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

OA/ID Number: 90588
Folder ID Number: 90588-008

Folder Title:
Monday, March 18, 1991 [2]

Stack:	Row:	Section:	Shelf:	Position:
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Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	From Nicholas F. Brady to President Bush (5 pp.)	03/18/91	(b)(1)	
01b. Letter	From Robert A. Mosbacher to President Bush (2 pp.)	03/18/91	(b)(1)	
01c. Memo	From Carla A. Hills to President Bush (1 pp.)	03/15/91	(b)(1)	
01d. Memo	From Michael J. Boskin to President Bush (2 pp.)	03/15/91	(b)(1)	
01e. Memo	From State Department to Brent Scowcroft (1 pp.)	03/14/91	(b)(1)	✓
02. Letter	From George Bush to Alexander Ellis III (Hap) Re: his Letter [redaction of personal information] (1 pp.)	03/18/91	C	
03. Letter	From George Bush to Alexander Ellis III (Hap) Re: his Letter [redaction of personal information] (1 pp.)	03/18/91	C	

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Collection:

Record Group: Bush Presidential Records

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WHORM Cat.:

File Location: Monday, March 18, 1991 [2]

Pinksheet Number: dw2032

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Date Closed: 1/17/2012

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

Monday
March 18, 1991

1. Rostenkowski would like to meet w/ you at 5:30 p.m. ✓
(or 3 p.m.--second choice).
2. Nan Ellis arrives tomorrow around 3:30 p.m. ✓
and will stay thru Friday morning. She has private
dinner commitments Tuesday and Thursday. Wednesday
she will attend the State Dinner.
3. Tomorrow is Scowcroft's 64th birthday. (just fyi) ✓

Patty Presock

daily

Document Originally
Attached to
Following Page

(Hinchliffe)

March 18, 1991
IRISH

8:30 p.m.

PRESIDENTIAL REMARKS: SPEAKER'S ST. PATRICK'S DAY LUNCHEON
March 18, 1991 12:30 p.m.
Rayburn Room, the Capitol

Mr. Speaker. As a representative of the O'Bush clan, I'm delighted to be here among so many fellow Irishmen today: O'Mitchell; O'Lowery; O'Slattery, and all the rest. And I did bring with me a member of my staff whose name shows he's a son of "the auld sod": stand up, Fred McClure.

By the way, there's no truth to the rumor that ^{hinder, gentler} Sean O'Sununu plans to wield his shillelagh (shill-LAY-lee) to win support on the Hill this term. ~~I think.~~

~~Don't consider it a political commentary if today I offer to all of you on both sides of the aisle, an old Irish toast: "may ye be in heaven an hour before the devil hears you're dead."~~

But I want to be serious for a moment. That's appropriate, because while the Irish are a people of great joy and love of life, there's also a fierce streak of determination in them.

Legendary Irish heroes and our very real Desert Storm heroes share something more than their astounding courage. Something more than even their vision. The fierce love of country embodied by both groups -- so many centuries apart -- inspired great patriotism in their homelands. The virtue and rightness of their cause restored to their countrymen the finest values -- loyalty, family and faith.

A poet wrote a verse about old Irish heroes: "Then here's to their memory. May it be for us a guiding light/ To cheer our

strife for liberty, and teach us to unite."

Well, I'd better close now -- because on St. Patrick's Day you're supposed to spend time with saints and scholars -- which means I have two more stops I have to make.

But I want to end on a serious note -- because you truly are the devoted friends of this nation, and I want to wish you well. In the warm words of that old Irish toast: "May the road rise to meet you, may the wind be ever at your back, may the sun shine warm upon your face, the rain fall softly upon your fields, and until we meet again, may God hold you in the palm of His hand."

#

*Thanks, Mr. Speaker for this hospitality
Now, ^{lets} get on with ~~our~~ ^{our} thousand
pints of light -*

THE PRESIDENT HAS SEEN

BPB
shis a pill !!

42

NEW YORK POST, THURSDAY, MARCH 14, 1991

War's end doesn't mean GOP peace

NOW that the Gulf War is over, the nation's capital can get back to more basic business. Like gossip and who's out to get whom. It's been slow starting up but — in Bushspeak — it's getting there.

With George Bush riding sky-high in polls, Republicans aren't worrying much about fighting Democrats in the 1992 election. Which leaves GOPers plenty of time for internecine rivalries.

Like the rumor that White House TV impresario Sig Rogich hopes to elbow media wizard Roger Ailes out of the 1992 campaign. And why was Rogich huddling at the Hay-Adams

hotel across from the White House with consultant Roger Stone, an Ailes arch enemy?

"It was a social luncheon. I was looking for advice on some gaming clients in Las Vegas [where Rogich used to be based]," said Stone, who insisted that Ailes' name "never came up."

A skeptical Ailes said: "If Roger Stone's telling the truth, he's either had a religious conversion or it's an accident."

Meanwhile, Rogich offered a different account than Stone, saying the luncheon was for him to advise Stone on how to promote a Stone client who sings like Al Jolson. What about



Stone's gaming clients?

"He has a client who we had mutually but that wasn't the prime purpose of the meeting," said Rogich — though, curiously, Stone never even mentioned a singer in his account.

And what does Rogich say to rumors he is out to get Ailes? "Oh, come on — I'm not going to

dignify this," he fumed.

Question: Would Bush be more upset that his TV adviser also is giving advice to Vegas gaming clients — or that Rogich met Stone, who is *persona non grata* with the Bush-man, thanks in part to tart anti-Bush remarks in 1988.

Not to worry about Ailes' standing. White House aides said he spent last weekend with Bush at Camp David (with David Frost on a mystery project), although Ailes himself — no dummy — refused comment.

P
File
Turk
Interview
3-18-91

Document Originally
Attached to
Following Page

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

①

Mr President,

Regarding the upcoming visit of President Turgut Özal to Camp David, what are the matters that will carry weight during your talks? How will your agenda look?

Mr. President,
What is your outlook on the future of the US-Türkiye relations? President Özal says "more trade possibilities rather than monetary aid!" Is it feasible to expect such developments?
Should we or could we look forward to an increase in Türkiye's export to the USA?

Mr President,

②

Has President Özal contributed in anyway to the formation of your policies during the Gulf Crises?

What were those contributions?
Did they influence you?
In what respects

You're talking about a new order for the world. How will this new order be established for the Middle East.

Will the Saddam Hussein regime and the Baas Party continue in Iraq? What is your outlook on the Kurdish problem in Northern Iraq?

Mr. President,

During the heated days of the Gulf Crises did you ever consider the possibility of a failure of your policy? Or were you absolutely sure of success?

I am truly curious about your feelings during those days?

- Mr President

How do you evaluate Turkey's effort to join the European Community?

What is your opinion on that Issue?

What will be the role of Turkey in the new policies you consider for the Middle-East? Or rather, will Turkey have any role at all?

Mr President,

In many an important issue during the past, Turkey has taken a firm stand along with the West... However, as soon as the critical days were over the part played by Turkey was not only forgotten, but several other issues of high sensitivity for Turkey, were introduced to the spotlight,

such as Armenian genocide claims, human rights issue, and the Cyprus problem.

Will the same thing be repeated again?

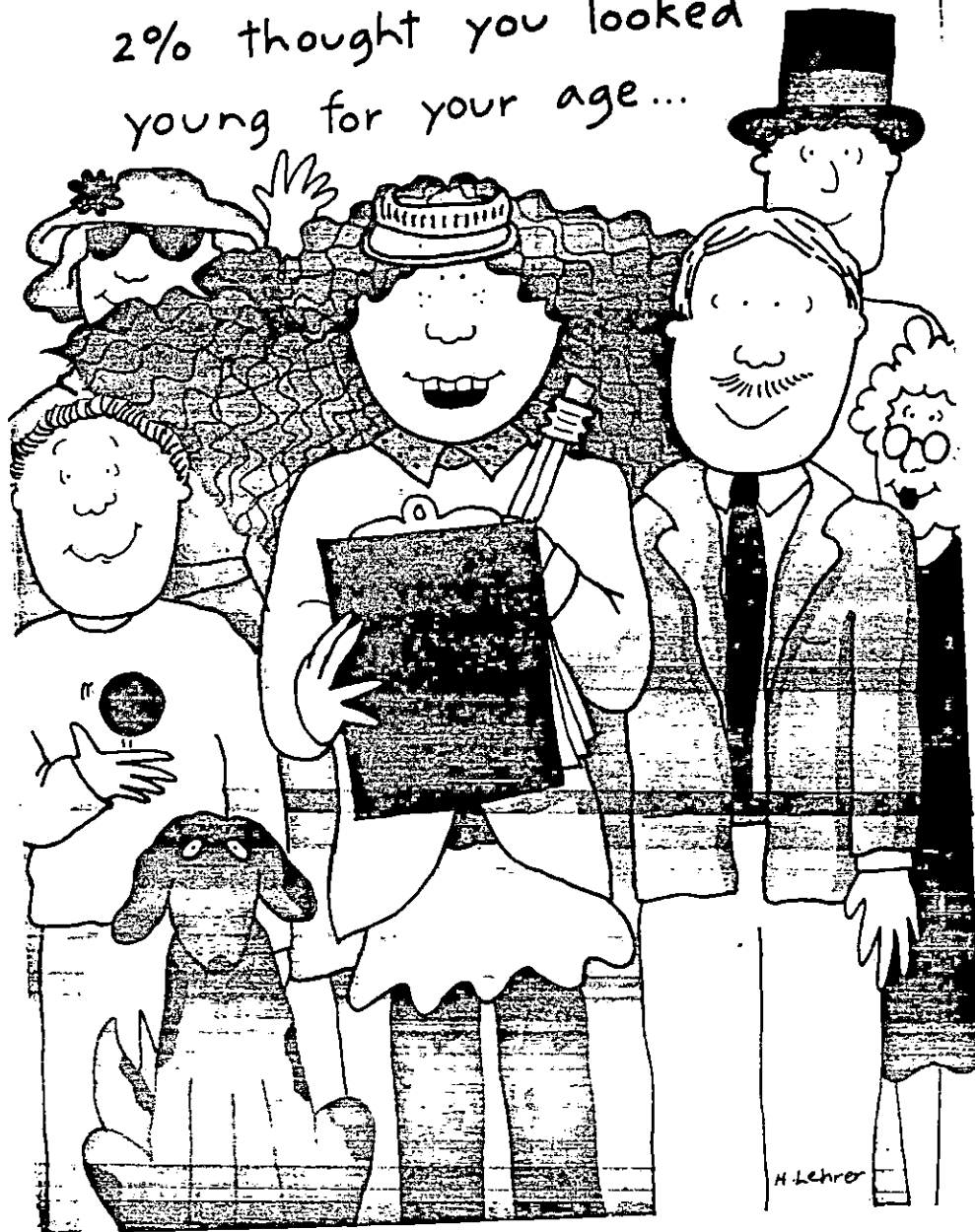
⑤ The statements announced by Kuwait did not include the name of Turkey among the multinational allies, thereby creating disillusion among the people of Turkey would you be willing to send a message to the Turkish people from here, regarding the support given by our country during the days of the Gulf Crises.

