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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: 90662
Folder ID Number: 90662-006

Folder Title:
Thursday, March 19, 1992 [2]

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

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Outline	Re: Meeting with Senior Advisors on Support for Russian Economic Reforms (3 pp.)	3/18/92	(b)(1)	S
01c. Memo	Nicholas F. Brady to The President Re: Support for Russian Economic Reform (1 pp.)	3/18/92	(b)(1)	S
01d. Report	Re: Support for Russian Economic Reform (4 pp.)	n.d.	(b)(1)	S
01e. Outline	Re: Meeting with Prime Minister Zia of Bngladesh (3 pp.)	3/19/92	(b)(1)	S
01h. Report	Re: [Government Report] (1 pp.)	3/5/92	(b)(1)	C
01i. Report	Re: [Government Report] (1 pp.)	3/6/92	(b)(1)	C
01j. Report	Re: [Government Report] (1 pp.)	3/6/92	(b)(1)	C
01k. Report	Re: [Government Report] (1 pp.)	3/6/92	(b)(1)	C
01l. Report	Re: [Government Report] (1 pp.)	3/6/92	(b)(1)	C
01m. Report	Re: [Government Report] (1 pp.)	n.d.	(b)(1)	C
01n. Report	Re: [Government Report] (1 pp.)	n.d.	(b)(1)	C

Page 1 of 1

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WHORM Cat.:

File Location: Thursday, March 19, 1992 [2]

Pinksheet Number: cap6027

OA/ID Number: 90662-006

Date Closed: 8/23/2019

FOIA/Sys Case #: 2009-0166-S[4]

Re-review Case #:

P-2/P-5 Review Case #:

CABINET MEETING

March 19, 1992

1. PRAYER (1 Minute)
[Secretary Cheney]
2. OPENING REMARKS (5 Minutes)
 - This is Barbara Franklin's first Cabinet meeting and we welcome her to the team. This is also Andy Card's first Cabinet meeting as our Secretary of Transportation, as well as Clayton Yeutter's as our Counselor for Domestic Policy with Cabinet rank.

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- Before we get started on our formal agenda, let me raise one issue that has been very much on my mind lately – our position as an Administration on open markets.
- There have been some recent agency decisions on trade matters that have caused concern among our trading partners. I spoke with Prime Minister Mulroney and he was particularly concerned about the direction taken by our agencies.
- I realize that some of these trade decisions were taken for their own good reasons, and I am not questioning them, but we must adhere to our free trade principles.

- Let me assure you, I am not wavering in my commitment to free trade.

--Several times in the past week, I have publicly reaffirmed my support for a successful Uruguay Round and a North American Free Trade Agreement.

--I plan to lean hard on Chancellor Kohl this weekend to break the logjam on agriculture that has held up a Uruguay Round agreement.

--I believe that open markets are vital, both to near-term economic recovery and to ensuring U.S. prosperity into the next century.

3. STATUS OF THE ECONOMY (10 Minutes)

- Now to our agenda. While we have had some favorable economic reports in the past several days, there are still some problems out there --unemployment is too high. I'm going to ask Nick, then Mike and Dick to comment generally on the status of the economy.
- First Nick?
- Anything to add Mike? Dick?

- Before we move on, I want to emphasize the importance of everyone meeting our goal of accelerating federal spending. We have to get available funds out there to stimulate the economy.
4. MARCH 20 DEADLINE (7 Minutes)
- Tomorrow is March 20, the deadline I gave to Congress to pass our Economic Growth Package. To no one's surprise, Congress has failed to meet the deadline. More importantly, they have failed to meet the hopes and desires of the American people.

Once again Congress has obstructed our programs for economic growth. I would like Sam to fill you in on our plans. Sam?.

5. REGULATORY REFORM INITIATIVE (5 Minutes)
- Everywhere I go I receive a very strong and positive reaction to our efforts at reducing the regulatory burden on the economy. I want to emphasize how important this initiative is to me. I know you have all dedicated a lot of staff time to this initiative and I am grateful for that, and I know the Vice President is as well. Dan, would you like to tell us how its going?

- Michael Boskin and Boyden Gray have also been working very hard on the regulatory reform initiative. Michael, would you like to supplement the Vice President's comments? Boyden?
6. CAMPAIGN (7 Minutes)
- We have Bob Teeter here from the campaign and Rich Bond from the RNC. We had a tremendous pair of victories a couple days ago in Michigan and Illinois. I know that many of you preceded me into those two states, and I see that all of you are spreading yourselves out across the country.

Again, let me say thank you for your time and efforts. They are helpful and I feel very good about the way our campaign is going.

- Bob, would you like to give us a run down on what lies ahead?
- Rich, anything to add?

7. GENERAL DISCUSSION (25 Minutes)

- We're going to open this up to any general comments that anyone wishes to make. First though I know Sam has a few things he would like to say. Sam?

Are there any other comments that anyone wishes to make?

#

R2

THE WHITE HOUSE
WASHINGTON

12 MAR 18 P5:31

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Senator Alan Dixon (D-IL)

DATE: March 18, 1992

RECOMMENDED BY: Nicholas E. Calio *NEC*

PURPOSE: To express condolences to Senator Dixon in the wake of his defeat in yesterday's election.

BACKGROUND: Senator Alan Dixon was defeated in yesterday's Illinois primary. Senator Dixon had one of the highest support scores for your policies among all Senate Democrats. He was a consistent supporter of our defense and foreign policies throughout his entire career. He supported the nomination of Judge Clarence Thomas. He has been an approachable, hard working Senator always ready to hear our views. Because this is the first election defeat he has ever suffered, a call from you would no doubt lift his spirits. Moreover, it might encourage him to support our activities through the balance of this year.

KEY POINTS:

- Al, I know yesterday's results were terribly disappointing. Believe me, I've been there.
- When the most popular political figure in Illinois loses, there is a message for all of us. But win or lose, no one can take away the distinguished service you have given your country.
- You are a great Senator and a great friend. I hope this is not an ending but a beginning of new opportunities for you.
- I wanted you to know you are in our thoughts and prayers.

DATE OF SUBMISSION: March 18, 1992

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Staff



THE SECRETARY OF THE TREASURY
WASHINGTON

March 13, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: NICHOLAS F. BRADY *NFB*
SUBJECT: Support for Russian Economic Reform Program

The question of western financial support for Russia's economic reform program has moved to the point where it will require some major decisions prior to your meeting with Chancellor Kohl.

On March 10, Russia reached agreement with the IMF on an economic reform program, including a preliminary agreement on the magnitude of Russia's balance of payments financing requirements for 1992. The reform program agreed by Russia is in the form of a so-called "shadow" program, which means it is not a full standby program with the IMF involving access to IMF resources. The next step is that Russia will begin negotiations to convert the "shadow" program into a full IMF standby program to be put in place when Russia formally joins the Fund in early May. At that point, Russia will be able to draw significant resources from the IMF and the World Bank. Simultaneously, Russia will look to western governments to finalize formal commitments of financial support, including possibly a Currency Stabilization Fund for the ruble.

I have set out below the timetable of events from now through the Economic Summit in early July, by which time western financial support for Russia will have to be fully in place.

1. March 10 -- Russia and IMF agreed "Shadow" program, including agreed balance of payments financing projections for 1992.
2. March 17-18 -- David Mulford talks/meets with Horst Koehler, Chancellor Kohl's Sherpa and German Financial Deputy, to discuss Russian financial requirements and Currency Stabilization Fund.
3. March 21 -- Chancellor Kohl visits Camp David where he will raise Russian finance issues, including CSF and the G-7's answer to Yeltsin's December 6th letter, formally requesting financial support.

~~CONFIDENTIAL~~: DECL/OADR
Classified by David C. Mulford

DECLASSIFIED
PER DOS WAIVER, November 6, 2015
By MC NARA, Date 5/12/24

4. April 6-8 -- Yeltsin faces session of Russian Supreme Soviet which is expected to be stormy. His reform efforts will be under attack. Yeltsin has urged us to send signal of support prior to this meeting, including support for Russian balance of payments and CSF.
5. April 27-28 -- Spring meetings of the Interim and Development Committees where G-7 Finance Ministers will meet to discuss details of Russian financial support and Russia will be approved for IMF membership.
6. Mid-May -- Russian IMF membership formalized with Russian standby program forwarded to IMF Board. This will be followed by full membership in the World Bank.
7. Early June -- First disbursement of IMF money to support Russian reform program and probable implementation of Currency Stabilization Fund.
8. July 6 -- Munich Economic Summit.

Next week we need to reach conclusions on financial support for Russia, including our position on a Currency Stabilization Fund. Public statements may be required on these matters at the time of Chancellor Kohl's visit next Saturday. Kohl will probably push hard to respond on the behalf of the G-7 to Yeltsin's request for support so that Yeltsin can strengthen his position for the early April session of the Russian Supreme Soviet.

The provision of financial resources by the western countries will also require consideration of related issues, such as the IMF quota increase legislation and the Currency Stabilization Fund concept for the Russians. These matters will require important consultations with the Congressional leadership not only on Russian financial assistance, but also on the related issues.

I understand Brent will be on vacation next week but perhaps we could get him on a conference call before David Mulford has his German discussions on March 17 or 18.

cc: Brent Scowcroft

SUBJECT: IMF Quotas

This is in response to your question about IMF quotas.

In June 1990, the IMF Board of Governors agreed to raise IMF quotas by 50% or about \$60 billion to a new total of approximately \$175 billion (approximately because the measurements are in Special Drawing Rights). Under the quota increase, the U.S. share rose \$11.5 billion to \$34.5 billion, just under 20% of total IMF quotas. The President approved the 50% target; other countries sought increases up to 100% with the average of 70%.

The \$11.5 billion increase requires Congressional authorization and appropriation, but no budget outlays because we receive a liquid interest bearing claim on the IMF when it uses our quota. That is, the quota increase is not "scored" for budget purposes because we receive interest when the funds are drawn; it's a kind of investment rather than a payment of capital into the Fund.

The last quota increase in 1983 was highly controversial because Congress demanded as the price for its support billions of dollars in domestic housing guarantees. Also, the Republican National Committee attacked those Democrats who supported the quota increase during the 1984 Congressional elections.

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Financing Needs and Sources for Russia
Calendar 1992
(\$ billions)

Financing Needs

Balance of Payments Support	\$17.0
Currency Stabilization Fund	<u>6.0</u>
Total Financing Needs	<u>\$23.0</u>

Sources of Financing

Balance of Payments Support

IFI's	\$3.6
Debt Rescheduling	2.5
Present Government Commitments (of which U.S.= estimated \$1.2 billion, see attached schedule)	7.0
New Government Commitments (of which U.S.= \$1.0-2.0 billion (1))	<u>4.0</u>
Total Balance of Payments	\$17.0

Currency Stabilization Fund

IMF (GAB)	\$4.0
Donors (of which U.S.=\$0.5 billion (1))	<u>2.0</u>
Total Stabilization Fund	\$6.0
Total Sources of Financing	<u>\$23.0</u>

Note (1): Summary of New Commitments to be Provided by U.S.

Balance of Payments Support	\$1.0-2.0
Currency Stabilization Fund	<u>0.5</u>
Total	\$1.5-2.5

**Estimated CY1992 Disbursements to Russia
under U.S. Assistance Programs to Former USSR
Calendar 1992
(\$ MILLIONS)**

	<u>Former USSR</u>	<u>Estimate for Russia (1)</u>
Food (CCC)	650	455
Food (Grant)	210	128
Humanitarian/Tech. Assist. Fund	275	168
DOD (Transportation)	100	61
DOD (Defense Conversion)	400	320
Financial Loans (Eximbank)	<u>90</u>	<u>90</u>
TOTAL	1725	1222

(1): The numbers for the former USSR are fairly "hard". The Russia column assumes that Russia will get, on average, 61% of assistance (its agreed share of debts and assets). Russia will get more CCC food, though, as Ukraine will not participate in some of the tranches. Russia will also get all of the Eximbank activity this year and most (80%) of the defense conversion money, since defense plants are more heavily clustered in Russia.

PARTICIPANTS

The President

The Vice President

James A. Baker III, Secretary of State

Nicholas F. Brady, Secretary of the Treasury

Richard B. Cheney, Secretary of Defense

Richard Darman, Director of the Office of Management and Budget

Samuel Skinner, Chief of Staff

Jonathan T. Howe, Deputy Assistant to the President for National
Security Affairs

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POINTS TO BE MADE DURING OVAL OFFICE MEETING
WITH PRIME MINISTER ZIA

- I am happy to welcome you to Washington on your first visit to the United States. It is a pleasure to meet the freely elected leader of a new democratic government. We strongly support the democratic process throughout the world.
- We deplore Burma's violent repression of its Muslim minority and will support well-prepared diplomatic efforts to solve the problem. I urge you to avoid any precipitous actions that could inadvertently trigger a border war.
- We have approved \$3 million in aid to help ease your refugee burden.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER NSC WAIVER, #2021-02
By mc NARA, Date 7/16/24

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

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POINTS TO BE MADE DURING PLENARY MEETING
WITH PRIME MINISTER ZIA

- Our bilateral ties are excellent. We appreciated Bangladesh's support for the international coalition against Iraqi aggression in the Gulf War, and your decision to send your own troops to the Gulf in the support of this effort.
- We hope you will continue to support UN efforts and sanctions against the Iraqi regime until a new leadership comes to power.
- We were proud to be able to assist Bangladesh after the terrible cyclone last May.

U.S. Assistance

- We recognize that Bangladesh, one of the poorest countries in the world, requires and deserves U.S. assistance. We plan to continue our aid programs at roughly the same level for the next few years.
- Our debt forgiveness of last September is another symbol of our cooperation with you in economic development.
- In the present global context, I'm afraid it is unrealistic to expect much growth in U.S. assistance to your country.

Economic Reform

- We applaud your efforts in adhering to a difficult IMF economic reform program for the past three years.
- Your economic reforms were a significant factor in making our debt relief of last September a reality.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER NSC WAIVER, #2021-02
By MC NARA, Date 11/6/21

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- It is crucial that Bangladesh stay on its present path of economic reform. Potential investors and donors take their lead from IMF and World Bank assessments.

Bangladesh - Burma Relations and Refugees

- We support your efforts to reach a diplomatic solution to the refugee problem with Burma. We have publicly deplored Burmese actions against its Muslim population.
- We know this situation places a serious burden on Bangladesh. We understand that your government has asked for the UN Secretary General's good offices, and is considering taking the matter to the Security Council
- We support your request for the Secretary General's good offices in this matter. We suggest that Bangladesh consider first sending a letter explaining its position to the Security Council President. Bangladesh could ask that this letter be circulated as a Security Council document. We also suggest you seek to build support among your neighbors, including India and the ASEAN states.
- We have authorized \$3 million to respond to UNHCR's call for resources for assisting the refugees now in southern Bangladesh.
- You might also consider approaching the Saudis, Kuwaitis and the Islamic Conference for assistance.

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PARTICIPANTS

Oval Office Meeting

U.S.

The President
Jonathan T. Howe, Deputy Assistant to the President
for National Security Affairs

Bangladesh

Prime Minister Khaleda Begum Zia
Ambassador Abul Ahsan

Plenary Meeting

U.S.

The President
James A. Baker III, Secretary of State
Jonathan T. Howe, Deputy Assistant to the President
for National Security Affairs
Jock Covey, Acting Assistant Secretary of State
William B. Milam, U.S. Ambassador to Bangladesh
Richard Haass, Senior Director for Near East and
South Asian Affairs, NSC Staff
Mahmud Kibria, Interpreter

Bangladesh

Khaleda Begum Zia, Prime Minister
A.S.M. Mostafizur Rahman, Foreign Minister
Barrister Nazmul Huda, Information Minister
Begum Selina Rahman, Member of Parliament
Syed Hasan Ahmed, Principal Secretary to the Prime Minister
Ambassador Reaz Rahman, Foreign Secretary
Ambassador Abul Ahsan, Bangladesh Ambassador to the U.S.

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Mr Kobria, Interp

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Jock Covey, Act Ast Sec for Near East

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Richard Haass

Sec Skinner

Adm Howe

THE PRESIDENT

Sec Baker

Amb Milam

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Mr Ahmed, Prin Sec to PM

Mr Huda, Info Min

Amb Ahsan

PM Zia

FM Rahman

Mr Rahman, Parliament Mbr

Mr Rahman, Foreign Secty

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DOOR

The
Cabinet
Room

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Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Thursday, March 19, 1992 [2]

Date Closed: 8/23/2019	OA/ID Number: 90662-006
FOIA/SYS Case #: 2009-0166-S[4]	Appeal Case #:
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Draft Four
(Grady)
3/18/92

PRESIDENTIAL REMARKS AND PRESS CONFERENCE
EAST ROOM
THE WHITE HOUSE
WASHINGTON, D.C.
MARCH 20, 1992

Good afternoon and welcome to the White House.

Fifty-one days ago, in my State of the Union Address, I asked Congress to act on my agenda for growth. I asked for immediate action, by March 20th, on a series of proposals to help rekindle the economic recovery. I asked the Democratic leadership to put partisanship aside just long enough to enact seven sensible steps to create jobs, to strengthen the value of American homes, and to spur investment in the future.

I did this for a reason -- to promote a recovery that every American has an interest in. The bill I proposed was carefully tailored -- to help along the positive signs in real estate; where home sales and housing starts are beginning to come up as interest rates stay down, and to help create new jobs. Not through bigger government or higher taxes, but through more investment to fuel America's growth.

Well, every spring on this date, the swallows return to Capistrano. Nature goes through its cycle. And the Democratic Congress has returned to form. It has shown no serious interest in strengthening the economy. It has shown no serious interest in creating jobs through economic growth. March 20th is here, and all the Democratic Congress wants to do, once again, is to try to raise taxes. But I assure you of this: I will not let them do it.

I must say that I am disappointed in Congress. Ironically, there are many parts of a growth package on which some of the leading Democratic Presidential candidates and I agree. These could have been passed right away -- and still should be. But the Democrats in Congress aren't blocking my economic recovery plan because they're afraid it won't work, they're blocking it because they're afraid it will work.

The bill the Democrats put together, (in a partisan caucus held largely behind closed doors,) would take billions out of the pockets of American taxpayers. It would deny assistance to thousands of first-time homebuyers, and cut in half the job-creating investment that the growth plan I offered would have generated.

to do the same, in order to put some investment in the economy

In fairness let it be said 2 of the Democratic leaders did work

what assistance in the program

politics prevailed

The economy does not need a tax increase
Government is too big and spends too much.
2

The key point is that the tax increase proposed by the Democrats will not help the economy. If anything, it will set the recovery back. I didn't ask much of Congress, but they blew it.

Passing a tax increase is bad enough. But here's what troubles

me - But what is worse is that the irresponsibility of Congress on this plan is part of a pattern. It reflects a more serious problem -- a deeper systemic problem that is gnawing at the strength of our nation. It is no wonder that Americans are mad. Today, looking at the accumulated evidence of several years, it must be said: our Congressional system is broken.

We have a long tradition in this country of pulling together when national need demands that we do so. In the past half century, our accomplishments, large and small, are legendary -- and bipartisan. When freedom has been threatened, we have pulled together to preserve it. When our environment was in crisis, we enacted the world's best laws to protect it. When Social Security was at risk, we joined as one to put it back on stable footing.

But Congress today is different. It is more partisan. It is financed by special interests. It has grown out of control. It has lost the ability to police itself. And, perhaps most importantly, it is no longer accountable to the average American citizen and voter.

Congress might be excused for missing a deadline, or confusing a date. (After all, I once thought that Pearl Harbor Day was September 7th.)

But this Congress can't manage a one-teller bank.

And the banking scandal is only a recent symptom. The larger body of evidence is far more disturbing.

In the 1990 elections, special interest political action committees -- "PACs" -- gave about \$115 million to incumbent Congressmen and Senators. Only fifteen million dollars were donated to challengers. With this eight-to-one spending advantage, obvious voter discontent was muted -- smothered in a wave of PAC-financed television advertising. So, nearly every incumbent won.

That's not surprising. This is a Congress which spends almost 100 million taxpayer dollars every year on free mailings. That raises funds year round in the hope, by some, that they may avoid a reelection challenge altogether.

One Party has Controlled the House for
2 yrs. Staff has become institutionalized then
There are no ~~other~~ Members investigate themselves

One Party
Control of
House for
5-6 years - No
checks & balances
Let us
rephrase
short

what about
W. House -

Consider: 25 years ago, there were 2,000 Congressional staff. Today, there are more than 12,000 staff for Congress itself -- almost 40,000 if you include the entire legislative branch. During this time, executive branch employment went down by 8,000. The number of committees and subcommittees has grown from 38 fifty years ago to over 300 today. Total spending just to staff and equip the legislative branch has now reached over 2.7 billion dollars per year.

And for this -- we get a Congress incapable of passing the simple plan I presented almost two months ago. We get a House whose Democrats produced a bill that even the winner of the New Hampshire Democratic primary said he would veto. A Senate that spends 25 percent of its time calling the roll.

The time has come for change -- because when the system is broken, you do have to fix it. I propose to eliminate the PACs which are financing candidates and poisoning our system. While we're at it, we can increase the accountability of funds spent on politics. I am directing the Secretary of Labor to implement the Supreme Court decision which guarantees American workers the right to control how their union dues are spent. *No worker should be forced to have money taken out of his paycheck to fund politicians*

Congress should live by the same laws it imposes on others. So I believe it is time to apply to Congress the same requirements -- from employment conditions to civil rights laws -- that it imposes on every other business and every other citizen in this country. *he disagree with*

And I believe the time has come to limit the terms of Congressmen. Because while Congress does not yet have a limit on terms, the American people have a limit on patience. We all need a new Congress -- one that can work with me to do what is right.

The terms for President is limited - given that it is time the terms for Congress be limited

In the mean time, with the failure of Congress to act responsibly on my short term plan, I will act on my own, with every legal means at my disposal, to get the economy moving -- and to keep it moving -- up.

That means taking executive actions, wherever possible, whenever the authority exists, to move this country forward -- in spite of the hopelessly tangled Congressional web of PACs, perks, privilege, partisanship and paralysis.

There is, of course, a serious limit on what a President can do without Congress. But I am determined to ~~meet my~~ *do all I can* responsibility even if the Congress is not.

My first action is to prevent further damage: with this pen, I am now going to sign the veto message for the Democrats' tax increase -- because it will do more harm than good.

The bill is not here - but this report tells me all I need to know. This veto message will go to the Hill like under the legislation annex here.

Best there be any question -- the message is signed.
~~Congress can save the expense of sending the bill.~~ I trust this message is clear: the veto pen, and a block of votes ready to sustain it, stands ready to stop any tax increase on the American people.

Further, tomorrow I will send to Capitol Hill a package of measures to help tackle the other side of the problem: Federal spending. These bills will cancel, effective immediately, \$4 billion in unnecessary spending in the current fiscal year.

Some of the cuts are in defense -- the happy result of a world at peace. Over a billion dollars is on the domestic side. Hundreds of projects added by Congress, not requested by the people who run the agency programs, and not needed by the American public.

A million dollars in a housing bill for a parking garage in Ashland, Kentucky. One hundred thousand dollars for "asparagus yield declines." Mink research. Prickly pear research. The examples would be funny if the effect weren't so serious. This kind of wasteful spending destroys public confidence in the integrity of the government. Americans have every right to be outraged, and disgusted. It is their money.

I have already proposed to eliminate this spending in my budget for next year. Today I am asking Congress not to wait -- rescind it immediately.

If the Democratic leadership remains timid, I will work with the Republicans in the House to bring each of these items forward for a vote. That will bring us a step closer to accountability, and to the power that 43 Governors have -- the line-item veto.

I have asked

Working with the Vice President, I will step up the assault on unnecessary regulation and paperwork. While Congress has spun its wheels in a rut of its own making for these past two months, we've already begun to remove the regulatory roadblocks to growth.

The mountain of paperwork churned out by the Federal government seems pretty obscure. Some is for a good purpose -- to protect public health and safety, or to clarify laws of the land. But too much regulation kills jobs. It buries the small businessman who doesn't have the time or the staff to fill out Federal forms all day. It stifles innovation. Ultimately -- as anyone can tell you who's ever spent a long day at the DMV or in line at the post office -- too much government just breaks the spirit.

The regulatory review I announced in the State of the Union is headed in the opposite direction. It's designed to stimulate growth. To help up the entrepreneur. To help reward the innovator.

Let me give you a progress report. In just over a month, we've simplified standards to increase the use of clean-burning natural gas. That means cleaner air, cheaper energy, and more American jobs to produce it.

We've published plans to help remove old cars -- the biggest polluters and the biggest gas guzzlers -- from the road. That means the tough standards of our Clean Air Act can be met at less cost -- and without sacrificing the jobs that come from healthy growth.

We've made it more straightforward for small businesses to raise money to finance their growth. Growing small companies are creating the most new jobs in America.

And we've trimmed the complex regulations on trucking, railroads, and shipping. Moving goods more cheaply means a stronger economy, and lower prices for American consumers.

And that's just the beginning. Tomorrow, the Administration will proceed with the following actions:

We will eliminate unilateral requirements facing U.S. exporters -- and the Justice Department will begin drafting guidelines to make it easier for companies to band together in joint ventures. That will make it easier for Americans to compete, to export -- and to create more secure jobs.

