

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

FOIA Number:
2009-0166-S

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

OA/ID Number: 90576
Folder ID Number: 90576-005

Folder Title:
Friday, January 4, 1991

Stack:	Row:	Section:	Shelf:	Position:
V	0	0	0	0

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memo	Recommended Telephone Call to Richard W. Goldberg Re: U.S. Court of International Trade [redaction of personal information] (1 pp.)	01/07/91	(b)(6)	
02. Note	From Bridget to Patty Re: List from Sharon Pratt Dixon's office [redaction of personal information] (1 pp.)	n.d.	(b)(6)	
03a. Memo	From Major Bruce Caughman to President and Mrs. Bush Re: Camp David - Jan 4 - 6, 1991 [redaction] (1 pp.)	01/04/91	(b)(7)(e)	
03b. Schedule	Visit of UN Secretary General and Mrs. Perez de Cuellar to Camp David [redaction] (1 pp.)	01/05/91	(b)(7)(c), (b)(7)(e), (b)(7)(f)	
04. Note	From Patty Presock Re: Phone Call for the President from Elsie Hillman [redaction of personal information] (1 pp.)	01/04/[91]	C	
05. Note	From Patty Presock Re: Phone Call for the President from Elsie Hillman [redaction of personal information] (1 pp.)	01/04/[91]	C	
06. Memo	From James A. Baker, III to President Bush Re: international issues (1 pp.)	01/03/91	(b)(1)	S
07. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	01/04/91	(b)(6)	

Page 1 of 2

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

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WHORM Cat.:

File Location: Friday, January 4, 1991

Pinksheet Number: dw1932

OA/ID Number: 90576-005

Date Closed: 3/23/2011

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
08. Note	Handwritten notes of Presidential Phone call with Jim Baker [double-sided] (1 pp.)	01/04/[91]	(b)(1)	
09. Memo	From President Bush to JAB [James A. Baker, III] (2 pp.)	01/04/[91]	(b)(1)	
10. Note	Handwritten notes of Presidential Phone call with JAB [James A. Baker, III] (1 pp.)	01/04/[91]	(b)(1)	
11. Cable	Cable Number: 041106Z jan 91 (3 pp.)	01/91	(b)(1)	S
12a. Memo	From Brent Scowcroft to President Bush (3 pp.)	n.d.	(b)(1)	~~C~~
12b. Letter	From President Bush to Helmut Kohl (2 pp.)	n.d.	(b)(1)	C
12c. Letter	From President Bush to Toshiki Kaifu (2 pp.)	n.d.	(b)(1)	C
12d. Letter	From President Bush to John Major (2 pp.)	n.d.	(b)(1)	C
13. Memo	From Brent Scowcroft to President Bush (3 pp.)	01/08/91	(b)(1)	~~C~~

Page 2 of 2

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P/
The Republican Leader *file*

Friday, January 4, 1991

8:30 am - 9:00 am

~~White House Coffee with President (Republicans)
State Floor, East Gate~~

9:30 am

~~Committee on Committees
H-27, Capitol~~

Mr. President
I really need help
with Dorman to
preserve funding for
the Fermi Lab out
there in suburbs of
Chicago.

Handled by
my assistant
lunch 1-4-90

Ref.

I discussed
with Dorman
+ J.S. after
lunch

HOUSE REPUBLICAN COFFEE

44

- Thank you for coming down this morning. Welcome back and welcome to the 102nd Congress.

- Last year we worked well together in passing some important legislation, and in preventing some unwise and unsound bills from becoming law. We can be proud of what we did on clean air,

- immigration, affordable housing, child care, agriculture and minimum wage, among others issues.

- We were also able to thwart a lot of bad legislation. Your support was crucial in several important veto override battles. As a result, none of the sixteen vetoes were overridden.

-- Now we are at the beginning of another Congress.
And once again I want to work closely with you on
a solid Republican agenda.

-- We got our first big challenge yesterday when the
Democrats passed on a strict party line vote the
rule change on budget scoring authority. That
change purely and simply is unfair and wrong.

Solomon
Bob McEwen

Nancy

Bush Library Photocopy
George Bush Handwriting

- The budget enforcement provisions in the budget agreement have real teeth. In particular, the pay-as-you-go requirement is absolutely essential if we are serious about controlling Federal spending.

- Over the last 30 years, mandatory entitlement spending has grown from about 25 percent of the budget in 1960 to nearly 50 percent of the budget

-- today. "Pay-as-you-go" means that any new entitlement initiatives must be paid for by either cuts in other entitlements or offsetting revenues.

-- By adopting the rules change on a party-line vote on the opening day of the 102nd Congress, the Democrats in the House took their very first opportunity to undercut the credibility of the entire Budget Agreement.

-- I made an agreement with you, the Democrats and the American people when I signed the budget agreement into law. I will stand by that agreement, and I will veto any bill containing language that reflects the rule adopted by the House yesterday.

-- Looking ahead on the domestic front, let me mention a few bills that were part of our legislative agenda last Congress that I'd like to see passed early this year:

-- First, is education. In 1990, we came very close to enacting the Education in Excellence Act that I proposed at the beginning of the last Congress. It encompassed many of the fundamental reforms that are necessary if we are to achieve a renaissance in America's schools. We worked closely with many of you on choice, flexibility,

-- and other important features. Education remains one of our nation's most urgent needs and one of my top priorities.

-- Second, is civil rights. I know the Democrats reintroduced their civil rights bill yesterday as H.R. 1. I have not changed my mind. Republicans are pro-civil rights, but Republicans do not believe in quotas. Working with you and your Republican colleagues in the Senate we will again submit our own civil rights bill -- a positive alternative that I hope you all will be able to support.

-- Finally, crime. One of the most encouraging developments last year was what you were able to do when the crime bill was brought to the House floor. First, you successfully defeated an blatantly unfair rule.

-- Then, you proceeded to win vote after vote on individual amendments vastly improving the Judiciary Committee bill. What happened in conference demonstrated the unwillingness of the Democrats to enact tough crime legislation. We must hold their feet to the fire this year.

-- Now let me hear from you. Bob (Michel), would
you like to kick it off?

Presidential Phone Calls



DATE:

1-4-91

TIME:

10:50

incoming/outgoing

WITH:

Chase U

SUBJECT:

Hauerschmidt sons

to NTSB

(on track)

ok

Townson job -
Tom Keller vs. Sailer

FOLLOW UP:

Peru

arr 9:45

arr C.D. 10:30

Bush Presidential Library Photocopy

Presidential Phone Calls



DATE:

1-4-91

TIME:

incoming/outgoing

6 PM

WITH:

Mosbacher

SUBJECT:

we Tourism

Job at Course

OK

FOLLOW UP:

6D
THE WHITE HOUSE
WASHINGTON

DATE:

1-4

6 PM

FROM THE PRESIDENT

TO:

Mosbacher

(incoming)

John

Can not be strong tough

watch

snap turtle

bit it -

hit hammer.

agrees to Keller

for Tensen - Wanted

to be sure it was

my call not

start.

THE WHITE HOUSE
WASHINGTON

January 4, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: ED ROGERS *ER*
SUBJECT: RECENT POLLING DATA - GULF

I met with Sam Zakhem today. He is very enthusiastic and energetic, and is motivated, I believe, in large part by his affection for you.

Attached please find a copy of a poll that his new organization, The Freedom Task Force, commissioned last month. Unlike other data that we've seen lately, this sample is composed of likely voters only (as opposed to all adults). Also, Tony Fabrizio is well-known as a good pollster. In short, the poll offers some very encouraging information. They plan to publicize these results starting next week.

Zakhem has abandoned his former group, and Citizens for a Free Kuwait is now defunct, but he has kept David Keene and Craig Shirley as his consultants.

✓ FYI: Zakhem is working closely with Representative Stephen Solarz, and has provided funding for much of Solarz's committee's operations.

daily
THE PRESIDENT HAS BEEN
Ed

*Thanks
Very interesting
GB
1-4-91*

Fabrizio, McLaughlin & Associates

~~CONFIDENTIAL~~ MEMORANDUM:

Determined NOT to be
National Security Classified Marking
By DL (NLGB) on 3/24/11

TO : AMBASSADOR SAM ZAKHEM CHAIRMAN
THE FREEDOM TASK FORCE

FR : TONY FABRIZIO

RE : SUMMARY OF NATIONAL VOTER SURVEY:
PRESIDENT BUSH AND THE MIDDLE EAST

DATE : DECEMBER 21, 1990

OVERVIEW:

On December 11, 1990, Fabrizio, McLaughlin & Associates were commissioned by The Freedom Task Force to conduct a national survey of voter attitudes regarding current U.S. policy in the Middle East. Following the methodology statement is a summary of these findings.

METHODOLOGY:

This survey of political attitudes was administered to voters who are registered and intending to vote in the November 1991 elections. A single report was tabulated of 800 general election voters nationwide. Interviews were conducted between December 12 and 14, 1990.

All interviews were conducted by professionally trained interviewers. Interview selection was random within predetermined election units structured to statistically correlate with actual voter distributions in national elections.

This survey of likely general election voters has an accuracy of +/- 3.46% at the 95% confidence interval.

SUMMARY:

At present, public attention is clearly focused on the Iraq/Kuwait situation. When asked to cite the most important issue facing the country today, over one third (35.9%) name the Iraq/Kuwait situation.

Survey Summary - President Bush and the Middle East
Page Two
December 21, 1990

"What is the single most important issue facing the United States today?"

	All Voters -----
Iraq/Kuwait	35.9%
Budget	12.3
The Economy	11.1
War/Peace	8.5
Don't Know	4.0
Drugs	3.6
Homeless	2.8
Environment/Pollution	2.4
Education	2.4
Taxes	2.0

In fact when coupled with those respondents who cited "War/Peace" concerns, the total Middle East related mentions total 44.4% of the overall responses.

"Please tell me whether you have a favorable or unfavorable opinion of George Bush. If you have no opinion or have never heard of him just say so. (If said favorable or unfavorable ask: And would that somewhat favorable/unfavorable or very favorable/unfavorable?)"

	All Voters -----	Approve Bush Handling Mid East -----	Disapprove Bush Handling Mid East -----
Very Favorable	37.9%	49.5%	6.1%
Somewhat Favorable	35.9	37.6	28.3
Somewhat Unfavorable	10.5	5.5	26.7
Very Unfavorable	9.0	2.8	29.4
No Opinion	6.6	4.5	9.4
Never Heard Of	0.1	0.2	0.0

Clearly, President Bush's handling of this situation has significantly bolstered voter opinion of him. President Bush is viewed favorable by 73.8% and unfavorably by 19.5% of all voters. Among those respondents who approve of the

Survey Summary - President Bush and the Middle East
Page Three
December 21, 1990

way President Bush is handling the Iraq/Kuwait situation, the President's favorability increases to 87.1%. Conversely among those who disapprove of his handling of the Iraq/Kuwait situation, the President's favorability rating plummets to 34.4% while his unfavorability rating soars to 56.1%.

"Do you approve or disapprove of George Bush's handling of the Middle East crisis involving Iraq and Kuwait? (If said approve or disapprove ASK: And would that be strongly approve/disapprove or somewhat approve/disapprove?)"

	All Voters -----
Strongly Approve	37.3%
Somewhat Approve	35.3
Somewhat Disapprove	11.8
Strongly Disapprove	10.8
Don't Know/Refused	5.0

"Do you approve or disapprove of President Bush's recent decision to send additional troops to the Middle East? (If said approve or disapprove ASK: And would that be strongly approve/disapprove or somewhat approve/disapprove?)"

	All Voters -----
Strongly Approve	35.1%
Somewhat Approve	24.9
Somewhat Disapprove	12.3
Strongly Disapprove	21.9
Don't Know/Refused	5.9

Coupled with his broad popularity, the President currently enjoys wide support for his Middle East policies. At present, 72.6% of the respondents approve of the President's handling of the Middle East situation with only 22.6%

Survey Summary - President Bush and the Middle East
Page Four
December 21, 1990

disapproving. Further, by slightly less than a two to one margin the respondents approve (60.0%) of the President's recent decision to send additional troops to the Middle East over those who oppose (34.2%) this action.

"In your opinion, was President Bush too cautious, just about right, or not cautious enough in his response to the Iraqi invasion of Kuwait?

	All Voters -----
Too Cautious	16.1%
Just About Right	56.3
Not Cautious Enough	19.5
Don't Know/Refused	8.1

Further, by a decisive margin the respondents feel the President's response to the Iraqi invasion of Kuwait was "just about right".

"Overall, would you say that you support or oppose current U.S. military involvement in the Middle East? (If said support or oppose ASK: And would that be strongly support/oppose or somewhat support/oppose?)"

	All Voters -----
Strongly Support	44.5%
Somewhat Support	28.0
Somewhat Oppose	9.4
Strongly Oppose	13.6
Don't Know/Refused	4.5

Presently 72.5% of all the respondents support the "current U.S. military involvement in the Middle East" with 23.0% opposed to our involvement.

Survey Summary - President Bush and the Middle East
Page Five
December 21, 1990

"As you may have heard, the U.N. recently passed a resolution demanding Iraqi withdrawal from Kuwait by January 15th. At that time, President Bush has three options. Which option do you personally favor?"

	All Voters -----
Act Militarily	37.8%
Continue Diplomatic Negotiations	45.0
Withdraw from the Region Completely	11.0

"Some people want to appease Saddam Hussein by giving him some Kuwaiti territory now under his control to avoid war. Others feel we should confront Saddam Hussein and force him to completely leave Kuwait, even if it leads to war. Which statement comes closest to your opinion:?"

	All Voters -----
Avoid War by giving Hussein some Kuwaiti Territory	22.6%
Force Hussein to leave Kuwait even if it leads to War	65.0
Don't Know/Refused	12.4

A slim plurality (45.0%) of respondents favor continuing diplomatic negotiations after the January 15th U.N. deadline versus 37.8% of the respondents who favor U.S. military action. Further, when asked whether we should "appease" Saddam Hussein or Force him out of Kuwait even in the face of war, a commanding majority (65.0%) favor forcing Hussein from Kuwait even if it leads to war.

"If the election for President were held today, and the candidates were George Bush, the Republican, and Mario Cuomo, the Democrat, for whom would you vote?"

Survey Summary - President Bush and the Middle East
Page Six
December 21, 1990

	All Voters -----
George Bush	53.1%
Mario Cuomo	27.3
Undecided	19.6

"If the election for President were held today, and the candidates were George Bush, the Republican, and Sam Nunn, the Democrat, for whom would you vote?"

	All Voters -----
George Bush	52.3%
Sam Nunn	21.8
Undecided	26.0

Presently, President Bush defeats both of the leading Democrats tested in our survey. He defeats Mario Cuomo and Sam Nunn by a 25.8% margin and 30.5% margin respectively.

CONCLUSION:

At this juncture, it is clear that President Bush enjoys a wide base of support for his policies regarding Iraq and Kuwait. Further, this support has positively impacted the voter's overall opinion of the President. While economic concerns such as "Budget" and "The Economy" combined represent nearly a quarter of the overall open-ended issue responses, they are not as great a short term concern to these respondents. Their immediate concerns revolve around the Iraq and Kuwait situation.

While the respondents aren't eager to fight a war with Saddam Hussein, they will support military action, particularly if all diplomatic channels have been exhausted. Given the choice between appeasing Hussein or forcing him out of Kuwait, these respondents cite forcing him out as their overwhelming choice.

Survey Summary - President Bush and the Middle East
Page Seven
December 21, 1990

The short term issue agenda clearly favors President Bush. The Iraq/Kuwait situation presents an opportunity for the President to solidify his base well into 1992 and beyond. Even without the benefit of a resolution of this conflict, the President easily defeats two of his leading Democratic opponents, Mario Cuomo and Sam Nunn.

APPENDIX - KEY DEMOGRAPHICS:

Party Affiliation:

Democrat	37.5%
Republican	35.8
Independent	20.9
Other	1.8
Don't Know/Refused	4.1

Annual Income:

Under \$10,000	7.5%
\$10,000 - \$20,000	13.5
\$20,001 - \$30,000	16.6
\$30,001 - \$40,000	15.1
\$40,001 - \$50,000	12.4
Over \$50,000	18.6
Don't Know/Refused	16.3

Ancestry:

German	22.8%
Polish	4.3
Italian	6.3
English	14.0
Russian	1.8
Irish	16.6
French/French Canadian	2.5
Hispanic	2.6
Greek	0.6
Afro-American	7.0
Asiatic	0.8
Other European	10.6
Other	2.8
Don't Know/Refused	7.6

Survey Summary - President Bush and the Middle East
Page Eight
December 21, 1990

Religion:

Protestant	57.3%
Catholic	26.1
Jewish	3.1
Atheist/Agnostic	6.0
Other	1.9
Don't Know/Refused	7.6

Age:

18 to 24 years	5.5%
25 to 34 years	17.1
35 to 49 years	32.4
50 to 54 years	7.9
55 to 64 years	16.4
Over 65 years	19.0
Refused	1.8

Race:

White	86.9%
Black	8.1
Hispanic	1.5
Other	2.0
Refused	1.5

Gender:

Male	48.3%
Female	51.7

Region:

Northeast	21.9%
Midwest	26.9
South	30.9
West	20.4

P
Chron
File

ABC's Jim Wooten: After their White House meeting the Democrats uttered not a single word against a war in the gulf, but merely argued as they had inside that if Mr. Bush does decide to pull the trigger he must first have congressional permission.

(Sen. Mitchell at the stakeout: The President holds a contrary view. I don't believe we've persuaded him of our view, and I know he did not persuade us of his view.)

Roughly translated, that means they simply agreed to disagree on the question of constitutional authority. Can the President, by himself, take the country into war? Back on Capitol Hill, as the new Congress formally convened, rank-and-file Democrats like Harkin of Iowa and Adams of Washington argued with their own leadership urging immediate debate on a presidential go-ahead.

(Sen. Adams: "Call it a declaration of war, call it a statutory authorization, call it what you want. It's a constitutional power. And that should be debated before Jan. 15.")

(Sen. Mitchell: "The choice is, do we do it now, --")
Or later, asked Sen. Mitchell, after Secretary Baker's meeting with Aziz. And after a Capitol briefing today from Baker and Secretary Cheney, the Democrats agreed to delay any formal debate until the Geneva session concludes, which doesn't bar individual Democrats from urging the President on their own to continue sanctions and defer and attack. And it didn't preclude several House Democrats from dropping Persian Gulf resolutions into the legislative hopper today, though they won't be argued on the floor anytime soon if ever. The prospect of the Baker-Aziz talks has, for the moment at least, pretty much silenced the Congress.

***** POLL *****

Sawyer: Public support for President Bush and this crisis remains strong. Our latest ABC News/Washington Post poll shows 66 percent of those we asked approve of the way Mr. Bush is handling the situation [29 percent disapprove].

And 70 percent think Congress should be giving the President more support [18 percent say Congress shouldn't be giving more support].

As for military action, 65 percent say that the U.S. should go to war if necessary to force Iraq out of Kuwait [29 percent say no war], and 82 percent say the U.S. should move quickly, within a month, if the Jan. 15 deadline is not met [10 percent say wait 1 to 6 months].

If it comes to that, military planners agree that massive air strikes would come first, some of them from bases that were little more than airstrips in the desert a few months ago.

ABC's Bob Zelnick reports that now, with new bases open, the U.S. can attack Iraq from more than 30 locations, including aircraft carriers. With more than 1,000 planes available to strike Iraqi targets, few doubt the U.S. will quickly establish air superiority. So important is U.S. air power that some military planners urge holding off the ground assault until they determine whether the air campaign alone can drive Iraq from the war.

but
w/ Post
down
play
24

Bush Presidential Library Photocopy

INTERNATIONAL NEWS

BUSH MAKES 'LAST' BID TO IRAQ

President Bush, saying he was making "one last attempt" to avoid a war in the Persian Gulf, Thursday proposed that Secretary Baker meet with Iraqi Foreign Minister Aziz between Jan. 7 and 9 in Geneva in an effort to settle the crisis peacefully.

But Bush and Baker backed up the newest diplomatic initiative with strong warnings to Saddam Hussein that the U.S. and its allies remain committed to use force if Iraq fails to withdraw from Kuwait by the Jan. 15 Security Council deadline.

"This offer is being made subject to the same conditions as my previous attempt," Bush said in a statement. "No negotiations, no compromises, no attempts at face-saving and no rewards for aggression. What there will be if Iraq accepts this offer is simply and importantly an opportunity to resolve this crisis peacefully."...

Congressional leaders welcomed the Administration's new initiative and said full-scale debate should not occur until the results of Baker's proposed meeting are clear.... Senate Democrats recessed Thursday evening without agreeing on how to proceed. Speaker Foley rejected suggestions that Congress is putting off debate because it wants to have it both ways on the Gulf issue and to avoid the appearance of division. "I don't think there's any question that we're going to go on record at some time.... The question is what is the best time for that debate to take place," he said....

But while Bush said he would like an affirmative vote from Congress supporting the U.N. resolutions, the White House repeated its view that at present it prefers no vote by Congress to a contentious debate that might signal disunity to Baghdad. "If Congress wants to endorse the United Nations resolutions, and the President's responsibility to carry out their thrust, he would be very happy," Chief of Staff Sununu said. "If they want to stand up and be counted, he would be very happy. But if all they want to do is enter into an extended debate without a result, it would be counterproductive."...

Preliminary results of a Washington Post/ABC News Poll suggest that about seven out of 10 Americans believe Congress should be more actively supporting the Bush Administration's policies in the Gulf. Only about one out of six say Congress should be more critical.

(Dan Balz, Washington Post, A1)

Bush Offers To Have Baker Meeting Iraqi Official In Switzerland

President Bush, in what the White House called "one last attempt to go the extra mile for peace," offered Thursday to have Secretary Baker meet Foreign Minister Aziz next week....

The highest-ranking U.S. diplomat in Baghdad, Charge d'Affaires Wilson, conveyed the President's proposal to an Iraqi Foreign Ministry official. The U.S. envoy called the atmosphere of his talks "very good."...

"We have a new American proposal, but it is too early to comment," an Iraqi Foreign Ministry official said in Baghdad.

Bush Library Photocopy (Carl Leubsdorf, Dallas Morning News)

George Bush Handwriting

-more-

Bush Presidential Library Photocopy

Buried
on A 20
or 50
Devroy
tells Mark
"rollaway"
tracking
this not
wonder of
full court

His Earlier Overture Unsuccessful, Bush Extends A More Modest Offer

President Bush, having fumbled his first diplomatic overture to Saddam Hussein, Thursday held out a more modest offer to Baghdad in hopes of either engaging Saddam in a real dialogue or demonstrating that it cannot be done.

According to Administration officials and outside analysts, Bush's proposal for Secretary Baker to meet Foreign Secretary Aziz next week, if realized, is not likely to provide the climactic turn in the Gulf crisis. Rather, the meeting could pave the way for Baker to finally meet the Iraqi leader who counts -- Saddam. But even then officials said they do not know if a successful settlement of the crisis can be found.

"Tariq Aziz is not the power behind the throne, but he can be an emissary and a funnel to the throne," said an Administration official. "You have to have this intermediate stage."...

Rep. Aspin, while praising Bush for continuing to probe for opportunities to settle the crisis, said he was disappointed the White House would settle for just a meeting with Aziz. "The President originally wanted Baker to meet with Saddam to make sure his message got through Saddam's sycophantic advisers. Now, the President is settling for a sycophantic adviser," he said.

(David Hoffman, Washington Post, A20)

BAKER SAYS HE'S LESS OPTIMISTIC FOR PEACE

Secretary Baker said he was less optimistic about a peaceful solution to the Gulf crisis, only hours after President Bush offered Baghdad what he termed a last chance to choose between war and peace.

Baker said Thursday he has given Iraq until Saturday to respond to an offer of talks in Switzerland. "Unless they withdraw peacefully, force can after the 15th of January and in all probability will be used," he said.

He said that although he hoped for a peaceful solution, "I'm frankly not as optimistic about that possibility now as I was before Christmas."

Baker said he thought Saddam Hussein still believes Bush is bluffing and will not go to war. "He's wrong," said Baker, who added that he hoped the Iraqis would choose to meet with the U.S. "This will be the last such proposal we will make," Baker said....

Earlier, Baker signaled to Saddam in a tough speech that just because Bush was compromising on the talks, it did not mean the U.S. was weakening in its resolve to use military force if needed. "Iraq must now choose to quit the soil of its peaceful neighbor or risk devastating consequences," Baker said at a swearing-in ceremony for a new U.S. ambassador to Kuwait. "Kuwait will re-emerge from the horrors of occupation," Baker said. "The dark days of Iraq's cruel occupation are numbered." (Steve Holland, Reuter)

IRAQI SAYS BAKER VISIT STILL SOUGHT

Baghdad Gives No Response To Bush's Proposal For Talks In Geneva

BAGHDAD -- Iraq declined official comment on President Bush's proposal for U.S.-Iraqi talks in Geneva, but a top Iraqi political leader said in an interview Thursday [prior to the proposal] that Iraq still wants Secretary Baker to come to Baghdad for talks with Saddam.

The official, parliament speaker Saadi Mehdi Saleh, also indicated that a withdrawal of Iraqi forces from Kuwait might be negotiable -- a softening of recent hard-line rhetoric here that Iraq's occupation of Kuwait was "irreversible."

Saleh said that "speaking about withdrawing before the start of negotiations is useless and vain." But when asked whether Iraq ruled out a withdrawal from Kuwait, he said that "any serious negotiation will inevitably yield positive results."... Saleh appeared to be aware that the U.S. offer was afoot....

A senior Iraqi official told CBS News Thursday that Iraq would be flexible on setting a new date for Baker to visit Baghdad if only Washington would "pick up the phone" and make the first move....

When asked about the possibility of Iraqi withdrawal from Kuwait, Saleh recalled a statement by Saddam on Aug. 12 seeking to link the seizure of Kuwait to broader regional issues, such as the Israeli-Palestinian conflict, as well as Iraqi grievances against Kuwait. When pressed again to say whether an Iraqi withdrawal is negotiable, Saleh responded: "Why are we discussing this in the mass media when this is a matter for governments to discuss directly?"
(Tod Robberson, Washington Post, A1)

SADDAM SAID TO SEEK GUARANTEES AGAINST POST-PULLOUT ATTACK
Algerians Say President Bendjedid's Mission To Baghdad Revealed Significant Changes In Iraqi Position

ALGIERS -- Saddam Hussein wants guarantees before agreeing to evacuate Kuwait that Iraq will not be attacked subsequently by the U.S. or Israel, high Algerian government sources said today.

Such a hedged offer to withdraw, discussed last month in Baghdad by Saddam and Algerian President Bendjedid, represented a major change from earlier Iraqi insistence that Kuwait would remain an integral part of Iraq, according to the sources.

They say Saddam now fully understands that Iraq could only lose if war broke out after the Jan. 15 deadline. American and other Western officials had suggested that even Saddam's most senior aides had failed to get that essential message across to him.

A Western diplomat conversant with Bendjedid's Baghdad talks said the Algerians noted a vast change in Saddam's thinking from the "surrealistic mood of euphoria" prevalent in the weeks following Iraq's annexation of Kuwait. "No longer do the Iraqi leaders say privately that Kuwait is Iraqi," he added.

Along with the no-strike guarantee, the Iraqis repeated their demand for movement on the Israeli-Palestinian issue and for the return of the Israeli-occupied Golan Heights to Syria, the Algerian sources said.
(Jonathan Randal, Washington Post, A19)

THE WHITE HOUSE
WASHINGTON

Stinson
N. 12/10

Elizabeth Sumner

ABC-W. P. poll

Most Arabists

To Wilson leaving
open Baghdad
meeting 17

1-4-91

**PRESIDENTIAL RADIO ADDRESS
FRIDAY, JANUARY 4, 1991**

AS THE NEW YEAR BEGINS, NEW CHALLENGES UNFOLD --
CHALLENGES TO AMERICA, AND THE FUTURE OF OUR WORLD.
SIMPLY PUT, 1990 SAW IRAQ INVADE AND OCCUPY KUWAIT.
1991 WILL SEE IRAQ WITHDRAW -- PREFERABLY BY CHOICE, BY
FORCE IF NEED BE.

IT IS MY MOST SINCERE HOPE 1991 IS A YEAR OF PEACE.
I HAVE SEEN THE HIDEOUS FACE OF WAR, AND COUNTED THE
COSTS OF CONFLICT IN FRIENDS LOST. I REMEMBER THIS ALL
TOO WELL, AND HAVE NO GREATER CONCERN THAN THE WELL-
BEING OF OUR MEN AND WOMEN STATIONED IN THE PERSIAN
GULF.

TRUE, THEIR MORALE IS SKY-HIGH. TRUE, IF THEY ARE
CALLED UPON TO FIGHT THE AGGRESSORS, THEY WILL DO THEIR
JOB COURAGEOUSLY, PROFESSIONALLY, AND IN THE END,
DECISIVELY. THERE WILL BE NO MORE VIETNAMS.

BUT WE SHOULD GO THE EXTRA MILE BEFORE ASKING OUR
SERVICEMEN AND WOMEN TO STAND IN HARM'S WAY. WE SHOULD
-- AND WE HAVE. THE UNITED NATIONS, WITH THE FULL
SUPPORT OF THE UNITED STATES, HAS ALREADY TRIED TO
PEACEFULLY PRESSURE IRAQ OUT OF KUWAIT, IMPLEMENTING
ECONOMIC SANCTIONS AND SECURING THE CONDEMNATION OF THE
WORLD IN THE FORM OF NO LESS THAN TWELVE RESOLUTIONS OF
THE SECURITY COUNCIL.

THIS WEEK, WE HAVE TAKEN ONE STEP MORE. I HAVE
OFFERED TO HAVE SECRETARY OF STATE JAMES BAKER MEET
WITH IRAQI FOREIGN MINISTER TARIQ AZIZ IN SWITZERLAND.

~~INSERT~~ THERE WILL BE NO SECRET DIPLOMACY AT WORK HERE.
SECRETARY BAKER WILL RESTATE, IN PERSON, A MESSAGE FOR
SADDAM HUSSEIN: WITHDRAW FROM KUWAIT, UNCONDITIONALLY
AND IMMEDIATELY, OR FACE THE TERRIBLE CONSEQUENCES.

ELEVEN DAYS FROM TODAY, SADDAM HUSSEIN WILL EITHER
HAVE MET THE UNITED NATIONS' DEADLINE FOR A FULL AND
UNCONDITIONAL WITHDRAWAL -- OR HE WILL HAVE, ONCE
AGAIN, DEFIED THE CIVILIZED WORLD. THIS IS A DEADLINE
FOR SADDAM HUSSEIN TO COMPLY WITH THE U.N. RESOLUTION
-- NOT A DEADLINE FOR OUR OWN ARMED FORCES.

STILL, TIME IS RUNNING OUT. IT IS RUNNING OUT BECAUSE EACH DAY THAT PASSES BRINGS REAL COSTS.

SADDAM ALREADY POSES A STRATEGIC THREAT TO THE CAPITAL CITIES OF EGYPT, SAUDI ARABIA, TURKEY, ISRAEL AND SYRIA, AS WELL AS OUR OWN MEN AND WOMEN IN THE GULF REGION. IN FACT, SADDAM HAS USED CHEMICAL WEAPONS OF MASS DESTRUCTION AGAINST INNOCENT VILLAGERS -- HIS OWN PEOPLE. EACH DAY THAT PASSES, BRINGS SADDAM HUSSEIN FURTHER ON THE PATH TO DEVELOPING BIOLOGICAL AND NUCLEAR WEAPONS, AND THE MISSILES TO DELIVER THEM. IF SADDAM CORNERS THE WORLD ENERGY MARKET, HE CAN THEN FINANCE FURTHER AGGRESSION, TERROR, AND BLACKMAIL.

EACH DAY THAT PASSES INCREASES SADDAM'S WORLDWIDE THREAT TO DEMOCRACY. THE STRUGGLING, NEW-BORN DEMOCRACIES OF EASTERN EUROPE AND LATIN AMERICA ALREADY FACE A STAGGERING CHALLENGE IN MAKING THE TRANSITION TO A FREE MARKET. BUT THE ADDED WEIGHT OF HIGHER OIL PRICES IS A CRUSHING BURDEN THEY CANNOT AFFORD. AND OUR OWN ECONOMY IS SUFFERING THE EFFECTS OF HIGHER OIL PRICES AND LOWER GROWTH STEMMING FROM SADDAM'S AGGRESSION.

EACH DAY THAT PASSES, SADDAM'S FORCES ALSO FORTIFY AND DIG IN DEEPER INTO KUWAIT. WE RISK PAYING A HIGHER PRICE IN THE MOST PRECIOUS CURRENCY OF ALL, HUMAN LIFE, IF WE GIVE SADDAM MORE TIME TO PREPARE FOR WAR.

