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2009-0166-S

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FOIA MARKER

**This is not a textual record. This is used as an
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Library Staff.**

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

OA/ID Number: 90582
Folder ID Number: 90582-003

Folder Title:
Monday, February 4, 1991

Stack:	Row:	Section:	Shelf:	Position:
V	12	12	5	6

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President [redaction] (1 pp.)	02/04/91	(b)(3)	
02a. Log	White House Telephone Log [President Bush] [redaction of personal information] (1 pp.)	02/04/91	(b)(6)	
02b. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	02/04/91	(b)(6)	
03. Note	Handwritten notes of Presidential Phone call with J.A.B. [James A. Baker, III] (1 pp.)	02/04/9[1]	(b)(1)	
04. Note	Handwritten notes of Presidential Phone call with Sec. Cheney (1 pp.)	02/04/[91]	(b)(1)	
05a. Note	Handwritten notes of Presidential Phone call with DeKlerk (5 pp.)	02/04/91	(b)(1)	
05b. Talking Points	Points to be Made for Telephone Converation with President F.W. De Klerk (1 pp.)	n.d.	~~(b)(1)~~	~~✓~~
06a. Memo	From Brent Scowcroft to President Bush (1 pp.)	02/04/91	~~(b)(1)~~	~~✓~~
06b. Talking Points	Points to be Made for Telephone Conversation with President F.W. de Klerk (1 pp.)	n.d.	~~(b)(1)~~	~~✓~~

Page 1 of 2

Collection:

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

Pinksheet Number: dw1963
OA/ID Number: 90582-003
Date Closed: 5/26/2011
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
07. Memo	From Brent Scowcroft to President Bush (2 pp.)	02/04/91	(b)(1)	~~1~~

Page 2 of 2

Collection:

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

Pinksheet Number: dw1963
OA/ID Number: 90582-003
Date Closed: 5/26/2011
FOIA/Sys Case #: 2009-0166-S
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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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 (b)(9) Release would disclose geological or geophysical information



SCHEDULE OF THE PRESIDENT

Monday, February 4, 1991

7:50 am (5 min)	<u>Photo with Mr. and Mrs. Edward Lawson (Presock)</u>	Oval Office
8:00 am (15 min)	<u>Intelligence Briefing (Scowcroft/Sununu)</u>	Oval Office
8:15 am (30 min)	<u>National Security Briefing (Scowcroft/Sununu)</u>	Oval Office
8:45 am (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
9:15 am (45 min)	<u>Administrative Time</u>	Oval Office
10:00 am (75 min)	<u>Personal Staff Time</u>	Oval Office
11:15 am (15 min)	<u>Staff Time (Demarest)</u> (TAB A)	Oval Office
11:30 am (45 min)	<u>Meeting with Nation's Governors (Demarest)</u> (TAB B)	East Room
12:15 pm (75 min)	<u>Lunch</u>	Oval Office
1:30 pm (10 min)	<u>Boy Scouts Ceremony (Demarest)</u> (TAB C)	Roosevelt Room
1:45 pm (45 min)	<u>Video Taping Session (Rogich)</u> (TAB D)	459 OEOB
2:30 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
3:30 pm (30 min)	<u>Meeting with Secretary Brady</u>	Oval Office
4:00 pm (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office

UNP 02/01/91
5:00 pm



4:30 pm
(30 min)

B Reception for Eagles Inaugural
Anniversary Event Top Donors
(Rogers)

State Floor

(TAB E)

0713 POTUS IN OVAL 0742 ADD ED AND JAY LAWSON
0756 ALL OUT 0804 ADD SCOWCROFT, GATES, DCI,
(b)(3) SUNNUN
0818 SUNNUN OUT 0828 ADD SUNNUN
0830 ADD VP 0831 DCI, (b)(3) OUT
0907 SCOWCROFT, GATES OUT 0929 SUNNUN OUT
0945 VP OUT 0955 ADD SCOWCROFT
1018 SCOWCROFT OUT 1028 ADD PHIL BRADY
1031 BRADY OUT 1054 ADD SUNNUN
1058 SUNNUN OUT 1104 ADD DEMAREST
1105 ADD DEB ANDERSON 1108 ALL OUT
1110 ADD DEMAREST, ANDERSON
1125 POTUS TO EAST ROOM 1235 POTUS IN OVAL (ADD
DEB ANDERSON, DEMAREST)
1236 ALL OUT 1251 POTUS TO OEOB 459
1342 POTUS IN ROOSEVELT ROOM
1349 POTUS IN OVAL 1351 POTUS TO SOUTH GROUNDS
1358 POTUS DEPARTS ENROUTE NAVAL OBSERVATORY (JOGGING)
1406 POTUS ARRIVE NAVAL OBSERVATORY
1433 POTUS DEPARTS NAVAL OBSERVATORY
1443 POTUS ARRIVE SOUTH GROUNDS UNP 02/01/91
5:00 pm
1511 POTUS IN OVAL 1519 ADD FITZWATER
1532 FITZWATER OUT/ADD SEC BRADY, SUNNUN
1618 BRADY OUT 1631 POTUS TO STATE FLOOR

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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

FEBRUARY 4

, 19 91

	TIME		DISC	NAME	ACTION
	PLACED				
OUT	9:34	AM		MRS. NANCY ELLIS	TLKD WITH MRS. PATRICIA A. PRESOCK. 11:19 A.M.
~~INC~~	~~XX~~	~~XX~~		(b)(6)	
OUT		AM			
INC		PM			
OUT		~~XX~~		MRS. NANCY ELLIS	TLKD-OK
~~INC~~	12:44	PM	12:45	(b)(6)	
OUT		AM			
INC		PM			
OUT		~~XX~~		MRS. PATRICIA A. PRESOCK OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 620	TLKD-OK
~~INC~~	5:26	PM	5:27		
OUT		AM			
INC		PM			
OUT		~~XX~~		MRS. BARBARA P. BUSH RES: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 542	DA PRESUS CA.
~~INC~~	6:22	PM			
OUT		AM			
INC		PM			
OUT		~~XX~~		SECOND FLOOR KITCHEN RES: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 599	SPOKE WITH MR. WILLIAM A. CARTER. TLKD-OK.
~~INC~~	6:33	PM	6:33		
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			

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THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

February 4, 1991

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:45 AM	10:09	Conference Call: President Frederik Willem de Klerk (b)(6)	Tlkd-ok 9:50 AM
INC	PM			
OUT	AM		Mr. Robert C. Frasure White House Situation Room White House Signal 2-2262	
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
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INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 4 February 1991

TIME	MOVEMENTS
0716	South Grounds
0717	Oval Office
1129	South Grounds
1131	State Floor
1231	South Grounds
1237	Oval Office
1253	Room 459, Old Executive Office Building
1337	Room 450, Old Executive Office Building
1343	Roosevelt Room
1344	South Grounds
1346	Roosevelt Room
1350	South Grounds (LOW KEY)
1400	Depart South Grounds via Motorcade (LOW KEY)
1412	Arrive Naval Observatory (LOW KEY)
1435	Depart Naval Observatory via Motorcade (LOW KEY)
1447	Arrive South Grounds (LOW KEY)
1510	Oval Office
1632	Residence
1633	State Floor
1729	Residence
1932	South Grounds
1938	Residence



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, FEBRUARY 4, 1991
6:00 A.M. EST EDITION

INTERNATIONAL NEWS

Ground Fire Dies Down; Air War Thunders On -- Iraqi troops were back on the defensive Monday, digging in deep to escape allied air raids, the U.S. military says. (AP)

U.S. Confirms 'Friendly Fire' Killed 7 Marines -- Seven Marines killed in a firefight last Tuesday died from "friendly fire" when an allied pilot apparently mistook their armored car for an Iraqi vehicle and destroyed it with a missile, U.S. officials said Sunday. (Washington Post)

Americans Pray For Troops, Peace In Persian Gulf -- Heeding President Bush's call for a special day of prayer, Americans in churches across the country Sunday remembered the nation's sons and daughters serving in the Persian Gulf and prayed for peace. (UPI)

NATIONAL NEWS

Governors Nervously Endorse Transferring Programs to States -- The nation's governors, worried that the fiscal 1992 budget will impose new burdens on their overwhelmed economies, Sunday nevertheless embraced President Bush's plan to turn \$15 billion to \$22 billion in federal programs over to the states. (Boston Globe, Washington Post, AP)

NETWORK NEWS (Sunday evening)

DESERT STORM -- Allied warplanes struck Iraqi targets, flying over 2,500 missions.

SCUD ATTACKS -- One of the Scuds fired at Israel may have landed in Jordan.

BUDGET -- President Bush sends to Congress a wartime budget proposal that calls for nearly \$1.5 trillion in spending and the largest deficit in history.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-7

NETWORK NEWS.....B-1

TALK SHOWS.....C-1

INTERNATIONAL NEWS

GROUND FIRE DIES DOWN; AIR WAR THUNDERS ON

DHAHRAN -- Iraqi troops were back on the defensive Monday, digging in deep to escape allied air raids, the U.S. military says. A haze that covered northeastern Saudi Arabia did not appear to slow the pace of the allied bombing....

U.S. officials disclosed Monday that the battleship USS Missouri used its 16-inch guns in action for the first time since the Korean War, targeting prefabricated concrete bunkers that the Iraqis were moving into place in Kuwait.

Allied bombers, meanwhile, took aim at entrenched Iraqi ground troops, supply lines and armored vehicles.

"It seems to me that they're literally hunkering down in defensive positions and trying to avoid becoming the casualties of our air attack," Marine Maj. Gen. Johnston told reporters in Riyadh on Sunday....

Meanwhile, weather was proving an ally in the fight to keep the world's biggest oil slick away from the world's largest desalination plant.... About 17 miles separated the spill...from Jubail. Winds and tides were temporarily keeping it at bay.

(Edith Lederer, AP)

U.S. CONFIRMS 'FRIENDLY FIRE' KILLED 7 MARINES Allied Pilot's Missile Struck Vehicle

Seven Marines killed in a firefight last Tuesday died from "friendly fire" when an allied pilot apparently mistook their armored car for an Iraqi vehicle and destroyed it with a missile, U.S. officials said Sunday....

Secretary Cheney said...Sunday that the U.S. and its allies may want to maintain economic sanctions and a naval blockade against Iraq even if Saddam Hussein decides to end his occupation of Kuwait.

Declaring that "the world has a long-term interest in seeing to it that Saddam Hussein is never able to do this again," Cheney in an ABC TV interview suggested the need for sanctions "based on an international effort to deny him the ability to rebuild that military force that he's used against his neighbors." Rep. Aspin cautioned that domestic politics may be pushing President Bush into seeking Saddam's ouster as a condition for ending the war, a "dangerous" addition to the stated goal of ejecting Iraq from Kuwait.

U.S. officials Sunday confirmed three additional aircraft losses in Operation Desert Storm: a B-52 bomber that crashed in the Indian Ocean...a Marine AH-1 Cobra helicopter lost in the Saudi desert and a UH-1 helicopter. All the losses were attributed to mechanical failures rather than combat.

(Rick Atkinson & Barton Gellman, Washington Post, A1)

IRAQ THREATENS U.S. INTERESTS, REPORTS MORE ALLIED RAIDS

NICOSIA -- Iraq said Sunday it would hit American and Western targets worldwide in retaliation for allied air attacks on its civilians.

"The interests of the United States everywhere in the world will also be the target. There is a difference between terrorism and struggle. This is a legitimate act," Baghdad Radio said.

"The target will not be confined this time to the soldiers of the United States, the mercenaries of its allies, of its collaborators in the holy lands of the Arabian Peninsula."

(Reuter)

THREE WOUNDED IN GUN ATTACK ON MILITARY BUS IN JEDDAH

RIYADH -- Gunmen attacked a military shuttle bus in the Saudi Red Sea port of Jeddah, wounding two Americans and a Saudi security guard, in what U.S. military officers said Monday may have been a terrorist attack.

They said bullets smashed through windows of the bus, carrying three U.S. military personnel and the Saudi....

The attackers escaped.

(Reuter)

CONTRIBUTION TO GULF FORCES IN DOUBT

TOKYO -- Japan's promise to contribute \$9 billion to the U.S.-led forces battling Iraq in the Gulf is proving hard to fulfill.

For the government of Prime Minister Kaifu, it threatens to become a fatal issue.

Debate in the Japanese parliament has barely gotten underway, but already the governing Liberal Democratic Party is apparently bowing to demands from the opposition.

The government will stipulate that the money be restricted to non-military uses, Koji Kakizawa, a member of parliament who heads the Liberal Democrats' Defense Affairs Committee, said in an interview.

(Clayton Naff, UPI)

**U.S. TO STICK WITH GROUND ATTACKS
Ground War To Start With Probing Hits**

The U.S. is stepping up preparations for a ground war against Iraqi troops in Kuwait, but will give their campaign another two weeks, officials said Sunday.

Unlike the war opening...the ground war will begin sporadically and at different points along Saudi Arabia's border with Kuwait and Iraq, an administration official said. "It won't be suddenly rolling and we're in the middle of it."...

The air bombardment of Iraq and Kuwait will continue even as the ground war starts, officials said....

"A pitched battle between us and the Republican Guard will be avoided. We'll hit them at the edges," said a Bush administration official....

In making plans for a ground offensive, the administration has ruled out use of tactical nuclear weapons, officials said. Even an Iraqi chemical attack would not prompt nuclear or chemical retaliation, they indicated.

"I just can't imagine President Bush making the decision to use chemical or nuclear weapons under any circumstances," Vice President Quayle told CNN. (Paul Bedard, Washington Times, A1)

CALLS FOR QUICK WAR PUT HEAT ON BUSH

Pressures are beginning to mount for the U.S. to bring the 18-day war against Iraq to a quick end, creating a political timetable that conflicts with the military's best judgment.

Trying to end the war now -- through a ground offensive that would involve huge casualties -- is exactly what the White House and Pentagon do not want....

"We have heard some indication, particularly from the Egyptians just recently...that we should be done within the next month to six weeks," William Quandt, senior fellow at the Brookings Institution, said Sunday. "What they're worried about is that the opinion, even in Egypt, is beginning to show some signs of sympathy for Iraq."...

"There's a real trade-off," Quandt said, "between time and casualties."...

Each day he withstands allied attacks, Saddam Hussein grows taller in the eyes of his Arab supporters -- even if he eventually loses."

(Warren Strobel, Washington Times, A8)

**U.S. COMMANDERS BEGINNING TO THINK
GROUND WAR MAY NOT BE NECESSARY**

IN NORTHEASTERN SAUDI ARABIA -- U.S. military commanders, buoyed by least week's ground and air war successes and determined to avoid a costly ground war for as long as possible, have begun to express hope that the punishing air offensive against Iraqi ground forces may bring the war to a close.

In carefully guarded remarks over the weekend, two of the most senior U.S. commanders here even suggested privately that an allied invasion of Kuwait might be unnecessary, saying that massive bombing by itself can all but destroy Iraq's army or render it largely ineffective....

One general, who spoke on condition that he not be identified, said there may be no need for a ground war if Saddam agrees to withdraw his forces "or because we are damaging him so enormously" from the air "that he sees no virtue in staying in place to fight us."

Another general, a senior field commander, in a separate discussion with reporters, expressed similar hope that an allied ground attack...can be avoided.

(Walter Robinson & Peter Gosselin, Boston Globe)

**IRAQI GROUND TROOPS BATTLE WITH TENACITY
In Khafji, Soldiers Seemed Spoiling For A Fight**

DHAHRAN -- The possibility that large numbers of Iraqi soldiers may succumb to allied air power and surrender remains a hope for the commanders of Operation Desert Storm. But skirmishes by Iraqi ground troops thus far provides little evidence that an early capitulation is in the works.

Evidence of Iraqi morale -- high or low -- is sparse and contradictory....

However, Iraqi armored troops fought tenaciously in a doomed raid on the Saudi border town of Khafji...while other Iraqi ground units mounted sophisticated probing attacks....

Despite serious losses, the Iraqis behaved like an army spoiling for a fight -- not running from one.

(news analysis, Guy Gugliotta, Washington Post, A13)

SOVIETS GIVING AID TO IRAQIS, U.S. SAYS

Soviet advisers in Iraq provide Saddam Hussein's military with information about the times U.S. spy satellites pass overhead, U.S. intelligence officials said.

The information provided by the Soviets is helping Iraq to hide the more than 100 mobile Scud missile launchers that have evaded U.S. and allied air strikes....

The information on the Soviet information was gathered from what the sources described as an "extremely sensitive source," a term often used to describe communications intercepts.

(Bill Gertz, Washington Times, A8)

AMERICANS PRAY FOR TROOPS, PEACE IN PERSIAN GULF

Heeding President Bush's call for a special day of prayer, Americans in churches across the country Sunday remembered the nation's sons and daughters serving in the Persian Gulf and prayed for peace.

Bush proclaimed Sunday a national day of prayer and called on Americans to pray for those in the Gulf "who have put their lives and dreams on hold" to battle Iraq....

The President attended services Sunday morning at the Camp David presidential retreat. Returning to Washington, Bush said only that the war against Iraq was "on schedule, going well."...

Rob Sherman, an activist for atheist causes in the Chicago area, criticized Bush's call for prayer, saying it unconstitutionally mixed church and state.

"George Bush has the same regard for the Bill of Rights that Saddam Hussein has for the Geneva Convention," Sherman told a news conference."

(Kevin Hall, UPI)

SHOW OF SUPPORT FOR U.S. TROOPS**D.C. Rally On The Ellipse Draws Thousands For Songs, Prayers**

Thousands of people, many waving flags and wearing T-shirts with slogans backing Operation Desert Storm, rallied on the ellipse Sunday with songs, prayers and speeches in support of American troops.

The U.S. Park Police estimated the number of marchers at 3,500. Organizers put the number at 5,000....

Speaking at the rally was Rep. Dornan (R.-Ca.), who was greeted with chants of "B-1 Bob."...

Dornan lashed out at the "motley group...of America-hating, Ho-Ho-Ho Chi Minh chanting people" who protest against the war. "Saddam Hussein is holding on, popping tranquilizers, hanging on like Adolf Hitler in his bunker...because he misreads the demonstrations in the streets," he said.

(Avis Thomas-Lester, Washington Post, A17)

Thousands Rally Nationwide To Show Support For U.S Troops In Gulf

-- An Iraqi flag was burned in the nation's capital and anti-Saddam Hussein signs were displayed in West Virginia as thousands of flag-waving demonstrators rallied over the weekend in support of American troops in the Persian Gulf....

War veterans and labor leaders mixed with politicians at a high school basketball stadium in Muncie, Ind., where more than 4,500 people gathered on Sunday for a rally sponsored by Mothers Against Saddam Hussein....

An estimated 10,000 packed into Texas' Pasadena Memorial Stadium on Saturday for the area's largest rally so far in support of U.S. troops....

About 7,000 people waving flags, yellow ribbons and anti-Saddam signs turned out in Moundsville, W. Va., on Sunday for a "Support Our Troops" rally and march at the local high school football stadium. (AP)

McNAMARA: BUSH DOING GREAT JOB IN GULF

NEW YORK -- Former Defense Secretary McNamara says President Bush and his top military advisers are doing a superb job of managing the Gulf war.

But he told Time magazine in an interview released Sunday that "even Jesus Christ himself can't keep one of these things under control."

The magazine...also asked the former aide...to compare Vietnam to the Gulf war.

McNamara replied, "The situations are not analogous, except in one sense: the consequences of military action are unpredictable."

He said the U.S. did not anticipate how many casualties it would suffer in the Vietnam War. (AP)

MOROCCANS DEMONSTRATE TO BACK IRAQ

RABAT, Morocco -- At least 300,000 demonstrators took to the streets of the Moroccan capital Sunday in a raucous but orderly show of support for Iraqi in the Gulf war.

The massive rally, organized by the political opposition to King Hassan II's government, featured marchers 30 abreast carrying pictures of Saddam Hussein, PLO leader Arafat and Iraqi Scud missiles....

Many chanted slogans against President Bush, King Fahd, President Mubarak and President Mitterrand. "Assassin Bush, Mitterrand his dog, Fahd his donkey," they sang out. "Palestine is Arab! Kuwait is Iraqi!" (Washington Post)

STATE DEPARTMENT URGES ALL U.S. CITIZENS TO LEAVE JORDAN

The State Department urged all U.S. citizens to leave Jordan as soon as possibly Sunday night. (AP)

SHAMIR NAMES FAR RIGHT-WINGER TO CABINET DESPITE OBJECTIONS

JERUSALEM -- Prime Minister Shamir Sunday allied with the most extreme right-wing party represented in parliament, appointing former Gen. Rehavam Zeevi to the cabinet despite strong objections from ministers of his own Likud Party.

Zeevi, leader of the Moledet Party, advocates the "transfer" of Palestinians out of the Israeli-occupied West Bank and Gaza Strip.... He also favors immediate Israeli entry into the Gulf war through a military strike on Iraq.

(Jackson Diehl, Washington post, A19)

GENSCHER CALLS ON GORBACHEV TO IGNORE 'REACTIONARY FORCES'

DAVOS, Switzerland -- German Foreign Minister Genscher warned Sunday that President Gorbachev was calling into question his place in history and endangering a new era of East-West cooperation by taking advice from those who advocate repression in the Soviet Union.

Genscher...declared that "everyone in the Soviet Union must realize that our willingness to help and our scope of action have been seriously jeopardized by the use of force in the Baltic states over the past few weeks."...

Speaking to 1,000 leading figures from government and business at the annual meeting of the World Economic Forum, Genscher said the Soviet army's recent intervention in Latvia and Lithuania shows that "the old thought patterns are returning in the Soviet Union and that reactionary forces might attempt to restore a totalitarian regime throughout the country."

(William Drozdiak, Washington Post, A6)

CHINA TRIES TWO MORE DISSIDENTS

BEIJING -- A Chinese court Monday announced the trials of two more dissidents charged with "counterrevolution," bringing to at least 30 the number of people tried for political crimes linked to the 1989 pro-democracy movement.

(UPI)

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NATIONAL NEWS

GOVERNORS BRIEFED ON STATE GRANTS Executives Welcome Bush Plan To Shift Control of Programs

President Bush's new budget will ask Congress to give states new responsibility for administering an estimated \$15 billion in federally funded programs -- in job training, rural health, education, highways and law enforcement, according to governors briefed Sunday on the contents of the plan.

The proposal, which could also give state governments responsibility for allocating administrative costs of some human service programs, was greeted warmly by governors meeting here. Chief of Staff Sununu assured them during a luncheon meeting that the federal government would continue to fund the program for at least five years.

Several governors who attended the session said they will now seek to convince members of Congress that they want the flexibility they see in the White House proposal....

"There's enthusiasm for the idea," said Washington Gov. Booth Gardner, the chairman of the National Governors' Association. "But also caution based on previous experience."

"Everybody's skeptical about whether Congress will go along with the President's plan," said South Carolina Gov. Carrol Campbell." (Gwen Ifill & David Broder, Washington Post, A1)

Governors Nervously Endorse Transferring Programs to States -- The nation's governors, worried that the fiscal 1992 budget will impose new burdens on their overwhelmed economies, Sunday nevertheless embraced President Bush's plan to turn \$15 billion to \$22 billion in federal programs over to the states.

Their decision to support the measure apparently came after Chief of Staff Sununu assured them at a private luncheon Sunday that it was not a ploy to make the states provide more services without more money....

Mass. Gov. William Weld, who said he very much liked the idea "in principle," said Sununu had told the governors that federal regulations have 1,028 pages covering the programs involved. "We in the states could do away with all that if we got the responsibilities," Weld said.

Governors from all over the country generally praised the initiative, albeit tentatively, until they get more specifics from Bush at the White House Monday morning. But they expressed concerns about a number of other proposals Bush is expected to announce.

"We all have apprehensions about what's in the budget," said Gov. Florio (D.-N.J.). Gov. McKernan (R.-Maine) said: "We have to proceed with care because our fiscal situations are pretty dire already, without any more programs being handed to us that we would have to find the money to pay for." (Adam Pertman, Boston Globe)

Bush Lauded For Giving States Money Along With Programs -- President Bush is winning bipartisan praise from governors for his plan to transfer billions of dollars of domestic problems to the states along with the money to pay for them....

Gov. Booth Gardner said some governors were concerned, however, that in previous attempts at such transfers, "there tended to be winners and losers" and the states usually ended up as the losers....

Governors complained...that orders from Washington, particularly from Medicaid, were a growing drain on state treasuries.

"We are simply going to go completely broke," said Gov. Castle (R.-Del.), noting what he described as a 25 percent annual growth rate in state costs for Medicaid programs.

Gov. Ashcroft (R.-Mo.)...said he felt a little like "becoming a full partner with a gorilla" during the discussion of the resolution.
(Donald Rothberg, AP)

BUSH WANTS MEDICARE CUT \$23 BILLION MORE

President Bush wants to cut another \$23 billion from Medicare over five years to snare runaway program costs, a top White House aide said Sunday.

"The uncontrollable portion of the budget, of which Medicare is one important part, is taking over the budget as a whole," said White House budget director Darman on NBC's "Meet the Press."

"You cannot be serious about trying to address the future debt problem and deficit problems if you don't try to restrain the growth in the fastest growing uncontrolled programs," he said.

(Major Garrett, Washington Times, A3)

UNDER BUSH PROPOSAL, SCIENCE WOULD BE A LEADER IN INCREASED SPENDING

Science and technology would receive one of the highest rates of increased spending under the budget that President Bush will send to Congress Monday, administration officials say.

That increase, for the 1992 fiscal year, would be \$8 billion, to a total of \$72 billion, a 13 percent rise over the current year's level, not accounting for inflation....

The administration would give a particular boost to "big science" projects, like the superconducting supercollider...and the Humane Genome Project....

As has frequently been the case with the federal budget in recent years, the greatest amount of the increase would be devoted to developing military hardware....

The science and technology increases "are part of an ongoing campaign of the President to invest more in the future of America rather than just programs for the present," said an administration official, who spoke on the condition of anonymity. "In other words, it is the third budget in a row in which he has placed heavy emphasis on research and development."...

Dr. Leon Lederman, a Nobel Prize-winning physicist who is president of the American Association for the Advancement of Sciences...said of Bush's budget: "This is a good step. But it will be an uphill fight to get the kind of exuberant leadership" by the President that science enjoyed 25 years ago.

(Philip Hiltz, New York Times, A14)

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**U.S. SEEKS TO CURB RECESSION
BY FOCUSING ON THE 'CREDIT CRUNCH'**

...While war rages in the Persian Gulf, the "credit crunch" has become Public Enemy No. 1 here at home. The Treasury and Federal Reserve...are now devoting much of their energy to combating it. So are the other bank regulatory agencies....

Already, officials in Washington have taken a series of unusual steps to try to get the banks to loan again...[and] more changes are clearly in the works....

Will any of these changes ease the credit crunch? That's far from clear. To date, the government's efforts to get banks to lend seem to have come to naught.

"I don't think lower interest rates will induce bankers to lend more," says Thomas Theobald, chairman of Continental Bank Corp....

And Richard Boyle, vice chairman of Chase Manhattan Corp., says even a change in discount-window practices "would be a bold move, and certainly a significant stimulus in the creation of money," but he doubts even that would have much effect on the credit crunch.

Some bankers, including Boyle, say the most effective solution to their problems would be for regulators to ease up on new standards for requiring them to raise bank capital.

(Alan Murray & Fred Bleakley, Wall Street Journal, A1)

**U.S. POLITICS AND THE CHURCHILL ANALOGY
Democrats Struggle To Link Domestic Agenda
With Persian Gulf War**

President Bush's soaring statements about America's purpose in the world have led his friends to compare him to Winston Churchill. Democrats like that analogy just fine. Churchill, they note, won a war and then lost reelection in 1945 after a campaign about domestic issues....

Democratic legislators and strategists are trying mightily to link their domestic agenda to the war.

The first result of this sort of thinking may be an effort by some Democrats to pass a civil rights bill early in this session in Congress, while U.S. troops are still engaged in battle....

"No defenders of America in the Persian Gulf," Sen. Kennedy said in a recent speech, "should face racial prejudice, sex discrimination or any other form of bias when they come home to find a job."...

Stanley Greenberg, a Democratic poll-taker, said the link between the U.S. economy and the opportunities returning troops will enjoy has the advantage of identifying Democrats with patriotism and support for the men and women in battle while also emphasizing "the need to get the economy moving again."...

Finally, many Democrats are arguing that Bush's foreign policy vision is demonstrating just how narrow his domestic agenda really is. "The President has a contradiction he has to resolve," said Robert Borosage, a senior fellow at the Institute for Policy Studies, "that the American government has the capacity to impose order and our values on an unruly world, but has no ability to address our own real disorders here at home."

(E. J. Dionne, Washington Post, A4)

BUSH REELECTION TEAM TAKING SHAPE AT WHITE HOUSE

...White House officials are taking steps to prepare for [President Bush's] anticipated reelection bid.

Chief of Staff Sununu said last week that Bush's White House will "roughly" follow the model established by President Reagan's reelection campaign in 1984....

The longer Bush can appear mainly presidential -- rather than political -- the better, aides said. But he has made clear to subordinates he does not want to immerse himself in political planning while U.S. forces are fighting and dying in the Gulf. One person "got his head snapped off" when he tried to engage Bush on the subject recently....

Bush's White House staff soon will undergo some restructuring, much of it focused on the Office of Communications.....

Aides said Sununu is considering a plan that would enhance the Office of Public Liaison by splitting it off from the Office of Communications and putting it under the authority of a newly designated assistant to the president....

Officials say Sununu also will play a strong role in trying to run the campaign from the White House. "What a president says and where he goes is 94 percent of a presidential reelection campaign," said one administration official in describing the power Sununu could wield from inside the White House.

(Ann Devroy & Dan Balz, Washington Post, A4)

**PARTY AT ITS LOWEST IN 10 YEARS, ROLLINS SAYS
Fewer Republicans Now In Congress, Statehouses**

The Republican Party is in worse shape now than it was 10 years ago when it launched a billion-dollar strategy to achieve a GOP majority, according to Ed Rollins, a principal architect of that strategy.

"By any measure of growth outside the presidential level, we are weaker," said Rollins, who admitted that his clash with President Bush last year is one reason he is leaving as NRCC co-chairman two years early.

"Even though more people identify themselves as Republicans, we aren't winning elections," added the former White House political director in a lengthy interview with the Washington Times....

Speaking on condition of anonymity, a White House official and veteran campaign operative said Rollins used "his dispute with the President to hide his not very effective leadership of the NRCC, which itself is the least effective of all committees."...

"I could have made it [the NRCC] a better campaign instrument in four years, probably. But I have had the White House unhappy with me and unwilling to do the things necessary to get ready for 1992," [said Rollins.] (Ralph Hallow, Washington Times, A1)

WAR WON'T HELP GOP IN '92 -- WILDER

hVirginia Gov. Wilder said Sunday that President Bush and the Republican Party should not count on getting a boost in the 1992 elections from a successful conclusion to the Gulf war.

"Most of the public supports the troops...and would like to see an early resolution of the war so that he [Bush] could indeed get back to taking care of domestic concerns," Wilder said. "They're not going to go away. They'll have to be addressed."

In an interview while attending a conference of the nation's governors here, Wilder said he didn't think Bush's surge of popularity from his leadership of the war effort will, in the long run, offset the political damage he suffered over taxes.

(Ralph Hallow, Washington Times, A3)

FROM BEER TO UTILITY BILLS,
GLOBAL WARMING MEASURES CARRY A PRICE

GOLDEN, Colo. -- ...Different nations have different sets of goals for the U.N.-sponsored negotiations on global warming opening here today....

Whether the 130 participating nations simply strike a consensus on the seriousness of the threat of global warming or agree on concrete measures to combat it will depend largely on how negotiators compute the implications for their economies....

Forecasts for the U.S. economy vary. Different economists predict a 21st century of staggering energy prices and much higher costs for manufacturers...or alternatively, an energy-efficient future...in which power plants and gas pumps close for lack of need.

The Bush administration is wed to the gloomiest economic predictions. Officials say that the general White House view that national income will decline 3 percent as a result of steps to halt global warming will put a stronger brake on U.S. negotiators than the oft-cited reason to postpone action: scientific uncertainties about how much temperatures will rise and how disruptive global warming will be.

Some officials question whether the cure is harsher than the disease; there are estimates that the damage caused by global warming would reduce national income only 0.25 percent a year.

(Michael Weisskopf, Washington Post, A4)

EDITOR'S NOTES: "Hill Chairman Wants To Reshape Student Aid," by Kenneth Cooper, appears in the Washington Post, A9.

"In Budget, All Eyes Should Focus On 3 Categories," by David Rosenbaum, appears in the New York Times, A14.

-End of A-Section-

NETWORK NEWS

(Sunday evening, February 3 -- ABC News not shown.)

GULF WAR

NBC's Garrick Utley: An American B-52 bomber has crashed in the war. The big plane went down in the Indian Ocean while on a mission from its base on the island of Diego Garcia. That was just one of the developments today. Another one was confirmation that eight of the first Americans to die in the ground war were killed by mistake by U.S. weapons.

NBC's Fred Francis reports on the friendly fire deaths.

(Maj. Gen. Johnston, U.S. Central Command: "Clearly, it was an airborne missile, and we have every reason to conclude that it was, in fact, a friendly missile.")

The total of U.S. deaths is now 12, eight by friendly fire. The B-52 went down in the Indian Ocean hours from the battlefield. Other B-52s, however, owned the skies today, pounding Iraqi positions -- mostly against elite Republican Guards. (NBC-Lead)

CBS's Connie Chung: The war moved into day 19 tonight, with more losses reported, but not all because of enemy fire. The U.S. lost its first B-52 bomber; only three of the six crewmen were pulled from the ocean. And a cargo helicopter gunship crashed in Saudi Arabia, a non-combat mission killing two crewmembers.

CBS's Juan Vasquez reports on today's allied attacks. With near-perfect flying weather, allied warplanes struck Iraqi targets, flying over 2,500 missions. But the U.S. military command said a B-52 bomber ditched in the Indian Ocean as a result of mechanical problems. Three crewmen were rescued; three others are missing. Continuing attacks against hardened Iraqi silos destroyed another 68 enemy warplanes, bringing to 99 the number of jets destroyed. Meanwhile, the Army's number-one armored infantry vehicle, the Bradley, suffered from a transmission defect. An Army memo said the problem, which slowed the vehicle to a crawl, could affect one out of every four Bradleys in Saudi Arabia. But an inspection has discovered only three defective vehicles so far. (CBS-Lead)

NBC's Brad Willis reports that most Marines believe full-scale ground war with Iraq will happen in the days ahead. (NBC-3)

SCUD ATTACKS/ISRAEL

Chung: U.S. officials said today they immediately launched counterstrikes against the latest Iraqi Scud attacks, and they believe they may have knocked at least one Iraqi missile launcher out. The Scud, fired at Riyadh, was intercepted by a Patriot, but falling debris injured 29 people.

CBS's Bill McLaughlin reports from the occupied West Bank on the reaction to the failed Scud attack on Riyadh, which injured 29 in the occupied territories.

McLaughlin continues: Jewish settlers in the area were surprised Iraq would run the risk of his missiles falling on Arab villages. But Arab solidarity with Saddam is still strong. When the sirens warn a Scud is coming, Arab towns explode with whistles of support.

Meanwhile, in Israel's cabinet meeting today, Prime Minister Shamir announced he was bringing into his government an extreme right-wing party, with only two members in parliament, who both favor the expulsion of Arabs from Israel and the occupied lands. Even moderate right-wingers were angry. The mood was friendlier at an Israeli Kibbutz which held an open-house party for some of the American soldiers manning the Patriot anti-missile batteries. (TV Coverage: U.S. soldiers at open-house.)

