviet Foreign Minister Shevardnadze demanded the release of Soviet hostages in Iraq. Afterwards, Foreign Ministry spokesman Churkin said if Iraq doesn't release the hostages --

(CHURKIN: "That would certainly help make our...well-known attitude towards the situation in the Persian Gulf even tougher than it is now.")

Voices began rising against the use of force, however, on Capitol Hill. Paul Nitze warned the U.S. should not be tempted to go it alone against Saddam.

(NITZE: "Course B, which I obviously prefer, would be to exercise patience.")

Saddam seemed to be telling the world Monday that the sanctions are already working, why use force? There is little doubt the Security Council will pass the resolution on Thursday. The last time the Security Council passed such a resolution, it led to the Korean War.

BROKAW reports the British press believes a war with Iraq will be over in days or weeks. At a new conference Monday, the top British commander said allied air and naval power would quickly demoralize Iraqi troops.

NBC's RICK DAVIS reports on the British Royal Engineers.
(PETER DE BILLIER, British general: "We would use all the resources that we...have to ensure that we won, that we won swiftly and that we won decisively.")
Meanwhile, the Kuwaiti civilian militia graduated a new class Monday; they are ready to sacrifice themselves for their country.
(NBC-Lead)

CBS's DAN RATHER: Iraq's Saddam Hussein added a new dimension Monday to the complicated hostage dilemma as he rewarded relatives of American hostages who came to Iraq against U.S. State Department advice. At the same time, Saddam claim what he said are large numbers of Iraqis have died as a result of food and medicine shortages.

CBS's BILL WHITAKER reports from Baghdad on the release of three Americans whose relatives came to get them out. The hostages say they bear no grudges.

(JOHN STEVENSON, former hostage: "I have no anger or bitterness. I was an innocent person working in a bank and I am in the middle of a political problem and I was a victim of it.")
It's not clear whether this goodwill comes from the heart or out of fear. A translator told another hostage not to say too much. U.S. officials say Saddam is playing the hostages as pawns in a high-stakes game of PR.

(JOHN WILSON, U.S. Deputy Chief of Mission: "I basically believe that they're playing into the -- that this is sort of a propaganda play that the Iraqis are trying to mount here.")
The Iraqis believe the concern for the hostages is weakening the resolve of the international alliance; President Hussein is trying to convince the allies that they can achieve more with diplomacy than with threats of war.

(DENNIS CONBY [phonetic], brother-in-law of released hostage: "As a private citizen, you do what you have to do....")

(IN-LAW OF RELEASED HOSTAGE: "He let our father-in-law out. I'm sure he did it on his terms, but, hey, if that's what it takes.")

CBS's RICHARD THRELKELD reports the families of other American hostages have begun to make their own travel plans to Baghdad. Saddam seems to be saying that he will free the more than 700 Americans in Iraq and Kuwait if their American loved ones will just come over and get them -- and that's just what they're doing. Jack Van Bolley [phonetic] is leaving for Baghdad next week with 17 other Americans. In Texas, Linda Parker decided to go to Baghdad too after hearing about Monday's release. The State Department is meeting with some of the hostage wives in Houston to let them know if they go to Baghdad, U.S. authorities can't be responsible for their safety, to which more and more of the families seem to be saying -- fine.

CBS's BILL PLANTE reports from the State Department officials believe Saddam's release Monday was just more of the same cynical manipulation.

PLANTE continues:

(RICHARD BOUCHER: "It's been clear all along that he's trying to get the most mileage he can out of manipulating people and playing with their lives, playing with their relatives and playing on all our sympathies.")

President Bush's attention is elsewhere, fixed on the U.N. He signalled thumbs-up Monday morning to the U.S. drive for a Security Council resolution which would authorize the use of military action against Iraq if it does not withdraw from Kuwait.

(TV coverage: President giving thumbs-up while walking to Marine One)

Yemen's ambassador to the U.N. said the U.S. should be talking directly to Iraq.

(ABDULLAH AL-ASHTAL: "If it is possible to make it peacefully, why do it after war? Why are we going to [bring on] a catastrophe?") Some Middle East experts warn too much pressure on Saddam could be counter-productive.

(RICHARD MURPHY, former assistant secretary of state: "There is a limit beyond which the man can be pushed into the corner. You don't push the enemy against a locked door.")

Gorbachev publicly warned Saddam that there is no hope of breaking international unity against Iraq. At the State Department, officials admit that there is still almost no evidence that Saddam believes that the U.S. is really willing to go to war to get him out of Kuwait.

RATHER reports the Army said Monday its first combat reserves go on active duty Friday for desert training in California. In addition to these 10,000 troops, word that 15,000 more Marines are heading for Saudi Arabia.

(CBS-Lead)

PRESIDENT'S TRIP

BROKAW: If President Bush has his way, Mexico and the United States will have a much more active economic relationship in the years ahead. Many American companies are already making enormous investments in Mexico, and Monday President Bush was meeting with President Salinas on a treaty to reduce trade restrictions. But there is strong opposition.

NBC's JOHN COCHRAN: President Bush says he feels comfortable in Mexico, and one big reason is President Salinas: a Harvard-trained economist who has more in common with William Buckley than with Fidel Castro.

(TV coverage: President and First Lady watching Mexican dancers.) Salinas freely admits Mexico is a Third World country, but he has a plan to change that. Not more government control over the economy, but less. Not more trade barriers against American products, but no barriers at all, which means the U.S. would also open its markets to Mexican products. Salinas is convinced that Mexicans have enough brains and talent to compete in a North American free-trade market extending from the tundras of Alaska and northern Canada to the jungles of southern Mexico. But many Mexicans claim foreign companies would exploit Mexico even more than they already do.

COCHRAN continues:

(PORFIRIO MUNOZ LEDO, Mexican senator: "We have the sensation, the feeling, that we are governed by foreign people. It's true.") Mexico is troubled by political violence as well as economic hard times. Opponents of President Salinas say he should be spending more time on social and political problems than in trying to get a free trade agreement with his friend George Bush.

(JORGE CASTANEDA, Mexican writer: "I have the impression that President Salinas is in a big, big rush to get his agreement very quickly because he needs the money very badly.")

President Bush also wants to lift trade barriers, but the U.S. Congress, worried about American jobs, may not be so eager to make it easier for Mexicans to sell north of the border.

(TV coverage: President putting on sombrero.)

Mexico could win votes in Congress for a trade agreement if it would permit Americans to invest in oil exploration, but that is political dynamite here. Mexicans have an almost religious belief that oil is special -- off-limits to foreigners. George Bush would dearly love to win American access to Mexican oilfields, but so far President Salinas has shown no willingness to commit what could be political suicide.

(NBC-3)

JENNINGS: President Bush is in Mexico Monday discussing the state of the world with President Salinas.

(TV coverage: President and First Lady standing with the Salinas family.)

One of the more immediate questions: whether to open the border to free trade. There is already a program in place that allows U.S. companies to use low-cost Mexican labor without paying duty on the products they manufacture. Mexican factory workers make an average of one-tenth as much as workers in the U.S.

ABC's JOHN QUINONES reports from Mexico on the use of Mexican labor by U.S. companies. While these Mexicans near the American border have jobs, they still live in squalid squatter camps. Some want American companies to share more of their profits with their Mexican workers.

(ABC-3)

RATHER: For his part, President Bush shifted scenes and attention [from the Gulf] to Mexico Monday.

(TV coverage: President and First Lady standing with Salinas family.)

Mr. Bush opened two days of talks there with Mexico's President Salinas. Main subject: progress toward a landmark U.S.-Mexico free-trade agreement. Photo opportunities aside, there are serious obstacles to free trade on both sides of the border.

(TV coverage: President trying on sombrero.)

Among them, Mexico's refusal to allow U.S. investment in its oil industry and fears in the U.S. that free trade will mean more U.S. jobs lost to lower-paid workers in Mexico.

(CBS-2)

BULGARIA

JENNINGS reports 500,000 Bulgarians are striking to demand that their prime minister quit. They blame the socialist government for growing shortages of food and consumer goods.

(ABC-8)

MCA-MATSUSHITA BUYOUT

ABC's BOB JAMIESON reports the Japanese company Matsushita is paying more than \$6 billion for MCA. It is the highest price ever paid by a Japanese company for an American corporation. Analysts say Hollywood has little to fear.

(HAROLD VOGEL, Merrill Lynch media analyst: "It will be a gradual change and the immediate impact of these new managements on American movie-making and television programming will be fairly minimal.")

Matsushita's president insisted that creative decisions will still be made in Hollywood, not Japan, but more and more of the profits will now end up in Japan.

(ABC-2, NBC-2, CBS-3)

POLISH ELECTIONS

JENNINGS reports Prime Minister Mazowiecki has resigned after finishing third in balloting to a political unknown.

ABC's JOHN DONVAN reports on Stanislaw Tyminski's second-place finish in Poland. While he has no political experience and has no specific program, Poles like the fact that Tyminski has made lot of money outside Poland. Lech Walesa told reporters he might withdraw from the run-off rather than face an opponent he does not consider a serious man. In typical fashion, Walesa immediately reversed himself and is back in the race, which he's expected to win.

(ABC-7, NBC-4, CBS-8)

SOUTH AFRICA

NBC's ROBIN LLOYD reports from South Africa that many blacks dropped out of the school system to protest inferior schools for blacks. Many believe liberation must come before education. This struggle has left millions of young blacks undereducated and unemployed. Many black leaders are worrying about the younger generation and are realizing the cost of having placed the children on the front lines in the fight against apartheid for so many years.

