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FOIA MARKER

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

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

OA/ID Number: 90671
Folder ID Number: 90671-006

Folder Title:
Tuesday, April 21, 1992 [1]

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

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Cable	Chancellor Helmut Kohl to President George Bush (2 pp.)	4/21/92	(b)(1)	
02. Graph	Re: Jewish Immigration (1 pp.)	n.d.	(b)(1)	C

Page 1 of 1

Collection:

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Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, April 21, 1992 [1]

Pinksheet Number: cap6070

OA/ID Number: 90671-006

Date Closed: 8/28/2019

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

Re-review Case #:

P-2/P-5 Review Case #:

PD

323729
IV092

THE WHITE HOUSE

WASHINGTON

April 21, 1992

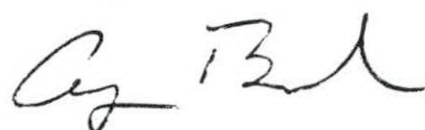
Dear Judge Latham:

Barbara passed along your invitation to join you and the good people of Lawrence County, Arkansas, in celebrating the Fourth of July.

I appreciate your kind offer; however, my schedule in this very demanding year won't allow me to participate in your county's activities.

Many thanks to you and everyone in Lawrence County for your thoughtfulness, and best wishes to all for a great Fourth of July.

Sincerely,



The Honorable Alex A. Latham
County Judge
Lawrence County Courthouse
Walnut Ridge, Arkansas 72476

920421

COPY
from ORM

4/21 Both hints reply
has already gone out.

✓ daily 4/21

Document Originally
Attached to
Following Page

RESOLUTION NO. - 13

RESOLUTION INVITING THE PRESIDENT OF
THE UNITED STATES TO THE PORTIA PICNIC

Be it resolved by the Lawrence County Quorum Court:

The Lawrence County Quorum Court does hereby extend
an official invitation to the President of the United States
to attend the Portia Picnic at Portia, Arkansas on July
4, 1992. The County Judge is hereby authorized to officially
extend the invitation.

DATED this 17 day of December, 1991.


Alex A. Latham
County Judge

ATTEST:


Billie Gail Dunlap
County Clerk

DJ:mfs
12/17/91

GEORGE BUSH

RZ

Kathy -

BPB was

given this

in Arkansas (?)

Please send

a nice regret

from me!

I'll sign

The Preside

SE

1 Daily

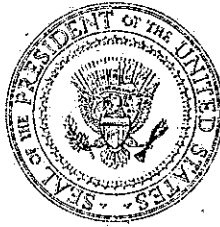
Ms. Wendy Stapleton
281 Lake Avenue
Greenwich, Connecticut 06830



Wendy Stapleton

4-21-92

To Wendy,
I loved seeing you here in the Oval
OFFICE - Good Luck. Love Cy Bunt



File

April 21, 1992

Sam:

We need to figure out how to convince the people (and press) that we are following up on:

- a. Our 7 point investment plan
- b. support for Russia in our big econ. recovery plan.
- c. Legislative support for Education and Liability reform.

5

FROM THE PRESIDENT

BUSH LIBRARY PHOTOCOPY - GEORGE BUSH HANDWRITING

Withdrawal/Redaction Sheet

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Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

Deed of Gift Restrictions

- C(1) Closed by Executive Order 13526, governing access to national security information
- C(2) Closed by statute or by the agency which originated the information
- C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
- PRM. Removed as a personal record misfile

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

- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

daily 4/21

THE WHITE HOUSE
WASHINGTON

April 21, 1992

Dear Gordy,

It was good seeing you at the festival yesterday -- some lovely day. Bar and I only regret that we did not get to see more of the fair.

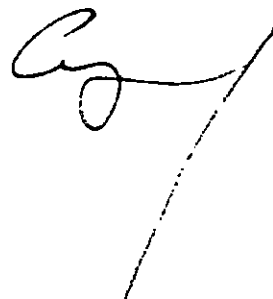
You looked good back there standing in front of the T.V. cameras with that welcoming wave.

I have asked Brent and Jim to give real close scrutiny to your papers dated April 10. There are some very positive suggestions in it.

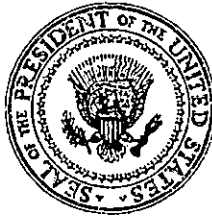
I am thinking of a statement before June 23rd, perhaps a White House speech outlining the true facts on our U.S./Israel relationship.

In any event, thanks for those constructive thoughts.

Warm regards,

A handwritten signature in black ink, appearing to be "Bill Clinton", with a long diagonal line extending from the bottom right of the signature.

Mr. Gordon Zacks
13405 Yarmouth Road, N.W.
Pickerington, Ohio 43147



April 21, 1992

Dear Gordy,

It was good seeing you at the festival yesterday-some lovely day.

Bar and I only regret that we didnt get to see more of the fair.

You looked good back there standing in front of the TV cameras with that welcoming wave.

I have asked Brent and Jim to give real close scrutiny to the paper of yours dated April 10th. there are some very positive suggestions in that paper.

I am thinking of a statement before June 23rd, perhaps a White house speech outlining the true facts on our US-Israel relationship.

In any event, thanks for those constructive thoughts.

Warm Regards, 1

Please type

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not applicable
see daily April 11/1992
this was already
sent to S.

Daily



April 21, 1992

Dear Jim,

The attached memo from
Gordy is self
explanatory.

Let's discuss it.

GB

GB

FROM THE PRESIDENT

GORDON B. ZACKS

TO: President Bush

FR: Gordon Zacks

DATE: April 10, 1992

Dear Mr. President,

As you requested, I am enclosing position papers on the three ideas that we discussed on Tuesday. If you approve them, I feel confident you will strengthen the U.S./Israel relationship and restore confidence and support within the American Jewish community for the peace process and for your policies toward Israel. Even more important, you will make a major contribution to rescuing Jews from the former Soviet Union without compromising American policy.

If I can help with any of this, just let me know.

Best regards to Bar.

Kindest regards,



Gordy

Attachments

4/10/92

SUBJECT: Israel Free Enterprise Zones Loan Guarantee Fund

OBJECTIVE: To assist in the life saving rescue of Soviet Jews without violating U.S. policy

PRESENT:

1. Jews are in grave peril in former USSR if:
 - a) Unemployment rises above 15%
 - b) Civil war breaks out
 - c) Right wing Nationalists take over in any of the RepublicsThen anti-Semitism could become overt, violent, vicious.
2. Jews should get out while they can
3. 1,000,000 have signed up to leave, but only 6,000 came to Israel last month. Why?
4. NO JOBS in Israel
 - a) Unemployment 11%, expected to rise to 16%
 - b) Under-employment among highly skilled scientists/professional immigrants.

PROPOSAL:

1. After June 23, announce intention to make U.S. government loan guarantees available through an appropriate entity for the purpose of encouraging job creating investments by U.S. private sector companies including U.S./Israeli joint venture companies.
2. These loans/investments could be used only in Free Enterprise Zones in Israel.

Free Enterprise Zones are identifiable, zoned geographic areas inside the green line mutually agreed upon by the government of Israel and the U.S.

Investment directed to Free Enterprise Zones could not be used in other areas.

4/10/92

Israel Free Enterprise Zones Loan Guarantee Fund

- ADVANTAGES:
1. These funds would not be fungible. They would not pass through the government of Israel's budget, nor would the government of Israel otherwise create such a program.
 2. This would allow U.S. companies to take advantage of Israel's unique, innovative high-tech scientific research and development capabilities and give U.S. companies Israel's duty free access to European markets.
 3. By creating program that would enhance Israeli exports, and therefore foreign exchange earnings, with little government involvement, this would promote economic reform in Israel.
 4. Little or no U.S. taxpayer money required - all money would be provided from commercial lenders.
- DISADVANTAGES:
1. Contingent liability to U.S. government.
- ACTION:
1. Direct Treasury, State or OPIC to develop this concept into a workable program and report their recommendations back to you before June 23, 1992.

4/10/92

SUBJECT:

Improving the American/Israel Relationship

PROPOSAL:

1. Following the June 23 election and after a government is formed in Israel, President Bush should invite the newly elected Prime Minister and his wife to spend a weekend in Kennebunkport.

4/10/92

SUBJECT: Meeting of Jewish Leadership with President Bush

OBJECTIVE: To rebuild support for President Bush in the Jewish community.

PRESENT: Great anger in the pro-Israel community over:

1. Loan guarantee/settlement issue
2. Patriot transfer allegations
3. Baker alleged statement. The support in the community for President Bush is dropping rapidly; the gains made in recruiting young professional Jews to the Republican Party are rapidly eroding.

PROPOSAL: President Bush to host a meeting with:

1. The Presidents of the top 50 federated communities in the U.S.
2. The President's Conference
3. The leadership of the National Jewish Coalition
4. The leadership of AIPAC
5. The non-affiliated Jewish friends of the President - Jack Stein/Jerry Weintraub/Gordy Zacks, etc.

Administration - President/Vice President/Secretary of State/
Who Secretary of Defense/NSC Director

Where - White House East Room

When - As soon as possible after June 23

Format:

1. 1-1/2 to 2 hours
2. President addresses the group - recaps areas of achievement and agreement - areas of disagreement - outline goals/intentions/new initiatives
3. Q and A

Groundrules:

1. No press present at meeting
2. White House will issue its own press release
3. Participants are free to talk to media following the meeting about what transpired at the meeting.

THE WHITE HOUSE
WASHINGTON

April 21, 1992

Mr. President,

*Just a reminder – You have an allergy
shot scheduled for 7:00 a.m. tomorrow
morning in the Doctor's Office.*



*Chris Emery
Ushers Office*

Presidential Phone Calls



DATE: 4-21-92

TIME: 11⁰⁵
incoming/outgoing

WITH: Teb

SUBJECT: re WST cheap shot.

Errors =

Teb came 1 mill. / year - crazy -
State Dinner - ↓

Guy who said all this stuff
is guy who needed non-defense
business carried -

WST asked = draft

FOLLOW UP: 4 yrs. of tax concerns
every business involved with
who are the customs

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

April 21, 1992

The President has signed the following legislation:

S. 606, which (1) designates three segments of the Allegheny River in northwestern Pennsylvania as components of the National Wild and Scenic Rivers System (NWSRS), and (2) requires the Secretary of Agriculture to study two tributaries of the Allegheny River to determine their suitability for inclusion in the NWSRS.

#

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

April 21, 1992

The President today announced his intention to nominate Tony Armendariz, of Texas, to be a Member of the Federal Labor Relations Authority for a term of five years expiring July 29, 1997. This is a reappointment. Since 1989, Mr. Armendariz has served as a Member of the Federal Labor Relations Authority in Washington, D.C.

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 21, 1992

The President today recognized the student volunteers of the Mount Rainier Volunteer Network (MRVN) of Des Moines, Washington, as the 751st Daily Point of Light for the Nation. MRVN links high school students to community service activities that help solve serious social problems in the Seattle area.

Established in January 1991 by a group of concerned students pursuing the International Baccalaureate Degree at Mount Rainier High School, MRVN includes some seventy volunteers who serve the elderly, the homeless, and school-age children through three main programs.

Through the Senior Focus Program at the Wesley Gardens, students have the opportunity to forge friendships with "grandparent," with whom they play games or visit every other week. MRVN volunteers also participate in Excel, a tutoring program through which students mentor and tutor the children attending Mar Vista Elementary School. MRVN Homeless Outreach Program volunteers organize clothing, food, and hygiene drives and assist at soup kitchens.

With the support of the Seattle Jaycees, the MRVN hopes to expand its programs and eventually become a model for other service-oriented youth programs to emulate. The founders attribute their program's success to the energy and enthusiasm of the young volunteers.

The President salutes the student volunteers of the Mount Rainier Volunteer Network for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

#

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

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

April 21, 1992

REMARKS BY THE PRESIDENT
TO THE YOUNG PRESIDENTS ORGANIZATION

Room 450
Old Executive Office Building

2:04 P.M. EDT

THE PRESIDENT: Thank you all. Please be seated. I am delighted to be here and it's delightful to have this distinguished group of executives here. I want to single out Doug Glant, the International President of YPO, and thank him for "honchoing" this outfit and getting everybody together. Some of you look a little old to be YPOs, but nevertheless -- (laughter) -- far be it from me to be throwing darts in this way. (Laughter.)

But I'd like to briefly talk about some of the issues of concern -- certainly of concern to this group, but I think of concern to all Americans, but with particular emphasis for the business community. Your creativity and the know-how that I think of when I think of YPO really are the fuel that creates our country's wealth and provides rewarding and fulfilling jobs for our communities. And the role of government in free enterprise is to allow this creativity to flourish. And that means growth.

I know we've had a very difficult time here, a far longer slowdown -- indeed recession in some corners -- than we would have liked. But for the past three years, we have been trying to promote sensible policies that will help you expand businesses and help create jobs. And we're going to continue to fight for a growth agenda. I had to veto some tax legislation recently, but we were pressing at the same time for seven bullet-point pieces of legislation that would have stimulated the economy. I am still hopeful that we can get some of them through this Congress, and I'll mention a couple of them in a minute.

We face a decision here in the White House now on another subject, and that's the participation in the U.N. Conference on the Environment and Development in Rio. The attendance of the U.S. President at the Rio Conference would add a major political impetus to that undertaking; there's no question about that at all. The world looks to us for leadership in this field. But it could also commit the United States to a course of action that could dramatically impede long-term economic growth in this country. And I am committed to international cooperation to preserve the world's environment. I want to be very clear on that. And that's why I would like to go to this conference. But I am not going to go to the Rio Conference and make a bad deal or be a party to a bad deal. I am not going to sign an agreement that does not protect the environment and the economy of this country.

And this is a very important decision. It's an important decision for our environment and it's a very important decision for our economy. And to play politics with the Rio Conference severely undercuts the U.S. position as we try now to assure a world view that will protect the environment and the economy. Negotiations are going on right now to try to accomplish both before I make a decision as to whether or not I will go to Rio.

MORE

We are going to consider intensely this matter in the days ahead. And I'm going to let you know soon -- let the country know soon of our final decision on my attendance in Rio.

Here at home last week, we had some more heartening news about the United States economy. All around the world, consumers and companies buy American goods and services in ever-greater amounts, despite the sluggish performance of some of their own economies. U.S. exports -- I look around this room and I see many who are participating in this -- U.S. exports are experiencing a surge, rising seven percent in February to a one-month record high of almost \$38 billion. And once again, I think in a good sense, American exports, manufacturing exports, are leading the way.

This good news underscores a fundamental truth about our own competitiveness: If we're to succeed economically at home, we must succeed economically abroad. And the evidence is indisputable: Open markets and free trade mean new jobs for American workers and certainly growth for American companies. Over the past four decades, trade-related jobs in our country have grown three times faster than overall American job creation.

We must build on this astounding success. And already over the past four years, our exports to Mexico have more than doubled, creating more than 300,000 export-related jobs here at home. And I remember attending a YPO meeting in Mexico about 12 years ago, maybe 14 I think it was, when we were really way behind the power curve in terms of doing business with that country. And they were way behind the power curve in terms of a political situation that would permit the kind of vigorous business that I've just talked about here.

But what we're trying to do now is take that improvement and lock in the gains with what is known as the NAFTA, the North American Free Trade Agreement. With Canada and Mexico, the North American Free Trade Agreement will establish one of the world's largest trading areas, a \$6-trillion market from the Yukon to Yucatan. And that's going to mean hundreds of thousands of new jobs for U.S. workers. Those that are fighting me or fighting us on this concept are saying it will cost jobs. We are absolutely convinced that a successful conclusion to that trade agreement will create jobs, and I mean good jobs.

Tomorrow, on another field, I'm going to be meeting with Jacques Delors, the President of the EC Commission. And with him will be President Cavaco Silva, an old friend, President of the European Council. He is the Prime Minister of Portugal as you know. And we're going to be discussing the Uruguay Round of the GATT, the world trade negotiations that are so essential to expanding trade for everybody.

Over the next decade, a successful conclusion of that Uruguay Round could pump \$5 trillion into the global economy. And the U.S. share of this growth would top \$1 trillion. And no one should doubt our resolve to preserve and expand the worldwide regime of open trade. GATT must be preserved for this reason: American workers and American companies deserve the jobs and opportunities that those open markets offer.

I think these negotiations are going to be tough. They are going to be difficult. But we're approaching them, as we have earlier negotiations, with a positive spirit. We will do our part, but the United States must not be asked to bear the entire burden of compromise when it comes to hammering out a successful conclusion to this GATT Round.