Those soldiers may be the first to go home from the Middle East; sources say Israeli troopers will take over their jobs within the next week or two.

Chung: A military official briefing reporters said today one of the Scuds fired at Israel may have landed in Jordan. Jordan denies it. (CBS-3)

GULF/IRAN

NBC's Ed Rabel reports on the diplomatic activity surrounding Iran. The foreign minister of Kuwait arrived in Iran today; Yemen, Algeria, Iraq and France all had delegations in Tehran this weekend. Iran is calling itself the Switzerland of the region, because it has not taken sides and is urging peace. Privately, Iran is gleeful every time an Iraqi tank is demolished by allied forces. But publicly, it is enhancing its Middle East position. Iran believes it will emerge as the power in the region.

(Rajaei Khorasani, Chairman, Foreign Affairs Committee, Iranian Parliament: "We can play the role of the Switzerland of the Second World War; a neutral country, the very important, powerful, humanitarian base for all the humanitarian services the warring parties may need.")

Though still guided strenuously by Islam, Iran is moderating. There's a new stock market exchange, and women are able to walk the streets showing their hair without fear of arrest. Diplomats here worry that Iran could break its neutrality at any time. The Kuwaiti ambassador to Iran this afternoon said the Kuwaiti foreign minister is bringing a message to President Rafsanjani from the emir, and in that message it is believed there will be expressions of how Kuwait and Iran can cooperate in a post-war Gulf region. Furthermore, in a kind of quid pro quo, the Kuwaitis are probably going to promise Iran perhaps billions of dollars in aid. (NBC-7)

CBS's Bob Faw reports on the Iranian role in the Gulf war. The war has not disrupted everyday life in Iran, except for the several thousand refugees who are in temporary camps in western Iran. But Iran's hatred for Saddam Hussein remains widespread and intense. Iranians say those Iraqi planes should stay put in Iran as a down payment for the costs incurred by Iran during its war with Iraq. As one Iranian put it, "Those planes aren't going anywhere -- not now, not after the Gulf war ends, not ever." Iranians still hate the U.S. even more than Iraq -- but Iran is determined to stay on the sidelines until Iraq pulls out of Kuwait.

Chung discuss Iran and the Gulf war with Shireen Hunter, deputy director of the Middle East program at the CSIS. Hunter says the U.S. can count on Iran to remain neutral in the war because it is in Iran's interest; the country wants to concentrate on economic construction and political consolidation. It would also be in Iran's self-interest to keep the Iraqi planes in Iran. Iran is hosting cease-fire talks from various parties because it fears being dragged into the conflict and wants it ended soon, and also because Iran wants to be a player once the war is over. (CBS-7)

GULF WAR/DIPLOMACY

Utley reports a Palestinian diplomatic source in Baghdad told the French news agency AFP that Iraq and the PLO will launch a joint initiative soon. (NBC-6)

GULF WAR/PROTEST

Utley reports on a huge pro-Iraqi demonstration in Morocco today. (TV Coverage: Demonstration.)

More than 100,000 people turned out to demand Moroccan troops be withdrawn from the alliance, a sign of how Saddam's appeal has spread to the westernmost edge of the Arab world. (NBC-5)

NATIONAL PRAYER DAY

Utley reports that across the country, today was a day of national prayer. President Bush called for it; many Americans observed it.

NBC's Bill Lagattuta reports on the day of prayer -- prayer for those who died, those who might, and their families. Nowhere were the prayers more fervent than in U.S. military towns. (NBC-4)

GULF WAR/HOME FRONT

Utley reports on several homeless U.S. war veterans' views on the Gulf war. The veterans fear for today's troops and their possibly fleeting hero status. (NBC-11)

BUDGET

Chung: President Bush sends Congress a wartime budget proposal Monday that calls for nearly \$1.5 trillion in spending and the largest deficit in history. Also included: More spending cuts.

CBS's Randall Pinkston:

(TV Coverage: President Bush arriving on South Lawn.)

In a move likely to start a war on the domestic front, President Bush is expected to call for an additional \$23 billion in cuts in Medicare, the health program which affects 33 million abled and disabled Americans. The President's budget director says strong measures are needed to slow down costs in one of the fastest-growing items in the budget.

(OMB Director Darman: "First of all, 'cuts' is a Washington word. Medicare goes up, very substantially, in our budget. But if our proposals were accepted, it wouldn't go up quite as fast as it would otherwise.")

Pinkston continues: Another way of saying someone will get less, including doctors, medical laboratories, and wealthy Medicare recipients. Medicare supporters charge that any cuts would violate last year's budget agreement between the White House and Congress. And governors of states with large elderly populations worry that if the federal government reduces medical payments, the cost will be passed along to states already hard-pressed for cash.

(Gov. Chiles: "Anything the federal government did on top of that would greatly add to our problems in that regard, and I'd hate to see that happen.")

The big unknown in the budget: The effect of the Gulf war. The Bush Administration insists the war won't wreak havoc on budget figures. While taxpayers will foot some of the bill, contributions from allies are supposed to cover most of the cost of the war.

(Secretary Cheney: "The effort in the Gulf, of course, is financed in a separate account; in effect, there will be a supplemental appropriations as well as contributions from our allies that will pay for the operations in the Gulf.")

So far, not all of the allies have paid what they promised. But Bush Administration officials say they're not worried, that last year 70 percent of the money promised was paid on schedule. They're hoping for a similar success rate in the future. (CBS-4)

GOVERNORS

NBC's Henry Champ reports on the U.S. governors' budget troubles. Twenty-eight states, mostly in the Northeast and Midwest, are struggling with deficits; by law, those budgets must be balanced. Most of the governors are cutting programs, freezing hiring and laying off workers. Governors who are meeting now in Washington are trying to avoid tax increases, which may be a futile effort. They blame Washington for mandating more and more state spending, and passing laws requiring states to pay for unwanted services.

(Gov. Ashcroft (Mo.): "Why should the federal government, which knows little about the people, say we who know you least know what is best for you?")

(TV Coverage: Chief of Staff Sununu at governors' meeting.)

Trying to smooth over some of the anger, Chief of Staff Sununu is telling governors that this year's budget will turn over \$15 billion worth of federal programs to states' control.

(Sununu: "We will continue to support efforts to give states more and more flexibility in utilization of the funds they get from the federal government.")

Flexibility, perhaps, but no extra money.

(Gov. Chiles (Fl.): "The federal government's in gridlock. We're not going to get any help from up here right now.")

The understanding on the budget agreement of programs moving over to the states is that the states will have longevity in those programs; but for the moment, it hasn't said which programs will move over. (NBC-8)

GLOBAL WARMING CONFERENCE

Chung: An important international conference opens in Virginia this week. Representatives of 130 nations will begin drawing up a treaty to cut down on pollution that causes global warming.

(CBS-6)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panelists: Cokie Roberts, George Will. Guest: Secretary Cheney.

Brinkley: ...Give us a characterization of our progress so far.

Cheney: I think it's generally been good.... Saddam's main capability remains his army.... But even there, we think we're making significant progress in terms of the air campaign against his ground forces inside Kuwait and that area of southern Iraq.... We need to be very cautious about how we proceed, which we've tried to do.... He still has a Scud capability. And, of course, on the battlefield, at this point, he's still formidable.

Will: ...If the force in Kuwait surrendered, would that not in itself fulfill the U.N. mandate?

Cheney: ...That will in fact satisfy the U.N. resolution.

Will: Do you think the use of the atomic bomb against Hiroshima, which was basically a civilian target at that point, was moral because it then saved a lot of future fighting and saved a lot of lives, probably on both sides?

Cheney: I do. I basically think President Truman made the right decision.... I think the expectation in World War II at the end of the war was that the only way you could win the war against Japan was to invade with massive forces -- speculation that casualties may have exceeded a million people. That's clearly not the situation we're faced with here.... I'm hopeful and confident that we can resolve it by conventional weapons.... I would not at this point advocate use of nuclear weapons, certainly.

Roberts: ...We had a communique this week with the Secretary of State saying that it would have to be an unequivocal commitment with some immediate concrete steps [to have a ceasefire]. That's not the same as saying getting completely out of Kuwait. Is there a difference in the Administration about where we go from here?

Cheney: No, I don't think there is. I think it was made clear this week, reaffirmed, that the statement was not intended to signal any new policy on our part..., that we are not interested in a promise or a pledge or a commitment to withdraw from Kuwait - we're interested in him getting out of Kuwait.

Roberts: ...Earlier this week Gen. Schwarzkopf gave a briefing where he talked about 1,500 missions against Scuds, and there are still clearly Scuds going up; and 790 sorties against 33 bridges. That doesn't sound like the success rate is 80%, as we've heard.

Cheney: ...The success rate of 80 percent that was mentioned early on had to do with aircraft going on a mission, dropping their ordnance and returning. That does not necessarily mean they achieved their total objective in terms of the ordnance hit....

Roberts: Isn't there a danger here of being too optimistic in these reports and not preparing the American public for something that could be much longer and much heavier in terms of casualties?

Cheney: No.... I think the evidence at this point is that we have been cautious, that we have not made claims we couldn't back up.

Brinkley: Suppose Saddam gets out, crosses the border, and stands there with his army.... What do we do then?

Cheney: ...First of all, if he were to do that at this point, it would be without all of those things that we've destroyed.... But I think the world has a long-term interest in seeing to it that a Saddam Hussein is never able to do this again, and that we might well, under the circumstances you describe, want to maintain sanctions, at least of some kind, based on international efforts to deny him the ability to rebuild that military force.

Roberts: ...If he's still there when this is over, is that victory?

Cheney: For him? I wouldn't think so.... You've got to remember that a majority of the Arab world is with us, that half of all the Arabs in the world live in Egypt, and Egypt's with us.

Will: The tone of your answer about nuclear weapons was arid and dry, and said not that they're unthinkable, but that they're unnecessary.... What about gas?

Cheney: If he uses chemical weapons, that clearly is crossing a threshold that has not yet been crossed.... We've said consistently, the President has a broad spectrum of capabilities that he could call upon to respond under those circumstances, and I wouldn't want to predict how he would react.

Will: ...There is a report that the Soviet military does not feel bound by arms control negotiations negotiated by former Foreign Minister Shevardnadze. What can you tell us about the status of their compliance and your belief in the importance of other arms control agreements now with this group?

Cheney: ...I am not satisfied at this point with their compliance with the CFE agreement. I think there are still some outstanding issues, and I think there is a legitimate reason for us to be concerned -- that there are problems inside the Soviet government in terms of proceeding the way we expected them to proceed....

Will: It is said...that our muted response to the massacres in the Baltics has something to do with out fear that if we became more vociferous in our criticism, they might become less supportive with regard to the Gulf....

Cheney: I don't think that we're in the business of compromising on things we care about...because of our interest in the Gulf. I think we've consistently said to them we believe in self-determination for the Baltics, that the people of the Baltics ought to be free to pursue their own course and the differences with the Soviet Union through dialogue and negotiation.

Discussion segment: Hodding Carter joins.

Will: ...I think the President immunized himself henceforward with the State of the Union speech against the charge that he has no vision. He has a vision..., somewhat similar to that Richard Nixon expressed once in an off-hand remark when he said the U.S. is basically a free society that runs itself domestically and you really need a president for foreign policy.... For Bush, Saddam Hussein simplified life by saying these are great values at issue here, and two years into his term he's sort of found his legs.

Roberts: Where do you go from here? If you have to do the hard work of freedom in Kuwait, do you have to do it everywhere else on the globe? Are we doing it in the Baltics..., in Africa, in China?

Carter: ...The country can't run itself domestically anymore, because we've made almost all the wrong choices with our economic system that we could.... We're in a desperate situation.

Will: ...By lowering the price of oil, Operation Desert Storm is going to make a profit for Japan and the West, no matter how large their contributions to our effort. Surely we ought to be at least troubled a bit by the specter of America having a rental army.

Brinkley: How will the war end?

Roberts: Not with a bang, but a whimper.... If Saddam is still around..., he could have a tremendous impact in terms of keeping the...non-peace going for a very long time.

Will: A few months ago, Secretary Cheney said, with the gusto of a man who wears cowboy boots and comes from Wyoming, "We want Saddam Hussein to go back to Baghdad with his tail between his legs." If he goes back with his tail between his legs, he still has his head upon his shoulders and is still a factor.... If he holds on..., wages a ground war for five or six weeks..., and then is driven back into his border and the U.N. mandate then becomes fuzzy, he emerges from this war enlarged and hence the winner.

Carter: He is already a matter of legend, and he will become more of a legend, lose or win, by our standards, from here on. He is doing what he keeps claiming he's doing: facing the modern crusaders, and taking them on.

Brinkley: Where are the Democrats in all this?

Roberts: ...Nowhere where you can find them.... It's a bad time to be in opposition.... They have a problem coming up with a domestic policy that sounds any different from Bush's, because his sounds so good on the face of it.

Carter: It's worth remembering that in the middle of World War II, the Republicans actually mounted a real campaign against Roosevelt.

Will: The short answer to where the Democrats are is, not in Iowa.

NBC -- MEET THE PRESS

Moderator: Garrick Utley. Panelists: David Broder, NBC's Tim Russert. Guests: Rep. Aspin, OMB Director Darman.

Guest: Rep. Aspin.

Utley: Do you think we're rushing into a land war too quickly?

Aspin: I think that's a danger.... There's a very strong feeling in Congress that we ought to take our time and make sure we've done what we need to do with the air war before starting the ground war.

Utley: Do you think Gen. Schwarzkopf and the others are feeling some pressure from the political side?

Aspin: It's starting to come. Where it's coming from is from information abroad that says Saddam Hussein is winning by the fact that he's able to withstand all this pounding.

Broder: How much have the Iraqi ground forces really been weakened by this air attack?

Aspin: I think the Pentagon is saying the truth when they say they don't know yet. I think we'll know much better this week...how long the war will last.... We have only very recently begun to turn the attention of the air sorties to the Republican Guard. I think about a week of that, which would take us into, say, next Tuesday, and we'll be in the position -- maybe not the press, maybe not Congress -- but somebody in the Administration will be able to...guess how long before we need a ground attack, if we need one, and some idea of how long this is going to last.

Broder: Do you entertain any realistic hope the war could end successfully from the U.S. point of view without a ground phase?

Aspin: I think the odds of that are pretty small.

Russert: How long can we sustain an air war without going ground?

Aspin: I think indefinitely.... For the foreseeable future, I think it can continue for many weeks.

Utley: ...What is the ultimate goal?...

Aspin: We're about to do something which is rather dangerous: to increase the goal, to expand the war aims. Our goal at the outset was to get Iraqi forces out of Kuwait...and make sure you pound the military capability of Iraq.... It is the goal. But creeping into this now is some kind of a desire that somehow...we ought to be getting rid of Saddam.... Making it one of our aims means this war will take a lot longer, and there will be a lot more casualties.

Russert: How are we going to pay for this war?

Aspin: With a supplemental. Partly by American taxpayers, partly by contributions from foreign sources. I would hope that it will be 100 percent from foreign sources; I think we have a fighting chance.... The budget coming up next week...will continue on the path Secretary Cheney set out last summer to cut the forces by 20 percent over five years. I think we'll do that.

Broder: ...There are reports that the Bradley fighting vehicle...has such serious mechanical problems that it could be a sitting duck for the Iraqis. Are those reports true?

Aspin: I think not, but the real test is going to be war.... I would point out that a number of those weapons systems in the air campaign were also criticized, and they're performing remarkably well. My constituents are stunned that this stuff is working as well as it is.

Utley: ...Is it your understanding SDI is going to be redefined?

Aspin: I think they're going to focus not so much on the weapons in space, but the ground-based systems.... More toward the ground-based than the Brilliant Pebbles.

Russert: Last week Chief of Staff Sununu all but ruled out the use of chemical and nuclear weapons by the U.S., but this week Gen. Schwarzkopf and Vice President Quayle suggested that possibility still loomed. What's U.S. policy?

Aspin: That's a good question, and they're not announcing it.... I think we can handle [Saddam's] chemical threat by normal means, and my advice would be for us to not use chemicals, and surely for us to not use nuclear.

Broder: ...Has Congress now basically ceded control of this whole operation to the President?

Aspin: Once you've crossed over the declaration of war, the commander-in-chief, I think, is predominant. We might be able to voice our concerns in terms of the war aims. It's a good idea.... There's also a danger that we're going to have some kind of a move towards a diplomatic solution. I think that's very dangerous.

Guest: OMB Director Darman.

Utley: How much of an impact is this war going to have on our well-being in terms of the economy and budget?

Darman: ...The original action by Saddam Hussein created, I think, this economic downturn we're in, at least in substantial measure.... I think we'll be able to get a very, very large portion paid for by foreign contributions.... We're going to include in the budget about \$15 billion worth, initially, at least as a place-holder, for what might have to be the U.S. contribution. That's already in our deficit estimate.... If the war ends anywhere near the period where people are assuming, and foreign contributions hold up, I would hope we shouldn't have to go much above that. We wouldn't have to do taxes, and the borrowing is already built into the deficit.

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Broder: ...If the estimates are correct..., we're adding a billion dollars a day to the national debt. How do you justify that?

Darman: You can't satisfactorily justify it to the people in the future who are going to pay it.... The overall level of debt is too high; it's got to come down.

Russert: ...How are we possibly going to lower our [military] personnel by 200,000 without giving pink slips to some people who fought in the Gulf?

Darman: ...It has to be an orderly transition..., and it's in the law thanks to the agreement last year. We should do so in a way that is humane with respect to those troops.

Utley: ...We understand you're going to propose cuts in some Medicare benefits, especially for wealthier Americans; you had to back off on it before. Can you fight this again and win it?

Darman: I don't know about that. But I can tell you this: the uncontrollable part of the budget, of which Medicare is one important part, is taking over the budget as a whole.... About Medicare, the wealthy may have a little bit less benefit. But overall, beneficiaries are not the target of our cuts. Doctors, perhaps, and clinical labs.... It would be somewhat ironic if the Democrats, who are expressing concerns about fairness, are reluctant to reduce the subsidies for the wealthiest Americans.

Broder: ...Why does the Administration oppose [cutting Social Security payroll taxes] as an option?

Darman: I think [it] creates a number of problems.... Are Social Security taxes going to be cut for some and raised for others? Are the benefits going to be changed for some? If the benefits are changed, is the system still going to be financially sound?... By the time you're done addressing all those questions, you may have undone the great good done in '82 and '83 in fixing the Social Security system.... I think the President said it right a year ago when he said, Don't mess with Social Security.

Broder: ...Chairman Greenspan has said he doesn't think there should be any capital gains cut. How can you have an objective review of the capital gains tax?

Darman: ...If he...can depoliticize this issue, it will be the best thing that could happen to the debate.

Broder: In your scorekeeping, do you think the capital gains tax cut will increase revenues?

Darman: In our budget, we present it both ways: increasing revenues and neutral.

CBS -- FACE THE NATION

Moderator: Lesley Stahl. **Panelists:** Jordan's Crown Prince Hassan; Lt. Gen. John Yeosock, U.S. commander of ground forces in the Gulf.

Guest: Lt. Gen. Yeosock.

Stahl: ...We spoke earlier this morning with the U.S. commander of ground forces in the Persian Gulf, Lt. Gen. John Yeosock, and asked him about a report that Saddam has approved the use of chemical weapons by his front-line troops and that allies are bracing for a nerve attack.

Yeosock: I cannot predict with any degree of certainty whether or not they will be used and, if they are used, what their effects might be.

Stahl: ...There are now reports that the chemical suits and other gear that have been distributed to our forces only last for two weeks. Two weeks have gone by already.... Tell us how our troops will be protected if they do confront some kind of a chemical action on the ground.

Yeosock: ...Part of the business I'm involved in is supplying, replacing and sustaining my forces. And we do that.

Stahl: What about the Bradley fighting vehicle? We understand there are transmission problems, that most of them are out being repaired.

Yeosock: ...Thus far there have been two instances where this [transmission] fault may have existed.... I have over 100,000 combat systems and vehicles in this theater. So the magnitude of this particular issue is one that should not cause any undue alarm or concern. The Bradley is performing to standard.

Stahl: But you're going to inspect all of them?

Yeosock: That will be done within hours.

Stahl: ...Secretary Cheney said the other day that Saddam Hussein gets most of his information about his own army from watching...CNN. How do you feel about putting out disinformation in interviews to confuse the enemy in time of war?

Yeosock: First, I don't put out disinformation, nor have I been told to put out disinformation, nor would I put out disinformation.... I must hasten to add, however..., that I will always come down on the side of the soldier in regard to providing information regarding military operations.... I believe the American people will fully recognize that if it's a matter of them having some tidbit of information that perhaps has a bit of interest at the moment that may place one soldier's life in jeopardy, I know the way the American people will respond: they'll say, Certainly, General, that's the thing to do.

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Guest: Crown Prince Hassan.

Stahl: Your country has stated its neutrality in this war, and yet the U.S. government says that you are breaking the embargo by, among other things, buying Iraqi oil and, we understand, sending food back into Iraq. Are you doing that?

Hassan: ...Until today, we have had closure of borders from Saudi Arabia. If we have to buy from the high seas or from other countries at market prices, it will cost half a billion dollars in this year. There is no plausible alternative. This is not a violation of sanctions. We are not selling that oil on the high seas. And it only covers barely two-thirds of our national requirements. So we simply can't understand this recent accusation. As for the food, we have made it clear that the borders of Iraq are open to Turkey, Iran and Syria....

Stahl: Our government considers your government as tilting toward Iraq. Is that fair?

Hassan: I have a brilliant piece here by the International Society of Political Psychology -- The Los Angeles Times produced the piece -- and it says it is the U.S. government that unfortunately dehumanized and demonized the Iraqi leadership from the outset, thus making it impossible to understand where the Iraqi people stood in this spiral, this escalation towards conflict since the 2nd of August. As far as our people are concerned, we are a neighboring people. They are fellow Arabs.... And it is only natural that after two weeks of massive bombardment of Iraq...the people's emotions are very clearly expressed, not only in Jordan, but in the Arab world and the Muslim world as a whole.

Stahl: ...Do you think [Saddam]...will go down into his bunker and fight this out to the bitter end -- even if it means the total destruction of Iraq?...

Hassan: ...I think it's very, very clear that there is no option other than to fight until the bitter end. And we're talking about martyrdom, which is called irrational in the West.... You are at the end of the day, in the eyes of history, a winner and not a loser.

Stahl: Is it the impression in Jordan that there is a slaughter going on, that the U.S. and the allied forces are totally overrunning Iraq?...

Hassan: There's a great deal of exaggeration and misinterpretation coming out over the airwaves.... I heard [Secretary Cheney] saying that he would not prosecute the war as far as Baghdad, but at the same time Iraq was no safe haven for Iraqi soldiers. I find a certain contradiction in that.

Stahl: Why have you not criticized Iraq's using your airspace to send Scuds over into Israel that are now landing in the occupied territories where so many Palestinians live?

Hassan: We have criticized the use of weapons of mass destruction and all delivery systems.... But at the same time I would like to make it also clear that we are in a position to do very little about missiles crossing air space. But this does not mean that we are in some way to be pulled into a war that we have opposed from the outset.

Stahl: The Israelis say that if they are attacked with chemical weapons, they will have no choice and they will have the right to defend themselves. Do you blame them for that, even if they used your air space?

Hassan: ...I'd rather see a pause now to give peace a last choice. But I can't criticize the right of anyone to seek to defend themselves.

Stahl: There have been some offers of a ceasefire, if Saddam Hussein will say he'll withdraw from Kuwait. He doesn't show any willingness to even do that much, you know.

Hassan: I think that is partly because this is a -- despite all of the efforts of the Organization of the Islamic Conference, the non-aligned, the Magreb countries, the statement is: You will announce your withdrawal from Kuwait; you will then cease fire; and we will then consider a cessation of hostilities.... The Security Council...should call upon all parties to cease-fire, and to give a chance for reassessment.

Stahl: ...There are reports that there is quite a bit of growing rage against the allied side. And yet our government officials say they're surprised there hasn't been more unrest in Arab capitals, and they don't see evidence of this Arab rage.

Hassan: ...Don't be misled by glib statements. I think that there is an increasing unrest in the Arab and Muslim street from Morocco to Indonesia.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. **Panelists:** Arnaud de Borchgrave, Fred Barnes, Jack Germond, Morton Kondracke.

On the Gulf War:

Barnes: ...Did you know that members of the Iraqi army are not issued white underwear...so they can't wave the flag of surrender? The fact is, they're getting pounded from the air..., and Saddam Hussein has made no headway on his...aim to start the ground war.

de Borchgrave: We're bound to win a conventional war. That is not what Saddam is fighting. He is a man who has taken on the greatest power in the history of mankind, a 28-nation coalition, and he hunkered down under the greatest blow we could deliver short of a nuclear blow, and came back and attacked the heart of Israel, which hasn't been done in 43 years.

Germond: ...I think the determination of the coalition leaders to stay out of a prolonged, wide-scale ground war is a smart thing to do, and they're doing it....

Kondracke: ...Arnaud made a very good point off-camera about how lousy the psychological warfare is on our side. He's broadcasting to the Arab world, trying to stir up trouble, and we're not making the point that his invasion of Kuwait was against all of Islamic law.

de Borchgrave: ...What Saddam is doing is moving our troops away from areas where they were going to jump out for the ground war.

Barnes: I do not think the ground war is inevitable. The air war is proceeding and succeeding beyond expectations.

de Borchgrave: The Egyptian foreign minister was here two days ago. He saw President Bush, he saw Jim Baker, and he was told the ground offensive would get rolling toward the end of February and would be wrapped up before the beginning of Ramadan on March 17.

On the joint U.S.-Soviet communique:

McLaughlin: ...The White House is currently putting out the story that Secretary Baker freelanced the statement, acting without the President's knowledge or consent. Chief of Staff Sununu reportedly complained bitterly that Baker "forgot the first rule of politics," which is not to upstage el Presidente. What's really going on?

Kondracke: Baker did not mean to upstage the President.... What the State Department just wanted to do was to post this thing on a bulletin board and have it ignored by everybody, and have Foreign Minister Bessmertnykh take it off and read it to the Soviet press.... There was nothing new on linkage or the cease-fire.... It was a vaguely new formulation of the methodology. What was new is that the Russians are going to be cut in on the post-war planning. That was what Bessmertnykh was supposed to take away.

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Germond: I can't believe you buy that story the State Department is putting out.... You'd have to be disingenuous beyond belief to believe that story about them not recognizing that that language was inflammatory. I think what was happening here is Baker, who is often too clever by half, is playing both sides of this thing.... The idea that this was just something to put on the bulletin board is laughable.

Kondracke: Baker may be wily, but he is not stupid. And this was stupid.

Barnes: Jack's exactly right; this was too clever by half. Baker has also gotten in trouble with the statement he's made saying that the nine billion dollars the Japanese are supposed to donate to Desert Storm will be used for military uses. It has enraged the Japanese, and jeopardized getting that money.

McLaughlin: What's the scenario [for the war]?

Kondracke: ...When Saddam's life or regime is threatened, then he may cut a deal. But not until.

de Borchgrave: He'll be forced to withdraw, he'll blow everything up -- there are 380 oil wells there and they're all mined -- and guess who's going to get the blame. President Bush.

Barnes: [The Arab masses] know better than that.

de Borchgrave: No, they do not.

McLaughlin: How long will the war last? de Borchgrave: It will be wrapped up by March 17. Barnes: Five weeks from now. Germond: I'm now thinking it will be a couple of months. Kondracke: I think their army is going to crack, I'd predict by the end of February. McLaughlin: One month, around March 1.

On the State of the Union Address:

McLaughlin: Grade President Bush and Sen. Mitchell's response.

Barnes: ...Bush gets an A for the whole speech. I'm grading on the curve, but that's about as good as he gets as President. To Mitchell, I would give a C.... Mitchell brought up the fact that Democrats voted against the war, which is enormously popular.... He should have left that one alone.

Germond: I thought the parts of the speech on the war were the best I've ever seen Bush.... But the domestic part...was really blue smoke and mirrors; there was nothing there. He says we're going to have this education program. Do you realize it's been almost 18 months since we had the Education Summit with the governors, and it's produced neither a plan nor legislation?

Kondracke: I would give him an A-plus for the war part and the new vision of the future and all that, and a D for domestic. I'm not sure that when the budget comes out we won't see some education initiatives; Lamar Alexander is going to be a great Secretary.... But capital gains, this New Federalism stuff -- it's just old hat.

de Borchgrave: Capital gains is disappearing out of sight. But what is beginning to emerge is a consensus between conservatives and liberals to reduce the Social Security payroll tax, at least the portion that applies to retirement and to disabilities, from 6.2 to 5.2 percent, and increase the base from which this is drawn from \$53,400 a year to \$80,000.... I give him an A-plus.

Germond: ...I give him a gentleman's B.... I thought [the Mitchell response] was a very tasteful thing.... The point is this: Every Democrat up to now has been fairly intimidated about even talking domestic issues because of the war.... The budget changes that. Now Bush has to deliver.... This \$15 billion [to the states]..., if you spread \$15 billion around the country, it ain't much....

McLaughlin: Chicken-feed, I agree with you.

Kondracke: I thought Mitchell did a really good job, except for the point Fred made, especially because this war proves sanctions would...have done nothing to get him out of there.... I give Bush a B-plus.

McLaughlin: I give him an A-minus.

On the economy:

Germond: ...There are all sorts of signs that the recession is going to be at least another couple of quarters.... If the war goes on for three or six months..., the economy may be down the tubes.

de Borchgrave: ...I think consumer confidence will return, and another thing that hasn't been mentioned is \$40 billion of reconstruction in Kuwait, and \$60 billion in Iraq....

McLaughlin: The recession -- inconsequential, mild, moderate, deep, or paralyzing? de Borchgrave: Mild. Barnes: Mild. Germond: Serious. Kondracke: Moderate. McLaughlin: Mild.

Predictions:

de Borchgrave: Boris Yeltsin will be launching a major initiative to privatize 300,000 stores, shops, service companies, etc.

Barnes: The clamor for President Bush to replace Vice President Quayle next June with Gen. Colin Powell will rise and rise and rise -- but Bush will stick with Quayle. Germond: I think unemployment will get close to 7 percent before turning around. Kondracke: Democrats in the Soviet Union are going to make a major effort to organize a new party with a new platform to put pressure on Gorbachev, and they're looking for U.S. money to help them build printing presses. McLaughlin: By the end of this year, South Africa will have its first democratic constitution, and in 1992 will hold its first free, one man-one vote election.

INSIDE WASHINGTON

Moderator: Gordon Peterson. Panelists: Carl Rowan, Juan Williams, Elizabeth Drew, Charles Krauthammer.

On the Gulf war:

Krauthammer: ...Our casualties are reasonably low after two-and-a-half weeks.... Absent [the possibility of chemical weapons being used against us], I think we're going absolutely according to plan.

Peterson: The fourth-largest army in the world mounted a spirited attack at Khafji at night.

Krauthammer: Spirited attack? I'm not sure. Saddam took an unoccupied town, he kept it for a day, he had huge losses.... It's like all his other actions: It has a political effect, but no effect on the ground.

Williams: It's clear that what Saddam did there gave a huge boost to morale, at least temporarily, on his side of the fence.... They were able to exercise some strength...and said to a lot of Arabs who may secretly support Saddam, We can stand up to the huge U.S.

Rowan: ...One would have thought [the allies] would have brought Iraq down by now, given our technological superiority.... We had better be prepared for some more surprises.

Drew: ...There had been a hope that the ground army would have broken by now; it has not done so, and there are not great signs that it's about to do so. There are estimates within the government that maybe within another couple of weeks this will happen. Other estimates are much more pessimistic.... You can't take ground from the air.... There are growing signs of instability in the countries [around the periphery]: Turkey, Pakistan, Egypt, N. Africa, etc.

Williams: You've had no show in the Arab world of spontaneous protests supporting Saddam. But...you can't ignore the political factors here.

Krauthammer: ...Why is Saddam sending his planes to Iran? The best explanation I've heard is that...it was a decision taken at the level of his air commander....

Rowan: It would not surprise me if Israel attacks, and Rafsanjani and the others will say, All bets are off -- we said we'd impound them, but we didn't say we'd do that if Israel entered the war.

Williams: Before the war began, Saddam sent an envoy over to Iran, and asked them if they would provide safe haven for airplanes.... The suggestion was made here that the planes are controlled [one level below Saddam]. Saddam was clearly in communication with his troops this week at Khafji; we haven't broken that line of communication which Gen. Powell said was necessary.

Krauthammer: ...We keep interpreting all of Saddam's moves as extremely smart and done in a very clever way. I think he is a small-time gangster and terrorist who finds himself now in a big-time game and is using his techniques..., and they aren't working.

On the joint U.S.-Soviet communique:

Drew: I don't think it was a deal.... The Administration wants you to think it was just sort of a little foul-up.... You can read that statement and accept the State Department word that there was nothing new in it. However, the packaging, the wording, did make it look different.... To accept the fact this was all just an accident, you have to accept one of two things: That Secretary Baker wanted to slip one over on his very good friend, the President..., or that Baker and his top assistants are less aware of the nuances of this whole issue than a lot of the rest of us are. I have trouble with either one of those explanations.

On the State of the Union Address:

Williams: ...When Bush turned to domestic issues, you had people sitting on their hands. He went through a list of things that have been tried before, but that he really hadn't put any money into. The most important thing he said on the domestic side was...that banks should be a little looser with their lending policies....

Rowan: But Bush couldn't bring himself to make a decent statement about civil rights without dragging in this whole business of an implied attack on affirmative action. He got some applause when he talked about the need for a tough crime control law.... Does it mean we simply want to lock up a lot more people? We're way ahead of South Africa and the Soviets now.

Krauthammer: It seems to me the President's main object in the State of the Union was to burn into the history books a phrase, the New World Order, and to make it his, in the same way FDR is associated with the New Deal and Kennedy with the New Frontier. I think Bush means by New World Order a kind of Pax Americana under U.N. auspices, which in some ways is a contradiction. I don't think it's going to last.... I think this idea...is not going to succeed.

Drew: I've always had some question about [the New World Order], and if you question Administration people closely, they will say that yes, it is unlikely that we would go to all this trouble with any country that was attacked. Kuwait is a special case in many ways, and also in a strategic area.... It's a big phrase, but I'm not sure how much meaning in the long run it will ultimately have.

Williams: I think it has tremendous meaning at this juncture. I has tremendous meaning if you look at the Baltic states.... It seems to me...the U.S. is in the position of having to bear the responsibility of leadership here.... I don't think there's any doubt that you have a New World Order in a post-Cold War world.

Rowan: But the New World Order could mean that in order to keep this oil we're fighting for now, we're going to occupy the fields of Kuwait and Saudi Arabia until Saudi women are wearing bikinis.

-End of News Summary-

From the desk of

George Bush

Scowcroft
Award File

Bush Presidential Library Photocopy

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George Bush Handwriting

Scowcroft
Award

East Room

12²⁵

Gov. Buddy

Rosen

makes

a rather sincere
challenge for the
Scowcroft award.

not a clear
winner but
respectable

chair back a little
fun rest
coat off
eyes very heavy

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CONGRESSIONAL MONITOR

2

Monday, February 4, 1991



Volume 27, Number 17

This Week in Congress

President Bush will unveil his fiscal 1992 budget today, kicking off a process that is expected to result in the biggest federal budget deficit in U.S. history.