Monday
March 18, 1991

5:30 p.m. - Secretary Baker called.
Please call at your convenience.

Patty Presock

I polled your friends and
2% thought you looked
young for your age...



TO
PRIME MINISTER
MULRONEY

CC: BPB

...the other 98%
couldn't stay awake
long enough to
answer the question.

HAPPY BIRTHDAY

From
Lawrence & George
to a young guy
with love —

THE WHITE HOUSE
WASHINGTON

DATE:

3-18 91

FROM THE PRESIDENT

TO:

Dick Darman/ J.S.

Sonny Montgomery called me today.

He states- high regard for
Darman and Diefendorfer.

He recognizes we may have
differences, but he told me he
really would like to try ot help work
things out on Vets Bill.

I told him this was one tiem
when he, our greatest supporter]
'mongst the Dems, and we might differ
but he offered to try.

Please contact him today
and set up meeting even if it
proves to be unproductive.

I do NOT question his
desire to try.

THE WHITE HOUSE
WASHINGTON

DATE: 3 18 91

FROM THE PRESIDENT

To: JO.S.

Sheila Tate pointed out to me
a speculative article in the papers
on Campaign. It only mentioned 3 names
Teeter etc, but she noted- "No
women"...

Earl;yu on we shoudl get that problem
handled- deputy to
Fuller? (or 'co'to Fuller -for openers)

UNCLASSIFIED with a ~~CONFIDENTIAL~~ attachment

THE WHITE HOUSE

WASHINGTON

March 18, 1991

91 MAR 18 AM 11:12



MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY ~~CH~~

SUBJECT: Letter from Lee Iacocca

Per your request, attached are the responses of the Secretary of the Treasury, Secretary of Commerce, United States Trade Representative, Chairman of the Council of Economic Advisors, and Department of State to the suggestions made by Lee Iacocca in his letter of March 6.

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

DW

1/17/12

UNCLASSIFIED with a ~~CONFIDENTIAL~~ attachment



THE SECRETARY OF THE TREASURY
WASHINGTON

March 18, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: Nicholas F. Brady

SUBJECT: Response to Lee Iacocca

This memorandum responds, as you requested, to Lee Iacocca's letter on the difficulties facing the Big Three automakers. Iacocca outlines serious problems facing the U.S. auto industry and prescribes a solution, which calls for a large cut in exports from Japan (25-30 percent we estimate) and implies a freeze in production by Japanese transplant facilities in the United States. I would make several overall observations:

- o All three auto heads coming to Washington as a group is highly unusual, and indicates how serious the industry feels about its economic problems.
- o The U.S. automobile industry is hurting very badly. While I am not sure that Iacocca is correct that Ford is on the verge of collapse, Chrysler is in serious trouble.
- o But experience shows that, as the economy recovers, so will the auto industry. Therefore, we need to be careful not to overreact and take measures which in the long run would be counterproductive both domestically and internationally.
- o While it is to be expected that industry leaders will complain to us and ask for protection to counter their immediate problems, we cannot forget that after twenty years of trying, the Big Three have had difficulty competing effectively against the Japanese in the U.S. market.
- o The wrong response to the problem could cost American consumers more money, adversely affect Americans working for Japanese transplant companies and retard the process of long term adjustment by the Big Three.

- o Iacocca's proposal presents some complicated political and international economic relations issues, including implications for Fast Track legislation, various trade initiatives, and U.S. policy concerning treatment of foreign investors.

There are no easy answers. Many of Iacocca's concerns relate to general economic conditions and long-standing competitive difficulties of the U.S. industry. The projected pick-up in economic activity later this year and the lowering of interest rates should improve conditions in the auto industry. Obviously, if the projected economic upturn does not occur, the problems of the Big Three will persist or worsen. Irrespective of near-term economic performance, we must recognize the seriousness of the Big Three's financial situation and the growing sentiment in the United States that the Japanese have capitalized on the U.S. economic weakness during the Gulf crisis.

You could take two different approaches to these problems. One would be to press the Japanese to put in place a structured program as Iacocca suggests.

An alternative, which I prefer, would be to discuss with the Japanese the growing protectionist pressures in the United States and the current weakness of the domestic auto industry. We should make it clear that the American people's reaction and the growing Congressional pressures are not in the long term interests of Japan. We should see where these discussions lead us and explore temporary near-term steps that might take pressure off the Big Three as well as longer-term actions to open the Japanese market for the U.S. automotive industry.

As a first step, if you wish, I would be happy to convene a sub group of the EPC - including Bob Mosbacher, Carla Hills, and Mike Boskin - to see how we should go forward.

There follows my observations on the specific points raised in Iacocca's letter and certain others.

Lee Iacocca's Specific Points

1. Industry Weakened by Recession and War.

Clearly the industry has problems which are being aggravated by the current recession. But its underlying problems are more fundamental and have plagued the industry for many years.

However, if the Japanese produce and ship at higher 1990 levels, and begin price discounting (something they have not done before), this might quickly allow them to gain additional market share and add to the burden of the Big Three.

2. Administration Opposition to Unreasonable Clean Air and CAFE Mileage Standards.

Unreasonable pollution and mileage requirements can certainly hurt the domestic industry. The Administration should work with Congress and the industry to ensure a balanced approach to implementation of the Clean Air Act and resist burdensome regulatory proposals. As you may recall, the EPC recommended and you approved, a study to evaluate the proper level of CAFE standards.

3. Freeze on Japanese Market Share will Boost U.S. Auto Industry and the Economy.

This could be the case, but the potential effects on the industry and the U.S. economy are uncertain.

A cut in imports and a standstill in transplant sales could raise prices and suppress or divert consumer demand. Thus, the proposal might not lead to an increase in Big Three sales and employment or overall benefits to the U.S. auto industry and the economy.

During 1981-85, the United States had a voluntary restraint agreement (VRA) on Japanese auto exports. Big Three profits rebounded but largely because of the rapid 1983-85 economic recovery.

The Japanese Government continues to limit exports informally, but transplants' sales have more than compensated for declining Japanese exports.

A freeze on transplant production would be a significant departure from U.S. policy towards foreign investors and could adversely affect a significant part of the non-Big Three U.S. industry, since transplants now account for 11 percent of U.S.

market share and employ 25,000 U.S. workers.

It is true that local content for Japanese transplants is only 50 percent, compared to 88 percent for the Big Three. However, transplant local content is up from 38 percent in 1988, and Honda claims nearly 75 percent in 1990.

4. Contrast between U.S. and Japan's Economic Performance.

While still stronger than U.S. GNP growth, the Japanese economic growth rate has slowed considerably from 5.5 percent for 1990 to a more modest 2.6 percent annual rate in the fourth quarter.

In recent years, Japanese GNP growth has been fueled more by domestic demand than exports. Continued strong demand in Japan has been a G-7 goal to help world growth and U.S. exports. The Japanese might assert that the proposed curb on Japanese auto exports of 25 to 30 percent would hurt Japanese growth.

5. Trade Backlash.

There is a serious possibility of a backlash in the Congress because of persistent trade and investment problems, exacerbated by the controversy surrounding Japan's contribution for Desert Storm.

Relief for the auto industry might help avoid a backlash and improve the climate for extension of Fast Track for the Uruguay Round, North American Free Trade Agreement and Enterprise for the Americas Initiative. However, a visible export restriction could whet the appetite for protectionism in other areas, while the Administration is vulnerable during the Fast Track approval process.

The closed nature of the Japanese market, being addressed in part by the President's Structural Impediments Initiative (SII) and other efforts, fuels protectionist sentiment. But competitive reality (styling, quality, image) make it unclear that opening the Japanese auto market would significantly help the Big Three's sales and profits.

A new trade restriction in a key sector might compromise our current efforts to open markets (e.g. in the Uruguay Round and in the EC auto market).

6. Proposal to Cut Japanese Exports by 500,000 Cars and Freeze Transplant Production.

Iacocca's proposal raises some fundamental questions about overall U.S. policy:

(a) It is not clear that the Iacocca plan would solve the Big

Three's problems. Under the prior VRA, (1) Japanese firms shifted to exporting higher value cars, fattening profits and encroaching on the traditional Big Three niche; and (2) the Japanese shifted production to the United States, strengthening U.S.-based Japanese competition against the Big Three. Controlling supply, leading to higher prices, could lead consumers to postpone purchases or buy other cars, reducing the benefits for the Big Three.

(b) A Wharton study estimated that, because of supply restrictions, U.S. consumers paid a premium of nearly \$1000 per car to Japanese producers and dealers during the 1981-85 VRA. Controlling supply of Japanese cars, again, could lead to higher prices, hurting U.S. consumers.

(c) Finally, the Big Three's problems are of a long-term nature. The Japanese use new techniques to produce a wide variety of high quality, price competitive cars and have introduced their techniques into their transplant facilities in the United States. These transplant facilities, therefore, have certain advantages: they have newer state-of-the-art facilities and a younger, non-unionized work force that is paid less with lower benefit costs. The Big Three cannot easily overcome these structural differences.

* * *



March 18, 1991

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Lee Iaccoca's letter to you and the recent meetings in Washington of the Big Three CEOs underscores the distress being felt within the United States auto industry. Having been in some of the meetings with the CEOs I can appreciate the depth of their concern.