(NBC-11)

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(ABC-9)

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JENNINGS reports a fire still burns out of control at Denver's Stapleton Airport. Officials say the fire will burn for days. Air traffic in and out of the airport is now back to normal.

(ABC-5, NBC-8, CBS-6)

WASHINGTON FLOODS

JENNINGS reports flood waters have begun to recede after more than 3,000 people were forced from their homes.

(ABC-6, NBC-7, CBS-5)

-End of News Summary-

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Note	Handwritten notes of Presidential Phone call with Neil [Bush] (1 pp.)	11/27/90	C	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
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]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Note	Handwritten notes of Presidential Phone call with John Major Re: Schedule (1 pp.)	11/27/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
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~~CONFIDENTIAL~~

POINTS TO BE MADE FOR
CALL TO NEW BRITISH PRIME MINISTER (DESIGNATE)
JOHN MAJOR

- (Party has decided 3rd ballot will not be needed.)
- ~~Although I know your selection will not be final until after the vote on Thursday,~~ I wanted to be one of the first to call and congratulate you on your victory in the voting today.
 - I enjoyed meeting with you in September of last year, and seeing you again in Houston this summer. I know you've done a terrific job in handling the budget and financial issues in Margaret's government, making tough choices when they needed to be made.
 - I know you have a hundred things to think about. But, when you get a bit of time, I hope we can find a way to get together and talk about the issues we will be facing in the coming weeks and months.
 - Let's try to meet sometime soon. Our staffs can be in touch to work on the details.
 - I'm confident we can carry on the closest possible cooperation in tackling the hard problems like the Gulf, and I look forward to working with you.

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/23/24

NETWORK NEWS SUMMARY

(Monday evening, November 26)

GULF

ABC's PETER JENNINGS: We begin Monday night with an 11th and probably the most important U.N. resolution on the Iraqi occupation of Kuwait, one that could actually lead to fighting. Just hours after Saddam Hussein's troops crossed into Kuwait, the Security Council demanded they pull-out -- they did not. Three weeks later, the U.N. authorized an economic embargo; it is yet to be effective. Now, 16 weeks after the invasion and after furious lobbying by the Bush administration, the Security Council appears ready to authorize the use of military force to back up its demands.

ABC's JOHN McWETHY reports that when asked if he had the votes to pass a U.N. resolution authorizing use of force, the President seemed confident.

(TV coverage: President giving thumbs-up on while walking to Marine One.)

Behind closed doors Monday afternoon in New York, the U.S. formally circulated a draft of what it wants the Security Council to pass. The U.S. proposal would set a January 1 deadline for Iraq to pull out of Kuwait. After that deadline passes, the resolution would automatically authorize countries to "use all necessary means to force Iraqi troops to leave." A January 1 deadline, U.S. officials concede, is just an opening position and could well slip to January 15 or February 1 by the time the resolution is voted on later this week.

(DOUGLAS HURD, British Foreign Secretary: "January 1, if that's the deadline agreed, wouldn't be a date on which military action started. It would be the date after which member states would have authority to use force if need be.")

In Moscow Monday, Iraqi Foreign Minister Tariq Aziz got more bad news: a first public warning from President Gorbachev that the Soviet Union will vote for the toughest U.N. measure yet if Iraqi troops don't get out of Kuwait immediately. Though U.S. officials believe they have the votes to pass this resolution in the U.N., in order to make a stronger statement to Saddam Secretary Baker wants the vote to be overwhelming. U.S. officials believe the British and maybe the French will participate in initial fighting if it is necessary. If the fighting doesn't go into Kuwait, they believe both the Egyptians and Syrians will participate as well. While there will be a deadline, it does not mean war will begin the day after this thing is actually passed.

JENNINGS reports Saddam said hospital patients are dying for lack of food and medicine due to the embargo.

ABC's DENNIS TROUTE reports from Baghdad three American hostages were told they were free after their relatives had traveled to Iraq. Saddam met with the hostages and their families and used the moment to claim the embargo is killing hospital patients.

(SADDAM HUSSEIN: "If we were to go to hospitals and ask them to provide us with lists, then we would discover the numbers are tragically high.")

TROUTE continues: The Iraqi leader offered no proof of his charge and diplomats doubt that it's true. Analysts say he's trying to divide the West both by sowing a sense of guilt and by releasing hostages to relatives who visit Baghdad. Iraq wants more Americans traveling here to lessen the chance of a military invasion by the West. The State Department has warned the relatives of hostages to stay away from Iraq because they too might be taken captive. Those who have come say governments have accomplished nothing and now it's up to individuals.

(HOSTAGE'S WIFE: "Come, come as quick as you can. Don't leave your man over here; he belongs home.")

That's a message that Washington will not like, but one that other families will find difficult to resist.

ABC's JIM HICKEY reports from Saudi Arabia that Iraq is building elaborate defenses around Kuwait. Britain's Royal Engineers believe they will be leading the charge in order to help troops thwart these defenses. Because of the confusion expected, there will be no such thing as a surgical assault on the ground.

(ABC-Lead)

NBC's TOM BROKAW: Saddam Hussein Monday night appeared to be more isolated than ever. He faces a U.N. vote that could lead to war against Iraq. Soviet President Gorbachev told him Monday to shape up or else. And yet, none of this seems to be having any effect.

NBC's JOHN DANCY reports from the State Department the Persian Gulf crisis is about to enter a dramatic new phase with the U.N. vote on Thursday. After three weeks of behind-the-scenes maneuvering by his Secretary of State, George Bush was feeling buoyant Monday about chances for the U.N. resolution.

(TV coverage: President giving thumbs-up while walking to Marine One.)

The U.S. expects to get at least 11 votes out of the 15 members on the Security Council. More important, none of the permanent five members with a veto are expected to vote no. The Soviet Union set the stage for a yes vote Monday when President Gorbachev called in Iraqi Foreign Minister Aziz and told him bluntly the fate of Iraq is in its leaders hands -- time is running out. Soviet Foreign Minister Shevardnadze demanded the release of Soviet hostages in Iraq. Afterwards, Foreign Ministry spokesman Churkin said if Iraq doesn't release the hostages --

(CHURKIN: "That would certainly help make our...well-known attitude towards the situation in the Persian Gulf even tougher than it is now.")

Voices began rising against the use of force, however, on Capitol Hill. Paul Nitze warned the U.S. should not be tempted to go it alone against Saddam.

(NITZE: "Course B, which I obviously prefer, would be to exercise patience.")

Saddam seemed to be telling the world Monday that the sanctions are already working, why use force? There is little doubt the Security Council will pass the resolution on Thursday. The last time the Security Council passed such a resolution, it led to the Korean War.

BROKAW reports the British press believes a war with Iraq will be over in days or weeks. At a new conference Monday, the top British commander said allied air and naval power would quickly demoralize Iraqi troops.

NBC's RICK DAVIS reports on the British Royal Engineers.

(PETER DE BILLIER, British general: "We would use all the resources that we...have to ensure that we won, that we won swiftly and that we won decisively.")

Meanwhile, the Kuwaiti civilian militia graduated a new class Monday; they are ready to sacrifice themselves for their country.

(NBC-Lead)

CBS's DAN RATHER: Iraq's Saddam Hussein added a new dimension Monday to the complicated hostage dilemma as he rewarded relatives of American hostages who came to Iraq against U.S. State Department advice. At the same time, Saddam claim what he said are large numbers of Iraqis have died as a result of food and medicine shortages.

CBS's BILL WHITAKER reports from Baghdad on the release of three Americans whose relatives came to get them out. The hostages say they bear no grudges.

(JOHN STEVENSON, former hostage: "I have no anger or bitterness. I was an innocent person working in a bank and I am in the middle of a political problem and I was a victim of it.")

It's not clear whether this goodwill comes from the heart or out of fear. A translator told another hostage not to say too much. U.S. officials say Saddam is playing the hostages as pawns in a high-stakes game of PR.

(JOHN WILSON, U.S. Deputy Chief of Mission: "I basically believe that they're playing into the -- that this is sort of a propaganda play that the Iraqis are trying to mount here.")

The Iraqis believe the concern for the hostages is weakening the resolve of the international alliance; President Hussein is trying to convince the allies that they can achieve more with diplomacy than with threats of war.

(DENNIS CONBY [phonetic], brother-in-law of released hostage: "As a private citizen, you do what you have to do....")

(IN-LAW OF RELEASED HOSTAGE: "He let our father-in-law out. I'm sure he did it on his terms, but, hey, if that's what it takes.")

CBS's RICHARD THRELKELD reports the families of other American hostages have begun to make their own travel plans to Baghdad. Saddam seems to be saying that he will free the more than 700 Americans in Iraq and Kuwait if their American loved ones will just come over and get them -- and that's just what they're doing. Jack Van Bolley [phonetic] is leaving for Baghdad next week with 17 other Americans. In Texas, Linda Parker decided to go to Baghdad too after hearing about Monday's release. The State Department is meeting with some of the hostage wives in Houston to let them know if they go to Baghdad, U.S. authorities can't be responsible for their safety, to which more and more of the families seem to be saying -- fine.

CBS's BILL PLANTE reports from the State Department officials believe Saddam's release Monday was just more of the same cynical manipulation.

PLANTE continues:

(RICHARD BOUCHER: "It's been clear all along that he's trying to get the most mileage he can out of manipulating people and playing with their lives, playing with their relatives and playing on all our sympathies.")

President Bush's attention is elsewhere, fixed on the U.N. He signalled thumbs-up Monday morning to the U.S. drive for a Security Council resolution which would authorize the use of military action against Iraq if it does not withdraw from Kuwait.

(TV coverage: President giving thumbs-up while walking to Marine One)

Yemen's ambassador to the U.N. said the U.S. should be talking directly to Iraq.