In an otherwise light week on Capitol Hill, review of the president's budget will dominate the congressional agenda.

The budget request is likely to be the largest ever, exceeding last year's \$1.23 trillion proposal.

The administration has projected that the fiscal 1992 deficit will be \$281 billion and that the fiscal 1991 deficit will be at least \$318 billion.

Last year's budget deal made several changes in the budget process. Instead of focusing on the size of the overall deficit, the law sets spending caps for three broad categories of discretionary spending — defense, foreign affairs and domestic programs — and requires a pay-as-you-go approach for plans to increase entitlements. Legislators cannot fund additional spending in one category by cutting funding in another.

During the past few weeks, the administration has given a preview of what to look for in its fiscal 1992 budget. Here are a few highlights:

Anti-Drug Program. Last week, the administration announced that it would request \$11.7 billion in fiscal 1992 for fighting the war on drugs. The request, which would be an 11 percent increase over fiscal 1991, includes a proposal to expand treatment for drug abusers.

Financial Services. The administration's budget is expected to give some indication of its plans to overhaul the financial industry and the deposit insurance system. The Treasury Department is expected to release its plan this week.

The budget will also include the administration's projections for cleaning up the savings and loan industry.

On Tuesday, the Senate Banking Committee may mark up draft legislation to provide additional funds in fiscal 1991 to bail out failing S&Ls.

Defense. According to a news report last week, the administration is expected to propose a defense budget of about \$295 billion, including \$4.6 billion for a revised strategic defense initiative (SDI) program. The amount would be about \$4 billion less than appropriated in fiscal 1991.

During his State of the Union address, Bush said he wanted to refocus the SDI program to protect against limited attacks, a departure from the broad space-based program envisioned by former President Ronald Reagan.

Empowerment. Although he never used the word, on several occasions during his State of the Union address Bush referred to empowering individuals, communities and states with "power and choice."

In particular, Bush mentioned giving parents more control over child care and their children's education. The president is expected to request \$200 million for a test program to allow parents to choose between private and public schools.

Bush also proposed that \$15 billion in funding for federal programs be turned over to the states for what he called "flexible management." The programs, left unspecified, would be federally funded through grants but managed by states.

After the budget is released, Richard G. Darman, director of the Office of Management and Budget, and Treasury Secretary Nicholas F. Brady will go to Capitol Hill to sell the administration's proposals to lawmakers.

Darman is scheduled to appear before the Senate Budget Committee on Tuesday and the House Budget Committee on Wednesday. Brady will appear before the Senate panel on Wednesday and the House panel on Thursday.

Other members of the administration will follow to brief and lobby lawmakers on the Bush budget.

Last Week

Lawmakers listening to President Bush's State of the Union address last week were given a glimpse of what the White House hopes to accomplish with Congress this year — and what the budget battleground will look like.

Tuesday evening's address was billed as a rally-the-troops speech by the White House, but it did contain a fair amount of national agenda proposals and a few surprises for legislators to begin mulling over — among them a call for a refocused "star wars" program, a multibillion-dollar block grant for states to take over numerous federal programs, a capital gains study panel to be headed by Federal Reserve Chairman Alan Greenspan, a comprehensive restructuring of banking laws, and a call to eliminate political action committees.

Elsewhere last week, Congress cleared legislation granting compensation to veterans with certain diseases linked to Agent Orange exposure, rejected a resolution that would have junked most of last year's deficit-reduction agreement, and took up more war-related measures.

Floor Action

Agent Orange. The Senate on Thursday cleared, 99-0, a bill (HR 556) that would compensate veterans with certain diseases related to their exposure to Agent Orange. The House had passed the bill the day before on a 412-0 vote.

Health-care coverage for diseases supposedly linked to Agent Orange expired at the end of last year. HR 556 extends coverage until the end of 1993.

The administration supports the measure, which also calls for a study by the National Academy of Sciences to make a definitive determination about the link between exposure to Agent Orange and two forms of cancer.

Recession Resolution. On Thurs-

See LAST WEEK on p. 2

In This Issue

LAST WEEK.....	1
THIS WEEK.....	1
TODAY	
Committee Listings.....	3
News Events.....	3
BUDGET BRIEFINGS.....	3
FUTURE	
Senate Committees.....	5
House Committees.....	7
Party Organizations.....	10
Joint Committees.....	10
Other Events.....	11
STATUS CHARTS	
House Floor.....	13
Senate Floor.....	14

See THIS WEEK on p. 2

LAST WEEK from p. 1

day the Senate rejected, 2-97, a measure (S J Res 44) that would have suspended the enforcement provisions of last year's budget pact and would have allowed Congress to disregard strict spending caps.

The budget law required the Senate to consider the resolution, which was triggered by an announcement from the Congressional Budget Office (CBO) that the nation would endure at least two consecutive quarters of negative economic growth.

But congressional leaders and leading economists all said that the hard-won budget deal should not be scrapped so soon, arguing that a failure to keep the agreement would hurt the economy by sending the wrong signal to financial markets.

Under the law, the House was not required to vote on a similar resolution.

Reserves' Benefits. The House on Tuesday approved, 414-0, a measure (HR 555) to upgrade certain health protections for reservists in the gulf.

The bill would require employers of reservists to immediately reinstate health-care coverage once those employees returned to work. The measure also would protect reservists and their families from being evicted for not paying their rent if the rent was less than \$1,200 per month.

Committee Action

Thrift Bailout. Treasury Secretary Nicholas F. Brady was on Capitol Hill last week lobbying Congress for an emergency \$30 billion in funds for the Resolution Trust Company to be used for bailing out troubled thrifts.

In testimony Thursday before the House Banking Committee, Brady said the administration expects to spend nearly \$102 billion this fiscal year to close down failing savings and loans. And without a new infusion of cash, the thrift bailout might be forced to stop as early as February, Brady said.

Officials of the Congressional Budget Office (CBO) delivered the same warning Tuesday in an appearance before the Senate Banking Committee.

Economic Outlook. Federal Reserve Board Chairman Alan Greenspan told the House Banking Committee last week that the prospects for an economic turnaround in the near future could be squashed by the costs of the Persian Gulf War and by a deepening banking crisis.

Greenspan, who the week before had told a congressional panel that the recession would not be a long one, said at Thursday's hearing that a lengthy war could make the economic prognosis worse.

Record Deficit. The House Budget Committee heard grim predictions from CBO that this year's budget deficit is

expected to reach a record \$298 billion.

CBO Director Robert D. Reischauer added that the deficit will be even higher when the costs of the war are included. Large as it is, the CBO estimate was more optimistic than last week's White House estimate that the deficit would be \$318 billion this year.

Martin Hearing. Lynn Martin, a former Republican representative from Illinois, received friendly treatment Wednesday from senators of both parties as she testified at her confirmation hearings before the Senate Labor Committee. Martin has been nominated to replace Elizabeth H. Dole as secretary of Labor. Senators' comments left no doubt that Martin would win easy confirmation.

She assured members that she would support parental leave legislation this year, even though President Bush vetoed a similar measure in the 101st Congress.

As a member of the House in the last Congress, Martin also voted for civil rights legislation and a minimum wage bill that were both vetoed by Bush.

Space Agency. In two hearings last week focusing on the future of the U.S. space program, scientists and government policy analysts told the House Science Committee that for the National Aeronautics and Space Administration (NASA) should lower its sights and pursue projects that are within the agency's budgetary means.

A CBO representative suggested at one of the hearings that NASA should seek out international joint space ventures in order to keep costs down.

Puerto Rico. The future status of Puerto Rico was discussed in the Senate Energy Committee last week, as representatives of three competing political movements in Puerto Rico argued for independence, statehood or continuation as a commonwealth.

Committee Chairman J. Bennett Johnston (D-La.), has introduced legislation (S 244) calling for a referendum to be held in which Puerto Ricans can choose which of the three options they want. The referendum would not be binding, however: Congress would have to pass implementing legislation.

Some panel members said they did not want to rush into a decision on the legislation — which they would have to do in order for Puerto Ricans to hold a vote this fall. Members said they did not detect a large enough majority in Puerto Rico for either statehood or continued commonwealth status, the two leading choices.

Committee Organization. A number of House and Senate committees held initial meetings last week to take up organizational matters.

In the Senate, ad hoc panels representing each party continued to work on assignments to non-major committees such as Rules and Small Business. ■

THIS WEEK from p. 1

Floor Action

The House plans to take up three veterans-related measures this week.

Veterans' Education. On Tuesday, the House will consider legislation (HR 180) to reauthorize several education and training programs for veterans.

The programs provide vocational education and counseling to help veterans find jobs.

Memorial Transfer. Members Tuesday will consider HR 154, which would transfer ownership of a World War I memorial in France to the Veterans Affairs Department.

Veterans' Housing. On Wednesday, the House will vote on legislation (HR 232) to reauthorize veterans' housing programs. The measure includes a demonstration program to establish halfway houses for veterans to use as they adjust to civilian life and look for employment.

Senate Schedule. The Senate will be in session on Tuesday, but the schedule for the week has not been announced. ■

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Meetings Scheduled Today

House Committees

FY92 LEGISLATIVE APPROPRIATIONS Legislative Branch Subcommittee

The subcommittee (Chairman Fazio, D-Calif.) will hold a hearing on fiscal 1992 appropriations for programs of the House of Representatives and for joint House-Senate items.

1:30pm H-301 Capitol Building February 4

News Events

TOURISM CONFERENCE

The U.S. Travel and Tourism Administration, the Travel and Tourism Research Association and the U.S. Travel Data Center will hold the fifth annual Travel Review Conference. First of three days.

9am, Omni Shoreham Hotel, 2500 Calvert St. N.W. February 4

Contact: Scott Dring, (202) 293-1040, or the hotel, (202) 234-0700

Congressional highlight

9:15 a.m. to 9:40 a.m.: Keynote address by Sen. John Rockefeller (D-W.Va.)

UNIONS CONFERENCE

The United Auto Workers International Union opens its 1991 community action program conference. The conference takes up issues on workers' rights, economic dislocation, budget, taxes and health care. Participants will also meet with congressional and political leaders. Second of four days.

9am to 8pm, Sheraton Washington Hotel, 2660 Woodley Rd. N.W. February 4

Contact: Karl Mantyla, 313-926-5292 or UAW, 202-828-8500 or the hotel, 202-328-2000

Congressional highlight

9:40am: Speech by Rep. Ford, D-Mich., chairman of the House Education and Labor Committee.

DRUGS CONFERENCE

National Association of Alcoholism and Drug Abuse Counselors holds its Sixth Legislative Conference. Strategies to combat alcoholism and drug dependency and related topics will be discussed. Second of three days.

9:15am to 6pm, Hyatt Regency Capitol Hill, 400 New Jersey Ave. N.W. February 4

Contact: Laura Schmidt or Ingrid Montecino (703) 920-4644 or the hotel, (202) 737-1234

Congressional highlight

11:30am: Rep. Hoyer, D-Md., delivers a luncheon address.

EDUCATION CONFERENCE

Federal Relations Network of the National School Boards Association holds its 18th annual conference. The conference focuses on education proposals in the 102nd Congress, including amendments to the Education for All Handicapped Children Act, teacher supply and quality, an expanded school year, the federal role in school renovations and tax and environmental issues affecting school districts. Second

★ New listing

of three days.

9:30am to 5pm, Ramada Renaissance Techworld, 999 Ninth St. N.W. February 4

Contact: Phil Smith, 703-838-6722 or 703-938-8196 or the hotel, 202-775-0800

Congressional highlight

11:45am: Sen. Harkin, D-Iowa, is the luncheon keynote speaker.

GOVERNORS CONFERENCE

National Governors' Association holds its annual winter meeting to discuss education, health care, employment, economic and other issues affecting the states and U.S. territories. At least 50 governors from the states and territories are expected to attend the meeting. The governors of Arizona, Connecticut, Pennsylvania and Puerto Rico are not expected to attend. Third of four days.

12:15am to 5:15pm, J.W. Marriott Hotel, 14th St. and Pennsylvania Ave. N.W. February 4

Contact: Rae Young Bond, (202) 624-5330 and (202) 783-4585 or the hotel, (202) 393-2000

Congressional highlights

1:30pm to 3:15pm: Sen. Lautenberg, D-N.J., chairman of the Senate transportation appropriations subcommittee; and Rep. Mineta, D-Calif., chairman of the House surface transportation subcommittee, participate in a discussion of the Surface Transportation Bill.

3:15pm to 5:15pm: Energy Secretary James Watkins discusses the Gulf War and U.S. energy security in a session with members of NGA's energy and environment committee. Also speaking is Sen. Baucus, D-Mont., chairman of the Senate environmental protection subcommittee, who will talk on congressional environmental initiatives.

THRIFTS RALLY

A thrift industry coalition called the Financial Democracy Campaign holds a rally to protest the perceived role of the U.S. League of Savings and Loans in the S&L crisis and demand support for an alternative plan to pay for an industry bailout that does not pass the burden to taxpayers. Speakers include Rep. Sanders, I-Vt., a member of the House banking finance and urban affairs committee.

12:30pm Outside the U.S. League of Savings and Loans office, 1709 New York Ave. N.W. February 4

Contact: Brian Maney (202) 547-9292 or Bob Kingsley, (703) 684-3123

U.S.-MEXICO FREE TRADE

Foreign Relations Committee of Women in Government Relations will sponsor a discussion and reception to hear Manuel Suarez-Mier, minister for economic affairs the the Embassy of Mexico, discuss the prospects for and the progress towards a U.S.-Mexico free trade agreement.

5:30pm to 7:30pm, Mexican Embassy, 1911 Pennsylvania Ave. N.W. February 4

Contact: Carla Dancy at (202) 637-6700 or Tess Rae at (202) 624-2112

Note: There is a charge for this event of \$20 for members and \$35 for non-members.

ECONOMIC INDICATORS AND REPORTS

No set time: The Federal Reserve releases selected interest rates and assets and liabilities of commercial banks

10am: The Labor Department releases productivity and costs for the fourth quarter

Budget Briefings Today

Congress

BUDGET COMMITTEES NEWS CONFERENCE

Senate Budget Committee Chairman Jim Sasser, D-Tenn., and House Budget Committee Chairman Leon A. Panetta, D-Calif., will hold a press conference to analyze the president's fiscal 1992 budget.

3:30pm, Senate Radio-TV Gallery Capitol Building February 4

Contact: (202) 224-0642

Executive Branch

BRADY/DARMAN/BOSKIN

Treasury Secretary Nicholas F. Brady, Office of Management and Budget Director Richard G. Darman and White House Council of Economic Advisers Chairman Michael Boskin

discuss the 1992 budget.

10am, Old Executive Office Building, 17th St. and Pennsylvania Ave. N.W., Room 450 February 4

Contact: (202) 395-3080

SCIENCE AND TECHNOLOGY

D. Allan Bromley, assistant to the president for science and technology.

Noon, Second floor amphitheater, Office of Thrift Supervision, 1700 G St. NW. February 4

Contact: Sarah Keegan, (202) 395-6142.

HOUSING AND URBAN DEVELOPMENT

Secretary Jack F. Kemp gives the briefing.

Noon, Departmental conference Room 10233, 451 7th St. S.W. February 4

Contact: Robert Nipp, (202) 708-0685.

TRANSPORTATION

Transportation Secretary Samuel Skinner

■ Revised listing

Briefings continued...

briefs on the department's 1992 budget. FAA Administrator Adm. James Busey will attend.

Noon, 400 7th St. S.W., Room 2230 **February 4**

Contact: Bob Marx, (202) 366-5580 or Hal Paris, (202) 366-5571

AGRICULTURE

Stephen B. Dewhurst, Director of USDA's Office of Budget and Program Analysis gives the briefing.

1pm, Room 107-A, USDA Administration Building **February 4**

Contact: Don Elder (print media), (202) 447-4026; Marci Hilt (broadcast media), (202) 447-4330.

ENERGY

Energy Secretary James D. Watkins discusses the department's 1992 budget. Materials will be handed out at the briefing. Immediately following the Watkins briefing, separate briefings on individual programs will be held. A schedule of those briefings follows.

1pm, Forrestal Auditorium, 1000 Independence Ave. S.W. **February 4**

Contact: (202) 586-5806

Schedule

1pm to 1:55pm: Energy Secretary James D. Watkins conducts the main press briefing

1:55pm to 2:15pm: Controller Betty Smedley briefs on specific budget items

2:20pm to 3:05pm: Briefing on environmental programs

3:10pm to 3:50pm: Briefing on energy programs

3:55pm to 4:40pm: Briefing on national defense needs

4:45pm to 5:15pm: Briefing on fortifying foundations and technology

EDUCATION

Acting Education Secretary Ted Sanders gives the briefing.

1pm, Room 1134, 400 Maryland Ave. S.W. (Working press only. Advance copies available 10 a.m., Room 2089). **February 4**

Contact: Melinda Kitchell, (202) 401-1008.

LABOR

Thomas C. Komarek, assistant secretary for administration and management, gives the briefing.

1:30pm, Auditorium, Frances Perkins Building, 200 Constitution Ave. N.W. **February 4**

Contact: Bob Zachariasiewicz, (202) 523-7316.

HEALTH AND HUMAN SERVICES

Secretary Louis W. Sullivan gives the briefing.

1:30pm, HHS Auditorium, 200 Independence Ave. S.W. (credentialed press only in auditorium; others may watch on monitor) **February 4**

Contact: (202) 245-6343.

NATIONAL SCIENCE FOUNDATION

National Science Foundation Acting Director Frederick Bernthal briefs on the agency's 1992 budget.

1:30pm, 1800 G St. N.W., Room 540 **February 4**

Contact: Allan Levitt, 357-9498

DEFENSE

Defense Secretary Dick Cheney and Deputy Secretary Don Atwood discuss the Defense Department's 1992 budget.

2pm, The Pentagon, Mall Annex parking lot entrance, Room 2E781 **February 4**

Contact: 703-695-0192, or 703-697-5131

INTERIOR

Interior Secretary Manuel Lujan gives the briefing.

2pm, Interior Auditorium, 1849 C St. N.W. **February 4**

Contact: Steve Goldstein, (202) 208-6416.

JUSTICE

Deputy Attorney General William Barr will give the briefing.

2pm, Great Hall, Justice Department **February 4**

To attend, reporters must have made prior arrangements with Ellen Rotondi of the Office of Public Affairs, (202) 514-2007. Authorized press credential and separate picture identification card required to enter building. Reporters should go to the entrance on Constitution Avenue between 9th and 10th Streets NW to attend briefing. Great Hall available for microphone and camera set up at 1 p.m. Contact: Gina Talamona, (202) 514-2007.

NOAA/COMMERCE

National Oceanic and Atmospheric Administration Comptroller Rodney Weiher briefs on the agency's 1992 budget.

2pm, 14th St. and Constitution Ave. N.W. **February 4**

Contact: Jay Tabeau, (202) 377-8090

NASA

National Aeronautics and Space Administration Administrator Richard Truly, Deputy Administrator James Thompson and Comptroller Thomas Campbell discuss NASA's 1992 budget.

2:30pm 400 Maryland Ave. S.W., 6th floor auditorium **February 4**

Contact: Don Savage, (202) 453-8400

NUCLEAR REGULATORY COMMISSION

Staff briefing for news media only.

3pm, Commissioner's Conference Room, ground floor, 11555 Rockville Pike, Rockville, Md. **February 4**

Contact: 301-492-0240.

CIVIL WORKS

The U.S. Army Corps of Engineers holds a briefing on its Civil Works Budget for fiscal year 1992.

3pm (tentative) 20 Mass. Ave. NW, Room 8222D **February 4**

Contact: Carol Todd, 272-0011.

EPA

Environmental Protection Agency Administrator William K. Reilly discusses the agency's 1992 budget. Press credentials only. Camera crews can begin setting up at 2:30 p.m.

3:30pm; 401 M St. SW, auditorium **February 4**

Contact: (202) 382-4355

Non-Government

EDUCATION SPENDING

National School Boards Association President Martha Fricke hosts a news conference on the association's reaction to President Bush's proposed 1992 education budget and the association's proposal to Congress to provide demonstration grants for multi-agency services to youths at risk.

10am, Ramada Renaissance Techworld, 999 Ninth St. NW, conference meeting Room No. 3, lower level **February 4**

Contact: Phil Smith, 703-838-6722 or 703-938-8196 or the hotel, (202) 775-0800

HHS SPENDING

Representatives from six national health coalitions involving 200 organizations deliver remarks and respond to questions on the 1992 budget for the Department of Health and Human Services.

2:45pm (approx.), 2123 Rayburn Building **February 4**

Contact: Sharon Cohen, (202) 682-6039

POVERTY REPORT

The Center on Budget and Policy Studies releases an analysis of the effects of President Bush's 1992 budget on programs for low-income and unemployed Americans.

4pm, 777 North Capitol St. N.E. **February 4**

Contact: Art Jaeger, (202) 408-1080, for copies of the report

Note: This is not a news conference

HEALTH FUNDING

Coalition for Health Funding, Ad Hoc Group for Medical Research Funding, Consortium of Citizens with Disabilities, Mental Health-Liaison Group, National Organizations Responding to AIDS, news briefing on budget impact on health funding, speakers representing more than 200 organizations.

2:45pm (approx.), 2218 Rayburn Building **February 4**

Contact: John Friel, (202) 463-0662.

Senate Committees Future Listings

Agriculture, Nutrition & Forestry

224-2035

COMMODITY FUTURES

Senate Agriculture, Nutrition and Forestry Committee (Chairman Leahy, D-Vt.) will hold a hearing on legislation (S 207 - Commodity Futures Trading Practices Act of 1991) to reauthorize the Commodity Futures Trading Commission for five years, to impose service fees on the commodity futures trading industry, to impose tighter regulation to curb trading abuses and to clarify the jurisdictional authority of the various regulatory agencies over commodities trading.

9am SR-332 Russell Building February 7

Appropriations

224-3471

FY92 AGRICULTURE APPROP

Rural Development, Agriculture and Related Agencies Subcommittee (Chairman Burdick, D-N.D.) of Senate Appropriations Committee will hold hearings on fiscal 1992 appropriations for programs under its jurisdiction.

10:00am SD-138 Dirksen Building March 1, 8, 15, 22, April 10, 19, and 26

Agenda:

March 1: Agricultural Research Service; Cooperative State Research Service; Extension Service

March 8: Agricultural Stabilization and Conservation Service; Foreign Agricultural Service; General Sales Manager; Soil Conservation Service

March 15: Animal and Plant Health Inspection Service; Food Safety and Inspection Service; Agricultural Marketing Service

March 22: Food and Nutrition Service; Human Nutrition Information Service

April 10: Farmers Home Administration; Federal Crop Insurance Corporation; Rural Electrification Administration

April 19: Commodity Futures Trading Commission; Food and Drug Administration; Farm Credit Administration; Farm Credit System Assistance Board

April 26: Secretary of Agriculture

FY92 LABOR-HHS APPROP

Labor, Health and Human Services, Education and Related Agencies Subcommittee (Chairman Harkin, D-Iowa) of Senate Appropriations Committee will hold hearings on appropriations for programs under the subcommittee's jurisdiction

10am and 2pm SD-192 Dirksen Building March 5, 7, 12

10am and 1:30pm SD-192 Dirksen Building March 14

9:30am SD-192 Dirksen Building March 19, 20

10am SD-192 Dirksen Building March 21, April 16, 17, 18, 23, 24, 25

Agenda:

March 5: 10am: Office of secretary of Labor; Office of Inspector General, Labor Department

★ New listing

HEALTH & HUMAN SERVICES DEPARTMENT

March 5: 2pm: Office of Civil Rights and Policy Research

March 7: 10am: Family Support Administration, Human Development Services; Office of Inspector General

2pm: Social Security Administration; Health Care Financing Administration

March 12: 10am: Office of Assistant Secretary of Health; Agency for Health Care Policy and Research; Centers for Disease Control

2pm: Alcohol, Drug Abuse and Mental Health Administration; Health Resources and Services Administration

March 14:

10am: National Institutes of Health

Office of the Director

Buildings and facilities

National Cancer Institute

National Heart, Lung and Blood Institute

National Dental Institute

National Allergy and Infectious Diseases Institute

National Diabetes, Digestive and Kidney Diseases Institute

National Child Health and Human Development Institute

National Environmental Health Institute

Fogarty International Center

1:30pm: National Institutes of Health

National Neurology Institute

National Deafness Institute

General Medical Sciences

National Eye Institute

Nation Aging, Arthritis, Musculoskeletal and Skin Institute

Division of Research Resources

Nursing Research

Human Genome project

National Library of Medicine

March 19: Office of Secretary of Education; Special Institutions, Education Department

March 20: Office of Assistant Secretaries of Education, Office of Inspector General, Education Department

March 21: 10am: ACTION, National Council on Disability; Federal Mediation and Conciliation Service; National Mediation Board; Railroad Retirement Board; Federal Mine Safety and Health Review Commission; National Labor Relations Board; Occupational Safety and Health Review Commission

2pm: Physician Payment Review Commission; Corporation for Public Broadcasting; National Commission on Libraries; U.S. Institute of Peace; National Commission on AIDS; Prospective Payment Assessment Commission; National Commission to Prevent Infant Mortality; Soldiers' and Airmen's Home

April 16, 17, 18, 23, 24 & 25: outside witnesses

FY92 VA, HUD APPROPRIATIONS

VA, HUD, and Independent Agencies Subcommittee (Chairman Mikulski, D-Md.) of Senate Appropriations Committee will hold hearings on FY92 appropriations for programs under its jurisdiction.

1:30pm SD-138 Dirksen Building February 6

9:30am SD-138 Dirksen Building February 19

1:30pm SD-138 Dirksen Building February 20, March 6 & 13

9:30pm SD-116 Dirksen Building March 20

1:30pm SD-124 Dirksen Building April 10

1:30pm SD-138 Dirksen Building April 17

9:30am SD-138 Dirksen Building April 23

9:30am SD-124 Dirksen Building April 24

9:30am SD-138 Dirksen Building May 8

1:30pm SD-138 Dirksen Building May 15

9:30am SD-138 Dirksen Building May 17

Agenda:

February 6: Consumer Information Center; Consumer Product Safety Commission; Council on Environmental Quality; Office of Consumer Affairs

Witnesses scheduled: Teresa Nasif - director, Consumer Information Center; Jacqueline Jones-Smith - chairman, Consumer Product Safety Commission; Michael Deland - director, Council on Environmental Quality; Ann Windham Wallace - director, Office of Consumer Affairs.

February 19: Report of the Augustine Commission on the future direction of NASA

February 20: Selective Service System; American Battle Monuments Commission; Cemeterial Expenses (Army); Nuclear Regulatory Commission; National Institute of Building Sciences

March 6: Federal Emergency Management Agency

March 13: Council on Environmental Quality; Environmental Protection Agency

March 20: Federal Deposit Insurance Corporation; Resolution Trust Corporation; Office of the Inspector General; National Credit Union Administration

April 10: Inter-Agency Council on the Homeless; Department of Housing and Urban Development

April 17: United States Court of Veterans Affairs; Department of Veterans Affairs

April 23: Science Education Programs of Various Agencies

April 24: Office of Science and Technology Policy; National Science Foundation

May 8: National Space Council; National Aeronautics and Space Administration

May 15: Commission on National Service; Points of Light Foundation

May 17: Public Witness

Banking, Housing & Urban Affairs

224-7391

★ MARKUP: RTC FUNDING

Senate Banking, Housing and Urban Affairs Committee (Chairman Riegle, D-Mich.) may mark up legislation providing additional funding for the Resolution Trust Corporation;

10am SD-538 Dirksen Building tentative February 5

FEDERAL TRANSPORTATION PROGRAMS

Joint Field Hearing

Housing and Urban Affairs Subcommittee (Chairman Cranston, D-Calif.) of Senate Banking, Housing and Urban Affairs Committee and Water Resources, Transportation and Infrastructure Subcommittee (Chairman Moynihan, D-N.Y.) of Senate Environment and Public Works Committee will hold a joint field hearing on reauthorization of federal-aid highway and public transit programs.

8:30am Tampa, Fla., tentative February 12

SEMIANNUAL REPORT ON MONETARY POLICY

Senate Banking, Housing and Urban Affairs

■ Revised listing

Senate continued...

fairs Committee (Chairman Riegle, D-Mich.) will hold a hearing to receive the semiannual report on monetary policy required by the Full Employment and Balanced Growth Act of 1978 (Humphrey-Hawkins Act).

Time & room TBA tentative February 20

Budget

224-0642

FY92 BUDGET REVIEW

Senate Budget Committee (Chairman Sasser, D-Tenn.) will hold hearings in preparation for drafting a concurrent resolution on the fiscal 1992 budget.

10am SD-608 Dirksen Building February 5 & 6

Time TBA SD-608 Dirksen Building date TBA

Witnesses scheduled:

February 5: Richard Darman - director, Office of Management and Budget

February 6: Nicholas F. Brady - secretary of the Treasury; Michael Boskin - chairman, Council of Economic Advisers

Date TBA: Alan Greenspan - chairman, Board of Governors, Federal Reserve System

Energy & Natural Resources

224-4971

PUERTO RICAN PLEBISCITE

Senate Energy and Natural Resources Committee (Chairman Johnston, D-La.) will hold hearings on proposals for a Puerto Rican plebiscite in Puerto Rico to allow residents to choose among three options: 1) enhanced commonwealth status; 2) statehood; 3) independence.

9:30am SD-366 Dirksen Building February 7

ENERGY POLICY

Senate Energy and Natural Resources Committee (Chairman Johnston, D-La.) will hold an oversight hearing on U.S. national energy policy.

2pm SD-366 Dirksen Building February 19

★ MARKUP: ENERGY BUSINESS

Senate Energy and Natural Resources Committee (Chairman Johnston, D-La.) will meet to consider pending business.

9:30am SD-366 Dirksen Bldg February 20 & 21

Environment & Public Works

224-6176

INFRASTRUCTURE & THE ECONOMY

Water Resources, Transportation and Infrastructure Subcommittee (Chairman Moynihan, D-N.Y.) of Senate Environment and Public Works Committee will hold a hearing on "Infrastructure, Productivity and Economic Growth."

★ New listing

han, D-N.Y.) of Senate Environment and Public Works Committee will hold a hearing on "Infrastructure, Productivity and Economic Growth."

10am SD-406 Dirksen Building February 5

TRANSPORTATION ISSUES DEMOGRAPHIC TRENDS

Water Resources, Transportation and Infrastructure Subcommittee (Chairman Moynihan, D-N.Y.) of Senate Environment and Public Works Committee will hold a hearing on "Demographic Trends and Transportation Demand."

10am SD-406 Dirksen Building February 7

FEDERAL TRANSPORTATION PROGRAMS

Joint Field Hearing

Water Resources, Transportation and Infrastructure Subcommittee (Chairman Moynihan, D-N.Y.) of Senate Environment and Public Works Committee and Housing and Urban Affairs Subcommittee (Chairman Cranston, D-Calif.) of Senate Banking, Housing and Urban Affairs Committee will hold a joint field hearing on reauthorization of federal-aid highway and public transit programs.

8:30am Tampa, Fla., February 12

FEDERAL HIGHWAY PROGRAMS

Senate Environment and Public Works Committee (Chairman Burdick, D-N.D.) will hold a hearing on the fiscal 1992 budget for federal-aid highway programs and related transportation issues.

10am SD-406 Dirksen Bldg February 26

EPA BUDGET

Senate Environment and Public Works Committee (Chairman Burdick, D-N.D.) will hold a hearing on the Environmental Protection Agency's proposed budget for fiscal 1992.

9:30am SD-406 Dirksen Bldg March 7

Finance

224-4515

U.S.-MEXICO FREE TRADE

Senate Finance Committee (Chairman Bentsen, D-Texas) will hold hearings on proposed free-trade negotiations with Mexico.

10:15am SD-215 Dirksen Building February 6

10am SD-215 Dirksen Building February 20

Witnesses scheduled:

February 6: Sens. DeConcini, D-Ariz., and McCain, R-Ariz.

Carla Hills - U.S. Trade Representative; Thomas Donahue - secretary and treasurer, AFL-CIO

PANEL: Kay Whitmore - chairman and chief executive officer, Eastman Kodak, representing Business Roundtable; James Baker - representing U.S. Chamber of Commerce

February 20: TBA

Foreign Relations

224-4651

FOREIGN POLICY OVERVIEW

Senate Foreign Relations Committee

(Chairman Pell, D-R.I.) will hold a hearing on the foreign policy overview for 1991 and the president's budget request for fiscal 1992.

10am SD-419 Dirksen Building February 7

Witness scheduled: James A. Baker III - secretary of State

Governmental Affairs

224-4751

REVISING STAFF HONORARIA

Senate Governmental Affairs Committee (Chairman Glenn, D-Ohio) will hold a hearing on proposed legislation to revise the staff honoraria provision in the Ethics in Government Act of 1989.

9:30am SD-342 Dirksen Building February 6

ETHICS AND PROCUREMENT

Oversight of Government Management Subcommittee (Chairman Levin, D-Mich.) of Senate Governmental Affairs Committee will hold a hearing on provisions of the Procurement Integrity Act of 1988 that regulate discussions about employment at procurement meetings between government employees and employees of government contractors and suppliers.

9am SD-342 Dirksen Building February 21

Judiciary

224-5225

DRUG STRATEGY REVIEW

Senate Judiciary Committee (Chairman Biden, D-Del.) will hold a hearing to review the national drug strategy.

10am SD-226 Dirksen Building February 6

IMPACT OF S & L RESTRUCTURING

Antitrust, Monopolies and Business Rights Subcommittee (Chairman Metzenbaum, D-Ohio) of Senate Judiciary Committee will hold a hearing on the impact of restructuring the savings and loan industry.

9:30 SD-226 Dirksen Building February 7

Labor & Human Resources

224-5375

ALCOHOLISM & THE FAMILY

Children, Family, Drugs and Alcoholism Subcommittee (Chairman Dodd, D-Conn) of Senate Labor and Human Resources Committee will hold a hearing on the effects of alcoholism on families and possible solutions to the problem.

9:30am SD-430 Dirksen Building February 5

Witnesses scheduled:
PANEL: Sen. Daschle, D-S.D.; Suzanne Somers - actress/author

■ Revised listing

Senate continued...

PANEL: Robert Deutsch - West Hartford, Conn.; Tim C. and Tim C. - father and son, Bloomfield, Conn.; Cathleen Brooks - president, National Association of Children of Alcoholics; Allen Lamb - Tacoma, Wash.

PANEL: Basil Henderson - director of public policy, Children of Alcoholics Foundation; Susan Galbraith - chair, Coalition on Alcohol and Drug Dependent Women and their Children; Douglas McDonald - chief executive officer, Oxford Institution; Ann Streissguth - psychiatry and behavioral science professor, University of Washington, Seattle, Wash.

EDUCATION SECRETARY CONFIRMATION HEARING

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass) will hold a confirmation hearing on the nomination of Lamar Alexander to be secretary of Education.

10:30am SD-430 Dirksen Building **February 6**

★ HUMAN RESOURCES CONFIRMATION HEARINGS

Senate Labor and Human Resources Committee (Chairman Kennedy, D-Mass) will hold confirmation hearings on pending nominations.

9:30am SD-430 Dirksen Building **February 7**

10am SD-430 Dirksen Building **February 8**
Agenda:

February 7: Walter Massey to be director of the National Science Foundation

February 8: Susannah Simpson Kent to be director of the Institute of Museum Services, National Foundation on the Arts and Humanities

MAMMOGRAPHY SCREENING**Field Hearing**

Aging Subcommittee (Chairman Adams, D-Wash) of Senate Labor and Human Resources Committee will hold a field hearing on how to determine the best use of mammography screening for a woman's health needs, focusing on elderly women.