AND EACH DAY THAT PASSES IS ANOTHER DAY OF FEAR, SUFFERING AND TERROR FOR THE PEOPLE OF KUWAIT, MANY WHO RISKED THEIR LIVES TO SHELTER AND HIDE AMERICANS FROM IRAQI SOLDIERS. AS THE AMIR OF KUWAIT SAID TO OUR VICE PRESIDENT JUST LAST WEEK, THOSE WHO ADVOCATE WAITING LONGER FOR SANCTIONS TO WORK DO NOT HAVE TO LIVE UNDER SUCH BRUTAL OCCUPATION.

AS I HAVE DISCUSSED WITH MEMBERS OF CONGRESS, JUST TWO DAYS AGO AND IN OUR MANY OTHER CONSULTATIONS -- ECONOMIC SANCTIONS ARE TAKING A TOLL, BUT THEY ARE STILL NOT FORCING SADDAM OUT OF KUWAIT. NOR DO WE KNOW WHEN OR EVEN IF THEY WILL BE SUCCESSFUL. AS A RESULT, AMERICA AND HER PARTNERS IN THIS UNPRECEDENTED COALITION ARE SHARING THE BURDEN OF THIS IMPORTANT MISSION; AND WE ARE READY TO USE FORCE TO DEFEND A NEW ORDER EMERGING AMONG THE NATIONS OF THE WORLD -- A WORLD OF SOVEREIGN NATIONS LIVING IN PEACE.

WE HAVE SEEN TOO OFTEN IN THIS CENTURY HOW QUICKLY ANY THREAT TO ONE BECOMES A THREAT TO ALL. AT THIS CRITICAL MOMENT IN HISTORY, AT A TIME THE COLD WAR IS FADING INTO THE PAST, WE CANNOT FAIL. AT STAKE IS NOT SIMPLY SOME DISTANT COUNTRY CALLED KUWAIT. AT STAKE IS THE KIND OF WORLD WE WILL INHABIT.

LAST THANKSGIVING, I BROKE BREAD WITH SOME OF OUR MEN AND WOMEN ON THE FRONT LINES. THEY UNDERSTAND WHY WE ARE IN SAUDI ARABIA, AND WHAT WE MAY HAVE TO DO. I WITNESSED COURAGE UNFAZED BY THE CLOSENESS OF DANGER; AND DETERMINATION, UNDIMINISHED BY THE HARSH DESERT SUN.

THESE MEN AND WOMEN ARE AMERICA'S FINEST. WE OWE EACH OF THEM OUR GRATITUDE AND FULL SUPPORT. THAT IS WHY WE MUST ALL STAND TOGETHER -- NOT AS REPUBLICANS OR DEMOCRATS, CONSERVATIVES OR LIBERALS -- BUT AS AMERICANS.

#

COFFEE WITH HOUSE REPUBLICANS

Daily 1/4/90

- THANK YOU FOR COMING DOWN THIS MORNING. WELCOME BACK AND WELCOME TO THE 102ND CONGRESS.
 - LAST YEAR WE WORKED WELL TOGETHER IN PASSING SOME IMPORTANT LEGISLATION, AND IN PREVENTING SOME UNWISE AND UNSOUND BILLS FROM BECOMING LAW. WE CAN BE PROUD OF WHAT WE DID ON CLEAN AIR, IMMIGRATION, AFFORDABLE HOUSING, CHILD CARE, AGRICULTURE AND MINIMUM WAGE, AMONG OTHERS ISSUES.
- 

- 2 -

- WE WERE ALSO ABLE TO THWART A LOT OF BAD LEGISLATION. YOUR SUPPORT WAS CRUCIAL IN SEVERAL IMPORTANT VETO OVERRIDE BATTLES. AS A RESULT, NONE OF THE SIXTEEN VETOES WERE OVERRIDDEN.
- NOW WE ARE AT THE BEGINNING OF ANOTHER CONGRESS. AND ONCE AGAIN I WANT TO WORK CLOSELY WITH YOU ON A SOLID REPUBLICAN AGENDA.

-- WE GOT OUR FIRST BIG CHALLENGE YESTERDAY WHEN THE DEMOCRATS PASSED ON A STRICT PARTY LINE VOTE THE RULE CHANGE ON BUDGET SCORING AUTHORITY. THAT CHANGE PURELY AND SIMPLY IS UNFAIR AND WRONG.

-- THE BUDGET ENFORCEMENT PROVISIONS IN THE BUDGET AGREEMENT HAVE REAL TEETH. IN PARTICULAR, THE PAY-AS-YOU-GO REQUIREMENT IS ABSOLUTELY ESSENTIAL IF WE ARE SERIOUS ABOUT CONTROLLING FEDERAL SPENDING.



-- OVER THE LAST 30 YEARS, MANDATORY ENTITLEMENT SPENDING HAS GROWN FROM ABOUT 25 PERCENT OF THE BUDGET IN 1960 TO NEARLY 50 PERCENT OF THE BUDGET TODAY. "PAY-AS-YOU-GO" MEANS THAT ANY NEW ENTITLEMENT INITIATIVES MUST BE PAID FOR BY EITHER CUTS IN OTHER ENTITLEMENTS OR OFFSETTING REVENUES.

- 5 -

-- BY ADOPTING THE RULES CHANGE ON A PARTY-LINE VOTE ON THE OPENING DAY OF THE 102ND CONGRESS, THE DEMOCRATS IN THE HOUSE TOOK THEIR VERY FIRST OPPORTUNITY TO UNDERCUT THE CREDIBILITY OF THE ENTIRE BUDGET AGREEMENT.



- 6 -

-- I MADE AN AGREEMENT WITH YOU, THE DEMOCRATS AND THE AMERICAN PEOPLE WHEN I SIGNED THE BUDGET AGREEMENT INTO LAW. I WILL STAND BY THAT AGREEMENT, AND I WILL VETO ANY BILL CONTAINING LANGUAGE THAT REFLECTS THE RULE ADOPTED BY THE HOUSE YESTERDAY.

-- LOOKING AHEAD ON THE DOMESTIC FRONT, LET ME MENTION A FEW BILLS THAT WERE PART OF OUR LEGISLATIVE AGENDA LAST CONGRESS THAT I'D LIKE TO SEE PASSED EARLY THIS YEAR:

-- FIRST, IS EDUCATION. IN 1990, WE CAME VERY CLOSE TO ENACTING THE EDUCATION IN EXCELLENCE ACT THAT I PROPOSED AT THE BEGINNING OF THE LAST CONGRESS. IT ENCOMPASSED MANY OF THE FUNDAMENTAL REFORMS THAT ARE NECESSARY IF WE ARE TO ACHIEVE A RENAISSANCE IN AMERICA'S SCHOOLS. WE WORKED CLOSELY WITH MANY OF YOU ON CHOICE, FLEXIBILITY, AND OTHER IMPORTANT FEATURES. EDUCATION REMAINS ONE OF OUR NATION'S MOST URGENT NEEDS AND ONE OF MY TOP PRIORITIES.

- 9 -

-- SECOND, IS CIVIL RIGHTS. I KNOW THE DEMOCRATS REINTRODUCED THEIR CIVIL RIGHTS BILL YESTERDAY AS H.R. 1. I HAVE NOT CHANGED MY MIND. REPUBLICANS ARE PRO-CIVIL RIGHTS, BUT REPUBLICANS DO NOT BELIEVE IN QUOTAS. WORKING WITH YOU AND YOUR REPUBLICAN COLLEAGUES IN THE SENATE WE WILL AGAIN SUBMIT OUR OWN CIVIL RIGHTS BILL -- A POSITIVE ALTERNATIVE THAT I HOPE YOU ALL WILL BE ABLE TO SUPPORT.



- 10 -

-- FINALLY, CRIME. ONE OF THE MOST ENCOURAGING DEVELOPMENTS LAST YEAR WAS WHAT YOU WERE ABLE TO DO WHEN THE CRIME BILL WAS BROUGHT TO THE HOUSE FLOOR. FIRST, YOU SUCCESSFULLY DEFEATED AN BLATANTLY UNFAIR RULE.

-- THEN, YOU PROCEEDED TO WIN VOTE AFTER VOTE ON INDIVIDUAL AMENDMENTS VASTLY IMPROVING THE JUDICIARY COMMITTEE BILL.

- 11 -

-- WHAT HAPPENED IN CONFERENCE DEMONSTRATED THE UNWILLINGNESS OF THE DEMOCRATS TO ENACT TOUGH CRIME LEGISLATION. WE MUST HOLD THEIR FEET TO THE FIRE THIS YEAR.

- 12 -

-- NOW LET ME HEAR FROM YOU. BOB (MICHEL), WOULD YOU LIKE TO KICK IT OFF?

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Recommended Telephone Call to Richard W. Goldberg Re: U.S. Court of International Trade [redaction of personal information] (1 pp.)	01/07/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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THE WHITE HOUSE

WASHINGTON

Recommended Telephone Call

TO: ~~Mr. Richard W. Goldberg~~

TELEPHONE: Home: (b)(6)
Office: (202) 483-1900

DATE TO CALL: January 7, 1991

RECOMMENDED BY: The Attorney General, Governor John H. Sununu, C. Boyden Gray, Frederick D. McClure and Charles G. Untermeyer

PURPOSE: To ask him to serve as a Judge of the United States Court of International Trade.

TOPICS OF DISCUSSION:

1. Since 1990 Mr. Goldberg has been of counsel at the law firm of Anderson, Hibey, Nauheim & Blair. Before that he was a sole practitioner, 1989-1990; served as Deputy Under Secretary for International Affairs and Commodity Programs for the United States Department of Agriculture, 1983-1989; served as a State Senator in the North Dakota Legislature, 1966-1974; served as in-house counsel, 1959-1983, and President, 1969-1983, of Goldberg Feed & Grain Company; served as attorney/advisor with the Federal Communications Commission, Office of Opinion and Review, 1957-1958; was an associate with the law firm of Leasure & Scheurer, 1956-1957; and was an associate of Lee F. Brooks, Esq., 1953-1954.

2. Mr. Goldberg received a B.B.A. degree (1950) and a J.D. degree (1952) from the University of Miami. He served in the United States Air Force, Judge Advocate General Corps, 1954-1956.

3. ~~Mr. Goldberg is 63 years old, married, his wife's name is Mary, they have two children and they reside in Vienna, Virginia.~~

DATE OF SUBMISSION: January 3, 1991

ACTION

got him 10 45
"do my best"
on behalf of my family
hope all goes well

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Note	From Bridget to Patty Re: List from Sharon Pratt Dixon's office [redaction of personal information] (1 pp.)	n.d.	(b)(6)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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Patty:

Per Sharon Pratt Dixon's office:

Joseph Caldwell, David Byrd will accompany her to tomorrow's coffee.

Joseph Caldwell

(b)(6)

David Byrd

(b)(6)

Sharon Pratt Dixon

(b)(6)

I called the wave center with this information -- and I called Rose's office to clear them for parking.

Bridget

cc: Bruce

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Memo	From Major Bruce Caughman to President and Mrs. Bush Re: Camp David - Jan 4 - 6, 1991 [redaction] (1 pp.)	01/04/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
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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January 4, 1991

MEMORADUM FOR THE PRESIDENT AND MRS BUSH

FROM: MAJOR BRUCE CAUGHMAN *BEL*

SUBJECT: CAMP DAVID - JAN 4 - 6, 1991

Marine One Manifest (South Lawn to Camp David)

(b)(7)(e)

Guests

Secretary and Mrs Brady will arrive at Camp David around 1630 Saturday afternoon and will RON. They will return to the White House on Marine One Sunday afternoon.

Cabin Assignments

BIRCH - Secretary and Mrs Brady (Saturday only)

Movies

MERMAIDS (Cher)
HAMLET (Mel Gibson)

Activities

Visit of UN Secretary General and Mrs Perez de Cuellar
(see attachment)

Maj Sean Byrne will be the Military Aide with you this weekend. I will either be at home or on page throughout the weekend if you need me. Departure from Camp David on Sunday is scheduled for 1600.

Marine One Manifest (Camp David to South Lawn)

(b)(7)(e)

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Schedule	Visit of UN Secretary General and Mrs. Perez de Cuellar to Camp David [redaction] (1 pp.)	01/05/91	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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VISIT OF UN SECRETARY GENERAL AND MRS PEREZ DE CUELLAR
TO CAMP DAVID

SATURDAY, JANUARY 5, 1991

The following is an outline schedule of events for the visit of UN Secretary General and Mrs Perez de Cuellar to Camp David on Saturday, January 5th:

1000 Depart Pentagon Helipad enroute Camp David

Helicopter Manifest

(b)(7)(c), (b)(7)(e), (b)(7)(f)

1030 Arrive Camp David

Upon arrival at Camp David a meeting will take place with The President, Perez de Cuellar, and Gen Scowcroft. Following the meeting and after a short break, lunch will be served in Aspen around noon. Mrs Bush will entertain Mrs Perez de Cuellar until time for lunch. Sec Gen Perez de Cuellar and party will depart between 1300 and 1315.

Helicopter Manifest

Same as above

Camp David has a few gifts (wrapped in Presidential paper) left over from PM Major's visit. Do you want to give a gift to Sec Gen Perez de Cuellar?

Gifts available: Peuter plate or set of Camp David glasses.

_____ yes (what gift?) _____ no

Daily

STATEMENT BY THE PRESIDENT

JANUARY 4, 1991

**IRAQ HAS ACCEPTED MY INITIATIVE FOR A MEETING
BETWEEN SECRETARY BAKER AND FOREIGN MINISTER AZIZ. THE
MEETING WILL TAKE PLACE ON WEDNESDAY, JANUARY 9, IN
GENEVA. THIS IS A USEFUL STEP.**

I HOPE THAT IRAQ'S ACCEPTANCE OF THE MEETING INDICATES A GROWING AWARENESS OF THE SERIOUSNESS OF THE SITUATION AND A WILLINGNESS TO HEED THE INTERNATIONAL COMMUNITY'S WILL AS EXPRESSED IN 12 UN SECURITY COUNCIL RESOLUTIONS. THERE CAN BE NO COMPROMISE OR NEGOTIATION OF THE OBJECTIVES CONTAINED IN THE UN RESOLUTIONS.

IT IS NOW FOR SADDAM HUSSEIN TO RESPOND TO THE INTERNATIONAL COMMUNITY'S PLEA FOR REASON.

I TOOK THIS INITIATIVE YESTERDAY WITH THE VIEW OF GOING THE EXTRA MILE TO ACHIEVE A PEACEFUL SOLUTION TO THE CURRENT CRISIS IN THE GULF.

SECRETARY BAKER'S MISSION IS TO CONVEY TO IRAQ THE GRAVITY OF THE SITUATION AND THE DETERMINATION OF THE INTERNATIONAL COMMUNITY TO OVERCOME IRAQ'S AGGRESSION AGAINST KUWAIT.

IRAQ KNOWS WHAT IS NECESSARY: THE COMPLETE, UNCONDITIONAL AND IMMEDIATE WITHDRAWAL OF ALL IRAQI FORCES FROM ALL OF KUWAIT AND THE RESTORATION OF THE LEGITIMATE GOVERNMENT OF KUWAIT.

I WILL NOW BE HAPPY TO TAKE YOUR QUESTIONS.

#

POSSIBLE QUESTIONS UPON DEPARTURE FOR CAMP DAVID

January 4, 1991

- 1) Would you support a trip by Secretary Baker to Baghdad following his meeting with Aziz in Geneva?
- 2) What are you going to say in your letter to Saddam?
- 3) Why wouldn't you agree to Baker meeting with Saddam on the 12th when you accept a meeting with Aziz just three days before that?
- 4) Is it true that the U.S. has urged the EC not to send an envoy to Baghdad and not to meet with Aziz in Europe? Why are you opposed to their diplomatic efforts?
- 5) Would you guarantee not to attack Iraq if they pull out of Kuwait?
- 6) What is your reaction to the new peace plan proposed by the French in Luxembourg today?
- 7) Any reaction to Mitterrand's call for a UNSC meeting before January 15th if Iraq doesn't pull out of Kuwait and war appears inevitable?
- 8) Will you ask Secretary General Perez de Cuellar to undertake another mission to Baghdad? If not, why not?
- 9) How will you respond if Iraq offers a partial pullout?
- 10) If talks fail, do you intend to seek a resolution from Congress authorizing use of force?
- 11) What is your reaction to the letter from Senator Kennedy, signed by over 100 legal experts, which says that Constitutionally you must seek Congressional authorization before using force in the Gulf?
- 12) Where is Baker going? Is he going to be asking for more money from our allies?
- 13) Will Baker go to Syria?
- 14) Would you be willing to continue talking with the Iraqis after January 15th?
- 15) If Aziz brings up issues in Geneva such as the Palestinian situation, what will Baker say?
- 16) Is it true that the Iraqis told the French they would withdraw from Kuwait with a guarantee of no attack?

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✓ daily

THE WHITE HOUSE
WASHINGTON

91 JAN -4 PM 3:24

1991
January 4, ~~1990~~ →

INFORMATION

MEMORANDUM TO THE PRESIDENT

THROUGH: CHRISS WINSTON *ew*
FROM: BETH HINCHLIFFE
SUBJECT: LETTER TO COLLEGE STUDENTS

THE PRESIDENT HAS SEEN

4

The attached letter is intended for all college students. It is designed so that you can address them directly, in order to build college support in the face of student anti-war protests scheduled for later this month.

The letter will be sent to every college for publication in all newspapers, and will also be distributed through college Republican clubs and other organizations.

91 JAN -7 PM 3:33

(Hinchliffe/Blymire)
January 7, ~~1990~~ 3 p.m.
COLLEGE 1991

PRESIDENTIAL LETTER TO COLLEGE STUDENTS

If armed men invaded a home in this country, killed those in their way, stole what they wanted and then announced the house was now theirs -- no-one would hesitate about what must be done.

And that is why we cannot hesitate about what must be done halfway around the world: in Kuwait.

There is much in the modern world that is subject to doubts or questions -- washed in shades of gray. But not the brutal aggression of Saddam Hussein against a peaceful, sovereign nation and its people. It's black and white. The facts are clear. The choice unambiguous.

Right vs. wrong.

The terror Saddam Hussein has imposed upon Kuwait violates every principle of human decency. Listen to what Amnesty International has documented. "Widespread abuses of human rights have been perpetrated by Iraqi forces ... arbitrary arrest and detention without trial of thousands ... widespread torture ... imposition of the death penalty and the extrajudicial execution of hundreds of unarmed civilians, including children."

Including children. There's no horror that could make this a more obvious conflict of good vs. evil. The man who used chemical warfare on his own people -- once again including children -- now oversees public hangings of dissenters. And daily his troops commit atrocities against Kuwaiti citizens.

This brutality has reverberated throughout the entire world.

If we do not follow the dictates of our inner moral compass and stand up for human life, then his lawlessness will threaten the peace and democracy of the emerging New World Order we now see: this long dreamed-of vision we've all worked toward for so long.

A year after the joyous dawn of freedom's light in Eastern Europe, a dark evil has descended in another part of the world. But we have the chance -- and we have the obligation -- to stop ruthless aggression.

I have been in war. I have known the terror of combat. And I tell you this with all my heart: I don't want there to be war ever again. I am determined to do absolutely everything possible in the search for a peaceful resolution to this crisis -- but only if the peace is genuine, if it rests on principle, not appeasement.

But while we search for that answer, in the Gulf young men and women are putting their own lives on hold in order to stand for peace in our world and for the essential value of human life itself. Many are younger than my own children. Your age, most of them. Doing tough duty for something they believe in.

Let me tell you about one of the soldiers over there, S.F.C. Terry Hatfield, a young man from Georgia. He sent me a Christmas card. And this is what he wrote.

"Mr. President, I just wanted you to know my soldiers and I are ready to do whatever mission you decide. Freedom as we know and enjoy has been taken away from another country and must be restored. Although we are separated from family, friends, loved

ones, we will do what must be done ... We stand ready and waiting. God Bless you and the U.S.A."

Terry understands the moral obligation that has compelled our extraordinary multi-national coalition to make this stand in the Gulf. To look this international terrorist straight in the eye and say: no concessions. To proclaim for now and for the future: no compromises. To bear witness by our presence to the fact that aggression will not be rewarded.

Terry waits thousands of miles from the White House, yet we share the same thoughts. We desperately want peace. But we know that to reward aggression would be to end the promise of our New World Order. To reward aggression would be to destroy the United Nation's promise as international peacekeeper. To reward aggression would be to condone the acts of those who would desecrate the promise of human life itself.

And we will do none of this. The are times in life when we confront values worth fighting for. This is on such time.

Each day that passes means another day for Iraq's forces to dig deeper into their stolen land. Another day Saddam Hussein can work toward building his nuclear arsenal and perfecting his chemical and biological weapons capability. Another day of atrocities for Amnesty International to document. Another day of international outlaws, instead of international law.

I ask you to think about the economic devastation that Saddam Hussein would continue to wreak on the world's emerging democracies if he were in control of one-fifth of the world's oil

reserves. And to reflect on the terrible threat that a Saddam Hussein armed with weapons of mass destruction already poses to human life and to the future of all nations.

Together, as an America united against these horrors, we can assure that this aggression is stopped and the principles on which this nation and the rest of the civilized world are founded are preserved.

And so let us remember and support Terry Hatfield, all our fine servicemen and women, as they stand ready on the frontier of freedom, willing to do their duty and do it well. They deserve our complete and enthusiastic support -- and lasting gratitude.

#

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Note	From Patty Presock Re: Phone Call for the President from Elsie Hillman [redaction of personal information] (1 pp.)	01/04/[91]	C	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- 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

~~(PERSONAL)~~
Friday
January 4, 1990
11 a.m.

PHONE CALL FOR THE PRESIDENT
FROM ELSIE HILLMAN

C
412-681-2078 (o)

Calling because she is really concerned about the Chairmanship of the RNC. She feels it is very important that the head of the RNC be a political operator -- important and absolutely necessary.

Elise received a call yesterday from Rothberg of the AP. He told her the White House leaked the information on Fuller, Daniels, and McClure. "ARE WE DOING BOND IN?"

Following the POST article, Bond made it known he does not want to be considered for the head of the RNC (if he ever was considered). Bond assumes that you are opposed to him and wants his name withdrawn. According to Elsie, he's hurting.

Elsie feels that it is shocking that it has taken this long to replace Bennett.

She doesn't know Clayton Yeutter, and feels you need a political operator -- someone who is undoubtedly and wholeheartedly, -- totally committed. Yeutter, according to Elsie, doesn't know politics. You need a political person - not someone who is "eloquent". You are eloquent. Your Cabinet should be eloquent.

If you pick a Yeutter type - John Sununu and Ed Rogers will have total control. And that's o.k. IF that's what you want and if you have that kind of confidence in Sununu.

Elsie was hesitant to call. But she's concerned.

If you want to talk, she's available this weekend.

Patty Presock

~~(NO COPIES)~~

V. Bailey

*Private
personal*

Friday
January 4, 1990

PHONE CALL FROM BARBER CONABLE

Anxious to talk to the President - on a personal level -
follow-up of his previous discussion with the President.
Requesting next Thursday at 7:30 a.m.

o.k.?

ok

*Changed to
monday 1/7/91
10 am*

Patty Presock

dob
11-2-22 ✓
ss#
122-14-6180

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(p e r s o n a l)
Friday
January 4, 1990
11 a.m.

*Mrs. Bush
called from
C.D. per POTUS*

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FROM ELSIE HILLMAN

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Patty Presock

((NO COPIES))

✓ CC's given to Bob Michel
+ Bob Dole at lunch today 1-4-91
p.

UN Security Council Resolutions on Iraq's Invasion of Kuwait

P
saw
12-31
09

Resolution 660 (2 Aug 90): UNSC voted 14-0-1 (Yemen abst) to condemn Iraq for its invasion of Kuwait and demanded that Iraq withdraw immediately and unconditionally all its forces.

Resolution 661 (6 Aug 90): UNSC voted 13-0-2 (Cuba & Yemen abst) to impose broad trade sanctions against Iraq.

Resolution 662 (9 Aug 90): UNSC voted 15-0 to declare legally null and void Iraq's annexation of Kuwait. Also expresses the UNSC's determination to restore legitimate authority of Kuwait.

Resolution 664 (18 Aug 90): In a 15-0 vote, the UNSC demanded that Iraq rescind its orders against diplomats and their missions in Kuwait and permit and facilitate the immediate departure from Kuwait and Iraq of all foreigners.

Resolution 665 (25 Aug 90): UNSC voted 13-0-2 (Cuba & Yemen abst) to authorize the use by all states deploying naval forces, at the request of Kuwait, of all measures "as may be necessary" to enforce the economic embargo against Iraq.

Resolution 666 (13 Sep 90): UNSC voted 13-0-2 (Cuba & Yemen abst) to establish criteria for determining whether humanitarian circumstances exist to authorize food shipments to Iraq and Kuwait. Also set strict food distribution procedures.

Resolution 667 (16 Sep 90): UNSC voted 15-0 to condemn Iraqi violence against diplomatic personnel and missions in Kuwait.

Resolution 669 (24 Sep 90): By 15-0, the UNSC directs the sanctions committee to examine requests for assistance, under the provisions of Article 50 of the UN Charter, from third countries affected by the sanctions against Iraq.

Resolution 670 (25 Sep 90): UNSC voted 14-1-0 (Cuba no) calling upon all states to detain Iraqi ships entering their ports, to impose an air embargo against Iraq, and freeze Iraqi assets.

Resolution 674 (29 Oct 90): UNSC voted 13-0-2 (Cuba & Yemen abst) to condemn Iraq's mistreatment of Kuwaiti citizens and foreign hostages and initiate a process to make Iraq legally responsible for financial damages and human rights violations caused by its invasion and occupation of Kuwait.

Resolution 677 (28 Nov 90): UNSC voted 15-0 to condemn Iraqi attempts to alter the demographic composition of Kuwait and requested the Secretary General take custody of a copy of Kuwait's population register up to 1 August 1990.

Resolution 678 (29 Nov 90): UNSC voted 12-2-1 (Cuba & Yemen no, China abst) authorizing member states cooperating with Kuwait, unless Iraq abides by all these resolutions before 15 Jan 91, to use all necessary means to uphold and implement these resolutions and to restore international peace and security in the area.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06. Memo	From James A. Baker, III to President Bush Re: international issues (1 pp.)	01/03/91	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

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~~CLASSIFIED~~

1/4/91
Petersen 631E

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

Dec 3/24/11



BC

SCHEDULE OF THE PRESIDENT

Friday, January 4, 1991

7:15 am (15 min)	Coffee with Mayor Sharon Pratt Dixon (Sununu)	Oval Office
8:00 am (15 min)	Intelligence Briefing (Scowcroft/Sununu)	Oval Office
8:15 am (15 min)	National Security Briefing (Scowcroft/Sununu)	Oval Office
8:30 am (30 min)	Coffee with House Republicans (McClure)	(TAB A) State Dining Room
9:00 am (30 min)	Meeting with Governor Sununu	Oval Office
9:30 am (30 min)	Administrative Time	Oval Office
10:00 am (10 min)	Staff Time (Demarest)	(TAB B) Oval Office
10:10 am (50 min)	Personal Staff Time	Oval Office
11:00 am (30 min)	Meeting with Secretary Baker	Oval Office
11:30 am (30 min)	Personal Staff Time	Oval Office
12:00 pm (75 min)	Lunch w/ DOLE, MICHEL	Oval Office
1:15 pm (60 min)	~~Staff Time (Darman)~~ Staff Time (Darman)	(TAB C) Oval Office
2:15 pm (2 hr 45 min)	Personal Staff Time	Oval Office
4:00 5:00 pm	B Depart for Camp David	South Lawn
	B RON Camp David	

UNP 01/03/91
6:00 pm

0703 POTUS IN OVAL 0710 ADD SUNUNU
0712 ADD MAYOR DIXON, JOE CALDWELL, DAVID BYRD, BILL CANARY
0723 CANARY, SUNUNU, BYRD, CALDWELL OUT
0747 ADD DARMAN 0750 POTUS TO WEST LOBBY
0752 POTUS IN OVAL 0756 ADD SCOWCROFT, GATES, PETERS
0757 ADD SUNUNU 0818 PETERS OUT
0819 ADD VP 0825 ADD FITZWATER
0831 POTUS TO STATE DINING ROOM
0936 POTUS IN OVAL/ADD VP 0937 VP OUT
0938 ADD SUNUNU 1010 ADD DEMAREST/SUNUNU OUT
1013 ADD ROBICH 1035 ALL OUT
1101 ADD BAKER 1102 ADD SUNUNU, SCOWCROFT, CARD
1104 CARD OUT ^{1149 ADD FITZWATER} 1153 BAKER, SUNUNU OUT
1154 FITZWATER OUT 1157 ADD FITZWATER
1203 FITZWATER, SCOWCROFT OUT
1210 ADD FITZWATER 1212 FITZWATER OUT
1219 ADD DOLE, MICHEL (LUNCH)
1304 ADD SUNUNU
1315 ADD VP 1333 DOLE, MICHEL OUT
1338 ADD DARMAN, BRADY
1445 DARMAN, BRADY OUT 1446 VP OUT
1448 ADD SCOWCROFT, GRAY 1512 ADD GATES
1515 GRAY, SCOWCROFT, GATES OUT
1521 ADD SCOWCROFT, GATES, FITZWATER
1527 ADD SUNUNU 1533 ADD JOSH GILDER
1535 GILDER OUT 1538 POTUS TO SOUTH GROUNDS
(PRESS AVAILABLE)
1556 POTUS DEPARTS ENROUTE CAMP DAVID

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	01/04/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

JANUARY 4th

9:1

PRESIDENT BUSH

, 19

	TIME		DISC	NAME	ACTION
	PLACED				
~~OUT~~	9:19 AM		10:05	SECRETARY JAMES A. BAKER III OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 420	TLKD-OK 9:59 A. M.
INC	~~PM~~				
OUT	AM				
INC	PM				
OUT	9:38 AM		10:59	MR. CHARLES G. UNTERMEYER OFC: WASHINGTON, D.C. 202-456-7060	TLKD-OK 10:49 A.M.
~~INC~~	~~PM~~				
OUT	AM				
INC	PM				
OUT	9:44 AM		9:51	SECRETARY RICHARD B. CHENEY OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 424	TLKD-OK 9:48 A.M.
~~INC~~	~~PM~~				
OUT	AM				
INC	PM				
OUT	10:39 AM		10:40	SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 422	TLKD-OK
~~INC~~	~~PM~~				
OUT	AM				
INC	PM				
OUT	10:40 AM		10:46	MR. RICHARD W. GOLDBERG OFC: WASHINGTON, D.C. 202-483-1900	TLKD-OK 10:44 A.M.
~~INC~~	~~PM~~				
OUT	AM				
INC	PM				
~~OUT~~	~~PM~~			CONGRESSMAN BILL ARCHER (b)(6)	TLKD WITH MRS. PATRICIA PRESOCK. TRANSFERRED TO GOV.
INC	12:25 PM				

SUNONG

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

JANUARY 4th

1991

PRESIDENT BUSH

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	XXXAM		CONGRESSMAN THOMAS S. FOLEY WASHINGTON, D.C. 202-225-8550	TLKD-OK
INC	1:00 PM	1:13		
OUT	AM			
INC	PM			
OUT	XXXAM		SECRETARY NICHOLAS F. BRADY OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 422	SECRETARY BRADY ENROUTE TO MEET WITH PRESUS PER MRS.
INC	1:11 PM			
OUT	AM			PATRICIA A. PRESOCK 1:17 P.M.
INC	PM			
OUT	XXXAM		SECRETARY NICHOLAS BRADY OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 422	TLKD-OK
INC	2:46 PM	2:47		
OUT	AM			
INC	PM			
OUT	XXXAM		SECRETARY ROBERT A. MOSBACHER OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 434	TOLD MR. MICHAEL DANNENHAUER. PASSED TO SIGNAL OPERATOR
INC	3:50 PM			
OUT	AM			NOTE: Cleared w/ Untermeyer & Sununu POTUS returned call
INC	PM			Patty Presock
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

January 4, 1991

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	2:46 AM	2:51	Secretary James A. Baker III Office, Washington, D.C. State Dept x5200	Tlkd-ok 2:47 PM via Secure Voice
INC				
OUT	4:22 AM	4:52	Senator Allan K. Simpson Office, Washington, D.C. 224-4202	Tlkd-ok 4:42 PM
INC				
OUT	4:30 AM	4:37	General Brent Scowcroft Office, Washington, D.C. White House Secure Voice x7400	Tlkd-ok 4:35 PM via Secure Voice
INC				
OUT	4:37 AM	4:38	Major Sean Byrne Hawthorn Cabin, Camp David, Maryland Camp David Signal 4-1748	Tlkd-ok 4:38 PM
INC				
OUT	5:09 AM	5:54	Secretary James A. Baker III Office, Washington, D.C. 647-5291	LW with Major Byrne 5:10 PM Tlkd-ok 5:36 PM
INC				
OUT	5:45 AM	5:57	Ms. Patty Presock <i>Presock</i> Residence, Herndon, Virginia White House Signal 2-3804	WCB 5:45 PM Tlkd-ok 5:54 PM
INC				
OUT	5:57 AM	6:06	Secretary Robert A. Mosbacher Office, Washington, D.C. White House Signal 2-2135	Tlkd-ok 6:00 PM
INC				
OUT	6:09 AM	6:12	Governor John H. Sununu Office, Washington, D.C. White House Signal 2-2287	Tlkd-ok 6:11 PM
INC				
OUT	6:24 AM	6:33	Speaker Thomas S. Foley Office, Washington, D.C. 225-5604	Tlkd-ok 6:28 PM
INC				
OUT	6:28 AM	6:48	Congressman Robert H. Michel Office, Washington, D.C. 225-0600	Tlkd-ok 6:38 PM
INC				
OUT	7:27 AM		Message: "Please have them send over the movie 'Nuns on the Run', Thank You."	Passed 7:29 PM
INC				

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.
Camp David, Maryland

DATE 4 January 1991

[illegible]



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, JANUARY 4, 1990
6:00 A.M. EST EDITION

INTERNATIONAL NEWS

BUSH MAKES 'LAST' BID TO IRAQ -- President Bush, saying he was making "one last attempt" to avoid a war in the Persian Gulf, Thursday proposed that Secretary Baker meet with Iraqi Foreign Minister Aziz between Jan. 7 and 9 in Geneva in an effort to settle the crisis peacefully. (UPI, Reuter, Bos. Globe, Chicago Tribune, Dallas Morning News, New York Times, Wash. Post, Wash. Times)

NATIONAL NEWS

NEW BATTLE LOOMING AS DEMOCRATS REINTRODUCE CIVIL RIGHTS MEASURE -- Portending a revival of one of the most divisive debates in the last congressional session, House Democrats Thursday reintroduced a civil rights bill significantly tougher than the one vetoed by President Bush. (New York Times)

SULLIVAN LIFTING BAN ON U.S. IMMIGRANTS WITH THE AIDS VIRUS -- After two years of controversy, Secretary Sullivan has removed AIDS-virus infection from the list of sicknesses that can keep someone from entering the U.S., federal officials said Thursday. (New York Times)

NETWORK NEWS (Thursday Evening)

GULF -- Most congressional leaders who met with President Bush Thursday morning seemed pleased with the new Iraq-U.S. meeting initiative.