There's still much we can do to make America more competitive. And one of our serious economic problems right now --

and I won't tell you too much about this, lest you tell me about it -- that is the cost of capital. And it's too high. We know that. And that's why we're going to continue to fight for a cut in the capital gains rate -- capital gains tax rate. A high cap-gains rate discourages investment and, thus, business expansion and, thus, job creation. And it is very clear to most business people that this would be a helpful thing.

Ironically, two years ago, in both Houses we had a majority for reducing the capital gains tax. And it was beaten down purely by the political leadership in the United States Senate, keeping us from giving this incentive to American businesses, large and small. I am continuing to fight for this. Some call it a tax break for the rich, and I never believed that in the first place and I don't believe it now. And we're going to keep fighting to get that stimulative cut in capital gains.

None of our industrial competitors -- major industrial competitors -- tax capital gains at rates comparable to ours.

Germany, as some of you know, Germany doesn't tax them at all. And in Japan, an entrepreneur who sells the company that he's built from scratch pays a tax of one percent. And we are supposed to compete with those vigorous economies with a much higher capital gains rate.

And yet, the very people who complain about America's ability to compete block our effort -- every effort to lower the capital gains tax. A lower rate will benefit virtually everyone in America, not only those who run a business, but anyone who owns a house, or share of stock, seeks a better job. It will help a lot in the agricultural area of this great country of ours, too. So it's time to stop punishing the pursuit of excellence. And it's time, I think, to cut the tax on capital gains.

We're also working to lighten up the regulatory burden that Washington imposes on every American business. Last January we announced a 90-day moratorium on federal regulations. Wherever possible, we blocked those regulations that discourage growth and we're accelerating those that encourage growth.

So far, the preliminary estimates show that we've saved American business \$10 billion to \$20 billion in regulatory costs. When new legislation is passed, clearly new regulations are required. I'm thinking of the civil rights legislation that I'm very proud of: the Americans With Disabilities Act. And, yes, it imposed a burden on some, but it was overdue. It's sound legislation. It encourages people to get into the mainstream. And yet, there's been some cost with that one.

We renegotiated the Clean Air Act, and that was long overdue. And I think it's good. We tried to use market forces, incidentally, in letting people meet the clean air standards, but nevertheless, that imposed a regulatory burden. So now we're trying to move forward and fulfill our responsibilities for safety and all of that, but eliminate this movement towards overregulation. And as I say, these preliminary estimates have been pretty encouraging in terms of the savings in regulatory costs.

I'm going to soon be making an announcement about our battle against these excessive regulations, but for now I simply want to say the days of overregulation are just that -- they are over. And we are going to stay in there to be sure that independent agencies, whatever they are -- people -- whoever come in with these excessive regulations are going to have them blocked, if at all possible.

We're pursuing comprehensive reforms in other areas that directly relate to America's long-term competitiveness. We've proposed, for example, market-based health care reform to control the skyrocketing costs and to bring coverage to the uninsured. I do not want to see us lose the quality of health care that we have in this country by going to the pay-or-play plan that's going to break a lot of small businesses; or even worse, to the so-called nationalized plans that have many of our neighbors sending their people over here for care. We are not going to go to that centralized or socialized approach to medicine. And the proposals that we have made that give people access to insurance and show much greater flexibility in the insurance pool I believe is the answer to this health care problem.

In another way, another field, through our America 2000 initiative, we are intensifying our efforts to literally revolutionize -- reinvent -- American education. It isn't good enough anymore to simply throw more money at the mandated programs that have failed the young people of this country. And we're not going to do that. And we've gone together, gotten the governors together, set six national education goals -- very sensible goals -- no partisanship involved in that coming together of the governors, and now we're moving forward trying to get this program underway. Some legislation is required. Fortunately, a lot of legislation is not required, and we can go right to the communities to reinvent the American school. And it is a good program, and I urge you to take a hard look at it because I know that you know that we are going to have to do a better job of education, particularly in math and science, if we're going to be competitive in the year 2000.

So American education -- I think we've got a good program and I strongly urge you to give it your support.

Another area that I know is of concern to people here, it is to me, and that is the area of legal reform. We have introduced important steps to reform our legal system, to put an end to the frivolous lawsuits that mire so many businesses and individuals and community activities in a bottomless swamp of litigation. We've got to sue each other less, start helping each other more.

And I will continue to fight to get this Congress, hostile Congress in this area, I might say, to at least give an up or down vote on reform of the liability system. We haven't even been able to get that; we haven't even been able to get it out of committee; blocked by powerful lobbies up there. So here's an area where I know your interests are at stake and an area where I would earnestly solicit your support. Because we must start capping some of these outrageous settlements that run the cost of business right off the chart, run doctors out of business, and say to Little League coaches, hey, you better not take a chance by coaching the Little League or this guy over on third base is going to sue you.

And so we're going to fight this one. But again, it's an area where we need your help.

And the last point is this: The fact is that none of these pressing social problems are going to be solved without the voluntary involvement of individuals and communities. And when I think of YPO and the success that this epitomizes, this organization epitomizes, I think of a thousand points of light and I think of people who, in spite of spending an awful lot of time building and creating jobs for people, they find time to do something in the communities. From the first day of this administration, we have called on every American to be a point of light -- to bring hope to the helpless, and to help the homeless, and to love and care for those who are in need.

And it is working. And it isn't a government program; it is simply encouraging the sense of volunteerism that is in everybody. Right here in your organizations, you're going to -- plenty of examples of what I'm talking about. Gay Mayer, who works with a drug rehabilitation program in his area, has helped more than 100 young adults recover from the ravages of drug abuse to lead productive lives. What one individual has been able to do just by giving of himself. Joe Lobozzo, who spends his Wednesday nights counseling children of alcoholics.

I would like today to challenge all of you to join these men in a movement that is literally transforming our country. It is much more effective than having a mandated specialized program coming out of some subcommittee in the United States House of Representatives. And it is working. It is the best in ourselves. And I urge you to really, really pitch in.

First, I ask you to make your company a point of light, by personally devoting as much time as you possibly can to community service, encouraging the employees to do the same. This whole concept of mentoring, where businesses reach out and help in this Education 2000 program, is really working around the country.

Secondly, you can encourage other leaders to make voluntary service part of their own missions as well. And finally, you can work among your vast memberships to help America itself become a nation with communities of light -- a concept where an entire community comes together figuring how to solve its own enormous social problems.

I spoke earlier with some of your leaders -- Doug and others -- and I know that there is support among your members to assume this leadership role. And I know Doug has asked David Weaver, an old friend, to work with each of you to decide how you can all best respond to this challenge.

I am convinced the results will be profound, and urging this -- we're not trying to escape the responsibility of the federal government. It's something entirely different. It's the concept that Thoreau noticed years ago about the propensity of one American to help another. And we're simply trying to revitalize this, especially in these days of scarce resources and failed centralized mandates.

So we've got a lot at stake here, including the legacy that we leave our children. We all want a world at peace; strong, wholesome families; rewarding jobs for all who seek them.

You know, in these days, you hear and I hear mostly about the problems. We've got a lot to be grateful for in this country. Our kids -- grandkids in some cases -- go to bed at night with far less fear of nuclear war. The war has changed dramatically in the last three years -- unprecedented changes that nobody would have believed possible.

In the Middle East, ancient enemies are at least talking about peace. South of our border you see the emergence of democracies that none of us would have predicted just three or four years ago. The solidifying of the democratic way. And you see countries coming to grips with their economic problems. Argentina comes to mind; Mexico, a sterling example of this dramatic change that is taking place around the world.

I spent this morning talking to a group of business people on working with them on what we can do to help democracy along in the CIS, the Commonwealth of Independent States over there, led by Russia. And then the Ukraine, with Kravchuk coming here next month and Yeltsin the next. And so there's an awful lot of change in this world that is good and strong and positive.

And now what we've got to do is take these ideas, and maybe some that you have that I haven't mentioned, bring them to bear on the economic problems so we can regain the growth that is absolutely essential if the United States is going to continue to be the leader in these very important areas.

But you've caught me on an upbeat day, a day that I am confident about the United States' leadership. It is only -- I might tell you this, and some of you can confirm this from your trips abroad -- it is only our country that the others look to now as the undisputed leader of the entire world. So we've got to fulfill those responsibilities while still trying to do what we can to assist those that are hurting right here at home.

And I am confident, with your help, with your continued imaginative leadership, that we can do just exactly that. So thank you very, very much for coming to the White House. I didn't intend to give you this much of a lecture, but I'm just -- I don't normally have such a high-talented, captive audience. Thank you all very, very much. (Applause.)

END

2:25 P.M. EDT

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

April 21, 1992

REMARKS BY THE PRESIDENT
IN MEETING WITH U.S. BUSINESS EXECUTIVES

The Rose Garden

9:33 A.M. EDT

THE PRESIDENT: I am very pleased to welcome to the White House this morning 16 senior American business leaders to discuss how the American private sector can help to meet the most important foreign policy challenge that faces us -- the transformation of the new states and the former USSR from command to market economies, and from authoritarian to democratic governments. We are determined to expand the volume of our trade and investment with them. And I would like to announce today a series of measures to meet these important objectives.

First, I have asked that current negotiations with all the new states on trade, bilateral investment and tax treaties be expedited and completed as soon as possible. These agreements will provide greater access for our companies and they will lay a new foundation for our future commercial relationships.

Second, I have also asked OPIC, the Overseas Private Investment Corporation; and the Ex-Im Bank, the Export-Import Bank, to negotiate new agreements and expand their operations in the former USSR. Another critical step so that American firms can compete equally and fairly for a share of the new markets there.

And third, I would like to reiterate my call to the Congress in a spirit of bipartisanship to pass, in time for my summit meeting with President Yeltsin in June, the Freedom Support Act, the landmark legislation that I announced on April 1st. We hope the business leaders here today and the larger American business community will support this bill which will lift Cold War restrictions on trade and investment.

And finally, I have requested that our Secretary of Commerce Barbara Franklin create new business development committees with Russia, Ukraine and other countries to eliminate the barriers that currently discourage trade with them.

All these issues will be high on my agenda when I meet with Presidents Kravchuk and Yeltsin. And I'm absolutely committed to giving American companies every opportunity to compete in these markets. The American private sector should seize this opportunity to do business with these countries. It's a vast and rich market and expanding our business ties will benefit the American people.

Increased trade means new markets for American goods, greater opportunities for American investors and more jobs for American workers. The U.S. increased its exports of manufactured goods to the USSR by nearly 40 percent in 1991. We should aim to do even better this year and the next.

This is a defining moment in this century. And, indeed, the private sector's role is absolutely critical. The need for capital, advanced technology and human expertise in these countries

MORE

during this decade and into the next century will be far too great for governments alone to meet. A great economic transformation to liberate the peoples of the former Soviet Union and benefit our own people will only occur if our private firms invest and trade to show them the way.

I thank those business leaders that are with us here today, many of them already involved in trying to do business in the CIS countries. And I pledge my commitment to this partnership with the American private sector.

And now we will go inside and discuss in detail the agenda that I've just outlined. Thank you all very much for being here.

END

9:37 A.M. EDT

Daily



April 21, 1992

Dear "T",

I was glad to get your comments on Don Gregg. He has done a super job over in Korea- no surprise in that though.

This is a strange and ugly year. The press now trying to tear down me by attacking my kids and my brothers- ugly business.

I do feel the economy is moving.

Warmest Regards and love to A.

Gift

Greg

file

BUSH LIBRARY PHOTOCOPY - George Bush Handwriting

FROM THE PRESIDENT

*note: no further action
necessary - not to give ce to Connie.*



April 21, 1992

Dear "T",

I was glad to get your comments on Don Gregg. He has done a super job over in Korea- no surprise in that though.

This is a strange and ugly year. The press now trying to tear down me by attacking my kids and my brothers- ugly business.

I do feel the economy is moving.

Warmest Regards and love to A.

A handwritten signature, likely of George H.W. Bush, is written in cursive below the typed text.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Thomas J. Devine
28th Floor
641 Lexington Avenue
New York, New York 10022

ENT

THOMAS J. DEVINE
641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022
212/593-1777

April 17, 1992

Dear Mr. President,

You may remember from my introduction of Don Gregg in Tokyo in 1967 that he and I go back a long way. I missed him on his latest visit but Bob Geniesse tells me that Don has his hat in the ring for Tokyo. This is to say that I cannot imagine you being better served in Tokyo in your second term than by Don.

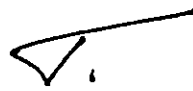
Peter Stroh reports that you were a major success in Detroit Tuesday evening.

Whoever on your team is keeping an eye on Ross Perot may want to consider interviewing Jim Evans. From his service on the General Motors board, Jim has interesting knowledge of Mr. Perot.

The press has been unable to avoid making a heartwarming story of Millie's success at your expense.

Best regards.

Sincerely,



The President
The White House
Washington

Daily



April 21, 1992

To: Sam, Skinner

I saw a very negative piece over the weekend on our plan to change the withholding on taxes.

H & R Bloch were strongly against it; and, of course, the people they interviewed all blasted me.

What is the status of this proposal. The piece indicated that very few people were using the change, though Nick Brady tells me they expect a lot will.

Please get me an update.

gb

cy

FROM THE PRESIDENT

80
Guinness
U

ROBERT S. COLEMAN
Apartment 1N
420 East 55th Street
New York, NY 10022
(212) 308-4930

Mr. President -
we have no record
That you tried to
call him
tried to call from Bartlett's

April 8, 1992

The Honorable George H.W. Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear George:

I was very sorry to have missed your call on Saturday last.

I was in Greenwich at a luncheon during which the political contests received lively discussion. In summation, those involved, including the writer, took the view that (1) it was sad that the Democratic Party could only surface the candidates of moderate calibre that it has; (2) the postures and utterances of the Republican pretender were, at best, ludicrous; and (3) that the President is wisely guiding the nation and largely ignoring the self destructive efforts of his competition.

In the language of the Turf, the race, if you will, appears to be a walk over in your behalf.

I hope, I know along with you, that Bartlett's prostate finds a similar path.

All the best,



7

RSC:rr
cc: Robert S. Coleman, Jr.

It was great hearing
from you. Thanks so much for
those words of encouragement.
And now seems peaceful over
a thousand light years in

Dear Bob,

the past.
There is our ugly, nasty
year: but I will keep
on trying to do what's right
for our country, confident
of victory in Nov.
All Best
CJ

THE PRESIDENT



11-2-72



THE PRESIDENT

4-21-92

Dear Henry,

Thanks for the Qadafi

FAX.

Très intéressant!

Best wishes,

GBJ

LEADERS

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Determined NOT to be
National Security Classified Marking
By LM (NLGB) on 08/13/24

DATE: April 20, 1992

TO: The Honorable George Bush
President of The United
States of America
The White House
Washington, D.C.

FROM: Henry O. Dormann
Chairman and Editor-in-Chief
LEADERS Magazine

TEL: 202/456-1414

TEL: 212/758-0740

FAX: 202/456-2397

FAX: 212/593-5194

THIS IS A FAX OF 26 PAGES.

I spent Saturday interviewing Colonel Muammar Al Qathafi in Libya, returning to New York on Easter Sunday. Following is the transcription of the interview.

I have marked areas of particular interest on pages 2, 4 and 17.

If you would like to discuss this further I can be reached at:

Office: 212/758-0740
Home: 212/988-8150

Warm regards.

LEADERS

Mr. President:

April 20, 1992

This is a rough first draft,
but I'm faxing it now in case any-
thing in it is especially timely.

Warmest regards—

Y. Jung

An Exclusive Interview with Colonel Muammar Kaddafi,
De Facto Head of State, Libya

Q: There is a great deal of misunderstanding about Libya and Kaddafi. You have been painted by many in the West as this person behind terrorism, as this mysterious figure in the desert. Are you or others in your country involved in acts of terrorism?

A: First of all, I would like to ascertain beyond any doubt that this is just sheer propaganda. It has absolutely no validity what so ever because Libya has never been condemned for any terrorist act so far. I would challenge anybody to produce evidence that Libya has committed any terrorist acts. Libya is a revolutionary country that helps countries to liberate themselves, helps peoples to liberate themselves. Those who are against our freedom label us as terrorists. We shall remain revolutionary to the end. Call it whatever you like.

Q: When you use the phrase, "Libya is a revolutionary country," to the West that may mean something else than what you may mean. In the West a revolutionary country is one that attacks and promotes war. Is that what you mean?

A: There is a big difference between revolution and instigating violence. It is a green revolution that we are talking about. A green revolution is what I mean.

Q: What is a green revolution?