9am South Auditorium, Jackson Federal Building, Seattle, Wash. **February 13**

LONG-TERM CARE IN WASHINGTON STATE**Field Hearing**

Aging Subcommittee (Chairman Adams, D-Wash) of Senate Labor and Human Resources Committee will hold a field hearing on the efforts in Washington state to provide long-term care, especially in relation to the 1965 Older Americans Act.

9am Council Chamber, Municipal Building, Tacoma, Wash. **February 15**

Rules & Administration

224-6352

SENATE COMMITTEE FUNDING

Senate Rules and Administration Committee (Chairman Ford, D-Ky) will hold hearings

★ *New listing*

on proposed committee resolutions requesting funds for operating expenses for 1991-92.

9:30am SR-301 Russell Building **February 6 & 7**

SENATE COMMITTEE FUNDING**Full Committee Markup**

Senate Rules and Administration Committee (Chairman Ford, D-Ky) will mark up proposed committee funding resolutions.

9:30am SR-301 Russell Building **February 20**

Small Business

224-5175

NEW ENGLAND ECONOMY & SMALL BUSINESSES**Field Hearings**

Senate Small Business Committee (Acting Chmn Lieberman, D-Conn.) will hold a hearing on the state of the New England economy and its effect on the region's small businesses

10:30am 2-C Legislative Office Building, Hartford, Conn. **February 14**

9:30am 2-C Legislative Office Building, Hartford, Conn. **February 15**

Note: These hearings were originally scheduled for January 17 & 18.

House Committees Future Listings**Agriculture**

225-2171

■ AGRICULTURE COMMITTEE DEMOCRATIC CAUCUS

The Democratic membership of the House Agriculture Committee (Chmn de la Garza, D-Texas) will meet to organize for the 102nd Congress.

2pm 1300 Longworth Bldg closed **February 5**

■ AGRICULTURE COMMITTEE ORGANIZATION

The House Agriculture Committee (Chmn de la Garza, D-Texas) will meet to organize for the 102nd Congress.

10am 1300 Longworth Bldg **February 7**

★ FARM CREDIT

The Subcommittee on Conservation, Credit and Rural Development (Chmn English, D-Okla.) of the House Agriculture Committee will hold hearings to examine the farm credit delivery system.

Time & room TBA tentative **February 21 & addl dates TBA**

Veterans' Affairs

224-9126

★ MARKUP: OPERATION DESERT STORM

Senate Veterans' Affairs Committee (Chairman Cranston, D-Calif) will mark up legislation relating to Operation Desert Storm.

1:30pm SR-418 Russell Building **February 7**

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

Appropriations

225-2771

FY92 ENERGY & WATER APPROPRIATIONS

Energy and Water Subcommittee (Chairman Bevill, D-Ala.) of House Appropriations Committee will hold hearings on fiscal 1992 appropriations for programs under its jurisdiction.

10am 2362 Rayburn Building **February 19, 21, 25 & 26**

10am & 11am 2362 Rayburn Building **February 27**

10am 2362 Rayburn Building **February 28, March 4, 5, 6 & 7**

10am 2362 Rayburn Building closed **March 11 and 12**

10am & 11am 2362 Rayburn Building **March 13**

10am 2362 Rayburn Building **March 14**

10am & 2pm 2362 Rayburn Building **March 19, 20, 21, April 9 & 10**

Agenda:

February 19:

Assistant Secretary of the Army (Civil Works) and the Chief of Engineers; Army Engineers Corps: Pacific Ocean Division

February 21:

Army Engineers Corps: Ohio River Division; Southwestern Division; Missouri River Division; North Pacific Division

February 25:

Army Engineers Corps: South Pacific Division;

■ *Revised listing*

House continued...

North Central Division; New England Division;
North Atlantic Division

February 26:

Army Engineers Corps; South Atlantic Division;
Lower Mississippi Valley Division; and remaining
items

February 27:

(10am) Appalachian Regional Commission; (11am)
Tennessee Valley Authority

February 28:

Secretary of the Interior; Bureau of Reclamation;
Delaware River Basin Commission; Susquehanna
River Basin Commission; Interstate Commission
on the Potomac River Basin

ENERGY DEPARTMENT**March 4:**

Secretary of Energy

March 5:

Solar and Renewables; Environment; Waste Man-
agement

March 6:

General Science; Basic Energy Sciences; Fusion;
Supporting Technology

March 7:

Nuclear Fission; Uranium Supply and Enrichment
Activities; Supporting Technology

March 11 & 12:

Atomic Energy Defense Activities

March 13:

Nuclear Regulatory Commission; Federal Energy
Regulatory Commission

March 14:

Power Marketing Administrations

March 19, 20, 21, April 9, and 10

Members of Congress and Outside Witnesses

FY92 INTERIOR APPROPS

Interior Subcommittee (Chairman Yates,
D-Ill.) of House Appropriations Committee
will hold hearings on fiscal 1992 appropriations
for programs under its jurisdiction.

10am B-308 Rayburn Building **February 5**

1:30pm B-308 Rayburn Building **February 19**

10am & 1:30pm B-308 Rayburn Building
February 21

10am B-308 Rayburn Building **February 26,**
27, 28, March 5, & 6

10am & 1:30pm B-308 Rayburn Building
March 7

10am B-308 Rayburn Building **March 12**

10am & 1:30pm B-308 Rayburn Building
March 13 & 14

10am B-308 Rayburn Building **March 19**

10am & 1:30pm B-308 Rayburn Building

March 20, 21, April 9-11, 16-18, 23, & 24

10am B-308 Rayburn Building **April 25 and**
30

10am & 1:30pm B-308 Rayburn Building
May 1 and 2

10am B-308 Rayburn Building **May 7**

10am & 1:30pm B-308 Rayburn Building
May 8

10am B-308 Rayburn Building **May 9**

Agenda:

February 5: Smithsonian

February 19: National Capital Planning Commis-
sion; Advisory Council on Historic Preservation;
Woodrow Wilson International Center for Schol-
ars

February 21: National Endowment for the Arts

February 26: National Endowment for the Hu-
manities

February 27: Outside Witnesses: Energy Program
(Department of Energy, Office of Surface Mining,
Minerals Management Service, Bureau of Mines)

February 28: Outside Witnesses: Natural Re-
sources

★ *New listing*

March 5: Secretary of the Interior

March 6: Secretary of Energy

March 7: Mineral Management Service

March 8: Energy Information Administration; Eco-
nomic Regulatory Administration; Emergency
Preparedness; Office of Hearings and Appeals

March 13 & 14: Outside Witnesses: Indian Pro-
gram

March 19: Indian Education Activities; Pennsylv-
ania Avenue Development Corporation; Holocaust
Memorial Council

March 20: NPS

March 21: Smithsonian

April 9: GSA

April 10: Indian Health Services and Facilities

April 11: Bureau of Indian Affairs

April 16: Fish and Wildlife Service

April 17: Energy Conservation

April 18: Outside Witnesses: NEA/NEH/IMS

April 23: (10am) Bureau of Mines; (1:30pm) Office
of Surface Mining

April 24: Forest Service

April 25: Office of Secretary/Solicitor/IG

April 30: Fossil Energy; Clean Coal; Strategic
Petroleum Reserve; NPR

May 1: (10am) Navaho and Hopi Relocation Com-
mission; Institute of American Indian and Alas-
kan Native Culture; National Indian Gaming
Commission; (1:30pm) Institute of Museum Ser-
vices

May 7: Franklin Delano Roosevelt Memorial Com-
mission; Commission of Fine Arts; National Gal-
lery of Art

May 8: Bureau of Land Management

May 9: Territories

FY92 LEGISLATIVE APPROPS

Legislative Branch Subcommittee (Chmn
Fazio, D-Calif.) of House Appropriations Com-
mittee will hold hearings on fiscal 1992 approp-
riations for programs under its jurisdiction.

1:30pm H-301 Capitol Building **February 4**

10am H-301 Capitol Building **February 5 &**
6

9:30am H-301 Capitol Building **February 7**

Agenda:

February 4: House of Representatives; joint items
February 5: 10am - Capitol Police; Architect;
Botanic Garden; 1:30pm - Joint Taxation; Con-
gressional Budget Office; 4pm - Office of Technol-
ogy Assessment

February 6: 10am - Joint Economic; Joint Printing;
General Accounting Office; 1:30pm - Library of
Congress

February 7: Copyright Royalty Tribunal; Govern-
ment Printing Office; Outside witnesses

★ FY92 TREASURY-POSTAL APPROPS

Treasury, Postal Service and General Gov-
ernment Subcommittee (Chairman Roybal, D-
Calif.) of House Appropriations Committee
will hold hearings on fiscal 1992 appropriations
for programs under its jurisdiction.

9:30am H-301 Capitol Building **February 7**
& additional dates TBA

Agenda:

February 7: Copyright Royalty Tribunal, Govern-
ment Printing Office, Outside witnesses

FY92 VA, HUD APPROPS

VA, HUD, and Independent Agencies Sub-
committee (Chairman Traxler, D-Mich.) will
hold hearings on fiscal 1992 appropriations for
programs under its jurisdiction.

2pm H-143 Capitol Building **February 19**

10pm H-143 Capitol Building **February 21**

Agenda:

February 19:
Consumer Product Safety Commission, Selective
Service System

February 20:

American Battle Monuments Commission;
Cemeterial Expenses, Army; Office of Consumer
Affairs; Consumer Information Center (GSA)

Armed Services

225-4151

**PROFESSIONAL MILITARY
EDUCATION**

Military Education Panel (Chairman Skel-
ton, D-Mo.) of House Armed Services Commit-
tee will hold a hearing on an interim report
from the General Accounting Office on the
results of their examination of professional
military education.

9am 2212 Rayburn Building **February 5**

Note: This hearing was originally scheduled for
January 31.

FY92-93 DEFENSE AUTHORIZATION

House Armed Services Committee (Chair-
man Aspin, D-Wis.) will hold a hearing on on
the president's defense authorization request
for fiscal years 1992 and 1993.

10am 2118 Rayburn Building **February 7**

Witnesses scheduled: Dick Cheney - secretary of
Defense; Gen. Colin L. Powell Jr. - chairman,
Joint Chiefs of Staff

**FAIRNESS & SUSTAINABILITY OF
ALL-VOLUNTEER FORCE****Joint Hearing**

The full committee (Chairman Aspin, D-
Wis.) and Military Personnel and Compensa-
tion Subcommittee (Chairman Byron, D-Md.)
of House Armed Services Committee will con-
tinue joint hearings on issues related to the
Persian Gulf crisis.

Time & room TBA Date TBA

Agenda:

Date TBA: Sustainability of the all-volunteer force
given the prospect of war

Date TBA: Fairness of the all-volunteer force given
the prospect of war

**Banking, Finance
& Urban Affairs**

225-4247

★ STATE OF THE ECONOMY

Domestic Monetary Policy Subcommittee
(Chairman Neal, D-N.C.) of House Banking,
Finance and Urban Affairs Committee will
hold hearings on the overall state of the econ-
omy with emphasis on monetary and financial
issues.

10am 2118 Rayburn Building **February 5 &**
7

Witnesses scheduled:

February 5: Sidney Jones - assistant secretary of
Treasury for economic policy

February 7: Martin Barnes - managing editor,
Bank Credit Analyst; Saul Hymans - director,
Research Seminar in Quantitative Economics,
University of Michigan; John Silvia - first vice
president and chief economist, Kemper Financial
Services

**■ SEMIANNUAL REPORT
ON MONETARY POLICY**

Domestic Monetary Policy Subcommittee
(Chairman Neal, D-N.C.) of House Banking,
Finance and Urban Affairs Committee will
hold a hearing to receive the semiannual report
on monetary policy required by the Full Em-
ployment and Balanced Growth Act of 1978

■ *Revised listing*

House continued...

(Humphrey-Hawkins Act).
10am 2128 Rayburn Building February 21

Budget

225-7290

★ **FY92 BUDGET REVIEW**

House Budget Committee (Chairman Pannetta, D-Calif.) will hold hearings to review the administration's fiscal 1992 budget proposals.

10am 210 Cannon Building February 6

10am & 2pm 210 Cannon Building February 7

10am 210 Cannon Building February 19 & 20

Agenda:

February 6: Richard Darman - director, Office of Management and Budget

February 7: (10am) Nicholas Brady - secretary of Treasury; (2pm) L. William Seidman - chairman, Federal Deposit Insurance Corporation and Resolution Trust Corporation

February 19: Michael Boskin - chairman, Council of Economic Advisers

February 20: Louis Sullivan - secretary of Health and Human Services

Education & Labor

225-4527

★ **EDUCATION COMMITTEE ORGANIZATION**

House Education and Labor Committee (Chairman Ford, D-Mich.) will meet to organize for the 102nd Congress.

10am 2175 Rayburn Building February 5

Energy & Commerce

225-2927

■ **ENERGY COMMITTEE ORGANIZATION**

House Energy and Commerce Committee (Chairman Dingell, D-Mich.) will meet to organize for the 102nd Congress.

10am 2123 Rayburn Bldg February 7

Foreign Affairs

225-5021

★ **INTERNATIONAL AFFAIRS FY92 BUDGET REQUEST**

House Foreign Affairs Committee (Chairman Farnsworth, D-Fla.) will hold a hearing on the president's fiscal year 1992 budget request for international affairs and also to receive an update on diplomatic initiatives pursuant to Operation Desert Storm.

10am 2172 Rayburn Building February 6

Witnesses scheduled: James A. Baker III - secretary of State

★ *New listing*★ **FOREIGN ASSISTANCE FY92 BUDGET REQUEST**

House Foreign Affairs Committee (Chairman Farnsworth, D-Fla.) will hold a hearing on the president's fiscal year 1992 budget request for foreign assistance programs.

10am 2172 Rayburn Building February 7

Witnesses scheduled: Ronald Roskens - administrator, Agency for International Development

U.S. POST-WAR GULF POLICY

Europe and the Middle East Subcommittee (Chairman Hamilton, D-Ind.) and Arms Control, International Security and Science Subcommittee (Chairman Farnsworth, D-Fla.) of House Foreign Affairs Committee will continue joint hearings on U.S. policy in the Persian Gulf after the war.

Time & room TBA addtl dates TBA

Note: Hearings began January 31.

Government Operations

225-5051

★ **GOVERNMENT OPERATIONS COMMITTEE ORGANIZATION**

House Government Operations Committee (Chairman Conyers, D-Mich.) will meet to organize for the 102nd Congress.

11am 2154 Rayburn Building February 7

★ **JUSTICE PROGRAMS OVERSIGHT**

Government Information, Justice and Agriculture Subcommittee (Chairman Wise, D-W.Va.) of House Government Operations Committee will hold an oversight hearing on the Office of Justice Programs.

1pm 2247 Rayburn Building February 7

Interior & Insular Affairs

225-2761

★ **INTERIOR COMMITTEE ORGANIZATION**

House Interior and Insular Affairs Committee (Chairman Udall, D-Ariz.) will meet to organize for the 102nd Congress.

9:45am 1345 Longworth Bldg February 6

★ **INSULAR AREAS BUDGET**

Insular and International Affairs Subcommittee (Chairman de Lugo, D-VI) of House Interior and Insular Affairs Committee will hold a hearing on the fiscal 1992 budget for the insular areas.

Time TBA 1324 Longworth Bldg February 7

ELECTROMAGNETIC RADIATION

Water, Power and Offshore Energy Resources Subcommittee (Chairman Miller, D-Calif.) of House Interior and Insular Affairs Committee will hold a hearing on potential

health hazards of electromagnetic field radiation.

Time & room TBA date TBA

Note: This hearing was originally scheduled for January 17, but was postponed because of developments in the Persian Gulf. No new date has been announced.

Judiciary

225-3951

★ **JUDICIARY COMMITTEE ORGANIZATION**

House Judiciary Committee (Chairman Brooks, D-Texas) will meet to organize for the 102nd Congress.

10am 2141 Rayburn Building February 5

★ **CIVIL RIGHTS**

Civil and Constitutional Rights Subcommittee (Chairman Edwards, D-Calif.) of House Judiciary Committee will hold a hearing on legislation (HR 1) to restore and strengthen civil rights laws that ban discrimination in employment.

10am 2237 Rayburn Building February 7

★ **EASING HONORARIA BAN ON FED WORKERS**

Administrative Law and Governmental Relations Subcommittee (Chairman Frank, D-Mass.) of House Judiciary Committee will hold a hearing on legislation (HR 325) to allow federal employees to accept honoraria for activities unrelated to their work.

10am 2226 Rayburn Building February 7

Merchant Marine & Fisheries

225-4047

★ **MERCHANT MARINE COMMITTEE ORGANIZATION**

House Merchant Marine and Fisheries Committee (Chairman Jones, D-NC) will meet to organize for the 102nd Congress.

2pm 1334 Longworth Bldg February 6

Narcotics Abuse & Control

226-3040

NARCOTICS BRIEFING

House Select Narcotics Abuse and Control Committee (Chairman Rangel, D-N.Y.) will hold a briefing on drug issues. The briefing will be conducted by committee Chairman Rangel and will be on the record.

10:30am B-352 Rayburn Building February 6

■ *Revised listing*

House continued...**Post Office & Civil Service**

225-4054

POST OFFICE COMMITTEE ORGANIZATION

House Post Office and Civil Service Committee (Chairman Clay, D-Mo.) will meet to organize for the 102nd Congress.

T11am 311 Cannon Building February 6

Public Works & Transportation

225-4472

★ AIRLINE INDUSTRY FINANCIAL CONDITION

Aviation Subcommittee (Chmn Oberstar, D-Minn) of House Public Works and Transportation Committee will hold hearings on the financial condition of the airline industry and the adequacy of competition.

9:30am 2167 Rayburn Bldg February 5 & 6

Rules

225-9486

■ RULES COMMITTEE BUSINESS

House Rules Committee (Chairman Moakley, D-Mass.) will meet to continue consideration of resolutions establishing select committees.

10:30am H-313 Capitol Building February 5

Agenda:

H Res 11 - Establish the Select Committee on Hunger

H Res 12 - Establish the Select Committee on Children, Youth, and Families

H Res 14 - Establish the Select Committee on Narcotics Abuse and Control

Note: This meeting began January 29.

Science, Space & Technology

225-6371

SCIENCE COMMITTEE DEMOCRATIC CAUCUS

The Democratic membership of the House Science, Space and Technology Committee (Chmn Brown, D-Calif.) will meet to organize for the 102nd Congress.

10am 2325 Rayburn Bldg closed February 6

SCIENCE COMMITTEE REPUBLICAN CAUCUS

The Republican membership of the House Science, Space and Technology Committee (Chmn Brown, D-Calif.) will meet to organize for the 102nd Congress.

3pm 2325 Rayburn Bldg closed February 6

★ New listing

■ SCIENCE COMMITTEE ORGANIZATION

The House Science, Space and Technology Committee (Chmn Brown, D-Calif.) will meet to organize for the 102nd Congress.

9:30am 2318 Rayburn Bldg February 7

FY92 NASA BUDGET

The House Science, Space and Technology Committee (Chmn Brown, D-Calif.) will hold a hearing on the fiscal 1992 budget for the National Aeronautics and Space Administration.

1pm 2318 Rayburn Bldg February 7

Small Business

225-5821

WETLANDS PROTECTION & SMALL BUSINESS

House Small Business Committee (Chairman LaFalce, D-N.Y.) will hold a hearing on how laws protecting wetlands affect the small business community.

9am 2359-A Rayburn Building February 6

Veterans' Affairs

225-3527

★ VETERANS COMMITTEE ORGANIZATION

House Veterans' Affairs Committee (Chairman Montgomery, D-Miss.) will meet to organize for the 102nd Congress.

9:30am 334 Cannon Building February 7

VETERANS' LEGISLATIVE AGENDAS Joint Hearings

House Veterans' Affairs Committee (Chairman Montgomery, D-Miss.) and Senate Veterans' Affairs Committee (Chairman Cranston, D-Calif.) 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

Ways & Means

225-3625

★ HUMAN RESOURCES SUBCOMMITTEE ORGANIZATION

Human Resources Subcommittee (Acting Chairman Downey, D-N.Y.) of House Ways and Means Committee will meet to organize for

the 102nd Congress.

2pm B-318 Rayburn Building February 5

★ HEALTH SUBCOMMITTEE ORGANIZATION

Health Subcommittee (Chairman Stark, D-Calif.) of House Ways and Means Committee will meet to organize for the 102nd Congress.

3pm room TBA February 6

UNEMPLOYMENT INSURANCE

Human Resources Subcommittee (Acting Chairman Downey, D-N.Y.) of House Ways and Means Committee will hold a hearing on unemployment insurance and the recession.

10am B-318 Rayburn Building February 6

★ REVIEW OF BENEFIT CHECKS ISSUED TO DECEASED BENEFICIARIES

Oversight Subcommittee (Chairman, Pickle, D-Texas) of House Ways and Means Committee will hold a hearing on the problem of federal benefit checks continuing to be issued to beneficiaries that have died.

9:30am 1100 Longworth Building February 6

U.S.-MEXICO FREE TRADE

Trade Subcommittee (Chairman Gibbons, D-Fla.) of House Ways and Means Committee will hold hearings on proposed negotiation of a free trade agreement with Mexico.

9:30am 1100 Longworth Building February 20 & 21

Note

The offices of all members of Congress and all congressional committees and subcommittees may be reached by calling (202) 224-3121.

Party Organizations**★ HOUSE REPUBLICAN CONFERENCE**

House Republican Conference (Chairman Lewis, R-Calif.) will meet to discuss the administration's proposed budget with Office of Management and Budget Director Richard Darman.

3pm 2168 Rayburn Building closed February 6

Joint Committees**★ PRINTING COMMITTEE ORGANIZATION**

Joint Printing Committee (Chairman Annunzio, D-Ill.) will meet to organize for the 102nd Congress.

10:30am S-151 Capitol Building February 5

■ Revised listing

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.

WORKING WITH CONGRESSIONAL STAFF

Congressional Quarterly will sponsor a workshop on working with congressional staff. 9am, Congressional Quarterly, 1414 22nd St. N.W. February 5

Contact: Irene Cuffy at (202) 887-8620

Note: There is a \$225 charge for this event. For reservations and information call the number listed above.

★ GRAND CANYON PROTECTION

Rep Miller, D-Calif., will hold a press conference to discuss legislation to direct the secretary of the Interior to protect and improve the condition of the Colorado river downstream from the Glen Canyon Dam.

9am 2228 Rayburn Building February 5
Contact: Daniel Weiss at (202) 225-2095

FREE TRADE FOR NORTH AMERICA

National Economists Club will sponsor a luncheon meeting to hear E.P. Neufeld, executive vice president for economic and corporate affairs of the Royal Bank of Canada, discuss a Canadian perspective on free trade for North America, focusing on Canadian interest in joining U.S.-Mexico free trade discussions.

Noon, Brookings Institution, 1775 Massachusetts Ave. N.W. February 5
Contact: (703) 532-9048

Note: There is a charge for this event of \$13 for members and \$17 for non-members. Reservations are required, call (703) 532-9048.
Deadline is February 4.

CUSTOMS ENFORCEMENT TRENDS

Women in International Trade will sponsor a luncheon meeting to hear a discussion on trends in customs enforcement.

Noon to 2pm, National Press Club, 524 14th St. N.W. February 5

Contact: Joni Laura at (202) 775-9864

Participants: Robert Pisani and Sandra Gethers - Office of Regulations and Rulings, Customs Service; Donald Lewis - attorney, Freeman, Wasserman and Schneider; Walter Spak - attorney, Wilkie, Farr and Gallagher

Note: There is a charge for this event of \$22 for members and \$32 for non-members. For reservations call the number listed above.

U.S.-CANADA TRADE

Canadian Manufacturers' Association will sponsor a conference on "Canada in Transition"

★ New listing

— Opportunities for Trade and Business.

9am, Vista Hotel February 5 & 6

Contact: Irene Radiotis at (202) 682-3901

Note: There is a charge for this event of \$395. For registration information call the telephone number listed above.

RESEARCH WORKSHOP ON CONGRESS

Congressional Quarterly will sponsor a Research Workshop on Congress.

9am, Congressional Quarterly, 1414 22nd St. N.W. February 6

Contact: Irene Cuffy at (202) 887-8620

Note: There is a \$195 charge for this event. For reservations and information call the number listed above.

★ POST-TRAUMA HELP FOR PERSIAN GULF VETERANS

Rep Jontz, D-Ind., will hold a press conference to discuss legislation to ensure that Persian Gulf veterans and veterans of past conflicts receive treatment for post-traumatic stress disorder.

1:30pm 1302 Longworth Building February 6

Contact: Scott Campbell at (202) 225-5037

ECONOMIC INDICATORS

Congressional Economic Leadership Institute in cooperation with the Congressional Competitiveness Caucus will sponsor a luncheon for members of Congress on "Economic Indicators: The Pollsters Speak."

Noon, Rayburn Building February 6

Contact: Julia Teuscher at (703) 276-5007

Participants: Celinda Lake - Democratic pollster; Linda Divall - Republican pollster; Richard Morin - *Washington Post* pollster

Note: This event is for members of Congress only and is closed to the public, but media coverage is permitted. For information on press invitations call the number listed above.

MATSUI LUNCHEON

Women in Government Relations will sponsor a luncheon meeting to hear a speech by Rep. Matsui, D-Calif., who is a member of the House Ways and Means Committee.

Noon to 2pm, Washington Court Hotel, 525 New Jersey Ave. N.W. February 6

Contact: Quinn Fisher at (202) 857-0300

Note: There is a charge of \$30 for members and \$45 for non-members. For reservations send a check, made payable to WGR, to:

WGR
1325 Massachusetts Ave. N.E.
Suite 510
Washington, D.C. 20005-4171

U.S.-MEXICO FREE TRADE

Congressional Economic Leadership Institute in cooperation with the Congressional Competitiveness Caucus will sponsor a breakfast for members of Congress to hear Mexican Secretary of Trade and Industry Jaime Serra Puche discuss the proposed free trade agreement between the United States and Mexico.

8am (NOTE CHANGE IN TIME), Rayburn Building February 7

Contact: Julia Teuscher at (703) 276-5007

Note: This event is for members of Congress only and is closed to the public, but media coverage is permitted. For information on press invitations call the number listed above.

ENERGY EFFICIENCY & SUPERCONDUCTORS

Council on Superconductivity for American Competitiveness will sponsor a briefing for congressional staff and industry representatives on "Energy Efficiency and Superconductors: Transportation, Industrial and Utility Applications."

8:30am to 11am, SD-628 Dirksen Building February 7

Contact: Kevin Ott at (202) 965-4070

BIOTECHNOLOGY ISSUES

Association of Biotechnology Companies will sponsor a Government Roundtable discussion with House Energy and Commerce Committee member Rep. Wyden, D-Ore., who will focus on the legislative agenda as it affects small biotechnology companies and general biotechnology issues facing the 102nd Congress. Rep. Wyden is also a member of the Regulation and Business Opportunities Subcommittee of the House Small Business Committee.

8am to 9:30am, Pizzeria Uno Restaurant, Union Station February 8

Contact: Richard Okiye at (202) 234-3330

Note: There is a \$10 charge for this event for non-members, no charge for members. Reservations are required, call the number listed above for further details.

PRESIDENT'S 1992 BUDGET

Congressional Quarterly will sponsor a briefing on the administration's fiscal 1992 budget.

9am to noon & 1:30pm to 4:30pm, Congressional Quarterly, 1414 22nd St. N.W. February 8

Contact: Irene Cuffy at (202) 887-8620

Note: There is a \$195 charge for this event. For reservations and information call the number listed above. Note that the seminar will be offered twice, once in the morning and once in the afternoon. When registering indicate which session you wish to attend.

ENVIRONMENTAL STATE OF THE WORLD

Environmental and Energy Study Institute in cooperation with the Environmental and Energy Study Conference will sponsor a briefing for members and staff by Worldwatch Institute President Lester Brown who will discuss the institute's eighth annual assessment of global environmental trends.

10am 2322 Rayburn Building February 8

Contact: Derek Denniston at (202) 628-1400

ENERGY EFFICIENCY PROMOTION

Environmental and Energy Study Institute will sponsor a briefing with state energy officials on innovative state policies to promote energy efficiency and renewable forms of

■ Revised listing

Other continued.

energy.

2pm 2325 Rayburn Building **February 8**

Contact: Carol Werner at (202) 628-1400

Panelists: Larry Bean - administrator, Division of Energy and Geological Resources, Iowa Department of Natural Resources; Jan Freeman - executive director, Pennsylvania Energy Office; Mark Ginsberg - director, Arizona Energy Office; Charles Guinn - deputy commissioner, New York State Energy Office; Charles Imbrecht - chairman, California Energy Commission; Dick Watson - director, Washington State Energy Office

1992 DEFENSE BUDGET.

Congressional Quarterly will sponsor a briefing on the fiscal 1992 defense budget.

9am to noon & 1:30pm to 4:40pm, Congressional Quarterly, 1414 22nd St. N.W. **February 11**

Contact: Irene Cuffy at (202) 887-8620

Note: There is a \$225 charge for this event. For reservations and information call the number listed above. Note that the seminar will be offered twice, once in the morning and once in the afternoon. When registering indicate which session you wish to attend.

FINANCIAL REFORM SERIES

Banking and Finance Task Force of Women in Government Relations will sponsor a series of breakfast meetings on reform in the financial services industry

8am to 10am 2359 Rayburn Building **February 12**

8am to 10am 2105 Rayburn Building **February 19**

8am to 10am 311 Cannon Building **February 26**

Contact: Anne Pollard at (202) 637-6700

Agenda:**February 12:** Deposit Insurance Reform

Participants: representative of Treasury Department; Bridget Polichene - counsel, House Banking Committee; John Heasley - minority counsel, House Banking Financial Institutions Subcommittee; Steve Harris - staff director and general counsel, Senate Banking Committee; Philip Bartholomew - Congressional Budget Office (moderator)

February 19: Bank Powers

Participants: Robert Dugger - chief economist, American Bankers Association; Marc Lackritz - executive vice president, Securities Industry Association; Barbara Timmer - general counsel, House Banking Committee; Consuela Washington - counsel, House Energy and Commerce Committee; Frank Sallinger - general counsel, American Financial Services Association (moderator)

February 26: Regulatory Restructuring

Participants: Gary Parker - minority counsel, House Banking Committee Subcommittee on International Development; representative of Treasury Department; Senate Banking Committee staff member

Note: There is a charge for this series of \$15 for each session of \$40 for the series for members and \$25 for each session of \$65 for the series for non-members. For reservations send a check, made

payable to WGR, to:

Anne Pollard

EDS

1331 Pennsylvania Ave. N.W., Suite 1300

Washington, D.C. 20004

Advance payment is required, no checks will be accepted at the door.

WOMEN & EMPLOYMENT

Georgetown Chapter of Business and Professional Women will sponsor a dinner meeting to hear a discussion on companies that make efforts to promote women, both through attitude and through benefits such as flexitime and parental leave.

6:30pm, Holiday Inn Georgetown, 2101 Wisconsin Ave N.W. **February 13**

Contact: Helen Fox (202) 362-5738

Note: There is a charge for this event of \$15 for members and \$16.50 for

★ ECONOMIC CONVERSION & DISARMAMENT

National Commission for Economic Conversion and Disarmament will sponsor a panel discussion on "War or a New American Agenda: Economic Conversion, Collective Security and Disarmament."

Noon, 2168 Rayburn Building **February 20**

Contact: Bill Kaplan at (202) 525-2540

Participants: Rep. Weiss, D-N.Y.; Wassily Leontief - economist; Ann Markusen - dir, Project on regional and Industrial Economics, Rutgers University; Seymour Melman - author, *The Permanent War Economy*; Oscar Schachter - director, General Legal Division, United Nations (1952-1966); Paul Warnke - chief U.S. arms negotiator for SALT II, 1977-78;

Note: There is no charge for this event, but reservations are required. Call the number listed above for more information.

NATIONAL ENERGY STRATEGY

Environment, Energy and Natural Resources Section of the District of Columbia Bar will sponsor a discussion on the National Energy Strategy — What is It? Why Now? Where Will It Go From Here?

Noon, Sky Room, Hotel Washington, 515 15th St. N.W. **February 20**

Contact: John Foster at (202) 775-4775

Note: There is a charge for this event of \$20 for members and \$30 for non-members. For reservations send a check, made payable to D.C. Bar, to: D.C. Bar Sections Office 1707 L St. N.W. 6th Floor Washington, D.C. 20036 ATTN: February 20 luncheon program, EE&NR section

SCIENCE & ENGINEERING EDUCATION IMPROVEMENT

Horizons, a Women in Defense Foundation, will sponsor its first annual scholarship luncheon meeting to hear Sen. Bingaman, D-N.M., discuss initiatives to increase education training in the sciences and engineering fields

needed to continue technological support for national defense.

Noon to 2pm, SR-325 Russell Building **February 25**

Contact: Fritzi Serafin at (703) 769-4775

Note: There is a charge for this event of \$35 for members and \$40 for non-members. For reservations send a check, made payable to Horizons - a Women in Defense Foundation, to:

Fritzi Serafin
Thomson-CSF Inc
2231 Crystal Drive
Suite 814
Arlington, Va. 22202

Deadline for reservations is February 15

NEW BUDGET PROCESS

National Economists Club will sponsor a luncheon meeting to hear Carol Cox, president of the Committee for a Responsible Federal Budget, discuss "The New Budget Enforcement Mechanism: Where Do We Go From Here?"

Noon, Madison Building, Library of Congress, 101 Independence Ave. S.E. **February 26**

Contact: (703) 532-9048

Note: There is a charge for this event of \$10 for members and \$14 for non-members. For reservations call the number listed above.

Deadline is February 18.

★ GOVERNMENT RELATIONS & LOCAL TELEPHONE COMPANIES

United States Telephone Association will sponsor its annual government relations seminar to discuss legislative and regulatory issues that affect the local exchange industry.

Capital Hilton Hotel, **March 4, 5 & 6**

Contact: Suzy Chambers at (202) 835-3245

Note: There is a charge for this event of \$350 for members and \$450 for non-members. For reservations contact Suzy Chambers at the number listed above.

★ IMPROVED WORKFORCE PRODUCTIVITY

National Association of Manufacturers will sponsor a one-day conference on "The High Performance Work Force."

Mayflower Hotel **March 14**

Contact: Monica Gliva at (202) 637-3093

Note: There is a charge for this event of \$325 for members and \$425 for non-members. For reservations and information call (202) 637-3097, outside the Washington, D.C., area call 1-800-637-3005. Media interested in covering the conference should call Monica Gliva at (202) 637-3093.

★ RESEARCH WORKSHOP ON CONGRESS

Congressional Quarterly will sponsor a Research Workshop on Congress.

9am, Congressional Quarterly, 1414 22nd St. N.W. **March 15**

Contact: Irene Cuffy at (202) 887-8620

Note: There is a \$195 charge for this event. For reservations and information call the number listed above.

House Floor Action

Week of January 28

Monday, January 28:

Pro forma session

Tuesday, January 29:

Under suspension of the rules:

HR 555 **Amend the Soldiers' and Sailors' Civil Relief Act of 1940 to improve and clarify the protections provided by that act; clarify veterans re-employment rights and to improve veterans' rights to reinstatement of health insurance** passed 414-0

HR 556 **Provide for the secretary of Veterans Affairs to obtain independent scientific review of the available scientific evidence regarding associations between diseases and exposure to dioxin and other chemical compounds in herbicides** passed 412-0

Note: At 9pm the Senate joined the House in a joint session and received the president's State of the Union address.