HOME SALES -- New home sales rose 2.8 percent in November.

SALVADOR DOWNING -- The guerrillas insist they did not realize they had shot down an American helicopter.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-12

NETWORK NEWS.....B-1

INTERNATIONAL NEWS

BUSH MAKES 'LAST' BID TO IRAQ

President Bush, saying he was making "one last attempt" to avoid a war in the Persian Gulf, Thursday proposed that Secretary Baker meet with Iraqi Foreign Minister Aziz between Jan. 7 and 9 in Geneva in an effort to settle the crisis peacefully.

But Bush and Baker backed up the newest diplomatic initiative with strong warnings to Saddam Hussein that the U.S. and its allies remain committed to use force if Iraq fails to withdraw from Kuwait by the Jan. 15 Security Council deadline.

"This offer is being made subject to the same conditions as my previous attempt," Bush said in a statement. "No negotiations, no compromises, no attempts at face-saving and no rewards for aggression. What there will be if Iraq accepts this offer is simply and importantly an opportunity to resolve this crisis peacefully."...

Congressional leaders welcomed the Administration's new initiative and said full-scale debate should not occur until the results of Baker's proposed meeting are clear.... Senate Democrats recessed Thursday evening without agreeing on how to proceed. Speaker Foley rejected suggestions that Congress is putting off debate because it wants to have it both ways on the Gulf issue and to avoid the appearance of division. "I don't think there's any question that we're going to go on record at some time.... The question is what is the best time for that debate to take place," he said....

But while Bush said he would like an affirmative vote from Congress supporting the U.N. resolutions, the White House repeated its view that at present it prefers no vote by Congress to a contentious debate that might signal disunity to Baghdad. "If Congress wants to endorse the United Nations resolutions, and the President's responsibility to carry out their thrust, he would be very happy," Chief of Staff Sununu said. "If they want to stand up and be counted, he would be very happy. But if all they want to do is enter into an extended debate without a result, it would be counterproductive."...

Preliminary results of a Washington Post/ABC News Poll suggest that about seven out of 10 Americans believe Congress should be more actively supporting the Bush Administration's policies in the Gulf. Only about one out of six say Congress should be more critical.

(Dan Balz, Washington Post, A1)

Bush Offers To Have Baker Meeting Iraqi Official In Switzerland

President Bush, in what the White House called "one last attempt to go the extra mile for peace," offered Thursday to have Secretary Baker meet Foreign Minister Aziz next week....

The highest-ranking U.S. diplomat in Baghdad, Charge d'Affaires Wilson, conveyed the President's proposal to an Iraqi Foreign Ministry official. The U.S. envoy called the atmosphere of his talks "very good."...

"We have a new American proposal, but it is too early to comment," an Iraqi Foreign Ministry official said in Baghdad.

(Carl Leubsdorf, Dallas Morning News)

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Bush Proposes Meeting Between Baker, Iraq's Aziz

President Bush Thursday sought to breathe new life into the Gulf peace effort and deflect congressional criticism by proposing that Secretary Baker and Foreign Minister Aziz meet next week in Geneva....

[Some] Administration officials carefully left open the possibility that Baker still could go to Baghdad during his upcoming trip to the region and meet with Saddam Hussein. Depending on the Iraqi response to the new U.S. initiative, Baker could travel to Baghdad after a meeting with Aziz or even in lieu of one, officials said.

"If you have Aziz say, this meeting went well and now we would like you to come to Baghdad to see Saddam, I don't know what we'd say," said one official, who asked not to be identified. "Anything is possible." (Janet Cawley & George de Lama, Chicago Tribune)

Bush Asks Hill To Hold Off On Debate

President Bush Thursday won a promise to delay congressional debate on the Gulf crisis by again proposing U.S.-Iraqi talks in "one last attempt to go the extra mile for peace."

Sen. Mitchell and Speaker Foley assured the President the Gulf debate would be stalled for at least a week, but some senators later ambushed that pledge.

Lawmakers who met with him said later that Bush wants war "sooner rather than later." The President sounded belligerent even as he proposed a meeting of foreign ministers in Geneva on Monday, Tuesday or Wednesday....

Vice President Quayle said U.S. intelligence officials estimate Iraq would need six days to withdraw from Kuwait.... But one intelligence official said withdrawal would take much longer, unless it is a hasty retreat and large amounts of equipment are left behind.

(Frank Murray, Washington Times, A1)

Intelligence, Signals Prompted Bush

Secret intelligence estimates that Iraq would require only six days to withdraw from Kuwait, negotiations between Sen. Dole and Iraq's ambassador, and continued White House reluctance to start a war led to Thursday's call for talks with Baghdad.

President Bush's proposal...also followed repeated offers by the Swiss government to host the meeting, Administration officials said in interviews Thursday....

Until last weekend, the Administration had given up hopes for talks, but on Saturday night Dole held a telephone conversation with Iraqi Ambassador al-Mashat and was persuaded that Iraq was flexible on setting a date.... White House officials said Dole was not acting on their behalf, but one official conceded, "He obviously had an impact." (Paul Bedard, Washington Times, A6)

Bush Offers To Send Baker For Talks In 'Last Attempt' At Gulf Peace

President Bush said Thursday he was ready for "one last attempt" at peace in the Gulf, offering to send Secretary Baker to Switzerland for talks with Foreign Minister Aziz between Jan. 7 and 9. Iraq said it was studying Bush's proposal for direct talks.

The U.S. extended the invitation a day after the undersecretary of state for political affairs, Robert Kimmitt, met with European ambassadors and bluntly demanded that the EC refrain from sending an envoy to Baghdad, diplomatic sources said.

"The message was blunt and specific," said one diplomatic source who was briefed on the meeting. "It was: You should do nothing. Do not send an envoy, do not speak aloud about holding an international conference" to resolve the Arab-Israeli conflict. ...A State Department official confirmed Thursday night Kimmitt asked the Europeans not to dispatch an envoy to Baghdad, though the official insisted the tone of the meeting was friendly....

Some European diplomats have said they will agree to dispatch Luxembourg Foreign Minister Poos to Baghdad for talks with Saddam. "If that happens now, it will signal a split between the Americans and the Europeans," said the source, who said he believed such a split was "very unlikely." Instead, the source said, the Europeans were likely to "back off" unless it became clear there would be no U.S.-Iraq meeting before Jan. 15. (Mary Curtius, Boston Globe)

Bush Awaits Word From Baghdad

Amid growing pessimism that war with Iraq can be avoided, President Bush awaited word Friday from Baghdad on his proposal for a top-level meeting between the U.S. and Iraq next week in Switzerland.

A senior Administration official, who requested anonymity, said Thursday that Charge d'Affaires Wilson was told by a top Iraqi official that the proposal was being reviewed. But the senior U.S. official indicated that prospects are dim for peace, particularly with word that Saddam Hussein had summoned his ambassadors to tell them to "prepare for war." (Helen Thomas, UPI)

Bush's New Offer To Meet With Iraq Seen Having Dual Purpose

President Bush's new offer of talks with Iraq is as much aimed at convincing a skeptical nation that he is making every effort to avert war as it is a serious bid to persuade Iraq to withdraw from Kuwait, analysts said Thursday.

"There's no enthusiasm in the United States for war. One is hard pressed to find people who want to go in and bash Iraq," said William Quandt, a former senior National Security Council official now with the Brookings Institution....

A senior European diplomat said the Bush offer might persuade the European Community not to go ahead with its own talks with Baghdad.... "I think we have to recognize that with American public opinion where it is, a partial Iraqi withdrawal or other significant concession could well close the war option for the United States," said the European diplomat....

"We're headed ineluctably into war," said Adam Garfinkel, an analyst with the Foreign Policy Research Institute. "It's not a case any longer of if but of how and when and to what end."

(Alan Elsner, Reuter)

His Earlier Overture Unsuccessful, Bush Extends A More Modest Offer

President Bush, having fumbled his first diplomatic overture to Saddam Hussein, Thursday held out a more modest offer to Baghdad in hopes of either engaging Saddam in a real dialogue or demonstrating that it cannot be done.

According to Administration officials and outside analysts, Bush's proposal for Secretary Baker to meet Foreign Secretary Aziz next week, if realized, is not likely to provide the climactic turn in the Gulf crisis. Rather, the meeting could pave the way for Baker to finally meet the Iraqi leader who counts -- Saddam. But even then officials said they do not know if a successful settlement of the crisis can be found.

"Tariq Aziz is not the power behind the throne, but he can be an emissary and a funnel to the throne," said an Administration official. "You have to have this intermediate stage."...

Rep. Aspin, while praising Bush for continuing to probe for opportunities to settle the crisis, said he was disappointed the White House would settle for just a meeting with Aziz. "The President originally wanted Baker to meet with Saddam to make sure his message got through Saddam's sycophantic advisers. Now, the President is settling for a sycophantic adviser," he said.

(David Hoffman, Washington Post, A20)

BAKER SAYS HE'S LESS OPTIMISTIC FOR PEACE

Secretary Baker said he was less optimistic about a peaceful solution to the Gulf crisis, only hours after President Bush offered Baghdad what he termed a last chance to choose between war and peace.

Baker said Thursday he has given Iraq until Saturday to respond to an offer of talks in Switzerland. "Unless they withdraw peacefully, force can after the 15th of January and in all probability will be used," he said.

He said that although he hoped for a peaceful solution, "I'm frankly not as optimistic about that possibility now as I was before Christmas."

Baker said he thought Saddam Hussein still believes Bush is bluffing and will not go to war. "He's wrong," said Baker, who added that he hoped the Iraqis would choose to meet with the U.S. "This will be the last such proposal we will make," Baker said....

Earlier, Baker signaled to Saddam in a tough speech that just because Bush was compromising on the talks, it did not mean the U.S. was weakening in its resolve to use military force if needed. "Iraq must now choose to quit the soil of its peaceful neighbor or risk devastating consequences," Baker said at a swearing-in ceremony for a new U.S. ambassador to Kuwait. "Kuwait will re-emerge from the horrors of occupation," Baker said. "The dark days of Iraq's cruel occupation are numbered." (Steve Holland, Reuter)

IRAQI SAYS BAKER VISIT STILL SOUGHT**Baghdad Gives No Response To Bush's Proposal For Talks In Geneva**

BAGHDAD -- Iraq declined official comment on President Bush's proposal for U.S.-Iraqi talks in Geneva, but a top Iraqi political leader said in an interview Thursday [prior to the proposal] that Iraq still wants Secretary Baker to come to Baghdad for talks with Saddam.

The official, parliament speaker Saadi Mehdi Saleh, also indicated that a withdrawal of Iraqi forces from Kuwait might be negotiable -- a softening of recent hard-line rhetoric here that Iraq's occupation of Kuwait was "irreversible."

Saleh said that "speaking about withdrawing before the start of negotiations is useless and vain." But when asked whether Iraq ruled out a withdrawal from Kuwait, he said that "any serious negotiation will inevitably yield positive results."... Saleh appeared to be aware that the U.S. offer was afoot....

A senior Iraqi official told CBS News Thursday that Iraq would be flexible on setting a new date for Baker to visit Baghdad if only Washington would "pick up the phone" and make the first move....

When asked about the possibility of Iraqi withdrawal from Kuwait, Saleh recalled a statement by Saddam on Aug. 12 seeking to link the seizure of Kuwait to broader regional issues, such as the Israeli-Palestinian conflict, as well as Iraqi grievances against Kuwait. When pressed again to say whether an Iraqi withdrawal is negotiable, Saleh responded: "Why are we discussing this in the mass media when this is a matter for governments to discuss directly?"

(Tod Robberson, Washington Post, A1)

SADDAM SAID TO SEEK GUARANTEES AGAINST POST-PULLOUT ATTACK**Algerians Say President Bendjedid's Mission To Baghdad Revealed Significant Changes In Iraqi Position**

ALGIERS -- Saddam Hussein wants guarantees before agreeing to evacuate Kuwait that Iraq will not be attacked subsequently by the U.S. or Israel, high Algerian government sources said today.

Such a hedged offer to withdraw, discussed last month in Baghdad by Saddam and Algerian President Bendjedid, represented a major change from earlier Iraqi insistence that Kuwait would remain an integral part of Iraq, according to the sources.

They say Saddam now fully understands that Iraq could only lose if war broke out after the Jan. 15 deadline. American and other Western officials had suggested that even Saddam's most senior aides had failed to get that essential message across to him.

A Western diplomat conversant with Bendjedid's Baghdad talks said the Algerians noted a vast change in Saddam's thinking from the "surrealistic mood of euphoria" prevalent in the weeks following Iraq's annexation of Kuwait. "No longer do the Iraqi leaders say privately that Kuwait is Iraqi," he added.

Along with the no-strike guarantee, the Iraqis repeated their demand for movement on the Israeli-Palestinian issue and for the return of the Israeli-occupied Golan Heights to Syria, the Algerian sources said.

(Jonathan Randal, Washington Post, A19)

CANCELING RECESS, LAWMAKERS PREPARE TO DEBATE WAR POWERS
Opening Of 102nd Congress Dominated By Gulf Conflict

Congress Thursday canceled its usual January recess as anxious lawmakers prepared for a full-scale debate later this month on whether to authorize the use of U.S. military force to drive Iraq out of Kuwait....

In early-morning meetings with President Bush, Democratic leaders told the President he cannot order combat without congressional authorization and flatly rejected his earlier suggestion of an immediate grant of authority for offensive military action....

Only six minutes after the Senate finished swearing in new members, Sens. Harkin and Adams tried to force debate on a resolution that would prohibit Bush from attacking Iraq without "explicit authorization" from Congress.... Sen. Obey went further, saying he thought it was an "impeachable offense" to order offensive military operations without a declaration of war....

Sen. Mitchell, who appeared surprised and angered by Harkin's move, said Congress would have full opportunity for debate after results of Baker's mission are known and warned colleagues against an out-of-control debate that could undermine Baker's efforts to reach a peaceful solution to the conflict....

"We're all mixed up," said Sen. Dole. "When we should have been debating, we were on vacation. Now that we should be quiet, we want to vote."

(Helen Dewar & Tom Kenworthy, Washington Post, A19)

Gulf/Congress

Divided and worried by the threat of war, the 102nd Congress met for the first time Thursday and immediately began quarreling over the Gulf crisis....

"I have never seen the Democratic caucus call the Democratic members of the House so perplexed and divided," said Rep. Schumer.... Rep. Michel said that most House Republicans "are anxious to go on the record" on the Gulf situation. The Democrats, he said, "want the President to take all the heat himself and at the same time give themselves cover so they can in whatever situation always be able to sit back and criticize."

...Yesterday, Rep. Solarz said the U.S. has got to make it clear to Saddam Hussein that he has only two choices, "leave or live." And another New York liberal, Rep. Ackerman, asserted that he was backing the Administration. "We all have to be supportive of the President right now," he said. (Myron Waldman, Newsday)

Congress Debates Whether To Debate War In The Gulf

...While President Bush suggested that Congress simply approve a U.N.-type resolution with little debate, Sen. Mitchell said he was unsure such a resolution would pass, but if it did it would be by a narrow margin.

Secretary Baker and Secretary Cheney met with members of Congress during the day, including Sen. Dixon, who said the two were "pessimistic that talks will bear fruit." Dixon agreed with Mitchell that congressional debate now might damage diplomatic efforts.

(Elaine Povich & Steve Daley, Chicago Tribune)

Democratic Leaders Delay Vote On Gulf

...Sen. Kerry said Thursday night the Democrats had agreed to a compromise under which senators might debate Sen. Harkin's resolution but delay voting until the leaders decide the time is right. He said he agreed with the leaders that "there shouldn't be a vote on a specific resolution" while the Baker mission is under way, but added "there should be a debate about the President going to war without congressional approval."...

Meanwhile, Rep. Joe Kennedy sought a vote on a similar resolution in the House, but ran into opposition from Speaker Foley. Foley said he eventually would allow a vote on Bush's Gulf policy, but only after Baker's diplomatic mission.... Asked about the effort by some Democrats to adopt a resolution aimed at stopping Bush from going to war, Foley said, "Congress does usually not exercise its constitutional authority in a negative sense."

(Michael Kranish, Boston Globe)

Bush Offers Iraq Talks With Baker In Geneva On Gulf

In the latest move on an increasingly muddled diplomatic exchange with Iraq, President Bush offered Thursday to send Secretary Baker to Switzerland next week to meet with Foreign Minister Aziz....

Administration officials said the proposal was an effort to reassert Bush's leadership on the diplomatic and domestic political fronts in the face of an increasing number of independent peace initiatives abroad and congressional grumbling at home....

Bush's new proposal...seemed to undercut the original purpose of holding talks with Iraq, which was to have Baker personally confront Saddam Hussein with America's resoluteness about the threat of war and to discuss the crisis without any intermediaries. But the White House still believed a meeting would be worthwhile, especially if it led to talks between Baker and Saddam, officials said.

(Andrew Rosenthal, New York Times, A1)

Bush Proposing Baker Meet With Iraqis Next Week

...Rep. Fascell said that many lawmakers are pessimistic about the chances that Secretary Baker's mission would meet with success and skeptical about the Administration's intentions in offering another opportunity for a meeting with Foreign Minister Aziz.

Reflecting that view, Rep. Schroeder shook her head to indicate "no" when asked if she thought the Administration seriously believed that a meeting with Aziz could defuse the crisis. "It is more to try to calm...members of Congress," she said. "Baker is saying, 'I'm going on a trip, so chill out.' I don't see anybody hustling around here trying to get the Nobel Peace Prize."

(James Gerstenzang, Los Angeles Times, A1)

EDITOR'S NOTE: "New Congress, Full Of Sound And Fury Over Iraq, Fuels Bipartisan Outrage By Signifying Nothing," by Jeffrey Birnbaum, appears in The Wall Street Journal, page A8.

FOUR ARAB LEADERS HOLD GULF CRISIS TALKS IN LIBYA

TUNIS -- The heads of state of Egypt, Syria, Libya and Sudan ended three hours of hastily arranged summit talks in Libya Thursday with no sign of progress toward finding a peaceful way out of the Gulf crisis....

Egypt's Middle East News Agency said President Mubarak had returned home Friday and...did not say whether the talks had been successful.
(Jonathan Wright, Reuter)

**SOME EUROPEAN STATES MORE OPEN TO NEGOTIATED SETTLEMENT IN GULF
Few Are Said To Agree With U.S. On When To Use Military Force**

BONN -- ...Although European leaders continue, like President Bush, to demand Iraq withdraw completely from Kuwait, the Europeans appear to be more open than the U.S. to a negotiated solution that offers Saddam concessions and leaves Iraq's political status unchanged....

The European meeting Friday is expected to send to Baghdad either Luxembourg Foreign Minister Jacques Poos, the EC president, or a delegation of three diplomats, from Luxembourg, Italy and the Netherlands. But the Europeans' message is not expected to be phrased in wording as tough as that used by Bush in recent weeks. Poos said Thursday that the EC is prepared to authorize a mission to Baghdad, but he added that "there will be no negotiations."

"Something must be done to overcome the stalemate," he said, "but this something must be done in agreement with the whole anti-Iraqi front."
(Marc Fisher, Washington Post, A19)

U.N. CHIEF WARNS OF WAR PSYCHOSIS, OFFERS TRIP TO BAGHDAD

U.N. -- Secretary-General Perez de Cuellar warned Thursday of war fever in the Gulf crisis and offered to go to Baghdad if it would help avert a military clash.

"I will go to Baghdad if they want me to be in touch with them," he said. "My feeling is that in the next 12 days we have all to be extremely active in order that military action does not take place."

Perez de Cuellar, in informal talks with reporters, also raised the possibility of a Security Council meeting on the Gulf to discuss measures short of war before Jan. 15.... But in the face of objections from the U.S. and the Soviet Union, he spoke with reporters again later Thursday and clarified his earlier comments on a possible Council meeting, saying there had been a "tremendous misunderstanding."

Soviet Ambassador Yuli Vorontsov, speaking earlier, dismissed the idea of a new Council meeting. "My personal opinion is that we shouldn't do anything that will nullify the resolution that has been adopted inviting Saddam Hussein to vacate Kuwait by the 15th of January," he said.
(Evelyn Leopold, Reuter)

PENTAGON SAYS IRAQIS EXTENDING DEFENSES WEST OF KUWAIT

The Pentagon says Iraq is deploying thousands more troops along its border with Saudi Arabia, extending a western front to block any U.S. flanking move around heavily fortified Iraqi forces inside Kuwait.

(Robert Burns, AP)

AIR FORCE MOVES MANY JET FIGHTER NEARER IRAQ BORDER

CENTRAL SAUDI ARABIA -- The U.S. Air Force has moved its most lethal ground-attack jets to a new airfield hundreds of miles closer to the Iraqi border.

(Andy Pasztor, Wall Street Journal, A8)

TURKEY STEPS UP DEFENSE ALONG IRAQI BORDER

ANKARA -- Turkey stepped up defensive measures along its border with Iraq...a Defense Ministry official said Thursday.

Aircraft from the Belgian, German and Italian air forces were scheduled to be deployed in Turkey between Jan. 6 and Jan. 10, following a decision by NATO to send forces to the country, a Foreign Ministry statement said late Wednesday....

Some defense sources said the Turkish forces were put on partial alert as Jan. 15 neared. A general staff official said, however, that no such alert was in effect. (Seva Ulman, UPI)

ISRAEL'S CONSUL GENERAL SAYS SADDAM CAN BE DEFEATED WITHOUT WAR

Israel's consul general to the midwestern U.S. believes Iraq can be neutralized without resorting to war to remove Saddam Hussein.

Uri Bar-Ner said Thursday that, despite Saddam's public reluctance to engage in talks to end the Gulf crisis, he believes a diplomatic solution will be found. "You must understand there are two levels," Bar-Ner said. "There's the public levels and the political/diplomatic level. Hussein is not stupid. He may be a champion of miscalculations, but he is not stupid. He wants to survive.... Therefore, he will find a way out of Kuwait," Bar-Ner said. "He will look for fig leaves. He needs very badly a face-saving device." Bar-Ner believes such a device can be found..., but declined to speculate on what form that device might take. (Doug Finke, Copley)

OIL PRICES HIT LOWEST LEVEL SINCE CRISIS

NEW YORK -- Oil prices fell briefly Thursday to their lowest levels since the day after Iraq invaded Kuwait, as President Bush announced a final attempt to persuade the Iraqis to peacefully vacate the oil-rich emirate.

Light sweet crude oil for February delivery fell as low as \$24.90 per barrel on the New York Mercantile Exchange....

The average nationwide price for a gallon of self-serve unleaded regular was \$1.267, according to an American Automobile Association report Thursday. The price was the lowest recorded by AAA's weekly survey since Aug. 20. (AP, Washington Post, F1)

EDITOR'S NOTE: "Windfall Or Not, It's Billions More; Saudis Disagree That New Oil Revenue Could Finance Desert Force," by Thomas Lippman, appears in The Washington Post, page A21.

"Chanting War Protesters Ring Capitol," by Mary Jordan, appears in The Washington Post, page A21.

"Wall Of Resentment Greets Wellstone," by Dawn Weyrich Ceol appears in The Washington Times, page A1.

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U.S. DEATHS IN SALVADOR IN DISPUTE
Administration Says Rebels May Have Shot Crewmen After Crash

Two of the three Americans found dead at the wreckage of a helicopter shot down in El Salvador may have been shot by leftist guerrillas after the crash, Pentagon and State Department officials said Thursday.

Administration spokesmen stopped short of formally accusing the Salvadoran rebels of executing the Army crew members, but said U.S. authorities found "dramatic" discrepancies in initial reports from the rebel troops....

"The FMLN says that the servicemen were found dead inside the aircraft," said Pentagon spokesman Pete Williams. "We have information to the contrary.... All three had gunshot wounds to the head; two of these have no other apparent wounds."

Eyewitnesses interviewed at the scene told reporters that two of the soldiers were alive minutes after the crash. U.S. officials said their probe was continuing and that much of their initial information was based on second-hand accounts....

Asked if there were any indications that government troops may have shot the U.S. soldiers, one Pentagon official said, "I don't have enough information to rule it out.... But we have no basis to give it credibility either." U.S. officials also dispute the rebel claim that the helicopter was flying over a combat area.

(Molly Moore & Al Kamen, Washington Post, A1)

EDITOR'S NOTE: "U.S. Says GIs Slain After Crash," by Frank Murray & Lauren Weiner, appears in The Washington Times, page A1.

SALVADORAN ARMY INVESTIGATES ALLEGED SANDINISTA ENTRY

SAN SALVADOR -- The military said Thursday it was investigating the "possible entry" into El Salvador of 600 Sandinista soldiers from Nicaragua who might have trained rebels to use surface-to-air missiles.

...The military also claimed to have "confirmed information that (foreign) mercenaries have participated and gave instruction in the use of missiles" to rebels of the FMLN.

Meanwhile, four Sandinista military officials said Thursday they sold surface-to-air missiles to Salvadoran rebels. The Sandinista army officials said they supplied the missiles for "ideological and not economic interests."

(UPI)

U.S. EXPRESSES CONCERN ABOUT BALTIC PLANT TAKEOVER

The U.S. said Thursday that it was concerned about the takeover of Latvia's central publishing house by Soviet troops in an escalation of tensions between Moscow and the Baltic states.

State Department spokesman Boucher said the military seizure of the plant on Wednesday was "provocative" and prompted concern that tensions in the region may be "exacerbated by actions not conducive to a peaceful outcome." Boucher also said the U.S. believes that responsibility for the takeover ultimately rests with the Soviet government.

(UPI)

SOVIETS LET LITHUANIA FEEL 'EMBRACE OF A BOA'

Soviet forces seized two Communist Party buildings in Lithuania Thursday, as President Gorbachev pushed his new government to keep Russia and other restive republics from strangling the Kremlin financially.

"We are facing the embrace of...a boa constrictor," Lithuanian President Landsbergis said.

Landsbergis, attending a conference in Oslo, said his government will defend other buildings from Soviet attack and appeal for Western support.

"It looks like a creeping aggression," said Sovietologist Leon Aron of the Heritage Foundation.

(Martin Sieff, Washington Times, A7)

**KREMLIN, REPUBLICS AGREE TO RESOLVE BUDGET DISPUTE
Confrontations Continue In Baltic Capitals**

MOSCOW -- President Gorbachev reached a provisional agreement with the Soviet Union's squabbling republics today on funding the federal budget over the coming year and urgent economic stabilization measures.

The agreement represents a significant political success for the embattled Soviet leader.... It also reduces, for the time being at least, the risk of a showdown between the Central authorities in Moscow and the Russian republic....

"The results of our work show convincingly that we will be able to take control of the situation," said Gorbachev, adding that months had been lost in a "tug-of-war between the center and the republics."

(Michael Dobbs, Washington Post, A1)

**NUMBER OF SOVIETS ASKING FOR ASYLUM IN U.S. QUADRUPLLED LAST YEAR
Many Applicants Cite Fears That Turmoil Could Lead To Crackdown**

The number of Soviet citizens seeking political asylum in the U.S. quadrupled last year, and many applicants cited fears that their country's turbulent politics could lead to a reversal of recent freedoms.

"I could foresee a crackdown coming against liberals, against nationalists," said Maxim Kniazkov, a senior official of Tass who defected two months ago.

(Ruth Sinai, Washington Post, A22)

VOA WORKERS PETITION CONGRESS FOR AUTONOMY

In an apparently unprecedented revolt, Voice of America employees started circulating a petition to Congress Thursday to prevent the USIA from taking over control of VOA operations.

The petition is aimed at USIA Director Gelb, who, without approval from the White House or Congress, took over VOA's budget and personnel operations Dec. 14. Gelb's move was the latest chapter in his yearlong feud with VOA Director Carlson, who has retained White House support despite the USIA director's efforts to get him fired over budget and policy differences....

"It's amazing to me how upset people have been," said a key House committee aide who asked not to be named. Gelb and Carlson would not comment on the petition, their respective spokesmen said.

(George Archibald, Washington Times, A3)

NATIONAL NEWS

HOUSE DEMOCRATS SHIFT BUDGET RULES DESPITE GOP PROTEST

House Democrats, flexing their majority muscle on the first day of the 102nd Congress, Thursday rammed through a rules change that undercuts a key procedural provision of last year's budget agreement with the Bush Administration.

Over the strenuous objections of Republicans who charged they were reneging on the budget deal, Democrats won House approval of the change on a 242 to 160 party-line vote.

The provision...would strip from the White House's OMB the power to determine whether certain spending and tax measures violate spending targets set by the budget pact. Under the new rule, that estimating power is effectively given to the CBO and Congress's Joint Committee on Taxation....

The House Democrats' action drew an immediate and angry response from President Bush and Chief of Staff Sununu. Bush said changing the rules on a partisan vote was "neither fair nor right" and "puts into serious doubt whatever they might say or promise the American people on other significant issues in the upcoming session."

"It's insane," Sununu exclaimed to a visitor after watching the House vote. "It is a clear violation of the agreement and of the bill Congress passed and the President signed into law." He said the "arrogance" and "abuse of trust" by the Democrats in the opening hours of the new Congress sent a signal of partisanship that the White House could not ignore. "This is the kind of behavior that calls for an overhaul of Congress," he said.

(Tom Kenworthy, Washington Post, A5)

Bush Says Democrats Working To Undo Budget Agreement

President Bush accused House Democrats Thursday of trying to break the budget agreement....

A written statement from Bush said he was "deeply disappointed" and "disturbed" by a House vote to give the Congressional Budget Office authority to decide if appropriation bills exceed spending limits....

Bush repeated a vow to veto any bill that contains language specified in the rule passed by the House Democrats. "While the Democrats in the House tried to dress up their action, the inescapable point is that their purpose is to break the agreement that was negotiated and passed into law," Bush said.

(Steve Holland, Reuter)

House Split Over How To Figure Spending

..."It is my view that last year's budget agreement did not intend for OMB...to have the right to be involved in the day-to-day legislative activities of the Congress," said Rep. Rostenkowski....

"I know that the Office of Management and Budget can play political games with their estimates," said Rep. Waxman. "I've seen it several times in Medicare and Medicaid areas. They will overestimate."

(Robert Stewart, Los Angeles Times, A4)

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Budget/Rules Change

...Republicans contended that the rule violates a bipartisan agreement that assigned the scorekeeping role to the OMB. Democrats denied that they had reached any such agreement during the negotiations with the White House and congressional Republicans.... They also said the CBO and OMB have been given a May deadline for reconciling their differing approaches to enforcing the budget agreement and suggested the dispute over the rule may soon be moot.