I agree with Lee's assessment that the recession and the Gulf war are significant factors in the auto industry's current slump. The industry faces serious problems. Of course, the impact of a depressed auto industry on the rest of the U.S. economy cannot be taken lightly. Nevertheless, we are limited in the steps which the government may take to alleviate the industry's present difficulties.

Although Lee has been making the "stop the increase of imports" argument over the last 2+ years to me, and I suspect to my predecessors, I do not think his proposed solution -- limiting overall Japanese penetration of the U.S. auto market from both direct imports and transplant production -- will work in practice. This solution is inconsistent with the Administration's open market philosophy and would open the Administration to charges of protectionism.

Some initial thoughts and observations on Lee's plan:

- Freezing Japan's share at the 1990 figure of 34 percent would just lead to the pie being sliced up differently. While there would be no growth, Japan's share would be frozen at current levels.
- If the experience of the 1981-84 auto export restraints is an indicator, reducing Japanese pressure would increase Big Three and dealer profits in the short term, but would also raise consumer costs by \$3-4 billion. It is uncertain how much of this would be plowed back into improving the competitive position of the Big Three.

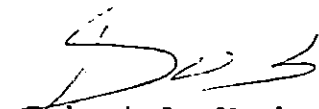
-- As in 1983-84, Japan would likely shift its emphasis to high-value, high-profit models, thus increasing Japanese profits.

A more consistent response, while in itself not the remedy to the industry's problems, would be to continue the pressure on the Japanese to open its markets. United States auto sales to Japan currently account for less than one percent market share. Through the Structural Impediments Initiative (SII) talks, you and Prime Minister Kaifu have worked to open the Japanese market, yet barriers in Japan's distribution system continue to seriously limit U.S. auto sales in Japan. An industry-initiated 301 case brought in light of SII might provide some leverage for Prime Minister Kaifu to commit to opening the Japanese market, thereby increasing U.S. exports and relieving some of the pressure on Detroit. But to put most likely Japanese sales of U.S. cars in perspective, we now sell less than 10,000 cars to Japan. If we are successful in opening their market for the next couple of years, we will be selling from 25,000-50,000 cars.

Alternatively, if Lee remains concerned about the domestic market, our antidumping and countervailing duty laws are in place to deal with the problems of unfairly-priced and subsidized competition. You could indicate to Lee the Administration's willingness to continue working with him to use these measures.

Regarding U.S. auto parts sales to Japan, the Department of Commerce has been working with the Auto Parts Advisory Committee (APAC) to address the extreme imbalance in auto parts trade with Japan. For many years the auto parts industry has been united in its desire for U.S. government assistance in addressing the imbalance, but has presented many differing views on how the government should direct its efforts. The APAC has been working for the past months to develop a united strategy for U.S. government-industry cooperation to address this serious trade imbalance. We are urging the APAC to release this report at the earliest possible date so that together the government and the industry can present a united front to our Japanese counterparts.

Sincerely,



Robert A. Mosbacher

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20508

MAR 15 1991

MEMORANDUM FOR THE PRESIDENT

FROM: Carla A. Hills *CAH*
SUBJECT: Lee Iacocca's March 6, 1991 Letter to You

In his March 6 letter to you, Chrysler Chairman Lee Iacocca recommends that you intervene with Prime Minister Kaifu to hold Japan's share of the U.S. car market in 1991 to 1990 levels. Specifically, he wants us to ask Japan to reduce its exports to the United States by 500,000 units in 1991. For a variety of reasons, I believe Iacocca's recommendations are mistaken and probably even counterproductive.

First, Iacocca's suggestion runs contrary to the Administration's basic economic policy of relying on market forces to promote economic growth and increased living standards. Restricting the import of autos into the U.S. market will have the inevitable result of raising auto prices, hurting the consumer, and contributing to the overall rate of inflation. Voluntary export restraints (VERs) on autos in the early 1980s had the effect of raising the price of the average car by \$1000.

Moreover, while U.S. auto companies might benefit in the short run from such an increase in prices and reduction of competition, experience shows that their long-run condition will be at best unaffected and, at worst, actually hurt. Many observers have concluded that the VERs on Japanese autos in the 1980s simply resulted in higher profit margins for Japanese firms, strengthening their competitive position, while shielding U.S. firms from the need to restructure. This is at least one of the reasons why the domestic industry still finds itself facing problems.

Second, restricting imports of Japanese autos in this way runs contrary to our trade policy of open world markets and our rejection of managed trade. Voluntary export restrictions represent a brand of "the new protectionism" that we have been trying for four years to curtail in the Uruguay Round. While world tariffs have fallen over the past forty years, the proliferation of this sort of informal, non-transparent trade barrier has eroded the GATT system of open world trade, to the detriment of all trading nations. Our efforts to prevent the use of such barriers, and to open world markets generally in the Uruguay Round, would be severely undercut if we begin erecting such barriers at this time.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 15, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *mjb*
SUBJECT: Letter from Lee Iacocca

This represents my personal "your eyes only" reaction to Lee Iacocca's letter. I assume a more diplomatic response to Lee will be crafted.

I agree with only one of the points made in Lee Iacocca's letter: that the domestic auto industry has been weakened as a result of the current recession. A pick-up in demand for autos and other durable goods is essential for a strong recovery. However, it is important to note that the current weakness in the automobile industry is no more pronounced than in previous post-World War II recessions. As the economy recovers--and that requires a continuation of the monetary and fiscal policies we have been advocating--the domestic automobile industry will recover too. You should know, however, that many private analysts doubt Chrysler's continuing viability.

Of course, we should continue to oppose unreasonable CAFE legislation. Iacocca should be thanking you for the principled and economically sound stand the Administration has taken against tighter CAFE standards.

Administrator Reilly committed in his letter to me of October 26, 1990 to implement the new clean air legislation, to the maximum extent allowed by law, in a manner fully consistent with your preference for market-based approaches and performance standards with cost-reducing flexibility. However, he has essentially no administrative discretion regarding the timing of new clean air requirements on the auto industry. Moreover, adjustment in timing would have little or no impact during the current recession anyway: the new Tier I national tailpipe standards do not begin phasing in until model year 1994, for instance, and the on-board canister requirements do not begin until model year 1996.

I think it would be a serious mistake for you to ask the Government of Japan to tell Japanese companies to restrict automobile exports to the United States. As you know, such voluntary export restraints were instituted during the last recession, and although they are not now binding, they remained in place during the entire 8-year expansion. While these

restraints reduced U.S. imports of autos made in Japan, they significantly raised the price of both Japanese and American cars and encouraged Japanese transplants in the United States. These restraints in effect required the Government of Japan to organize a cartel of Japanese firms to restrict supply and raise prices. You have often stated your opposition to the protectionism and managed trade exemplified by Lee Iacocca's proposal.

The success of Desert Storm renewed American self-confidence, reinforced a "can do" attitude, and strongly supported your message that on a level playing field Americans can out-compete anybody. Your making Iacocca's request to the Japanese government would be incongruous under such circumstances.

More generally I find Lee Iacocca's rationale for restricting Japanese imports repugnant. Iacocca makes no argument that the Japanese are doing anything wrong in the U.S. market. He can only accuse them of being "relentless," a style that we are encouraging U.S. firms to adopt here and abroad.

Finally, a voluntary export restraint program would be a very bad signal to the Europeans, who are talking about limiting their imports of Japanese cars made in the United States by American workers.



Washington, D.C. 20520

March 14, 1991

~~CONFIDENTIAL~~

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

SUBJECT: Iacocca letter to the President

The President requested the Department's comments on Lee Iacocca's suggestion that the President seek Prime Minister Kaifu's support for restraining Japanese automobile exports to the United States. Iacocca also recommends retiming certain provisions of the Clean Air Act and opposing unreasonable CAFE legislation. We share Iacocca's concern about the current plight of the U.S. automobile industry. However, his proposed solutions run the risk of undermining our trade policy.

Recession and the War: We agree with Iacocca that the rise in oil prices and the fear of a prolonged conflict in the Persian Gulf led to a sharp drop in consumer confidence that hit the automobile industry hard. But these factors no longer hold true. Lower oil prices, increased consumer confidence, and lower interest rates should assist in a recovery of auto sales.

Clean Air Act: We concur that all environmental standards, including CAFE legislation, should make economic sense. Retiming of clean air standards in the Act, however, could signal weakened U.S. resolve to deal with serious international environmental problems.

Pursuit of Market Share: The Japanese automobile industry is made up of nine different producers, each of which is trying to maximize its sales and share of the world market. This is what we would expect in a free enterprise environment. Iacocca is right that domestic producers, including U.S. subsidiaries of Japanese makers, would be able to earn higher profits if import competition were restrained. But this will not benefit the economy as a whole. Consumers will face higher prices and reduced selection, which will be injurious to the economy. The biggest beneficiaries would be the Japanese automakers themselves, who would be given license to restrict supply and reap windfall profits. It should also be noted that the U.S. market share of vehicles imported from Japan is 18%, less than it was in 1981 when the Voluntary Restraint Agreement (VRA) came into effect. (Note: Iacocca's 31% figure for market share includes automobiles produced in Japanese-owned U.S. plants).

DECLASSIFIED

PER DOS WAIVER, November 6, 2015

By SS NARA, Date 11/4/89

~~CONFIDENTIAL~~
(DECL:OADR)

~~CONFIDENTIAL~~

Attachment

THE WHITE HOUSE
WASHINGTON

DATE:

3-12-91

FROM THE PRESIDENT

TO:

Ede Holliday

cc: John Sununu, Phil Brady
Brent Scowcroft.

Re: Letter from Lee Iacocca

I would like to have comment direct to me on the three suggestions made by Iacocca on page one of his letter and on the suggestions made on page 3 of his letter.

I'd like a memo from each of the following:

Sec. Treasury
Sec. Commerce.

USTR

Mike Boskin

Dept. State

Please have returns on my desk by March 18th.

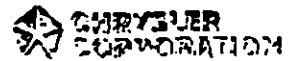
GB

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
PER E.O. 12958, SEC 3.3 (C)

DN

1/17/12

3/12/91



Lee A. Iacocca
Chairman of the Board
Chief Executive Officer

March 6, 1991

Don

The President
The White House
Washington, DC 20500

Dear Mr. President:

All of America congratulates you, Secretaries Cheney and Baker, and Generals Powell and Schwarzkopf for your outstanding leadership in forging a brilliant military and diplomatic victory in the Persian Gulf. You have put together a great team in which we can all take pride.