(ABDULLAH AL-ASHTAL: "If it is possible to make it peacefully, why do it after war? Why are we going to [bring on] a catastrophe?") Some Middle East experts warn too much pressure on Saddam could be counter-productive.

(RICHARD MURPHY, former assistant secretary of state: "There is a limit beyond which the man can be pushed into the corner. You don't push the enemy against a locked door.")

Gorbachev publicly warned Saddam that there is no hope of breaking international unity against Iraq. At the State Department, officials admit that there is still almost no evidence that Saddam believes that the U.S. is really willing to go to war to get him out of Kuwait.

RATHER reports the Army said Monday its first combat reserves go on active duty Friday for desert training in California. In addition to these 10,000 troops, word that 15,000 more Marines are heading for Saudi Arabia. (CBS-Lead)

PRESIDENT'S TRIP

BROKAW: If President Bush has his way, Mexico and the United States will have a much more active economic relationship in the years ahead. Many American companies are already making enormous investments in Mexico, and Monday President Bush was meeting with President Salinas on a treaty to reduce trade restrictions. But there is strong opposition.

NBC's JOHN COCHRAN: President Bush says he feels comfortable in Mexico, and one big reason is President Salinas: a Harvard-trained economist who has more in common with William Buckley than with Fidel Castro.

(TV coverage: President and First Lady watching Mexican dancers.) Salinas freely admits Mexico is a Third World country, but he has a plan to change that. Not more government control over the economy, but less. Not more trade barriers against American products, but no barriers at all, which means the U.S. would also open its markets to Mexican products. Salinas is convinced that Mexicans have enough brains and talent to compete in a North American free-trade market extending from the tundras of Alaska and northern Canada to the jungles of southern Mexico. But many Mexicans claim foreign companies would exploit Mexico even more than they already do.

COCHRAN continues:

(PORFIRIO MUNOZ LEDO, Mexican senator: "We have the sensation, the feeling, that we are governed by foreign people. It's true.")

Mexico is troubled by political violence as well as economic hard times. Opponents of President Salinas say he should be spending more time on social and political problems than in trying to get a free trade agreement with his friend George Bush.

(JORGE CASTANEDA, Mexican writer: "I have the impression that President Salinas is in a big, big rush to get his agreement very quickly because he needs the money very badly.")

President Bush also wants to lift trade barriers, but the U.S. Congress, worried about American jobs, may not be so eager to make it easier for Mexicans to sell north of the border.

(TV coverage: President putting on sombrero.)

Mexico could win votes in Congress for a trade agreement if it would permit Americans to invest in oil exploration, but that is political dynamite here. Mexicans have an almost religious belief that oil is special -- off-limits to foreigners. George Bush would dearly love to win American access to Mexican oilfields, but so far President Salinas has shown no willingness to commit what could be political suicide. (NBC-3)

JENNINGS: President Bush is in Mexico Monday discussing the state of the world with President Salinas.

(TV coverage: President and First Lady standing with the Salinas family.)

One of the more immediate questions: whether to open the border to free trade. There is already a program in place that allows U.S. companies to use low-cost Mexican labor without paying duty on the products they manufacture. Mexican factory workers make an average of one-tenth as much as workers in the U.S.

ABC's JOHN QUINONES reports from Mexico on the use of Mexican labor by U.S. companies. While these Mexicans near the American border have jobs, they still live in squalid squatter camps. Some want American companies to share more of their profits with their Mexican workers. (ABC-3)

RATHER: For his part, President Bush shifted scenes and attention [from the Gulf] to Mexico Monday.

(TV coverage: President and First Lady standing with Salinas family.)

Mr. Bush opened two days of talks there with Mexico's President Salinas. Main subject: progress toward a landmark U.S.-Mexico free-trade agreement. Photo opportunities aside, there are serious obstacles to free trade on both sides of the border.

(TV coverage: President trying on sombrero.)

Among them, Mexico's refusal to allow U.S. investment in its oil industry and fears in the U.S. that free trade will mean more U.S. jobs lost to lower-paid workers in Mexico. (CBS-2)

BULGARIA

JENNINGS reports 500,000 Bulgarians are striking to demand that their prime minister quit. They blame the socialist government for growing shortages of food and consumer goods. (ABC-8)

MCA-MATSUSHITA BUYOUT

ABC's BOB JAMIESON reports the Japanese company Matsushita is paying more than \$6 billion for MCA. It is the highest price ever paid by a Japanese company for an American corporation. Analysts say Hollywood has little to fear.

(HAROLD VOGEL, Merrill Lynch media analyst: "It will be a gradual change and the immediate impact of these new managements on American movie-making and television programming will be fairly minimal.")

Matsushita's president insisted that creative decisions will still be made in Hollywood, not Japan, but more and more of the profits will now end up in Japan. (ABC-2, NBC-2, CBS-3)

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-End of News Summary-

W.H. Chautman
card

Gene

~~Shirley Galtin
Chautman tape~~

~~Box W.
Rusty Rose
Buckshot
Ranger
Dec. 8-14~~

~~Paul W. Mack~~

~~Bill Clark~~

K.C.

NO POOL REPORT —
FOLLOWING DISTRIBUTED
TO AF ONE POOL

November 27, 1990

STATEMENT BY THE PRESS SECRETARY:

President Bush called John Major, the new head of the Conservative Party in England, to congratulate him on his party victory. Calling from Air Force One, the President said he looked forward to working with Major and to maintaining the special relationship with the U.K.

The President said Great Britain is a great ally, that joins us in facing many opportunities and challenges in the new East-West relationship. He said Mrs. Thatcher was a great friend, and he looks forward to Mr. Major's leadership and friendship.

The President and John Major ^{privately} met in the Oval Office in 1989 when Major was Foreign Secretary.

Murray
DeFrank



Bumpy Air
Montgomery to DC

11-27-90

The President
of the United States of America

Carla-

I'm pleased you took me into
your confidence. And I'm very
very glad ~~you~~ decided that matter
the way you did. Keep up the great work!
Thanks GB

NOTE FOR THE DAILY FILES:

11/26/90 - Carla Hills asked to speak to the
President PRIVATELY aboard AF 1 enroute to Mexico,
thus, the above note which was handed directly
to Carl Hills on 11/27/90 (aboard AF 1-enroute to DC)

PRIVATE/PERSONAL

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

November 27, 1990

To: The President

From: Mike Boskin *MB*

Re: Revised estimate of Third Quarter GNP
Growth and October Durable Goods
Orders

The second of the Commerce Department's three estimates of real GNP growth for the third quarter of 1990 is 1.7 percent, down 0.1 percent from the first estimate. Most private analysts had expected a modest upward revision. There was a slight upward revision in the broad based measures of inflation associated with the entire GNP, but they still remain in the 4 percent range and show no signs of accelerating.

The very preliminary data available thus far for October suggest the fourth quarter is likely to be negative unless there is an unusually strong Christmas season.

Better news is that durable goods orders increased 3.6 percent in October, following a decline in September.

Michael J. Boskin
Chairman

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 27, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *MB*

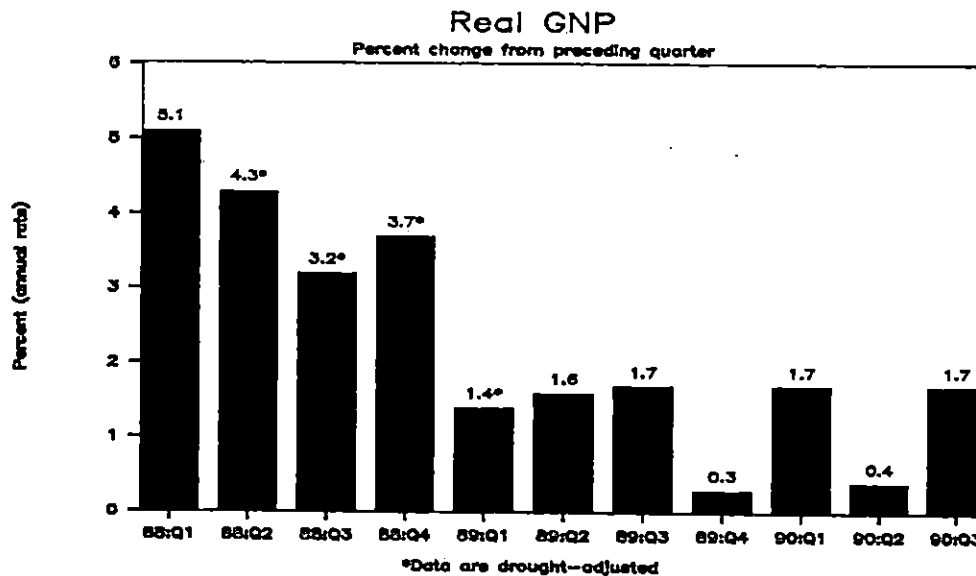
SUBJECT: Preliminary Estimate of Third-Quarter GNP,
Commerce Department Release, Tomorrow Morning,
8:30 a.m.

Real GNP grew 1.7 percent at an annual rate in the third quarter, a slight downward revision from the 1.8 percent rate estimated last month. Private forecasters had anticipated an upward revision to 2.1 percent.

A downward revision to consumer spending on services contributed most to the downward GNP revision, although fixed investment, inventory change and government purchases were also revised down. A substantial upward revision to net exports of goods and services offset some of the downward revisions, as did an upward revision to consumer purchases of nondurables.

The fixed-weighted GNP price index rose 4.2 percent in the third quarter, a 0.1 percentage point upward revision from last month's estimate.