"This deal was supposed to last five years and it's being broken on the first day the House is sworn in," declared Rep. Gingrich. He claimed the Democrats would use the rule as a ruse to increase federal spending on domestic programs, adding that this strategy would "lead to calls for higher taxes."

(Finlay Lewis, Copley)

EDITOR'S NOTE: "Democrats' Switch On Budget Blasted," by Major Garrett, appears in The Washington Times, page A4.

HOME SALES ROSE 2.8 PERCENT IN NOVEMBER AS PRICES FELL

Sales of new homes rose in November for the first time in five months, the Commerce Department said Thursday, as lower prices and higher wages made homes the most affordable in 13 years. Housing analysts said they hoped this meant a long slide in sales might finally be leveling off, albeit well below year-ago levels, and they predicted the lard-hit industry could begin to recover in the spring.

(Glenn Somerville, Reuter, Washington Post, F3)

RECESSION EXPECTED TO PUSH JOBLESS RATE UP AGAIN

Even a mild recession could force more than 1 million more Americans out of work and push the nation's unemployment rate as high as 7 percent by this summer, economists say.

December's unemployment figures were being released today, and many analysts predicted in advance of the report that the jobless rate jumped to 6.1 percent in December, up 0.2 percentage points from November's three-year high of 5.9 percent. (Karen Bell, AP)

EDITOR'S NOTE: "Recession: Blaming Everyone But Bush," by David Rosenbaum, appears in The New York Times, page A12.

NEW BATTLE LOOMING AS DEMOCRATS REINTRODUCE CIVIL RIGHTS MEASURE

Portending a revival of one of the most divisive debates in the last congressional session, House Democrats Thursday reintroduced a civil rights bill significantly tougher than the one vetoed by President Bush....

Renamed the Civil Rights Act of 1991, the bill would make it easier for minority members and women to prove employment discrimination.... The new bill allows juries to award unlimited amounts in damages to plaintiffs who prove they were subjected to intentional discrimination....

"The changes we made didn't get us squat," said a congressional aide who spoke on condition he not be identified. "So why should we use that bill as a starting point?"

(Steven Holmes, New York Times, A11)

-more-

DEBATE GROWS OVER COMMERCIALIZATION OF PARKS
Controversy Over Japanese Firm's Role At Yosemite
Helps Crystallize Concern About Exploitation

By raising the specter of Japanese control of tourist facilities inside Yosemite National Park, Secretary Lujan has focused attention on a longstanding concern of environmentalists and Interior officials: growing commercialization of the U.S.'s natural shrines.

Lujan stopped short of suggesting that Yosemite visitors soon will be snacking at sushi bars as a consequence of Matsushita Electric Industrial Co.'s purchase of MCA Inc.... But his remarks this week on the dangers of "foreign ownership" at Yosemite crystallized a debate over private enterprise and the parks.... Environmental leaders praised him, Rep. Conte introduced a bill requiring American ownership of park concessions and 150 telegrams and phone calls of support poured into Lujan's office, a spokesman said....

In an interview Thursday, Chief of Staff Sununu suggested that Lujan was engaged in a game of chicken aimed at forcing Matsushita to soften its terms. "He raised some points that have validity," Sununu said. "When you are in a negotiating session, sometimes you state your points very strongly."

(John Lancaster, Washington Post, A4)

Interior Secretary Requests That Matsushita Give Up Yosemite Concession

A long-smoldering dispute over the multimillion-dollar concession to house, transport and feed tourists in Yosemite National Park broke into full flame Thursday as Secretary Lujan made an unusual request of the concessions's soon-to-be owner.

Lujan, on NBC's "Today" show, asked Matsushita to give back the concession to the government or sell it to a non-profit arm of the National Park Service.

The chairman of MCA, Sid Sheinburg, went on "Today" a few minutes after Lujan and accused him of "Japan-bashing" and of trying to "extort" the value of the concession from an innocent MCA.

(M.R. Montgomery, Boston Globe)

SULLIVAN LIFTING BAN ON U.S. IMMIGRANTS WITH THE AIDS VIRUS

After two years of controversy, Secretary Sullivan has removed AIDS-virus infection from the list of sicknesses that can keep someone from entering the U.S., federal officials said Thursday.

The INS is required to use the list to determine who will be included. Sullivan's new list includes only infectious tuberculosis.... Sullivan is required to consult with the INS and State Department in establishing a new rule, but both agencies are expected to endorse the action soon, according to the officials, who requested anonymity.

(Philip Hiltz, New York Times, A1)

NAVY TO URGE FEDERAL BAILOUT TO SAVE A-12 ATTACK PLANE

The Navy will urge Secretary Cheney to rescue the troubled A-12 stealth aircraft program by partially bailing out the contractors and perhaps by buying fewer planes, said a Navy official who would not be identified.

Cheney was expected to decide as soon as today whether to continue the program.... Pentagon spokesman Pete Williams said senior Pentagon and Navy officials were holding "very intensive" talks Thursday with contractor officials.... He declined to provide any details. (Robert Burns, Washington Post, A12)

AGRICULTURE SECRETARY ADDED TO LIST OF POTENTIAL GOP CHAIRMEN

After several days' search for potential candidates to serve as chairman of the Republican Party, the White House list continues to "expand and contract" and now includes Secretary Yeutter, officials said Thursday.

Chief of Staff Sununu said it is "not a closed list. Names are being added and subtracted externally and internally." He said Yeutter is "on the list" and called him "a strong possibility. He's a good man."...

Yeutter, who would not comment, has been said for months to be interested in leaving the Administration for the private sector, but friends of his said Thursday that earning potential would not be a major problem....

Sununu said Yeutter has "strong experience in grass-roots politics," but his biography lists only one post with political overtones: executive assistant to the governor of Nebraska two decades ago....

Rich Bond...was considered the leading candidate in the party-operative category because of his strong ties to White House, Bush partisans and GOP officials nationwide. But Sununu said Bond had informed the White House he was withdrawing his name from consideration for business and family reasons.

(Ann Devroy, Washington Post, A6)

EDITOR'S NOTES: "Take This Job -- Please; Desperately Seeking A GOP Chairman," by Joel Achenbach, appears in The Washington Post, page D1.

TOUGHER CHEMICAL PLANT RULES ARE PUSHED

CHANNELVIEW, Tex. -- Federal officials say they will press for new nationwide petrochemical plant safety standards after a probe of a July explosion that killed 17 showed the accident was preventable.

In a record settlement announced by OSHA Thursday, ARCO Chemical Co. will pay a \$3.48 million fine and upgrade safety at its four U.S. plants. (Julie Morris, USA Today, 3A)

EDITOR'S NOTES: "Organized Labor May Find Martin To Be Influential But Not Compliant," by Frank Swoboda, appears in The Washington Post, page A15.

"A Fed Candidate's Cachet: White House Staffer [Lawrence Lindsey] Has Unorthodox Background," by Steven Mufson, appears in The Washington Post, page F1.

-End of A-Section-

NETWORK NEWS

(Thursday evening, Jan. 3)

GULF

ABC'S DIANE SAWYER: A new chance for diplomacy today. For weeks now there has been a deadlock over a date when Secretary Baker would go to Baghdad to see Saddam. The Iraqis insisted on Jan. 12. The Administration said no. If the meeting wasn't held by today a new offer would be placed on the table. A new offer was placed on the table. The President said that Secretary Baker will be available next Monday, Tuesday or Wednesday to talk in Switzerland with Foreign Minister Aziz.

ABC's John McWethy:

[TV COVERAGE of the President in the Cabinet Room with congressional leaders.]

The President told congressional leaders this morning that he was attempting to go the extra mile for peace by proposing the meeting next week in Geneva. But if Iraq says yes it is not clear what Secretary Baker and Foreign Minister Aziz will have to talk about, so tough are U.S. conditions.

(Press Secretary Fitzwater: "This offer is being made subject to the same conditions as the President's previous attempts: no negotiations, no compromises, no attempts at face-saving, and no rewards for aggression.")

U.S. officials say Baker would do little more than tell Aziz that the whole world demands Iraq withdraw. The secretary will carry a letter from President Bush to Saddam. Today as Baker swore in the new U.S. Ambassador to Kuwait, Edward Gnehm, the secretary used some of his toughest language to date, saying the days of Iraq's occupation are numbered.

(Secretary Baker: "And so as Jan. 15 approaches we are closer and closer to restoring Kuwait's sovereignty, whether by peace or whether by force.")

Analysts say the proposed meeting between Baker and Aziz was considered necessary to convince Congress, the public and governments in Europe and the Middle East that the Bush Administration is still interested in a peaceful settlement. One skeptic, King Hussein, who is in London today, praised the move.

(King Hussein: "This is a good step -- a very important step at a difficult time.")

But House Armed Services Chairman Aspin said he was disappointed.

(Rep. Aspin: "The original Baker mission was sold as a way to cut through the cordon of...advisers that surrounded Saddam Hussein, to talk to him directly. And now what we're doing is meeting in Geneva with an...adviser.")

On Iraqi television tonight there was no mention of the U.S. initiative. It's not likely that the Iraqi people will be told that there is a new American proposal to talk until after Saddam has decided how to respond. There will be no public debate.

Sawyer says most of the congressional leaders who met with Mr. Bush this morning seemed pleased with the new initiative. But they continued to debate what role Congress should play. **-more-**

ABC's Jim Wooten: After their White House meeting the Democrats uttered not a single word against a war in the gulf, but merely argued as they had inside that if Mr. Bush does decide to pull the trigger he must first have congressional permission.

(Sen. Mitchell at the stakeout: The President holds a contrary view. I don't believe we've persuaded him of our view, and I know he did not persuade us of his view.)

Roughly translated, that means they simply agreed to disagree on the question of constitutional authority. Can the President, by himself, take the country into war? Back on Capitol Hill, as the new Congress formally convened, rank-and-file Democrats like Harkin of Iowa and Adams of Washington argued with their own leadership urging immediate debate on a presidential go-ahead.

(Sen. Adams: "Call it a declaration of war, call it a statutory authorization, call it what you want. It's a constitutional power. And that should be debated before Jan. 15.")

(Sen. Mitchell: "The choice is, do we do it now, --")

Or later, asked Sen. Mitchell, after Secretary Baker's meeting with Aziz. And after a Capitol briefing today from Baker and Secretary Cheney, the Democrats agreed to delay any formal debate until the Geneva session concludes, which doesn't bar individual Democrats from urging the President on their own to continue sanctions and defer and attack. And it didn't preclude several House Democrats from dropping Persian Gulf resolutions into the legislative hopper today, though they won't be argued on the floor anytime soon if ever. The prospect of the Baker-Aziz talks has, for the moment at least, pretty much silenced the Congress.

***** POLL *****

Sawyer: Public support for President Bush and this crisis remains strong. Our latest ABC News/Washington Post poll shows 66 percent of those we asked approve of the way Mr. Bush is handling the situation [29 percent disapprove].

And 70 percent think Congress should be giving the President more support [18 percent say Congress shouldn't be giving more support].

As for military action, 65 percent say that the U.S. should go to war if necessary to force Iraq out of Kuwait [29 percent say no war], and 82 percent say the U.S. should move quickly, within a month, if the Jan. 15 deadline is not met [10 percent say wait 1 to 6 months].

If it comes to that, military planners agree that massive air strikes would come first, some of them from bases that were little more than airstrips in the desert a few months ago.

ABC's Bob Zelnick reports that now, with new bases open, the U.S. can attack Iraq from more than 30 locations, including aircraft carriers. With more than 1,000 planes available to strike Iraqi targets, few doubt the U.S. will quickly establish air superiority. So important is U.S. air power that some military planners urge holding off the ground assault until they determine whether the air campaign alone can drive Iraq from the war.

Sawyer: This morning, Britain ordered eight Iraqi Embassy officials and 67 other Iraqis, mostly students, to leave the country. The foreign office said only that their continued presence was not conducive to the public good. (ABC-Lead)

NBC's Faith Daniels: President Bush's offer for talks in Switzerland came just after 7:30 this morning, just before he met with congressional leaders.

NBC's John Cochran: The President's latest offer may or may not be a smart move diplomatically, but politically it's shrewd. Look at the timing. Just an hour before the President was scheduled to lock horns with congressional leaders at a potentially divisive meeting, the White House announced what looked like a new peace initiative, even if it wasn't.

[TV COVERAGE of the President in the Cabinet Room with congressional leaders.]

Most of the Democrats conceded that offering to send Jim Baker to Geneva is a good idea. The Democrats agreed to wait until Baker returns from overseas before going ahead with a congressional debate on the use of force. But the Democrats still insisted they will never give Bush a blank check.

(**Sen. Mitchell:** "And under the Constitution, only the Congress can declare war. The President holds a contrary view. I don't believe we've persuaded him of our view. And I know he did not persuade us of his view.")

White House spokesman Fitzwater, striving to look on the bright side, said Congress does support the use of force. But, he admitted, timing is another matter. Democrats said it sure is, and they were alarmed that Bush seemed so ready for war.

(**Rep. Gephardt:** "I think he leans to the side that says you go sooner rather than later, that force should be used sooner because of a lot of the things that are going on in Kuwait, so on and so forth.")

Another Democrat criticized Bush's latest move and said Jim Baker should meet with Saddam, not Saddam's foreign minister.

(**Rep. Aspin:** "Originally, the original Baker mission was sold as a way to cut through the cordon of...advisers that surrounded Saddam Hussein, to talk to him directly. And now what we're doing is meeting in Geneva with an...adviser. You're talking to the monkey. You're not talking to the organ grinder himself.")

But a senior Administration official said the organ grinder, Saddam, has had plenty of opportunities to see Jim Baker in Baghdad. Now, said the official, if Saddam wants to meet Jim Baker he'll have to go to Geneva. The official said, "We're not going to give Saddam any more opportunities to jerk us around."

Daniels: The President's offer to Baghdad caught Congress off guard and sent it scrambling.

NBC's Andrea Mitchell: The new Congress talks tough but carries a very small stick. The President's diplomatic moves sent Democrats running for political cover. It was supposed to be a day for ceremonies and self-congratulation, but casting a long shadow over the first day of the 102nd Congress and the issue congressional leaders have so far managed to avoid.

Mitchell continues:

[TV COVERAGE of anti-war protesters.]

In quieter ways this is the same message most members heard back home. Even in strong Republican districts, people were saying they are not ready for war. More than 100 members of Congress support a resolution reminding the President that they, not he, had the right to declare war. But Democratic leaders said today they won't permit votes on the gulf because they don't want to undercut the new diplomatic initiative.

(Rep. Foley: "We agree that we should have the results of Secretary Baker's trip and his discussions in the Middle East in the coming days before that debate is fully mounted.")

If the leaders thought they could silence the rank-and-file they were wrong.

(Rep. Durbin: "We shouldn't allow our nation to drift into war and then Congress to be there after it's taken place.")

And in the Senate the Vice President tried to keep order as Democratic doves turned on their leader.

(Sen. Adams: "This is war with 500,000 troops and a lot of casualties.")

(Sen. Harkin: "This Senate should debate this issue today and tomorrow. We are assembled, we are here, and we should decide just what the constitutional prerogatives of the President are.")

(Sen. Mitchell: "I resent any implication that anyone who disagrees with the proposition that the senator from Iowa has advanced doesn't share his commitment to the Constitution.")

Republican critics say Democratic leaders want to have it both ways: share the credit if the President's strategy works and jump all over him if he should fail.

Daniels: There's been no official answer yet from Iraq. The government did say it was studying the proposal but that it was too early to comment.

NBC's Tom Aspell reports that the date suggested to Iraq for the new meeting is seen in Iraq as a compromise from the U.S. The new offer seems more welcome.

NBC's John Dancy: Jim Baker went out of his way to talk tough today in advance of any meeting with the Iraqis. Baker appeared at the swearing in of the new ambassador of Kuwait, Edward Gnehm. It was originally planned as a private ceremony. After the White House announcement it was suddenly open to cameras so Baker's remarks would get full coverage.

(Secretary Baker: "So as Jan. 15 approaches we are closer and closer to restoring Kuwait's sovereignty, whether by peace or whether by force. But Kuwait's sovereignty is going to be restored.")

Baker will give Tariq Aziz the same tough message he would have given Saddam: get out of Kuwait without condition, period.

(State Department spokesman Boucher: "The importance of these meetings is so that we can convey very clearly to the Iraqi government our commitment, the commitment of the international community and our willingness to use force if that proves necessary.")

Officially the State Department still approves of the European foreign ministers meeting tomorrow in Luxembourg to consider their own separate initiative to Iraq.

. -more-

Dancy continues:

(Boucher: "We don't discourage meetings. We think that meetings should convey a uniform and consistent message to Baghdad, and that's full compliance with the U.N.")

Luxembourg's foreign minister has offered to go to Baghdad to take any European proposal to Saddam. The American offer to make one last try has frozen everything in place. All other peace efforts are secondary until Baker meets with the Iraqis.

Daniels talks with Dancy:

Daniels: Does this latest offer by Bush have any effect on the original offer to send Baker to meet with Saddam?

Dancy: The original offer is now off the table. The State Department says Saddam made no real effort to pick up on it, so this was designed actually to replace it.

Daniels: Earlier John Cochran said that the White House position is that if Saddam wants to talk he'll have to go to Switzerland. Do you read that as chiseled in stone, no Baker trip to Baghdad?

Dancy: Despite what the White House is saying, what if, at the end of the meetings between Aziz and Baker, should they come off, Aziz said to Baker, "Mr. Secretary, we've made wonderful progress here, I think we ought to go down to Baghdad and see my president." What is Baker going to say? No?

NBC's Brad Willis reports on the mood among reserve troops in the gulf.

(Reserve soldier: "I might be putting my foot in my mouth, but I don't know if these people want us here. I really don't. I think we're being used to get this job done. And I feel that what might be our allies today may be an enemy tomorrow. Who knows.")

Petty officer Jim Molesi [phonetic] on his first overseas posting:

(Molesi: "There's a lot of conflicts going on throughout the world, and this is just another one of them.")

Willis: "Do you think this is really about freedom, or do you think this is about oil and power?"

Molesi: "It's about money. If Kuwait didn't have oil we probably wouldn't be here."

Willis: "Not about freedom?"

Molesi: "Not at all."

Willis: "Worth dying for?"

Molesi: "Americans dying? No.")

(NBC-Lead)

CBS's Dan Rather: What could be the final window of opportunity for peace in the gulf is open tonight with the deadline for dealing now just 13 short days away. President Bush has proposed talks with Iraq in Switzerland next week, what he calls "a last attempt to go the extra mile." On Capitol Hill the Congress has cancelled its traditional recess.

CBS's Wyatt Andrews:

[TV COVERAGE of the President in the Cabinet Room with congressional leaders.]

Having failed to make a deal for direct talks with Saddam, President Bush launched a last-ditch effort to meet Saddam's foreign minister. The White House said Secretary Baker would be available for talks in Geneva the first three days of next week.

(Press Secretary Fitzwater: "While the President is not prepared to repeat his previous offer rejected by Saddam Hussein, he is ready to make one last attempt to go the extra mile for peace.") Yet the prospect that these talks will produce a breakthrough seems slim and the prospect for peace is slimmer. The White House says its sole purpose for seeking talks at all is to deliver a face-to-face ultimatum.

(Fitzwater: "No negotiations, no compromises, no attempts at face-saving, and no rewards for aggression.")

Then why talk at all? As much as anything the President's gesture seemed designed to convince nervous allies and a cautious Congress he's done everything to avoid war. Congressional leaders told Mr. Bush today they're not sure he has, and that if he asks for Congress' permission to use force today he would lose.

(Sen. Mitchell: "The substantive disagreement is whether the resort to force should be early, or whether the resort to force should be a truly last resort only after all other means have been exhausted.")

(Rep. Gephardt: "I don't think we've exhausted the sanctions. I think the sanctions can still achieve the result without going to the final step of war.")

At least some members believe the President's mind is already fixed on war.

(Sen. Leahy: "I think for better or for worse we've crossed the Rubicon. I think the question is not whether we're going to have a war but when.")

What happens next, from a full congressional debate to a full declaration of war, now hinges completely on whether Iraq says yes to a Baker meeting and what happens if that meeting occurs. That's why, as much as the President's offer is a last attempt at peace, it's also the latest White House attempt to prove Saddam isn't interested.

CBS's Mark Phillips says that if the offer of talks represents one last attempt at diplomacy, the U.S.'s chief diplomat today warned Iraq of the consequences of rejecting that route.

(Secretary Baker: "Iraq must now choose to quit the soil of its peaceful neighbor or risk devastating consequences.")

Secretary Baker was attending the swearing in of a new U.S. ambassador to Kuwait, Edward Gnehm, now the absentee chief of an abandoned embassy in an overrun country, conditions the U.S. today again vowed to change one way or another. The Kuwaitis seem to be leaning more toward devastation and less toward diplomacy as the way to remove Iraq from their country.

(Kuwaiti Ambassador Al-Sabah: "I think this is another step that the President has taken and has been termed as another extra mile. Let's hope that we don't run out of mileage here.")

Part of the gloominess is based on Saddam's continued buildup in Kuwait and southern Iraq. The Pentagon said today Iraqi troops now total 530,000, an increase of 20,000 in barely a week.

Phillips continues: And part of the gloominess stems from the downscaling of diplomatic expectations from meeting with Saddam to meeting with Aziz. Aziz is considered a messenger boy, and if the meeting happens, will be given a simple message.

(**Baker:** "And so as Jan. 15 approaches we are closer and closer to restoring Kuwait's sovereignty, whether by peace or whether by force.")

The Iraqis have been given until Saturday to respond to this latest offer of talks. In this crisis of deadlines, add another.

CBS's Scott Pelley reports from Baghdad that the Iraqi leadership discussed the new U.S. proposal tonight but announced no decision on whether to accept. The so-called last-chance offer was delivered by the ranking U.S. diplomat in Baghdad.

(**Joseph Wilson, ranking diplomat:** "The President and the Secretary have made it very, very clear that we would like to have a diplomatic and political solution to this crisis, and we will exhaust -- we will go the extra mile to try and achieve that goal.")

Previously Saddam had rejected the idea of a meeting in which the U.S. would dictate its terms and refuse to negotiate. But now a senior Iraqi official tells CBS News his government is likely to accept even that precondition. "Secretary Baker will make his points," the official said, "and we will make ours."

CBS's Bob Schieffer: The 102nd Congress was hardly sworn in before coming face-to-face with troubling questions about its own role in deciding whether to go to war. Back-bench senators turned a planned day of ceremony into an argument over whether Congress should take immediate steps to limit the President's hand.

(**Sen. Adams:** "We wish to have an opportunity to put in a resolution that would state that the President cannot carry out offensive actions without authorization of the Congress.")

Caught off guard, Sen. Mitchell was left in an awkward fix, having already warned the President not to move on Iraq without congressional approval. He was forced to side with the Administration today, feeling debate now might undermine the new offer to send the secretary of state to Geneva.

(**Sen. Mitchell:** "Is that what we want to do? Is that constructive? Is that useful? This senator does not in any way believe that debating the issue of constitutional powers of the presidency in any way undermines the United States of America. Never, never, never.")

A resolution defining those powers was introduced in the House as Secretary Baker and Secretary Cheney spent the afternoon here making the Administration's case. They'd like a vote of unqualified support. But the House Republican leader concedes they'll never get that from the Democrats.

(**Rep. Michel:** "Want the President to take all the heat himself, and at the same time give themselves cover so that they can in whatever situation always be able to sit back and criticize.")

Whatever the case, after a month back home listening to constituents, Congress today seemed more wary than ever about plunging into war in the Persian Gulf.

Rather talks with CBS's Bob Simon:

Rather: First reaction in the Middle East to President Bush's new proposal.

Simon: No surprise. Everyone here expected a flurry of diplomatic activity before the 15th. The feeling in the Middle East generally is that President Bush would like to avoid a war if he possibly can. Those countries that feel the same way, Egypt and Jordan, for example, are delighted with today's news. Those countries that feel that a war is necessary, Israel notably, are extremely skeptical.

Rather: Inside Israel, where are they looking for the telltale signs?

Simon: The Israelis are convinced that if President Bush launches a war against Iraq, Iraq will launch missiles against Israel. This creates enormous problems for the Israelis and for the Americans. The Israelis will want to be assured that the Americans will take out these missile sites that are pointed towards Israel. They're skeptical that the Americans will do it and can do it quickly enough to satisfy them. The Israelis, on the other hand, would have trouble joining the Americans in an air war against these missile sites because the Americans have not been coordinating with the Israelis. And without coordination two air forces in the air attacking the same targets leads to chaos. Also, if the Israelis go up against these Iraqi missile sites, they'll have to fly over or very near Jordanian airspace. This means that they might have to take out the Jordanian air force on the way. The only way that King Hussein can save his air force, the Israelis say, is to give them ironclad guarantees that in the event of hostilities he will not scramble a single fighter against them. They will not budge. If King Hussein does this he could land in serious trouble with his own people who are increasingly militant and increasingly pro-Iraq. So once again King Hussein is caught between Iraq and a hard place called Israel. He might have to choose between jeopardizing his air force and jeopardizing his throne. (CBS-Lead)

CBS's Richard Threlkeld looks at the case for going to war. Those who make the case for going to war if Saddam doesn't get all of his troops out of Kuwait believe it is worth the risk and the casualties because some things are worth fighting for. And history shows that fighting against aggression is one of them. And those arguing for war say the sooner the better, especially if, as it appears, Iraq is close, maybe very close, to developing its own nuclear bomb. Henry Kissinger, for one, believes it may now become necessary to take military action to prevent that. Besides, the argument goes, if we don't cut Saddam down to size he'll be able to bully America's friends and allies throughout the Middle East and remain a persistent threat to its vital oil resources. And there are those who believe that in any case war with Iraq may be unavoidable because President Bush has committed such a huge military force. If he orders them home without accomplishing their objective the U.S. will wind up looking like a paper tiger.

(CBS-7)

CHANCELLOR

NBC's John Chancellor comments that in all the U.S. has proposed 15 different dates for an extra-mile meeting with Iraq. Do you have the impression that George Bush is more anxious to talk than Saddam? All of this gets more unreal when you remember that the U.S. wants to say to Iraq get out of Kuwait, that's all, as though Saddam might somehow have overlooked the international force of 620,000 heavily armed people which is there to force Iraq out of Kuwait. A meeting is needed to reassure the President's political opposition at home and to reassure uneasy allies in Europe that Mr. Bush is not about to start a war without having gone the extra mile for peace. (NBC-5)

ECONOMY

Sawyer: In economic news, the first sign of life in the slumping housing market. New homes sales rose 2.8 percent in November. That's still 26 percent behind last year, but some economists are saying the real estate market may have bottomed out.

The nation's largest retailers closed their books on the holiday season today, many of them wishing this auld lang syne could be forgot. (ABC-2, CBS-5)

UNEMPLOYMENT

Sawyer: Another sign of hard times. In the week before Christmas more than half a million people filed for unemployment insurance, the most since early in 1983. Many economists think that the overall rate for the full month of December to be released tomorrow will show unemployment more than 6 percent. (ABC-3, NBC-6)

EL SALVADOR/U.S. COPTER CRASH

Sawyer reports that yesterday a U.S. helicopter was shot down by guerrillas in El Salvador. Today there are charges the three men on board may have been executed.

ABC's Dennis Trout reports that the helicopter was shot down by small arms fire as it was carrying three U.S. Army officers back to Honduras from a routine meeting in El Salvador. It had been flying low at treetop level to avoid presenting a target to guerrilla missiles. Farmers who reached the crash site said at least two of the Americans were alive and asking for water after they hit the ground, but were later shot and killed. The State Department says there is evidence that all of the Americans were executed.

(State Department spokesman Boucher: "All three U.S. servicemen had apparent gunshot wounds to the head and two of them had no other apparent wounds.")

The guerrillas insist they did not realize they had shot down an American helicopter, and the rebels claim the U.S. servicemen were killed by shots fired when the helicopter was still in the air or died on impact.

Trout continues:

(Pentagon spokesman Williams: "The FMLN says that the servicemen were found dead inside the aircraft. We have information to the contrary.")

The Administration had been looking for reasons to justify sending another \$42 million in military aid El Salvador. This incident may have furnished them.

(ABC-6, NBC-4)

CBS's Jim Stewart reports:

(Rep. Shuster: "My hope, Mr. Speaker, that this atrocity will give second thoughts to those Americans who are giving aid and comfort and financial support to the FMLN communist guerrillas in El Salvador.")

(State Department spokesman Boucher: "This FMLN action comes at a time when the FMLN claims to be interested in reaching agreements to end the war. Once again the guerrillas' actions belie their words.")

(CBS-3)

SOMALIA

Sawyer: There is also a civil war being fought in Somalia, in east Africa. Today the State Department said the fighting is so intense about 50 American civilians and 37 U.S. diplomats are trapped in the country. Officials said they are working on plans to rescue them. A State Department spokesman said the situation is dangerous.

(ABC-7)

PAN AM

Sawyer: Pan Am suspended flights to both Israel and Saudi Arabia today. The airline, already in financial trouble, says that its war-risk insurance premiums have been raised so high -- \$160,000 per flight to Saudi Arabia, \$65,000 to Israel, that it can't afford to fly there, at least for now.

(ABC-5, CBS-2)

AZT

ABC's George Strait says that because the government shouldered much of the development costs for the AIDS drug AZT and approved it for use in record time, congressional investigators estimate the drug maker Burroughs Wellcome's costs were no more than \$25 million to produce the drug. But Burroughs reports that it has grossed more than \$700 million in sales in three years. Burroughs says it, like other drug companies, used profits from one drug to pay for research into another. There is no question the price of AZT could be lower. Chemists in Toronto prepared hundreds of pounds of AZT ready for shipment at one-third the cost. Private industry is now doing what many say the U.S. government should have done five years ago: challenging Burroughs' monopoly. The NIH played a major role in the development of AZT, but the government let Burroughs Wellcome gain a monopoly many believe it does not deserve.

(ABC-8)

Friday Follies



'War looming in the Middle East, the recession, homeless, AIDS, crack babies . . . All I can think of for a New Year's resolution is "Don't Worry, Be Happy"!'

