

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

FOIA Number:
2009-0166-S

FOIA MARKER

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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: 90638
Folder ID Number: 90638-005

Folder Title:
Friday, December 6, 1991 [2]

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

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Log	White House Telephone Log [President Bush] [redaction of personal information] (2 pp.)	12/06/91	(b)(6)	
01b. Note	From Patty Presock to President Bush Re: Phone Call for the President from Howard Baker [redaction of personal information] (1 pp.)	12/05/91	(b)(6)	
02a. Diagram	Seating Diagram of VH-3D (1 pp.)	12/06/91	(b)(7)(e)	
02b. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	
02c. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	
02d. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	
02e. Diagram	Seating Diagram of VH-3D (1 pp.)	12/07/91	(b)(7)(e)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, December 6, 1991 [2]

Pinksheet Number: dw2393

OA/ID Number: 90638-005

Date Closed: 3/19/2014

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

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WHORM Cat.:
File Location: Friday, December 6, 1991 [2]

Date Closed: 3/19/2014	OA/ID Number: 90638-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

DECEMBER 6 th , 19 91

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	7:23 AM	7:32	SENATOR HOWARD H. BAKER, JR. (b)(6)	TLKD-OK 7:28 A.M.
~~INC~~ OUT	~~PM~~ AM			
INC	PM			
OUT	7:35 AM		SECRETARY SAMUEL SKINNER (b)(6)	ENROUTE TO THE WHITE HOUSE PER MRS. MARY SKINNER WILL REACH
~~INC~~ OUT	~~PM~~ AM			AND CALL PRESUS TOLD MRS. ROSE M. ZAMARIA 7:36 A.M.
INC	PM			
OUT				
INC	PM			
OUT	7:39 AM	7:41	MR. ARIEL DeGUZMAN OFC: WASHINGTON, D.C. 202-456-4299	TLKD-OK 7:40 A.M.
~~INC~~ OUT	~~XRM~~ AM			
INC	PM			
OUT	7:54 AM	8:06	CONGRESSMAN DANIEL ROSTENKOWSKI OFC: WASHINGTON, D.C. 202-225-4061	TLKD-OK 8:05 A.M.
~~INC~~ OUT	~~XRM~~ AM			
INC	PM			
OUT	8:28 AM	8:31	MRS. .PRESCOTT BUSH (b)(6)	TLKD WITH NURSE KATHY McNEIL 8:29 A.M.
~~INC~~ OUT	~~RM~~ AM			
INC	PM			

Bush Presidential Library Photocopy

TELEPHONE MEMORANDUM

DECEMBER 6 th , 1991

[illegible]

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

December 6, 1991

[illegible]

Presidential Phone Calls



DATE: 12-6-91

TIME: 7²⁰
incoming/outgoing

WITH: Howard Baker

SUBJECT: _____

unwisely agreed

Invite all former presidents
to Dinner include Nixon
at Platform to be introduced -
my reaction - positive
we agree

FOLLOW UP: get

Toy back in hospital in Tenn
chemo at St. Ketting
made her real sick

Bush Presidential Library Photocopy

Monday
December 9, 1991

1. Phone call to Senator Howard Baker

Withdrawal/Redaction Sheet

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01b. Note	From Patty Presock to President Bush Re: Phone Call for the President from Howard Baker [redaction of personal information] (1 pp.)	12/05/91	(b)(6)	

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Thursday
December 5, 1991
12:30 p.m.

PHONE CALL FOR THE PRESIDENT

FROM: HOWARD BAKER
Washington office: 202-508-3445 (Laura Nell)
Knoxville, Tn ofc: 615-549-7000
Huntsville ofc : 615-663-2321

(b)(6)

Senator Baker would like to talk to you Monday regarding the President's Dinner. He has some ideas that he would like to run by you personally.

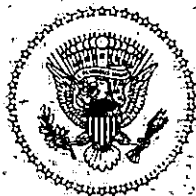
Ron Kaufman will get you a background sheet Monday before we place the call.

The Senator is in Tennessee - Mrs. Baker is back in the Hospital.

Patty Presock

cc: Rose Zamaria

Presidential Phone Calls



DATE:

12-6-91

TIME:

7:15

incoming/outgoing

WITH:

Bob Mosbacher

SUBJECT:

Good political meeting last
night at home. Tetter, Malek,
etc.

They all feel he should go
Asian trip - "jobs"

Lynn Martin wants to help

FOLLOW UP:

Friday
December 6, 1991
8:45 a.m.

PHONE CALL FOR THE PRESIDENT

FROM: ELSIE HILLMAN

You picked a good team and the announcement was handled beautifully.

No need to return the call.

Patty Presock



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, DECEMBER 6, 1991
6:00 A.M. EST EDITION

NATIONAL NEWS

BUSH'S NEW TEAM SEEKS FRESH START -- Facing a reelection effort tougher than he envisioned, President Bush Thursday put in place a new high command at the White House and his campaign organization.
(Washington Post, Chicago Tribune, Dallas Morning News, Boston Globe, Washington Times)

QUAYLE CRITICIZES CONGRESS, LAWYERS, DEMOCRATS, DUKE -- Vice President Quayle auditioned Thursday for a pit bull role in the 1992 reelection campaign of President Bush, snarling at Congress, lawyers, government regulations, Democratic presidential candidates and David Duke.
(Kansas City Star)

INTERNATIONAL NEWS

CUOMO ACCUSES BUSH OF LEANING TOWARD ARABS, ABANDONING ISRAELIS -- Gov. Mario Cuomo harshly denounced President Bush's Middle East policies Thursday night, saying they tilted toward Arab states and did not account sufficiently for Israel's security needs.
(Boston Globe)

ISRAEL PREDICTS REPEAL OF U.N. ZIONISM RESOLUTION -- The U.S. and Israel are now confident they have the necessary votes to repeal a General Assembly resolution equating Zionism with racism, the Israeli delegate to the U.N. said Thursday.
(New York Times)

NETWORK NEWS (Thursday evening)

ECONOMY -- President Bush acknowledged that Americans may not feel better off than they did four years ago.

CHIEF OF STAFF -- President Bush named Secretary Skinner to become the new chief of staff, and announced the leaders of his campaign team.

IRAQ -- The U.N. says Iraq's attitude toward cease-fire inspections continues to be one of obstruction.

NATIONAL NEWS.....A-1

INTERNATIONAL NEWS...A-8

NETWORK NEWS.....B-1

EDITORIALS.....C-1

NATIONAL NEWS

BUSH'S NEW TEAM SEEKS FRESH START Skinner Named To Replace Sununu

Facing a reelection effort tougher than he envisioned, President Bush Thursday put in place a new high command at the White House and his campaign organization and acknowledged that "when the economy goes down, a president takes the hits."

With John Sununu standing beside the man who will replace him, Bush announced that Secretary Skinner will take over the White House operation on Dec. 15....

The campaign apparatus Bush announced Thursday amounts to a three-man collective: Secretary Mosbacher as general chairman; Republican pollster Robert Teeter as campaign chairman, and businessman Fredric Malek as campaign manager.

Some GOP sources expressed reservations that such a structure would be unwieldy, conducive to infighting and incapable of making the fast decisions needed in a campaign atmosphere. A parallel group of advisers, which will include George W. Bush, is already being assembled to bring more advice into the operation. One source called it the G-Something, a reference to the G-6.

With his eye on charges he is not doing enough about the country's economic problems, Bush announced an acceleration of \$9.7 billion in various government payments to put more money into the economy sooner than planned....

He also asked the Democratic Congress to put aside partisanship in the first months of the new year to approve a new GOP economic growth package he plans to unveil in his State of the Union address....

A senior Administration official said Skinner's first priority "has to be reenergizing the operation and beginning to deal with an Administration perceived as having no domestic and no communications strategy....

Teeter said in an interview Thursday that Bush intends to run a campaign as if it will be close -- regardless of the economy. "It gets a whole lot easier if the economy turns up," he said.

(Ann Devroy, Washington Post, A1)

Bush Names Skinner As Chief Of Staff, Picks Reelection Officials

...Skinner is expected to help calm those rolling political waters and smooth over any difficulties between the White House and the campaign apparatus.

"It comes as a package, and the benefits are cumulative," said a senior Republican Party official. With Skinner in control at the White House, he said, "you can move to the next phase, which is the campaign. When you get rid of Sununu, you eliminate impediment."

(Timothy McNulty & Steve Daley, Chicago Tribune)

President Realigns Top Staff, Signals Move To Help Economy

...The appointments leave the President with two Cabinet posts to fill. A number of candidates for Commerce have surfaced, including Amb. Peter Secchia, former Rep. Loeffler and Houston businessman Kenneth Lay. Another possibility for one of the jobs is former Rep. Frenzel.

Former White House personnel chief Chase Untermeyer said Bush likes to pick former House members. "I wouldn't be surprised if Frenzel got one of those jobs," he said.

(Carl Leubsdorf, Dallas Morning News)

Skinner Named Bush's New Chief Of Staff; Campaign Staff Also Tapped

...President Bush did not say whether Andrew Card would remain at his post. That decision apparently will be made later by Skinner, Bush and Card. But a White House official Thursday night predicted Card would remain.

"He's one of the closest people to the President, if not the closest, and I think that Skinner would want to keep him," the official said....

Teeter, in a telephone interview, declined to comment on whether Sununu's presence had delayed the formation of the campaign team. He said, however, that he hoped the change of personnel would create a positive image of "a new team, a new year." Teeter also said he hoped Bush's approval rating would begin going up.

(Michael Kranish, Boston Globe)

Bush Names Skinner, His '92 Team

President Bush Thursday named a new chief of staff and a campaign team to patch up the slumping economy, freeze the President's drop in the polls and shift blame for the nation's ills to the Democrats.... In an interview Thursday, Sununu said Skinner should expect to take some hits. "I think Sam has come in expecting it. I came in expecting it. I wasn't surprised. Gosh, it started with me before I took the oath of office," he said.

(Paul Bedard, Washington Times, A1)

WILLINGNESS TO DEAL SEEN AS A STRENGTH OF SKINNER

Last fall, as the 101st Congress was drawing rapidly to a close, Secretary Skinner invited himself to Owensboro, Ky., to spend an evening at the home of Sen. Ford.

Ford held sway over one of Skinner's fondest wishes, a proposed "passenger facility charge" allowing airports to collect a head tax of up to \$3 from every passenger who boards a plane. And Ford didn't like the idea.

"We ate peanuts and drank Coca-Cola and rocked in the rocking chair," Ford said. "He was right at home."...

That episode says a lot about the style that Skinner, 53, will bring to the White House as President Bush's new chief of staff: energy, a willingness to compromise, and an ability to get along with almost anyone, including Democrats....

"If they were looking for an ideologue who's going to be a torch bearer for ideas, then Skinner's not the man," said Rep. Oberstar.

(Don Phillips, Washington Post, A10)

The 'Master Of Disaster' -- A Profile Of Bush's Chief Of Staff

..."Sam is as tough as anybody needs to be in this world," said Jim Skilbeck, a special assistant to Illinois Gov. Jim Edgar. "But he's also a nice man, and he gets the job done in a way that he can go back to people when he needs to."

Sen. Simon called Skinner "a practical guy" who will do a good job for Bush. "He'll be more diplomatic than Sununu."...

The only critics were ardent conservatives. "It's a lost cause," L. Brent Bozell, chairman of the Conservative Victory Caucus, said. "How can a conservative expect this Administration to fight for conservative principles when they don't believe in them themselves?"

(Bill Lambrecht & Margaret Freivogel, St. Louis Post-Dispatch)

RIGHT WING MIXED ON SUNUNU'S SUCCESSOR

Conservatives think Secretary Skinner, although a pro-choice moderate, will do better than John Sununu in consolidating President Bush's electoral base, but they worry that the men heading his reelection team aren't tough enough.

"The man understands politics better than John Sununu and will fight for what he thinks is in the President's interests," said Free Congress Foundation president Paul Weyrich. "He knows it would be politically fatal for the President to change his position on the right to life."...

"Skinner knows what it cost Bush to renege on his tax pledge and that he simply can't afford to renege on another pledge, on his pro-life pledge," Eagle Forum president Phyllis Schlafly said....

On the other hand, William Pascoe, a 1988 Bush campaign aide expected to be national political director of Pat Buchanan's campaign, said "George Bush has given pro-lifers no reason to doubt his commitment to their cause."...

"I am astounded Bush could pick that team for the kind of race he faces against two challengers on the Republican right and what will probably be a tough, well-organized campaign by the Democrat who emerges as his party's candidate," Weyrich said....

"By setting up a campaign that has all these different heads, he is assuring it will be like his Administration has been for the last five months -- without control or direction," said GOP consultant Floyd Brown. (Ralph Hallow, Washington Times, A1)

PRIVATE PLANES, TRAINS AND AUTOS

President Bush apparently need not worry that his new chief of staff will start demanding private planes, trains and autos for personal travel. Secretary Skinner apparently likes to travel modestly. On Thanksgiving morning, he and his wife, Honey, were spotted sitting in the very last row (no windows, no reclining seats) of a USAir flight from Washington to Charlotte, N.C. No fuss, no hoopla was afforded the couple. And they were still smiling upon departure. ("Personalities," Washington Post, D3)

THOSE NAMED TO HEAD REELECTION TEAM ARE NO STRANGERS TO PRESIDENT

The troika that President Bush installed Thursday to head his reelection campaign is made up of an old friend and financial backer from a background similar to the President's, a trusted political strategist and a longtime GOP operative and manager....

Bush also named Mary Matalin as political director, and political consultants Charles Black and Richard Bond as senior advisers to the campaign....

The group represents the same mix of money, political savvy and management expertise that Bush has assembled for previous campaigns. One person who undoubtedly will play an important role in the campaign was not mentioned in Thursday's news conference: Secretary Baker. But he can be expected to turn to his old friend for advice and counsel during the election year.

(John Yang, Washington Post, A6)

BUSH CAMPAIGN TEAM GETS TO WORK

President Bush's new campaign team is going right to work mapping strategy for holding the White House. Bush predicts he'll win even if the economy doesn't improve, but one campaign worker says they're still bracing for "a dog fight."...

Charles Black said, "History tells you a bad economy means the President will have a close race. So we're going to plan that way and gear up for a competitive race. We're going to expect to be in a dog fight."...

Richard Viguerie said Bush "has appointed some clones of himself, some very non-threatening country-club Republicans that are not conservatives. Bush has no real concept of the trouble that he is in with conservatives." (Tom Raum, AP)

BUSH SAYS HIS CAMPAIGN CAN HOLD CONSERVATIVES

President Bush insisted Thursday that he'll be able to hold conservative support in 1992 even as he lined up a reelection team that is weighted more toward political pragmatism than ideological conservatism.

Acknowledging for the first time that he will seek a second term, the President expressed confidence that he could fend off GOP challenges from Pat Buchanan and David Duke. (Rita Beamish, AP)

BUSH SAYS HE WILL ABIDE BY PARTY RULES IF DUKE WINS DELEGATES

President Bush said Thursday he would abide by party rules if David Duke wins delegates to the 1992 Republican presidential nominating convention....

Republican officials said only a handful of states have rules that would allow Duke to win delegates in their primaries unless he won a majority of the vote in that state's Republican primary.

(Irwin Arieff, Reuter)

EDITOR'S NOTE: "Duke Campaign Tries To Capitalize On George Wallace's Political Legacy," by Thomas Edsall, appears in The Washington Post, A4.

CAMPAIGN MANAGERS SWAP WAR STORIES AND PREDICT

SAN DIEGO -- A winning reelection strategy for President Bush would not trumpet the collapse of communism or the success of Desert Storm, but would sound an America-first theme, according to a group of presidential campaign managers who spoke at a University of California at San Diego symposium.... "If he does that...he'll win this thing and he'll win it easily in spite of the economy," said Ed Rollins.

"George Bush is not going to deliver (that) message because he doesn't believe in an activist government," retorted former Sen. Gary Hart.... Bush "has got to get the finest message, and really start hitting it," agreed Stuart Spencer. Next year will be "the year of the message, not organization, not money," he said.

(Gerry Braun, copy)

SUNUNU REFLECTS ON TENURE AS TARGET

John Sununu said Thursday that President Bush was the real target of Sununu-bashing that drove him out of the White House and warned that Secretary Skinner faces a similar barrage....

While answering virtually every question put to him, Sununu repeatedly returned to two themes that he wants as his legacy -- that he does not blame the President in any way for his plight and that he is not wounded personally by chronic reports that he has not managed the huge White House staff humanely and effectively.

(Frank Murray, Washington Times, A4)

SUNUNU TO STAY ON CALL

John Sununu said Thursday he'll step down as chief of staff still in President Bush's good graces, and looking forward to serving in his 1992 reelection campaign.... Sununu claimed no credit for Bush's success, and accepted full blame for any failures. "I tried very hard to reflect the President's policy...in everything I did," he said. "Anything that went wrong was my responsibility, and anything that went right was the President's success."

(Richard Benedetto, USA Today, 4A)

BUSH ECONOMIC AIDES LOOK AHEAD TO GOP PLAN

President Bush's top economic advisers Thursday gave only qualified support to a House Republican "economic growth" package, just a week after the President said he "enthusiastically" endorsed it and called on Congress to pass it immediately.

The testimony, during the opening day of hearings before the House Ways and Means Committee on election year tax proposals, drew angry complaints from some Democrats, who contended the President had deceived the public and sought to stamper Congress into passing flawed legislation.... "I think you can have tax cuts that are paid for and that makes some sense, as long as you don't raise somebody else's taxes," Secretary Brady said....

An irate Rep. Matsui said he sensed "a tentativeness on the part of you," and complained that the President had been "a little deceptive" in pushing Congress to adopt the package before the Thanksgiving adjournment when his own advisers had doubts.

(Eric Pianin, Washington Post, A20)

BUSH 'LOOKING' AT CUT IN TAXES

President Bush's new economic growth package will adhere to last year's budget compromise and will reject any attempt to trade higher taxes on the wealthy for lower capital gains taxes, top White House advisers said Thursday....

Rep. Downey asked if the Administration's tax-cut proposals would deliver as many benefits to the middle class as his own plan.

"I hope you're not saying you have any monopoly on that concern," Secretary Brady shot back.

"I had it first," Downey said.

"Maybe," Brady said.

The exchanged illustrated the palpable testiness among Brady, Richard Darman and Michael Boskin about the recession and the increasing degree of blame they have been forced to shoulder.

(Major Garrett, Washington Times, A1)

STANDSTILL ECONOMY PUSHING UNEMPLOYMENT HIGHER, ANALYSTS SAY

The economy's failure to rally from the recession is apparently fueling fear in America's industries, triggering layoffs that could send the unemployment rate back up to its worst level in five years, analysts say....

Even if Congress and the Bush Administration were to agree on an anti-recession package, said Robert Dederick, chief economist at the Northern Trust Co., it probably would not have much of an immediate impact. The Fed could spur economic activity instantly with new interest rate cuts, he said.

(Karen Ball, AP)

CLAIMS FOR JOBLESS BENEFITS UP 57,000 IN LATE NOVEMBER

Seasonal auto layoffs and other industrial cutbacks threw nearly a half million workers into the jobless ranks in late November, just weeks after factory orders registered the first upswing since July.

The Labor Department reported Thursday that 471,000 people filed initial claims for unemployment for the week that ended Nov. 23, a spurt of 57,000 over the previous week.

President Bush, at a news conference, conceded that "economic growth is sluggish at best."...

The Commerce Department, meanwhile, said factory orders increased 1.9 percent in October to a seasonally adjusted \$242.12 billion.... As the dreary jobless claims number came out, Michael Boskin told Congress that the economy is likely to remain sluggish until spring. Richard Darman said Bush would take "strong action" to stimulate the recovery.

(Karen Ball, Washington Post, B11)

BUSH TO HISPANICS -- GIVE ME YOUR VOTES AND I'LL GIVE YOU JOBS

President Bush Thursday promised Hispanic-Americans better education and more job opportunities and urged them to desert the ranks of the opposition Democratic Party.

The President said the proposed North American Free Trade Agreement will help generate jobs.... But analysts and lawmakers say the White House could wait until elections are over before sending the pact to Congress. With the economy in turmoil, it could become an electoral weapon against Bush.

(Reuter)

QUAYLE CRITICIZES CONGRESS, LAWYERS, DEMOCRATS, DUKE

KANSAS CITY -- Vice President Quayle auditioned Thursday for a pit bull role in the 1992 reelection campaign of President Bush. Quayle snarled at Congress, lawyers, government regulations, Democratic presidential candidates and David Duke....

The Vice President said his role in the reelection campaign would be twofold: "To point out the tremendous accomplishments of President George Bush," and to defend the President.

"I will be his main defender out there when it comes to unfair and unreasonable attacks," Quayle said. "If they decide to criticize, they had better realize that I will answer them in kind."
(Rich Hood, Kansas City Star)

**QUAYLE COUNCIL OFFICIAL HAD ROLE IN ACID RAIN RULE ACTION
Hubbard Also Owns Stock In Electric Utility**

Allan Hubbard, the executive director of the President's Council on Competitiveness who owns 1,000 shares of stock in an Indiana electric company, chaired an inter-agency meeting in October that softened a key acid rain regulation governing utilities, according to Administration sources.

PSI Energy Inc., the utility in which Hubbard holds stock and whose emissions contribute to acid rain, had sought to ease smokestack monitoring proposals two months earlier in a letter to the EPA.

Council spokesman Jeff Nesbit acknowledged that Hubbard participated in "general discussions" at the meeting Oct. 16 that resolved final issues in the acid rain regulations of the new Clean Air Act. Nesbit said while Hubbard was briefed on utility industry pleas in the monitoring regulation, he had no direct contact with PSI. Nor did Hubbard's interest in PSI pose a conflict of interest.
(Michael Weisskopf, Washington Post, A3)

GOVERNMENT SAYS CUTS IN EMISSIONS WOULD REQUIRE TAX INCREASES

Dramatic cuts in carbon dioxide emissions to curb global warming would require steep energy taxes and could more than double the price of gasoline, heating oil and electricity, the Energy Department said Thursday.

The findings immediately were refuted by environmentalists who said that other studies have shown that so-called greenhouse pollutants can be reduced significantly through conservation and a shift to renewable energy sources such as solar and wind power.

(H. Joseph Hebert, AP)

INTERNATIONAL NEWS

CUOMO ACCUSES BUSH OF LEANING TOWARD ARABS, ABANDONING ISRAELIS

MIAMI -- Gov. Mario Cuomo harshly denounced President Bush's Middle East policies Thursday night, saying they tilted toward Arab states and did not account sufficiently for Israel's security needs.

Cuomo, speaking to the Greater Miami Jewish Federation, presented a detailed outline of how he would deal with one of the major foreign policy issues being addressed by the White House. And he could hardly have disagreed more with the Administration.

"Clasping the bloody hand of Assad has reduced our capacity to deal with him," Cuomo said. At another point, he said the President's decision to delay \$10 billion in loan guarantees represented a "regrettable skewing" of U.S. policy toward the Arabs.... Cuomo said that Bush, rather than appreciative of Israel's friendship, saw in polls that it would be acceptable to delay the loan guarantees. According to Cuomo, Bush delivered "another slap" at the Jewish state when he set a time and place for the latest round of peace talks before concluding discussions with Prime Minister Shamir on the subject.

The governor also said the President's reason for having "denied Shamir his dignity" was to signal the Arabs on U.S. actions toward Israelis: "We'll show you how we can put them in their places."
(Adam Pertman, Boston Globe)

U.S. REJECTS ARAB CALLS TO RESET MIDEAST TALKS

The U.S. Thursday rejected Arab calls to set a new date for starting peace talks here with Israel, prompting Palestinian representatives to charge that the Bush Administration is shirking its responsibility as cosponsor of the peace process by covering up Israeli intransigence....

The prospect that all parties would sit down at the bargaining table next Tuesday was clouded Thursday as each maneuvered for propaganda advantage.

Israeli officials said they were waiting to hear from the Arab delegations and added that none had contacted them. Meanwhile, the three Arab groups in the talks met separately with Assistant Secretary of State Edward Djerejian to urge that the U.S. publicly announce a new date for the negotiations and take steps to ensure that Israel is present....

"We are very angry with the United States position," Sari Nusseibeh, an adviser to the Palestinians, said. Palestinian spokeswoman Hanan Ashrawi added that the U.S. is allowing Israel "to stall and prolong" and said that if the Administration "is changing the rules of the game," it should advise the Arab delegations so they can decide whether to remain here in hopes that the talks will start soon....

"I think (U.S. officials) know very well what they should do because they specified their roles from the beginning," she added. "They should take their jobs seriously and not give Israel constantly a way out and not try to save Israel from the consequences of its own entrenchment and intransigence."

(John Goshko & Nora Boustany, Washington Post, A44)

BAKER: WE'LL REMAIN A 'CATALYST FOR PEACE'

Secretary Baker Thursday defended the U.S. role in the Mideast peace talks that this week dissolved into a public relations war.

"We are going to continue to work to the extent that we can and to be a catalyst for peace," Baker said in his first public statement since the talks moved to Washington.

(Johanna Neuman, USA Today, 4A)

ISRAEL PREDICTS REPEAL OF U.N. ZIONISM RESOLUTION

U.N. -- The U.S. and Israel are now confident they have the necessary votes to repeal a General Assembly resolution equating Zionism with racism before the current General Assembly session ends Dec. 17, the Israeli delegate to the U.N. said Thursday....

Senior American officials confirmed the assessment, saying the votes for repealing the resolution are now secure after an extensive American diplomatic campaign in capitals around the world over the last few days.

(Paul Lewis, New York Times, A3)

U.N. GROUP OPPOSES REPEAL OF RESOLUTION CONDEMNING ZIONISM

U.N. -- The Arab group at the U.N. announced Thursday its unanimous opposition to a U.S. bid to revoke a controversial 1975 U.N. resolution equating Zionism with racism.

Citing decisions by the Arab League, "the Arab group opposes the raising of the issue," Amb. Khalil Makkawi of Lebanon told a news conference. "The Arab group considers further that revoking previous resolutions adopted by the General Assembly is, in principle, a very serious matter."

(Anthony Goodman, Reuter)

BUSH RAISES POSSIBILITY OF ACTION AGAINST HOSTAGE-TAKERS

President Bush raised the possibility Thursday that the U.S. may somehow try to bring the Lebanese kidnappers of American hostages to justice....

State Department spokeswoman Margaret Tutwiler stressed that "any injury to a United States citizen is a grave concern for us" and recalled that "our policy is that taking Americans hostage overseas is a violation of United States law."

(Carol Giacomo, Reuter)

FOR EX-HOSTAGES, LIFE FOR NOW IS A HAPPY DAZE

WIESBADEN, Germany -- Flashing the frustrations that daunt former American hostages, Alann Steen Thursday criticized the U.S. policy of not negotiating with kidnappers but complained his captors may "get away with it."...

"I think it's bad," he shouted to journalists. "There should be negotiations, but not to bow down to those people."

Steen also expressed frustration that the men who kidnapped him might never be brought to justice. "They took five years out of my life," he said. "I think, unfortunately, they are going to get away with it."

(Juan Tamayo, Knight-Ridder)

MANY OBSTACLES REMAIN TO CLOSER U.S.-IRAN TIES
Tehran's Support For Terrorism, Interest In
Nuclear Technology Concerns Administration

The release this week of the last American hostages in Lebanon has removed one of the major obstacles to improvement in U.S. relations with Iran, but President Bush said Thursday his Administration is not yet ready for closer bilateral ties, and Iran has also taken a cautious approach....

Administration officials said that release of the American hostages had been one of the major roadblocks to better relations with Tehran. But a remaining obstacle is Iran's support for terrorism, which the Administration believes has not slackened....

Iran's ambassador to the U.S., Kamal Kharrazi, was asked during an interview on "Nightline" this week whether the U.S. and Iran are moving toward normalization. "I don't think so at this time," he responded, "because there are a lot of grievances, and attitudes in my country (are) not ready for any sort of development."
(David Hoffman, Washington Post, A39)

ADMINISTRATION NOTIFIES CONGRESS OF SAUDI MISSILE SALE

The Bush Administration formally notified Congress Thursday it plans to sell 14 Patriot missile batteries and 758 of the anti-aircraft missiles to Saudi Arabia for \$3.3 billion....

Defense Department officials said earlier they expected Congress to approve the sale despite complaints from some lawmakers that the U.S. and other countries were fueling the arms race in the volatile Middle East.
(Reuter)

GADDAFI CONCILIATORY TO U.S., BRITAIN

CAIRO -- Libyan leader Muammar Gaddafi stopped short in an interview of refusing outright to hand over two Libyans accused of blowing up Pan Am 103 and others charged with destroying a French plane.