Corporate profits fell 3.8 percent at a quarterly rate in the third quarter, after a 3.3 percent increase in the second. The decline in profits was widespread across nonfinancial corporations, while profits in financial corporations rose slightly.



THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 27, 1990

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *MJB*

SUBJECT: Advance Durable Goods in October, Commerce
Department Release, Tomorrow Morning, 8:30 a.m.

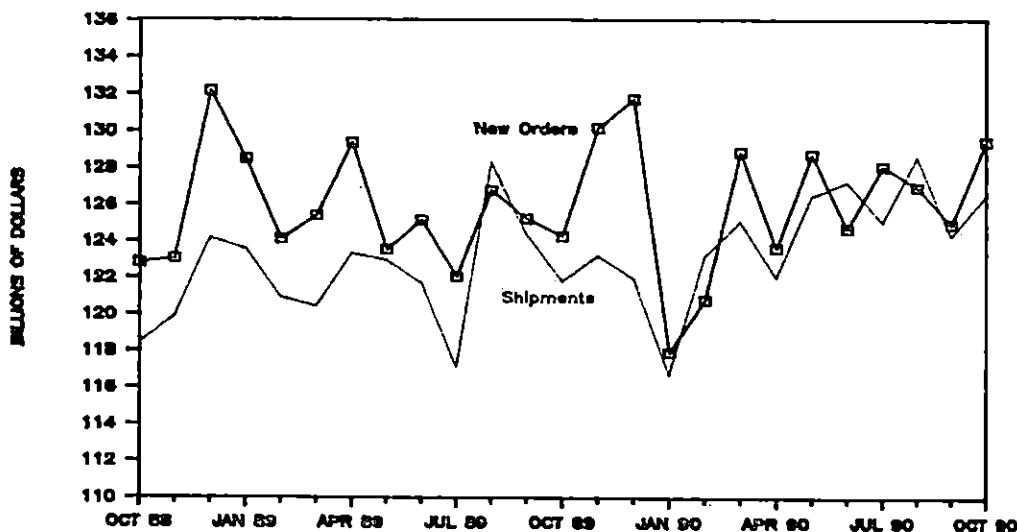
New orders for manufactured durable goods rose 3.6 percent in October, after a 1.6 percent decline in September. October's gain exceeded the median private forecast for no change. Although the new orders series is volatile, October's rise to the highest level this year is a mildly positive sign for the fourth quarter.

The rise in orders in October was mainly due to a 14.8 percent increase in orders for transportation equipment (mostly aircraft and motor vehicles). Excluding transportation equipment, orders slipped 0.4 percent, led by a decline in office and computing equipment orders.

New orders for nondefense capital goods were up 8.3 percent, while new orders for defense capital goods fell 10 percent.

Shipments of durable goods rose 1.8 percent in October, after a 3.3 percent decline in September. Gains were widespread across major industries; however, shipments of capital goods industries fell slightly, the second straight monthly decline.

DURABLE GOODS ORDERS & SHIPMENTS



From the desk of
George Bush

Personal
notes
my father
Nov. 26, 27
with Salinas

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

Document Originally
Attached to
Following Page

~~CONFIDENTIAL~~

Card 1 of 6

POINTS TO BE MADE AT THE ONE-ON-ONE MEETING
WITH PRESIDENT SALINAS IN MONTERREY

FREE TRADE AGREEMENT

- WE REMAIN CAUTIOUSLY OPTIMISTIC THAT FAST TRACK AUTHORITY WILL BE CONFERRED IN THE SPRING, THOUGH SOME OPPOSITION IS COALESCING.
- WE NEED TO RESOLVE OUTSTANDING TRADE FRICTIONS TO AVOID GIVING AMMUNITION TO OPPONENTS OF A FREE TRADE AGREEMENT.
- AS I TOLD YOU IN SEPTEMBER, WE REMAIN COMMITTED TO ACHIEVING AN AGREEMENT WITH MEXICO AND HAVING IT APPROVED BY THE U.S. CONGRESS BY THE TIME CONGRESS ADJOURNS IN 1992.
- IF CANADIAN PARTICIPATION THREATENS TO DELAY OUR SCHEDULE OR JEOPARDIZE CONGRESSIONAL

~~CONFIDENTIAL~~

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/23/24

Navco -

Dr. Alvarez del Costillo
gave up desert
report

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04b. Index Cards	Points to be Made at the Meeting with Full Delegation in Monterrey [Cards 2-8 and 10 of 12 are missing - all others are double-sided with George Bush handwriting on back] (4 pp.)	n.d.	(b)(1)	C

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Date Closed: 1/27/2011	OA/ID Number: 90571-001
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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)]

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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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04c. Index Cards	Points to be Made at the Meeting with President Salinas in Agualeguas [4 cards are double-sided with George Bush handwriting] (19 pp.)	n.d.	(b)(1)	C

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
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)]

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GEORGE BUSH

11/27/90

John,

FYI

GB

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Letter	From Sheldon B. Lubar to Newt Gingrich Re: Budget compromise [redaction of personal information] (1 pp.)	11/05/90	(b)(6)	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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Lubar & Co.

cc: John Sununu
fyi

3380 FIRST WISCONSIN CENTER
MILWAUKEE, WISCONSIN 53202
TELEPHONE 414 / 291 - 9000
TELECOPIER 414 / 291 - 9061

November 5, 1990

The Honorable Newt Gingrich
General Chairman
GOPAC
440 First Street, NW
Suite 400
Washington, DC 20001

(b)(6)

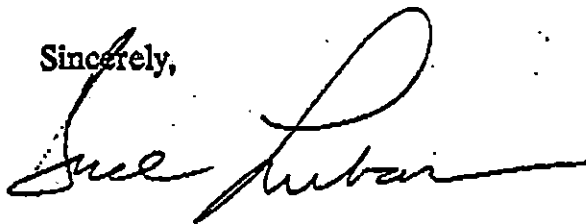
Dear Newt:

I am writing in response to your invitation to join GOPAC and attend the November meeting. Scheduling conflicts would not permit my attendance; but in addition I am not comfortable with what I see.

I have listened to your tapes and they are agreeable, but your actions are not consistent. You talk about spending cuts, but I see no evidence that you sponsor or step up to cuts. In terms of fiscal policy we have long ago reached the point where rhetoric can replace necessary action. What you have done is scuttle the first budget compromise and pave the way for a result embodying even higher taxes and less spending cuts. In the process you have humiliated the President and negatively impacted every Republican up for election. Well, at least I have that off my chest.

Newt, I sense your intentions are in line with my thinking, but uncompromising idealogues worry me. For the time being let's allow things to rest. Perhaps at a later date I will reconsider.

Sincerely,



Sheldon B. Lubar

SBL:mbw

tial Library Photocopy

S&L Crisis Breeds Tough Group of Regulatory Enforcers

By Jerry Knight
Washington Post Staff Writer

Nobody needs to tell Robert Lackovic how powerful federal banking examiners have become.

For the better part of three months the chairman of First Nationwide Bank, based in San Francisco, watched as 30 examiners from two government agencies pored over the thrift's financial records.

When they finished, the examiners demanded that \$250 million in additional cash be pumped into First Nationwide by its owner, Ford Motor Co.

Ford is no pushover when it comes to dealing with bureaucrats, having recently beaten back government demands to improve the fuel efficiency of its cars. But when the examiners insisted on more capital for First Nationwide, Ford promised the money without a protest.

"They are much tougher," Lackovic said. "They are examining people in much more detail. They pored through the portfolio a lot more than they used to. Maybe if we had been

examining institutions like this four years ago, we wouldn't have the problems we've got."

Crises in the nation's savings and loan and banking industries are costing taxpayers tens of billions of dollars and are straining deposit insurance funds. In response, federal bank examiners have cast off their green eye shades and I-get-no-respect demeanor to take up the most influential role they have ever played in shaping the economy.

Once regarded as little more than traffic cops for bookkeepers, bank examiners today make critical decisions that affect every American.

Bank examiners—many are relative newcomers in their twenties or early thirties—are deciding which banks will survive and who will run them, what businesses will get loans and what kind of loans they will receive. Ultimately these examiners could be a major factor in determining whether the nation will suffer a recession and how bad any recession would be.

These new roles have made the issue of bank examinations and their effect on bank lending practices so important that President Bush and members of his Cabinet have talked about the topic four times in the last 10 days as part of a broad review of the economic slowdown.

After hearing complaints from business executives that overzealous bank examiners are making it difficult for businesses to get needed loans and may even be adding to the likelihood of a recession, Bush acknowledged that banks now are paying the price of their "excesses" during the 1980s.

"We had kind of go-go lending policies in some of our financial institutions," Bush said. "Loans were made then that wouldn't be made now."

This newly recognized mission of protecting the nation from imprudent bankers has made major Washington players of government officials who once settled for bit parts in economic policy making:

■ Federal Deposit Insurance Corp. Chairman L. William Seidman has become so controversial and powerful that White House Chief of Staff John Sununu tried to get rid of him—and failed.

■ Comptroller of the Currency Robert L. Clarke is the first person holding that office ever to attract television coverage to his press conferences.

■ Office of Thrift Supervision Director T. Timothy Ryan has taken a job that President Reagan once gave to one of his public relations men and turned it into a high-visibility post that could earn him a shot at a Cabinet office.

■ At the Federal Reserve Board, where Chairman Alan Greenspan has long been a powerful figure, the director of the Division of Banking Supervision and Regulation, William Taylor, has emerged from the obscurity of the Fed's bureaucracy to

earn President Bush's endorsement to succeed Seidman at the FDIC.