To help small business, the source of so many new jobs, we will cut the burden of filing payroll taxes.

To encourage research and development, I am directing the Treasury Department to adopt administratively a tax change I've proposed to help increase U.S.-based research. And the Energy Department will advance a new public-private partnership to make sure that the good ideas that spring from research in our Federal labs are translated into successful products in the world marketplace.

To help train and retrain our workforce, and to broaden the opportunities for those whose work until now has been the defense of the United States, I am asking the Secretary of Education to proceed with a new idea: a lifetime line of credit for every American. It will be used for education, for job training, for helping people of all ages pick up the skills they need for the global economy of tomorrow.

I realize that these are only first steps -- and small ones at that. They are not a substitute for Congressional action on my agenda for economic growth. But they reflect a fundamental attitude.

Democratically Controlled

If the ~~status quo~~ Congress will not help us change America, we will have to change it without them. If the ~~status quo~~ Congress will not help us reform government, we ~~will~~ reform it without them. And if the status quo Congress will not take the small steps needed to push the economy into forward, I will engage every gear at the President's disposal until America is off and running again. *must*

✓ You see, for America's economy to grow, America itself must change. For the economy to modernize, we must invest. For the economy to conquer new markets, we must reach confidently, and in new ways, to the corners of the global village. For America to lead in the economic competition of the future, we must continue to inspire.

✓ Change is nothing to fear. For more than two centuries, America has been a force for change. Our restlessness is legendary. Our energy boundless. Now, it is time to write the next chapter in the story that is America.

Just a lifetime ago, 59 years last week, President Roosevelt delivered his first "fireside chat". Prior to that, American Presidents never spoke directly into the living rooms and kitchens of America, let alone the world.

Since then, we've been part of a communications revolution that may be the most important feature of the twentieth century. Think of it. From Presidential debates, to live coverage of the collapse of the Berlin Wall. From fax machines in the basements of fledgling democratic movements everywhere, to CNN in the Russian Parliament, helping Boris Yeltsin foil the coup in the former Soviet Union.

This communications revolution has been democracy's best friend. It's given people the power to be their best. It has helped spread the flames of freedom like a prairie fire. It has been an integral part of the triumph of values we hold dear -- American values like openness and free expression -- in the long, historic struggle between justice and tyranny.

Today, America's credibility and prestige in the world -- not to mention our strength -- have never been greater. With only one-twentieth of the world's population, we produce one-fourth of the world's output -- twice that of Japan, and four times that of Germany. Our workers are the most productive in the world.

And yet, at the exact moment of our triumph -- a time when the world is at peace, and America stands alone as the unrivalled economic and military power of the world -- the largest exporter, with the highest standard of living, and the most productive workers on earth -- we seem to have lost our confidence.

Americans are understandably worried about their future. About the economy.

That's natural when the economy's been in recession. When you've lost your job, or your neighbor has, or your brother has, it's hard to worry about the long, twilight struggle between good and evil. The more immediate worry is the next paycheck, this month's bills, the cost of making ends meet.

But even as the economy shows signs of turning toward recovery, today's worry goes beyond the immediate paycheck. It is different, and deeper. People want recovery. No doubt about that. But that alone is not enough. The real worry goes to the heart of not only the American dream, but the universal dream -- the desire of every parent to give to their child a better life than the one they have had. It's a dream called opportunity.

In that next chapter of the American story, people are rightly concerned about whether their children will get the education they deserve and need. They worry about schools where the environment of drugs and crime is so tough that students can't learn and teachers can't teach.

We can tackle these problems, if we aren't paralyzed by fear of change. Let me give you an example. For three years now, the crime bill I proposed has languished on Capitol Hill. (The Democrats believe in a permissive society.) They have blocked simple changes -- like modifying the exclusionary rule to make it easier for police to build the evidence against drug dealers and violent criminals. We need to stop the so-called "civil liberties" advocates from using loopholes in the law to allow known criminals to run free.

We can prevent the decline of America's standards -- but we must have the will.

If America is to remain the land of opportunity in the lifetime of the next generation, we need to stem that decline. We need to grow in spirit as we grow economically.

On both fronts, America is at a crossroads. First, we need a strategy for competing in the world economy -- in the next decade, and in the next century. A strategy for raising productivity, and with it our standard of living.

?
Doesn't
fit

But just as importantly, we need to return to the notion of responsibility, a resurgence of the values -- at the personal level, and at the national level -- that have made this country a dynamic force for good.

It is only through this twin revival that we can succeed in the quest for a more secure future and a better life for our children.

On both of these fundamental issues, there are two very different ways of looking at the world. On the question of competitiveness, the specific strategy I am pursuing reflects one approach: confident, forward-looking, future-oriented. It rests on meeting five challenges.

The first challenge is expanding markets for American products. That has been at the heart of my efforts to break down trade barriers through negotiating one-on-one with our trading partners, through the GATT, and through the special effort we've launched right here in North America.

You wouldn't know it from reading the daily dose of doom and gloom in the newspapers, but our record here is good and getting better.

America's manufactured exports have almost doubled just in the last five years -- their volume has grown twice as fast as the other industrialized countries of the world. But that's just the beginning. By the year 2000, the world's population will be six billion strong. In a world in which we are the cultural, intellectual, and economic leader, that's a market of mind-boggling potential.

Yet there are those who favor a different approach -- they would turn their backs on this market, and put up walls around America. The strategy of the protectionists is inward-looking, fearful, focused on the past and not the future. In the vain hope to preserve their vision of yesterday, the protectionists would deny us a better tomorrow.

The irony of this backward-looking strategy is that it risks igniting a trade war that will hurt precisely those industries that are leading us out of recession. The walls the protectionists propose to erect around America would be nothing but roadblocks in front of our fastest growing companies.

To meet this challenge successfully, we've got to guarantee that America will continue to lead the world in innovation and in making products of the highest quality. That requires specific investments -- today.

I've proposed to invest more in those key technologies we'll need to be more productive -- to win the global competition of tomorrow. That includes high performance computing, so that America can be the leader in the next generation of computers and communications. New and advanced materials, for use in everything from lighter aircraft to more efficient cars. Biotechnology, which could hold the key to everything from producing more food to curing cancer and AIDS.

And I've proposed to invest more in basic research, the source of new knowledge. Unfortunately, the Democrats in Congress have cut my budgets for R&D in every year that I've been President. The money's been spent instead on parking garages and other monuments to special interests. There's no better example of the damage that pork barrel spending does to America's long term future.

And not only the government must invest more in the future. As a percent of GNP, American business spends only half as much on the new capital we need to maintain our edge as do the Japanese -- and only a third as much as the Germans. Our system is tilted toward the short-term.

So we've got to change the system. That's the true purpose behind the capital gains tax cut -- to increase job creating investment. And that's why we need make the R&D tax credit permanent. So far Congress has blocked both measures -- but Congress should either lead, follow, or get out of the way.

The second challenge is preparing our workforce to compete -- through education. This requires change -- radical reform in the way we educate our kids, and in the pursuit of lifelong learning and training. We've proposed a set of reforms called America 2000, and another called Job Training 2000.

Job Training 2000 will help adults make the transition from one industry to another. It will simplify the current maze of Federal programs, and provide one stop shopping to gain the skills needed for a changing economy.

The goal of America 2000 is nothing less than to transform American education. We've proposed to create a whole generation of New American Schools; to measure progress and reward merit; and to hold schools accountable for their performance; and most importantly, to give all parents greater choice in selecting the schools that can do the job best. And we've put the resources behind our efforts. I've increased the Federal budget for education by 42 percent just since 1989.

And I've put special emphasis on improving the technological literacy of our workforce -- by creating a new program to train

teachers in math and science, and boosting funding for math and science education by over 69 percent.

The entrenched special interests in education don't like accountability. They fear choice. And so the Congress has blocked my proposed reforms.

But I believe that if we're going to teach democracy in our classrooms, we should practice more of it in our school system. It's time that Congress allowed families to choose the best schools for their children, and became an engine for change instead of the brake-man on better schools.

A fourth challenge is to reform health care. America has provided the best quality health care in the world -- but our system is now plagued by two problems: too many Americans are not covered by health insurance, and health care costs too much.

These flaws undermine our competitiveness. Health care spending is driving up costs of American businesses. It is making our products more expensive. It is making it harder to create new jobs.

✓ Last month, I proposed a plan to make health care more affordable, more available, and more sensible. My plan would make health insurance more affordable for millions of Americans who are not now covered. And it would make sure that everyone could get coverage -- and take it with them if they switch jobs.

✓ What my plan will not do is dictate a hostile government takeover of our health system. By most estimates, that would require a tax increase of a half a trillion dollars. The cure would be worse than the disease -- and the result would be terminal for the American economy.

Another drag on America's competitiveness is our cumbersome legal system. So a fourth challenge is to save America from drowning in a sea of litigation. In the end, the result of too many lawsuits is higher prices and fewer services for consumers, and reduced competitiveness for America.

I believe we can lighten this load with a few simple steps. For example, in some cases, we should require the loser to pay the winning party's attorney's fees. That will stop some of the frivolous lawsuits that should never be filed in the first place.

Right now, American companies pay more in legal fees than any other companies in the world. Eighty percent of all obstetricians are defendants at some point in malpractice suits. When parents won't coach Little League teams, when obstetricians won't deliver babies, and when community pools are closed in the

summertime -- all because of the fear of liability -- we know that something is wrong. Now is the time to fix it.

Fifth and finally, we must cut the growth of government. I know that spending is the addiction of the Democratic party, but it's time for a little rehabilitation. So let the Congress be on notice. I'm committed to relieving the American taxpayer from the burden of too much spending and too many taxes -- and one way to spell relief is V-E-T-O.

I've proposed to freeze domestic discretionary spending and federal employment, and to cap the growth of so-called "mandatory" programs (other than Social Security). These are the programs that grow automatically without Congressional review -- or even a chance for a Presidential veto. And their uncontrolled growth is fast becoming another Washington scandal.

On all of these issues, there are two starkly different approaches at work in our political system. One is reformist, confident in the ability of the people to make choices for themselves, and committed to giving them the opportunity to do so. The other is the product of the agents of the status quo -- fearful of the people, resistant to choice, comfortable with the idea that the government should dictate equality of result instead of ensuring equality of opportunity.

The dirty little secret of our opponents -- of the special interests which dominate the other party, of the footdraggers on the reforms we seek -- is that they do not believe in a merit-based society. On economic growth, on education, on crime -- on the central questions of how to expand opportunity in our society, the opponents of change do not believe that actions should have consequences. They do not believe there is a difference between right and wrong. They reject reforms which reward excellence. They shy away from punishment for those who violate the social contract. They fear the marketplace of ideas -- lest they not be "politically correct" -- and don't trust the market economy.

Yet it is precisely the strength of the values the naysayers reject that has made America the envy of the world and the engine of democracy.

Over the coming weeks, I will be speaking more about these challenges -- preparing to win in the global marketplace, educating our work force, controlling the size and reach of government, reforming our health care system, and combatting the destructive effects of crime. I'll be laying out further specific plans I have for each. And yes, where appropriate, I'll compare those plans to the response of the status quo Congress

and the do-nothing-right caucus that has dominated the Democratic Party for too long.

Patrick Henry said: "I like the dreams of the future better than the history of the past."

And while we've accomplished much, America's work is not finished. In these past few years, we may have tamed inflation and slashed interest rates. We may have broken new ground with laws to create opportunity for the disabled, allow tenants to share in the dream of homeownership, and use market mechanisms to clean up the air. And we certainly have extended freedom's reach as never before.

But our change is incomplete. Imagine the irony, as the world is beating a path to freedom's door, if we ourselves were to turn back now. If we carry the change forward, America can enter the next century unbound, unparalleled, and unafraid.

When I think of America in the year 2000, I see a nation of producers. Of productive workers, and tough competitors. I see schools where results matter.

When I think of America in the year 2000, I see a nation whose core values remain its greatest strength. Whose exuberant confidence and commitment to freedom are admired worldwide.

I'm ready to devote my next four years to building such an America. In the past half century, America has succeeded in making the world a better place.

Now, if we can change the world, we can change America. And I am ready to lead that change. I ask Congress to put aside its irresponsible habits, and join me in the battle for a better America. I know that those who will not join this battle will be rightly put aside by an outraged American public. I ask every American to remember our strengths, to fight for our values, and to hold fast to our dreams. Because America's finest hour is yet to come.

Thank you, God bless you, and God bless the United States of America.

#

MATERIALS FORWARDED TO THE PRESIDENT
March 19, 1992

ACTION

1. S. 2184 -- Morris K. Udall Scholarship and Excellence in Native American Public Policy Act of 1992 and signing statement
2. Gift Letters
3. Letter to David Moore, President of Western Growers Association re agriculture policy
4. Recommended telephone call to Senator Alan Dixon re his defeat in 03/17 election
5. Judicial Nomination: Justin P. Wilson to be U.S. Circuit Judge for the Sixth Circuit
6. Mail Sample
7. S. 1467 - Frank Johnson, Jr. Federal Building and U.S. Courthouse
8. Personnel Selection: Board of Directors for the Corporation for Public Broadcasting
9. Military Nomination: LTGEN Robert Winglass, USMC
10. Arkansas Filing
11. Disaster Declaration for the State of Texas
12. Nomination of C. LeRoy Hansen to be U.S. District Judge for the District of New Mexico
13. Enrolled Bill S. 996 -- Buffalo National River, Arkansas

CLASSIFIED

1. Telephone Call from Boris Yeltsin

INFORMATION

1. Calio Memo re China MFN Vote

2. Holiday Memo Continuing Follow-Up to Letter from Congressman Bill Young
3. Note from Marlin Fitzwater re Camp David Visit

REMARKS

1. Football Champions.
2. Radio-Television Correspondents Dinner.
3. Radio-Television Correspondents Dinner - Cards

SCHEDULE

1. And accompanying briefing papers

RADIO AND TV CORRESPONDENTS \ WASHINGTON HILTON HOTEL
THURSDAY, MARCH 19, 1992 \ 8:30 P.M.

THELMA LABRECHT, THANK YOU FOR THAT KIND
INTRODUCTION.

92 MAR 19 P5:32

I'M DELIGHTED TO BE HERE TONIGHT - [PAUSE] - NOT!

I WOULD HAVE LIKED TO STAY FOR DINNER. BUT THEN I
SAW THE MENU: CARROTS, ALSO KNOWN AS ORANGE BROCCOLI.

- 2 -

AND YES, I'VE SEEN THAT NEW STUDY SAYING BROCCOLI
HAS CERTAIN HEALTH EFFECTS. THAT PROVES MY POINT: IT
TASTES LIKE MEDICINE.

I'M GLAD TO SEE YOU ALL COULD MAKE IT TONIGHT.
MARLIN'S RIGHT: IF YOU WANT THE PRESS TO SHOW UP FOR
YOUR SPEECH, JUST CUT THE AUDIO.

I'M SORRY MARLIN'S NOT HERE. OF COURSE, I KNOW ABOUT HIS RECENT BLOW-UP ON THE CAMPAIGN TRAIL, WHEN HE CALLED SEVERAL OF YOU "LAZY WHATCHAMACALLITS." PLEASE UNDERSTAND: HE HAD A BAD DAY. EARLIER THAT MORNING HE'D SHATTERED HIS THIGHMASTER.

IT'S BEEN QUITE A CAMPAIGN SO FAR. I COULDN'T BELIEVE THE NERVE OF MY REPUBLICAN OPPONENT. FIRST, HE LOSES SEVERAL PRIMARIES -- AND THEN DEMANDS I WITHDRAW. THEN HE LOSES SEVERAL MORE -- AND HE DEMANDS I FIRE THE CHAIRMAN OF THE REPUBLICAN PARTY. THEN HE HAD THE GALL TO NAME HIS RUNNING MATE, A GUY HE SAID SHARES HIS VISION AND EXPERIENCE. BUT WHO'D VOTE FOR A TICKET WITH GERALDO RIVERA ON IT?

AND DAVID DUKE: HE TRIED TO TAKE THE "AMERICA FIRST" THEME AWAY FROM PAT. DUKE SWORE ALL HIS FACIAL FEATURES WERE MADE IN THE USA.

THEN THERE'S THE DEMOCRATS. I'M SORRY THAT PAUL TSONGAS DROPPED OUT TODAY. HE'S A THOROUGHLY DECENT MAN. PAUL AND I GO WAY BACK. YOU KNOW, I WAS HIS FIRST CHARISMA TUTOR.

AND THEN THERE'S CLINTON, A VERY FORMIDABLE CANDIDATE. I JUST WONDER WHETHER CUOMO WOULD RUN AS HILLARY'S VICE PRESIDENT.

EIGHT MONTHS TO THE ELECTION -- AND ALREADY THE DIRTY TRICKS HAVE BEGUN. I PICKED UP THE HOTLINE THIS MORNING TO TALK TO YELTSIN -- AND I GOT JERRY BROWN ON THAT DAMN 800 NUMBER.

NOW TO THE ISSUES: I'VE BEEN ACCUSED OF DOWNPLAYING THE ISSUE OF FOREIGN AID. SO LET ME BE BLUNT: I FAVOR FOREIGN AID. AND THE SOONER WE GET SOME THE BETTER.

AND HOW ABOUT WHAT'S GOING ON ON CAPITOL HILL? I WAS WATCHING C-SPAN WHEN THE CHECK-KITING SCANDAL BROKE. A CONGRESSMAN RAN TO THE MICROPHONE AND SHOUTED: "IS THERE A SPIN DOCTOR IN THE HOUSE?"

AS AN ENVIRONMENTALIST I AM DEEPLY CONCERNED ABOUT THIS SCANDAL. EVERY TIME A CONGRESSMAN ORDERS A NEW BATCH OF CHECKS, A RUBBER TREE DIES.

I KNOW THIS IS GOING TO BE A TOUGH CAMPAIGN, BUT I'VE BEEN FEELING MORE OPTIMISTIC THE LAST SEVERAL DAYS. A FEW MONTHS AGO, A DEMOCRAT TOLD ME: "THERE'S ABOUT AS MUCH CHANCE OF YOU WINNING THIS ELECTION AS TEDDY KENNEDY SETTTLING DOWN AND GETTING MARRIED."

BUT IF I COULD PUT JOKES ASIDE FOR A MOMENT -- I KNOW YOU HAVE TOUGH JOBS, AND TOUGH TIMES HAVEN'T MADE THEM ANY EASIER. IN YOUR OWN INDUSTRY, YOU'VE HAD CUTBACKS AND LAYOFFS. AND YET I NEVER FAIL TO BE IMPRESSED BY WHAT YOU CAN ACCOMPLISH, DESPITE THE PROBLEMS. ((THINK BACK TO FEBRUARY: FOR TWO WEEKS, CBS MANAGED TO INTERRUPT SOME OF THEIR COMMERCIALS TO BRING US GLIMPSES OF THE OLYMPICS.))

AND I'M IMPRESSED BY THE RANGE OF THE STORIES YOU COVER -- PARTICULARLY THOSE HUMAN INTEREST STORIES. I NOTICE SOME PEOPLE THINK THEY DISCOVERED THE WRECKAGE OF AMELIA EARHART'S PLANE. FASCINATING STUFF. THEY'VE FOUND PART OF THE PLANE, THE HEEL FROM A SHOE, AND A TRAVEL VOUCHER FOR JOHN SUNUNU.

BUT NOW I WOULD LIKE TO ADD A MORE SERIOUS WORD, IF I MAY. THIS IS GOING TO BE A TOUGH, LONG YEAR, AS IT IS EVERY FOUR YEARS. SOME OF IT WILL BE FUN, SOME OF IT MAY BE UNPLEASANT -- ALL OF IT WILL BE PRETTY TIRING. BUT I'M CONFIDENT THAT WHEN IT'S ALL OVER, WE'LL STILL BE TALKING -- BECAUSE WE'LL KNOW WE'VE BOTH BEEN DOING OUR JOBS THE BEST WE KNOW HOW.

I DON'T EVEN MIND SOME OF YOUR SCURRILOUS ACCUSATIONS -- FOR EXAMPLE, THAT I'M ALWAYS OVERSCHEDULED AND FRENETICALLY JUMPING FROM ONE THING TO THE NEXT. ((I'D LIKE TO REFUTE THAT, BUT I'VE GOT TO RUN. I'M OUTTA HERE.))

THANK YOU AND GOOD NIGHT.

#

THE WHITE HOUSE
WASHINGTON

daily
3/19
32 MAR 18 P5:31

RECOMMENDED TELEPHONE CALL BY THE PRESIDENT

TO: Senator Alan Dixon (D-IL)

DATE: March 18, 1992

RECOMMENDED BY: Nicholas E. Calio *NEC*

PURPOSE: To express condolences to Senator Dixon in the wake of his defeat in yesterday's election.

BACKGROUND: Senator Alan Dixon was defeated in yesterday's Illinois primary. Senator Dixon had one of the highest support scores for your policies among all Senate Democrats. He was a consistent supporter of our defense and foreign policies throughout his entire career. He supported the nomination of Judge Clarence Thomas. He has been an approachable, hard working Senator always ready to hear our views. Because this is the first election defeat he has ever suffered, a call from you would no doubt lift his spirits. Moreover, it might encourage him to support our activities through the balance of this year.

KEY POINTS:

- Al, I know yesterday's results were terribly disappointing. Believe me, I've been there.
- When the most popular political figure in Illinois loses, there is a message for all of us. But win or lose, no one can take away the distinguished service you have given your country.
- You are a great Senator and a great friend. I hope this is not an ending but a beginning of new opportunities for you.
- I wanted you to know you are in our thoughts and prayers.

DATE OF
SUBMISSION: March 18, 1992

ACTION:

got him in Florida

7 PM -

CB

Revised RZ

THE WHITE HOUSE
WASHINGTON

Recommended Telephone Call

TO: Dennis G. Jacobs

TELEPHONE: Office: (212) 455-2750
Home: (212) 861-4415

DATE TO CALL: March 19, 1992

RECOMMENDED BY: The Attorney General, Samuel K. Skinner,
Nicholas E. Calio, C. Boyden Gray and
Constance Horner

PURPOSE: To ask him to serve as United States Circuit
Judge for the Second Circuit

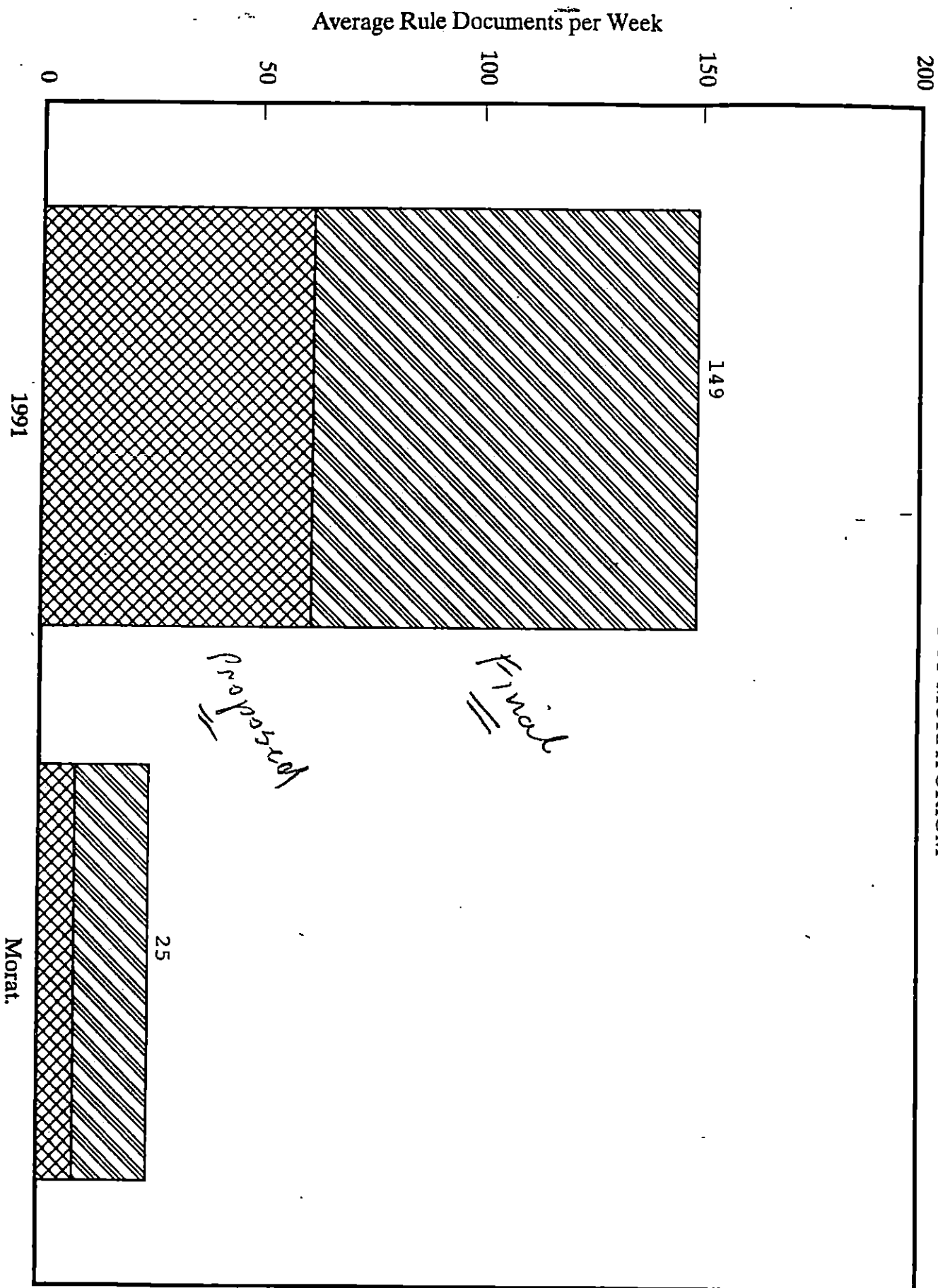
TOPICS OF
DISCUSSION:

1. Since 1973, Mr. Jacobs has been associated with the law firm of Simpson Thacher & Bartlett as an associate, 1973-1980, and a partner 1980-present.
2. He received a B.A. degree (1964) from Queens College, and an M.A. degree (1965) and J.D. degree (1973) from New York University.
3. Mr. Jacobs is 48 years old, married, his wife's name is Judith and they reside in New York City.

