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

FOIA Number: 2009-0166-S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential 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:	90673
Folder ID Number:	90673-002

Folder Title:
Sunday, April 26, 1992

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. Letter	President George Bush to Prince Alexander. (1 pp.)	n.d.	(b)(1)	
02. Letter	Prince Alexander to President George Bush. (1 pp.)	4/23/92	(b)(1)	
03. Letter	Prince Alexander to President George Bush. (3 pp.)	4/23/92	(b)(1)	
04. Vitae	Re: Abelardo Garcia Aguirre; contains Personal Identifiable Information. (2 pp.)	n.d.	(b)(6)	
05. Handwritten Note	Re: Presidential Phone Calls Camp David with Ed Madigan [originally closed as 04a]. (1 pp.)	4/26/92	(b)(1)	
06. Letter	Prince Alexander to President George Bush [originally closed as 06b]. (1 pp.)	4/23/92	(b)(1)	
07. Letter	Prince Alexander to President George Bush [originally closed as 06c]. (3 pp.)	4/23/92	(b)(1)	
08. Memo	Major Russ Cancilla to Patty Presock, Re: Backbrief on Camp David Weekend (April 24-26); redaction. (1 pp.)	04/26/92	(b)(7)(c)	
09. Memo	To President and Mrs. Bush, Re: Camp David, April 24-26, 1992; redaction. (1 pp.)	04/24/92	(b)(7)(c)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Pinksheet Number: cap6078
OA/ID Number: 90673-002
Date Closed: 8/29/2019
FOIA/Sys Case #: 2009-0166-S[4]
Re-review Case #:
P-2/P-5 Review Case #:

daily 4/26

THE PRESIDENT HAS SEEN
5/4/92

THE WHITE HOUSE

WASHINGTON

92 APR 28 P4: 13

April 28, 1992

NOTE FOR THE PRESIDENT

FROM: SAMUEL K. SKINNER

SUBJECT: MEETING RE AIDS

Kathy is in the process of setting this up.

THE WHITE HOUSE
WASHINGTON

DATE: 4-26-92

FROM THE PRESIDENT

TO: Sam Skinner

cc: Dr. Lee

I want ot have an aids meeting with Burt Lee, Tony Faucci, and the Episcopal Bishop of San Francisco, my old friend Bill Swing.

This meeting can be in addtion to an adminsitration wide meeting on AIDs.

Please discuss this with me.

attached FYI is a letter I received from Swing, and a helpful reply from Burt Lee.

daily

THE WHITE HOUSE
WASHINGTON

DATE: 4-26-92

FROM THE PRESIDENT

TO: Sam Skinner

cc: Dr. Lee

I want ot have an adis meeting with Burt Lee, Tony Faucci, and the Episcopal Bishop of San Francisco, my old friend Bill Swing.

This meeting can be in addtion to an adminsitration wide meeting on AIDs.

Please discuss this with me.

attached FYI is a letter I received from Swing, and a helpful reply from Burt Lee.

THE WHITE HOUSE

WASHINGTON

April 22, 1992

Dear Mr. President,

With regard to your correspondence from Reverend Swing, I have discussed all of these points at length with Tony Fauci and we can make the following points:

1. When he says the '93 budget allowed the NIH to fund only 25% of worthy AIDS proposals, it should be remembered that the NIH funds only 25% of <u>all</u> worthy proposals.

2. The average size of the AIDS research grants dropped somewhat but this drop is strictly due to administrative costs which pertain to the types of grants submitted. The full answer to this particular problem is somewhat lengthy and complicated.

3. "Dr. Fauci will be forced to shift money from AIDS clinical trial units to fund other necessary research". This actually was mandated by Congress when they legislated that the NIH had to transfer some of their research funds from adult studies to pediatric studies.

4. The Ryan White Act has never been fully funded but none of these health care acts are fully funded in this particular climate. Although funding of the Ryan White Act was authorized by Kennedy's committee, the Appropriations Subcommittee for the Department of HHS did not have the money and funded it at about 20-25%. This is not specific to AIDS. This is just the way things are at this point in time with everything.

5. The answer to the "forced cut-backs" in vital HIV AIDS research is somewhat more complicated. The AIDS budget at NIH actually went up by 3.8% for 1993 but this is in the same ballpark as all other research funded by NIH. Non-AIDS research for '93 was increased 4.5%. The main reason for this is "catch up". AIDS had been very heavily funded in prior years and the funding for other diseases in 1993 caught up somewhat. There still is a very loud discussion in medical and research circles about excessive AIDS research funding in relation to other diseases, like cancer, which cause far more mortality. I think on this particular point, if you really want all of the facts, it would be important to speak to Tony Fauci himself.

Tony says he does need to see you so that he can help you with these basic facts, particularly prior to any national debate. He said he can give you the numbers and the facts that you will need in under five minutes. I would also suggest that you ask Tony to be in the room with you when you speak to Reverend Swing. He will be able to clarify all of these issues in your presence and Reverend Swing will not be able to mount a rebuttal.

If there are further details you need please let me know.

With best regards,

Burton J. Lee, III, M.D.
Physician to the President

W

April 20, 1992

Burt:

Rethe attached letter
from Bishop Swing of San
Francisco, a good man:

Please tell me if the
facts he states about our
research budget are
correct; and tell me if
he is properly quoting
Tony Faucci.

I may invite Bill Swing
back here to talk- not
sure about bringing a
group with him however.

All Yours.Thanks,n

FROM THE PRESIDENT

AmFAR

April 16, 1992

The Honorable George Bush
President of the United States
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

It was a pleasure to meet with you on February 25th when you were in San Francisco. I am now writing to you as member of the Board of Directors of the American Foundation for AIDS Research (AmFAR). I am sure you share my dismay at the rapid expansion of HIV/AIDS. The recent news that Arthur Ashe has contracted HIV once again demonstrates how this disease affects all members of our society.

In the face of this expansion of HIV/AIDS, I would once again like to offer my services to brief you on HIV/AIDS policy. There are many shortfalls in funding public policy initiatives that have me deeply concerned. I believe that you, as President, can take a lead in addressing these issues and helping to end the HIV/AIDS crisis.

The differences between HIV/AIDS and other diseases demands that funding for research have the highest priority. HIV/AIDS is a worldwide pandemic with no end in sight. It is a new disease against which medicine is powerless. Because of its principal modes of transmission, AIDS hits young adults and their children, making it costlier to society than other epidemics. And finally, due to the long incubation period, many asymptomatic persons continue to infect others.

In fact, the cumulative total of full-blown AIDS cases in the U.S. has now topped 200,000. There will be another 100,000 cases diagnosed in the next year alone. Despite these ominous numbers, the Administration's fiscal year 1993 budget request for the National Institutes of Health (NIH) will force cutbacks in vital HIV/AIDS research. While the budget request does have a 3% increase, this does not even equal the rate of inflation for biomedical research.

Now is not the time to impede federal research into HIV/AIDS. Dr.

Anthony Fauci, Director of the Office of AIDS Research at the NIH has stated that the 1993 budget would allow the NIH to fund only 25% of worthy AIDS proposals in AIDS research it receives. Dr. Fauci also states that the average size of AIDS research grants would drop from $300,000 to $240,000. Dr. Fauci will be forced to shift money from AIDS clinical trial units to fund other necessary research. Indeed, investing more money in HIV/AIDS research has potential benefits for all biomedical research. AIDS research can't help but open leads into other autoimmune diseases such as Multiple Sclerosis, Lupus, and Graves Disease.

I am also concerned that many of those who suffer from HIV/AIDS are not receiving adequate health care. This crisis is placing a severe strain on health care delivery systems. The vehicle for assisting cities and states with this burden, the Ryan White CARE Act, has never been fully funded. At the bare minimum, Ryan White should be funded at the authorized levels.