A: It has been explained in the green book. It means the peaceful relations with the world's democracies, to have a peaceful and democratic transformation towards democracy. It is the democratic and peaceful transformation. It is the achievement of freedom and liberation. It is emancipation and liberation. The revolution is equality and a shared distribution of wealth among the people. This has nothing to do with terrorism, does it?

Q: When one thinks of the relationship between Libya and the U.S. and one knows the personality of President Bush, and your personality, the feeling is that if the two of you met together privately, you would understand each other very well. What is the problem in your view with the U.S. policy and how can you and President Bush have a better meeting of the minds?

* A: I have repeatedly expressed my feelings about the personality of President Bush. We have a feeling that his personality is not at fault. It is different from Reagan's. I have adduced and cursed Reagan quite often. I am not afraid of him. His hates reflect closely our own. I used to call him and his foreign secretary bad names, on a

passionate level. He called me names too. This has never happened with President Bush. Neither will President Bush know that his foreign secretary is the bad guy. I respect President Bush, I respect the attitude he expresses to us. On a personal level, I have seen many reasons to coordinate. Reagan deserves to be called names. The problem is that we are a very small country, whereas the U.S. is a superpower. Therefore our attitude happens to be different. The attitude is different from the various people of the world. We have to clash with it. We have to clash with Afghanistan, which is a very small next door neighbor. But the Soviet Union is over and has been defeated. And now Afghanistan is still there, which is the core of the problem. It is the difference of attitude, the point of view, of a small country and a big country. Sometimes what we see is convincing. It means nothing before a superpower, before the superpowers because the sheer power tends to blur their vision. What seems to be logic for the large superpowers is not necessarily logical to us. This is the problem when somebody is big and somebody is small. For instance, the same thing goes for a small company and a big company, the employer and the employee, the poor and the rich. It is a contradiction. The contradiction is always there. We must try dilute the differences to narrow the gap.

*

Q: If you and President Bush were meeting, what points would you like to discuss with him?

A: Plenty. First of all, there is the problem of the Middle East. That is the crux of the matter. I note the emergency there in the States. And I also know that the Americans, the American state, is fed up with the Israelis. And I also know that now that the Soviet Union has collapsed, the Israeli card is no longer valid. And I also think the American people are fed up with the Jews. I am not against the Jews, as such. In the country I have always defended them. Their rights should be guaranteed wherever they may be. But am against them constituting a state, a permanent state, because that's not in their interests. They could be wiped out in this state. Wherever they gather up together there could be an easy target, they may be wiped out quite easily. It's not in the interest of the ordinary Jew to be in such a state.

Q: But there is already an Israeli state.

A: It's not just a state, it's a problem.

Q: But it's not going to go away.

A: I think it will collapse, by various means.

Q: The state of Israel?

A: It has no future. Through peace or war. This is an artificial state, it's based on arbitrariness.

Q: But such a policy will not be understood by the U.S. The state of Israel is intact and is a sovereign entity. Not only the U.S., but the Western powers will not allow it to disintegrate.

A: It will disintegrate, whether they like it or not. The reasons, the factors for its collapse are inherent. They are real. I'm not saying that the Arabs will attack and destroy Israel, that they will make it disintegrate. That doesn't make sense. And also, the West will not allow such a thing. I'm not saying that. It will disintegrate one way or another. What I've just been talking about is one possibility. It was established as a reaction against Hitler. It's one of the byproducts of the Second World War, and therefore it's going to disappear, just as the results of the Second World War have. It's just like the Berlin Wall, the vision of Germany, and the unity of Yugoslavia, it's all undergoing review now. The Jewish State is the outcome of the Second World War. It has to be seen from this perspective. I think it's going to disintegrate, just as the Berlin Wall has disappeared.

Q: Aren't there more pressing problems between the U.S. and Libya that should be addressed?

A: I don't see that there is any problem between Libya and America at all. The reason behind all these accusations is Palestine, the problem of Palestine. America cannot accuse Libya of a mutual, a bilateral, attitude. In fact, the years just after the revolution, relations were very good with the U.S. If the American military bases had remained in Libya after the revolution, I think relations would have collapsed. But as soon as we asked them to leave, they left. And then we started a very good relationship with the States. Oil companies, manufacturers, they are all here. There's nothing special, Libyan or American, to restrict the relations between the two.

Q: How can relations then be closer?

A: If we can discard all the other participants in this problem. First of all, the Israelis should not be involved in Libyan-American relations. Neither should other parties. I have established that nobody wants a good relationship between Libya and America because they have their own interests. The non-American oil companies want to replace American oil companies in Libya. The non-American agricultural companies want to replace the American companies. The exports from other countries want to replace American exports. Those who have goods to sell to Libya want the market to get on. They have contracts and investment projects and Libya is a very competitive country

in this respect. Nobody wants a good relationship with Libya.

Q: What is the future of U.S. companies such as Shell, Conaco, Exxon, etc., in Libya?

A: The American companies pulled out. We didn't ask them to leave. They pulled out. But their investments have an unlimited scope in the field of oil. Five American companies still have concessions or contracts in Libya. The field of oil is still wide open.

Q: So they're welcome to come back, if only the U.S. Government will take a different position.

A: Of course.

Q: What else would you like to bring to President Bush's attention, that would lead to friendlier relations?

A: The issue of freedom is very important. I am against America's interference in other countries' affairs and the establishment of American regimes against the will of these peoples. Let people decide for themselves. Why is America putting itself in anything? This is exhausting for America. America is losing twice. If it's going to help everyone, this is going to exhaust the U.S. and it's going to finish it off. If it's going to fight the rest of the world, it will exhaust and defeat the U.S. in the end. I foresee this. It's the only superpower. It pretends to be

disposable for the whole world. America's forgetting itself. The U.S. is forgetting human rights within the U.S. If you attend democracy to abroad, then you forget the democracy at home. I don't think the existence of two parties is a democracy. When one political party rules a country for twenty years, that is not democracy. This is dictatorship. You can't speak about democracy in the rest of the world when you are forgetting yourself. Democracy is the government of the people by themselves. The word democracy is an Arabic word. "Cracy" means chairs in Arabic, meaning the people sitting on chairs. It is not a political party that takes over the chair, or a representative that takes the chairs. It means the people sitting on chairs, literally speaking. This is happening in Libya at the moment. The people all share these chairs. We have peoples councils and committees and they sit together to decide the future. This is democracy. So when they accuse Libya of being a dictatorship, this is a fat lie. The U.S. may issue that we are against the people's authority, that there should be a political party that would rule the whole country. But they cannot say that this is a dictatorship. They may claim to be against capital democracy. This is position that we take, that there is a dictatorship in the U.S. How can we talk to each other? We are ignorant of the reality of the situation, when we don't know what's going on in the country. The political system is either a monarchy or a republic or a state of the masses,

and it has developed in this fashion. Libya is a Jamahiriya, a state of the masses, which is the silent face of political development. There could be nothing else beyond that, except chaos or anarchy.

Q: Do you think it is reasonable that there would ever be a meeting between you and President Bush?

A: From his side, I don't think it's reasonable. This is not personal. I don't think he's free to meet me. He has various relations to make. But I am free. I can meet him. But he's not free to meet me. He has to take the Zionist lobby into account, and the Congress, and the influence of the Zionist lobby on Congress, and the mass media, which is under the control of Zionism, and the capitalists and the various groups which are anti-Arab, and anti-Islam and against revolution. These groups are creating plenty of propaganda, which makes it difficult for him to meet me, or to make a decision.

Q: In view of this, how do you see the Middle East problems being solved in the next years?

A: The ideal solution is similar to what has been happening in South Africa. South Africa is a very good example. To create a separate Jewish state and a Palestinian state, I think this is nonsense.

Q: What will happen then?

A: Clashes are bound to happen. For the Palestinians, this is just a stepping stone to what is the elimination of their entire country. The inhabitants of the Gaza strip and the West Bank actually have run away from the Palestinian cause. You hear about Palestinian camps. Where do the inhabitants of camps come from? They come from Haifa and Tel Aviv. They will not accept to remain forever on the West Bank or the Gaza Strip. The Gaza Strip and the West Bank are for the river inhabitants of these parts.

Q: The picture you are painting will lead to armed conflict.

A: Which picture?

Q: When you say that in order to solve the problems of the Middle East there has to be an elimination first of the Israeli state and that the Palestinians must have their own territory. The Israelis will not take this without armed conflict.

A: This is what worries me, exactly. As a matter of fact, they are doing just that. They are going along that road. They won't agree to our definition of what a conflict is. What I'm arguing now, is that I know it's conflict. I'm seeking a real peaceful solution that has to be similar to what is happening in South Africa now - that is the return of the Palestinians to Palestine, the beginning of free elections under the auspices of the United Nations, and the

establishment of a state that will consist of the Israelis and the Palestinians, the Jews and Palestinians, the establishment of a democratic Palestine, not Israel. When you say the State of Israel, then it is for the Israelis alone. When you say Palestine, it means the Jews and the Arabs together.

Q: Do you foresee this within the current borders of Israel?

A: Yes.

Q: You don't perhaps foresee part of King Hussein's Jordan becoming Palestinian?

A: This is the conspiracy that the Arabs fear - that Jordan be turned into Palestine, and Palestine will be given over to the Jews. This is going to lead to conflict, if not during this generation, then the next generation, or perhaps later. The final, inevitable solution is to establish a democratic state in Palestine, with the Jews and the Arabs together, and to establish free elections. To have people who will be equal. The people will just have a Palestinian nationality. We will not tell him that he is Jewish or Muslim or Palestinian or Arab or non-Arab. This is a historical solution. But Israel will not accept that. They established a sectarian state, and this is going to end Israel. You cannot accept a sectarian state in the middle of the area - sectarian in terms of ethnicity and from a

religious point of view. In the State of Israel we are given this free. First of all it will produce a burden on the Americans, and it has exhausted the Americans quite considerably. At the moment, it seems that the U.S.'s sole problem is Israel. It has brought about the hatred of the Arabs. The Arabs hate America just because of Israel. Without Israel the Arabs have no reason to hate the Americans. The Arabs like the Soviet Union, simply because it was against Israel. When America turns against Israel, then it will appease the Arabs. Why doesn't America stand by the Palestinian people? The State of the Palestinian people is similar to the State of the Jews during Hitler.

Q: You know the situation politically within the U.S., and the various political lobbies. Knowing this, what could be the possible steps to a realistic solution to this problem?

A: My problem is that I speak my mind. I am not a politician. I am a revolutionary. And this is one of my problems. I can talk about peace and the realization of peace, through the Madrid negotiations and other negotiations, and the peace march. In that case I'll just be a hypocrite, exercising hypocrisy. I'll be deceiving the people. I am speaking the truth. Quite often this is not liked very much. But this is what is going to turn out to be the truth in the future. If we intend to avoid war and conflict in the Middle East, then we have to establish a Palestinian State with the Jews and the Arabs, that will

consist of all the Palestinians and all the Israelis. Then we don't have to worry about who will be the prime minister, whether he's a Palestinian or a Jew, then it will be together. If I want to be a hypocrite and decide to deceive the people, I will talk about the temporary arrangements being made at the moment. In that case, I will be telling that we support the peace process that's going on at the moment. And that the peace process should continue. That we have to recognize the rights of the Palestinians and that we must support the peace negotiations. There is nothing else I can add. Meaningless, meaningless words and empty phrases.

Q: What about the rest of the Arab world? Are they behind scenario number one, or are they behind this hypocritical scenario number two?

A: There is a big difference between the Arab individual and the Arab rulers. Arab leaders, within themselves are not happy. But they have to say the hypocritical things I've just been talking about. They have to support the current hypocrisy going on at the moment. They have to clap their hands and support this. They are being convinced that this is what should happen. And they just want to prove that they are following in the steps of the others. The average citizen will not accept the State of Israel. They teach this to their children at home. Because they know deep down that these Jews have come from various parts of

the world. The average Arab will not accept a Soviet citizen to come and settle in any of the Arab countries. Hundreds of thousands have come away from the Soviet Union. They have nothing to do with Palestine. We will accept that, but not because the Arabs have been beaten or defeated. Otherwise we wouldn't have accepted a hundred thousand people coming from the Soviet Union to settle in the Arab world. The rest of the Jews have come from various parts of the world. Recently they have been searching into the jungles of Africa to see if they can find any Jews. And if they decide to go over to Palestine? Who would accept that? There are Jews who have always lived among Arabs over the last 3 thousand years, who lived in the Arab world before 1948. We do recognize those and we accept it. And there is no enmity or hostility between us. But to divide the world into a Jewish State and a Christian State and a Muslim State, that's just not acceptable.

Q: Where does Yassir Arafat fit into this picture?

A: Arafat has two personalities. He has one as an Arab leader and one as an individual in his own right. The big doubt here is that this is nonsense. What's going on at the moment is nonsense. But as a politician he has to speak like all politicians, in the correct political language. He has to clap his hands in support of the peace process.

Q: Will Arafat remain in his present position? Could Arafat be a candidate for prime minister in the scenario you paint of the Palestinian State?

A: If this scenario that I'm talking about is realized, I think his position would be similar to Nelson Mandela's. If the Israelis want to serve themselves, they have to do what the South Africans are doing.

Q: Did Saddam Hussein win the war?

A: I don't say that even America won the war. The Americans have won historical hatred. The results of the Gulf war will be known later.

Q: They have won historical hatred?

A: Hatred. Yes. That will be known in the future, inside American and abroad. At the moment there is plenty of bitterness in the Arab world, even those Arabs who are against Saddam Hussein, who are against the Iraqi Government, they are not behind what's going on in Iraq at the moment. This has produced a certain bitterness in the Arab world.

Q: Even in Saudi Arabia?

A: I'm not talking about certain individuals. This has produced bitterness all over the Arab world.

Q: You are talking about the people?

A: There is tremendous hatred against the West, especially America. I think the war was a big mistake, it's been a big gamble.

Q: It was a United Nations force that entered into the conflict, just as it is now a U.N. force that has placed the embargo against Libya. But there are those who feel that this was an organized American-United Nations force. Do you agree with this point of view?

A: They think Arabs are stupid. That America looks at us as stupid is what all the Arabs are saying at the moment. America wants us to believe that what happened was started by the United Nations. This is nonsense. This is American. America cannot shelter itself behind the United Nation's umbrella in this manner.

Q: What will happen to the two prisoners?

A: We do not refuse that they should stand trial even though we are surprised by such accusations. We are certain that they are innocent and that the whole thing has been fabricated. Nonetheless, we have not refused or rejected the accusation. Start the investigation according to the neutral agreement. We stick to this agreement. We have signed the agreement and will respect it.

And we cannot violate the neutral agreement, because this agreement respects national laws and we will respect our own laws. We protect our citizens but we never protect criminals. If they are convicted they should receive a sentence, whatever that conviction is. I think that this is quite a liberal position.

Q: Where would they stand trial?

A: Libya. This is what the neutral agreement stipulates.

Q: But the embargo would never be lifted under that basis.

A: That is what is required of us.

Q: The United States is asking for them to be tried in another country.

A: We insist that they should be brought to trial according to our laws and they insist that they should be handed over to the Americans. But they know that turning them over is impossible, especially to America and Britain. A third country was decided upon and we chose Malta.

Q: Is there another compromise?

A: Libya came forward with many propositions. Our positions are legal, logical and everybody condones our position.

* Q: President Mubarak is very close friends with President Bush. Is there a chance of Cairo being the site for the trial?

A: We have no objection.

Q: Let us talk for a moment about North African policy. Do you see yourself as an international statesman? If so, how do you see North African policy involving Libya, Egypt, Algeria, Morocco, Tunisia and Sudan economically and politically in the future?

A: I think this is a step towards the realization of our ability. There should be integration between these countries that will include Sudan, Egypt and the rest of the Maghreb. In order not to be accused of racism, we would like to include the desert bloc countries. But America will come along and speak against such thinking.

Q: Have you tried to organize this?

A: I am putting this forward, but why is America destroying everything that the people are trying to suggest? This is what is making people hate America - that it is poking its nose into everything. If Egypt, the Sudan and Libya and the rest of the North African countries plus Mali, Niger and Chad were to organize themselves and bring themselves together, why should America be against us? Why should America spoil it? It is only natural that we hate America for that. Do you know what the American agents in Africa have said? That if America wants us to settle down, then we have to be equal friends -- America and Kaddafi. If America remains against Kaddafi, we won't have stability in Africa because the peoples will be with Kaddafi but

against the governments. They will accuse the governments of being traitors or puppets working against Kaddafi.

Q: It sounds as though you believe that America is out to eliminate Kaddafi.