DATE OF SUBMISSION: March 16, 1992

ACTION _____

EFFECT OF MORATORIUM



R2

THE WHITE HOUSE
WASHINGTON

Recommended Telephone Call

TO: Justin P. Wilson

TELEPHONE: Home: (615) 383-2308
Office: (615) 244-6380

DATE TO CALL: March 19, 1992

RECOMMENDED BY: The Attorney General, Samuel K. Skinner,
Nicholas E. Calio, C. Boyden Gray and
Constance Horner

PURPOSE: To ask him to serve as United States Circuit
Judge for the Sixth Circuit

TOPICS OF
DISCUSSION:

1. Since 1974, Mr. Wilson has been affiliated with the law firm of Waller Lansden Dortch & Davis as an associate, 1974-1976, and a partner, 1976-present. Before that he was an associate with the law firm of Donovan Leisure Newton & Irvine, 1970-1974.
2. He received an A.B. degree (1967) from Stanford University, a J.D. degree (1970) from Vanderbilt Law School and an LL.M. degree (1974) from New York University.
3. Mr. Wilson is 47 years old, married, his wife's name is Barbara, he has four children and resides in Nashville, Tennessee.

DATE OF SUBMISSION: March 18, 1992

ACTION _____

~~CONFIDENTIAL~~

CARD 1 OF 6

POINTS TO BE MADE DURING PLENARY MEETING
WITH PRIME MINISTER ZIA

REVISED

- OUR BILATERAL TIES ARE EXCELLENT. WE APPRECIATED BANGLADESH'S SUPPORT FOR THE INTERNATIONAL COALITION AGAINST IRAQI AGGRESSION IN THE GULF WAR, AND YOUR DECISION TO SEND YOUR OWN TROOPS TO THE GULF IN THE SUPPORT OF THIS EFFORT.
- WE HOPE YOU WILL CONTINUE TO SUPPORT UN EFFORTS AND SANCTIONS AGAINST THE IRAQI REGIME UNTIL A NEW LEADERSHIP COMES TO POWER.
- WE WERE PROUD TO BE ABLE TO ASSIST BANGLADESH AFTER THE TERRIBLE CYCLONE LAST MAY.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

CARD 2 OF 6

U.S. ASSISTANCE

- WE RECOGNIZE THAT BANGLADESH, ONE OF THE POOREST COUNTRIES IN THE WORLD, REQUIRES AND DESERVES U.S. ASSISTANCE. WE PLAN TO CONTINUE OUR AID PROGRAMS AT ROUGHLY THE SAME LEVEL FOR THE NEXT FEW YEARS.
- OUR DEBT FORGIVENESS OF LAST SEPTEMBER IS ANOTHER SYMBOL OF OUR COOPERATION WITH YOU IN ECONOMIC DEVELOPMENT.
- IN THE PRESENT GLOBAL CONTEXT, I'M AFRAID IT IS UNREALISTIC TO EXPECT MUCH GROWTH IN U.S. ASSISTANCE TO YOUR COUNTRY.

~~CONFIDENTIAL~~

DECLASSIFIED
PER NSC WAIVER, #2021-07
By MC NARA, Date 7/16/24

~~CONFIDENTIAL~~

CARD 3 OF 6

ECONOMIC REFORM

- WE APPLAUD YOUR EFFORTS IN ADHERING TO A DIFFICULT IMF ECONOMIC REFORM PROGRAM FOR THE PAST THREE YEARS.
- YOUR ECONOMIC REFORMS WERE A SIGNIFICANT FACTOR IN MAKING OUR DEBT RELIEF OF LAST SEPTEMBER A REALITY.
- IT IS CRUCIAL THAT BANGLADESH STAY ON ITS PRESENT PATH OF ECONOMIC REFORM. POTENTIAL INVESTORS AND DONORS TAKE THEIR LEAD FROM IMF AND WORLD BANK ASSESSMENTS.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CARD 4 OF 6

BANGLADESH - BURMA RELATIONS AND REFUGEES

- WE SUPPORT YOUR EFFORTS TO REACH A DIPLOMATIC SOLUTION TO THE REFUGEE PROBLEM WITH BURMA. WE HAVE PUBLICLY DEPLORED BURMESE ACTIONS AGAINST ITS MUSLIM POPULATION.
- WE KNOW THIS SITUATION PLACES A SERIOUS BURDEN ON BANGLADESH. WE UNDERSTAND THAT YOUR GOVERNMENT HAS ASKED FOR THE UN SECRETARY GENERAL'S GOOD OFFICES, AND IS CONSIDERING TAKING THE MATTER TO THE SECURITY COUNCIL.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CARD 5 OF 6

- WE SUPPORT YOUR REQUEST FOR THE SECRETARY GENERAL'S GOOD OFFICES IN THIS MATTER. WE SUGGEST THAT BANGLADESH CONSIDER FIRST SENDING A LETTER EXPLAINING ITS POSITION TO THE SECURITY COUNCIL PRESIDENT. BANGLADESH COULD ASK THAT THIS LETTER BE CIRCULATED AS A SECURITY COUNCIL DOCUMENT. WE ALSO SUGGEST YOU SEEK TO BUILD SUPPORT AMONG YOUR NEIGHBORS, INCLUDING INDIA AND THE ASEAN STATES.
- WE HAVE AUTHORIZED \$3 MILLION TO RESPOND TO UNHCR'S CALL FOR RESOURCES FOR ASSISTING THE REFUGEES NOW IN SOUTHERN BANGLADESH.
- YOU MIGHT ALSO CONSIDER APPROACHING THE SAUDIS, KUWAITIS AND THE ISLAMIC CONFERENCE FOR ASSISTANCE.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CARD 6 OF 6

(IF ASKED)

- WE HAVE BEEN VERY GENEROUS IN TEXTILE QUOTA NEGOTIATIONS WITH BANGLADESH. THE SEPTEMBER 1991 AGREEMENT ACCORDED GROWTH RATES ABOVE THOSE OF ALL BUT A FEW OTHER COUNTRIES. AS A LONG TERM SOLUTION WE HOPE TO SEE TEXTILE QUOTAS ELIMINATED AS PART OF THE URUGUAY ROUND BUT WE CANNOT IMPROVE BANGLADESH'S CURRENT MARKET ACCESS AT THIS TIME.

~~CONFIDENTIAL~~

orig in Nick
Brady file

THE PRESIDENT HAS SEEN
3/19

EDWIN M. YODER JR.

WASHINGTON — If you think the battle for the Republican soul is over patriotism (Pat Buchanan's opposition to the Gulf War) or pornography (Buchanan's colorful complaints against federal arts grants for filthy pictures) think again.

These squeaking wheels are well greased, it's true. The arts issue led to the shabby sacking of John Frohnmayer as director of the national arts endowment, thrown to the wolves of cultural fascism to lighten the president's political ballast.

But the Frohnmayer flap signifies far less than efforts of the Buchanan wing of the party, and its camp-followers, to induce Bush to fire Secretary of the Treasury Nicholas Brady. The campaign surfaced a few days ago, when Sen. Connie Mack of Florida wrote a letter suggesting that Brady be fired in the name of "fundamental change." But unlike the expendable Frohnmayer, Brady is a personal friend of the president's. He is also the administration's strongest link to the world of George Bush's origins, a man of Wall Street. Before Bush's father Prescott Bush was a senator from Connecticut he was an investment banker. Brady maintains the administration's frayed ties to the Eastern financial establishment that once was the main source of Republican financing and — not coincidentally — its fiscal philosophy.

With the shift of the Republican base southward and westward, however, these ancient moorings have been strained. From Wall Street's point of view, the Republican Party has become a tent meeting of economic adventurers and quacks. Brady is the exception. He is the administration's warrant to Wall Street that, however wild the economic theorizing becomes in Washington, this administration isn't going to get in bed with the wild jackasses. It isn't, in short, going to practice voodoo economics. At least, not the extreme variety.

This is known to the anti-Brady forces — Mack, Rep. Newt Gingrich of Georgia and those for whom they speak. They hold it against Brady that the U.S. Treasury is more interested in raising revenues than in tax-cutting, as if any treasury ever wasn't. Imagining the Treasury as the administration's bureau of tax-cutting is a bit like imagining the Pentagon as its center of

disarmament.

Yet it is the strategy of the voodooists to get rid of Brady. Their dogma is that all tax-cutting is good and that trying to balance the budget is the fiscal equivalent of root-canal dentistry. Reagan-Bush economic policy has given us a tripling of the national debt, and a transformation of the United States from world's prime lender to prime borrower. Yet the shallow affluence buoyed up on the tide of borrowing has turned the heads of the voodooists. Today the line in voodooland is that the Bush administration "caused" the recession by betraying his "no new taxes" pledge and striking a budget bargain, involving some increase in revenues.

Budget devil

In the eyes of the voodooists, the 1990 budget deal was the great heresy; and the Lucifer of the piece was Nicholas Brady, its principal sponsor and advocate.

Indeed, you would have to scour the Treasury to find a supporter of voodoo economics, the notion that we have transcended the business cycle, or that radical tax-cutting repays itself in revenue gains or increases the nation's savings-investment pool (actually, it shrank), or that borrowing \$400 billion a year, or spending \$200 billion a year to service the federal debt, are good for us.

But there is a political factor too. The old financial orthodox of Wall Street, now repudiated, had its flaws. It was very dogmatic about borrowing. But no country ever went broke balancing its budget, and this one may yet go broke running deficits at the current rate. George Bush knows that the financial community and U.S. trading partners are worried about our experiment in financing present pleasures. By breaking this administration's last link with the old fiscal orthodoxy, a Brady ouster could have volatile effects in the markets.

The attack on Brady is the current equivalent of the agitation (by many of the same people) a decade ago against the reappointment of Paul Volcker as chairman of the Federal Reserve Board. Ronald Reagan had the sense to reappoint Volcker anyway, in one of the few sound economic decisions of the Reagan years. The agitation against Brady is replay of the same issues, and the stakes are again huge, far larger than in the dispute over dancers who wear chocolate and feathers.



Mr. President:

This article is only interesting
in that the logic is correct and
starting to return in Congressional
conversations as good sense (obviously
not yet with Gingrich delay etc)

NFB

be sure
copy goes
on Jack
Kemp file
3/27 done

Document Originally
Attached to
Following Page



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

March 18, 1992

The Honorable Sam Skinner
Chief of Staff
The White House
Washington, DC 20500

Dear Sam:

I can fully understand your concern about the article in today's New York Times, which incorrectly states that I urged President Bush to approve loan guarantees to Israel without any regard to housing settlements on the West Bank. After checking with several people who attended the United Jewish Appeal Conference and listening to a tape recording of my remarks, I can assure you that I never made any statement regarding the Administration's position on the linkage issue, nor did I mention the settlement issue at all.

The New York Times statement is not a quote from me, and appears to have been lifted from an Associated Press story about the UJA Conference, which I have enclosed. I did say that the need to help provide for the influx of refugees from the former Soviet Union is a humanitarian issue, and I joined with members of the UJA in praying that our leaders could find a compromise. To me, this was a general statement of support for the plight of Jewish immigrants consistent with the Administration's policies, not a reference to linking loan guarantees to the settlement issue. I believed it was equivalent in content and emphasis to Secretary Baker's comment last year that the Administration is "fully committed to helping Israel successfully absorb Soviet immigrants." I certainly never believed my remarks would be taken out of context to suggest any public opposition on my part to the President's position, and I never would have said it if I thought this would occur.

I was also handed a petition signed by several hundred UJA members and asked to deliver it to President Bush. The petition asked the Administration to find an acceptable compromise to permit the loan guarantees to go forward, an objective which I told them the President has been attempting in conjunction with Congressional leaders. As the President said in the same New York Times article, "We've always wanted to go forward with loan guarantees."

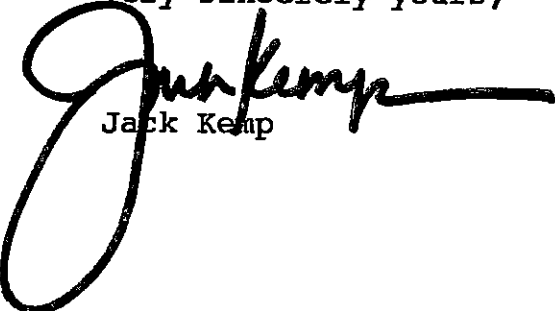
Sam, I am fully aware of the extraordinary sensitivity of

DCF HAS SEEN

R2
File - personal
March 19th - chur

these issues and the serious nature of your concerns. Be assured that I in no way want to do anything that would compromise the President's efforts to bring peace and stability to the Middle East.

Very sincerely yours,



Jack Kemp

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led for 4:30 pm

a0745 us-israel

AM-US-Israel, Bjt,870

Bush Holds Pivotal Meeting On Israel's Housing Loan Request

Eds: Will be topped after session, now scheduled for 4:30 pm EST

By BARRY SCHWEID

AP Diplomatic Writer

WASHINGTON (AP) — President Bush, denouncing West Bank settlements as "counterproductive to peace," invited key Congressional members to the White House Tuesday amid strong indications he was ready to reject Israel's yearlong request for \$10 billion in housing loan guarantees.

"I don't think they're dead," Bush said of the guarantees.

"We've always wanted to go forward with loan guarantees," he said before the pivotal meeting.

However, he told reporters at a St. Patrick's Day ceremony in the Rose Garden: "We have a longstanding policy that feels that settlements are counterproductive to peace. This is not a new policy."

Bush said the United States wants to help but "we simply are not going to shift and change the foreign policy of this country."

Bush's price for helping Israel absorb more than 400,000 refugees is a halt to Jewish settlements on the West Bank and Gaza, and Israel's hard-nosed Likud government has refused to make the concession. Congressional attempts to reach a compromise apparently failed to satisfy the White House.

In a show of unity, Yitzhak Rabin, the Labor party's candidate for prime minister, made clear that if elected he would maintain at least some of the settlements as part of a military defense even while being open to territorial compromise to attain peace with the Arabs.

Rabin told the United Jewish Appeal in a speech that he was the last Israeli chief of staff to defend Israel without the security provided by the territories won in the 1967 Six-Day War. "Never again, never again," Rabin said to cheers from 3,100 delegates.

"I'll never, I'll never agree to any peace if it will be preconditioned on withdrawal to the pre-'67 lines," Rabin said.

Jack Kemp, a member of Bush's Cabinet, urged the President to approve the loan guarantees without trying to restrict settlement activity. Referring to the refugees who would be assisted, Kemp said "we helped get them out of Russia; we must now help house them."

"It is a humanitarian cause, it is not a political cause," the housing secretary said in a UJA speech.

Earlier, Israel's defense minister, Moshe Arens, met for 45 minutes with Secretary of State James A. Baker III, the key administration negotiator with Israeli officials and with members of Congress.

Baker's spokeswoman, Margaret D. Tutwiler, said "they met as

session.

However, she said Baker's view was that any loan guarantees for Israel "must be consistent with longstanding U.S. policy" on settlements.

Assistant Secretary of State Edward P. Djerejian, testifying before a House foreign affairs subcommittee, said the White House meeting with members of Congress was part of "an effort to see if a solution can be reached."

But Rep. Mel Levine, D-Calif., said Israel's request was "basically off the table and is likely to become an issue that will be deferred or withdrawn."

Levine told Djerejian that "at the highest level of this government this is an effort to undermine the relationship between the United States and Israel, and it's tragic."

Israel requested the U.S. guarantees a year ago to enable it to borrow the \$10 billion from commercial banks at favorable rates.

Bush and Baker have denounced the settlements as an obstacle to peace between Israel and the Arabs. Some 110,000 Jews live among 1.7 million Arabs on land the Bush administration wants Israel to relinquish.

Baker initially offered Israel a compromise: No new housing starts but completion of those already under way _ enough to settle some 30,000 Jews.

Sen. Patrick J. Leahy, D-Vt., chairman of the Senate foreign appropriations subcommittee, promoted another approach: Any money Israel spent on settlements would be subtracted from the loan.

But a round of intensive negotiations over the weekend involving Bush, Baker and senior members of Congress failed to win the White House over to the compromise, congressional sources said.

On another touchy subject, Defense Secretary Dick Cheney indicated that a meeting he held Monday with Arens had not put to rest U.S. suspicions that Israel illegally transferred American weapons technology to other nations.

"Clearly, there is a dispute between the United States and Israel on this issue," Cheney told reporters at the Pentagon.

State Department spokeswoman Tutwiler said a group would depart at the end of the week for Israel to investigate primarily allegations that Israel transferred Patriot missile technology to China. "There are wild allegations out there," she said.

Arens on Monday dismissed the reports. "Let me tell you, there is not a grain of truth to those allegations," he said.

Similarly, Rabin on Tuesday said "we have never transmitted to a third party. Are we idiots? Who believes Israel will risk \$3 billion in grants for a \$100 million deal?"

AP-DS-03-17-92 1658EST



LOUISIANA REPUBLICAN LEGISLATIVE DELEGATION

March 11, 1992

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done RAM
3/19/92

Mr. William A. Nungesser, State Chairman
The Republican Party of Louisiana
Post Office Box 6129
New Orleans, Louisiana 70114

Dear Billy:

Louisiana Republicans have now spoken. Over 60% of the Republicans voting enthusiastically expressed their support for President Bush on Super Tuesday. The President carried every congressional district and is well on his way to a well-deserved renomination.

Despite your responsibilities as the elected chairman of our party, a position you actively sought, you chose to involve yourself publicly in an opposing campaign prior to Louisiana Republicans' having an opportunity to speak at the ballot box. You appeared on nationally broadcast television programs promoting Mr. Buchanan's candidacy with no qualification that you spoke only for yourself. Your actions gave the erroneous impression to much of the nation that Louisiana Republicans had somehow endorsed a candidate prior to the primary election.

It is our belief that with the office of party chairman goes a responsibility to promote the wishes of Louisiana Republicans rather than advancing some personal agenda.

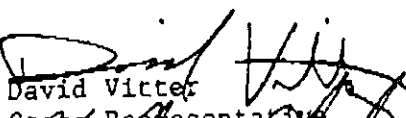
The primary election is now over. The party must come together behind the President and prepare for November. That cannot occur in the absence of committed leadership and, by your actions, you have abdicated that role.

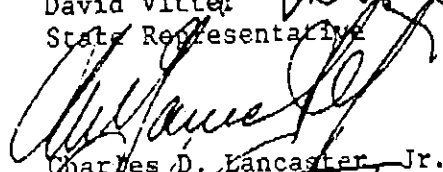


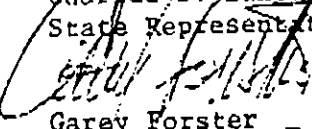
Mr. William A. Nungesser
March 11, 1992
Page Two

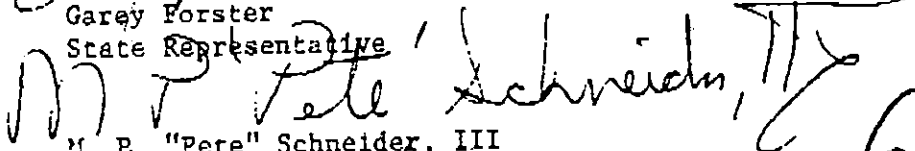
Therefore, we, the undersigned members of the Louisiana Republican Legislative Delegation, now insist that you immediately call an election for party chairman to occur within the next thirty days.

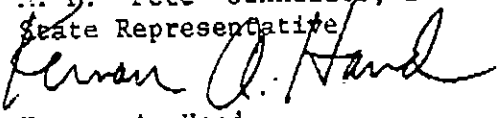
Very truly yours,

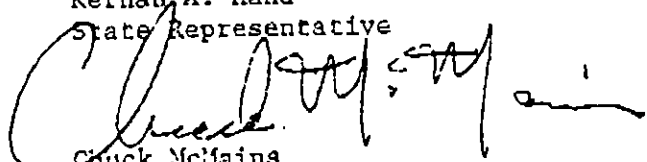

David Vitter
State Representative


Charles D. Lancaster, Jr.
State Representative


Garey Forster
State Representative

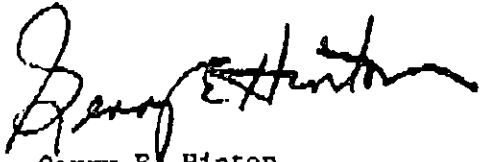

M. B. "Pete" Schneider, III
State Representative


Kernan A. Hand
State Representative


Chuck McMains
State Representative


Suzanne M. Krieger
State Representative

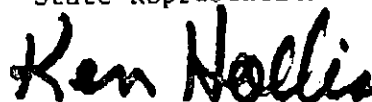

Jay Dardenne
State Senator


Gerry B. Hinton
State Senator

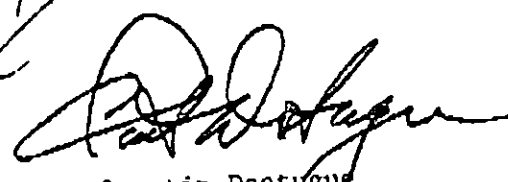
cc: Members of the Republican
State Central Committee

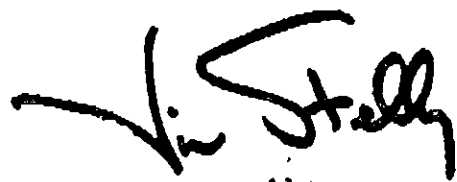


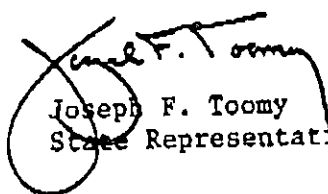
Emile "Peppi" Bruneau
State Representative



Ken Hollis
State Senator


Quentin Dastugue
State Representative


Vic Stelly
State Representative


Joseph F. Toomy
State Representative


Carl Crane
State Representative

THE WHITE HOUSE
WASHINGTON

March 19, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: W. HENSON MOORE
DEPUTY CHIEF OF STAFF



SUBJECT: Louisiana Republican Party

Thought you would like to see the attached.

8

THE PRESIDENT HAS SEEN 3/19

origin
Andover file
(3/19 dated)

Don Rhodes
see 2nd pg

DO NOT
No more
needed now!
C

ANDOVER DEVELOPMENT BOARD

9, Chairman

February 4, 1992

1/19/93 Don Rhodes has
seen. No action necessary.
RAM

1-14 President
Dear Andover Development Board member,

George Washington Hall is nearing completion and has already welcomed several of its occupants back to its beautiful new and refurbished spaces. The fund-raising has gone well, and we have now raised just over \$9,000,000 toward the \$11,850,000 goal. At their recent meeting the Trustees have voted a \$1,000,000 challenge to earn \$2,000,000 to complete the effort. For every \$2 in new gifts and pledges that are made from January 17th on, the Trustees will give \$1.

By this time we hope you have received an invitation for the First Night in the new theater, a production by students and faculty of Stephen Sondheim's Into the Woods. The invitation is also for dinner with Jack Lemmon '43, Co-Chair of the Plan to Renew George Washington Hall, who will be attending that performance and spending the day with students and faculty here on campus.

We hope you will join us for this grand Opening Night, and we hope you will also help us by making a gift to the George Washington Hall project. The enclosed list of spaces show that we still have many named opportunities at a variety of major gift target amounts still available from \$50,000 to \$2,000,000. Under separate cover I am sending a case statement.

We are also offering boxes of five seats for \$25,000 and individual seats at \$5,000 each. A scroll listing names of box and seat donors will be framed and hung at the entrance to the theater.

Please contact me at 213-680-8008 or Pat Edmonds at Andover 508-749-4285 to make a gift.

As we think ahead to May 1, 1992, we are looking forward to welcoming the ADB members to campus for the rededication of George Washington Hall and our joint meeting with Alumni Council. Our topic will be Bricks, Mortar, and Money: Foundations for Education in the 21st Century, and we will have an opportunity to help Andover focus on its deferred maintenance problems. Many of us have expertise and experiences we can share with the Council and the Board of Trustees.

MEMORANDUM

TO: Andover Development Board members
FROM: Richard Goodyear
RE: Donald B. Abbott
Associate Director of Capital Development
DATE: February 4, 1992

We are delighted to inform you that Donald B. Abbott will be joining the Office of Academy Resources as Associate Director of Capital Development. Don comes to Andover from 14 years as Headmaster of the Millbrook School and a variety of major gift fund-raising responsibilities in that capacity.