The Libyan leader used an interview in Egypt's semi-official newspaper al-Ahram, to be published Friday, to make a series of statements conciliatory to the U.S., Britain and France, which have demanded extradition of the suspects....

Gaddafi also said he thought it was right that victims of the two bombings should be compensated by those who carried them out.... Asked about handing over the suspects, Gaddafi gave a mixture of reasons why they could not be extradited at present but did not completely rule it out.
(Reuter, Washington Post, A42)

EDITOR'S NOTES: "How Oil Firm Linked To A Son Of Bush Won Bahrain Drilling Pact," regarding George W. Bush's link to Harken Energy Corp., by Thomas Petzinger, Peter Truell & Jill Abramson, appears in The Wall Street Journal, page A1.

"Other Bush Relatives Also Engaged In Various Business Dealings Abroad," by Jill Abramson & Peter Truell, appears in The Wall Street Journal, page A4.

"Jeb Bush In 1980s Had A Minor Brush With BCCI," appears in The Wall Street Journal, page A4.

TOP BUSINESS EXECES TO ACCOMPANY BUSH TO ASIA

Top executives of America's Big Three automakers and other key industries have been invited on President Bush's upcoming trip to Asia and Australia, signalling increased government-industry cooperation on trade issues....

Bush's invitation to an estimated 20 U.S. business executives is seen as a gesture to show that he is concerned with helping U.S. industry become more internationally competitive.

A White House official said Thursday that because trade is a major reason for the trip, "the President would like representatives of a diverse group of business officials to provide firsthand knowledge of trade in that part of the world."...

"As long as this isn't window-dressing, this is a positive step," said Sen. Riegle. (David Everett, Knight-Ridder)

JAPANESE APOLOGY BOGS DOWN IN PARLIAMENT

TOKYO -- An official Japanese apology to the U.S. and other former enemies for its aggression during World War II has bogged down in parliamentary bickering and may not be approved by this weekend's 50th anniversary of the Pearl Harbor attack....

Conservative parliament members from the ruling Liberal Democratic Party have dug in their heels after President Bush emphatically rejected any suggestion of a U.S. apology for the atomic bombings, according to an LDP source.

"What is the meaning of issuing a resolution when Bush has said that use of the atom bomb was justified to end the war," the source said Thursday. (Lewis Simons, Knight-Ridder)

EDITOR'S NOTE: "Looking Back," regarding President Bush's remarks at Pearl Harbor, appears in "Inside The Beltway," The Washington Times, page A6.

OFFICIALS: U.S. PREPARED TO RECOGNIZE REPUBLICS

In a profound change of policy that could hasten the end of central power in the Soviet Union, Administration officials say the U.S. is prepared to recognize any of the republics that convincingly assert their independence.

A senior State Department official said that Sunday's overwhelming vote for independence in Ukraine was "clearly so compelling" that it forced the Administration to "face the reality" and put aside its reluctance to undermine President Gorbachev and the central government.

Another Administration official confirmed that a fundamental change of direction toward the Soviet Union was signaled by Washington's decision Tuesday to move toward diplomatic relations with Ukraine. "It is a recognition that the Soviet Union is not there anymore," he said. "The Ukraine was the test case."

(Saul Friedman, Newsday)

**U.S. RUSHING TO ENSURE UKRAINE, OTHER STATES
DON'T BECOME NUCLEAR POWERS**

Ukraine's overwhelming vote for independence has sent the Bush Administration scrambling to ensure that a clutch of new nuclear-armed states do not replace what more and more analysts are calling the former Soviet Union....

"In the next couple of weeks, all of the Western governments are going to be talking to Ukraine about the same issues," said an Administration official involved in policy-making toward the Soviet Union. "That is the greatest guarantor that our security needs are going to be met."...

Analysts give high marks to President Bush for his September arms reduction initiative but complain that the Administration has done little to follow through on that initiative or on the response of President Gorbachev made on Oct. 6....

"You've had a lot of people sitting around talking and not much happening," said Matthew Bunn, editor of Arms Control Today. "All of this is moving at the ponderous pace of past arms control negotiations. That is not appropriate in this situation."

(Mary Curtius, Boston Globe)

U.S. SENDS MEDICAL SUPPLIES TO RUSSIA, BYELORUSSIA, ARMENIA

The U.S., announcing its second donation of medical supplies to the Soviet Union in two days, said it would ship the goods Dec. 17 to Russia, Byelorussia and Armenia.

The shipment, worth about \$3 million, is being coordinated with Soviet Foreign Minister Shevardnadze's foreign policy association and will be sent to children's hospitals in Moscow, Minsk and Yerevan.

(Reuter)

EDITOR'S NOTE: "Baker Says U.S. Backs EC Unity As Long As Fair Trade Prevails," an interview by Gerald Seib & Larry Greenberg, appears in The Wall Street Journal, A11.

**MANDELA MEETS WITH BUSH, PRESSES
FOR SUPPORT OF A FUTURE SOUTH AFRICA**

Nelson Mandela, on his first visit to the U.S. since his triumphant tour last year, said Thursday the anti-apartheid movement had made great strides in its effort to move South Africa to democracy.

But he cautioned that while he was here to ask U.S. companies to consider investing in South Africa, the time was still not ripe and sanctions against his country had to remain in place.

There is "no contradiction between calling for investments and the maintenance of sanctions, because we are asking for investments in a post-apartheid South Africa, not today," Mandela said.

Speaking at a news conference after meeting with President Bush, Mandela said the ANC was optimistic that a crucial political convention later this month would eventually lead to black-majority rule.

(Knight-Ridder, Washington Post, A45)

Mandela 'Full Of Confidence' After Asking Bush For Support

Nelson Mandela emerged from talks with President Bush Thursday hopeful of support for reforms including a development bank that would funnel aid to a post-apartheid South Africa.

"I come out of this meeting full of confidence and hope that we are seeing eye to eye with the President on a number of points," he said.

"There are, of course, differences on the question of how we should tackle the question of apartheid," he said. "But I believe that he (Bush) is exacting pressure on de Klerk to speed up the reform process. And we urged that this morning."

(Richard Gross, Washington Times, A8)

U.S. CALLS FOR END TO 'SENSELESS CARNAGE' IN SOMALIA

The Bush Administration Thursday called on warring parties in Somalia to stop the "senseless carnage" that has killed over 2,000 people and wounded over 6,000 others.

In an unusually tough written statement, State Department spokeswoman Margaret Tutwiler charged that almost one year after the fall of President Barre, "Somalis kill one another at a horrifying rate."

(Reuter)

**LIBERIAN REFUGEES EXPRESS BITTERNESS
OVER VISA POLICY OF U.S. 'MOTHERLAND'**

ABIDJAN, Ivory Coast -- ...U.S. consular officer Steve Voien and his colleagues at U.S. embassies in West Africa have been at the receiving end of a refugee crisis they say is largely ignored by U.S. policy makers. "Being out here in the front line," Voien said, "we wish that there was something in the law that would at least allow us to reunite families."...

The U.S. Embassy here, like those in Sierra Leone and Guinea, has been overwhelmed by refugees seeking temporary America visas. Most are turned down. The result is bitterness toward the U.S. that spans traditional class and political divisions among Liberians.

(Tami Hultman, Washington Post, A47)

**AGENCIES SPLIT ON IMPORTS OF MACHINE TOOLS
Continuation Of Curbs To Get Further Review**

The Pentagon, citing national security, Thursday supported the continuation of restrictions on imports of machine tools -- the machines used to make the guns, planes, ships and tanks used by the military -- but other agencies disagreed, forcing a further review of the key defense-trade issue.

Administration sources said Deputy Defense Secretary Donald Atwood reported at a White House meeting that he was concerned about the future of American machine tool manufacturers if imports are allowed to resume unchecked. He added that the collapse of the industry would have important national security implications -- even as U.S. defense needs wind down with the end of the Cold War.... As a result of the divisions, Administration officials decided to restudy the issue before sending it to President Bush for his decision on whether to renew import restrictions.

(Stuart Auerbach, Washington Post, B10)

NETWORK NEWS

(Thursday evening, December 5)

WHITE HOUSE STAFF/ECONOMY

NBC's Tom Brokaw: It was a rare admission for a President. President Bush acknowledged today that Americans may not feel better off than they did four years ago. But he promised to change that. He put his new White House and campaign team in place, and he sent his economic team to Capitol Hill.

NBC's John Cochran: The President admitted he is in political trouble because of the economy. So today, he did a little about the economy and a lot about the politics.

(TV coverage: President Bush and aides in briefing room)

Instead of waiting until next year to name his campaign staff, Bush moved now to get his re-election machine going. For the top campaign jobs, Bush chose an old pal from Texas, Secretary Mosbacher; veteran pollster Bob Teeter; and businessman Fred Malek -- respected for his ability but also controversial because he worked in Richard Nixon's White House. The plum job goes to Secretary Skinner, a moderate who replaces a real conservative, John Sununu, as Bush's chief of staff. Bush needed to get his team in place for one reason: the economy.

(**President Bush:** "Sam Skinner takes over as a firm right hand at a time when the nation's economy presents a difficult challenge. Economic growth is sluggish, at best.")

Bush gave the economy a tiny boost today by ordering the government to accelerate the spending of \$9.7 billion, much of it for farm loans, waste treatment plants and construction of airports. The money will come from old programs. Bush still intends to wait until the end of January to unveil anything really new. By waiting, Bush is open to attack from both liberals and conservatives, like Richard Viguerie.

(**Viguerie, conservative activist:** "Well, this is very disappointing and has got to be very discouraging for people who are very concerned about the economy, about their jobs. The President really didn't say anything.")

Although Bush said he is not in trouble with the Republican right wing, he may face primary fights not only with David Duke but also commentator Pat Buchanan.

(**Viguerie:** "I suspect the President really doesn't realize how serious a problem he has with the conservative voters in this country.")

But conservative voters have at least one thing in common with other voters: They all like lower taxes. And today the President dropped a big, fat hint that his economic package in January will include tax cuts for most voters. (NBC-Lead)

Brokaw: On Capitol Hill, the President's men were at once promising to fix the economy and at the same time trying to blame Congress for the shape of it.

NBC's Andrea Mitchell: It was more finger-pointing than fact-finding. -more-

Mitchell continues: Bush's team said Congress has been all wrong about the economy, but then wouldn't say what the President would do to make it right. Bush's men practically ran away from the President's last-minute endorsement of a Republican tax package, a plan Democrats say would favor the rich and increase the deficit. (Rep. Rostenkowski, at Ways and Means hearing: "The last thing that we should all want is to legislate in a way that makes things worse." Secretary Brady: "We have, as the President did, expressed enthusiasm for the general intent behind that proposal, but do not necessarily -- " Rostenkowski: "Well, Mr. Secretary, the reason that I'm concerned, naturally, is the deficit that is going to be created.")

(Rep. J.J. Pickle: "Are you supporting, do you support the 12-point Republican package?" Secretary Brady: "Some of them are ones that he's approved before; some of them are ones that he hasn't; and some are the ones we're looking at.")

A far cry from this:

(President Bush, 11/26/91, in Oval Office: "I am for this. I'd like to see it voted on today.")

(Rep. Downey: "Was the President using thoughtless haste when he said a night before we adjourned that we should enact this package?" Brady: "We all know what happens when cameras get stuck in your face and pools are -- " Rep. Matsui: "Mr. Brady, the President can't have it both ways on this particular issue.") Acknowledging that the economy is sluggish and won't get better until spring, the Bush team hinted at a middle class tax cut -- preferably, but not necessarily, without busting the budget.

(Richard Darman, at hearing: "We are trying to do it within the framework of the budget discipline. But the first priority is growth." Rostenkowski: "Well Richard, let me tell you something. You're going to have to be Houdini if you think that you're going to avoid a larger deficit.")

Both sides said they came together today to stop the bickering. Then they spent all day bickering. (NBC-2)

ABC's Sam Donaldson: President Bush moved quickly today to name a new White House chief of staff. And, apparently spurred to action by his declining popularity ratings, moved up his timetable for announcing key members of his re-election team.

ABC's Brit Hume:

(TV coverage: President Bush and aides in briefing room) On the surface, Bush was just making some personnel announcements. But his news conference contained the outlines not just of a reshuffled team but also of a political approach for the campaign ahead. The new chief of staff replacing John Sununu is Transportation Secretary Samuel Skinner, a former Chicago federal prosecutor with a take-charge style. Skinner, unlike the conservative and abrasive Sununu, is considered moderate and likable.

(President Bush: "As a member of our Cabinet, he's demonstrated the leadership skills necessary to guide our staff, work with the Congress, coordinate my activities with the new campaign organization.")

That campaign will be headed by Texan Robert Mosbacher, now Commerce Secretary and a long-time Bush friend and fund-raiser. Bush blamed his steep decline in opinion polls on the stalled economy, but insisted he would still be able to run on the classic question, Are you better off now than four years ago? -more-

Hume's report continues:

(President Bush: "I'm quite confident by the time this election's held this economy will be much, much better, and in many ways I could answer that affirmatively right now, because of world peace and because of a lot of things.")

The President said he would use his State of the Union Address next month to urge on Congress a new economic growth plan -- election year or not.

(President Bush: "And take it right to the American people and say to Congress, now look: let's just get this done fast, and then you can keep on attacking me, and you can bet your neck I'll be out there attacking you.")

The President, of course, does not really expect the Democrats in Congress to rush through an economic plan which he acknowledges will be based on measures they've already rejected. But if they don't and the economy doesn't improve, the President will at least have someone besides himself to blame. Or to try to. (ABC-6)

Donaldson: On Capitol Hill, the Democrats are trying to make certain it's the President who'll take the blame. They began a series of hearings on the economy today.

(TV coverage: Administration officials at hearing)

The Administration's top three economic advisers, led by Treasury Secretary Brady, said they expect the economy to remain sluggish until the spring. The chairman of the House Ways and Means Committee, Rep. Rostenkowski, said everything he's heard from the Republicans would add billions of dollars to the deficit. (ABC-7)

Donaldson: The first major look at how the economy was doing last month will come tomorrow, when the government releases unemployment figures for November. A clue today that it could be bad news: for just the one week before Thanksgiving, the number of Americans filing first-time claims for unemployment insurance shot up by 57,000. (ABC-8)

CBS's Dan Rather: President Bush said it again today: his plans for boosting the economy won't be announced until his State of the Union speech late next month. Bush did announce his new chief of staff and his re-election campaign team.

CBS's Susan Spencer: With the controversial Chief of Staff Sununu out of the way now, the President's new team faces a straightforward, if somewhat daunting task: rescue Bush's image and his economic policy.

(TV coverage: President Bush and aides in briefing room)

Chairing the campaign: Commerce Secretary Mosbacher, aided by a team of trusted Bush friends, most from the '88 effort. They will work with new Chief of Staff Skinner, transportation secretary and once an IBM salesman of the year. Even Bush now acknowledges that given the current economy, salesmanship may be useful.

(President Bush: "There's no question that this economy is sluggish at best, and we want to see it turn around.")

But if it doesn't turn around, what happens in 1992?

(President Bush: "You said if the economy is bad can I get re-elected, and the answer is yes.")

But clearly Bush would rather be seen leading the economy out of the mess than winning in spite of it, so the President said he will speed up federal spending on government programs, pumping nearly \$10 billion into the economy early next year. -more-

Spencer continues: But he'll still hold back any new initiatives until January's economic package.

(President Bush: "Yes, some of the ingredients will be the same as ones we've proposed, and there will be new things in it. And take it right to the American people and say to Congress, now look: let's just get this done fast, and then you can keep on attacking me, and you can bet your neck I'll be out there attacking you.")

Bush has pulled back from intense Congress-bashing, apparently concluding people prefer answers to blame. On Capitol Hill, where his three chief economic advisers testified today, the mood wasn't wholly adversarial, but it wasn't filled with insight either.

(Rep. Pickle: "I'm pleased to hear the testimony from you three wise men. This is the time of year we're looking for the three wise men. [laughter] But I haven't seen a clear path for us to follow, whether it's on the road or whether it's on the camel.") The problem is that the federal budget deficit still blocks most paths. So while the President has a new team in place, they're still confronting the same old problem. (CBS-6)

IRAQ/NUKES

Donaldson: The U.N. today released a disturbing report on Iraq's refusal to come clean about its dangerous weapons program. The special U.N. commission says Baghdad's attitude toward cease-fire inspections continues to be one of obstruction and non-cooperation, particularly, says the commission, when it comes to its potential nuclear capability. This new finding ensures that U.N.-sponsored sanctions will remain in force, and it gives new urgency to the question of how long Iraq will be allowed to drag its feet.

ABC's John McWethy reports that although much of the nuclear hardware was destroyed during the war, the Iraqi braintrust that built the program, largely from scratch, was not. The effort was led by Jifa Dia Jafar [ph]. What concerns U.N. and American officials now is that Jafar and his team are showing no sign that they regard themselves as out of business.

(Robert Gallucci, U.N. inspector: "They seem to change their positions with relative ease and admit to enriching programs they previously denied, admit to a weapons program they previously denied, admit to a biological weapons program they previously denied, without really much difficulty, pain or angst.")

U.N. officials fear that Saddam will try to put this nuclear braintrust back into action if he can get the money to do so.

After today's critical report from the special commission, it seems unlikely the U.N. will allow Iraq to sell valuable oil without restrictions anytime soon. But even if Saddam fails to get the money he needs, officials are concerned the Iraqi scientists could go to work in another country which wants to secretly build a bomb, perhaps providing Iraq with part of what is produced. (ABC-Lead)

LIBYA/TERRORISM

Donaldson reports that Libyan leader Qaddafi said today his country will stop supporting so-called liberation movements which have turned terrorist. He did not say which ones those are. Since two Libyans were indicted for the bombing of Pan Am 103, Libya has been trying to convince the world that it does not support terrorism.

ABC's Pierre Salinger reports on Libya's public relations campaign. Libyan officials allowed reporters to photograph the Rabta plant extensively, the plant which the U.S. says is still producing chemical weapons.

(TV coverage: Photographs of plant)

The man who runs what the Libyans still insist is a pharmaceutical plant says 80 to 90 percent of the facility has been rebuilt since a fire in March 1990, but he says it is still not operating. There are signs at the plant that there could have been a fire --

(TV coverage: Spots on floor of plant)

-- although the CIA claims it was all a hoax to pretend that the plant had been destroyed. A CIA document distributed to European intelligence less than a month ago says the Libyans were still producing chemical weapons at Rabta.

(Head of the plant: "...I am a professional pharmacist. They don't know anything about this. They say what they like.")

It is clear the Libyans fear the plant could be attacked by the West. Behind the walls are radar systems and anti-aircraft missiles. The reporters were also encouraged to visit the Al Qalah camp, identified in a CIA document as the principle training facility in Libya for Abu Nidal. It could have been a terrorist camp in the past. But now, by all appearances it is a Palestinian refugee camp. The Libyans also wanted to tell us they were having nothing to do with the terrorist Carlos [the Jackal]. They showed reporters passports indicating that Carlos had tried to enter Libya in September of this year with his wife and family and a million dollars in cash. Libyan authorities claim there was a third time the government of Syria tried to find a home in Libya for Carlos, but that he had been sent back. Libyan intelligence documents claim to identify the address and telephone number for Carlos in Damascus. (ABC-3)

HOSTAGES

Donaldson: For Terry Anderson today, confirmation from doctors of what seemed fairly obvious when we first saw him last night: he came away from his almost seven years as a hostage in very good physical condition.

ABC's Jerry King reports from Wiesbaden on the reunion between Terry Anderson and his sister, Peggy Say, who had fought so long and so hard for his freedom. Meanwhile, we're learning more about the other hostages' ordeal. On ABC's "Nightline" Wednesday night, Thomas Sutherland said the food, isolation and mistreatment were so bad he tried three times to commit suicide by pulling a plastic bag over his head. (ABC-2, NBC-6, CBS-4)

NBC's Kenley Jones reports on the struggle and triumph of Peggy Say to get Anderson and his fellow hostages released. She was an unassuming housewife who quickly found her voice, speaking out on Anderson's behalf and criticizing the Reagan Administration for not doing enough to set him free.

(Say: "Oh, I'm angry, and I'm hurt, as Terry is. And I can't understand why all the debate. I always thought it was important to make people see my face, to make them sit down and talk to me and make Terry Anderson a part of their emotion.") (NBC-7)

CBS's David Martin reports on the hostages who have been killed.

-more-

Martin continues: Marine Lt. Col. Rich Higgins and the CIA's William Buckley both died in captivity.

(TV coverage: Photo of deceased Buckley; video of Higgins' hanging)

Buckley died of maltreatment, it is believed, and Higgins was shown hanging by his neck, although U.S. experts who've studied the videotape concluded he had actually been killed several months before. Today his wife Robin was on her way to meet with Secretary-General Perez de Cuellar.

(Robin Higgins: "I will not rest, of course, until I receive his body back for a proper burial in the country that he served for 20 years.")

Perez de Cuellar sounds optimistic.

(Perez de Cuellar: "May have some promises about, you know, recovering the body.")

President Bush says he won't consider the hostage tragedy over until that happens.

(President Bush, at today's news conference: "I don't consider the chapter closed, because I think of Robin Higgins, a young Marine whose husband was apparently killed. I think of Mr. Buckley, like to see his remains returned.")

In addition to the return of the bodies, there is also the question of punishment for the crimes of kidnapping and murder. President Bush said today he would eventually like to see the hostage-takers brought to justice. One of the chief kidnappers, a man named Imad Mugnia [ph], is already under indictment for the hijacking of TWA 847. But Alann Steen, kicked so hard he suffered permanent brain damage, thinks it's unlikely his tormenters will ever stand trial.

(Steen: "They took five years out of my life. Unfortunately, I think they're going to probably get away with it.")

Officials say it will be extremely difficult to come up with additional evidence, and even harder to actually arrest the suspects, who have disappeared into the slums of Beirut. (CBS-5)

UNEMPLOYMENT RATE

CBS's Bob Faw reports on the unemployed persons the government doesn't count. Some who have tried and failed to find a job and aren't even looking for work anymore are considered by the government to be discouraged, not unemployed. Meanwhile, 60-year-old Warren Hindenack [ph], who has worked only 21 days in the last year -- eight when his church made work for him painting its basement -- is termed by the government as employed.

(Reporter: "...Does that make sense?" Hindenack: "Not really.") What these illustrate, some argue, is that the government figures measure only the tip of the iceberg.

(Bennett Harrison, Carnegie Mellon University: "For every 100 workers who are officially unemployed in America, there were now 85 more who couldn't find jobs full-time or couldn't find any kind of jobs at all even though they wanted to. The problem in America is at least twice as great as what we hear when the government releases the official statistics every month.")

The conclusion, of course, is flatly rejected by the people who assemble the government numbers.

(Janet Norwood, Bureau of Labor Statistics: "Do we count every single person? Probably not. Do we have a good survey? Yes we do. It's probably the best in the world.")

Faw continues: The government says it does not include discouraged people in the monthly unemployment totals because data about people like that is "soft."

(Norwood: "We cannot really measure a person's state of mind, and we like to stick to factual information in the federal government.")

You can just imagine how that rationale will play when Warren and others who have exhausted their unemployment benefits get together.

(Hindenack: "...They sweep you under the carpet, you know. They don't want to hear about it. There's nothing you can do.")

Every month, the government does add together the unemployed, the discouraged and the number of people working part-time who would like to work full-time. In October, that figure topped 10 percent, but it tends to get lost in the shuffle of government numbers. Meanwhile, people are on welfare and food stamps and are hurting.

(Discouraged worker: "And it does hurt you. It hurts me that the government, I feel, has abandoned me, and I feel it's abandoned a lot of people.")

(Hindenack: "I'm bitter. I'm real bitter with the system. I used to believe in the system. Now, if you think the system is working, ask somebody who's not.") (CBS-13)

CALIFORNIA/IMMIGRANTS

Brokaw reports California taxpayers received the shocking news that the state budget may be more than \$4 billion short unless the economy picks up. The problem is too many people getting too many benefits. That has opened a sharp new debate on immigration, especially illegal immigration. There is no indication the illegal flow will slow anytime soon, and there is a steady stream of middle class families leaving California for neighboring states, and the immigrants cannot match the tax contributions of such families. There are fears of racial polarization in the '90s. (NBC-4)

DAY CARE/FRANCE

ABC's Carole Simpson reports on the day care system in France. French parents have what few American parents have: high-quality day care at low cost, no matter what their income. That's because day care is regulated and subsidized by the French government.

(ABC-9)

SMITH TRIAL

Rather: A day of high tension and tears at the William Kennedy Smith rape trial. Hour after hour, the attorney for the accused cross-examined the accuser. Time after time she wept when questioned about details.

CBS's Bruce Morton reports on the trial. (CBS-Lead, NBC-3, ABC-4)

AIDS SCARE/HOCKEY

CBS's Mark Philips reports an AIDS scare is traumatizing the National Hockey League following a Montreal doctor's disclosure that a woman patient told him she had slept with about 50 players before she died of AIDS. The players are all wondering who she is, and superstar Wayne Gretzky is calling for mandatory AIDS testing.

(CBS-2)

DRUNK DRIVING

Rather reports the government says alcohol-related traffic deaths are down 13 percent in the past decade, down even more over the New Year's holidays. Federal officials say the credit goes to publicity, including television publicity about drunken driving, and stricter law enforcement. (CBS-7)

PEARL HARBOR

Donaldson: It's ironic: the United States, whose military forces suffered a tremendous defeat at Pearl Harbor 50 years ago, is putting a lot of effort into commemorating the anniversary. The Japanese, for whom Pearl Harbor was a major victory, would just as soon ignore the whole thing.

ABC's Bill Redeker reports that to many Japanese, Pearl Harbor was just another battle. But they dread the finger-pointing that will come with anniversary. Because of U.S. memories of the attack, few subjects in Japan have caused more anxiety: Japanese fear a new round of bashing, and nowhere is that fear greater than in the corporate boardrooms of Tokyo, where they fear new protectionist measures. As a result, many Japanese advertisers want no part of the extensive U.S. media commemoration plans. (ABC-10)

Rather reports visitors toured the USS Arizona Memorial at Pearl Harbor two days before the 50th anniversary ceremony. Guests of honor will include survivors of the Japanese attack. (CBS-10)

NBC's John Chancellor reports on America at the time of Pearl Harbor and how the war changed the country. (NBC-5)

GERMAN BOMB

Rather reports an allied bomb hidden in the ground in Germany since World War II exploded in a village near Berlin. Three were injured. (CBS-11)

EDITORIALS/COLUMNISTS

SUNUNU RESIGNATION (cont'd)

Mr. Sununu, The Fall Guy -- "...Sununu was only a symptom, not the cause, of Bush's plummeting poll figures.... Bush is coasting through the recession with his eyes closed.... What some voters will see as decisiveness in Bush's making staff changes, others will see as panic.... Over the next year, it will make little difference whether Sununu or anyone else is chief of staff if the President can't do something about the economy, or even pretend that he's interested." (Hartford Courant, 12/5)

Bye, Bye, Sununu -- "Despite caterwauling from the right, even conservative ideologues will not miss John Sununu.... Sununu committed the sin of deviating from the economic agenda of the Reaganite supply-siders in putting together a 1990 budget agreement that abandoned the Bush campaign pledge of 'now new taxes.' So when push came to shove, Sununu went over the cliff with no one to save him.... The past three years have been marred by stalemate and minimal achievement on the domestic front. Government-by-veto...helped discredit the entire Washington establishment as the nation slid into recession." (Baltimore Sun, 12/5)

Sununu's Real Flaws -- "...President Bush's substantive failings can't be laid at the feet of Sununu's misguidance. If Bush doesn't give a fig about health care for Americans, it's hardly Sununu's fault for not detecting that this might become an election issue. If Bush appoints -- and then ignores -- an interagency study group that comes up with a bunch of anti-poverty programs, is it Sununu's fault House GOP members [get] antsy over the Administration's dumbness on the subject?... Bush buys a breather by dumping Sununu. But each morning he must still confront -- in the mirror -- the man who has played politics with race, who paid tardy and half-hearted attention to the economy, whose pliable convictions and aversion to grappling with domestic policy have created an Administration empty at its core." (Philadelphia Inquirer, 12/5)

After Sununu, Choice And Change -- "...The White House turmoil will not end until President Bush makes the difficult policy decisions he has so far avoided -- especially on the economy and domestic concerns.... If the public is now losing confidence in Bush, it is because he has given the voters no clear sense of his goals.... With Sununu gone, Bush is free to reach toward the center, shunning strident ideologues who might isolate the GOP on the partisan extreme." (Cleveland Plain Dealer, 12/5)

Bush Must Now Face The Problem: Bush -- "...If Bush really does believe that Sununu's abrasiveness hurt his own popularity, that is only one more piece of evidence that Bush is in the wrong line of business and is ever ready to take the advice of his enemies.... Sununu did keep in touch with the real world.... Bush's real problem is that he is so tone-deaf politically that he doesn't see, to this day, that breaking his most conspicuous campaign promise, not to raise taxes, cost him dearly with the people."