Wednesday, January 30:

HR 598 **Physicians and dentists pay amendments and labor relations act** passed 399-0

Thursday, January 31:

Pro forma session

Friday, February 1:

Not in session

Week of February 4

Monday, February 4:

Convenes at noon

Pro forma session

Tuesday, February 5:

Convenes at noon

Under suspension of the rules:

HR 180 **Reauthorize veterans education and employment programs** begin consideration

HR 154 **Transfer an existing United States memorial to enlisted personnel who served in World War I erected under the auspices of the American Legion to the Department of Veterans Affairs** begin consideration

Wednesday, February 6:

Convenes at 2pm

Under suspension of the rules:

HR 232 **Reauthorize veterans' programs for housing and memorial affairs**

Thursday, February 7:

Convenes at 11am

Pro forma session

Friday, February 8:

Not in session

Senate Floor Action

Week of January 28

Monday, January 28:

Not in session

Tuesday, January 29:

Note: The Senate had a short period for routine business before proceeding to the House chamber for a joint session to receive the president's State of the Union address

Wednesday, January 30:

HR 556 Provide for the secretary of Veterans Affairs to obtain independent scientific review of the available scientific evidence regarding associations between diseases and exposure to dioxin and other chemical compounds in herbicides passed 99-0

Thursday, January 31:

S J Res 44 Suspend certain provisions of law pursuant to

section 258(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 defeated 2-97

Friday, February 1:

Convenes at 9:15am

Pro forma session

Week of February 4

Monday, February 4:

Not in session

Tuesday, February 5 &

Balance of the Week:

Schedule uncertain

In 1964,
Lyndon B. Johnson
picked up two dogs
by their ears . . .



In 1980,
Jimmy Carter
agreed to debate
Ronald Reagan . . .

In 1991, Emily Banks missed
a CQ legislative seminar.

Errors of judgment needn't be historic to be consequential. That is why, if understanding the legislative process is important to you and your staff, you can't afford to miss these valuable Congressional Quarterly seminars.

Understanding Congress (February 4, March 14) (\$195), a half-day orientation given by CQ editors, will introduce you to the legislative process and show you how to follow congressional action. Attend our *Research Workshop on Congress* (February 6, March 15) (\$195), and you will gain the tools and insights of our own research staff to reduce unnecessary legwork while improving the quality of information you gather.

Our intermediate level courses will take you one step further . . .

Attend the full-day seminar *Congress and the Legislative Process* (February 12, April 23) (\$295), and you'll see how legislation is drafted, how members use rules, and how House and Senate procedures differ. You'll discover how committees handle bills during hearing and markup and what's negotiable in House-Senate conferences.

Former members of Congress, experienced staffers and lobbyists conduct the *Working with Congressional Staff* seminar (February 5, April 17) (\$225). Learn how to build a good rapport with Hill staffers and how to create effective 5-minute presentations. Know the organization and responsibilities of personal and committee staff and their role in the legislative process. Who but an Emily Banks could resist?



Register no less than one month in advance for any seminar and qualify for a substantial discount.

Call Irene Cuffy CQ Seminar Registrar toll-free at 1 (800) 432-2250, ext 620 (in D.C. call 887-8620), and register now!

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WHITE HOUSE OFFICE
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EXECUTIVE OFC OF THE PRESIDENT
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LOBBY

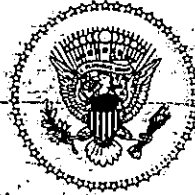
CONGRESSIONAL MONITOR



A Publication of

Congressional Quarterly Inc.
1414 22nd Street, N.W.
Washington, D.C. 20037

Presidential Phone Calls



DATE: 2-4-91

TIME: 7:30 PM
incoming/outgoing

WITH: Chuck Heston

SUBJECT:

called to congratulate
him on his CNN
debate
Bar had seen it!

FOLLOW UP:

None
Very nice

Bush Presidential Library Photocopy

Presidential Phone Calls

P. 2/4/91



DATE: 1-4-

TIME: 12¹⁵ noon.
incoming/outgoing

WITH: _____

SUBJECT: G.B. I came by
to see you. Did you
see Newsweek - page
6? I am humiliated
and am furious I am
John Sumner's biggest fan
What is this? Who
is on your staff who
hates John so much?

FOLLOW UP: Please tell John. I
called him but he was
with the governors. I am
on my way to the
Governor's wife's luncheon -

OR are they making it up?!

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

Bush Library Photocopy
Barbara Bush Handwriting

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Note	Handwritten notes of Presidential Phone call with J.A.B. [James A. Baker, III] (1 pp.)	02/04/9[1]	(b)(1)	

Collection:

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

Date Closed: 5/26/2011	OA/ID Number: 90582-003
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]
 (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.
04. Note	Handwritten notes of Presidential Phone call with Sec. Cheney (1 pp.)	02/04/[91]	(b)(1)	

Collection:

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

Date Closed: 5/26/2011	OA/ID Number: 90582-003
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AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
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THE WHITE HOUSE
WASHINGTON

DATE:

1-4

FROM THE PRESIDENT

TO:

Disarm Bloch

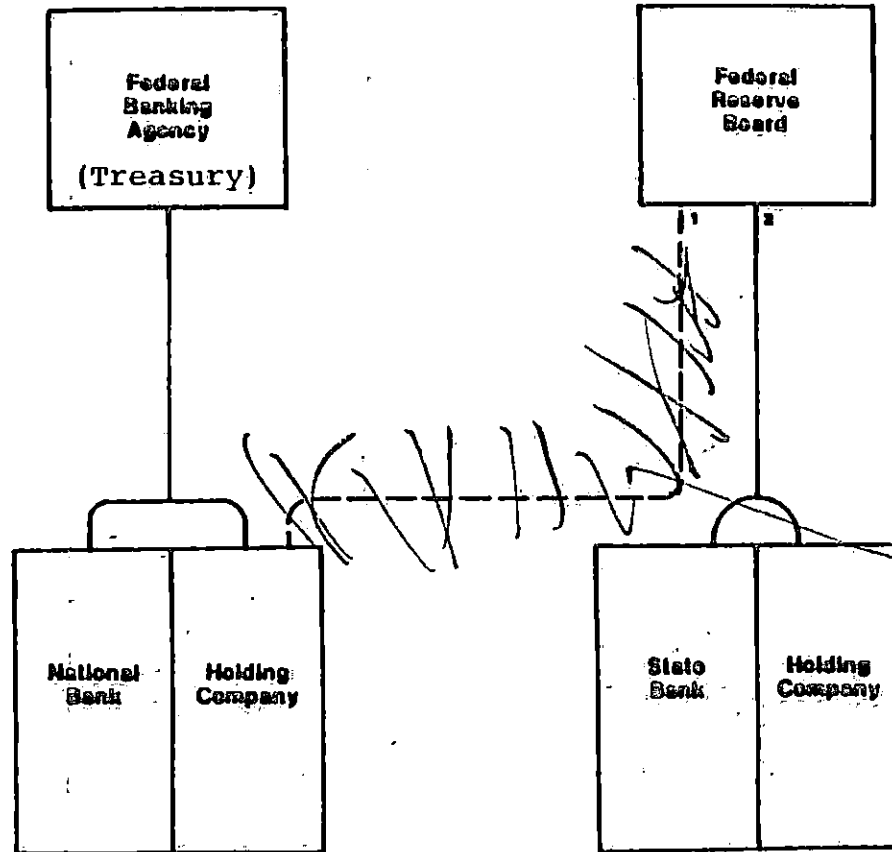
Grant

Govs all for it etc

Regulation
went will attach

VICE PRESIDENT'S TASK FORCE
**PROPOSED FEDERAL REGULATION OF
 COMMERCIAL BANKS AND THEIR HOLDING COMPANIES**
 (Exclude Purely Insurance Functions of the FDIC)

*Chosen for
2-24-91*

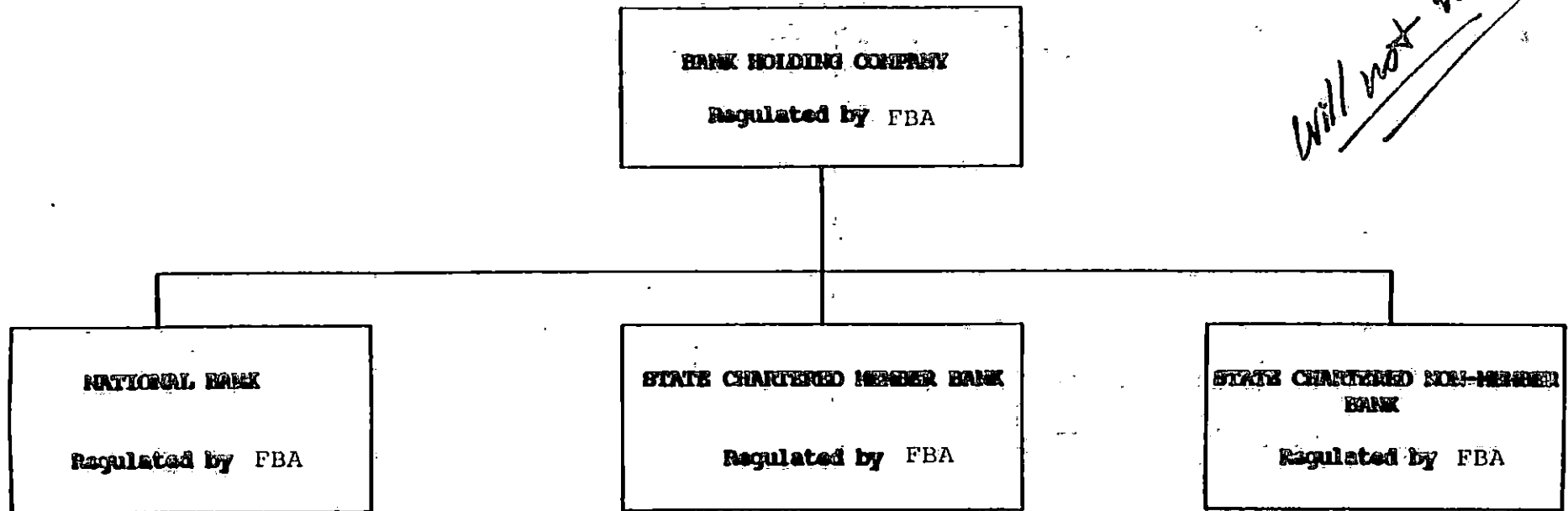


Brady
*will go with
this as
changed*

*CB
2-24-91*

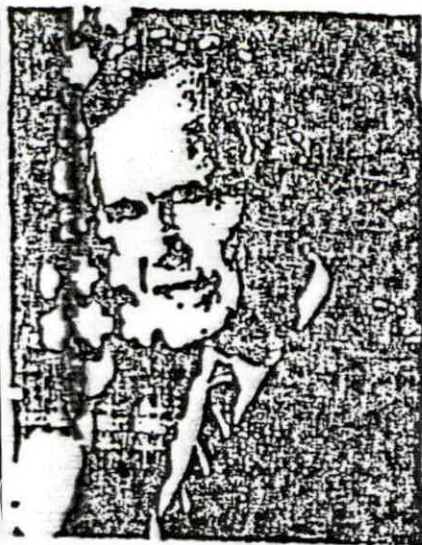
1. Only for those holding companies of national banks (38) which qualify as an "international class" holding company.
2. To the extent responsibilities are not transferred to the states.

PROPOSED
FEDERAL REGULATION OF COMMERCIAL BANKS
(ONE REGULATOR UNDER TREASURY)



Will not work

The new Federal Banking Agency (FBA) would be a bureau of Treasury.



"We **shell** not **EXXON**erate Saddam

Hussein for his actions. We will

Mobilize to meet this threat to

vital interests in the Persian **GULF**



until an **able** solution is reached. Our best

strategy is to **BP**repared. Failing that,

we **ARGO**  ming to kick your ass."

Broder: If the estimates are correct..., we're adding a billion dollars a day to the national debt. How do you justify that?

Darman: You can't satisfactorily justify it to the people in the future who are going to pay it.... The overall level of debt is too high; it's got to come down.

Russert: ...How are we possibly going to lower our [military] personnel by 200,000 without giving pink slips to some people who fought in the Gulf?

Darman: ...It has to be an orderly transition..., and it's in the law thanks to the agreement last year. We should do so in a way that is humane with respect to those troops.

Utley: ...We understand you're going to propose cuts in some Medicare benefits, especially for wealthier Americans; you had to back off on it before. Can you fight this again and win it?

Darman: I don't know about that. But I can tell you this: the uncontrollable part of the budget, of which Medicare is one important part, is taking over the budget as a whole.... About Medicare, the wealthy may have a little bit less benefit. But overall, beneficiaries are not the target of our cuts. Doctors, perhaps, and clinical labs.... It would be somewhat ironic if the Democrats, who are expressing concerns about fairness, are reluctant to reduce the subsidies for the wealthiest Americans.

Broder: ...Why does the Administration oppose [cutting Social Security payroll taxes] as an option?

Darman: I think [it] creates a number of problems.... Are Social Security taxes going to be cut for some and raised for others? Are the benefits going to be changed for some? If the benefits are changed, is the system still going to be financially sound?... By the time you're done addressing all those questions, you may have undone the great good done in '82 and '83 in fixing the Social Security system.... I think the President said it right a year ago when he said, Don't mess with Social Security.

Broder: ...Chairman Greenspan has said he doesn't think there should be any capital gains cut. How can you have an objective review of the capital gains tax?

Darman: ...If he...can depoliticize this issue, it will be the best thing that could happen to the debate.

Broder: In your scorekeeping, do you think the capital gains tax cut will increase revenues?

Darman: In our budget, we present it both ways: increasing revenues and neutral.

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

NATIONAL NEWS

GOVERNORS BRIEFED ON STATE GRANTS Executives Welcome Bush Plan To Shift Control of Programs

President Bush's new budget will ask Congress to give states new responsibility for administering an estimated \$15 billion in federally funded programs -- in job training, rural health, education, highways and law enforcement, according to governors briefed Sunday on the contents of the plan.

The proposal, which could also give state governments responsibility for allocating administrative costs of some human service programs, was greeted warmly by governors meeting here. Chief of Staff Sununu assured them during a luncheon meeting that the federal government would continue to fund the program for at least five years.

Several governors who attended the session said they will now seek to convince members of Congress that they want the flexibility they see in the White House proposal.

"There's enthusiasm for the idea," said Washington Gov. Booth Gardner, the chairman of the National Governors' Association. "But also caution based on previous experience."

"Everybody's skeptical about whether Congress will go along with the President's plan," said South Carolina Gov. Carrol Campbell." (Gwen Ifill & David Broder, Washington Post, A1)

Defiant

Bush Presidential Library Photocopy

Governors Nervously Endorse Transferring Programs to States -- The nation's governors, worried that the fiscal 1992 budget will impose new burdens on their overwhelmed economies, Sunday nevertheless embraced President Bush's plan to turn \$15 billion to \$22 billion in federal programs over to the states.

Their decision to support the measure apparently came after Chief of Staff Sununu assured them at a private luncheon Sunday that it was not a ploy to make the states provide more services without more money.

Mass. Gov. William Weld, who said he very much liked the idea "in principle," said Sununu had told the governors that federal regulations have 1,028 pages covering the programs involved. "We in the states could do away with all that if we got the responsibilities," Weld said.

Governors from all over the country generally praised the initiative, albeit tentatively, until they get more specifics from Bush at the White House Monday morning. But they expressed concerns about a number of other proposals Bush is expected to announce.

"We all have apprehensions about what's in the budget," said Gov. Florio (D.-N.J.). Gov. McKernan (R.-Maine) said: "We have to proceed with care because our fiscal situations are pretty dire already, without any more programs being handed to us that we would have to find the money to pay for." (Adam Pertman, Boston Globe)

Bush Library Photocopy
George Bush Handwriting

Bush Lauded For Giving States Money Along With Programs -- President Bush is winning bipartisan praise from governors for his plan to transfer billions of dollars of domestic problems to the states along with the money to pay for them....

Gov. Booth Gardner said some governors were concerned, however, that in previous attempts at such transfers, "there tended to be winners and losers" and the states usually ended up as the losers....

Governors complained...that orders from Washington, particularly from Medicaid, were a growing drain on state treasuries.

"We are simply going to go completely broke," said Gov. Castle (R.-Del.), noting what he described as a 25 percent annual growth rate in state costs for Medicaid programs.

Gov. Ashcroft (R.-Mo.)...said he felt a little like "becoming a full partner with a gorilla" during the discussion of the resolution.
(Donald Rothberg, AP)

BUSH WANTS MEDICARE CUT \$23 BILLION MORE

President Bush wants to cut another \$23 billion from Medicare over five years to snare runaway program costs, a top White House aide said Sunday.

"The uncontrollable portion of the budget, of which Medicare is one important part, is taking over the budget as a whole," said White House budget director Darman on NBC's "Meet the Press."

"You cannot be serious about trying to address the future debt problem and deficit problems if you don't try to restrain the growth in the fastest growing uncontrolled programs," he said.

(Major Garrett, Washington Times, A3)

UNDER BUSH PROPOSAL, SCIENCE WOULD BE A LEADER IN INCREASED SPENDING

Science and technology would receive one of the highest rates of increased spending under the budget that President Bush will send to Congress Monday, administration officials say.

That increase, for the 1992 fiscal year, would be \$8 billion, to a total of \$72 billion, a 13 percent rise over the current year's level, not accounting for inflation....

The administration would give a particular boost to "big science" projects, like the superconducting supercollider...and the Humane Genome Project....

As has frequently been the case with the federal budget in recent years, the greatest amount of the increase would be devoted to developing military hardware....

The science and technology increases "are part of an ongoing campaign of the President to invest more in the future of America rather than just programs for the present," said an administration official, who spoke on the condition of anonymity. "In other words, it is the third budget in a row in which he has placed heavy emphasis on research and development."...

Dr. Leon Lederman, a Nobel Prize-winning physicist who is president of the American Association for the Advancement of Sciences...said of Bush's budget: "This is a good step. But it will be an uphill fight to get the kind of exuberant leadership" by the President that science enjoyed 25 years ago.

(Philip Hilts, New York Times, A14)

-more-

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

*no reduction to beneficiary
except rich (3/25/91)*

SOVIETS GIVING AID TO IRAQIS, U.S. SAYS

Soviet advisers in Iraq provide Saddam Hussein's military with information about the times U.S. spy satellites pass overhead, U.S. intelligence officials said.

The information provided by the Soviets is helping Iraq to hide the more than 100 mobile Scud missile launchers that have evaded U.S. and allied air strikes....

The information on the Soviet information was gathered from what the sources described as an "extremely sensitive source," a term often used to describe communications intercepts.

(Bill Gertz, Washington Times, A8)

AMERICANS PRAY FOR TROOPS, PEACE IN PERSIAN GULF

Heeding President Bush's call for a special day of prayer, Americans in churches across the country Sunday remembered the nation's sons and daughters serving in the Persian Gulf and prayed for peace.

Bush proclaimed Sunday a national day of prayer and called on Americans to pray for those in the Gulf "who have put their lives and dreams on hold" to battle Iraq....

The President attended services Sunday morning at the Camp David presidential retreat. Returning to Washington, Bush said only that the war against Iraq was "on schedule, going well."...

Rob Sherman, an activist for atheist causes in the Chicago area, criticized Bush's call for prayer, saying it unconstitutionally mixed church and state.

"George Bush has the same regard for the Bill of Rights that Saddam Hussein has for the Geneva Convention," Sherman told a news conference."

(Kevin Hall, UPI)

SHOW OF SUPPORT FOR U.S. TROOPS**D.C. Rally On The Ellipse Draws Thousands For Songs, Prayers**

Thousands of people, many waving flags and wearing T-shirts with slogans backing Operation Desert Storm, rallied on the ellipse Sunday with songs, prayers and speeches in support of American troops.

The U.S. Park Police estimated the number of marchers at 3,500. Organizers put the number at 5,000....

Speaking at the rally was Rep. Dornan (R.-Ca.), who was greeted with chants of "B-1 Bob."...

Dornan lashed out at the "motley group...of America-hating, Ho-Ho-Ho Chi Minh chanting people" who protest against the war. "Saddam Hussein is holding on, popping tranquilizers, hanging on like Adolf Hitler in his bunker...because he misreads the demonstrations in the streets," he said.

(Avis Thomas-Lester, Washington Post, A17)

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05a. Note	Handwritten notes of Presidential Phone call with DeKlerk (5 pp.)	02/04/91	(b)(1)	

Collection:

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

Date Closed: 5/26/2011	OA/ID Number: 90582-003
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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 (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

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

0839

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT F.W. DE KLERK

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/31/24

- I commend you for the courageous vision you displayed on February 1 in announcing plans to root out the last remnants of racial discrimination and apartheid.
- Those of us who recognized your commitment to ending apartheid from the time you took office feel a special sense of vindication that you are moving forward so decisively.
- We also take heart from the accord reached between Mandela and Buthelezi (whom we had been pressing hard to sit down together), and we are urging all sides to join in the multi-party conference you have proposed and work together in a peaceful negotiating process to bring about nonracial democracy.
- We will be watching closely as progress continues toward release of all political prisoners and toward completion of the parliamentary action you have initiated to repeal the legislative pillars of apartheid.
- Lifting sanctions will be possible when these steps are accomplished, and you have my commitment to support your reform efforts.
- We have also much appreciated your strong support on the Persian Gulf.

~~CONFIDENTIAL~~

*some surprise - more quicker than
we had anticipated - told you it would
be an okay go to yello*

~~CONFIDENTIAL~~

SEQUENCE OF EVENTS: MEETING
WITH THE GOVERNORS
Monday, February 4, 1991

TIME: 11:00 a.m. - 12:15 p.m..

LOCATION: State Floor

NUMBER OF GUESTS: 60

FROM: Laurie Firestone *LF*

11:00 a.m.

Governors arrive Visitors Center,
East Executive Avenue on buses and
are directed to East Room via
Grand Staircase.

Governors are directed to seating
in East Room. (Coffee is served.)
Briefing will be given by Secretary
Cheney.

11:30 a.m. THE PRESIDENT arrives East Room to greet Governors
and make remarks. (Photo-opportunity).

ANNOUNCEMENT

11:45 a.m. After remarks, THE PRESIDENT and other speakers take
Q & A and have open discussion.

12:15 p.m. THE PRESIDENT departs East Room enroute elevator.

Governors depart State Floor to East
Entrance.

REAGAN VIDEO
FEBRUARY 6, 1991

Budger

91 FEB -4 PM12:12

LADIES AND GENTLEMEN. PRESIDENT AND NANCY REAGAN
-- WHO WAS SUCH A GRACIOUS FIRST LADY AND WHOSE ANTI-
DRUG CRUSADE STIRRED A NATION AND TOUCHED COUNTLESS
LIVES. AND LET ME SAY A SPECIAL HELLO TO MRS. THATCHER
-- A STAUNCH ALLY OF AMERICA WHO BECAME THE VERY
EMBODIMENT OF GREAT BRITAIN. MOST OF ALL, MY FRIEND
AND MENTOR WHO LOVED HIS COUNTRY AND SERVED HER WELL
-- RONALD REAGAN. /

FROM THE LIFE OF NATIONS EMERGE GREAT FIGURES.
CHURCHILL. / SADAT. / DWIGHT EISENHOWER. / MARGARET
THATCHER. / ALL SHOWED -- AS WAS SAID OF CHARLES
DEGAULLE -- THAT "GREATNESS KNOWS NO NATIONAL
BOUNDARIES." EACH CHANGED THE COURSE NOT ONLY OF THEIR
COUNTRY BUT OF HISTORY. //

SO IT WAS, AND IS, OF THE FORTIETH PRESIDENT OF THE
UNITED STATES. SOME MEN REFLECT THEIR TIMES. MR.
PRESIDENT, YOU HELPED CHANGE YOUR TIMES. YOU WERE A
VISIONARY, A CRUSADER, AN EVANGELIST FOR GOOD. WHICH
IS WHY I SAY: THEY'LL GET YOU ON MT. RUSHMORE YET. //

TODAY, RONALD REAGAN IS EIGHTY YEARS OLD -- YET AS YOUNG AS THE AMERICAN SPIRIT. YOU OFTEN SPOKE OF AMERICA AS A "SHINING CITY ON A HILL" -- AND HELPED MAKE IT SO. EMBODYING WHAT YOU DESCRIBED AS THE AMERICAN SONG: "HOPEFUL, BIG-HEARTED, IDEALISTIC, DARING, DECENT, AND FAIR." //

THINK OF AMERICA. / YOU HELPED RESTORE FAITH IN OUR NATION -- AND IN OURSELVES. / THINK OF THE WORLD. YOU KNEW THAT HUMAN DIGNITY FORMS THE ESSENCE OF DEMOCRACY. SO YOU SPOKE LOUDLY, AND ELOQUENTLY, FOR FREEDOM'S VALUES AND IDEALS. // FROM KOREA TO NORMANDY, YOU LIT THE "MORNING STAR OF LIBERTY" -- NOT ONLY MAKING OURS A SAFER BUT A FAR BETTER WORLD IN WHICH TO LIVE. //

OVER THE PAST FEW WEEKS, WE HAVE SOUGHT TO PRESERVE THAT WORLD -- AND TO CREATE A NEW WORLD ORDER -- BY DEFENDING FREEDOM AGAINST IRAQ. LIKE ALL AMERICANS, I HAVE REJOICED AT THE SUCCESS OF OUR MISSILES AND PLANES -- AT OUR TECHNICAL ADVANTAGE. IT DIDN'T HAPPEN BY ACCIDENT. IT HAPPENED BECAUSE OF RONALD REAGAN'S COMMITMENT TO A STRONG DEFENSE. //

MR. PRESIDENT, YOU BELIEVED PASSIONATELY THAT NO AMERICAN SHOULD BE ASKED TO FIGHT UNLESS EQUIPPED WITH THE VERY BEST -- SO YOU MADE OUR MILITARY STRONG AND PROUD. I THANK YOU FOR THAT. THE COURAGE AND VISION THAT MARKED THE DEFENSE BUDGETS OF YOUR EIGHT YEARS AS PRESIDENT ARE NOW PAYING OFF FOR EVERY AMERICAN IN THE SEAS AND ON THE SANDS OF THE GULF.

IN CLOSING, LET ME END ON A PERSONAL NOTE. I WANT TO THANK YOU FOR YOUR MANY KINDNESSES TO BARBARA AND ME. I WANT TO THANK YOU FOR YOUR CONFIDENCE. I KNOW FULL WELL I WOULD NOT BE PRESIDENT TODAY WERE IT NOT FOR YOUR VOTE OF CONFIDENCE IN ME ELEVEN YEARS AGO WHEN YOU CHOSE ME AS YOUR RUNNING MATE. // GOD BLESS YOU AND NANCY. MAY GOD BLESS PRIME MINISTER THATCHER AND THOSE COURAGEOUS MEN AND WOMEN OF THE UNITED KINGDOM WHO ARE FIGHTING SHOULDER TO SHOULDER WITH US IN THE GULF. AND GOD BLESS THESE UNITED STATES OF AMERICA.

#

**MESSAGE FOR THE
NATIONAL AUTOMOBILE DEALERS ASSOCIATION**

**I'M DELIGHTED TO JOIN ALL OF YOU FOR THE 74TH
ANNUAL CONVENTION AND EXPOSITION OF THE NATIONAL
AUTOMOBILE DEALERS ASSOCIATION.**

**LET ME SALUTE RAY GREEN, YOUR OUTGOING PRESIDENT
AND WELCOME YOUR NEW LEADERSHIP ABOARD. I'M SURE THAT
FRANK ANDERSON AND FRANK MCCARTHY -- WILL BE AN
OUTSTANDING TEAM.**

AS WE SETTLE INTO THE NEW YEAR, I'D LIKE TO TALK ABOUT SOMETHING OF IMPORTANCE TO ALL OF US -- THE ECONOMY. LAST FALL, WORKING WITH THE CONGRESS, WE WERE ABLE TO SECURE A HISTORIC BUDGET AGREEMENT THAT PUTS INTO PLACE ENFORCEABLE BUDGET PROCESS REFORMS AND ALLOWS US TO MAINTAIN THE INTEGRITY OF THIS AGREEMENT. THE BUDGET AGREEMENT WILL HAVE , AND IS HAVING, AN IMPORTANT IMPACT ON THE ECONOMY. AND EVEN THOUGH WE ARE CURRENTLY EXPERIENCING A DOWNTURN, THERE ARE REASONS TO BE OPTIMISTIC ABOUT OUR ECONOMY. AS I SAID IN MY STATE OF THE UNION ADDRESS, "FIRST, WE DON'T HAVE TO FIGHT DOUBLE-DIGIT INFLATION. SECOND, MOST INDUSTRIES WON'T HAVE TO MAKE BIG CUTS IN PRODUCTION, BECAUSE THEY DON'T HAVE BIG INVENTORIES PILED UP. AND THIRD, OUR EXPORTS ARE RUNNING SOLID AND STRONG."

THAT'S GOOD NEWS FOR ALL OF US. THROUGH THE YEARS, THE AUTO INDUSTRY HAS PACED THE GROWTH AND PROGRESS OF OUR NATION, AND HAS CONTRIBUTED GREATLY TO THE VITALITY OF OUR ECONOMY.

I'M CONFIDENT THAT OUR PROBLEMS AT HOME AND ABROAD CAN BE SOLVED THROUGH THE STRENGTH OF THE AMERICAN PEOPLE. LOOK AT THE STRENGTH OF AMERICANS ACROSS THE COUNTRY SUPPORTING OUR TROOPS. PEOPLE LIKE TOM GILL OF COLUMBUS, OHIO WHO COLLECTED AND DELIVERED 8 TRACTOR TRAILERS FULL OF SUPPLIES, 400,000 LBS., FOR THE TROOPS IN THE PERSIAN GULF. THEY CALLED THIS EFFORT "OPERATION DESERT RELIEF." THAT'S THE TYPE OF COMMITMENT THAT SYMBOLIZES HOW THE INDEPENDENT AMERICAN SPIRIT CAN MEET AND MASTER OUR MOST DIFFICULT CHALLENGES.

IN SHORT, THE AUTO INDUSTRY IS AMONG AMERICA'S GREATEST AND MOST VALUED ASSETS FOR MANY REASONS. AND A HEALTHY AUTOMOBILE INDUSTRY WILL HELP US BUILD A NEW ECONOMIC EXPANSION AT HOME -- AN EXPANSION THAT WILL MAINTAIN OUR INTERNATIONAL COMPETITIVENESS, AND KEEP OUR CARS AND OTHER AUTOMOTIVE PRODUCTS SECOND TO NONE.

ONCE AGAIN, THANK YOU FOR ALL YOU'RE DOING AND FOR TODAY'S OPPORTUNITY TO SPEAK WITH YOU. HAVE A GREAT AND SUCCESSFUL CONVENTION AND GOD BLESS YOU ALL.

#

**VIDEO MESSAGE
RAY SHAMIE RETIREMENT DINNER**

**GOOD EVENING TO EVERYONE IN THE BEAUTIFUL BAY STATE
SAYING GOOD-BYE TO A FRIEND AND GREAT LEADER, CHAIRMAN
RAY SHAMIE. RAY, HEARTY CONGRATULATIONS ON A JOB WELL
DONE.**

**DURING HIS FOUR YEARS AS STATE CHAIRMAN, RAY HAS
HELPED REPUBLICANS, AT EVERY LEVEL WIN ELECTION. FROM
TURNING THE TIDE IN THE BOSTON HARBOR, TO EXPOSING THE
MASSACHUSETTS "MIRAGE", RAY WAS INVALUABLE IN HELPING
TO WIN THE NATIONAL CAMPAIGN IN 1988. AND LET'S NOT
FORGET JOE MALONE, THE FIRST STATE TREASURER FROM THE
GRAND OLD PARTY IN 26 YEARS.**

**THE NEW MASSACHUSETTS REPUBLICAN PARTY OF TODAY
STANDS AS A TRIBUTE TO THE MAN WE HONOR TONIGHT.
ELECTION DAY, 1990 WILL BE LONG REMEMBERED FOR THE MANY
NEW WINNING REPUBLICAN FACES. FOR THE FIRST TIME SINCE
1974, WE CAN PROUDLY CALL THE MASSACHUSETTS GOVERNOR
AND LIEUTENANT GOVERNOR REPUBLICANS, BILL WELD AND PAUL
CELLUCCI. AND THIS REPUBLICAN PARTY REVIVAL HERE IN
MASSACHUSETTS IS SURE TO CONTINUE UNDER THE STRONG AND
STEADY LEADERSHIP OF YOU NEW CHAIRMAN, LEON LOMBARDI.**

BUT, THIS YEAR, THANKS TO RAY'S LEADERSHIP, THE REPUBLICAN REBOUND EXTENDED DOWN TO THE STATE HOUSE AND TO COUNTY OFFICES AS WELL. AND WITH THE ADDITION OF NINE NEWLY ELECTED STATE SENATORS, GOVERNOR WELD HAS VETO STRENGTH IN THAT BODY WHICH WILL MAKE A BIG DIFFERENCE IN THE REDISTRICTING BATTLE.

RAY, ALL OF US OWE YOU A LOT. AND WHILE YOU MAY BE SAILING OFF INTO RETIREMENT, I'M SURE IT WON'T LAST TOO LONG. THERE WILL BE A CALL FOR HELP FROM A CANDIDATE OR ANOTHER WORTHY CAUSE IN WHICH TO GET INVOLVED. AND AS ALWAYS, RAY SHAMIE WILL BE THERE TO LEND A HAND.

RAY, BARBARA JOINS ME IN WISHING YOU AND EDNA THE VERY BEST. THANK YOU, CONGRATULATIONS ON A GREAT NIGHT AND GOD BLESS YOU ALL.

#

**VIDEO MESSAGE
FOR THE NATIONAL BASKETBALL ASSOCIATION ALL-STAR GAME**

**GOOD AFTERNOON TO ALL THE BASKETBALL FANS IN
CHARLOTTE AND AROUND THE WORLD. I WANT TO SAY THANKS
TO ALL THE ATHLETES OF THE N.B.A. BY DEDICATING THE
1991 ALL-STAR WEEKEND TO OUR TROOPS SERVING IN THE
PERSIAN GULF AND TO THEIR FAMILIES, YOU SHOW EACH OF
THEM HOW MUCH WE CARE.**

**IT MEANS A GREAT DEAL TO OUR ARMED FORCES PERSONNEL
TO KNOW THAT THE N.B.A. AND ITS FANS APPRECIATE THE
SACRIFICES THEY'RE MAKING FOR OUR COUNTRY AND THE REST
OF THE WORLD. IT IS A WONDERFUL SALUTE TO THEIR HEROIC
EFFORTS.**

**I REALIZE MANY OF THE PLAYERS, COACHES AND TEAM
PERSONNEL AROUND THE LEAGUE HAVE FRIENDS AND FAMILY
MEMBERS SERVING IN THE GULF. AND WE ALL KNOW THAT THE
CAROLINAS ARE HOME TO A GREAT MANY OF OUR BRAVE
MILITARY PERSONNEL AND THEIR FAMILIES. SO JUST AS OUR
THOUGHTS AND PRAYERS ARE WITH OUR TROOPS, THEY'RE ALSO
WITH THEIR FAMILIES AND LOVED ONES.**

ON BEHALF OF THE MEN AND WOMEN OF THE AMERICAN
ARMED FORCES, OUR NATION'S ALL-STARS -- THANKS TO THE
N.B.A. ALL-STARS FOR YOUR SUPPORT. HAVE A GREAT GAME,
AND MAY GOD BLESS OUR MEN AND WOMEN IN THE GULF.