A: That is not the point I am making. It is following a style of policy towards revolution and, it is not in the interest of the Americans to be against revolution.

Q: But America sees you and the revolution as the same.

A: This is true. But why is America against revolution? Is it good for America to be against revolution? We have to be against colonialism, against racism and apartheid, against reactionism, against fascism, against terrorism but not against revolution. Revolution is against fascism, against colonialism, against reactionism, against terrorism, against disease and illnesses. America should get together with revolution and support these things.

Q: Have all these countries in North Africa agreed to gather together in the way you have suggested?

A: They know that their interests are in this concept, but they are afraid of American and Western intervention. In the end, the source of terrorism is America. America is terrorizing every one of us. American policy is a terrorist policy. Aircraft carriers and various American fleets, economic sanctions, embargoes,

boycotting, threats, challenges ... this is terrorism. This is the very essence of terrorism.

Q: Assuming that what you say is true, how can there be a solution?

A: It's not in my hands. I am forced into defending myself because I am under attack. The solution is not in my hands. I cannot freely tell the Americans to withdraw their military bases from all over the world, to stop interfering in other peoples affairs and leave the Israelis to themselves, to fight illnesses and disease, to protect the environment, to use American technology in the interest of human beings. Would America listen to that? Stop being an imperialist power. It's not in our hands. I can only offer advice.

Q: Don't you think the U.S. will become more and more antagonistic as they hear your views and accusations?

A: I said from the very beginning that there is a matter of misunderstanding. There is also a contradiction between a superpower and a small country. It is a problem with the whole world. There was the Ottoman Empire and Hitler. This is not the first time when a single superpower comes up, when there is no logic and when that power lacks in the eyes of the rest of the world. But in the end, it is bound to lose. Where is the Ottoman Empire? Where is Nazi Germany? What has become of that? America is heading in the same direction.

Q: How can what is said in this interview help bring about some solutions?

A: One can deduce from this interview and sum up that Kaddafi hates evil and has no expansionist ambitions. First of all, he is a revolutionary and he admits that. He is taking a defensive position, defending freedom, defending democracy defending revolution. That he looks at what is happening in the world as being illogical. That he has no special hatred for America nor does he hate the Jews. He looks for ways for saving the Jews by not letting them concentrate and congregate in one place. That he is seeking a democratic solution. He is not just following suit like everybody else. He knows the real solution for the Middle East problem. And if this solution is not acceptable or is laughable, the future will prove that it is the solution. But his view of relations should be acceptable. There should be no imperialism. There should be no racism. People should be free to decide their own fate. He looks at the problem not as an American-Libyan problem, but as dangerous diseases which have afflicted the world, starvation. These are the problems that have to be faced and addressed. But my main concern is not what they have made it to be. It is not to destabilize anybody or to practice terrorism. He feels that he is a victim of terrorism and considers American power to be a terrorist power. It is not a question of blowing up an airplane or causing an explosion somewhere. That's a crime, and it is an individual crime. But terrorism is the policy that America is following. Its military,

political and economic policies are terrorism. The threat of the use of force is the epitome of terrorism. The starvation of peoples, imposing total embargoes on various nations, economic sanctions - this is terrorism. And Libya has never been condemned for any terrorist act. This is just propaganda. Who did it? I think the Zionists are behind it. The court proved we were not involved the Berlin disco bomb in 1986 . Of course, we are going to ask for Reagan and Thatcher to be put on trial here in Libya. I see you laughing because they are American and British. The two that are Libyan can be tried anywhere. One is a human being and one is not.

Q: Do you welcome investment by business around the world in Libya?

A: Of course we do. There is an open door.

Q: Investors see you are in your early 50s and you have been in office for 23 years. What happens after Kaddafi?

A: This is the problem. They think Kaddafi rules here like Franco for instance, or Castro. I am totally different. I have no powers, no authority whatsoever. As of March 2, 1977 I have had no political powers. I don't sign anything. I have peoples counsels and peoples committees and they make decisions. Whether I am here today or tomorrow makes no difference. The peoples conferences and the peoples committees will still be here. They know the changes that can take place in a country being ruled by one person. You see what happened in countries I have just

mentioned because their fate was in one person. I have studied history very carefully. The substitute for Kaddafi is the people's authority and to strengthen the people's authority every day.

Q: But in every country there has to be one figure that is the spokesman.

A: People can run their own affairs after that through the people's authority. You expect us to have an heir apparent to the throne. Certainly not.

Q: With all of these problems that face you everyday you don't have a grey hair. Don't you worry?

A: The roots are all going white. I think by the time problems are over my hair will all be white.

Q: You accept crisis very gracefully and calmly.

A: I get very worried when we are in the wrong. But when we know we are in the right, I don't worry. Now we are not worried at all. We are leading a very normal life. We think an injustice has been done to us. We think this is our fate because we didn't cause it, it is not because of our behavior. We look at it in this respect: all the hurricanes, earthquakes and volcanoes pass by, but the land and the people are still there. Hitler hasn't wiped out Europe. Europe is still there. The people will remain.

Q: Is there anything you'd like to add?

A: I thank you very much for this interview, a very proper contribution towards the enlightenment of public opinion and to the leaders of the world.

4/21 Sent with
cover of Qaddafi
interview by
Henry Dorman



April
21,
1992

Lauri
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A handwritten signature, possibly "Lauri", is written next to the initials "GB".

FROM THE PRESIDENT



April 21, 1992

To: Sam Skinner

There is a lot of bureaucratese in here. I don't understand it all.

Let's be sure that we do whatever is needed to keep the 'gamers' from claiming places as reservations that are not.

If legislation is needed let's get out front on it.

Can we stop the bad practices through regulatory action?

9

FROM THE PRESIDENT



THE SECRETARY OF THE INTERIOR
WASHINGTON

April 20, 1992

Memorandum

To: The Honorable Samuel K. Skinner
Chief of Staff to the President

From: Manuel Lujan, Jr. *Manuel Lujan, Jr.*

Subject: Gaming on Indian Reservations

This memorandum summarizes actions being taken by the Department of the Interior relating to gaming on Indian reservations.

BACKGROUND

During the 1980's various Indian tribes discovered the operation of Bingo halls to be a very lucrative economic development tool. Large scale Indian Bingo operations sprang up all over the Nation, in many instances to the detriment of non-Indians who had traditionally monopolized this form of gaming. Conflicts between Tribes and States over gaming on Indian trust lands culminated in the 1987 Supreme Court decision in California v. Cabazon Band of Mission Indians, 480 U.S. 202 (1987). The Court held that a State may not impose its regulatory scheme for gaming on an Indian tribe in the absence of Federal law to the contrary.

Congress, in response to the Cabazon decision, enacted the 1988 Indian Gaming Regulatory Act (IGRA), P.L. 100-497. The IGRA established a Federal regulatory scheme for Indian gaming as follows:

- (a) Bingo and certain card games are known as Class II games and are to be regulated by the National Indian Gaming Commission (NIGC), a Federal agency created by the IGRA.
- (b) All other games are known as Class III games and are to be regulated by a "compact" to be entered into between each respective Tribe and State. States are obligated, pursuant to the IGRA, to negotiate, in good faith, compacts with Tribes if they permit non-Indian Class III games in their State for any other purpose.

Unfortunately, the IGRA contains confusing, conflicting and unclear language, particularly as it relates to these compacts between the Tribes and the State.

CURRENT MANAGEMENT ACTIVITIES

In the fall of 1991 the Department was informed that the NIGC would not be in full operation until November of 1992 due to the fact that the NIGC had not promulgated final regulations governing its activities. It should be noted that those powers and authorities granted to the NIGC by Congress in the IGRA were not granted to any other Federal agency in the interim while the NIGC was promulgating its regulations.

Presently, there are approximately 150 Class II games being conducted by 140 tribes throughout Indian country, and 25 tribal-state compacts in nine States have been approved. After reviewing the general state of Indian gaming throughout the Nation and the effect of the NIGC's anticipated delay in start-up, I created an internal task force to formulate an Indian gaming management strategy for the Department to follow while waiting for the NIGC to assume its Indian gaming regulatory responsibilities.

On February 28, 1992, I issued a directive which covered:

- (a) departmental enforcement of gaming statutes,
- (b) the creation of an Indian Gaming Management Office within the Bureau of Indian Affairs,
- (c) the issuance of updated administrative guidelines relating to Indian gaming, and
- (d) other matters which collectively constituted an Indian gaming management strategy for the Department.

The updated set of administrative guidelines was issued by the Assistant Secretary for Indian Affairs on March 5, 1992. These guidelines are now being used by Tribes, BIA superintendents, and BIA area directors in reviewing, approving or disapproving all contracts, leases, subcontracts, agreements or assignments related to gaming. These guidelines provide BIA and Tribal officials with a blueprint on how decisions are to be reached on matters such as:

- (a) the approval of management contracts and leases,
- (b) the establishment of financial and accounting procedures,
- (c) the conduct of background investigations and criminal checks,
- (d) actions taken in order to comply with the National Environmental Policy Act,

- (e) the approval or disapproval of State-Tribal Class III gaming compacts, and
- (f) the approval or disapproval of Tribal per capita distribution plans.

NATIONAL INDIAN GAMING COMMISSION REGULATIONS

On April 9, 1992, the NIGC placed proposed final regulations relating to the definitions of Class II and Class III gaming in the Federal Register. These proposed regulations will go into effect in May.

Other final compliance and enforcement regulations will be promulgated in two phases by the Commission in the months ahead, and by November the NIGC plans to begin its job of regulating Class II Indian gaming activities.

LAND INTO TRUST REGULATIONS

In addition to the management activities listed above, updated regulations relating to the taking of land into trust by the Federal government for the benefit of Indian Tribes are in the final stages in the Department. The taking of land into trust for gaming purposes, particularly non-contiguous to existing reservation lands, may become very important to certain Tribes, and was authorized by Section 20 of the NIGC.

AMENDMENTS TO IGRA

The IGRA has generated a significant amount of litigation throughout the Nation. Various provisions are being interpreted differently by the States and the Tribes. Those parties who originally opposed the Act have seized upon this controversy as proof that the Act should be repealed or at least amended extensively. Others take the view that the Act should be strengthened. All sides tend to exaggerate the current state of Indian gaming and what it will lead to in the future.

In order to counter what may turn into a campaign to blame this Administration for foisting Indian gaming onto States which profess not to want it, I suggest that this Administration's position in favor of family values and against unwanted gaming be reiterated through proposed "clarifying" amendments to the IGRA.

Two notes of caution apply here: first, every effort should be made not to identify with those pro-gaming interests which are seeking to eliminate Indian gaming because of competition. Second, every effort should also be made not to identify with those interests which are seeking to introduce Class III Indian gaming to states which do not allow any casino style gaming.

In keeping with the aforementioned concerns, I propose the following types of "clarifying amendments":

Scope Amend IGRA to clearly state that a Tribe has the right to enter into a compact which covers only those games permitted by the State. Some tribes have taken the position that they have the right to enter into a compact which covers all casino games, even where some of those games are not permitted in the State. This is currently a problem in Wisconsin, for example.

Video games Amend IGRA to provide that video games are Class III gaming and not Class II. This is perhaps the biggest of the controversies which surrounds IGRA. Most, if not all Tribes, contend that some video games fall within the IGRA definition of Class II gaming and thus are not subject to Tribal-State compacts. This issue involves a major portion of the 150 Indian Bingo operations existing today.

Good faith Amend the IGRA to define what the requirement that a State negotiate a compact in "good faith" means. Some States feel that this good faith requirement means that they must accept provisions in compacts which they do not want or that they must agree to a compact which they can not accept.

Charity gaming Amend IGRA to provide that non-Indian charity gaming allowed by a State less than once each month does not entitle a Tribe to a compact providing for full time Indian gaming.



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, APRIL 21, 1992
6 A.M. EDT EDITION

NATIONAL NEWS

BUSH'S COLUMBUS TRIBUTE TAKES AIR OUT OF PC SAILS -- President Bush Monday kicked off America's premier event marking the 500th anniversary of Christopher Columbus' trans-Atlantic voyage, flying in the face of politically correct objectors who disparage the Great Navigator. (Washington Times)

POLL SHOWS PEROT BEATING BUSH, CLINTON IN TEXAS -- Ross Perot is leading both President Bush and Gov. Clinton in the President's adopted home state, a new Texas survey shows. (AP)

BALANCED BUDGET AMENDMENT LIKELY TO PASS, FOLEY SAYS -- Rep. Foley predicted Monday that Congress will pass a constitutional amendment this year that would require the federal government to produce a balanced budget. (Los Angeles Times)

INTERNATIONAL NEWS

MILITARY GEAR TRANSFERRED BY SAUDIS, U.S. CONFIRMS -- The State Department confirmed Monday that Saudi Arabia had given U.S.-made military equipment to Iraq, Syria and Bangladesh, but it denied that the U.S. government had approved the transfers in advance or failed to tell Congress about them. (Washington Post)

NETWORK NEWS (Monday evening)

ABORTION -- The Supreme Court will hear a challenge to Pennsylvania's abortion law on Wednesday.

IRAQ/ARMS -- The State Department confirmed Saddam Hussein got military hardware during the 1980s from Saudi Arabia.

AFGHANISTAN -- Rival Muslim guerrilla armies massed on the outskirts of Kabul.

TRIP NEWS.....A-1

NATIONAL NEWS.....A-2

INTERNATIONAL NEWS...A-5

NETWORK NEWS.....B-1

TRIP NEWS

BUSH HELPS OPEN AMERIFLORA '92

COLUMBUS -- Moments before the start of opening ceremonies, the clouds parted, and bright skies and sparkling sunshine graced much of AmeriFlora '92's opening day.

President Bush, in his opening speech, saluted the "hard work and self-reliance and faith" of Christopher Columbus. Visitors to the first day of the international floral-themed exhibition showed a similar spirit....

President Bush hinted in his speech of new economic plans and insisted the U.S. would thrive in an international market of free trade. He continued his recent theme that in a free market, America would not only outperform other countries but would benefit from relationships. (Columbus Dispatch)

BUSH'S COLUMBUS TRIBUTE TAKES AIR OUT OF PC SAILS

COLUMBUS -- President Bush Monday kicked off America's premier event marking the 500th anniversary of Christopher Columbus' trans-Atlantic voyage, flying in the face of politically correct objectors who disparage the Great Navigator.

Lest anyone miss the point, Bush added an aerial salute in his giant Air Force One 747, which swooped low at just 1,200 feet over a quincetennial theme park of gardening where a crowd of 20,000 awaited his arrival.

"Thank you for the privilege of attending this marvelous AmeriFlora '92, America's celebration of discovery," Bush said, ignoring in one sentence Viking descendants who claim first landfall, Indians who blame Columbus for importing pestilence, and neighbors who object to losing their nearby park for a \$93 million flower show while unemployment and crime go untamed.

For months, Bush had been tugged from the left to ignore celebrations, or at least acknowledge the dissent, and from the right to ignore the complaints. He chose to ignore the complaints.

(Frank Murray, Washington Times, A1)

BUSH MIXES TRADE TALK AND COLUMBUS

President Bush introduced his latest political strategy Monday -- "Theme of the Week" -- with talk about trade that invoked Christopher Columbus and former President Nixon but had little other substance. In a speech opening AmeriFlora '92, Bush spent less time talking trade than he did introducing guests at the event....

After the speech, the White House downplayed it, saying it was never intended, despite advance billing, to be a major trade address. That's coming Thursday, said the White House, in a speech to the Council of the Americas in Washington.

("Election '92," USA Today, 4A)

NATIONAL NEWS

POLL SHOWS PEROT BEATING BUSH, CLINTON IN TEXAS

DALLAS -- Ross Perot is leading both President Bush and Gov. Clinton in the President's adopted home state, a new Texas survey shows. The Texas Poll showed that if the vote were held now, Perot would get 35 percent to Bush's 30 percent and Clinton's 20 percent.

The survey, the first anywhere to show Perot in front, shook the camps of both the President and Clinton. "It is troublesome that a Perot candidacy at this point puts him on an equal par with the President, or a little better now," said Jim Oberwetter, Bush's Texas campaign chairman. "Clearly, the President is going to have to spend more time in Texas."