(Tom Bethell of The American Spectator, Los Angeles Times, 12/5)

-more-

COMPETITIVENESS COUNCIL

Open Up Council Operations -- "...More and more, the Council on Competitiveness, chaired by Vice President Quayle, is identified with diluting regulations -- always in favor of business interests. ...It is also closely identified with the...proposed wetlands redefinition, which would put a sizable portion of the Everglades at risk.... No one can be sure of what's going on, because there's no public record of the council's meetings or directives: the group claims executive privilege. No advisory group...is entitled to play around with laws passed by Congress. The idea is especially odious when the fiddling involves rules written to protect workers and the public's health and resources. ...Congress ought to write some new rules to remind the White House of what is and isn't expected from the council. First and foremost should be to move its operations into the sunshine." (Miami Herald, 12/3)

A Look Into Mr. Quayle's Council -- "The forces of good government won a preliminary round in their fight to uncover the murky and dubious activities of the Council on Competitiveness. But...the council will fight hard to keep in the dark its tawdry mission: helping businesses to circumvent government regulations designed to protect the rest of us.... Using a subpoena, the House subcommittee on human resources and intergovernmental relations finally forced the FDA to turn over a thick stack of documents that illuminate the role Vice President Quayle's group played in shaping [new] FDA regulations. Subcommittee chairman Weiss says the documents showed just the sort of improper interference he expected." (Atlanta Constitution, 12/2)

Quayle's Secret Rule-Buster -- "The Council on Competitiveness...is quietly trying to weaken federal rules that it considers anti-business. Congress would do well to ensure that the council does its work in public so that the interests of all Americans can be protected.... By intruding on the functions of the EPA and other agencies, the council has lost whatever claim it had on executive privilege.... A bill proposed by Sen. Glenn would provide a useful check on the council's power. Glenn wants the council to open its records to public inspection.... Although his bill would not prevent the council from seeking to rewrite rules it considers objectionable, public and congressional oversight of its activities would probably have prevented the wetlands decision and other flagrant actions." (Boston Globe, 12/2)

Shooting Quayle -- "...Congress and the permanent government are outraged by Vice President Quayle's Council on Competitiveness. This is the White House outfit established by President Bush to provide a sanity check on new regulations and promote ideas to improve the ability of Americans to compete in the global economy.... The Council isn't secret at all.... Its real crime against the Beltway is that it's become the one part of the Bush White House that does creative thinking on domestic policy.... Sen. Glenn wants to put the council out of business by making its members and staff put nearly all of their conversations on the public record. This is a blatantly unconstitutional intrusion into a President's ability to manage the Executive Branch.... Will Glenn also let us listen to his conversations demanding HUD grants for Ohio?" (Wall Street Journal, 11/25)

-End of News Summary-

--- Friday --- December 6, 1991 ---

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--- THE DAILY BRIEFING ON AMERICAN POLITICS ---

Updated Each Morning At 11:50

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BUSH: ANNOUNCES TEAM

Skinner takes White House helm, Teeter/Mosbacher/Malek to run campaign. Matalin, Black, Bond round out top spots. Wonder on the Right, reax. (#5)

BUKE-N-DUKE: GET OUT YOUR MAPS

Buchanan eyes NY, to meet with Conservative Party. Viguerie says no plans to run 3rd party. (#6) Duke looking at NY, MD, NC, TX. (#7)

L.A. TIMES: Poll shows Bush gets 84% in nat'l primary with 2 challengers, but Buchanan at 13% in South. Duke negatives through roof, little effect as 3rd party on Bush-Cuomo. (#17)

CUOMO: ANNOUNCEMENT NEXT WEEK?

Pin this rumor on MD Dem chair Nate Landow -- he says Monday or Tuesday. Meanwhile, Cuomo talks Israel in FL. (#1)

AND SPEAKING OF FLORIDA:

Brown, Wilder passing on 12/15 straw poll, and GA weighing cost of moving up primary. (#4)

LABOR NEUTRAL IN ADAMS FAMILY

WA Dem Senator gets no endorsement for reelect. (#13)

SPOTLIGHT

NUNU'S REVIEWS

A sampler from 37 papers shows plenty of relief, and some compassion for the ousted chief (#9 for more):

CHICAGO TRIBUNE: "The danger of a pit bull is that it can bite anyone, even its master."

DESERET NEWS: "The first high-level victim of the recession."

PHILA. DAILY NEWS: Bush "accepted the resignation of [his] evil twin."

DAILY OKLAHOMAN: "Intense loyalty ... accounts for Sununu's resignation."

Portland OREGONIAN: "Resolves one problem for Bush, but not the big one."

Although the UNION LEADER blasted Bush for quitting on their man ("How fitting and how dumb"), Sununu's home-state GOPers say he was a Bush liability (#10).

===== QUOTE OF THE DAY =====

"You asked, 'if the economy is bad, can I get re-elected?' And the answer is yes. ... Because I'm a good president."

-- President Bush, 12/5. (#5)

THE APN BULLETIN BOARD

FROM TODAY'S GREENWIRE: Rep. Waxman says he's found a second conflict-of-interest in Quayle's Council on Competitiveness.
FROM TODAY'S DAILY REPORT CARD: In NJ, a pioneering welfare plan that denies additional benefits for new births.
FROM TODAY'S ABORTION REPORT: WA pro-choice Init. recount ordered; delay in OH informed consent law, trouble in UT.

HOTLINE/DATABASE INDEX

WHITE HOUSE '92

CUOMO: MD Dem chair says expect announcement next week. (#1)
CLINTON: Backs off anti-Cuomo outing. (#2)
WILDER: Winds up NH trip with more Bush-bashing. (#3)
DEM ROUND-UP: FL, GA, NH. (#4)
BUSH: Announces campaign team. (#5)
BUCHANAN: Will head to the Big Apple to discuss plans. (#6)
DUKE: To be or not to be ... GOP. (#7)
PRESIDENTIAL CANDIDATE MEDIA MARKET SCHEDULES (#8)

FOCUS

HOW'S IT PLAYING: The departure of Sununu. (#9)
SUNUNU: Poll shows Granite Staters have low regard. (#10)

SENATE WATCH

OR: Packwood's offerings called posturing. (#11)
PA: Singel delivers first pitch, balks on abortion. (#12)
WA: Adams experiences labor pains. (#13)

HOTSPOTS

CT: Franks fires staff, others resign. (#14)
MO: Who gets more bang for his buck? (#15)
WV: Staggers mountaineering a Gov run? (#16)

POLL UPDATE

L.A. TIMES: Bush leads primary among conservatives, South. (#17)

TV MONITOR (#18)

???? OVERLOOKED ????

Sonny Bono's campaign biography calls him a "progressive Republican." In a 12/4 speech, he first called himself a "mainstream Republican," then, later in the speech, a "conservative Republican, a VERY conservative Republican." (courtesy Bill Stall, L.A. TIMES)

*1 CUOMO: MD DEM CHAIR SAYS EXPECT ANNOUNCEMENT NEXT WEEK

ALBANY TIMES-UNION's Borsellino & Precious report MD Dem chair Nate Landow, a national Dem fund-raiser (who has been assisting Harkin), "said it's his understanding [Cuomo] will announce his plans Monday or Tuesday. He declined to say where he got his information." Landow: "I think it's great. It enhances the stature of our candidates and it's long overdue." An "influential Washington political consultant": "They have gone beyond the point of just good staff work in case the governor decides to run. They've been putting together an actual campaign team." TIMES-UNION reports NY Leg. leaders alerted members to return to Albany next week to proceed with the budget negotiations: "While no one was claiming to have reached the 15-month agreement all sides were seeking, calling the Legislature back would indicate progress is being made" (12/6). N.Y. TIMES' Sam Howe Verhovek reports budget negotiations "fell into greater disarray" (12/6). His "presidential political team is to begin planning a campaign fund-raising effort today that would allow him to jump into the race if state budget problems are under control." Five "money people are scheduled to meet this morning." Marino and "top political aide" Al Gordon "met secretly with nearly 20 Cuomo loyalists to organize preliminary research" for key primary states (N.Y. DAILY NEWS, 12/6).

TALKS TOUGH IN MIAMI: Speaking to the Greater Miami Jewish Federation, "he came, he spoke, he equivocated" (Tom Fiedler, MIAMI HERALD). Cuomo: "I'm looking at [12/20] as a practical deadline, which would certainly be time enough for Florida. Florida is absolutely essential. I'd want to be here. I'd want to talk to the people of Florida. I know a lot of them, but they don't know me. And I'd like to give them a chance to scrutinize." But he said he "hasn't yet answered" the question of "whether he can conclude 'in good conscience' that [NY's] budget crisis can be left partially untended while he campaigns." He said he had asked NY Dem chair John Marino to start compiling a list of possible campaign aides (see HOTLINE 12/5) "strictly for the purpose of keeping him within reach of other [Dems] should he decide to run." He called himself an "underdog": "I want to be the overdog." In the "hardline, pro-Israel speech," he was "far from equivocal." He called Bush's "pressuring" Israel into meeting with Arab leaders in DC a "slap in the face" to Israel, and offered a 3-point policy for Middle East peace that "closely followed Israel's negotiating position" (12/6). BOSTON GLOBE's Adam Pertman, detailing his Miami remarks, notes he did "something few governors do, but many White House aspirants do: He took a detailed stand on a foreign policy issue" (12/6). WASH. TIMES' Jennings Moss reports Cuomo was "disappointed" Marino "says he just began the process." Marino on John Sasso, Bob Shrum, and Bob Squier: "They're nice names. I like those guys. The governor has talked to those guys" (12/6). ... In the tradition of the N.Y. DAILY NEWS' "Waiting for Mario" daily box (currently at Day 56), W. POST today inaugurates "a new and possibly short-lived feature": "Cuomo Watch" (12/6).

*2 CLINTON: BACKS OFF ANTI-CUOMO OUTING

At UNH, he "defended his proposals on national service and work requirements for welfare recipients" from criticism by Cuomo, but "stopped short of challenging Cuomo to enter the

race": "I don't care what he does ... I won't be cowed by him" (Curtis Wilkie, BOSTON GLOBE). He said he "found the prospect of a debate with Cuomo exciting, but his exercise to engage Cuomo [12/5] in the speech was not as dramatic as his campaign officials had originally indicated." Despite the "delineation of his differences with Cuomo" in the speech, Clinton later "refused to be prodded to demand a decision from Cuomo." He called him "a powerful spokesman for the Northeast liberal base of the party," and said "successful" Dems in the South, Midwest, and West "were those who advocated growth and were able to balance budgets," Clinton said he was "not running as a regional candidate" (12/6). He also "called for the creation of a national energy program and for greater use of natural gas, as well as federal funding for the development of alternative energy sources" (Jerry Miller, Manchester UNION LEADER, 12/6).

ELSEWHERE: He "hopes to do well" in the 12/15 FL straw poll, but said he "wasn't sure of the poll's importance" (Randy Lilleston, ARKANSAS DEMOCRAT-GAZETTE). Clinton to media: "You folks will probably decide how important that is ... We went in there late. Kerrey and Harkin were in there well ahead of when we were, and I've worked hard to try to catch up." Clinton also noted "about" 28% of the delegates come from unions: "I don't know what that means or won't mean" (12/6). TAMPA TRIBUNE's Ray Locker notes Clinton workers will hand-deliver 1000 copies of a 15-minute, Frank Greer-produced, Clinton video to FL Dem convention delegates (12/6). In Denver, Clinton announced ex-state Reps. Dick Bond and Polly Baca would chair his CO campaign (DENVER POST, 12/5). He named DNC aide Bill Morton dep. campaign manager and ex-DNC Nat'l Finance Chair Peter Kelly as a senior \$-raising adviser (Clinton release, 12/5).

RACIAL HISTORY: Raleigh NEWS & OBSERVER's Ferrel Guillory compares Clinton's "confrontation" with Bush over race to ex-AR Gov. Orval Faubus' confrontation with Eisenhower over Little Rock Central High in '57. Between Faubus and Clinton, "the South has travelled a great distance, socially and politically." It is "of no little significance ... when the [Dem] governor of one Southern state ... challenge[s] the potential injection of racial divisiveness into a presidential campaign." Clinton's candidacy "is shaping up as a fascinating experiment in whether [Dems] will address a dilemma fundamental to [their] future ... Can the party hold onto its traditional constituencies and simultaneously reach out to white swing voters, even alienated working, middle-class voters" like Duke voters in LA? By bringing up race, Clinton can "appeal to black voters" in Jackson's absence, "show that he is no pale reflection of a Republican, and seek to blunt a GOP return to wedge-issue politics" (12/6).

*3 WILDER: WINDS UP NH TRIP WITH MORE BUSH-BASHING

His just-completed NH swing "gave him plenty of opportunity to talk about jobs, the economy, and the failings of President Bush" (Gary Ghioto, RICHMOND TIMES-DISPATCH). He repeated his call for Bush to recall Congress for a special session to "provide \$50 billion to jump-start the economy" (12/6). He also targeted NH Gov. Judd Gregg (R): "Since Gov. Gregg has agreed to lead the Bush re-election effort [in NH], does this mean he agrees with the president's deliberate decisions to put off dealing with [NH's] economic troubles?" (AP/Norfolk VIRGINIAN-PILOT, 12/6). In his 12/8 visit to AR, Wilder will meet with a

delegation of black AR legislators. The visit is "seen as an effort to underscore his frequent criticism" of Clinton. State Rep. Ben McGee (D) is "helping organize" the visit; "exactly how many of [AR's] 12 black legislators" will attend was uncertain (Noel Oman, ARKANSAS DEMOCRAT-GAZETTE, 12/6). In Franklin, NH, he met with Mayor Brenda Elias, and visited a nursing home -- the staff of which greeted him with "I Vote for Long Term Health Care" buttons (Mary Beth Lapin, CONCORD MONITOR). Wilder "advocated a national health care system, but said he had not seen a proposal yet he liked. Any program would have to include non-direct services, such as long-term health care, respite and hospice." He said he "would prefer a new approach that integrated government and community involvement in health care and retirement care" (12/5).

*4 DEM ROUND-UP

SPLIT PERSONALITY: N.Y. DAILY NEW's Jeff Greenfield writes, as in '84 "we are going to see a replay of the battle between competing wings of thought within the Democratic Party -- between the Traditionalists and the Revisionists." One side, led by Harkin and Cuomo, says "the only thing wrong with Democrats is that they haven't been proud enough of their tradition and tough enough to fight for it." The other side is led by Clinton and Tsongas who have "serious doubts about their party's past, [and] who have been engaged for years in a debate about Democratic orthodoxies." The outcome of the debate "will not only decide the nomination, [but] given the bleak track record of the party over the past quarter-century, it may very well decide whether a Democrat has a chance to win the [WH] next year" (12/6).

GA: State and local election officials said moving up the date of GA's 3/10 primary to 3/3 is a "logistical nightmare that could cost taxpayers hundreds of thousands of dollars," as "contracts with printers, work schedules -- even agreements on the use of school facilities -- would have to be altered." At a leg. cmte hearing, GA elections dir. Jeff Lanier "outlined the potential for lawsuits and extra printing costs ... that could run as high as several hundreds of thousands of dollars": "I don't have a number but it's significant." He also claimed that speeding the process "increases the chance of error and makes more likely a lawsuit by a candidate denied a place on the ballot" (Mark Sherman, ATLANTA CONSTITUTION, 12/6).

NH: BOSTON PHOENIX's Jon Keller examines the "righteous indignation" of NH residents: "God help the candidate who hopes to connect with the voters of Manchester. He will need to convey an image of competence, commitment, and honesty to an audience that's convinced most politicians are fly-by-night, disingenuous incompetents. He must do the seemingly impossible -- lay out a plan for economic survival and recovery that seems realistic but requires no new tax revenue -- and convince skeptical voters that it can be done" (12/6 issue).

KERREY: He is profiled by VANITY FAIR's Peter Boyer, under headline, "Bob Kerrey's Odyssey" (1/92 issue).

BROWN: A "critic of straw polls," he will skip the FL Dem convention altogether, travelling in WA and OH. Press sec. Ileana Wachtel: "He just had other things going on." Wilder will also skip the event (Peter Mitchell, TAMPA TRIBUNE, 12/6).

AGRAN: In a letter to David Duke, he challenged the ex-Nazi to a televised debate, noting, "I stand in direct opposition to every major theme of your campaign" (Agran release, 12/6).

MATCH STICKS: W. POST editorial: "Congress created the

presidential election campaign fund with a major structural flaw. The costs were indexed to rise with inflation, but the revenues -- from the familiar income tax check-off of \$1 for individuals and \$2 for couples filing jointly -- were not." Dems "moved to repeal the regulation through a rider on the 'dire emergency' supplemental appropriations bill. But [Bush] -- even while opposing public financing of congressional elections as a raid on the Treasury -- threatened to veto the bill unless the rider was dropped, and the appropriations gave in. That was wrong; the long- and short-term problems ... should both be fixed" (12/6).

BRADLEY: Visiting Atlanta to speak to a Kiwanis Club, Bradley will meet with local political reporters "just to stay in touch." He insisted "there is no rekindling of interest" in running for president: "For all practical purposes that discussion is closed." He will visit FL, TX, and CA this week (A.L. May, ATLANTA CONSTITUTION, 12/6).

*5 BUSH: ANNOUNCES CAMPAIGN TEAM

In addition to announcing Sec/Trans. Sam Skinner as new chief of staff, Bush unveiled his re-election campaign team:

General campaign chair -- Robert Mosbacher
Campaign chair/chief strategist -- Robert Teeter
Campaign manager -- Fred Malek
Political director -- Mary Matalin
Senior adviser -- Charles Black
Senior adviser -- Rich Bond

"The 53-year-old Skinner, known as a non-ideological, take-charge manager with keen political instincts, takes over a wobbly [WH] operation that has been shaken by Bush's plunge in political polls, internal strife, and an image of blundering arrogance that reflected Sununu's heavy handed style" (James Gannon, DETROIT NEWS, 12/6). Bush, "in his first press conference after a month of bad news and political confusion" (Gerstenzang, L.A. TIMES, 12/6): "Sam Skinner takes over as a firm right hand at the time when the nation's economy presents a difficult challenge. ... When the economy goes down, a president takes the hits. ... I don't feel there is a major problem with conservatives. I think of myself as a conservative. ... You asked, 'if the economy is bad, can I get re-elected?' And the answer is yes. [Asked why] Because I'm a good president" (mult.). "Bush refused to answer a question about why [Sununu] resigned. ... Bush said he feared he had no choice but to allow David Duke ... to participate in the Republican convention next summer": "I envision even somebody as obnoxious as that having certain rights" (Michael Kranish, BOSTON GLOBE, 12/6). "Seeking to calm the mood in the [WH], Bush took the unusual step of visiting the senior staff meeting [12/5] to reassure his aides that no major shake-up was planned" (LAT, 12/6). "In contrast to the furor that swirled around Sununu, Skinner was almost ignored at Bush's press conference dominated by talk of the President's political fate and highlighted by a sharp rebuke of David Duke" (Condon, COPLEY/S.D. UNION, 12/6).

REAX: W.S. JOURNAL's Paul Gigot: "Skinner won't carry Mr. Sununu's clout, of course, at least not at first. And he will have to compete, as Mr. Sununu did not," with the campaign aides. Teeter is "close" to OMB dir. Richard Darman, "who will attempt to dominate campaign ideas as he has White House domestic policy." Dems say Bush's problems "go beyond John Sununu, and this time they're right. His problems also aren't merely a

matter of public relations." One WH aide observes, the trouble is Bush has "stood for so little, he has begun to seem as undefined" as defeated Gov. Buddy Roemer (R-LA). GOPers "have to hope Mr. Skinner is pragmatic enough to know that" (12/6). WASH. TIMES' Ralph Hallow reports conservatives think Skinner, "although a pro-choice moderate, will do better than John Sununu in consolidating" Bush's electoral base, but they "worry that the men heading his re-election team aren't tough enough." Some "abortion opponents, however, are leery." '88 Bush aide/GOP consultant Bill Pascoe: "Bush has given pro-lifers no reason to doubt his commitment to their cause." A "few on the right were outright hostile." CVC's Brent Bozell: "The door has been slammed on conservatives." There was "more unanimity among conservatives" about the campaign team. Paul Weyrich: "I am astounded Bush could pick that team for the kind of race he faces against two challengers on the [GOP] right and what will probably be a tough, well-organized [Dem] campaign." The 3 top aides "would be what you'd expect if you were expecting a 1984 Reagan landslide re-election and not the rough and tumble and perhaps mean challenge Bush faces" (12/6). N.Y. TIMES' R.W. Apple writes the team "emphasizes experience, technical skills, and a nonideological approach, but it includes no one who has ever run a large-scale political enterprise" (12/6). A "disappointed" Sen. Bob Smith (R-NH) said Bush "did nothing to boost his rating with [NH] conservatives by his choices" (John DiStaso, Manchester UNION LEADER, 12/6). Header over Wesley Pruden column on Skinner: "He don't get no respect already" (W. TIMES, 12/6).

TV: ABC's Brit Hume: "Skinner, unlike the conservative and abrasive Sununu, is considered moderate and likeable. ... Bush blamed his steep decline in opinion polls on a stalled economy, but insisted he would still be able to run on the classic question, 'Are you better off than you were four years ago?'" (12/5). CBS' Susan Spencer: "With the controversial [Sununu] out of the way now, the President's new team faces a straightforward, if somewhat daunting, task -- rescue Mr. Bush's image and his economic policy. ... But clearly Mr. Bush would rather be seen leading the economy out of the mess, than winning in spite of it. ... Bush has pulled back from intense Congress bashing, apparently concluding people prefer answers to blame" (12/5). CNN's Charles Bierbauer: "[GOP] sources describe Skinner as ambitious, but a team builder. They hope Skinner, unlike Sununu, can get along with Congress. [Dem] leaders say that's not the problem." Ex-Reagan aide Frank Donatelli: "The role of a [CoS] is to be a conciliator ... Skinner's record indicates he's qualified to do that" (FOX, 12/6). Sen. Majority Leader George Mitchell: "He can change [the CoS] three times a week, from now until the election, and it wouldn't make any difference. What matters, is the policy" (CNN, 12/5).

NH: Bush "officially launches" his NH primary campaign 12/12 "with the opening of headquarters in Manchester." The plans were formulated at a meeting of Friends of Bush chaired by ex-NH Gov. Hugh Gregg (R): "We hope to get the President up here in [NH] and the group hopes that he'll come at least two to three times before the primary." Also at the meeting were Executive Councilors Bernard Streeter and Ruth Griffin, ex-Rep Jim Cleveland and wife, Manchester Mayor Raymond Wieczorek, and state Rep. David Currier (R) (Donn Tibbetts, Manchester UNION LEADER, 12/6). NH Gov. Judd Gregg (R), Hugh's son, in a call from Bush was told he "will run the campaign in [NH], make all the decisions," and that departing WH CoS Sununu, who has clashed

with both Greggs, "was aware of that fact." Hugh Gregg said the decision of when Bush will file for the 2/18 primary "hasn't yet been made": "Judd will decide when he gets back" (Tibbetts, UNION LEADER, 12/5). The filing deadline is 12/20.

*6 BUCHANAN: WILL HEAD TO THE BIG APPLE TO DISCUSS PLANS

Buchanan "is scheduled to meet with leaders of the New York State Conservative Party" 12/15 to discuss his "anticipated" challenge to Bush (Jonathan Salant, SYRACUSE HERALD-JOURNAL). Although the Conservatives endorsed Bush in '88, party chair Michael Long, who wasn't invited to Bush's 11/91 NYC \$-raiser, said the Conservative nomination is now "up for grabs": "With Buchanan in the race, it's going to be a wide open ball game. We're not going to be so fast to move into an endorsement posture of the president." Adviser Richard Viguerie said Buchanan "also is making plans" to run in the 4/7/92 NY GOP primary: "This is going to be a full fledged campaign. We're going to take this battle with Bush into all parts of the country and most all primaries. I would certainly expect we're going to be heavily involved" in NY. GOP consultant Craig Shirley, "a conservative with ties to Bush, said the Buchanan meeting should send a wake-up call to" Bush: "It demonstrates that the Buchanan people are thinking not just in terms" of NH but "down the road. It demonstrates Pat's seriousness and I hope to God the Bush campaign realizes Pat is serious about this." Should Buchanan "receive the Conservative nod, he would be assured" of appearing on the '92 ballot even if Bush won every GOP delegate in the primary. Thus, Buchanan "could siphon support from Bush, making it easier" for a Dem to take NY's 33 electoral votes. But Viguerie "said Buchanan had no plans to run a third-party campaign" if he didn't get the GOP nod, saying the "only item on his agenda is to beat Bush" (12/6).

*7 DUKE: TO BE OR NOT TO BE ... GOP

While "it is quite possible the Duke challenge will amount to nothing," it has the "potential to give Bush and the [GOP] some anxious moments" (Germond & Witcover, Balto. EVENING SUN, 12/5). Polls suggest "among voters inclined to support [GOP pres.] candidates there are just the kind of strong divisions and conflicts emerging that could provide a base for Duke to become more than a nuisance candidate. ... Descendants of the [George] Wallace electorate are the core target of the Duke campaign and Could be ready to leave the GOP if presented with a new alternative" (Thomas Edsall, W. POST, 12/6). Germond & Witcover report a "win-win situation for Duke": "If the Republicans, as is likely, simply shut him out [of the convention], Duke can be expected to use that as evidence that the political establishment is once again ganging up on the little people." Duke has also targeted the Dems, urging "'every working person' to become a Republican and desert 'the Democratic Party of Jesse Jackson and Ron Brown' -- an obvious attempt to play off the Southern conservatives view that the [Dem] Party has become 'the black party'" (EVENING SUN, 12/5).

IN SEARCH OF DELEGATES: Duke plans to challenge Bush in NY's 4/7 GOP primary. But NY GOPers "said he might not have enough support to get on the ballot." To do so, he needs to "collect signatures of enrolled Republicans who support his candidacy" (Jonathan Salant, SYRACUSE HERALD-JOURNAL, 12/5). Duke research chief Marc Ellis said Duke will "form an organization" in MD; its primary is 3/3 (EVENING SUN, 12/5).

Duke predicted he will "run strong" in TX, but the state's GOP leaders said "balderdash" (HOUSTON POST, 125). Dallas based GOP consultant Rob Allyn: "Obviously Republicans are horrified. David Duke is like the house guest who won't leave. Everybody is looking around and saying, 'who invited him?'" (SAN ANTONIO LIGHT, 12/5). The states Duke has targeted "generally meet three political requirements": 1) "Open primary" states. 2) "States that award some delegates on a proportional basis -- so that he would be entitled to a share even while losing to Bush" (ie: LA, MS, TN). 3) States with a "significant enough black population to appeal to white racial resentment" (Germond & Witcover, EVENING SUN, 12/5).

*8 PRESIDENTIAL CANDIDATE MEDIA MARKET SCHEDULES

	12/06	12/07	12/08	12/09	12/10
BROWN 213/449-1992 J. Costello	Phila. PA Denver, CO	CA S.D., L.A.	L.A.		
CLINTON 501/372-1992 R. Mintz	CA Newport Beach, L.A.	CA San Jose, Oakland	L.V., NV	Edison, NJ Boston, MA NH	Manch., NH NYC
HARKIN 301/656-1992 L. Voles	L.A., CA	W. Hllywd CA, DLCncl of 21st C	DC	DC	DC
KERREY 202/393-4110 S. Jarding	L.V., NV, Dallas, TX	Dallas, TX	NE	NYC	DC NH
TSONGAS 617/422-0100 P. Connolly	Keene, NH	Boston MA	Prov., RI Swim meet Astria, NY	Plymth, NH Walthm, MA	Lowell, MA off
WILDER 703/218-5000 E. Easter	N. Mandela NYC; Las Vegas NV	VA DC	Mphis, TN W. Mphis, AR	VA	VA
CUOMO	Albany	Albany	Albany X-mas tree	Albany	Albany

AGRAN: 12/6-7 -- CA; 12/8 -- MA; 12/9 -- NH
 LAUGHLIN: 12/8-13 -- NH
 MCCARTHY: 12/6 -- WI
 NADER: 12/10 -- NH

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*9 HOW'S IT PLAYING: THE DEPARTURE OF SUNUNU

AUGUSTA (GA) CHRONICLE: Sununu "is sometimes arrogant and often abrasive. ... Still, [he] has been about the only principled, anti-big government conservative in the president's inner circle. In that respect, he will be missed" (12/5).