It is also important for you to promote early intervention in order for people with HIV to continue working. Seventy-five percent of AIDS cases occur in people between the ages of 25 and 44, people in the prime of their lives. It has been reported that 40% to 63% of people with AIDS lose their jobs upon diagnosis (JAMA, Sept. 12, 1991). Job termination robs people of their dignity, robs the workforce of productive citizens, and denies people with AIDS their employer based health insurance.

I would very much appreciate the chance to meet with you and others in the Administration, to discuss in detail funding needs for federal HIV/AIDS programs, and what you can do to expand your role as a national leader on this issue. I would like to have several experts in this field accompany me, including Dr. Mervyn Silverman, President of AmFAR.

I thank you for looking into scheduling a meeting. I would be very happy to answer any questions before we meet.

Sincerely,

William E. Swing

The Rt. Rev. William E. Swing
Episcopal Diocese of California
Board Member AmFAR

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

May 4, 1992

CAB

MEMORANDUM FOR THE PRESIDENT

FROM: W. HENSON MOORE
DEPUTY CHIEF OF STAFF

SUBJECT: <u>Alternative Minimum Tax Modifications</u>

On April 26th, you sent me a memo with an enclosure from Martin Allday about changes in the Alternative Minimum Tax. I, in turn, inquired from Treasury and Energy what they thought of those suggestions.

Energy feels that the changes made in the House Ways and Means Committee are what we need. Treasury is doing more in-depth study on the additional suggestions; but are inclined to feel as Energy, that all that needs to be done has already been done.

In your video or statement to the IPAA Convention, reference will be made to your efforts which made the AMT change possible.

copy of package sent to Henson 4/27/92 BT

THE WHITE HOUSE
WASHINGTON

DATE: 4-26-92

FROM THE PRESIDENT

TO: Henson Moore

Martin Allday sent over the attached information on tax changes that would help the oil industry.

Will you please look these over, then share them with Nick Brady, Dick Darman, Clay Yeutter or anyonelse that shares your concern and mine about the demise of the domestic oil industry.

I also enclose the note from Martin that commetns on all this.

Thanks.

GB

gb

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

The Honorable Martin Allday
Chairman
Federal Energy Regulatory Commission
Room 9000
825 North Capitol Street, N.E.
Washington, D.C. 20426

(self-typed)

THE PRESIDENT

4-26=92

Dear Martin,

Not being a tax expert but wanting to consider anything reasonable that will ~~halp~~ help the crippled oil business, I sent your material from Goodman to Henson Moore, asking that he share it with the key players here and in Treasury.

Pardon my typing but I am whipping this out on a Sunday. Oh, by the way, I had a great golf game with Arnold Palmer yesterday. He sure helped me with some fundamentals. Hang in!

GB

CC: (in & outs)
Rose Zamaria
(1 copy)

CHAIRMAN

4/24/92

Mr. President —

My job at the FERC has nothing to do with taxation — but I remain very concerned with the tax structure of this country as it affects the gas business which we do regulate.

You may recall some correspondence from a friend of mine - Craig Goodman - which addressed the Alternative Minimum Tax. I forwarded it to you & understand you

forwarded it on to Dr. Boskin.

Today, I read in the press you are standing tall for the principals announced in your NES — even to the extent of vetoing BAD energy legislation suggested by Congressman Miller —. BRAVO —. Hang Tough!

Enclosed for the tax smarts are further suggestions by my friend. I hope some experts in the tax field might consider them.

FERC has been gathering praise (for a change) with respect for its so-called Restructuring Rule issued last week. Open competition is on its way.

Enjoyed the golf game — Thanks Martin L. Allday

Craig G. Goodman
3401 R. Street
Washington D.C. 20007
(202) 625-6569
(202) 716-8367

March 19, 1992

Mr. Martin Allday
601 Fontaine Street
Alexandria, Virginia 22302

Dear Martin,

I appreciate your continued interest in the impact of the alternative minimum tax (AMT) on the domestic petroleum industry and its particularly negative impact on the exploration for and production of domestic natural gas. As you know, the impact of the AMT increases as prices, revenues and profits decline and as the costs of production increase. This also is true for a majority of domestic capital-intensive industries. Basic U.S. industries such as steel, automobiles, chemicals, airlines, paper and, of course, energy production have been hurt especially badly. However, within the energy industry, the lower-price-per-BTU-equivalent for natural gas compared with crude oil, magnifies the economic impact of the AMT disproportionately on one of America's cleanest fuel sources.

It appears that the President likely will veto the current democratic version of his "pro-growth" tax bill. However, I believe there is a "window of opportunity" to pass a bill that is acceptable to both parties. Elements of the Senate bill could be incorporated into a modified Administration package, reproposed, funded and passed.

You should be aware that the Senate package dealing with AMT relief inadvertently misses an important opportunity to assist independent producers operating in non-corporate form. I urge you to consider recommending the following corrections and additions to the Senate proposal for inclusion in a post-veto "pro-growth" Administration tax package:

A. The Administration should add a provision that guarantees long-term AMT taxpayers will not lose deductions for capital investments simply because they are not as profitable as their competitors. AMT credits generated by the prepayment of income taxes under the AMT should be useable against any subsequent income tax liability (AMT or regular) within a reasonable time.

B. Incorporate the Senate's repeal of the ACE/IDC preference, however, make it applicable to "IDCs incurred" after 1/1/92. As currently written, the Senate bill inadvertently repeals retroactively IDC deductions for the last 3 tax years, thereby raising taxes for prior periods.

C. Increase the net income limitation for computing the amount of IDCs that will be treated as taxable income for AMT purposes to 100%. This is the limit that existed before 1986. It also is the provision that affects the smallest producers the most. Additionally, should 100% be politically infeasible, redefining the term "net income from oil and gas operations" solely for purposes of computing the AMT IDC preference contained in IRC§57(a)(2) should be amended as follows:

1. ***Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should be reduced using AMT depreciation lives and only non-preference depletion.** When computing how many IDC expenditures should be subject to AMT penalties, a firm should not also be penalized twice by the tax code's disallowance of percentage depletion deductions and it's disallowance of regular tax depreciation deductions.

2. ***Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should not be reduced by IDCs capitalized under IRC§59(e).** To minimize the penalties of the AMT on new drilling investments, the tax code provides an election to capitalize and amortize IDCs over 5 years. However, if a producer makes this election under the Senate bill, these amounts will be used to lower "net oil and gas income" and, therefore, increase the amount of IDCs that are subject to the AMT/IDC penalty.

3. ***Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should be reduced only for expenses that are "directly attributable"** to oil and gas properties and not "amounts allocated" to oil and gas properties. Currently, a major audit issue involves a dispute over how much, if any, indirect expenses such as overhead and interest should be used to compute net oil and gas income. The more indirect expenses used, the more IDCs are penalized under the AMT.

In addition to simplicity and good governance, there appears to be no tax policy that is properly served by retaining rules within the tax code which essentially penalize new investments. These provisions, if passed, would mitigate the negative impact of the AMT on virtually every U.S.-based industry currently affected by it.

I really enjoyed visiting with you on Wednesday. Please let know how I can be helpful to the Administration.

Warm personal regards,

Craig

Craig Goodman

Recommended Modifications
of
"Pro-growth" Tax Package

The following modifications and clarifications of the Senate proposal should be considered for inclusion in a post-veto "pro-growth" tax package:

A. A provision should be added that guarantees long-term AMT taxpayers will not lose deductions for capital investments simply because they are not as profitable as their competitors. AMT credits generated by the prepayment of income taxes under the AMT should be useable against any subsequent income tax liability (AMT or regular) within a reasonable time. This proposal affects those industries hurt worst by the recession. It also targets relief to those U.S. industries subject to the most severe competitive tax disadvantages.

B. Clarify the Senate's repeal of the ACE/IDC preference, to ensure that it is applicable to "IDCs incurred" after 1/1/92. As currently written, the Senate bill could be read to inadvertently repeal retroactively IDC deductions for the last 3 tax years, thereby raising taxes for prior periods.