Campaign spokeswoman Torie Clark said: "We take everything very seriously. I would call it discouraging -- just a sign of a lot of work that has to be done." (Tom Raum, AP)

BUSH LEADS CLINTON 53-39 IN GEORGIA, BUT VOTERS UNHAPPY

ATLANTA -- President Bush enjoys a 14-percentage point lead over Gov. Clinton among likely voters in Georgia, but 27 percent said they would vote for "none of the above" if they had the option, a new poll said Monday. The telephone poll of 805 likely voters by the Georgia State University Center for Urban Policy Research said Bush led Clinton by 53-39 percent. (Reuter)

BUSH AND CLINTON START STIRRING THE POT FOR FALL

The two parties are sliding into a general election campaign with all the reassuring rituals of modern presidential politics.

President Bush is back out on the hustings, talking about his commitment to change and a reinvigorated domestic agenda, just as he did in 1988. (A tacit admission that his message, somehow, did not get conveyed during four years of running the government.)...

"They're going to try to run 1988 all over again," said James Carville, Gov. Clinton's strategist. "They're going to be relentless in their attacks on us and try to coopt issues like education and the environment with some very modest, squishy proposals." (Robin Toner, New York Times, A21)

POLLUTION IN ARKANSAS AREA MAY BE KEY CAMPAIGN ISSUE

EUREKA SPRINGS, Ark. -- Four years after President Bush took a famous boat ride through Boston's polluted harbor and took control of the environmental debate in his presidential quest, environmental specialists in the Administration say Bush's reelection campaign is now deciding whether to make a similar campaign stop here in northwest Arkansas.

Officials of President Bush's campaign organization are considering a campaign stop in this area to highlight Clinton's environmental record, or sending a television production crew to the region to film a political advertisement, say top environmental policy specialists in the White House, OMB and the Interior Department. (Keith Schneider, New York Times, A20)

NOT IN RACE, PEROT SPENDS \$400,000 ON HIS CAMPAIGN

Ross Perot spent more than \$400,000 of his own money on his campaign last month, according to the first official record of his campaign finances that was filed Monday with the FEC. That is eight times the amount of their own money that presidential candidates are normally allowed to use. But since Perot is not accepting federal funds, he is not covered by the \$50,000 personal contribution limit. (David Rosenbaum, New York Times, A21)

ON THE NIXON COMEBACK TRAIL

Former President Nixon will not attend the Republican National Convention, despite suggestions by Bush campaign officials planning the Houston convention that this might be the year to welcome Nixon back. Nixon wrote Robert Mosbacher to tell him: "I wanted you to know that Mrs. Nixon and I do not plan to attend."

("Politics," Washington Post, A6)

BALANCED BUDGET AMENDMENT LIKELY TO PASS, FOLEY SAYS

SPOKANE, Wash. -- Rep. Foley predicted Monday that Congress will pass a constitutional amendment this year that would require the federal government to produce a balanced budget.

Although Foley is personally cool to the idea and warned of potentially dire consequences in terms of tax increases and program cuts, aides said that his prediction on a visit to constituents here was based on strong and increasing support among many liberal Democrats as well as conservatives.

Sen. Simon confirmed in a telephone interview that support is building rapidly. Simon said that Sen. Mitchell has promised a Senate vote on the amendment by June 1....

If Congress passes a balanced budget amendment now -- with the expected enthusiastic backing of President Bush -- there is a good chance that the states would ratify it, political scientists said.

"It will be very difficult for states to resist passing it, even though it may lead to a complete shut-off of federal aid," said Norman Ornstein of the American Enterprise Institute.

(William Eaton & Paul Houston, Los Angeles Times, A1)

**JEB BUSH'S PRESIDENTIAL HANDLE APPEARS TO HELP
PRIME THE PUMP BUSINESS IN WORLD-WIDE MARKETS**

Asking to bring a big customer to the house for dinner is a standard practice of business -- unless, of course, the customer is the president of Nigeria and the house happens to be the big white one at 1600 Pennsylvania Avenue.

But by one account, Jeb Bush is doing just that. Bush works as a consultant to a water-pump manufacturer that counts Nigeria among its biggest clients.... "Jeb has been able to parlay his name, if not his connections, into access at high levels," said Millard Arnold of the Nigeria U.S. Business Council.

President Bush has cautioned U.S. embassies against providing any favorable treatment to the business ventures of family members. But Jeb Bush's experiences in the business provide a case study in how to profit from a presidential name -- perfectly legally, by all appearances.

(Thomas Petzinger, Wall Street Journal, A18)

FED GIVES NEW EVIDENCE OF '80S GAINS BY RICHEST

The very rich increased their share of the nation's total pool of privately held property during the 1980s economic boom, researchers at the Fed and IRS reported Monday. Total private wealth grew in this decade, and people at many income levels owned more assets at the peak of the boom in 1989 than they had six years earlier.

But the richest 1 percent of American households, all of them millionaires at a minimum, owned a bigger share of the total at the end of that period, according to the Fed's triennial Survey of Consumer Finances. They accounted for 37 percent of private net worth in 1989, up from 31 percent in 1983.

(Sylvia Nasar, New York Times, A1)

JUSTICES MAY FURTHER CURB U.S. COURTS

The Supreme Court Monday agreed to consider stripping federal courts of their power to overturn some state criminal convictions. The court said it would use a Michigan murder case to decide whether federal courts should continue to be allowed to review state prisoners' claims that their Fifth Amendment rights were violated.

(Ruth Marcus, Washington Post, A9)

AID CHIEF REPAYS GROUPS THAT PICKED UP HOTEL TABS

Ronald Roskens, the AID chief whose travel practices are under review by congressional investigators, has repaid more than \$1,100 to two private organizations that improperly paid his hotel bills, the agency said Monday. The two latest repayments, made earlier this month, mark the second time Roskens has reimbursed outside groups that either paid him a speaking honorarium or covered travel-related expenses. (Warren Strobel, Washington Times, A8)

EDITOR'S NOTES: "Daniel In The Bunny's Den," regarding the Easter Egg Roll, by Brian Kelly, appears in the Washington Post, page D1.

"4 Votes Against, 2 Votes For, 3 Votes Uncertain," regarding the Supreme Court and abortion, appears in USA Today, page 8A.

INTERNATIONAL NEWS

MILITARY GEAR TRANSFERRED BY SAUDIS, U.S. CONFIRMS

The State Department confirmed Monday that Saudi Arabia had given U.S.-made military equipment to Iraq, Syria and Bangladesh, but it denied that the U.S. government had approved the transfers in advance or failed to tell Congress about them.

Department spokesman Richard Boucher said the U.S. did not learn about the transfers until after they were made. He added that when U.S. officials investigated, Saudi Arabia readily acknowledged the transfers and said they had been "inadvertent." In each case, congressional sources confirmed Monday, the State Department sent formal letters of notification to Congress....

Pentagon and State Department sources said Iraq did get bombs of the type described in a Los Angeles Times article Saturday, but would not say how many. A senior Pentagon official said Syria and Bangladesh, by contrast, received only nonlethal equipment that included "jeeps, trucks, water trailers and a bulldozer." The official denied that either country received any armored vehicles.

(John Goshko, Washington Post, A15)

DOE OFFICIAL DISCOUNTED '89 WARNING ON IRAQ'S NUCLEAR PROGRAM

The Energy Department's senior intelligence officer in 1989 turned aside an early alarm about Iraq's advanced effort to develop nuclear weapons on grounds that it did not warrant urgent, high-level Bush Administration attention, according to government documents released Monday.

The alarm was raised by mid-level officials within the department who wanted to brief Secretary Watkins so he could alert Secretary Baker and other senior policymakers to a problem that many officials now acknowledge was not fully appreciated at the time....

The documents released Monday indicate that neither Watkins nor Undersecretary John Tuck, who was responsible for overseeing weapons-related issues within the department, were made aware of all the evidence behind the alarm until nearly a year later.

(Jeffrey Smith, Washington Post, A15)

TANK-KILLING HELICOPTER SEEN EFFECTIVE, BUT FLAWED

The Army's \$14 million tank-killing Apache helicopter was effective in gathering intelligence and knocking out targets in the Gulf War, but its key weapons were not always reliable, a congressional study said Monday. Reliability problems with the Apache's 30-millimeter gun and Hellfire missile systems were sometimes made worse by sand and smoke blowing in the desert, the GAO said.

(Reuter)

BIOLOGICAL ARMS ELUDE INSPECTORS

Iraq has a hidden stockpile of deadly biological weapons that has remained an elusive target for U.S. intelligence agencies and U.N. inspection teams charged with destroying Saddam Hussein's weapons of mass destruction.

"Basically, biological weapons are the one area where we've probably got the least information," said Tim Trevan, a spokesman for the U.N. special commission that has been working to locate and destroy Iraq's weapons.

A team of U.N. chemical specialists in Iraq went to a suspected biological weapons facility near Baghdad in the past several days, Trevan said in an interview. But the team could not find the kind of "smoking gun" evidence that could be used to force the Iraqi government to reveal its secret biological program, according to intelligence sources.

(Bill Gertz, Washington Times, A1)

IRAQ IS SAID TO CONSIDER EXPORTING OIL VIA SYRIA

Iraq, surrounded by enemies of its own making, has been looking in an unlikely direction for export routes it could use when it is allowed to return to the world oil market: toward archrival Syria.

U.N. officials and Bush Administration sources have confirmed reports swirling through the oil industry that Iraq raised the possibility of reopening a closed pipeline across Syria.

They and several oil industry analysts said it is highly unlikely that the pipeline would actually be put back into use soon.

(Thomas Lippman, Washington Post, A15)

DESPITE AID, U.S. HOLDS LITTLE SWAY OVER REBELS

For more than a decade, the U.S. government sent hundreds of millions of dollars worth of aid -- mostly bombs, guns, bullets and other weaponry -- to assorted Afghan resistance groups. Now, as its former clients prepare to take power in Kabul, the Bush Administration can do little more than watch nervously from the sidelines.

U.S. officials admit that Washington lost most of its leverage over the mujaheddin groups when the U.S. and Russia jointly stopped arming opposing sides in the Afghan civil war.

With the guerrillas poised to finish off the Soviet-installed government, this should be a happy time for U.S. strategists. But, officials now admit, there is no certainty that the successor government will be to Washington's liking.

(Norman Kempster, Los Angeles Times, A2)

REBELS MAY TAKE POWER IN KABUL
'Wide Support' Seen For Afghan Guerrillas To Form Government

KABUL -- A U.N. special envoy, seeking to arrange the safe departure of deposed President Najibullah and broker an Afghan peace accord, said Monday that there is "wide support" among the country's factions for replacing the crumbling Soviet-installed regime in Kabul with a government of Islamic guerrilla representatives.

The negotiator, Benon Sevan of Cyprus, said efforts to arrange Najibullah's safe passage out of the country were continuing after a deal last week fell through....

Sevan appeared to back away from an earlier U.N.-supported formula for a 15-member "interim council" of prominent neutral Afghans to preside over a transition to a new government. That idea apparently is rapidly being overtaken by events as disaffected Afghan army and militia commanders form "councils" with guerrillas to take over control of towns and military installations.

(William Branigin, Washington Post, A1)

U.S. AND EC CONSIDER TIES WITH BELGRADE

The U.S., which last week threatened to isolate Serbia diplomatically if it did not halt its assault on the breakaway republic of Bosnia-Herzegovina, is now considering breaking off ties with Belgrade.

A senior State Department official said Washington would seek to coordinate its action with EC allies, which were also debating the future of their relations with what is left of Yugoslavia.

Serbian President Milosevic told visiting Deputy Assistant Secretary of State Ralph Johnson late Monday that U.S. charges that Serbia was trying to seize land in Bosnia were groundless.

The U.S. and EC threats appeared to be part of a strategy of shocking Serbia into realizing it could not continue with its war without paying a big price.

"At this point, it is being discussed. It is not being planned but it certainly is within the realm of possibility," said the senior State official.

(Alan Elsner, Reuter)

U.S. REJECTS BIAS CHARGE BY SERBIA

The U.S. Monday rejected charges by Serbia that U.S. criticism of its military campaign against Bosnia-Herzegovina was evidence of anti-Serbian bias. Instead, the U.S. accused Serbia of being the "aggressor" in the bloody ethnic fighting that has destroyed Yugoslavia's unity as a nation.

However, although State Department spokesman Richard Boucher acknowledged that "Yugoslavia as we knew it really no longer exists," he turned aside questions about whether the Bush Administration now considers the country irreparably fragmented into its six constituent republics.

(John Goshko, Washington Post, A14)

YELTSIN VOWS TO RELINQUISH POSITION AS PRIME MINISTER

MOSCOW -- President Yeltsin Monday sought to heal a political rift with parliament by announcing that he would give up his additional post as prime minister within three months.... At a meeting with parliamentary leaders, Yeltsin also promised to take steps soon to broaden the political base of his government. Russian political sources said Yeltsin was expected to appoint a new deputy prime minister to work alongside Yegor Gaidar, the architect of his free-market reform program.

(Michael Dobbs, Washington Post, A14)

LAWMAKERS BACK RUSSIAN ROLE IN C.I.S.

MOSCOW -- The communist-dominated Russian congress, which last week refused to recognize the collapse of the Soviet Union, Monday adopted a resolution affirming Russia's membership in the C.I.S. The Congress of People's Deputies voted 548-158 for the resolution in a victory for President Yeltsin.

(Combined dispatches, Washington Times, A1)

U.S. WILL NOT RECOGNIZE RIVAL OF PERU PRESIDENT

The U.S. will continue to recognize the government of President Fujimori despite the creation of a rival regime under Vice President Maximo San Roman, State Department spokesman Richard Boucher says. Boucher said Monday the Administration will not conduct state-to-state diplomatic business with San Roman because he will not be the true representative of the Peruvian government.

(Sid Balman, UPI)

EDITOR'S NOTES: "Antitrust Policy Growing As U.S.-Japan Trade Issue," by Paul Blustein, appears in the Washington Post, page A1.

"World Bank, IMF To Admit Russia Soon," by James Rowe, appears in the Washington Post, page A17.

NETWORK NEWS

(Monday evening, April 20)

ABORTION

ABC's Peter Jennings: We begin this Monday with abortion. You're going to be hearing a lot about it before the week is over. On Wednesday the Supreme Court is going to hear a challenge to the Pennsylvania abortion law. The law is so restrictive that how the court rules will be taken as a sign of how the court might rule on a challenge to a woman's general constitutional right to have an abortion at all. This week again all over the country people are going to be debating the issue. And once again, this week people feel most comfortable or perhaps most determined by taking their position on the issue to the streets. We start in Buffalo with ABC's Karen Burnes.

Burnes reports abortion rights activists were out at dawn today trying to make sure the what happened in Wichita does not happen in Buffalo. Their commitment: to form human chains to defend access to the city's abortion clinic. On the other side, Rev. Keith Tusey [phonetic] of Operation Rescue. His group is intent on physically blocking and closing the city's four abortion clinics. Operation Rescue chose Buffalo because of its large Catholic population, and because its mayor invited them in.

Jennings: There is another reason abortion is particularly important at the moment. This is an election year, and time and again abortion has proved to be a very divisive political issue. In southern Indiana there is a debate about one congressman's advertisements about abortion on TV.

ABC's Chris Bury reports the commercial is so graphic that even the candidate [Michael Bailey] warns viewers first. Michael Bailey is seeking the Republican primary nomination for the congressional seat held by Democrat Lee Hamilton. (ABC-Lead)

NBC's Tom Brokaw: Tonight, the politics of life and death and choice. Wednesday the U.S. Supreme Court will hear a Pennsylvania case that could significantly narrow abortion rights in this country, and tonight the city of Buffalo, New York, is preparing for a street fight between the forces opposed to abortion and those in favor of abortion rights. As NBC's Mike Boettcher tells us now, even the preliminaries there are mean. (NBC-Lead)

CBS's Dan Rather: The abortion controversy is heating up again this election year in the courts and in the streets. The U.S. Supreme Court hears arguments this week in a case, backed by President Bush, that could roll back the right of a woman to choose whether or not to have an abortion. And tonight antiabortion forces are helping to make the streets of Buffalo, New York, ground zero in another round of the abortion war. On both sides of the abortion issue activists are trying out new tactics. In Indiana one antiabortion campaign [Michael Bailey for Congress] is becoming a living room battle fought on TV. (CBS-Lead)

-more-

ARMS TRANSFERS TO IRAQ

Rather reports the State Department confirmed it today: Saddam Hussein got military hardware during the 1980s from Saudi Arabia. But a spokesman denied that the Reagan-Bush Administration had encouraged the illegal transfers to Iraq.

CBS's Bill Plante reports Saudi Arabia illegally supplied U.S. military equipment to Syria, Bangladesh and Iraq. The Bush Administration says don't blame us.

(Richard Boucher: "Reports that the U.S. government secretly approved the transfer of military equipment from Saudi Arabia to Iraq in 1986 is completely false.")