Augusta (ME) KENNEBEC JOURNAL: "As usual, Washington was much more interested in a departing [WH] official than the rest of us. ... It appears John Sununu will not be missed" (12/5).

AUSTIN AMERICAN-STATESMAN: "If anything, the president's foot-dragging in handling the Sununu affair as he has become a bigger liability to the administration parallels Bush's foot-dragging on dealing with the stagnant economy and other domestic problems" (12/5).

Balto. SUN: "Bush is to blame for this situation" (12/5).

BOSTON GLOBE: "Sununu's role, however, will have to be appraised in terms beyond the personal qualities that have attracted so much comment. ... He surely said things that were comfortable to the president's ears. Their political objectives cannot have varied by more than a few degrees" (12/4).

CHICAGO TRIBUNE: "Sununu reveled in his role as White House pit bull, and Bush looked on approvingly. ... The danger of a pit bull is that it can bite anyone, even its master" (12/5).

C.S. MONITOR: "This staff switch could be a step toward recovering some of the president's losses" (12/5).

Cleveland PLAIN DEALER: "Sununu's departure should relieve some of the momentary political pressure, but [WH] turmoil will not end until Bush makes the difficult policy decisions he has so far avoided" (12/5).

CONCORD MONITOR: "Contrary to what his defenders say, Sununu was not done in by [DC's] evil forces -- the liberal media, egotistical politicians or jealous ... insiders. He was a victim of his own dismissive, pugnacious personality and of his own political views. ... As for his Washington epitaph, it could read: For a smart guy, he did some very dumb things" (12/5).

DAILY OKLAHOMAN: "The self-designated javelin receiver has received the javelin. ... Intense loyalty to his boss accounts for Sununu's resignation" (12/5).

DAYTONA BEACH NEWS-JOURNAL: "Too much has been focused on Sununu's mean-spirited personality and not enough on his mean-spirited policies -- policies which so far show no sign of leaving the White House with him" (12/5).

DESERET NEWS: "No longer a positive contributor? That's putting it mildly ... [But] to a large extent, Sununu can be considered the first high-level victim of the recession" (12/5).

DETROIT NEWS: "If [Bush] uses this ... to get his [admin.] back on track, then perhaps Mr. Sununu's departure is a positive step. If, as we suspect ... [Bush] is merely throwing a body to the wolves in hopes of distracting their attention, he will find them back on his trail in short order" (12/4).

HARTFORD COURANT: "He is being sacrificed, but the basic problems remain" (12/5).

HONOLULU ADVERTISER: "When the polls went south with the economy's decline, the self-styled genius became a symbol of an empty administration domestic policy, and now, ultimately, a necessary scapegoat" (12/4).

INDIANAPOLIS NEWS: "He forgot that he was simply a servant -- a steward of the power the American people lend to presidents

and their staffs" (12/5).

K.C. STAR: "A poor choice for this crucial job, and he has made a mess of it" (12/5).

Manchester UNION LEADER: "How fitting that Mr. Bush, ever the pragmatist, moved to shore up his sagging re-election effort by removing from his staff one of its best people, best precisely because he had convictions. How fitting and how dumb" (12/5).

N.Y. POST: "His loyalty to the President said much for his character; and while his operating style may have left something to be desired, blaming the White House chief of staff for a foundering national economy is a new one on us" (12/4).

N.Y. TIMES: "Sununu's departure cannot alter one unalterable fact: George Bush is the President, and Mr. Sununu was his man. ... Mr. Bush may now choose a kinder, gentler Sununu but that alone will do little to achieve a kinder, gentler society" (12/4).

NORTHEAST [MS] DAILY JOURNAL: "President Bush is better off without him" (12/4).

PHILA. DAILY NEWS: "George Bush just accepted the resignation of George Bush's evil twin. There is a suspicion that Sununu is closer to being the real Bush than Bush is" (12/5).

PHILA. INQUIRER: "The real story is that the substantive failings of the President cannot be laid at the feet of John Sununu's misguidance" (12/5).

Portland OREGONIAN: "Sununu's departure resolves one problem for Bush, but not the big one" (12/6).

ROANOKE TIMES & WORLD-NEWS: "Rejecting Sununu won't eliminate the malignancies swelling within the White House. The solution is to stop toadying to the most mean-spirited element of the [GOP] and start coming to terms with an economy beset by rising unemployment, a shaken bank system and rampant consumer un-confidence" (12/5).

SACRAMENTO UNION: "With the distractions of Mr. Sununu's antics removed from the White House, perhaps President Bush can now concentrate on the job of economic recovery" (12/4).

ST. LOUIS POST-DISPATCH: "Bush did what virtually all of his recent predecessors did when they found their presidencies were in trouble ... However, to blame Mr. Sununu ... is scapegoating." Bush "has decent instincts, but he has suppressed them, first in the interests of winning the presidency, then in the interests of mollifying the party's right wing. Maybe it is time the president listened to himself" (12/5).

SALT LAKE TRIBUNE: "When a sagging national economy steadily robbed Mr. Bush of the high popularity ratings won during Persian Gulf War successes, the palace guard started looking for scapegoats. Having already annoyed just about everyone around him, Mr. Sununu became the virtually unanimous choice" (12/5).

SEATTLE TIMES: "Where Sununu is tough and arrogant, Skinner is tough and political, with a flair for crisis management and improvisation" (12/4).

Sioux Falls ARGUS LEADER: "Good riddance. ... His resignation brings an overdue end to rumors that he was on the way out. But it does not end Bush's woes" (12/5).

Tacoma MORNING NEWS TRIBUNE: "Every president has to have a tough aide whose job is saying 'no.' Sununu excelled at it. The trouble was that Sununu also reveled in it" (12/4).

TAMPA TRIBUNE: "Darman and Brady should follow Sununu over the side. ... Bush shouldn't kid himself. His big problem wasn't

John Sununu. [It] is his visceral disdain for messy domestic troubles and a breathtaking, upper-class ignorance of ordinary people and their paycheck-to-paycheck existence. If, today, they have a paycheck" (12/5).

W.S. JOURNAL: "Indeed, no choice will matter much unless Mr. Bush also changes direction. ... He has to show he's in command by showing he knows how to get the country moving again" (12/4).

WASH. POST: "The paradox of being White House chief of staff is that you are almost the most powerful person in government, but you can only sustain that power by exercising it in quiet, careful ways. All this was in the cards" (12/4).

WASH. TIMES header: "The buck still stops at Bush" (12/5).

WICHITA EAGLE subhead: "Bush chief of staff took the blame and the next one will do likewise" (12/5).

Wilmington (DE) NEWS JOURNAL: "Call it arrogance, call it power-drunkenness; it led him to overplay his hand a number of times, and it destroyed his usefulness as the president's right-hand man" (12/4).

*10 SUNUNU: POLL SHOWS GRANITE STATERS HAVE LOW REGARD

A BOSTON GLOBE poll, conducted 12/1-4 by KRC Communications Research, surveyed 400 prospective NH voters; margin of error +/- 5% (12/6). NOTE: Sununu resigned 12/3.

SUNUNU	FAV / UNFAV	TO BUSH, SUNUNU WAS ...
		ASSET / LIABILITY
All	25% / 59%	23% / 62%
GOPers	37 / 46	31 / 54
Dems	15 / 69	-- --

GLOBE's Walter Robinson writes if Sununu "has any inclination to seek political office, the voters of [NH] have a message for him: Don't bother. ... Even Republicans in [NH] dislike their former governor. ... Sununu said this week that he has no plans to stand for election, though he plans to return home to [NH]. The poll suggests that he may not receive a rousing welcome" (12/6).

OTHER STUFF: WASH. POST's John Carmody reports Sununu was approached by CNN to take over Buchanan's chair on "Crossfire" (12/6). To USA TODAY's Richard Benedetto, Sununu "ruled out" a run for the Senate, should Sen. Warren Rudman (R-NH) retire (12/6).

*11 OREGON: PACKWOOD'S OFFERINGS CALLED POSTURING

Sen. Bob Packwood (R), author of '86 tax reforms, "wants to give middle-class taxpayers a 10 percent across the board tax cut for two years" as part of a proposal to "awaken the slumbering" economy (Alan Ota, Portland OREGONIAN). Packwood said the tax cuts "should be paid for" with defense cuts, "and if additional revenue is needed, wealthy Americans should be asked to pay a little more in income taxes." His bill would "partially undo some of his ['86] handiwork," which has been "under fire" from the real estate industry and small businesses for eliminating too many tax deductions. Opponents from both sides "reacted with derision and virtually a unanimous theme: Packwood is undergoing an election year conversion." Dem hopeful/tax atty Joe Wetzel: "Apparently because it is 1992, he is specifically trying to undo what he himself did and knew what he was doing in 1986." GOP primary opponent Joe Lutz and Dem hopeful Harry Lonsdale "both called the bill a Band-Aid for a large economic problem." Sen. hopeful/Rep. Les AuCoin (D-01) said "Packwood's apparent change of heart comes from a man whose 1986 bill 'crippled the real estate industry, pushed the S&Ls over the brink, and brought the middle-class to its knees" (12/4). Packwood, detailing his health-care plan that "would require all businesses to provide coverage for full-time employees and their dependents," borrowed a line from Sen. Harris Wofford (D-PA): "If a criminal can have a right to a lawyer, then a decent working American has a right to health care" (Gail Hill, OREGONIAN, 12/3).

*12 PENNSYLVANIA: SINGEL DELIVERS FIRST PITCH, BALKS ON ABORTION

"With the ink barely dry" on Sen. Harris Wofford's (D) successful strategy for Senate, LG Mark Singel (D) "grabbed the blueprint" and said he would challenge Sen. Arlen Specter (R) "by advocating national health insurance and championing the middle class" (Katharine Seelye, PHILA. INQUIRER). Singel, who previously received "anti-abortion" activists' support, "backed off his previous stance against abortion," as he now supports "'the general tenor' of the state's Abortion Control Act, which allows abortions during the first six months": "I support the right to choose, in the early phases of pregnancy, that is embodied in the [PA] bill." Singel also "joined the Washington-bashing that has preoccupied politicians since Wofford swamped Dick Thornburgh last month with waves of anti-Potomac themes": "[Specter has] been in Washington too long." Singel on Specter and the Clarence Thomas hearings: "While the economy sunk deeper and deeper, and we lost more jobs, Arlen Specter ... tried to get a conviction of perjury on national [TV]." While Singel has the Dem field to himself -- though Sec/Aging Linda Rhodes "said [12/5] that she was considering challenging him for the nomination" -- GOP primary hopeful/State Rep. Stephen Freind (R) "paints Specter as outside" the GOP mainstream (12/6). PHILA DAILY NEWS' John Baer writes, Singel's campaign is "starting like a newly hatched bird. It's trying to fly falling from the nest. Here's why": Gov. Bob Casey (D), "doesn't want him to run," and Casey "confidants question Singel's loyalty to Casey and Singel's political maturity"; he is attempting to "straddle" the abortion fence; and he "couldn't sign up" Wofford/Casey consultant James Carville. Singel "wanted Carville," but "insiders" say Carville, who is now on board with Clinton, "has problems" with Singel.

Instead Singel hired Joe Trippi. One Dem consultant: "He acts like a guy still involved in student government politics" (12/6). Harrisburg PATRIOT header: "Singel echoes Wofford." Singel, when asked "for an issue" on which he and Wofford differ: "I prefer to focus on what unites us." Neither Wofford nor Casey endorsed Singel (Joseph Serwach, 12/6).

*13 WASHINGTON: ADAMS EXPERIENCES LABOR PAINS

Sen. Brock Adams (D) "could be facing the erosion" of his labor backing, as he "suffered an unusual humiliation at the hands" of King and Pierce Cos. AFL-CIO labor councils. King Co. Labor's vote to make "no endorsement at this time" is a "significant setback" for an incumbent Dem "with strong labor support and a reliably pro-labor voting record." Pierce Co. Labor "took the same action" 11/13, making it a "strong possibility" WA Labor "will also vote to stay neutral" 1/9. Ex-Rep. Mike Lowry (D), "the 800-pound gorilla" of WA Dems who also had "strong organized-labor" support, "said he has revealed his plans in a letter to 21,000 supporters that is scheduled to reach local mailboxes this weekend": "I want them to get the letter (first)." Lowry has also been rumored to be looking at the gov. race (Modie/Brown, SEATTLE POST-INTELLIGENCER, 12/5). King Co. Labor Council exec. sec. Rick Bender said participants "in the closed-door meeting said they didn't think Adams could win re-election." Adams top aide Ellen Globokar: "I was always led to believe the unions, as any organization, based their endorsement on one thing -- how the candidate voted and supported their issues. ... if (electability is the issue) Harris Wofford wouldn't have gotten a dime." Lowry DC pollster Celinda Lake "told friends and clients here that Adams' staff tried to persuade her other clients to fire her." Globokar: "That's absolutely false. I didn't tell anyone not to hire Celinda Lake or to fire Celinda Lake. I let several people know I wasn't happy" (Rebecca Boren, P-I, 12/6).

2 GO IN 1 COMES OUT: Political "newcomer" State Sen. Patty Murray (D) "weighed in" as the first Dem challenger "in an increasingly crowded field of candidates trying to unseat" Adams. Murray, "considered a rising power" among WA Dems, said she is running "because she was an 'average person' who could 'provide a voice missing'" in the Senate: "I don't have to run as a woman. I am a woman. I am going to run as a very average person." Adams state dir. David Gallik said Murray, who plans to "champion better education, a better health care system and government that heeds the financial plight of the middle-income people," was "unwise to challenge Adams because the candidates have nearly identical issues" (Erikson, P-I, 12/5). Murray, on the Thomas hearings: "People were overwhelmingly conscious of the fact that there are only two women in the whole Senate. It's time to put a mom's voice in there" (Jim Simon, SEATTLE TIMES, 12/5).

***14 CONNECTICUT: FRANKS FIRES STAFF, OTHERS RESIGN**

Rep. Gary Franks (R-05) "fired two top aides" -- press. sec. Chris Healy and fin. dir. Katherine Finney and two others, AA Patricia Brown and dep. district dir. Valerie Marino, resigned soon after" (O'Neil/Brutin, Danbury NEWS-TIMES). Franks "declined to be specific," saying only that "several mistakes by the staffers were costly and embarrassing": "In an attempt to have a more efficient office, they [Healy and Finney] were let go." Franks also said the resignations of Brown and Marino "were not a complete surprise." Rep. Nancy Johnson (R-06) ex-aide Jeffrey Hobeck will replace Brown, "a veteran of Washington for more than 20 years" and "was described by one [GOP] official as 'a competent pro.'" CT GOP chair Richard Foley "was also caught off guard by the news," but said the moves indicate Franks "is preparing" for re-election (12/5). Franks, "who faces what appears to be a tough challenge," felt he was "getting little direction on how to establish himself and as a result, was perceived as a Capitol Hill blur," said someone "close" to him. But "many" sources "said it was Frank, not the staff, that was to blame" (Cullison/Lightman, HARTFORD COURANT, 12/6).

***15 MISSOURI: WHO GETS MORE BANG FOR HIS BUCK?**

Sec/State Roy Blunt (R) held "the largest fund-raising event of his political career" and the "largest single event held" by any of the 3 GOPers running for governor (Mannies/Schlinkmann, ST. LOUIS POST-DISPATCH). At the Blunt dinner, which took in \$250K, Blunt consultant Roger Ailes said Blunt had "the guts to make change." The event "also was a coming-out" for local GOPers supporting Blunt. Other GOPers: AG William Webster and Treas. Wendell Bailey. Dems noted: St. Louis Mayor Vince Schoemel, who took in a record \$330K at a recent \$-raiser, and LG Mel Carnahan, who raised around \$25K the same night as Blunt (12/5).

CHECK YOUR BAG, SIR? In a related development, Bailey learned 12/2 he "won't face federal charges for sending an overnight bag containing a loaded semiautomatic pistol through a screening machine at Lambert Field." He said he had forgotten the gun was in the bag, and called the mistake "boneheaded." He added that he "does not expect his [GOP] opponents to use the gun incident against him in the race" (Tim Bryant, POST-DISPATCH, 12/3).

***16 WEST VIRGINIA: STAGGERS MOUNTAINEERING A GOV RUN?**

WV Metro News Radio Network reports Rep. Harley Staggars (D-02) "is weighing his political future following redistricting." Reporter Hoppy Kercheval says if the remap is overturned in court, Staggars would run for congress again. But if it's upheld, he may challenge Gov. Gaston Caperton in a Dem primary. Staggars "said he's been contacted by a number of supporters, suggesting he challenge Caperton. ... And it's a possibility Staggars is considering. Staggars admits if he does decide to run for governor, raising enough money for an effective campaign at this late date, could be a problem" (12/5).

===== POLL UPDATE
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*17 L.A. TIMES: BUSH LEADS PRIMARY AMONG CONSERVATIVES, SOUTH
1,296 registered voters surveyed 11/21-24; margin of error
+/- 3. GOP primary subsample: 582 RVs; margin of error +/-5
(12/6).

GOP PRIMARY	ALL PRIM. VOTERS	CONSERVATIVES	SOUTHERNERS
Bush	84%	83%	79%
Buchanan	8	9	13
Duke	2	3	2
DK/Wouldn't vote	6	5	6

GENERAL ELECTION	WITHOUT DUKE	WITH DUKE
Bush	56%	54%
Cuomo	33	32
Duke	--	5
DK/Wouldn't vote	11	9

DUKE FAVORABILITY	FAV	UNFAV
Among all voters	10%	71%
Among Republicans	13	69
Among Southerners	15	63

*18 THIS MORNING: ABC's "GMA" hosted VANITY FAIR's Dominick Dunne on the Wm Kennedy Smith trial and N.Y. TIMES' Tom Wicker on Pearl Harbor. NBC's "Today" hosted OMB Dir. Richard Darman; and Pearl Harbor Survivor Assoc.'s Lee Goldfarb and Japanese Foreign Ministry spokesman Taizo Watanabe on Pearl Harbor. "CBS This Morning" hosted Sec/Defense Dick Cheney on defense spending cuts, and Wm Kennedy Smith's college roommate, Mark Mirkin. "FOX Morning News" hosted Reagan aide Frank Donatelli on changes in the Bush team and Sen. Larry Pressler (R-SD) on his recent Cuban trip. "Donahue" hosted Pres. candidates Paul Tsongas, Jerry Brown, Gene McCarthy and SCRIPPS-HOWARD's Peter Brown (12/6).

A.M. QUOTABLES: Donatelli: "It's very, very important that [Bush's re-election team] move quickly to define Buchanan and Duke on their terms before they can define themselves. ... [and] shut off these challenges. Hopefully they'll end on Super Tuesday" (FOX, 12/6).

LAST NIGHT: CBS led with the Smith trial. NBC led with Bush's personnel announcements. ABC led with a UN report on Iraq's nuclear program. CNN & PBS' "MacNeil/Lehrer" led with ex-Sec/Trans Sam Skinner's CoS appointment and interviewed Brookings Inst's Charles Schultze, Reagan OMB staffer Lawrence Kudlow, and New School's Robert Heilbroner. CNN's "Crossfire" hosted ex-Asst. U.S. Attys Ken Robinson and Victoria Toensing on the Smith trial. CNN's "Larry King Live" interviewed Diana Ross and author Suzanne Finstad. ABC's "Nightline" hosted Japanese Foreign Minister Koji Watanabe, Parliament member Wakako Hironaka, and Japan Economic Federation's Kazuo Nukazawa on U.S./Japan relations since Pearl Harbor (12/5).

FUEL FOR THE RECALL FIRE: NBC's Tom Brokaw: "Here in [CA], taxpayers received some more shocking news today. The state budget may be \$4 billion short unless the economy picks up. This after a major tax increase and big budget cuts this fall. The problem? Too many [CA] people getting too many benefits. And that has opened a sharp new debate, about immigration, especially illegal immigration" (12/5).

COOLING OFF PERIOD? PBS' Judy Woodruff: "Congressional [Dems] today repeated their contention that the economy is in trouble, and requires immediate attention. For his part, the President said it was sluggish, at best, but he stuck to his guns about waiting until he delivers his State of the Union address in January to unveil any new economic proposals." PBS' Roger Mudd: "If this was the cooling off period President Bush hoped to have with the Congress, it had a mighty low boiling point. The scene was the House Ways and Means [Cmte] hearings on the economy, and how to convince the public that the government was in action when everybody knew nothing would happen until the President's State of the Union speech. ... To testify, the administration sent its big three: Brady of Treasury, Boskin of the [CEA], and Darman of the [OMB]. All three assured the [cmte], and the TV audience, that President Bush was worried about the economy, and would act" (12/5). Lawrence Kudlow: "I do not think he should wait until the end of January, I think he should be moving on that right now. ... I think the economy needs a new round of tax incentives, all across the board." Charles Schultze: "I would say, to the Congress and the President, for the time being, don't just do something, stand there, but in particular, do not, do not, saddle this country with more snake oil. ... There are not a whole bunch

of entrepreneurs sitting out there waiting for the capital gains rate to come down from 28% to 20% before they do anything. There are no magic bullets" ("M/L", PBS, 12/5). NBC's Tom Brokaw: "It was a rare admission for a president. President Bush acknowledged today that Americans may not feel better off than they did four years ago. But, he promised to change that." NBC's John Cochran: "The president admitted he is in political trouble because of the economy, so today, he did a little about the economy, and a lot about the politics. ... By waiting, Bush is open to attack from both liberals and conservatives, like Richard Viguerie." Viguerie: "This is very disappointing ... the President really didn't say anything. I suspect the president really doesn't realize, how serious a problem he has with the conservative voters in this country." Cochran: "But conservative voters have at least one thing in common with other voters: They all like lower taxes, and today the president dropped a big fat hint that his economic package in January will include tax cuts for most voters." NBC's Andrea Mitchell on the economic hearings: "It was more finger-pointing than fact finding. Bush's team said Congress has been all wrong about the economy, but then wouldn't say what the President would do to make it right. ... Both sides said they came together to stop the bickering. Then they spent all day, bickering" (12/5).

DONAHUE AND THE DEMS: Jerry Brown: "Nothing [Bush] says has any moral compass to it ... it's all 'how do you win.'" Paul Tsongas: "There are two major issues -- 'Am I going to have a job?' and 'Can I afford health insurance?' ... those are the driving issues. ... George Bush has no program, George Bush is the foreign minister ... he visits occasionally to the United States to see what's going on." Eugene McCarthy: "We are over-fed, over-transported, over-advertised, over-defended, over-worked ... what we need is a revolution in moderate expectations ... it's like Jimmy Carter -- you could live on the dust in your heart" (12/6).

===== TV SOUNDBITE =====

"Some have been calling for my resignation since 1981
... I'm sure someday they'll get their wish."
-- OMB Dir. Richard Darman, "Today," NBC, 12/06

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~~CLASSIFIED~~

12/6/91

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS

DW 3/19/14

Friday, December 6, 1991

Depart for California

P Mag Instruments, Ontario, CA

P Kiwanis Club address

Taping session/Pacific Fleet
Intelligence Center

Howard Baker/President's Dinner

Dan Rostenkowski

Lud Ashley

Mosbacher/politics

Pearl Harbor draft remarks

Skinner/Howard Baker idea/former
Presidents at dinner

JABIII/Cuomo remarks on Israel

Lou Sullivan/support

Elsie Hillman/job recommendation

Wales Madden note

Dottie Craig/K'port

Pat Saiki/SBA report and trip thanks

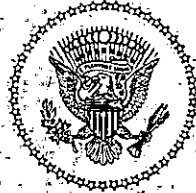
Peter Tanous/thanks and support

Lamar Alexander/domestic agenda

Richard Fairbanks/support

Bartlett/Boskin/Dent

Derwinski/veterans/atmosphere in Hawaii



12-1-
Date

Call H. Baker V //

Roger Johnson
Californ Trade 100?
Support Clinton

Bush Presidential Library Photocopy

BAKER: WE'LL REMAIN A 'CATALYST FOR PEACE'

Secretary Baker Thursday defended the U.S. role in the Mideast peace talks that this week dissolved into a public relations war.

"We are going to continue to work to the extent that we can and to be a catalyst for peace," Baker said in his first public statement since the talks moved to Washington.

(Johanna Neuman, USA Today, 4A)

ISRAEL PREDICTS REPEAL OF U.N. ZIONISM RESOLUTION

U.N. -- The U.S. and Israel are now confident they have the necessary votes to repeal a General Assembly resolution equating Zionism with racism before the current General Assembly session ends Dec. 17, the Israeli delegate to the U.N. said Thursday....

Senior American officials confirmed the assessment, saying the votes for repealing the resolution are now secure after an extensive American diplomatic campaign in capitals around the world over the last few days.

(Paul Lewis, New York Times, A3)

U.N. GROUP OPPOSES REPEAL OF RESOLUTION CONDEMNING ZIONISM

U.N. -- The Arab group at the U.N. announced Thursday its unanimous opposition to a U.S. bid to revoke a controversial 1975 U.N. resolution equating Zionism with racism.

Citing decisions by the Arab League, "the Arab group opposes the raising of the issue," Amb. Khalil Makkawi of Lebanon told a news conference. "The Arab group considers further that revoking previous resolutions adopted by the General Assembly is, in principle, a very serious matter."

(Anthony Goodman, Reuter)

BUSH RAISES POSSIBILITY OF ACTION AGAINST HOSTAGE-TAKERS

President Bush raised the possibility Thursday that the U.S. may somehow try to bring the Lebanese kidnappers of American hostages to justice....

State Department spokeswoman Margaret Tutwiler stressed that "any injury to a United States citizen is a grave concern for us" and recalled that "our policy is that taking Americans hostage overseas is a violation of United States law."

(Carol Giacomo, Reuter)

FOR EX-HOSTAGES, LIFE FOR NOW IS A HAPPY DAZE

WIESBADEN, Germany -- Flashing the frustrations that daunt former American hostages, Alann Steen Thursday criticized the U.S. policy of not negotiating with kidnappers but complained his captors may "get away with it."...

"I think it's bad," he shouted to journalists. "There should be negotiations, but not to bow down to those people."

Steen also expressed frustration that the men who kidnapped him might never be brought to justice. "They took five years out of my life," he said. "I think, unfortunately, they are going to get away with it."

(Juan Tamayo, Knight-Ridder)

BUSH 'LOOKING' AT CUT IN TAXES

President Bush's new economic growth package will adhere to last year's budget compromise and will reject any attempt to trade higher taxes on the wealthy for lower capital gains taxes, top White House advisers said Thursday....

Rep. Downey asked if the Administration's tax-cut proposals would deliver as many benefits to the middle class as his own plan.

"I hope you're not saying you have any monopoly on that concern," Secretary Brady shot back.

"I had it first," Downey said.

"Maybe," Brady said.

The exchanged illustrated the palpable testiness among Brady, Richard Darman and Michael Boskin about the recession and the increasing degree of blame they have been forced to shoulder.

(Major Garrett, Washington Times, A1)

STANDSTILL ECONOMY PUSHING UNEMPLOYMENT HIGHER, ANALYSTS SAY

The economy's failure to rally from the recession is apparently fueling fear in America's industries, triggering layoffs that could send the unemployment rate back up to its worst level in five years, analysts say....

Even if Congress and the Bush Administration were to agree on an anti-recession package, said Robert Dederick, chief economist at the Northern Trust Co., it probably would not have much of an immediate impact. The Fed could spur economic activity instantly with new interest rate cuts, he said. (Karen Ball, AP)

CLAIMS FOR JOBLESS BENEFITS UP 57,000 IN LATE NOVEMBER

Seasonal auto layoffs and other industrial cutbacks threw nearly a half million workers into the jobless ranks in late November, just weeks after factory orders registered the first upswing since July.

The Labor Department reported Thursday that 471,000 people filed initial claims for unemployment for the week that ended Nov. 23, a spurt of 57,000 over the previous week.

President Bush, at a news conference, conceded that "economic growth is sluggish at best."...

The Commerce Department, meanwhile, said factory orders increased 1.9 percent in October to a seasonally adjusted \$242.12 billion.... As the dreary jobless claims number came out, Michael Boskin told Congress that the economy is likely to remain sluggish until spring. Richard Darman said Bush would take "strong action" to stimulate the recovery. (Karen Ball, Washington Post, B11)

BUSH TO HISPANICS -- GIVE ME YOUR VOTES AND I'LL GIVE YOU JOBS

President Bush Thursday promised Hispanic-Americans better education and more job opportunities and urged them to desert the ranks of the opposition Democratic Party.