C. Increase the net income limitation for computing the amount of IDCs that will be treated as taxable income for AMT purposes to 100%. This is the limit that existed before 1986. It also is the provision that affects the smallest producers the most. Additionally, should 100% be politically infeasible, redefining the term "net income from oil and gas operations" solely for purposes of computing the AMT IDC preference contained in IRC§57(a)(2) should be amended as follows:

1. *Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should be reduced using AMT depreciation lives and non-preference depletion. When computing how many IDC expenditures should be subject to AMT penalties, a firm should not also be penalized twice by the tax code's disallowance of percentage depletion deductions and it's disallowance of regular tax depreciation deductions.

2. *Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should not be reduced by IDCs capitalized under IRC§59(e). To minimize the penalties of the AMT on new drilling investments, the tax code provides an election to capitalize and amortize IDCs over 5 years. However, if a producer makes this election under the Senate bill, these amounts will be used to lower "net oil and gas income" and, therefore, increase the amount of IDCs that are subject to the AMT/IDC penalty.

3. *Net income from oil and gas operations* for purposes of computing IRC§57(a)(2) should be reduced only for expenses that are "directly attributable" to oil and gas properties and not "amounts allocated" to oil and gas properties. Currently, a major audit issue involves a dispute over how much, if any, indirect expenses such as overhead and interest should be used to compute net oil and gas income. The more indirect expenses used, the more IDCs are penalized under the AMT.

Aside from simplicity and good governance, there appears to be no tax policy that is properly served by retaining rules within the tax code which essentially penalize new investments. These provisions, if passed, would mitigate the negative impact of the AMT on virtually every U.S.-based industry currently affected by it.

Match w/
Tickler fr/ 4/26

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN 5/5

May 4, 1992

CB

MEMORANDUM FOR THE PRESIDENT

FROM: W. HENSON MOORE
DEPUTY CHIEF OF STAFF

SUBJECT: Alternative Minimum Tax Modifications

On April 26th, you sent me a memo with an enclosure from Martin Allday about changes in the Alternative Minimum Tax. I, in turn, inquired from Treasury and Energy what they thought of those suggestions.

Energy feels that the changes made in the House Ways and Means Committee are what we need. Treasury is doing more in-depth study on the additional suggestions; but are inclined to feel as Energy, that all that needs to be done has already been done.

In your video or statement to the IPAA Convention, reference will be made to your efforts which made the AMT change possible.

daily 4/26
(signed out 5/1)
3142

THE WHITE HOUSE

WASHINGTON

May 1, 1992

92 MAY 1 A8:2

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Letter to the Crown Prince of Yugoslavia

Purpose

To respond to a letter from Crown Prince Alexander of Yugoslavia.

Background

Prince Alexander has written to you on the situation in Yugoslavia. He also offers his perspective on the Serbian role in that crisis. The Prince is a moderate and was warmly received during his recent visit to Belgrade. He does have a degree of influence, principally among the opposition in Serbia. We have drafted a response for your signature at Tab A.

RECOMMENDATION

That you sign the letter to Prince Alexander of Yugoslavia attached at Tab A.

Attachment
Tab A Response to Crown Prince
Alexander of Yugoslavia

cc: Vice President
Chief of Staff

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	President George Bush to Prince Alexander. (1 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed: 8/29/2019	**OA/ID Number:** 90673-002
FOIA/SYS Case #: 2009-0166-S[4]	**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]

THE WHITE HOUSE

WASHINGTON

DATE: 4-26-92

FROM THE PRESIDENT

TO: Brent

The attached from Crown Prince Alexander needs a reply I guess.

Please have it drafted.

Maybe we can get him to go to Bosnia, or Serbia, Slovenia or Macedonia and figure all [illegible] this out.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Letter	Prince Alexander to President George Bush. (1 pp.)	4/23/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed:	8/29/2019	**OA/ID Number:**	90673-002
FOIA/SYS Case #:	2009-0166-S[4]	**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]

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	Prince Alexander to President George Bush. (3 pp.)	4/23/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed: 8/29/2019	**OA/ID Number:** 90673-002
FOIA/SYS Case #: 2009-0166-S[4] **Re-review Case #:** **P-2/P-5 Review Case #:**	**Appeal Case #:** **Appeal Disposition:** **Disposition Date:**
AR Case #: **AR Disposition:** **AR Disposition Date:**	**MR Case #:** **MR Disposition:** **MR Disposition Date:**

RESTRICTION CODES

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]

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

Mr. Bryan Christopher Sumner
Ms. Tina Pickering
c/o I HAVE A DREAM
14 Crawford Street
Roxbury, Massachusetts 02121

THE PRESIDENT

April 26 '92

Dear Chris – Tina –

Thanks so much to you and 'the dreamers' for the T shirts. Maybe you'll catch 'em on CNN when I go running in them. It was nice seeing that group of kids here, albeit too briefly.

Again my thanks,

George Bush

CC: (in & out)
Nikki Richnow
(Gift Unit)
Rose Zamaria
~~(1 copy)~~
(2 copies)

t-shirts from: (DELIVERED BY JAMIE BUSH)

Chris Sumner
and Tina Pickering and "the dreamers"

c/o
I HAVE A DREAM
14 Crawford Street
~~Roxbury Street~~
Roxbury, Massachusetts 02121

daily

CAMP DAVID

April 26, 1992

To: Phil Brady

Re: Letter from Bobby Holt.

I have not reviewed tha attached paper sent by Bobby Holt. Does his note (attached) require a substantive reply? If so, prepare please.

gb

FROM THE PRESIDENT

BUSH QUAYLE '92

4-23-92

Mr. President

Enclosed please find the two regulatory 'opportunities' I mentioned to you yesterday.

A. The regulatory flexibility Act relating to the effect of regs. (w/ son) on small entities, and

B. The ability of Treasury to make the R&D tax credit permanent thru an extension of 861-8. Thus accomplishing your goal without legislation.

Best

Bob

April 10, 1992

MEMORANDUM FOR THE FILE

SUBJECT: REGULATORY FLEXIBILITY ACT OF 1980

The Regulatory Flexibility Act of 1980(RFA), Public law 96-354, 5 U.S.C. Sections 601-612 requires all Federal agencies to analyze fully the effects of their regulations on small entities to explore alternative compliance mechanisms, and to involve actively these entities in the development and review of the regulations.

The RFA applies to all federal regulations that must undergo notice and comment under the Administrative Procedures Act prior to promulgation. Some regulations, however, are subject to some but not all requirements of the Act. Grant regulations, for example, are specifically included although they are exempt from the RFA analysis requirements of the Act.

The RFA recognizes three kinds of small entities. The first, is a small government jurisdiction, consisting of cities, counties, towns, villages, school districts or any special district that has a population of under 50,000. The second type of small entity, a small organization, consists of any not-for-profit enterprise that is independently owned and operated and not dominant in its field. The third type, a small entity under the RFA may be a small business, defined as any business which is independently owned and operated and not dominant in its field as defined by Small Business Administration (SBA) regulations under section 3 of the Small Business Act. The SBA's definition is industry specific and based on the total number of employees in the enterprise.

The RFA consists of three main components. First, the law requires each federal agency to identify in its regulatory agenda any regulations that are likely to have a significant economic impact on a substantial number of small entities. Secondly, an initial regulatory flexibility analysis must be conducted for each proposed regulation. The analysis, which must be published in the Federal Register in conjunction with the notice of proposed rulemaking shall discuss the impact upon small entities. Finally, each agency is required to review periodically all of its regulations which have a significant economic impact on a substantial number of small entities. Agencies must review their regulations within a 10 year period from the date of promulgation of the rule.

