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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: 90634
Folder ID Number: 90634-006

Folder Title:
Tuesday, November 19, 1991 [2]

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Withdrawal/Redaction Sheet

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	From Brent Scowcroft to President Bush (3 pp.)	11/19/91	(b) / (1)	S
01b. Agenda	National Security Council Meeting (1 pp.)	11/19/91	(b)(1)	S
01c. Talking Points	Points to be Made for NSC Meeting [copy of index card] (1 pp.)	n.d.	(b)(1)	S
01d. Talking Points	Points to be Made for NSC Meeting (1 pp.)	n.d.	(b)(1)	S
01e. List	Demands (1 pp.)	n.d.	(b)(1)	S
01f. Paper	Sanctions (4 pp.)	n.d.	(b)(1)	S
02a. Talking Points	Points to be Made for Meeting with Alexander Yakovlev [index cards] (2 pp.)	n.d.	(b)(1)	S
02b. Memo	From Brent Scowcroft to President Bush (2 pp.)	11/19/91	(b)(1)	S
02c. Talking Points	Points to be Made for Meeting with Alexander Yakovlev (1 pp.)	n.d.	(b)(1)	S
02d. Report	Government Report (1 pp.)	10/24/91	(b)(1)	C

Page 1 of 1

Collection:

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WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Pinksheet Number: dw2369

OA/ID Number: 90634-006

Date Closed: 1/16/2014

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

REVISED

NRCC LUNCHEON
CAPITAL HILTON
TUESDAY, NOVEMBER 19, 1991
12:00 P.M.

BARBARA MORRIS-LENT -- CONGRATULATIONS ON TODAY'S LUNCH. / KEN KIES, CHAIRMAN OF THE PRESIDENT'S FORUM. / CHAIRMAN OF THE NRCC -- MY GOOD FRIEND GUY VANDER JAGT, AND HIS WIFE CAROL. / LET ME ALSO SALUTE YOUR CO-CHAIRMAN, AND ANOTHER SON OF MICHIGAN -- SPENCER ABRAHAM, ALONG WITH HIS WIFE, JANE. / IT'S EXCITING TO SEE YOU ALL. // OF COURSE, SO MANY REPUBLICAN MEMBERS OF THE HOUSE. // ABOVE ALL, I WANT TO THANK EACH OF YOU FOR YOUR SUPPORT OF THE NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE. //

THIS IS THE THIRD STRAIGHT YEAR I HAVE PARTICIPATED IN THIS EVENT SPONSORED BY THE NRCC. THE FIRST HONORED THAT GREAT SON OF ILLINOIS, HOUSE REPUBLICAN LEADER BOB MICHEL. LAST YEAR, WE HONORED THE RANKING REPUBLICAN MEMBERS OF THE HOUSE. // TODAY, WE HONOR MEN AND WOMEN WHO ARE ALL FIRST AMONG EQUALS -- EVERY SINGLE GOP MEMBER OF THE HOUSE OF REPRESENTATIVES. //

((NOW THE PLEDGE: I'M NOT GOING TO SPEAK FOR LONG. YOU HAVE TO GET BACK TO YOUR JOBS -- AND I HAVE TO GET BACK TO MY READING. // RECENTLY, I BEGAN MIKHAIL GORBACHEV'S BOOK ABOUT THE OVERTHROW IN MOSCOW. / OF COURSE, THE BOOK I'M REALLY WAITING FOR IS ABOUT THE OVERTHROW IN THE NEW JERSEY LEGISLATURE.)) //

I AM HERE TO SAY: TODAY NEW JERSEY, TOMORROW THE CONGRESS. // OF COURSE, THE DEMOCRATS WON'T JUST ROLL OVER. WE WILL HAVE TO TAKE OUR FIGHT AND OUR ISSUES TO THE PEOPLE. BUT THE TIMES ARE RIGHT / AND OUR POLICIES ARE RIGHT. AMERICANS WANT TO FREE THEMSELVES FROM THE TIRED OLD IDEAS OF THE LIBERAL ELITE, AND GET A CHANCE TO MAKE THE AMERICAN DREAM A REALITY -- IN THE WORKPLACE, AT HOME, IN THE SCHOOLS, AND ON THE STREETS. //

LET'S TALK ABOUT A FEW OF THE ISSUES THAT SEPARATE REPUBLICANS FROM THE OTHER PARTY. FIRST, THE ECONOMY. //

FOR MORE THAN A DECADE, WE REPUBLICANS HAVE CREATED GROWTH, OPPORTUNITY, AND PROSPERITY. WE PRESIDED OVER THE LONGEST PEACETIME EXPANSION IN AMERICAN HISTORY -- SINCE 1981, 17 MILLION NEW JOBS. // YET A RECORD IS NOT SOMETHING TO REST UPON. IT'S SOMETHING TO BUILD UPON. WE HAVE TO TAKE COMMON-SENSE STEPS TO GET OUR ECONOMY MOVING AGAIN. / PEOPLE ARE HURTING AND OUR APPROACH, IF CONGRESS WOULD HAVE ACTED, WOULD ALLEVIATED THAT HURT. AS YOU MIGHT KNOW, OUR LONG-TERM GROWTH STRATEGY IS FOUNDED ON SEVERAL ELEMENTS:

FIRST, WE KNOW WE'VE GOT TO GET THAT DEFICIT DOWN. WE'VE GOT A BUDGET AGREEMENT THAT PUTS THE SQUEEZE ON FEDERAL SPENDING -- LET'S ABIDE BY IT. / WE'VE GOT TO KEEP INFLATION UNDER CONTROL -- AS IT IS RIGHT NOW. / WE'VE GOT TO SUSTAIN THE POLICIES THAT HELPED BRING INTEREST RATES TO THESE HISTORIC LOW LEVELS. /

WE'VE ALSO GOT TO KEEP AMERICAN BUSINESS
COMPETITIVE: SLASH RED TAPE AND REGULATIONS WHEREVER
POSSIBLE -- DRAW THE LINE AGAINST GOVERNMENT MANDATES
THAT HANDCUFF THE AMERICAN ENTREPRENEUR.
COMPETITIVENESS MEANS REAL TORT REFORM -- CAPPING
OBSCENE LIABILITY AWARDS. AS A NATION, WE'VE GOT TO
MAKE GOOD ON OUR COMMITMENT TO QUALITY EDUCATION AND
JOB TRAINING, TO ENSURE A WORKFORCE READY FOR THE
CHALLENGES A NEW CENTURY WILL BRING. /

FINALLY, WE'VE GOT TO MAKE CERTAIN AMERICAN
BUSINESSES COMPETE ON AN EQUAL FOOTING -- AND THAT
MEANS A GOVERNMENT COMMITTED TO THE PRINCIPLES OF FREE
AND FAIR TRADE. // WE HAVE TAKEN THE FREE TRADE
MESSAGE TO JAPAN AND TO THE EUROPEAN COMMUNITY. CLOSER
TO HOME, WE'VE WON FAST TRACK AUTHORITY FOR A NORTH
AMERICAN FREE TRADE AGREEMENT LINKING THE U.S., CANADA,
AND MEXICO. // I REJECT -- UNEQUIVOCALLY -- THE
QUICKSAND OF PROTECTIONISM. // INSTEAD, OUR FORWARD-
LOOKING INITIATIVES CREATE NEW MARKETS FOR AMERICAN
PRODUCTS -- AND NEW JOBS FOR AMERICAN MARKETS. //

I'M CONFIDENT OUR LONG-TERM STRATEGY IS ON TARGET. BUT THERE ARE STEPS WE'VE GOT TO TAKE RIGHT NOW. WE BEGIN WITH THE OVERHAUL OF OUR ANTIQUATED BANK SYSTEM. EVERY ONE OF YOU KNOWS HOW THE PROBLEMS IN OUR BANKING SYSTEM PLAGUE THIS ECONOMY. SO IN MARCH, I SENT TO CONGRESS THE FIRST COMPREHENSIVE BANK REFORM SINCE THE 1930'S. // IT'S TIME THE CONGRESS ENACTS REAL REFORM.

/

THE SAME GOES FOR OTHER KEY PROPOSALS. FOR THREE YEARS NOW, I'VE PROPOSED A PACKAGE OF GROWTH INITIATIVES. NOT JUST CAPITAL GAINS -- BUT INCENTIVES TO ENCOURAGE SAVING, LIKE OUR FAMILY SAVINGS ACCOUNTS. INCREASED INCENTIVES FOR R&D TO HELP KEEP AMERICAN BUSINESS COMPETITIVE. MEASURES TO HELP FIRST-TIME BUYERS TAP THEIR IRA'S TO BUY THAT NEW HOME; ENTERPRISE ZONES TO UNLEASH THE URBAN ENTREPRENEUR. EACH ONE OF THESE INITIATIVES HELP THE ECONOMY.

NO ONE KNOWS BETTER THAN I THE STATE OF THAT ECONOMY. I'VE SEEN IT IN PEOPLE'S EYES -- FELT IT IN THEIR HURT. I KNOW WHAT THE LOSS OF JOBS CAN MEAN TO DREAMS, AND LIVES. // SO I WAS PLEASED TO REACH AGREEMENT WITH CONGRESS ON EXTENDING UNEMPLOYMENT BENEFITS TO PEOPLE IN NEED. WE GOT THIS DONE BY VETOING THE DEMOCRATS' BUDGET BUSTING APPROACH -- FINALLY GETTING LEGISLATION THAT HELPS PEOPLE AND STILL HONORS THE SPENDING CAPS IN THE BUDGET AGREEMENT. THOUGH SUCCESSFUL ON THIS, TOO MANY OF THE INITIATIVES WE WERE ELECTED TO ACHIEVE DISAPPEAR INTO THE BELTWAY'S VERSION OF THE BERMUDA TRIANGLE -- CAPITOL HILL. //

SINCE 1955, DEMOCRATS HAVE CONTROLLED THE HOUSE.
FOR 30 OF THE LAST 36 YEARS THE SENATE AS WELL.
THEY'VE ALL TOO OFTEN FORGOTTEN SOMETHING VERY
FUNDAMENTAL: THAT FEDERAL MONEY ISN'T THEIR MONEY,
IT'S YOUR MONEY -- THE TAXPAYER'S MONEY. AND THEY
DON'T SEEM TO KNOW -- AS I SAID IN MY INAUGURAL
ADDRESS, AMERICANS "DIDN'T SEND US HERE TO BICKER" --
THEY SENT US HERE TO ACT. // SO, TODAY, AGAIN, I
CHALLENGE THE CONGRESS TO PASS OUR GROWTH INCENTIVES.
DEMOCRATS THINK PROSPERITY STEMS FROM THE GROWTH OF
GOVERNMENT. REPUBLICANS BELIEVE IT COMES FROM THE
GROWTH OF OPPORTUNITY. //

((ALL OF THIS REMINDS ME OF THAT OLD JOKE -- YOU
KNOW WHAT YOU GET WHEN YOU PLAY COUNTRY MUSIC
BACKWARDS? YOU GET YOUR JOB BACK, YOUR WIFE BACK, YOUR
DOG BACK . . . WELL, YOU KNOW WHAT YOU GET WHEN YOU
THROW THE DEMOCRATS OUT OF CONGRESS? YOU GET YOUR JOB
BACK, YOUR PRIDE BACK, YOUR COUNTRY BACK.)) ///

YOU DON'T HAVE TO LOOK FAR TO UNDERSTAND THAT THE AMERICAN PEOPLE WANT A CHANGE. THE PROBLEM IS THAT ON CRUCIAL BUSINESS, CONGRESS ISN'T LEADING OR FOLLOWING, IT'S JUST SITTING. HERE'S A SOLUTION: GET CONGRESS MOVING AGAIN BY ELECTING REPUBLICAN MAJORITIES TO THE HOUSE AND SENATE. // NOWHERE IS THIS MORE TRUE THAN WHEN IT COMES TO OUR DOMESTIC AGENDA. LIBERALS SAY THAT WE DON'T HAVE ONE. WHAT THEY MEAN IS WE DON'T HAVE THEIR AGENDA. // I'LL TELL YOU A SECRET: WE NEVER WILL HAVE THEIR AGENDA AS LONG AS I AM PRESIDENT.
//

THIS STALL STRATEGY HAS GONE ON LONG ENOUGH.
LISTEN TO THESE FACTS. // I MENTIONED BANKING REFORM.
ON MARCH 20, I SENT LEGISLATION TO CONGRESS. THAT WAS
244 DAYS AGO. NO BILL. / ON MARCH 11, I SENT CONGRESS
CRIME LEGISLATION TO TAKE HOODS OFF THE STREETS. THAT
WAS 253 DAYS AGO. NO BILL. // ON MARCH 4, I SENT UP
ENERGY LEGISLATION. 260 DAYS -- NO BILL. // ON
FEBRUARY 13, UP WENT OUR TRANSPORTATION LEGISLATION.
279 DAYS LATER -- YOU GUESSED IT, NO BILL. // FOR TWO
YEARS I'VE PRODDED CONGRESS TO PASS OUR EDUCATIONAL
EXCELLENCE ACT -- AND FOR THE LAST SIX MONTHS OUR
AMERICA 2000 PROGRAM. WE ALL KNOW AMERICA'S SCHOOLS
AREN'T MAKING THE GRADE. LET'S ELECT MORE REPUBLICANS
SO THAT CONGRESS WON'T CONTINUE TO FLUNK THE TEST. //

THERE HAVE BEEN OCCASIONS WHEN THE ONLY WAY WE CAN
GET RESPONSIBLE LEGISLATION IS TO VETO IRRESPONSIBLE
LEGISLATION. AND THANKS TO MANY IN THIS ROOM, I'M
PLEASED TO SAY THAT NONE OF MY VETOES HAVE BEEN
OVERRIDDEN.

TODAY I WILL VETO THE LABOR/HHS APPROPRIATIONS BILL. THE REGULATIONS ALREADY IN PLACE, ASSURE THAT THERE IS NOTHING TO PREVENT A WOMAN FROM RECEIVING COMPLETE MEDICAL INFORMATION ABOUT HER CONDITION FROM A PHYSICIAN. THROWING OUT THESE REGULATIONS IS NOT THE WAY TO GO.

I HOPE I CAN AGAIN COUNT ON THE SUPPORT FROM THE MEMBERS OF CONGRESS HERE TODAY TO SUSTAIN MY VETO.

BUT THE PROBLEM WITH DEMOCRATS IN CONGRESS ISN'T JUST OUR "DOMESTIC AGENDA", IT'S THEIR DETERMINATION TO LIVE IN THE LAST CENTURY INSTEAD OF FOCUSING ON THE NEXT. THEIR SHORTSIGHTEDNESS ABOUT OUR FOREIGN POLICY ACHIEVEMENTS PROVES THE POINT.

MOST LIBERALS NEVER MET A DEFENSE CUT THEY DIDN'T LIKE. REPUBLICANS, ON THE OTHER HAND, KNOW THAT A STRONG DEFENSE CAN HELP KEEP THE PEACE. THINK OF LIBERAL DEMOCRATS OVER THE LAST 20 YEARS. THEY WERE WRONG ABOUT PEACE THROUGH STRENGTH. WE DIDN'T WIN THE COLD WAR BY FOLLOWING THE LIBERAL DEFENSE AGENDA. NO, WE WON IT BECAUSE WE STOOD FOURSQUARE BEHIND A SIMPLE IDEA: FREEDOM. AND BACKED IT UP WITH MUSCLE. NOW WE'RE IN A NEW ERA -- A MORE HOPEFUL ERA -- BUT NOT ONE WITHOUT CHALLENGES. THIS COULD NOT HAVE BEEN MORE CLEARLY DEMONSTRATED THAN IN THE PERSIAN GULF. I CAN ASSURE YOU, HAD WE FOLLOWED THE DEMOCRATS' ADVICE, SADDAM HUSSEIN WOULD BE IN SAUDI ARABIA AS I SPEAK.

BUT THE DEMOCRATS TUNE HASN'T CHANGED. THEY ACT AS IF AMERICANS HAD NO STAKE IN THE REST OF THE WORLD. // THE HISTORY OF THIS CENTURY HAS SHOWN TIME AND AGAIN HOW WRONG ISOLATIONISM IS. IN TODAY'S INTER-DEPENDENT WORLD, IT LEADS TO FOLLY IF NOT WORSE.

WHEN I WORK TO BEAT BACK ECONOMIC ISOLATIONISM --
PROTECTIONISM -- TO CREATE MORE AMERICAN JOBS AND
ECONOMIC GROWTH, THAT'S NOT JUST FOREIGN POLICY. IT'S
GOOD FOR AMERICANS RIGHT HERE AT HOME. //

WHEN DRUGS THREATENED OUR NEIGHBORHOODS AND OUR
FAMILIES, I WENT TO COLOMBIA TO PROTECT THE LIVES OF
OUR CHILDREN. STEMMING THE TIDE OF DRUGS DOESN'T JUST
BENEFIT THE GLOBE. IT HELPS THE UNITED STATES OF
AMERICA. // AND INCIDENTALLY OUR DRUG STRATEGY IS
WORKING -- DRUG USE IS DOWN.