In 1991 after the Gulf War, the Saudis allowed Syria and Bangladesh to keep some of the U.S.-made trucks shipped over for the war effort. The State Department said that in both cases it did notify Congress, and it rebuked the Saudis.

(Boucher: "In either of these cases we immediately brought the reports to the attention of the Saudis, reminded them of their obligations, and they told us the transfers were inadvertent.")

(CBS-2)

NUCLEAR BOMB/IRAQ

Rather says the New York Times reported today that both the Reagan and Bush Administrations knew that Saddam Hussein was trying to build a nuclear bomb but insisted on keeping it secret and doing nothing about it before Saddam invaded Kuwait.

(CBS-3)

AFGHANISTAN

Rather reports rival Muslim guerrilla armies massed on the outskirts of Kabul today. But they held their fire as a U.N. special envoy tried to negotiate a peaceful transfer of power inside Afghanistan. Ousted President Najibullah reportedly fled into exile in India.

(NBC-6, CBS-4)

DEMOCRATIC CAMPAIGN

Jennings reports Jerry Brown was courting voters in Pennsylvania. He was stressing health care and full employment.

ABC's Jim Wooten says wherever he campaigns and whatever he's called, Clinton answers only to the notion that he is the Democratic nominee with only one opponent -- President Bush.

(Clinton: "They [Republicans] have the most appalling, disgusting, revolting record on handling our nation's finances of any people in the history of America.")

(ABC-5)

H. ROSS PEROT

ABC's Charles Murphy reports that some say Perot is too thin-skinned. For example, he says the GOP has a dirty tricks committee trying to sabotage his petition drive and slip questions to reporters.

(ABC-6)

SECRET DEFENSE PLANES

Brokaw asks, do we need warplanes that are incredibly fast, agile and still top-secret?

NBC's Fred Francis reports on a plane that moves at six times the speed of sound and was used against Iraq. The recent pre-dawn rumbling that has confused millions of southern Californians was the sound of their tax dollars flying by. NBC News has learned that sonic booms are coming from top-secret reconnaissance planes code-named Aurora. Now the Pentagon is under pressure to reduce spending. Tony Tullen [phonetic], the Air Force general who flew the F-117, said spending for secret airplanes is still needed and the public ought to trust the Pentagon. But Congress is less inclined to take the Pentagon's word for it now that the arms race is over. Aurora and others may be the last of the so-called "black" airplanes. (NBC-5)

AIDS DRUG

NBC's Robert Hager reports the FDA's scientific advisory committee heard preliminary evidence that another drug -- DDC -- may be the most effective yet at temporarily slowing the destruction of AIDS patients' immune systems. The committee seems likely tomorrow to recommend that DDC be approved for general basic use in combination with AZT. (NBC-3)

-End of News Summary-

**SUGGESTED TALKING POINTS
FOR MEETING WITH EVANGELICALS
APRIL 21, 1992 / ROOSEVELT ROOM**

- I am pleased to have this opportunity today to get together with you. I know that it has been a while since this group has formally met, although I've spoken to many of you on specific issues over the last year.

- 2 -

- It is always good to see you here at the White House. Just a month ago I was in Chicago for the National Association of Evangelicals Convention and it's good to see Don Argue [on your right] and Bob Dugan [at right end of table] again. Of course I traveled to Atlanta last summer to address the Southern Baptist Convention with Morris Chapman [across from you] and Richard Land [across from you].
- And every year I go across town to attend the National Religious Broadcasters Convention where my good friends Brandt Gustavson and David Clark bring together quite a crowd.

- I wanted to see you all today for a couple of reasons. The first is to touch base and let you know about some of the successes we are having on the policy front and also mention where I anticipate some of our challenges will be in the coming months.
- The second and more important reason is to hear from you. You all are on the front lines in the communities and have firsthand experience with the problems facing our families and society today. This meeting has always helped provide me with your unique perspective.

- We have worked together and had some successes in many areas. In the battle against obscenity, the Justice Department has reported to me the increased number of convictions obtained for violations of child pornography and exploitation. Since 1990, we have over 820 such convictions.
- Most recently we all heard that Reuben Sturman, widely thought to be one of the largest distributors of pornography in the world, pleaded guilty to obscenity charges and is going to jail.

- On the issues of child care, we have worked hard and are continuing to fight for regulations that will provide parents with certificates that can be used for daycare at the provider of their choice - even if that provider is a relative or is church-based.
- Education has been a priority of this Administration. We've proposed America 2000 strategy that contains several provisions, the strongest of which is parental choice, to revolutionize American education.

- Of course, I've remained committed to the protection of the unborn. As recently as my speech in March, I made clear my opposition to this new proposed legislation, the Freedom of Choice Act.
- This bill would restrict a state's ability to have parental notification, parental consent, limit third trimester abortions, or even restrict abortions for the purpose of sex selection. And once again, I've pledged to veto if Congress sends this bill to my desk.

- 7 -

- While I know that there are many other areas that we've worked on together, I really did want to hear from you today so why don't I just throw it open for discussion.

THE WHITE HOUSE
WASHINGTON

April 21, 1992

MEETING IN PREPARATION FOR U.S.-EC DISCUSSIONS

DATE: April 21, 1992
LOCATION: Oval Office
TIME: 2:15 - 3:15 pm

FROM: BRENT SCOWCROFT

B

I. PURPOSE

To prepare for your meeting with EC leaders Jacques Delors and Anibal Cavaco Silva on April 22.

II. BACKGROUND

Attached for your reading before the pre-brief is a background paper on the current state of the Uruguay Round and on specific trade issues in those talks and on the U.S.-EC agenda. This material is also included as a tab in your meeting package which I have also forwarded.

Topics for the pre-brief include assistance for Russia, the other CIS states and Eastern and Central Europe, Yugoslavia, the UN environment conference, Uruguay Round issues -- which is the most critical topic for the April 22 meeting.

III. PARTICIPANTS

President
Vice President
Secretary Brady
Secretary Madigan
Ambassador Hills
Under Secretary Zoellick
Samuel Skinner, Chief of Staff
Brent Scowcroft
David Gompert
Timothy Deal

Attachment

Tab A Background on Uruguay Round and other U.S.-EC Trade Issues

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DECLASSIFIED
PER NSC WAIVER, #2001-02
By MC NARA, Date 7/16/21

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OVERVIEW: STATUS OF URUGUAY ROUND

I. Status of Negotiations

- o The EC's continued refusal to deal in agriculture has made it impossible to conclude the negotiations by mid-April, as originally intended by GATT Director General Dunkel when he tabled his compromise Draft Final Act (DFA) last December.
 - On April 13, DG Dunkel appealed to governments to return to Geneva in early May (after your meeting with Delors) ready to complete negotiations.
- o Because of the impasse in the agriculture talks, other negotiations to liberalize barriers to market access (tariffs) and services are close to a standstill.
 - Without a resolution in agriculture, there is no incentive, particularly for the Latins, Australians, ASEANs, and other agriculture-exporting nations, to complete the market access negotiations.
 - Similarly, it has not been possible to finalize other key texts, such as intellectual property, services, or government procurement with GATT partners.
- o If and when a breakthrough in agriculture occurs, detailed negotiations consuming several months will be required in the other sectors.
- o Unfortunately there are indications, including remarks by Delors' spokesman, that the EC is now thinking of postponing the Uruguay Round to allow the EC to complete its own internal agriculture reform process first.
 - Our message must be simple and strong: we stand ready to complete the Uruguay Round on the basis of the Dunkel text at any time. We are not interested in postponing the Round.

II. Status of U.S. Efforts to Break Agriculture Deadlock

- o Virtually all countries except the EC accepted Dunkel's December text on agriculture. For the U.S. to accept less than the Dunkel text would be difficult domestically.
- o The EC, on the other hand, has declared it "must change" the text, in particular to allow its CAP reform to be protected from cuts in internal supports; to minimize the cuts in export subsidies; and to have the U.S. commit to not initiating unfair trade cases ("peace") in agriculture.
- o To address the EC's concerns we have held a series of bilateral meetings, the most recent being April 13 in London, and made a series of proposals.

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By MC NARA, Date 7/16/21

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- We made some progress on a "safe box," which would insulate CAP payments from reductions during the first six years of the agreement.
- However, we made it clear we could not accommodate EC demands in export subsidies or "peace." Commission negotiators did not budge on their demands.

III. Other Aspects of U.S.-EC Negotiations

- o In addition to agriculture, there are other areas of the GATT negotiations which require U.S.-EC resolution, although the other obstacles seem resolvable.

Tariffs: The EC must make additional concessions to join the duty-free initiatives for paper, wood, and non-ferrous metals; in return, we must respond to EC requests on tariff peaks and in textiles, which we are prepared to do.

Government Procurement: Negotiations to open EC purchase of telecommunications and heavy electrical equipment for its state-owned utilities are proceeding slowly.

- If we are not successful by year-end and the EC's discriminatory "directive" goes into effect, you have committed to take retaliator action.

Services: The EC is trying to draw an analogy between the U.S. position in services and their own inability to deal on agriculture. The two situations have nothing in common -- we can work from the Dunkel text in services -- and we should resist this linkage.

- In fact, services should be a common ground between the U.S. and EC, since we are each major exporters of services and ought to cooperate to open LDC markets.

IV. Oilseeds

- o A number of GATT cases (e.g., oilseeds) have been delayed pending an outcome to the Round. Given the uncertainty of the Round's conclusion, we believe we must now move forward independently of the Round.
- The U.S. Will seek GATT authority April 30 to retaliate against the EC on oilseeds. The EC's oilseeds regime, which blocks almost \$1 billion in U.S. exports, has twice been found GATT-inconsistent.

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BACKGROUND ON URUGUAY ROUND AGRICULTURE ISSUES

The Draft Final Agreement on agriculture submitted in December by GATT Director-General Dunkel, while flawed, represents an acceptable first step toward agricultural trade liberalization.

Dunkel included many of the reform ideas advocated by the U.S., the Cairns Group and others (e.g., tariffication, quantitative reductions in subsidized exports). At the same time, he included several features designed to make reform more palatable to the EC -- e.g., the size of the reduction commitments (close to the levels originally proposed by the EC), the length of the implementation period, the allowance for extra import protection following tariffication. But the EC still seeks more.

The perception of our agricultural community is that the U.S. has done most of the compromising. Our natural supporters -- producers of wheat, feed grains, soybeans, meat and fruits and vegetables -- now have serious reservations about the Dunkel text, while those who have opposed the UR from the start -- dairy, peanut and sugar producers -- are as vocal in opposition as ever. Supporters from the soybean industry is further undermined by EC intransigence in the U.S.-EC dispute over EC oilseeds subsidies.

The Safe Box

The EC currently uses import barriers and export subsidies to protect high domestic support prices. Under the CAP reform plan proposed by EC Agriculture Commissioner MacSharry, support to farmers would be largely provided through direct payments. MacSharry's highest UR priority is exempting his new direct payments from GATT disciplines. If his direct payments were subject to reductions, he feels the EC Member State would reject his CAP Reform proposal. MacSharry's new payments do not qualify under the Dunkel text for the permitted policies category (the green box) because they are clearly linked to production. Therefore, they would have to be reduced.

We tried to accommodate MacSharry by offering that direct payments could be put in a new "safe box." With the safe box, reductions would be required in the EC's new direct payments during the implementation period.

The danger of the safe box for the U.S. and other countries is that if the level of support is not reduced, production will not decline and the resulting build-up of surplus stocks will put pressure on the EC to circumvent its export subsidy reduction commitments. To avoid providing a loophole for countries to provide open-ended subsidies, we have attached certain conditions that direct payment programs would have to meet to qualify for the safe box. These conditions are designed to ensure a reduction in production.

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Export Subsidies

Export subsidies are the policies most distorting of agricultural trade. Our primary economic benefits from a UR agriculture agreement depend on a reduction in subsidized exports. The only effective means to reduce export subsidies is through quantity reductions. Our top agricultural negotiating priority has been to achieve an ambitious reduction in the actual volume of subsidized exports.

The Dunkel draft includes a reduction commitment of only 24% in the volume of subsidized exports (36% in budgetary outlays). Acceptance of Dunkel's reduction figure is a major U.S. concession. Dunkel's 24% reduction figure is the number offered by Commissioner MacSharry in December. It will result in annual EC wheat exports of around 13 million metric tons by the end of the agreement. We were asking for a cut to around 10 million metric tons. We hoped for any final agreement to split the difference between the U.S. and EC positions, but Dunkel used the EC number. Now, the EC insists on a smaller volume reduction commitment.

The EC might suggest lengthening the time period for implementing the 24% reduction. A longer time period effectively raises the volume that can be exported with subsidies in each year. A longer time period is acceptable only if the EC agreed offset the longer time period by a higher overall percentage figure, something the EC is not likely to accept. The EC also seeks to aggregate export subsidies (e.g., rather than separate commitments on beef, pork and poultry, the EC prefers one overall meat commitment). Aggregation would effectively reduce the volume commitment further.

The export subsidy commitments in the Dunkel text represent the "bottom line" of our domestic farm constituents and of many other countries, particularly in the Cairns Group.

"Peace Treaty" for Agriculture

The EC wants complete "peace" on agriculture -- i.e., the EC wants to preclude any GATT challenge or application of countervailing duties to its agricultural programs.

The Dunkel text provides considerable "peace" on agricultural programs. For example, agricultural export subsidies are not prohibited, as they are for industrial products. Instead, agricultural export subsidies are "sanctioned" so long as quantity and budgetary commitments are met. Also, many agricultural programs are exempt from countervailing duty actions (e.g. research, certain regional programs, structural adjustment assistance). Furthermore, domestic and export subsidies on agricultural products are exempted from potential GATT actions in their country markets (e.g., we cannot challenge EC subsidies that potentially disrupt our exports to Brazil).

The EC wants us to give up our rights to all actions against unfair trade practices as the quid pro quo for EC compliance with

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UR reduction commitments for agriculture. For example, the EC wants us to abandon our right to take countervailing duty actions on its subsidized exports to the U.S. Our farm constituents are very concerned about potential EC subsidized exports into the U.S., particularly for products like dairy where we will be opening our market through tariffication.

Rebalancing

The EC proposes to abrogate concessions that it granted the U.S. in earlier trade rounds by raising the duties on non-grain feed ingredients (e.g., corn gluten feed and citrus pellets). The items for which the EC proposes higher duties are among the handful of U.S. agricultural products that have relatively free access into the EC. These products accounted for about \$1 billion in exports in 1991.

While rebalancing is high on Germany's agenda, it does not seem to be a priority with the EC Commission. There is no support for this proposal outside of the EC. The Dunkel text has no provision for rebalancing.

It is important to continue firmly opposing rebalancing for several reasons. First, the goal of any trade negotiation is to decrease protection. Any attempt to raise tariffs runs counter to this goal and would leave room for others to do the same. Second, the Administration has repeatedly assured our industry that there would be no rebalancing. Any concession would erode support from our domestic producers of corn, soybeans, citrus, and support from Cairns Group members like Brazil, Argentina and ASEANs, which supply 43% of EC imports of non-grain feed ingredients. Moreover, GATT provisions already provide a mechanism for the EC to raise import protection on these products. The EC can negotiate with its trading partners to increase any tariff and provide compensation by reducing tariffs for other products. The Community has been willing to use this mechanism, presumably because it would necessitate substantial compensation.

Oilseeds

On November 30, 1989 a GATT panel found that EC internal oilseed subsidies undermined duty free access into the EC for U.S. soybean exports negotiated in 1962. U.S. government agencies estimate that up to \$1 billion annually in potential U.S. soybean exports have been adversely affected by the EC oilseed subsidies.

The EC accepted the report and agreed to bring their policies into compliance with the GATT obligations. The EC proposed a new oilseed program which we did not think removed the biases against our soybean exports. We asked the same panelists to determine whether the new EC system eliminated the problem. On March 16, the reconvened panel found that the new EC system continued to undermine the duty free access for U.S. soybeans and recommended that the EC modify its new support system or renegotiate the tariff concessions. The panel further said that if the dispute

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was not resolved expeditiously, the GATT contracting parties should consider a request by the United States to retaliate.

Barring an acceptable EC offer, we intend to ask for permission to retaliate at the GATT Council meeting on April 30. If the EC blocks our request, USTR intends to determine that the EC is not satisfactorily implementing its GATT commitment. Such a determination would trigger mandatory retaliation at least 30 days thereafter, allowing for the necessary public comment period.