The Council on Research and Technology (CORETECH) is a group of 91 corporations, universities, research institutes and trade associations, that has been in existence since 1987, working to resolve permanently the R & D and 861 tax credit issue. Since their first year, the Bush Administration has clearly stated the R & D/ 861 tax credit is a priority. Yet, each year when the budget debate with Congress occurs, the fight for permanence loses.

The current issue under discussion within the Administration, is the resolution of 861 through the Department of Treasury issuing a regulation. On this topic, CORETECH representatives have met with Clayton Yeutter, Michael Boskin, Bob Grady, and Boyden Gray. Other CEO's, including Roy Vagelos of Merck, Ed Pratt of Pfizer, and Michael Galvin of Motorola, have met with Secretary Brady and Clayton Yeutter and voiced their support, and need, for this matter to be resolved.

While all White House officials have expressed support in trying to get this accomplished, Secretary Brady is being told by Treasury Counsel that the Department does not have the authority to issue this regulation. Attached is a letter sent by Senator Lloyd Bentsen and Congressman Dan Rostenkowski to Secretary Brady stating without any doubt Treasury does have the authority.

Attached also, is a letter signed by seven CA -based CEO's who have continually been reassured this is an administration priority. They believe this would have an immediate, positive market affect on all involved U.S. companies, because the ability of these companies (over 300) to compete internationally and contribute to the health of the domestic economy is greatly affected by their ability to conduct research and development.

A third attachment is a sampling of congressional letters also supporting Treasury take this action. 861 is an issue the Administration can and should resolve sooner rather than later. The fourth attachment is a letter from California Governor Pete Wilson indicating his strong support of Treasury taking action on this issue.

Attachments

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

March 20, 1992

The Honorable Nicholas F. Brady
Secretary
U.S. Department of the Treasury
15th and Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Secretary:

We write to urge you in the strongest possible terms to issue regulations permanently resolving the long-standing controversy between the Treasury Department and multi-national corporations regarding the appropriate allocation of foreign research and development (R&D) expenses under sections 861-864 of the Internal Revenue Code of 1986.

Both the technical explanation of H.R. 4287, the Tax Fairness and Economic Growth Act of 1992 (passed by the House of Representatives as a substitute for H.R. 4210), and the technical explanation of the Senate Finance Committee amendment to H.R. 4210, the Family Tax Fairness, Economic Growth, and Health Care Access Act of 1992, contain identical provisions dealing with the allocation of foreign R&D expenses.

We would like to emphasize that both explanations set forth Congressional understanding that the Treasury Department has broad authority under current law to modify the regulations governing the allocation of foreign R&D expenses.

As you are well aware, a significant dispute developed in 1977 between the Treasury Department and the private sector regarding the proper allocation of foreign R&D expenses. When Treasury and the private sector were unable to resolve their dispute, Congress was asked to intervene and legislate a moratorium temporarily overriding Treasury regulations. The Congressionally-imposed moratorium was extended on several occasions and is scheduled to expire six months after the beginning of the first taxable year which began on or after August 1, 1991.

Now, however, the President, you and other Administration officials have repeatedly expressed support for encouraging research and development, particularly here in the United States. In fact, the official explanation accompanying the President's fiscal year 1993 Budget states:

"The Administration believes [in] providing tax incentives to increase the performance of U.S.-based research activities. The allocation rules in this proposal provide such an incentive . . . the proposal encourages the growth of overall R&E [Research and Experimental] activity as well as the location of such research within the United States." <u>General Explanation of the President's Budget Proposals Affecting Receipts</u>, January, 1992, page 25.

It is evident from the Administration's strong support for U.S.-based research and development that Congressional intervention in this matter in the form of a further extension of the legislative moratorium is no longer necessary. We emphasize that identical provisions accompanying both the House-passed version of H.R. 4210 and the Senate Finance Committee amendment state that "Congress expects, and in the strongest terms, urges, the Treasury Department to revise its permanent regulations in a manner consistent with its stated objectives and the proposals of the Administration."

Mr. Secretary, we again urge you to act upon these regulations as quickly and expeditiously as possible. Congress has set forth its understanding that current law affords you broad authority to modify the foreign R&D allocation rules consistent with the Administration's clear and unequivocally stated policy objective to continue the current allocation policy. By this letter, we jointly urge you to do what the President says he wants to do.

We also believe it is important to note that the explanations accompanying both the House-passed version of H.R. 4210 and the Senate Finance Committee amendment set forth Congressional interpretation of current law with respect to regulatory authority authorizing the proper allocation of R&D expenses. As such, this interpretation does not require statutory change for implementation. Thus, we feel this interpretation should be considered authoritative, whether or not H.R. 4210 is ultimately enacted.

Accordingly, we expect and in the strongest possible terms urge that the Treasury Department permanently amend its allocation regulations consistent with stated Administration policy. We further ask you to issue your regulations by June 1, 1992, the date specified in both the House and Senate Finance Committee explanations.

Sincerely yours,

Lloyd Bentsen
Chairman
Senate Finance Committee

Dan Rostenkowski
Chairman
Committee on Ways and Means

March 19, 1992

The Honorable Nicholas F. Brady
Secretary of the Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Brady:

As high technology companies, our ability to compete internationally and contribute to the health of the domestic economy depends on our ability to continuously innovate, create and bring new products and processes to the market place. We do, therefore, have a vested interest in public policies and procedures which affect our ability to conduct research and development. One such policy currently the subject of much debate and discussion in Washington, D.C., is the Section 861-8 R&D allocation issue.

As you know, controversy has swirled around the 861-8 regulations since they were first implemented by Treasury in 1977. In fact, successive Administrations and Congresses have advocated and adopted moratoria to prevent the implementation of the regulations because, in effect, they serve as a disincentive for U.S. companies to perform U.S. R&D. The most recent moratorium is set to expire in June.

We understand that the Administration now has an opportunity to resolve this longstanding issue by modifying its own regulations.

In the strongest terms possible, we urge you and the Department to take advantage of this opportunity

If allowed to take affect, the Section 861 regulations, could adversely impact over 300 U.S. companies, which accounted for $46 billion in R&D in 1988 -- 80% of all industry funded U.S. R&D. Further, it has been estimated that resolving this situation could lead to an additional $1.5 - $2 billion a year in R&D here in the United States. At a time when everyone is working to bolster economic growth, investment and productivity, failing to modify this regulation makes little sense.

The Administration's past support for extending the moratoria on these regulations has been critical. Now, however, the Administration actually has a chance to resolve this regulatory impasse. We strongly believe Treasury should begin that process immediately.

Page Two
Letter to The Honorable Nicholas F. Brady
U.S. Department of Treasury
March 17, 1992

We need long-term, stable public policies that promote research. We urge you not to let this opportunity slip through your fingers.

Sincerely,

Gordon E. Moore
Chairman of the Board
Intel Corporation

J. Tracy O'Rourke
Chief Executive Officer
and Chairman of the Board
Varian Associates, Inc.

Eric A. Benhamou
President and CEO
3Com Corporation

John Young
President and CEO
Hewlett-Packard Company

Lawrence T. Ellison
President and CEO
Oracle Corporation

John Scully
Chairman and CEO
Apple Computer, Inc.

James G. Treybig
President and CEO
Tandem Computers Incorporated

United States Senate

WASHINGTON, DC 20510

March 26, 1992

The Honorable Nicholas F. Brady
Secretary
Department of Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Dear Nick:

While we are opposed to the tax legislation recently approved by both the House and the Senate, we are encouraged that these bills do provide an opportunity for the Treasury Department to resolve the Section 861-8 Research and Development expense allocation problem.

We have long supported efforts to suspend the application of these regulations, whose effect is to penalize American companies for their domestically conducted R&D. The last such moratorium expires for most taxpayers this coming June 30. Since repeated short-term suspensions make it impossible for businesses to plan long range research investments, we believe a permanent solution to this problem is long overdue.