WHEN A BRUTAL TYRANT INVADED KUWAIT -- WE HELPED
LIBERATE A LAND. I AM PROUD OF OUR TROOPS. THEY MADE
OURS A BETTER WORLD. THEY ALSO MADE AMERICA AN EVEN
BETTER PLACE. //

THERE'S A TEXAS SAYING, "DANCE WITH THE ONE WHO
BRUNG YOU." OUR POLICIES HAVE HELPED BRING AMERICA
PEACE AND DEMOCRACY UNDREAMT OF IN HUMAN HISTORY. //
LET US TAKE THIS MESSAGE TO AMERICA: WE DON'T
DEMAGOGUE. WE DELIVER. // WE DON'T POSTURE. WE
PRODUCE. WITH YOUR SUPPORT, WE CAN PRODUCE A GREAT
VICTORY FOR REPUBLICANS, AND FOR AMERICA. //

THANK YOU FOR YOUR PRAYERS AND YOUR HELP.
TOGETHER, LET'S DO EVEN MORE IN THE MONTHS AHEAD.
LET'S SET OFF OUR OWN REVOLUTION IN 1992, AND USHER IN
AN ERA OF NEW IDEAS -- AND REAL SOLUTIONS. LET'S MAKE
1992 THE YEAR OF THE REPUBLICAN, SO THAT WE CAN KICK
OFF AN AGE OF OPPORTUNITY. // THANK YOU. GOD BLESS
YOU, AND THE UNITED STATES OF AMERICA.

#

POOL REPORT

BUS GOES TO CAPITAL HILTON TO ADDRESS NATIONAL REPUBLICAN CONGRESSIONAL COMMITTEE
PRESIDENTIAL FORUM LUNCHEON

~~Bushyman's company~~

Motorcade to and from this event which was closed to the press: Uneventful.

Ellen Warren
Knight-Ridder Newspapers

~~SECRET~~

~~SECRET~~

Patty
20851
ADD-ON

DECLASSIFIED
E.O. 13526, Sec. 3.3

NW 86850
By SAC, NARA, Date 2/26/2020

THE WHITE HOUSE

WASHINGTON

November 19, 1991

NATIONAL SECURITY COUNCIL MEETING

DATE: November 19, 1991

LOCATION: The Cabinet Room

TIME: 1:30 p.m. - 2:30 p.m.

FROM: BRENT SCOWCROFT (B)

I. PURPOSE

To update participants on the international response to the Pan Am 103 indictment and on consultations and to discuss possible response options beyond the indictment further.

II. BACKGROUND

The Pan Am 103 indictment was released Thursday, November 14. Initial media coverage was broad but has diminished now, at least within the U.S. In part, everyone may be waiting to see what we plan to do next.

Government reaction overseas is mixed, but in almost every case more favorable than predicted. Mitterrand's condemning of Libya and Dumas' call that the accused from both UTA 772 and Pan Am 103 be handed over is a strong positive step. While we do not have a definitive response from the French on your letter to Mitterrand, they have tentatively indicated a willingness to meet with our team on Wednesday.

Germany, according to Genscher, will support us on political and economic sanctions. De Michelis also condemned Libya; Andreotti has yet to be heard from; your message to him went out Monday. Other Europeans have also been supportive, and intelligence indicates the Spanish told Libya that it should respond seriously to the indictments.

Egyptian FM Moussa told us that Mubarak understands the seriousness of the charges and has told the Libyans to take this matter very seriously also. Intelligence has Mubarak encouraging Qadhafi to appoint a non-confrontational spokesman for the issue, to research Libya's international obligations to the indictments, to receive international criminal investigators, to renounce support for terrorist groups again, and to close all Palestinian training camps in Libya. Syria was relieved not to be implicated. Other Arab states were cautious in their reactions.

Everyone including the U.K. appears desirous of avoiding a military strike.

~~SECRET~~

Declassify on: OADR

cc: Vice President
Chief of Staff

~~SECRET~~

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The next step diplomatically involves publicly stating what we expect from Libya. We have agreed with the U.K. on four demands (Tab D, 1). We are trying now to draw the French into associating themselves with the demands, modified to reflect UTA 772. The consultations in Paris later this week should smoke out French willingness to go along. Then we would announce the demands either bilaterally (as early as Thursday) or trilaterally (hopefully no later than next week) and ask Libya for a "prompt" response.

Looking beyond the demands, we are already broadening the consultations, adding the Germans in Bonn later this week. Also, State is looking at a wider set of consultations which Secretary Baker should offer. Rome, Cairo, Madrid, and Riyadh, together with Tokyo, Moscow, and Beijing will be at the top of the list. These broader consultations will seek support for our demands and discuss sanctions possibilities if Libya, as expected, is unresponsive to our demands. We should not fall into the trap, however, of giving others a veto. While with us at the outset, others may pull away or try to hold us back if the decisions get tougher.

The list of sanctions being considered for consultations (Tab D, 2) includes an oil embargo; freezing financial assets; bans on high technology, arms, and civil aviation; the expulsion of diplomats and intelligence operatives; a cessation of high-level visits; and a UNSC umbrella to authorize the sanctions. Optimally, sanctions would force Libya to comply with the demands or risk isolation.

The U.K. believes that only the oil and civil air sanctions will have serious bite, but oil will be controversial and likely have market effects. We prefer including an oil embargo for consideration during consultations but not pressing for it until we can better gauge international support and the economic consequences. We also believe the diplomat/intelligence expulsions to be important in order to neutralize Libyan-sponsored terrorism.

The U.K. also believes that sanctions will only work under UN auspices and that we should push in the UNSC from the start. We believe the UN can be important but that we should consult first informally, as with the Iraq sanctions, before agreeing to a UNSC strategy.

As the consultations progress, we will need more detail on the sanctions. We should probably establish a sanctions working group to support this effort. On all the sanctions we should reserve on which we favor until we have a better sense on what the traffic will bear.

On timing of next steps, we expect to announce the demands this week or next, depending on the French. On the period to give Libya to respond to the demands, we do not want it

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to drag on indefinitely. But we also do not want to press for an answer until we have an agreed approach on sanctions, and any formal approach in the UNSC should await the new and more favorable UNSC configuration in January. Thus, we are left with being able to give Libya four to six weeks to respond while we consult on sanctions.

III. PARTICIPANTS

See Participants List Tab C.

IV. PRESS PLAN

White House Photographer only.

V. SEQUENCE

Following your opening statement (Tab B), I will ask Secretary Baker to brief on international reaction. He will then brief on the sanctions under consideration and finally on diplomatic next steps. Following a general discussion, I will summarize at the end.

Attachments

Tab A	Agenda
Tab B	Opening Statement
Tab C	List of Participants
Tab D	Background Papers
Tab 1.	The Four Demands
Tab 2.	Possible Sanctions

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RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

- (b)(1) National security classified information [(b)(1) of the FOIA]
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PARTICIPANTS

The President

James A. Baker, Secretary of State

Nicholas Brady, Secretary of the Treasury

Samuel Skinner, Secretary of Transportation

Richard Darman, Director, Office of Management and Budget

John H. Sununu, Chief of Staff

Brent Scowcroft, Assistant to the President for National Security
Affairs

Robert M. Gates, Director of Central Intelligence

Donald Atwood, Deputy Secretary of Defense

William P. Barr, Deputy Attorney General

Admiral David Jeremiah, Vice Chairman, Joint Chiefs of Staff

Randy Beers, Director, International Programs, NSC Staff

(Notetaker)

2002

2002

The Cabinet Room

Richard Darman

William Barr

Donald Atwood

The President

Secretary Baker

Secretary Skinner

Governor Sununu

Secretary Brady

Randy Beers

General Scowcroft

Robert M. Gates

Admiral David Jeremiah

2002

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01e. List	Demands (1 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Date Closed:	1/16/2014	OA/ID Number:	90634-006
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]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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

- (b)(1) National security classified information [(b)(1) of the FOIA]
- (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01f. Paper	Sanctions (4 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Date Closed:	1/16/2014	OA/ID Number:	90634-006
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
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AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
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RESTRICTION CODES

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Talking Points	Points to be Made for Meeting with Alexander Yakovlev [index cards] (2 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Date Closed:	1/16/2014	OA/ID Number:	90634-006
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Memo	From Brent Scowcroft to President Bush (2 pp.)	11/19/91	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Date Closed:	1/16/2014	OA/ID Number:	90634-006
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
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AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02c. Talking Points	Points to be Made for Meeting with Alexander Yakovlev (1 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Tuesday, November 19, 1991 [2]

Date Closed: 1/16/2014	OA/ID Number: 90634-006
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

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PARTICIPANTS

U.S.

The President

James A. Baker III, Secretary of State

John H. Sununu, Chief of Staff

Brent Scowcroft, Assistant to the President for National
Security Affairs

Ed A. Hewett, Senior Director for Soviet Affairs, NSC Staff
(Notetaker)

Dennis Ross, Director of Policy Planning Staff, Department
of State

USSR

Alexander Yakovlev, Senior Advisor to President Gorbachev

Victor Komplektov, USSR Ambassador to the U.S.

Nikolai Kosolapov, Assistant to Yakovlev

Yevgeniy Zolotov, Interpreter

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02d. Report	Government Report (1 pp.)	10/24/91	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, November 19, 1991 [2]

Date Closed: 1/16/2014	OA/ID Number: 90634-006
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
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POOL REPORT

BUSH MEETING WITH YAKOVLEV

Nov. 19, 1991

While the pool was waiting to enter the Oval Office, Helen Thomas knocked on the window of the reception room and asked Secretary of State Baker his reaction to the news about Shevardnadze. Baker flashed a thumbs up.

In the Oval Office, Yakovlev sat next to Bush in adjoining chairs. Scowcroft, Baker and Sununu sat on one couch. On the other couch were three Soviets: Ambassador Viktor Komplektov, his assistant Nikolai Kosolapov and interpreter Yevgenry Zolotov. Spellings provided by press office. A fire was in the fireplace.

Both Bush and Yakovlev answered questions about Shevardnadze. Bush also responded to a question about the stock market. Transcript will be provided.

Charlie Green
Knight-Ridder

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 19, 1991

REMARKS BY THE PRESIDENT
IN PHOTO OPPORTUNITY WITH
ALEXANDER YAKOVLEV OF THE SOVIET UNION

The Oval Office

3:05 P.M. EST

Q Mr. President, what do you think of Shevardnadze becoming the new Foreign Minister?

THE PRESIDENT: We just began discussing that. And we know him well and have great respect for him. As I say, this is a matter for the Soviet Union to determine, but he has many friends in this country -- one close one sitting right on this couch here -- and all the rest of us have respect for him. So we will work closely with him, and I'm just thrilled to see Mr. Yakovlev again. We just started talking about a conversation that he and I had in our embassy there not so many months ago -- and a lot of change, a lot of things happening.

Q What kind of power Mr. Shevardnadze can have if the republics are taking over?

THE PRESIDENT: I defer all questions to our guest here. And we're going to be discussing with him a lot things, including Soviet-U.S. relations. But I'd have to ask you to --

Q Why do you think it came about?

THE PRESIDENT: -- talk to him.

Q Why did it come about? What do you think is the reason?

MR. YAKOVLEV: About what?

Q Shevardnadze becoming --

MR. YAKOVLEV: I suppose it's good idea to, I would say, to say to the international community that we are returning step by step to the position of democracy and good foreign policy.

THE PRESIDENT: Thank you all very much.

Q Mr. President, the U.S. stock market's down 68 points. Are you worried about another fall?

THE PRESIDENT: -- yesterday that it is inappropriate for a President to comment going up or going down on the stock market. So I'm not going to change my view on that.

Q Soviet aid package ready?

THE PRESIDENT: Thank you very much.

Q Lovely day.

THE PRESIDENT: Yes, it is. Now we're talking, Helen.
(Laughter.)

END

3:08 P.M. EST

PARTICIPANTS

U.S.

The President
Brent Scowcroft, Assistant to the President for National Security
Affairs
Richard Haass, Senior Director for Near East and South Asian
Affairs

Saudi Arabia

Prince Bander Bin Sultan, Saudi Ambassador to the United States



THE DIRECTOR OF CENTRAL INTELLIGENCE

THE PRESIDENT HAS SEEN

November 20, 1991

11/21

Mr. President.

Thanks so much for your kind words at my farewell party last night (Tuesday). It was good we all kept it light because taking my leave from the daily close relationship I have had with you and Brent was very difficult. I have never been happier professionally and personally than over the past three years. We've done a lot of good and had a lot of
(over)

Bush Presidential Library Photocopy

Good times. I have an awful lot of white house pictures of all of us laughing - and that atmosphere of family togetherness and doing historic things has been unique and due entirely to you and Mrs. Bush.

We'll still see a lot of each other and I already am digging in out here but, for now, just let me say (not very originally), "Thanks for the memories..."

Bob.

✓ 11-19-91
Silver
frame

The President
swearing-in picture
to follow GB,

Bob Gates



You are cordially invited to a farewell reception

for

Robert M. Gates

Join us in the

Indian Treaty Room

Old Executive Office Building

*R.S.V.P. to Mary
w/ Birth Date
(202) 456-6536*

November 19, 1994 - 4:30 to 6:00 pm

5pm

*drop
by.*

-- flo / Bill
-- KS.
-- A.B.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

November 19, 1991

To: The President

From: Mike Boskin *MB*

Re: October Housing Starts

Good news. Housing starts rose over 7 percent in October, after falling 3.3 percent in September. Building permits--usually a precursor of future starts--rose over 5 percent. Private market analysts had expected housing starts to be flat. This is the first positive data we have had on October--virtually everything else has been totally flat.

I spoke at the American Petroleum Institute's annual convention in Houston today, and preceded my speech with a breakfast with oil company CEO's chaired by Allen Murray of Mobil, API's President. I think it would be fair to say the oil industry is extremely upset about environmental regulations making it "virtually impossible" to explore and produce in the U.S. They were infuriated by the Senate's action on ANWAR and I heard many of them say they are being made to feel more welcome abroad than at home. I reiterated our positions as developed in the NES, most of which they like, but they were even more upset about the environmental regulation and the ANWAR vote than with the sluggish state of the economy.

Michael J. Boskin
Chairman



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

THE CHAIRMAN

November 19, 1991

Debut
I'll call
M. J.
Wed AM

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL J. BOSKIN *mb*

SUBJECT: October Housing Starts, Commerce Department
Release, Tomorrow Morning, 8:30 a.m.

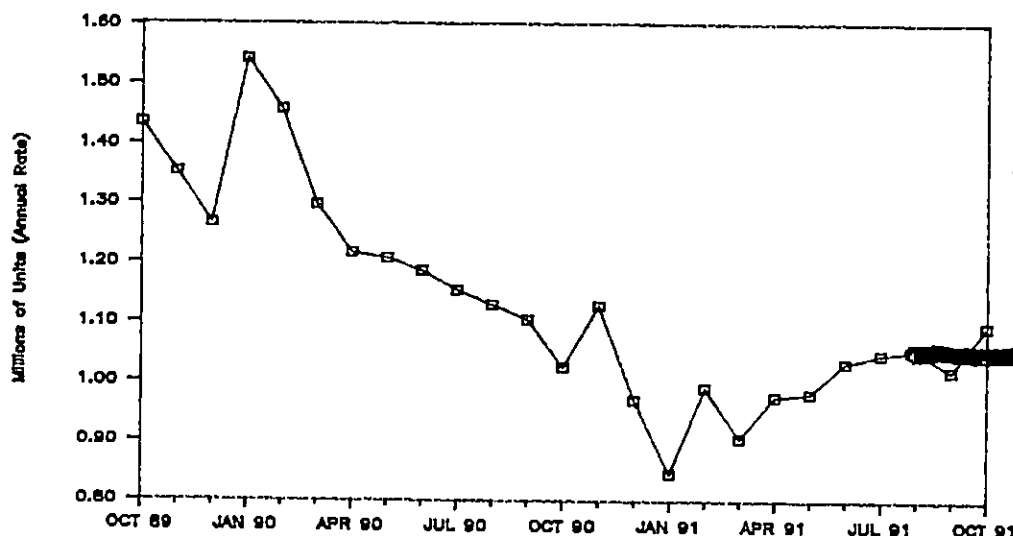
Housing starts rose 7.3 percent in October to an annual rate of 1.096 million units. Except for the 3.3 percent decline in September, starts have now increased every month since March. Private analysts had expected starts to fall to a 1.02 million rate in October.

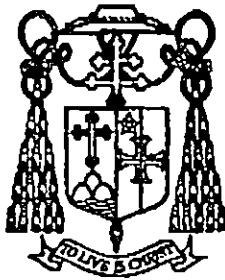
Both single-family and multi-unit starts rose in October. Multi-unit starts rose 26 percent, the largest monthly increase since November 1990. Starts rose in all regions of the country.

Building permits--often an indicator of future housing starts--rose 5.4 percent in October, after rising 3 percent in September. Permits rose for both single-family and multi-unit housing, with multi-unit permits rising 19 percent. Permits rose in all regions of the country except the South, where they fell slightly.

The graph below shows that housing starts have been on an upward trend since January. In October, starts were 29 percent higher than in January.

HOUSING STARTS





CARDINAL'S RESIDENCE
2101 COMMONWEALTH AVENUE
BRIGHTON, MASSACHUSETTS 02135

November 19, 1989
THE PRESIDENT HAS SEEN

President George Bush
President of the United States
The White House
1600 Pennsylvania Ave.
Washington, D.C.

Dear Mr. President:

I write regarding the issue of recent Haitian refugees who have left their country in boats with the hope of coming to the United States. The administration has announced that it will continue the policy of interdicting and repatriating those who are not bona fide political refugees. I am informed that yesterday 525 have been returned to Port au Prince.

Allow me to express to you my sincere disagreement with this policy and my regret that the Administration has already acted in repatriating the group mentioned above. While it is true that this recent action reflects ongoing policy of some years, it is also true that this policy circumvents the normal asylum adjudication process enacted in the Refugee Act of 1980. While it also is true that the majority of the refugees are leaving Haiti for economic, not political, reasons, I do believe that it is in the best interests of the United States and in the best tradition of the humanitarian ideals of our nation to treat these refugees as humanely as possible.

Today Judge Garber of the Southern District of Florida has issued a temporary restraining order halting the continued return of the some 1200 interdicted Haitians now in U.S. custody. I would like to suggest that this provides the Administration with an opportunity to re-assess the current situation and determine what would be the best policy to follow.

As Chairman of the U.S. Bishops Committee on Migration and Refugee Services, may I suggest the following elements that might be incorporated into any new program.