But, as you know better than I, the Nation has a short memory. Once again, the country will turn to address our domestic economic agenda and the recession will be at the top of the list. I believe one of the ironies of this military victory is that the American public will be looking to you to develop an "Economic Battle Plan" to end the recession as effective as the one you used in the Persian Gulf. Their expectations will be high and the pressure for action will be great. I do not believe we can really get the economy humming again without strong performances by the domestic auto companies. We and our supplier firms are simply too large, employ too many people, and drive too many of the key economic indicators to think that the economy can prosper while we languish.

It was in this spirit ... the need to get the domestic auto companies and the economy healthy again ... that Bob Stempel, 'Red' Poling and I visited Washington last week. This marked the first time in nearly a decade that the three CEO's have made a joint visit to Washington. This extraordinary action was taken because it has become apparent to all of us that we are confronting a serious problem that threatens our survival. At all of our meetings, we delivered these three messages:

1. The domestic auto industry has been severely weakened by a combination of recession and the war.
2. Retiming certain provisions of the Clean Air Act and the Administration's continued support in opposing unreasonable CAFE legislation will help us to recover.
3. There would be an immediate boost to the industry and to the economy if Japan would temporarily back off from their relentless pursuit of increased U.S. market share.

Our story was simple, but grim, regarding the condition and prospects of the U.S. auto industry. To put it in perspective, fourth quarter losses for the Big 3 exceeded \$2 billion compared to losses for the same period of \$800 million for the airlines and only a \$200 million loss for all U.S. S&L's. In the first quarter of '91 alone, Big 3 losses will approximate \$3 billion.

In addition, there are some sobering parallels between the 1980-82 recession and our present situation:

	<u>1980-82</u>	<u>Now</u>
• Consumer Attitudes	59.4 Low	60.4 Low
• Car & Truck Industry	10.9 Mil. Avg.	11.2 units
• CAFE & Clean Air Regulations	Piled on	Piling on
• Japanese Grab for Market Share	'77-'79 - 14%	'90 - 31%
	'80-'82 - 22%	'91-'92 - ?%
• U.S.-Japan Bilateral Trade Deficit	<u>Avg. '80-'82</u>	<u>1990</u>
Total	\$16 Billion	\$41 Billion
Auto Related	\$13 Billion	\$30 Billion
% Auto	80%	73%

During the 1980-82 recession, the Japanese continued to ship aggressively into the U.S. market and, as a result, increased their U.S. market share by more than 50% ... from 14% of the market in 1977-79 to 22% in the early '80's.

During the present recession, and all during the time we have been engaged in the Persian Gulf problem, Japan has continued to ship large numbers of imported vehicles to U.S. ports just as they did in the early '80's except (and this is the key point), the new plateau for share expansion is not 14% as it was when we entered the last recession, but 31%. Unless the Japanese act now to immediately cut back their export shipments, they will begin to "distress merchandize" this huge amount of overshipment and their share will rocket up again ... 40% or more is within reach unless they exercise some kind of restraint. I can tell you, Mr. President, at a Japanese share of 40% in a depressed industry, Chrysler is gone and Ford could be mortally wounded from a competitive standpoint. Even GM is at risk unless and until we decide as a Nation that a domestic auto industry is a strategically important industry and should not be allowed to fall victim to Japan's industrial strategy of targeting key industries.

We did hear some encouraging news during our visit. Secretary Brady outlined his plans for dealing with overzealous bank regulators. That should help ease the credit crunch which is presently strangling many smaller businesses including many of our dealers and supplier firms. On the trade front, Bob Mosbacher's aggressive attempts to open the Japanese market through SII and other personal initiatives (helping establish some Honda meetings for us) is most appreciated. But opening Fort Knox with a can opener would be easier than opening the Japanese auto market. Auto-related trade with Japan in 1990 accounted for over 70% of our total \$41 billion trade deficit. This pattern has persisted for over a decade. I have attached some brief notes on the closed nature of the Japanese market.

We need your help, Mr. President. The timing will never be better for your Administration to quietly signal the Japanese Government to restrain their auto companies from another market share grab while the Nation's attention has been focused on the events leading up to war, the 46-day war itself and the recovery period. We are not asking the U.S. Government in any way to

restrict Japanese investment or to lose one unit of production from their U.S. transplant facilities. Nor are we asking them to lose market share. We are requesting a temporary market share standstill until the U.S. industry can get back on its feet.

I suggest that the message to be sent to the Prime Minister be based on these three points:

- First, the contrast between our weakened economy and Japan's relatively strong economy. The U.S. economy is in a recession and the war has added to our economic problems. U.S. GNP was a negative 2.0% in the fourth quarter of 1990. Japan's economy continues to show strength, growing by 5.6% during this period.
- Second, the risk of a strong political backlash against Japan if U.S. auto employment continues to decline as Japan pushes up their market share. Congress will retaliate ... the American public is upset over Japan's difficulties in supporting the Gulf War ... it could develop into a major political issue as we move closer to elections.
- Third, the action plan. Suggest to the Prime Minister that it will take 12 to 18 months for the domestic companies to regain their footing and during that time it would be extremely helpful if the Japanese Government would intervene and temporarily hold Japanese market share for all vehicles during this period to 1990 levels. We believe this would require a reduction in Japan's export shipments in 1991 of approximately 500,000 units.

I am very concerned about Japanese intentions given their tendency to "talk and ship". As a matter of practical politics, I believe it would be in your interest, as well as in the interest of stimulating the domestic economy, to let Japan know that the time has come to back off for a while. They must be feeling somewhat chagrined over their performance during the Gulf War. With your personal stature and leadership at an unprecedented level, I believe they will quietly follow your lead.

I look forward to seeing you soon to discuss this matter. I appreciate Governor Sununu's understanding of the importance of this issue and his offer to arrange a suitable time for a meeting.

With warmest regards,

Lee A. Iacocca

Attachment

cc: Governor John Sununu
 Secretary Samuel Skinner
 Secretary Robert Mosbacher
 Secretary Nicholas Brady

JAPAN'S CLOSED AUTO MARKET

1. Pattern of Auto Trade Deficits Indicates One-Way Trade

	<u>Billions of Dollars</u>		
	<u>1980</u>	<u>1985</u>	<u>1990</u>
• Japanese Auto Exports to U.S.	\$ 12.4	\$ 26.2	\$ 31.4
• U.S. Auto Exports to Japan	0.2	0.2	1.6
Deficit	<u>\$(12.2)</u>	<u>\$(26.0)</u>	<u>\$(29.8)</u>

2. Market Shares Indicate U.S. Is Open Market - Japan Closed

	<u>1990 - % of Market</u>
• Japanese Export Shipments to U.S. (Cars and MPV's)	18.0% (31% Including Transplants)
• U.S. Export Shipments to Japan	0.4%

3. Because of Keiretsu System of "Favored Supplier", Japan Buys Virtually No U.S. Made Auto Components

	<u>1990 - Billions</u>
• Japanese Parts Exports to U.S.	\$10.0
• U.S. Parts Exports to Japan	\$ 0.5

4. Japanese Transplants Have Low U.S. Content Reducing Jobs As They Displace High Content Domestic Makes. "Keiretsu" Suppliers Favored In U.S.

- GAO Estimates Transplant U.S. Content at 50.5%.
- Chrysler, Typical of Domestics, Has U.S. Content of 91.5%.
- U.S. Suppliers Used Only For Low Value Parts (Trim, Glass, Tires, Etc.)

5. Japan's Distribution System Is Closed To U.S. Manufacturers

- Toyota Has Several Thousand Dealers in Japan. Only Two of These Sell U.S. Vehicles; Other Japanese Companies Are Similar.
- Most Other Japanese Companies Follow This Pattern.
- Under U.S. Anti-Trust Laws, Our Distribution System Has Been Wide Open Since the Japanese Began Exporting in the 1960's.
- There Are Presently More Than 22,000 Japanese Sales Locations in the U.S. Compared to 19,000 Locations for the Big 3.



THE WHITE HOUSE
WASHINGTON

March 18, 1991

Dear Leonard:

Just a short note of thanks for that very thoughtful letter of February 26. I'm pleased that you joined us at the White House to celebrate Black History Month and am grateful for your kind words.

Warm regards, and my thanks again for your prayers and support.

Sincerely,

The Honorable

DR,

Mr. Leonard L. Haynes III
811 ~~Arlington~~ Drive
Silver Spring, Maryland 20901

Arrington



THE WHITE HOUSE
WASHINGTON

March 18, 1991

Dear Tom:

Thank you for your letter of March 8. You are thoughtful to write, and I am grateful for your very kind words about the Gulf war. I was blessed by having a superb team -- in the White House, at State and Defense, and especially in the field.

Thank you again for writing. Warm regards.

Sincerely,

Mr. Tom Guido
Weintraub Entertainment Group, Inc.
11111 Santa Monica Boulevard
20th Floor
Los Angeles, California 90025

Tom - I hope all goes
well with you - AG



THE WHITE HOUSE
WASHINGTON

March 18, 1991

Dear Dick:

Thanks for that very thoughtful letter written on March 5. I loved the quote about Churchill.

We did have a good team in action working the enormous problems connected with the Gulf war, both diplomatic and military.

Warm regards, and thanks again.

Sincerely,

A handwritten signature in dark ink, appearing to be "G. H. W. Bush".

Mr. Richard J. Mahoney
Chairman and
Chief Executive Officer
Monsanto Company
800 N. Lindbergh Boulevard
St. Louis, Missouri 63167

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. and Mrs. Charles T. Haddad
Four Rock Ridge Road
Old Saybrook, CT 06475



THE PRESIDENT

3-18-91

Dear Sandy - Charles.
Thank God Kuwait
is free.

Your letter was so very
nice. Lots left to do
overseas but Kuwait is free
Love - An Thud

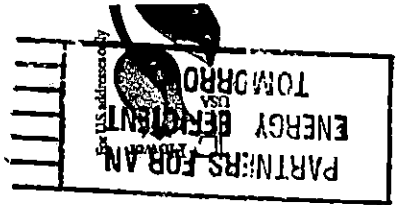
bcc: Bridget Montagne (F) ✓

Walter

President and Mrs. George Bush
1600 Pennsylvania Avenue
Washington, D.C.