Both Chairmen Rostenkowski and Bentsen have now explicitly acknowledged the Treasury Department's authority to resolve this situation. Committee Report language accompanying the recent tax legislation states that Treasury has the authority, pursuant to the underlying Section 861 statute, to modify its 1977 R&D regulations in a manner consistent with the President's budget request, our legislation and the current moratorium. We share this view.

We believe there should be no further impediment to the Administration's swift issuance of new rules governing the allocation of R&D expenses under Section 861. This is an opportunity to take the initiative on one key element of the President's economic growth package without the need for legislative action. We urge you to take advantage of it.

Sincerely,

Bob Packwood

Bob Packwood
United States Senator

John H. Chafee
United States Senator

John C. Danforth
United States Senator

FIELD OFFICES
Casper 261-6172
Cheyenne 772-2477
Cody 527-7131
Gillette 682-7091
Laramie 745-5303
Rock Springs 382-4078

United States Senate

WASHINGTON, DC 20510-5002

ALAN K. SIMPSON
WYOMING

VETERANS' AFFAIRS COMMITTEE

JUDICIARY COMMITTEE
Ranking Member—Subcommittee on Immigration and Refugee Affairs

ENVIRONMENT AND PUBLIC WORKS COM
Ranking Member—Subcommittee on Nuclear Regulation

April 3, 1992

The Honorable Nicholas Brady
Secretary
Department of the Treasury
15th and Pennsylvania Avenue
Washington, D.C. 20220

Dear Nick:

I do write to you concerning Treasury regulation 1.861-8, which, as you know so well, governs the way in which research and development is taxed. Since 1977, a series of temporary moratoria has prevented this regulation from having an adverse impact upon investment in research and development.

I am informed that Congress has at last cleared the way for this problem to be permanently resolved by regulation promulgated by the Treasury Department. It is my sincere hope that this can be done. You know so well of the importance of research and development to economic growth. By permanently removing this potential obstacle, we would be eliminating the likelihood of its being a future impediment to the development of products and services, and to our international competitive position.

Thank you for your attention to this matter

With warmest personal regards to you, my friend,

Sincerely,

Alan K. Simpson
United States Senator

AKS/cb

BILL ARCHER
7th District, Texas

RANKING MINORITY MEMBER
WAYS AND MEANS COMMITTEE

JOINT COMMITTEE ON TAXATION

Congress of the United States
House of Representatives

WASHINGTON OFFICE
1236 Longworth
House Office Building
Washington, DC 20515-4307
(202) 225-2571
FAX (202) 225-4381

DISTRICT OFFICE
1003 [illegible], Suite 311
Houston, TX [illegible]
(713) [illegible]
FAX (713) [illegible]

March 23, 1992

The Honorable Nicholas F. Brady
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Nick:

As you know, I am the lead Republican cosponsor in the House of legislation (H.R. 1663) to provide a permanent extension of the current statutory research and experimentation allocation rules in Section 864(f). I feel very strongly that a permanent resolution of this issue is essential, and I know that the Administration agrees that repeated short-term moratoriums on implementation of Treasury's 1977 regulations are simply not the answer. The long-standing uncertainly in this area has made it very difficult for businesses to effectively plan their long-term R&E budgets.

I want to make it very clear that I was strongly opposed to the approach taken in the Democrat tax bills of directing Treasury to issue new regulations in this area. Nevertheless, I believe that this action does clear the way for the Treasury Department to take the initiative in providing a permanent resolution of the Section 861 issue, and I want to strongly encourage you to do so.

My understanding of the history of this issue is that the Treasury Department was prepared to issue revised Section 861-8 regulations in 1987. However, Chairman Rostenkowski reportedly took the position at that time that this matter was within the legislative arena. Now that both Chairmen Rostenkowski and Bentsen have explicitly conceded that the Treasury Department does have the necessary authority to modify its 1977 R&E regulations in a manner consistent with the President's budget proposal, I certainly hope that you will move swiftly to implement this regulatory change.

Many thanks for your consideration of my views.

Sincerely,

Bill Archer
Member of Congress

MAPI

Manufacturers' Alliance for Productivity and Innovation, Inc.

1200 Eighteenth Street, N.W. Washington, D.C. 20036 Telephone (202) 331-8430 · FAX (202) 331-7160

March 27, 1992

The Honorable Nicholas F. Brady
Secretary
U.S. Department of the Treasury
15th Street and Pennsylvania Ave., N.W.
Washington, DC 20220

Dear Mr. Secretary:

We are pleased to support a regulatory solution to resolve the long-time controversy over how U.S.- and foreign-incurred research expenditures are allocated between foreign and domestic income sources for foreign tax credit purposes. Senator Bentsen and Congressman Rostenkowski have written you to urge the Treasury Department to permanently amend the income tax regulations to conform the regulatory requirements concerning allocation of research expenditures (Section 1.861-8(e)(3)) to the statutory approach codified at Section 864(f) of the Internal Revenue Code.[1]

MAPI, the Manufacturers' Alliance for Productivity and Innovation, is a policy research organization whose 500 member companies are drawn from the producers and users of capital goods and allied products. Our membership is comprised of leading companies in heavy industry, automotive, chemicals, oil and gas, electronics, precision instruments, telecommunications, computers, office systems, aerospace, and similar high technology industries. Many MAPI companies are multinational enterprises that devote considerable resources to research and development in the United States and thus are directly affected by the allocation rules.

Section 864(f), sometimes referred to as the statutory allocation rule, expires on June 30, 1992 for calendar year taxpayers. Companies then may be required to apply the Section 1.861-8(e)(3) regulations that were issued in 1977 and have been repudiated in successive legislative moratoria, which of late have taken the form of the statutory allocation rules.

Rather than revive the 1977 regulations, Treasury should substitute for them the standards of Section 864(f). This formula approach to allocating research expenditures was agreed to in 1987 by representatives of the executive and legislative branches and of business. Unfortunately, technical aspects of the budget process have precluded permanent statutory codification of this universally acceptable solution.

---

[1] Broadly stated, Section 864(f) treats 64 percent of U.S.-incurred research expenditures as allocable to U.S. source income and the same portion of foreign-incurred research costs as allocable to foreign source income.

Messrs. Bentsen and Rostenkowski point out that legislative resolution is not necessary. The U.S. Department of the Treasury and its delegates have the regulatory authority to provide a solution. Given the pending lapse of Section 864(f), we urge the Department of the Treasury to develop regulations for allocating research expenditures under the statutory model as soon as possible. Specifically, MAPI recommends the immediate withdrawal of Income Tax Regulation Section 1.861-8(e)(3) (the repudiated 1977 regulations), and issuance of an administrative announcement allowing use of the formula approach described in Section 864(f), pending finalization of new final regulations. Subject to normal regulatory procedures, regulations incorporating the formula allocation rule should be proposed and finalized.

If MAPI can be of any assistance to the Treasury Department and the Internal Revenue Service in this matter, your staff should feel free to contact me.

Cordially,

Ken McLennan

President

KM/jee

cc: The Honorable Dan Rostenkowski
The Honorable Lloyd Bentsen
The Honorable Samuel Skinner
The Honorable Fred T. Goldberg, Jr.
The Honorable Sidney L. Jones
Mr. David M. McIntosh

CORETECH COUNCIL ON RESEARCH AND TECHNOLOGY

WHY TREASURY CAN MODIFY 861

It would be both legal and consistent with the Internal Revenue Code for Treasury to modify its 861-8 R&D allocation regulations to implement the so-called 64 percent solution. The statutory basis for the Section 861-8 regulations, which govern the allocation of research and development as well as other expenses, is found in Section 861 of the Internal Revenue Code. Section 861, enacted in 1954, defines "gross income from sources within the United States" – that is, domestic income. Section 861(b) provides for the deduction of "expenses, losses, and other deductions properly apportioned or allocated" to such gross income. Section 862 of the Internal Revenue Code provides for the same thing as to "gross income from sources without the United States" – that is, foreign income.