He will begin his work at Andover on February 1, and in late March he and his wife Betsy will be moving to a home in Andover, which they have just purchased. Don's predecessor, Duncan Will, has chosen to work as Director of Museum Resources and Public Relations at the Addison Gallery of American Art, and we are pleased he will still be a partner in the advancement of the Phillips Academy community.

As we look to the future of Andover Development Board fund-raising, we are pleased to have Don Abbott join the Capital Development team in OAR to work with Allen Adriance, Secretary of the Academy, Peter Capra, Director of Planned Giving and Pat Edmonds.

Diek

GEORGE WASHINGTON HALL

Commemorative Gift Opportunities

The Mainstage Theatre	\$2,000,000
The Student Lounge and Mailroom	1,000,000
The Central Staircase, Glass Wall and Lobby	500,000
The "Dickie" Reception Lobby (\$200,000 committed)	300,000
The Headmaster's Suite	250,000
The Laboratory Theatre Lobby	200,000
Colonnade to Sculpture Courtyard	175,000
The Video Studio	150,000
The Office of the Assistant to the Headmaster	125,000
The Financial Management Offices	75,000
The Costume Room	75,000
A Dressing Room	50,000
A Make-Up Room	50,000
A Theatre Office (3 available)	50,000
A Conference - Seminar Room	50,000
The Summer Opportunities Office	50,000
The Costume Storage Room	50,000

In closing, we hope you will want to become a significant part of the George Washington Hall fund-raising project and will plan to join us for the gala dinner with Jack Lemmon '43 preceding the grand opening night performance in the new GW theater. We want you to share this landmark Andover moment with us.

Sincerely,


Richard Goodyear
Chairman

RG:njg
Enclosures

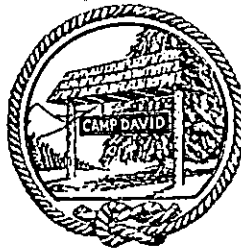
Mr. President -

*You have already done your part,
I know, for which I thank you -*

With all best wishes -



Deliver to Adm Howe asap



March 14, 1992

To: Admiral Howe

From: The President

Subject: Russian Econ Program

I just want to be sure that you have seen the attached letter from Brady. It looks like decision time lies just as short way down the road.

Brent should see this and also JAB III.

We can talk about this Monday.

GB

CB

cc: Brady file
mtg took place -
3/19

File
we will meet
on the subject
the week.

FROM THE PRESIDENT

~~CONFIDENTIAL~~



THE SECRETARY OF THE TREASURY
WASHINGTON

March 13, 1992

R2
[7] need
this week
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MEMORANDUM FOR THE PRESIDENT

FROM: NICHOLAS F. BRADY *ZFN*
SUBJECT: Support for Russian Economic Reform Program

The question of western financial support for Russia's economic reform program has moved to the point where it will require some major decisions prior to your meeting with Chancellor Kohl.

On March 10, Russia reached agreement with the IMF on an economic reform program, including a preliminary agreement on the magnitude of Russia's balance of payments financing requirements for 1992. The reform program agreed by Russia is in the form of a so-called "shadow" program, which means it is not a full standby program with the IMF involving access to IMF resources. The next step is that Russia will begin negotiations to convert the "shadow" program into a full IMF standby program to be put in place when Russia formally joins the Fund in early May. At that point, Russia will be able to draw significant resources from the IMF and the World Bank. Simultaneously, Russia will look to western governments to finalize formal commitments of financial support, including possibly a Currency Stabilization Fund for the ruble.

I have set out below the timetable of events from now through the Economic Summit in early July, by which time western financial support for Russia will have to be fully in place.

1. March 10 -- Russia and IMF agreed "Shadow" program, including agreed balance of payments financing projections for 1992.
2. March 17-18 -- David Mulford talks/meets with Horst Koehler, Chancellor Kohl's Sherpa and German Financial Deputy, to discuss Russian financial requirements and Currency Stabilization Fund.
3. March 21 -- Chancellor Kohl visits Camp David where he will raise Russian finance issues, including CSF and the G-7's answer to Yeltsin's December 6th letter, formally requesting financial support.

~~CONFIDENTIAL~~: DECL/OADR
Classified by David C. Mulford

DECLASSIFIED
PER DOS WAIVER, November 6, 2015
By MC NARA, Date 6/7/24

4. April 6-8 -- Yeltsin faces session of Russian Supreme Soviet which is expected to be stormy. His reform efforts will be under attack. Yeltsin has urged us to send signal of support prior to this meeting, including support for Russian balance of payments and CSF.
5. April 27-28 -- Spring meetings of the Interim and Development Committees where G-7 Finance Ministers will meet to discuss details of Russian financial support and Russia will be approved for IMF membership.
6. Mid-May -- Russian IMF membership formalized with Russian standby program forwarded to IMF Board. This will be followed by full membership in the World Bank.
7. Early June -- First disbursement of IMF money to support Russian reform program and probable implementation of Currency Stabilization Fund.
8. July 6 -- Munich Economic Summit.

Next week we need to reach conclusions on financial support for Russia, including our position on a Currency Stabilization Fund. Public statements may be required on these matters at the time of Chancellor Kohl's visit next Saturday. Kohl will probably push hard to respond on the behalf of the G-7 to Yeltsin's request for support so that Yeltsin can strengthen his position for the early April session of the Russian Supreme Soviet.

The provision of financial resources by the western countries will also require consideration of related issues, such as the IMF quota increase legislation and the Currency Stabilization Fund concept for the Russians. These matters will require important consultations with the Congressional leadership not only on Russian financial assistance, but also on the related issues.

I understand Brent will be on vacation next week but perhaps we could get him on a conference call before David Mulford has his German discussions on March 17 or 18.

cc: Brent Scowcroft

daily 3/19

Israel

Loan

Guarantee

File

POTUS

NO ADMINISTRATION HAS WORKED UNDER TO ACHIEVE FREE IMMIGRATION
OF SOVIET JEWS THAN WE HAVE.

I WOULD LIKE TO FIND A WAY TO PROVIDE LOAN GUARANTEES ON THE
BASIS OF U.S. POLICY.

I AM INSISTING ON ONE FUNDAMENTAL REQUIREMENT: ANY NEW LOAN
GUARANTEE PROGRAM MUST BE CONSISTENT WITH USG POLICY SINCE 1967
THAT SETTLEMENTS ARE AN OBSTACLE TO PEACE.

WE PUT FORWARD TO THE GOI AND THE CONGRESS AN EXTRAORDINARY
PROPOSAL TO BRIDGE THE GAP BETWEEN THE GOI AND THE USG.

IT'S FAIR AND IT'S BALANCED, BUT I WILL NOT SUPPORT ANY PROGRAM
THAT COMPELS THIS ADMINISTRATION TO ISSUE LOAN GUARANTEES FIRST,
THEN ASK QUESTIONS LATER.

I HAVE A RESPONSIBILITY TO OUR POLICY AND I HAVE A RESPONSIBILITY
TO THE TAXPAYERS.

Leahy-Kasten gives the Administration 90% of what it wants in this legislation. You are being inflexible, not negotiating in good faith.

From the outset of these negotiations we made clear that the Administration would support loan guarantees under acceptable terms and conditions. We have made clear that any loan guarantee program must support fundamental US policy that settlements are an obstacle to peace. While it is true that Leahy-Kasten allows for fungibility, there is no connection in their legislation between housing starts and loan guarantees. Leahy-Kasten compels the President to issue \$850 million in guarantees with no conditions within 30 days. The legislation compels the President to release the remaining FY 92 amount within 90 days. It does not allow the Administration the room to negotiate agreements or clarify which housing construction is agreed between the parties. It allows the Congress to override the President's decision if Congress disagrees with the amount of guarantees in the first year.

The Administration refuses to meet the government of Israel halfway. We have our ideology to protect, but so do the Israelis.

We met the Israelis more than halfway starting with our very first proposal. It has been US policy since 1967 that settlements are an obstacle to peace. We have said that we will provide loan guarantees to Israel under this new program consistent with US policy. In recognition of Israeli policy, we proposed an extraordinary plan that would enable Israel to continue to build for at least 18 months and still get guarantees.

Under the Administration proposal, the Israelis may not get any guarantees no matter how many concessions it makes to US concerns.

The Administration agrees to provide \$300 million in the first tranche of guarantees as soon as agreements are negotiated and financial considerations are worked out. After that, the President retains full discretion to issue--or not issue--guarantees. That will allow the President the flexibility to administer the program taking into consideration housing construction activity as well as Israel's needs.

Leahy-Kasten gives the President plenty of discretion. After the initial \$850 million tranche, the President can suspend guarantees any time he certifies inappropriate construction.

Under Leahy-Kasten the President may suspend only one fiscal year at a time. No matter how severely the Israelis violate the "no new housing starts" condition, each year the President must first make guarantees available and any suspension is not effective immediately. Suspensions are also subject to Congressional disapproval procedures.

The President has full discretion to determine the amount and timing of guarantees after the first year.

Under Leahy-Kasten, the President must determine and report to Congress at the beginning of each FY the amount of guarantees to be made available that year based on Israel's needs. Further, once determined, the guarantees must be issued in increments as requested by the Government of Israel, and committed within 30 days and issued within 60 days, all at Israel's discretion. Therefore, in FY 93, if the President determines that GOI is eligible for \$2 billion in guarantees the Administration is required, if Israel requests, to issue the full amount of guarantees within 60 days. Thus, the Administration has no leverage to ensure the continued cooperation of the GOI on housing construction since the full year's guarantees would likely be requested within 60 days each new fiscal year.

The Administration "sticks it to" the Israelis by including language that specifies what is inappropriate construction and that only up to 5500 units may be completed and by forcing the Israelis to agree to on-site inspection to mark the sites and monitor construction.

The Administration is serious that, if we are to support a new \$10 billion loan guarantee program, we expect the Israelis to halt new construction. To avoid the possibility of misunderstanding, we should be very clear on what is acceptable housing construction and what is not. Specifying the number, marking the sites, and monitoring construction ensures that the standards are spelled out clearly to avoid confusion or misunderstanding later.

Why must the program be spent over 6 years, rather than 5 years as the Israelis requested.

First, we are already halfway through this FY. Under Leahy-Kasten, the GOI could receive more than \$3 billion in loans in calendar year 1992. We question if the GOI needs this large an amount so quickly. Secondly, the purpose of conditions is to encourage Israeli cooperation to halt new construction. Under Leahy-Kasten, the Administration could be required to issue at least \$3 billion in guarantees by the end of this calendar year, yet the Israelis could then resume building. This is not acceptable to us. Thirdly, the Administration must be able to assure all parties at the peace table that we are not in fact financing new construction in the territories. Any funds should be tranced in reasonable increments and over a reasonable period of time so we can continually monitor Israeli construction activity.

The President may choose not to issue any guarantees in reaction to any foreign policy disagreement between the US and the GOI. This is a humanitarian program. It should not be subject to the whims of policy disagreements between governments.

While we generally agree that guarantees should be provided based on need and immigration, the President should have the right to suspend the program in the event of egregious behavior or compelling foreign policy considerations.

Why should the President have the right to terminate the program.

Under Leahy-Kasten, if the GOI begins new construction unacceptable to the Administration, the President could suspend any guarantees still available that year. However, no matter what the volume or extent of building, the President would still be compelled to make guarantees available the next fiscal year and then go through a new suspension process. If at any point the Israelis engage in new construction activity so egregious as to cause a halt in loan guarantees, the President should have the right to terminate the program. These conditions would be meaningless if each year the Israelis could receive the guarantees, build, and still be available to receive guarantees the next year. This would make a mockery of our peace negotiations.

Subjecting the guarantees to the conclusion of agreements could delay the issuance of guarantees.

We need assurances and commitments directly from the Israelis on matters such as on-site inspections. We are confident that the US and Israel could negotiate these agreements quickly.

Last September, the Administration asked the Government of Israel and the Congress to delay the request for \$10 billion in loan guarantees.

At that time, the Administration was engaged in delicate negotiations with numerous parties to bring about a Middle East peace process. We were concerned then that debate and dialogue over the loan guarantees issue at that time could disrupt, even derail, our efforts to bring about a Middle East peace process.

We now have an active, ongoing, historic Middle East peace process underway. While it is an unpredictable process and a slow moving process, we have successfully brought about an historic opportunity for all the parties in the Middle East to negotiate peace.

When the loan guarantee request was postponed last September, the Administration pledged to resume discussions with the Congress and the GOI in January on a loan guarantee program under terms and conditions acceptable to the Administration. We have done this.

During the past three months, the President and the Secretary of State have held numerous discussions with Members of Congress and with the GOI on an acceptable loan guarantee program. We exchanged many ideas.

The Administration insisted on one fundamental requirement: that any new loan guarantee program be consistent with USG policy since 1967 that settlements are an obstacle to peace.

The proposal the Administration put forward to the GOI and the Congress was an extraordinary effort to bridge the gap between the fundamental policy differences of the GOI and the USG on settlements.

In fact, the Administration proposed two alternatives. Secretary Baker outlined in Congressional testimony in February. First, the U.S. would immediately agree to a \$10 billion 5-year loan guarantee program for Israel if the GOI would agree to halt all settlement activity. That proposal was not acceptable to Israel. As an alternative, the Administration proposed that the U.S. would support a guarantee program staggered over a slightly longer period of time if the GOI would agree to halt new construction activity in the territories.

Our proposal would have allowed the GOI to continue to build for as long as 18 months (by their own estimations) and still receive loan guarantees. Again, this was not acceptable to the GOI or the Congress.

Every proposal we have received from the Congress since January fails to make the fundamental connection between new construction and loan guarantees.

The Congress has asked the Administration to issue loan guarantees first, then ask questions later.

That is unacceptable.

The Administration should have the right to stagger these guarantees in such a way that allows us to continually monitor housing construction activity. The Administration should have the right to stop the guarantees if new housing construction continues and expands.

Let me repeat. The Administration wants a loan guarantee program that supports U.S. policy.

No Administration has worked harder to achieve free immigration of Soviet Jews than we have. It is the right thing to do. And, we have supported Israel's efforts to absorb those immigrants who have chosen to leave. However, we are not prepared to accept a loan guarantee program which provides \$10 billion in USG guarantees to the GOI to pursue policies which contradict U.S. policy since 1967.

Settlements are an obstacle to peace. Loan guarantees provided by the USG to the GOI must further, not undermine U.S. policy.

The choice is Israel's.

From the desk of
George Bush

Done

Document Originally
Attached to
Following Page

done personally RMM
Blind cc: (FYI)
Brent Scowcroft
Richard Haass
Jim Baker (EYES ONLY)

THE WHITE HOUSE
WASHINGTON

March 19, 1992

*daily - 3/19
(back up
not given to
central files)*

Dear George:

I have now had the chance to read your letter with the care it deserves. I want you to know that I appreciate your sending it to me; one should never assume that Presidents get the benefit of what people are truly thinking. What you have to say pains me, but I thank you for being a true friend and saying it.

I, too, am anguished over the loan guarantee issue. Having helped bring about the massive immigration, I would like nothing more than to help see it through, but Israeli settlement activity leaves me little choice. I could not alter long-standing U.S. policy and still be a force for peace. We say that settlements are an obstacle to peace, and they are. I do not exaggerate when I tell you that more than anything else Israel is saying or doing, settlements are undermining those forces in the Arab world that at long last are ready to reach out and live in peace with Israel.

Some people here and in Israel suggest that the loan guarantees are solely humanitarian and that we ought not to make them political. But I would argue that it is the settlements that have made this issue political and that in any event peace is also a humanitarian goal. The new immigrants and indeed all Israelis deserve and need peace -- real peace along the lines I described in Madrid -- if Israel and its people are to thrive. What makes this all so critical is the fact that we finally have a peace process worthy of the name. Nothing should be allowed to jeopardize its prospects; and let me add that we do now have a peace process that was put together in very large part on Israel's terms. For over 40

years Israel has wanted to sit in face-to-face negotiations with its Arab neighbors. We have produced just that. The Arabs know full well that we cannot and will not impose our preferences on Israel. Nor will we link aid vital to Israel's security to policy questions. Our fundamental commitment to Israel is just that -- fundamental. Please know this, for it comes from the heart as well as the head.

I hope the guarantee question can still be worked out. I recently proposed a compromise that would enable Israel to receive the full \$10 billion. The only part reported in the press was \$300 million up front. This proposal was rejected by certain key senators. I still would like this matter resolved. Quite frankly, it will depend upon the priorities of those in Israel's government. But whatever happens, it is essential that this issue not be allowed to weaken, much less cast doubt upon, the core relationship between the United States and Israel. No one should permit disagreement over this or some other policy to affect the foundation of a relationship that has served both countries well for nearly half a century. I for one will do my part to make sure it does not.

George, it is in all candor that I tell you I write this response to your letter with more than a little frustration. I know there is a tendency to add up all the areas where we and Israel have disagreed over the past three years and assume that it represents a trend and a departure from the past. I do not want to raise up all the disputes from previous decades, although I would point out that the past was not always quite the golden age that some remember it to be. Rather, I would prefer to remind people of what we did on Ethiopian and Soviet Jewry, on repealing Zionism is Racism, on defeating aggression during the Gulf

War, on convening Madrid and Moscow and the bilateral and multilateral talks to follow. My guess is that historians will look at today's controversy and wonder what much of the fuss was about. There have been and are important differences between our two countries, but no less important are the many examples of cooperation. With so much at stake, we cannot afford to lose perspective.

I have come to believe that the measure of a good relationship is not the ability to agree, but rather the ability to disagree on specifics without placing fundamentals at risk. We do this all the time with Britain; we should manage to do it with Israel. Without assigning responsibility or blame, let me simply say that I am certain that we in the Administration can and need to do better at making this relationship succeed. I will do all that I can to see that the current strains do not grow worse but to the contrary are put behind us, so we can begin to restore with Israel the sort of relationship that you and I both seek.

Thank you again for writing. As always, I appreciate your counsel and value our friendship.

Sincerely,

A handwritten signature in dark ink, appearing to be 'GK' with a long, sweeping diagonal stroke extending from the bottom right.

Mr. George Klein
499 Park Avenue
New York, New York 10022

P.S. If you want to chat after you digest this letter, please give me a call. Rose Zamaria will be sure I get it.

George Klein

March 16, 1992

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I am writing this letter with a heavy heart. I have had the privilege of working closely with you for many years and I consider myself a personal friend of yours and of your entire family.

I am proud of our friendship and that I could always be open and honest with you in our many discussions. I've been your ardent supporter and have always acted correctly in maintaining our conversations in a confidential manner.

As you know, for the past twenty years I've been involved and active in the Republican Party and for the last few years I served as Co-Chairman of the National Jewish Coalition. In that position, I worked closely with your staff and with Republican members of the Senate, the House and the Republican National Committee.

Last month, the Coalition asked me to serve as National Chairman and I accepted this responsibility for I believed I could be useful to you, our country and the Jewish community. As you will recall, I've applauded the numerous accomplishments that you have achieved for our country in the domestic area and especially relating to your foreign policy. More specifically, your success with the Soviet Union, your heroic achievement in the Gulf War and your support of Israel and Soviet and Ethiopian Jewry.

You will also remember the times that, privately, I could not agree with some of your specific policies regarding our relationship with our ally, Israel. These included your policy regarding settling East Jerusalem, our one-sided votes of condemnation of Israel in the United Nations and, most recently, your policy regarding the linkage of loan guarantees with the question of settlements.

I know that reasonable men can differ on policy but now a line has been crossed that is of such a fundamental nature that your policy of support of Israel is now being seriously questioned by our community.

I know of your lifelong deep and moral commitment to Israel as a strong and viable ally and as a haven for oppressed Jews. Your record of assisting Soviet Jews to emigrate to Israel and your personal intervention on behalf of rescuing Ethiopian Jewry is outstanding. But, I am now afraid that the concept of linking our humanitarian aid to Israeli settlement policies could weaken our relationship and our commitment to Israel. I feel personally misled in that key members of your administration have assured me on a number of occasions that there would not be linkage of our humanitarian aid to Israel.

This concept of linking humanitarian aid to Israeli defensive or political policies establishes a dangerous precedent that potentially has no end. Not only will it encourage the Palestinians and the Arab states to rely upon the United States to pressure Israel instead of negotiating with them in good faith, but it may isolate Israel in the world arena and delegitimize its sovereignty as an independent nation and strong ally of the United States. I am afraid we are losing our role as an honest broker in these important peace negotiations.

I am deeply disturbed by events of the past few months and by a perceived major shift in your policy towards Israel that I must question whether ~~your commitment has changed in your strong support of Israel.~~ I pray that my concerns and fears are unfounded and I hope you will give me the opportunity to share my thoughts with you personally.

With kindest regards,

Sincerely yours,



George Klein

NATIONAL SECURITY COUNCIL

March 18, 1992

Mr. President:

Attached is some language for you to draw upon in getting back to George Klein. I could not agree with you more about the man. I also think he is a good friend for having the honesty and courage to bear his soul to you. I would think it was not easy for him. As you might expect, what he has to say resembles what I am hearing from many others in the Jewish community.

One substantive point. He writes that he feels misled by having been assured that there would be no linkage of our humanitarian aid to Israel. I do not know who or what he is referring to, but I would point out that in the technical sense there is no such linkage, as economic aid (which does not include loan guarantees) is not affected. I wonder if this might be the source of any misunderstanding? In any event, I do not mention this in the draft response so as not to obscure the basic issues he raises.



Richard Haass

THE WHITE HOUSE
WASHINGTON

P E R S O N A L

DATE: March 18, 1992

FROM THE PRESIDENT

To: Richard Haass

George Klein is a wonderful human being.

Would you kindly give me some help in replying to his letter -- a suggested draft I can personalize would be most helpful.

cc: Brent Scowcroft

THE WHITE HOUSE
WASHINGTON

DATE:

FROM THE PRESIDENT

TO: Richard Haas
cc. Brent

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THE WHITE HOUSE
WASHINGTON

Blind cc:
Brent Scowcroft
Richard Haass

JAB yes only

March 19, 1992

Dear George:

I have now had the chance to read your letter with the care it deserves. I want you to know that I appreciate your sending it to me; one should never assume that Presidents get the benefit of what people are truly thinking. What you have to say pains me, but I thank you for being a true friend and saying it.

I, too, am anguished over the loan guarantee issue. Having helped bring about the massive immigration, I would like nothing more than to help see it through, but Israeli settlement activity leaves me little choice. I could not alter long-standing U.S. policy and still be a force for peace. We say that settlements are an obstacle to peace, and they are. I do not exaggerate when I tell you that more than anything else Israel is saying or doing, settlements are undermining those forces in the Arab world that at long last are ready to reach out and live in peace with Israel.

Some people here and in Israel suggest that the loan guarantees are solely humanitarian and that we ought not to make them political. But I would argue that it is the settlements that have made this issue political and that in any event peace is also a humanitarian goal. The new immigrants and indeed all Israelis deserve and need peace -- real peace along the lines I described in Madrid -- if Israel and its people are to thrive. What makes this all so critical is the fact that we finally have a peace process worthy of the name. Nothing should be allowed to jeopardize its prospects; and let me add

that we do now have a peace process that was put together in very large part on Israel's terms. For over 40 years Israel has wanted to sit in face to face negotiations with its Arab neighbors. We have produced just that

~~If there are those in the Arab world who see in this a precedent, they will be sorely disappointed.~~ The Arabs know full well that we cannot and will not impose our preferences on Israel. Nor will we link aid vital to Israel's security to policy questions. Our fundamental commitment to Israel is just that -- fundamental. Please know this, for it comes from the heart as well as the head.

I hope the guarantee question can still be worked out. I recently proposed a compromise that would enable Israel to receive the full \$10 billion. The only part reported in the press was \$300 million up front. This proposal was ~~received~~ *rejected* by certain key senators. I still would like this matter resolved. Quite frankly, it will depend upon the priorities of those in Israel's government. But whatever happens, it is essential that this issue not be allowed to weaken, much less cast doubt upon, the core relationship between the United States and Israel. No one should permit disagreement over this or some other policy to affect the foundation of a relationship that has served both countries well for nearly half a century. I for one will do my part to make sure it does not.

George, it is in all candor that I tell you I write this response to your letter with more than a little frustration. I know there is a tendency to add up all the areas where we and Israel have disagreed over the past three years and assume that it represents a trend and a departure from the past. I do not want to raise up all the disputes from previous decades, although I would point out that the past was not always quite the golden age that some remember it to be. Rather, I would prefer to remind people of what we did on Ethiopian and Soviet Jewry, on repealing Zionism is Racism, on defeating aggression during the Gulf

bilateral and multilateral talks to follow. My guess is that historians will look at today's controversy and wonder what much of the fuss was about. There have been and are important differences between our two countries, but no less important are the many examples of cooperation. With so much at stake, we cannot afford to lose perspective.

I have come to believe that the measure of a good relationship is not the ability to agree, but rather the ability to disagree on specifics without placing fundamentals at risk. We do this all the time with Britain; we should manage to do it with Israel. Without assigning responsibility or blame, let me simply say that I am certain that we in the Administration can and need to do better at making this relationship succeed. I will do all that I can to see that the current strains do not grow worse but to the contrary are put behind us, so we can begin to restore with Israel the sort of relationship that you and I both seek.