The President said the proposed North American Free Trade Agreement will help generate jobs.... But analysts and lawmakers say the White House could wait until elections are over before sending the pact to Congress. With the economy in turmoil, it could become an electoral weapon against Bush. (Reuter)

GEORGE BUSH

TAB III

How 'Bout that ??

How come you,

Mario and

Ben (Netanyahu

that is) are

ganging up on me

See "A" label

INTERNATIONAL NEWS

CUOMO ACCUSES BUSH OF LEANING TOWARD ARABS, ABANDONING ISRAELIS

MIAMI -- Gov. Mario Cuomo harshly denounced President Bush's Middle East policies Thursday night, saying they tilted toward Arab states and did not account sufficiently for Israel's security needs.

Cuomo, speaking to the Greater Miami Jewish Federation, presented a detailed outline of how he would deal with one of the major foreign policy issues being addressed by the White House. And he could hardly have disagreed more with the Administration.

"Clasping the bloody hand of Assad has reduced our capacity to deal with him," Cuomo said. At another point, he said the President's decision to delay \$10 billion in loan guarantees represented a "regrettable skewing" of U.S. policy toward the Arabs.... Cuomo said that Bush, rather than appreciative of Israel's friendship, saw in polls that it would be acceptable to delay the loan guarantees. According to Cuomo, Bush delivered "another slap" at the Jewish state when he set a time and place for the latest round of peace talks before concluding discussions with Prime Minister Shamir on the subject.

The governor also said the President's reason for having "denied Shamir his dignity" was to signal the Arabs on U.S. actions toward Israelis: "We'll show you how we can put them in their places."

(Adam Pertman, Boston Globe)

U.S. REJECTS ARAB CALLS TO RESET MIDEAST TALKS

The U.S. Thursday rejected Arab calls to set a new date for starting peace talks here with Israel, prompting Palestinian representatives to charge that the Bush Administration is shirking its responsibility as cosponsor of the peace process by covering up Israeli intransigence....

The prospect that all parties would sit down at the bargaining table next Tuesday was clouded Thursday as each maneuvered for propaganda advantage.

Israeli officials said they were waiting to hear from the Arab delegations and added that none had contacted them. Meanwhile, the three Arab groups in the talks met separately with Assistant Secretary of State Edward Djerejian to urge that the U.S. publicly announce a new date for the negotiations and take steps to ensure that Israel is present....

"We are very angry with the United States position," Sari Nusseibeh, an adviser to the Palestinians, said. Palestinian spokeswoman Hanan Ashrawi added that the U.S. is allowing Israel "to stall and prolong" and said that if the Administration "is changing the rules of the game," it should advise the Arab delegations so they can decide whether to remain here in hopes that the talks will start soon....

"I think (U.S. officials) know very well what they should do because they specified their roles from the beginning," she added. "They should take their jobs seriously and not give Israel constantly a way out and not try to save Israel from the consequences of its own entrenchment and intransigence."

(John Goshko & Nora Boustany, Washington Post, A44)



of you

I wondered how I'd feel being with you the Veterans of Pearl Harbor on this special day. I wondered if I'd feel the remnants of the hatred we all felt for the enemy 50 years ago and all through the War. As I thought back to that "Day of Infamy" and the loss of friends I wondered what will my reaction be when i go back to Pearl Harbor- what will their reaction be-he other old vets ,especially those who survived that terrible day right here.

Well, let me tell you how I feel

I have no rancor in my heart towards Germany or Japan- none *at all* (nor should you)

The war is over- it is history-we won-we crushed totalitarianism and when that was done we helped our enemies give birth to democracies. We reached out to our enemies and made them our friends. We healed their wounds and in the process we lifted ourselves up.

on The lessons of the War itself will live on *and well they should*
preparedness---- strength---willingness to fight, even die, for country--- decency honor-- courage and sacrifice..America, Home of the Free and the Brave

But WWII is over now. Our former enemies both in Europe and in Asia are our friends and yes our allies.

There is no time for recrimination-

No, I have no rancor in my heart; *and I hope you have none in yours.*

I can still see the faces of my fallen comrades, and I'll bet you can see the faces of your fallen comrades too; but don't you think they're saying:

50 Years have passed

Our enemies are our friends

Our country is the undisputed leader of the free world and we are at peace.

Dont you think each one is saying "I did not die in Vain"

May God bless each one of you who sacrificed and served; and May God grant his loving protection to this-the greatest country on the face of the earth- the United States of America.

FROM THE PRESIDENT

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy



that intense

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and Protest
~~May God Bless America~~ - And May
God ^{Bless} ~~Grant~~ ^{to} you who sacrificed
and served - May God Grant the Long

FROM THE PRESIDENT

Protection to ~~the~~ *Country* - The Greatest
First Country on the face of the Earth



December 6, 1991

Sam:

Howard Baker called. He's heading Pres. dinner this spring.

He suggests inviting all former presidents-sit at head table maybe speak, maybe not. Feels it would be great drawing card (in tough times).

He specifically asked about Nixon. My first reaction is very positive, though he'd draw some Wash. Post edit. fire.

Please do some checking and Monday give me a ring. Inasmuch as this will occur 'on your watch' I'd like your counsel. Maybe JAB, Teeter et al would have some thoughts.

Nixon has behaved bvery well. Has been of sound counsel to me and I think in that particular crowd he'd be well received.

Advice please!

GB

gave original to Sam

cc: Daily file

FROM THE PRESIDENT

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

GEORGE BUSH

PERSONAL

TAB III

How 'Bout that ??

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ganging up on me
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(John Goshko & Nora Boustany, Washington Post, A44)



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

*Chambers
Patty
Daily*

December 6, 1991

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

Dear Mr. President:

I know the situation over John has not been a pleasant one for you, but I thought you handled the whole thing very well. I believe it will work out very much to your advantage. I have expressed to John my regrets and support. I want to express to you, as well, my continuing support and respect for your sound leadership under difficult and often unpleasant circumstances.

With your selection of Sam and the campaign team, all of us are now able to focus better on the task ahead. As we begin this sharper focus, I am compelled to raise with you my very serious concern about the prospects for support among blacks as well as white civil rights moderates. I strongly urge your attention to this problem as soon as possible, while it is susceptible to preemptive management.

Recent events related to civil rights issues--for example, the debate over our position on the Mabus Supreme Court case, the Civil Rights Bill problems over the past year and those surrounding the signing ceremony, and the current controversy over the new regulations of the Department of Education on minority scholarships--have exacerbated an already tenuous situation. There has been the growing belief that we in the Administration are simply insensitive to the need for clear and aggressive leadership on minority issues. This view is now evolving into a belief by increasing numbers of blacks and moderate whites, that we are indifferent or actually hostile.

Of course, I personally know of your life-long commitment to racial equality and civil rights and I never miss an opportunity to speak of it. It is, honestly, a major and continuing frustration to me that there is so little understanding of your true views which were evidenced, yet again, by your strong statement yesterday about David Duke. Nevertheless, the perceptions about the Administration's attitude are there.

The President
December 6, 1991
Page Two

They are widely and increasingly more strongly held, and not only by blacks. Most regrettably, however, these attitudes are fueled, in no small part, by actions which have been taken by members of your administration that could have been better handled.

Quite candidly, Mr. President, from what I am seeing and hearing, there is not only significant erosion of support for you among blacks and others, but, more worrisome, there is increasing likelihood of some aggressive opposition being organized.

The actions you took this week in appointing your political team offer an ideal opportunity to take steps to head-off this trend early on before it has a chance to develop into something truly troublesome. In this regard, I strongly urge you to consider the following:

--Much of the perception about our position on civil rights and minority issues results from reacting to these issues as they arise, resulting in disconnected and incremental decisions. We would be much better off by developing a more comprehensive and deliberate policy umbrella on civil rights and minority issues within which we can articulate a clear, positive, and consistent message across the Administration. With this approach we would avoid future risk of mixed messages, inadvertent signals, and begin to reverse past damage with a positive message.

--Another contribution to the perception about us that cannot be overstated is that there is (1) a very meager showing of minorities in important White House staff positions, (2) a glaring absence of minorities in important positions of responsibility at the RNC, and (3) no minorities yet appointed to senior positions on your campaign team. I cannot tell you how often and how strongly this point is made to me as I talk to people about our commitment to minority issues. You will recall that you and I have spoken about this in the past. I followed your instructions to provide names for various positions and, yet, the picture remains the same in the White House and at the RNC. With the campaign staff being organized, I fear similar gaps in the important positions there absent your personal involvement.

--I have mentioned to you before that Connie Newman and I meet with a group made up of black Republicans who are long time Bush supporters and black appointees. This group fully shares

The President
December 6, 1991
Page Three

the concerns I have raised here. I strongly urge you and the campaign leadership to meet with us so you and they can get a firsthand impression of the severity of the problem, but the relatively simple solutions that are available to avert real problems. All of us want to be of maximum help to you and the campaign during the coming year.

Warmest Regards,

A handwritten signature in cursive script that reads "Lou Sullivan". The signature is written in dark ink and is positioned below the typed name "Lou Sullivan".



THE PRESIDENT

December 6, 1991

Dear Elsie,

Your input counts, and I appreciate your faxed note about David Girard-diCarlo. Many thanks for weighing in.

Off now to California and Hawaii. Happy holidays!

Barbara sends love, too. In haste, your friend,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Elsie H. Hillman
Member, Chairman's Executive Council
Box 113, Suite 375
Westin William Penn Hotel
Pittsburgh, PA 15219

CC: IN & OUT

SAM SKINNER
CONNIE HORNER
ANDY CARD

PATTY PRESOCK ✓



Republican National Committee

Elsie H. Hillman (Mrs. Henry L.)
Member, Chairman's Executive Council
Member for Pennsylvania

Box 113, Suite 375
Westin William Penn Hotel
Pittsburgh, PA 15219
(412) 471-8312
FAX: (412) 471-3271

December 5, 1991
(via FAX)

President Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Bush:

While you are considering the replacement in the Department of Transportation, perhaps you will review the attached credentials of Mr. David Girard-diCarlo. It would mean a great deal to Pennsylvania, and we need a post-Thornburgh campaign boost.

Most sincerely,

Elsie H. Hillman

EHH:lsk

Attachments

BIOGRAPHY ON DAVID F. GIRARD-diCARLO

David F. Girard-diCarlo, 48 years old, is Managing partner of the Philadelphia-based law firm, Blank, Rome, Comisky & McCauley. In addition to Philadelphia, Blank, Rome has offices in Cherry Hill, New Jersey; Media, Pennsylvania and West Palm Beach, Florida. Mr. Girard-diCarlo is the former Chairman of the Firm's Management Labor and Employment Law Department. He has been named as one of The Best Lawyers in America in the 1983, 1987 and 1989-90 Naifeh and Smith Books listing the outstanding corporate lawyers in America. He is listed in Who's Who in American Law, 4th Edition. He is a member of the American, Pennsylvania and Philadelphia Bar Associations and is admitted to practice before the Supreme Court of the United States. He served two three-year terms (1981-87) first as a Member and then as Chairman of a Hearing Committee of The Disciplinary Board of the Supreme Court of Pennsylvania. He is also a member of the American Law Institute.

Mr. Girard-diCarlo received his undergraduate education at St. Joseph's University where he graduated in the top 10% of his class. He obtained his legal education at Villanova University School of Law where he was Editor-in-Chief of the Villanova Law Review. He is a frequent lecturer and author on issues relating to labor and employment law as well as transportation law in the public and private sector. He has testified frequently before state and federal legislative and congressional committees on these subjects.

Mr. Girard-diCarlo was one of the original supporters of Richard L. Thornburgh in his initial campaign to be Governor of the Commonwealth of Pennsylvania and served on Mr. Thornburgh's Finance Committee. He hosted or co-hosted a number of successful fundraisers for candidate Thornburgh during the 1978 campaign. In addition, Mr. Girard-diCarlo participated in writing Mr. Thornburgh's transportation position papers for the 1978 campaign.

Upon Governor Thornburgh's election, Governor Thornburgh appointed Mr. Girard-diCarlo to the Board of the Southeastern Pennsylvania Transportation Authority (SEPTA), a post he held for almost four (4) years. Mr. Girard-diCarlo became Chairman of the SEPTA Board at the first meeting he attended as a Board member and was reelected three (3) additional times as Chairman. Mr. Girard-diCarlo also served as the Chairman of the Board of the American Public Transit Association (APTA) in 1982 and served as the nation's chief spokesman on behalf of the public transportation industry. In November, 1990, Mr. Girard-diCarlo was appointed by President George Bush to serve as a member of the Board of the National Railroad Passenger Corporation (AMTRAK).

BIOGRAPHY ON DAVID F. GIRARD-dICARLO

David F. Girard-diCarlo, 48 years old, is Managing partner of the Philadelphia-based law firm, Blank, Rome, Comisky & McCauley. In addition to Philadelphia, Blank, Rome has offices in Cherry Hill, New Jersey; Media, Pennsylvania and West Palm Beach, Florida. Mr. Girard-diCarlo is the former Chairman of the Firm's Management Labor and Employment Law Department. He has been named as one of The Best Lawyers in America in the 1983, 1987 and 1989-90 Naifeh and Smith Books listing the outstanding corporate lawyers in America. He is listed in Who's Who in American Law, 4th Edition. He is a member of the American, Pennsylvania and Philadelphia Bar Associations and is admitted to practice before the Supreme Court of the United States. He served two three-year terms (1981-87) first as a Member and then as Chairman of a Hearing Committee of The Disciplinary Board of the Supreme Court of Pennsylvania. He is also a member of the American Law Institute.

Mr. Girard-diCarlo was Pennsylvania Governor Richard L. Thornburgh's appointee to the Board of Directors of the Southeastern Pennsylvania Transportation Authority (SEPTA) from 1979-1982 and served as Chairman of the Board during those years. He was as well the Chairman of the Board of Directors of the American Public Transit Association in 1982 and served as the nation's chief spokesman on behalf of the public transportation industry. In November, 1990, Mr. Girard-diCarlo was appointed by President George Bush to serve as a member of the Board of the National Railroad Passenger Corporation (AMTRAK).

Mr. Girard-diCarlo received his undergraduate education at St. Joseph's University where he graduated in the top 10% of his class. He obtained his legal education at Villanova University School of Law where he was Editor-in-Chief of the Villanova Law Review. He is a frequent lecturer and author on issues relating to labor and employment law as well as transportation law in the public and private sector. He has testified frequently before state and federal legislative and congressional committees on these subjects.

Mr. Girard-diCarlo serves as a Trustee of Drexel University and Harcum Junior College. He is a Board Member of the Walnut Street Theatre in Philadelphia, the Philadelphia Academy of Music and Philadelphia Orchestra, and is a member of the Board of Directors of Continental Bank.

Mr. Girard-diCarlo served on the Finance Committee for Governor Thornburgh's reelection campaign in 1982.

In 1988, Mr. Girard-diCarlo, along with a small group of individuals, worked with Republican National Committeewoman, Elsie Hillman, in co-chairing, hosting, coordinating and raising money for the most successful fundraising event in the history of the City of Philadelphia for then Vice President George Bush's Presidential Campaign. Mr. Girard-diCarlo was, as well, a member of Vice President Bush's National Finance Committee.

Mr. Girard-diCarlo also has served, and continues to serve, on the Finance Committees for U.S. Senators Heinz and Specter. He has been Chairman and Co-Chairman of a number of fundraising functions for each Senator.

Mr. Girard-diCarlo has also served as a member of the Finance Committees for a number of Congressional, State and Local Republican Candidates.

Mr. Girard-diCarlo serves as a Trustee of Drexel University and Hargum Junior College. He is a Board Member of the Walnut Street Theatre in Philadelphia, the Philadelphia Academy of Music and Philadelphia Orchestra, and is a member of the Board of Directors of Continental Bank.

Mr. Girard-diCarlo and his wife, Constance, live in Villanova, Pennsylvania. Mrs. Girard-diCarlo is President of the Healthcare Nutrition Services Division (HNS) of ARA Services, Inc., the 18th largest privately-held company in the United States, which company is headquartered in Philadelphia, Pennsylvania.



THE PRESIDENT

December 6, 1991

Dear Wales,

Thanks for your thoughtful letter of November 18 and your words of support. What would we do without friends!

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

Sincerely,

*Have a
great Christmas*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Wales Madden, Jr.
712 West Ninth Avenue
Amarillo, Texas 79101



THE PRESIDENT

December 6, 1991

Dear Dottie,

You and Earle are thoughtful friends and both Bar and I appreciated your letter. Walker's Point took a real pounding, but it will bounce back.

We loved seeing you in Dallas -- what a terrific event!

Warm regards,

Love

Bar B

cc: Mrs. Bush
w/incoming

Patty
Presock for
personal file

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mrs. Earle M. Craig, Jr.
1701 Douglas
Midland, Texas 79701

51

Please do not reply!!

MRS. EARLE M. CRAIG, JR.
1701 DOUGLAS AVENUE
MIDLAND, TEXAS 79701

J. Barnette

November 4, 1991

Dearest Bar and George,

Earle and I just ache for the devastation your lovely and beloved home sustained. I know what a blow something like that is for "nesters" such as you. We send our sympathy and our hope that all will go well and easily in its reconstruction.

Obviously, too, this is not the year for something so traumatic in your lives (there is no year for that, but this year is so important for you, the nation, and the world).

It was good to be with you in Dallas Friday night - you must have constitutions of iron to survive your schedules!). Mr. President, your speech was dynamite! I know your theme will fall on most receptive ears throughout the country, and we look forward to helping in the re-election campaign.

Earle sends his very best from Scotland. This is his eagerly-anticipated annual trip to London and Scotland, which he would have postponed for your dinner, but the pheasant shooting in Scotland is paid for months in advance!

Much love,
Dottie



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

DEC 6 1991

The President
The White House
Washington, DC 20500

Dear Mr. President:

As I promised you during our meeting on October 31, 1991, I have enclosed a copy of the results of SBA's National Advisory Council Meeting.

Since assuming the position of SBA Administrator, I have relied on the National Advisory Council members to be the "eyes and ears" of the small business community. I find their entrepreneurial perspective critical as we formulate our direction for the Agency.

The Council is made up of business owners from every state and territory of the nation, providing a representative perspective on local small business issues. During this last meeting, Council members presented their top three concerns about national issues and SBA programs. Under each priority, they suggested possible steps to effect change in each area. The fruit of their efforts is in the enclosed report.

As a former small business person yourself, I don't have to tell you how important it is for small business owners to have an opportunity to make their views known. I hope you will consider their comments.

Again, thank you for your support of SBA and the nation's entrepreneurs.

Respectfully,

Pat Saiki
Patricia Saiki
Administrator

Enclosure



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416



National Advisory Council
Consensus Report on Priorities
Westin Crown Hotel - Kansas City, MO
November 17-19, 1991

EXTERNAL

I. Stimulating Economic Growth

- * Meaningful reduction of capital gains tax
- * Reinstate deductibility of IRA's and consumer interest deductions
- * Repeal luxury tax
- * Reinstate investment tax credit
- * Reduction of government spending until budget is balanced
- * Stimulate international trade
- * Improve access to capital

2. Health Care and Cost Containment

- * The SBA Administrator should carefully evaluate existing proposals by the National Advisory Council, the National Small Business United and the National Federation of Independent Business and present her recommendations to the NAC Health Care and Insurance Committee Chairman. The evaluation should take place in the immediate future.

3. Reduction of Government Regulation

- * All government agencies, specifically EPA and OSHA, must be held accountable for their economic impact on small business and communities.
- * Strengthen the Paperwork Reduction Act
- * Give special attention to the elimination of red tape which discourages participation by minority small businesses

INTERNAL

1. Immediately Fill Chief Counsel Position in Office of Advocacy

- * Appoint commission and director for White House Conference on Small Business

2. Better Marketing Programs

- * Institute an SBA Hall of Fame Award for SBA success stories

- * Focus special attention on improving communication and grassroots outreach to include SCORE and other SBA volunteers
 - * Continue the development of the speaker's bureau
 - * Consider regional needs in developing marketing programs
 - * Continue expanding use of TV PSA's in marketing programs
 - * Utilize mass media opportunities and minority success stories to encourage more minority participation in SBA programs
3. Significantly expand authorization of SBA loan programs to stimulate economic recovery.
- * Increase the SBA loan cap to \$1.5 million
 - * Streamline SBA loan process
 - * Implement SBA's Export Revolving Line of Credit Pilot Program and provide export finance training to SBA loan officers
 - * Increase the number of small and rural banks in the Certified Lender Program
 - * Immediately implement the micro loan program

RESOLUTION

Resolved, that the National Advisory Council report to the Administrator to deliver a strong clear message that we are in severe economic times, and that the White House and Congress take steps to help the Nation's small business community get back on its feet. Further resolved that the President and Congress refrain from issuing additional mandates to small business which further destroy the strong integrity of a healthy business.

December 10

Dear Mr. President,

It was an honor to be with you and Barbara on the historic and memorable 50th anniversary of Pearl Harbor. Your visit gave the occasion dignity and solemnity and hope for the future. Thank you for having me along.

Alaska,

Pat

From the desk of
George Bush

12-6

To Ron K

Be sure his
support is

1. noted
2. utilized

GB

cc: Jan Skinner



Aboard Air Force One

12-6-91

Dear Peter

Thanks for your note
and generous words of
support.

I will take your advice
and make sure the "No
Progress Congress" gets
its comeuppance.

Thanks for your
great encouraging letter

Sincerely,

Lyndon B. Johnson

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Peter J. Tanous
Chairman
American Task Force for Lebanon
Legislative Council
2550 M Street, N.W.
Suite 305
Washington, D.C. 20037



American Task Force for Lebanon Legislative Council

2550 M Street, N.W., Suite 305 • Washington, D.C. 20037 • Tel.: 202/223-9333 • FAX: 202/223-1399

November 19, 1991

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

Dear Mr. President,

On behalf of the Arab American leaders who met with you last Friday, please allow me to convey our gratitude for the time you have taken, once again, to meet with us and share your insights and experience in resolving the conflicts in the Middle East. Not only did we appreciate your comments, it was very meaningful for us to share our views with you on these important issues.

No doubt you felt the overwhelming support our community feels for the heroic efforts that you and Secretary Jim Baker have undertaken. I sometimes wonder if anyone else in America could have pulled off the unimaginable coup of bringing the Middle East parties to a conference. It is an accomplishment that will resonate throughout history and we applaud you for it.

Now allow me to get domestic and personal. Several of us who attended the meeting are deeply offended by the efforts in Congress to downplay your extraordinary foreign policy achievements and blame your Administration for the slow economic recovery. We are frankly worried that some in Congress might actually want the country to experience an economic malaise to improve their chances of a victory next November. Please let the American people know that the Bush administration has a plan for economic recovery, and let the American people know not only who, but why, it is being held up. I urge you to tell the American people that the "No Progress Congress" is encouraging a cynical and deliberate attempt to make the American people suffer in order to

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Peter S. Tanous, Ph.D.
Thomas A. Tanury
Woodrow W. Woody

Deputy Executive
Director
Deeb Keamy

enhance the democrats' chances at the polls next year. Please expose the "No Progress Congress" for what it is. The American people will listen to you and act accordingly.

Because of our strong belief in, and support for, your leadership, Dr. Joseph Jacobs, who attended the meeting, and I intend to devote considerable time and effort to your reelection campaign, particularly in the area of major fund-raising in our community.

Finally, I want to acknowledge the tireless efforts of members of your staff who worked so efficiently in assuring that the Arab American leaders' meeting with you would be a success. Your Chief of Staff, John Sununu, is first among them. He is a man who commands wide respect throughout our community and the country. Allow me also to cite the extraordinary efforts of Bobbie Kilberg, and her assistant, Lisa Battaglia. Their dedication to the President and unflagging devotion to duty are nothing short of inspiring.

Again, thanks for all you have done, Mr. President. I eagerly await a future opportunity to meet with you again.

With kindest regards,

A handwritten signature in dark ink, appearing to read "Peter J. Tanous", with a stylized flourish at the end.

Peter J. Tanous

12-6-91



ABOARD AIR FORCE ONE

Lamar

It was "light
reading" with
a good strong
message though
Thanks!!

I'll share, now,
with Sam et al.
GB /

From the desk of
George Bush

Phil

cc: Skinner,
Communications

12/5

Mr. President.

Secretary Alexander
handed me the attached
and asked that it
be provided to you
personally and that
it not be circulated.
He thought you might
wish to include it
in your trip reading
material file. Thank you Sir.

Lamar Alexander

MR. PRESIDENT —

FOR LIGHT READING WHILE
TRAVELING!

December 5, 1991

The President's Domestic Agenda:

1. Should not be talked about in terms of "domestic agenda."
2. Should be talked about in terms of leadership at home--the President demonstrating that he understands where America needs to go and that he is leading us in that direction.
3. Is not a list of federal laws passed or vetoed.
4. Should be the domestic equivalent of the "new world order."
5. Is not a set of programs or a recipe book of things people must do.
6. Is identifying a few urgent national needs, developing a strategy to meet each need, and persuading the country of the rightness of each strategy.
7. Need not be comprehensive.
8. Can be written on 2-3 pages, explained in 2-3 minutes.
9. Is not an academic discourse.
10. Is best presented in themes, examples, stories.
11. Is best presented in human terms (helping children), instead of institutional terms (fixing schools).
12. Is never reactive, seizes the initiative, and is preached over and over again until people are sick of it.
13. Is always thought of in terms of how do we implement the strategy, advance the theme, inspire people to do things for themselves.
14. Can never be legitimately criticized as amounting to no more than a mix of legislative proposals, events and photo ops.

15. Is working best when it causes Americans to ask these questions of themselves: what kind of place is this, what is important to us, what do I have to contribute to my family, community, neighborhood, my country, even the world.
16. Is working best when the President is setting the agenda, making things happen, leading a movement.
17. Recognizes hardtimes, but says bellyaching is not the answer; leadership is.
18. Is always about bringing out the best in us, reaching our potential, never about malaise.
19. Is the President as a movement leader, seeing the future, creating a populist revolt in support of the changes we need to make, managing the future.
20. Is the antithesis of business as usual.



Aboard Air Force One

12-6-91

Dear Dick,

*I will let campaign,
convention and people in the
White House know that
which you told me in
your good letter of Nov 4th*

*I'm very pleased;
after all you were in on
the ground floor*

*Rushing off to
"Pearl" - All Best + thanks,*

AJ

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Richard M. Fairbanks III
Paul, Hastings, Janofsky & Walker
Twelfth Floor
1050 Connecticut Avenue, NW
Washington, D.C. 20036

JAN'S

Early
political (over)
Charlie Bartlett

Lead
Close

Bartlett 1. 2

I was
asked
that you
burn this
after you are not



ABOARD AIR FORCE ONE

RZ

1 Give cc in copy
to Skinner

2 send note
to CIB

Bush Presidential Library Photocopy



On to Pearl Harbor
ABOARD AIR FORCE ONE 12-5-91

Charley,

Thanks for
your "4 pager"

Let's see now
how the new
team sorts out.

I am not
"down" - Congress
being out is just
great. We'll have a
good state of the Union.
All Best
C

WASHINGTON, D.C.

Mr. Charles L. Bartlett
1529 18th Street, N.W.
Washington, D.C. 20007

CHARLES L. BARTLETT

1529 18TH ST., N.W.

WASHINGTON, D.C. 20036

FOUR-PAGE FAX MESSAGE

Memo for the President
from Charley Bartlett

I know these are teeth-grindingly tough days for you and I cringe at contemplating the pressures you must feel. But the anguish is very shortterm measured against the longterm strengths you will derive from beefing up your staff. I am firm in a belief that the present ordeal will prove over the months ahead to have been a timely blessing.

As you tighten the team, I hope very much you will consider my suggestion that you name an Economic Coordinator to work alongside the Chief of Staff with direct access to you. The simple act of naming such a person will help to build confidence in a public that has not been impressed by your economic team.

He can do a great deal to help you with the task of conveying your concern with the human problems which stem from slow growth and processing all the ideas that can be fitted into a program. Since all the signs suggest that you will not want to do major things that may screw up the recovery, he can give full time to the delicate task of putting together an action program that will not have negative results.

He can also fill the important task of keeping you well aware of all that is going on in his area. We just had one of the Coleman/Bartlett seminars and one speaker said he was at a dinner Saturday where Boskin said that Sununu had refused to let him talk to you for six weeks this fall because he didn't want him to be bringing bad news into the Oval Office. It seems to me that whoever you pick for Chief of Staff should not have this power to keep you from knowing what is transpiring on the economic front.