The statute does not specify the expenses -- R&D, for example, -- which should be included under Section 861, nor does it indicate the manner or details of their inclusion. In other words, it left it up to the Treasury to determine which expenses to include and what methodologies were appropriate. Since the enactment of Section 861, the Treasury has exercised this broad regulatory authority on numerous occasions, without the need for any statutory change. For example, the Section 861-8 regulations were proposed in 1956, adopted in 1957, and amended in 1966, 1975, 1977, 1980, 1984, 1988 (twice), 1990, and 1991. Among the more recent amendments to the regulations were those adding charitable deductions and state and local taxes as expenses subject to specific Section 861-8 treatment.

R&D expenditures were first made subject to the 861-8 regulations in 1977. There was no change in the statute at the time requiring or authorizing their inclusion. To the contrary, Treasury believed that the underlying statute authorized their making R&D an allocable expense.

The 1977 861-8 R&D regulations provided that 50% of U.S. R&D would not be subject to 861-8 treatment in certain cases. This was later phased down to 30%. The regulations also provided for apportionment on the basis of sales or income at the election of the taxpayer. Apportionment based on income was required to equal at least 50% of apportionment based on sales.

1735 New York Avenue, N.W. Suite 500 Washington, D.C. 20006-4759 (202) 628-1700 Telex 904059 WSH Telecopy (202) 331-1024

The current Section 861-8 R&D moratorium, the President's recent budgetary proposals, and the regulatory solution being proposed now are the same. They are also very similar in structure to the 1977 regulations. The proposed revised regulation would permit a taxpayer to treat 64 percent (rather than 50 or 30 percent) of research conducted in the United States as a U.S. expense. This is reasonable and proper given the broad recognition today that the primary benefits of research and development accrue to the place (the U.S.) where it takes place. Secondly, it would permit apportionment of the remainder on the basis of sales or income, at the election of the taxpayer. In this instance, use of the income method could not result in less than 30 percent (rather than 50 percent) of what would be allocable under the sales method. In sum, there is nothing in the proposed 64 percent solution that is any less right or less authorized by the Section 861 statute than the original 1977 regulations.

The fact of the matter is that Treasury's regulatory authority under Section 861-8 is very broad -- a view now specifically endorsed by Congress. Pursuant to it, the Treasury has published and amended its 861-8 regulations eleven separate times over 35 years without the need for statutory change. That the Treasury act now resolve the Section 861-8 R&D controversy through regulation is not, of course, a new idea. It was discussed in 1987. Treasury did not proceed because the Chairmen of the two tax-writing committees preferred at the time to deal with the issue legislatively, even though the underlying 861 statute did not require this. It is clear that their position has changed, leaving Treasury free to take the initiative, as it has always had the authority to do, through regulation.

March 1, 1992

IT WOULD BE BOTH LEGAL AND CONSISTENT WITH THE INTERNAL REVENUE CODE FOR TREASURY TO MODIFY ITS 861-8 R&D ALLOCATION REGULATIONS TO IMPLEMENT THE SO-CALLED 64 PERCENT SOLUTION

The statutory basis for the Section 1.861-8 regulations, which govern the allocation of research and development as well as other expenses, is found in Section 861 of the Internal Revenue Code. Section 861, enacted in 1954, defines "gross income from sources within the United States" -- that is, domestic income. Section 861(b) provides for the deduction of "expenses, losses, and other deductions properly apportioned or allocated" to such gross income. Section 862 of the Internal Revenue Code provides for the same thing as to "gross income from sources without the United States" - that is, foreign income.

The statute does not specify the expenses -- R&D, for example, -- which should be included under Section 861, nor does it indicate the manner or details of their inclusion. In other words, it left it up to the Treasury to determine which expenses to include and what methodologies were appropriate. Since the enactment of Section 861, the Treasury has exercised this broad regulatory authority on numerous occasions, without the need for any statutory change. For example, the Section 861-8 regulations were proposed in 1956, adopted in 1957, and amended in 1966, 1975, 1977,1980, 1984, 1988 (twice), 1990, and 1991. Among the more recent amendments to the regulations were those adding charitable deductions and state and local taxes as expenses subject to specific Section 861-8 treatment.

R&D expenditures were first made subject to the 861-8 regulations in 1977. There was no change in the statute at the time requiring or authorizing their inclusion. To the contrary, Treasury believed that the underlying statute authorized their making R&D an allocable expense.

The 1977 861-8 R&D regulations provided that 50% of U.S. R&D would not be subject to 861-8 treatment in certain cases. This was later phased down to 30%. The regulation also provided for apportionment on the basis of sales or income at the election of the taxpayer. Apportionment based on income was required to equal at least 50% of apportionment based on sales.

The current Section 861-8 R&D moratorium, the President's recent budgetary proposals, and the regulatory solution being proposed now are the same. They are also very similar in structure to the 1977 regulations. The proposed revised regulation would permit a taxpayer to treat 64 percent (rather than 50 or 30 percent) of research conducted in the United States as a U.S. expense. This is reasonable and proper given the broad recognition today that the primary benefits of research and development accrue to the place (the U.S.) where it takes place. Secondly, it would permit apportionment of the remainder on the basis of sales or income, at the election of the taxpayer. In this instance, use of the income method could not result in less than 30 percent (rather then 50 percent) of what would be allocable under the sales method. In sum, there is nothing in the proposed 64 percent solution that is any less right or less authorized by the Section 861 statute than the original 1977 regulations.

The fact of the matter is that Treasury's regulatory authority under Section 861 is very broad -- a view now specifically endorsed by Congress. Pursuant to it, the Treasury has published and amended its 861-8 regulations eleven separate times over 35 years without the need for statutory change. That the Treasury can now resolve the Section 861-8 R&D controversy through regulation is not, of course, a new idea. It was discussed in 1987. Treasury did not proceed because the Chairmen of the two tax-writing committees preferred at the time to deal with the issue legislatively, even though the underlying 861 statute did not require this. It is clear that their position has changed, leaving Treasury free to take the initiative, as it has always had the authority to do, through regulation.

State of California

WASHINGTON OFFICE OF THE GOVERNOR
309 HALL OF THE STATES
444 NORTH CAPITOL STREET, N.W.
WASHINGTON, D.C. 20001
(202) 347-6891

PETE WILSON
GOVERNOR

April 21, 1992

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

Dear Mr. President:

In the current climate of declining defense spending and renewed attention to our global competitiveness, the U.S. needs strong, stable federal policies to encourage private sector research and development (R&D) activities. Secretary Brady has the opportunity to put an important element of such a policy in place by enacting a permanent solution to Treasury's Section 861-8 allocation rules for R&D, which are currently under a moratorium to prevent their implementation.

If these regulations are allowed to become effective, they would preclude American companies with foreign operations from fully deducting U.S.-based R&D costs. This would increase the cost of much of the research and development conducted here at home.

For California, these policies are of critical importance. Our future lies with high-technology, research-driven industries, for whom international competition is intense. These industries -- often our most competitive -- need assurance that U.S. policies will not put them at a disadvantage with international competitors.

Unfortunately, the Section 861 allocation rules do just that. In effect, these rules penalize U.S. companies with foreign operations, put them at a disadvantage with foreign competition both at home and abroad, and encourage American companies to move R&D off-shore. None of these effects is in our long-term competitive interest.

This is not important for California alone. Studies have estimated that if this regulation is allowed to take effect, it would adversely affect over 300 U.S. companies which conducted $46 billion in R&D in 1988, 80% of all industry-funded R&D in the United States. Many California companies have stated that a permanent solution to the Section 861-8 problems is of equal importance to them as an R&D tax credit itself.

Currently these regulations are under a moratorium which precludes their implementation. However, in June, this moratorium will expire. The Treasury Department has the ability to enact a solution to this problem through regulation, and the Congress has already signaled its support for such a measure.