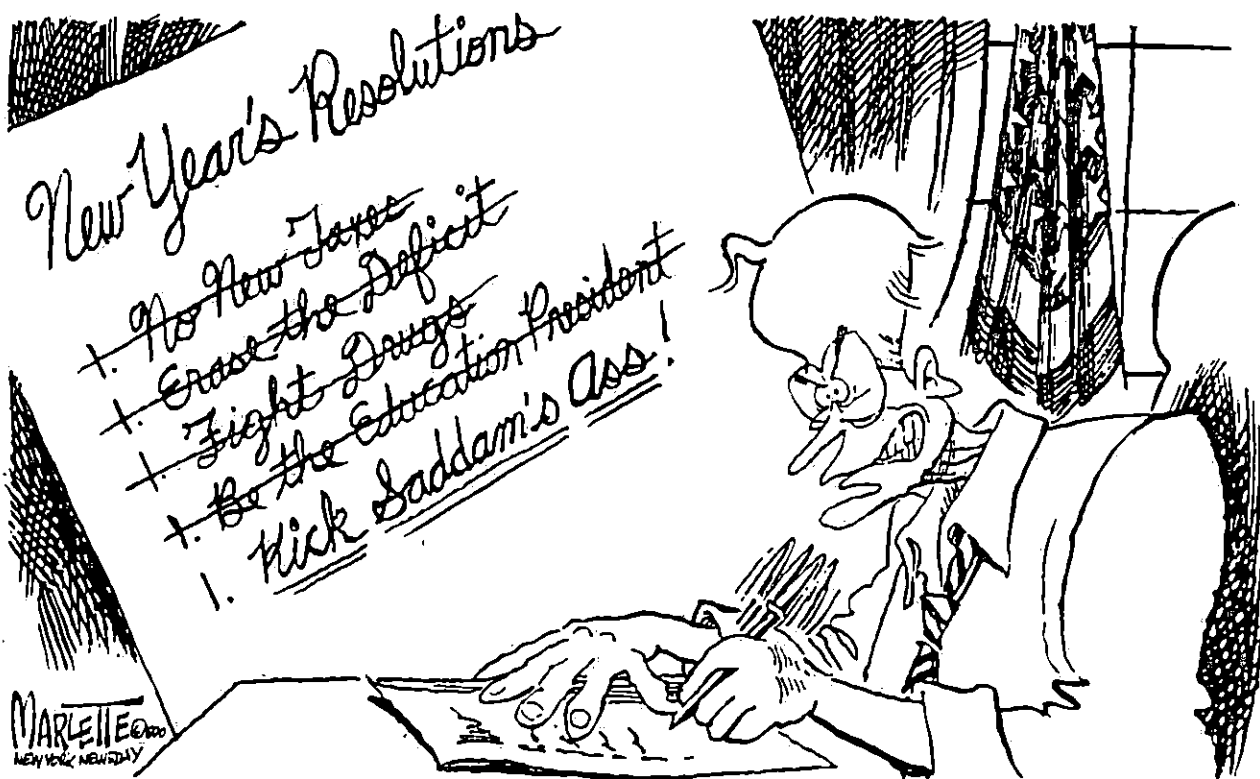
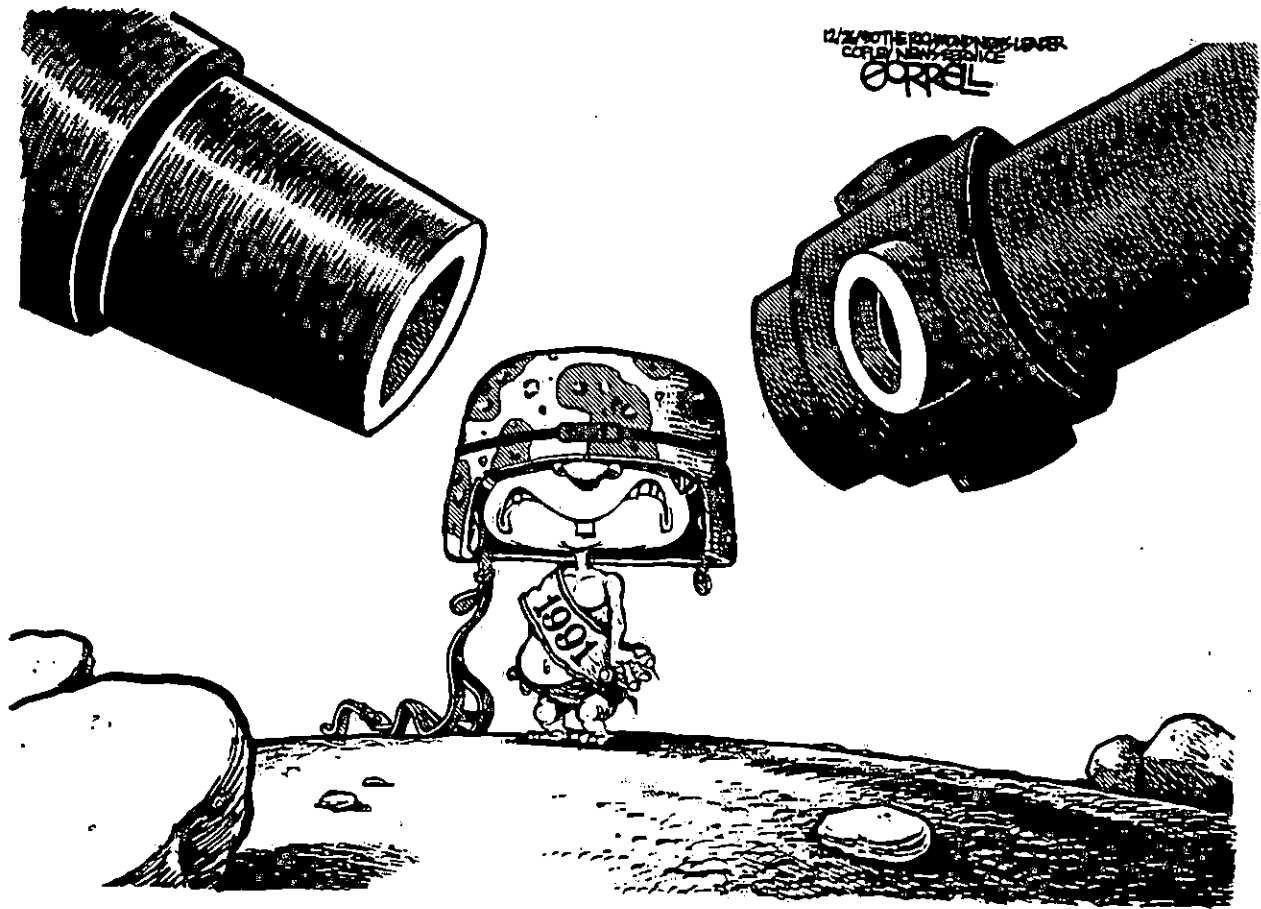
- a look at politics through the eyes of the political cartoonist -

"I don't care a straw for your newspaper articles. My constituents don't know how to read. But they can't help seeing them damned pictures."
(William Marcy "Boss" Tweed speaking of Thomas Nast, 1871)

WHITE HOUSE NEWS SUMMARY SPECIAL EDITION
VOLUME II ISSUE 52 -- January 4, 1991



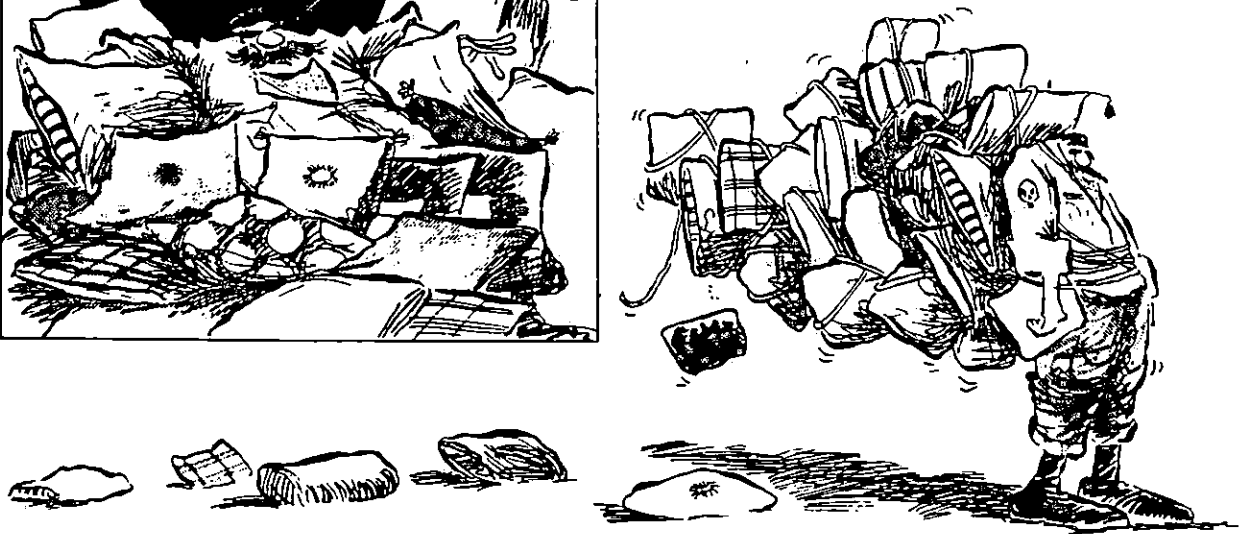
January 1991							PERSONAL CALENDAR OF SADDAM HUSSEIN	
S	M	T	W	T	F	S		
		1 Condemn Godless Bush	2 Call old men into Army	3 Call Bush a cowardly, carping cringing camel	4 Call women into Army	5 Cleaners-- Pick up designer fatigues		
6 Meet with Peace Activist Lulu LaShard	7 Tell Satan Bush there is no such thing as Kuwait	8 Call old women into Army	9 Load gas missiles	10 Shoot aide-- not a team player	11 Tell military to prepare for war	12 Exhort citizens to be willing to die for Allah		
13 Urge all Iraqis to fight to death	14 Go to Treasury, remove money and fly to Libya	15	16	17	18	19		



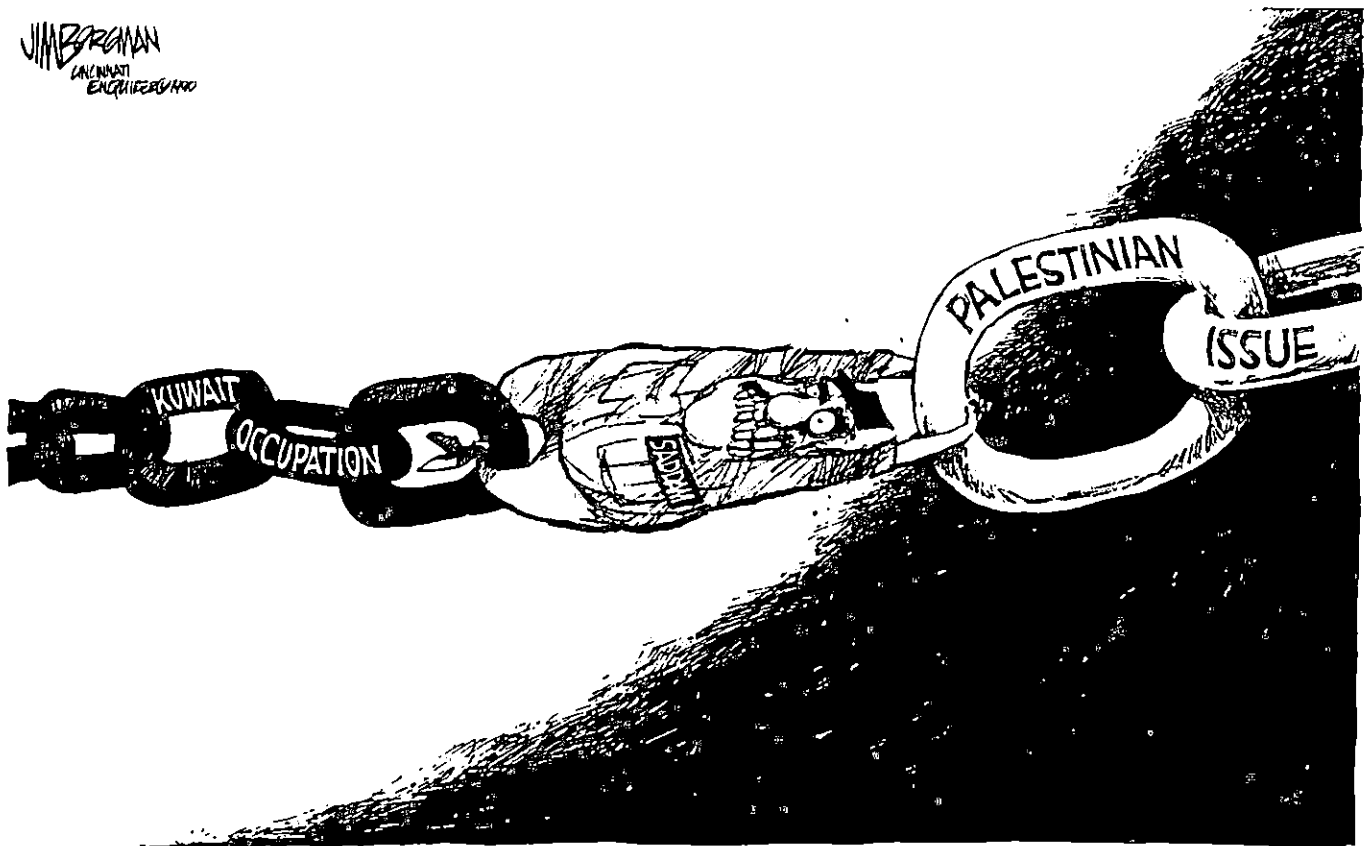
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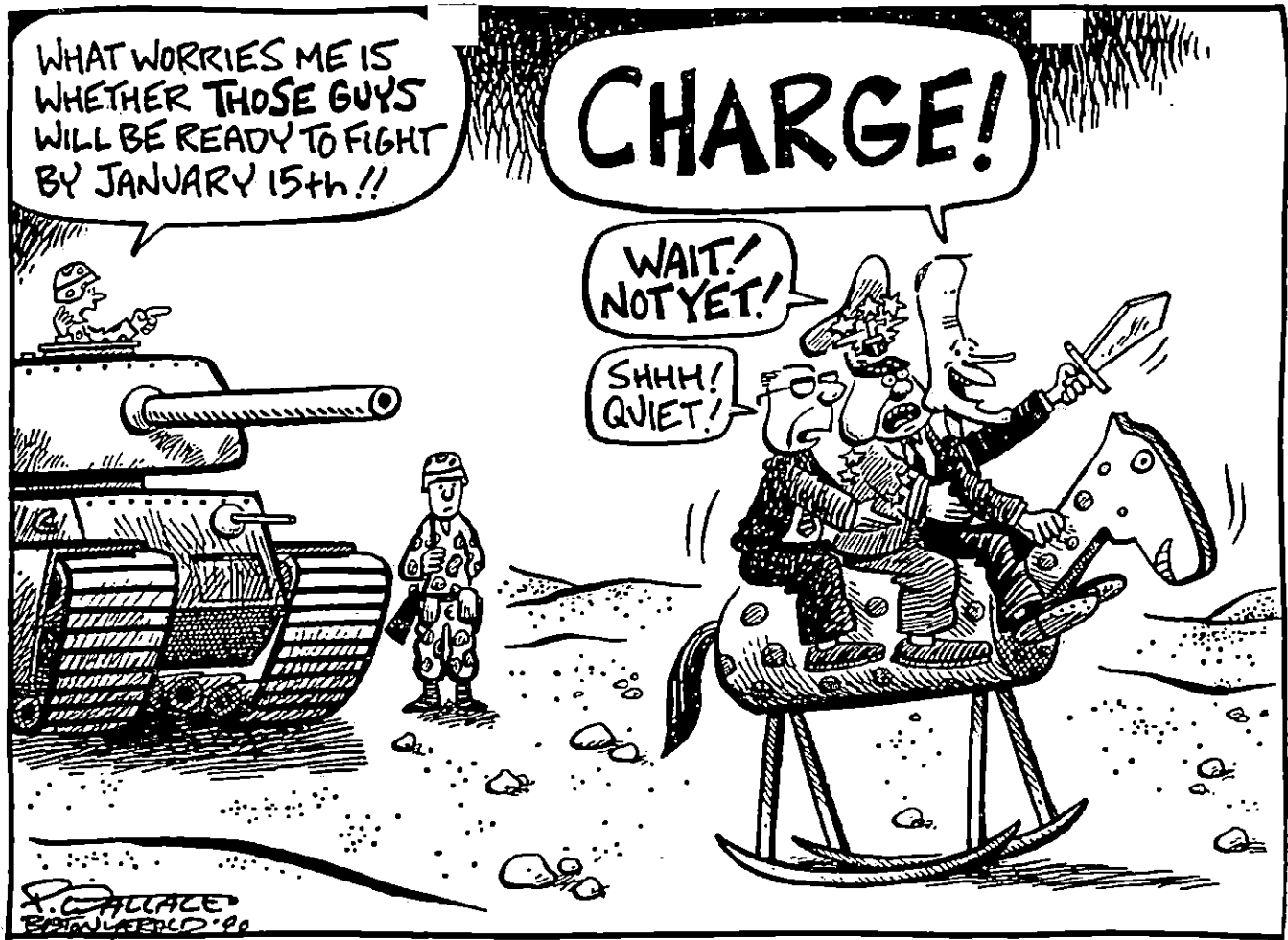
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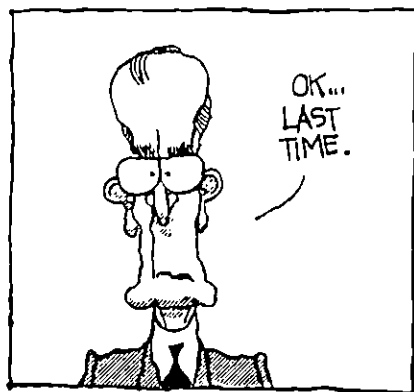
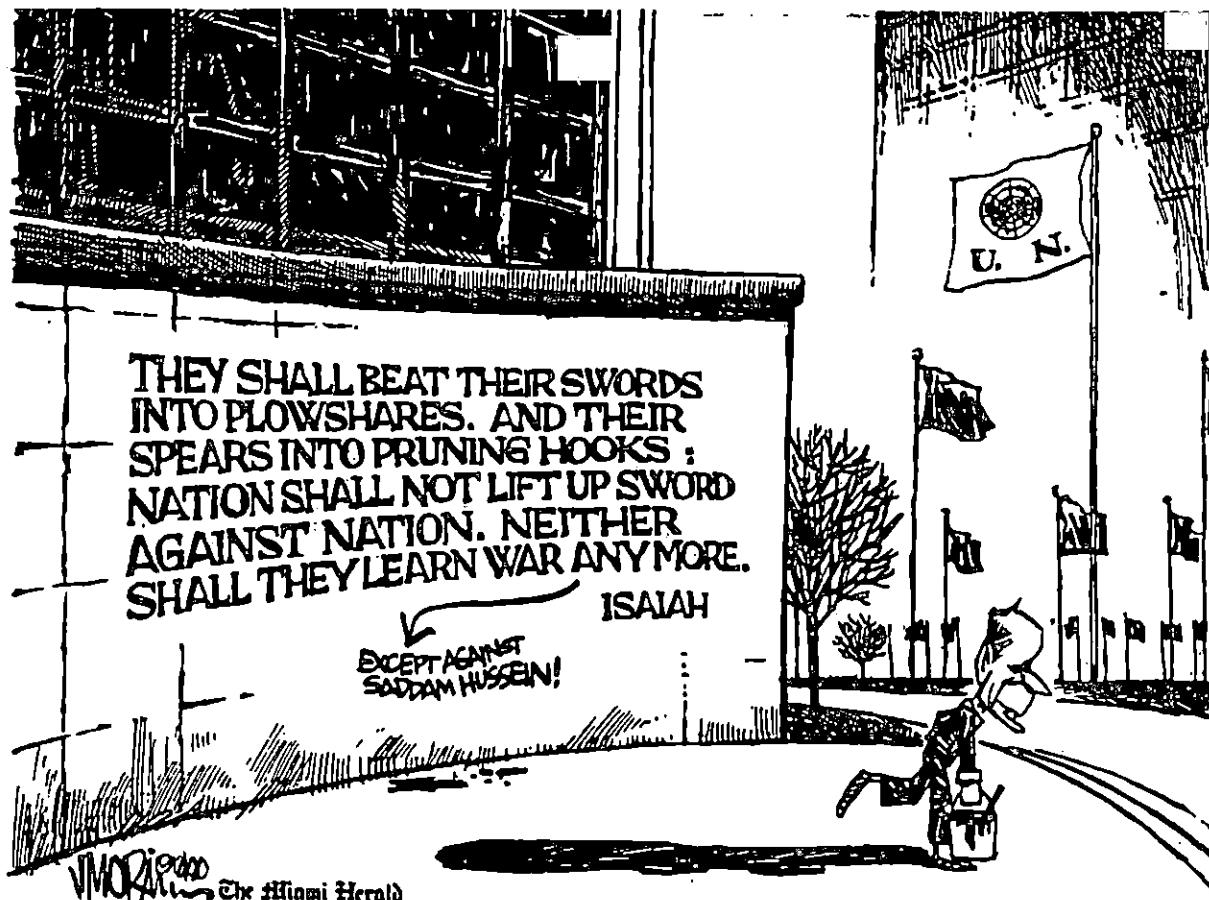


YA' CAN'T WIN GEORGE BUSH. I GOT YA! YOU KNOW THAT, I KNOW THAT. WHEN THE TIME COMES...GONNA PULL OUT OF KUWAIT SLOWWWWWLY. JUST EASE ON OUT. YA' CAN'T HIT ME THEN. WOULDN'T BE PRUDENT. YOU'RE GONNA LOOK BAD. NO SUPPORT, NO SECOND TERM. WANNA TALK? CALL, 1-800-LINKAGE.

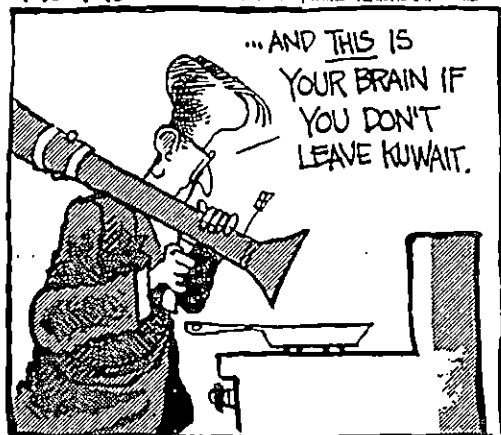
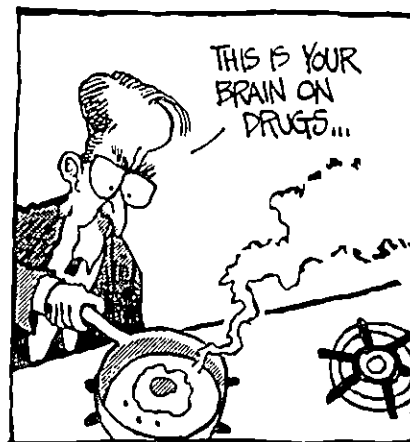
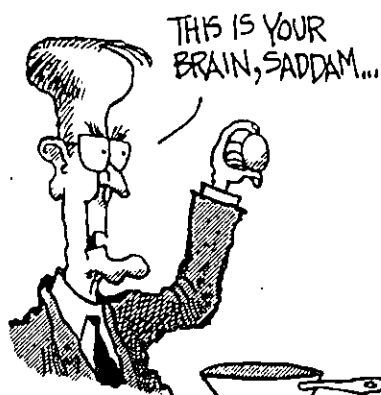
YOURS TRULY,
SADDAM HUSSEIN

SRIN 50





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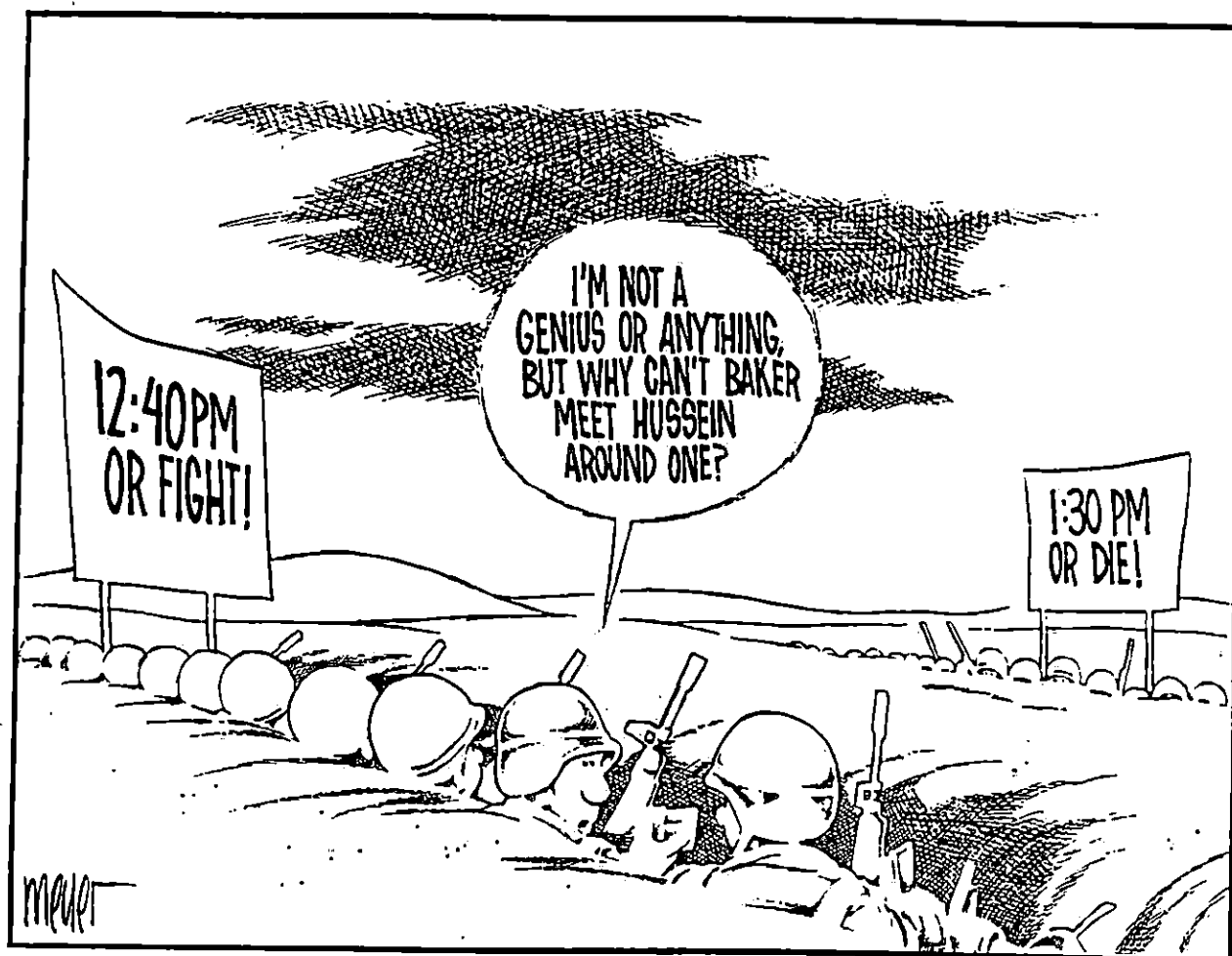
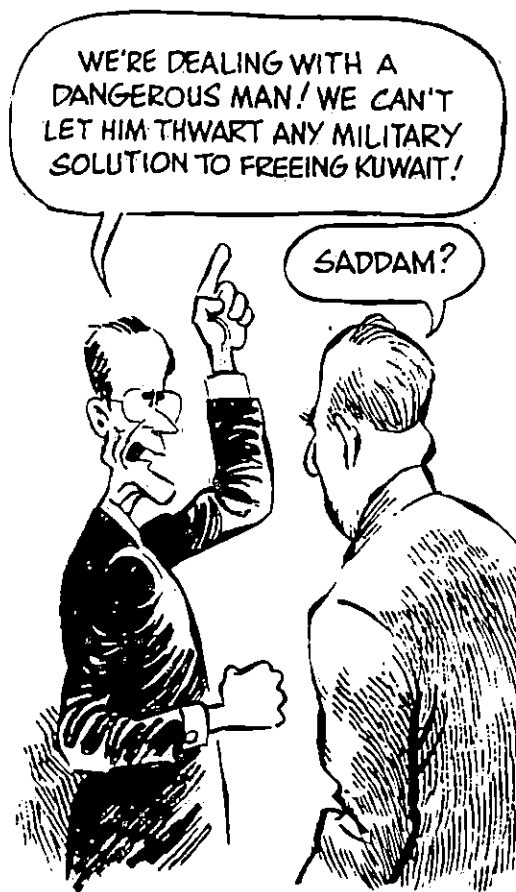




"I am releasing the hostages. You will feel gratitude. You will lose interest in Kuwait. You will look for a negotiated settlement. You will . . ."

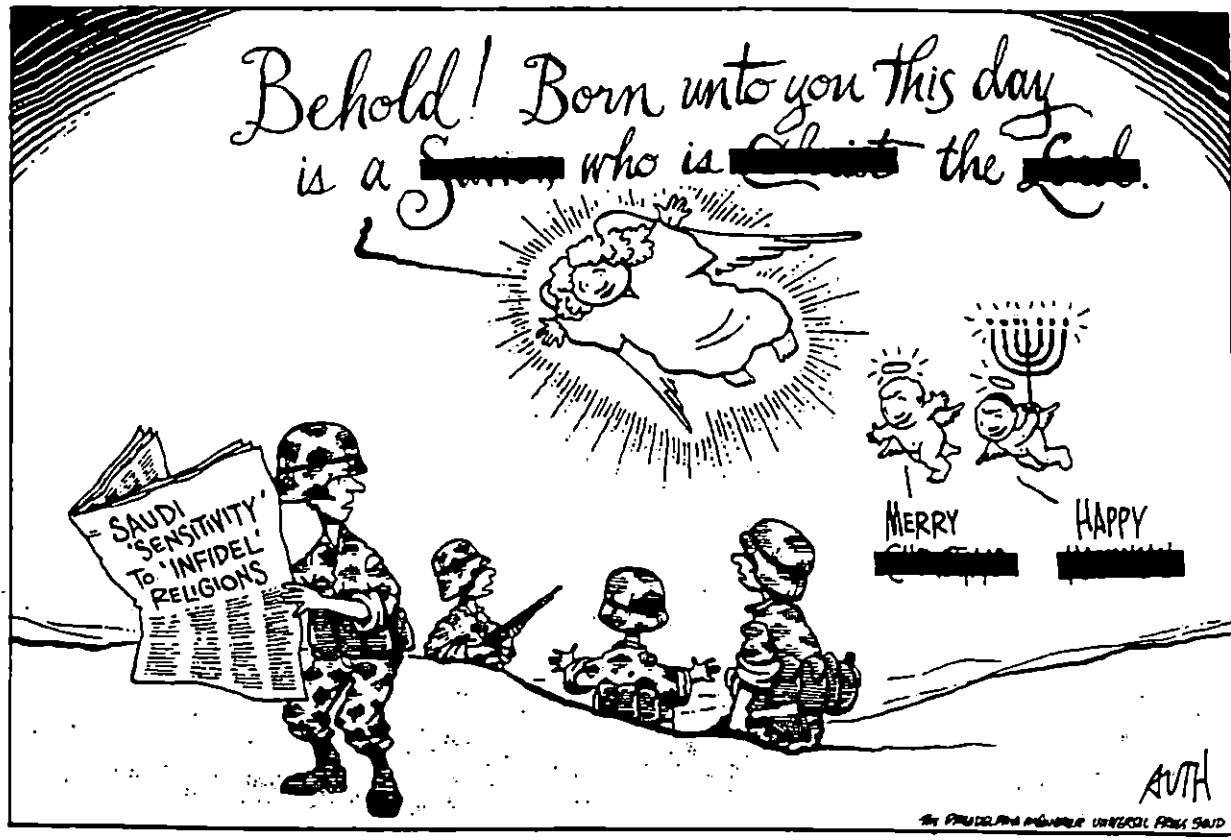
Advice





HORSEY

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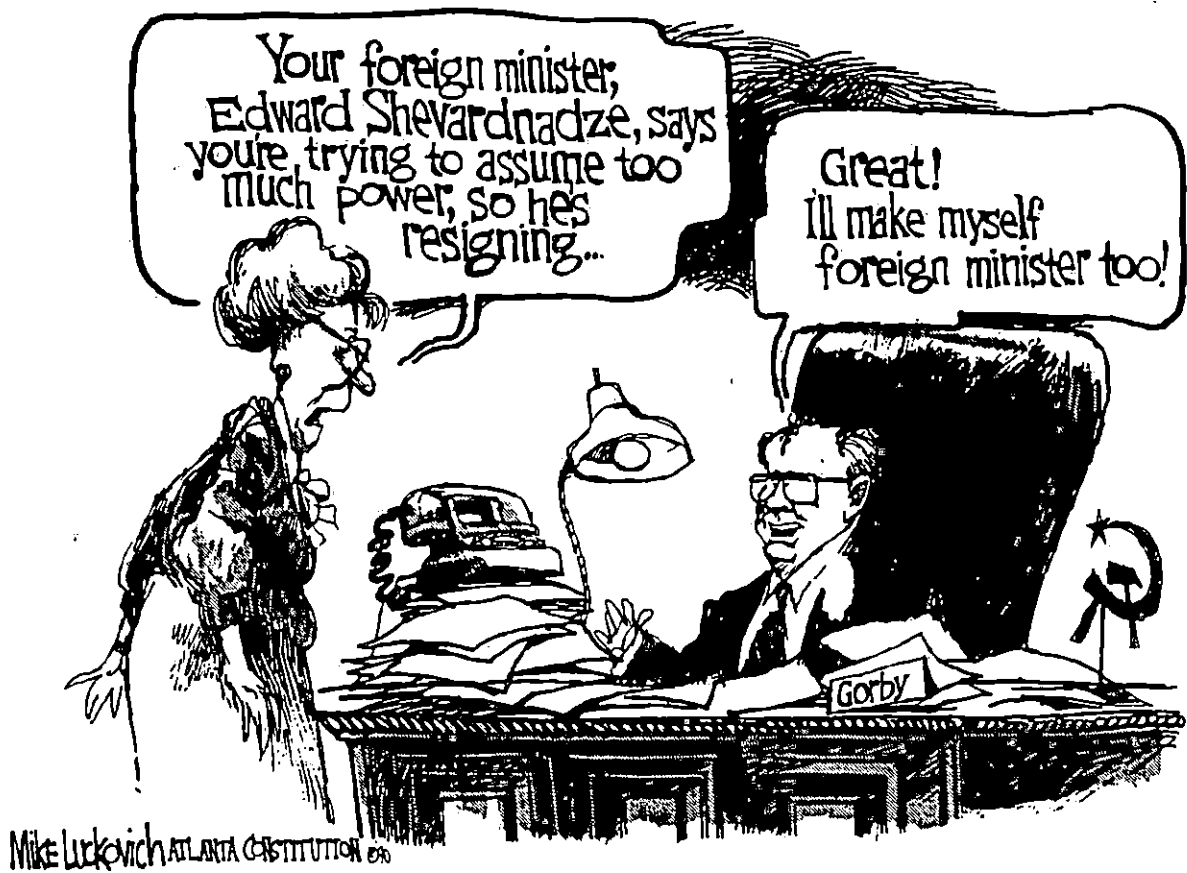
"I GUESS IT'S LUCKY I LEFT MY ROBERT MAPPLETHORPE PHOTOS AT HOME!"