The four agencies share power over often-indistinguishable financial institutions. The Office of the Comptroller of Currency regulates 4,000 national banks. The Federal Reserve oversees 1,073 state-chartered banks that chose to belong to the Fed and all bank holding companies.

The Office of Thrift Supervision regulates 2,404 savings and loans including many that call themselves savings banks. The FDIC has responsibility for state banks that are not Federal Reserve members and examines all thrifts as well.

Together, the agencies marshal about 38,000 employees to watch over the health and safety of more than \$3.9 trillion of the nation's wealth.

At a basic level, the bank examiner's job is simple: Examiners periodically visit banks to review records to ensure that federal regulations are being followed and that the banks' public financial reports reflect what is happening at their loan desks and in their boardrooms.

In the current climate, the clout of the four regulatory agencies has grown to such proportions that a dark joke made the rounds this past week at the convention of the U.S. League of Savings Institutions, the trade group for the S&L industry. Question: "What's the difference between a bank regulator and a terrorist?" Answer: "You can negotiate with a terrorist."

It is the take-no-prisoners attitude shown by examiners that has provoked the recent discussions at the White House and Camp David.

Ford's First Nationwide, a chain of thrifts operating in nine states, is one of hundreds of financial institutions that as a result of an examination were forced to write off more bad loans, set aside cash to cover expected losses and strengthen financial bases by raising new money from owners. First Nationwide added \$115 million to its loan-loss reserves and is still negotiating with the FDIC over issues that Lackovic said could lead to further write-downs.

Lackovic said his company disagreed with the examiners over "only a handful" of loans, but the aggressive stance taken by regulators is leading

bankers to change the way they do business. "It's going to force people to get a little more conservative than they might normally be because you're afraid of being criticized," he said.

When bankers are warned about certain kinds of loans, Lackovic said, "They just hunker back and say 'Well, if you don't like this kind of loan, we won't make them anymore' and start to curtail their activity."

*Mr. President
See page 2
NFB*

The central question in the White House debate about examination practices is whether the regulators are the cause of a lending slowdown or merely agents of reality, motivating bankers to do what they already know they should be doing.

Clarke, as currency comptroller and a top banking regulator, said in a interview with Reuter: "We have to maintain proper lending standards and proper supervisory standards to keep the banks in business." He dismissed criticism that his tough policies are pushing the nation into a recession.

Commerce Secretary Robert Mosbacher and White House Chief of Staff Sununu lead the administration faction maintaining that regulators have gone too far.

On the other side of the issue are Treasury Secretary Nicholas F. Brady, Fed Chairman Greenspan and Michael J. Boskin, chairman of the President's Council of Economic Advisors, who said regulators have become scapegoats for the economy's problems.

And a few experts outside the government, led by California economist Dan Brumbaugh, said the regulators are not being tough enough.

Bankers can be found on both sides of the issue.

In New England, about 20 percent of the real estate problems stem from "overzealousness by regulators" and about 80 percent of the problems are because of "overzealousness by bankers" said Guillaem Aertsen, who is in charge of New England real estate lending for the Bank of Boston.

"We in the bank rely heavily on suggestions from our regulator friends. We take most of them," he said. "The fact is the real estate markets are down. Banks need to review their ... practices."

As Bush pointed out last week, real estate lending practices grew too loose during the past decade and the

questionable loans now are haunting the banks that made the loans.

Lending standards were relaxed, one federal regulator stationed in New England said, "because people wanted ... to take business away from someone else."

Banking regulators bear some of the responsibility for allowing the rules to be relaxed, bankers and regulators conceded, because the liberalization of lending standards went on with their full knowledge and approval.

"The better time—and the harder time—to do something about it was at the beginning," one congressional banking expert said.

But as the New England regulator said: "It is hard for any regulatory authority to discipline a bank when it has no obvious weaknesses."

A complaint often heard at the savings and loan convention last week was that regulators were overcompensating for their past mistakes, particularly their failure to move quickly when Southwest banks and thrifts got in trouble five years ago.

"They're covering their backsides so much, they're going to get diaper rash," said Donald R. Shackelford, the new chairman of the U.S. League of Savings Institutions.

There is no question that banking regulators have extraordinary power over the institutions they oversee, including regulatory tools that no other federal agency is permitted to exercise. A frequent lament of beleaguered executives is that "bank regulators are God."

For example, Congress has given the FDIC authority to issue orders stopping "any specific activity which poses a serious threat" to the deposit insurance fund. The Office of Thrift Supervision can act as both prosecutor and judge and has accused several thrift executives of looting their institution and ordered them to give back the money.

Historically the bank examiners' power has been wielded with discretion, even reluctance, but as the problems of the banking and thrift industries have worsened, the banking agencies have used all the tools at their disposal.

When the Office of the Comptroller of the Currency took over the National Bank of Washington earlier this year, it used for the first time its power to seize a faltering financial institution before it actually became insolvent. The power came from the S&L cleanup law passed in 1989, when Congress granted the regulators' request for additional authority.

In the past few months, regulators have demanded the firing of the president of Perpetual Savings Bank, the largest thrift in the Washington area, and ordered another local banking company, James Madison Ltd., to close branches and reduce operations.

Even tighter controls have been imposed on MNC Financial Corp., the company that owns Maryland National Bank and American Security Bank. The holding company has been given a

March 31 deadline for raising new capital and has been ordered to sell its prized credit-card business and to stop paying dividends to stockholders.

Such orders often are issued in secret. While they theoretically can be appealed to a court, banks are reluctant to publicly admit they are being disciplined and thus rarely put up a fight.

When bankers do fight, they lose. The FDIC has survived every court challenge to its supervisory powers.

Thrift regulators last summer won a landmark court decision when U.S. District Court Judge Stanley Sporkin threw out a challenge to its authority brought by Charles H. Keating of the failed Lincoln Savings and Loan Association of Irvine, Calif.

And even after a Kansas thrift won a district court decision against the Office of Thrift Supervision a few months ago, the agency used other powers to keep management from regaining control of the institution.

Staff writers John M. Berry, Joel Glenn Brenner and Robert J. McCartney contributed to this report.

Another province
heard from

THE WHITE HOUSE
WASHINGTON

DATE: 11-27

FROM THE PRESIDENT

To: *Baut* *FPI*
cc/ John Sununu
Nick Brady and Larry Eagleburger

*Salinas tells me
our man at
the Int. Dev. Bank
is "very difficult"
Eglesias, head of
IDB says this,
too -*

daily

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07a. Memo	From Brent Scowcroft to President Bush (1 pp.)	11/27/90	(b)(1)	S

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07b. Talking Points	Points to be made for Meeting with President of the Freely Associated States of Micronesia, John Haglelgam (2 pp.)	n.d.	(b)(1)	S

Collection:

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

Date Closed:	1/27/2011	OA/ID Number:	90571-001
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
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PARTICIPANTS

U.S.

The President

John H. Sununu, Chief of Staff

Brent Scowcroft, Assistant to the President for National
Security Affairs

Robert M. Gates, Assistant to the President and Deputy for
National Security Affairs

Desaix Anderson, Principal Deputy Assistant Secretary of State
for East Asia and Pacific Affairs

Fred M. Zeder, II, President of OPEC

Peter S. Watson, Director, Asian Affairs (Notetaker)

Federated States of Micronesia

John R. Haglelgam, President

Asterio Takesy, Acting Secretary of Foreign Affairs

Jesse Marehalau, Ambassador to the United States

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07c. Report	Government Report (1 pp.)	02/13/90	(b)(1)	C

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
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9024865
United States Department of State

Washington, D.C. 20520

#9269

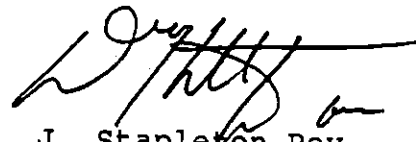
November 24, 1990

UNCLASSIFIED (with
CONFIDENTIAL attachments)

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

SUBJECT: Briefing Paper and Talking Points for the President's
Meeting with Federated States of Micronesia President
John R. Haglelgam, 10:45 AM, Friday, November 30, 1990

The President has agreed to see President John R. Haglelgam of the Federated States of Micronesia for a 10-minute meeting at 10:45 AM, on Friday, November 30, 1990. We attach a briefing paper, talking points, and biographic sketch for use in preparation for the meeting.


J. Stapleton Roy
Executive Secretary

Attachments:

Tab A - Briefing Paper
Tab B - Talking Points
Tab C - Biographic Sketch

DEPARTMENT OF STATE
BRIEFING PAPER

~~CONFIDENTIAL~~

Informal Visit of Federated States of Micronesia
President John R. Haglelgam

I. WHAT IS THE STANDING OF THE RELATIONSHIP?

- o Relations between the United States and the Federated States of Micronesia (FSM) are generally excellent. After 40 years of U.S. administration as a UN Trust Territory, the Micronesians chose to enter into a relationship of "free association" with the U.S., whereby we exercise defense responsibilities in return for the right to foreclose FSM territory to any third-country military force (strategic denial).
- o The Compact of Free Association, governing our relations since November 3, 1986, is working quite satisfactorily for both parties. Under its provisions, the FSM is a sovereign and self-governing nation, responsible for the conduct of its external as well as internal affairs, obliged to consult with us only when its foreign policy may interfere with our obligation to defend its territory and its citizens.
- o Over its 15-year life, the value of the Compact to the FSM is estimated slightly in excess of \$1.0 billion. In Fiscal Year 1991 the United States will provide some \$94 million in direct Compact-related payments, grants and federal services.

II. WHAT DO WE WANT?

- o We want to continue the policy of strategic denial, the right to forbid access to the territory or territorial waters of the FSM to potentially hostile third-country military forces.
- o We want to reinforce political stability and commitment to democracy and to the market economy in the FSM. We wish to reassure the FSM that we are doing our best to help it win international recognition as a sovereign nation.