#

**:30 SECOND PUBLIC SERVICE ANNOUNCEMENT
CITIES IN SCHOOLS EDUCATION MESSAGE**

**EACH YEAR, NEARLY ONE MILLION STUDENTS DROP OUT OF
SCHOOL. AND WHEN THESE YOUNG PEOPLE WALK OUT THE DOOR,
THEY LEAVE BEHIND THEIR BEST CHANCE FOR A BRIGHT
FUTURE.**

**CITIES IN SCHOOLS IS A UNIQUE DROP-OUT PREVENTION
PROGRAM DESIGNED TO KEEP AT-RISK CHILDREN IN SCHOOL,
WORKING WITH AVAILABLE COMMUNITY RESOURCES, THEY'RE
COMMITTED TO STOPPING THIS DROP-OUT TRAGEDY.**

**SO, THIS YEAR HELP SOMEONE STAY IN SCHOOL.
SUPPORT YOUR LOCAL CITIES IN SCHOOLS PROGRAM.**

#

**VIDEO MESSAGE
OPERATION HOMEFRONT RALLY**

**THANKS TO YOU CONRAD. IT'S A PLEASURE TO JOIN YOU,
GOVERNOR STEPHENS AND ALL OF MONTANA'S ELECTED
OFFICIALS, THE PEOPLE OF MONTANA AND MOST OF ALL THE
FAMILIES OF OUR BRAVE MEN AND WOMEN SERVING IN THE
PERSIAN GULF.**

**ON THIS VALENTINE'S DAY, I CAN'T THINK OF A BETTER
WAY TO SEND OUR LOVE TO THE TROOPS IN THE GULF THAN
WITH THIS RALLY TO KICKOFF OPERATION HOMEFRONT. I
UNDERSTAND THIS WILL BE SHOWN IN MONTANA'S CAPITAL CITY
OF HELENA, A GRAND CITY WITH WARM WESTERN HOSPITALITY.**

TO BE A MONTANAN AND AN AMERICAN MEANS ENLISTING IN THE CAUSE OF LIBERTY AND UNDERTAKING THE HARD WORK OF FREEDOM. I THINK OF THE HEROISM OF MONTANANS LIKE STAFF SERGEANT DON GALLAGHER OF GREAT FALLS, WHO WAS AMONG THE FIRST U.S. MARINES TO ENGAGE IRAQI UNITS IN THE DESERT. TO DON'S WIFE, DAWN, -- HIS BROTHER, BRIAN, PRESENT TONIGHT -- AND ALL THE FAMILIES OF THOSE SERVING NOW IN THE GULF, BARBARA AND I JOIN YOU IN SENDING OUR HEARTFELT BEST WISHES TO YOUR LOVED ONES ON THIS DAY OF ST. VALENTINE. AND MOST OF ALL, FOR ALL THOSE WHO HAVE GIVEN THE LAST FULL MEASURE OF DEVOTION, I WILL ALWAYS KEEP A PLACE IN MY HEART FOR THE MEMORIES AND ESPECIALLY FOR THE FAMILIES OF THESE TRUE AMERICAN HEROES.

THIS OPERATION HOMEFRONT RALLY SHOWS THAT WHAT DWIGHT EISENHOWER, MEANT WHEN HE SAID, "MORALE IS THE GREATEST SINGLE FACTOR IN SUCCESSFUL WAR."

NO ONE SAYS IT BETTER THAN JEANINE LONDON, SISTER-IN-LAW OF SPECIALIST PHILIP ANDERSON OF THE 889TH ARMY RESERVE SERVING NOW IN SAUDI ARABIA. JEANINE WRITES, "IT IS OUR OBJECTIVE TO UNITE THE NATION BEHIND OPERATION DESERT STORM. AS A COUNTRY UNITED, WE WILL SEE A SPEEDY AND DECISIVE END TO THIS CONFLICT." THAT'S EXACTLY RIGHT.

AND TO JEANINE, DAWN, BRIAN, AND ALL THE OTHERS LIKE THEM, LET ME SAY IF THERE WERE MEDALS OF VALOR FOR MILITARY FAMILIES, THERE WOULD BE AS MUCH DECORATION ON YOUR CHESTS AS THERE IS PRIDE WITHIN THEM.

I HOPE OPERATION HOMEFRONT SPREADS LIKE A MONTANA WILDFIRE -- IN YOUR HEARTS, MINDS AND ACTIONS. THANK YOU FOR YOUR SUPPORT, AND GOD BLESS THE UNITED STATES OF AMERICA.

#

Monday
February 4, 1991
2:45 p.m.

PHONE CALL FROM DR. LEE

REGARDING: YOUR MOTHER

She is doing amazingly well today. Had lunch on the terrace.
Very alert. Miraculous recovery!

No need to call back.

Patty P.



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

FOR IMMEDIATE RELEASE:

February 4, 1991

Summary of Selected Items
From the President's Fiscal Year 1992 Budget

Page

Overview:

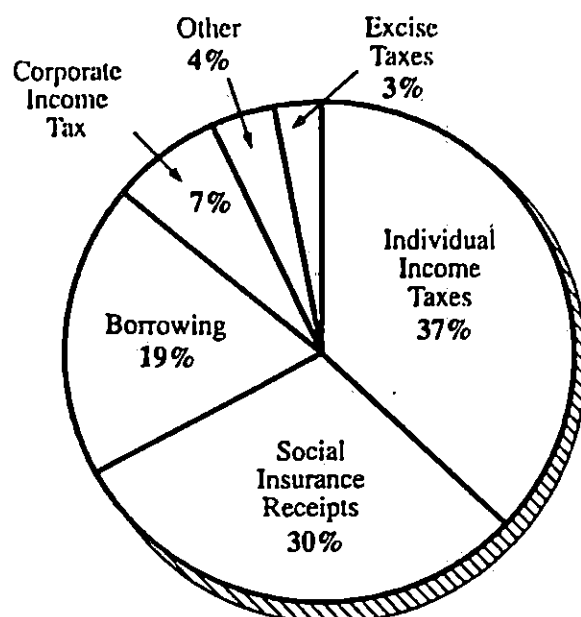
Summary of Receipts, Outlays, and Deficit ...	1
Selections From the Reform Agenda	2

Chapter Highlights:

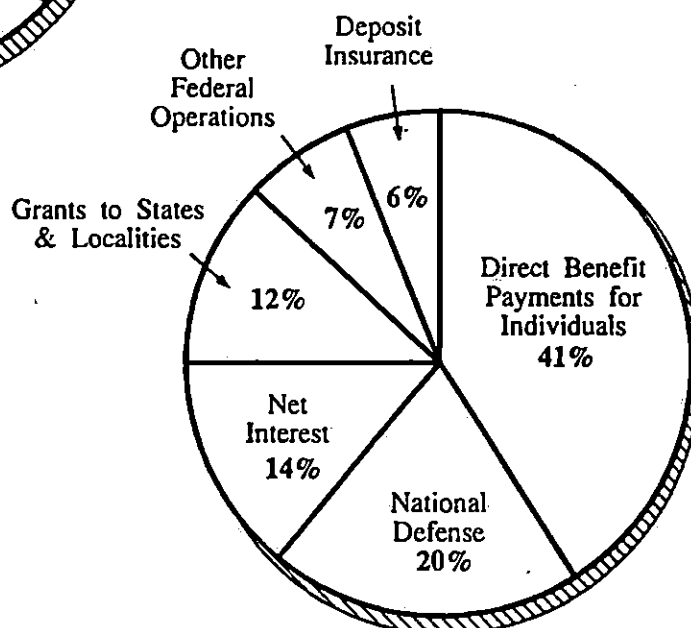
Investing in Human Capital and Reforming American Education	3
Focusing on Prevention and the Next Generation	5
Enhancing Research and Development and Expanding the Human Frontier	7
Improving the Transportation Infrastructure..	10
Preserving America's Heritage and Protecting the Environment in A Growing Economy	11
Increasing Choice, Expanding Opportunity, and Providing Hope to Distressed Communities	14
Ending the Scourge of Drugs and Crime	18
Distributing Federal Benefits More Fairly	20
Protecting National Security	22
Advancing America's Interests Internationally.	23
Federal Credit Reform	24
Strengthening Management and Accountability ..	25
Improving Returns on Investment	27
Proposed Outlays, By Agency	28

THE FEDERAL GOVERNMENT DOLLAR FISCAL YEAR 1992 ESTIMATE

Where It Comes From...



Where It Goes...



RECEIPTS, OUTLAYS, DEFICIT/SURPLUS UNDER THE PRESIDENT'S PROPOSED POLICY

(In billions of dollars)

	1990	1991	1992	1993	1994	1995	1996
Receipts	1,031.3	1,091.4	1,165.0	1,252.7	1,365.3	1,467.3	1,560.7
Outlays	1,251.7	1,409.6	1,445.9	1,454.2	1,427.1	1,470.3	1,540.8
Surplus or Deficit (+/-)	-220.4	-318.1	-280.9	-201.5	-61.8	-2.9	+19.9

**Table 11-5. SELECTIONS FROM THE REFORM AGENDA—
WITHIN THE FLEXIBLE FREEZE FRAMEWORK¹**

Area	Highlights
(1) Education Reform:	• Long-term national goals—with Governors • Special funding emphasis on early childhood (\$87 million) • Parental choice—new incentive fund (\$200 million) • Educational Excellence Act (\$690 million) • Higher education funding reform • Math/Science improvement program (\$1.9 billion)
(2) Research and Development:	• Record level for R&D (\$76 billion) • Record level for basic research (\$18 billion) • Human Genome Project • Increased emphasis on applied civilian R&D (e.g., materials processing, biotechnology, high-performance computing)
(3) Financial Sector Reform:	• Deposit insurance reform • Recapitalization of Bank Insurance Fund • Comprehensive reform of legal and regulatory structure to modernize financial services sector
(4) Incentives for Saving and Investment:	• Enterprise Zones • Family Savings Account • IRA withdrawal for first-home buyers • Capital gains modification for longer-term investment
(5) Entitlement Reform:	• \$47 billion savings over 5 years • Increased fairness/reduced subsidies for wealthy
(6) Health System Reform:	• Physician payment reform • Malpractice reform • Increased investment in prevention (prenatal care, infant nutrition, cancer screening, education for personal responsibility, child care)
(7) Drug Abuse Reduction:	• National Drug Control Strategy • \$1.1 billion increase—to record \$11.7 billion (Federal share)
(8) Housing Reform:	• Full funding for HOPE (\$2.1 billion in 1992) • 38 percent increase in vouchers • IRA withdrawal for first-home buyers • Enterprise Zones (refundable wage credit, expensing for new stock, zero capital gains rate)
(9) Transportation Infrastructure Investment:	• New highway program (new National Highway System and new block grant) • Major increase in Highway Trust Fund obligations (over \$20 billion by 1996) • NASPLAN modernization • Space transportation systems (Shuttle, ASRM, ALS, NASP)
(10) Government Management Reform:	• Budget process reform • Regulatory reform • Accounting systems reform • High-Risk Area targeting • Terminations: 238 programs and 3,591 projects
(11) "States as Laboratories":	• Demonstrations and waivers • Evaluation of natural experiments • \$15 billion program turn-over to States (fully funded)

¹Proposed total governmental spending for 1992 is 2.6 percent greater than 1991 (i.e., growth is less than the inflation rate).

INVESTING IN HUMAN CAPITAL AND REFORMING AMERICAN EDUCATION
(Chapter IV. A.)

- **Head Start:** The budget provides an increase of \$100 million, to \$2.05 billion for 1992, which will enable 633,000 youngsters to take advantage of this proven child development program. This funding is supplemented by \$732 million for the new Child Care and Development Block Grant.
- **Education Department Funding:** The budget proposes a total of \$29.6 billion, an increase of \$2.5 billion (9.5 percent) over 1991. This funding level will permit increases for programs, such as compensatory education and special education, for students that have the greatest need for additional services.
- **Educational Excellence and Choice:** \$690 million is included for a new Educational Excellence Act to support State and local efforts to reform and improve American education. The budget provides support for local efforts to enhance parental choice in education through the Education Certificate Program Support Fund (\$200 million) and funding for nationally significant choice demonstrations. Funding is also requested for rewards for schools that raise student achievement and for outstanding teachers; a new approach to training school administrators; an adult literacy initiative; endowments for historically black colleges and universities; and a performance-based math and science initiative. The Administration's proposals would provide greater flexibility in the use of Federal education resources in exchange for enhanced accountability for results.
- **Math and Science Education:** Federal support for mathematics and science education will reach \$1.9 billion, a 13 percent increase above 1991. Federal efforts focus most intensively on improving precollege science and mathematics -- with total funding of \$661 million, a 28 percent increase.
- **Pell Grants:** The \$5.8 billion for Pell grants (an increase of \$401 million) would be better targeted on the lowest income students to encourage and enable them to pursue postsecondary education. The budget also includes \$170 million for new supplementary awards for Pell grant recipients tied to academic achievement. These Presidential Achievement Scholarships would, for the first time, relate recognition of merit to the Pell grant program.
- **Guaranteed Student Loans:** The \$5.9 billion Guaranteed Student Loan Program would be reformed to restore integrity and improve program efficiency, reduce default rates and provide incentives to improve program performance by students, institutions, lenders, and State and local governments.

**Table A-1. HIGHLIGHTS OF SPENDING ON EARLY CHILDHOOD,
EDUCATION, AND TRAINING**

(Budget authority in millions of dollars)

	Actual 1990	Enacted 1991	Proposed 1992
Preparing young children for school:			
Head Start	1,552	1,952	2,052
WIC	2,126	2,350	2,573
Targeted infant mortality	—	57	171
Immunizations	187	218	258
Reforming Elementary and secondary education:			
Proposed Educational Excellence Act	—	—	690
(Certificate program support fund—non-add)	—	—	200
Precollege math and science education	333	515	661
Increasing access to higher education:			
Pell grants	4,804	5,374	5,775
Presidential achievement scholarships	—	—	170
Guaranteed student loans	4,348	4,210	5,893
Improving workforce skills:			
Job Training Partnership Act adult initiative ¹	1,070	1,088	1,088
Adult education	193	241	251
Total	14,613	16,005	19,582

¹Amounts for 1990 and 1991 are estimates of activity in those years comparable to the 1992 initiative.

FOCUSING ON PREVENTION AND THE NEXT GENERATION
(Chapter IV. B.)

- o **Background:** Federal investments in children have not kept pace with increases in other Federal spending. In 1992 dollars, Federal spending on adults rose by over 510% from 1960 to 1989, while spending on children rose by 330% during same time period.
- o **Children:** The budget includes proposals that would increase Federal funding for selected children's programs by 9.5%, from \$79.3 billion in 1991 to \$86.9 billion in 1992. Continuing this trend into the future, spending on selected mandatory programs related to children is projected to rise by 38% over FY 1992-1996.
- o **Immunizations:** The budget increases Federal support for Centers for Disease Control (CDC) categorical immunization grants by \$40 million, an 18.3 percent increase over 1991. Total Federal resources available for purchasing immunizations will increase by 10 percent to \$1.1 billion.
- o **Infant Mortality Prevention:** The budget increases Federal support for infant mortality prevention by \$676 million government-wide (9.2 percent over 1991). This includes \$171 million for prevention activities targeted to 10 cities with exceptionally high infant mortality rates, and a \$223 million increase for the WIC program. The initiative will support additional pre-natal care in existing health clinics in hard-hit areas and help local communities support new clinics where none exist now. To get an early start, the Department of Health and Human Services expects to devote \$57 million to this special effort from current appropriations. The \$223 million increase for WIC will enable 225,000 additional nutritionally at-risk pregnant women, infants, and children to get nutritional supplemental foodstuffs. As a result, total WIC enrollment will rise to 4.9 million participants per month.
- o **Breast and Cervical Cancer Screening:** The budget increases Federal support for breast and cervical cancer screening for low-income women and the uninsured by \$141 million, an increase of 52 percent over 1991.
- o **Smoking Cessation:** The budget increases support of smoking cessation by \$7 million over 1991. This will double funding for CDC's Office of Smoking and Health and will allow CDC to expand its smoking cessation education activities for specific target populations (e.g., teenagers).
- o **Injury Prevention:** The budget increases Federal support of injury prevention by \$224 million. This 13 percent increase over 1991 includes a \$218 million increase for Department of Transportation funding of highway, aviation, and maritime safety activities.

**Table II-3. SPENDING ON SELECTED PROGRAMS SERVING CHILDREN
INCREASES 9.5 PERCENT IN 1992**
(In millions of dollars)

	1990	1991	1992 Proposed
Nutrition:			
WIC	2,126	2,350	2,573
Child Nutrition	4,887	5,577	6,066
Other Nutrition	7,985	9,138	9,825
Health:			
Targeted Infant Mortality	—	¹ 84	189
Medicaid	8,200	10,300	12,000
Community/Migrant Health	227	238	238
Immunizations	187	218	258
Maternal/Child Health	554	¹ 554	554
Other Health	222	264	288
Education and Social Services:			
Head Start	1,552	1,952	2,052
Handicapped Education	2,055	2,467	2,730
Compensatory Education	5,368	6,225	6,424
Educational Excellence Act (proposed)	—	—	490
Precollege Math and Science Education	333	515	661
Child Care Block Grant	—	732	732
Foster Care	1,375	2,611	2,186
Social Security	8,375	9,048	9,716
Supplemental Security Income	1,261	3,531	2,497
Aid to Families with Dependent Children and Child Support	12,165	14,008	15,162
Other Education and Social Services	2,453	2,642	2,352
Refundable Tax Credits	6,287	6,941	9,973
Total Children's Funding	65,612	79,345	86,851

¹Reflects HHS' plans to reprogram \$34 million from MCH Block Grant to Targeted Infant Mortality in 1991. Overall resources supporting this initiative will total \$57 million in 1991 and \$171 million in 1992, including funds from other public health grants.

**Table II-4. THE BUDGET PROVIDES INCREASES FOR PROGRAMS
FOCUSED ON PREVENTION AND THE NEXT GENERATION**
(Obligations in millions of dollars)

	1991 Enacted	1992 Proposed	Percent Increase
Childhood Immunization	218	258	+18.3
Infant Mortality Initiative	7,335	8,011	+9.2
(Targeted Infant Mortality Initiative—non-add)	57	171	+300.0
Breast and Cervical Cancer Prevention	289	410	+52.4
Smoking Cessation	90	97	+7.8
Physical Fitness and Diet	122	139	+13.9
Accident and Injury Prevention	1,683	1,907	+13.3
Access to Preventive Health Care	5,410	6,026	+11.4
Family Planning	399	420	+5.3
Lead Poisoning Prevention	8	41	+412.5
Substance Abuse Prevention	1,442	1,515	+5.1

ENHANCING RESEARCH AND DEVELOPMENT
AND EXPANDING THE HUMAN FRONTIER
(Chapter IV. C.)

- o **R&D:** The budget proposes to invest about \$76 billion in 1992 for research and development, including R&D facilities. This is an increase of over \$8 billion, or 13 percent over 1991. The budget proposes over \$13 billion for basic research, \$1 billion or about 8 percent over 1991. Federal civilian R&D will increase by 10 percent while defense-related R&D will increase by 14 percent.
- o **Space:** The budget proposes \$16 billion for space activities, \$2 billion, or 15 percent, over 1991. The budget for the National Aeronautics and Space Administration (NASA) will increase by 13 percent to \$15.7 billion.
- o **Biotechnology:** The budget proposes over \$4 billion for biotechnology, \$319 million, or 8 percent, over 1991.
- o **NSF:** The budget proposes an 18 percent increase for the National Science Foundation (NSF), to a total of \$2.7 billion, continuing the commitment to double NSF's budget between 1987 and 1994.
- o **Individual Investigators:** The budget emphasizes support for individual investigators at universities, and proposes \$50 million for a new program to provide state-of-the-art research instrumentation to academic researchers. Funding for grants for basic research through NSF will increase by 16 percent, and a 9 percent increase for research project grants at the National Institutes of Health is proposed.
- o **High Performance Computing and Communications:** The budget proposes a total of \$638 million, an increase of \$149 million, or 30 percent, over 1991 for a new initiative in high performance computing and communications. This initiative involves 8 Federal agencies. The goal is to assist in the development of computing capability with about 1,000 times improvement over current systems by 1996.
- o **Energy R&D:** The budget proposes over \$900 million, an increase of \$227 million or 34 percent above 1991, for research investments in targeted, high-payoff technologies in support of the National Energy Strategy. The R&D initiatives would increase the efficiency of energy use, develop alternatives to petroleum and advance new electricity technologies.
- o **Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS):** The budget proposes an increase of 5 percent to \$1.2 billion for R&D on HIV/AIDS. The budget includes a total increase of \$558 million, or 15 percent,

for HIV/AIDS research, treatment, prevention and income support.

- o Superconducting Super Collider (SSC): The budget proposes an increase of \$291 million, to a total of \$534 million, to support continued work toward the transition from prototype superconducting magnets to production, and to begin the construction of facilities.
- o Mission to Planet Earth and the U.S. Global Change Research Program (USGCRP): The budget includes an increase of \$232 million, or 24 percent, to a total of \$1,186 million to support a broad range of research efforts, including NASA's Mission to Planet Earth/Earth Observing System (MTPE/EOS) and ground-based programs such as the World Ocean Circulation Experiment.
- o New Launch System: A new space launch system is proposed, jointly funded by the Department of Defense and NASA (\$175 million each in 1992), consistent with the recommendations of the Advisory Committee on the Future of the U.S. Space Program.
- o Mathematics and Science Education: The budget includes an increase of \$225 million, or 13 percent, to \$1,941 million, for a major initiative in mathematics and science education. This initiative will help address problems that limit the pool and performance of math and science learners. Of the total increase, \$146 million, a 28 percent increase, is targeted toward the precollege level.
- o Human Genome Project: R&D for this project will increase by \$35 million, or 26 percent, to a total of \$169 million in the Departments of Energy and Health and Human Services (National Institutes of Health).
- o Research and Experimentation (R&D) Tax Credit: The budget proposes that this credit be made permanent and be reformulated to increase its effective rate.

**Table II-2. ENHANCING RESEARCH AND DEVELOPMENT AND
EXPANDING THE HUMAN FRONTIER—HIGHLIGHTS**

(Dollar amounts in millions)

	Budget Authority			
	1991 Enacted	1992 Proposed	Dollar change	Percent change
Basic Research				
Doubling the NSF budget	2,316	2,722	+406	+18
Increasing Basic Biomedical Research at NIH	4,634	4,968	+334	+7
Human Genome Project	135	169	+35	+26
Agricultural Research Initiative	73	125	+52	+71
Superconducting Super Collider	243	534	+291	+120
Applied Research				
High Performance Computing and Communications	489	638	+149	+30
Energy R&D	676	903	+227	+34
Advanced Manufacturing and Materials	1,316	1,310	-6	—
HIV/AIDS	1,152	1,210	+58	+5
Moving Fusion Energy from Science to Engineering	275	337	+62	+23
Aeronautics R&D	482	543	+61	+13
Expanding R&D at the National Institute of Standards and Tech- nology	215	248	+33	+15
Maintaining National Security: Defense R&D	37,783	43,247	+5,464	+14
Expanding the Geographic Frontier: Space Exploration				
Space Transportation Infrastructure	4,801	5,517	+716	+15
Space Science	1,774	2,141	+367	+21
Mission to Planet Earth (Global Change)	954	1,186	+232	+24
Mission From Planet Earth	2,199	2,470	+271	+12
Expanding the Human Frontier through Biotechnology	3,788	4,107	+319	+8

IMPROVING THE TRANSPORTATION INFRASTRUCTURE
(Chapter IV. D.)

- o **Highways:** Between 1991 and 1996, highway budget authority will increase from \$14.6 billion to over \$20 billion. This represents an increase of more than 39%. In total, the five-year authorization will provide almost \$86.8 billion for highway construction and rehabilitation.
- o **National Highway System:** The Administration's new highway program will propose the creation of a "National Highway System" which concentrates Federal resources on the rehabilitation and improvement of highways which are most critical to interstate travel and commerce. The system will consist of about 150,000 miles of highways and will incorporate the existing Interstate Highway System, but will also reflect the major demographic and travel changes that have occurred since the Interstate was designated. In 1992, funding for the system will total \$7.7 billion, growing to \$11.1 billion by 1996.
- o **Urban/Rural Program:** For other highways, the budget proposes the establishment of a highway block grant program which will consolidate many narrow categorical highway grant programs into a larger and more flexible program, termed the "Urban/Rural Program." This program will give States unprecedented discretion in the use of their Federal funds.
- o **Bridges:** The budget contains increased funding to rehabilitate bridges (\$1.8 billion in 1992, growing to \$2.8 billion in 1996). Resources will be focused on priority bridge repairs, wherever located on the National Highway System.
- o **Other Highway Initiatives:** The proposed program will allow the expanded use of Federal funds to construct toll roads and contains an increase of \$30 million, for a total of \$50 million, for research into high technology such as "smart cars." Such technology has the potential to increase safety and help control traffic congestion.
- o **Aviation:** The budget continues the Administration's commitment to modernize the aviation system by: 1) Keeping the equipment modernization program on track with funding of \$2.7 billion, a \$.6 billion (29%) increase over 1991; 2) providing 450 additional air traffic controllers as well as other staff increases for total FAA operation funding of \$4.5 billion, a \$.4 billion (10%) increase over 1991; and 3) funding airport grants at \$1.9 billion, a level that when combined with airport passenger fees, will help address airport congestion.
- o **Mass Transit:** The budget increases investment in transit capital from about \$2.4 billion in 1991 to \$2.9 billion in 1992. Furthermore, the States will be given increased flexibility to choose how to use their Federal transportation assistance on either transit or highways.

PRESERVING AMERICA'S HERITAGE AND PROTECTING THE ENVIRONMENT
IN A GROWING ECONOMY
(Chapter IV. E.)

- o **National Parks, Forests and Public Lands:** The America the Beautiful program for 1992 will increase by 40 percent to nearly \$1 billion. This includes \$350 million to acquire new lands for parks, wildlife refuges, national forests, and the BLM; with \$30 million to be provided to the states as matching grants for open space protection and outdoor recreation. The budget funds a 33 percent increase to conserve and restore wetlands, protect endangered species, and enhance recreation; and a new \$10 million Targeted Parks Program to protect the Nation's "crown jewel" national parks.
- o **Civil War Battlefields:** The budget proposes a new \$15 million program to protect important civil war battlefield sites, including Gettysburg, Antietam, and Harpers Ferry.
- o **Tree Planting:** The budget proposes \$140 million (a 100% increase over FY 1991) to implement the President's ultimate goal to plant one billion trees each year.
- o **Legacy '99:** The budget provides \$820 million to restore facilities in existing parks and recreation areas. Also included is the first third of a \$625 million, 3 year Forest Service program to construct new recreation facilities, trails, campsites and other amenities, especially on lands adjacent to urban areas.
- o **Coastal Protection:** The budget includes a major new Coastal America initiative. Specifically, the initiative includes: \$23 million to implement an action-oriented coastal protection and restoration program; \$300 million in EPA sewage treatment grants to five coastal cities (Boston, New York, Los Angeles, San Diego and Seattle) to accelerate the completion of their plants; \$100 million for a border facility to treat Tijuana's raw sewage discharges into the U.S.; \$1.9 billion in total for sewage treatment; and a 17% increase to improve the oil spill response capability of the Coast Guard.
- o **Wetlands:** Wetlands will receive high priority in 1992, including \$500 million to add 600,000 acres of wetlands to the Environmental Wetlands Conservation Acreage Reserve Program; and a \$230 million increase for purchases of critical wetlands habitat and wetlands research.
- o **EPA Operating Budget:** The budget proposes an increase of \$164 million, or 7% over FY 1991, for EPA's operating budget. In total, EPA's regulatory, enforcement and research activities will have increased by 40 percent in funding and 20 percent in staffing since the President took

office. The budget includes increases of \$120 million and 340 staff years to carry out the new Clean Air Act; and \$20 million for an innovative multi-media initiative for the Great Lakes.

- o Federal Facilities Cleanup: The program to clean up Federal facilities is significantly expanded for the third year in a row. Increases are included for the Department of Energy, for which resources have risen from \$1.8 billion in 1989 to a proposed \$4.4 billion for 1992; and the Department of Defense for which an increase of \$700 million or 34 percent over 1991 levels is proposed. In total, the budget includes \$7.15 billion, an increase of 31% over FY 1991 appropriated levels, to clean up Federal facilities.
- o Climate Change Research: The 1992 Global Climate Change budget includes \$1.2 billion, a 25 percent increase, to help improve scientific and economic understanding of global climate change. Two special reports will supplement the Budget: one which details the action the U.S. has taken to date to reduce gases affecting global climate and one which details the U.S. Global Climate Change Research Program.

**Table E-1. THE BUDGET INCLUDES \$2.4 BILLION IN NEW FUNDING
FOR ENVIRONMENTAL PROTECTION INITIATIVES**

(Budget authority; dollar amounts in millions)

Summary of Major Initiatives	Actual		1991 Enacted	1992 Proposed	Percent Change, 1991-92
	1989	1990			
America the Beautiful	363	411	589	785	+33
Reforestation	—	—	70	140	+100
Legacy '99	517	563	819	823	+1
Protecting America's Wetlands ¹	201	283	299	489	+64
EPA Operating Budget	1,752	1,938	2,313	2,477	+7
Superfund	1,410	1,530	1,616	1,750	+8
Federal Facility Cleanup:					
Department of Energy	1,762	2,354	2,687	4,352	+18
Department of Defense	1,155	1,282	1,923	2,582	+34
Other Agencies	107	147	172	211	+23
Global Change Research	—	659	954	1,186	+24
Natural Resources Research	680	710	844	900	+7
Total	7,947	9,877	13,287	15,695	+18

¹Total has been adjusted to eliminate double counting of DOI Wetlands already included in America the Beautiful and wetlands, Coastal American and global change research included in EPA's operating budget.

²Includes a proposed \$340 million 1991 supplemental for Environmental Restoration and Waste Management.

**INCREASING CHOICE, EXPANDING OPPORTUNITY,
AND PROVIDING HOPE TO DISTRESSED COMMUNITIES**
(Chapter V. A.)

- o **Child Care and Health Insurance Tax Credits:** A newly expanded Earned Income Tax Credit, and a new Health Insurance Credit will make child care and health insurance more affordable for low-income families with children while assuring maximum freedom of choice over the use of the benefits. For 1992, these credits will provide \$10 billion in support to working families with children, and \$69 billion over the next five years. These credits were created as part of the budget agreement last fall.
- o **Child Care Block Grant:** The new Child Care and Development Block Grant, the first grant program of its kind to require that assistance be offered through certificates to ensure parental choice, will be funded at \$732 million.
- o **Educational Choice:** The budget includes funding for the President's upcoming Educational Excellence Act legislative proposal which will include:
 - \$200 million for a Certificate Program Support Fund to provide school districts with an incentive to allow parents to choose the public or private schools their children will attend.
 - New authority to fund Magnet Schools of Excellence in order to extend this proven choice approach to schools regardless of racial composition or the presence of a school desegregation plan. Support for magnet schools for desegregation will be maintained as well.
 - Amendments to facilitate and increase use of Local Agency Grants and Education Block Grants under Chapters 1 and 2 of the Elementary and Secondary Education Act for educational choice programs.
 - \$30 million to fund nationally significant choice demonstrations.
- o **Housing Choice:** For 1992, \$2.4 billion is requested to provide an additional 78,860 housing vouchers to low-income renters. This 41 percent funding increase over tenant-based housing subsidies appropriated for 1991 reflects the Administration's policy of assuring subsidized tenants maximum choice over where to live and how much to pay for housing.
- o **Homeownership:** Opportunity for low-income families to become homeowners will be expanded through HOPE (Homeownership and Opportunity for People Everywhere). For 1991, a fully-offset supplemental request for \$287 million

is proposed for HOPE; for 1992, the request is \$2.15 billion.

To preserve those subsidized rental properties that may be converted to other uses, \$718 million is requested. The goals are to protect low-income renters, provide opportunities for low-income tenants to become homeowners, and compensate owners fairly to retain their properties as low-income rental units.

To reduce defaults and improve housing conditions for low-income renters in financially distressed, FHA-insured rental properties, a \$668 million Low-Income Resident Empowerment Program is proposed for 1992. This program will assist those landlords who are willing to provide their low-income tenants an equity interest in their units.

- Increased Flexibility: To allow grantees to use funds more effectively: certain categorical housing programs will be replaced with more flexible HOME grants; several small categorical programs for the homeless will be consolidated; legislation will be proposed to permit waivers of some Federal education program requirements for innovative programs which can demonstrate progress toward stated educational goals.
- Using IRAs for First Home Purchases: First-time home-buyers would be permitted to withdraw up to \$10,000 from tax-deferred IRAs without penalty for a down payment.
- Enterprise Zones: To help revitalize economically distressed communities, the budget includes proposals for Federal tax incentives in up to 50 enterprise zones. A 5 percent refundable tax credit for low-income workers, favorable tax treatment for purchase of newly issued corporate stock in enterprise zones, and a zero capital gains rate for investments in zone businesses are proposed.
- Job Training: Reforms to the \$4.0 billion Job Training Partnership Act (JTPA) are proposed to target job training efforts on extremely disadvantaged adults and youth. Included is a new Youth Opportunities Unlimited (YOU) program in up to 40 high-poverty areas. Reforms of the Federal-State Employment Service also are intended to target resources on more disadvantaged workers.
- Reform of Davis-Bacon: Recently issued Labor Department regulations would improve opportunities on Federal construction projects for workers still learning their journeyman skills and create another rung on the ladder to economic success for less-skilled workers. The threshold for application of the Davis-Bacon Act wage level provisions

for Federal construction projects would be raised to \$250,000 from the present \$2,000., a ceiling which has not been raised since it was imposed in 1935.

- o Social Security Earnings Test: A modest liberalization is proposed for the Social Security earnings test, which reduces retirement benefits to aged recipients after their earnings reach a specified amount in any year. For 1992, the amount of earnings recipients are allowed before their benefits are affected would be increased 8 percent, to \$11,000.

Table A-2. MAJOR INCREASES IN HUD PROGRAMS EXPANDING CHOICE AND OPPORTUNITY

(Dollar amounts in millions)

	1991		Proposed 1992		Dollar Change		Percent Change	
	Budget Authority	Outlays	Budget Authority	Outlays	Budget Authority	Outlays	Budget Authority	Outlays
Vouchers and Certificates ¹	6,517	4,454	8,277	4,930	+1,760	+475	+27	+11
Incremental Only	1,713	1,330	2,415	1,440	+703	+110	+41	+8
HOPE Initiative Total	² 287	11	2,147	142	+1,860	+130	+648	+1,141
HOPE Grants	² 155	—	855	41	+700	+41	+452	n/a
Shelter Plus Care	² 122	11	258	51	+136	+40	+111	+364
Preservation	—	—	718	36	+718	+36	n/a	n/a
Other HOPE	² 10	—	315	13	+305	+13	+3,050	n/a
Enterprise Zone	—	—	³ 50	³ 50	³ +50	³ +50	n/a	n/a
HOME Grants	² 500	10	1,000	105	+500	+95	+100	+950
Low-Income Resident Economic Empowerment Program	—	—	668	77	+668	+77	n/a	n/a

¹Includes renewal funding for vouchers and certificates.

²Reflects proposed budget-neutral supplemental.