First, the government might announce that it is suspending the automatic interdiction and involuntary repatriation of Haitians found on the high seas. Such a move would demonstrate the humanitarian concern of the United States and would also eliminate the possibility of odious comparison with the forced repatriation of Vietnamese now going on in Southeast Asia.

-2-

Second, the administration should assure everyone that it is following a policy of allowing those with family members in the U.S. and/or compelling asylum claims to be processed in this country.

Third, those placed in refugee camps at Guantanamo or in third countries should be guaranteed humane living conditions and freedom of movement.

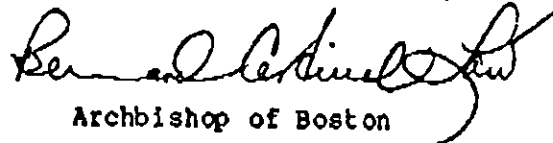
Fourth, and most importantly, the reasons why there are so many attempting to flee Haiti should be addressed. That would seem to argue for an end to the embargo which is placing an undue economic and social penalty on a country whose resources are already almost exhausted. The ending of the embargo would not be seen as political capitulation but rather as a realistic response to a desperate situation.

Mr. President, a country and a people that has seen as much suffering as has Haiti merits the best in our humanitarian tradition. With the resources we have and with the ideals which are ours, I am convinced that the American people will want to reach out to these desperate men and women and provide them with whatever help we can until such time as their country is better able to respond to the just needs of its own people. Anything you can do to reverse the current policy and to be of positive help to the Haitian people will be deserving of respect, appreciation and praise.

The leadership role which you have demonstrated on the issue of Vietnamese forced repatriation gives me hope that you will see the need for a change in the Administration's current policy for Haitians.

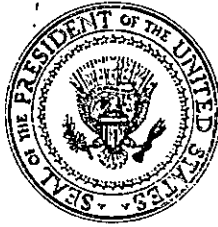
With warm personal regards and asking God to bless you, I am

Sincerely yours in Christ,



Archbishop of Boston

BCL/ac



November 19, 1991

To: John Sununu, Roger porter, Phil Brady, Fred McClure

Al Simpson handed me the attached letter from John Chafee re:
Labor-HHS Approp Bill (abortion part).

Roger: please prepare a short one pager for me on the Senator's
letter- also prepare a one page or less reply-- thanking him,
explaining the problem etc.

aw

FROM THE PRESIDENT

JOHN H. CHAFEE
RHODE ISLAND

COMMITTEE ON FINANCE

RANKING MEMBER, COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS

THE SENATE ARMS CONTROL
OBSERVER GROUP

SELECT COMMITTEE
ON INTELLIGENCE

United States Senate

WASHINGTON OFFICE:

WASHINGTON, DC 20510

(202) 224-2921

TDD: (202) 224-7617

PROVIDENCE OFFICE:

301 JOHN O. PASTORE

FEDERAL BUILDING

KENNEDY PLAZA

PROVIDENCE, RI 02903

(401) 528-5294

TOLL FREE NUMBER

IN RHODE ISLAND

1-800-862-5188

November 18, 1991

The President
The White House
Washington D.C.

Dear Mr. President:

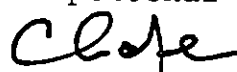
The Labor-HHS Appropriations bill sent to you last week contains a one-year moratorium on 1988 regulations barring federally funded family planning clinics from providing any information to pregnant women about pregnancy termination. I strongly believe that there is substitute language to which you can agree and I hope that you will so state this in your veto message to Congress. The attached document is an example of such substitute language,

The memorandum you sent to Secretary Sullivan on November 5 says that doctors may provide information to women. But you did not say that nurses and other trained personnel could do the same. This is unfortunate because it is nurses, physician assistants and trained clinicians who provide most of the care in Title X clinics. It is sad, but true, that there simply are not enough doctors to serve low-income women and their families. These women don't see doctors, but they do see nurses, other health care professionals and trained clinicians.

Mr. President, neither you nor I want to keep poor women from receiving the same information that wealthier women expect from their private health care providers. We are talking solely about information, not about providing money for abortion services.

I hope very much that you will consider these issues before you veto the Labor-HHS Appropriations bill. When you do veto the bill, I urge that you include in your veto message that you would accept substitute language along the lines of what I have enclosed to allow health care professionals and other trained clinicians to answer questions and to refer women to where they can get the services they seek, while strictly prohibiting directive counseling.

Warm personal regards,


John H. Chafee
U.S. Senator

**POSSIBLE AGREEMENT ON POLICY WITH RESPECT TO PREGNANCY
RELATED SERVICES IN TITLE X FUNDED CLINICS
(NOVEMBER 14, 1991)**

A. Treatment of Title X projects which provide prenatal care, such as, but not limited to, community health centers, hospitals, or family planning clinics that offer such care:

When a woman comes in for family planning services and is determined in the course of the visit to be pregnant, she should be offered information regarding her pregnancy. The provider of services will furnish a list of community resources for medical care and social services. If the woman elects to remain in that project for services, she will be provided with the same pregnancy related services and information that all of the projects' patients receive. The project would be allowed to retain Title X funds as part of its general operating support.

B. Treatment of Title X projects which do not provide prenatal care:

(1) When a woman comes in for family planning services and is determined in the course of the visit to be pregnant, she should be offered information regarding her pregnancy. If a woman is found to have a significant medical problem, she should be referred to a provider of comprehensive medical care. The provider of services will furnish a list of community resources for medical care and social services. If requested, the project will make every effort to assist the pregnant woman in making an appointment with a prenatal care provider. In addition, the project will provide the woman with written information to be developed by the Secretary of Health and Human Services about appropriate prenatal care that includes a discussion of proper nutrition and exercise, the need to avoid alcohol, drug and tobacco use, and the importance of receiving medical care.

(2) Health care professionals, or trained clinicians under the supervision of a medical director, shall give factual answers to questions the woman has about her pregnancy and her legal and medical options. Questions about an individual's medical conditions that relate to her pregnancy should be referred to an appropriate practitioner, on or off premises. Identification of providers of adoption and pregnancy termination services will be made available upon a woman's request. Factual information may also be provided about the mix of services provided by each provider and the payment sources they accept. The project is not to provide directive counseling to the woman regarding her pregnancy. Should this process of answering questions be found to advocate pregnancy termination or adoption the Title X project would be subject to the procedures which apply to misuse of grant funds, including termination of the grant or portion of the grant which funds the project.

(3) Nothing in this statute is intended to preclude a health care professional or trained clinician under the supervision of a medical director, from fulfilling his or her generally-accepted professional duty.

C. Relationship to Non-Title X Services:

Nothing in this statute is intended to circumscribe the services offered separately by a Title X provider with other public or private funds.

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

COPY

NOV 19 1991

TO: James O. Mason, M.D.
Assistant Secretary for Health

FROM: The Secretary *Louis W. Sullivan*

SUBJECT: Implementation of the Title X Regulations

On November 5, 1991, the President expressed to me his decision that, in implementing the Title X regulations, the Department of Health and Human Services should adhere to the following four principles:

1. Nothing in these regulations is to prevent a woman from receiving complete medical information about her condition from a physician.
2. Title X projects are to provide necessary referrals to appropriate health care facilities when medically indicated.
3. If a woman is found to be pregnant and to have a medical problem, she should be referred for complete medical care, even if the ultimate result may be the termination of her pregnancy.
4. Referrals may be made by Title X programs to full-service health care providers that perform abortions, but not to providers whose principal activity is providing abortion services.

My General Counsel has advised me that the directive contained in the President's memo of November 5, 1991, is fully consistent with all relevant statutory and regulatory authorities. Accordingly, I direct you to interpret and enforce the Title X regulations in accordance with the four principles that President Bush has articulated. Moreover, before issuing interpretations or program instructions relating to Title X, you should obtain assurance from the General Counsel that your guidance is consistent with this directive.

I am committed to preserving the confidentiality of the doctor/patient relationship and ensuring that the operation of the Title X family planning program is compatible with free speech and the highest standards of medical care. I know that I can count on you and the entire Public Health Service to assist me with this mission.



Much has been made of the term 'gag rule' meaning keeping as doctor from counselling a patient on abortion. My memorandum to Sec of HHS makes crystal clear that there is no gag rule- that patients are free to talk to doctors at clinics on any and all subjects including abortion.

can this language or an improvement thereon be added to top of page 2 on veto message.?

FROM THE PRESIDENT

THE WHITE HOUSE
WASHINGTON

November 19, 1991

MR. PRESIDENT:

Attached for your signature is a veto message on H.R. 2707 -- Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 1992."

Disapproval of this Bill is recommended by OMB, HHS, and the Offices of Cabinet Affairs, Communications, Legislative Affairs, and Policy Development. Counsel has no legal objection.

Thank you.



Phillip D. Brady

LAST DAY FOR ACTION: Wednesday, Nov. 20



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

November 11, 1991

91 NOV 11 PM 2:15

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 2707 -- Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1992

Sponsors: Representative Natcher (D), Kentucky;
Senator Harkin (D), Iowa

Last Day for Action

November 20, 1991 - Wednesday. Funding for the agencies and accounts covered by this bill is now provided by the Second Continuing Resolution (P.L. 102-145), which expires at midnight on Thursday, November 14th. The Congress is expected to pass a Third Continuing Resolution, which would provide continued funding through Tuesday, November 26th.

Purpose

Provides FY 1992 appropriations for the Departments of Labor, Health and Human Services, and Education; the Corporation for Public Broadcasting; the United States Institute of Peace; and a number of other small agencies.

Agency Recommendation

Office of Management and Budget

Disapproval (veto
message attached)

Department of Health and Human Services

Disapproval

Department of Labor

Approval

Department of Education

Approval

Discussion

The enrolled bill provides \$59,435 million in domestic discretionary budget authority and \$58,517 million in domestic discretionary outlays for FY 1992. The bill provides \$11 million in international discretionary budget authority and outlays for FY 1992. These amounts are generally consistent with the statutory spending limits mandated by the Budget Enforcement Act (BEA). The bill includes \$148 billion for mandatory programs such as Medicaid, Aid to Families with Dependent Children, and Guaranteed Student Loans. The Conference Report on H.R. 2707 passed the House by a vote of 272-156 and the Senate by a vote of 72-25.

Title X Family Planning Provision

This enrolled bill contains a provision that would prohibit implementation of rules related to the Title X family planning program and abortion. Title X funds are intended only for family planning. Under the regulations upheld by the Supreme Court, pregnant women who seek services from projects funded by Title X are appropriately referred to qualified providers for prenatal care and other social services, including counseling. The Administration has consistently sought to ensure the integrity of Title X as a pre-pregnancy family planning program and to ensure that women who are pregnant or have a medical problem are referred to providers who can ensure continuity of care. The Congress has, therefore, been informed repeatedly that this bill would be vetoed if it were passed in its present form.

Excessive Delays in Obligations

Several provisions in the bill, taken together, would delay the obligation of over \$4.4 billion until the last few weeks of FY 1992 and early FY 1993. Delays of this magnitude are unwarranted and compromise the intent of the BEA by moving spending that would otherwise occur in FY 1992 into FY 1993. The magnitude of the delays contained in the enrolled bill would make much more difficult the task of keeping FY 1993 domestic discretionary spending within the limits imposed by the BEA.

Abortion-Related Provision

The Administration supports language contained in the enrolled bill that restricts the use of Federal funds for abortions to those circumstances in which the life of the mother would be endangered if the fetus were carried to term. This limitation is identical to the one included in this bill since FY 1981. The earlier Senate version of the bill contained a provision that would have expanded the circumstances in which Federal funds could be used to pay for abortions. In that version, the circumstances would have included rape and incest. The conferees dropped that provision.

Other Provisions

The Administration had objected to a number of provisions in earlier versions of the bill. Several of these were not resolved in favor of the Administration's positions:

- o The bill establishes a new \$300 million "emergency fund" and designates an additional \$80 million of the \$1.5 billion funding level as an "emergency requirement" for the Low Income Home Energy Assistance Program (LIHEAP). The Administration's budget request included a \$100 million contingency appropriation, with its release based on specific market criteria, including a 20-percent increase in oil prices. In contrast, the "emergency fund" included in H.R. 2707 has no such criteria. It appears to be specifically designed to circumvent the discipline of the BEA's spending limits.

Annual appropriations for programs such as LIHEAP should not be designated as an emergency. The requirements for these programs can be -- and have been for many years -- reasonably estimated in advance. Therefore, I would not recommend that any of these funds be designated as "emergency requirements."

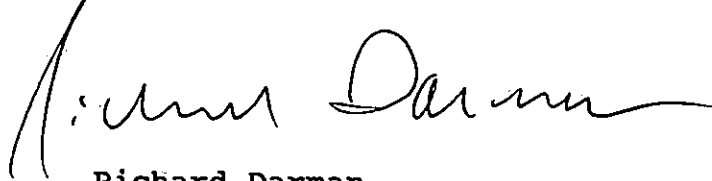
- o The \$257 million level of contingency funding contained in the bill for the Health Care Financing Agency's Program Management account is \$157 million above the request and exceeds any previous contingency fund level.
- o The bill provides only \$65 million of the \$139 million requested to support the Healthy Start Initiative. Healthy Start will fund comprehensive, integrated health services to selected communities with exceptionally high rates of infant mortality. Full implementation of Healthy Start is an important step toward reducing infant mortality.
- o The Congress has not provided the \$68 million requested to expand the capacity of the drug abuse treatment program. Instead, the Congress has added \$91 million to the Alcohol, Drug Abuse, and Mental Health Block Grant, only a portion of which would finance drug abuse treatment. The proposed capacity expansion program is a better way than the Block Grant to finance treatment and to hold States accountable for the spending of these funds.
- o The bill provides only \$100 million for the AMERICA 2000 initiative, over \$500 million below the request. In addition, the bill provides substantially less than the request for research, statistics, and assessment activities within the Department of Education. Such levels would be insufficient to permit the critically needed expansion of the knowledge base in support of education reform.

- o The bill fails to provide adequate funds for the Offices of Inspectors General of the Departments of Health and Human Services and Education for implementation of the Chief Financial Officers Act of 1990. The FY 1992 funding level for the Office of the Inspector General in the Department of Health and Human Services is below the FY 1991 enacted level. The funding level does not recognize the significant and new financial audit requirements imposed by the Chief Financial Officers Act of 1990 (P.L. 101-576).

Recommendation

The Secretary of Health and Human Services recommends that you veto the bill. The Secretary of Labor and the Secretary of Education have recommended approval of the bill only with respect to those sections that apply to their Departments.

I join the Secretary of Health and Human Services in recommending that you veto the enrolled bill. A veto message that was cleared by the Department of Health and Human Services has been prepared for your consideration (attached). The message restates your objections to the bill's unacceptable Title X family planning language and the provisions providing for excessive delays in obligations of funds.



Richard Darman
Director

Attachment

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith without my approval H.R. 2707, the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1992."

H.R. 2707 contains a provision that would prohibit implementation of rules related to the Title X family planning program and abortion. I am therefore compelled to disapprove H.R. 2707. I will sign a bill that does not include language that prohibits implementation of the abortion counseling and referral rule.

I have informed the Congress on numerous occasions that, consistent with the intent of the statute originally establishing Title X, I would veto any legislation that would entangle Title X with abortion. Accordingly, it is my intention to ensure that no Federal funds are used to support abortion except in cases where the life of the mother would be endangered if the fetus were carried to term.

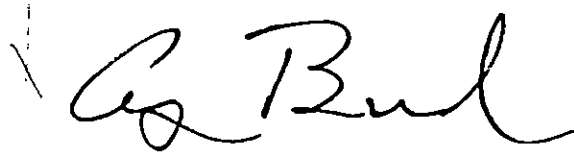
Under the regulations upheld by the Supreme Court, pregnant women who seek services from projects funded by Title X are appropriately referred to qualified providers for prenatal care and other social services, including counseling. The Administration seeks to ensure the integrity of Title X as a pre-pregnancy family planning program and to ensure that women who are pregnant, or have a medical problem, are referred to providers who can ensure continuity of care. We do not seek to limit in any way the counseling pregnant women receive when they seek services from those providers.

In a memorandum to Secretary Sullivan on November 5, 1991, I reiterated my commitment to preserving the confidentiality of the doctor/patient relationship and seeing that the operation of the Title X family planning program is compatible with free speech and the highest standards of medical care. My memorandum makes clear that there is no "gag rule" to interfere with the doctor/patient relationship. I have directed that in implementing these regulations, nothing prevent a woman from

receiving complete medical information about her condition from a physician. There can be no doubt that my Administration is committed to the protection of free speech. The United States Supreme Court specifically found that the regulations in no way violate free speech rights.

H.R. 2707 contains several provisions that would delay the obligation of over \$4.4 billion until the last few weeks of FY 1992 and early FY 1993. The magnitude of the delays contained in H.R. 2707 would make it much more difficult to remain within the FY 1993 spending limits required by the Budget Enforcement Act.

I urge the Congress to pass promptly an acceptable bill, one without objectionable language relating to Title X, to provide needed funding for the many important programs contained in this legislation.

A handwritten signature in dark ink, appearing to read "G. Bush", is positioned in the center-right of the page. The signature is fluid and cursive, with a checkmark-like flourish at the beginning.

THE WHITE HOUSE,

11/19

POTUS KEPT ATTACHMENT
THIS GIVEN DIRECTLY TO
POTUS

p.

Document Originally
Attached to
Following Page



THE SECRETARY OF COMMERCE

November 18, 1991

THE PRESIDENT

Dear Mr. President,

Attached is the outline for a prime time address to the nation we recently discussed. Remember, you asked for it! As always, I'm available to discuss this further at any time.

Respectfully,

What famous President said - "Just showing up is 80% of life" ?