Thank you again for writing. As always, I appreciate your counsel and value our friendship.

Sincerely,

Mr. George Klein
499 Park Avenue
New York, New York 10022

P.S. If you want to chat after you digest this letter, please give me a call. Rose Zamaria will be sure I get it.

draft response from President to George Klein:

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give me a call. Rose Zamania will
be sure I get it.*

From the desk of
George Bush

Have typed
asap
mail today
2 attach
bcc Final
send to Rick



Document Originally
Attached to
Following Page



THE PRESIDENT

3-19

Richard

Your draft was perfect
sensitive and principled.

I mailed the attached
(hold close) today — (2 sentences
added) — May thanks. *GB*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Richard N. Haass
Special Assistant to the President
and Senior Director for Near
East and South Asian Affairs

(By Hand)

Mr. George Klein
499 Park Avenue
New York, New York 10022

Blind cc: (FYI)
Brent Scowcroft
Richard Haass

Jim Baker (EYES
ONLY)

*done 2/19
Rau 2/22*

THE WHITE HOUSE
WASHINGTON

March 19, 1992

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JA

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Sincerely,



Mr. George Klein
499 Park Avenue
New York, New York 10022

P.S. If you want to chat after you digest this letter, please give me a call. Rose Zamaria will be sure I get it.

Mr. Leland Thompson, Jr.
P.O. Box 1345
Sante Fe, New Mexico 87504

cc: (all)
Rose Zamaria
(1 copy)



THE PRESIDENT

3-19-92

Dear Leland,

Damn it - I heard from
Bobbie Kilburg that you've
not been well. This is just to
wish you all best for a speedy
recovery.

The Elections have gone OK
but it's ugly out there -

Good Luck, All Best -

Gay

Bar sends love to you and
Evaline

March 18, 1992

Rose,

Bobbie Kilberg called and asked me to pass along to you for the President:

Leland Thompson has been diagnosed with prostate cancer. He has been receiving daily treatments of radiation. He is in Santa Fe now (505) 471-1532. Address: Post Office Box 1345, Santa Fe, New Mexico, 87504.

Bobbie added that Leland's wife, Evaline, had an eye operation 3 weeks ago.

Bridget

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Jim Harbaugh
250 North Washington Road
Lake Forest, Illinois 60045



THE PRESIDENT

March 19, 1992

Dear Jim:

Just a quick note of thanks for that wonderful Bears jacket. I know it will get plenty of use in the years to come.*

It was great seeing you, Mike Singletary, and Kevin Butler during my all-too-short visit to Chicago.

Good luck to you and all the Bears next season.

Sincerely,

* It's fantastic

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

cc:
✓ Rose Zamaria
(1 copy)
Nikki Richnow
(Gift Unit)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MARCH 19, 1992
6:00 A.M. EST EDITION

NATIONAL NEWS

CLINTON STAFF LOOKS TO FALL RUN AT BUSH -- The Democratic presidential race entered a new phase Wednesday, with Gov. Clinton looking toward the New York primary to certify his claim to the nomination as his campaign staff began tentative preparations for a general election contest against President Bush.

(Washington Post)

A PROGRAM FOR JUNKING OLD CARS -- The Bush Administration said Wednesday it wants companies with pollution problems to buy junk cars in a campaign to clean up the air while cutting the costs of meeting new environmental rules.

(Washington Post, Washington Times)

INTERNATIONAL NEWS

BUSH WINS ON CHINESE TRADE STATUS -- The Senate Wednesday sustained President Bush's veto of legislation to impose tough conditions on renewing trade privileges for China. (Washington Post, USA Today)

U.S. CONSIDERS OPTIONS TO COUNTER IRAQ -- The White House has received from the Pentagon a list of options, including military bombing plans, intended to force Iraq to comply with U.N. efforts to destroy Saddam Hussein's military arsenal, senior officials said Wednesday.

(Washington Post, New York Times)

NETWORK NEWS (Wednesday evening)

CAMPAIGN -- Patrick Buchanan conceded that only "celestial intervention" can keep President Bush from winning renomination.

CASH FOR CLUNKERS -- The Bush Administration announced a new plan to get the oldest and dirtiest cars off the road.

LOAN GUARANTEES -- The Bush Administration and Israel have reached a deadlock over Israel's request for \$10 billion in U.S. loan guarantees.

NATIONAL NEWS.....A-1

INTERNATIONAL NEWS...A-8

NETWORK NEWS.....B-1

NATIONAL NEWS

CLINTON STAFF LOOKS TO FALL RUN AT BUSH

The Democratic presidential race entered a new phase Wednesday, with Gov. Clinton looking toward the New York primary to certify his claim to the nomination as his campaign staff began tentative preparations for a general election contest against President Bush....

Democratic National Committee Chairman Ron Brown and other officials are likely to be in contact with all the Democratic campaigns over the next few days to discuss the state of the race and the party's desire to rally around a nominee....

Gov. Clinton, in the words of one Democrat, also "has a lot of politics to clean up" before he can safely look ahead to the general election campaign. Members of Congress still express reservations about Clinton as the party's nominee....

Even before Tuesday's victories, Clinton's advisers began thinking about the transition from the politics of winning primaries and caucuses to the general election campaign. Jack Martin, a Texas Democratic strategist, said "He's got to be able to demonstrate that he's capable of being in the same ball game as Bush."

(Dan Balz, Washington Post, A14)

BUSH, BUCHANAN CAMPS REACH AN UNDERSTANDING

The two Republican presidential campaigns have reached an implicit understanding that President Bush will let Patrick Buchanan play a role in the Republican National Convention if Buchanan makes good on his promise to stop attacking Bush and strongly endorses him, campaign officials said Wednesday.

Buchanan, in a news conference that focused much more on party unity than on his usual anti-Bush rhetoric, signaled that he was ending the most bellicose phase of his campaign by announcing that he would stop running negative ads and expected Bush to do the same....

Meanwhile, Bush campaign officials said Wednesday that an understanding of sorts has been struck between the Bush and Buchanan camps. While the two campaigns do not say Buchanan has been explicitly promised a chance to address the convention, Bush's advisers said a tacit understanding has been reached based largely on Buchanan's pledge to stop the personal attacks on Bush. The aides, who previously had said they would not allow Buchanan to participate in the convention if he remained in the race until the California primary, now say it is all right for Buchanan to continue campaigning as long as he does not target Bush for criticism.

"That is a big help, that he isn't attacking the President," Bush's senior campaign adviser, Charles Black, said in an interview Wednesday. Black, while insisting that no one from the Bush camp has directly made a deal with Buchanan, said he frequently talks to Buchanan's friends and lets them know what the Bush campaign would like Buchanan to do. Other advisers said that "an understanding" has been reached between the two campaigns.

(Michael Kranish, Boston Globe)

REPUBLICAN ANALYSTS DEBATE BUCHANAN'S ROLE, FUTURE

DETROIT -- Patrick Buchanan controls his own political destiny now that President Bush has all but sown up the Republican presidential nomination, several political analysts agreed Wednesday. If Buchanan wants to emerge as the leader of the conservative movement or run as a credible contender for the 1996 GOP nomination, he must tone down his attacks on Bush and effectively remove himself from the race, said Stuart Rothenberg and other political strategists....

The White House, meanwhile, focused beyond Buchanan to the November match with the Democrats. Charles Black, a senior adviser to the Bush campaign, said the President would have no difficulty regaining the disaffected voters who lined up behind Buchanan. "In the general election, when it's the choice of President Bush versus the liberal Democratic nominee...they'll be back to support the President," he said....

Wednesday, Buchanan insisted that his carping at Bush makes the President a better November candidate. Sen. Gramm agreed that logistically "it has forced the President's campaign to go through spring training."
(Susan Fenney, Dallas Morning News)

SPECTER OF OTHER SKELETONS FILLS DEMOCRATS WITH DREAD

Even as Gov. Clinton pulls ahead of the Democratic presidential field, an AP survey indicates nagging unease among some state party officials that there may be another "shoe to fall" regarding Clinton. "The fact the Republicans are so quiet about Clinton probably means they have something they're waiting to use," said John Bird of Kansas. "That's what worries me."

(Donald Rothberg, AP, Washington Times, A1)

ANTI-WASHINGTON SALVO FANS PEROT DRAFT EFFORT**Texas Billionaire Eyes Independent Run**

Gov. Clinton and President Bush rolled up big victories in Michigan and Illinois, but: Patrick Buchanan is staying in. Paul Tsongas is staying in. Jerry Brown is staying in. Ross Perot may be getting in. The outspoken Texas billionaire blasted the presidential candidates of both parties Wednesday and repeated his promise to run as an independent in November if supporters around the country succeed in getting his name on the ballot in all 50 states.
(William Booth & David Drehle, Washington Post, A14)

AIDE IN BUSH CAMP IS LINKED TO BCCI

A leader of President Bush's reelection campaign, James Lake, was urged to resign Wednesday because of his links to the scandal-ridden Bank of Credit and Commerce International. Lake, the campaign's deputy manager, has received more than \$200,000 for public relations work for BCCI's principal owner, the Abu Dhabi Investment Authority, run by Abu Dhabi's rulers.... Dhabi's role in the scandal is still an "unanswered question," says Sen. Kerry.... Lake and the Bush campaign deny any conflict of interest. "With all due respect, Sen. Kerry is just playing politics," says Torie Clark, Bush campaign spokeswoman.

(Capital Line, USA Today, 4A)

BCCI CLIENTS OFFERED PROSTITUTES, HILL TOLD

Drug-money laundering, bribery, arms merchants and noteworthy politicians. The global scandal of the Bank of Credit and Commerce International had almost everything it needed to be a major motion picture -- except sex. Now it has that, too....

At the beginning of Wednesday's Senate foreign relations subcommittee hearing, Sen. Kerry called for James Lake, deputy campaign chairman for President Bush, "to either resign from representing Sheik Zayed or, more appropriately, to resign from the Bush campaign." Sheik Zayed and the royal family of Abu Dhabi owned 70 percent of BCCI's stock. Lake did public relations work for Abu Dhabi.
(Sharon Walsh, Washington Post, A1)

EDITOR'S NOTES: "Bush Camp Is Unnerved By Prospect Of Facing Another Texan -- Ross Perot," by Jill Abramson & Michel McQueen, appears in The Wall Street Journal, page A16.

"Bush, Clinton Appear Headed For Victory," by John Dillin, appears in The Christian Science Monitor, page 1.

DESPITE UPBEAT NEWS, ECONOMIC DANGERS REMAIN

While various economic barometers appear to have turned up in recent weeks, private economists and the Bush Administration are worried about a number of dangers that could short-circuit a recovery. Secretary Brady keeps reminding audiences that unless the Fed makes sure the nation's money supply keeps expanding, the apparent resurgence could be imperiled. Private economists are worried about a number of problems, from rising mortgage rates and persistent job layoffs to threats that America's export boom could falter....

Many analysts were looking for jobless claims to dip slightly for the first week in March while they forecast that the merchandise trade deficit would decline as well. However, analysts said that the trade improvement was likely to be short lived.

Such a development would be a major blow for the Bush Administration where officials are counting on further strong export growth to help propel the recovery and help to blunt criticism from presidential opponents that the Administration has not done enough to lower barriers to American products in such markets as Japan.
(Martin Crutsinger, AP)

ECONOMY IMPROVING, FED SAYS

The Fed Wednesday noted signs of life from the U.S. economy during February, but its report was tempered by evidence of continued weakness in commercial real estate, manufacturing employment and in demand for bank loans.

In its periodic survey of 12 regional Fed districts, the notoriously circumspect central bank cited "some improvement in economic conditions" and called business sentiment "cautious" but "modestly more optimistic in many parts of the country."...

But the Fed also warned that many sectors are stagnant. The agency said that "commercial construction remains moribund" and bank loan demand "is best described as flat."

(Steven Mufson, Washington Post, D10)

Fed Upbeat As Regions Show Gains

..."I think we have a recovery going here," says Robert Brusca, chief economist at Nikko Securities Co. International. At the White House, officials are still cautious. "We've had two months of noticeable improvement...but we need that to continue longer" before a recovery is assured, said Michael Boskin, chairman of the President's Council of Economic Advisers.

(Mark Memmott, USA Today, A1)

BUSH EXPECTED TO BACK OFF ON THREAT TO HILL

Division and confusion in the White House and reelection team suggest President Bush's retaliation against Congress for neglecting his economic package will be less than a knockout blow.

"It will most likely just be a slap on the hand," an Administration official said of Congress' failure to take action by tomorrow.... But the tough talk has been quieted, several officials said, and a softer response will disappoint those seeking an aggressive attack and legislative countermeasures. "Don't look for anything bold," said one Bush adviser.

Part of the problem in reacting to Congress' inaction is a dispute among Administration and reelection officials on what to do and how to do it....

In ignoring calls to use a line-item veto or index capital gains taxes, Bush angers conservatives who feel he is caving to Congress. "They really do believe the good fairy will save them," said Burton Pines, senior vice president of the Heritage Foundation.... Pines scoffed at White House plans to use a news conference to retaliate against Congress.... For the White House, he said, "It's the equinox and they are going to put on elf suits and dance around the bonfire in the Rose Garden." Pines accused the Administration of lacking vision. "These guys don't think past 48 hours," he said.

(Paul Bedard, Washington Times, A4)

DEMOCRATIC NEGOTIATORS SEEK TAX-CUT ACCORD, BUSH VETO AWAITS

Senior tax writers from the House and Senate began trying to compromise their differences on a middle-class tax cut Wednesday, knowing in advance that President Bush was almost certain to veto whatever they do.

"The President says this is veto bait," Sen. Bentsen told colleagues before the meeting. "But I don't think the American people see it that way. The American people want results, not bickering."...

Sen. Dole said polls taken during the primary elections Tuesday in Michigan showed people clearly more interested in job creation than in tax cuts. "This bill does not create any jobs," he said.

(Jim Luther, AP)

POLL SHOWS AMERICANS AMBIVALENT ABOUT TAX CUT

As House and Senate negotiators Wednesday began debating proposals providing tax relief for lower- and middle-income people at the expense of the wealthy, a new Washington Post survey showed that Americans are divided over whether President Bush should veto the tax bill as he has threatened.

The survey also found that Americans are split over whether they want a middle-class tax cut if it means increasing the federal budget deficit, as some fear will occur....

"People quite naturally feel they are burdened by taxes," said Tom Smith, a political scientist and director of the General Social Survey at the University of Chicago. "So if you ask them just about reducing taxes, they'll say, 'Sure.' On the other hand, it is clear that people are very concerned about the deficit."

The result, he said, is that the ultimate success or failure of any tax cut measure will be based on whether most Americans come to believe that they will benefit personally from any plan, and how the issue "gets defined in the public's mind as either 'tax cut -- a stimulant to the economy' or 'tax cut -- another big increase in the deficit,'" Smith said....

Rep. Panetta said Wednesday that the House Bank scandal has left members even more reluctant to take on controversial legislation. "Members just don't want to be put in a position to have to adjust the budget agreement in any way because they are fighting for their survival," Panetta said.

(Eric Pianin & Richard Morin, Washington Post, A8)

**A PROGRAM FOR JUNKING OLD CARS
Credits An Incentive In Pollution Fight**

The Bush Administration said Wednesday it wants companies with pollution problems to buy junk cars in a campaign to clean up the air while cutting the costs of meeting new environmental rules....

The Bush program is viewed by detractors as a sop to industries trying to evade federal clean-air rules. "It's an ineffective and costly clunker," said Clarence Ditlow, executive director of the Washington-based Center for Auto Safety. In effect, the program would allow companies to continue polluting the air in return for removing polluting cars, Ditlow said. Such a swap will do little to clean up the environment, but it could do much to hurt poor consumers in an era of escalating new- and used-car prices, he said.

Bush Administration officials disagreed. The "primary purpose" of the Cash-for-Clunkers program is to implement new federal rules affecting smokestack pollutants "in a cost-effective way," said Michael Boskin, chairman of the President's Council of Economic Advisers.

The program might also boost new-car sales by encouraging people to trade in old cars for fresher models, some supporters said. But Boskin attempted to play down that possible benefit, saying, "One would not expect everyone who trades in a clunker to walk into a new-car showroom and buy a new car."

Auto industry analyst Dennis Virag agreed. "I seriously question the number of old cars that the government is going to be able to get off the road for \$700," said Virag.

(Warren Brown, Washington Post, D10)

AIR POLLUTION PLAN: 'CASH FOR CLUNKERS'

President Bush acted Wednesday to let oil refineries and other industrial polluters meet federal clean-air standards by taking up to 40 million old cars off the road instead of curbing their own smokestack pollutants.

Another controversial announcement -- relaxing the required average miles per gallon for autos using reformulated or oxygenated fuel, including ethanol mixtures -- is expected soon, according to Michael Boskin, chairman of the President's Council of Economic Advisers....

An Administration official said there would be a huge environmental benefit from buying and junking old cars....

"We call it mobile-stationary source trading and emissions control," Assistant EPA Administrator Richard Morgenstern explained with a straight face at a briefing.

(Frank Murray, Washington Times, A3)

PRO-LIFE GROUPS ASSAIL BUSH ON 'GAG RULE'

Pro-life groups are upset that the Bush Administration is not enforcing a ban on abortion counseling at federally-funded family-planning clinics.

"It's still business as usual at Planned Parenthood and other clinics receiving federal funds," the Rev. Keith Tucci, executive director of Operation Rescue National, said Wednesday....

Rep. Dannemeyer said all Title X clinics should be informed in writing that all court injunctions blocking the ban have been lifted. "If they haven't sent such a letter, I want to find out why," he said Wednesday.

Officials at the Department of Health and Human Services say the plan is being drafted and the gag rule has not been enforced....

Judie Brown, president of the American Pro-Life League, said she anticipates the plan will be released "the week after the election" in November. "I don't really think the President is committed to prohibiting family planning clinics from talking about abortion," Brown said. "There's no real opposition to abortion counseling in the Bush Administration."

(Joyce Price, Washington Times, A3)

MEDALS HONOR 2 TERRORIST VICTIMS

President Bush awarded presidential medals posthumously Wednesday to two Americans who died at the hands of terrorists in Lebanon. Bush gave the Presidential Citizens Medal to relatives of William Buckley and Marine Col. William Higgins.

(AP, Washington Post, A4)

DOW CORNING TO QUIT SILICONE BREAST-IMPLANT BUSINESS

Dow Corning Corp. will announce Thursday that it is abandoning the silicone breast-implant business, industry sources said.

Under terms of a plan to be detailed at a news conference here Thursday morning, the nation's leading manufacturer of silicone gel implants will announce that it will stop manufacture of the devices and set up a \$10 million fund to underwrite research into breast-implant safety. In addition, the company will reveal a financial assistance plan for women who wish to have their implants removed....

Last month an FDA advisory panel proposed restrictions on the availability of the devices.... FDA Commissioner David Kessler has pledged to make a decision on the panel's recommendations by April 20.
(Malcolm Gladwell, Washington Post, A1)

PANEL TOLD OF MISSPENT HUD FUNDS

What do a \$5.4 million low-interest loan to a Saudi Arabian millionaire, tickets to a Broadway theater show and \$4,000 in plastic model airplanes have in common? They were all bought with HUD funds that are supposed to benefit low-income Americans and eliminate slums across the U.S. Rep. Lantos revealed Wednesday....

Much of the abuse stemmed from mismanagement of Community Block Development Grant funds by local officials, according to the subcommittee's findings.... "There is the reverse Robin Hood problem...of taking HUD funds intended to benefit the poor and giving them to the rich," Lantos said.

(Gary Lee, Washington Post, A6)

EDITOR'S NOTE: "Cheney's Check Charts -- Cash And Carry," by John Lancaster, appears in The Washington Post, page A25.

INTERNATIONAL NEWS

BUSH WINS ON CHINESE TRADE STATUS

The Senate Wednesday sustained President Bush's veto of legislation to impose tough conditions on renewing trade privileges for China, falling six votes short of the two-thirds necessary to override and handing the President his 26th straight veto victory.... The Senate's 60-38 vote to override the veto came after a day long debate in which Democratic and Republican leaders tangled over whether democratic and free-market reforms in China would be helped or hurt by placing conditions on trade benefits. They also attempted to frame the debate in the context of the President's foreign and domestic policies, with a view toward this fall's elections.

"Instead of building a new world order, based on the future of a billion Chinese people, the President continues a failed policy based on past global realities," said Sen. Mitchell, adding that the veto showdown had become a "test of his ability to uphold a veto" rather than a debate over national policy.

In response, Sen. Dole said the President was making progress by "keep(ing) the heat on China...not by mounting some high moral perch and firing off our moral Scuds." Imposing conditions on trade would do more to harm democratic reformers than the "old men in Beijing," Dole added. (Helen Dewar, Washington Post, A11)

Bush's China Policy Survives Vote

President Bush's China policy survived a congressional assault Wednesday, and the Administration maintained its perfect record -- 26-0 -- on making vetoes stick....

Backers weren't discouraged by the vote. "We expected this," said Sen. Lieberman. "I hope we sent a message to China that there's a substantial number of people in this country, reflected in the Senate, that feel the Chinese can't do business as they've been doing it," Lieberman said. (Marilyn Greene, USA Today, 4A)

JAPAN TO TIGHTEN LIMITS ON EXPORTS OF AUTOS TO U.S.

The Ministry of International Trade and Industry announced in Tokyo that Japan will lower its limit on passenger car exports to the U.S. to 1,650,000 a year from the current 2.3 million.

Meanwhile, the Bush Administration announced in Washington that Japan approved unlimited imports of two General Motors Corp. Pontiac models and has promised similar entry to certain other U.S. models.

(Eduardo Lachica & Christopher Chipello, Wall Street Journal, A2)

U.S. CONSIDERS OPTIONS TO COUNTER IRAQ

The White House has received from the Pentagon a list of options, including military bombing plans, intended to force Iraq to comply with U.N. efforts to destroy Saddam Hussein's military arsenal, senior officials said Wednesday. The options, which President Bush has not yet discussed with senior military and foreign policy advisers, include what one official called a "graduated bombing campaign" plus a series of non-military moves that would be aimed at further isolating and crippling the Iraqi government.

The official described the options as "not mutually exclusive," offering Bush a variety of steps he could select if a U.N. inspection team due to arrive in Baghdad Saturday is further thwarted in efforts to begin destruction of Iraq's weapons-making capability.

"The Pentagon has sent its part of the options to the White House," the official said.... "The President has not taken up these options yet," the senior official said.... "There is a philosophical predisposition to use military force if Iraq does not comply," the U.S. official said. "The question is, is this the point to trigger that if Iraq does not budge? They have gone to the brink and given in before. If they don't this time, should we say enough and go farther?... That decision has not been made."

(Ann Devroy & Barton Gellman, Washington Post, A17)

Pentagon Charts Military Options For Bombing Iraq

The Pentagon has given President Bush a set of military options for a graduated bombing campaign to force Iraq to destroy its remaining weapons of mass destruction in compliance with the U.N. cease-fire resolution that ended the Persian Gulf War.... Administration officials said military planning was proceeding swiftly to give Bush the option of striking Iraqi targets by the end of next week.

(Patrick Tyler & Eric Schmitt, New York Times, A1)

U.S. DETAILS LOAN PLAN FOR ISRAEL

The Bush Administration said Wednesday it had offered Israel \$300 million in loan guarantees that would have no strings attached, but reiterated it would not approve the rest of Israel's request for \$10 billion in guarantees without a freeze on Jewish settlements in occupied territories. "We have made a very fair and balanced" offer, State Department spokesman Margaret Tutwiler said in revealing further details of President Bush's terms for granting the guarantees....

Shoshana Cardin, chairman of the Conference of Presidents of Major American Jewish Organizations, said in New York that the Administration was following a double standard because it had not attached "political conditions" to financial assistance for Arab countries. "Only in the case of Israel has the Administration insisted on extracting a political requirement as the price of humanitarian assistance," she said.

(John Goshko, Washington Post, A22)

ISRAEL AID ISSUE FAR-REACHING

The White House, in rejecting Israel's request for \$10 billion in housing loan guarantees to settle Soviet Jews, may have set up a ripple effect. Possibly affected: aid to the former Soviet Union, President Bush's campaign coffers and Israeli Prime Minister Shamir's reelection chances.

The first political ripple: an accusation by Sen. Leahy that Bush negotiated the loan in bad faith.... "It makes me wonder whether the Administration ever intended to compromise at all," Leahy said....

Among other ripples: U.S. aid to the former Soviet Union may be imperiled.... Jewish campaign money may desert Bush.

(Johanna Neuman, USA Today, 4A)

**U.S. 'CONCERNED' BUT AWAITS FACTS
ON POSSIBLE ISRAELI MISSILE TRANSFER**

The White House expressed concern Wednesday that U.S. weapons technology may have been diverted illegally by Israel....

The State Department said earlier this week that the inspection team would explore illegal technology transfers by Israel.... One official said Wednesday that the inspection team will include State Department and Pentagon officials and will be led by Sinclair Martel, deputy assistant secretary of state for political-military affairs.

(Bill Gertz & Rowan Scarborough, Washington Times, A3)

ISRAELI EMBASSY BLAST TOUCHES OFF CONCERN IN STATE DEPARTMENT

U.S. officials said Wednesday they are taking seriously the claim that a radical Lebanese group was behind Tuesday's devastating bomb attack on the Israeli Embassy in Buenos Aires and are concerned that further attacks may be forthcoming.