REC'D
MAR 11 1991
9:51 AM
Nico



Dear George and Barbara,

March 6, 1991

I don't know where to begin to tell you what the past seven months have been for us but your part in it has been great and our many prayers for you were answered.

We don't know yet what all of this means for us but should we be able to go back to Kuwait and you do visit we would be happy to see you. If we end up staying here and can be of any service to you, do let us know.

God bless you and thank you.

Sandy + Charles Haddad

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Letter	From George Bush to Alexander Ellis III (Hap) Re: his Letter [redaction of personal information] (1 pp.)	03/18/91	C	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, March 18, 1991 [2]

Date Closed: 1/17/2012	OA/ID Number: 90588-008
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Alexander Ellis III

C



THE PRESIDENT

Hop -

Thanks for your thanks
(3-11-91), but I just want to
say those words of understanding
meant a lot to me - not about
the black driver, rather about the
war. Your Ma will be with

us tomorrow + 2 days more -
I can't wait -

Love from all

GB

bcc: Bridget Montagne (F) ✓

3-18-91

ALEXANDER ELLIS III

March 11, 1991

The President
The First Lady
The White House
Washington, D.C. 20050

Dear Mr. President and Aunt Bar:

Thank you yet again for the bed - and for fitting me in at the dinner table and breakfast table. It was wonderful to have the chance to "catch up", especially in light of the burdens on both your shoulders brought on by the Gulf war. It was also wonderful of you, Mr. President, to pass along the Stealth Driver. I played six holes last Sunday, and miraculously there seem to be a few good shots left!

The victory in the Gulf is such a stunning triumph for our country. I remember writing after the inauguration saying that I think you are the first President since JFK that can rekindle America's sense of idealism - not that we can (or should) solve each and every problem here and abroad, or that the Federal Government is the answer on every domestic issue. Rather, idealism in the sense that this country does indeed stand for a set of values that we hold self-evident, that it does indeed have this enormous capacity for making this country and this world a better place. People saw in you traits we expect of our country - humility, courage, respect, loyalty, a sense of community, a bed-rock sense of right and wrong. And you, in turn, showed all citizens just how high we can climb and how much we can achieve when we have the will to act on our instincts - because you understood that, when all is said and done, this nation's instincts have always been to do what is just, what is right.

With enormous love and respect, and hope this ol' driver works under pressure (!),



FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. J. Taylor Blanton
American Embassy Managua
APO Miami 34021



THE PRESIDENT

3-18-91

(self-typed)

Dear Taylor,

I loved your ^w letter. There is no arrogance around here, but there is joy and pride and a wonderful feeling that comes from having a first class team that acquitted itself with historic distinction.

Thanks for cheking in and bringing me such ~~and~~ a nice message.

I am tired and I recognize there is much left to do, but when I went to SUMter S.C. yesterday and felt the emotion of ~~the~~ people and the troops I shed a tear of gratitude. Hope all's well with you old friend -

Bar sucks love - GB

bcc: Rose Zamaria
Bridget Montagne ✓

(in and out)

J. Taylor Blanton
American Embassy Managua
APO Miami 34021

J. TAYLOR BLANTON

March 13

Dear Mr. President,

I feel somewhat guilty adding to the pile of mail which is undoubtedly accumulating but did not want to fail to add my congratulations on your conduct of this war. You do not have to do anything to impress me--I have been impressed for 27 years and have never had a moments lack of confidence in your ability. What thrills me is for the rest of the world to see not just a good President, but an exceptional one. I am sure you have the same desire I have at times to look someone up and say I told you so but there is satisfaction in knowing that they are eating their words. Meanwhile, the rest of us have the satisfaction of having the rest of the world know what we have always known about you.

In 1971 I stopped seeing some very old friends because they (especially the husband) ~~was~~^{were} so nasty about that "liberal, commie" etc. serving as U.S. Ambassador to the U.N. They were just too irrational to keep visiting whenever I was in Houston. Out of the blue I received a

call from them ^{a few} ~~last~~ ^{ago} weeks (they ran into Georgie
somewhere and asked where I was living) inviting me
to their oldest daughter's wedding. They said that
since I was in their wedding they wanted to reestablish
contact and invite me to the wedding. While they never
mentioned it, I could not help but feel that coming at
the moment that you were being declared the hero of the
Western world that they were eating crow and that they
realized they had been wrong. Some people are slow but
better late than never.

I hope that in your modest way that you and Bar are
enjoying every moment of the well-deserved praise. There
is no one who deserves this more.

Un abrazo for you and a big kiss for Bar.

Sincerely,

Taylor

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Rick Inderfurth
ABC News Intercontinental, Inc.
Kutuzovsky Prospekt 13 KV 52
Moscow,
USSR



THE PRESIDENT

3-18-91

Dear Rick -
Tim Baker handed
me "Panorama" today -
I loved the cover. Thanks
for sending it my way
Sincerely, G. Bush aka
Bush & Arabia

bcc: James A. Baker

bcc: Bridget Montagne ✓

IN & OUT

*done
ms*

ABC News Intercontinental, Inc. Kutuzovsky Prospekt 13 KV 52, Moscow
Telephone: 095 243 0572 Fax: 095 243 0497 Telex: 413427

March 15, 1991

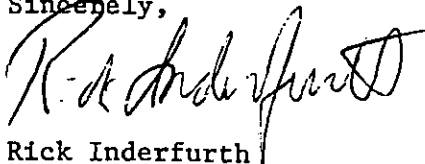
Dear Mr. Secretary,

When I worked for Dr. Brzezinski at the White House, we tried, whenever possible, to send a few things down the hall to the President that he might actually ENJOY seeing. In that vein, I thought you might like having the enclosed magazine or, more to the point since I don't read Italian, the cover photograph.

Also, I know you have had several meetings with representatives of the Baltic republics but I bet you have never been given one of the items I've enclosed in this packet. Blue, black and white are the national colors of Estonia and I picked this up two weeks ago when I was in Tallinn for the independence referendum. Estonians are convinced that one day they will spring the trap -- and be free.

Finally, and most importantly, let me add my congratulations to you, President Bush and the Administration for your excellent handling of the Persian Gulf crisis. May you now be as successful in bringing the parties together for a more permanent Mideast settlement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rick Inderfurth", written in a cursive style.

Rick Inderfurth

EDIZIONE STRAORDINARIA

Panorama



DONNA '91

**UN DOSSIER
DI 68 PAGINE
DA STACCAR
E CONSERVARE**

**DOPO LA DISFATTA DI SADDAM
COME SARA' LA PAX AMERICANA**

Bush d'Arabia

Francia 11 - 26, Germania DM 8, Gran Bretagna LGS 7,30, Italia L. 1111 580, Spagna PIS 425, Svizzera FR SV 5,80, Svizzera CT FR SV 5, U.S.A. (via aerea) New York US\$ 4,75, Other US\$ 5

*Family
File*

THE WHITE HOUSE
WASHINGTON

March 18, 1981

Dear John,

I'm sitting here in my residence office- you know, one door down from Abe's bedroom, better known as the room in which Millie hides those raw-hide bones. Anyway, along comes your letter reporting that the boutique has been shaken. This letter brought great joy to my tired soul. *I* am avoiding the 'told ya' so' syndrome, but I must say when constant critics have to digest some crow there is a nice feeling of equity.

There are plenty of problems to go 'round; but the critics can never take away this wonderful feeling of pride and patriotism that has swept the U.S. of A. My problem is I shed tears too much. Yesterday at Sumter- a three-ish year ^{old} girl pointed at ^a grinning camouflaged soldier ^{who had a tear in his eye} "That's my Daddy- He came home!"

That did it. Thanks John. Hang in there .

Your Ma comes here tomorrow-hooray for our side.

Bar sends her love, too.

GB

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
CAMBRIDGE, MASSACHUSETTS 02138



Tuesday, 12 March 1991

Dear Mr. President:

While your leadership during the Persian Gulf War may be cause for celebration all across America and in countries all over the world, I can tell you that the triumph of Coalition Forces in Operation Desert Storm has produced deep dismay here at America's foremost Liberal Boutique. The gloom and doomers invested much of their intellectual and political capital on the Gulf War becoming: "Vietnam -- The Sequel." They had backed their investment with countless man hours gasbagging on National Public Radio, Public Television, local and national television news programs and with countless more hours churning out op-ed pieces on the certain disaster that they positively knew was in the making.

When the Coalition instead produced an astonishing military, diplomatic and (lest we forget) political triumph, the Boutique Wizards were left naked in the pages and tapes of all their ponderous analyses. Even their students were snickering at them, reminding them that virtually everything they had predicted (prior to the war) had not happened (during the war). The Bush Administration was right and you, professor Gasbag, were wrong. You can't imagine how this gentle ribbing from their students (Students!) irritated and depressed them.

Oh what a nightmare it was. It worked! They had informed everyone, in their most confident voices, that it would never work and now, here they were being held up to ridicule by mid-career government students. Second-stringers who ran the personnel divisions of police headquarters in Indianapolis or were deputy assistant secretaries of "human service" agencies. It was humiliating.

Worse, the successful conclusion of the war meant that the country would probably pull out of the recession in time for the 1992 presidential election. The recession was part two of The Grand Design. The Grand Design fantasy went something like this: The War would be Vietnam II, thus prolonging the Recession to End All Recessions, thus jolting the country into a Democratic jihad against the "right-wing regime" at 1600 Pennsylvania Avenue. Justice would be done and, more importantly, They Would Have Jobs. They would be recognized (at long last) for their evident brilliance and would be interviewed on Nightline. McNeil-Lehrer! Dan Rather! It was a Big Dream, and by December of last year it was all the rage here at the Boutique. Back in business!

But now they are left with snickering students, a resurgent nation and a presidency that is genuinely admired and respected. In short, The Nightmare Scenario! Even local television was giving them the bum's rush, those air-headed anchormen saying they had "credibility" problems. The Boston Herald was ridiculing them, on an almost daily basis. No one they knew, of course, read the Herald, so it wasn't a social problem. But still, the neanderthals were yucking it up and at their expense.