Bush Presidential Library Photocopy

11/19/91

11/20/91

Phil:

Governor Bellmon called to talk to the President. I took the call, thus, the attached. Will you have someone get back to the Governor.

Many thanks. (POTUS is not aware of the call and has not seen the fax.)

Patty Presock

HENRY BELLMON

ROUTE ONE, RED ROCK, OKLAHOMA, 74651

To: Kevin Klose
From: Henry Bellmon
Date: November 18, 1991
Subject: Suggested congressional resolution language.

The Congress recognizes the incalculable benefits which can enure to the United States, its citizens and to all mankind from the end of the cold war. Congress further recognizes the enormous progress which is possible through the development of means to reduce nuclear weaponry armaments and from the successful acceptance by all nations of democracy and competitive market principles. The Congress is concerned at the lack of concerted international action to avert drift and the increasing disorganization of the former U.S.S.R. and the danger disorder holds for world peace and prosperity.

The congress hereby authorizes and instructs President Bush and his administration, in cooperation with leaders of other nations, to design a means to assure and enhance the economic and political restructuring of the regions once encompassed by U.S.S.R. to the end that the threat of isolated or accidental nuclear tragedy be eliminated, food shortages averted, dangers of political and economic disruptions reduced, environmental degradation minimized and world trade and prosperity be enhanced.

The Congress further instructs the Bush Administration to deliver its recommendations for insuring safety, economic, and environment and political progress and prosperity no later than March 1, 1992, and pledges prompt consideration of such plan. The expenditure of such funds as may be necessary for complying with this resolution up to the amount of \$50,000,000 is hereby authorized and approved.

kinko's

the copy center

FAX COVER SHEET

URGENT? ☒ Yes ☐ NoDate: November 19, 1991This fax is directed to: Patty Presock
*Please notify this person that they have been sent a fax.*Company: The White HouseDepartment: Assistant to the PresidentTelephone: 202/456-1414 Fax #: 202/456-2397Number of pages including cover sheet: 2Special Instructions: As we discussed by phone todayThis fax was sent by: Henry Bellmon

Company: _____

Department: _____

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FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. David C. Grimes
202 South Rockingham Avenue
Los Angeles, CA 90049



THE PRESIDENT

11-19-91

Dear Dave,

I loved your Bulgaria report, and I know that visit must have helped U.S.-Bulg. relations. Thank for going and Thanks for that fun letter.

I'll pass on your separate note to the proper places.

Love to Suzie -

cc:
IN & OUT
John Sununu
Brent Scowcroft
Patty Presock ✓

Cy
we'll sign you up on
another trip

DAVID C. GRIMES
202 SOUTH ROCKINGHAM AVENUE
LOS ANGELES, CALIFORNIA 90049

THE PRESIDENT HAS BEEN

(213) 395-7285

November 11, 1991

Dear Mr. President,

Keep me on the Bulgarian circuit!

That was the most exciting experience I've had in a long, long time, and the most poignant. I feel a kind of rebirth for all the reasons you know so well. I intend to follow it up as a private citizen with genuine interest. But put me on the list anytime--no notice required!

Some observations:
The American University has enormous symbolic value to the Bulgarians.

Vice President Quayle's visit had a positive impact far beyond what I suspect even he realizes.

Your friends in Maine and, in particular, the University of Maine, are to be commended for their initiative in establishing the sister-university relationship.

The Bulgarian spirit seems a contradiction: On the one hand is the demonstrated courage in establishing a democracy; on the other, a stoic fatalism, i.e., failure is probable. History probably accounts for this. Early achievements will dispel it.

The Bulgarians' unreserved faith in all things American is a little frightening.

The Bulgarians do not equate themselves with the rest of the Balkans; they express an ethnic unity and compassion (for Turkish citizens, for example) they believe is unique. I'm inclined to agree. The country's geographic remoteness punished it over the centuries. That could now be an asset -- I sensed no basic ethnic or cultural separatism, no territorial ambition.

Ambassador Hill and his staff couldn't have been more hospitable and accommodating.

The Peace Corps can be enormously effective doing what it does best -- teaching English. The Eastern Bloc and Soviet Republics offer mind-boggling expansion opportunities. Industrial, commercial and technical training should be left to other private and public entities.

(Cont.)

DAVID C. GRIMES
202 SOUTH ROCKINGHAM AVENUE
LOS ANGELES, CALIFORNIA 90049

(213) 395-7285

November 11, 1991

pg. 2

I behaved myself --- I think.

#

The Thai Queen's dinner party was great fun, as was matching notes on the southwest with John O'Connor and the delightful Than-Puying Navradi! And I was so pleased to meet Doro, after all these quickly-passing years, and Margo. What wonderful ladies!

Again, my deepest thanks. Stay well. Hold to your course. And take it to 'em!

"Barleigh"

Still struggling a bit with my "new" right eye.

1300 SOUTH ROCKINGHAM AVENUE
LOS ANGELES, CALIFORNIA 90049

November 14, 1991

Re: Ognian Pischev, Bulgarian Ambassador
to the U.S.

Mr. President:

I think you could shoot craps with
this guy over the 'phone!



David C. Grimes

From the desk of
George Bush

11/19/91

Boyd

Just FYI

*Grimes was on
Bulgarian mission with
Mike.*

202 SOUTH ROCKINGHAM AVENUE
LOS ANGELES, CALIFORNIA 90049

November 14, 1991

Re: American University in Bulgaria

THE PRESIDENT HAS READ

Mr. President:

Mike Horowitz told me his nomination to the Circuit Court of Appeals bench was being stonewalled by the ABA in part, at least, because he shares (as I do) the view stated by Vice President Quayle that this country is inundated (my word) by too many lawyers and too much legalistic influence.

In my opinion, which is based on our common experience on the trip to Bulgaria, Mike would make a fine judge. He loves "the law", has a keen, practical intellect, and clearly has a lot of compassion for the disadvantaged along with a healthy impatience with the pompous and arrogant.

He's a good man.

Paul

David C. Grimes



Republican
National
Committee

Clayton Yeutter
Chairman

THE PRESIDENT HAS SEEN *[Signature]*
01 NOV 19 07:50

November 18, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: CLAYTON YEUTTER *[Signature]*

You may now be getting more advice on the economy than you want or need, but here are my present thoughts--for whatever they may be worth.

First, we live in a cyclical economy, so we're going to have recessions from time to time. The Reagan/Bush tandem presided over the longest peacetime recovery ever, a phenomenon that our Democratic colleagues and most members of the press now find convenient to forget! But nothing lasts forever; cyclical factors took us into a recession, and cyclical factors will pull us back out. Whether they will do so in time to give us a positive electoral boost in '92, no one knows.

Should you respond to the political/economic unrest that presently exists in this country? Yes, because the Thornburgh defeat makes it imperative that you not be on the defensive going into your campaign, as he was going into his campaign.

But we must first make sure that neither the Congress nor the Administration does anything to make things worse. That is a substantial risk, particularly with the Congress, for some Democrats would not mind a further deterioration of the economy, even though they'd never concede that publicly. They would see that deterioration as a plus for their Presidential candidate, just as it was a plus for Senator Wofford.

We've also had two recent examples of that occurring. Both the stock and bond markets reacted negatively to the Bentsen tax proposal of a few weeks ago, particularly the latter. Financial markets are fragile, and they'll continue to react negatively to proposals that are likely to increase the federal deficit.

The other example occurred this past week after you suggested that banks pass on the benefits of lower interest rates to their credit card customers. That was a proper and rational request but, as you know, Congress then tried to up the ante through legislation

Page Two

establishing a ceiling on credit card interest rates. That was foolish and irrational policymaking, and the stock market took a big hit.

Notwithstanding the sensitivity of the marketplace, we should not be dissuaded from putting together an economic growth package. We need one, and it has a much higher time priority than health care.

Is the Congress likely to enact such a package? No. They're not likely to do you any favors in 1992. Will you then get mired in Congressional quicksand if such a package is submitted to Congress? Not necessarily, though that is obviously a risk.

It seems to me you can avoid that risk by carefully delineating the parameters of the debate before it begins, sticking with those parameters, and by obtaining the concomitant agreement of 34 Senators to do likewise.

The limiting parameters should represent fundamental economic policy principles, the kinds of things that were supported by voters in Mississippi, Virginia, and New Jersey a couple of weeks ago.

For example, one might be that you would not sign legislation providing for tax increases of any kind on anyone. The rationale would be that in tough economic times, there is no justification to increase the tax burden on anybody. That will not help bring about a recovery. Hence, Democratic proposals allegedly designed to increase taxes on higher income people--but which would undoubtedly be extended to middle income folks if they were to get their foot in the door--must be discarded immediately.

A second parameter might be that you would not sign legislation breaching the budget agreement--or legislation that would further increase the federal deficit, however you prefer to state it. You can then comment that it might be beneficial politically for you to agree to fiscal stimulus as a mechanism for speeding up the recovery, but that would further increase an already heavy debt burden on the younger generation. We've had too much of that and it is high time that we begin to recognize the economic interests of our children and grandchildren. In addition, fiscal stimulus will be beneficial only in the short run; it is likely to be detrimental in the long run. Stating this another way, if the Congress and the Administration ultimately agree on a package that would encompass tax reductions, those reductions must be accompanied by equivalent reductions in federal spending.

A third parameter might be that the package include measures that will stimulate investment, and thereby foster job creation. Let's give it a small business thrust, because that's where the job growth of the '80s occurred, and it is likely to be the source of job growth in the '90s. And let's give it a productivity thrust that will

Page Three

enhance our international competitiveness over the next couple of decades. "Jobs for the '90s" might be a good theme.

A fourth parameter might be that the package include measures that will arrest the deterioration of real estate values, both residential and commercial. I'm persuaded that one of the reasons consumer confidence is low, and one of the reasons that health care is on the political agenda, is because people are worried about the value of their homes. When home values are stable or rising, people can tolerate a lot of economic stress. But when home values are falling and the housing market is illiquid, the psychology changes immensely and that is what is happening now. People are scared, and one way to have an immediate impact on their psyche is to make home ownership more appealing from a tax/financial standpoint. That could be done in a variety of ways with relatively little budgetary cost.

I'd continue to vigorously insist on capital gains for the business sector of the economy as well, because such provisions will boost investment and help shore up the commercial real estate market. That will have benefits in the banking sector, and hopefully will reverberate to the additional benefit of consumer borrowers. I believe we can go head on with the Democrats on their rich vs. poor argument and beat them.

What else should go in the package? There are several possibilities, including IRA provisions to increase savings (though these will not help the recovery because they'll shift funds from consumption to saving), accelerated depreciation, investment tax credit provisions, perhaps some changes in the passive loss rules, making the R&D tax credit permanent, etc. OMB will obviously have to cost out a number of these and determine their viability.

I'd also jump on the Congress for its failure to pass legislation that would immediately create jobs--the transportation bill, the energy bill, and others.

In summary, I'd draw a tax policy box for Congress, with the boundaries being determined by good, solid conservative economic principles--no tax increases, no further increase in the deficit, etc. And then I'd say that you are prepared to work with the Congress, post haste, to fashion a sound economic growth package that will fit within that box. The Administration will be flexible in dealing with the individual elements that are to be included, but you will not tolerate anyone pushing out the sides of the box.

I realize this is an oversimplification; the matter is much more complex than this, and finding offsets won't be easy. But I hope the conceptual outline is helpful.

Page Four

If we can hold to a game plan like this, it should be a political winner. If the Democrats cooperate, such legislation will be helpful in the intermediate to long run, and it may even boost public confidence in the short run. That is a good political scenario for you.

If, on the other hand, the Democrats spin their wheels and bring nothing to final passage, there should be little doubt about where the accountability lies as we head toward the election.

And if they ignore your parameters and do their own thing, which is the probable result, you will have laid out an early and strong case for a veto. Again there should be no doubt about where the accountability lies.

THE WHITE HOUSE
WASHINGTON

31 NOV 19 P7:05

November 19, 1991

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH:

DAVID DEMAREST
TONY SNOW *TS*

FROM:

MARY KATE GRANT *MKG*

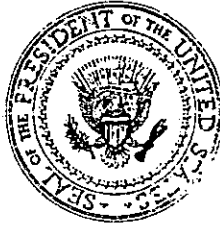
SUBJECT:

CIVIL RIGHTS BILL SIGNING CEREMONY

*P. 3 + 2
one deletion
a change
P. 1.*

SUMMARY

Attached for your review are draft remarks for the Civil Rights bill signing ceremony, to be held on Thursday, November 21, 1991. As we go to press, the time and place are to be decided. The remarks are six minutes long and will be on cards.



November 20, 1991

L A W

Grant/Demarest

when we talk about 'quotas' bottom of page 1 isn't there some language from last years Rose Garden speech on civil rights that we can use:

As I said last year in the rose Garden when appealing for a bill I could sign want a bill etc et etc but cannot and will not sign a quotas bill...

i like the idea of referring to rose garden speech. a lot of civ rights leaders weree there we were up front then and it is good to remind rthem of what i said.

FROM THE PRESIDENT

Grant / Aarhus
Draft three: Civilrights
November 19, 1991

**BRIEF REMARKS: CIVIL RIGHTS BILL SIGNING CEREMONY
LOCATION AND TIME TBD
THURSDAY, NOVEMBER 21, 1991**

Welcome to the White House. [Acknowledgements]

Today, we celebrate a law that will fight the evil of discrimination while also building bridges of harmony between Americans of all races, sexes, creeds and backgrounds.

For the past few years, the issue of civil rights legislation has divided Americans. Well, no more. From day one, I told the American people I wanted to sign a civil rights bill that advances the cause of equal opportunity. I wanted to sign a bill that advances the cause of racial harmony. And I wanted to sign a bill that encourages people to work together. Today I am signing that bill, the "Civil Rights Act of 1991." //

Discrimination, whether on the basis of race, national origin, sex, religion or disability, is worse than wrong. It is an evil that strikes at the very heart of the American ideal. This bill, building on current law, will ^{help} ensure that no American will discriminate against another.

For these reasons, this is a very good bill. Let me repeat that: this is a very good bill. Unlike last year's bill -- a bill I was forced to veto -- it will not encourage quotas or preferences because this bill will not create lawsuits on the basis of numbers alone. I oppose quotas because they incite tensions between the races, between the sexes, between people who get trapped in a numbers game.

*As I said when I
addressed Rose Garden*

This bill contains several important innovations. For example, it contains strong new remedies for the victims of discrimination and harassment, along with provisions capping damages that are an important model to be followed in tort reform. And it encourages mediation and arbitration between parties before the last resort of litigation. Our goal and our promise is harmony -- a return to civility and brotherhood -- as we build a better America for ourselves and our children.

We had to work hard for this agreement. But the credit goes to the dedicated Republicans in Congress -- especially Senators Dole and Danforth -- for ensuring that I had a bill I could sign. No one likes to oppose a bill containing the words "civil rights" -- especially me -- and no one in Congress likes to vote against one either. I owe a debt of gratitude to those who stood with us against counterproductive legislation last year -- and again earlier this year -- as well as to those who led the way toward this important agreement we've reached today. To all of you, we say thank you.

I'm taking about Democrats, Republicans and even

But to the Congress I also say this: The 1991 Civil Rights bill is only the first step. If we seek -- and I believe every one of us does -- to build a new era of harmony and shared purpose, we must make it possible for all Americans to scale the ladder of opportunity. If we seek to ease racial tensions in America, civil rights legislation is not enough. The elimination of discrimination in the workplace is a vital element of the American Dream, but it is simply not enough.

*out
A = 100
Mk*

*I believe in A free from racism
- bigotry*

3

I believe in an America where anyone who wants to work has a job.

I believe in an America where every child receives a first-rate education ... a place where our children have the same chance to achieve their goals as everyone else's kids do.

I believe in an America where all people enjoy equal protection under the law ... where everyone can live and work in a climate free from fear and despair ... where drugs and crime have been banished from our neighborhoods and schools.

I believe in an America where everyone has a place to call his own -- a stake in the community and the comfort of a home.

I believe in an America where we measure success not in dollars and lawsuits -- but in opportunity, prosperity and harmony. I believe in the ideals we all share -- ideals that made America great: decency, fairness, faith, hard work, generosity, vigor, and vision.

The American Dream rests on the vision of life, liberty and the pursuit of happiness. In our workplaces, in our schools, or on our streets, this dream begins with equality of opportunity. Our agenda for the next American Century -- whether it be guaranteeing equal protection under the law, promoting excellence in education, or creating jobs -- will ensure for generations to come that America remains the beacon of opportunity in the world.

Now, with great pride, I will sign this bill into law. # #

THE WHITE HOUSE

WASHINGTON

Dear Victor:

Many thanks for your recent letter. As always, it was nice to hear from you.

Like you, I am encouraged by the renewed prospects for a lasting peace in the Middle East that began with the Madrid Conference. Indeed, the meeting between the Israeli and the Arab negotiators was a historic breakthrough -- yet, it is only the first step in what will be a difficult and lengthy process. I hope that the peace that the United States and the Soviet Union are working together to achieve will soon become a reality for this oft-troubled region of the world.

I trust that all is progressing well at Penn State. Warm best wishes.

Sincerely,

A large, bold, handwritten signature in black ink, appearing to be "J. Carter", with a long diagonal stroke extending from the bottom right of the signature.

The Honorable Victor Issraelyan
Director
Slavic and Soviet Language and Area Center
College of the Liberal Arts
The Pennsylvania State University
306 Burrowes
University Park, Pennsylvania 16802

8
Shirley Green

286026

THE PENNSYLVANIA STATE UNIVERSITY

306 BURROWES
UNIVERSITY PARK, PENNSYLVANIA 16802

College of the Liberal Arts
Slavic and Soviet Language and Area Center

Area Code 814
865-0436

Office of the Director

November 8, 1991

The Honorable George Bush
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I am deeply touched by your letter and very proud of having your picture with the kind words on it. Allow me to congratulate you with another impressive diplomatic breakthrough - the Madrid Conference, in which you personally played such an important role. In this connection I would like to remind you of an historical episode. In the spring of 1971 a meeting of the PR of the Big Four (USA, USSR, UK, France) on the Middle East war was held at the Waldorf Towers. Charly Yost presided over the meeting. He introduced you as his successor to your new colleagues. Other participants were J. Malik, Colin Crowe and Y. Kosciusko-Morizet, and, of course, their deputies.