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I. U.S. Objectives in Services Negotiations

U.S. services exports -- e.g., banking, insurance, accounting, telecommunications, transportation, etc. -- were estimated to be \$130 billion in 1990, yet GATT rules at present do not apply to services.

Our objectives in the General Agreement on Trade in Services (GATS) agreement is to:

-- Create meaningful and legally enforceable multilateral rules governing international trade and investment in services; and

-- Open foreign services markets through a solid set of "market access" commitments by individual countries.

The Dunkel text on services goes a long way toward achieving the rules we want. The major flaw of the GATS now is the "free rider" problem.

-- If countries such as the U.S. and EC make a commitment to open up the banking sector to one another, then because we must treat all nations equally (the "most favored nation" principle), we must also open our markets to third countries (like Korea or Japan) even if they make no reciprocal concession to us.

-- Since most of the U.S. market is already open, the MFN principle risks freezing open our market to numerous free riders in every sector.

0 The bulk of the work on services since the tabling of the Dunkel text has been the market access negotiations, which are conducted on a country by country basis.

-- While country offers are improving, major problems exist in key sectors, especially financial services (except for Europe), basic telecommunications, and audio visual (where many countries including the EC retain barriers to U.S. exports of films and TV programming).

-- The differences between the U.S. and the EC in these market access negotiations are small in comparison to our joint dissatisfaction with the failure of other countries -- especially LDCs -- to liberalize.

II. Criticism of U.S. Services Posture

0 The major criticism leveled at the U.S. in services is the way we have dealt with the "free-rider" problem.

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o Unfortunately, the mechanics of the Dunkel text are such that signatories are not allowed to surgically exclude individual free-riders from the benefits of the agreement. -- Instead, the Dunkel Text requires signatories to exempt all countries in a certain sector -- a so-called "MFN exemption."

o Along with 29 other countries, the U.S. filed MFN exemptions for several sectors, including financial services and telecommunications.

-- The MFN exemptions submitted by other key countries, including the EC, are roughly comparable in scope and scale to the United States submission.

o Importantly, the proposed U.S. MFN exemption list is not final, and, for financial services and telecommunications, will be modified or withdrawn if there is sufficient liberalization in the sectors by other parties.

o Maritime: The principal market access request made to the U.S. (by the EC and others) is to liberalize our maritime sector, which, relative to many other countries, is already open to foreign competition.

-- Other countries have offered to only "freeze" existing market-restrictive bilateral agreements, but that would cement their protectionist policies indefinitely.

-- In the current environment, the U.S. sees no hope of bringing about meaningful multilateral liberalization in the maritime sector.

III. EC Criticism of U.S. Services Position -- Largely Politics

o The EC is casting blame for the slowdown in the Round on the U.S. For our MFN exemptions in services in order to divert attention from their failure to liberalize agriculture.

o The EC's criticism is a ploy to set up a false linkage between problems in services and problems in agriculture.

-- In reality, there is not "trade to be made" between services and agriculture: The U.S. and the EC have, for the most part, a commonality of interests in services, namely prying open third-country markets.

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U.S.-EC BILATERAL TRADE ISSUES

Airbus. Five years of negotiations yielded a draft agreement on March 31. It caps government support for civil aircraft development programs at 33 percent of development costs (down from the high of 75 percent provided to the just-launched A330/340) and stipulates repayment on close to market terms. The estimated subsidy element is one percent of the total cost of each plane. Industry and USG agencies are on board, but Defense wants clarification of some technical points on indirect supports. Following formal approval of the agreement, we would attempt to multilateralize the disciplines in a strengthened GATT aircraft Code.

Corn Gluten Feed (CGF). In the 1960s, as part of the Dillon Round, the EC agreed to a zero tariff binding for CGF. As its grain production increased, the EC tried different tactics to keep CGF out of its market. The latest EC tactic was to fiddle with customs classifications. We thought we had a technical fix for the issue in October; but the EC is again harassing our trade, worth \$520 million annually. We are concerned this will continue because CGF competes with EC-produced cereals.

Tuna/Dolphin. A January 1992 California Federal court order broadened our embargo on imports of yellowfin tuna and tuna products from nations using dolphin-killing driftnets to include nations which do not themselves effectively ban imports from such countries. France, Italy, Spain and the U.K. are included in this secondary embargo. The EC has sought to use a GATT case which Mexico successfully brought against the U.S. to push for an end to the embargo. The Administration recently proposed legislation which would lift the embargoes provided the driftnet fishing nations fulfill their commitments to protect dolphins.

Government Procurement. On February 21, the U.S. identified the EC under Title VII of the 1988 Trade Act for the discriminatory procurement practices of its government-owned electrical and telecommunications utilities. If the EC's "Utilities Directive", which would codify such practices, becomes effective on January 1, 1993, the President intends to impose sanctions.

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MEETING WITH U.S. BUSINESS EXECUTIVES - 9:15 a.m.
Additional Talking Point Card

(If you are asked about our position on Lend-Lease debt forgiveness for Russia:

- The amount loaned to the USSR under Lend-Lease was \$674 million.
- As you know, we must come to an agreement about repayment when we negotiate a Trade agreement.
- We are currently in the middle of those Trade agreement negotiations, and are reviewing our options on Lend-Lease.
- We have made no final decisions.
- I would remind you, however, that forgiveness would be expensive and set a precedent.)

4-16-92

THE PRESIDENT HAS SEEN ^{4/29}

Pattie:

Mr. and Mrs. Gaylord had a wonderful time at Camp David and The White House.

Just wanted to thank you for helping me get their schedule worked out -- I really appreciate it.

Mr. Gaylord asked that I send this editorial about Sam Walton and thought perhaps you might call it to the attention of President Bush.

Hope we have an opportunity to work together again.

Best regards,



Thellis Clark

BUSH LIBRARY PHOTOCOPY - GEORGE BUSH HANDWRITING

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Edward L. Gaylord, President and Publisher

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Jim Standard Editor, Editorial Page

Ed Kelley Managing Editor

David L. Thompson Advertising Director

Gerald Beattie Circulation Director

Edith Gaylord Harper Secretary

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Section A

April 12, 1992

Sam Walton

IT truthfully could be said that the United States owes a tremendous debt to Sam Walton, the retailer supreme who parlayed one tiny store in Arkansas into the nation's largest retail chain.

But if he were still alive, Mr. Sam would be the first to tell you he owes the debt to America and the free enterprise system that allowed his phenomenal success.

Sam Walton, who died last Sunday at age 74, is the American dream personified.

As President George Bush put it, "Sam Walton was an American original who embodied the entrepreneurial spirit and epitomized the American dream. His commitment to family and selfless giving to others is an example to us all."

A native of Kingfisher, Walton grew up in the Great Depression, graduating from the University of Missouri in 1940, only to have World War II delay the start of his career. After the war, he opened a small Ben Franklin store in Newport, Ark., expanding the operation to 15 stores by 1962 when he opened the first Wal-Mart Discount City store. The rest is history.

Stand aside Mr. Penney, Mr. Sears and Mr. Roebuck. By 1991, Mr. Sam had surpassed all of you. As of this week, there are 1,735 Wal-Marts and 212 Sam's Wholesale Club warehouse stores around the nation. Sales hit \$44 billion last fiscal year and are projected to reach \$125 billion by the year 2000.

Walton brought bargains to small-town America, forever changing the landscapes of Main Streets across the nation. His was the proverbial better mousetrap that brought the world knocking at his door.

His cheerleading management style made him virtually an American folk hero. His employees worshiped the personal interest he showed them, his stockholders basked in the tremendous profits and customers flocked to his stores.

Walton insisted that all his employees act as managers, taking personal responsibility for aspects of the operation. The lowliest clerk was given the task of taking care of specified merchandise displays and contributing ideas to increase sales. "Let the workers become the idea generators," he once said. "Listen, bring out other people's feelings, smile and be happy."

His success was rooted in similar homespun ideas, such as:

"If people believe in themselves, it's truly

amazing what they can accomplish."

"Don't compromise your reputation. It's a precious commodity. Don't compromise your integrity — have a good name. And don't compromise your relationship with your family."

"I would like to be remembered as a good friend to everyone whose lives I've touched — as their friend, as someone who has meant something to them or helped them in some way. That is important. I have such a strong feeling for the folks in our company. They have meant so much to me."

"I had no vision of the scope of what I would start ... but I always had confidence that as long as we did our work well and were good to our customers, there would be no limit to us."

"I get a lot of credit for a lot of things our folks do. I wish the spotlight could be turned on them, individually and collectively, because they're the ones that do it for our customers. They do it every day."

Walton was the recipient of numerous awards, including the prestigious Libertas Award from Oklahoma Christian University of Science and Arts, where Walton is prominently honored in the school's Enterprise Square.

In the process, Walton became one of the wealthiest individuals in the nation. Despite his accomplishments, he maintained his humility, enthusiasm, vision, and most of all, his character. Those were the traits he valued for himself and for others.

The legacy of Sam Walton is simple. It is the proof that honorable individuals with good ideas through hard work can excel, even surpassing the giants who succeeded before them. There truly is no limit to the American dream.

Despite his domination of the retail market, all Americans can rejoice, not for the success of Sam Walton, but for the certainty that some boy or girl will someday surpass even his remarkable achievements.

It can be said with virtual certainty that Mr. Sam would like that to happen.

Pat on the Back

TO members of the Junior League and the Areawide Aging Agency, sponsors of the "Christmas in April" project.



F, tu

April 21, 1992

To: Brent and PDB-ers

An interesting though predictable interview with your man
Muammar.

Just FYI

9

BUSH LIBRARY PHOTOCOPY - GEORGE BUSH HANDWRITING

FROM THE PRESIDENT

LEADERS

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DATE: April 20, 1992

TO: The Honorable George Bush
President of The United
States of America
The White House
Washington, D.C.

FROM: Henry O. Dormann
Chairman and Editor-in-Chief
LEADERS Magazine

TEL: 202/456-1414
FAX: 202/456-2397

TEL: 212/758-0740
FAX: 212/593-5194

THIS IS A FAX OF 26 PAGES.

I spent Saturday interviewing Colonel Muammar Al Qathafi in Libya, returning to New York on Easter Sunday. Following is the transcription of the interview.

I have marked areas of particular interest on pages 2, 4 and 17.

If you would like to discuss this further I can be reached at:

Office: 212/758-0740
Home: 212/988-8150

Warm regards.

LEADERS

Mr. President:

April 20, 1992

This is a rough first draft,
but I'm faxing it now in case any-
thing in it is especially timely.

Warmest regards—

Y. Young

An Exclusive Interview with Colonel Muammar Kaddafi,
De Facto Head of State, Libya

Q: There is a great deal of misunderstanding about Libya and Kaddafi. You have been painted by many in the West as this person behind terrorism, as this mysterious figure in the desert. Are you or others in your country involved in acts of terrorism?

A: First of all, I would like to ascertain beyond any doubt that this is just sheer propaganda. It has absolutely no validity what so ever because Libya has never been condemned for any terrorist act so far. I would challenge anybody to produce evidence that Libya has committed any terrorist acts. Libya is a revolutionary country that helps countries to liberate themselves, helps peoples to liberate themselves. Those who are against our freedom label us as terrorists. We shall remain revolutionary to the end. Call it whatever you like.

Q: When you use the phrase, "Libya is a revolutionary country," to the West that may mean something else than what you may mean. In the West a revolutionary country is one that attacks and promotes war. Is that what you mean?

A: There is a big difference between revolution and instigating violence. It is a green revolution that we are talking about. A green revolution is what I mean.

Q: What is a green revolution?

A: It has been explained in the green book. It means the peaceful relations with the world's democracies, to have a peaceful and democratic transformation towards democracy. It is the democratic and peaceful transformation. It is the achievement of freedom and liberation. It is emancipation and liberation. The revolution is equality and a shared distribution of wealth among the people. This has nothing to do with terrorism, does it?

Q: When one thinks of the relationship between Libya and the U.S. and one knows the personality of President Bush, and your personality, the feeling is that if the two of you met together privately, you would understand each other very well. What is the problem in your view with the U.S. policy and how can you and President Bush have a better meeting of the minds?

* A: I have repeatedly expressed my feelings about the personality of President Bush. We have a feeling that his personality is not at fault. It is different from Reagan's. I have adduced and cursed Reagan quite often. I am not afraid of him. His hates reflect closely our own. I used to call him and his foreign secretary bad names, on a

passionate level. He called me names too. This has never happened with President Bush. Neither will President Bush know that his foreign secretary is the bad guy. I respect President Bush, I respect the attitude he expresses to us. On a personal level, I have seen many reasons to coordinate. Reagan deserves to be called names. The problem is that we are a very small country, whereas the U.S. is a superpower. Therefore our attitude happens to be different. The attitude is different from the various people of the world. We have to clash with it. We have to clash with Afghanistan, which is a very small next door neighbor. But the Soviet Union is over and has been defeated. And now Afghanistan is still there, which is the core of the problem. It is the difference of attitude, the point of view, of a small country and a big country. Sometimes what we see is convincing. It means nothing before a superpower, before the superpowers because the sheer power tends to blur their vision. What seems to be logic for the large superpowers is not necessarily logical to us. This is the problem when somebody is big and somebody is small. For instance, the same thing goes for a small company and a big company, the employer and the employee, the poor and the rich. It is a contradiction. The contradiction is always there. We must try dilute the differences to narrow the gap.

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Q: If you and President Bush were meeting, what points would you like to discuss with him?

A: Plenty. First of all, there is the problem of the Middle East. That is the crux of the matter. I note the emergency there in the States. And I also know that the Americans, the American state, is fed up with the Israelis. And I also know that now that the Soviet Union has collapsed, the Israeli card is no longer valid. And I also think the American people are fed up with the Jews. I am not against the Jews, as such. In the country I have always defended them. Their rights should be guaranteed wherever they may be. But am against them constituting a state, a permanent state, because that's not in their interests. They could be wiped out in this state. Wherever they gather up together there could be an easy target, they may be wiped out quite easily. It's not in the interest of the ordinary Jew to be in such a state.

Q: But there is already an Israeli state.

A: It's not just a state, it's a problem.

Q: But it's not going to go away.

A: I think it will collapse, by various means.

Q: The state of Israel?

A: It has no future. Through peace or war. This is an artificial state, it's based on arbitrariness.

Q: But such a policy will not be understood by the U.S. The state of Israel is intact and is a sovereign entity. Not only the U.S., but the Western powers will not allow it to disintegrate.

A: It will disintegrate, whether they like it or not. The reasons, the factors for its collapse are inherent. They are real. I'm not saying that the Arabs will attack and destroy Israel, that they will make it disintegrate. That doesn't make sense. And also, the West will not allow such a thing. I'm not saying that. It will disintegrate one way or another. What I've just been talking about is one possibility. It was established as a reaction against Hitler. It's one of the byproducts of the Second World War, and therefore it's going to disappear, just as the results of the Second World War have. It's just like the Berlin Wall, the vision of Germany, and the unity of Yugoslavia, it's all undergoing review now. The Jewish State is the outcome of the Second World War. It has to be seen from this perspective. I think it's going to disintegrate, just as the Berlin Wall has disappeared.

Q: Aren't there more pressing problems between the U.S. and Libya that should be addressed?

A: I don't see that there is any problem between Libya and America at all. The reason behind all these accusations is Palestine, the problem of Palestine. America cannot accuse Libya of a mutual, a bilateral, attitude. In fact, the years just after the revolution, relations were very good with the U.S. If the American military bases had remained in Libya after the revolution, I think relations would have collapsed. But as soon as we asked them to leave, they left. And then we started a very good relationship with the States. Oil companies, manufacturers, they are all here. There's nothing special, Libyan or American, to restrict the relations between the two.

Q: How can relations then be closer?

A: If we can discard all the other participants in this problem. First of all, the Israelis should not be involved in Libyan-American relations. Neither should other parties. I have established that nobody wants a good relationship between Libya and America because they have their own interests. The non-American oil companies want to replace American oil companies in Libya. The non-American agricultural companies want to replace the American companies. The exports from other countries want to replace American exports. Those who have goods to sell to Libya want the market to get on. They have contracts and investment projects and Libya is a very competitive country

in this respect. Nobody wants a good relationship with Libya.

Q: What is the future of U.S. companies such as Shell, Conaco, Exxon, etc., in Libya?

A: The American companies pulled out. We didn't ask them to leave. They pulled out. But their investments have an unlimited scope in the field of oil. Five American companies still have concessions or contracts in Libya. The field of oil is still wide open.

Q: So they're welcome to come back, if only the U.S. Government will take a different position.

A: Of course.