Gloom hangs heavy over the Boutique now. The Nightmare Scenario means six more years of waiting for the phone to ring. They know what it all means. It's their worst dream come true. I can't tell you how much fun it's been, watching this whole sideshow play out.

As for how I feel about what has happened over the course of these last seven months, let me just say that I believe that your conduct of the office of President of the United States has been flawless. Your conviction and strength during these very difficult times have made me proud that I am your nephew, a Bush voter and an American. Congratulations to you and my best love to Aunt Bar.

Devotedly;

A handwritten signature in dark ink, appearing to read 'John Ellis', with a stylized, cursive script.

John Ellis



THE PRESIDENT

March 18 '91

(self-typed)

Roger,

I loved the piece on Brent. A well deserved tribute to a great and yes 'selfless man'.

Well done, and thanks for sharing.

GB

THE WHITE HOUSE

The Honorable Roger Porter

THE WHITE HOUSE

March 11, 1991

Dear Mr. President,

One of the most pleasant assignments I
have accepted in recent weeks was to present the
BYS Management Society Distinguished Public Service
Award to Brent Brumby. Presidents Nixon and
Ford, Henry Kissinger, Dick Cheney, and Colin

Lawell along with Bob Stite applied some
great quotes and anecdotes. Over 800 people
including a large contingent from the diplomatic
corps were in attendance.

I think you will enjoy looking over
the remarks.

Yours

Brent Scowcroft

Last Tuesday, I spent much of the day at No. 10 Downing Street. After our discussion, Sir Robin Butler, the Secretary to the Cabinet, took me to the office of Charles Powell, Prime Minister Major's Private Secretary for Foreign Policy. Motioning toward a special phone on Charles Powell's desk, he remarked: "There's the direct line to Brent Scowcroft."

Indeed, in capitals all around the world, there are those who have and desire direct lines to Brent Scowcroft. Self-effacing, quietly confident and competent, he has served for the last seven months literally at the right hand of a President making some of the most momentous decisions in our nation's history. It is a task for which he is supremely prepared.

Brent Scowcroft was born in Ogden, Utah on March 19, 1925. He grew up with two older sisters, the youngest child of a wholesale grocer. He ran dashes on the track team in high school. He still runs, a three mile course four or five nights a week in his neighborhood.

After graduating from high school, he went to West Point

because, as he told me, I wanted to go to West Point ever since I was 12 years old. Commissioned as a second lieutenant in 1947 he got his wings as a fighter pilot the next year. I liked to fly. When I got into it, fighters were the most exciting. Shortly afterward, he crashed in a P-51 Mustang. He fractured three vertebrae and spent two years in the hospital.

He flew again, but by then he had a masters degree in international relations from Columbia and was teaching Russian history at West Point. He learned Serbo-Croatian, and served as assistant air attache at our embassy in Yugoslavia from 1959-61. He taught political science at the Air Force Academy. In 1967 he got his doctorate in international relations from Columbia.

In 1968 he went to the Pentagon to serve in a series of national security posts steadily rising in the Air Force to the rank of Colonel. In February 1972 he became Military assistant to President Nixon. In the White House, he came to the attention of Henry Kissinger, the President's National Security Adviser. Kissinger tells people that he spotted Scowcroft as a comer when he saw him stand up to H.R. Haldeman "with unbelievable tenacity."

In less than a year he was named Deputy Assistant to the President for National Security Affairs and Kissinger's Deputy.

He occupied an office next to Kissinger's, an office notable for being narrower and shorter than it is tall.

When Gerald Ford was sworn into office, he asked Brent Scowcroft to remain at his post at the NSC. Gerald Ford's high regard for Brent was evidenced in November 1975 when he promoted him to Assistant to the President for National Security Affairs removing one of the two hats Secretary of State Henry Kissinger had been wearing within the Administration. In taking the post, Brent retired from the Air Force as a Lieutenant General.

It was in the Ford Administration that he worked closely with Ford's Chief of Staff, Dick Cheney; his CIA Director, George Bush; and his Deputy Secretary of Commerce and then campaign manager, James Baker. They formed not only an excellent working relationship, but a friendship that has lasted for more than a decade and a half.

I first met Brent during the challenging days of the Ford Administration. I was young and new to government. He was more experienced and wise. We had occasion to work together closely in the preparations for the first two International Economic Summit Conferences in 1975 and 1976. I shall always remember his patience and that he went out of his way to convey to me that he considered me a colleague and a full partner in

the enterprise. It is a quality that has characterized our relationship ever since.

Following the Ford Administration Brent served in a variety of advisory positions and on several boards and commissions, including heading what came to be known as the Scowcroft Commission on Strategic Forces (the MX missile) that reported to President Reagan. He was also Vice Chairman of Kissinger Associates.

In one of his first appointments as President-elect, George Bush asked Brent Scowcroft to return to the White House for another tour of duty as his Assistant for National Security Affairs. Brent Scowcroft has the distinction of being the only cabinet member or national security adviser to hold the same post twice.

Indeed, it is in the Bush White House that he has perfected the art of gracefully falling asleep in meetings. To the best of my knowledge, he is the only living American to have a President of the United States name a memorial award in his honor -- the Brent Scowcroft Memorial Award -- given each year by President Bush to the administration official who -- as measured by duration, depth, and recovery -- comes closest to challenging Brent in this fine art.

But it is not positions or titles, ranks or awards that matter most to him; nor by which he will be remembered. Rather, it is a constellation of qualities that he has carefully and patiently developed that cause us to honor him this evening. It is instructive to note how he is viewed by those for whom he has worked and who know him best.

First, he is a public servant with his eye fixed firmly on the things that matter most. He is known as a brilliant coordinator, a bringer-together of others, a man concerned with results.

He has the capacity to synthesize ideas and to get to the heart of an issue. It is a remarkable talent. As one colleague remarked:

"It was Brent's presentation at one of the meetings on August 3, the day following the Iraqi invasion of Kuwait, that made clear what the stakes were, crystallized people's thinking and galvanized support for a very strong response."

Second, he is, as President Bush described him, an honest broker. He dispenses due process. The decision making process he manages is both thorough and fair. In Secretary Cheney's words: "He is trusted by everyone. He is a clear channel to the President. That is rare. He has the ability to separate

out his own views. His ego never gets in the way."

As Colin Powell told me: "He is sometimes feisty and strongly expresses his views in meetings. But he is always fair."

Third, in President Ford's words, he is "a super guy, and a wonderful friend." After the Administration ended, President Ford and Brent Scowcroft continued their friendship traveling around the world together and to China and the Middle East. President Ford claims credit for stimulating Brent to take up skiing and golf. He knows what it means to be a member of a team.

Fourth, he knows the meaning and content of loyalty. And loyalty to President Bush has often involved some extraordinary experiences.

Whenever the President wants to relax with Brent it always seems to involve water. They play golf together. Most golfers compete by seeing who can complete the course with the fewest number of strokes. When one plays with President Bush the challenge is to see who can complete the course in the fewest number of minutes. It is affectionately known around the White House as aerobic golf.

But when Brent and the President play there is the added dimension of water, for often it is in a driving rainstorm. Out of necessity, the golf carts have now been fitted with pontoons. One of those close to Brent describes it as aqua aerobic golf. Indeed, Brent once observed that he can never remember being colder in his life than one extremely chilly afternoon staggering around the Fort Belvoir course in pouring rain with a President determined to complete his appointed rounds.

At Kennebunkport, the President enjoys being out on the water spending endless hours in pursuit of non-existent fish. Indeed, when the history of the Bush Administration is written, historians will record that perhaps its most important policy and its most memorable phrase -- the new world order -- were the product of a several hour conversation last August between President Bush and Brent Scowcroft as they sat and talked in a boat futilely waiting for the bluefish who were not biting.

Again, at the Malta Summit, it was Brent Scowcroft loyally at his President's side in a small boat bound for the Soviet liner attempting to make their way through a storm and waves that would have daunted lesser men.

Indeed, loyalty is the term most associated with Brent Scowcroft and the men he has served in the Oval Office. In

early January, Brent got a severe case of flu. He refused all pleas to stay home, even from the President. Finally, frustrated, the President spirited Brent off to Camp David for a weekend to rest. As Brent put it: "The President didn't ask me, he ordered me."

But, perhaps most of all, he is the model of a public servant who inspires trust in government. His longtime associate Henry Kissinger observed of him: "In high office when close decisions are a daily occurrence a man of his principles and his integrity is a national treasure. He's the epitome of a type we don't have much of anymore, like David Bruce, men whose real ambition is to serve their country selflessly."

And Richard Nixon, the first President for whom he worked directly, said of him:

"I once asked President Eisenhower what he considered the most important characteristic for a top member of a staff. He replied in one word. 'Selflessness.' Brent Scowcroft without exception has met that test throughout his career. He is a world class geopolitical strategist and an extraordinarily intelligent adviser. But above all, he never seeks credit for himself. He always gives the credit to other members of the team and, above all, to the President he serves."

To one who has served well and continues to serve well and faithfully, and to a treasured friend, it is a great honor to present the 1991 Brigham Young University Management Society Washington, D.C. Chapter Distinguished Public Service Award to General Brent Scowcroft.

Roger B. Porter
Brigham Young University Management Society
Washington, D.C.
March 9, 1991

1208
✓

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Sheila Tate
Cassidy & Associates
Suite 1100
Metropolitan Square
655 Fifteenth Street, NW
Washington, D.C. 20005



THE PRESIDENT

March 18, 1991

Dear Sheila,

You're a thoughtful friend, and I appreciate that warm note of March 1. I am pleased, of course, and very proud of our troops, our coalition partners, and our whole team.

Thanks again for such kind words. Warmest regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "JB" followed by a long, sweeping diagonal stroke.

Jan Burmeister

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Right Reverend Maurice M. Benitez
Bishop of Texas
Episcopal Diocese of Texas
Office of the Bishop
The Diocesan Center
3203 West Alabama
Houston, TX 77098



THE PRESIDENT

March 18, 1991

Dear Ben,

So many thanks for sharing Captain Hunnell's letter from the Houston Chronicle. I felt every word, every emotion. It's a beautiful testimony of faith, and I am happy you shared it with me.

Barbara had a wonderful, albeit too short, visit in Houston last weekend. We both look forward to coming home for a few days in April.