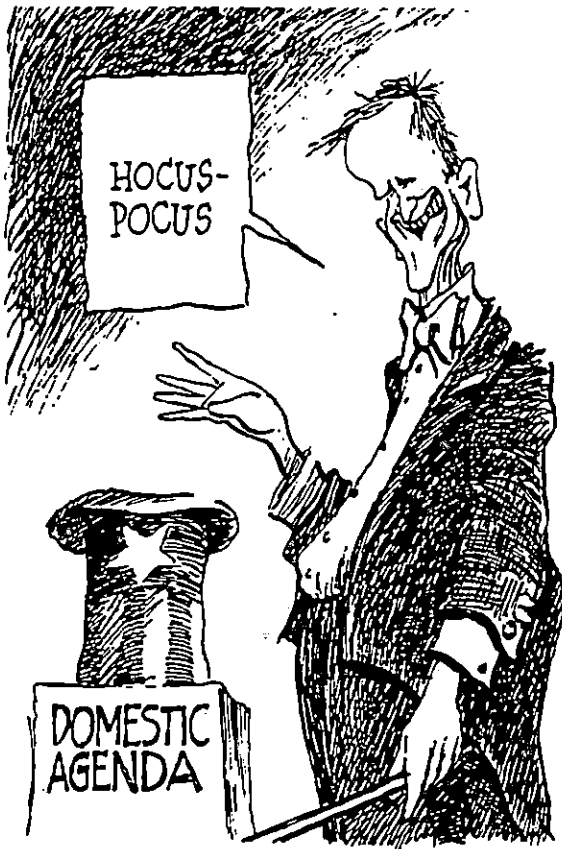


"OUR SATELLITES HAVE DETECTED STOCKPILES OF CONVENTIONAL WEAPONS AND NERVE GAS AS WELL AS A HUGE CACHE OF BOB HOPE JOKES DATING BACK AS FAR AS WORLD WAR II."

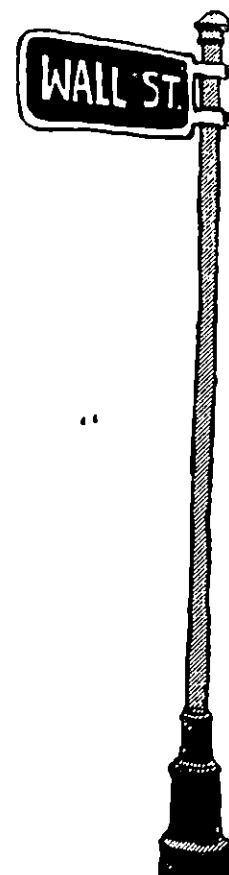
QUINTESSENTIAL OREGONIAN (1990) BY TERRY...







THE LATEST
ECONOMIC
INDICATOR

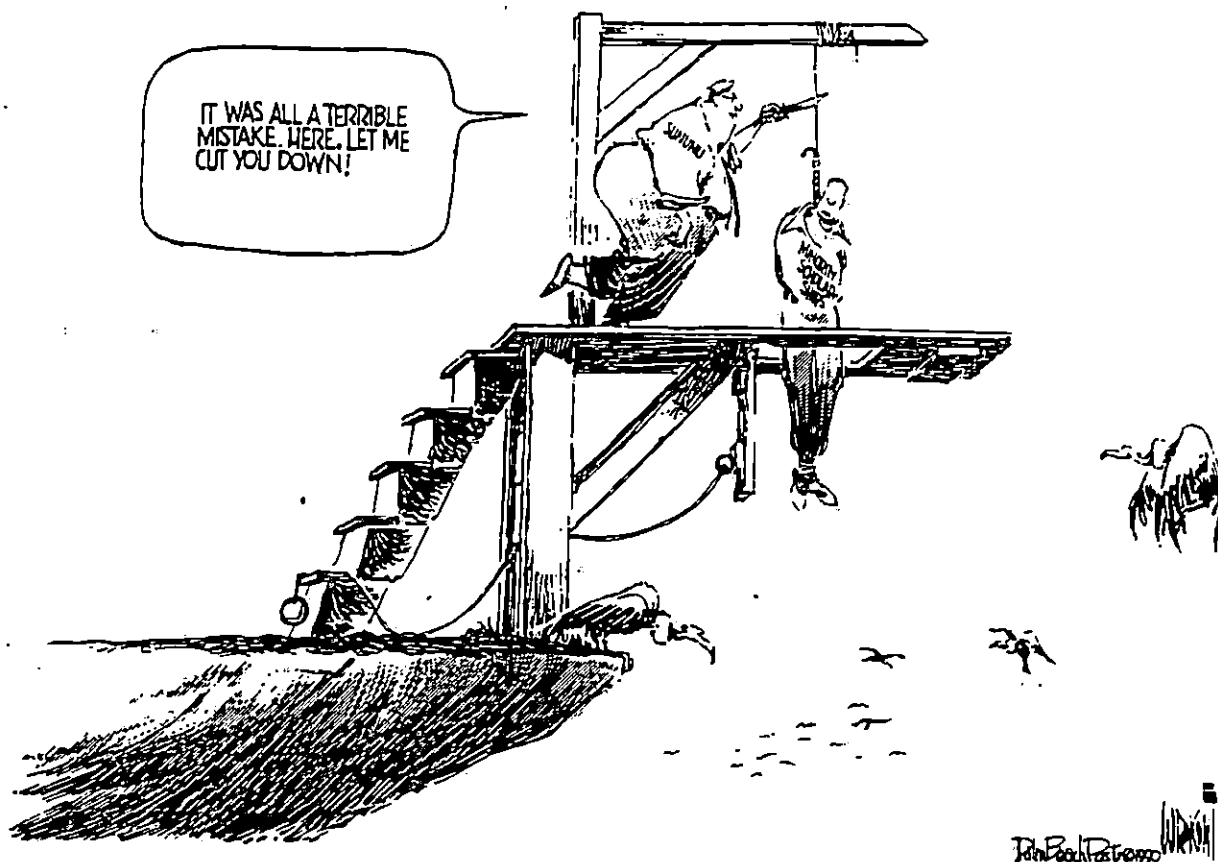
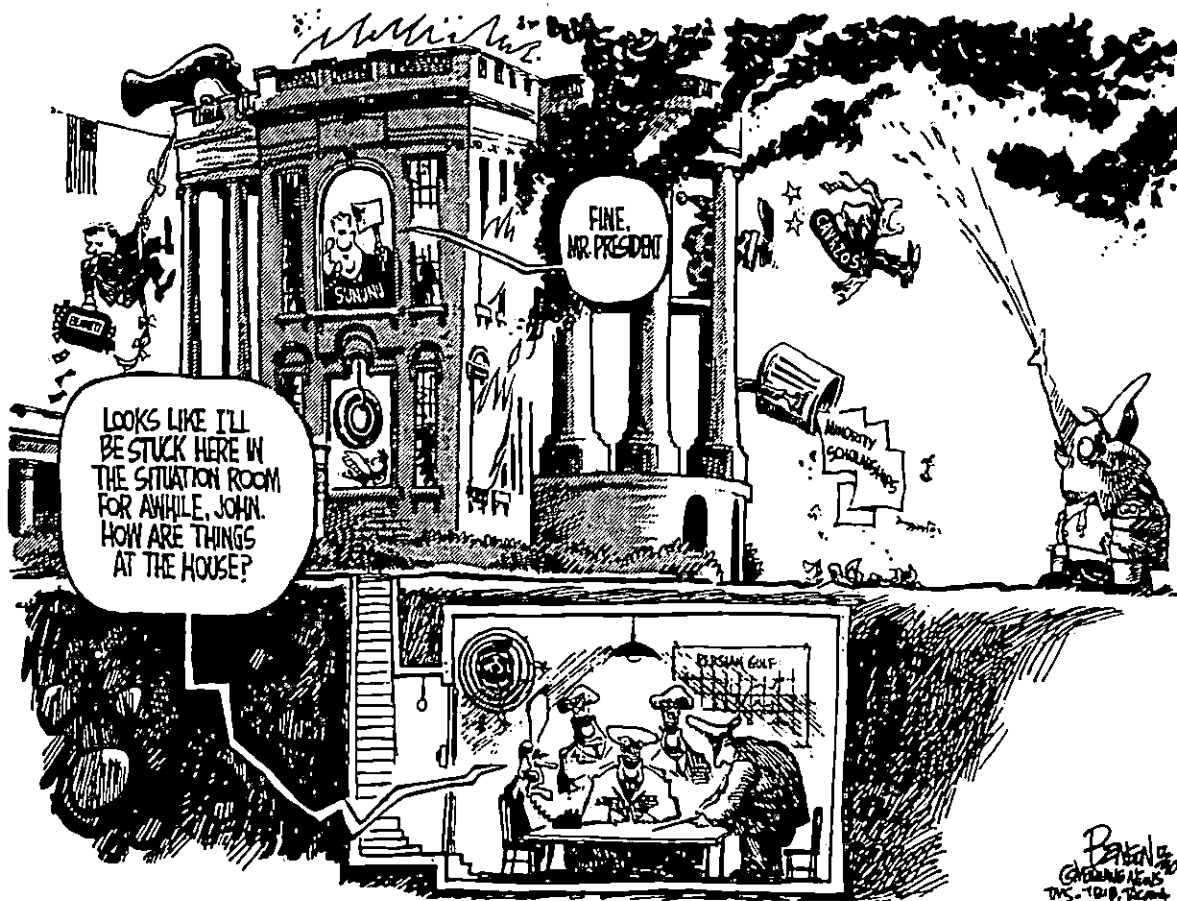


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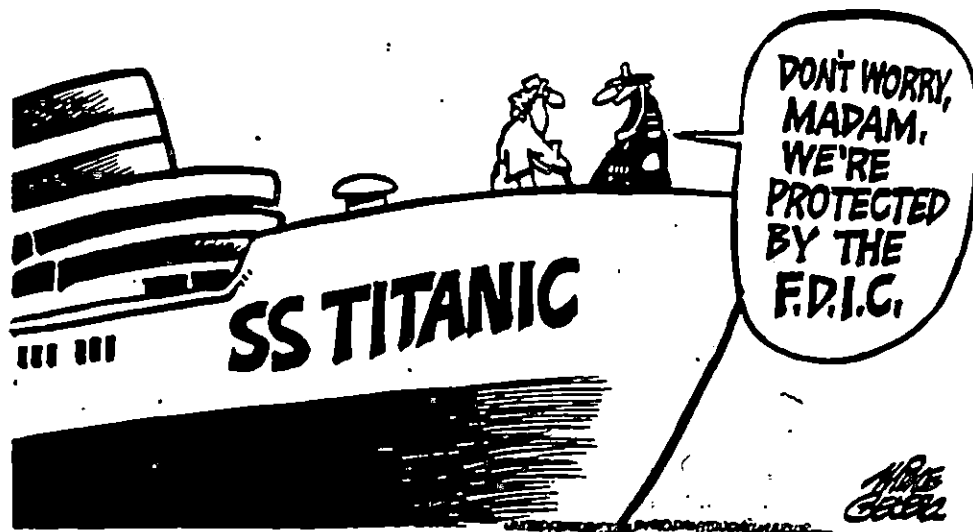
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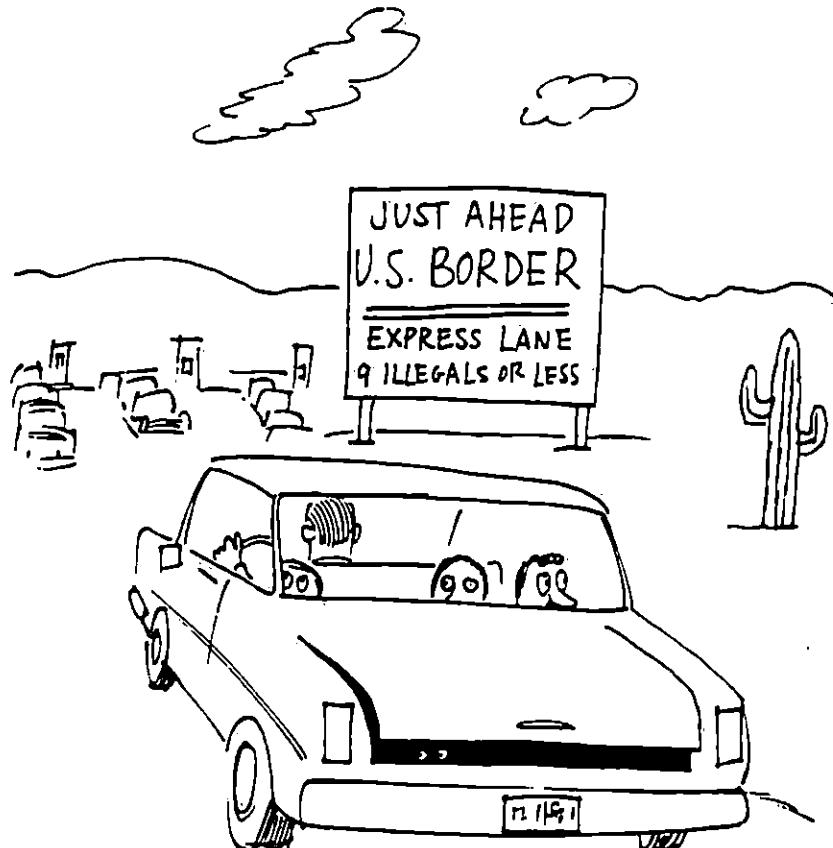
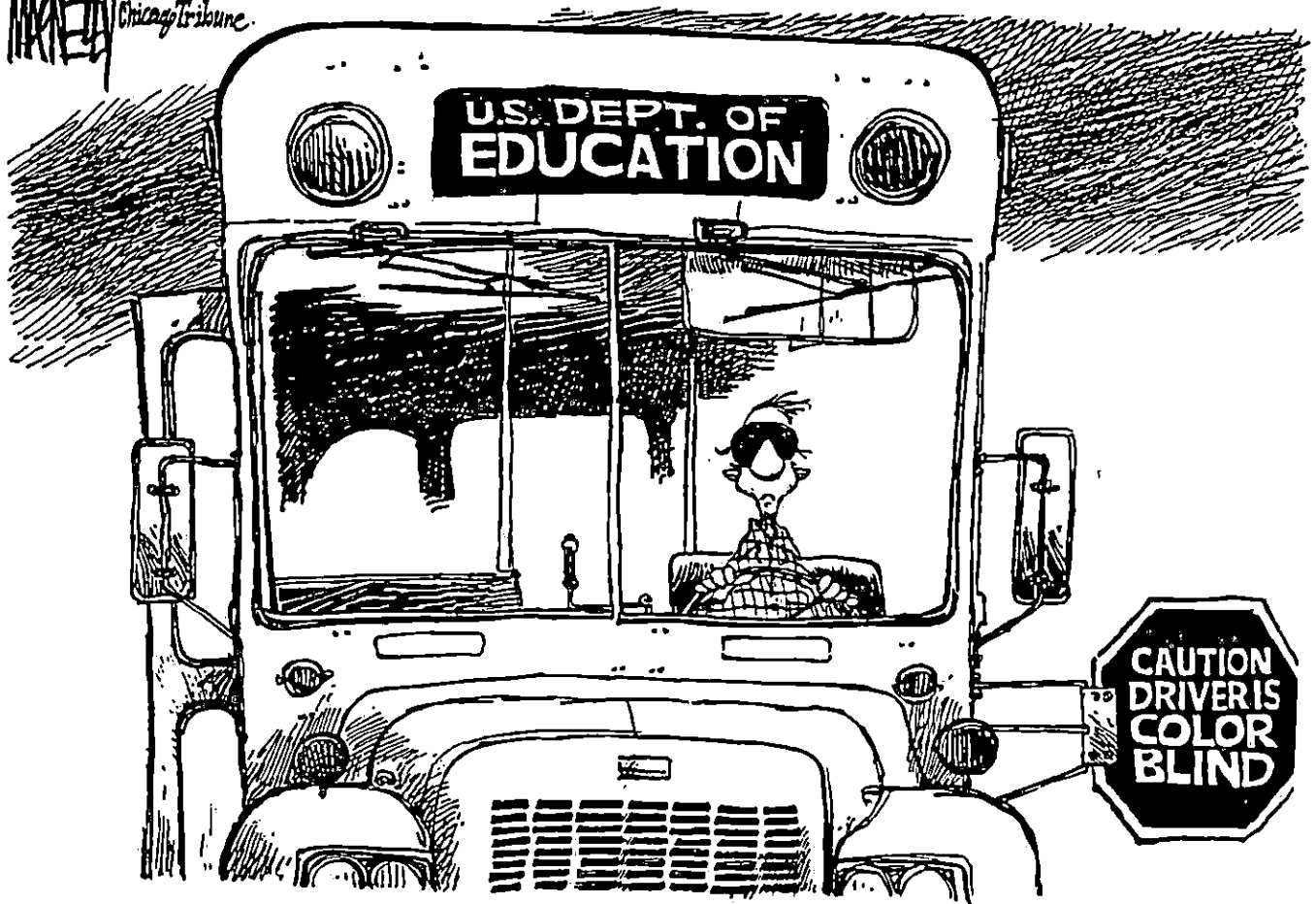


ROBERT
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UNITED FEATURE SYNDICATE









LIVE, FROM BOISE, IDAHO--
IT'S THE 1990 SPUD BOWL!...
TODAY'S GAME MATCHES UP
THE BAYONNE BARBER COLLEGE
AND BUBBA'S DIESEL SCHOOL!...

IF YOU ASK ME,
HERBERT, THE
BOWL SEASON
HAS GOTTEN
OUTTA HAND!



CONGRESSIONAL MONITOR



Friday, January 4, 1991

Volume 27, Number 2

Newly Sworn-In Lawmakers Quarrel Over Persian Gulf, Budget Policies

Only minutes after the applause settled down following the swearing in of newly elected senators and representatives, battles broke out among Senate Democrats and between House Republicans and Democrats.

Congress was back, and in mid-session form, as partisan squabbling broke out in the House and objections by a few senators held up what leaders had hoped to be routine organizational matters.

In the Senate, the issue was the role of Congress in Persian Gulf policy; in the House the fight was over the budget process.

The House was a lively scene of members chatting it up with old friends and welcoming new lawmakers. Many brought children and grandchildren onto the floor for the swearing in festivities, which featured 44 freshmen.

But the comradery evaporated almost immediately when Democrats brought up a proposal to change the budget process, enraging Republicans. *See story, p. 2.*

Senate Dispute. The Senate, with Vice President Dan Quayle presiding for the swearing-in of 35 senators who won election in 1990, was stirred by an unexpected dispute when two liberal Democrats tried to force an early debate over whether President Bush has authority to make war against Iraq without approval of Congress.

"Now is the time and here is the place," said Iowa Democrat Tom Harkin, who objected to a proposal by Majority Leader George J. Mitchell, D-Maine, to put off the debate until more information is available about the chances for peace talks in the gulf. Mitchell specifically referred to the administration's proposal for Secretary of State James A. Baker III and Iraqi Foreign Minister Tariq Aziz to meet next week in Switzerland.

"It is unbecoming of the Senate" to

delay this debate, Harkin said.

"This may be the place. It is not the time," Mitchell said to Harkin. Mitchell added that an immediate debate could not possibly be "as well informed" as a debate following the Baker meeting.

Harkin and Washington Democrat Brock Adams wanted to introduce a resolution affirming that the president must seek the approval of Congress before beginning a military offensive in the Persian Gulf.

Mitchell had sought to block the introduction of any bills or resolutions until Jan. 23, or until he gave his approval.

The Republican side of the chamber was quiet throughout the exchange.

After back-room discussions, the Senate was unable to resolve the issue and will return this morning.

The Senate broke to permit senators to attend party meetings and a lengthy private briefing on the Middle East situation by Secretary Baker and Defense Secretary Dick Cheney. According to members who attended the briefings, the administration officials presented a gloomy picture of the effectiveness of economic sanctions against Iraq.

Recess Canceled: Mitchell and House Speaker Thomas S. Foley, D-

See CONGRESS on p. 2

Today

The Senate will meet today in an attempt to resolve a dispute among Democrats over when to debate U.S. policy in the Persian Gulf. The House is not in session.

A few committees — notably the Senate Ethics panel — have hearings planned and party committees will continue their work on filling committee assignments.

Keating Five: The senators accused of improperly pressuring federal thrift regulators to help out savings and loan owner Charles H. Keating Jr. will begin appearing before the panel today to defend their actions.

First up will be John McCain, R-Ariz. In the afternoon, John Glenn, D-Ohio, will take the stand. Donald W. Riegle Jr., D-Mich., and Dennis DeConcini, D-Ariz., will come before the panel next week. The senators will be questioned first by special counsel Robert S. Bennett and then by their attorneys, the other senators' attorneys and the six panel members.

Alan Cranston, D-Calif., who is undergoing cancer treatment in California, will not appear before the panel but may respond to questions through a satellite hookup.

Desert Shield Costs: The House Budget Committee will hold a hearing this morning on the costs of the multinational military buildup in the Persian Gulf and the share of the costs that are being borne by U.S. allies.

The panel will hear from Comptroller General Charles Bowsher and Defense Department Comptroller Sean O'Keefe.

Committee Assignments: The House Democratic Steering and Policy Committee will meet this morning to develop recommendations for Democratic committee assignments.

The panel's Republican counterpart — the Committee on Committees — also plans to meet today.

On the Senate side, Democrat Daniel K. Inouye, Hawaii, and Republican Trent Lott, Miss. — who head ad hoc panels to make committee appointments — hope to complete work today, although negotiations on party ratios on some committees have not been completed. ■

Key Dates Loom for Congress, President

Jan. 7, 9, 11, 14, 16, 18 — Congress in session. *Pro forma* unless leaders decide otherwise.

Jan. 15 — United Nations deadline for Iraqi withdrawal from Kuwait.

Jan. 22 — Congress resumes daily, full-fledged sessions, unless events have already required its convening.

Jan. 29 — President Bush will give his State of the Union Address.

Late January, Early February — Congressional committees are tentatively set to meet to organize and select subcommittee chairmen.

Feb. 4 — President Bush is scheduled to submit his fiscal 1992 budget.

CONGRESS from p. 1

Wash., announced that the traditional January recess would be canceled.

Foley said the House would be in session Monday, Wednesday and Friday during the next two weeks. The sessions will be *pro forma* unless and until Foley and Mitchell determined that a full-fledged session is appropriate to debate U.S. policy in the Middle East.

Mitchell has the same intentions for the Senate, although he was unable to get the Senate to formally adopt that procedure yesterday. He plans to make the request today.

The regular congressional schedule will resume no later than Jan. 22, when the traditional January recess would have ended.

Foley said there was no question that the House would debate and vote on whether the nation should go to war, but that he saw no need to take up the issue until after the proposed Baker-Aziz meeting.

Bush Meeting. The two Democratic leaders announced the new schedule after an early-morning meeting at the White House. After the meeting, Mitchell told reporters that President Bush wanted Congress to hold a limited debate and pass a resolution in support of the United Nations resolution 678, authorizing force against Iraq after Jan. 15.

"I advised the president I thought it doubtful that such a resolution would pass at this time, or if it did pass, it would be, in my view, by a narrow margin," Mitchell said.

Domestic Agenda: The Senate's opening day fixation with foreign policy and the House's interparty squabbling overshadowed talk of Congress' domestic agenda.

Foley told reporters that a civil rights bill identical to one that Bush vetoed last year will be given the number HR 1, designating it as the Democrats' top priority.

He acknowledged that budget deficits in the \$250-billion-a-year range will force Congress into as pay-as-you-go system for any new initiatives. Even so, he added, there will be room for expansion of some domestic spending.

High on the Democrats' domestic agenda will be legislation to reauthorize highway and bridge programs, provide more money for the thrift bailout, shore up the Federal Deposit Insurance Corporation's bank insurance fund, address members' desire for a debate over national energy strategy and reauthorize federal aid to higher education. Both parties are determined to grapple with the issue of campaign financing, particularly in light of the "Keating Five" hearings and the outpouring of anti-incumbent sentiment around the nation.

Fight Erupts Over Budget Scorekeeping

Even before the House convened for the 102nd Congress, lawmakers were squabbling about a Democratic plan to change the rules of the House.

An hour before the House convened, Republicans served notice in a news conference that they would fight the rules change.

But a few hours later, over the bitter objections of GOP members, the House approved the rule change, included in H Res 5, by a 242-160 vote.

Republican venom was directed at a change that makes the Congressional Budget Office (CBO) the House's designated scorekeeper to decide whether legislation to cut taxes or increase entitlement spending would violate the "pay as you go" requirement of last fall's deficit-reduction agreement. The job had belonged to the Office of Management and Budget (OMB).

Democrats contended that since the OMB is part of the policy-making executive branch, the agency has a tendency to make cost estimates that suit the Bush administration's policy objectives. GOP lawmakers charged that they were betrayed by Democrats who agreed in last year's budget deal to keep the responsibility with the OMB.

The agency that is the final arbiter of what a tax or spending bill will cost is in a key position to influence the substance of legislation, particularly in light of changes made to the budget process by last year's deal.

Under that agreement, Congress must offset spending on entitlements or tax cuts that increase the budget deficit with savings or tax increases. If Congress does not make up the difference, at the end of the year cuts in other entitlement programs would take place.

For example, if the House were to pass a food stamp bill that the CBO projected will increase the deficit, lawmakers would also have to pass legislation that included new taxes or entitlement program cuts that would make up for the additional food stamp spending.

Republicans were livid over what they called a betrayal by the Democrats. GOP leaders, some wearing buttons proclaiming "A Deal is a Deal," said that the rule change would undermine the ability to craft bipartisan budget agreements in the future. Minority Leader Robert H. Michel, Ill., told reporters he might lead a walkout during the vote on rule changes, but chose not to.

Michel proposed retaining the scorekeeping authority with the OMB and directing the House Judiciary Committee to report, by June 30, a constitutional amendment to require a balanced

federal budget. His motion was rejected by a 160-256 vote.

In an unusual display of protest, Nancy L. Johnson, R-Conn., refused to relinquish the microphone after her allotted time for speaking had expired. For several minutes, Johnson continued to speak about the unfairness of the rule change as angry Democrats urged the chair to remove her.

Minority Whip Newt Gingrich, R-Ga., warned that the rule change could lead to a legislative "deadlock" because President Bush will make good on his threat to veto bills that use CBO numbers.

Ranking Budget Post: Not all rule changes were partisan. At the request of Michel, Democrats agreed to include in the rules package a waiver to allow Bill Gradison, R-Ohio, to remain on the Budget Committee. His term on the committee was set to expire. Later in the day, the Republican Committee on Committees elected Gradison to the ranking GOP post on the panel.

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The *Congressional Monitor* is published Monday through Friday when Congress is in session and is available only by subscription for \$1,198 per year. Each additional copy delivered to the same address is \$375 per year. This fee includes hand-delivery in downtown Washington or first-class mail beyond the delivery area. To subscribe, call 887-6279.

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Committee Meetings Scheduled Today

Senate Committees

hold a closed meeting to make committee assignments for the 102nd Congress.
9am closed January 4

Contact: Pam McKinney (202) 224-0228 or Lorraine Voles (202) 224-3254

■ ETHICS BUSINESS

Senate Select Ethics Committee

The full committee (Chairman Heflin, D-Ala.) will continue hearings on pending ethics investigations of five Senators and their relationship to Charles H. Keating Jr., former operator of the California-based Lincoln Savings and Loan.

9am SH-216 Hart Building January 4

Witnesses scheduled: Sen. McCain, R-Ariz. (morning session); Sen. Glenn, D-Ohio (afternoon session)

★ REPUBLICAN COMMITTEE ASSIGNMENTS

House Republican Committee on Committees (Chmn Michel, R-Ill.) will continue meeting to make committee assignments for the 102nd Congress.

Morning time TBA closed January 4

Note: The committee began meeting on Thursday, January 3.

CONGRESSIONAL ETHICS

Heritage Foundation will sponsor a seminar on "Crisis in Congressional Ethics: Representation Vs. Clientitis" with Heritage Vice President for Academic Relations Charles Heatherly.

3:30pm, Washington Center, 514 10th St., N.W. January 4

Contact: (202) 546-4400, Ext. 502

House Committees

★ COST OF 'DESERT SHIELD'

House Budget Committee

The full committee (Chairman Panetta, D-Calif.) will hold a hearing on "Operation Desert Shield: Costs and Contributions."

9:30am 210 Cannon Building January 4

Witnesses scheduled: Sean O'Keefe - comptroller, Defense Department (tentative); Charles Bowsher - comptroller general; Lawrence Korb - Brookings Institution; Gordon Adams - director, Defense Budget Project

Joint Committees

DECEMBER EMPLOYMENT STATISTICS

Joint Economic Committee

The full committee (Chairman Sarbanes, D-Md.) will hold a hearing to receive the employment and unemployment statistics for the month of December.

9:30am SD-628 Dirksen Building January 4

Witness scheduled: Janet Norwood - commissioner, Bureau of Labor Statistics

RECESSION & UNEMPLOYMENT INSURANCE

Joint Economic Committee

The full committee (Chairman Sarbanes, D-Md.) will hold a hearing on the unemployment insurance safety net for workers and whether it will hold in the recession.

10:30am (or immediately following employment hearing) SD-628 Dirksen Building January 4

Witnesses scheduled: Gary Burtless - senior fellow, Brookings Institution; Wayne Vroman - senior research associate, The Urban Institute; representative of a state unemployment insurance agency

Party Organizations

★ DEMOCRATIC COMMITTEE ASSIGNMENTS

House Democratic Steering and Policy Committee (Chairman Foley, D-Wash.) will

★ New listing

Other Events

CABLE TV MONOPOLY

Sen. Lieberman, D-Conn., and Rep. Shays, R-Conn., will hold a press conference to discuss introduction of legislation to end monopolies in the cable television industry.

11am, Senate Radio-TV Gallery, Capitol Building January 4

Contact: Jim Kennedy (202) 224-4041 (Lieberman) or Betsy Hawkins (202) 225-5541 (Shays)

WAR POWERS

Sens. Harkin, D-Iowa, and Adams, D-Wash., will hold a press conference to discuss a concurrent resolution they will introduce stating that Congress must approve offensive military action against Iraq.

1pm, Senate Radio-TV Gallery, Capitol Building January 4

Senate & House Future Listings

Banking, Housing & Urban Affairs

224-7391

★ CONDITION OF SECURITIES INDUSTRY

Securities Subcommittee (Chairman Dodd, D-Conn.) of Senate Banking, Housing and Urban Affairs Committee will hold a hearing on the financial condition of the securities industry.

10am SD-538 Dirksen Building January 8

Witnesses scheduled: Richard Breeden - chairman, Securities and Exchange Commission; Gedale Horowitz - chairman, Security Industry Association; Benjamin Stein - economist; Michael Goldstein - senior research analyst, Sanford Bernstein & Co.

Ethics

224-2981

ETHICS BUSINESS

Senate Select Ethics Committee (Chairman Heflin, D-Ala.) will continue hearings on pend-

ing ethics investigations of five Senators and their relationship to Charles H. Keating Jr., former operator of the California-based Lincoln Savings and Loan.

9am SH-216 Hart Building January 4

9:30am SH-216 Hart Building January 7 & addl dates TBA

Witnesses scheduled: See "Meetings Today" section for witnesses

Foreign Relations

224-4651

★ U.S. POLICY IN THE PERSIAN GULF

Senate Foreign Relations Committee (Chairman Pell, D-R.I.) will hold a hearing on U.S. policy in the Persian Gulf region.

10am SD-419 Dirksen Building January 8

Witnesses scheduled: Cyrus Vance - former secretary of State; Alexander Haig - former secretary of State

■ Revised listing

Senate continued...**Judiciary**

224-5225

WAR POWERS

Senate Judiciary Committee (Chairman Biden, D-Del.) will hold a hearing on the constitutional roles of Congress and the President in declaring and waging war.

10am SD-226 Dirksen Building **January 8**

Labor & Human Resources

224-5375

■ RECESSION & THE WORKFORCE

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass.) will hold a hearing on the effect of the recession on the American workforce.