~~CONFIDENTIAL~~
DECL:OADR

DECLASSIFIED
PER DOS WAIVER, November 6, 2015
By SS NARA, Date 10/23/24

III. WHAT DOES PRESIDENT HAGLELGAM WANT?

- o Haglelgam wants reassurances that the United States continues to think of the FSM in special terms, as a special relationship formed through free association. The U.S. has maintained, in part, this special relationship by assisting the FSM government in obtaining international diplomatic recognition despite, until recently, Soviet intransigence and UK and French refusal of recognition owing to differing positions in the UN regarding the FSM's legal status.
- o Haglelgam will raise, as he did at the October 27 Pacific Island Leaders lunch in Honolulu, the issue of termination of the Trusteeship Agreement as it applies to the FSM, the Marshall Islands (RMI), and the Commonwealth of the Northern Mariana Islands (CNMI). He wants this issue settled as soon as possible in order that the FSM may enjoy recognition from the greatest number of countries and economic assistance from the broadest number of sources. We share these aspirations and hope to introduce in the very near future in the Security Council a resolution that the Soviets will not oppose.
- o The FSM took a prominent early stance opposing the shipment of chemical weapons from Germany to Johnston Atoll. Haglelgam was reassured by the President's reaffirmation that we plan to dispose of only chemical weapons currently stored at Johnston, obsolete CW found in the Pacific Islands, and the relatively small quantity shipped from Germany. He may inquire about the chemical weapons from Germany which did arrive safely and were offloaded at Johnston without incident.
- o Haglelgam may mention a customs interpretation which deprives the freely associated states of a duty-free tuna import preference they thought they had under the Compact of Free Association. We are currently examining legislative history and congressional intent to determine how best to restore this benefit.
- o Haglelgam may raise the FSM's request for logistical support for the July 1991 meeting of the South Pacific Forum the FSM is hosting, including communications, medical support, and a Navy ship to berth and feed 200 to 300 reporters. Forward deployment needs in the Persian Gulf make it unlikely we can oblige them with a ship. We are currently suggesting a cruise ship.

~~CONFIDENTIAL~~

TALKING POINTS

- o We welcome you to Washington. Your visit is an opportunity to reaffirm our special relationship in free association. I am very pleased with the operation of the Compact and trust you are as well.
- o I asked Aurelia Brazeal to be the first Ambassador to the FSM because she is a talented, innovative foreign service officer knowledgeable in the Pacific region. I hope you are enjoying working with her as much as she is enjoying her new tour.
- o As you know, we initiated discussions with the Soviets in February of this year seeking their agreement not to oppose a resolution in the Security Council to endorse politically the termination of the Trusteeship Agreement as it applies to the FSM, the Marshall Islands, and the Commonwealth of the Northern Marianas. We took the opportunity of my meeting with you and other leaders of the Pacific to raise the issue with Shevardnadze and he replied favorably to Secretary Baker. We have since discussed a draft resolution with the Soviets which we hope to present to the Security Council in the near future.
- o (If Raised) We will explore with you the question of your membership in the United Nations once we have resolved the issue of partial termination of the Trusteeship Agreement.
- o (If Raised) The U.S. chemical weapons left Germany on September 22 enroute to Johnston Atoll and arrived there safely on November 6, after a 45-day transit around Cape Horn. Offloading of the CW commenced almost immediately and was completed without incident on November 18.
- o (If Raised) Regarding your duty-free preference in tuna imports, we are currently reexamining the legislative history and congressional intent to determine how best to assure that you receive this benefit.
- o (If Raised) We regret that the situation in the Persian Gulf makes it difficult to commit a Navy ship to you for the July 1991 meeting of the South Pacific Forum. As you can understand, resolution of this issue must be my top international priority. We share your desire that the Forum meeting be a success. We understand you are considering hiring a cruise ship and charging the reporters reasonable sums for cabin and food.

~~CONFIDENTIAL~~
DECL:OADR

DECLASSIFIED
PER DOS WAIVER, November 6, 2015
By SS NARA, Date 10/23/24

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08a. Memo	From Brent Scowcroft Re: Meeting with Vice President Ricardo Arias Caderon of Panama (2 pp.)	11/27/90	(b)(1)	S

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
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]
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(b)(9) Release would disclose geological or geophysical information

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR MEETING WITH
PRESIDENT CALDERON

- We have admired your political courage, first in fighting to reestablish democracy in Panama, and now in taking on the tough job of restructuring the public security forces.
- You have been instrumental in transforming the discredited and corrupt PDF into a law enforcement body that is responsive to civilian authority.
- I understand that our joint patrols are to end soon, which is an indicator of the improving security situation.
- Of course, the Canal is at the centerpiece of our relations. It was an historic moment when I was able to receive Gilberto Guardia here last month, the first Panamanian to head the Panama Canal.
- We need your political leadership, Mr. Vice President, to make common cause with us in obtaining a Mutual Legal Assistance Agreement as quickly as possible.
- I know this is a difficult issue because of the publicity about alleged U.S. "pressure" on Panama and because of misinformation about the agreement. But it is in our mutual interest to get this behind us so we can improve our cooperation on anti-narcotics and avoid any adverse impact on our economic aid.

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/23/24

~~CONFIDENTIAL~~

Declassify on: OADR

PARTICIPANTS

U.S.

The President
The Vice President
John H. Sununu, Chief of Staff
Brent Scowcroft,
 Assistant to the President for National Security Affairs
Robert M. Gates,
 Assistant to the President and Deputy for National Security
 Affairs
Carnes Lord, National Security Adviser to the Vice President
William T. Pryce, Senior Director, Latin American and Caribbean
 Affairs, NSC
Michael Kozak, Deputy Assistant Secretary of State for
 Inter-American Affairs

Panama

Ricardo Arias Calderon, Vice President
Eduardo Vallarino, Ambassador to the U.S.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08c. Report	Government Report (1 pp.)	03/19/[90]	(b)(1)	S

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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White House News Summary

17 / bbb / oil /
Tuesday, November 27, 1990 -- B-5

COCHRAN continues:

(PORFIRIO MUNOZ-LEDO, Mexican senator: "We have the sensation, the feeling, that we are governed by foreign people. It's true.")

Mexico is troubled by political violence as well as economic hard times. Opponents of President Salinas say he should be spending more time on social and political problems than in trying to get a free trade agreement with his friend George Bush.

(JORGE CASTANEDA, Mexican writer: "I have the impression that President Salinas is in a big, big rush to get his agreement very quickly because he needs the money very badly.")

President Bush also wants to lift trade barriers, but the U.S. Congress, worried about American jobs, may not be so eager to make

it easier for Mexicans to sell north of the border.

(TV coverage: President putting on sombrero.)

Mexico could win votes in Congress for a trade agreement if it would permit Americans to invest in oil exploration, but that is political dynamite here. Mexicans have an almost religious belief that oil is special -- off-limits to foreigners. George Bush would dearly love to win American access to Mexican oilfields, but so far President Salinas has shown no willingness to commit what could be political suicide.

(NBC-3)

JENNINGS: President Bush is in Mexico Monday discussing the state of the world with President Salinas.

(TV coverage: President and First Lady standing with the Salinas family.)

One of the more immediate questions: whether to open the border to free trade. There is already a program in place that allows U.S. companies to use low-cost Mexican labor without paying duty on the products they manufacture. Mexican factory workers make an average of one-tenth as much as workers in the U.S.

ABC's JOHN QUINONES reports from Mexico on the use of Mexican labor by U.S. companies. While these Mexicans near the American border have jobs, they still live in squalid squatter camps. Some want American companies to share more of their profits with their Mexican workers.

(ABC-3)

RATHER: For his part, President Bush shifted scenes and attention [from the Gulf] to Mexico Monday.

(TV coverage: President and First Lady standing with Salinas family.)

Mr. Bush opened two days of talks there with Mexico's President Salinas. Main subject: progress toward a landmark U.S.-Mexico free-trade agreement. Photo opportunities aside, there are serious obstacles to free trade on both sides of the border.

(TV coverage: President trying on sombrero.)

Among them, Mexico's refusal to allow U.S. investment in its oil industry and fears in the U.S. that free trade will mean more U.S. jobs lost to lower-paid workers in Mexico.

(CBS-2)

BULGARIA

JENNINGS reports 500,000 Bulgarians are striking to demand that their prime minister quit. They blame the socialist government for growing shortages of food and consumer goods.

(ABC-8)

Bush Library Photocopy
George Bush Handwriting

My notes
from which I spoke
at 8 AM Mex-US
Business Brief

1 Imports
US-Mex
[Privatization]

CARLA
BOB
Nick
Larry &

GATT - round
↓
Canada
↓
Labor

what can
we do / Labor
↓
Congress
↓
slow down
might lead
to protection

Bush Presidential Library Photocopy

MCA-MATSUSHITA BUYOUT

ABC's BOB JAMIESON reports the Japanese company Matsushita is paying more than \$6 billion for MCA. It is the highest price ever paid by a Japanese company for an American corporation. Analysts say Hollywood has little to fear.

(HAROLD VOGEL, Merrill Lynch media analyst: "It will be a gradual change and the immediate impact of these new managements on American movie-making and television programming will be fairly minimal.")

Matsushita's president insisted that creative decisions will still be made in Hollywood, not Japan, but more and more of the profits will now end up in Japan. (ABC-2, NBC-2, CBS-3)

POLISH ELECTIONS

JENNINGS reports Prime Minister Mazowiecki has resigned after finishing third in balloting to a political unknown.