The President
April 21, 1992
Page 2

Devising a solution to the Section 861 allocation rules is in keeping with stated Administration objectives. Such action would send a strong message to the business community on the importance of maintaining a high-level of domestic R&D, provide economic stimulus, contribute to U.S. competitiveness and create a sound basis for stable policies to promote research and new innovation. I urge your Administration to work quickly to amend these rules and provide a strong added incentive to increased domestic private research and development.

Sincerely,

Pete Wilson

PETE WILSON

cc: The Honorable Nicholas F. Brady
The Honorable Clayton K. Yeutter
The Honorable Samuel K. Skinner
The California Congressional Delegation

daily

April 26, 1992

To : Dorrance Smith

Re: Bob Stinnett's WWII project on my experience

Bob sent along the attached letter. As you know he wanted an interview-another one.

Lets, instead, answer his questions on film.. Get a WHACA crew to tape the answers- maybe from Oval office... doesn't need a lot of fancy technology..

Please return the attached tape to me.

Don Rhodes **should be the project office on this,making any contacts required with Stinnett.**

Let's do this fairly soon... no text or canned answers required.

GB

FROM THE PRESIDENT

ROBERT B. STINNETT
522 KENMORE AVENUE • OAKLAND, CALIFORNIA 94610
(415) 836-4330

April 23, 1992

Mr. George Bush
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. President:

I am pleased to enclose a short "preview look" of the Arts and Entertainment (A&E) documentary based on my book, George Bush: His World War II Years.

The preview excerpts show portions of:
(1) The discussion at Pearl Harbor last December concerning our combat missions in 1944.
(2) Scenes of Chichi Jima taken early this year by A&E crews.
(3) Interviews with Lou Grab and Dixie Mays
(4) Eyewitness interviews with Joseph Foshee and Charles Bynum concerning the Chichi Jima raid of September 2, 1944
(5) The USS FINBACK photo officer, Bill Edwards, detailing your rescue by the sub in the waters off Chichi Jima.

We feel confident the documentary will be a positive, memorable film you will be proud of, a film that will document accurately your World War II experiences.

In putting together our final product, we feel it would be greatly enhanced if we had one more personal interview with you, Mr. President. In the interview we would like you to share your memories of being in the life raft as you hoped for rescue. A listing of topics follows. If scheduling is a problem for you, perhaps the White House could produce a segment covering the topics I have mentioned.

Thank you, Mr. President, for your continuing cooperation in this most important historical project. The documentary is scheduled for airing in September 1992 over the coast-to-coast television network of A&E.

With best wishes,

Bob

Robert Stinnett

encl: (a) VHS tape

Suggested World War II Discussion Topics

1. How did you hear about the Pearl Harbor Raid, December 7, 1941, and what was your response?

2. Why did you choose to become a naval aviator?

3. What was it like flying into combat for the first time? (Marcus-picket line)

4. What do you recall of your shootdown on September 2, 1944?

5. What are your memories of being in the water awaiting rescue?

6. What lasting impact does your World War II combat experience have on you today?

daily 4/26
(origin Yeutter file)

DCF HAS SEEN

SHOW POTUS

File
CB
4-26

THE WHITE HOUSE

WASHINGTON

April 20, 1992

MEMORANDUM FOR SECRETARY SKINNER

FROM: CLAYTON YEUTTER CY

SUBJECT: RIO

Sam, to keep you updated on Rio, attached is the document Bob Reinstein brought back from Paris. This is the key paragraph in the global warming debate, with Alternative B being our formulation, and Alternative A that of essentially the rest of the world.

As you can see, Alternative B is deliberately vague, and could not be construed as a commitment by us or anyone else. We actually gave Reinstein the negotiating room to be more flexible than this, but he chose not to use it.

During the first couple of days of last week's meetings in Paris, the other representatives treated Reinstein with so much disdain he saw no reason even to try to negotiate. Toward the end of the week, some of them finally began to conclude that it might be necessary for them to be accommodative to the United States, rather than the other way around. So there may still be some hope for this process, though Reinstein says he cannot tell how much.

We now have about ten days to work this issue before the final session of preliminary negotiations begins in New York. Bob Zoellick will spend considerable time this week working the diplomatic channels where there may be a chance to generate support for our position. He'll be communicating with representatives of countries that give some promise of being helpful. On Friday or Monday we'll assess where we stand with that effort. Bob feels, and I concur, that we should not in any way imply over the next few days that the President might go to Rio. That would severely undercut his diplomatic efforts.

We also agreed that it would be good for President Bush to stress to President Delors the need for accommodation on the part of European countries if the United States is to be a signatory to any climate change agreement in Rio, and General Scowcroft will make sure there are some talking points on this.

I also asked Zoellick about biodiversity since it came up in Senior Staff this morning. He says the interagency process is working well, and we're on top of the negotiations though he sees no chance of working out all the differences before the Rio meeting. Hence, as I indicated this morning, it is not likely to be on the Rio agenda.

Feel free to share any of this with the President if you wish.

Attachment

IV.2. SPECIFIC COMMITMENTS
IV.2.1. (EMISSIONS/SINKS)

15/4/1992/Rev. 4

(a) The developed country Parties as listed in .... shall adopt national (1) policies and take corresponding measures on the mitigation of climate change, by limiting anthropogenic emissions of greenhouse gases and protecting and enhancing greenhouse gas sinks and reservoirs. (1a)

These policies and measures will

ALTERNATIVE A — /have the effect of/ /be aimed at/, as a first step, stabilizing individually or jointly emissions of /CO2/ /CO2 and other greenhouse gases not covered by the Montreal Protocol (2)/ in general by the year 2000 at 1990 level, /taking into account the differences in their starting points and approaches, /economic structure and resource base, and other indivdual circumstances,/ and the need for equitable contributions of these Parties/.

ALTERNATIVE B — contribute to the global effort regarding the objective of this Convention, recognizing that the reduction of growth of net anthropogenic emissions of the total of all greenhouse gases not covered by the Montreal Protocol (2) would be an appropriate signal that longer-term emissions trends have been modified consistent with that objective, and taking into account the differences in their starting points and approaches, economic structure and resource base, and other individual circumstances, and the need for equitable and appropriate contributions as among these Parties.

In order to promote progress to this end, each of these Parties shall, in accordance with the report and review procedures established in this Convention, include in its report its projection of emissions, taking into account actions listed in its report, as well as other measures relevant to this paragraph and actions assisting other Parties in assessing and adopting similar policies and measures.

(b) to (e) as in document A/AC.237/18 (Part 1)

(1) This term would also cover policies adopted by regional economic integration organisations.
(1a) It will have to be clarified that this refers to commitments by individual Parties.
(2) The relationship to the Montreal Protocol and in particular to its reduction schedules needs to be further clarified.

daily
(remainder of correspondence sent back to Phil Brady)

April 26, 1992

Lamar:

Again, I found your end of week letter very useful. There is **beef.** You summarized that point very well.

I will keep 'talking education'. I particularly like the fact that our opponents will be the status quo people given the educational lobby (a point you made without taking on the NEA etc, but which you made very clearly in the Q & A)

Ugly, not easy times, but you're being out front is very very helpful.

I had a nice chat with David Kearns the other day.

FROM THE PRESIDENT

PARTIAL TRANSCRIPT OF QUESTIONS AND ANSWERS
THE NATIONAL PRESS CLUB LUNCHEON
APRIL 17, 1992

Q: You made reference to the Sperling breakfast the other day in which, as I heard it, you said education would not be an issue in this election because Bill Clinton and George Bush are so close together in what they want. Do you still believe that, and, if so, how is the President and Bill Clinton going to differentiate themselves on education?