10am SD-430 Dirksen Building **January 7**

Witnesses scheduled:

PANEL - FAMILIES:

Individuals representing American families

PANEL - THE RECESSION:

John Kenneth Galbraith - professor of economics, Harvard University; Robert Eisner - professor of economics, Northwestern University; Lynn Williams - president, United Steelworkers of America and vice-chairman, AFL-CIO Task Force on the Economy

PANEL - THE CHANGING WORKFORCE:

Heidi Hartmann - director, Institute for Women's Policy Research; Ray Marshall - co-chairman, Commission on the Skills of the American Workforce and former secretary of Labor

EDUCATION GOALS

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass.) will hold a hearing on nation's education goals and access to quality education.

10am SD-430 Dirksen Building **January 9**

■ UNIVERSAL HEALTH INSURANCE

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass.) will hold a hearing on the health care crisis, focusing on the need for universal access to health insurance and the need for long-term care for the elderly.

10am SD-430 Dirksen Building **January 10**

Witnesses scheduled: Rep. Gephardt, D-Mo.; representatives of American Medical Association, American Association of Retired Persons; individuals burdened by health care costs and inadequate insurance

★ STATUS OF CHILDREN & YOUTH IN AMERICA

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass.) will hold a hearing on the state of the nation's children and youth, focusing on the initiatives needed to reduce the number of children in poverty and to lessen the incidence of infant mortality.

10am SD-430 Dirksen Building **January 15**

Rules & Administration

224-6352

RULES COMMITTEE ORGANIZATION

Senate Rules and Administration Committee (Chairman Ford, D-Ky) will meet to organize for the 102nd Congress.

9am SR-301 Russell Building **January 30**

Veterans' Affairs

224-9126

VETERANS' LEGISLATIVE AGENDAS**Joint Hearings**

Senate Veterans' Affairs Committee (Chairman Cranston, D-Calif.) and House Veterans' Affairs Committee (Chairman Montgomery, D-Miss.) will hold joint hearings on the legislative agendas of veterans groups.

9:30am 345 Cannon Building **February 26, 28, March 5**

9am 345 Cannon Building **April 17**

Agenda:

February 26:

Disabled American Veterans

February 28:

Military Order of the Purple Heart

Paralyzed Veterans of America

Blind Veterans of America

Vietnam Veterans of America

Non-Commissioned Officers Association

March 5:

Veterans of Foreign Wars

April 17:

AMVETS

Ex-Prisoners of War

Jewish War Veterans

World War I Veterans

Other Events Future Listings

The *Monitor* has received notice of the following events scheduled to take place in Washington. Associations, non-profit organizations and public interest groups who wish to have events listed in the section should send pertinent information to: The Congressional Monitor, Other Events Editor, 1414 22nd St. N.W., Washington, D.C. 20037. Notices must include a telephone number. Notices may be transmitted by facsimile to 728-1862, attn: Robert Healy. Only events related to Congress can be listed. Deadline is Noon. For further information call (202) 887-8686.

★ CHILD WELFARE SYSTEM

American Public Welfare Association (APWA) will hold a briefing to discuss proposals contained in a report by the National Commission on Child Welfare and Family Preservation. Copies of the report *A Commitment to Change*, will be available at the meeting.

11am SR-385 Russell Building **January 7**

Participants: James Solomon Jr. - president APWA and commissioner, South Carolina Social Services Department; Gregory Coler - secretary.

★ *New listing*

Florida Department of Health and Rehabilitative Services; Maria Matava - commissioner, Massachusetts Department of Social Services; Charles Hayward - secretary, Delaware Department of Services for Children, Youth and Their Families

ACCOUNTING ISSUES

American Institute of Certified Public Accountants will hold a national conference on current Securities and Exchange Commission (SEC) developments and accounting issues. The conference will focus on proposals to revamp the nation's financial system, accounting and reporting standards and harmonization of international accounting and auditing standards.

Grand Hyatt Hotel **January 8 & 9**

Contact: Susan Porter at (202) 737-6600

Congressional highlight:

January 9: Luncheon address - Sen. Roth, R-Del.

Note: Media wishing to cover this event should make arrangements before January 7 with Sam Hoyt (212-575-3879 - NOTE NYC AREA CODE - before January 6; 202-582-1234 after January 6)

NATIONAL HEALTH INSURANCE

National Association of Social Workers will hold a press briefing to discuss a national health-care plan. The discussion will include a complete cost analysis of proposed single-payer universal health coverage.

10am SD-562 Dirksen Building **January 8**

Contact: Lucy Sanchez or Jan Peterson at (310) 565-0333 or (301) 495-7236

POLITICAL APPOINTMENTS

Capital Chapter of Women in Defense will sponsor a luncheon panel discussion on the ins and outs of political appointments.

11:30am to 1:30pm, Holiday Inn - Natl Airport, 1489 Jefferson Davis Hwy, Arlington, Va. **January 8**

Contact: Nan Plank at (703) 685-5300

Note: There is a charge for this event of \$15. For reservations call Nan Plank at the number above. Reservations should be made as soon as possible.

★ EDUCATION ISSUES IN 1991

Education Task Force of Women in Government Relations will sponsor a roundtable

■ *Revised listing*

Other continued...

discussion on the congressional agenda for education in 1991, including changes in the House Education and Labor Committee under new chairman William Ford, D-Mich.

Noon to 2pm, Arnold & Porter Consulting Group, ninth floor conference room, 1155 21st St., N.W. **January 11**

Contact: Beth Keifer at (202) 342-7297

Note: There is no charge for this event for members and a \$10 charge for non-members. For reservations send a check, made payable to WGR, to:

Beth Keifer

NATTS

2251 Wisconsin Ave., N.W.

Washington, D.C. 20007

Deadline for reservations is January 10. Telephone reservations may be made by calling the number listed above.

ADMINISTRATIVE LAW

Administrative Conference of the United States will sponsor a seminar for congressional staff on administrative law. The seminar will cover the basic issues of administrative law and process as they pertain to Congress.

2pm to 4:45pm, Caucus Room, Cannon Building **January 14**

Contact: Susan Mack at (202) 254-7020.

Note: This event is restricted to congressional staff members only. There is no charge but reservations are required. Call the number listed above for more information.

**CROSS OWNERSHIP OF
CABLE/TELEPHONE SYSTEMS**

Capitol Men and Women in Telecommunications will sponsor a meeting to discuss the

cross ownership of telephone and cable systems.

6:30pm Georgetown Omni Hotel, 2121 P St., N.W. **January 14**

Contact: (301) 564-1032

Note: There is a charge for this event of \$15 for members and \$25 for non-members. For reservations call the number above.

★ DOLE ON 102nd CONGRESS AGENDA

National Association of Manufacturers will hold a breakfast briefing to hear Senate minority leader Sen. Dole, R-Kan., discuss the outlook for the 102nd Congress.

8:30am Capital Hilton Hotel, 16th & K sts, N.W. **January 23**

Contact: (202) 637-3115

Note: There is a charge for this event of \$35 for members and \$45 for non-members. For reservations send a check, made payable to NAM Briefing Breakfast, to:

National Association of Manufacturers

1331 Pennsylvania Ave., N.W.

Suite 1500-North Lobby

Washington, D.C. 20004

Attention: Betty Williams

Reservations also may be made by phone to the number listed above.

**★ PROMOTION OF INFO TECHNOLOGY:
GERMAN & EUROPEAN STRATEGIES**

German National Research Center for Computer Science (GMD) will sponsor a forum on the promotion of information technology research, focusing on German and European strategies. A reception follows.

5pm to 7pm, Carl-Schurz Auditorium, Embassy of the Federal Republic of Germany, 4645 Reservoir Rd., N.W. **January 24**

Contact: Erika Feulner or Margot Aplet at

(202) 466-2808

Participants:

Jürgen Ruhfus - ambassador of the Federal Republic of Germany to the United States; Hans Klaus - director, GMD International Department; Klaus Schroeter - counselor of scientific and technological affairs, Embassy of the Federal Republic of Germany; Klaus Woelcken - scientific principal officer, ESPRIT Basic Research Action DG XXII, Commission of the European Communities; Wolfgang Töle - director, GMD Washington office (moderator)

Note: There is no charge for this event, but attendance is by invitation only. For information on obtaining an invitation please call the number listed above.

HEALTH AGENDA 1991

Washington Business Group on Health (WBGH) and National Association of Manufacturers (NAM) will sponsor a conference on health issues.

Loews L'Enfant Plaza Hotel **January 28, 29 & 30**

Contact: Sheri Farris at (202) 408-9320

Agenda:**January 28:**

1:30pm - 4:30pm: Business and Health in the 102nd Congress: the First Session — a discussion with congressional staffers of priority health legislation. (This portion of the meeting is co-sponsored by Women In Government Relations.)

January 29 & 30: Health Agenda 1991

Note: There is a charge for this event of \$525 for WBGH and NAM members and \$625 for non-members. The charge for the Monday, January 28 session alone is \$50 for members and \$60 for non-members. Deadline for reservations is January 14. For further details contact Sheri Farris at the number above.

House Floor Action

Week of December 31

**Monday, December 31,
Tuesday, January 1 &
Wednesday, January 2:**
Not in session

Thursday, January 3:
Election of the speaker
Swearing in of the House
Vote on adopting rules

Friday, January 4:
Not in session

Weeks of January 7 & 14

The House will meet at Noon on Monday, January 7;
Wednesday, January 9; Friday, January 11; Monday, January
14; Wednesday, January 16, and Friday, January 18. No
legislative business is currently scheduled.

The House will not be in session on January 8, 10, 15 & 17.

Senate Floor Action

Week of December 31

**Monday, December 31,
Tuesday, January 1 &
Wednesday January 2:**
Not in session

Thursday, January 3:
Swearing in of members elected or re-elected in 1990
Organizational business

Friday, January 4:
Convenes 11:30.
Organizational business

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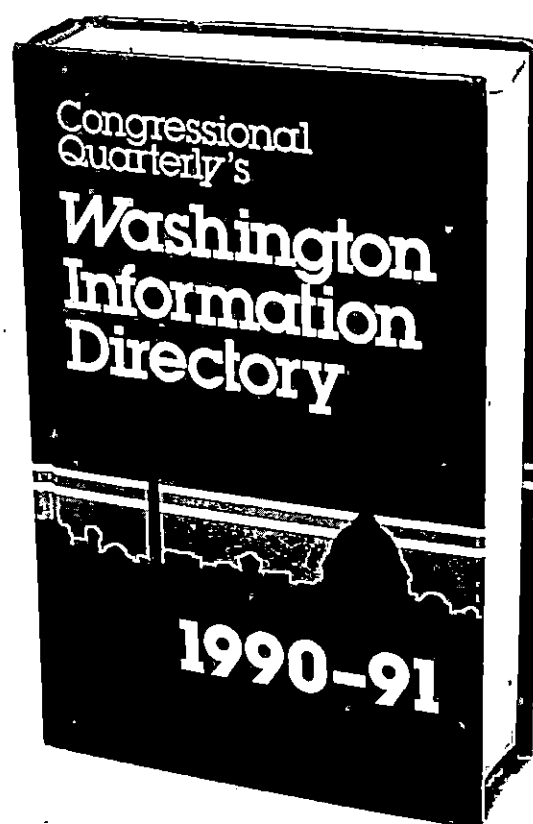
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CO
EXEC-20500-00A 20500
WHITE HOUSE OFFICE
PATTY PRESCOTT
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
LOBBY
CO

Presidential Phone Calls



DATE:

1-4-91

TIME:

9:50

incoming/outgoing

WITH:

De Chery

SUBJECT:

Re: Dole's view on Galt

① who has trouble in Cassin
Spector

② Tim Dole said he
'not there yet'

③ Kansas problem -

^{invite}
FOLLOW UP:

Michael & Dole
together -

"Good shape on Hill"

Tom Kerry - quite supportive

Bob Kerry - vociferous

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08. Note	Handwritten notes of Presidential Phone call with Jim Baker [double-sided] (1 pp.)	01/04/[91]	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed:	3/23/2011	OA/ID Number:	90576-005
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
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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)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Presidential Phone Calls



DATE:

1-4-91

TIME:

5:50

incoming/outgoing

WITH:

J A B

SUBJECT:

Cult

FOLLOW UP:

Bush Presidential Library Photocopy

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09. Memo	From President Bush to JAB [James A. Baker, III] (2 pp.)	01/04/[91]	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
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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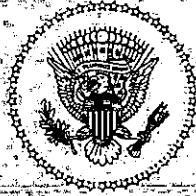
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Presidential Phone Calls



DATE:

1-4-91

TIME:

5:06:40

incoming/outgoing

WITH:

Bob Michel

SUBJECT:

re Gulf Resolutions

track Michael Foley's
prior call.

FOLLOW UP:

Do we send
letter to Hill??

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting



THE WHITE HOUSE
WASHINGTON

~~Foley~~
Mickel (incoming) 1-14 6:42 P

House will adjust schedule
to continue w/ Senate
Start Debate on 10th

Foley with Pres. send up a bill?

1. Durkin-Bennett = formal approval
before coming

2. UN resolution (Bunker - Sons)

3. possible - stay the course res.

Hell talk 9 AM to Foley = Monday

to tell him - will call him
back - after deciding what to do on
resolution - send letter to Hell

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
10. Note	Handwritten notes of Presidential Phone call with JAB [James A. Baker, III] (1 pp.)	01/04/[91]	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

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Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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Israeli military sources said there was no change in army procedures and attributed the rise in casualties to stepped up activity by Palestinian militants since the Temple Mount killings.

REUTER

Reut12:06 01-04

THE PRESIDENT HAS SEEN

a0527reute

U W AM-GULF-BUSH 01-04 0129

AM-GULF-BUSH URGENT #2 WASHINGTON

Bush also planned a radio address to the American people on the Persian Gulf crisis Saturday, as the tense countdown to the withdrawal deadline continues. The address will be broadcast at noon EST.

Fitzwater said the president would tape the address later Friday and that it would include an update on diplomatic and military moves by the U.S.-led international coalition to roll back Iraq's Aug. 2 invasion of Kuwait.

The address will be furnished to broadcasters for airing at noon Saturday, he said.

Fitzwater said Bush's meeting with Perez de Cuellar would focus on simply sharing all the knowledge that the president and the secretary-general have on different people's positions (and) how Saddam Hussein will react to the Jan. 15 deadline.

REUTER

Reut12:09 01-04

a0529reute

F 1 AM-GULF-IRAQ-MEETING 01-04 0036

AM-GULF-IRAQ-MEETING BULLETIN

BAGHDAD, Iraq, Reuter - Foreign Minister Tareq Aziz announced Friday he would go to Switzerland to discuss the Gulf crisis with U.S. Secretary of State James Baker on Wednesday, Jan. 9, the official Iraqi News Agency reported.

REUTER

Reut12:10 01-04

Bush Presidential Library Photocopy

0529reute

F 1 AM-GULF-IRAQ-MEETING 01-04 0036

AM-GULF-IRAQ-MEETING BULLETIN

BAGHDAD, Iraq, Reuter -- Foreign Minister Tariq Aziz announced Friday he would go to Switzerland to discuss the Gulf crisis with U.S. Secretary of State James Baker on Wednesday, Jan. 9, the official Iraqi News Agency reported.

REUTER

Reut12:10 01-04

Bush Presidential Library Photocopy

George Bush Presidential Library Transfer Sheet

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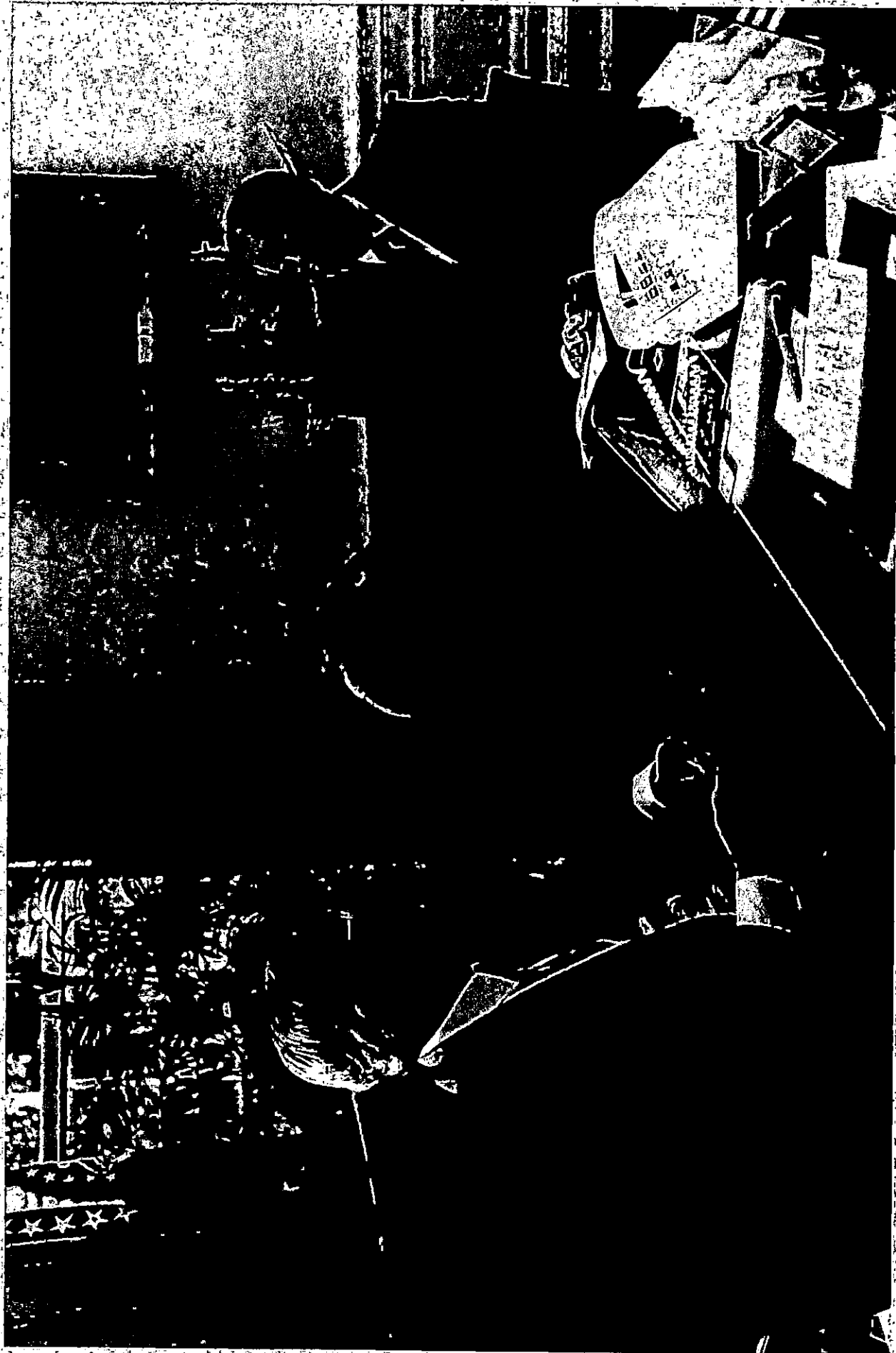
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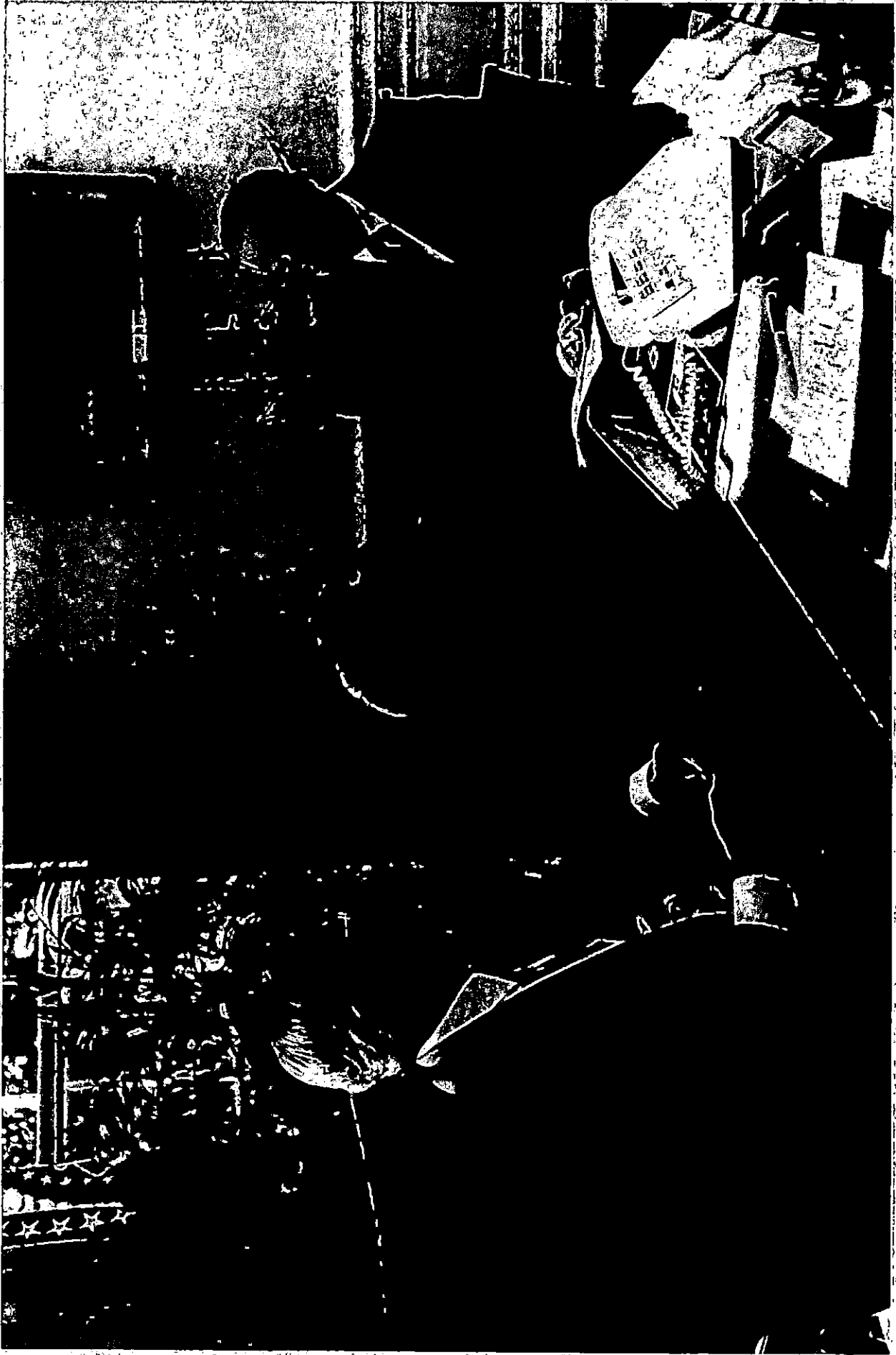


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OFFICIAL WHITE HOUSE PHOTOGRAPH 04 JAN 91 P018704-12 DV

From the desk of
George Bush

↑ daily

~~DESK~~

~~finished~~
~~daily~~

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

Document Originally
Attached to
Following Page

THE WHITE HOUSE
WASHINGTON

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ADMINISTRATIVE MARKING
PER E.O. 12958, SEC 3.3 (C)

~~CONFIDENTIAL~~

*Disurs met
at AM 1-11-91*
THE CHIEF of STAFF
has seen

January 4, 1991

Bush Library Photocopy
George Bush Handwriting

MEMORANDUM FOR JOHN H. SUNUNU, CHIEF OF STAFF

FROM: NICHOLAS E. CALIO, DEPUTY ASSISTANT TO THE *NEC*
PRESIDENT FOR LEGISLATIVE AFFAIRS

You requested that I put in writing the reasons for including House Majority Leader Dick Gephardt in foreign policy meetings between the President and House Speaker Tom Foley, House Republican Leader Bob Michel, Senate Majority Leader George Mitchell, and Senate Republican Leader Bob Dole. The reasons follow.

As background, I note that Gephardt's office and Foley's office both contacted me after meeting notifications were made. Gephardt's office was low key in its approach; they simply asked "what was going on" and why "the Big Five had become the Big Four." Speaker Foley's Chief of Staff, Werner Brandt, called "on the Speaker's behalf" and was more direct in expressing concern that Gephardt was not included in the meeting. (For the record, I indicted that the Office of Legislative Affairs had drawn the invitation list and that we thought it was an appropriate one.)

According to Werner, the Speaker is concerned about not including the Majority Leader for "a series of connected reasons." First, it is a matter of Congressional protocol. The Speaker is the highest ranking officer in Congress. The House Majority and Minority Leaders are directly below him and of equivalent position, both to each other and to their Senate counterparts. Therefore, excluding the Majority Leader "unwittingly" attempts to change Congressional protocol.

Moreover, the Majority Leader is the Speaker's appointment to the Intelligence and Budget Committees and is the Majority's Floor Leader. He "runs the show for the Speaker every day," as Werner put it, and will be essential to any effort to demonstrate Congressional support for the President's Persian Gulf policy.

Bush Presidential Library Photocopy

Perhaps more to the point, the Speaker notes that he was "always" included in such meetings when he was Majority Leader and not including Gephardt puts him (the Speaker) in an awkward position. I am told that the Speaker plans to personally raise this issue with the President.

In addition to the points made by the Speaker, I believe it better serves our own purposes to include the Majority Leader in such meetings. While I understand that the reasons for not including him are legitimate and not ill-intentioned, we run the risk of news reports like those last spring in which the President and/or the Administration implicitly appeared to be or were explicitly accused of being petty.

There are more practical reasons, however. Gephardt, in my view, has shown a greater willingness to be helpful or, at the least, a greater reluctance to be critical, the closer we have tied him to the process on other issues. While I do not expect him to stop staking out his own position, bringing him in does raise the stakes for him personally, and the Speaker indirectly, if he gets too far out front.

Including him also helps the Speaker in the Democratic Caucus -- a large block of activist members of the Democratic Caucus are closely aligned with Gephardt and believe that the Speaker is too accommodating to the Administration. Thus, we make it more difficult for the Speaker to provide positive direction in the Caucus and on the Floor by setting the Majority Leader up as an outsider.

For all the reasons above, I believe we should include the Majority Leader in future meetings. I recommend that we call Speaker Foley before he calls the President, acknowledge his concerns and indicate that the Majority Leader will be included. If we do decide to include him, I also think it would be a good idea if the President and you stayed away from this and simply have me convey to the Speaker's office that future meetings will be with the Big Five.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
11. Cable	Cable Number: 041106Z Jan 91 (3 pp.)	01/91	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
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~~CONFIDENTIAL~~

0109

THE WHITE HOUSE

WASHINGTON

ACTION

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/29/24

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 

SUBJECT: Energy Preparedness and the Gulf Crisis

Purpose

To obtain the support of our partners in the International Energy Agency (IEA) for a contingency plan of coordinated action to confront possible oil supply interruptions in the event of hostilities in the Gulf.

Background

On January 4, Governor Sununu, Secretaries Cheney, Brady and Watkins, Director Darman, Chairman Boskin, General Powell, Deputy Secretary Eagleburger and I met to review energy preparedness measures in the event of military conflict in the Gulf.

The group acknowledged that, in the event of hostilities:

- There could be a temporary loss of up to 3 million barrels a day (mbd) of Saudi production as Saudi Aramco withdraws its personnel from fields close to Kuwait until the situation stabilizes. Other Saudi fields should not be affected by hostilities.
- Even without additional supply disruption, there is likely to be panic buying and hoarding of supplies resulting in substantial crude oil price increases -- this despite the fact there is sufficient oil around to meet foreseeable needs.
- Additional DOD fuel requirements of 450,000 b/d can be met from DOD stocks, Saudi refineries and other refineries outside the region.

To deal with the energy uncertainties likely upon the outbreak of hostilities, the group agreed that the U.S. should institute contingency planning within the IEA on a program of coordinated action. Under such a program, the U.S. would be prepared to release up to 50 million barrels of SPR oil (1.5 mbd). We would expect our IEA partners to take equivalent action through the use of oil stocks (strategic and commercial) and demand restraint measures. The net effect would be to make available to the

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Declassify on: OADR

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

~~CONFIDENTIAL~~

market 3 mbd of oil. A coordinated approach would reduce supply uncertainty, have a positive effect on market psychology and lessen economic damage. It is possible that oil traders will not avail themselves of SPR oil if they see sufficient commercial stocks. IEA countries will nevertheless have provided a calming influence by making additional oil available to markets.

The group believes that it is important to have in place before January 15 an IEA-wide, coordinated plan of action which could be implemented upon the outbreak of hostilities. The key countries are Japan and Germany, the other main holders of strategic stocks, and the U.K., which chairs the IEA Governing Board.

From our informal consultations this weekend, we have learned that Prime Minister Kaifu agrees on the desirability of having a plan in place by January 15, and Japan is prepared to make stocks available. The British have assured us they will work to achieve an IEA consensus on this issue, although they stress we must get Germany to agree to make its strategic oil stocks available.

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- prepare legislative proposals to restore lapsed DPA authorities as well as other authorities the Administration believes desirable to provide effective management of energy emergencies.

~~CONFIDENTIAL~~

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3

~~CONFIDENTIAL~~

We are working on each of these items.

RECOMMENDATIONS

That you approve U.S. participation in contingency planning within the IEA for coordinated action in the event of hostilities.

Approve _____

Disapprove _____

That you approve the messages at Tab A to be sent through Cabinet channels to Kaifu, Kohl and Major.

Approve _____

Disapprove _____

Attachment

Tab A Messages to Kaifu, Kohl and Major

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
12b. Letter	From President Bush to Helmut Kohl ' (2 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: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
12c. Letter	From President Bush to Toshiki Kaifu (2 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: Friday, January 4, 1991

Date Closed: 3/23/2011	OA/ID Number: 90576-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
12d. Letter	From President Bush to John Major (2 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: Friday, January 4, 1991

Date Closed:	3/23/2011	OA/ID Number:	90576-005
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
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0109

DECLASSIFIED

PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/29/24

THE WHITE HOUSE

WASHINGTON

ACTION

SIGNED 1/8/91

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT *BS*

SUBJECT: Energy Preparedness and the Gulf Crisis

Purpose

To obtain the support of our partners in the International Energy Agency (IEA) for a contingency plan of coordinated action to confront possible oil supply interruptions in the event of hostilities in the Gulf.

Background

On January 4, Governor Sununu, Secretaries Cheney, Brady and Watkins, Director Darman, Chairman Boskin, General Powell, Deputy Secretary Eagleburger and I met to review energy preparedness measures in the event of military conflict in the Gulf.

The group acknowledged that, in the event of hostilities:

- There could be a temporary loss of up to 3 million barrels a day (mbd) of Saudi production as Saudi Aramco withdraws its personnel from fields close to Kuwait until the situation stabilizes. Other Saudi fields should not be affected by hostilities.
- Even without additional supply disruption, there is likely to be panic buying and hoarding of supplies resulting in substantial crude oil price increases -- this despite the fact there is sufficient oil around to meet foreseeable needs.
- Additional DOD fuel requirements of 450,000 b/d can be met from DOD stocks, Saudi refineries and other refineries outside the region.

To deal with the energy uncertainties likely upon the outbreak of hostilities, the group agreed that the U.S. should institute contingency planning within the IEA on a program of coordinated action. Under such a program, the U.S. would be prepared to release up to 50 million barrels of SPR oil (1.5 mbd). We would expect our IEA partners to take equivalent action through the use of oil stocks (strategic and commercial) and demand restraint measures. The net effect would be to make available to the

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Declassify on: OADR

cc: Vice President
Chief of Staff

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market 3 mbd of oil. A coordinated approach would reduce supply uncertainty, have a positive effect on market psychology and lessen economic damage. It is possible that oil traders will not avail themselves of SPR oil if they see sufficient commercial stocks. IEA countries will nevertheless have provided a calming influence by making additional oil available to markets.

The group believes that it is important to have in place before January 15 an IEA-wide, coordinated plan of action which could be implemented upon the outbreak of hostilities. The key countries are Japan and Germany, the other main holders of strategic stocks, and the U.K., which chairs the IEA Governing Board.

From our informal consultations this weekend, we have learned that Prime Minister Kaifu agrees on the desirability of having a plan in place by January 15, and Japan is prepared to make stocks available. The British have assured us they will work to achieve an IEA consensus on this issue, although they stress we must get Germany to agree to make its strategic oil stocks available.

We believe it important that you approach Prime Minister Kaifu and Chancellor Kohl to urge coordinated action within the IEA, including the use of strategic stocks by our three countries. The draft messages at Tab A state that the U.S. would be prepared to make available up to 1.5 mbd of SPR oil as our contribution. The message to Prime Minister Major is designed to enlist the U.K.'s direct support as the U.K. chairs the IEA Governing Board. In addition to your messages, we plan to have our Ambassadors in OECD capitals make our pitch to senior government officials.

These IEA preparations are likely to become public, certainly by the time of the IEA meeting, if not earlier. The impact on oil markets is difficult to assess. Some may be reassured by the contingency planning; others may see this as another step closer to hostilities. This is a necessary risk if we are to have a program of coordinated action in place to implement upon the outbreak of any possible hostilities.