ABC's JOHN DONVAN reports on Stanislaw Tyminski's second-place finish in Poland. While he has no political experience and has no specific program, Poles like the fact that Tyminski has made lot of money outside Poland. Lech Walesa told reporters he might withdraw from the run-off rather than face an opponent he does not consider a serious man. In typical fashion, Walesa immediately reversed himself and is back in the race, which he's expected to win. (ABC-7, NBC-4, CBS-8)

SOUTH AFRICA

NBC's ROBIN LLOYD reports from South Africa that many blacks dropped out of the school system to protest inferior schools for blacks. Many believe liberation must come before education. This struggle has left millions of young blacks undereducated and unemployed. Many black leaders are worrying about the younger generation and are realizing the cost of having placed the children on the front lines in the fight against apartheid for so many years. (NBC-11)

RURAL HEALTH CARE

ABC's GEORGE STRAIT reports nurse practitioners are filling the void left by a dwindling number of rural doctors. Doctors want strict controls on what the nurse practitioners can and cannot do. In the new federal budget, Medicaid has been authorized to pay for the services in the same direct way that physicians are paid, although at a lower rate. (ABC-9)

DENVER FIRE

JENNINGS reports a fire still burns out of control at Denver's Stapleton Airport. Officials say the fire will burn for days. Air traffic in and out of the airport is now back to normal.

(ABC-5, NBC-8, CBS-6)

WASHINGTON FLOODS

JENNINGS reports flood waters have begun to recede after more than 3,000 people were forced from their homes. (ABC-6, NBC-7, CBS-5)

-End of News Summary-

1000 Bush Library Photocopy

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George Bush Handwriting

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George Bush Handwriting

George Bush Handwriting

George Bush Handwriting

George Bush Handwriting

George Bush Handwriting

George Bush Handwriting

with Carla
Glad at
handwriting

with
Carlos

Bush Presidential Library Photocopy

once again I look
THE WHITE HOUSE
WASHINGTON
forward with great anticipation
to my visit.

DATE:

FROM THE PRESIDENT

~~transmission~~ as a member of an
official delegation
I have asked our 30 year
old ~~single~~ daughter Dorothy
to accompany me. ~~She is single~~
~~and~~ She is our only
daughter. She certainly will
require no special arrangements
~~to~~ ~~she works at Washington~~
she currently works at Wash's Natl Rehab
Hospital.

Bush Presidential Library Photocopy

Dear President Alwyn,
Dear President Menem
Dear Pres Lacalle
Dear President Collor
Dear President Perez

I am really looking forward to next week's visit
to _____. There is much to talk about.

Unfortunately Mrs. Bush, now back on anti-acidotics after a grueling

of travel will

November ~~will~~ not be able to make the trip. Though she has nothing

seriously wrong with her, her doctor has advised that she

should not travel with me.

~~to go~~ the trip. She is sick about this, since she and I have both

been looking forward to her seeing your lovely country

(again for Venezuela, Brazil, Argentina)

~~I am sure~~

From the desk of

George Bush

General Scowcroft
has a
copy —
P.

Document Originally
Attached to
Following Page

Dear President Alwyn,
Dear President Menem
Dear President Lacalle
Dear President Collor
Dear President ~~Perez~~

I am really looking forward to next week's visit
to _____. There is much to talk about.

Regrettably, Mrs. Bush, after a grueling November of
travel, will not be able to make the trip. Though she
has nothing seriously wrong, her doctor has advised that
she should not travel with me. She is saddened
about this decision, since she and I have both been
looking forward to her seeing your lovely country.

((again for Venezuela, Brazil, Argentina))

as a result

I have asked our 30 year old daughter, Dorothy, to
accompany me as a member of our official delegation.
She is our only daughter. She certainly will require
no special arrangements. She works at the National
Rehabilitation Hospital in Washington, D.C.

Once again, I look forward with great anticipation to
my visit.

Most sincerely,

George Bush

Dear President Alwyn,
Dear President Menem
Dear President Lacalle
Dear President Collor
Dear President Perez

I am really looking forward to next week's visit
to _____. There is much to talk about.
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Once again, I look forward with great anticipation to
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Most sincerely,

George Bush

THE WHITE HOUSE

WASHINGTON

NOVEMBER 25, 1990

MEMORANDUM FOR BRUCE CAUGHMAN

FROM:

JAY PARMER *Jay Parmer*
PRESIDENTIAL ADVANCE OFFICE

SUBJECT:

Guests traveling on the President's Trip to
Mexico, November 26-27, 1990

The following persons will travel aboard Air Force One as guests of the President during November 26-27, 1990. All Guests will travel round trip. Additionally, Several guests will travel aboard the back up aircraft. Legs traveled by each of these guests are as indicated.

Andrews AFB to Monterrey, Mexico

Secretary Nicholas Brady

Attorney General Richard Thornburgh

Secretary Robert Mosbacher

Ambassador Carla Hills

- U. S. Trade Representative

Lawrence Eagleburger

- Deputy Secretary of State

Robert Zoellick

- Counselor,
Department of State

Bernard Aronson

- Assistant Secretary of State
for Inter-American Affairs

~~Joseph Verner Reed~~

~~- U.S. Chief of Protocol~~

BACK UP AIRCRAFT #27000

David Mulford

- Under Secretary of the
Treasury for International
Affairs
(To Monterrey Only)

Charles E. Roh, Jr.

- Assistant U.S. Trade
Representative for North
America
(Round Trip)

Millie Leatherman

- Personal Assistant to the
Deputy Secretary of State
(Round Trip)

Carol Hallet

- Commissioner, U.S. Customs
Service
(Monterrey to Andrews Only)

Wayne Berman

- Counselor to the Secretary
of Commerce
(Monterrey to Andrews Only)

Jeannie Bull

- Chief of Presidential and
Vice Presidential Support,
Department of State
(Round Trip)

AMBASSADOR
JOSEPH VERNER REED

- U.S. CHIEF OF PROTOCOL

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09a. Diagram	VC137C-27000 Passenger Seating Arrangement, Andrews AFB to Monterrey, Mexico (1 pp.)	11/26/90	(b)(7)(e)	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
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AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09b. Diagram	VC137C-27000 Passenger Seating Arrangement, Monterrey, Mexico to Andrews AFB (1 pp.)	11/27/90	(b)(7)(e)	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09c. Diagram	Seating Diagram of VH-3D, South Lawn to Andrews AFB (1 pp.)	11/26/90	(b)(7)(e)	

Collection:

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

Date Closed:	1/27/2011	OA/ID Number:	90571-001
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09d. Diagram	Seating Diagram of VH-3D, Monterrey, Mexico to Agualeguas, Mexico (1 pp.)	11/26/90	(b)(7)(e)	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09e. Diagram	Seating Diagram of VH-3D, Agualeguas, Mexico to Monterrey, Mexico (1 pp.)	11/26/90	(b)(7)(e)	

Collection:

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

Date Closed: 1/27/2011	OA/ID Number: 90571-001
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09f. Diagram	Seating Diagram of VH-3D, Andrews AFB to South Lawn (1 pp.)	11/27/90	(b)(7)(e)	

Collection:

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

Date Closed:	1/27/2011	OA/ID Number:	90571-001
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]
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November 27, 1990

Mrs. Bush Celebrates Education

Barbara Bush spent the morning celebrating Mexico's education system from pre-schoolers tapping sticks to Celito Lindo to an 80-year-old man learning better ways to grow spinach. Shepherded by Cecilia Salinas and accompanied by Cristina Trevino, wife of Nuevo León's governor (John), Alma Rizzo, wife of Monterrey mayor (Socrates), Diana Negroponte, wife of U.S. ambassador (John), and Nicki Bennett, wife of U.S. consul in Monterrey (John), the most popular Bush visited a federal DIF program (Desarolla Integral de la Familia or National System for the Family Integral Development), a teachers' training school (Miguel F. Martinez Normal School) and the laboratory school the teachers practice in (Professor Oziel Hinojosa Garcia Primary School). She then was to go on to the State Central Library but your pool did not accompany her on that mission.

Mrs. Bush wore a slate blue suit, with thin horizontal white stripes, and a matching silk blouse with the V-neck collarless jacket. She wore gray shoes and carried a small shoulder strap purse with a snakeskin design which appeared to be simulated. Also simulated, of course, were The Pearls and earrings. Mrs. Salinas wore a teal-colored dress trimmed in black with the top appearing to have a surplice of the same design over it, and black shoes.

The DIF center, one of a network throughout Mexico under the patronage of Mrs. Salinas, includes five separate programs: adult education, handicraft training to make items at home for sale, a personal betterment program in "social and civic values" for young women, a kitchen where volunteers prepare food for the elderly, and a garden maintained by elderly DIF clients. In order, the large party of women swept from one to another site:

* The adult center had 27 youngish looking adults who stood when the guests entered. Mrs. Bush visited the three tables and watched what they were doing, often leaning close and saying "Very good" or "Wonderful." As she departed, Mrs. Bush waved and said, "Adios. Gracias."

* The earn-money-at-home program had some beautiful table linens -- placemats, doilies, tablecloths, etc. -- on display and Mrs. Bush leaned close to inspect the women's crocheting demonstration. "They're beautiful work," she said. "Oh, they're cocktail napkins." She looked at home-made Christmas decorations displayed on a big tree in the corner and marveled at artificial flowers, roses and geraniums. "I saw those in the governor's palace. They weren't real?" she asked Mrs. Salinas. "I thought they were real." Assured they were fake, Mrs. Bush moved on to a display of dolls, Christmas cards and tree skirts. She held up a Mrs. Santa doll for the Photo Dogs and asked, "Where are they selling them?" "We have a special store, a bazaar," was the reply. Her departing words: "Well, they are artists. They're very saleable."