³Reflects estimated revenue loss (tax expenditures).

n/a = Not applicable.

ENDING THE SCOURGE OF DRUGS AND CRIME
(Chapter V. B.)

- o **Drug Funding:** The budget proposes an increase of \$1.2 billion (11% above 1991) for the war on drugs. The total Federal budget to fight illicit drug use is over 80% higher than when the President took office. Drug treatment and prevention programs would grow by 8% or \$260 million over 1991.
- o **Drug Treatment:** A new grant program is proposed to expand the capacity to treat drug users (+\$99 million); and increased funds are provided to expand services for veterans' drug treatment (+\$39 million).
- o **Drug Prevention:** The budget provides increased funding for the Education Department's Drug Free Schools Program (+\$25 million); an increase for HUD's Drug Elimination grants to help provide a drug free environment in public housing projects (+\$15 million); and an increase for demand reduction research (+\$31 million).
- o **Supply Interdiction:** Under the proposed budget, supply reduction programs would grow by 12% or \$874 million over 1991.
- o **Drug Law Enforcement:** The budget proposes an increase of \$67 million (+20 percent) for the Organized Crime Drug Enforcement Task Forces; an increase of \$54 million for the Drug Enforcement Administration to concentrate on drug trafficking organizations; and an increase of \$350 million for the drug-related portion of the Federal Bureau of Prisons.
- o **International Law Enforcement:** The budget includes increases to fully fund the President's Andean Strategy and provide conditioned military and economic assistance (+\$150 million).
- o **Anti-Crime Funding:** Fighting crime retains its high priority with a proposed \$2 billion increase over 1991. Included in the 1992 budget are: initiatives that would add \$328 million to the FBI to target both violent and white collar crime; an increase of \$104 million for the U.S. Attorneys to ensure that criminals are tried and held accountable for their offenses; an increase of \$505 million for the Judiciary to assure speedy and equitable trials; and an increase of \$467 million for the Federal Bureau of Prisons to add 3,600 new prison beds by 1996 to help assure that convicted offenders are incarcerated for their crimes.

Table B-1. FEDERAL SPENDING TO FIGHT THE WAR ON DRUGS

(Budget authority; dollar amounts in billions)

	Actual			1992 Request	Percent change, 1991-92
	1981	1989	1991		
Prevention	0.1	0.7	1.4	1.5	+5
Treatment	0.4	0.9	1.5	1.7	+10
Research	0.1	0.2	0.4	0.5	+12
Interdiction	0.3	1.4	2.0	2.1	+4
International	0.1	0.3	0.6	0.8	+20
Intelligence	—	0.1	0.1	0.1	+6
Criminal Justice	0.4	2.8	4.4	5.0	+14
Total	1.5	6.4	10.5	11.7	+11

Table B-5. FEDERAL SPENDING WOULD INCREASE BY \$2.1 BILLION TO FIGHT CRIME

(Budget authority; dollar amounts in millions)

	Actual		1992 Request	1991-92	
	1989	1991		Dollar change	Percent change
Federal Bureau of Investigation	1,439	1,693	2,021	+328	+19
Bureau of Prisons	1,542	1,738	2,205	+467	+27
U.S. Attorneys	460	675	779	+104	+15
Immigration and Naturalization Service	822	887	1,008	+121	+14
Drug Enforcement Administration	534	694	748	+54	+8
U.S. Marshals	205	290	347	+57	+20
Organized Crime Task Forces	—	335	402	+67	+20
Judiciary	1,476	2,046	2,551	+505	+25
Other	2,944	4,431	4,781	+350	+8
Total	9,422	12,789	14,842	+2,053	+16

DISTRIBUTING FEDERAL BENEFITS MORE FAIRLY
(Chapter V. C.)

The explosive growth of individual benefit programs since the 1960s has occurred without any cross-cutting or comprehensive review of the fairness or equity in the distribution of federal benefits. The budget identifies programs where large subsidies are provided to upper income individuals and better targets resources to those most in need.

- o **Medicare:** Wealthy Medicare beneficiaries receive an average subsidy of \$2,445. The budget proposes to reduce the average subsidy to \$1,690 in 1992 by adjusting premiums in the taxpayer-subsidized Part B portion of the program for the highest income beneficiaries. Individuals with adjusted gross incomes (AGI) over \$125,000 (couples, over \$150,000) who elect to participate in this voluntary component of Medicare would have their premium subsidy reduced from 75 percent to 25 percent of total Part B program costs.
- o **Agricultural Subsidies:** Significant farm commodity program payments are provided to individuals with non-farm AGIs over \$125,000. The budget proposes an income test that would make these high income individuals ineligible for subsidies in order to target farm program payments to those who depend on farm income to ensure their farm's viability and support their families.
- o **Student Aid:** Students from low income families are the most likely to default on loans and may avoid post-secondary education altogether for fear of incurring excessive debt. The budget re-allocates student aid to provide more Pell Grant assistance to students from the lowest income families. Students from somewhat higher and middle income families would be able to borrow larger amounts (\$875 to \$6,000 more per year) under the heavily subsidized Guaranteed Student Loan program. Pell Grant funding in total would rise by \$400 million over 1991, to \$5.8 billion; Guaranteed Student Loan volume, by \$721 million, to \$11.7 billion.
- o **School Lunch:** School Lunch meal subsidies now are provided to all participating students, regardless of their family income. The budget-neutral proposal would reallocate a portion of the subsidy to the most needy. It would increase the subsidy for children from families with incomes between 130 and 185 percent of poverty by as much as \$45 a year. This increase would be funded by a decrease of up to \$11 a year in the subsidy for children from families with incomes above 185 percent of poverty. Under this proposal, School Lunch is funded at the current law level of \$4.3 billion, a \$244 million increase over 1991.

- o Other Proposals: Other proposals designed to increase the fairness with which Federal benefits are distributed include the following: (1) replacement of the untargeted Health Professions Loan program with an improved Health Professions Student Loan program to better serve disadvantaged students; (2) standardization of Veterans Administration Dependency and Indemnity Compensation program benefits to increase payments for survivors of lower-rank military personnel and (3) eligibility reforms to insure that basic Social Security benefits are available to rail industry families.

PROTECTING NATIONAL SECURITY
(Chapter VII. A.)

- o **National Defense:** The 1992 budget request for national defense is \$290.8 billion in budget authority and \$295.2 billion in outlays, consistent with the Budget Agreement signed last fall. Within these amounts, funding for the military programs of the Department of Defense (051) is \$278.3 billion in budget authority and \$283.0 billion in outlays. The 1992 budget authority level is 12% below 1990 in real terms (after inflation) and 24% below 1985.
- o **Atomic Energy Defense and Other Defense Programs:** Funding for defense-related programs of the Department of Energy and other agencies is \$12.5 billion in budget authority and \$12.2 billion in outlays.
- o **Savings in the Budget Agreement:** Requested 1992 levels for National Defense are \$21.7 billion in budget authority and \$14 billion in outlays below the planned 1992 levels in last year's budget. The 1991-1995 levels are \$130 billion in budget authority and \$97 billion in outlays below last year's plan.
- o **Desert Shield and Desert Storm:** Amounts requested in the budget do not reflect the total 1991 incremental costs of Operation Desert Shield, which includes Desert Storm. When costs can be more reliably determined, a supplemental request will be submitted formally. In the interim, Desert Shield placeholder amounts are included in Government-wide allowances. These amounts assume substantial foreign contributions.
- o **Strategic Force Modernization:** The budget provides for continued modernization of Strategic nuclear forces including procurement of four B-2 Stealth bombers, 115 Advanced Cruise Missiles, and 28 Trident D-5 Missiles.
- o **SDI:** The Administration is proposing a reorientation of the Strategic Defense Initiative (SDI) to emphasize global protection against limited strikes. In 1992, \$4.6 billion is requested for SDI. Funding in 1992-1997 is about 20% less than in earlier plans.
- o **Force Reduction:** The budget assumes continued modernization but reduction in size of general purpose forces. Military personnel levels are projected to decline by about 20% below 1990 levels by the mid-decade and force structure (in terms of divisions, ships and air wings) by about 25%.
- o **Terminations:** The budget proposes several program terminations, with savings of about \$10 billion from previous plans. Terminations include the A-12 aircraft and the F-14D remanufacturing program. Production ends in 1991 for the Peacekeeper missile and the Trident submarine. Program rescissions in 1991 total \$3.4 billion reflecting proposed program terminations in 1992 and elimination of low priority programs.
- o **Management Initiatives:** The budget assumes savings of \$.7 billion in 1992 as a result of functional consolidations and streamlining of activities such as supply depots, inventory control points, research and development laboratories, maintenance facilities, and finance and accounting operations.

ADVANCING AMERICA'S INTERESTS INTERNATIONALLY
(Chapter VII. B.)

- o **International Affairs Funding:** The budget requests \$34 billion in budget authority and \$19.6 billion in outlays for International Affairs (function 150), consistent with amounts provided in the Budget Agreement signed last fall. The International Affairs (150) budget category includes funding for Security Assistance, development and humanitarian assistance, the conduct of foreign affairs, foreign information and exchange activities and international financial programs.
- o **IMF Quota Increase:** Although budget authority for foreign assistance increases by \$13.9 billion over 1991, \$12.2 billion of this is the increase in the U.S. quota in the International Monetary Fund. Such quota increases occur periodically and do not involve outlays.
- o **Security Assistance:** \$8 billion is requested for FY '92 with emphasis on support of countries in the Persian Gulf region, especially, Egypt, Turkey and Israel. In addition, more than \$400 million in security aid, 47% over 1991, is proposed for narcotics programs in Andean countries.
- o **Development Assistance:** The budget proposes a major increase for the Enterprise for the Americas Initiative. This program will promote economic growth and create jobs in Latin America and the Caribbean by removing barriers to trade and investment, and by reducing debt burdens.
- o **Eastern Europe:** The budget also requests \$400 million in development assistance to Eastern Europe, up 8% over 1991, to help the new democratic governments of that region to shift their economies to free market operations.
- o **United Nations:** Under conduct of foreign affairs, payments to United Nations programs increase \$417 million above 1991 to \$1.3 billion. Most of the increase is to pay arrearages accumulated because of past appropriations shortfalls on payments required by treaties.

FEDERAL CREDIT REPORT
(Chapter VIII. A.)

- o **Total Federal Credit:** The face amount of Federal and federally assisted credit and insurance reached \$6.2 trillion in 1990 -- up 8% from 1989 and 113% from ten years ago. About half of all non-Federal borrowing is assisted by Federal credit programs, Government-sponsored enterprises (GSEs), or Federal deposit insurance. The present value of future budget costs for these programs is in the range of \$100-200 billion.
- o **Effect of the Budget Agreement:** Much was accomplished in the Budget Agreement signed last fall to recognize and reduce these potential costs. The Agreement required that budget authority be available to pay the subsidy costs of direct loans and loan guarantees when credit is extended.
- o **GSL's:** The budget proposes comprehensive reforms for the guaranteed student loan (GSL) program that are expected to reduce defaults and costs, while more effectively helping students.
- o **FHA:** The FHA multi-family mortgage program will be reviewed, and steps will be taken to identify and eliminate physical and financial problems in low income rental properties.
- o **VA Mortgage Guarantees:** Proposals are made to reduce defaults and costs for the VA mortgage guarantee program.
- o **Farm Credit System:** Reforms are proposed to strengthen the Farm Credit System (FCS), to continue improvements in FmHA credit programs, and to enable Federal crop insurance to better serve its purpose.
- o **Pensions:** Proposals are made to deal with underfunded pensions and to advance PBGC claims in bankruptcy.

STRENGTHENING MANAGEMENT AND ACCOUNTABILITY
(Chapter IX. A.)

- o **Investments in Financial Systems:** The Budget requests \$603 million for financial systems upgrades, \$162 million (37%) more than enacted in 1991. Correcting financial system inadequacies is essential in order to prevent future financial disasters, such as those at HUD. This investment can also help correct the high volumes of loan defaults at credit agencies generally.
- o **Audited Financial Statements:** The Budget specifically includes \$104 million to initiate audited financial statements to disclose better the Government's financial condition and implement the Chief Financial Officers Act of 1990.
- o **High Risk Management Areas:** High risk areas are those designated by OMB as requiring personal attention by agency heads. Agencies are making progress in reducing vulnerability -- since 1989, 11 areas have been sufficiently corrected so as to no longer warrant designation as high risk and 12 new areas have been added. The budget identifies sixteen high risk areas for priority attention in Calendar Year 1991, including: Department of Energy environmental clean-up; the Department of Education's Guaranteed Student Loan Program; the Department of Housing and Urban Development's financial management; and the Bureau of Indian Affairs' administrative and financial management.
- o **Credit Management and Debt Collection:** To collect more of over \$100 billion in delinquent debt owed the Federal Government, the budget proposes to: add over 1,700 staff (in 1991 and 1992) to the Internal Revenue Service; add \$44 million to improve debt collection and prevent future defaults in education, veterans, and small business programs; and add a \$35 million pilot program to improve internal controls and accounting in the Farmers Home Administration.
- o **Defense Management Reform:** The budget adds 25 defense management initiatives to the 34 reflected in the 1991 Budget, with savings totalling about \$72 billion over the 1991-1997 period. These 1991 and 1992 management initiatives will reduce civilian personnel by 28,000 and military personnel by 45,000; consolidation of supply depots and depot maintenance activities will save over \$7 billion; and service-specific initiatives will capitalize on management structure streamlining and save over \$5 billion.
- o **Information Resources Management:** The budget includes increased investments in nine of the Federal Government's significant information technology projects in such areas as tax collection and patents. Two particular priorities are

the Department of Defense's Corporate Information Management project and the Federal Bureau of Investigation's Integrated Automated Fingerprint Identification System.

- o Procurement Reform: The budget includes several initiatives to reform procurement practices, including: requirements that government consultants disclose all other employers or clients; proposed penalties barring misuse of sensitive procurement information; and proposals to encourage greater reliance on the commercial marketplace when purchasing goods and services.
- o Selected Improvements in Service Delivery: The budget includes investments to improve service delivery in critical areas directly affecting Americans. These include: an increase of \$375 million, or 9%, to a total of \$4.5 billion, for operating the Social Security Administration; a \$1.3 billion, or 16%, increase for the Federal Aviation Administration, to a total of \$9.3 billion; and an increase of \$622 million, or 10%, to a total of \$6.7 billion, for the Internal Revenue Service.

IMPROVING RETURNS ON INVESTMENT
(Chapters IX.B.,C. and D.)

- o **Program Evaluation:** The budget proposes an increased investment in program evaluation. Over 20 program evaluations -- involving 14 departments and agencies -- are proposed, in areas ranging from defense mobilization to Head Start.
- o **Budget Process Reform:** The budget proposes a joint budget resolution requiring the President's signature; enhanced rescission authority requiring an up-or-down vote in Congress on Presidential rescission proposals; the Presidential line-item veto for provisions in legislation reflecting narrow or special interests; and a balanced budget amendment to the Constitution, with safeguards against achieving the balance through higher taxes.
- o **Risk Management Budgeting:** The budget contains a new initiative -- Risk Management Budgeting -- the objective of which is to lower both risks to public health and safety and costs by allocating efficiently scarce resources. The concept of Risk Management Budgeting will be tested in 11 pilot programs, some involving budget outlays and some involving regulations.
- o **Terminations and Reductions:** To meet the discretionary spending limits set under the budget agreement -- and still fund priorities such as education, prevention, research and development, transportation infrastructure, environmental protection, drug prevention and treatment, and law enforcement -- some programs must be reduced, and others must be terminated. Terminations are proposed for 207 projects which do not meet published statutory or regulatory criteria, reducing 1992 budget authority needs by \$.6 billion. The budget would terminate 64 defense programs (saving \$6.7 billion) and more than 3,000 other low priority domestic discretionary projects and some entire programs (saving \$4.4 billion). In addition, 7 defense and 261 domestic programs (saving \$1.9 and \$8.3 billion, respectively) would be funded below 1991 levels.

Table II-11. PROPOSED OUTLAYS, BY AGENCY
(In billions of dollars)

Agency	1991 ¹		1992	
	Discretionary	Mandatory	Discretionary	Mandatory
Cabinet Agencies:				
Agriculture	11.6	43.9	55.4	43.2
Commerce	2.9	-0.1	2.8	-0.1
Defense—Civil	3.4	23.0	26.4	24.7
Defense—Military	288.3	-0.8	287.5	-0.7
Education	18.8	6.1	24.8	7.0
Energy	16.0	-2.4	13.5	-2.5
Health and Human Services	27.8	458.4	486.3	496.6
Housing and Urban Development	21.8	1.7	23.5	0.9
Interior	6.6	-0.2	6.4	-0.2
Justice	7.7	1.0	8.7	1.0
Labor	8.8	25.7	34.5	25.5
State	4.0	0.3	4.3	0.3
Transportation	30.5	0.2	30.8	0.3
Treasury	8.8	268.3	277.1	289.0
Veterans Affairs	13.9	17.5	31.3	18.1
Major Agencies:				
Deposit Insurance Accounts	0.1	111.4	111.5	88.1
Environmental Protection Agency	5.9	-0.1	5.8	-0.2
General Services Administration	0.9	-0.1	0.8	-0.1
National Aeronautics and Space Administration	13.5	—	13.5	—
Office of Personnel Management	0.2	35.0	35.2	36.8
Small Business Administration	0.5	—	0.5	-0.2
Other Agencies:				
Executive Office of the President	0.3	—	0.3	—
Funds Appropriated to the President	11.8	-0.5	11.3	-0.7
Judicial Branch	1.9	0.2	2.1	0.1
Legislative Branch	2.2	0.3	2.5	0.4
Other Independent Agencies	10.3	4.0	14.2	4.6
Allowances	8.2	—	8.2	—
Undistributed offsetting receipts	—	-109.4	-109.4	-118.0
Total Outlays	526.3	883.3	1,409.6	913.8
			532.1	1,445.9

¹Includes impact of supplementals and rescissions.

Looking Ahead

Brent 77

77

February

Monday

4 5 6 7 8 9 10

Monday

11 12 13 14 15 16 17

Major International Events

Winnie
Mandela's
trial begins

Angolan talks in Lisbon

Lithuanian
independence
referendum

Polish Solidarity congress

Cape Verde
presidential
inaugurationEC For Mins meet
in BrusselsHaitian
presidential
inaugurationOAU
summit
in HarareJanata Dal
Convention in
India

World Econ Forum meets in Switzerland

Turkish parliamentary delegation in DC

Visits to US

Hungarian Def Min Fur in US

Philippine Fin Sec in NY

Visits Abroad

Indian FM in China

Walesa
in Rome

Hurd in Rome

Mitterrand, Rocard, Dumas
in Budapest

Chamorro in Japan, Belgium, and Czechoslovakia

15 NAM For Mins
in Belgrade

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/31/24

FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT 

SUBJECT: Telephone Call to President F.W.
de Klerk of South Africa

DATE: February 4, 1991

PURPOSE: To commend President de Klerk's decision
to scrap all apartheid laws.

SECURE OR OPEN: Open

INTERPRETER: None required

PHONE NUMBER: 27-21-685-4122

CONTACT PERSON: Ambassador William L. Swing
27-21-214-280/7

TIME DIFFERENCE: +7 hours

SUGGESTED TIMES: 7:00 - 8:00 a.m. EST, February 4, 1991

TOPICS OF
DISCUSSION:

1. In a dramatic move to clear the way
for multi-party negotiations on South
Africa's future, de Klerk has called on
parliament to repeal all remaining apartheid
legislation. He needs a positive
international reaction to strengthen his hand
at home.
2. We will closely monitor continued
progress toward release of all political
prisoners and completion of parliamentary
action to repeal apartheid laws, since these
steps are all cited in our sanctions law. We
will not move the goalposts.

Date of Submission:

Action:

Attachment

Tab A Points to be Made

~~CONFIDENTIAL~~

Declassify on: OADR

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

0839

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT F.W. DE KLERK

- I commend you for the courageous vision you displayed on February 1 in announcing plans to root out the last remnants of racial discrimination and apartheid.
- Those of us who recognized your commitment to ending apartheid from the time you took office feel a special sense of vindication that you are moving forward so decisively.
- We also take heart from the accord reached between Mandela and Buthelezi (whom we had been pressing hard to sit down together), and we are urging all sides to join in the multi-party conference you have proposed and work together in a peaceful negotiating process to bring about nonracial democracy.
- We will be watching closely as progress continues toward release of all political prisoners and toward completion of the parliamentary action you have initiated to repeal the legislative pillars of apartheid.
- Lifting sanctions will be possible when these steps are accomplished, and you have my commitment to support your reform efforts.
- We have also much appreciated your strong support on the Persian Gulf.

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PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/31/24

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~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

February 4, 1991

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT *B*

SUBJECT: Implications for U.S. Sanctions of de Klerk's Move
to Scrap All Apartheid Laws

In his February 1 address, F.W. de Klerk outlined a bold program to move decisively forward toward nonracial democracy. He called for repeal of the remaining legislative pillars of apartheid and pledged that South African statutes would be devoid of racially discriminatory laws in a matter of months. As expected, he announced plans to scrap residential restrictions embodied in the Group Areas Act and eliminate controls on land ownership contained in the Land Acts, but he also revealed a decision to seek repeal of the Population Registration Act which classifies babies racially at birth.

De Klerk laid out plans as well to introduce interim cooperative measures at the local government level, change the system of education, and move forward with a multi-party conference to set a formal negotiating process in motion. (He also included a strong statement on the Gulf, declaring that Iraq had committed an act of aggression which cannot be condoned). All of this confirms your public judgment during de Klerk's visit last September that an irreversible process of change is underway in South Africa.

Not all of de Klerk's audience appreciated his address, however. Members of the opposition Conservative Party stormed out of parliament in protest. Archbishop Tutu welcomed de Klerk's plans, but cautioned that blacks would still lack economic means. The ANC supported mass strikes and marches to coincide with the opening of parliament, but the demonstrations were generally peaceful. The steps being taken by de Klerk are among reforms that anti-apartheid groups have long demanded as a precondition to negotiations, and the ANC has endorsed the multi-party conference envisaged by de Klerk. With this week's accord between Mandela and Buthelezi, prospects look brighter than ever for getting full-fledged negotiations underway, although the roughest road is still ahead, and it will take the best of goodwill on all sides to keep the process moving forward peacefully.

~~CONFIDENTIAL~~

Declassify on: OADR

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 10/31/24

91 FEB -4 AM 10:40 0637
Brent I sure want to encourage him any way possible
GB
2-4-91

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

South African expectations will be high for concrete international recognition of de Klerk's efforts. When you and de Klerk talked on January 14, he indicated, in a clear reference to sanctions, that he would be announcing "several things which will let you make the steps which I know you want to make." Under the Comprehensive Anti-Apartheid Act, de Klerk's request for parliamentary action to repeal apartheid laws is not enough to allow us to act. The test will lie in implementation of his commitment. However, if, in the interim, the SAG releases all political prisoners -- something which the SAG and ANC have committed themselves to accomplishing by the end of April -- suspension or modification of some measures is legally possible under the CAAA. In that case, whether or not immediate steps are taken on specific sanctions, a Presidential Determination must be sent to Congress, which would then have 30 days to adopt a joint resolution of disapproval. Once all current SAG efforts are successfully completed (all prisoners are released and both key acts targeted by de Klerk are repealed), all CAAA sanctions "shall terminate" automatically. Successful implementation of de Klerk's announced intentions could conceivably bring us to that point by the end of the current parliamentary session in June. But we will have to monitor closely how parliament proceeds, since the CAAA specifies that no other measures with the same purposes as existing laws may be put in place.

While some members of Congress such as Congressman Ron Dellums (D-CA) support tightened strictures, Congress likely will not support initiatives to move the goalposts on the CAAA, in the face of de Klerk's systematic repudiation of apartheid. Congressional receptivity to the lifting of sanctions will depend largely upon SAG actions over the next few months. It is clear where the rest of the world is headed. On the heels of de Klerk's address, Prime Minister Major immediately issued a call to end international isolation of South Africa, and the EC, which lifted its investment ban in December, indicated that de Klerk's pledge to scrap the cornerstones of apartheid would allow the Europeans to ease sanctions.

We are sending under separate cover a memo recommending that you call F.W. de Klerk to commend his courageous course of action. You should caution that we cannot begin taking steps until all prisoners are released, but emphasize that the goalposts are in sight and we will not move them. South African sources have privately signalled to us that de Klerk is feeling "bruised" by the strong Conservative reaction to his speech, and that he would take inspiration from such a call to persevere along the course on which he has set out.

*I did
2-4
he mentioned
this
with out*

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THE PRESIDENT.

2-4-91

Marlin:

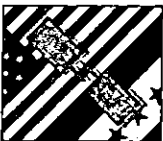
How in heaven's name does Ken Walsh
know what I think about all these previous
Presidents....It sounds liek an interview
with me and, of course, it is not.

Booh!

A handwritten signature, possibly "WJ", in cursive script.

A president's true mission

Bush hopes he's learned from others' mistakes



DESERT
STORM

When George Bush saw the first intelligence report that Iraq may have dumped millions of barrels of oil into the Persian Gulf, he reacted with typical caution. Bush wanted to make sure U.S. or allied forces had not caused the spill accidentally. Two days later, he received conclusive evidence at his 8 a.m. intelligence briefing that Saddam Hussein had intentionally created an ecological disaster. "Get this out to the press," the president told his staff. "This guy is not only killing people, he's waging war on the international community." The administration condemned the spill as "environmental terrorism." Bush immediately phoned other world leaders, including King Fahd of Saudi Arabia, and told them Hussein had escalated the conflict to a new level of malevolence. Yet he did

not feel any need days later to choose the method of cutting off the oil flow. He gave that responsibility to the military.

Bush's handling of the oil spill encapsulates his strategy for conducting the gulf war. Oddly enough, aides and friends say, the job seems simpler since the fighting started. "Actually running the war has turned out to be the easy part," says a senior adviser. "We had five months to come up with the plan, and the president is just letting the military carry it out." So Bush has turned his attention to three larger missions that he feels only the president can accomplish:

- Reassuring the country that the war is being conducted with competence. Even though Bush's State of the Union address last week was hardly heroic or inspirational, it won wide praise even from Democrats for demonstrating that Bush was firmly in charge of the war. The president has also decided that regular, televised briefings by military

- Making sure U.S. allies remain united against Iraq. Bush continues to spend considerable time on the phone with Mikhail Gorbachev, King Fahd, Egyptian President Hosni Mubarak, British Prime Minister John Major and Israeli Prime Minister Yitzhak Shamir for what one aide calls "international handholding."

- Constantly reminding the American public and America's global allies that Saddam Hussein is a tyrant who must be stopped—a job Hussein has made easy. "The moral issue is the underpinning of the war for him," says an adviser.

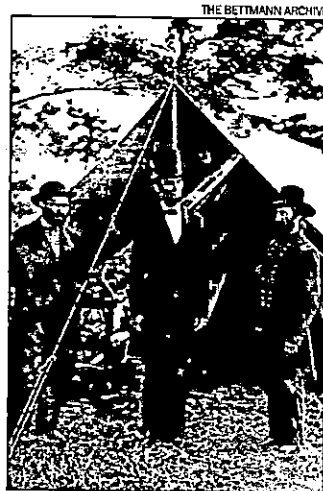
From the start of the crisis last summer, the president thought he would have to gamble on public support. A White House study confirmed his recollection that 59 percent of Americans approved of the Munich agreement appeasing Hitler in 1938, and more than 60 percent opposed war with Germany or Japan right up until Pearl Harbor. Bush believed that he needed months to lay the groundwork for war. Aides say Bush never was confident he could move the country to his views through soaring rhetoric. He hoped a steady stream of briefings, along with Hussein's intransigence and abuse of foreigners, would make his case. Growing numbers became skeptical about war, though, and some advisers argued it was dangerous to lead a deeply divided country into conflict. But the president believed the public would rally quickly—just as it has.

Once the conflict began, Bush acted on a different set of beliefs about proper presidential management of war—views developed from his reading of his-

INTERNATIONAL NEWS PHOTOS



THE BETTMANN ARCHIVE



Bush's heroes. Roosevelt set strategic objectives but let his military work out the details. Lincoln has provided generations with spiritual inspiration for a just war.

tory and from his exposure to recent presidents. Bush believes it was disastrous for Lyndon Johnson to act as his own military commander by picking bombing targets during the Vietnam War. He thinks Jimmy Carter weakened the presidency by becoming captive to the Iranian hostage crisis. And Bush believes Ronald Reagan's laissez-faire approach ceded too much power to subordinates.

He has a mixed sense of the stewardship of Richard Nixon, under whom he served as Republican Party chairman. The president believes Nixon was right to set large strategic goals and avoid micromanaging the Vietnam War. But he also thinks Nixon's antagonism toward antiwar protesters was a mistake. Bush has remained studiously tolerant of protesters, and says privately that he holds no grudges against them, except those who burn the American flag. "During the '70s, Bush's whole WASP class was on the defensive," says one longtime adviser. "Their children were rebelling and their values were under attack. Bush has learned that even the 'right kind' of people can come to different conclusions about war and peace."

His guiding principle about domestic opinion, associates say, is that Americans do not want to be obsessed with the war. If the conflict continues to go well, Bush is convinced that the public will start "listening with one ear" to war news and give him a few months, rough-



War council. Bush listens to the military brass.

ly until spring, to win it. He thinks the best way to lower public anxiety is for him to avoid becoming a hostage to the conflict. As a result, he plans a variety of trips in the coming weeks to discuss the economy and other domestic themes, and he will continue to visit Camp David on weekends to relax.

Role models. Bush reveres Abraham Lincoln for providing spiritual inspiration to the country during its most divisive crisis. On a more practical level, he admires Franklin D. Roosevelt's wartime abilities and has tried to copy them. Like Roosevelt, Bush has chosen strong leaders, such as Gen. Colin Powell, chairman of the Joint Chiefs of Staff, and relied heavily on the military hierarchy, especially Gen. Norman Schwarzkopf, commander of Persian Gulf forces. His questions to military and intelligence briefers each day are rarely about specific locations or targets. Aides say he is mainly concerned

with general themes such as the mood in Baghdad, morale among the Republican Guards and the extent of U.S. and Iraqi casualties.

Yet Bush is willing, if necessary, to overrule the generals to make sure that his overall political strategy is upheld. Sensing the need to act soon after the United Nations' January 15 war deadline or risk erosion of his international coalition, Bush ordered the war to begin a month before his ground commanders would have preferred. And he has been so intent on limiting noncombatant damage that Schwarzkopf says, somewhat ruefully, that American pilots are taking extraordinary risks to avoid civilian targets.

On a personal level, Bush has surprised even longtime friends by remaining serene during the crisis. Last week, he hosted a reception for 20 supporters of his gulf policy. It turned out that 11 marines had died in Saudi Arabia that day, the first American ground casualties of the war. Bush expressed profound regret at the losses but added that every war requires sacrifice and declared that the defeat of Hussein would justify the suffering.

That kind of emotional distance is not natural for Bush, and it is clear that his composure has not really been tested. He has yet to make the fundamental decision, perhaps the most important of his presidency, on when to begin a massive ground attack on Iraqi forces. If that day comes, the role of commander in chief will grow vastly more painful. ■

By KENNETH T. WALSH

J. L. ATLAN - SYGMA



Bush's antiheroes. LBJ was a micromanager who pre-empted field commanders. Carter worsened the Iranian hostage crisis by appearing impotent and preoccupied.



MAIL ★ ORDER ★ MAIL

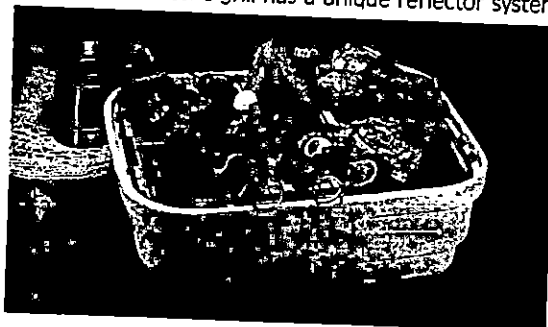
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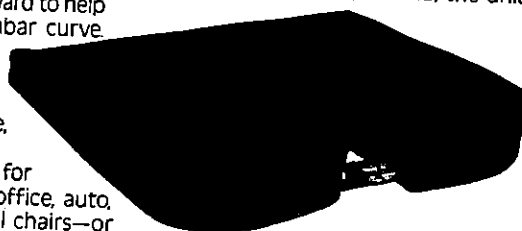
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2011-367-2900

management structure that provides the information and analysis to run Desert Storm. "I like things to be exact," Johnston says. "And I have a personal commitment to missions."

In Saudi Arabia, the mission is exhausting. "I don't get out much," he says. "My job requires me to be in this building more than any other staff officer." In the States, Johnston ran 3 miles and did pull-ups and sit-ups six days a week to keep in shape. In Riyadh he runs once a week, if possible.

Johnston had been CentCom chief of staff for only two months when he got the call from Schwarzkopf to start moving CentCom and its forces to Saudi Arabia. "I said to myself, 'My God, how do we start doing this?'" Just setting up CentCom in Saudi Arabia required transferring 700 people and all their materiel from MacDill Air Force Base in Florida. Johnston and other CentCom commanders who arrived first found quarters wherever they could in Saudi Arabia, running much of the early operation out of hotel rooms. But Schwarzkopf feared they were subject to terrorist attacks, so they have found rooms and offices in Saudi government buildings, including an unused schoolhouse. Cloistered in their guarded quarters, there is little escape from the war, which for Johnston is especially personal. One of the first soldiers to arrive here was his son, a junior officer in a Marine infantry battalion. "It makes the ground offensive operation," he says, "a lot more personal."

AIR FORCE

Charles Horner

★★★

Air Force Lt. Gen. Charles Horner likes to act as if he's an uninteresting fellow. Asked to describe himself, CentCom's air commander says he "has no personality." Then he smiles in a cockeyed way, and it's clear the matter-of-fact Iowan comes from the hard-working, hard-playing school of aviators. "A superb fighter pilot," says Schwarzkopf, "with a great sense of when to have fun and when to get the job done."

In Saudi Arabia today, there's little time for fun. Horner commands and coordinates some 1,800 U.S. warplanes and 435 Saudi, Kuwaiti, British, Italian and French planes in the theater. He attends a daily meeting at CentCom headquarters, but because the air campaign is closely linked to what is happening on the ground, he stays in closest touch with General Yeosock, an old friend, who is also his roommate in Saudi Arabia.

"Sometimes there are difficulties

working with different commanders," Horner says, "but that is not so here... There are no prima donnas among us." Like the other commanders, he emphasizes that they don't spend much time talking to each other. Everything they do is run by "the campaign plan": In essence, the schedule runs the war.

Horner, 54, grew up in Iowa and graduated from the University of Iowa. He says he had always wanted to "fly jet planes," and ROTC got him into the Air Force and flight school. He flew 48 combat missions in F-105s over Vietnam, 70 more in a Wild Weasel, attacking enemy surface-to-air-missile sites.

Last August 3, Horner, commander of the 9th Air Force, which includes all



Horner. "No prima donnas here"

fighter bases east of the Mississippi, was flying an F-16 to Langley Air Force Base, Va., when he received a cryptic call telling him to return to Shaw Air Force Base in South Carolina. From there he flew to CentCom headquarters at MacDill Air Force Base in Florida, then to Washington with General Schwarzkopf to brief the president, then to Saudi Arabia. He packed for a few days' stay but has never gone home.