While making no final judgments about who planned or executed the blast, officials said the claim of responsibility by Islamic Jihad issued in Beirut was being taken at face value. The statement said the bombing was in retaliation for a Feb 16 helicopter gunship attack by Israel which killed Sheik Abbas Musawi and his family.... On Feb 19, the State Department issued a public warning that the killing of Musawi had "increased the security risk to Americans traveling or residing in Europe, Africa and the Middle East."... Yesterday, however, State Department officials said the U.S. had no advance warning of the Buenos Aires blast.

(Don Oberdorfer, Washington Post, A22)

U.S. READY TO BACK RUSSIAN SCIENCE CENTER

The Bush Administration is ready to support an internationally funded science center in Russia to help prevent rogue nations from luring top former Soviet nuclear-weapons scientists.

Robert Gallucci, a senior State Department official, says a multinational agreement establishing the International Science and Technology Center could be signed in weeks and it could be operating by summer.

(Linda Harrington, Knight Ridder)

UKRAINE IS SAID TO END DISPUTE ON A-ARMS SHIFT

MOSCOW -- Ukraine was reported Wednesday to have reversed its decision to stop moving tactical nuclear weapons to Russia, improving prospects for Friday's summit of the CIS.

Russian news agencies quoted President Yeltsin as saying Ukrainian President Kravchuk had told him all the weapons would be handed over to Russia for destruction by a previously agreed target date of July 1. But in Kiev, a military adviser to Kravchuk, Boris Sharikov, told reporters: "I do not have such information."...

The independent news agency Interfax said Kravchuk reversed the decision in a telephone conversation with Yeltsin on Tuesday, and Yeltsin made it public Wednesday at a meeting of Russian parliamentary factions. (Reuter, Washington Post, A21)

BLOCKS SEEN TO TRADE PACT WITH CANADA AND MEXICO

The Bush Administration is almost certain not to seek Congressional approval of a free-trade agreement with Mexico and Canada this year, although it hopes to conclude talks on a pact in the coming months, senior Administration officials said Wednesday.

The officials also said that it seemed increasingly unlikely that there would be a successful conclusion to global trade talks in Geneva this year. Because the U.S. and the EC have been unable to resolve their disagreements over agriculture, many countries have stopped negotiating on other issues in the world talks, U.S. Trade Representative Hills said.

(Keith Bradsher, New York Times, D1)

U.S. PLAYS DOWN TRADE DISPUTES WITH CANADA

U.S. Trade Representative Hills Wednesday sought to play down some recent disputes with Canada, saying they could be expected considering the large amount of trade between the two countries.

Asked about critical comments about some recent U.S. trade action, including imposing duties on cars and lumber, she said: "I try not to listen to strident rhetoric."

The remarks included comments by Prime Minister Mulroney who likened the U.S. actions on softwood lumber and Honda autos to those of a "tinpot dictator."...

Hills said, "We want to keep our trading relationship with Canada first rate, and we intend to do it." She added, "We've had some disputes, as one always has, when you have a lot of commercial dealings, and when you add up the problems that we have against the benefits that come from our trade, I think that the equation very heavily tilts toward the benefits." (Reuter)

TOP ARMY OFFICERS GETTING PINK SLIPS

The Army has begun to give about 2,000 senior officers and enlisted men and women the painful news that they've been selected for "early retirement" and must leave the service within six months. The move is part of the Pentagon's effort to slash its forces by 25 percent by 1997.... "It's really tough," said one colonel whose voice cracked as he revealed his name was on the list. "You've given your life to something, you work so hard...and now this." (Susanne Schafer, AP)

U.S. VII CORPS BIDS GOODBYE TO GERMANY AFTER FOUR DECADES

STUTT GART -- After more than 40 years of waiting for a Soviet invasion that never came -- and a year after leading the allied defeat of Iraq's Republican Guard -- the U.S. Army's VII Corps faded into oblivion Wednesday night....

The departure of the 73,000 strong force from Germany represents a major portion of the U.S. withdrawal from Europe. The American troop level of 314,000 in 1990 has been reduced to around 225,000 and plans of the Bush Administration call for it to reach 150,000 by 1995....

U.S. and German officials speaking at the ceremony said that despite the withdrawals, the U.S. will continue to have a strong military presence in Europe.... There is anger among some departing soldiers here over the pace of withdrawal, which they say is disrupting many lives. "The whole thing is moving too fast," said one sergeant. (Steve Vogel, Washington Post, A20)

MISSILE CRITIC SAYS ARTICLE WAS CLASSIFIED AFTER FACT

An MIT professor, Theodore Postol, protested to a House subcommittee Wednesday that an article he wrote criticizing the Patriot missile's accuracy has been classified after the fact and he has been warned not even to talk about it. Postol said Defense Department officials told him last week that the article, published in January, contained classified information....

Chairman John Conyers of the Government Operations legislation and national security subcommittee called the incident "a clear example of misuse of government secrecy to suppress public debate" and said it strengthened his determination to press for legislation that would govern the government's classification system.

Republican members of the panel, however, attacked Postol for not submitting his article to the Army for review. Rep. Kyl suggested that Postol had been privy to some classified information about the Patriot last year as a consultant for Mitre Corp., a Pentagon-backed engineering firm.

(George Lardner, Washington Post, A7)

BURMESE REFUGEE FLOW TAXES BANGLADESH

Bangladesh Prime Minister Zia said Wednesday the U.S. and other permanent members of the Security Council should intervene to halt the large and growing flow of refugees to her country from repression and turmoil in neighboring Myanmar.

Zia, meeting with Washington Post editors and reporters, said that urging intervention by major powers is a high priority during her current five-day visit to the U.S. She plans to take her plea to President Bush Thursday afternoon....

Asked what outside powers can do, Zia said the U.S. and other permanent Security Council members can "bring pressure to bear" to stop the flow of refugees and to persuade Myanmar to withdraw its military forces from the border. If it does not, the powers should consider "contingency measures," which she did not specify, to be taken later. (Don Oberdorfer, Washington Post, A28)

NETWORK NEWS

(Wednesday evening, March 18)

SOUTH AFRICA

ABC's Forrest Sawyer: In South Africa, white voters have overwhelmingly chosen to give up their monopoly control of power. Sixty-nine percent of them approved the government's plan to abolish apartheid, that system of law that had enforced white dominance. It was also an endorsement of President F.W. de Klerk, who began the reform process and staked his political future on the outcome of this vote.

ABC's Mark Litke reports it was de Klerk's birthday today, and South Africa shared his present.

(De Klerk: "Today, we have closed the book on apartheid and that chapter is finally closed.")

At about 70 percent in favor, it was a greater margin of victory than anyone had expected. A majority of voters seemed to recognize the risk of civil war and economic chaos if they tried to stop the reform process. But in the black township of Soweto, reaction was subdued.

(Nelson Mandela: "Apartheid is still very much alive. Above all, I still cannot vote in my own country.") (All Networks-Lead)

CAMPAIGN

Sawyer reports Patrick Buchanan conceded today that only "celestial intervention" can keep President Bush from winning renomination. Buchanan said he'll stop running ads attacking the President. But he will keep running, in part, he said, because his campaign has worked. He claims both Bush and Jerry Brown have adopted some of his ideas. (CBS-2, NBC-4, ABC-4)

ABC's Jeff Greenfield reports on Jerry Brown's insurgent campaign. Brown is the only candidate asking the harshest questions about mainstream politics -- who it serves, who it ignores. In an age of an increasingly angry electorate, Brown's old themes somehow seem fresh. (CBS-3, ABC-5)

NBC's Lisa Myers reports Bill Clinton has shown different sides during the campaign. Sometimes, he sounds like a populist; other times, he seems to appeal to special interests.

(Peter Hart, Democratic pollster: "He's gone to the moderate side with the Democratic Leadership Council, and then he's gone to the Harkin side and he's gone with the populist message. So that's a tremendous part of the spectrum that he's gone through.")

At first, Clinton sounded like a tightwad. But along the campaign trail, he's come up with a long list of goodies for just about everyone. Some cite Clinton's flexibility as proof that he's a formidable politician. Among others, it reinforces the nickname "Slick Willie."

Myers continues:

(Tom McRae, former Clinton opponent: "He's become a creature of what the political system says he needs to be to win -- that if he has a political ideology, it's very well hidden.")
Not long ago, President Bush said he'd do whatever it takes to get elected. In Clinton, he may meet his match. (NBC-3)

ABC's Jim Wooten reports Sen. Dixon was the big incumbent loser Tuesday, as Carol Moseley Braun upset him with a nickel-and-dime campaign in the Illinois primary. Dixon appears to have lost partly because of his support for Justice Thomas in last year's hearings. Also biting the dust was Rep. Hayes, who overdrew his House bank account more than 700 times. (CBS-4, NBC-2, ABC-3)

CASH FOR CLUNKERS

Sawyer: The Bush Administration today announced a new program it hopes will be politically and environmentally popular. It's a plan described as "cash for clunkers." It's supposed to get the oldest and dirtiest cars off the road with the help of private enterprise.

ABC's Barry Serafin reports the Administration's plan was born in Los Angeles, America's smoggiest city. Two years ago, the Unocal Oil Co. conducted an experiment that showed old cars were 90 times dirtier than new cars.

(Richard Stegemeier, Unocal president: "These 8,400 old cars were putting out as much pollution as 250,000 new cars.")

The Bush Administration is encouraging other states to adopt the California program by allowing factories, utilities and refineries with pollution problems to buy old cars. In turn, they would receive pollution credits, which would let them delay cleaning up their own emissions. Along with cleaning up the air, the Administration sees the program as a boost to the auto industry, as owners who sell old clunkers buy new cars. Environmentalists see some merit in this Administration proposal, but they are livid about another plan being considered by the White House. It would give the auto industry a helping hand by rolling back dual-efficiency requirements for U.S. cars. That idea continues to be the source of squabbling within the Administration. (ABC-6)

ISRAEL/LOAN GUARANTEES

Sawyer: The Bush Administration and Israel have reached a deadlock over Israel's request for \$10 billion in U.S. loan guarantees. It has been six months since Israel first asked for the help. One of the American go-betweens, Sen. Leahy, has made one last effort to see if a deal could be worked out.

ABC's Barrie Dunsmore reports Leahy announced today he had failed to reach a compromise with the White House on loan guarantees for Israel.

(Leahy: "I have not been able to bridge the enormous gap between the Administration's desire for a totally free hand and those in the Senate who want minimal or no conditions on the state of Israel.")

Dunsmore continues:

(Margaret Tutwiler, State Department: "The Congress has asked the Administration to issue loan guarantees first and ask questions later, and that is simply not acceptable.")

As bad as this is for U.S.-Israeli relations, that is not the only problem. The President has said he will veto any foreign aid bill that does not include his conditions. In that case, Leahy says there will be no foreign aid bill. That would mean no new money for U.N. peacekeeping, nor for assistance to any of the republics of the former Soviet Union. (ABC-9)

ISRAELI EMBASSY/ARGENTINA

Sawyer reports that in Buenos Aires, the number of dead in the Israeli embassy is up to 20. Islamic Jihad claims responsibility. It called the blast retaliation for Israel's killing of Sheik Abbas Musawi [phonetic]. (CBS-7, NBC-10, ABC-10)

UKRAINE/NUCLEAR

CBS's Dan Rather reports Ukraine reportedly has reversed itself and is now ready to return all its tactical nuclear weapons to Russia. NATO today said it has received assurances from Ukraine that the transfer will go ahead as scheduled. (CBS-10)

DOW CORNING

Sawyer reports Dow Corning has decided to stop making silicon-gel breast implants. (NBC-5, ABC-8)

HIV PATIENT

CBS's Rita Braver reports on John Doe, a man who carries the AIDS virus. In 1986, the pharmacist accepted a job at Westchester County Medical Center in New York. But the clinic where he went for his employee physical turned out to be the same place where a year earlier, he tested positive for AIDS. Although the test was supposed to be confidential, a nurse told a doctor and the job offer was rescinded. The federal government has charged the hospital with violating John Doe's civil rights.

(Michael Astrue, HHS: "It's important for us as a society for the federal government to stand up and say, 'We're not going to tolerate HIV discrimination.'")

The government says the hospital's denial of a job to John Doe is just as much discrimination as putting up a sign that says: No women need apply.

(Astrue: "We can't order the facility to hire an individual. But we can have them make a very difficult choice, which is either to hire the individual or to forsake all federal funds.") (CBS-12)

PAKISTAN/MONEY LAUNDERING

NBC's Mike Jensen reports on Pakistani banks that all but invite drug lords to launder their money in those institutions. Ads have appeared in major newspapers. Upon questioning, the banks have backed off their ads, claiming ignorance or saying the deals are meant for Pakistani merchants. (NBC-9)

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Thursday, March 19, 1992

Mrs. Bush	(in folder)
Secretary Skinner	West Wing
Marlin Fitzwater	West Wing
Constance Horner	West Wing
Carol Powers	West Wing
✓Patty Presock	Residence
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)

THURSDAY, MARCH 19, 1992

Life

The Washington Times

Doing unto others

Brothers' homey charity insists it's cool to care

By Elisabeth Hickey
THE WASHINGTON TIMES

In the same town as the Cato Institute, the American Enterprise Institute, the Urban Institute, the Brookings Institution, the Economic Policy Institute, the Institute for Policy Studies, the Progressive Policy Institute and the Competitive Enterprise Institute lives the Caring Institute.

The Caring Institute?

Forget treatises on Third World economics. A typical position paper of the Caring Institute is "The Caring Club Manual: How to start a successful community service club." Written by teen-ager Jody Wiatt of Houston's Mustang Memorial High School.

The Caring Institute's heroes are Mother Teresa, Millicent Fenwick, Eleanor Roosevelt and Elisabeth Kubler-Ross. Its motto is "Only a life lived for others is a life worthwhile" (Albert Einstein). Its outfit is a couple of unassuming rooms on the southeast corner of Stanton Park. It has a staff of three, and the director draws no salary.

But the Caring Institute's time may have arrived. Caring is in. Just consider:

✕ ■ The nation's first lady is a very caring grandmother who likes to read to kids.

■ The president says in speeches: "Message: I care."

■ Volunteering at soup kitchens has become hipper than power lunching.

■ In an attempt to win over Mississippi voters, Democratic presidential candidate Edmund G. "Jerry" Brown ran an ad showing him tending the sick in India. The voice-over: "Jerry Brown for president. Because it's OK to care."

After all, is this not the age of the kinder, gentler 1,000 points of light? Isn't volunteerism exploding on college campuses? Aren't cultural temperature takers telling us that people who used to give to themselves now want to give of themselves?

Seventies: me decade. '80s: greed decade. '90s: caring decade?

The Caring Institute's director, Bill Halamandaris, thinks so. He and his older brother, Val, founded the charity six years ago, when caring, it seems, had no cachet.

"We're at the point where it's arrived," he says. "Early on, the message sometimes had to be explained. Now it doesn't."

The trend is not unique to places like Washington and New York.

Nationally, the concept of service toward community

tor, a Washington-based umbrella group of 850 volunteer organizations, told the Associated Press. "People are seeing need around them and trying to respond."

In a 1990 Gallup Poll conducted for Independent Sector, 54 percent of the 2,727 people questioned said they had performed some kind of volunteer work that year, up from 45 percent in 1988. The margin of error was plus or minus 3 percentage points.

At the Caring Institute, the non-profit charity's mission is to promote caring, "a particularly American tradition," by publicly recognizing very caring people.

To that end, it sponsors an essay and poster contest in which children from around the country are asked to draw or write about what caring means to them. More than 60,000 schoolchildren submitted entries this year.

Operating with the philosophy, "Society is what it honors," the Caring Institute seeks to redirect the excessive attention given to people in "the toy department" — actors and athletes and musicians and the like, Mr. Halamandaris says.

To counter what he calls this misdirected adulation, the institute canvasses the country to find caring adults and caring teen-agers. It honors them every year with a ceremony in the Senate Caucus room, where they receive bronze statuettes of an outstretched hand. The award was sculpted by Frank Eliscu, who designed the presidential eagle in the Oval Office and the Heisman trophy.

Last year, the Caring Institute honored District resident Kent Amos, whose living room and dinner table are refuge to an extended family of troubled black teen-agers.

The institute publishes Caring People magazine, a glossy quarterly with a giveaway distribution of 10,000 that profiles caring Americans and gives "the positive side of the news."

Shoot for the Stars, the institute's training arm, is an affiliation of professional athletes who conduct workshops and basketball clinics at schools.

In December, the institute plans

to open a Hall of Fame for Caring Americans at the newly renovated Frederick Douglass Museum on Capitol Hill. The former slave and leading abolitionist of the 19th century was also a very caring Amer-

-ican.

Next Monday through Friday, actor Fred Morsell, son of the late NAACP leader John A. Morsell, will visit D.C. schools to present a play based on Douglass' life and speeches.

The museum will produce video biographies of caring Americans such as Norman Cousins; Hugh Downs of ABC's "20/20" news magazine; former Sen. Frank E. Moss, Utah Democrat; the late Rep. Claude Pepper, Florida Democrat; and Millicent Fenwick, the Republican "conscience of Congress" from New Jersey (she was Garry Trudeau's model for "Doonesbury's" superethical, pipe-smoking congresswoman Lacey J. Davenport).

Caring "is at the heart of our country and always has been," Bill Halamandaris says. "The first rule of caring is if you see something that needs to be done, you do it. Whether it's stopping a crime or hugging your child, it's the same instinct."

Bill and Val Halamandaris founded the institute after spending much of their careers on Capitol Hill. They came away from politics with the strong conviction that government can do only so much.

"With the infrastructure collapsing, problems with the environment, education... if you go down the list, about everything that connects us as human beings needs some attention," says Bill Halamandaris, 45. "A lot of people say it's the government's job. My answer is it's too big for the government. We need the entire fabric of society."

His brother Val, 49, spent 20 years as counsel to the Senate and House committees on aging, where he was involved in most investigations of health and housing fraud.

"I have been in those sewers, investigating nursing home abuses," Val Halamandaris says. "You could get very turned off and cynical."

Val edits Caring People magazine and is a principal adviser to the institute as well as one of its major donors. He also is president of the National Association for Home Care, a trade association, and has his own public-interest law firm, the Center for Health Care Law, which represents the rights of the chronically ill.

Bill was a staff member on several Hill committees looking at health and social problems. In 1977, he started the Foundation for Hospice and Homecare, a non-profit organization that encourages hospice and non-institutional care.

■ ■ ■
The brothers grew up in Utah, the sons of a coal miner. Val describes their home as a "Democratic, liberal household."

Bill attended George Washington University on a scholarship and later left law school at Catholic University to fight with the Army in Vietnam. He never finished his law degree, deciding after the war that there was a more meaningful existence than practicing law.

He is single and describes himself as a dedicated non-materialist who shuns malls and walks to work from his town house a block away from the office. He drives a 1967 Mercedes roadster that he bought for \$5,000 in 1967.

Years ago, he says, he made some savvy real estate investments that left him independently wealthy.

The Halamandaris brothers say they are looking forward optimistically to a "caring decade" in which more people will fulfill themselves by giving of themselves.

"The measure of life, when you look back on it, is what have you done for others," Bill says. "You define yourself by what you do."

Volunteerism's new face: Young, male, professional

By Jocelyn Noveck
THE ASSOCIATED PRESS

NEW YORK

It is 7 a.m., and dozens of poor and homeless people are filing into a Manhattan soup kitchen for warmth, for a hot meal — and for a greeting from an unlikely maitre d'.

He is a young banker, in suit, tie and apron. "How are you doing this morning?" he asks. "That gentleman over there will seat you right away."

He points to another young banker in red power tie and shiny black shoes, busily inspecting tables to make sure there's enough coffee.

Nearby, a business consultant and a TV production assistant serve from huge vats of oatmeal. Others make hundreds of peanut butter sandwiches for bag lunches. By 8:30 a.m., breakfast is over at the soup kitchen run by Central Synagogue and the volunteer waiters are off to their real jobs.

Similar scenes take place in dozens of places across New York these days, not only in soup kitchens but also in hospital wards, old-age homes and community centers in poor neighborhoods.

In New York and other areas, a new type of volunteer has emerged: the young working professional. Encouraged by groups that cater to their tight schedules and varying time constraints, increasing numbers of these volunteers are substituting an occa-



In New York, young professionals are volunteering to help in soup kitchens and homeless shelters.

sional stint at the hospital for their evening jog, or they are spending an afternoon working with children instead of watching football.

"I'd lived in New York for all these years, and I have this high-paying job, and it's gotten so bad in the city," says Jerry Wattenberg, 24, a trader at Goldman Sachs who spends every Friday morning at the synagogue soup kitchen.

"I just felt I ought to do something. And the effect is so immediate: People are cold and hungry, they get warm and fed. They may not hug me, but it's satisfying."

Aside from a sense of accomplishment, many working people get involved to feel some tie to the community, says Winifred

Brown, executive director of the Mayor's Volunteer Action Center.

"These people work long hours in an office and have very little time to connect with the city around them," says Ms. Brown, whose agency matches volunteers with as many as 5,000 organizations. "This way they can do it with a minimum time commitment."

Ms. Brown says nearly 60 percent of new volunteers are ages 15 to 40 and work full time. A growing number are men. And business is booming: In 1991, some 4,000 new volunteers came in, a 35 percent increase from 1990.

One group taking advantage of the trend toward volunteerism is New York Cares, formed five years ago to match young professionals with volunteer projects. Operating from a cramped walk-up on Manhattan's East Side, the group manages an army of 1,000 volunteers in any given month.

"Business is way up," says executive director Kenneth Adams, 31. The group has nine full-time staff members and has spawned nine spinoffs in other cities, including D.C. Cares at 2300 N St. NW.

Mr. Adams says New York Cares has been successful because it makes volunteer activity "user-friendly" for busy professionals. Projects are scheduled for evenings, before work or on weekends. The average time commitment is one day or evening a month.

IT'S COOL TO CARE



Photo by Ruth Fremson/The Washington Times

Bill Halamandaris draws no salary as director of the Caring Institute.

Caring draws on the heart, not the coffer

At a time when all charities are suffering to some extent from the bad publicity generated by the United Way scandal, the Caring Institute's finances appear to be refreshing.

The institute boasts an overhead of less than 2 percent of its half-million-dollar budget, director Bill Halamandaris says. The budget figure does not include in-kind contributions, such as donated airplane tickets.

"A lot of charities I see I find abhorrent because they waste too many resources," he says.

The Caring Institute does almost no fund raising but plans to increase efforts for organizations that fall under its umbrella, like the Hall of Fame for Caring Americans and the Shoot for the Stars workshops and basketball clinics. Eventually, Mr. Halamandaris says, he would like to see the institute's programs support themselves through sales of books and documentary films.

Mr. Halamandaris draws no salary from the Caring Institute. The backbone of the institute's finances are large donations from wealthy individuals.

A \$120,000 gift was made by Oregonian Robert Pamplin Jr., a church pastor whose family money comes from the Georgia-Pacific Corp., the largest timber company in the world. Last year, the Caring Institute recognized Mr. Pamplin with a National Caring Award.

Henry Landwirth, a philanthropist from Orlando, Fla., who owns several Quality Inns, put up \$50,000 for the institute's scholarship fund.

— Elisabeth Hickey

PEOPLE

Nancy Reagan Dedication Was Thrice as Nice

Nancy Reagan was back in St. Francis Hospital yesterday for the third time in nine years but — like the previous two visits — this was a pleasure trip.

The former first lady showed up at the Roslyn hospital for the dedication of part of the new Thomas F. Casey Acute Care Pavilion; a wing with her name in brass letters and two large portraits. Hospital officials said Reagan was honored for her efforts in bringing two Korean children to the hospital for heart surgery in 1983. That was her first visit, and she escorted Ahn Ki Sook and Lee Kil Woo, who arrived for heart surgery on Air Force One. Both children were adopted by American families and now live in Arizona.

This was the first lady's third stop at the famous heart center in Roslyn. The second trip had been a ground-breaking ceremony four years ago.

"I can't believe when we broke ground that this is what it would become," she said. "It's wonderful. I'm very happy that I can be a part of this."

After the dedication, Reagan ran into an old friend in the hospital's pediatrics ward. Katie Conlin of Lynbrook had been 6 months old and a heart patient when the first lady passed through the ward on her first visit. Katie, who is now 8, was back at the hospital yesterday for more surgery. Hanging tight to her doll and wearing a shirt that said, "I'm one of the wee little people," Katie gave Reagan a paper lace napkin with a shamrock.

— Michael Alexander



Newsday/Ken Spencer

Nancy Reagan and Robert Vizza, St. Francis Hospital president and chief executive officer, at the dedication ceremonies.

Drug Program Reprieved

P.G. Center Gets Reagan Foundation Help

By Retha Hill

Washington Post Staff Writer

Recovering addicts and grateful staff members at a Prince George's County drug treatment center that was scheduled to close because of budget cuts welcomed former First Lady Nancy Reagan yesterday. A foundation bearing Reagan's name gave the facility \$50,000 that staff members said was critical to keeping the 70-bed center operating.