This person, if you pick the right one (and my choice would be Frenzel), can also do the job that will need to be done on the talk shows. One of the administration's serious mistakes is the failure to make any effort to educate the public on the nature of our economic problem. There is a crucial educational job to be done so that people can understand why they can't have the kind of economy they like right away. It has to be done in an objective, expository way and I don't really believe

Sam
FYI
read + burn

Bush Presidential Library Photocopy

have to believe this -
Mitter should not -
probably did say this

that any of the present members of your economic team has the capacity to come over on TV in an informative, appealing, and confidence-building way.

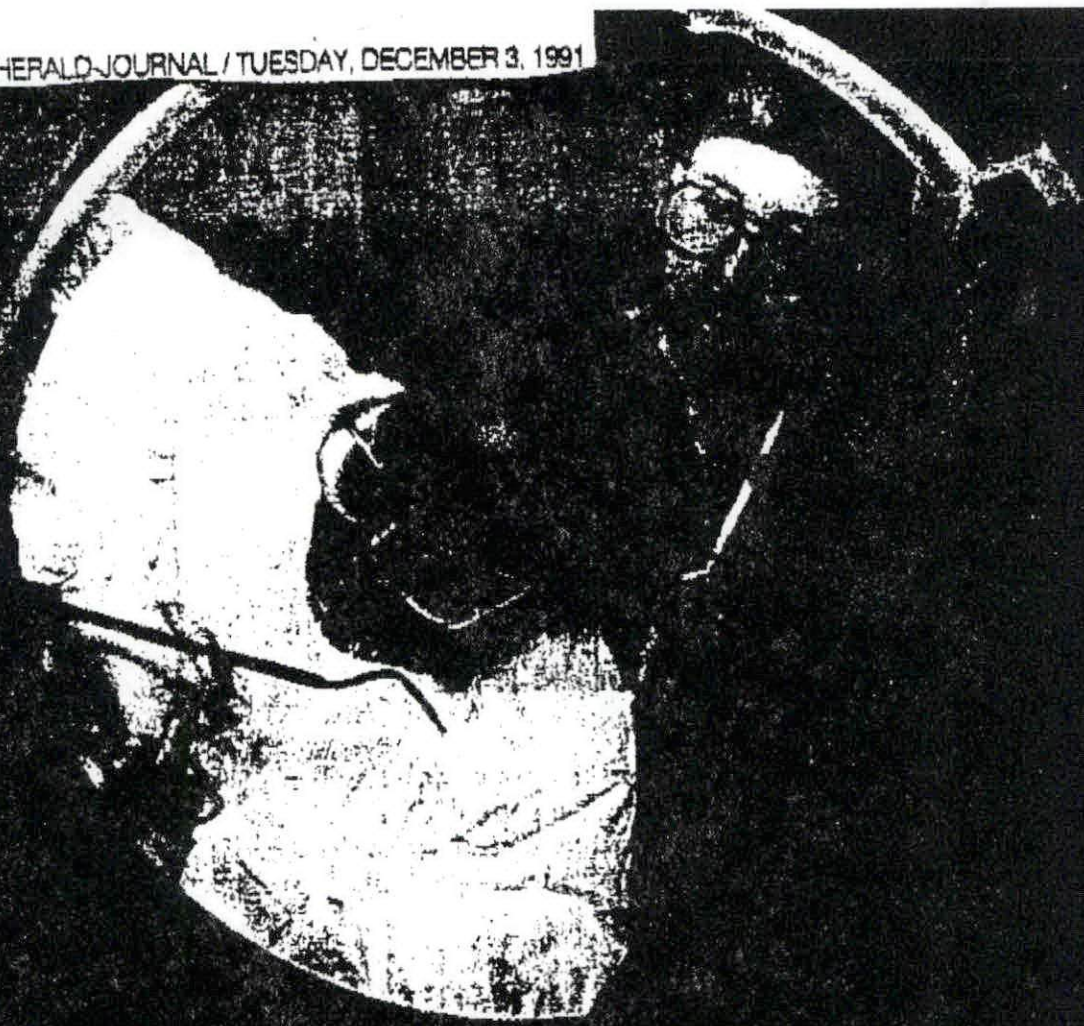
I am sure there are some local initiatives going on in the country and these need to be collected and given national attention. I enclose one that Freddy Dent sent on from Spartanburg with the idea that it might interest you. I find it downright inspiring and I am sure the same sort of efforts are being made elsewhere. If you can stimulate this kind of attitude through the use of the White House pulpit, you will have done all that anyone could ask of you. It seems to me we have all got to work at making ourselves the best.

If you pull together a strong team, ⁹ you can make of all this a marvellous opportunity to arouse the great competitive spirit of striving that exists in this country. If are able to get the good people in America, most of whom already respect you, really steamed up by your leadership, we can let the other side have the whiners and the bums.

C.B.

December 4, 1991

Bush Presidential Library Photocopy



Technicians Romell Nesbitt Sr., left, and David Lindsey change blades on a cropping saw at the MEMC plant near Moore. The saw is used in the production of silicon wafers.

Being the best saves Spartanburg jobs

By BETTY PETER
Spartanburg Editor

MOORE — The last time the economy went sour, MEMC's silicon wafer plant in Spartanburg County laid off 800 workers. This time, no one has lost his job.

Prym-Dritz plans to expand, BS

Internal restructuring is part of the reason why MEMC has remained healthy during a deep recession. And it also helps explain why Spartanburg County's unemployment rate is among the lowest in the state and more than 2 points below the national average.

Many of the major Spartanburg employers here have been rebuilding themselves during the past five years. Some have been seeking to make their products the best in the world. Others had to restructure years ago to survive a flood of textile

imports.

"It's hard to find a large manufacturer in Spartanburg that is not heavily involved in quality improvement. That pays off in the short term and the long term," said Wayne Steinberg, who heads up quality programs for the local Chamber of Commerce.

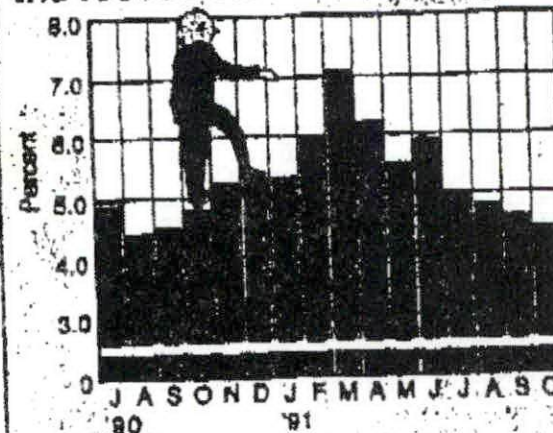
Being the best at what you do ensures that people will buy your products, he said. And becoming lean and mean during the good times means fewer layoffs during the bad times.

Although there are no statistics to prove that restructurings and quality programs have propped up the local economy, "My opinion is yes, there's a strong correlation," Steinberg said.

The Spartanburg County economy is heavily dependent on the production of consumer goods and other product parts, including tires, textiles and machinery. Nearly one in three workers has a job in a manufac-

See LAYOFFS, page A6

Unemployment in Spartanburg County since the start of the recession



National rate: 6.5%* State rate: 5.5%*

*October, 1991

LAYOFFS

Continued from page 1
turing plant.

Although national polls show consumer confidence has hit a nine-year low, unemployment in Spartanburg County last month was 4.4 percent, compared to a nationwide rate of 6.8 percent.

Quality-conscious companies such as MEMC provide a case study of the effects of overhauling the manufacturing operation.

"All the things we are doing here makes a layoff less likely," said Dan Hargett, manager of the 1,025-employee MEMC plant near Moore.

That includes programs that reduce the defect rate on silicon wafers, a just-in-time delivery system and the creation of "high performance teams" of highly trained, self-directed work groups.

"We've developed some really tight relationships with some of our customers," Hargett said. Those customers have made MEMC their first choice when they place orders.

About 100 local companies and 8,000 managers have participated in quality programs through the Spartanburg Area Chamber of Commerce since the mid-1980s. The chamber's trailblazing quality program is beginning to be copied across the Southeast, Steinberg said.

Larger companies in Spartanburg, such as Milliken & Co. and Michelin Tire Corp., have implemented even broader quality programs and have received national awards as top suppliers.

Some of the new emphasis on quality and employee involvement is paying off, said Darrell Jennawine, president of the Spartanburg Development Association, an organization that serves manufacturers.

Companies are more likely to retain workers who have participated in costly training programs and proved that they are strong performers, he said.

Michelin, for instance, has not cut jobs at its 1,500-employee Spartanburg truck tire plant despite the fact that it supplies the slumping U.S. auto industry.

Many Spartanburg manufacturers "have done a real creative job of retaining their current people," Jennawine said. They have adjusted shifts, changed to a four-day work week and cut overtime.

Some Spartanburg textile companies were ready for the recession because they had already trimmed down to meet the import threat. In most cases, that was done through attrition and job reassignments, rather than layoffs.

Spartan Mills cut "several hundred" jobs at its Spartan Plant that way, said Mitch Allen, group vice president.

And when a modernization program is completed in March, Mayfair Mills will have cut about 100 of 450 jobs at its Mayfair Plant in four years in a similar manner.

Few layoffs have hit the newest members of the Spartanburg industrial community either.

Those tend to be Fortune 500 companies that have opened plants with experimental work teams and low-defect quality systems. They are less likely to cut back employment here as they are in places where labor costs are higher and work rules are more antiquated, Jennawine said.

In addition to diversifying the economy, new companies like Westinghouse Air Brake and Allied Signal have created stable employment bases, he said.

What's happening in Spartanburg County is happening throughout the state to varying degrees, said Doug Woodward, economist for the University of South Carolina.

There has been a fundamental restructuring of the state's manufacturing economy, which means South Carolina goes into a recession later and comes out earlier than the rest of the country, he said. That wasn't true 10 years ago.

"The textile industry, for instance, has gone through a wrenching process and some of the payoff is coming now because you don't see massive layoffs," he said. "If Spartanburg is already coming out of the recession, that bodes so well for the rest of the state."

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

07

December 5, 1991

MEMORANDUM TO: THE PRESIDENT
FROM: Edward J. Derwinski 
SUBJECT: Atmosphere in Hawaii

I wanted to give you a brief sense of the atmosphere in Hawaii prior to Pearl Harbor Day.

Thus far the overwhelming feeling I get among those gathering is an instinctive desire to treat the event historically and positively. Emphasis has clearly been on the historical nature of the commemoration. Supporting this has been the balanced coverage of World War II and current events by the two major local daily newspapers. Stories on Japan have been constructive, concentrating on details and their historical context. The early programs in which I have participated have been appropriately somber, objectively handled, and oriented affirmatively. There has been no Japan-bashing to date.

All interested parties here are reflecting a positive mood. Japanese-Americans are focusing on the treatment their community received 50 years ago, but without rancor. Service organizations are concentrating on the commemorative aspects of the event. Individual veterans, thirsting for nostalgia and history, many accompanied by children and grand-children, are reliving the major event of their lifetime -- without recriminations, but with a feeling of great pride.

Finally, your statement to the effect that there is no need either for Japan to apologize for Pearl Harbor or the US for Hiroshima/Nagasaki has been viewed as very statesmanlike.

EJD/ip

THE WHITE HOUSE
WASHINGTON

December 5, 1991

31 DEC 5 P5:36

MEMORANDUM FOR THE PRESIDENT

FROM:

EDE HOLIDAY *[Signature]*

SUBJECT:

Attached memo from Secretary Derwinski

Attached is a memo Secretary Derwinski has written to convey his perception of the atmosphere surrounding Pearl Harbor commemorative events in Hawaii.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Diagram	Seating Diagram of VH-3D (1 pp.)	12/06/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, December 6, 1991 [2]

Date Closed: 3/19/2014 **OA/ID Number:** 90638-005

FOIA/SYS Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

Appeal Case #:

Appeal Disposition:

Disposition Date:

AR Case #:

AR Disposition:

AR Disposition Date:

MR Case #:

MR Disposition:

MR Disposition Date:

RESTRICTION CODES

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

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

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

PRM. Removed as a personal record misfile.

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

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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, December 6, 1991 [2]

Date Closed: 3/19/2014 **OA/ID Number:** 90638-005

FOIA/SYS Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

Appeal Case #:

Appeal Disposition:

Disposition Date:

AR Case #:

AR Disposition:

AR Disposition Date:

MR Case #:

MR Disposition:

MR Disposition Date:

RESTRICTION CODES

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

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PRM. Removed as a personal record misfile.

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02c. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, December 6, 1991 [2]

Date Closed: 3/19/2014	OA/ID Number: 90638-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02d. Diagram	VC25A - 28000 Passenger Seating Arrangement (1 pp.)	12/05/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, December 6, 1991 [2]

Date Closed: 3/19/2014	OA/ID Number: 90638-005
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02e. Diagram	Seating Diagram of VH-3D (1 pp.)	12/07/91	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, December 6, 1991 [2]

Date Closed:	3/19/2014	OA/ID Number:	90638-005
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

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

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

PRM. Removed as a personal record misfile.

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

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

POOL REPORT # 1

AIR FORCE ONE: ANDREWS TO ONTARIO
AND MAG INSTRUMENTS

FRIDAY, DECEMBER 6, 1991

Not much news.

The President did not come back on Air Force One. Seen getting off the plane with the President and Mrs. Bush were Sununu, Scowcroft, Card, Rogich, McClure, Demarest, Porter, and Burton Lee. The President was greeted by U.S. Senator John Seymour (R-CA) at the airport.

After a brief ride to Mag Instrument, Inc., the President toured three production facilities at the company complex. Tony Maglica showed the President around, while Claire Maglica accompanied Mrs. Bush. The President stopped and chatted with several of the workers. At the first and second sites, workers were producing the metal body of the Mag-lite flashlight, while at the third site workers were putting together some of the electronic components.

Asked about a report that Bill Clinton had held a fundraising breakfast in southern California attended by major Republican contributors, Bush said, "interesting" and shrugged his shoulders.

A local reporter asked the President if he intended to visit a nearby General Dynamics plant where there had been recent layoffs, and Bush responded, "I'm having a good time. I'm learning a lot here."

The President was also asked if the proposed Free Trade Agreement with Mexico would cost jobs, and he said, "No, create jobs." In another question relating to the Clinton fundraiser, Bush was asked about Republicans who wanted to send him a message. He replied, "I want to send a message to the Democrats."

Charlie Green, Knight-Ridder

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MAG INSTRUMENT \ ONTARIO, CALIFORNIA
FRIDAY, DECEMBER 6, 1991 \ 12 NOON

PP

THANK YOU, TONY, AND THANKS FOR THAT GREAT TOUR.
IT'S NICE TO SEE BOTH TONY AND CLAIRE MAGLICA 23
[MAG-LEE-KUH] AND SENATOR SEYMOUR.

((THERE WAS A BIT OF CONFUSION ON THE WAY IN TODAY.
WHEN I ARRIVED AT THE FACTORY, ONE OF MY AIDES HANDED
ME A BEER. THEY HAD IT WRONG. I HAD TO EXPLAIN -- I
SAID I WANTED A "MAG LITE."))

- 2 -

I REALLY GOT TO KNOW TONY AND CLAIRE MAGLICA DURING
THE INAUGURATION, WHEN THEY SENT 40,000 POINTS OF LIGHT
-- MINI MAGLITES -- AS SYMBOLIC POINTS OF LIGHT, TO
DEMONSTRATE THEIR FAITH IN THE POWER VOLUNTEERS HAVE TO
BUILD A BETTER AMERICA. MAG INSTRUMENT REPRESENTS THE
SPIRIT OF ENTERPRISE, THE DEVOTION TO QUALITY AND THE
HANDS-ON LEADERSHIP THAT WILL CARRY US INTO THE NEXT
AMERICAN CENTURY. LET ME TELL YOU WHY.

TONY MAGLICA'S STORY IS THE STORY OF THE AMERICAN DREAM, A TALE OF OPPORTUNITY THAT BEGAN IN A LOS ANGELES GARAGE IN 1955. LATER, IN HIS JOB SHOP, HE INVENTED A SUPERIOR QUALITY FLASHLIGHT FOR USE BY POLICE AND FIREMEN WHOSE LIVES MIGHT DEPEND ON THE QUALITY OF THEIR FLASHLIGHT. LET ME ADD, IN FACT, MAG INSTRUMENT SHOWED ITS ON-GOING COMMITMENT TO THESE HEROES WITH VERY GENEROUS SUPPORT FOR THE NATIONAL LAW ENFORCEMENT MEMORIAL, WHICH WE DEDICATED IN OCTOBER.

OVER THE LAST TEN YEARS, THE COMPANY HAS LED THE WAY FOR AMERICAN COMPETITIVENESS AND EXCELLENCE, GROWING FROM A SMALL SHOP TO ONE OF THE LARGEST FLASHLIGHT MANUFACTURERS IN THE ENTIRE WORLD.

MAG INSTRUMENT PRODUCTS ARE MADE IN AMERICA, // MADE WITH AMERICAN PARTS // AND THEY'RE MADE BY AMERICAN WORKERS. AND THE COMMITMENT TO AMERICAN QUALITY -- FROM RAW MATERIALS TO DESIGN AND PRODUCTION -- HAS PUT MAG INSTRUMENT AT THE TOP.

AND THAT'S WHAT WILL PUT AMERICA AT THE TOP, TOO. //

TONY MAGLICA IS LIVING PROOF: WHEN THE FIGHT IS FAIR, AMERICAN MANUFACTURERS CAN OUTPRODUCE // OUTSELL // AND OUTCOMPETE ANY OTHER NATION ON EARTH.

THAT'S WHY THIS ADMINISTRATION HAS SOUGHT TO OPEN FOREIGN MARKETS TO AMERICAN GOODS AND SERVICES -- TO CONTINUE SOLID, JOB-CREATING EXPORT GROWTH. WE WANT COMPANIES TO FOLLOW MAG INSTRUMENT'S LEAD IN BUILDING EXPORT BUSINESS -- THEIR EXPORTS COMPRISED OVER A QUARTER OF THEIR TOTAL SALES THIS YEAR.

THAT'S GOOD BUSINESS -- BECAUSE LAST YEAR ALONE, TOTAL GROSS EXPORTS ACCOUNTED FOR VIRTUALLY ALL OF THIS NATION'S ECONOMIC GROWTH.

WE WANT TO KEEP INFLATION LOW, INTEREST RATES DOWN, AND PRODUCTIVITY HIGH -- SO THAT AMERICAN BUSINESS CAN STAY COMPETITIVE. //

TO DO IT, WE'VE PROPOSED INITIATIVES TO CUT SENSELESS GOVERNMENT OVER-REGULATION, IMPROVE EDUCATION AND TRAINING, AND -- HERE'S ONE TONY WILL LIKE -- REFORM OUR CIVIL JUSTICE SYSTEM SO THAT EMPLOYERS CAN STAY ON THE FACTORY FLOORS AND OUT OF THE COURTROOMS.

ALL OF THIS IS PART OF OUR STRATEGY FOR LONG-TERM ECONOMIC GROWTH IN THIS COUNTRY -- A STRATEGY I LAID OUT FROM DAY ONE OF MY PRESIDENCY.

SINCE THEN, I'VE REPEATEDLY CALLED ON CONGRESS TO ACT ON OUR CAPITAL GAINS TAX CUT, TO STIMULATE INVESTMENT AND JOB CREATION; TO ACT ON OUR R&D TAX CREDIT, TO CREATE NEW TECHNOLOGIES AND NEW JOBS; TO ACT ON IRAS FOR FIRST-TIME HOME BUYERS, TO STIMULATE THE HOUSING MARKETS; AND TO ENACT BANKING REFORM LEGISLATION, TO MAKE OUR BANKS MORE COMPETITIVE.

PEOPLE ARE HURTING -- I HEAR IT FROM EVERYDAY AMERICANS ALL OVER ... IN THE LETTERS I READ BACK IN WASHINGTON, AND IN CONVERSATIONS I HAVE ON THE SHOP FLOOR IN PLACES JUST LIKE THIS.

WHILE CONGRESS IS HOME FOR THE HOLIDAYS, I HOPE THEY'RE GETTING THE MESSAGE, TOO. THEN, WHEN THEY RETURN IN JANUARY, I'LL ASK THEM TO PUT POLITICS ASIDE, JUST LONG ENOUGH TO TAKE SOME IMPORTANT STEPS TO GET THIS ECONOMY ON THE MOVE AGAIN.

MY HAND WILL BE EXTENDED, I PROMISE YOU. THAT'S BECAUSE I BELIEVE WE CAN CREATE HOPE FOR THE FUTURE ... WE CAN BUILD GREATER PROSPERITY AND BRING THE AMERICAN DREAM TO LIFE FOR ALL AMERICANS. GIVE AMERICA THE TOOLS TO GET THE JOB DONE. GIVE ME A CONGRESS I CAN WORK WITH ... MORE BUSINESSMEN LIKE TONY AND CLAIRE MAGLICA ... MORE COMPANIES LIKE THIS IN AMERICA -- AND WE WILL GET THE JOB DONE.

- 11 -

KEEP UP THE GOOD WORK. THANKS VERY MUCH TO EACH
AND EVERY ONE OF YOU. GOD BLESS THE UNITED STATES OF
AMERICA.

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ONTARIO KIWANIS CLUB LUNCHEON \ ONTARIO, CALIFORNIA *pe*
DECEMBER 6, 1991 \ 12:45 P.M.

THANK YOU, NANCY [DeDeimar, President, Ontario
Kiwans Club] for those warm words. [[I've been to a
few of these Kiwanis events, so as an out-of-towner,
let me start by saying: I'm George Bush, from
Washington, D.C., President of the United States. //]]

CONGRESSMAN JERRY LEWIS, who so ably represents
Ontario and San Bernadino on Capitol Hill. His
distinguished counterpart from the Inland Empire --
Congressman David Dreier. //

- 2 -

AS YOU KNOW, LATER TODAY I GO ON TO PEARL HARBOR TO
TAKE PART IN TOMORROW'S COMMEMORATIONS. RIGHT NOW, I
WANT TO SALUTE A MAN WHO WAS THERE: JAY HOLMES. ALL
OF YOU KNOW JAY AS THE FORMER GENERAL MANAGER OF THE
DAILY REPORT -- BUT 50 YEARS AGO, HE WAS A 19-YEAR OLD
MARINE ON BOARD THE USS WEST VIRGINIA. // WE KNOW THE
HISTORY. MEN LIKE JAY KNOW THE HUMAN TERMS -- WHAT IT
MEANT TO STAND FOR A MOMENT AT THE VERY CENTER OF
HISTORY.

WHAT IT MEANT TO PICK UP AND BATTLE BACK FROM THAT SHATTERING MOMENT THE MORNING OF DECEMBER 7 TO VICTORY FOUR YEARS LATER. //

FINALLY, IT'S GREAT TO SEE AN OLD WHITE HOUSE HAND -- ESPECIALLY AN OLD HAND AS YOUNG AS THIS ONE -- WHO'S COME HOME TO MAKE HIS MARK AS A STATE ASSEMBLYMAN: JIM BRULTE. [[AS A ROTARIAN WHO HELPED THE KIWANIS CLUB PUT TOGETHER TODAY'S EVENT, JIM IS GOING TO BE FINED FOR FRATERNIZING WITH THE ENEMY.]] //

SURROUNDED BY SO MANY POINTS OF LIGHT, I CAN'T LET THIS OPPORTUNITY PASS WITHOUT RECOGNIZING YOU FOR YOUR GOOD WORKS. / FIRST, ON BEHALF OF MY WIFE BARBARA, LET ME SALUTE THE KIWANIS CLUB FOR ITS LEADING ROLE IN THE READING IS FUNDAMENTAL PROGRAM. GOING INTO THAT CLASSROOM, SHARING A CHILD'S FIRST EXPERIENCE LEARNING HOW TO READ, IS AS SIMPLE AS IT IS REWARDING. IF YOU'RE CONCERNED ABOUT OUR FUTURE, THEN YOU CARE ABOUT OUR KIDS -- AND THE KIWANIS CLUB DOES. /

WITH THE HOLIDAYS FAST UPON US, I ALSO WANT TO RECOGNIZE THE ROTARY CLUB'S SANTA CLAUS INCORPORATED -- FOR ITS WORK REPAIRING AND RECYCLING USED TOYS. THANKS TO YOU, CHILDREN WHO FAR TOO OFTEN HAVE TO "GO WITHOUT" CAN LOOK FORWARD TO FINDING SOMETHING SPECIAL UNDER THE CHRISTMAS TREE. // FINALLY, I WANT TO SALUTE THE ONTARIO POLICE DEPARTMENT -- LED BY LOWELL STARK, CHIEF OF POLICE, BUT EVEN MORE IMPORTANT, ROTARIAN -- FOR THEIR AWARD-WINNING GANG CONTROL PROGRAM.

YOUR SLOGAN SAYS IT ALL: "GANGS + DOPE = NO HOPE." YOUR SUCCESS HAS WON ADMIRERS NOT JUST STATE-WIDE -- BUT WHEREVER COMMUNITIES ARE PLAGUED BY GANG VIOLENCE.

[[AND TO PROVE JUST HOW FAR ONTARIO HAS COME IN PROMOTING PEACE AMONG THE WARRING FACTIONS -- YOU'VE EVEN GOT THE KIWANIANS AND ROTARIANS TO SIT TOGETHER IN THE SAME ROOM. //]]

I THANK YOU FOR MAKING ME TODAY'S GUEST, AND GIVING ME THIS OPPORTUNITY TO SPEND SOME TIME IN YOUR COMMUNITY. GREAT THINGS ARE HAPPENING HERE.

- 7 -

JUST A FEW MOMENTS AGO, I TOURED THE MAG INSTRUMENT PLANT HERE IN ONTARIO. [[YES, I'VE SEEN THE LIGHT.]] I MET THE PEOPLE WHO HAVE TURNED A ONE-ROOM OPERATION INTO AN INDUSTRY LEADER WORLD-WIDE IN TEN SHORT YEARS -- AND I CAME AWAY PROUD: IMPRESSED ONCE MORE WITH AMERICAN ENERGY AND INGENUITY.

I'VE VISITED 48 STATES IN MY THREE YEARS AS PRESIDENT, AND EVERY PLACE I VISIT GIVES ME A CHANCE TO TALK TO PEOPLE -- TO LISTEN, AND LEARN. //

- 8 -

ONTARIO IS A LONG WAY FROM WASHINGTON. YOU'RE NOT CAUGHT UP IN THE BELTWAY BLAME-GAME -- THE FINGER-POINTING AND THE POSTURING, THE BATTLE FOR THE NINE-SECOND SOUND-BITE ON THE EVENING NEWS. / WHAT MATTERS TO YOU ARE REAL-WORLD CONCERNS: THE QUALITY OF OUR SCHOOLS, A GOOD JOB WITH A FUTURE, SAFE STREETS, CLEAN AIR -- NEIGHBORHOODS WHERE PEOPLE LOOK OUT FOR ONE ANOTHER.

ALL THE SQUABBLING IN WASHINGTON IS BACKGROUND NOISE AS YOU PAY THE BILLS, RAISE YOUR KIDS WITH A SENSE OF RIGHT AND WRONG, AND PLAN FOR THE FUTURE. //

EACH COMMUNITY FACES THESE REAL-WORLD CHALLENGES IN ITS OWN WAY. // TAKE THE WAY YOUR COMMUNITY HAS COPEd WITH CHANGE: NOT TOO LONG AGO, ONTARIO AND THE AREA AROUND IT WAS LITTLE MORE THAN A POINT ON THE MAP FROM LOS ANGELES TO LAS VEGAS.

TODAY, YOUR CITY IS PART OF CALIFORNIA'S INLAND EMPIRE -- THE FASTEST GROWING REGION IN ONE OF AMERICA'S FASTEST GROWING STATES.

THE INLAND EMPIRE STANDS ALONE IN CALIFORNIA AS THE ONLY REGION TO REPORT UNINTERRUPTED JOB GROWTH EVERY MONTH DURING THE NATIONAL ECONOMIC DOWNTURN. // YET, BECAUSE THE POPULATION GREW FASTER THAN JOBS, EVEN HERE YOU'VE SEEN AN INCREASE IN UNEMPLOYMENT.