The meeting was typical for that time. Malik in the best of his style threw out anti-imperialist condemnation and his partners, certainly with less emotion, rebuffed his remarks. Naturally the meeting, as all others, was deadlocked and Yost adjourned it.

After that you addressed the ambassadors in a very informal way. You said something along the following line: "Hey guys, why are you shouting at each other. Let's get down to business." This candid remark had somehow shocked Malik and the other participants, but, unfortunately, nothing has changed. Twenty years were needed to get down to business.

I hope very much that the Madrid Conference, unlike the Geneva Conference on the Middle East in 1973, (I was a member of the Soviet delegation) will result in a stable peace in this troublesome region.

I remember your remarks because, with a few straightforward words, you broke the ice. It would be my fond hope that some day our paths will cross again.

With warmest wishes to you and Barbara
Yours truly Victor

Victor Issraelyan

VI:ef

AN EQUAL OPPORTUNITY UNIVERSITY

From the desk of
George Bush

his is a
nice letter
for our
library records

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Robert McEwen
U.S. House of Representatives
Washington, DC 20515



THE PRESIDENT

11-19-91

Dear Bob,

Normally I was
"Crossfire". Tonight I saw it.

You were great!
Sick is a French with
his dam charges. Well Done by Bob

cc: JOHN SUNUNU
FRED MCCLURE
MARLIN FITZWATER
Patty Presock ✓

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Jesse Helms
U.S. Senate
Washington, DC 20510



THE PRESIDENT

November 19, 1991

Dear Jesse,

This is to close the loop with you regarding Walter Davis. I had a good meeting with him last week -- the one you suggested. We talked "taxes," IRS harassment, plus Barbara's helping Mrs. Davis' literacy project for UNC. All's well.

Warm regards,

A handwritten signature in black ink, appearing to be "G. H. W. Bush", written over a diagonal line.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Ms. Patricia H. Edmonds
Director of Capital Development
Phillips Academy
Andover, MA 01810



THE PRESIDENT

11-19-91

Dear Pat,

Thanks for your letter.

But one regret:

I didn't get to
visit with anyone (including you)
Sincerely, A. Bush

cc: Patty Presock ✓

THE WHITE HOUSE
WASHINGTON

DATE: 11/20/91

NOTE FOR: MICHAEL BOSKIN

The President has reviewed the attached, and it is
forwarded to you for your:

Information ☐

Action ☒

Thank you.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
(x2702)

cc: Chief of Staff
Patty Presock



THE PRESIDENT

November 19, 1991

Dear Earle,

Thanks for your recent note. Mike Boskin is a good man and I know he will be helpful.

Bar joins me in sending our warmest best wishes to you and Dottie.

Sincerely,

A handwritten signature in black ink, appearing to be "G" followed by a long diagonal stroke.

EARLE M. CRAIG, JR. CORPORATION

FIRST CITY CENTER

500 WEST TEXAS AVENUE, 1290 TOWER ONE

MIDLAND, TEXAS

915-682-8244

EARLE M. CRAIG, JR.
PRESIDENT

MAILING ADDRESS:
P. O. BOX 1351
MIDLAND, TX 79702-1351

15 November 1991

~~THE PRESIDENT~~ ~~MR. BUSH~~

President George H. W. Bush
The White House
Washington, DC 20500

Dear Mr. President:

Bobby Holt has agreed to arrange an appointment for Craig G. Goodman, Accountant, and Vice President for Governmental Affairs of Mitchell Energy Corporation, with Michael Boskin to discuss the effect of the Alternative Minimum Tax on the oil and gas industry. This tax is prominent in causing the migration overseas of United States capital and jobs.

I hope Michael Boskin will relate his impressions to you. Removal of the Alternative Minimum Tax as it applies to U.S. industry would greatly help in reviving our domestic economy.

Recently I heard Craig lecture on this subject and he is most articulate, logical, and persuasive. His suggestions for our tax policy could be salubrious for the economy.

We are all putting our shoulders to the wheel for Bush/Quayle '92.

No reply necessary. /

Sincerely yours,



EMCjr/lre



THE PRESIDENT

11-19-91

Dear Chief,

Thanks for your note on
those 2 horses. They are very
beautiful and I'm glad they're
in the tender loving hands of
the HPD. Good luck, *Ly Bush*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Elizabeth M. Watson
Chief of Police
61 Riesner Street
Houston, TX 77002

cc: IN & OUT

Patty Presock ✓

The President



To Chief Elizabeth Watson
Vive The HPD. With Best Wishes,
C. Bunk

1 NOV 91 P26075-11

8
Off Unit
cc J.B.

RECEIVED
CITY UNIT

NOV 13 1991



Reading File Mr ✓

THE PRESIDENT HAS SEEN

CITY OF HOUSTON

ELIZABETH M. WATSON
CHIEF OF POLICE

October 31, 1991

President George Bush
The White House
Washington, D.C.

Dear President Bush:

The members of the Mounted Patrol Division are very proud of the two Argentine bred horses you recently had transferred to our department. They are a valuable addition and after receiving the appropriate training, they will be used for patrol duty in our Central Business District. I want to express my sincere appreciation for your thoughtfulness.

As requested by members of your staff, there has been no publicity regarding this matter. I am extremely grateful for your support of the Houston Police Department and if I can be of assistance to you or the members of your staff during any of your visits to Houston, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elizabeth M. Watson".

Elizabeth M. Watson
Chief of Police

cmn

From the desk of
George Bush

cc: in & out
daily

I'll sign a
picture of horses
to her



THE PRESIDENT

November 19, 1991

Dear P.X.:

Barbara and I are so grateful to you for your message of concern about our house in Kennebunkport.

The storm unleashed the full fury of the ocean, and a lot of damage was done; but the good news is that the old house will bounce back and give our family great strength and courage.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

General Paul X. Kelley, USMC (Ret.)
1600 North Oak Street, #1619
Arlington, Virginia 22209

cc: IN & OUT

PATTY PRESOCK



GENERAL PAUL X. KELLEY, USMC (RET.)
1600 NORTH OAK STREET, #1619
ARLINGTON, VIRGINIA 22209

91 NOV 16 PM 10:02
11/16

Mr. President,

As Barbara and I watched you
and your Barbara walk through the devastation
at Walker's Point, our hearts cried for
you both.

Having shared the warmth and wonders
of this beautiful home, we know more than
most its meaning and charm.

Please know that you are in our
thoughts --- as always.

V P
P. X.

11/19/91

Kathy:

Please add the following 2 private appointments to the President's schedule:

- ✓ 1. Tuesday, November 26th
7:15 a.m. - Doctor Lee's Office/The Residence
- ✓ 2. Wednesday, December 4th
7:15 a.m. - Doctor Lee's Office/The Residence

Patty Presock

cc: Bridget Montagne
Bill Farish



THE PRESIDENT

November 19, 1991

Dear Flo,

Thanks for your kind words about the speech in Houston. Sorry we missed seeing you in Dallas. Maybe next time.

I hope that all is going well with you. Barbara joins me in sending warm regards.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

M. F.
Mrs. Flo Lawless
1700 North Dotsy
Odessa, Texas 79763

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Robert McEwen
U.S. House of Representatives
Washington, DC 20515



THE PRESIDENT

11-19-91

Dear Bob,

Normally I miss
"Crossfire". Tonight I saw it.

You were great!
Such is a French with
his own charges. Well Done by Bob

cc: JOHN SUNUNU
FRED MCCLURE
MARLIN FITZWATER
Patty Presock

Jan Burmeister



THE PRESIDENT

November 19, 1991

Dear Bob:

Barbara and I are so grateful to you for your message of concern about our house in Kennebunkport.

The storm unleashed the full fury of the ocean, and a lot of damage was done; but the good news is that the old house will bounce back and give our family great strength and courage.

Sincerely,

*Barbara will
check on the painting
when she's up there - Thanks.*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. W. Robert Paine
W. Robert Paine Gallery
Hopkinton, New Hampshire 03229

THE WHITE HOUSE

WASHINGTON

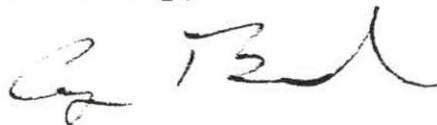
November 19, 1991

Dear Ms. Peterson:

Thank you for your kind words of support for our efforts to reduce the number and alter the deployment of America's nuclear weapons. We have been pleased with President Gorbachev's positive response to our suggestions, and we are considering carefully his proposal for additional unilateral arms reductions. It is my hope that, through this approach, through our Middle East arms initiative, and through other multilateral efforts, we can reverse the proliferation of nuclear weapons. I assure you that we're going to continue to work hard toward that end.

Best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to be "Bill Clinton", written in a cursive style.

The Honorable Esther Peterson
7714 Thirteenth Street, N.W.
Washington, D.C. 20012



THE PRESIDENT

November 19, 1991

Dear Bill,

Your thoughtful letter of November 7 is greatly appreciated. Thanks for your warm words and steadfast support. It really means a lot.

Warm regards, in which Barbara joins.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. William J. McManus
Number 118
3133 Connecticut Avenue, NW
Washington, DC 20008

THE WHITE HOUSE

Patty Presock
West Wing

Office of the Press Sec:

PRESS BRIEFING
BY MARLIN FITZWATER

The Briefing Room

November 19, 1991

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11:03 A.M. EST

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11:30 A.M. EST

#412-11/19

THE WHITE HOUSE
Office of the Press Secretary

PRESS BRIEFING
BY MARLIN FITZWATER

The Briefing Room

November 19, 1991

11:03 A.M. EST

MR. FITZWATER: First of all, the President has invited President Carlos Salinas of Mexico to visit Camp David on December 14 for an informal meeting on a wide range of bilateral and regional issues. They're expected to discuss the North American Free Trade Agreement and the Enterprise for the Americas Initiative; the Central American peace process; bilateral cooperation on narcotics, the environment, and labor; border issues and other international developments of mutual interests. Presidents Bush and Salinas last met in Houston on April 7, 1991.

Q Is it an overnight?

MR. FITZWATER: I don't think so.

Today at 11:30 a.m., the President will participate in a live teleconference with the Southern Newspapers Publishing Association 88th annual meeting in Boca Raton, Florida. The SNPA is composed of the owners and publishers of 420 daily newspapers located in 15 southern states. Ashton Phelps, Jr. is the current president.

President Bush will deliver remarks, approximately five minutes in length -- probably a lot of pm's in there -- and will then take some questions. It will be piped in the briefing room and an as-delivered transcript will be available.

The satellite coordinates are as follows: Spacenet 4, Transponder 24, Upper, or Spacenet 4, Transponder 20, Upper, if you are looking for the Boca Raton return feed. And we'll put that out on paper as well, so we'll make sure you got it right.

The President is, today, announcing the appointment of Admiral of Jonathan T. Howe, U.S. Navy, to be Deputy Assistant to the President for National Security Affairs. Admiral Howe has served since May 1989 as the NATO Commander of Allied Forces Europe located in London. We'll have a full bio and release that right after the briefing.

For the remainder of the day, the President's schedule: He goes to the National Republican Congressional Committee luncheon at 11:55 a.m. at the Capital Hilton Hotel and at 3:00 p.m. this afternoon, will meet with Alexander Yakovlev, who is the senior advisor to President Gorbachev. And we'll have open photo-writing pool at the top of that meeting. I guess that's the only event for coverage today.

Q Are you going to have a veto today of the abortion bill?

MR. FITZWATER: Yes. We'll have that early afternoon. I don't have a definitive time, but hopefully, 1:00 p.m.-2:00 p.m., something like that.

Q Do you have the votes to sustain it?

Q And the message goes with it?

MR. FITZWATER: There is a veto message with it, yes.

Q What time will the Economic Policy Council meeting take place, and what will they discuss?

MR. FITZWATER: I don't know. There's not a meeting with the President today. They meet regularly, generally to discuss a variety of economic issues, but we don't have anything on it.

Q On the veto today, Foley says he believes the Congress will be able to override. Does the President believe he'll be able to sustain? What kind of vote do you have?

MR. FITZWATER: Well, we don't have a vote count, obviously. And it could be close, but nevertheless, the President will veto it, and we'll have a message that lays out all of his reasons why.

Q Do you think he'll be able to sustain it? You say it could be close -- are you not going to call it at this point?

MR. FITZWATER: We'll just have to wait and see.

Q Why is Yakovlev here? Was he invited in or is it a courtesy call?

MR. FITZWATER: He met with General Scowcroft a few days ago, generally just to talk about the status of the Soviet reform efforts, changes institutionally and organizationally within the Soviet Union, and he asked if he couldn't talk to President Bush on the same issues, and so the meeting was arranged for today.

Q Is the President going to lay out any facets of the Soviet aid program for him?

MR. FITZWATER: I'm sure we'll talk about that, but I think mainly it's to listen to what he has to say and to talk about their reform efforts.

Q Where are you now on the aid situation?

MR. FITZWATER: Well, as you know, we've talked about this for several weeks. There's nothing miraculously new about the aid issue itself. We're talking about essentially \$1.5 billion, or something in that neighborhood at least, of loan guarantees. This is a follow-up to the some \$2.5 billion in loan guarantees in 1991, for Fiscal '91. But it is not quite finalized yet. We are still interested in the G-7 meeting that has just occurred in the Soviet Union, in terms of how the loan guarantees might be structured, what the republics' role would be as a recipient and being responsible for the debt. But we're trying to move that up. We're hopeful we can have that decision very soon, but I don't know exactly when.

Q What does soon mean? Days? Weeks?

MR. FITZWATER: Days, probably.

Q Marlin, yesterday in the interview the President seemed to indicate that this campaign organization, long-awaited, might be announced a little earlier than expected. Can you expand on that at all?

MR. FITZWATER: Well, there isn't much to add. I mean, the President hasn't given us a specific time. I think, generally speaking, he had been looking toward the first of the year. That probably now will come before the end of the year, and in the interview yesterday he implied that essentially it would be something related to the campaign organization, but I don't have any other specifics.

Q Yesterday you sort of chalked up all this talk as consultant time, trying to get the race going. At the same time, there are a lot of Republicans out there who are saying that the President's getting beat up every day by six Republicans, and Clayton Yeutter is hardly the one to come back with any response. Isn't that the thing that's driving this organization to sooner, more than anything else -- a need to respond, other than just to have -- out of the Republican Chairman?

MR. FITZWATER: That's a big piece of it, because a month or two ago we didn't have any Democratic candidates against us. It looked like we could hold off a little longer. Now we have four or five out there taking shots every day. So it would help -- six, whatever -- we would help to get an organization in place and start organizing themes and so forth. So that is a piece of it, yes.

Q Could I just ask another question related to it? When the President went to New York for the fundraiser, these stories that Ron Kaufman met with some New York Republicans to talk essentially about taking on Mario Cuomo -- isn't that the forerunner of what is going to shape up as a very negative campaign if Republicans are already being recruited to assail a candidate that's not even in the race yet?

MR. FITZWATER: No, I don't think so. I don't know anything about these meetings, but I'm assuming we're talking to Republicans about taking on all the candidates. I'm sure we're talking to Republicans about taking on all of the other declared candidates as well.

Q Marlin, the Congress backed down from the idea of trying to cap credit card interest rates, and the market seemed to recover. Today it's down more than 60 points. What's bothering them now?

MR. FITZWATER: I don't want to become a market analyst, I'm not qualified to do that anyway. But we did have a significant drop on Friday, yesterday regained about 30 percent of its losses. Today it's down. We'll just have to wait and see. But the underlying strengths in the economy are still there. We still have interest rates going down and inflation down, personal debt is down, inventories are down, exports are up. We had a good export report this morning. So the underlying strengths are sound, and we'll just have to wait and see what happens.

Q Is something in Washington driving this? Is Washington doing something else wrong, something --

MR. FITZWATER: I don't know. If you read all the economic analysts in the newspapers they talk about profit taking and corrections for overpricing and so forth. But it's pretty hard to say.

Q Marlin, the President's remarks at the National Republican Congressional Committee, will they address the Republican criticism of its positions, and is that -- remarks going to be available for coverage?

MR. FITZWATER: It's a closed event at the -- by tradition. Let me see if that -- he does have a prepared text; maybe we can release it or parts of it or something like that. I'll check it out, Frank.

Q When we get the ag export credits announcement, will we also at the same time get an announcement of like freezing the interest payments on the debt by the Soviet Union? Would those two things come at the same time or separate things?

MR. FITZWATER: They're separate. I don't know about the other side of it; I'd have to check. I'm not familiar with that.

Q With all of this concern about the economy, why won't the President be attending the Economic Policy Council meeting today?

MR. FITZWATER: He usually sits in on the meetings when they come to -- want to make recommendations to him or discuss issues with him. But the Council generally will have maybe half dozen to a dozen meetings before they're ready to meet with the President. So this is not that unusual.

Q Marlin, when you talk about \$1.5 billion in Soviet credits, is that for a particular time period, such as all of 1992?

MR. FITZWATER: I don't know the timetable. We'll have to wait until we see the proposal. That number might fluctuate, too. But we talked about this in Rome, we talked about it last week, so it's not -- that's generally the area.

Q How does the White House view Ambassador Strauss's comments to reporters in Moscow about debt forgiveness?