NAVY

Stanley Arthur

★★★

The day after his ships sank a good chunk of the Iraqi Navy, Vice Adm. Stanley Arthur wanted to talk about bombers. With 500 combat

missions in Vietnam, the commander of the 7th Fleet still has his heart with the guys who, as he says, "push the pickle." "The staff tends to think everything is pure... that they always ought to be able to hit the target," says Arthur. "I don't expect that... I expect for them to miss sometimes. As much as you want everything to be perfect, you're chasing a rainbow."

Arthur only took over as NavCent commander last December, six weeks before allied forces attacked Iraq. But he appears to be a good fit for Operation Desert Storm, where the Navy has flown more than 3,000 sorties over Iraq and Kuwait. His combat record and his Distinguished Flying Cross seem to

have dispelled most of the anxiety about getting a new boss at such a late date—not to mention having an aviator running the fleet. "He wasn't just in the neighborhood," says Col. Frank Wickersham III, Marine liaison officer for the admiral who is also an aviator, "and it wasn't a one-shot deal."

On his desk on the USS Blue Ridge, the elegant, high-tech command-and-control ship that is Arthur's office and home in the Persian Gulf, the admiral keeps a hand-lettered sign that reads TMMP. "That stands for 'Too Many Moving Parts'... and that's what I have here," he explains. Within the Persian Gulf, Red Sea and north Arabian Sea, Arthur, 55, commands 120 American ships, including six aircraft carriers, coordinating with 50 more ships of 18 allied navies.

Those many parts also have a welter of responsibilities. The Navy must continue to enforce the sanctions on Iraq, keep the gulf free of mines and other obstacles to shipping, dismantle Iraq's small but heavily armed Navy, run bombing sorties, provide close air support for ground troops and prepare for a potential amphibious assault on Kuwait.

For now, Arthur is most worried about what he calls "target deconflation"—in layman's terms, making sure that the various air forces pounding Iraq and Kuwait don't end up running into each other or bombing the same target. "It's one of the growing pains" of the operation, he says. A similar challenge is facing Arthur on the sea: making sure that his many navies don't run into each other. Little wonder that he is still talking about the air. ■

BY CARLA ANNE ROBBINS AND PETER CARY
IN SAUDI ARABIA

✓

THE WHITE HOUSE

WASHINGTON

February 4, 1991

Dear Friends:

Thank you for your thoughtful message. I was moved by your comments about the actions we have taken, in cooperation with our coalition partners, to liberate Kuwait and to restore stability to the Persian Gulf region.

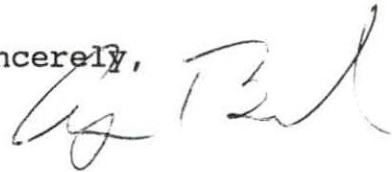
Saddam Hussein has sickened the world by the launching of indiscriminate attacks that have terrorized and killed innocent people. His blatant disregard for international conventions regarding the treatment of noncombatants and prisoners of war only strengthens our resolve.

Operation Desert Storm is working. We are making progress toward the objectives set forth by the international community. While there may be setbacks and obstacles along the way, one thing is certain: we will stay the course, and we will succeed. I am grateful that our courageous troops face this historic challenge knowing that they have the support of millions of people around the world. We are all tremendously proud of the job they are doing.

I am heartened that so many Americans are joining Barbara and me in praying for our brave service men and women and for their families.

Best wishes.

Sincerely,



Board of Supervisors
Los Angeles County
c/o The Honorable Michael D. Antonovich
Chairman
500 West Temple Street
Los Angeles, California 90012

✓

THE WHITE HOUSE

WASHINGTON

February 4, 1991

Dear Sam:

Thank you for your thoughtful message. I was moved by your comments about the actions we have taken, in cooperation with our coalition partners, to liberate Kuwait and to restore stability to the Persian Gulf region.

Saddam Hussein has sickened the world by the launching of indiscriminate attacks that have terrorized and killed innocent people. His blatant disregard for international conventions regarding the treatment of noncombatants and prisoners of war only strengthens our resolve.

Operation Desert Storm is working. We are making progress toward the objectives set forth by the international community. While there may be setbacks and obstacles along the way, one thing is certain: we will stay the course, and we will succeed. I am grateful that our courageous troops face this historic challenge knowing that they have the support of millions of people around the world. We are all tremendously proud of the job they are doing.

I am heartened that so many Americans are joining Barbara and me in praying for our brave service men and women and for their families.

Best wishes. *Warmest Personal Regards*

Sincerely,



The Honorable Sam B. Hall, Jr.
United States District Judge
Eastern District of Texas
Post Office Box 1499
Marshall, Texas 75670

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Peter D. Hannaford
The Hannaford Company
Suite 200
655 Fifteenth Street, NW
Washington, DC 20005



THE PRESIDENT

91
February 4, : *AG* 

Dear Pete,

Thanks for those warm words about the State of the Union speech. With friends like you behind me, I'm more determined than ever, and optimistic about the challenging year ahead.

Barbara and I are grateful for your friendship, and send warm wishes to you and Irene.

Sincerely,

A handwritten signature in cursive script, appearing to be "G. H. W. Bush".

A simple hand-drawn heart symbol.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Silvio O. Conte
U.S. House of Representatives
Washington, D.C. 20515



THE PRESIDENT

2-4-91

Dear Silvio,

Just heard you had
an operation. I hope all's
going well; but, for now, I
just wanted you to know
we Bushes are thinking of

you. Get well fast!!!

A handwritten signature in black ink, appearing to be "GWB", with a long, sweeping diagonal line extending from the bottom of the signature.

bcc: Governor Sununu

Fred McClure

Bridget Montagne ✓

Monday, February 4, 1991

12:15 pm

PHONE CALL FOR THE PRESIDENT

FROM: LUD ASHLEY

RE: Congressman Silvio Conte

Silvio Conte had an emergency surgery last night at NIH to remove a clot in his head (actually removed a piece of his skull . . .)

Prognosis is good. The operation was quite successful and the doctors are optimistic. There is no impairment of his motor abilities.

At the time, Silvio Conte is heavily sedated. He can understand things, but he can't talk and the doctors are encouraging him not to.

Lud Ashley thought you would be interested in this.

Bridget Montagne

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Roy Pfautch
President
Civic Service Incorporated
Suite 870
Washington Square
1050 Connecticut Avenue, NW
Washington, D.C. 20036



THE PRESIDENT

2-4-91

Dear Roy,

I'm sorry to hear about
your Mom's illness. Please
tell her we're thinking of her
and hoping for a speedy
recovery. Stay strong. Love from the Bushes
As B

bcc: Bridget Montagne ✓

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. A.W. Clausen
Chairman and Chief Executive Officer
Bank of America National Trust
and Savings Association
Box 37000
San Francisco, CA 94137



THE PRESIDENT

February 4, 1991

Dear Tom,

Thanks for those warm words about the State of the Union speech. With friends like you behind me, I'm more determined than ever, and optimistic about the challenging year ahead.

Barbara and I are grateful for your friendship, and send warm wishes to you and Peggy.

Sincerely,

A handwritten signature in cursive script, likely belonging to George H.W. Bush.

Handwritten initials, possibly "JB", in a stylized cursive script.



THE PRESIDENT

February 4, 1991

Dear Tom,

Barbara and I appreciate your warm letter. Support from friends during these difficult and challenging months means so much to both of us. We are grateful, my friend.

Hope all is well with you. Barbara joins in sending best wishes to you and Connie.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Thomas H. Cole
Suite 1700
Colorado State Bank Building
Denver, Colorado 80202



THE PRESIDENT

February 4, 1991

Dear Coco,

Thanks so much for taking the time to write. I am grateful for your support during these difficult and challenging months.

Hope your family is doing well. Best wishes, in which Barbara joins.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Camilla Blaffer Mallard
2113 Bellmeade Avenue
Houston, Texas 77019

See
RED
DOTS

THE WHITE HOUSE

WASHINGTON

February 4, 1991

Dear Mayor Hunt:

Thanks for writing and for sharing with me an account of the touching scene witnessed by your town clerk. I was, indeed, very moved by the patriotism of the two youngsters she overheard reciting the Pledge of Allegiance. I am also grateful for your kind words.

It is very encouraging to know that our troops serving in the Persian Gulf have the heartfelt prayers and overwhelming support of the American people. While Operation Desert Storm will have its obstacles and setbacks along the way, one thing is certain: we will stay the course, and we will succeed in our efforts to liberate the Kuwaiti people. Saddam Hussein's blatant disregard for international conventions regarding the treatment of innocent noncombatants and prisoners of war only strengthens our resolve.

Best wishes to you and to everyone in Stantonsburg.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush", is written below the word "Sincerely,".

The Honorable Seth P. Hunt, Jr.
Mayor of Stantonsburg
Stantonsburg, North Carolina 27883

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Michael Kittis
139 Jacobstown Road
Post Office Box 612
Wrightstown, NJ 08562



THE PRESIDENT

February 4, 1991

Dear Mike,

Your letter of January 30 made my spirits soar. I am moved by Rotary District 764's heartfelt support for what we and our coalition partners are trying to achieve in the Persian Gulf. We have chosen a difficult course, but I believe it is the right one, and I am heartened that so many Americans share that belief.

To you and to all District 764 Rotarians, my sincere thanks.

Warm regards,

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

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

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 4, 1991

REMARKS BY THE PRESIDENT
TO THE NATION'S GOVERNORS

The East Room

11:31 A.M. EST

THE PRESIDENT: Let me just make a few brief comments, and then what I really am anxious to do is to hear from you. I know you've been briefed in some detail on many aspects of the domestic program, but I'd like to get from you a feel for emphasis and some of your most serious concerns.

But first, my thanks to you Governor Gardner and Governor Ashcroft. And I know Dick Cheney has briefed you on the Gulf. And let me simply just say this on it: It's going according to plan. We are going to set the timetable for what lies ahead -- not Saddam Hussein. And I have a very strong team that is working this problem of the Gulf. Not only do I have great confidence in the officers and the men and women in the Gulf itself, but, of course, I think Dick Cheney and General Colin Powell working so closely together, and they're working very closely with our Chief of Staff here and mainly with General Scowcroft, my able right hand on these national security matters.

I have confidence that we're doing the right thing, and I have confidence that it is going the way we planned. And there have been no surprises, and there will not be any quick changes, nor will I try to tie the hands of the military because I just feel we have to go forward and prosecute this to a successful conclusion.

So I want you to know from my standpoint, the team is working well, the objectives are out there, and we're going to achieve them all.

So I will be glad to respond to questions on this, of course, later on because I know it's a matter of enormous concern in your communities. I used the figure, I think last night, mentioning some 436 units of the National Guard -- over 60,000 men and women who are more than spectators. And I would just encourage all of you to give the utmost support you possibly can. I talked to some of you all last night, and I was very impressed with what you told me about this spirit of these people and even more so about the spirit in the communities.

I do think that the United States is supporting this. I can tell you that you read from time to time about lack of public support in some of the countries where the coalition -- in some of the coalition countries, but generally speaking, the support is very, very strong. And that is not just the U.S., it's in other countries as well.

So here at home I understand you've been talking about that. I recognize that we are facing enormously challenging problems and that some of you face exactly the same problems that the federal government does in terms of trying to restrict these deficits or get out of this deficit mode.

One of the subjects that I really wanted to build on as we go along here this year with the governors is what happened at the Charlottesville education summit. I think you expressed many

MORE

concerns there, those who were governors then, and I hope we have responded. You were concerned about the readiness of the kids for school. And we have recommended and received good support for Congress on this whole concept of increased funding for Head Start. You wanted more emphasis on research and on assessment, and we saw it and got increases in those programs, not that those increases alone at the federal level are going to get the job done. Nobody knows that better than the governors around this table.

But you asked for a lasting commitment. And let me just say that though the Gulf war has overshadowed almost everything in terms of interests from the American people, we have not pulled back one iota in our determination to work with you. Sixteen months after that summit, the work still goes on. And I think we're going to do all right. We want to see these goals fully met, and I told you that I would convene my Cabinet to mobilize their departments toward the achievement of the goals, and I think I can tell you that -- I hope you've had a chance to glance at the report. That's working fairly well.

To those of you who weren't in office at the time of that summit -- and we have many new governors here -- let me simply restate a commitment. As you work towards world-class education, the federal government and this President want to be with you every step of the way. And so all of us should renew our commitment to fulfilling the goals set out in Charlottesville.

One last point is, I know how you all feel about flexibility and not mandating programs from Washington. Some people call some of our proposals warmed-over federalism. They miss the point. The point is you are on the problem-solving edge of this equation. You are better equipped to represent the diverse interests of the various states. And so we want to continue to work with you as best we can without sending a lot of mandated programs, whether it's in Medicaid or whatever else.

I understand that John Sununu came over and talked to you at length about this new proposal. Some of you mentioned it to me last night on this block grant approach. And it is different. It's fully funded, and it is something that -- I am very grateful to those who have spoken out on it already. I am not naive. We're going to have to fight together to get this through the Congress. But I think if we get this strong support continuing -- it's already been manifested by the governors -- I think that will send a very strong message to the Congress. And I think we can take this step. And I hope that it will benefit each and every governor and every state present.

So those are the opening remarks. As I say, what I really want to do -- I know that you've heard from the experts -- is to get your opinions on the most pressing problems. And, of course, I would be glad to try to respond to questions. I just heard a briefing that Dick Darman gave, along with our Secretary of the Treasury, Nick Brady, and others on the budget. So he's here if you want any specifics on it.

But with no further ado, and with the understanding and cooperation of the press, who are now history here -- (laughter) -- we thank you very much. We will go ahead and hear from you all.

Thank you.

END

11:39 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 4, 1991

REMARKS BY THE PRESIDENT
AT CEREMONY HONORING BOY SCOUTS

The Roosevelt Room

1:47 P.M. EST

THE PRESIDENT: To Mr. Leet, Mr. Love, and Earl Graves and Bill Sessions, Director Simpson of the Secret Service and Admiral Truly, members of the White House staff, and the Vice President's staff, all interested in Scouting, let me say it's a pleasure to be here.

This has become, appropriately so, an annual event. And I am proud to be now this card-carrying member of the Boy Scouts -- (laughter) -- and pleased to receive this year's report to the nation.

I'm also just delighted to have this Desert Storm patch because in my view there's no doubt about the outcome of Desert Storm and no doubt about the reasons why. We're fighting in the Gulf so that this generation of Scouts never has to. And we want to pass on to them the kind of world they deserve -- a world of stability and security, peace and justice.

This report that the Scouts have given me is, I am told, full of the good deeds done by our nation's future leaders, from helping the hungry to helping kids stay drug-free. And that's the kind of work that makes the Scouts Points of Light and the leading lights of a new generation.

So I really wanted to come here to thank you as representatives of all the Scouts across the nation for all the wonderful good deeds you do every single day because in that way you're keeping our country strong.

So thank you for coming, and thank you for these marvelous souvenirs that I take with me. And God bless you all, and keep up the great work.

Thank you so much. (Applause.)

END

1:49 P.M. EST

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 4, 1991

TEXT OF A LETTER FROM
THE PRESIDENT TO THE SPEAKER OF
THE HOUSE OF REPRESENTATIVES AND
THE PRESIDENT OF THE SENATE

February 4, 1991

Dear Mr. Speaker: (Dear Mr. President:)

I am writing to inform you of my intent to add the Central African Republic, Paraguay, and Namibia to the list of beneficiary developing countries under the Generalized System of Preferences (GSP). The GSP program is authorized by the Trade Act of 1974, as amended ("the 1974 Act").

The Central African Republic and Paraguay previously had their GSP eligibility suspended as a result of determinations that they had not and were not taking steps to afford internationally recognized worker rights to workers in their countries, as required by section 502(b)(7) of the 1974 Act. As a result of reviews completed to consider recent changes in law and practice in the Central African Republic and Paraguay, I have now determined that both countries meet the worker rights standard of the law and are otherwise eligible to have their GSP benefits reinstated.

Namibia became an independent nation on March 21, 1990. I have determined that Namibia meets the eligibility standards of the GSP law and that it is appropriate to designate Namibia as a beneficiary developing country for purposes of the GSP.

This notice is submitted in accordance with section 502(a)(1) of the Trade Act of 1974, as amended.

Sincerely,

GEORGE BUSH

#

5:00 P.M. NEWS UPDATE

GROUND BATTLE/CHENEY (Reuter) -- President Bush will decide when the U.S. will begin a ground attack in the war, Secretary Cheney said, but emphasized that there was no deadline for action. "We have from the very beginning assumed...that at some point we would have to send in ground forces in order to liberate Kuwait," Cheney said at a Pentagon news briefing. "We do not want to do that until we've taken maximum advantage of our capability to use our air forces against [Saddam's] ground forces. We think we are doing very effective work at present in that regard."

GULF DIPLOMACY/CHENEY (Reuter) -- The U.S. shrugged off gulf peace feelers by its old nemesis Iran or anyone else, and said it expected to finish the war with Iraq on the battlefields. U.S. officials also asserted the allies would take their time driving the Iraqi army out of Kuwait. Prospects of Iranian help [to resolve the war] got a chilly reception from U.S. officials who said it was highly unlikely that diplomacy could still bring a swift end to Iraqi occupation of Kuwait. "If someone can come up with a diplomatic resolution that achieves that objective, that would be fine, but I frankly don't expect it," Secretary Cheney said.

IRAQI CONVOYS/STATE DEPT. (Reuter) -- The U.S. accused Iraq of mingling military equipment with civilian convoys, making it harder for U.S. forces to avoid hitting civilians during air strikes. State Department spokeswoman Tutwiler was responding to Jordanian accusations that allied bombing attacks on Jordanian oil tankers along the Baghdad-Amman highway had killed five drivers. "We have credible information that war materiel, including some related to Scud missiles, has been transported in convoy with civilian oil trucks," Tutwiler said. "Such materiel contributes to Iraq's occupation of Kuwait and is a legitimate military target."

MIDEAST PEACE/SHAMIR (Jerusalem/Reuter) -- Prime Minister Shamir, in his first policy address to parliament of the war, vowed that Israel would never take part in an international conference on Middle East peace. Shamir praised the wide outpouring of support for Israel, especially by the U.S. and Britain, but called for them to oppose the widely endorsed idea of an international conference after the war.

DOW JONES (New York/Reuter) -- Stock prices soared to their highest close in six months, as prices rallied on growing hopes that a downturn in interest rates will pull the economy out of recession. The Dow Jones Industrial Average rose 41.59 points.

PETE ROSE (New York/AP) -- Pete Rose, kicked out of baseball because of his gambling, was banned from the Hall of Fame when a rule was adopted to exclude players on the permanently ineligible list. Rose, the all-time hits leader, is the only living person on the ineligible list.

POOL REPORT 2/4/91

Boy Scout event in the Roosevelt Room. There's a girl there!!

Seven scouts honored ^{Bush} at this non-news event. One of those was a girl. The Press Office has the list of the seven and the Boy Scout execs.

Remarks were piped in.

Bush got a newly-sanctioned patch that honors Desert Storm.

All of the seven scouts who stood to Bush's right wore the ~~Desert Storm~~ patch on their varied uniforms.

~~The seven scouts were~~
~~of~~

Seven Scouts

The ~~scouts~~ formed a polyglot bunch: Hawaiian, black, hispanic, and white and Asian.

There were some empty chairs in the room. Among the administration officials attending were Eagle Scouts: Andy Card, ~~Was~~ FBI chief Sessions, Adm. Truly of Nasa and Secret Service chief John Simpson.

Ellen Warren
Knight-Ridder Newspapers

* Explorer Scout Lori Jean Angel

POOL REPORT 2/4/91 BUSH GOES JOGGING...TELLS A BAD JOKE

Bush jogged for 20 minutes at the Naval Observatory and told an extremely feeble joke.

First, the joke: Holding up his fingers in a "V" symbol, a breathless president ran by us and asked, "Know what this is?"

We bit. "How Julian (cq) Caesar ordered ~~four~~^{FOUR} or five beers."

Seriously. (The V is the universally recognized Roman Numeral for "5". ~~Julian Caesar~~ is a close relative of Julius Caesar.)

There were a few other fragmentary Bush remarks as he ran in a circle 8 times for what we believe to be ~~2.1~~^{miles} in precisely 20

minutes. Responding to a question about Perez de Cuellar's condemnation of allied bombing, Bush ~~responded that he was not sure~~^{evidently didn't hear the query +} asked, "What'd ~~he say?~~^(referring to the reporter) to his companion. To another query he replied, ~~"No Qs. No As."~~^{"No Qs. No As."}

To a ~~question~~^{question} about his fitness, Bush made a bug-eyed "Aaah," kind of sound meant to indicate that he ~~was in~~^{--jokingly--} terrible shape.

The president wore a turquoise t-shirt, Grey ~~sweat~~ sweatshorts with "MSU Football" emblazoned in maroon. His partners were Ranger and Millie ~~and~~³ three Secret Service agents & Bruce Kaufman. One of the agents wore a Detroit Free Press marathon long-sleeved t-shirt ~~a Knight-Ridder Newspaper~~.

Bush also observed ~~the day~~, "Great day" as he circled around in breathless exertion.

After the run, he did 20 situps ~~on his back~~ (his form was OK but he kept his knees straight which is bad for his back).

Ellen Warren Knight-Ridder Newspapers

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 4, 1991

REMARKS BY THE PRESIDENT
TO THE NATION'S GOVERNORS

The East Room

11:31 A.M. EST

THE PRESIDENT: Let me just make a few brief comments, and then what I really am anxious to do is to hear from you. I know you've been briefed in some detail on many aspects of the domestic program, but I'd like to get from you a feel for emphasis and some of your most serious concerns.

But first, my thanks to you Governor Gardner and Governor Ashcroft. And I know Dick Cheney has briefed you on the Gulf. And let me simply just say this on it: It's going according to plan. We are going to set the timetable for what lies ahead -- not Saddam Hussein. And I have a very strong team that is working this problem of the Gulf. Not only do I have great confidence in the officers and the men and women in the Gulf itself, but, of course, I think Dick Cheney and General Colin Powell working so closely together, and they're working very closely with our Chief of Staff here and mainly with General Scowcroft, my able right hand on these national security matters.

I have confidence that we're doing the right thing, and I have confidence that it is going the way we planned. And there have been no surprises, and there will not be any quick changes, nor will I try to tie the hands of the military because I just feel we have to go forward and prosecute this to a successful conclusion.

So I want you to know from my standpoint, the team is working well, the objectives are out there, and we're going to achieve them all.

So I will be glad to respond to questions on this, of course, later on because I know it's a matter of enormous concern in your communities. I used the figure, I think last night, mentioning some 436 units of the National Guard -- over 60,000 men and women who are more than spectators. And I would just encourage all of you to give the utmost support you possibly can. I talked to some of you all last night, and I was very impressed with what you told me about this spirit of these people and even more so about the spirit in the communities.

I do think that the United States is supporting this. I can tell you that you read from time to time about lack of public support in some of the countries where the coalition -- in some of the coalition countries, but generally speaking, the support is very, very strong. And that is not just the U.S., it's in other countries as well.

So here at home I understand you've been talking about that. I recognize that we are facing enormously challenging problems and that some of you face exactly the same problems that the federal government does in terms of trying to restrict these deficits or get out of this deficit mode.

One of the subjects that I really wanted to build on as we go along here this year with the governors is what happened at the Charlottesville education summit. I think you expressed many

MORE

concerns there, those who were governors then, and I hope we have responded. You were concerned about the readiness of the kids for school. And we have recommended and received good support for Congress on this whole concept of increased funding for Head Start. You wanted more emphasis on research and on assessment, and we saw it and got increases in those programs, not that those increases alone at the federal level are going to get the job done. Nobody knows that better than the governors around this table.

But you asked for a lasting commitment. And let me just say that though the Gulf war has overshadowed almost everything in terms of interests from the American people, we have not pulled back one iota in our determination to work with you. Sixteen months after that summit, the work still goes on. And I think we're going to do all right. We want to see these goals fully met, and I told you that I would convene my Cabinet to mobilize their departments toward the achievement of the goals, and I think I can tell you that -- I hope you've had a chance to glance at the report. That's working fairly well.

To those of you who weren't in office at the time of that summit -- and we have many new governors here -- let me simply restate a commitment. As you work towards world-class education, the federal government and this President want to be with you every step of the way. And so all of us should renew our commitment to fulfilling the goals set out in Charlottesville.

One last point is, I know how you all feel about flexibility and not mandating programs from Washington. Some people call some of our proposals warmed-over federalism. They miss the point. The point is you are on the problem-solving edge of this equation. You are better equipped to represent the diverse interests of the various states. And so we want to continue to work with you as best we can without sending a lot of mandated programs, whether it's in Medicaid or whatever else.

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So those are the opening remarks. As I say, what I really want to do -- I know that you've heard from the experts -- is to get your opinions on the most pressing problems. And, of course, I would be glad to try to respond to questions. I just heard a briefing that Dick Darman gave, along with our Secretary of the Treasury, Nick Brady, and others on the budget. So he's here if you want any specifics on it.

But with no further ado, and with the understanding and cooperation of the press, who are now history here -- (laughter) -- we thank you very much. We will go ahead and hear from you all.

Thank you.

END

11:39 A.M. EST

POOL REPORT ON BUSH MEETING WITH NATION'S GOVERNORS

Governors were seated in the East Room around a huge square table, with about 15 people on each side. Two Cabinet members--HHS Secretary Louis Sullivan and Treasury Secretary Nicholas Brady were spotted by the pool, seated with the governors. Scowcroft was standing at a corner of the table; and other staff people stood ~~xxxxxx~~ behind one side of it.

Bush was introduced to applause and sat at the head of the ~~people stood at behind one side of the table. He gave xxxxxxxx remarks xxxxxxxx recognizing xxxxxxxx of the xxxxxxxx~~

He was introduced by Gov. Gardner of Washington, chairman of the National Governors Association, and gave brief remarks, recognizing the governors' concerns, particularly about education, and summarizing the current status of the gulf war.

Remarks were piped into the press room, and a transcript will be provided by the press office. Briefly, Bush said the war was "going according to plan" and "we are going to set the ~~xx~~ timetable, not Saddam Hussein." He said he had "confidence we're doing the right thing," and that he won't "tie the hands of the military."

He said he would respond to questions later, presumably after reporters left.

Bush said "generally speaking," support for the war was very strong in the US and other countries.

He said he recognized the governors faced "tough problems" and reviewed goals from the Charlottesville education summit, including increased funding for Head Start. He said he wanted to work with the governors and not just mandate programs, and referred to his new and "different" block grant approach, which he said was "fully funded."

Then he told the press we were "history," and we were dismissed.

Jean Christensen, Knight-Ridder Financial New

daily

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 4, 1991

STATEMENT BY THE PRESS SECRETARY

Over the weekend the President spoke with Prime Minister Sharif of Pakistan, Amir Khalifa of Qatar, President Mubarak of Egypt, King Fahd of Saudi Arabia and British Prime Minister Major. The conversations dealt with the Persian Gulf war, with a focus on the ongoing coalition operations. There was consensus that the operation is proceeding as planned. All the leaders reaffirmed their commitment to achieving the complete and unconditional withdrawal of Iraq from Kuwait as mandated by the U.N. Security Council resolutions.

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2:00 P.M. NEWS UPDATE

AID TO STATES (Donald Rothberg, AP) -- President Bush told the nation's governors "we are going to have to fight together" to win congressional approval for his plan to transfer billions of dollars in domestic programs to the states. "I am not naive" about the resistance that could face his plan on Capitol Hill, Bush said at a White House meeting. "It is something that is very attractive to the states," said Gov. Gardner of Washington, after the meeting with Bush. "There's a great deal of incentive for us." Gardner said the governors got assurances that if they don't like any part of the package "we can trade for things we think are important." Gov. Ashcroft of Missouri said the programs Bush proposed shifting would save the states "about four million bureaucrat hours of paperwork just to meet the federal reporting requirements. The benefits to the states and to the people ultimately would be monumental."

MEETING WITH GOVERNORS/GULF (Gene Gibbons, Reuter) -- President Bush gave state governors a glowing report on the status of the war and vowed to fight the war with Iraq "to a successful conclusion." "There have been no surprises and there will not be any quick changes nor will I try to tie the hands of the military because I just feel we have to go forward and prosecute this to a successful conclusion," he said. "I have confidence that we're doing the right thing and I have confidence it's going according to plan," Bush said.

ISRAELI AID/PRESIDENT (Alan Elsner/Reuter) -- President Bush has told American Jewish leaders that the U.S. will have difficulty responding to Israel's request for additional aid to compensate for losses incurred in the war and to help absorb Soviet Jewish immigrants. "Unfortunately when we mentioned some assistance [in a meeting Thursday with the President and Secretary Baker], the response was, you realize the budget crisis we're having here," said Shoshana Cardin, who led the Jewish delegation.

PIPE BOMBS/NORFOLK (Norfolk/UPI) -- Authorities discovered two pipe bombs attached to a storage tank containing 1 million gallons of alcohol, forcing the evacuation of businesses and residences within a half mile radius. Authorities had no concrete motive or suspects but Thomas Gardner, Norfolk fire chief, noted: "There is nothing to connect this to a terrorist act at this point in time."

SHUTTLE BUS ATTACK (Riyadh/AP) -- A gunman fired on a shuttle bus as it passed a junkyard in the port city of Jiddah, slightly injuring two American military personnel, U.S. military officials said. Col. Ahmed al-Robayan, a Saudi military spokesman, declined to characterize the incident as a terrorist act, saying such a determination could not be made until the gunman was captured.

ALLIED AIR STRIKES/CIVILIANS (Najaf, Iraq/Reuter) -- American planes dropped 12 bombs on a residential area some three miles from one of the holiest Shiite Moslem shrines, killing at least 20 people and wounding dozens, residents said.

IRAQI CONVOYS/U.S. ATTACKS (Dhahran/AP) -- The relentless attack by U.S. and allied war-planes has forced Iraqi soldiers to move in smaller convoys and top officers to seek protection in schools, U.S. military officials said. In the last 24 hours, the officials said, the U.S. Air Force knocked out 25 Iraqi tanks moving in enemy territory and lost one UH-1 helicopter that crashed in a non-combat situation in Saudi Arabia, killing all four crewmen. Allied warplanes also destroyed five to 10 vehicles moving through Kuwait, suggesting the air campaign has forced Iraqi ground forces to move in smaller convoys to avoid detection, Marine Maj. Gen. Robert Johnston said. At a separate news conference in Riyadh, Gen. Schwarzkopf said that allied air strikes have been so effective that senior Iraqi officers are moving their headquarters into schools because "they know we're not going to attack civilian targets."

JORDANIAN CASUALTIES/PEREZ DE CUELLAR (U.N./AP) -- Secretary-General Perez de Cuellar condemned the allied bombing raids that Jordan says have injured and killed Jordanian truck drivers on Iraq's highway from Baghdad to Amman. "Jordan is an innocent victim of what is happening," Perez de Cuellar said as he entered U.N. headquarters. "This is something inadmissible, why Jordan has to suffer in a war in which it is not a party."

GROUND WAR/IRAQ (Baghdad/AP) -- Allied bombs pounded Baghdad, and official newspapers promised that the country would retaliate with a ferocious hit-and-run ground war that would end in Iraqi victory. The daily al-Thawra said the country will use its armor, mechanized units and special commando forces in coming battles.

IRANIAN MEDIATION OFFER/U.N. (U.N./Reuter) -- Secretary-General Perez de Cuellar welcomed Iran's offer to mediate between Iraq and the U.S. to help end the war. "I welcome such an initiative. I think Iran is in a good position to produce a formula which could put an end to the present situation," he told reporters.

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11:00 A.M. NEWS UPDATE

BUDGET (Bud Newman, UPI) -- President Bush sent Congress a \$1.4 trillion 1992 budget that had record-high deficits, \$4.5 billion less in Pentagon spending despite the war, a \$3 billion Medicare cut and more money for children, education, parks and highways. Bush's budget for the federal fiscal year that begins Oct. 1 proposed total spending of \$1.44 trillion, a record deficit of \$318.1 billion this year and \$280.9 billion in 1992 -- assuming spending caps imposed last year are adhered to -- and about \$2 billion in higher taxes over the next five years. It proposed transferring about \$15 billion in federal programs to the states and set off what Bush termed "a competition for resources" among various federal programs thanks to the spending caps imposed by last year's historic budget accord. Rep. Panetta called that proposed transfer "warmed over new federalism" and "buffet-style revenue sharing."

(Jim Luther, AP) -- President Bush asked Congress to boost incentives for saving by cutting taxes on capital gains, creating a tax break for long-term accounts and allowing IRA withdrawals for some homebuyers. His proposed budget calls for no general tax increase. It includes more targeted tax reductions than tax increases. In a written message, Bush said his savings incentives would enhance the nation's potential for long-term growth.

(UPI) -- The White House proposed putting an additional \$2 billion into public feeding programs for fiscal 1992, including enough money to add 175,000 people to the so-called WIC program. The increase in funding also would allow the government to meet increased demand for food stamps.

DEFENSE BUDGET (Reuter) -- Faced with pressure to cut arms spending despite the war and new strains in U.S.-Soviet relations, President Bush asked Congress for a \$295.2 billion 1992 defense budget, \$3.7 billion less than current spending. The proposal does not include funds for rising U.S. costs of the war. But the Pentagon will ask Congress this month for an addition to the current \$298.9 million budget to help pay that cost. While it seeks reductions in programs, it also calls for a major increase to \$4.6 billion next year for Star Wars.

FUNDING TO STATES/GOVERNORS (AP) -- Democratic and Republican governors praised President Bush's plan to transfer billions of dollars in domestic programs to the states, but expressed concern about whether Congress would go along. "I think the President is sincere in terms of wanting to give that degree of flexibility" to the states, Gov. Wilder said on ABC's "Good Morning America." "The question now is whether Congress will go along with it." Gov. Wilson stressed that "we have to manage, Congress doesn't. But typically, Congress...likes to micromanage." Gov. Edgar of Illinois said the plan "gives us a lot better ability to manage our own responsibilities."

BOMBINGS ON BAGHDAD (Baghdad/Reuter) -- Baghdad came under heavy bombardment overnight from three waves of allied aircraft which apparently included B-52 bombers. An Iraqi military spokesman said on Baghdad Radio that nine allied aircraft had been shot down in the last 24 hours.

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ISRAELI RESTRAINT (Jerusalem/Reuter) -- Prime Minister Shamir said Israel was eager to fight Iraq but was staying out of the war to ensure victory for U.S.-led forces. "Our people want to fight very much," Shamir's office said he told visiting New York City Mayor Dinkins. "But we are taking into account the complex situation and don't want to complicate it even more because our goal is the victory of the coalition," the Israeli leader said.

RAFSANJANI (Nicosia/AP) -- Iran's President Rafsanjani offered to meet Saddam for talks on ending the war, and said he was willing to resume official contact with Washington in the interests of peace.

(Athens/UPI) -- President Rafsanjani said he presented ideas on peace to Saddam last week, but he found the Iraqis to be still inflexible, Iran's official Islamic Republic News Agency reported.

IRAN/KUWAITI AMBASSADOR (London/Reuter) -- Kuwait's ambassador to Britain, Ghazi al-Rayes, said Iran had promised to stay out of the war, and that any breach of this neutrality would be "devastating."

WORKER PRODUCTIVITY (AP) -- American workers' productivity in 1990 plunged at its sharpest rate since the last recession, marking the first time in a decade that productivity has fallen two years in a row, the government said. Meanwhile, the Labor Department's report showed that during the final three months of 1990, the nation's businesses trimmed the working hours of their employees at an annual rate of 2.7 percent -- the largest falloff since the depths of the 1981-82 recession.

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