EVEN YOUR ENVIABLE GROWTH RECORD OFFERS COLD COMFORT TO PEOPLE CAUGHT IN THE DOWNTURN. I KNOW THAT FOR A PERSON OUT OF A JOB -- THE UNEMPLOYMENT RATE IS 100 PERCENT. //

TIMES ARE TOUGH. THE LOCAL CONSTRUCTION INDUSTRY LOST 10,000 JOBS IN THE PAST YEAR ALONE. THE MANUFACTURING SECTOR AND THE AEROSPACE INDUSTRY HAVE BEEN HIT HARD.

THE PRESSURE TO SUSTAIN GROWTH WON'T LET UP: ACCORDING TO PROJECTIONS, THE POPULATION OF SAN BERNADINO COUNTY WILL MORE THAN DOUBLE FROM 1980 TO THE YEAR 2000.

TODAY, THE SINGLE LARGEST EXPORT FROM THE INLAND EMPIRE REMAINS // COMMUTERS: 3 TO 400,000 MAKE THE TRIP EACH DAY TO JOBS IN GREATER LOS ANGELES. / YET INCREASINGLY, ONTARIO FINDS ITSELF PULLED INTO THE GLOBAL MARKETPLACE, BY VIRTUE OF ITS PLACE ON THE PACIFIC RIM.

- 13 -

WAREHOUSING JOBS ARE UP NEARLY 20% IN TWO YEARS, DUE TO INCREASED EXPORTS. UPS HAS MADE ONTARIO ONE OF ITS THREE DOMESTIC AIRLINE HUBS, WELL-POSITIONED TO SERVE THE WESTERN UNITED STATES AND INTERNATIONAL MARKETS ACROSS THE PACIFIC. THIS NEW ADDITION TO ONTARIO'S CORPORATE COMMUNITY WILL PUMP HALF-A-BILLION DOLLARS A YEAR INTO THIS COUNTY'S ECONOMY. //

- 14 -

THE PEOPLE OF THE INLAND EMPIRE ARE BUILDING THIS FUTURE FOR THEMSELVES -- AND THE GROWTH THAT RESULTS WILL BE THE SWEAT OF YOUR HARD WORK, NOT THE GIFT OF GOVERNMENT. / WHAT YOU WANT FROM GOVERNMENT IS THE GOOD SENSE TO KNOW WHEN TO STEP IN AND HELP -- AND WHEN TO STEP OUT OF THE WAY. //

GOVERNMENT CAN HELP -- BY FIGHTING TO OPEN NEW MARKETS TO AMERICAN GOODS. WHEN TRADE IS FREE AND FAIR, AMERICAN WORKERS CAN OUT-THINK, OUT-PRODUCE AND OUT-DISTANCE ANY FOREIGN COMPETITOR. //

MY ADMINISTRATION HAS MADE FREE TRADE A KEY ELEMENT IN OUR FOREIGN POLICY -- FROM FAST TRACK AUTHORITY WITH MEXICO TO THE TALKS WE'LL HOLD NOT LONG FROM NOW WHEN I TRAVEL TO KOREA AND JAPAN. //

HERE AT HOME, WE'VE PUSHED FOR THE KIND OF ECONOMIC INITIATIVES THAT WILL ENCOURAGE GROWTH -- CREATE JOBS. // FROM DAY ONE AS PRESIDENT, I'VE ARGUED THAT WE CAN NEVER STAND PAT AND SIMPLY ASSUME ENDLESS ECONOMIC PROSPERITY.

IN 1989 -- IN THE MIDST OF THE LONGEST PEACETIME EXPANSION IN AMERICAN HISTORY -- I CALLED ON CONGRESS TO PASS A SERIES OF GROWTH INITIATIVES, INCENTIVES TO SPUR SAVING AND INVESTMENT, TO SUPPORT AGGRESSIVE R&D AND REDUCE THE COST OF CAPITAL. // YOU ALL KNOW THE STORY: THREE YEARS LATER, WE'RE STILL WAITING FOR CONGRESS TO LAY ASIDE THE POLITICS -- AND PICK UP THE CHALLENGE. //

- 17 -

I'M NOT ABOUT TO LET CONGRESS OFF THE HOOK. NEXT MONTH, IN MY STATE OF THE UNION MESSAGE, I'LL CHALLENGE CONGRESS TO WORK WITH ME AT LONG LAST TO GET THE JOB DONE -- TO TAKE ACTION TO GET THIS ECONOMY GROWING AGAIN -- GENERATING GOOD JOBS FOR WORKING MEN AND WOMEN. //

FOR ALL THE ECONOMIC DISLOCATIONS -- FOR ALL THE REAL HURT PEOPLE ARE SUFFERING THROUGH TODAY, I AM CONFIDENT -- CONFIDENT THAT HERE IN CALIFORNIA AND ACROSS THIS COUNTRY, OUR RECOVERY WILL GAIN SPEED. //

- 18 -

I LOOK BACK TO THE EARLY 80'S, WHEN THE ECONOMY WENT THROUGH A TOUGH PERIOD OF WHEEL-SPINNING BEFORE IT SET OUT ON THE PATH OF SUSTAINED GROWTH -- A RECOVERY THAT MEANT BETTER LIVES FOR MILLIONS OF AMERICAN FAMILIES. YEARS FROM NOW, WE MAY WELL LOOK BACK ON THE EARLY 90'S THE SAME WAY -- AS THE MOMENT THE AMERICAN ECONOMY MOVED FORWARD TOWARD A NEW CENTURY -- CONFIDENT, CERTAIN AND FULL OF HOPE. //

- 19 -

ONCE AGAIN, MY THANKS TO ALL OF YOU FOR THIS WARM
WELCOME -- AND MAY GOD BLESS THE UNITED STATES OF
AMERICA. // NOW, WE'LL DO SOME Q&A -- AND LEAVE SOME
TIME TO SING "HAIL, KIWANIS."

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POOL REPORT # 2

ONTARIO TO PEARL HARBOR

FRIDAY, DECEMBER 6, 1991

Bush arrived at Hickam Air Force Base at 5:05 p.m., and was greeted by a tangerine-colored lei and a red carpet. He and Mrs. Bush were met on arrival by a long line of well-wishers including Democratic Governor John Waihee and Dale Nash, a crewman aboard the USS Finback when it rose from the depths off Chichi Jima and plucked Bush out of his life raft. Other greeters included Admiral Charles Larson, Commander-in-Chief of the U.S. Pacific Command, and Secretary of Veterans Affairs Edwin Derwinski. Your pool couldn't see who bestowed the presidential lei.

Bush went on to the Pacific Command's Joint Intelligence Center, a windowless building built since intelligence failed at Pearl Harbor. The videotaping there was for an Arts and Entertainment cable network program, and featured a conversation between Bush and Robert Stinnett, author of a pictorial history of Bush and World War II. The intelligence center includes a state-of-the-heart photo interpretation center, and a Navy spokesman, Captain Bob Cuccia, said Bush and Stinnett were to review war photographs while the camera rolled.

The motorcade route near the hotel was crowded with well-wishers, some of whom whistled and cheered as the presidential limousine rolled by. There was no sign of demonstrators, and at the hotel, some folks were chanting "We Want George" as Bush disappeared inside about 6:30 p.m. He was to eat dinner in the hotel.

Aboard Air Force One, Marlin came back in jeans and topsiders to say he would try to make a text of tomorrow's speech available tonight. There were no promises on time. Scowcroft and Card were also said to be aboard the plane; Sununu was heading to a governor's conference in Salt Lake. In a sign of creeping glasnost, both porter and McClure came back for lengthy chats. But the old regime isn't dead yet: everything was off the record.

Doug Jehl
LA Times

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

December 12, 1991

STATEMENT BY THE PRESS SECRETARY

We are witnessing dramatic and historic events in the Soviet Union and the republics. The collapse of communism there is of global importance, and gives the republics the opportunity to move rapidly toward democracy and market economies. These developments pave the way for the integration of the Soviet Union and the republics into the community of democratic nations and the strengthening of a more peaceful and stable international order.

The world has a vital interest in the success of this transition. The United States is especially well-positioned because of its heritage and traditions to make a substantial contribution by building on its existing technical cooperation efforts as well as medical and food assistance programs. The United States strongly supports reform at all levels of government, and will focus its assistance efforts on those who stand for fundamental political and economic reform, including the establishment of democratic systems based on principles of the rule of law and individual freedoms, respect for internationally recognized human rights, economic reform based on market principles, respect for international law and obligations, and adherence to responsible security policies.

To be effective, programs of all U.S. government agencies must be carefully coordinated internally, and with the programs of other countries and international institutions. It is also critically important to ensure that the energy and resources of individual Americans, private voluntary organizations, and businesses be fully integrated into our efforts, wherever possible.

Accordingly, the President has appointed Deputy Secretary of State Lawrence S. Eagleburger to be the Coordinator of United States assistance to the Soviet Union and the republics. In that position, Secretary Eagleburger will be responsible for overseeing and coordinating all assistance programs and activities which pertain to the Soviet Union and the republics.

The President has also named Michael J. Boskin, Chairman of the Council of Economic Advisors, Donald Atwood, Deputy Secretary of Defense, John E. Robson, Deputy Secretary of the Treasury, Ann M. Veneman, Deputy Secretary of Agriculture and Ronald W. Roskens, Administrator of the Agency for International Development, as Deputy Coordinators.

-more-

The United States will focus its assistance to the Soviet Union and the republics on several priority areas: food distribution and marketing, energy and environment, financial and economic institution building, democratic institution building, and defense conversion. U.S. assistance also will be aimed at promoting increased trade and investment through programs designed to encourage the involvement of U.S. businesses in the emerging private sector of the Soviet Union and the republics.

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11:15 A.M. EST NEWS UPDATE

TRIP (Thomas Ferraro, UPI) -- President Bush, predicting an emotional day as he commemorates the 50th anniversary of the Japanese attack on Pearl Harbor, said he will acknowledge the U.S. internment of Japanese-Americans during WWII as "a very shameful chapter in an otherwise glorious achievement." Speaking with reporters before heading off to Hawaii, Bush spoke emotionally of the attack that changed the world and drew him personally into war. But the President pointed to the positive side of relations now with both Europe and Japan. "In a sense for me it will be emotional because, like a lot of those veterans out there, I lost friends," he said. "And yet I go there with no rancor but with a wonderful feeling that things have moved dramatically forward in a very positive way. So this is what this trip is about."

PEARL HARBOR/JAPAN (Pearl Harbor/Reuter) -- An uneasy truce is becoming apparent between America and Japan on the eve of the 50th anniversary of the Japanese attack on Pearl Harbor. In Tokyo, the Japanese Parliament has abandoned plans to issue a formal apology for the surprise attack on the U.S. Pacific Fleet.... It was announced Thursday that plans for Japan's parliament to apologize to the U.S., Asian countries and other WWII enemies, had been abandoned because the ruling Liberal Democratic Party and opposition parties could not agree on the principle of issuing such an apology. Japanese newspaper reports said arch-conservatives in the LDP argued that "there was no need to sling mud on Japan's own history."

JOBLESS RATE (UPI) -- The nation's unemployment rate remained unchanged during October, the government said. But a separate survey of businesses showed the workforce lost nearly a quarter million jobs -- the most since March. The Labor Department said that while a household survey showed the unemployment rate stuck at 6.8%, a survey of businesses, generally considered a more accurate reflection of employment, showed a net job loss of 241,000.

NEW CHIEF OF STAFF (AP) -- Samuel Skinner, moving quickly from the world of planes and trains to claim his White House turf, said that President Bush will leave "no stone unturned, no good idea ignored" to get the economy back on track. "Yes, the economy is staggering," Skinner said. "Yes, the numbers aren't good. But it's not as bad as some would say," Skinner said in a speech to the American Legislative Exchange Council.... Skinner used the occasion to tout Bush's dedication to "growth-oriented policies." "Those proposals are the key to job creating, raising standards of living and deficit reduction," Skinner said.

TERRY ANDERSON (Wiesbaden/AP) -- ...[During his press conference, Terry Anderson] said President Bush "is absolutely right," about not negotiating with kidnappers. He says the Bush Administration also took the right stance in trying to be "an honest broker" between the Arabs and Israelis.

REMAINING HOSTAGES (Beirut/UPI) -- A pro-Iranian leader indicated the hostage saga will end soon, but he criticized those who ignore the plight of four Iranian diplomats missing in Lebanon and about 300 Arab prisoners held in Israeli jails. "There has been international but restricted joy regarding the release of the Western hostages because there are still some captives and bodies held," said Sheikh Mohammed Hussein Fadlallah, the spiritual guide of Hezbollah. Fadlallah, speaking during prayers at a mosque in Beirut's southern suburbs, was referring to two Germans and the bodies of two U.S. captives, Col. Higgins and William Buckley. "It seems that the hostage dossier is closing and it will be closed," said Fadlallah.

(Bonn/AP) -- The Foreign Ministry said two German relief workers, could be freed before Christmas.... "We have good indications that the possibility of both hostages getting free before Christmas is very large," said Ursula Seiler-Albring, a top deputy to Foreign Minister Hans-Dietrich Genscher.

HOSTAGES/RESCUE (Los Angeles/UPI) -- U.S. intelligence agencies knew where American hostages were being held in Lebanon on at least three occasions, but rescue operations were never launched, usually because the captives were moved before action could be taken, the Los Angeles Times reported. "We put a lot of effort into trying to find these guys," said L. Paul Bremer, a former chief of counterterrorism at the State Department. "Sometimes we did find them...but we didn't have it in sufficient detail to use it operationally. It's not enough to know what building they're in, what floor, what apartment or even what room."

YUGOSLAVIA (Bonn/Reuter) -- Croatian President Tudjman said the U.S. would be supporting a barbaric war if it did not quickly recognize his republic's independence from Yugoslavia. Tudjman declared he was "astonished" to hear Washington had come out firmly against quick recognition.... "Taken seriously, that equals support for the aggression against Croatia, support for this barbaric war that is unparalleled in the world today," he said.

KURDS/IRAQ (Baghdad/Reuter) -- Iraq denied U.N. reports that shelling by its troops had forced up to 200,000 Kurds to flee their homes for the comparative safety of wintry mountain heights. The Iraqi News Agency quoted an official source as saying the allegations made by the U.N. High Commissioner for Refugees were false. "That spokesman is lying. The U.S. government has ordered him to make such a statement to...pave the way for a new Security Council resolution to maintain the economic blockade imposed on Iraq," the agency quoted the spokesman as saying..

RUBLE (Moscow/UPI) -- Ruble exchange rates posted at banks showed the Soviet currency plunging in value as banks gave up government-set ruble rates and instead adjusted their ruble trading to black market rates.

2:15 P.M. EST/11:15 A.M. PST NEWS UPDATE

TRIP (Rita Beamish, AP) -- President Bush said he is going to Pearl Harbor "with no rancor" toward the Japanese who attacked U.S. bases there, but with an appreciation that Japan is now a friend and international partner. Bush, departing the White House for a trip to California and Hawaii, said he anticipates "a very emotional day" when he goes to Honolulu on Saturday. "But I will approach it as a day of healing, appropriately honoring those who died at Pearl Harbor and those who were killed in WWII," he said.

ECONOMY/FED (AP) -- The Fed, responding to new dismal news about the economy, signaled that it had reduced a key interest rate for the 14th time since the recession began, private economists said. The Fed injected \$3 billion of reserves into the nation's banking system in such a way that analysts said it left no doubt that the central bank was pushing the federal funds rate down from 4.75% to 4.5%.

YUGOSLAVIA (UPI) -- The U.S. imposed economic sanctions on Yugoslavia to encourage a political solution to the country's civil war. The State Department said the sanctions will apply to the entire country of Yugoslavia. The sanctions include termination of U.S. assistance programs and the bilateral textile-visa agreement. Officials said the action is being taken because of the deteriorating situation in the civil war as evidence by continued cease-fire violations.

UKRAINE/NUCLEAR WEAPONS (Brussels/Reuter) -- Russia's deputy defense minister accused Ukraine of wanting to take control of Soviet nuclear weapons on its soil, despite public assurances to the West that it has no such intention.... "The Ukraine wants to have nuclear weapons," Major General Alexander Tsalko told a conference on European security in Brussels. He said senior Ukrainian officials and parliamentarians had made this clear last week during talks in Moscow.

HOSTAGES/DEAL (Beirut/Reuter) -- The spiritual leader of Lebanon's Moslem fundamentalists said in a sermon there was no deal behind the U.N.-mediated release this week of the last American hostages in Lebanon. But Sheik Mohammad Hussein Fadlallah demanded that Israel unconditionally free an estimated 250 Lebanese prisoners. Fadlallah singled out Sheik Abdel Karim Obeid among the prisoners and said the U.S. must use its good ties with Israel to secure his release.

MIDEAST TALKS (Reuter) -- Middle East peace talks will probably open in Washington early next week despite the continuing deadlock in attempts to fix a new date, analysts and Arab delegates said. Hanan Ashrawi told reporters the talks could start Tuesday. Analysts said the fact that none of the Arab delegations have gone home after Israel missed the original appointment indicated prospects for fixing a date were good.

SYRIA (Damascus/Reuter) -- President Assad has quietly released 700-800 prisoners in a gesture apparently related to his re-election, Western sources in Damascus said. Sources said some freed...were Moslem activists and leftists held without trial for anti-Assad agitation in the early 1980s. ###

4:15 P.M. EST/1:15 P.M. PST NEWS UPDATE

TRIP (Ontario/Tom Raum, AP) -- President Bush lifted a 30-year embargo on arms sales to Poland, Hungary and Czechoslovakia. Dramatic changes in Eastern Europe over the past few years and the dissolution of the Soviet empire led to the action, aides said.... The furnishing of "defense articles and services" to the governments of the three former Warsaw Bloc nations "will strengthen the security of the U.S. and promote world peace," Bush said.... Bush's visit to Mag Instrument, Inc. was scoffed at by California Democrats. "Over the last few months, the President has gone from telling the American people 'Don't worry, be happy'...to urging us to buy flashlights," said Bob Mulholland, political director of the state Democratic party. "There are over 300,000 people in this area hurting because of unemployment," he said. "We need a President who cares as much about this area as he does about Kuwait."

PAN AM BOMBING/LIBYA (Cairo/Reuters) -- Libya has offered to hand over to an Arab country two of its nationals suspected by the West of blowing up a Pan Am plane, a state-owned Egyptian newspaper said. "Libya's Arab League envoy offered to hand over the two Libyans accused of downing the American plane to an Arab state," Akhbar al-Yom said in an early Saturday edition. It said Libyan envoy Ali Tariki, a former foreign minister, "informed the Arab League of 'positive steps to prove Libya is not involved in any terrorist operation.'" Their was no immediate confirmation of the newspaper report by the Libyan mission in Cairo.

NEW CHIEF OF STAFF (Chicago/Reuters) -- Sam Skinner said the economy is recovering sluggishly but the Administration will not attempt a "quick fix" solution.... "The President is not going to come up with a quick fix.... That's not what the country needs, and not what the country expects," he said in a speech to a business group.... "We are listening and the President is aware of what's going on in the economy. There's nothing he spends more time on," he said.

HEALTH CARE/DEMOCRATS (Reuters) -- Congressional Democrats, with an eye on next year's elections, said they will seek voters' views on health care reform in the next few weeks hoping to make progress on legislation in 1992.... "President Bush says he cannot move forward to deal with the health care crisis until a consensus emerges," Sen. Mitchell said. "That's not leadership; that's followership." Mitchell said nearly 200 members of the House would hold "town meetings" in their districts on Jan. 14 designed to build a consensus on how to approach the problem. Democratic senators are to hold hearings next week also, Mitchell said.

ISRAELI SETTLEMENTS (Jerusalem/Reuters) -- Israel gave Jewish settlers permission to remain for a month at a new site in the occupied West Bank, despite Washington's concern over the impact on Middle East talks. The government acted by saying it feared a clash between the settlers, who hope to establish a new community, and troops.

TERRORISM/GADHAFI (Cairo/AP) -- Moammar Gadhafi pledged in remarks published Friday to stop supporting "liberation movements" turned terrorist, and said he helped free Terry Waite. Gadhafi claimed he interceded with Muslim kidnappers to save Waite's life, then helped win his freedom.... In an interview with Al-Ahram, Gadhafi also made Libya's most direct offer yet to end relations with terrorist groups.... The paper quoted Gadhafi as pledging to "break off relations with movements which were described in the past as movements of liberation but have turned into terrorist movements."

KURDISH REFUGEES (Reuter) -- The U.S. expressed concern at a renewed Kurdish refugee crisis in northern Iraq. Margaret Tutwiler said: "The U.N. people there on the ground tell us they believe they can handle this situation. It is something that is a concern to us, and something that we are obviously watching closely."

HAITIAN REFUGEES (Miami/UPI) -- The U.N. is negotiating with Cuba in a bid to create a permanent settlement for Haitians leaving their impoverished homeland in droves with tales of terror, a published report said. About 1,300 Haitians who have fled Haiti since the recent coup are living in Cuban camps, and the U.N. wants Cuba to settle the refugees there permanently, the Miami Herald reported.

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

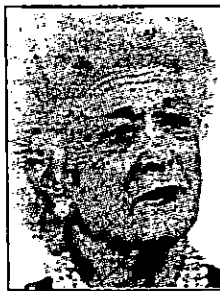
Friday, December 6, 1991

Mrs. Bush	(in folder)
Governor Sununu	West Wing
Marlin Fitzwater	West Wing
Constance Horner	West Wing
Carol Powers	West Wing
Patty Presock	West Wing
First Lady Detail	Staircase
Karen Connell	Room 58 OEOB
Shirley Green	Room 94 OEOB
Anne Griffith	Room 98 OEOB
Diana Kellogg	Room 157 OEOB
Gregg Petersmeyer	Room 100 OEOB
Marguerite Sullivan	Room 268 OEOB
Carolyn Washington	Room 268 OEOB
Benita Somerfield	hold one copy
Ann Brock	
Julie Cooke	
Joan DeCain	
Laurie Firestone	
Jane Moore	
Susan Porter Rose	
Sally Runion	
Peggy Swift	
Anna Perez	
Sondra Haley	
Jean Becker	
Jay Suchan	(plus originals)

USA TODAY • FRIDAY, DECEMBER 6, 1991

GEORGE BUSH: A student at Phillips Academy in Andover, Mass., the future president decided after hearing about the bombing to become a Navy pilot. He enlisted the next year when he turned 18 and flew missions in the Pacific; on one his plane was shot down.

BARBARA BUSH: The future first lady was at boarding school in Charleston, S.C. "We all felt scared for our brothers and friends. Charleston was a Navy city, and suddenly the streets filled with young Navy personnel. It was a different world from that day on."



USA TODAY

BUSH

George W. Bush

The President's oldest son and self-appointed loyalty watchdog for past Bush campaigns and for his Administration ... Has been advising the President on 1992 race for a couple of months ... From 1986 to 1988 he worked on the Bush Presidential campaign as adviser and speechmaker ... After 1988 victory he screened job-seekers to insure that jobs went to his father's original believers ... Ran for Congress in the 19th Congressional District of Texas in 1978; won the primary but lost the election in a close race ... Aspires to become governor of Texas, but his mother, Barbara, is said to oppose the notion ... Nicknamed "Junior", but takes pains to note his name is not the same as his dad's ... While his father is a Connecticut Yankee in Texas, George takes pride in being the rough-edged Real Thing ... Intense, extremely competitive and sometimes hot-tempered ... Managing general partner of the Texas Rangers baseball team ... Like his father, went into the Texas oil business as a young man ... Business foundered in oil glut of 1980's and was sold to Texas-based Harken Energy Corporation ... 45 years old.

The Washington Post

FRIDAY, DECEMBER 6, 1991



Sununu's successor, Samuel Skinner.

Top 10 Survival Tips for Samuel K. Skinner

Note: Not funny enough to be from "Late Night With David Letterman."

- ✕ 10. Forget "pit bull mode." Try "Millie mode."
- 9. Remember: The guy in the presidential seal windbreaker always catches the most fish.
- 8. Wait until everyone but the squirrels leave the Rose Garden before screaming: "Everything you write is a lie!"
- ✕ 7. Barbara gets on helicopter first.
- 6. Stay away from meatloaf special in White House Mess.
- 5. There are no "irrelevant" elected officials in your own party.
- 4. Okay: "How 'bout those Texas Rangers?" Not okay: "How 'bout those wacky Colorado savings and loan execs?"
- 3. Cancel Mensa application.
- 2. Find dentist in Washington, buy stamps at post office.

And the No. 1 Survival Tip:

- 1. Everything is *your* fault.

Campaign for New, Polished Bush Falls Well Short of Goal

With much shifting and griding, the campaign to turn President Bush into a masterful, nation-bestrident impresario of domestic affairs went into a yet higher, shriller gear this week.

It is almost as if the president had just been inaugurated, succeeding some particularly ineffectual leader who had failed in times of economic crisis, and was trying to dazzle the country and galvanize consumer confidence with a blinding rush to action during his first hundred days. To work, this particular kind of political orchestration needs a particular chemistry that involves just the right mixture of substance, blather and meticulous appearance of coordination.

Otherwise, for all the apparatus at the command of the modern White House, it comes on with a tone of shrieking artificiality. Right now, the campaign to create a new improved Bush suffers badly from ineptitude. It is coming across as equal parts of re-election Nixonism, bumbling Fordism and dithering Carterism.

Ronald Reagan could sleep through cabinet meetings and give a more convincing performance of being in charge.

With foreign travel curtailed, the president and Mrs. Bush made a state visit to a shopping center in Maryland where he bought himself some patriotically labeled socks and the missus bought some Green Slime for the grandchildren. I guess it is their idea of trying to ignite a boom in domestic consumption.



**Robert
Reno**

This whirlwind of statesmanship continued when the White House announced that the president was ordering that unemployment benefits be speeded to their recipients without delay. No, said presidential spokesman Marlin Fitzwater, the checks hadn't been delayed, the agency responsible for them had been operating at peak efficiency from the day President Bush took office and yes, this was not just another meaningless, grandstanding gesture to undo the political damage done when the president earlier vetoed an extension of unemployment benefits.

The president also met with a group of some of the fattest cats in the depressed real estate industry. Before meeting with them, he confided to reporters, "I'm not going to do anything dumb."

What a relief. Still, I'm not quite sure what to make of this statement. Does the president mean that certain senior advisers are urging him to do something dumb? Maybe he means that he has seriously considered doing something dumb, weighed the short-term advantages to his re-election campaign against the long-term national interest, and decided, with selfless patriotism, not to.

Or does it suggest that the president himself is a bit overwhelmed by the glaring self-consciousness of his new performance and is painfully aware of how easy it will be for him to appear to be doing something dumb?

Meanwhile, the White House is whipping up enthusiasm for the notion that Bush's State of the Union address, which we won't have the pleasure of hearing for more than a month, will be a veritable powder keg of initiatives for curing everything but warts. The mere suspense of waiting for it is, I guess, supposed to sustain the economy until then. Bush is having to learn at a very late stage in his career how to appear masterful while doing nothing. This is a trick that if not performed with great skill comes across as aimless dithering and fatuous posturing.

Family Ties

How Oil Firm Linked To a Son of Bush Won Bahrain Drilling Pact

Harken Energy Had a Web Of Mideast Connections; In the Background: BCCI Entree at the White House

Two years ago, Talat Othman didn't have the president's ear. But since August 1990, the Palestinian-born Chicago investor has attended three White House meetings with President Bush to discuss Middle East policy.

Mr. Othman's political access coincides with the remarkable ascendance of a little Texas oil company on whose board he

This article was prepared by Wall Street Journal staff reporters Thomas Petzinger Jr., Peter Truell and Jill Abramson.

serves alongside George W. Bush, the president's oldest son. That company, Harken Energy Corp.—though it had never drilled a single well overseas or in water—recently won the rights to drill potentially lucrative offshore wildcat wells in a contract bestowed by the government of Bahrain.

When the Harken deal was announced in January 1990, it attracted only perfunctory notice. More recently, a number of publications have written about the case, raising questions about whether Bahrain might have chosen Harken in part because a presidential son sat on its board.

Now, George W. Bush is emerging as a principal adviser to his father. He was a lead player in the campaign to oust White House Chief of Staff John Sununu, and was cited by his father yesterday as among those who will play "key roles in the re-election effort." Thus, the issues surrounding the Harken deal take on fresh importance.

The White House says there is nothing questionable in this story of petroleum, politics and the presidential son. "There is no conflict of interest, or even the appearance of conflict, in these business arrangements," says spokesman Marlin Fitzwater. The matters had been reviewed and disclosed, he said, adding, "They are legitimate business undertakings."