The Second Genesis residential drug treatment center in Upper Marlboro was one of dozens of centers statewide that announced last fall they would have to close their doors after \$7.2 million in Maryland funding for substance abuse was cut.

As part of that cut, Prince George's County eliminated \$250,000 from Second Genesis's budget, effectively ending public support for the center.

The money from the Nancy Rea-

gan Foundation, coupled with part of a research grant from the National Institute on Drug Abuse, will allow the center to continue providing a one-year intensive drug treatment program for 70 addicts. The Second Genesis program in Montgomery County will continue to be funded at least through June by last year's increase in the county energy tax.

"We are just tremendously grateful," Alan Rochlin, Second Genesis deputy executive director, said of the Reagan Foundation grant. "If the money ... had not come through, we would have had to put the residents out on the streets. Many of them would have faced jail because [treatment] was an alternative to their sentences."

The Reagan grant, however, is not enough to allow the center to operate without some changes. Because of conditions of the NIDA grant, officials at Second Genesis can no longer set aside 50 beds for Prince George's residents. Now,



BY BILL O'LEARY - THE WASHINGTON POST

Center resident thanks Nancy Reagan as Director Brian Ballard, left, watches.

only 20 beds will be for county residents and 50 will be for residents of the District.

"For those [Prince George's residents] that have serious problems, it leaves them out in the cold," Rochlin said.

However, Michael C. Fuller, director of addictions for the county

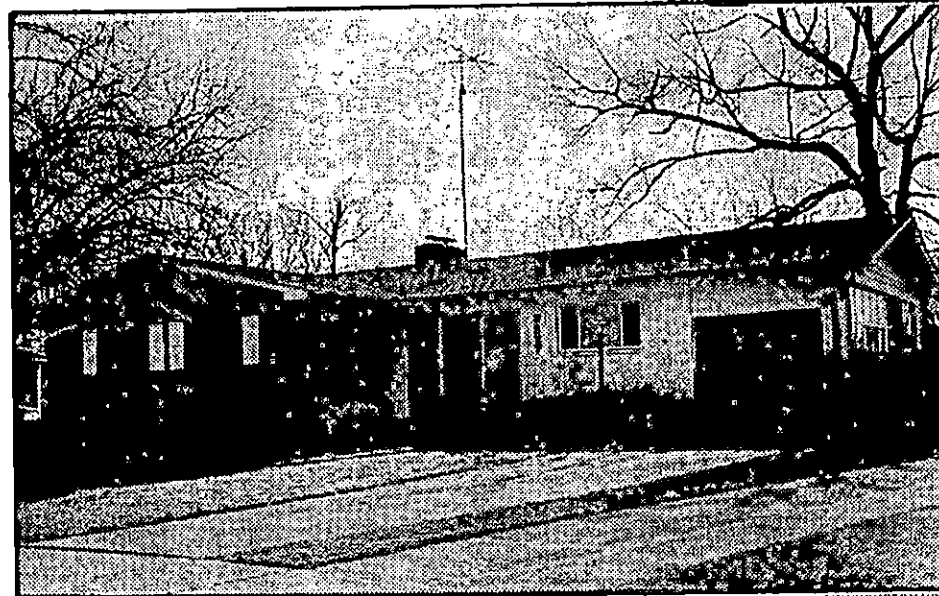
health department, said the loss of 30 beds for county residents will not have much of an effect.

He said the county has a contract to use up to 15 beds at the Second Genesis facility in Anne Arundel County and that there are other, shorter-term treatment programs available.

The Reliable Source

By Lois Romano

■ Mayor Sharon Pratt Kelly may be struggling to make headway on the District's unhealthy \$200 million deficit, but she certainly knows a good deal when it comes to her own money. Recently the mayor refinanced her brick abode on West Beach Terrace NW. According to Lusk & Sons real estate information service, she landed a 6½ percent, adjustable rate mortgage for \$270,000 from the out-of-town Boston Safe Deposit & Trust. "The decision was handed over to her financial manager and the attorneys who handled the refinancing," says Vada Manager, Kelly's spokesman. "The mayor did not sit down and pick one bank over another. She was mainly interested in the rate. In this economy, everyone's doing it."



BY DAYNA SMITH—THE WASHINGTON POST

WE'VE HEARD THAT...

■ Boston Cardinal Bernard F. Law says that Ted Kennedy, who plans to marry Washington attorney Victoria Reggie, is already married "in the eyes of the Church . . . he is not free to enter into another marriage." Law declined comment on whether Ted and ex-wife Joan had applied for an annulment.

■ Nancy Reagan, in town for a 24-hour visit, is due to drop by the CCNV homeless shelter this morning.

■ Alan Fern, director of the National Portrait Gallery, will become acting deputy under-secretary of the Smithsonian,

assisting Carmen Turner, who is being treated for breast cancer.

■ Rocker David Bowie and his June bride-to-be, model Iman, are buying a \$3.4 million love nest in Ireland.

■ Dance pioneer Katherine Dunham, 82, last night ended her 47-day fast in protest of the U.S. government's treatment of Haitian refugees, because exiled President Jean-Bertrand Aristide invited her to go with him when—and if—he returns.

■ Carol Sewell, a power flack at Abramson Entertainment Group here, is leaving for California today to become Paramount Pictures' director for national publicity.

VIA SATELLITE



Life

THURSDAY, MARCH 19, 1992

'Serpent' doesn't quail at liberals

By Deirdre Donahue
USA TODAY

With one fell swoop of her computer keyboard, Marilyn Quayle has done what the CIA couldn't: Kill off Fidel Castro and liberate the island of Cuba.

Writing with her sister, Nancy Northcott, 47, the Second Lady has penned her first book, a thriller entitled *Embrace the Serpent* (Crown, \$20) in bookstores this week.

Quayle, 42, and Northcott weave the tale of a courageous black conservative senator who battles a slew of elitist Eastern Establishment types — a weak-willed, naive Democratic president; a snooty newspaper editor; a mercenary mole. His goal: to save the suddenly Castro-free Cuba from those still-dangerous Russians who preach peace but are in cahoots with Arab extremists.

Quayle says it's fiction, but adds, "I think there probably is a message in there."

It's a conservative message. God and intact families are celebrated while sex scenes are eschewed. As Northcott, a former English teacher and mother of four points out, "We do have strong faith."

Both thriller aficionados, the two sisters worked for almost three years through computer hookup. Northcott, who lives in Tullahoma, Tenn., also visited Washington monthly.

While publishing insiders hint there was a heavy edit, the two say they edited each other. They describe the undisclosed monetary advance, which they will keep, only as "not enough to pay our expenses." They're at work on a second book.

Quayle insists that Arabs will not be offended by her portrayal. Says Northcott, "No group is exempt from good guys and bad guys." Except, of course, the book's liberal Democrats, who are uniformly dreadful. "We have some reality in this book," Quayle jokes.



By H. Darr Belser, USA TODAY

WRITE WING: Marilyn Quayle, left, and Nancy Northcott take on Cubans, Russians, Arabs and Democrats in their first novel.

By ANDREW ROSENTHAL

Special to The New York Times

WASHINGTON, March 18 — Senators do it. Journalists do it. Even the alienated daughters of former Presidents do it. So Marilyn Quayle and her sister said, let's do it, let's write a book.

"Embrace the Serpent," by Marilyn T. Quayle, the Vice President's wife, and her older sister, Nancy T. Northcott, is due out from Crown Publishers on April 3, the latest entry in this year's Washington celebrity power-novel steeplechase.

The former Tucker sisters of Indianapolis have spun a plot to warm the heart of anyone skeptical about glasnost. The Cubans tend to have bad teeth and reek of garlic. The Russians are nefarious, and greedy to boot. The journalists are craven, the Democrats corrupt, perverse or Russian dupes, and the Central Intelligence Agency has been "emasculated" by national security wimps.

Secure in Their Knowledge

The Republicans are able to see through Russian disinformation; they live secure in the knowledge that "Star Wars" could save the world, if the craven, the corrupt and the wimpy would permit it.

After years of circling the flame of power, famous Washingtonians not infrequently decide to write novels. Margaret Truman has published 10 murder mysteries. Several years ago, Senators William S. Cohen of Maine and Gary Hart of Colorado wrote a bipartisan thriller. Patti Davis, daughter of President Ronald Reagan, wrote a roman à clef.

"Embrace the Serpent" is joined by three other new novels: "Capitol Secrets," by Maureen Dean, wife of John Dean of Watergate fame; "The Candidate's Wife," by Patricia O'Brien, a former journalist and spokeswoman for Gov. Michael S. Dukakis in the 1988 Presidential campaign, and "Capitol Hill," by Catherine Mann, wife of Representative Fred Grandy, the Iowa Republican who played "Gopher" on "The Love Boat."

"There are two different kinds of Washington novelists," said Sally Quinn, a former reporter for The Washington Post who has written two novels set in Washington. "One is the Washington celebrity who decides they want to write a novel — the Gary Hart, Bill Cohen, Marilyn Quayle, Maureen Dean syndrome. Then there are writers, who happen to live in Washington, like Larry McMurtry, or who write about Washington, like Ward Just."

'I'm Not a Celebrity'

Ms. Quinn, who said she started in the first category and wants to be in the second, described the celebrity tome this way: "Why don't I try my hand at a novel? I know Washington. I know how it works. It is a genre book. The President gets sick, whatever, goes blind, becomes a dupe of the K.G.B., or what used to be the K.G.B. The Senator sleeps around, or the candidate sleeps around, usually with the foreign diplomat's wife. They're interchangeable."

Mrs. Quayle and Mrs. Northcott bristle at the comparison.

"I'm not a celebrity," Mrs. Quayle said in an interview. "There's a mindset, and I don't think I've got that. But Nancy and I undertook this more because we really wanted to write a book. It's not a book about my life in Washington as the wife of the Vice President."

The Cigar Lingers On

It begins with the C.I.A.'s ultimate fantasy: Fidel Castro dropping dead while smoking a cigar. "The magnetism and vitality had vanished; all that remained was a torn uniform below a scraggly beard littered with fading embers and ashes."

The Russians, in thrall to the Arabs after having sold off their assets to save their crippled economy, allow military officers pining for the old days to launch "Operation Romanov." They murder Raul Castro, Fidel's brother, and put a puppet, César Valles, in power.

Meanwhile, Gen. Jose Moya, leader of the underground movement La Causa, languishes in prison. "Even he realized that gaining freedom was improbable at best, but he also knew a man's sanity could withstand the

horror of a never-ending existence in this hellhole."

The Russians aim to undermine America through arms and drug traffic. And the Democratic President, a glib fellow who does everything for personal gain, is unwittingly duped by Russian intelligence into supporting Valles.

Sex and Disguises

The hero, Senator Robert Hawkins Grant, Republican of Georgia, knows better. With the help of friends in the Cuban resistance and his loyal aide (who does not have any mommy-track conflicts, since her husband had been "shot by a druggie"), he works to foil the plot and make General Moya the President.

Washington novels generally have

Once upon a time,
two sisters sat
down to write a
novel.

two additional characteristics: sex and characters disguised just enough to avoid lawsuits.

It irritated Mrs. Quayle and Mrs. Northcott to think that people were thumbing through their book looking for sex scenes. There are none.

There is romance, between Alejandro, the brave soldier of La Causa, and Maria, who bravely poses as a maid in the Presidential Palace to help him. "But Castro's Cuba was no place for love."

The Passion of Marriage

It is a measure of the steaminess of "Embrace the Serpent" that the love passages (mostly between married couples) can be quoted: "'Love you,' he said with a quick kiss. 'Mmm,' he whispered, pulling her closer and nuzzling her ear. As always, the sweet smell of her warmed him. 'Thanks for being so understanding.' After another much more satisfactory kiss, he released her." (And then left for work.)

"Journalists can write much more freely about sex than other people can," said Ms. Quinn, whose books have plenty of sex scenes. "Politicians are not supposed to have sex."

Not even with their spouses? "Well, it's possible, but risky," she said.

The President in "Embrace the Serpent" is a Democrat who, curiously, appears to have beaten George Bush in the 1992 elections. The action begins on Wednesday, Jan. 25, after the fall of the Soviet Union. The only Wednesday, Jan. 25, after that in this century is in 1995.

So definitely not George Bush, right? This fictional President, Peter Evans, is a man who likes to say he is from a Southern state, when in fact he's a Northeastern establishment type. "He was careful to emphasize his Kentucky heritage: he was just a good old boy. Funny how few had keyed on his real history: boarding schools in the East. Ivy League college, first jobs in the East as well."

President Evans is protected by journalists, including a cynical, left-leaning Washington newspaper editor. Journalists are not treated gently by Mrs. Northcott and Mrs. Quayle, who has viewed reporters with clenched teeth since Dan Quayle's trials in the 1988 campaign.

The authors acknowledged that they did fit one characteristic of the Washington celebrity novelist. "We first started talking about writing a book about 10 years ago, having read many, and thought we could do as well," Mrs. Northcott said.

A Labor of Three Years

The sisters spent three years on this book. Mrs. Northcott, who lives in Tullahoma, Tenn., with her husband, Thomas, an oral surgeon, said she waited until her four children were old enough to fend for themselves.

Like another political wife, Hillary Clinton, Mrs. Quayle is a lawyer. Unlike Mrs. Clinton, she no longer practices, so her career has not been a political problem. "This is my time," she said. "I've worked hard for everyone the last three and a half years, so I don't think anyone begrudges me this time."

Mrs. Quayle and Mrs. Northcott said they prized their ability to work together. But Esther Newberg, the New York literary agent who represents Paul E. Tsongas, the former Massachusetts Senator and Democratic Presidential candidate, found celebrity Washington novels and two people writing fiction together equally unnerving.

'The Mind Boggles'

"The idea that they finish each other's sentences!" she said. "Does that mean we have to read a Bill Clinton-Hillary Clinton book? I mean, she already finishes his sentences. The mind boggles."

A favorite pastime for readers of Washington celebrity novels is uncovering political messages. Mrs. Quayle and Mrs. Northcott said theirs is not a political tract, although they acknowledged a "conservative perspective."

When an interviewer noted that the Democrats in the book are, well, dumb, Mrs. Quayle said, "That's real life."

Indeed, "Embrace the Serpent" is a primer on conservative political correctness.

The hero, Senator Grant, is black — a fact introduced with the phrase "he'd smiled at her, his straight teeth white in his black face" — and had been a career Navy officer. Grant ran for office reluctantly, because the Democratic incumbent was an outrageous pork-barrel politician who had sex with teen-agers.

Mrs. Quayle is unrepentant about painting the Russians as bad guys. There are, however, limits.

Talking about rewriting passages after the fall of Soviet Communism, Mrs. Northcott said, "We just guessed that they'd start selling their assets and doing all that."

Mrs. Quayle: "We've been shocked" at how prescient that was.

Mrs. Northcott: "Delighted."

Mrs. Quayle: "No, now come on



Marilyn Quayle, right, and her sister, Nancy T. Northcott, are the authors of "Embrace the Serpent," one of several new celebrity power-novels about Washington and politics. The book is due out on April 3.

Washington at Work

On a Dark, Stormy Republican Night

Marilyn Tucker Quayle	Nancy Tucker Northcott
Born: July 29, 1949	Born: March 4, 1945
Hometown: Indianapolis	Hometown: Indianapolis
Family: Married to Vice President Dan Quayle. Three children.	Family: Married to Thomas Northcott, an oral surgeon. Four children.
Education: Broad Ripple High School; B.A., Purdue University; J.D., Indiana University School of Law-Indianapolis.	Education: Broad Ripple High School; B.S. and M.S., Ball State University; Ph.D., Indiana University.
Work and Family: Law practice in Indiana, 1974-77.	Work and Family: High school English teacher, 1967-71; M.S.
Hobbies: Horseback riding, gardening, reading.	Hobbies: Gardening, aerobics, exercising, reading, community activities.

Style

THURSDAY, MARCH 19, 1992

The Limited Life of a Political Wife

For the Spouse, Avoiding
Conflict May Be the Top Job

By Lloyd Grove
Washington Post Staff Writer

It was one of those electric, sociologically significant moments that presidential campaigns occasionally produce. It occurred at Sunday's televised debate in Chicago, where Jerry Brown attacked Bill Clinton for wife Hillary's law practice.

Brown's broadside, in which he accused the Clintons of "corruption"—a favorite word of his—threw a spotlight on the political spouse who works for a living, and pointed up an increasingly common professional dilemma: How can the spouse of a public official, usually a wife, keep office hours without running afoul of the ethics police or inspiring nasty headlines?

"I feel like I'm walking in a minefield all the time," said Colleen Nunn, wife of Sen. Sam Nunn (D-Ga.), the powerful chairman of the Armed Services Committee. "I've tried to figure out a way to supplement our income, and I've had about five or six good ideas which I've then rejected, because I felt like there would be some conflict of interest."

"What you do is rein yourself in," said Ruth Harkin, a Washington lawyer and sometime lobbyist who is married to Sen. Tom Harkin (D-Iowa), until recently a contender for the Democratic nomination. Early in her husband's first term, she was once asked to leave a news conference he was conducting in the Senate press gallery because she was wearing the blue identification tag of a lobbyist—strictly *verboten* by gallery rules. "The only time anybody has really said anything of a negative nature about anything I've done," she said, "it has been generated by my husband's opponents. I just find that kind of criticism to be sexism, and its motivation to be political."

Nunn and Harkin were among a dozen political

SPOUSE, From C1

spouses interviewed this week—including the odd husband—about the problems and pitfalls of trying to conduct an independent career. Many, such as Nunn, a onetime CIA staffer who recently began doing odd jobs for a local "events planning" firm, have sacrificed their employment aspirations on the altar of their spouses' political ambitions. Others, such as Harkin, who is "of counsel" to Washington's Akin & Gump legal and lobbying powerhouse, have danced a gingerly ballet to avoid ethical entanglements.

Still others, such as Philadelphia City Council member Joan Specter, wife of Sen. Arlen Specter (R-Pa.), have managed to pursue a public life of their own.

"I try not to speak for Arlen, and he tries not to speak for me, and then we're on safe ground," said Specter, who gained her at-large council seat in 1979, a year before her husband was elected to the Senate. "I tell him that if he doesn't screw up, I won't screw up, and then we won't ruin our name."

But because politics in America has always been a male-dominated profession, it's the working wife who almost always bears the burden of proof: Did she get her job and advance her career through her influential husband?

"I think that the scrutiny clearly falls more on women, probably because the society has not yet ac-

knowledgeed that women really can achieve great things in the professions on their own," said Washington lawyer Marc E. Miller, author of "Politicians and Their Spouses' Careers," a handbook published by the Congressional Management Foundation. "People expect men to be doing important things in Washington or elsewhere. They are still not ready to accept that women are just as skilled, and just as talented, and have just as much of a right to be working at their chosen professions."

Miller continued: "The issue seems to be, what is the alternative? It looks like Hillary Clinton did just about everything you could reasonably ask someone to do [to avoid the appearance of conflict of interest]. The suggestion is clearly that spouses can't have an independent career that comes even the slightest bit near to what their office-holder spouses are doing. I think, in this day and age, that attitude is unacceptable."

As if to confirm Miller's observation, two political husbands said this week that they have suffered few ill effects professionally because of their wives' positions.

"Nothing changed in my life when my wife was elected to Congress—not for one single minute," said Washington lawyer and American University Law School Prof. Anthony Morella, whose wife, Rep. Constance Morella (R-Md.), has served in the House since 1987.

"Over the years, I have tried to

5/2

avoid Hill work and active lobbying," said lawyer James Schroeder, husband of Rep. Pat Schroeder (D-Colo.), who was elected in 1972. "Occasionally, over some 19 years, I've had to register [as a foreign agent] . . . and occasionally over this period I've been asked by people to do some lobbying. I've rejected that, particularly where it might involve committees that my wife serves on."

Schroeder pointed out that when his wife briefly considered running for president in 1987, *Legal Times* investigated his work as a partner at Kaplan Russin & Vecchi. The article concluded that "he appears to have scrupulously avoided any appearances of impropriety . . ."

In the Chicago debate, the spouseless former California governor Brown claimed that Arkansas Gov. Clinton had been "funneling money to his wife's law firm as state business," while "his wife's law firm is representing clients before State of Arkansas agencies—his appointees."

"Let me tell you something, Jerry," Clinton fumed as the two men jabbed their forefingers at each other. "I don't care what you say about me, but you ought to be ashamed of yourself for jumping on my wife."

Brown's attack was "just a typical thing men do to professional women," Clinton mused the next day, pointing out that his wife has forgone income from state-related business that she otherwise would have earned as a partner in Little Rock's venerable Rose law firm.

Hillary Clinton, who has enjoyed a lucrative career as a corporate litigator, earning three to four times her husband's \$35,000 salary, said she had not "focused" on whether she could continue practicing law if she became First Lady. "I suppose I could have stayed home and baked cookies and had teas," she sniffed.

That comment rankled several political spouses who have decided for various reasons not to work full time.

"I was outraged by it," said Lee Hart, former Colorado senator Gary Hart's wife, who sold real estate on the side while raising two children during her husband's 12 years in the Senate. "I think that is the biggest put-down of women who choose not to work. . . . They don't sit home and bake cookies. One of the prob-

lems in the early years of the feminist movement was the real put-down of women who chose to stay at home, take care of the children and be a mother."

"I hate to say I resent the statement," said Lois Breaux, wife of Sen. John Breaux (D-La.), who is active in charity work, regularly accompanies her husband on political trips and runs a jewelry designing business from her Capitol Hill home. "We are all very busy with a thousand different things. It's not fair to categorize people who decide for their husbands' careers' sake that we do not want to have a full-time job. I don't think Mrs. Bush stays home and bakes cookies and has teas."

Nikki Tsongas, who gave up a satisfying law practice in Lowell, Mass., when her husband, Paul, announced his candidacy in April, said she "never had to deal with the potential of conflicts because my practice was close to home and dealt with family law and small business." When her husband represented Massachusetts in the Senate, she added, she took care of their three daughters and briefly operated a dessert catering business out of their Cleveland Park home.

On the other hand, Tsongas said, during the two years she practiced law after her husband entered private life in 1985, "if I felt someone was coming to me because of Paul, I tended to stay away from those kinds of clients. . . . I guess, in my mind, I always wanted to be perceived as being very independent of Paul. I've tried to draw that line with a big, fat ink mark."

Marilyn Quayle, a member of the Indiana bar, seriously considered and then rejected the idea of practicing law when her husband, Dan, became vice president. She also thought about taking his Senate seat, but decided against it because of the embarrassment she might have caused if she was ever forced to vote against the Bush administration. Lately she has become a novelist, as the coauthor, with her sister, of a political potboiler.

"All you have to do is keep doing the job, do everything the best you can; and things will work out for you," she said Tuesday night on Larry King's radio show, expressing empathy for the Clintons' dilemma while promoting her book, "Embrace the Serpent."

"If the truth is there on your side," Quayle said, "you're going to win."

Thursday, March 19, 1992

LIGHT TAKES



MIKE ROYKO

Just call Hillary Clinton 'Mighty Spouse'

Until a few months ago, I didn't know Hillary Clinton from the sandwich maker at the local deli.

But now I know that she grew up in Park Ridge, Ill., was a teenager for Goldwater,

excelled at Yale Law School, became a big-time attorney and an advocate of many liberal causes, has a daughter named after an English landmark, is married to the governor of Arkansas and much more.

Unless you've been living in a cave, you've probably seen Hillary on TV, shouting an introduction of her husband into a microphone: "And I give you the next President of the United States . . ."

In other words, she's not exactly a political wallflower.

So I don't understand why Clinton became so huffy when Jerry Brown tossed in a zinger about Hillary during their recent debate. Something to do with her law firm doing business with the state her husband governs.

Clinton played the chivalrous spouse, telling Brown he wasn't fit to stand on the same stage as Hillary. This put Brown in a bad place and a disadvantage, as the law firm of Clinton and Brown had done business with the state of Arkansas.

couldn't say that Clinton wasn't fit to be on the same stage as his wife. Of course, he might have responded that Clinton wasn't fit to be on the same stage with Linda Ronstadt, whom Brown used to date. Or with Mother Teresa, with whom he nursed the needy. Then Paul Tsongas could have chimed in that neither of them were fit to be in the same swimming pool with him. If the campaign lasts long enough, who knows?

But what is so terrible about Brown or any other candidate taking a political shot at Hillary?

She's not simply a wife tagging along on the campaign trail, gazing adoringly at her candidate/husband while being bored to death. She's one of the key players in his campaign, involved in strategy, spin, buzz and all the other modern political voodoo.

She has her own agenda of ways the federal government can be used to make our lives richer, fuller and more bureaucratized. She'll become one of the most powerful figures in American government.

So if she's out there grabbing for power as eagerly as her husband, there's no reason why she should be above the political brawl.

It would be different if she were sitting home, quietly watching the soaps, collecting recipes, passing Bill's crumpets to a husband who were classic stay-at-home first ladies. But Hillary is a modern woman. She's out there grabbing for power as eagerly as her husband, there's no reason why she should be above the political brawl.



Hillary Clinton needs no protection

on good authority that Mrs. Clinton watches all the corniest soaps and makes a very bad meatloaf."

If that were the case, Clinton would have had good cause to pop Brown in the snoot for intruding on the privacy of an old-fashioned wife. Nobody ever sniped at Bess Truman, Mamie Eisenhower or Pat Nixon. But Hillary is a modern woman. She's out there grabbing for power as eagerly as her husband, there's no reason why she should be above the political brawl.

pendent, successful and ambitious. That's fine, because if Bill ever falls upon hard times, she can support them both.