In addition, the group agreed on the need to:

- issue a blanket Jones Act waiver to allow non-U.S. ships to transport SPR oil, given the insufficiency of U.S. bottoms, in the event of hostilities;
- quickly issue an Executive Order to provide authority to allocate, among other items, petroleum in civilian markets to meet DOD fuel needs if necessary. These authorities lapsed with the expiration at the end of the last session of Congress of the Defense Production Act (DPA);
- prepare legislative proposals to restore lapsed DPA authorities as well as other authorities the Administration believes desirable to provide effective management of energy emergencies.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3

~~CONFIDENTIAL~~

We are working on each of these items.

RECOMMENDATIONS

That you approve U.S. participation in contingency planning within the IEA for coordinated action in the event of hostilities.

Approve

✓ *on*

Disapprove

That you approve the messages at Tab A to be sent through Cabinet channels to Kaifu, Kohl and Major.

Approve

✓ *W*

Disapprove

Attachment

Tab A Messages to Kaifu, Kohl and Major

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~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

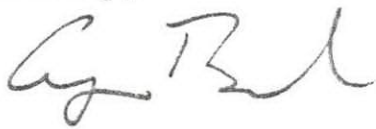
January 4, 1991

Dear Joe:

Barbara and I were very saddened to learn of your loss. While the days ahead will not be easy, maybe it will help a little bit to know that your friends are thinking of you.

We send our sincere condolences to you and your family.

Sincerely,

*I am so
very sorry, Joe* 

Mr. Joseph Canizaro
516 Northline
Metairie, Louisiana 70005

Ms. Elizabeth Hayes
American Embassy - Amman
APO, New York 09892-5000

PERSONAL



THE PRESIDENT

Jan. 4, 1991

Dear Elizabeth

About that Saddam
watch - a winner of a watch
with the face of a loser -
love it - May many thanks
and Good luck to you G. Bush

THE WHITE HOUSE

WASHINGTON

January 4, 1991

Michael:

The address for Elizabeth Sununu is:

Elizabeth Hayes
American Embassy - Amman
APO, New York 09892-5000

FYI: she goes by Liz

jackie



THE WHITE HOUSE
WASHINGTON

January 4, 1991

Dear Mr. Colimodio:

Just a short note of thanks for your thoughtful letter of December 10. I have been heartened by the widespread enthusiasm for the Enterprise of the Americas Initiative and am grateful to you for taking time to express your personal support. We certainly agree that the key to the success of this initiative is "a strong partnership in ... most important, people and ideas."

My thanks again for writing, and my very best wishes for a happy year ahead.

Sincerely,

A handwritten signature in black ink, appearing to be "G. Bush".

Mr. Gonzalo Colimodio S.
Abogado
Apartado 6.049
Caracas 1010 A
VENEZUELA

A handwritten signature in blue ink, appearing to be "Jan".



THE PRESIDENT

January 4, 1991

Dear Archbishop Manoogian,

Thank you for your thoughtful message. Your condolences are deeply appreciated, as are your prayers.

Best wishes.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Most Reverend Torkom Manoogian
Armenian Patriarch of Jerusalem

630 Second Avenue
NY, NY 10016-4885

10:30 A.M. NEWS UPDATE

UNEMPLOYMENT (AP) -- The nation's unemployment rate shot up in December to its highest level in more than three years, hitting 6.1% as more than 1 million people joined the ranks of the unemployed since June, the government said. The worst three-month stretch of job losses since the depths of the 1981-82 recession hit the nation at the end of 1990, as 515,000 jobs were lost during the final quarter of the year, the Labor Department said.

FACTORY ORDERS (UPI) -- The Commerce Department said that factory orders fell 5.9%, or \$14.7 billion, in November to \$235.4 billion, the largest monthly decline on record and the steepest drop since 5.5% last January.

BANKING OVERHAUL (AP) -- The chairman of the House Banking Committee is on a collision course with the Bush administration and members of his own panel because his reform legislation does not open new lines of business for banks. A bill introduced Thursday by Rep. Gonzalez would curb federal deposit insurance and dramatically alter the regulatory bureaucracy. But it would leave unchanged the current law which restricts banks from underwriting securities and operating across state lines. The administration is working on its own proposal...and Secretary Brady has said reforms must be tied to lifting geographical restrictions on banks and permitting them to offer a wider array of financial services. Gonzalez said, however, "Safety and soundness...must come before all else in banking."

KEATING FIVE/MCCAIN (AP) -- Sen. McCain defended himself against suggestions of impropriety in dealing with Charles Keating, saying he had intended to pay for his family's travel as Keating's guest. McCain directly disputed the assertion -- later withdrawn -- of a former Keating accountant that McCain had not intended to pay for trips he and his family took on Keating's corporate aircraft and vacations at Keating's Bahamas home.

BAKER-AZIZ (UPI) -- Swiss authorities said that Secretary Baker would arrive in Geneva next Tuesday but Baghdad did not say whether Foreign Minister Aziz would meet with him for talks proposed by President Bush. In a brief statement, the Geneva city government confirmed Baker would arrive Tuesday night and leave the following evening. "Baghdad's reply has not yet arrived," the statement said.

BAKER-AZIZ/SOVIETS (Moscow/Reuter) -- The Soviet Foreign Ministry welcomed a fresh U.S. initiative for talks with Baghdad, saying that only such direct negotiations could resolve the Gulf crisis. "We hope the U.S. president's proposal will receive a positive response from the Iraqi leadership," a statement said. "Hopes for resolving the Gulf crisis on the basis of U.N. Security Council resolutions are justly pinned on direct U.S.-Iraqi talks," he said.

IRAQ/WAR PREPARATIONS (AP) -- ...Diplomatic sources said that Iraq has told embassies to prepare to move out of the capital to temporary facilities in the nearby city of Ramadi. The sources said they were aware of foreign news reports that the Iraqis also planned to move their own government institutions temporarily to Ramadi, but could not confirm them.

-more-

TERRORISM/EXPELLED IRAQI (London/Reuter) -- An Iraqi diplomat expelled from Britain warned that all Western countries will become targets if war breaks out in the Gulf. "If Iraq is going to be attacked, all Western countries will have targets to be hit and Britain has allied itself with the Americans in this warfare," press counselor Naiel Hassan told reporters before boarding a flight for Amman. Asked if there were Iraqis prepared to carry out the attacks, Hassan said: "Every Arab person living abroad will do that. It is not a matter of Iraq pushing them, it is a matter of belief."

ISRAEL/SECURITY COUNCIL (U.N./Reuter) -- The U.S. early Friday joined other members of the Security Council in criticizing Israel for the fourth time since the Gulf crisis began. After protracted negotiations, the Security Council issued a non-binding statement deploring the recent violence in the occupied Gaza Strip "especially actions by Israeli security forces against Palestinians."

GULF/PHILIPPINES (Manila/Reuter) -- Philippine Defense Secretary Ramos warned the Philippines could face a combined right-wing army coup attempt and a communist-led uprising if war erupts in the Gulf.

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###

1:45 P.M. NEWS UPDATE

BAKER-AZIZ (Reuter) -- The U.S. welcomed Iraq's response to its offer of high-level talks next week in Geneva and said Secretary Baker now definitely planned to meet Foreign Minister Aziz there Jan. 9. "We are pleased that Iraq has responded affirmatively to the President's initiative and we contemplate that Secretary Baker will meet with Foreign Minister Aziz on Wednesday, Jan. 9, in Geneva," said State Department spokesman Boucher. Earlier, the White House said Iraq's announcement that it was accepting President Bush's offer of a Baker-Aziz meeting was "an encouraging sign."

(Baghdad/Reuter) -- Foreign Minister Aziz announced he would discuss the Gulf crisis with Secretary Baker in Switzerland Wednesday. The official Iraqi News Agency quoted Aziz as saying: "Iraq, out of respect for world public opinion and for the norms and practices among countries -- but not out of consideration for the American administration's stand and bad tactics -- has responded positively to the American proposal. We have notified the American side of our approval to the convening of a meeting between myself and the American minister Baker on January 9 in Switzerland."

GULF/EC (Luxembourg/AP) -- France urged fellow EC members to get behind a broad peace plan for the Gulf. The plan, laid out at an emergency EC meeting, would include talks with Iraq as soon as possible. The plan calls for Iraq to pull out of Kuwait and for a pledge by multinational forces that they won't attack. It says all Middle East regional issues could then be discussed in international meetings. The official also said France wants a group endorsement of the U.S. offer for talks between Secretary Baker and Iraqi Foreign Minister Aziz next week.

(Luxembourg/Reuter) -- Britain called for a clear warning message to Baghdad, as EC foreign ministers debated how to avert war in the Gulf. Foreign Secretary Hurd said Iraq must be told that it faces attack from a multinational force unless it withdraws its troops from Kuwait. "If the message is clear, then I think the chances of peace are strongest. Muddle is the enemy of peace, so we have to get the message clear," he told reporters before EC ministers began talks. Hurd said the EC meeting should reinforce the position expressed by President Bush when he offered an 11th-hour meeting with Iraq. Belgian Foreign Minister Eyskens told reporters: "The choice between war and peace is in the hands of Saddam Hussein. It is up to him to decide."

U.S. READINESS/ASPIN (AP) -- ...Rep. Aspin said that from a military readiness standpoint the best time to commit U.S. troops to combat will come in February. "It's not that they are not ready one day, and then all of a sudden the next day they're ready. They are ready to some degree now. They will be more ready on January 15th. They will be more ready than that, say, two weeks later. It's a question of degree." Those two weeks are "critical," Aspin said on "CBS This Morning." He added that "I would advise the President not to go January 15th. Probably the best time is sometime in February."

DESERT SHIELD COSTS (UPI) -- Even if the U.S. troops are not sent into combat against Iraq, the costs of Operation Desert Shield will exceed \$30 billion this year, the House Budget Committee said. Actual armed hostilities could boost the costs by "hundreds of millions of dollars per day," the GAO said. Cash and in-kind contributions from other countries to help offset costs to the U.S. are relatively small, amounting to about \$4.6 billion, the GAO reported.

GULF/JAPANESE ASSISTANCE (Tokyo/AP) -- Japan's lone aid team to Saudi Arabia has returned home, ending a mission plagued by too few volunteers and what critics say is the Japanese people's unwillingness to consider the Iraqi invasion their problem. The seven doctors and nurses who made up the medical assistance team left by Dec. 28, the Foreign Ministry said. Critics say Japan's inability to put together a 100-member medical team as promised in September reflects an insular mentality that has undercut government efforts to do more than offer \$4 billion in aid to Gulf peace efforts. Japan imports 70% of its oil from the Gulf but appears to be little concerned about which country is selling it. In a poll conducted last month, 62% of Japanese questioned opposed anything more than financial aid to the Gulf.

SOMALIA (Nairobi, Kenya/AP) -- Somali rebels seeking to overthrow President Siad Barre appeared to relent on their refusal to call a temporary ceasefire so foreigners can flee the embattled capital. But officials of the insurgent United Somali Congress, which accused the Somali president of corruption, said the rebels would not negotiate with Said Barre and were preparing a heavy assault on his remaining strongholds. About 500 foreigners are believed to remain in Mogadishu, including about 100 Americans. An Italian Foreign Ministry official said fighting appeared to have slackened, despite the rebels' claim that they had massed 10,000 reinforcements in the seaside city for a "final offensive."

ISRAEL/UPRISING (Jerusalem/Reuter) -- Israel, alarmed by the growing power of uprising militants, has stepped up its war against hard-core activists of the Palestinian revolt in the occupied Gaza Strip, security sources said.

KEATING FIVE/MCCAIN (AP) -- Sen. McCain testified he believes his Arizona colleague, Dennis DeConcini, arranged a crucial 1987 meeting that senators held with federal regulators on behalf of Charles Keating. McCain disputed the testimony of a former Keating aide who said it was Sen. Riegle who set up the April 2, 1987 meeting.

SOVIET ECONOMY (Moscow/UPI) -- The past year saw the beginning of an overall decline in Soviet industrial output and national income in the latest evidence of serious economic problems, the head of the Soviet statistics committee said. In a separate development in the continuing economic crisis, the Moscow City Council's executive committee ordered the introduction of food ration coupons beginning Feb. 1, the Communist Party newspaper Pravda said.

POSTAL RATES (AP) -- The Postal Rate Commission recommended a 4-cent increase in the rate for first-class mail to 29 cents a letter.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

January 4, 1991

REMARKS BY THE PRESIDENT
UPON DEPARTURE FOR CAMP DAVID

The South Lawn

3:39 P.M. EST

THE PRESIDENT: Let me just make a brief statement and take a couple of questions, then I've got to be on my way.

But as you all know, Iraq has accepted my initiative for a meeting between Secretary Baker and Foreign Minister Aziz. The meeting will take place on Wednesday, January 9th, in Geneva. And this is a useful step.

I hope that Iraq's acceptance of the meeting indicates a growing awareness of the seriousness of the situation and a willingness to heed the international community's will as expressed in 12 United Nations Security Council resolutions. There can be no compromise or negotiating on the objectives contained in those U.N. resolutions. And so it is now for Saddam Hussein to respond to the international community's plea for reason.

I took this initiative yesterday with the view of going the extra mile to achieve a peaceful solution to the current crisis in the Gulf. Secretary Baker's mission to Geneva is to convey to Iraq the gravity of the situation and the determination of the international community to overcome Iraq's aggression against Kuwait.

Iraq knows what is necessary -- the complete and unconditional and immediate withdrawal of all Iraqi forces from all of Kuwait, and the restoration of the legitimate government of Kuwait. And now let me just take a couple of questions and I'll be on my way.

Helen.

Q Mr. President, do you back up Baker's statement that there would be no retaliation against Iraq if it complies with the resolutions?

THE PRESIDENT: I think it's been made clear to Iraq not only by Secretary Baker but by others that if they totally comply they will not be attacked. And as I have said, there will -- when they totally withdraw there still remains some problems to be solved, but they will not be under attack.

Q Mr. President, what is in the letter you are sending to Saddam Hussein? And are you willing to have Secretary Baker go on to Baghdad if that proves an option?

THE PRESIDENT: Well, the answer to your question is that letter has not been finalized yet. I'm working on it. I have a copy I'm carrying with me now. I want to talk to the Secretary of State some more about it. And the second part of the question is, no.

Q Why not, sir?

Q Mr. President, you said you wanted Secretary of State Baker to speak eye to eye with Saddam Hussein. And he was

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willing to meet you on the 12th. You're willing to talk on the 9th. Why not wait three days and have that direct meeting?

THE PRESIDENT: Because we have exhausted that option. We put forward 15 different dates. And I believe that the message that both Secretary Baker and I want to convey can be done in this matter.

Q You said you wanted him speaking directly and not to his intermediaries so he would know you were serious.

THE PRESIDENT: That was rejected by the Iraqi President, and so we're going to try it this way. And I hope that it will have the same result.

Q Does three days mean that much, Mr. President?

THE PRESIDENT: I hope this will have the same result.

Yes.

Q Mr. President, in diplomacy, as you so well know, it is often the art of give and take. The Iraqis are already saying that they will talk about getting out of Kuwait, but they want to also talk in Geneva about the Palestinian problem, about Israel's occupation of the West Bank. How are you instructing Secretary Baker to handle that portion --

THE PRESIDENT: I don't need to instruct him because he and I are in total sync on this -- and so are the rest of the alliance. There will be no linkage on these two questions.

Q If I may follow up, Mr. President. Quite apart from linkage -- whether it's called linkage or not -- the Iraqis want to pursue these discussions. Is there room for some discussion on these other issues?

THE PRESIDENT: There will be no linkage on these other issues or -- we can't tell anybody what he can bring up at a discussion, but there will be no linkage.

Q Mr. President, what do you make of today's French proposal in which, outside of linkage, the French are saying that they think a deal is possible if you tell the Iraqis that sometime down the road you'll discuss the Middle East? How do you react to that?

THE PRESIDENT: I haven't seen the French proposal, so I wouldn't care to comment on it.

Q Do you think that undercuts what you're trying to say here?

THE PRESIDENT: No, I think Francois Mitterrand, if it has anything to do with him, has been a steadfast coalition partner. And I would want to know exactly what his feelings are on this before I commented.

Q Mr. President, there have been several suggestions, including one by Mr. Mitterrand, that perhaps there's room for one more Security Council meeting before there is any military force used. Do you -- will you tell Perez de Cuellar that you would approve of anything like that, or do you think at this point the United Nations sanctions ought to stand with no clarification?

THE PRESIDENT: I don't think any further U.N. action is required. I would be interested if the Secretary General feels to the contrary. I, again, wouldn't comment on what President Mitterrand has suggested. Somebody told me he responded to some questions -- somebody putting the question to him -- and he said, well, maybe it would have some utility. But I don't -- there has been no formal proposal by the French government to its coalition

MORE

partners.

Q Mr. President, if at the meeting on the 9th there seems to be progress being made but is not finished, would you delay resorting to the use of force while these talks continued?

THE PRESIDENT: That is a little hypothetical for me to respond and I'm not going to take any hypothetical questions on this because I don't want to show any deviation from the coalition's determination to see these United Nations fully implemented.

Q In that case, since you couldn't take the hypothetical question, can you I ask you if you want Clayton Yuetter to head the RNC?

THE PRESIDENT: He'd be very good, wouldn't he?

Q Mr. President, on the economy for a second, with today's latest unemployment numbers, how serious do you think the recession is and what specifically are you doing about it?

THE PRESIDENT: I think the answer is that most people that have looked at the economy feel that the recession, should it be proved technically that this country is in recession, will be shallow. It will be not a deep recession. And wait and see what we -- our proposals are for the economy in the State of the Union message.

Q Mr. President, is Secretary Baker prepared to discuss with Tariq Aziz further steps on the Arab-Israeli issue -- the Palestinian issue?

THE PRESIDENT: No, I don't think he's prepared to do that.

Q So he'll just listen to anything he might have to say, but not --

THE PRESIDENT: You'd have to ask him how he plans to conduct the meeting. But he is going to conduct the meeting within the confines of the United Nations resolutions. And to do something different would be not in accord with what the coalition partners, including this one, wants to see happen.

Q Are you more optimistic now about the chances for peace now that there is a meeting set up?

THE PRESIDENT: I haven't gotten pessimistic about it. But time is going on here, and the coalition remains united in every way on these U.N. resolutions. But I think you'd have to view this as a positive step, yes. I was pleased that the proposal has been accepted.

Q You say it's a positive step. Do you think that finally Saddam Hussein is starting to get the message, or not?

THE PRESIDENT: Well, I don't think he has gotten the message and, of course, the purpose here is that he do get the message. So let's hope that it will work. I will say, just to be realistic about it, that there have been many meetings with Saddam Hussein, many meetings with Tariq Aziz, and heretofore the message has not been gotten. But Jim Baker is quite persuasive. He is a man of great conviction on this question. And I think that this represents a real opportunity for the Iraqis to understand how serious this coalition partner is about seeing these resolutions fully implemented.

Q Mr. President, do you expect to fill the Fed vacancy soon, and will it be Larry Lindsey?

THE PRESIDENT: The answer to the question is, yes; and I don't know. Two-pronged question.

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Q Mr. President, would you look without favor on a trip to Baghdad by some other members of the coalition right now -- say a European representative?

THE PRESIDENT: Look, these coalition members are free to do whatever they want. Several have gone to Baghdad, I believe. I'd have to think back to the actual members of the coalition -- representatives of governments there. I know there's a French representative there right now, I believe. So they have to make that determination. But I am pleased with the way the EC has approached this matter, giving priority to the Baker-Aziz meeting in Geneva. I am very pleased with the comments coming out of the EC by Mr. Poos, just as I was by the comments coming out from Andreotti and De Michelis who had the presidency -- the Italians having the presidency beforehand. So I have no hangups on that.

Many people have tried to talk sense to the Iraqis and make them understand what they're facing. So that's for others to determine. We're not trying to dictate to anybody what they do.

Yes, Rita.

Q Mr. President, have you offered the job of RNC chairman to Clayton Yeutter?

THE PRESIDENT: You're pinning me down too much, see. Because what I had planned to do is, if we had an announcement to make on that, I would sally forth and announce it. So I don't want to respond except to reiterate that if Clayton Yeutter were asked to be chairman he would be a superb chairman.

Q Mr. President, does your meeting tomorrow with Perez de Cuellar offer some new hope?

THE PRESIDENT: I can't say that. I don't want to mislead the American people or the people around the world that are concerned and growing increasingly concerned about this situation. But I go back with Perez de Cuellar for a long time. We were ambassadors at the United Nations together in 1971 or '72, and I've known him, and I know him very favorably and I have great respect for what he has tried to do, including a trip to that area of the Middle East to make the Iraqis understand that the United Nations was serious.

I talked to him in Paris, and I am very anxious to see him and to compare notes with him. But I don't want to mislead you in answering the question. I don't have in mind any new initiative. But I do think that he stays in close touch with it. I heard what he had to say yesterday about things he is doing privately, keeping up with the key players on this Gulf situation. And so I think it's more of a getting together and comparing notes. And he knows of my determination and our coalition position. So I don't need to reiterate that there. But I think it's more getting together, and if some new initiative, he has it in mind, why, I'm most anxious to hear what it might be.

Q Are you ruling out a meeting with Saddam by any American official?

THE PRESIDENT: I've certainly don't have anything of that nature in mind. As I told you, the home and home is off and this meeting has replaced it.

Q Mr. President, isn't this a strange time to be cancelling an arms deal for Saudi Arabia?

THE PRESIDENT: I'm not cancelling any arms deal for Saudi Arabia.

Q I thought you had requested a \$7-billion package and that you're not going to go ahead with it.

MORE

THE PRESIDENT: Well, I think the Saudi Arabians are free to make any request they want, and we would recommend it. But I think at this juncture, why, it may not be pushed forward right now. But that would not be without Saudi acquiescence, I can tell you that. Because people are free to come in and make various requests, and if we think they're worthy, well, we'll push them. But they've got to satisfy themselves on the timing here.

One last one? Yes. I'm sorry. The frantic way over --

Q One of your key economic advisers, Michael Boskin, has said that the oil situation in the Middle East is putting a major drag on the economy. The fact that you are predicting that the recession will be short-lived, does that mean that you also expect the Gulf crisis to be short-lived and that you will resolve it quickly and decisively through military action?

THE PRESIDENT: I wouldn't read too much into that. But one of the reasons I don't want it to drag on, one of the reasons, is because of the adverse effect it is having not just on the United States economy, but on the economies of the Third World, on the economies of the emerging democracies in Eastern Europe, on the economies of our friends in South America. This is universal.

And on my recent trip to South America I heard it over and over again. Vaclav Havel told me of a cost to his country of \$1.5 billion. I've heard indirectly from President Diouf of Senegal, and those that are concerned about the hardships that are being endured by the countries in Africa ought to hear what he has to say about what Saddam Hussein has done to his country by this adventure.

And so, this economic effect is worldwide and, yes, it does adversely affect the economy of the United States. I think it makes this decline, economic slowdown, the recession that exists in some parts of this country much more serious. And so, that would argue for a rapid conclusion to the deal.

And I see my wife telling me to get going, so thank you all very much. We'll see you all.

END

3:54 P.M. EST

1:45 P.M. NEWS UPDATE

BAKER-AZIZ (Reuter) -- The U.S. welcomed Iraq's response to its offer of high-level talks next week in Geneva and said Secretary Baker now definitely planned to meet Foreign Minister Aziz there Jan. 9. "We are pleased that Iraq has responded affirmatively to the President's initiative and we contemplate that Secretary Baker will meet with Foreign Minister Aziz on Wednesday, Jan. 9, in Geneva," said State Department spokesman Boucher. Earlier, the White House said Iraq's announcement that it was accepting President Bush's offer of a Baker-Aziz meeting was "an encouraging sign."

(Baghdad/Reuter) -- Foreign Minister Aziz announced he would discuss the Gulf crisis with Secretary Baker in Switzerland Wednesday. The official Iraqi News Agency quoted Aziz as saying: "Iraq, out of respect for world public opinion and for the norms and practices among countries -- but not out of consideration for the American administration's stand and bad tactics -- has responded positively to the American proposal. We have notified the American side of our approval to the convening of a meeting between myself and the American minister Baker on January 9 in Switzerland."

GULF/EC (Luxembourg/AP) -- France urged fellow EC members to get behind a broad peace plan for the Gulf. The plan, laid out at an emergency EC meeting, would include talks with Iraq as soon as possible. The plan calls for Iraq to pull out of Kuwait and for a pledge by multinational forces that they won't attack. It says all Middle East regional issues could then be discussed in international meetings. The official also said France wants a group endorsement of the U.S. offer for talks between Secretary Baker and Iraqi Foreign Minister Aziz next week.

(Luxembourg/Reuter) -- Britain called for a clear warning message to Baghdad, as EC foreign ministers debated how to avert war in the Gulf. Foreign Secretary Hurd said Iraq must be told that it faces attack from a multinational force unless it withdraws its troops from Kuwait. "If the message is clear, then I think the chances of peace are strongest. Muddle is the enemy of peace, so we have to get the message clear," he told reporters before EC ministers began talks. Hurd said the EC meeting should reinforce the position expressed by President Bush when he offered an 11th-hour meeting with Iraq. Belgian Foreign Minister Eyskens told reporters: "The choice between war and peace is in the hands of Saddam Hussein. It is up to him to decide."

U.S. READINESS/ASPIN (AP) -- ...Rep. Aspin said that from a military readiness standpoint the best time to commit U.S. troops to combat will come in February. "It's not that they are not ready one day, and then all of a sudden the next day they're ready. They are ready to some degree now. They will be more ready on January 15th. They will be more ready than that; say, two weeks later. It's a question of degree." Those two weeks are "critical," Aspin said on "CBS This Morning." He added that "I would advise the President not to go January 15th. Probably the best time is sometime in February."

DESERT SHIELD COSTS (UPI) -- Even if the U.S. troops are not sent into combat against Iraq, the costs of Operation Desert Shield will exceed \$30 billion this year, the House Budget Committee said. Actual armed hostilities could boost the costs by "hundreds of millions of dollars per day," the GAO said. Cash and in-kind contributions from other countries to help offset costs to the U.S. are relatively small, amounting to about \$4.6 billion, the GAO reported.

GULF/JAPANESE ASSISTANCE (Tokyo/AP) -- Japan's lone aid team to Saudi Arabia has returned home, ending a mission plagued by too few volunteers and what critics say is the Japanese people's unwillingness to consider the Iraqi invasion their problem. The seven doctors and nurses who made up the medical assistance team left by Dec. 28, the Foreign Ministry said. Critics say Japan's inability to put together a 100-member medical team as promised in September reflects an insular mentality that has undercut government efforts to do more than offer \$4 billion in aid to Gulf peace efforts. Japan imports 70% of its oil from the Gulf but appears to be little concerned about which country is selling it. In a poll conducted last month, 62% of Japanese questioned opposed anything more than financial aid to the Gulf.

SOMALIA (Nairobi, Kenya/AP) -- Somali rebels seeking to overthrow President Siad Barre appeared to relent on their refusal to call a temporary ceasefire so foreigners can flee the embattled capital. But officials of the insurgent United Somali Congress, which accused the Somali president of corruption, said the rebels would not negotiate with Said Barre and were preparing a heavy assault on his remaining strongholds. About 500 foreigners are believed to remain in Mogadishu, including about 100 Americans. An Italian Foreign Ministry official said fighting appeared to have slackened, despite the rebels' claim that they had massed 10,000 reinforcements in the seaside city for a "final offensive."

ISRAEL/UPRISING (Jerusalem/Reuter) -- Israel, alarmed by the growing power of uprising militants, has stepped up its war against hard-core activists of the Palestinian revolt in the occupied Gaza Strip, security sources said.

KEATING FIVE/MCCAIN (AP) -- Sen. McCain testified he believes his Arizona colleague, Dennis DeConcini, arranged a crucial 1987 meeting that senators held with federal regulators on behalf of Charles Keating. McCain disputed the testimony of a former Keating aide who said it was Sen. Riegle who set up the April 2, 1987 meeting.

SOVIET ECONOMY (Moscow/UPI) -- The past year saw the beginning of an overall decline in Soviet industrial output and national income in the latest evidence of serious economic problems, the head of the Soviet statistics committee said. In a separate development in the continuing economic crisis, the Moscow City Council's executive committee ordered the introduction of food ration coupons beginning Feb. 1, the Communist Party newspaper Pravda said.

POSTAL RATES (AP) -- The Postal Rate Commission recommended a 4-cent increase in the rate for first-class mail to 29 cents a letter.

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10:30 A.M. NEWS UPDATE

UNEMPLOYMENT (AP) -- The nation's unemployment rate shot up in December to its highest level in more than three years, hitting 6.1% as more than 1 million people joined the ranks of the unemployed since June, the government said. The worst three-month stretch of job losses since the depths of the 1981-82 recession hit the nation at the end of 1990, as 515,000 jobs were lost during the final quarter of the year, the Labor Department said.

FACTORY ORDERS (UPI) -- The Commerce Department said that factory orders fell 5.9%, or \$14.7 billion, in November to \$235.4 billion, the largest monthly decline on record and the steepest drop since 5.5% last January.

BANKING OVERHAUL (AP) -- The chairman of the House Banking Committee is on a collision course with the Bush administration and members of his own panel because his reform legislation does not open new lines of business for banks. A bill introduced Thursday by Rep. Gonzalez would curb federal deposit insurance and dramatically alter the regulatory bureaucracy. But it would leave unchanged the current law which restricts banks from underwriting securities and operating across state lines. The administration is working on its own proposal...and Secretary Brady has said reforms must be tied to lifting geographical restrictions on banks and permitting them to offer a wider array of financial services. Gonzalez said, however, "Safety and soundness...must come before all else in banking."

KEATING FIVE/MCCAIN (AP) -- Sen. McCain defended himself against suggestions of impropriety in dealing with Charles Keating, saying he had intended to pay for his family's travel as Keating's guest. McCain directly disputed the assertion -- later withdrawn -- of a former Keating accountant that McCain had not intended to pay for trips he and his family took on Keating's corporate aircraft and vacations at Keating's Bahamas home.

BAKER-AZIZ (UPI) -- Swiss authorities said that Secretary Baker would arrive in Geneva next Tuesday but Baghdad did not say whether Foreign Minister Aziz would meet with him for talks proposed by President Bush. In a brief statement, the Geneva city government confirmed Baker would arrive Tuesday night and leave the following evening. "Baghdad's reply has not yet arrived," the statement said.

BAKER-AZIZ/SOVIETS (Moscow/Reuter) -- The Soviet Foreign Ministry welcomed a fresh U.S. initiative for talks with Baghdad, saying that only such direct negotiations could resolve the Gulf crisis. "We hope the U.S. president's proposal will receive a positive response from the Iraqi leadership," a statement said. "Hopes for resolving the Gulf crisis on the basis of U.N. Security Council resolutions are justly pinned on direct U.S.-Iraqi talks," he said.

IRAQ/WAR PREPARATIONS (AP) -- ...Diplomatic sources said that Iraq has told embassies to prepare to move out of the capital to temporary facilities in the nearby city of Ramadi. The sources said they were aware of foreign news reports that the Iraqis also planned to move their own government institutions temporarily to Ramadi, but could not confirm them.

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TERRORISM/EXPELLED IRAQI (London/Reuter) -- An Iraqi diplomat expelled from Britain warned that all Western countries will become targets if war breaks out in the Gulf. "If Iraq is going to be attacked, all Western countries will have targets to be hit and Britain has allied itself with the Americans in this warfare," press counselor Naiel Hassan told reporters before boarding a flight for Amman. Asked if there were Iraqis prepared to carry out the attacks, Hassan said: "Every Arab person living abroad will do that. It is not a matter of Iraq pushing them, it is a matter of belief."

ISRAEL/SECURITY COUNCIL (U.N./Reuter) -- The U.S. early Friday joined other members of the Security Council in criticizing Israel for the fourth time since the Gulf crisis began. After protracted negotiations, the Security Council issued a non-binding statement deploring the recent violence in the occupied Gaza Strip "especially actions by Israeli security forces against Palestinians."

GULF/PHILIPPINES (Manila/Reuter) -- Philippine Defense Secretary Ramos warned the Philippines could face a combined right-wing army coup attempt and a communist-led uprising if war erupts in the Gulf.

PHILIPPINES/U.S. BASES (Manila/Reuter) -- The Philippines suggested that Japan and southeast Asian countries help pay for U.S. military bases in the country, saying they benefited from the protection provided by the facilities.

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THE PRESIDENT

January 4, 1991

Dear Guadalupe and James,

Barbara and I send our warmest wishes as you begin the new year and your new life together as husband and wife. We hope that the years ahead are filled with joy and many blessings.

Congratulations, and every good wish.

Sincerely,

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

Mr. and Mrs. James R. Whelan
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