MR. FITZWATER: Well, the Ambassador is the man on the scene. He knows the problems, he feels the need in the street. He knows the plights the Soviet people are going through. So it's very helpful to get his advice. Also he's talked to a number of Soviet leaders; represents the problem as he sees it. We take all that into account.

Q Is the White House leaning in that direction now?

MR. FITZWATER: What direction?

Q The direction that he reflects in that interview.

MR. FITZWATER: We're leaning in the direction I just outlined.

Q The trade deficit figures show an imbalance of almost \$6.8 billion, which was the widest gap since January according to the wires. Do you have any comment about that?

MR. FITZWATER: Well, the most hopeful sign there is that as part of that that exports went up \$1 billion. We get 20,000 new jobs created for every \$1 billion of new exports, so we think that's a good move. This is the second highest in history in nominal terms and the highest ever after adjustment for inflation. The slight increase in the overall deficit for September reflects a growing U.S. economy with strong purchases by Americans of consumer and capital goods and industrial supplies and materials. So, overall, it's a welcome report.

Q How many thousand of jobs do we get for every \$1 billion?

MR. FITZWATER: The rule of thumb generally is 20,000 new jobs for every \$1 billion of new exports.

Q Can you tell us, even though you say it's not finalized yet, what current U.S. thinking is about whether all or most of this whatever it is -- \$1.2, \$1.5 billion -- in food credits would go directly to the republics, or would some of that be funneled through the central government? How do you see the relationship there and the distribution and use of this new aid?

MR. FITZWATER: Well, that's what has to be worked out. But one of the issues, of course, is the assumption of debt in the Soviet Union. As you know, the G-7 deputy ministers were in the Soviet Union when we were in Rome, I guess it was. And they signed an agreement whereby the republics agreed to assume responsibility for the debt.

Subsequent to that, there was some question about how realistic that agreement was and whether or not they were going to stick with it. Those ministers are now back in Moscow, at least they were yesterday, and basically examining the same issue, and that is, what is the role of the republics in assuming this debt and presumably in assuming the receipt of any assistance. They also are interested in getting loan guarantees. So that's an issue that we're working on, and I don't want to forecast where we're going to come out on that. But clearly, we would like to see a republic participation on both ends of that question.

Q And will this mark a new relationship between the U.S. government and those republics?

MR. FITZWATER: Well, I don't know whether it does or not in the sense that we have already outlined that relationship pretty clearly. That is, that while we continue to work with the center and support President Gorbachev and his efforts to bring together the various republics, we also have a relationship with the republics and we expect to work with them individually and independently. Now, this may be one of the first kinds of concrete examples of that. I'd have to double-check that. So you might be right in that sense.

Q I was going to ask you if you were aware of any previous aid package which has had any amount of it funneled directly to the republics.

MR. FITZWATER: Well, I'm trying to think. You see, in my mind -- and I'm reluctant to be held to this -- but I think the loan guarantees in Fiscal '91, the last \$1.5 billion tranche, I believe that the republics signed on to that as well. I will double-check that with Agriculture, or urge you to do the same. But as I recall the briefing from Under Secretary Crowder, that they were a signatory to those final guarantees as well.

Q Marlin, with Jim Baker having completed a basically disappointing mission to China, is the President going to stick to his position of no constraints on the MFN extension, or is the President now willing to cut a deal with the Hill to put some qualifications on MFN?

MR. FITZWATER: Yesterday Secretary Baker met with the President following the luncheon for the Medal of Freedom winners to give a full report on the China trip, and there was more positive news to come out of that trip than some of the press reports had indicated. Secretary Baker felt very good particularly about the agreement on the missile control technology regime. Secondly, we did go through with them a list of some 700 dissidents and got some good information there; more is in the works. So there is some reason for

optimism in terms of human rights and missile proliferation work that came out of Secretary Baker's trip.

All of that is to say that we still have great concerns about human rights in China; that, after all, was one of the express purposes of the Secretary's trip, to make those views known. But it only reinforces our original contention that the way to deal with their problems is to keep the door open so we can walk in and tell them exactly what our concerns are. And the President still believes that MFN should be without conditions.

Q In the State of the Union message, besides talking about the economy in general and government growth package, is there any possibility that he might also outline any reforms in the area of health care?

MR. FITZWATER: We really haven't started to put together the State of the Union, and it will have a lot of general discussions and specific ideas, but we aren't prepared to delineate any of them at this time.

Q But he did indicate that he does hope to have a comprehensive health care plan before the election. Are you accelerating any development of that plan?

MR. FITZWATER: As you know, we have several pieces of the plan already before the Congress, and I can get you information on those. I think it's some five or six aspects of the health insurance problem designed to keep costs down. But what we'll come up with beyond that has still not been determined. They're working on it at HHS, as well as we're getting a lot of outside advice from others as well.

Q You're feeling the need to move up campaign action because you're taking hits from the Democrats. Yet you're not going to announce any economic plans until the State of the Union because, I gather, the President feels that nothing should be done because the basic, as you say, underlying strengths are there. But yesterday he told that group of reporters that maybe he hadn't been doing a very good job of getting that message out. Are we going to see some kind of campaign by the President to counter all the negative news from the Democrats without it being a formal campaign structure?

MR. FITZWATER: I don't think you'll see a campaign in the sense of that word. But you're going to see the President speaking out on the status of the economy and the things that we've been trying to do, particularly his economic program. People tend to forget several aspects of it, including the ones I just mentioned and the fact that many of the elements for recovery are in place; that we have worked to hold down federal spending and reduce the deficit, and the budget agreement was an outcome of that. It's been very effective in the first year, at least, of its existence in doing that.

We have been able to keep inflation low and under control. That's very important for the long-term growth of the economy and coming out of the recession. Our policy is for steady growth in the money supply. The Fed is now at the kind of low end of their money supply targets, but we are hopeful that they will maintain steady growth in the money supply. We have been able to avoid tax increases, which is another element of our economic program. We've got interest rates coming down now, going in the right direction -- new all-time lows.

So I want to lay all these out and say don't forget the fact that many of the elements for recovery are in place. They are

going well, and I think you'll hear the President speak out on these issues extensively.

Q You have been laying those things out, and apparently nobody's listening. Because according to economists, the key is the consumer and the consumer isn't spending because they're concerned. Is there any kind of an effort being put together to reach the consumer, to get the message out better than you're doing?

MR. FITZWATER: We want to repeat these items wherever we can and make sure people are listening. And just in case you missed it the first time I went through, let me repeat for you, Michael, that, first of all, we want to hold --

Q It's not me you have to convince.

MR. FITZWATER: It is you. You're the messenger. So you're going to hear it from this podium. You're going to hear it all over town. It is you.

Q Did you say you avoided increasing taxes?

MR. FITZWATER: Yes, except for the taxes we had to accept from the Democrats -- (laughter) -- in the budget agreement. We had to accept those in order to get the controls on spending.

Q -- jammed down his ears.

MR. FITZWATER: Yeah, jammed down our ear -- that's good, Jim. (Laughter.)

Q Marlin, apart from what Terry Waite said yesterday, do we have any independent indications from the Middle East that Steen and Cicippio will be freed this week?

MR. FITZWATER: We don't, no. Terry's comments are clearly the most hopeful, most optimistic that we have, and we certainly hope that he is right.

Q Marlin, could you set the record straight on the question of the credit card proposal the President made last week? Was that part of the original speech or was that a last-minute suggestion written up separately and handed the President, or the President, himself, wrote out himself?

MR. FITZWATER: It was in his text, but we don't comment on how every line gets in his text. The position on speeches is that everyone agrees with everything the President said in his speech and we all take credit for it, and we all take responsibility for it. The President says it -- and was just the right thing to say, by the way. (Laughter.) It was perfectly worded, perfectly said and I hope you didn't misunderstand it.

Q -- through his economic advisers?

MR. FITZWATER: It was perfectly done, however it was done.

Q Since we're the messenger, would you give us the message to deliver that Americans should plan a big Christmas, big spending? (Laughter.) I'm serious on this. This is obviously the time of the year for retailers. Has the President suggested a big Christmas this year?

MR. FITZWATER: Well, I don't want to be misinterpreted. We are obviously always hopeful that retailers will experience a good Christmas and that sales will be good. But we also know that people

are hurting and we do have a lot of people out of work. We hope everyone can --

Q I'm sorry?

MR. FITZWATER: I'll leave it at that.

Q I'm sorry, you also know people are hurting, a lot of people out of work, and --

MR. FITZWATER: I don't want to sound like people should spend money if they don't have it. What I'm just saying is that from an economic standpoint, consumer spending is one of the ways that leads to recovery, so obviously, we're hoping that that's the case. But we also recognize that people have to have jobs and we want to work as hard as possible on getting jobs and getting money into the hands of people.

Q They could just charge it on their credit cards.

Q There's legislation making its way through the Hill to lift the ceiling on incomes for getting Social Security, which the White House hasn't taken a position on. I was just wondering if you do have a position on it.

MR. FITZWATER: Well, Carl, I think I'll have to check that for you. I don't know whether we have a position on that or not. I saw something on that a couple days ago, but I lost it. I'll double-check that.

Q Two questions on the veto this afternoon. Will the President have anything to say or will there just be a letter issued?

MR. FITZWATER: It will have a veto message.

Q Veto message. There was a lot of talk and there were a lot of efforts to compromise on this thing for months, and apparently it went as far as Roger Porter and then back to Sununu and sort of stopped. And I guess the final result was --

MR. FITZWATER: It climbed the mountain, huh?
(Laughter.)

Q That's right and then boom! (Laughter.) Is the President disappointed that it's come to this point? Was he hopeful that something could have been worked out?

MR. FITZWATER: Yes, of course. We spent a good deal of time and energy in trying to negotiate a solution. The President, as you all know, sent a special directive to HHS which we believed dealt with the gag issue problem. The President talked about that in Rome at his press conference. So we are disappointed that we weren't able to reach an agreement prior to this date, but here we are and the President will act in accordance with his principles.

Q Is he affected at all in this decision by the fact that he is being attacked by conservatives in the right wing of the Republican Party? And does he feel like there's no choice in this, that he has to stand firm on --

MR. FITZWATER: I think the statement will speak for itself in that regard.

Q In the interview yesterday, the President also talked about taking all challenges seriously, assuming that Buchanan, and apparently Duke, too, if he does. But is there any effort being orchestrated by the White House or at the RNC that you know of to deny Duke ballot position should he try to run in several states? Because he apparently is thinking about it.

MR. FITZWATER: I don't know, John. I'd have to check with some of our political people. But I don't believe so. And I'm certainly not aware of any in the conversations I've had with individuals.

THE PRESS: Thank you.

END

11:30 A.M. EST

#412-11/19

10:00 A.M. NEWS UPDATE

LEBANON/HOSTAGES (Beirut/UPI) -- The kidnappers of American Thomas Sutherland and Briton Terry Waite said they would free the two hostages before the day is out. The declaration was made in a statement by Islamic Jihad delivered to the office of a Western news agency in Beirut. Islamic Jihad said it was making the initiative in response to ongoing efforts by the U.N. to close the hostage saga. The group did not say when or where the release would occur.

(Beirut/AP) -- Shiite Muslim kidnappers announced the release of Thomas Sutherland and Terry Waite, but left unclear whether the hostages had been freed or whether their release was imminent. The Christian-controlled Voice of Free Lebanon quoted an unidentified Syrian source as saying the two captives were set free somewhere in Lebanon at 8:30 a.m. EST.

WALL STREET (CNN) -- CNN reports the stock market up 18 points at 10 a.m.

EUROPEAN STOCKS (London/Reuters) -- European stock prices dropped and the dollar was under pressure in jittery mid-morning trading as financial markets waited to see how Wall Street would follow Friday's dramatic 120-point plunge. "This is not what you could describe as a panic-stricken market," said one Frankfurt share trader. "But people are very nervous."

(London/AP) -- ...The Financial Times-Stock Exchange 100-share index fell 50 points...by 10 a.m.

LOCKERBIE SUSPECTS/BRITAIN (Tunis/Reuters) -- Britain made a formal request Sunday for Libya to extradite two men charged with [the Pan Am bombing over Lockerbie], a diplomat in Tripoli said.

POWS (Hanoi/Reuters) -- Hanoi has denied reports that U.S. prisoners captured during the Vietnam War were taken to the Soviet Union or elsewhere, saying it released all captives to the U.S. long ago, official newspapers said.

VIETNAM/U.S. RELATIONS/AUSTRALIA (Hanoi/Reuters) -- Vietnamese Foreign Minister Nguyen Manh Cam called on Australia to help Vietnam restore ties with the U.S. "We know the Australian government has very close ties with the United States. We hope that Australia will make a contribution to help the U.S. government...push forward the process of normalizing relations," Cam told Australian Trade Minister Neal Blewett.

CHINESE DISSIDENT (Beijing/Reuters) -- China denied that dissident journalist Dai Qing, who was reported to have been detained Saturday during a visit by Secretary Baker, was ever arrested.

GREENSPAN (Reuters) -- Alan Greenspan is likely to win Senate approval for a second term as Fed chairman, but not before undergoing some hard questioning on his handling of the floundering U.S. economy.

12:00 P.M. NEWS UPDATE

STOCK MARKET (Headline News) reports that at 11:50 a.m. the Dow Jones was down 62 points.

HAITIAN REFUGEES (AP) -- The Bush Administration is being accused of a "racist and vicious policy" in deciding to return more than 1,000 Haitian boat people to their troubled homeland after they were unable to find a safe haven elsewhere. "This would not have happened if the refugees were European," said an angry Rep. Rangel.

"It is the worst scenario of the choices," said Sen. Mack. "We've been a beacon of freedom for two centuries and now we're being selective about who we're offering that opportunity to."

The director of the refugee project for the Lawyers Committee for Human Rights, Arthur Helton, called the return "a shameful solution. Returning the Haitians at this time can only target them for persecution as having fled the current regime." But the State Department said it did not believe that was likely. "There is no history of such persons being persecuted," it said.

TRADE DEFICIT (AP) -- The nation's merchandise trade deficit widened to \$6.9 billion in September, the biggest imbalance in eight months, the Commerce Department said. While the Bush administration is counting on continuing strong foreign demand for U.S. products to help lift the country out of recession, many private economists are forecasting lower export demand because of spreading economic weakness around the globe.

HOSTAGES (Nicosia/Reuter) -- Iranian Radio said that the release of two more Western hostages in Lebanon indicated the kidnapping groups had decided to free all of their captives despite what it called the intransigence of Israel. "In view of the (U.N.) secretary-general's efforts, and the cooperation of Iran, Syria, and the kidnapping organizations,...it is expected that the hostage file will be closed forever," the radio said in a commentary monitored by the BBC.

S. KOREA TALKS/CHENEY (Seoul/Reuter) -- Secretary Cheney arrived in South Korea for two days of military strategy talks, warning North Korea to abandon its quest to produce nuclear weapons. "I want to serve notice on the North that the United States and...(South) Korea are firmly united in their determination to resist aggression and will make every effort to maintain peace and stability on the peninsula," Cheney said in his arrival statement.

SOVIET DEBT (Moscow/Reuter) -- Nine Soviet republics agreed to shoulder the Soviet Union's \$68 billion foreign debt. The republics signed a memorandum of understanding on the debt after talks in Moscow with deputy finance ministers from the G-7.

BANKING BILL (AP) -- The House Banking Committee for the third time sent to the full House a bill [44-17] replenishing the government deposit insurance fund, but it took no action on a measure to cap credit card interest rates. The legislation...includes none of the Bush Administration proposals for revamping the financial system that resulted in the full House twice rejecting previous versions of the bill this month.

3:00 P.M. NEWS UPDATE

DOW JONES (Headline News) reports that at 2:50 p.m. the Dow Jones average was down 64 points.

TELECONFERENCE (Martin Crutsinger, AP) -- The stock market took a nose dive despite reassuring words on the economy from President Bush, who said the underlying fundamentals were sound. Bush, in an interview with reporters and later in a speech, took issue with all the gloom-and-doom forecasts. "Some fundamentals point to a good recovery," the President told a gathering of the Southern Newspaper Association. "We ought to get it in perspective. Inflation is down. Interest rates are way down. Personal debt is down. Inventories are down. Quality is way up." While Bush called these "very encouraging signs" for an economic rebound, the Dow Jones industrial average took a tumble, falling by 61.05 points at noon, a drop that triggered a curb on computerized trading.

(Thomas Ferraro, UPI) -- President Bush, his popularity suffering from an ailing economy, insisted that the nation has "technically pulled out of the recession" but noted people are still hurting. "Many people still feel the pinch of an economy that isn't growing as it should," Bush told newspaper publishers as Wall Street experienced a roller-coaster day.... In a teleconference with the Southern Newspaper Publisher's Association annual meeting in Boca Raton, FL, Bush chided Congress for blocking his economic-growth package, which would cut capital gains taxes, reform banking laws and upgrade transportation. "I will continue to try to work with Congress because I truly believe the American people want less talk and more action," the President said. "Obviously this won't be easy" with 1992 being an election year.

(Steve Holland, Reuter) -- President Bush said the U.S. was considering ways to retaliate against Libya in the downing of a Pan Am jet beyond trying to bring to trial the two Libyans accused in the attack. He said he would ensure that any "prudent decision" he makes on retaliation has the support of the American people, the type of comment he made last year during the campaign to isolate Iraq before the Gulf War. Bush said U.S. officials were consulting with leaders of countries who lost citizens in the December 1988 bombing of Pan Am Flight 103.... The President, in a conference call to newspaper publishers meeting in Florida, declined to discuss options except to say "we've not ruled any option in or out. We must keep our options open in responding to the incident."

SHEVARDNADZE (Moscow/AP) -- Eduard Shevardnadze is returning as Soviet foreign minister, Tass reported.... Shevardnadze replaces Boris Pankin, who will become Soviet ambassador to Britain, according to unconfirmed reports.