Warmest wishes, my friend, in which Barbara joins.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jan Burmeister".

P.S. Barbara and I look forward to seeing you Wednesday.

Jan Burmeister

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	From George Bush to Alexander Ellis III (Hap) Re: his Letter [redaction of personal information] (1 pp.)	03/18/91	C	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, March 18, 1991 [2]

Date Closed: 1/17/2012	OA/ID Number: 90588-008
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Alexander Ellis III

C



THE PRESIDENT

Hap -

Thanks for your thanks
(3-11-91) but I just want to
say those words of understanding
meant a lot to me - not about
the black driver, rather about the
way you Ma will be with

us tomorrow + 2 days more -
I can't wait -

Love from all

GB

bcc: Bridget Montagne (F)

3-18-91

Jan Burmeister

POOL REPORT

BUSH TRIES THE WEARING O'THE GREEN, VISITS INNER CIRCLE

MARCH 18, 1991

THE PRESIDENT TRAVELLED TO CAPITOL HILL FOR THE TRADITIONAL SAINT PATRICK'S DAY LUNCHEON WITH SPEAKER FOLEY, OTHERS OF THE IRISH, AND THOSE WHO WISHED THEY WERE -- FOR THE DAY AFTER THE SAINT'S FEAST DAY, AT LEAST.

BUSH AND FOLEY WERE ESCORTED INTO A ROOM OFF STATUARY HALL BY A SINGLE BAGPIPER WHO SKIRLED HIS WAY THROUGH IRISH TUNES UNRECOGNIZABLE TO YOUR POOLER. AT ONE POINT, THE HARPIST IN AN EMERALD GREEN SKIRT, WHO HAD BEEN ENTERTAINING FOLEY'S GUESTS, COVERED HER EYES WITH ONE HAND -- BUT PERHAPS ONLY BECAUSE THE LIGHTS WERE BRIGHT. ABOUT 50 MEMBERS OF CONGRESS FORMED A RECEPTION LINE TO GREET THE PRESIDENT, THE SPEAKER, AND THE IRISH AMBASSADOR BEFORE TAKING THEIR PLACES FOR LUNCH AT FIVE TABLES OF TEN, AND THE SPEAKER'S TABLE OF TWELVE. THE MENU WAS CORNED BEEF AND CABBAGE, BOILED POTATOES AND A GREEN MOUSSE-TYPE DESSERT IN A CHOCOLATE CUP, NOT OTHERWISE IDENTIFIABLE. THERE BEING NOT A SIGN OF TIPPLE ON ANY OF THE TABLES, SOME WERE LED TO WONDER IF THIS WAS TRULY AN IRISH-AMERICAN GATHERING.

SEATED WITH THE PRESIDENT AND THE SPEAKER WERE SENATE MAJORITY LEADER MITCHELL, SENATORS LEAHY, SIMPSON, AND MOYNIHAN; REPRESENTATIVES KENNELLY, LOWERY, MC HUGH AND MC DADE; AMBASSADOR MAC KERNAN AND MINISTER CALLEARY. THE TABLE WAS FLANKED BY FLAGS OF THE UNITED STATES AND THE REPUBLIC OF IRELAND, THE TABLECLOTHS WERE GREEN, AND SO WERE THE PASSES GIVEN THE WHITE HOUSE POOL. OTHER CONGRESSMEN SPOTTED INCLUDED REPRESENTATIVES ROSTENKOWSKI, HYDE, FASCELL AND HAMILTON.

BUSH WENT TO THE HILL DIRECTLY FROM THE OMNI SHOREHAM HOTEL WHERE HE PRESUMABLY SPOKE TO THE INNER CIRCLE OF THE REPUBLICAN SENATORIAL COMMITTEE, WHICH WAS CONDUCTING A SERIES OF ELECTION WORKSHOPS AT THE HOTEL. THERE WAS NO COVERAGE. YOUR POOL SAW THE PRESIDENTIAL LIMOUSINE DISAPPEAR INTO THE UNDERGROUND GARAGE OF THE HOTEL AT 11:37 A.M. AND RE-EMERGE AT 12:16 P.M. ALONG INDEPENDENCE AVENUE -- GOING TO THE HILL AND RETURNING -- LITTLE CLUSTERS OF NON-DEMONSTRATIVE BYSTANDERS WATCHED FROM STREET-CORNERS AS THE 18-CAR MOTORCADE PASSED BY.

BUSH HAD EMERGED FROM THE OVAL OFFICE FOR THE TRIP TO THE SHOREHAM AT 11:26 A.M., ENGROSSED IN READING SOME SORT OF DOCUMENT AS HE WALKED TO HIS LIMO; SUNUNU WAS AT HIS SIDE. ON HIS RETURN, HE WAS STILL GLANCING AT SOME SORT OF PAPER AS HE WALKED UP THE PATH TO THE OVAL OFFICE; SUNUNU WAS STILL AT HIS SIDE.

SULLIVAN

USIA

2:00 P.M. NEWS UPDATE

MIDEAST PEACE/PRESIDENT (UPI) -- President Bush injected an element of urgency into the search for postwar peace in the Middle East, warning that the longer time passes without progress, "the danger is that things revert back to a status quo." Speaking to reporters after hearing from Secretary Baker on just-concluded talks in the Middle East and Moscow, Bush said he was "not putting any time frame" on efforts to build consensus on a framework for peace. However, he underscored his determination to "seize the moment" and try to push Arabs and Israelis toward accommodation "while people are thinking peace and while it is clear that a major threat" -- Iraq's war machine -- "has been diminished." "I found the secretary of state, in spite of an arduous trip, hopeful that we can move forward," he said, "and we're certainly going to try. We are not going to miss this opportunity."

(Christopher Connell, AP) -- President Bush consulted with Secretary Baker on Baker's mission to the Middle East and Moscow and afterwards vowed to press on all fronts for a breakthrough for permanent peace in the region. Bush also said Iraq must pay war reparations for its "environmental terrorism" against Kuwait as efforts to move forward under U.N. auspices to put a permanent end to the war. Bush said Baker had returned "hopeful that we can move forward. But in setting a goal of getting a permanent cease-fire in the gulf, solving the Palestinian question and Arab-Israeli enmity, and finding an answer to Lebanon's problems, Bush said: "I don't think the American people ought to think that you can wave a wand and solve all three of these very difficult problems at once."

CEASE-FIRE/SECURITY COUNCIL (U.N./Reuter) -- The Security Council is expected to discuss informally a draft resolution on tough terms for a permanent cease-fire in the war before the end of the week, including new conditions on containing chemical weapons. U.S. diplomats said they hoped the full council would be able to meet by Thursday although they admitted the five permanent members were far from completing work on the draft.

PEACE WITH SYRIA/SHAMIR (Jerusalem/Reuter) -- Prime Minister Shamir said Israel would not return the Golan Heights to Syria in exchange for peace. "They could say to us 'We want the Golan Heights' and we'll say 'We won't give it to you'," Shamir told reporters. "So here are your negotiations." Shamir said he could discuss peace and economic cooperation with Syria but no country would negotiate "on territories that belong to one of them."

DEBT FORGIVENESS/EGYPT (Reuter) -- Egypt's ambassador to Washington, El Sayed Abdel Raouf El Reedy, is calling on Western nations to erase half of his country's foreign debt along the lines of a debt-forgiveness program granted to Poland last week. Reedy said in an interview with Reuter that Egypt was extremely close to an agreement with the IMF on steps to reform its economy. "Given the needs of the Egyptian economy and the special role it has played and continues to play in the region for peace, the rule of law and the creation of a regional order, we should be treated at least as well as Poland," Reedy said in the interview Friday.

WORLD BANK LOAN/IRAN (Reuter) -- The U.S. offered only limited opposition to the first World Bank loan to Iran in 17 years, a State Department official said. In what might prove to be a step toward thawing relations, the U.S. voted against the credit but made no attempt to persuade others to block it. Washington "didn't really strongly oppose it" for humanitarian reasons since proceeds of the loan were earmarked for repairing earthquake damage, the unidentified official said.

IRAN-SAUDI RELATIONS (Athens/UPI) -- Iran and Saudi Arabia have agreed to resume diplomatic relations after a break of more than three years, the official Islamic Republic News Agency said.

ROEMER MEETING (Christopher Connell, AP) -- President Bush rolled out the red carpet at the White House for the nation's newest Republican governor, Buddy Roemer, and the ex-Democrat promised afterwards to seek more GOP "sensitivity" to civil rights. Roemer posed for photographers in the Oval Office with Bush, Chief of Staff Sununu, RNC Chairman Yeutter, S.C. Gov. Campbell and other GOP lawmakers. Roemer said he still has differences with the GOP on abortion and civil rights. But he said he never agreed with all of the Democrats' stands, either. "Neither party is perfect if I define it as agreeing with me on everything," quipped Roemer.

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10:45 A.M. NEWS UPDATE

SOVIET REFERENDUM (Moscow/Reuter) -- The Soviet referendum has failed to give President Gorbachev a ringing endorsement of his vision of a new union, preliminary results showed. Early voting returns from Sunday's vote showed only limited support for Gorbachev's vague vision of a "renewed union" of socialist republics, especially in big urban centers. About 34 percent of eligible Moscow voters endorsed his blueprint, and support appeared almost as soft in Leningrad and Kiev.

DETAINED LITHUANIAN OFFICIAL (Moscow/UPI) -- Soviet special police detained the head of Lithuania's national security department, Audrius Butkevicius, in Vilnius for allegedly being drunk and carrying a gun, but the official was released 12 hours later, Lithuanian spokesman Sima Ardziunas said.

SHIITE COMMITTEE/IRAQ (Beirut/UPI) -- A top Iraqi Shiite Muslim cleric has formed a committee of eight clergymen to run the affairs of the Shiite community in Iraq, according to a document published in Beirut. One analyst said the move by Seyyed Abul Kassem Al Khouei, considered the highest religious authority by millions of Shiites, could be viewed as setting up a rival government and would at least fuel an uprising against Saddam's government.

SADDAM/OPPOSITION LEADER (Damascus/Reuter) -- A former Iraqi general turned opposition leader said that tens of thousands of Iraqi troops were joining the revolt to topple Saddam Hussein and predicted an early end to his rule. Hassan al-Nakib, leader of the Saudi-based Independent Nationals Group which is fighting alongside other opposition parties, said the uprising was continuing throughout Iraq and was achieving major gains.