* The third group, which appeared to be volunteers who teach the values classes, stood and applauded the Bush-Salinas party. As she left, one of the women said something in Spanish and Mrs. Bush told her escorts, "That's so sweet. They said they love me."

* Food preparation was working on cookies when the visitors arrived. Mrs. Bush oohed and aahed and shook hands with one of the elderly volunteer cooks. In the separate dining room, she talked with elderly women holding tiny flags of Mexico and the U.S. and discussed with them the menu which was spaghetti bolognese, green soup and something called agua de Jamaica.

* At the vegetable garden, one of the seven men lined up there energetically declaimed to Mrs. Bush loudly and longly but appeared only to be explaining he was 80 years old. Mrs. Bush applauded him and said, "It's so nice, he's 80." She accepted a basket laden with spinach and garnished with what appeared to be dillweed.

At that point, Mrs. Bush was being escorted to the finale musical concert and heard the distant strains of Deep in the Heart of Texas. "Oh! Oh! There's my song. They're playing my song," she said. By the time we reached the open-air concert area about 100 kids in a string and recorder band were playing her other "favorite song," the Yellow Rose of Texas. At a moment when the music lulled, some little boys yelled in unison "Arriba! Up with Miss Bush." "Please thank the children for playing my songs," she said to her guide. She then accepted a gift basket of needlework presented to her by Jesus Eduardo Gonzalez Jiminez, 9, one of six children living in central Monterrey with his mother who is a nurse and father who works in a lamp factory. He wore black slacks and a black sweater with a red tie. Jesus knew he had seen Mrs. Bush on TV but nervously said he wasn't sure who she was. When told she was the wife of the president, he backed up a step and looked a bit bewildered. Mrs. Bush shook his hand and patted a shoulder, asking his age. "Nueve," he replied. "Big boy," she said. Carmen Mariana Valadez, 10, wearing the school uniform plaid skirt, gave a similar gift to Mrs. Salinas. The children's program brings 700 poor kids in 15 hours a week at 30 centers locally, encourages music and other cultural things. Both Jesus and Carmen sing in the chorus and Jesus plays a flute.

Mrs. Bush went to stop two in a presidential-size motorcade across town with a swarm of motorcycle escorts that surely was the peak of motorcadism for someone who likes to travel low-key. Among the vehicles blocked to the side for it to pass was a green wagon pulled by a donkey in a poorer section of town filled with tiny houses built of concrete block. Mrs. Bush's visit to the teachers' school was a cacophony of music that started loud and escalated. Several hundred kids in a courtyard serenaded her with Celito Lindo and waved American and Mexican flags. "This is a music fair," your pool heard as she went into a nearby classroom where kids gave a recital on recorders. She waved both hands in time. As the kids got tinier and tinier the music got louder and louder. She walked back into the school square as the kids hit their peak on "America the Beautiful." A nice moment. They applauded her and she reciprocated, then made a grand tour around the square to shake hands, kiss and chat. She waved both hands as if directing the music, clapped in time, and often held her hands up and wiggled all 10 fingers at the kids. A football-style card group was flashing the American and Mexican flags and alternating a huge "Benvenidos" from one end of the square. She accepted a heart-shaped arrangement of pecans with her photo at the center and kissed several gift bearers. She then watched a five-minute movie with English narration describing improvements in Mexican education. Then to a class of 20 kids with computers, working on geography, Spanish, and math lessons. Her escort at the school was Luis Eugenio Todd, undersecretary of the federal education system, who was sent for the chore because he is from Nuevo Leon. "This is the best teacher training school probably in the country," Mrs. Negroponte said. On her last stop, Mrs. Bush joined in playing a tambourine-like instrument with a traditional Mexican band.

Frank Murray, The Washington Times

POOL REPORT # 4

NOVEMBER 27, 1990

MEXICAN-AMERICAN BUSINESS BREAKFAST
BUSH-SALINAS ONE-ON-ONE AND BILATERAL

Bush and Salinas met over breakfast with Mexican and American business leaders, plus US and Mexican cabinet and cabinet-level officers. (See your mini-sked for names of attendees and seating arrangement.) This was at the Crowne Plaza.

Your pool was ushered in for a photo op at the start. A question re the Gulf resolution was shouted to Bush. "This is a photo op at which I do not take questions, unless the president of Mexico tells me to," Bush replied, to laughter around the table. Salinas said nothing. Your pool was ushered out.

Then Bush departed at 9:30 (5 minutes behind schedule) for his one-on-one and expanded bilateral. The only explanation for the lateness was that the breakfast ran long (it looked like an Eagles gathering) and Bush had to return to his room before getting into the limo.

Uneventful motorcade (but then, Bush was always around the next corner, so we never saw his limo).

At the Museo de Historia de Nuevo Leon, the photo op was in the Salon of the 19th Century. The two presidents were posing rather stiffly in carved wooden high-back chairs; no chit-chat between them. Another shouted question re Gulf, again Bush replied that this was a photo op. Salinas smiled, said nothing.

After an estimated 15 minutes alone, the two presidents joined their cabinet officials in an adjacent room around a rectangular table.

At the top of the session, Eagleburger and Education Minister Manuel Bartlett signed an agreement establishing the US-Mexico Commission for Education and Cultural Exchange. There is supposed to be paper on this.

When the talks ended, the two presidents strolled to the railing on the second floor overlooking the small museum's courtyard and posed briefly for photographers.

Then another (presumably) uneventful motorcade to the Teatro de la Ciudad.

Ben Shore
Copley News Service

POOL REPORT # 5

November 27, 1990

The Theater and the Casino

No news. You heard the words.

Event 1 was Bush's speech at Teatro de la Ciudad, a modern theater along the Grand Plaza. The stage included an elongated, oval desk, two lecterns, lovely yellow mums in big clay pots in front of the lecterns and large U.S. and Mexican flags hanging in the back.

Motorcade from the theater to the casino was uneventful, save for the Indianapolis 500-style turns at the end of the plaza.

Event 2 was Bush's brief speech to a group of business types. This was held in the Casino Monterrey, described in one of the brochures as the social center of the city. The event was held in a room about the size of the White House East Room. It had pale yellow walls, curtains covering the large windows and a balcony. Bush stood on a stage below the balcony. Also on stage with him were Carla Hills and Bob Mosbacher.

Crowd estimates of the virtually all-male audience vary from several hundred to 1.25 million. Your pool urges that you go with the more conservative estimate.

Motorcade from the casino to the Governor's Plaza was uneventful.

Now how about a pool report on those cabinet briefings.

--Dan Balz. Washington Post.

2:30 P.M. MEXICO/3:30 P.M. EST UPDATE

SADDAM/HOSTAGES (Baghdad/Reuter) -- Saddam Hussein said an undisclosed number of Americans would be allowed to leave the country with visiting Muhammad Ali. Saddam, on Baghdad television, said: "We will not let Haji Muhammad Ali return without taking with him a number of Americans who would be allowed to leave."

GULF RESOLUTION (Moscow/Reuter) -- The USSR will support a U.N. Gulf force resolution if Baghdad fails to abide by a deadline for withdrawing from Kuwait, President Gorbachev's spokesman Ignatenko said. "With respect to that resolution, our country will vote for language that will envisage a clear-cut deadline for withdrawal from Kuwait and liberation of hostages," he told a news briefing. "Otherwise, appropriate measures will be used."

(Moscow/Reuter) -- President Gorbachev said Tuesday Iraq has no choice but to withdraw from Kuwait and could not evade action undertaken by the world community. He told reporters he had made the Kremlin's tough stance clear in acrimonious talks Monday with Iraqi Foreign Minister Aziz.... Gorbachev...described his meeting with Aziz as "a difficult talk, sometimes downright tough." He told Aziz the Soviet Union would not alter its view that Iraq's annexation of Kuwait was unacceptable.... "Yesterday I told them again: You keep this in mind, we will not retreat here. This is a matter of principle for us," Gorbachev said.

(Saudi Arabia/Reuter) -- Air Force personnel just arriving from the U.S. generally agreed that the drive to give Iraq a Jan. deadline to leave Kuwait or face attack has come at the right time.

KUWAITIS/TORTURE (U.N./AP) -- Iraqi soldiers in Kuwait have killed children in front of their parents and tortured prisoners with electric shocks and by beating the soles of their feet, Kuwait's government-in-exile said today.... "Individual and mass arrests are unabated...brutal torture of Kuwaitis continues in Kuwait itself" and in Iraqi prisons, U.N. Ambassador Abulhassan said.

IRAQI TROOPS (Reuter) -- Iraq has increased its troop strength in occupied Kuwait and southern Iraq by 20,000 to 450,000, but the move does not appear to be part of a major buildup announced by Baghdad last week, the Pentagon said.

SOVIET WINTER (Geneva/AP) -- The Soviet Union and E. Europe are likely to face the hardest winter since World War II as recession...continues to deepen, U.N. economists said.

KEATING FIVE/GRAY (AP) -- Former banking regulator Edwin Gray said today that Sen. DeConcini offered a deal in a 1987 meeting to have a disputed regulation withdrawn on behalf of Lincoln S&L.... Gray said DeConcini said that, in return, Lincoln would be willing to make more home mortgage loans.... Gray said he told the senators at the meeting he would not do that.... He said DeConcini "was the least passive" of the four senators in the meeting.... "I considered it to be improper," Gray said.

NORTH (AP) -- A federal appeals court today refused to reconsider its decision setting aside Oliver North's Iran-contra convictions.

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