DEPUTY NATIONAL SECURITY ADVISER (AP) -- President Bush named Adm. Jonathan T. Howe, the naval commander of U.S. forces in Europe, as his new deputy national security adviser.

SOVIET DEBT/G-7 (Moscow/AP) -- The G-7 industrialized nations proposed a one-year moratorium on interest payments on the Soviet Union's mounting foreign debt, Moldavian Prime Minister Muravsky said. Financial experts from the world's seven richest democracies also offered the cash-strapped nation a \$1 billion bridge loan, Muravsky told reporters.

CFE/SENATE (AP) -- The Senate Foreign Relations Committee voted 18-0 to approve a treaty with the Soviet Union cutting levels of conventional weaponry in Europe, exactly one year after it was signed in Paris.

AIR POLLUTION PACT (Geneva/Reuter) -- European and North American nations signed an agreement to reduce a major form of air pollution amid calls from some officials and environmentalists to move much further. The protocol commits most signatories to a 30 percent cut by 1999 of their emissions of volatile organic compounds, gases which help kill forests, damage crops and burn lungs.

CAMBODIAN AID/SIHANOUK (Phnom Penh/UPI) -- Prince Sihanouk called on the U.S. to give aid directly to the Cambodian peasants to avert corruption and curb the influence of the Khmer Rouge.

LEASED CARS/CONGRESS (Scripps Howard) -- Nearly one-third of House members lease cars at taxpayer expense, some paying up to \$1,000 a month for luxury cars. A six-week investigation by Scripps Howard discovered the House could save hundreds of thousands of dollars -- more than half what members now pay -- simply by leasing through the government's motor pool manager, the GSA.

U.S.-MEXICO/REAGAN (Mexico City/AP) -- Warming economic and political relations between the U.S. and Mexico could serve as a model for relations around the world, former President Reagan told Mexican entrepreneurs. He praised President Salinas for opening Mexico's market to foreign competition and encouraged business people to get involved in politics.

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5:00 P.M. NEWS UPDATE

DOW JONES (New York/Reuter) -- Wall Street lost hope, sending stocks down sharply as the market grew gloomier about the economy. The Dow Jones industrial average closed down 41.15 points.

ECONOMY/GOP LUNCHEON (Christopher Connell, AP) -- President Bush voiced new concern about the economy but said he would try to "instill a sense of confidence in the American people" by campaigning for his pending economic proposals rather than putting forward any new plan. "No one knows better than I the state of that economy. I've seen it in people's eyes, felt it in their hurt," Bush told a GOP fund-raising luncheon.

ECONOMY/BOSKIN (Houston/UPI) -- The U.S.'s economic recovery is moving very slowly and remains below the average rate of recovery, CEA Chairman Boskin said at the American Petroleum Conference. "We think the economy will continue to improve," said Boskin. "We think it has been very sluggish for the past three months. It started out of the recession in the spring, grew at a modest pace for several months and then slowed down certainly. The improvement is at too slow a pace. We believe it will be picking up in 1992 over 1991," Boskin said.

ABORTION COUNSELING BILL (AP) -- Congress sustained President Bush's veto of a bill blocking the Administration's ban on abortion counseling at federally funded clinics. It marked the 24th straight time Bush has made a veto stick. Acting just hours after Bush vetoed the bill, the House voted 276-156 to override, 12 shy of the two-thirds majority necessary.

SHEVARDNADZE/U.S. REACTION (AP) -- President Bush and Secretary Baker welcomed the announcement in Moscow that former Soviet Foreign Minister Shevardnadze is returning to his post. "We know him well and have great respect for him," Bush said in a photo session in the Oval Office before a closed meeting with Soviet adviser Alexander Yakovlev.... Moments earlier, when a reporter asked Baker about Shevardnadze's return, the secretary of state responded with a "thumbs up" gesture.

HAITIAN REFUGEES (Reuter) -- The State Department defended the U.S. move to send home hundreds of Haitian boat people, saying the U.S. can no longer be a global haven for all refugees. "I think there are people throughout the world that would like to do this, that make attempts to get to the United States," State Department spokesman Boucher told reporters. "We're not going to be able to take all of them."

IRAN-CONTRA/WAITE (London/AP) -- Amid the rejoicing over Terry Waite's freedom, new questions arise that the Church of England envoy may have been a pawn, perhaps unwittingly, in the U.S. arms-for-hostages deal.... According to the U.S. Tower Commission report on the Iran-Contra affair, [Waite and Oliver North] met at least five times and worked closely on the release of two American hostages in Lebanon.

CENSUS TAPES (AP) -- The House census and population subcommittee ordered the Bush Administration to give Congress computer tapes that could be used to correct the 1990 census. ###

THE WHITE HOUSE ***BULLETIN***

BULLETIN BROADFAXING NETWORK, 309 CAMERON ST., ALEXANDRIA, VA 22314 (703) 684-2020

MEMORANDUM FOR GOVERNOR SUNUNU
CHIEF OF STAFF
THE WHITE HOUSE

SUBJECT: TODAY'S BRIEFING

DATE: TUESDAY, NOVEMBER 19, 1991 - 12:30 PM EDT

SINCE THE MORNING PAPERS:

- o CNN reports this afternoon that Eduard Shevardnadze has been renamed Soviet Foreign Minister. Shevardnadze returns to his former post, replacing Boris Pankin, who will be named Soviet Ambassador to Great Britain.
- o Today's space shuttle launch has been indefinitely postponed due to a payload malfunction. The shuttle was scheduled to carry a \$300 million defense satellite into orbit later today, but the satellite's booster rockets reportedly failed final tests just prior to liftoff.
- o Financial news as of 12:30 PM EDT:
 - DOW (30 Industrials): Down 59 points to 2914 on a volume of 128 million shares. In the first 15 minutes of trading, the DOW dropped 42 points. Since then, circuit breakers have kicked in, halting program trading.
 - The US trade deficit jumped to \$6.79 billion in September, a 4 percent growth, and the US's largest trade imbalance in eight months. The August trade deficit was revised to \$6.53 billion.

IN THE WHITE HOUSE AND AROUND TOWN:

- o President Bush this morning defended his domestic policy record and blamed Congress for inaction. Speaking to a group of Southern newspaper publishers on closed-circuit television, the President listed his domestic policies, including his economic proposals, adding: "But while Americans demand action, it remains business-as-usual up on Capitol Hill, and business-as-usual can only hurt people who want to work or want to move into better jobs."
- o President Bush's statement last week asking banks to voluntarily lower the interest they charge on credit cards caught a number of the Administration's senior economic advisors by surprise, report Administration officials. According to these officials, the credit card statement was not in the final draft of the speech staffed out for review prior to the President's trip to New York, and many are pointing their fingers at White House chief of staff John Sununu, who strongly supports voluntary efforts to lower credit card interest rates, for the last minute addition. The President's comment, which at the time of delivery appeared to be spoken off the cuff, was on the final version of the President's speech card. According to sources, late last week CEA Chairman Boskin expressed his concern over the President's

The White House Bulletin is a fax-delivered bulletin board covering policy, political and personnel developments in the federal government and Washington. The Bulletin welcomes information from those in Washington. (Tel.) 703-684-2020
Paul Roellig, Publisher William Armistead, Managing Editor Richard Reed, Political Editor

statement during a senior staff meeting at the White House, saying it was a bad idea, his opinion on the matter had never been sought, and that he could not believe it was done without consulting those with more knowledge on the issue. Officials say that, had the idea been run through the correct process, the President would have been advised not to make such a comment, even though the "jawboning" idea might have initially sounded attractive. The reason that would have been given for avoiding such a statement was that with Congress already considering legislation to force the banks to lower their credit card interest rates, a statement from the President asking for voluntary relief would invite some to immediately drop their bills in the hopper, thereby causing a mini-crisis in the financial community. President Bush later seemed to agree with this Monday morning quarterbacking, saying: "That never occurred to me that somebody was going to introduce legislation ... I didn't think about it then. Maybe I should have."

- o **Senator Bennett Johnston now wants to submit a new national energy bill next year without ANWR and CAFE provisions, while the Administration wants to continue work on obtaining enough votes to allow a cloture vote permitting Johnston's present bill to reach the Senate floor,** report Administration and Hill sources. Johnston is said to think that by reducing the current Johnston-Wallop bill from 16 titles to 14 -- by taking out the contentious issues of ANWR and CAFE -- a national energy bill will be passed next year. An Administration official said this morning: "We still support the bill as is. No decision has been made by the Administration to separate some of these titles out. Our strategy -- which we are showing some success with -- is to pick off some of these senators that opposed the cloture vote." The official added that Energy Secretary Watkins is expected to talk to Republican Senator Malcolm Wallop today, and "our strategy is to work with Malcolm, talk to him, then make a decision. Bennett is off on his own on this right now. We are not criticizing him, but this is not something he has done in conjunction with us. It is premature."
- o **President Bush will likely propose an economic growth package "sometime after the turn of the year,"** according to White House chief of staff John Sununu. Referring to such a package on the McNeil/Lehrer Newshour last night, Sununu said: "And the big decision that had to be made as to whether or not there would be sufficient time and opportunity within this legislative session or whether [President Bush] ought to try and create that momentum with, for example, a strong address in the State of the Union address. ... The first part of that decision has been made. That is not to go for it in this session unless a spectacular opportunity shows up in the last few days, which based on the calendar we've seen, is not going to be there. And so the President will work hard to put the package together, to create the public support, and sometime after the turn of the year, probably in the State of the Union address, lay out again the fundamentals that he's been asking for and perhaps a little additional. That would be critical in order to get the economy moving with a little bit of bounce to it."
- o **President Bush will meet with Mexican President Carlos Salinas on December 14.** The two Presidents will meet at Camp David to discuss the North American Free Trade Agreement; the Enterprise for the Americas Initiative; the Central American peace process; bilateral cooperation on narcotics, the environment and labor; border issues; and other international developments of mutual interest.
- o **The revised physician payment plan introduced by HHS is "the first step in paying the people who keep us healthy as opposed to paying people who fix us,"** according to one Administration official. According to the official: "There is something wrong with the idea in this country that we pay exorbitant fees for people to fix us after we abuse our bodies for 30, 40, or 50 years, but we pay very little for

physicians to keep us healthy. The intention is to pay more to keep us healthy, and to pay less for people to fix us after we've abused our bodies for decades." Asked if the higher salaries going to general practitioners and internists constituted a win for the American Medical Association, the official said: "I wouldn't call it a win as such. We announced what we were doing. We compromised on one issue. The issue the AMA remains quite hot about is 'behavioral offset,' which basically means that if you reduce payment to some people, they will increase the number of procedures they perform to make up for it -- their behavior changes."

- o **Administration officials who cover health care issues and Hill Republicans are down playing the notion that a massive health care reform proposal will be in the FY 1993 budget.** According to one Administration official, "The problem with this is that health care reform is complicated. The health care industry is huge, representing 12 percent of the gross national product -- not 12 percent of the budget. There's never been anything like this before on this scale." One Hill official sympathetic with the Administration agreed, saying, "There's never been anything of this magnitude taken under a single legislative package. The idea of putting together a reform package that brings the government into an industry responsible for spending hundreds of billions of dollars a year overwhelms even the liberal Democrats who want the government to run the whole thing." According to one Administration source, HHS Secretary Sullivan's Hippocratic admonition: "First, do no harm," is the guiding philosophy at HHS, while Capital Hill is abounding with proposals that do not take seriously into consideration the costs of what they are proposing. According to the official: "The President has taken a lot of heat on this because he knows that, unlike a lot of people on the Hill, he cannot propose something that is not properly financed. Look at some of these Democratic proposals -- Rostenkowski's nine percent payroll tax. Do you realize how many small businesses would dry up and blow away with something like that? I believe Rostenkowski knows that, and is just trying to point out to his colleagues up there who have come up with all these grand schemes without financing them, that there's no free lunch. That may in fact turn out to be a good service. All the other Democratic plans have grossly understated the cost side. But a nine percent surtax on payroll? That would create massive unemployment. In this town, there is one immutable law -- the law of unintended consequences."
- o **The President has announced his intention to appoint Tom Walsh to the Endangered Species Committee,** also known as the "God Squad." Walsh is the General Manager of Trimet, the Portland Oregon transit authority. The first organizational meeting of the Endangered Species Committee, Chaired by Interior Secretary Lujan, was held this morning at 11, and is described as an organizational meeting.
- o **Former California Governor Jerry Brown's most popular campaign theme is his charge that "the political process in America has been taken over by a small, elite corps who finance the campaigns,** and until that process is reformed, there won't be a change of representation for every American." According to Brown spokesman Joe Costello: "That's a very strong and popular message." As for popular one-liners in the Democratic presidential candidate's stump speeches, Costello told the Bulletin the one that elicits the biggest reaction concerns Brown's call for universal health insurance: "Congress is getting millions of dollars from the medical industry and for a number of years people have been talking about a universal health care program; but until the medical insurance industries are moved out of the way, people can talk all they want, but there's not going to be any health care reform." According to Costello, Brown supports a universal health care single-payer plan based on the Canadian model, but has not yet released any specifics of his own.

- o **Despite vastly different messages, Democratic presidential candidates Paul Tsongas and Tom Harkin each claim to be hitting political pay-dirt with their economic oratory.** According to a Tsongas spokesman, it is the Massachusetts Democrat's economic proposals that resonate most loudly with voters in New Hampshire, where polls show him poised to do well as long as New York Governor Mario Cuomo stays out of the race. "Paul Tsongas's message is one of economic hope," says spokeswoman Peggy Connelley. "His platform is one that will reinvigorate the economy by expanding the manufacturing base, resulting in the creation of more jobs and higher wages." Tsongas has also advanced a targeted capital gains tax to encourage long-term investment in securities. "It's revenue neutral," says Connelley. "His proposal will create another higher tax bracket which will fund the capital gains cut. Basically, the same people who benefit from the tax cut will be funding it." Harkin, meanwhile, continues to advance his populist economic agenda by labeling George Bush as the "Herbert Hoover of the 90's" and by hammering the President's call for a capital gains tax cut. In his economic stump speech, Harkin says: "Bush's recovery program can be summed up in three words: 'Cut capital gains.' That's his answer to everything. Eight million unemployed? Cut capital gains. Stagnant economy? Cut capital gains. Trade deficit? Cut capital gains. Got a toothache? Cut capital gains." But according to Harkin aide Lorraine Voles, it is the candidate's references to the costs of the B-2 bomber and "all the domestic programs you could fund if you got rid of just one" that gets the most favorable reaction from Harkin's audiences. The Tsongas campaign also credits its refusal to accept campaign contributions from political action committees with generating favorable exposure. If Tsongas is realizing political gains from his "NO PAC's" pledge, much of it is at Harkin's expense. Tsongas has called upon Harkin to return PAC money he has accepted, and the Iowa Democrat, in turn, has accused Tsongas of attacking him.
- o **Today, President Bush** participates in a photo-op with Vince Gill of the Country Music Association; delivers a teleconference address to the Southern Newspapers Publishers Association annual meeting; attends the National Republican Congressional Committee Presidential Forum luncheon; and meets with Alexander Yakovlev, the senior advisor to President Gorbachev.
- o **Correction:** A typographical error was made in a item yesterday about the Manchester Union Leader's role in the 1980 GOP New Hampshire primary. It should have read:"the paper ran negative stories on Bush "almost daily" while at the same time deifying Ronald Reagan with coverage that included columns saying "God has chosen Reagan to lead the country."

PERSONNEL:

- o **President Bush has appointed Admiral Jonathan T. Howell of the US Navy to be Deputy Assistant to the President for National Security Affairs.** Since May of 1989, Howell has served as the NATO Commandeer of Allied Forces-Southern Europe.
- o **President Bush has appointed David J. Beightol as Special Assistant to the President for Intergovernmental Affairs at the White House.** Beightol, who has served as Director of Wisconsin Governor Tommy Thompson's Washington, D.C. office since 1987, will replace Lanny Griffith, who earlier was nominated Assistant Secretary at the Education Department.

POLITICAL ANALYSIS:

This morning, the Bulletin invites **Pamela Crossley**, a fellow at the Woodrow Wilson International Center for Scholars, to discuss President Bush's China Policy in light of Secretary of State Baker's trip to China. Dr. Crossley, who is a professor of history at Dartmouth College, is currently writing on imperial ideology of the 18th and 19th centuries in China.

BULLETIN: What do you think, generally, of Secretary Baker's trip to China?

CROSSLEY: One of the important things about Baker's trip was the re-establishment of communications at that high level of public representation. I think beyond that, Baker got public expressions by the Chinese that they are willing to work on their relationship with the US.

BULLETIN: Looking at the potential for the trip optimistically, what could have been expected from it?

CROSSLEY: I think you could expect renewed public representation and communication between the US and China. But this is all very difficult and I don't think people had very high expectations.

BULLETIN: Do you think the missile proliferation and prison labor agreements are enforceable or otherwise meaningful?

CROSSLEY: Neither is enforceable. I suppose they are not meaningful either if, by meaningful, you are asking if they will lead to actual change.

BULLETIN: Are they meaningful in the sense that they amount to an admission on China's part that what they are doing is wrong?

CROSSLEY: I think it's an admission on their part that what they are doing is contrary to US policy. It's not really as if they are acknowledging from their own point of view that there is a common standard of morality which they have violated. I think they may be more careful about the way they do things in the future, but I would be very surprised to see the pattern of Chinese arms shipments to the Middle East change very radically or to see prison labor in China drop off substantially. I think we should be looking to help, though; trying to effect these things.

BULLETIN: Do you think the twin goals of better relations with the Chinese and better Chinese observance of human rights are mutually exclusive goals, at least for now?

CROSSLEY: I do, although I wish there was some more positive way of looking at it than that.

BULLETIN: Well, what do you think Bush can do?