IRAQI REVOLT (Nicosia/AP) -- Iraq claimed it had crushed the revolt in the south, but rebel leaders contended the uprising was growing and travelers said the army had set up checkpoints around Baghdad and was searching for weapons. The army newspaper Al-Qadissiyah reported that anti-government riots had been crushed in the southern cities of Najaf, Karbala, Hilla, Amarra and in Dhi Qar province. Al-Thawra also claimed the southern rebellion had been crushed.

IRAQI FOOD STOCKS (Baghdad/Reuter) -- Iraq said that strategic stocks of food for its central and southern regions had been looted or destroyed in anti-government unrest, compounding problems caused by a U.N. trade embargo. "The foodstuff which has been looted...or set on fire constitutes all the strategic stocks for the citizens of the central and southern provinces," government-controlled newspapers quoted Mohammed Mehdi Saleh as saying.

KUWAITI HUMAN RIGHTS/AMNESTY INT'L (London/Reuter) -- Amnesty International said it feared Palestinians in Kuwait were being arbitrarily arrested and tortured by armed Kuwaiti soldiers and civilians. Torture methods included beatings with canes, cables, rifles and rods, as well as electric shock treatment and cigarettes extinguished on parts of the body, Amnesty said.

5:00 P.M. NEWS UPDATE

ARAFAT/U.S., ISRAEL (Paris/AP) -- Israeli and U.S. officials rejected Yasser Arafat's reported offer to participate in direct talks with the Jewish state, an offer that appeared to mark a tactical retreat on the part of the PLO leader. "We have said repeatedly we do not deal with terrorist organizations," an Israeli Foreign Ministry official said, speaking on condition of anonymity. Said a U.S. official who spoke on condition of anonymity: "At least he's [Arafat] honest about his reasons for wanting the [Security] Council involved. He wants pressure on Israel, and that's exactly why the United States and Israel don't like that idea."

MEDITERRANEAN COUNCIL/JORDAN (AP) -- Jordan's ambassador to the U.S. proposed creating a Mediterranean regional security organization including Israel and Arab states to tackle some of the area's problems. The envoy, Hussein Hammami, said at a meeting with foreign correspondents that the body should be similar to the CSCE. Some of the issues it could deal with included economic integration, regional arms control, terrorism and sharing scarce water resources. "One feasible approach to regional conflict resolution would be to hold a conference on security and cooperation in the Mediterranean region," he said.

KUWAITI RESTORATION (London/Reuter) -- The restoration of Kuwait will cost \$30 billion to \$50 billion and take between five and 10 years, Kuwait's ambassador to Britain, Ghazi Al-Rayes, said. His projection was far lower than previous estimates, some of which have put the reconstruction costs at as much as \$100 billion. "We need everything, every service. But we need first to put out the oil fires," Rayes told 1,200 British company executives at a conference in London.

ACHILLE LAURO/STATE DEPT. (Reuter) -- The U.S. wants the rule of law to apply to the Achille Lauro hijacking, but a State Department spokesman stopped short of calling for the extradition to Italy of a Palestinian who has been convicted in the case. Spokesman Boucher noted that Abdullrahim Khaled has already been convicted and sentenced in absentia in Italy of planning the 1985 hijacking of the Italian cruise ship.

ECONOMY/BRADY (San Francisco/UPI) -- Secretary Brady called for lower interest rates and a comprehensive banking reform program to capitalize on a boom in consumer and business confidence caused by the end of the Gulf War. Brady, repeating points he has made often in recent weeks, said in a speech to the Commonwealth Club that lower oil prices and a strong export market are helping pull the nation's economy out of recession. Also helping revive the faltering economy, he said, was the 1990 budget agreement.

ALEXANDER (UPI) -- Secretary Alexander used his first day on the job assuring teachers and departmental employees he wants to help President Bush realize the dream of being the "education president." "My goal is not to be a success. My goal is to help the President be a success and I want to help him be the education president," Alexander said.

George Bush Presidential Library Transfer Sheet

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Bush Presidential Records
Office of the President

ACCESSION NUMBER:

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NUMBER (if app.):

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☒ Transferred During Processing

2009-0166-S

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☐ **Museum Collection**

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Other (Specify):

DESCRIPTION:

White House Photograph: P020202-33A [Ellie Weisel Foundation]

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Book Location:

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Position:

Map Case Location:**Series:**

Daily Files

Box Number:

89

Folder Title:

Monday, March 18, 1991 [2]

OA/ID Number:

90588-008

Transferred by:

Deborah Wheeler

Date of Transfer:

1/17/2012

Received by:

Mary Finch

Date Received:

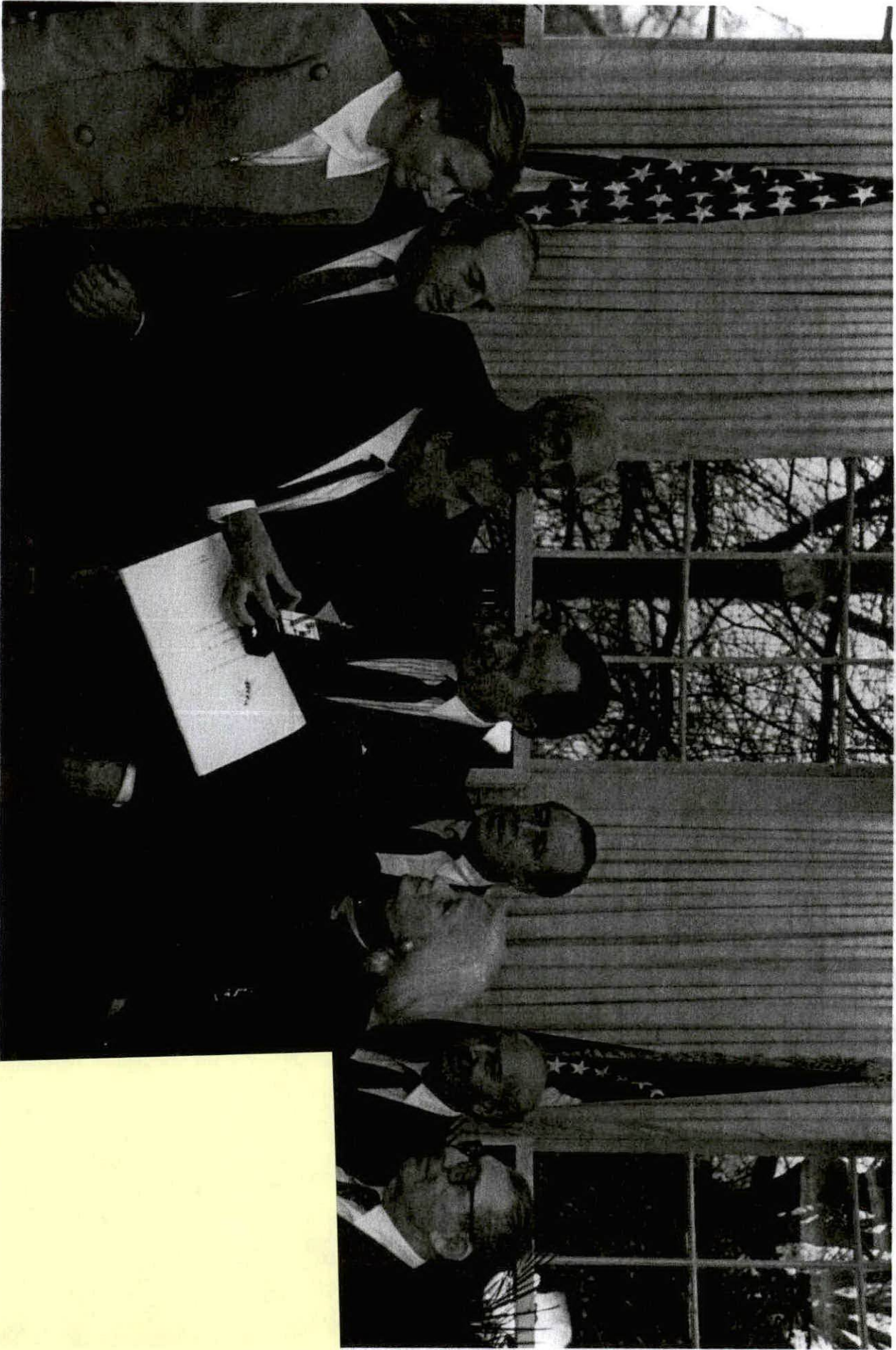
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Print Record



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OFFICIAL WHITE HOUSE PHOTOGRAPH 18 MAR 91 P020202-33A SR

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Harleen Breaux
Room 17, Old Executive Office Bldg.
The White House



THE PRESIDENT

March 18, 1991

Dear Harleen -

Fantastic! That's the
right word for the scrapbooks
and all your hard work.

Many many thanks -

Ly B

March

bcc: Gift Unit



THE WHITE HOUSE
WASHINGTON

March 18, 1991

Dear Vivian and Lou Ann:

The flowers you sent graced Chelston beautifully. You are thoughtful to think of me, and I am grateful.

The weather notwithstanding, we had a wonderful visit in Bermuda. Good meeting with Prime Minister Major, and a special time with Eb and Sheila Gaines.

Thanks again -- for the flowers and for all you do for the Party. Warm regards to you both.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Bush".

Ms. Vivian Stephens, Chairman
Ms. Lou Ann Stevens
Republicans Abroad - Bermuda
#17 Panorama, South Shore Road
Paget DV 04, Bermuda

At least we got to say "Hi"
at lunch. All But, GB,



THE WHITE HOUSE
WASHINGTON

March 18, 1991

Dear Messrs. Wolpe and Schule:

Thank you for your letter of March 1. You are thoughtful to write, and I am grateful for your very kind words about the Gulf war. I was blessed by having a superb team -- in the White House, at State and Defense, and especially in the field.

Thank you again for writing. Warm regards.

Sincerely,

Mr. Bruce C. Wolpe
Mr. Robert M. Schule
The Wexler Group
Hill and Knowlton
1317 F Street, N.W., Suite 600
Washington, D.C. 20004

*Bruce - Robert -
So very nice of you!*