Indeed, an investigation by this paper has not revealed evidence of wrongdoing or influence-peddling by George W. Bush or anyone else connected to Harken. Yet what does emerge is a complex pattern of personal and financial relationships behind Harken's sudden good fortune in the Middle East, raising the question of whether Bahrainis or others in the Middle East may have hoped to ingratiate themselves with the White House. Even more intriguing, there are numerous links among Harken, Bahrain and individuals close to the discredited Bank of Credit & Commerce International, a banking empire that used Mideast oil money to seek ties to political leaders in several countries.

The mosaic of BCCI connections surrounding Harken Energy may prove nothing more than how ubiquitous the rogue bank's ties were. But the number of BCCI-connected people who had dealings with Harken—all since George W. Bush came on board—likewise raises the question of whether they mask an effort to cozy up to a presidential son.



George W. Bush

Among those relationships:

—Sheik Khalifah bin-Salman al-Khalifah, the prime minister of Bahrain and a brother of the country's ruling emir, is identified on an October 1990 shareholder list as one of the 45 investors who own parent company BCCI Holdings (Luxembourg) S.A. The emir played a role in approving the Harken transaction.

—Sheik Abdullah Bakhsh, a major Harken shareholder represented by Mr. Othman on the company's board, has been a co-investor in Saudi Arabia with alleged BCCI front man Ghaith Pharaon, and used Khalid bin-Mahfouz, until recently a principal BCCI shareholder, as his banker.

—Harken's investment bankers helped BCCI gain its foothold in U.S. banking, and they also arranged for a Swiss bank to help rescue Harken from its debt woes in 1987—a Swiss bank that was at the time a joint-venture partner with BCCI.

—Harken's consultant on the Bahrain deal counts Kamal Adham, a principal owner of BCCI, as a close friend and has had a long acquaintance with BCCI's Mr. Pharaon.

As a candidate and later in the White House, President Bush vowed to avoid even the appearance of any conflicts of interest in his administration. He instructed Secretary of State James Baker to cable all U.S. embassies to warn against the appearance of preferential treatment for Bush family investments overseas. The president has also moved to distance himself from the BCCI scandal, denouncing a former aide who recently went to work as a lawyer for BCCI's Mr. Adham, and who resigned in the ensuing furor.

George W. Bush, a managing partner of the Texas Rangers baseball team, declined to be interviewed. He did provide brief responses to written questions through an intermediary. Asked whether his involvement with the Dallas energy company lent

Please Turn to Page A4, Column 1

Family Ties: How Tiny Oil Firm With Mideast Ties, And Link to a Bush Son, Won Contract in Bahrain

Continued From First Page

it added credibility in the Arab world, he said to "ask the Bahrainis."

Every individual involved denies any influence peddling. Mr. Othman, George W. Bush and people involved in setting up the White House meetings on the Mideast say the president's son had nothing to do with Mr. Othman's being included among the Arab-Americans invited. "Not by any stretch of the imagination," Mr. Othman says.

And Harken investor Mr. Bakhsh rejects any suggestion that his links, past and present, to Messrs. Pharaon and bin-Mahfouz mean he is in any way associated with BCCI. He says through his New York lawyer that he bought Harken stock (in 1987) because it looked like a good investment in a depressed industry.

Harken officials say they resent any suggestion their company somehow has ties to BCCI. They dismiss the circumstantial links to it as purely random and say they were shocked to learn of them. And, in fact, BCCI has proved adept at insinuating itself into centers of influence without the knowledge of those occupying the seats of power.

Harken says it won the Bahrain drilling deal purely on merit, through painstaking geological research and deft negotiating. It says Mr. Bush played no role in clinching the deal.

As for Bahrain, it says it chose tiny Harken partly because it didn't believe a large company would be so fully committed to the project. Other Harken officials, while denying that the Bush name played any specific role, acknowledge that having him on their board is an asset. "You'd have to be an idiot not to say it's impressive," says Alan Quasha, former Harken chairman and its second-largest shareholder. (The largest, with 24.5%, is a Harvard University investment fund.)

Mr. Bush's affiliation with Harken came at the end of a failed attempt to follow in the footsteps of his father. Like him,

George W. launched a career in the oil business in Midland, Texas, and like his father he chose a Spanish name for it: Arbusto Energy Inc. "Arbusto" is Spanish for "bush"; the president's company was Zapata Petroleum Co.

Among George W.'s investors was James R. Bath, a Houston aircraft broker who had a flourishing aviation business with sheiks of the Saudi peninsula. Mr. Bath owned a piece of a Houston bank in which Mr. Pharaon, the BCCI front man, had been a controlling shareholder.

Mr. Bath also invested money in the U.S. for Mr. bin-Mahfouz, the Saudi banker who would go on to become a leading shareholder in BCCI. According to Mr. Bath's personal financial statements, produced in unrelated litigation, Mr. Bath invested \$50,000 with George W. Bush, becoming a 5% partner in Arbusto. Mr. Bush says he was aware Mr. Bath was representing Saudi investors but that at the time "had never heard of BCCI."

In the oil-patch depression of the mid-1980s, Mr. Bush's company merged with another concern, becoming Spectrum 7 Energy Corp. But its fortunes didn't improve. "We lost a lot of money in the oil business," says Philip Uzielli, a director of Spectrum 7 and friend of Mr. Bush. "We had a lot of dry wells. . . . Things were terrible. It was dreadful."

Raising Funds

Finding a buyer wasn't easy. But in September 1986, Harken Energy swapped some of its own shares for the shares of Spectrum 7. Mr. Bush's cut was worth roughly \$600,000. "Getting Harken stock at that point turned out to be very good," Mr. Uzielli recalls. In addition to becoming a Harken stockholder, Mr. Bush became a director and a consultant at \$120,000 a year, later reduced to \$50,000. (In mid-1990, Mr. Bush sold two-thirds of his Harken holdings at a significant profit; his remaining stake could still be worth millions if Harken hits a gusher in Bahrain.)

What looked like a dull investment soon looked brighter. The company needed a cash infusion, and Mr. Bush, whose consulting contract listed "equity placements" among his duties, was there when Harken officials got together with Little Rock's Stephens Inc., one of the largest U.S. investment banks outside of Wall Street.

He needed no introduction to Jackson Stephens, having known him since the 1980 Reagan-Bush campaign. Mr. Stephens's wife, Mary Anne, would soon become Arkansas co-chairman of the Bush for President campaign, while Mr. Stephens would donate \$100,000 to Team 100, a GOP group that collected money for the campaign. Stephens Inc. kicked in another \$100,000 to the Bush dinner committee last May.

But on that spring day in Little Rock, cash for Harken was the topic. Ultimately,

Stephens put a rescue plan in motion: Union Bank of Switzerland, which ordinarily didn't invest in small U.S. firms, would make an exception, giving Harken \$25 million in exchange for a stock interest.

At the time, UBS was a joint-venture partner with BCCI in a Geneva-based bank. And although Harken officials, including Messrs. Bush and Quasha, say they were unaware of it, Mr. Stephens was also well acquainted with BCCI. In fact, he suggested to BCCI in the late 1970s that it try to take over what is now Washington, D.C.'s biggest bank company, First American Bankshares Inc., according to court records produced in connection with the takeover attempt. Mr. Stephens was among the defendants in that suit, aimed at preventing a First American takeover by BCCI founder Agha Hasan Abedi. BCCI principal Kamal Adham and Abdullah Darwaish, chief financier for the royal family of Abu Dhabi. Mr. Stephens declined to be interviewed for this article.

Enter Mr. Bakhsh

The Harken financing Stephens was arranging hit a last-minute snag. To comply with U.S. banking laws, the deal assumed a complex new structure, and UBS decided to unload its shares to a third party at the first chance, according to Mr. Quasha. UBS says it planned to sell the shares all along. In any case, Stephens brought in a new patron: a real-estate magnate from Jedda, Saudi Arabia, who bought most of Union Bank's Harken shares. He was Abdullah Bakhsh.

Mr. Bakhsh for several years was chairman of Saudi Finance Co., a Luxembourg-based holding company for Swiss and French financial enterprises. He sold his interest in 1983. Who bought it isn't clear, but corporation records in Geneva show that by 1989 it had come partly under the control of the Gokal family, Pakistani shipping magnates who were early BCCI shareholders and who, according to BCCI's auditors, have failed to service more than \$700 million of borrowings from BCCI.

Mr. Bakhsh has had business dealings with some of the most prominent people in Saudi Arabia, including, according to a friend, former Saudi oil minister Ahmed Zaki Yamani and current oil minister Hisham Nazer. One of his co-investors in the U.S. says he believes the sheik has also invested with members of the Saudi royal family.

But Mr. Bush, Mr. Quasha and other Harken officials evidently knew little about their new partner. Mr. Quasha did a background check and says he found that Mr.



Jackson Stephens

Who's Who in the Harken Deal

AT HARKEN

ABDULLAH TAHA BAKHSH. A Saudi investor who controls about 17% of Harken's stock, he has extensive business interests in Saudi Arabia and the U.S.

GEORGE W. BUSH The president's eldest son, he is a director, consultant and shareholder in Harken Energy. Runs the Texas Rangers baseball club and may play a role in father's reelection campaign.

TALAT OTHMAN Middle Eastern-born director and shareholder in Harken. He helps manage investments for Sheikh Abdullah Bakhsh, a major Harken shareholder, and is a member of the Arab-American Council on the Middle East.

ALAN QUASHA. A Harvard-educated lawyer and corporate restructuring expert, he controls about 20% of Harken's stock and served as chairman from 1983 until last February.

MONTE SWETNAM Harken's exploration chief, he led the team that developed the winning drilling program for Bahrain.

DEAL-MAKERS

MICHAEL AMEEN A Houston oil consultant, he forged close associations with wealthy Arabs while serving as top Mideast official for

Mobil Corp. and Aramco. Received a \$100,000 fee from Harken.

JACKSON STEPHENS Arkansas-based investor whose Stephens Inc. played a critical role in fund raising for Harken. Former Stephens staffers also represented Harken in Bahrain deal, earning a \$100,000 fee.

IN BAHRAIN

CHARLES HOSTLER The U.S. ambassador, he met with Harken officials after they clinched the drilling contract.

YOUSUF SHIRAWI Minister of industry and development for the island nation, he has responsibility for Bahrain's oil industry.

KHALIFAH BIN-SULMAN AL-KHALIFAH Prime minister of Bahrain and younger brother of the island's ruling emir, he is a BCCI shareholder.

SAUDI MONEY MEN

KAMAL ADHAM A shareholder in BCCI and former Saudi intelligence chief, he is also listed as a borrower from BCCI.

KHALID BIN-MAHFOUZ. A bank owner in Saudi Arabia who previously held a significant stake in BCCI.

GHAITH PHAROON Alleged BCCI front man in secret dealings in U.S. and elsewhere.

Bakhsh was a very private person of great integrity who had already received regulatory approval for other U.S. investments.

Mr. Bakhsh, though listed as Harken's third largest stockholder with a 17.6% stake, has met with company officials on only a few occasions, and George W. Bush says through his intermediary he has never spoken to him. Instead, Harken officials deal with him through Mr. Othman, who sits on the Harken board.

High Stakes

In the wake of the company's new Persian Gulf backing came a much bigger Gulf breakthrough. It might be called the Dream Deal.

Bahrain, a small emirate with strong ties to Saudi Arabia, hadn't made a significant new oil find since 1932. But high-tech seismic surveys detailed a large geological formation under the sea, between two of the greatest oil and gas fields on the planet. The company picked to drill exploratory wells would have to put up a lot of cash—\$12.7 million just for the first of several wells. But it would get a lucrative share of any oil found. The payoff could total in the billions.

Amoco, vitally interested, started negotiating with the Bahrainis in 1987. (Three other companies also entered into talks, according to Bahrain, which didn't identify them.) As negotiations advanced, Amoco grew hopeful of a contract. Then, in January 1990, it heard startling news: The contract had just been awarded to tiny Harken. "We were disappointed," says Patricia Wright, an Amoco spokesman. "We thought we might get this one."

Why did Harken get it instead? "It was not some sort of fix," says Mr. Quasha, the former Harken chairman.

Harken says George W. Bush didn't play any role in clinching the deal, and even expressed doubts that Harken had the financial resources for it. Mr. Quasha also points out that all the connections in the world won't help Harken find oil in Bahrain, which the Bahrainis know as well as anyone. "I don't see where they gain from dealing with a relative of George Bush's who futzes up."

Bahrain says the Bush connection couldn't have been a factor. "We were not aware when Harken was chosen of any prominent American or Arab who was connected with the company," says Bahrain's oil minister, Yousuf Shirawi.

However, Monte Swetnam, Harken's exploration chief, says, "I'm sure they were aware" of Mr. Bush's involvement with the company. "I talked about our exploration advisory board and our board of directors. George's name comes up twice. It wasn't a secret."

So, then, why Harken?

Harken officials, in extensive interviews, maintain that Bahrain wanted a small company that would devote full attention to the project, a point Bahraini Oil Minister Shirawi confirms. To find one, he turned to a longtime friend, Michael Ameen, a Houston oil consultant who had worked in the Mideast for Mobil Corp. and Arabian American Oil Co. (Aramco).

Fortuitous Call

Mr. Ameen represents yet another BCCI notation in the Harken story. As the head of government relations for Aramco, he says he had close-up dealings for years with the Saudi royal family and its advisers, including Mr. Adham, the BCCI principal, who is also a former Saudi intelligence chief. Mr. Ameen was close enough to the Pharoan family that he recalls meeting a young Ghaith on his graduation from college.

Mr. Ameen had been a friend for 25 years of Mr. Bakhsh, the large Harken shareholder. But he says that when faced with having to recommend to Bahrain one small oil company out of the hundreds to choose from, he chose Harken out of pure serendipity. Within 10 minutes of discussing the matter by phone with Bahrain's oil minister, Mr. Ameen says, he got a call from one of Harken's investment bankers at Stephens in Little Rock.

Before long, Mr. Ameen was leading Harken delegations to London and Bahrain, where, according to the company, Harken officials displayed keen knowledge of the region's geology and disarmed the Bahrainis with their open negotiating style.

In the midst of Harken's talks with Bahrain, Mr. Ameen—simultaneously working as a State Department consultant—briefed the incoming U.S. ambassador to Bahrain, Charles Hostler. Mr. Ameen ultimately received a fee of about \$100,000 from Harken.

Ambassador Hostler, a San Diego real-estate investor who is a \$100,000 Republican contributor, says through an embassy official that he never discussed the Harken

deal with authorities in Bahrain. Harken officials say they met with him only after their contract was secured. Mr. Hostler does say that he has long known, and from time to time given financial counsel to, Mohammad Hammoud, who was described in recent Senate testimony as a "flexible front for BCCI." Mr. Hammoud is also listed as a significant BCCI shareholder.

Once negotiated, the Harken contract was reviewed and approved by several Bahraini officials, including, lastly, Sheikh Isa bin-Sulman al-Khalifah, the ruling emir. His younger brother, Prime Minister Sheikh Khalifah bin-Sulman al-Khalifah, appears in BCCI records as a shareholder, along with Mr. Adham, several members of Persian Gulf royalty, and others.

"His highness the emir has no personal opinions" about Harken or anyone else associated with the transaction, says Mr. Shirawi, the oil minister. "There is a possibility he's a shareholder, but we never heard of it," a Bahrain embassy spokesman says. If the prime minister does have BCCI holdings, the spokesman points out, the shareholding isn't large.

The drilling deal went through even though Harken admitted it couldn't begin to finance the exploration on its own. Bahrain agreed to let Harken bring in a partner. It was the hottest ticket in town; two dozen oil companies expressed interest in coming into the deal. Harken chose Bass Enterprises Production Co. of Fort Worth, Texas, a company controlled by the politically active billionaire Bass family. Members of the Bass family have contributed more than \$200,000 to the GOP in recent years. A Bass company official declines comment.

At the signing ceremony in January 1990, a celebratory delegation from Harken traveled to Bahrain, including Mr. Quasha, Mr. Othman and another Harken executive. The first well broke ground last month and is scheduled for completion by the end of January.

Within six months Mr. Othman saw his political status, as well as his company's position, enhanced. His name was added by the White House to a select list of 15 Arab-Americans chosen to meet with President Bush, Mr. Sununu and National Security Adviser Brent Scowcroft in the White House two days after Iraq's August 1990 invasion of Kuwait.

Mr. Othman and others involved in setting up the White House meeting say his three invitations are explained by his membership in the Arab-American Council on the Middle East, a group of business and political leaders who are close to ousted Chief of Staff Sununu. "Talat was recommended to us by many people in the Arab-American community," says one administration official. Mr. Othman was most recently present at a White House gathering last month of President Bush and Arab-American leaders.

"George W. Bush has nothing to do with it," Mr. Othman says of the White House meetings. "This is an invitation from the White House."

Other Bush Relatives Also Engaged In Various Business Dealings Abroad

By JILL ABRAMSON and PETER TRUETT
Staff Reporters of THE WALL STREET JOURNAL
The Bush name has seemingly proved a magnet elsewhere besides Bahrain.

For instance, Neil Bush, like his brother George W., won a potentially lucrative foreign drilling concession as a newcomer to the international oil scene.

In 1987, as his father was preparing his run for the presidency, Neil Bush's Denver company, JNB International, won an oil-exploration concession in northern Argentina. It was sought-after property because Argentina's recognized energy potential remained relatively untapped. Like Harken, JNB had never drilled on foreign shores.

But it had high hopes. "We were working on the thesis that large, unexplored international reserves were worth developing," he says.

The discovery didn't materialize, and Mr. Bush's relationship with the project's backer, Denver businessman Kenneth Good, erupted in scandal. Mr. Bush sought a \$900,000 line of credit for Mr. Good from Silverado Banking, Savings & Loan Association, where Mr. Bush was a director. Argentina requested this as proof of Mr. Good's financial viability. This year, Mr. Bush accepted a ruling by the Office of Thrift Supervision that his relationship with Mr. Good and his activities as a Silverado director posed a conflict of interest. Silverado's collapse in late 1988 may cost taxpayers as much as \$1 billion.

JNB went out of business. Asked if his name helped him win business in Argentina, Neil Bush says, "It's a mixed blessing." The higher profile can help, he concedes, but he says the Bush name has also brought unduly harsh regulatory treatment.

Another Bush son, Jeb, has been seek-



Neil Bush

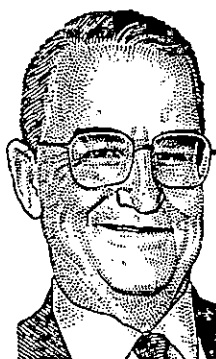
ing business opportunities in Japan. Mitsui Trust & Banking Co. is a major lender for a \$70 million luxury condo development his real-estate company, Codina-Bush Group, is building in South Florida. Other developers, finding credit tight, are impressed. "Being a son of the president can't hurt in opening doors," says Motohiro Miyagi, a Miami real-estate broker.

Jeb Bush says he resents any suggestion his name gives him undue advantage. "This has been my business before my dad was president," he says.

Two of the president's brothers, meanwhile, have foreign consulting contracts.

Prescott Bush, 68, forged a lucrative but ill-fated alliance in 1989 with a company linked to the Japanese mob.

Members of his family say he had no idea that West Tsusho Co. was part of the empire of Sumuru Ishii, who headed Japan's second largest underworld syndicate before his death in September. Prescott Bush didn't return several messages left for him.



Prescott Bush

Mr. Bush set up a consulting business in 1984 after a long career with a New York insurance brokerage firm. In 1989 his Prescott Bush & Co. helped arrange two U.S. investments for West Tsusho. That firm paid \$3.8 million for a stake in Quantum Access Inc., a Houston software firm headed by a nephew of Mr. Bush, Draper Kauffman; and it paid \$5 million for a 38% stake in Assets Management International Financing & Settlement, a New York firm on whose advisory board Mr. Bush had served. The latter deal brought Mr. Bush a \$250,000 finder's fee and a promised \$250,000 annual consulting contract from Assets Management. Mr. Bush provided some financial guarantees to the company.

His relationship with West Tsusho soured in 1990 and he severed his ties to it, say several people familiar with its activities. West Tsusho was making aggressive moves, against some directors' wishes, to acquire control of both U.S. companies. Mr. Bush's dealings with West Tsusho drew press attention in Japan last spring, amid investigations of Mr. Ishii's involvement in a Tokyo stock scandal.

Mr. Kauffman says Prescott Bush was himself a victim of West Tsusho. "They set him up as a fall guy and tried to use his name and rip him off," the nephew and head of Quantum Access says, adding that Mr. Bush "did make an effort to check these people out and got nothing but favorable reports. . . . As a front organization they kept those [crime] connections secret." Quantum has filed for Chapter 11 bankruptcy protection. Assets Management, in litigation with West Tsusho, won't comment.

Questions were first raised about Prescott Bush's activities in Asia when he went there seeking clients in February 1989, just 10 days before his brother made his first Asian tour as U.S. president. He said he wasn't trading on his brother's position. "There is no conflict of interest," he told The Wall Street Journal at the time.

Just a few weeks after that, another brother of the president, St. Louis businessman William Bush, visited South Korea. Korean conglomerate Samsung Group announced he would be a paid consultant to its chairman, Lee Kun-hee.

William Bush, 59, says he dealt with Samsung and other overseas clients before his brother became president. He has advised Samsung on U.S. investments, he says. "There's always a suspicion that we're on the take or some goddamn thing," he complains. "That suspicion is very troubling to us."

He adds that being brother to the president entails much unpaid work, and is "not a financial windfall by any stretch of the

Jeb Bush in 1980s Had A Minor Brush With BCCI

By a WALL STREET JOURNAL Staff Reporter

BCCI apparently sought to get close to President Bush's son Jeb, a prominent Miami real-estate investor.

Abdur Sakha, manager of BCCI's Miami office, listed "Jeb Bush, V.P. George Bush's son," among nine "names to be remembered" on a handwritten list of instructions he compiled for a secretary in 1986. A copy of the instructions was obtained from investigators in Washington.

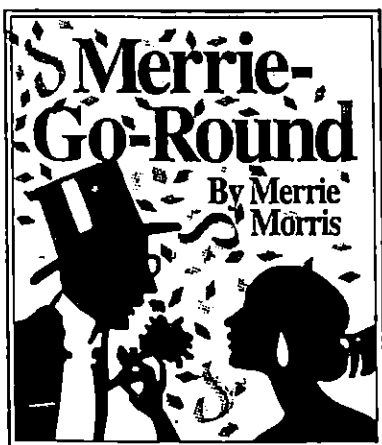
In addition, Aziz Rehman, a courier in BCCI's Miami office, says Mr. Bush was among the politically influential people who came through the bank's doors. "I saw Jeb Bush two or three times over there," Mr. Rehman said in a 1988 deposition to a Senate subcommittee.

Mr. Bush says he visited the bank only once. "I was invited by the manager to talk about real estate. They were looking at a building that we were involved in," he says. Nothing came of the talks. "This was way before any stuff happened to come out about them," Mr. Bush emphasizes.

Jeb Bush also had an acquaintance with a Colombian coffee magnate who got \$12 million in loans from BCCI and financed a lavish life style in Miami. Mr. Bush's company invested in real estate with a company controlled by the BCCI customer, who is now in prison for defrauding BCCI and other banks.

Mr. Bush says he wasn't aware the Colombian had anything to do with BCCI. "Are we concluding there was some kind of conspiracy?" he asks. "I'm only guilty by association in the eyes of people like you."

The Washington Times



The holiday crush

Gosh, you're soooo popular — those engraved ecru invites are just flooding your mailbox. But the worst conflict occurs. President and Mrs. Bush and Vice President and Mrs. Quayle invite you to receptions on the same evening at the same time.

If this is heartbreak, just sit down and bask in your glory. Sometimes people will, with their best manners on, call one social office or the other and delicately seek an alternate night to drop by. But most people just tell themselves, oh, what a dashing guy or gal am I — and choose.

In fact, both the Bushes and the Quayles have several receptions throughout the holiday season.

Nation/world

U.S. sets rules for college aid to minorities

From Chicago Tribune wires

WASHINGTON—Education Secretary Lamar Alexander said Wednesday that some scholarships reserved exclusively for minorities are illegal discrimination but that colleges may use race as a factor in awarding financial aid.

The formal announcement of this Education Department policy came after a yearlong review of race-based scholarships.

Alexander emphasized that no student would lose any current aid.

"A college president with a warm heart, some common sense and a minimum amount of good legal advice can provide minority students with financial aid and may use financial aid to create campus diversity without violating federal laws," he said.

Conditions under which colleges and universities receiving federal funds may grant any financial aid, including loans and graduate fellowships, are:

■ **Need.** Awards to disadvantaged or low-income students may be made without regard to race, even

if that means such awards go disproportionately to minority students.

■ **To create diversity.** Race may be considered as one factor among several when awarding scholarships designed to increase variety of experiences, opinions, backgrounds and cultures.

■ **To remedy discrimination,** fulfill congressional mandates or the wishes of private donors. Colleges may administer private donor minority targeted scholarships where that aid does not limit the amount, type or terms of financial aid available to any student.

Alexander said colleges have four years to adjust their financial aid program.

Richard F. Rosser, president of the National Association of Independent Colleges and Universities, disagreed with the portion of the policy that will allow colleges and universities to administer minority scholarships provided by private donors while prohibiting those institutions from using their own money to make similar awards.

"The problem we face in independent higher education is that most of the race-specific scholarships that we have are from institutional money," Rosser said.

The Education Department reported that there are relatively few race-exclusive scholarships available. These provide financial aid only to students of a designated race. Of the 1.3 million minority students in four-year colleges, only 3.5 percent—about 45,000 students—receive race-exclusive scholarships, the department said.

Given the relatively small number of students involved, the motivation of the Bush administration in raising the issue was questioned by William Gray, director of the United Negro College Fund.

The implication is that white students are being deprived of financial aid because of the scholarships set aside for minority students, Gray said. "And that's simply not true."

The Bush administration seems to be more interested in sending "political signals" than in setting policy, he said, adding that he is

"deeply concerned and disturbed" that the issue was even "revisited."

The issue initially was raised a year ago when an Education Department official warned the Fiesta Bowl against offering minority scholarships to the Universities of Louisville and Alabama if their football teams would play in the game. The offer came in the wake of a threatened sports boycott after Arizona voters rejected a holiday honoring assassinated civil rights leader Martin Luther King Jr.

The Education Department created another furor by telling the Fiesta Bowl that such a race-based scholarship would violate the 1964 Civil Rights Act.

Actually, that advice was wrong, Alexander said Wednesday. Such a privately funded scholarship would be legal under the new policy.

Alexander denied any political motivation in the announcement of the policy. He said the Education Department simply is trying to follow the law and had received several challenges to racially exclusive scholarships.

December 6, '91

George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

FOIA/SYSTEMATIC
PROCESSING CASE
NUMBER (if app.):

☐ Transferred During Accessioning

☒ Transferred During Processing

2009-0166-S

The following material was transferred to:

☒ Audiovisual Collection ☐ Book Collection ☐ Museum Collection ☐ Other

Other (Specify):

DESCRIPTION:

White House Photographs: P26855-15 [WWII Navy friends of President Bush]; P26855-17 [President Bush looks at Navy camera]; P26855-05 [WWII Navy friends look at map with President]; P26850-06 [President Bush at Rotary International]

When transferring
material to the
museum
collection,
complete the
following.

Donor:

Donor Org.:

Address:

Telephone:

Book Location:

Row: Section: Shelf: Position:

Map Case Location:**Series:**

Daily Files

Box Number:

139

Folder Title:

Friday, December 6, 1991 [2]

OA/ID Number:

90638-005

Transferred by: Deborah Wheeler

Date of Transfer:

3/19/2014

Received by: Mary Finch

Date Received:

3/19/2014

Go to Database
Navigator

Go to Accession
Register

Go to Withdrawal Sheet

Print Record



*These guys worked with
President in Navy*

OFFICIAL WHITE HOUSE PHOTOGRAPH 03 DEC 91 P28855-15 DV



OFFICIAL WHITE HOUSE PHOTOGRAPH 06 DEC 91 P26855-17 DV





OFFICIAL WHITE HOUSE PHOTOGRAPH 06 DEC 91 P26850-06 DV



Aboard Air Force One

12-6-91

Dear Peter

Thanks for your note
and generous words of
support.

I will take your advice
and make sure the "No
Progress Congress" gets
its comeuppance.

Thanks for your
great encouraging letter

Sincerely,

Ly Bunker

THE \
w

Mr. Peter J. Tanous
Chairman
American Task Force for Lebanon
Legislative Council
2550 M Street, N.W.
Suite 305
Washington, D.C. 20037

CC:
Sam Skinner (in and out)
Ron Kaufman (in and out)

Note separate action for
Ron Kaufman

JAN's

From the desk of
George Bush

12-6
To Ron K

Be sure his
support is

1. noted
2. utilized

CB