Since she's reaching for the brass ring as avidly as her husband is, it shouldn't be necessary for him to play the protective husband.

If Brown had tossed a barb at Clinton's media huckster, his pollster, his advance man, his issues manager, his spin doctor, or any of his other professional campaign hucksters, Clinton wouldn't have talked about hitting him. Imagine Clinton saying: "You aren't fit to be on the same stage as my campaign strategists." Or, "I don't care what they say about me, but if anybody insults my pollster, I'll hit them." It would sound weird.

If he's nominated, he's going to pick someone with voter appeal as his running mate. And that person will have to expect the usual political bombardment from the Republicans. I wouldn't expect Clinton to say: "If anyone says bad things about my running mate, I will hit them." That would sound even more weird.

The fact is, Hillary will have far more power than any vice president. Based on her political activities, she'll be almost a co-President.

No purpose, Hillary Clinton's saying: "If you can't stand the heat, don't get out of the kitchen." She's out there grabbing for power as eagerly as her husband, there's no reason why she should be above the political brawl.

THURSDAY, MARCH 19, 1992

The Washington Times

COMMENTARY

SUZANNE FIELDS

Marilyn Quayle had the right idea. When she came to Washington as the vice president's wife, she decided to write a novel rather than practice law.

She might embarrass Dan Quayle with bad reviews (or even good ones), but he could ignore the critics. It's not likely that he'll hear accusations of vice presidential favoritism toward her publisher.

Hillary Clinton may — or may not — want to follow a similar precedent if her husband makes it to the White House, but one of the reasons he may not make it is that her Arkansas law practice is attracting troublesome questions of conflicts of interest.

Hillary and Bill bristle at the notion that there's impropriety in her work, arguing that she does not represent clients who deal with the state government and that she refuses to take her legitimate share of the firm's fees from these clients. (She hasn't addressed the question of whether the firm pays her disproportionate fees from other accounts.)

But what she says and what she actually does are not exactly clear.

The image of her probity has

Standing by his wife

been tarnished in light of the controversies over murky dealings between her law firm and the Arkansas securities commission over a troubled savings-and-loan bank. As a partner with the Rose Law Firm, arguably the most prestigious in Little

The Arkansas governor may think this is the way to sing Dixie in the land of cotton, chivalry and honor, but Bubba knows when he's being conned. Hillary and Bill can't have it both ways. She can't come on as an independent professional woman and then hide behind her husband's outrage, real or theatrical. She's the woman who insisted that she's no Tammy Wynette standing by her man.

Hillary, liking it or not, has injected herself into this campaign. When she and her husband went on "60 Minutes" to explain their relationship, they justified public inquiry. If Hillary actively partici-

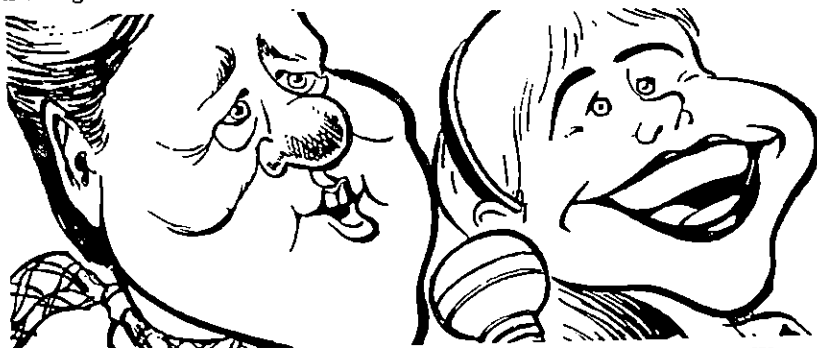
pated in a savings-and-loan case requiring approval of a state commissioner appointed by her husband, we're entitled to know that, too.

In fact, it's legitimate to ask her what she intends to do if her husband becomes

president. We can imagine how valuable Mrs. Clinton might be to Washington law firms with business before, say, the Interstate Commerce Commission or the Federal Communications Commission, some of whose members might be appointed by President Clinton.

Wives of presidents haven't had to deal with such conflicts in the past because they haven't had conflicting

see FIELDS, page G4



Rock, a Clinton name on the letterhead carries its own set of problems as well.

When Jerry Brown asked pointed questions about the Rose Law Firm's relationships with state agencies, Bill Clinton put on his best Rhett Butler imitation in defense of his wife.

"You ought to be ashamed of yourself for jumping on my wife," he said. "You're not worth being on the same platform as my wife."

Suzanne Fields, a columnist for The Washington Times, is nationally syndicated.

FIELDS

From page G1

careers. But their political work and associations have always been fair game. Abraham Lincoln's wife was a Southerner, and her brothers took up Southern arms. Enemies of the president attacked him for it.

As more women have careers, first ladies will have to be scrupulous in avoiding even the slightest perception of favoritism. TV commentator Andy Rooney may be on to something when he suggests that presidents of the future ought not to have wives (or husbands) and children. They bring nothing but heart-break and humiliation to the leader of the land.

When Grover Cleveland entered the White House as a bachelor — the New York Star reflected public sentiment that the hard and practical side of the presidency needed to be softened and made graceful by a young bride.

Ah, the times, they are still a-changing.



"DRAFT BEER NOT ME"

"FADED FLOWERS"

"STAND BY YOUR FRONT RUNNER"

MY HEART MUST BE BURNIN' 'CAUSE IVE GOT TSON-GA

The Dallas Morning News '92, Universal Press Syndicate 3/12

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 19, 1992

STATEMENT BY THE PRESS SECRETARY

The President and Prime Minister Zia of Bangladesh met for approximately one hour in the Oval Office and the Cabinet Room.

The President reaffirmed our strong commitment to strengthening democracy and promoting economic development in Bangladesh. The two leaders recalled Bangladesh's contribution to the successful fight against Iraqi aggression. The President said we will continue to provide economic assistance and food aid to Bangladesh.

The President and Prime Minister Zia also deplored the actions of the government of Myanmar that have lead to the massive, recent influx of Burmese refugees into Bangladesh. The President announced that the United States will provide \$3 million in funding from the Emergency Refugee and Migration Assistance Funds to help Bangladesh with the refugees.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 19, 1992

The President today signed the following legislation:

S. 996, which directs the Secretary of the Interior to (a) terminate the right to use certain property in the Buffalo National River park in Arkansas and (b) make an appropriate refund to the persons holding this right.

#

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

March 19, 1992

The President today recognized Tara Holland of Tallahassee, Florida, as the 723rd Daily Point of Light for the Nation. Miss Holland, a dedicated adult literacy tutor, fosters lifelong learning in her community.

Motivated by the embarrassment her great grandmother experienced from not knowing how to read, Miss Holland, 19, determined to teach other adults how to read. In August 1990, she began volunteering for the Adult and Community Education Program through the Campus Alliance for Literacy at Florida State University. Since then, she has tutored the same twelve adults, whose ages range from 20 to 60 years and some of whom have learning disabilities. The class meets one to two hours per week in a nearby low-income neighborhood. Miss Holland works one-to-one with her students, teaching them reading, as well as ways of handling situations which require reading and math skills.

Tara Holland's involvement in adult literacy and her tutoring experience led to her election last year as President of Campus Alliance for Literacy. In that capacity, she devotes about fifteen hours a week to training student volunteers for the more than thirty classes conducted by the Adult and Community Education Program each week. She emphasizes the importance of sensitivity and respect for adult students. To date, she has trained nearly 150 volunteers who have assisted teachers in the classroom. Miss Holland is also the liaison between the Campus Alliance for Literacy and Project Literacy U.S. In addition to her literacy efforts, she volunteers her time to support state Special Olympic events.

The President salutes Tara Holland for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

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FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Miah Homstad
(202) 456-6266

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 19, 1992

The President today announced his intention to appoint the following individuals to serve as Members of the United States Commission on Improving the Effectiveness of the United Nations:

GARY E. MacDOUGAL, of Illinois. Since 1969, Mr. MacDougal has served as Chairman and Chief Executive Officer of Mark Controls Corporation in Chicago, Illinois.

RICHARD JOHN NEUHAUS, of New York. Currently, Mr. Neuhaus serves as Director of the Institute on Religion and Public Life in New York, New York.

HARRIS O. SCHOENBERG, of New York. Currently, Dr. Schoenberg serves as Director of United Nations Affairs for B'nai B'rith International in New York, New York.

JOSE S. SORZANO, of Virginia. Currently, Dr. Sorzano serves as Chairman of the Austin Group, Incorporated in Arlington, Virginia. In addition, he has served as Ambassador and United States Representative to the United Nations, 1981-1985.

These are new positions.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 19, 1992

STATEMENT BY THE PRESS SECRETARY

The President spoke with Russian President Boris Yeltsin for nearly one half hour this morning. The two leaders discussed developments in Russia, and the reform effort launched by President Yeltsin. The President expressed strong U.S. support for Russia's application for membership in the International Monetary Fund, and for the reform effort in general. They also exchanged views on the situation in Nagorno-Karabakh and agreed that both Russia and the U.S. would work toward a peaceful resolution of that conflict.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

March 19 , 1992

The President today announced the appointment of Robert Anthony Snow as Deputy Assistant to the President for Media Affairs.

Since 1991 Mr. Snow has served as Deputy Assistant to the President for Communications and Director of Speechwriting. Prior to this, Mr. Snow served as Editorial Page Editor of the Washington Times. The page received numerous local, regional and national awards. Mr. Snow also served as Deputy Editorial Page Editor of the Detroit News, 1984-1987; as Editorial Page Editor of the Daily Press in Newport News, Virginia, 1982-1984; and as an Editorial Writer for the Virginian Pilot, 1981-1982. Mr. Snow began his journalism career as an Editorial Writer at the Greensboro Record in Greensboro, North Carolina, 1979.

Mr. Snow was graduated from Davidson College in Davidson, North Carolina in 1977, receiving a bachelor of arts degree in philosophy. He was born in Berea, Kentucky. He and his wife, Jill Snow, live in Alexandria, Virginia.

Tsongas Ends Presidential Campaign

By EVE EPSTEIN

Associated Press Writer

BOSTON (AP) — Paul Tsongas today suspended his debt-ridden Democratic presidential campaign, leaving front-runner Bill Clinton in a head-to-head matchup with maverick Jerry Brown.

"I feel deeply fulfilled," said Tsongas, the former senator who beat cancer. "The obligation of my survival has been met."

"Our young deserve our willingness to make hard choices," he said, sounding his tough-talking economic message to the end. "The message must endure."

Tsongas also kept his sense of humor to the end, saying he had decided to accept the presidency of the Speedo bathing suit company. His ads featured Tsongas swimming laps in a Speedo swimsuit.

Tsongas said his campaign was too broke to compete in New York, which votes April 7, and that his commitment to the Democratic Party was too strong for him to stay in the race at less than full speed.

"The alternative was to play the role of spoiler. That is not what I'm about," Tsongas said. "I did not survive my ordeals in order to be the agent of the re-election of George Bush."

Tsongas congratulated both Clinton and Brown, and said he was looking forward to helping elect a Democratic president.

"It's been a hell of a ride," he told a packed farewell rally at a Boston hotel — just a month after he vaulted from a cause candidate to a serious contender with a come-from-behind win in New Hampshire.

Tsongas was flanked by his wife, Niki, his three daughters and twin sister.

"My one regret is that this country will never have a first lady named Niki," Tsongas said before embracing his wife.

Tsongas said he believed his message was catching on but that he simply did not have the money to compete in expensive New York.

"I would have been defined by others — and without the resources to defend myself," said Tsongas, who after the New Hampshire win went to victory in Maryland, Utah, Arizona, Massachusetts and Rhode Island. But he could not match Clinton's organization in big states like Florida and Texas — and Illinois and Michigan this past Tuesday.

Tsongas said he was out of the race for good but calling it a suspended campaign because "we have delegates who wish to go to the convention."

Tsongas said money was the "mother's milk of politics" and that he didn't start raising it until too late.

"The mother didn't show up in time," he said.

Brown said he and Clinton would now "battle for the soul of the Democratic Party" and that he would stay in the race to the July convention.

Clinton, in a telephone interview, sounded overwhelmed, saying, "It means my strongest opponent is not going to be there anymore."

"But we fight on," he said. "I don't have the votes yet and there are a lot of important states coming up and the last thing I want these good people to think is that I'm taking them from granted."

Tsongas took his leave from a field that was five candidates just three weeks ago.

Clinton has emerged as the Democrats' clear front-runner in the campaign for the White House. Brown has won only one primary and two state caucuses, compared to 10 primaries and three caucuses for Clinton. In the race for nominating delegates, Clinton has 947, Tsongas 430, and Brown 129.

"We can stop calling Bill Clinton the presumptive nominee," said Democratic consultant Ann Lewis. "He is, barring something totally new and unexpected, the nominee."

Tsongas' candidacy was surprising from beginning to end. He was the first to throw his hat in the ring, and by far the least known. Yet it was Tsongas who took advantage of Clinton's winter controversies and emerged victorious in New Hampshire.

Tsongas' withdrawal forces Clinton into battle with Brown, a combative, low-cost candidate who has recently leveled some scathing attacks on Clinton's character and electability. He refers to a "scandal a week," but despite the controversies Clinton has built up a big string of victories.

-more-

The Tsongas announcement came as Democratic candidates were focusing on upcoming primaries in Connecticut, New York, Wisconsin and Kansas.

Tsongas has pooh-poohed the possibility of a Clinton-Tsongas ticket, noting his economic program differs from Clinton's. In fact, however, their programs have more in common than not. As recently as Tuesday night, Tsongas said he planned to stay in through the Democratic National Convention in July. Connolly said he made his decision Wednesday night after consulting with close advisers.

Sens. Tom Harkin and Bob Kerrey quit the race after a series of disappointing primary nights. Gov. L. Douglas Wilder of Virginia quit even before the voting began.

Tsongas declared his candidacy nearly a year ago on a rainy day in Lowell, Mass., the mill town he helped to revitalize and that shaped his economic views.

He called himself an "economic Paul Revere" and proposed a program many called more Republican than Democratic _ capital gains tax cuts, business incentives and other measures he said would help create jobs and revive the manufacturing base.

Tsongas dismissed middle-class tax cuts and other "goodies" his rivals offered as "Twinkie economics" and repeatedly told voters "I'm not running to be Santa Claus. I'm running to be president. There's a difference."

Tsongas' personal story was compelling. He left the Senate in 1984 after being diagnosed with cancer to spend more time with his wife and three daughters. He later underwent an experimental bone marrow transplant and has been free of disease for five years.

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Tsongas drops out of presidential race

By KEN CAFARELL

BOSTON (UPI) — Presidential hopeful Paul Tsongas, the first Democrat to jump into the race to unseat President Bush, said Thursday he was suspending his campaign because of a lack of money.

Tsongas said he refused the idea to stay in the race as a "spoiler" because doing so might lead to the re-election of Bush.

"It's been a hell of a ride," Tsongas told a cheering group of supporters in a Boston hotel.

The decision followed primary victories in Illinois and Michigan on Tuesday by front-runner Bill Clinton, whose only active rival now for the Democratic presidential nomination is former California Gov. Edmund "Jerry" Brown Jr.

By suspending his campaign and not just dropping out, Tsongas kept the delegates he has already won, remains eligible for matching funds and could re-enter the race if there were a sudden need for another candidate.

"I will suspend my candidacy for the presidency of the United States," Tsongas said in opening his last news conference as a candidate.

Tsongas said he came to that conclusion in the last couple of days because he realized he faced a very expensive must-win primary in New York in three weeks and he did not have the money to run a big scale advertising campaign.

"The hard fact is we didn't have the resources to fight the media war in New York," he said. "We would have been defined by others. ... My message would have been wounded. ... The message must endure."

That message, he said, was to "redefine the Democratic Party — growth with compassion" leading to a "prosperous and humane America."

"I believe the force of our message and our survival has caused people all over this country to see a new path," he said.

Tsongas congratulated Clinton and Brown and said he "looks forward to a Democratic victory in November."

Tsongas, once considered the longest of long-shots after months of being the only Democratic candidate in the field, jumped to the front of the pack with a stunning victory in the nation's first primary, New Hampshire.

He followed that up with other victories in New England, Maryland and some caucus states. But he made no dent in the South during Super Tuesday March 10 and ran poorly in the Rust Belt this Tuesday.

The former Massachusetts senator came to Boston from his home in Lowell to tell his campaign staffers of his decision.

Senate Democratic leader George Mitchell of Maine said in Washington what most Democrats believe — the withdrawal of Tsongas all but gives the battle for the nomination to Clinton.

Brown praised Tsongas as someone he "always enjoyed debating and working with. On the other hand, since the whole point of my candidacy is to offer a choice and his dropping out makes it a two-person race, it makes it very clear the Democrats have a choice and the choice is between business as usual or a real change for the future."

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TSONGAS: THE UNLIKELY CANDIDATE

(Eds: CORRECTS date Tsongas entered race in 9th graf)

By Jim Wolf

WASHINGTON, Reuter - Paul Tsongas shot from obscurity to front-runner before crushing defeats drove him from the three-man race for the Democratic presidential nomination.

Earnest, professorial and singularly uncharismatic, Tsongas was the little-train-who-could candidate, pushing an unsugarcoated pill of a message along an improbable track.

He was quitting because campaign funds had dried up after his worse-than-expected defeats in primaries Tuesday in Michigan and Illinois, the spokeswoman, Peggy Connolly, said.

Tsongas, 51, is a witty, pro-business liberal who used his own gripping life story -- he won a battle with cancer in the 1980s -- to illustrate central themes of his campaign.

"I'm the most unlikely candidate," said Tsongas, who preached that the United States must face the hard truth that it was in danger of becoming uncompetitive abroad.

Urging Democrats to forswear corporate-bashing, he campaigned instead for such traditionally Republican goals as targeted cuts on capital gains taxes to get the economy growing again.

But even as he urged the Democrats to remake their economics, he championed the party's traditional values on civil rights and women's rights.

He delighted in saying that, unlike other candidates, he was no Santa Claus or "pander bear." Arguing against a middle-class tax cut, for instance, he said this was a time for sacrifice, not sops that would deepen the federal deficit and dog future generations.

Tsongas was belittled by pundits when he entered the race early last year as the first Democrat to take on President Bush. At the time, Bush enjoyed a record 90 percent approval rating after the U.S.-led war that drove Iraq from Kuwait.

With his Everyman looks, slight build and lispy, nasal tones, Tsongas cut a lonely figure trudging through New Hampshire hinterlands with little media attention for months.

But he basked briefly in the political limelight when, in a surprisingly strong showing, he beat out the then four other Democrats in the first-in-the-nation New Hampshire contest.

He later won primaries in Massachusetts and Rhode Island, but failed to catch fire in Arkansas Gov. Bill Clinton's native South or in the unemployment-weary industrial heartland.

When Tsongas announced his candidacy April 30, 1991, he had been out of public life for more than six years. On television, comedians ridiculed him as just another Greek-American from Massachusetts much like the often-derided Michael Dukakis, who was beaten by Bush in 1988.

But Tsongas insisted throughout the campaign that he was a never-say-die battler, and horse of a different color from Dukakis.

"My aim," he said just before Tuesday's primaries in Michigan and Illinois when he knew there was trouble ahead, "is not to win but to be the last one standing when it's all done."

REUTER

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Economic Message Sidetracked By Economic Reality: No Money

By JON MARCUS

Associated Press Writer

BOSTON (AP) — Paul Tsongas entered the presidential primary campaign preaching economic policy. He leaves it the victim of economic reality.

The former Massachusetts senator said he pulled out because his campaign was between \$500,000 and \$1 million in debt, and he couldn't compete in costly markets such as New York, which holds its primary on April 7.

Tsongas' pro-business economic message was attracting upper-income moderates — seldom big contributors, according to Harvard University economist and public policy professor Robert Reich.

"There is, particularly among this group, a deep-seated antipathy toward politics and politicians," Reich said. "That's a fundamental inconsistency" for someone trying to finance a political campaign.

"People don't lose campaigns," said Robert Farmer, the mastermind of Michael Dukakis' 1988 money machine and now finance chairman for Arkansas Gov. Bill Clinton. "They run out of money and can't get their planes in the air. That's the reality." Tsongas raised enough from friends in Massachusetts to win the crucial leadoff primary in next-door New Hampshire. That, in turn, brought more support.

But he said the major influx of money, which he called "the mother's milk of politics, came too late. "The mother didn't show up in time," he said.

The last campaign report filed with the Federal Election Commission showed Tsongas had raised \$1.9 million before the New Hampshire primary, to Clinton's \$5.5 million. The next campaign reports are due on Friday.

"I don't think anybody initially thought that he was going to be a credible candidate," said Farmer, who also was in charge of fund-raising for presidential hopeful John Glenn in 1984. After New Hampshire, he said, Tsongas "began to capture some momentum and they cashed in on that. They raised some serious money."

But as Clinton stockpiled convention delegates with his Southern victories, and then won Illinois and Michigan on Tuesday, the Tsongas cash flow slowed. Expensive primaries in New York and California still loomed.

"With Clinton overcoming the negatives that were tossed at him, with his campaign picking up speed, the floodgates close" for Tsongas, said Nathan Landow, head of IMPAC, a coalition of major Democratic fund-raisers.

Tsongas "didn't attract the support because people just didn't think he could win it," Landow said.

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AM-CAMPAIGN (SCHEDULED)

TSONGAS QUILTS, LEAVES NOMINATION FOR CLINTON

By Michael Posner

WASHINGTON, Reuter - Paul Tsongas pulled out of the Democratic presidential race Thursday, virtually handing Bill Clinton the nomination to face George Bush in the Nov. 3 election.

Tsongas, a former Massachusetts senator who returned from obscurity and a victory over cancer to become a top contender for the big prize, said he had run out of money after a string of key primary losses to Clinton, the governor of Arkansas.

"We have to do this, the resources are not there," Tsongas told WBZ radio in Boston hours before a more formal bow-out news conference was scheduled.

"I'm very grateful, we had quite an effect on the policy of this country ... We changed the Democratic Party, and to those people who supported me, I'm just very grateful."

Pending his formal televised news conference, there was some confusion in political circles as to whether Tsongas might, "suspend" rather than disband his campaign completely.

Aides said they could not immediately clarify that but such a step would likely amount only to a technicality that would allow him to hold on to his nominating delegates and thus keep the door ajar for unforeseen developments.

The exit of the 51-year-old lawyer and businessman left what was once a six-man field to Clinton -- far out front in nominating convention delegates, money and every other measure of support -- and Jerry Brown, a former California governor running an unorthodox reformist campaign.

Few analysts give Brown a serious chance of winning the nomination although he insisted after hearing of Tsongas's decision that he would fight on and offer Democrats "a choice."

"Paul Tsongas is a real gentleman ... who I enjoyed debating," Brown said after hearing the news of his departure.

"On the other hand, since the whole point of my candidacy is to offer a choice, and his dropping out makes it a two-person race, it makes it very clear that the Democrats have a choice," Brown added. "And the choice is between business as usual or a real change for the future."

His determination would be bad news for Clinton -- and good for Bush -- because those two have been engaged in bitter name-calling that will keep Clinton from directing all his fire at the Republicans and their sure nominee.

But by any practical measure the Tsongas departure all but bestows the nomination on Clinton. He became the prohibitive favorite after big wins in the industrial heartland states of Michigan and Illinois Tuesday and has amassed nearly half of the 2,144 delegates needed to clinch the nomination at the July nominating convention.

Tsongas finished a poor second in Illinois and was dead last, behind Brown, in Michigan as Clinton swept both states.

But Tsongas's decision still shocked the political world because he had vowed to carry on and try to bounce back in next Tuesday's Connecticut primary. That state borders on Massachusetts and Tsongas had a good chance of winning there.

Even Bush, whose crushing primary wins in Illinois and Michigan over rival Pat Buchanan virtually ended the right-wing threat to his renomination, expressed surprise.

Asked about the news by White House reporters, Bush just said, "I heard that" and added, in a surprised tone, "Is that really true?"

Later, presidential spokesman Marlin Fitzwater offered a more hard-boiled comment, saying Bush was "ready to run against anybody."

"We'll leave it up to the Democrats to pick their nominee," he added.

Tsongas had been trying for a political comeback, aiming for the top after retiring from the U.S. Senate in 1985 to battle lymphoma, a form of cancer.

His doctors said he had beaten the cancer and he swam in national amateur meets to prove he was still strong.

He campaigned as a "pro-business liberal" and became known for his straight-forward, self-deprecating manner. His main message was that Democrats would have to attract business community support if they wanted to return to the White House after losing five of the last six elections to Republicans.

He differed sharply from all his rivals with economic recovery proposals that were conservative for a Democrat. He shunned their calls for a middle-class tax cut, saying that was "Santa Claus" politics, and said the key to recovery was to revive the manufacturing base by incentives that would include cuts in capital gains taxes.

That message made him unpopular with many Democrats but helped him to win the New Hampshire primary and other early primaries that made him, briefly, the front-runner.

Tsongas entered the campaign last April 30 when Bush had a 91 percent popularity rating. For months he was the only Democrat in the field.

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P. M. Zia

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