CROSSLEY: Quite frankly, I think the possibilities here are very, very limited by the actions taken by our executive branch in the immediate aftermath of what happened in Tiananmen Square -- the Scowcroft trip in July and also the public representations by the President in the summer of 1989. In other words, President Bush failed at the appropriate moment to take steps that would have impressed the Chinese as to the severity with which we viewed their action. Having continued on a course of normalized relations, normalized speech, normalized behaviors, we now have very few options. We can't now suddenly jack up the stakes. Deng Xiaoping said at the

time that nobody in the West was going to take Tiananmen seriously after all, and he's been proved to be right. You cannot change that past now. The US has no credibility on the matter. It has all gone backward. You can't first be mild, and then be tough. The time for expanding the options is passed. The options now are very narrow, and I think Secretary Baker did about all he could, given those circumstances.

LAST LAUGHS:

- o **Johnny Carson:** "Cuomo can't make a decision. He has not yet decided on regular or decaffeinated after all these years." (NBC The Tonight Show, 11/15/91)
- o **Johnny Carson:** "Conservative Pat Buchanan says he might run for president. I guess he wants to provide an alternative to the moderate politics of David Duke." (NBC The Tonight Show, 11/15/91)

-- END OF FAX --

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f AP-BusinessWatch: Dow Jones 11-19-8064

AP-BusinessWatch: Dow Jones 2:00 Averages

30 Industrials 1297.14 down 17.50

20 transportations 1190.21 down 34.30

15 utilities 212.13 down 5.01

65 stocks 1048.90 down 27.80

Trading heavy

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Bush Presidential Library Photocopy

Bush Library Photocopy
Preservation

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^No Black Monday, But Many Still Economic Troubles Ahead<

^EDs: Tops with 5 grafs to update with Bush speech and noon market figures; picks up 8th graf pvs, Bush's comments ...<

^By MARTIN CRUTSINGER=

^AP Economics Writer=

WASHINGTON (AP) - The stock market took a nose dive today despite reassuring words on the economy from President Bush, who said the underlying fundamentals were sound.

Bush, in an interview with reporters and later in a speech, took issue with all the gloom-and-doom forecasts.

"Some fundamentals point to a good recovery," the president told a gathering of the Southern Newspaper Association. "We ought to get it in perspective. Inflation is down. Interest rates are way down. Personal debt is down. Inventories are down. Quality is way up."

While Bush called these "very encouraging signs" for an economic rebound, the Dow Jones industrial average took a tumble today, falling by 61.05 points at noon, a drop that triggered a curb on computerized trading.

In an earlier interview, Bush said that in order to counteract growing negative sentiment in the country, he had to "do better in making clear what the message is, and I think I can do better."

Bush's comments were made to a group of six reporters late Monday, a day in which the stock market stabilized following a 120-point slide last Friday that had raised fears of a possible repeat of the worst sell-off in the market's history four years ago.

On Black Monday in October 1987, a 508-point sell-off followed a 108-point decline the previous Friday. This time around, the Dow Jones industrial average actually rose by 29.5 points on Monday.

But many economists still believe the stock market will head lower in the days and weeks to come as worried investors are buffeted by further gloomy economic news.

"One of the most important determinants for stock prices is the state of the economy, and the fundamental fact remains that the economy is in bad shape," said Allen Sinai, chief economist of the Boston Co.

Economists were split on how sharp the decline could be. The most pessimistic were forecasting that the Dow Jones average, which closed at 2,972.72 on Monday, could wind up dropping as low as 2,700 in coming weeks as signs of economic malaise mount.

These analysts believe that the market will remain vulnerable to sharp sell-offs as long as various business barometers depict a faltering economy.

In a report today, the Commerce Department said that America's merchandise trade deficit widened for the third consecutive month to \$6.79 billion in September, the highest imbalance since January.

The increase reflected the fact that imports, led by a big increase in apparel shipments, rose at a faster clip than U.S. export sales, which were boosted by higher sales of American aircraft.

While a bad monthly trade report helped to trigger the market's steep slide in October 1987, this time around, economists believe that the markets are much more preoccupied with other indicators of economic trouble.

Those include the monthly unemployment report, which has shown widespread layoffs continuing despite the administration's insistence that the recession is over, and reports on consumer confidence and spending. Since the consumer accounts for two-thirds of total economic activity, weakness in this sector has given investors a bad case of nerves.

"All eyes are basically on the consumer right now," said David Wyss, an economist with DRI-McGraw Hill. "People are very nervous out there and there is a risk that if they get too scared, the prophecies of doom could become self-fulfilling."

Wyss said the bad news of late had forced him to revise down his own forecast for the overall economy, as measured by the gross national product, for the current October-December quarter.

Earlier, he had put GNP growth at an annual rate of 1.5 percent in the final three months of the year, but he has cut that to between 0.5 percent and 1 percent, a barely negligible level that could easily fade away.

Wyss hasn't been the only one busily lowering his growth estimates. The newsletter Blue Chip Economic Indicators said the 53 top economists it checks with each month now put fourth quarter growth at 1.9 percent.

That is down a full percentage point and represents one of the largest month-to-month declines in sentiment in the 15 years the newsletter has been conducting its surveys, said publisher Robert J. Eggert.

The most pessimistic forecasters are calling for GNP to turn negative again in the fourth quarter, which would mean the economy never emerged from the recession that began in July 1990.

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(9grafld-picksup6thgraf: asked why _ bush addresses newspaper publishers)

Bush: 'I'm concerned about the people who are hurting'

By THOMAS FERRARO

WASHINGTON (UPI) _ President Bush, his popularity suffering from an ailing economy, insisted Tuesday that the nation has "technically pulled out of the recession" but noted people are still hurting.

"Many people still feel the pinch of an economy that isn't growing as it should," Bush told newspaper publishers as Wall Street experienced a roller-coaster day with the Dow Jones industrial averages plunging between 50 and 60 points before noon.

The president told reporters at the White House Monday that he believed the economy was basically sound and that he had no plans to offer any new measures to stimulate growth.

On Tuesday, in a teleconference with the Southern Newspaper Publisher's Association annual meeting in Boca Raton, Fla., Bush chided Congress for blocking his economic-growth package, which would cut capital gains taxes, reform banking laws and upgrade transportation.

"I will continue to try to work with Congress because I truly believe the American people want less talk and more action," the president said. "Obviously this won't be easy" with 1992 being an election year.

He also said, "Although we have technically pulled out of the recession" on a national basis, "I'm still concerned about the people who are hurting."

Bush told reporters Monday he was having problems drumming up public confidence in the economy as well as his handling of it.

"Inflation is down. Interest rates are down. Personal debt is down. Inventories are down. Quality is going in the right direction, up, and exports are up," Bush said. "So it's not like we're dealing with a totally bad economy."

"I'm not basing any plans on the economy getting worse," said Bush, who has maintained since last summer, despite arguments to the contrary by some economists, that the nation has been climbing out of the recession.

Asked why polls show that Americans believe that the country is headed in the wrong direction, Bush said, "I think I've got to do better in making clear what the message is, and I think I can do better."

Earlier Monday, Bush discussed the state of the economy with Treasury Secretary Nicholas Brady, who had predicted that Wall Street would rebound from Friday's plunge.

By day's end, the stock market had closed up a solid 29 points, but ~~but~~ ~~trussing~~ ~~administration~~ ~~hopes~~ ~~that~~ ~~last~~ ~~week's~~ ~~fall~~ ~~would~~ ~~not~~ ~~continue~~. White House press secretary Marlin Fitzwater had said hopefully: "The market appears to be relatively calm."

The president, up for re-election next year, has received conflicting advice from his own aides on how to remedy the economy, and has rejected calls in Congress to propose a tax cut for the middle-income level as a possible stimulus. Bush promises to make the economy a centerpiece of his January State of the Union Address.

Asked about criticism that Bush should expedite action, Fitzwater laughed and said, "You've got to be a man of steel _ and the man has steel will."

Fitzwater also insisted, "The the nation is on a sound course, pursuing sound policies, and we always take a lot of heat on this sort of thing. You know, you always _ we've got critics on all sides of this."

Polls show that Americans, by a two-to-one ratio, disapprove of Bush's handling of the economy. They also find that his overall approval rating, which last March neared 90 percent, has fallen to about 50 percent.

On Sunday, Brady blamed the stock market plunge, in part, on legislation that would impose a cap on credit card interest rates. The measure was introduced in Congress last week after Bush called on banks to lower rates.

Fitzwater said Bush still believes the rates should be reduced, but voluntarily, not by a federal law. They now average close to 20 percent.

Under legislation proposed by Sen. Alfonse D'Amato, R-N.Y., credit card companies could charge no more than 4 percentage points above the rate assessed by the Internal Revenue Service to late taxpayers, currently 10 percent.

The American Bankers Association has said if the legislation was enacted, card issuers would tighten up against poor risks and upwards of 60 million cards could be withdrawn.

Vice President Dan Quayle said Sunday that Bush would veto the measure, and Fitzwater said Monday he believed Congress would reject the legislation itself.

"I just think they'll realize that (a cap on interest rates) would have an effect on the credit card business and on consumers that was unintended and not what they wanted to see," the press secretary said.

Last week, the Senate approved the measure 74-16, but on Monday a House banking subcommittee abruptly postponed a hearing on the legislation.

House Speaker Thomas Foley, D-Wash., said: "I don't think we should rush forward without considering all the possibilities."

Personalities

In a ceremony in the East Room of the White House yesterday, President George Bush awarded the Medal of Freedom, the nation's highest civilian honor, to 10 Americans, including former First Lady Betty Ford, retired House speaker Tip O'Neill and baseball great Ted Williams. Bush was joined by First Lady Barbara Bush, who presented the awards as the president paid tribute to the honorees. He said they "have enriched our nation, whether as leaders of popular movements, as friends of the common man or as intellectual giants."

Bush called O'Neill "a legendary figure in American politics." Mrs. Ford was honored for her battle against breast cancer and for her role in helping others overcome drug and alcohol dependency as president of the Betty Ford Center. Bush praised Williams as "an American legend . . . and a twice-tested war hero."

The other honorees were: University of Chicago President Hanna Holborn Gray; conservative commentator and writer William F. Buckley Jr.; Luis A. Ferre, former governor of Puerto Rico; the Rev. Leon Howard Sullivan, a Baptist clergyman and business and civil rights leader; Russell E. Train, chairman of the boards of the World Wildlife Fund and the Conservation Foundation; Vernon A. Walters, former ambassador to the United Nations; and author and scholar Friedrich August von Hayek, who lives in Austria and could not attend the ceremony.

Maxa to Spy on Washington

Rudy Maxa has hit the ground running after his recent dismissal from the Washingtonian magazine: He has been named Washington bureau chief for Spy magazine, the irreverent New York publication. The onetime Washington Post reporter and columnist will be the first to fill the new position. With the amount of tongue-wagging coming out of Washington, and the '92 elections fast approaching, the Big Apple's most seriously funny magazine decided it was time to pay a little more attention. "Washington is where



Ted Williams receiving his Medal of Freedom from Barbara and George Bush.

Dan Quayle, John Sununu, Ted Kennedy, Clark Clifford and Clarence Thomas all live and work," said Spy Editor in Chief Kurt Andersen, "so naturally we've been focusing more and more on the place."

Rock Singer Reported Sick

Freddie Mercury, flamboyant lead singer for the rock group Queen, is seriously ill with an unspecified illness, according to London's Daily Express. ABC Radio reported yesterday that he has AIDS, but the Express reported denials of that story. It said Mercury, 45, has been living a reclusive life in his palatial London home since falling ill earlier this year.

B Is for Barr, Boring . . .

The Senate confirmation hearings for William Barr to succeed Richard Thornburgh as attorney general certainly didn't have the emotional fireworks of the Clarence Thomas hearings, or the cloak-and-dagger buzz of the Robert Gates proceedings; in fact you could

call them downright dull. That was the opinion, anyway, of Barr's preschooler daughter, Patricia, who was in the hearing room with her mom, Christine, and her two sisters. Patricia pulled out her doodle pad and scribbled the word "boring" over and over.

She'd Rather Stay Single

The New York Daily News reported yesterday that Ivana Trump's boyfriend since June, Italian industrialist Riccardo Mazzucchelli, 48, wants to tie the knot. "Yes, I am going to propose. Give it a little time," the paper quoted him as saying. The former Mrs. Donald Trump, 41, said that, though Mazzucchelli has made her "a happy woman," "I need some time before I get married again." Ivana says she's a changed woman: "Before, with Donald, I used to mix business with my private life. It wasn't healthy. A woman should be tough in business but very feminine at home. That's what I am doing now."

—Compiled from staff and wire reports
by Eric Brace

10 win Medal of Freedom

Associated Press

WASHINGTON — President Bush presented the Medal of Freedom, the nation's highest civilian honor, to 10 notable people yesterday, including Philadelphia clergyman Leon H. Sullivan.

Bush said the 10 "have enriched our nation, whether as leaders of popular movements, as friends of the common man or as intellectual giants. Their achievement and dedication are unparalleled in America."

Barbara Bush joined her husband in the East Room ceremony, pinning the gold medal around the necks of the men. She handed the boxed medals to the two female recipients, former first lady Betty Ford and University of Chicago President Hanna Holborn Gray.

The other honorees were: retired House Speaker Thomas P. O'Neill Jr.; baseball great Ted Williams; conservative author and editor William F. Buckley Jr.; Luis A. Ferre, former governor of

Puerto Rico; Russell E. Train, chairman of the board of the World Wildlife Fund and the Conservation Foundation; Gen. Vernon A. Walters, a retired diplomat and former U.S. ambassador to the United Nations, and author and scholar Friedrich August von Hayek.

Mr. Sullivan, pastor of Zion Baptist Church in North Philadelphia, has been a business and civil rights leader for years. He formulated the widely followed "Sullivan Principles" of corporate behavior in South Africa.

O'Neill, the former Democratic House speaker from Boston, is "a legendary figure in American politics," said Bush.

Ford was honored for her battle against breast cancer and, as president of the Betty Ford Center, for helping people overcome drug and alcohol dependency, as she herself did.

Bush hailed Williams as "an American legend ... and a twice-tested war hero."



BY LARRY MORRIS—THE WASHINGTON POST

Sandy Dimean accepting her Victory Award.

Against the Odds: The Boisterous Victory Awards

By Donnie Radcliffe
Washington Post Staff Writer

Yes, America, what you've always suspected is truer than you think. Washington doesn't hear you. One reason is all those parties people here go to every night.

"The decibel range is so damaging that if you stay here long enough, night after night, you'll have a hearing problem," said Norm Crosby, who makes his living being funny but wasn't kidding last night. Straining to make himself heard over the roar of words at a Kennedy Center gala raising about \$100,000 and awareness for the National Rehabilitation Hospital, Crosby looked around in dismay at the crowd of 3,000.

"Right now, in this room, the noise is way above what the ear can handle. Washington won't be deaf," he said, "but they'll have a hearing loss, every one of them, and it'll lead to deafness."

It was one of those ironies you often find at Washington parties where people are trying to get across a message—if you could only hear them. Last night's message had to do with overcoming physical obstacles, and the hospital saluted seven prominent Americans who had overcome theirs by naming them its 1991 Victory Award winners.

Crosby's obstacle is hearing loss caused by concussions from depth charges when he was a World War II radar operator on anti-submarine patrol.

"I don't ever remember overcoming adversities," he told the audience, which included President Bush and First Lady Barbara Bush, at a presentation ceremony earlier in the Concert Hall. "A handicap is only if you let it be a handicap. We decided not to do that."

Actor Billy Barty, standing 3 feet 9 inches tall and accepting his award for what he estimated are the 1.5 million people of "short stature in this country and 200 different types

of dwarfism," said he came from an "average" family. His father was 6 feet tall, his mother and his sisters about 5 feet 5. "I use 'average' because I haven't found out what normal is yet. But no one ever said to me, 'Billy, you can't because you're too short.'"

Others receiving awards were baseball player Jim Abbott, born without a right hand, who now pitches for the California Angels; actress Sandy Duncan, who bounced back after a brain tumor pressing on her optic nerve, though successfully removed, cost her the sight in her left eye; Rep. Charles Bennett (D-Fla.), who walks using two canes as a result of polio contracted in the Philippines where he served with the Marines in World War II; and Maj. Rhonda Cornum, an Army flight surgeon who suffered two broken arms, a gunshot wound, serious leg injuries and was taken prisoner after being shot down in a helicopter during Operation Desert Storm. Singer Gloria Estefan, on tour in Australia, was honored in

absentia. She suffered a spinal cord injury in a bus accident.

Introducing them all last night were Kuwaiti Ambassador Saud Nasir Sabah, actresses Lynda Carter, Marsha Warfield, Lea Salonga and Phylicia Rashad, singer Crystal Gayle and actors Arnold Schwarzenegger, Leslie Nielsen, Paul Winfield and Cliff Robertson.

In the audience were 39 state winners who go to Capitol Hill for breakfast with their legislators this morning. With them will be the Bushes' daughter, Dorothy Bush LeBlond, who works in the hospital's development and communications office, and Honey Skinner, wife of Transportation Secretary Samuel Skinner.

For all the noise around him, Sam Skinner seemed to have his ear tuned to the electorate. "People vote their pocketbooks. People are upset when the economy is down. We're going to have to work our way out of it," he said. "But there's no quick fix." As for his own plans, Skinner denied rumors that he has his eye on John Sununu's job. "Not me. Not me. Not me. I don't say that. See you later."



THE PRESIDENT

11-19-91

Dear Chief,

Thanks for your note on
those 2 horses. They are very
beautiful and I'm glad they're
in the tender loving hands of
the H&D. Good luck, *Ly Bush*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Elizabeth M. Watson
Chief of Police
61 Riesner Street
Houston, TX 77002

cc: IN & OUT

Patty Presock

JAN'S