Q: What else would you like to bring to President Bush's attention, that would lead to friendlier relations?

A: The issue of freedom is very important. I am against America's interference in other countries' affairs and the establishment of American regimes against the will of these peoples. Let people decide for themselves. Why is America putting itself in anything? This is exhausting for America. America is losing twice. If it's going to help everyone, this is going to exhaust the U.S. and it's going to finish it off. If it's going to fight the rest of the world, it will exhaust and defeat the U.S. in the end. I foresee this. It's the only superpower. It pretends to be

disposable for the whole world. America's forgetting itself. The U.S. is forgetting human rights within the U.S. If you attend democracy to abroad, then you forget the democracy at home. I don't think the existence of two parties is a democracy. When one political party rules a country for twenty years, that is not democracy. This is dictatorship. You can't speak about democracy in the rest of the world when you are forgetting yourself. Democracy is the government of the people by themselves. The word democracy is an Arabic word. "Cracy" means chairs in Arabic, meaning the people sitting on chairs. It is not a political party that takes over the chair, or a representative that takes the chairs. It means the people sitting on chairs, literally speaking. This is happening in Libya at the moment. The people all share these chairs. We have peoples councils and committees and they sit together to decide the future. This is democracy. So when they accuse Libya of being a dictatorship, this is a fat lie. The U.S. may issue that we are against the people's authority, that there should be a political party that would rule the whole country. But they cannot say that this is a dictatorship. They may claim to be against capital democracy. This is position that we take, that there is a dictatorship in the U.S. How can we talk to each other? We are ignorant of the reality of the situation, when we don't know what's going on in the country. The political system is either a monarchy or a republic or a state of the masses,

8

and it has developed in this fashion. Libya is a Jamahiriya, a state of the masses, which is the silent face of political development. There could be nothing else beyond that, except chaos or anarchy.

Q: Do you think it is reasonable that there would ever be a meeting between you and President Bush?

A: From his side, I don't think it's reasonable. This is not personal. I don't think he's free to meet me. He has various relations to make. But I am free. I can meet him. But he's not free to meet me. He has to take the Zionist lobby into account, and the Congress, and the influence of the Zionist lobby on Congress, and the mass media, which is under the control of Zionism, and the capitalists and the various groups which are anti-Arab, and anti-Islam and against revolution. These groups are creating plenty of propaganda, which makes it difficult for him to meet me, or to make a decision.

Q: In view of this, how do you see the Middle East problems being solved in the next years?

A: The ideal solution is similar to what has been happening in South Africa. South Africa is a very good example. To create a separate Jewish state and a Palestinian state, I think this is nonsense.

Q: What will happen then?

A: Clashes are bound to happen. For the Palestinians, this is just a stepping stone to what is the elimination of their entire country. The inhabitants of the Gaza strip and the West Bank actually have run away from the Palestinian cause. You hear about Palestinian camps. Where do the inhabitants of camps come from? They come from Haifa and Tel Aviv. They will not accept to remain forever on the West Bank or the Gaza Strip. The Gaza Strip and the West Bank are for the river inhabitants of these parts.

Q: The picture you are painting will lead to armed conflict.

A: Which picture?

Q: When you say that in order to solve the problems of the Middle East there has to be an elimination first of the Israeli state and that the Palestinians must have their own territory. The Israelis will not take this without armed conflict.

A: This is what worries me, exactly. As a matter of fact, they are doing just that. They are going along that road. They won't agree to our definition of what a conflict is. What I'm arguing now, is that I know it's conflict. I'm seeking a real peaceful solution that has to be similar to what is happening in South Africa now - that is the return of the Palestinians to Palestine, the beginning of free elections under the auspices of the United Nations, and the

establishment of a state that will consist of the Israelis and the Palestinians, the Jews and Palestinians, the establishment of a democratic Palestine, not Israel. When you say the State of Israel, then it is for the Israelis alone. When you say Palestine, it means the Jews and the Arabs together.

Q: Do you foresee this within the current borders of Israel?

A: Yes.

Q: You don't perhaps foresee part of King Hussein's Jordan becoming Palestinian?

A: This is the conspiracy that the Arabs fear - that Jordan be turned into Palestine, and Palestine will be given over to the Jews. This is going to lead to conflict, if not during this generation, then the next generation, or perhaps later. The final, inevitable solution is to establish a democratic state in Palestine, with the Jews and the Arabs together, and to establish free elections. To have people who will be equal. The people will just have a Palestinian nationality. We will not tell him that he is Jewish or Muslim or Palestinian or Arab or non-Arab. This is a historical solution. But Israel will not accept that. They established a sectarian state, and this is going to end Israel. You cannot accept a sectarian state in the middle of the area - sectarian in terms of ethnicity and from a

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religious point of view. In the State of Israel we are given this free. First of all it will produce a burden on the Americans, and it has exhausted the Americans quite considerably. At the moment, it seems that the U.S.'s sole problem is Israel. It has brought about the hatred of the Arabs. The Arabs hate America just because of Israel. Without Israel the Arabs have no reason to hate the Americans. The Arabs like the Soviet Union, simply because it was against Israel. When America turns against Israel, then it will appease the Arabs. Why doesn't America stand by the Palestinian people? The State of the Palestinian people is similar to the State of the Jews during Hitler.

Q: You know the situation politically within the U.S., and the various political lobbies. Knowing this, what could be the possible steps to a realistic solution to this problem?

A: My problem is that I speak my mind. I am not a politician. I am a revolutionary. And this is one of my problems. I can talk about peace and the realization of peace, through the Madrid negotiations and other negotiations, and the peace march. In that case I'll just be a hypocrite, exercising hypocrisy. I'll be deceiving the people. I am speaking the truth. Quite often this is not liked very much. But this is what is going to turn out to be the truth in the future. If we intend to avoid war and conflict in the Middle East, then we have to establish a Palestinian State with the Jews and the Arabs, that will

consist of all the Palestinians and all the Israelis. Then we don't have to worry about who will be the prime minister, whether he's a Palestinian or a Jew, then it will be together. If I want to be a hypocrite and decide to deceive the people, I will talk about the temporary arrangements being made at the moment. In that case, I will be telling that we support the peace process that's going on at the moment. And that the peace process should continue. That we have to recognize the rights of the Palestinians and that we must support the peace negotiations. There is nothing else I can add. Meaningless, meaningless words and empty phrases.

Q: What about the rest of the Arab world? Are they behind scenario number one, or are they behind this hypocritical scenario number two?

A: There is a big difference between the Arab individual and the Arab rulers. Arab leaders, within themselves are not happy. But they have to say the hypocritical things I've just been talking about. They have to support the current hypocrisy going on at the moment. They have to clap their hands and support this. They are being convinced that this is what should happen. And they just want to prove that they are following in the steps of the others. The average citizen will not accept the State of Israel. They teach this to their children at home. Because they know deep down that these Jews have come from various parts of

the world. The average Arab will not accept a Soviet citizen to come and settle in any of the Arab countries. Hundreds of thousands have come away from the Soviet Union. They have nothing to do with Palestine. We will accept that, but not because the Arabs have been beaten or defeated. Otherwise we wouldn't have accepted a hundred thousand people coming from the Soviet Union to settle in the Arab world. The rest of the Jews have come from various parts of the world. Recently they have been searching into the jungles of Africa to see if they can find any Jews. And if they decide to go over to Palestine? Who would accept that? There are Jews who have always lived among Arabs over the last 3 thousand years, who lived in the Arab world before 1948. We do recognize those and we accept it. And there is no enmity or hostility between us. But to divide the world into a Jewish State and a Christian State and a Muslim State, that's just not acceptable.

Q: Where does Yassir Arafat fit into this picture?

A: Arafat has two personalities. He has one as an Arab leader and one as an individual in his own right. The big doubt here is that this is nonsense. What's going on at the moment is nonsense. But as a politician he has to speak like all politicians, in the correct political language. He has to clap his hands in support of the peace process.

Q: Will Arafat remain in his present position? Could Arafat be a candidate for prime minister in the scenario you paint of the Palestinian State?

A: If this scenario that I'm talking about is realized, I think his position would be similar to Nelson Mandela's. If the Israelis want to serve themselves, they have to do what the South Africans are doing.

Q: Did Saddam Hussein win the war?

A: I don't say that even America won the war. The Americans have won historical hatred. The results of the Gulf war will be known later.

Q: They have won historical hatred?

A: Hatred. Yes. That will be known in the future, inside American and abroad. At the moment there is plenty of bitterness in the Arab world, even those Arabs who are against Saddam Hussein, who are against the Iraqi Government, they are not behind what's going on in Iraq at the moment. This has produced a certain bitterness in the Arab world.

Q: Even in Saudi Arabia?

A: I'm not talking about certain individuals. This has produced bitterness all over the Arab world.

Q: You are talking about the people?

A: There is tremendous hatred against the West, especially America. I think the war was a big mistake, it's been a big gamble.

Q: It was a United Nations force that entered into the conflict, just as it is now a U.N. force that has placed the embargo against Libya. But there are those who feel that this was an organized American-United Nations force. Do you agree with this point of view?

A: They think Arabs are stupid. That America looks at us as stupid is what all the Arabs are saying at the moment. America wants us to believe that what happened was started by the United Nations. This is nonsense. This is American. America cannot shelter itself behind the United Nation's umbrella in this manner.

Q: What will happen to the two prisoners?

A: We do not refuse that they should stand trial even though we are surprised by such accusations. We are certain that they are innocent and that the whole thing has been fabricated. Nonetheless, we have not refused or rejected the accusation. Start the investigation according to the neutral agreement. We stick to this agreement. We have signed the agreement and will respect it.

And we cannot violate the neutral agreement, because this agreement respects national laws and we will respect our own laws. We protect our citizens but we never protect criminals. If they are convicted they should receive a sentence, whatever that conviction is. I think that this is quite a liberal position.

Q: Where would they stand trial?

A: Libya. This is what the neutral agreement stipulates.

Q: But the embargo would never be lifted under that basis.

A: That is what is required of us.

Q: The United States is asking for them to be tried in another country.

A: We insist that they should be brought to trial according to our laws and they insist that they should be handed over to the Americans. But they know that turning them over is impossible, especially to America and Britain. A third country was decided upon and we chose Malta.

Q: Is there another compromise?

A: Libya came forward with many propositions. Our positions are legal, logical and everybody condones our position.

* Q: President Mubarak is very close friends with President Bush. Is there a chance of Cairo being the site for the trial?

A: We have no objection.

Q: Let us talk for a moment about North African policy. Do you see yourself as an international statesman? If so, how do you see North African policy involving Libya, Egypt, Algeria, Morocco, Tunisia and Sudan economically and politically in the future?

A: I think this is a step towards the realization of our ability. There should be integration between these countries that will include Sudan, Egypt and the rest of the Maghreb. In order not to be accused of racism, we would like to include the desert bloc countries. But America will come along and speak against such thinking.

Q: Have you tried to organize this?

A: I am putting this forward, but why is America destroying everything that the people are trying to suggest? This is what is making people hate America - that it is poking its nose into everything. If Egypt, the Sudan and Libya and the rest of the North African countries plus Mali, Niger and Chad were to organize themselves and bring themselves together, why should America be against us? Why should America spoil it? It is only natural that we hate America for that. Do you know what the American agents in Africa have said? That if America wants us to settle down, then we have to be equal friends -- America and Kaddafi. If America remains against Kaddafi, we won't have stability in Africa because the peoples will be with Kaddafi but

against the governments. They will accuse the governments of being traitors or puppets working against Kaddafi.

Q: It sounds as though you believe that America is out to eliminate Kaddafi.

A: That is not the point I am making. It is following a style of policy towards revolution and, it is not in the interest of the Americans to be against revolution.

Q: But America sees you and the revolution as the same.

A: This is true. But why is America against revolution? Is it good for America to be against revolution? We have to be against colonialism, against racism and apartheid, against reactionism, against fascism, against terrorism but not against revolution. Revolution is against fascism, against colonialism, against reactionism, against terrorism, against disease and illnesses. America should get together with revolution and support these things.

Q: Have all these countries in North Africa agreed to gather together in the way you have suggested?

A: They know that their interests are in this concept, but they are afraid of American and Western intervention. In the end, the source of terrorism is America. America is terrorizing every one of us. American policy is a terrorist policy. Aircraft carriers and various American fleets, economic sanctions, embargoes,

boycotting, threats, challenges ... this is terrorism. This is the very essence of terrorism.

Q: Assuming that what you say is true, how can there be a solution?

A: It's not in my hands. I am forced into defending myself because I am under attack. The solution is not in my hands. I cannot freely tell the Americans to withdraw their military bases from all over the world, to stop interfering in other peoples affairs and leave the Israelis to themselves, to fight illnesses and disease, to protect the environment, to use American technology in the interest of human beings. Would America listen to that? Stop being an imperialist power. It's not in our hands. I can only offer advice.

Q: Don't you think the U.S. will become more and more antagonistic as they hear your views and accusations?

A: I said from the very beginning that there is a matter of misunderstanding. There is also a contradiction between a superpower and a small country. It is a problem with the whole world. There was the Ottoman Empire and Hitler. This is not the first time when a single superpower comes up, when there is no logic and when that power lacks in the eyes of the rest of the world. But in the end, it is bound to lose. Where is the Ottoman Empire? Where is Nazi Germany? What has become of that? America is heading in the same direction.

Q: How can what is said in this interview help bring about some solutions?

A: One can deduce from this interview and sum up that Kaddafi hates evil and has no expansionist ambitions. First of all, he is a revolutionary and he admits that. He is taking a defensive position, defending freedom, defending democracy defending revolution. That he looks at what is happening in the world as being illogical. That he has no special hatred for America nor does he hate the Jews. He looks for ways for saving the Jews by not letting them concentrate and congregate in one place. That he is seeking a democratic solution. He is not just following suit like everybody else. He knows the real solution for the Middle East problem. And if this solution is not acceptable or is laughable, the future will prove that it is the solution. But his view of relations should be acceptable. There should be no imperialism. There should be no racism. People should be free to decide their own fate. He looks at the problem not as an American-Libyan problem, but as dangerous diseases which have afflicted the world, starvation. These are the problems that have to be faced and addressed. But my main concern is not what they have made it to be. It is not to destabilize anybody or to practice terrorism. He feels that he is a victim of terrorism and considers American power to be a terrorist power. It is not a question of blowing up an airplane or causing an explosion somewhere. That's a crime, and it is an individual crime. But terrorism is the policy that America is following. Its military,

political and economic policies are terrorism. The threat of the use of force is the epitome of terrorism. The starvation of peoples, imposing total embargoes on various nations, economic sanctions - this is terrorism. And Libya has never been condemned for any terrorist act. This is just propaganda. Who did it? I think the Zionists are behind it. The court proved we were not involved the Berlin disco bomb in 1986 . Of course, we are going to ask for Reagan and Thatcher to be put on trial here in Libya. I see you laughing because they are American and British. The two that are Libyan can be tried anywhere. One is a human being and one is not.

Q: Do you welcome investment by business around the world in Libya?

A: Of course we do. There is an open door.

Q: Investors see you are in your early 50s and you have been in office for 23 years. What happens after Kaddafi?

A: This is the problem. They think Kaddafi rules here like Franco for instance, or Castro. I am totally different. I have no powers, no authority whatsoever. As of March 2, 1977 I have had no political powers. I don't sign anything. I have peoples counsels and peoples committees and they make decisions. Whether I am here today or tomorrow makes no difference. The peoples conferences and the peoples committees will still be here. They know the changes that can take place in a country being ruled by one person. You see what happened in countries I have just

mentioned because their fate was in one person. I have studied history very carefully. The substitute for Kaddafi is the people's authority and to strengthen the people's authority every day.

Q: But in every country there has to be one figure that is the spokesman.

A: People can run their own affairs after that through the people's authority. You expect us to have an heir apparent to the throne. Certainly not.

Q: With all of these problems that face you everyday you don't have a grey hair. Don't you worry?

A: The roots are all going white. I think by the time problems are over my hair will all be white.

Q: You accept crisis very gracefully and calmly.

A: I get very worried when we are in the wrong. But when we know we are in the right, I don't worry. Now we are not worried at all. We are leading a very normal life. We think an injustice has been done to us. We think this is our fate because we didn't cause it, it is not because of our behavior. We look at it in this respect: all the hurricanes, earthquakes and volcanoes pass by, but the land and the people are still there. Hitler hasn't wiped out Europe. Europe is still there. The people will remain.

Q: Is there anything you'd like to add?

A: I thank you very much for this interview, a very proper contribution towards the enlightenment of public opinion and to the leaders of the world.