A: Well as I said, different people heard it different ways. The Christian Science Monitor said Alexander says education will be a battle ground in the fall so here's what I think about that. I think it's up to the President of the United States to set his agenda and it's up to the Democratic nominee to set his agenda and they will. You and other reporters will see the differences. I think, when I might have tried to explain the different kinds of issues, priority issues and then divisive campaign issues, that got confusing. So I think I'll stick with the idea that it'll be a big issue. I think if I were going to predict what might happen I would say that in this case it will be more difficult for the Democratic nominee to be a strong advocate for revolutionary change in the schools because the Democratic nominee will be in this case the establishment candidate. And I think the Democratic nominee will have the same sort of problem with education that Paul Tsongas had with the Democratic party on taxes. And we're likely to see issues develop like the President is saying: "Well let's have break-the-mold New American Schools with everybody involved coming up with the best ideas in the world. And the business-as-usual crowd will be saying: "Well, no, no, no, let's not let everybody get involved, let's give the money only to the people who gave us the schools we have. And the Democratic nominee will be under great pressure to say only for some schools. And the President will say: "Let's give middle- and low-income families more of the same choices of all schools that wealthy people already have," and the Democratic nominee will be under great pressure from the establishment and the business-as-usual crowd to say only choices of some schools. Or, the President will say: "Let's take the Federal money and give teachers flexibility in every state, in every community." And the business-as-usual crowd will say: "We can't untie the teachers' hands in that way we have a lot of rules and regulations we've got on," and that will put pressure on the Democratic nominee.

So I think the President's got an agenda and the Democratic nominee's got a problem. He's got the business-as-usual crowd for his supporters and we'll see what happens.

Daily
(orig NFB file)

Throw out when finished

THE DEPARTMENT OF THE TREASURY 1789

THE PRESIDENT HAS SEEN

CB

4-26

Mr President:

The staff here collects what they call Robsonisms. Herewith their list. which includes some oldies which John wouldn't claim but most are his inventions.

He has done a really good quiet job for you NFB

cc: Daily
PC
orig Reading file

"ROBSONISMS"

"Make sure you move the toys out of the driveway before you back the car out of the garage."

"Don't move the tent poles while the circus is still going on."

"...a rock in the knapsack of going forward."

"Make sure we have our bathing suit on when the kimono falls open."

(alternatively: "Make sure we have a towel on when the kimono falls open."

"We already have a lot of peas on our knife."

"We don't want to be accused of tilting the pinball machine."

"Hamburgers" and "Wizards"

"Cowardly lions of finance"

"This is not a one-legged stool."

"belt and suspenders approach"

"We don't want to dive off the five-meter board and find out the pool is empty."

"We don't want to use the chainsaw approach, but we don't want to hit them with a powder puff."

"Once we push away from the dock, it's a little like Columbus...we don't know where we're going to end up."

"Let them fall to the forest floor and eventually they'll end up in the tar pits."

"...more for show than for dough."

"We're getting pretty close to the fireplace on that one."

"Get me a list of weightless options in progressive specific density."

"When the airplane's at 35,000 feet, you better have a damn good reason to recall it."

"That's just one tile in the mosaic...."

"Money is a coward."

"We want to get in the middle of the road, not off on the shoulder."

"We don't do appraisals in the federal government -- just autopsies."

"...take a Scarlett O'Hara approach"

"This isn't the end of the movie."
(alternatively: "We're only in the middle of the movie.")

"There are no Oscars in this movie."

"If this thing sinks, we'll all get wet."

"Yes, Virginia, there is a credit crunch."

"At the end of the snipe hunt, we may end up with an empty burlap sack."

"Make sure we have our socks pulled up."

"What wagons do we want them to pull?"

"We don't want everyone to rush to one side of the cruise ship."

"Even if we do another dig, we're not going to find King Tut's tomb."

"Congress has approached that issue with the enthusiasm of a new father for a dirty diaper."

"There is no play book on this thing; you make each one up in the huddle."

"He grabbed the steering wheel, but sent the car into the ditch."

"...like having surgery without anesthesia."

"There's some risk you could flood the carburetor."

"As Mark Twain said of Wagner's music, it's not as bad as it sounds."

"ramp-up"

"stay ahead of the power curve"

"kick the tires and slam the doors"

"We don't want to get 'dinged'."

"bumpin' around"

"don't bet the ranch"

"I'm not a painless dentist."

"We don't have a dog in that fight."

"There hasn't been a lot of new genetic research on that [how to pass legislation]."

"We don't want to get caught with our knickers down."

"This place is turning into a real leper colony."

"We've squeezed all the juice out of this orange."

"What's the best way to keep the animal in the corral?"

"quit hiding in the eel grass"

"lean forward as far as we can without falling forward"

From the desk of

George Bush

Tony's Mothers 1st Cousin

Fini!
GB
4-26

Document Originally
Attached to
Following Page

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Vitae	Re: Abelardo Garcia Aguirre; contains Personal Identifiable Information. (2 pp.)	n.d.	(b)(6)	

Collection:

Record Group:	Bush Presidential Records
Office:	Office of the President
Series:	Daily Files
Subseries:	
WHORM Cat.:	
File Location:	Sunday, April 26, 1992

Date Closed:	8/29/2019	**OA/ID Number:**	90673-002
FOIA/SYS Case #:	2009-0166-S[4]	**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]

Presidential Phone Calls
Camp David

DATE: 4-26 TIME: 11 35

incoming/outgoing

WITH: Capen

SUBJECT:

LW 11 AM (LW on

answering machine)

working hard - thrilled

FOLLOW UP: None

Thursday, April 23, 1992

1. PHONE CALL FOR THE PRESIDENT
   FROM: Dick Capen (0915)

He will be announced today as Ambassador to Spain, and he wanted to tell you how excited he and Joan are and how much they are looking forward to the job. The reaction in Miami has been wonderful. He would like a return call at your convenience. He can be reached at (303) 728-6221 (Colorado) anytime during the next six days.

(His number has been passed to White House operators and Signal operators to expedite outgoing call)

Mr. President:

I talked to Mr. Capen. This is all he wanted "to say TY and how excited they are, etc. However, he would like you to give him a call so he can personally thank you.

daily 4/26

CAMP DAVID

April 26, 1992

Ron Kaufman

Re: Todays NYT-CBS poll.

I note that about one third of the 1500 people sampled in today's poll are not registered voters.

Does this skew those lousy results?

GB G

FROM THE PRESIDENT

daily
cc: not in system/Pol

Sunday April 26th

THE PRESIDENT (The 26th day of a nice month but in an ugly year)

Dear Peggy,

Did I tell an untruth?
Did I tell you I had read
your 4-16 letter (I had)? Or did
I say I'd answered it? (I hadn't)

I agree on Clinton
he's got more facts – he's
better at ~~facts~~ – figures
than I am. I'm
better at life. He's a nice guy;
and I've always gotten along fine with him.

Glad you're coming here.

We need you –

Con Afecto,

(That's Spanish)

GB

Dew

PEGGY NOONAN

200 East 66th St

NY NY 10021

April 16, 1992

Dear Mr. President,

I have been thinking about you a great deal the past few weeks, and wanted to let you know my thoughts. Please put this at the bottom of the pile, and take a look when things slow down a bit.

I never told you exactly what my thinking is regarding coming back to work for you. I didn't have any plans to work in the campaign this year -- Random House and journalism keep me busy -- but I changed my mind this past January. It was around that time that I became concerned about two things. One is a fear I had, that comes and goes, that this is going to be a terrible election year, a real bear for you. I had, in January, met Bill and Hillary Clinton at a big three day house party down in Hilton Head. I was fascinated by them. He struck me as a gifted politician, a natural. I didn't know of the scandal stuff that would soon break -- I'd heard talk about a history with girls, but didn't figure that for a big problem. By the time the scandals broke a lot of people wrote Clinton off, but I didn't. I figure he's going to be hard to kill as Rasputin. He's no Dukakis.

The second thing that concerned me is the things I observed when I came in those few days on the State of the Union. I know I was seeing a White House in transition -- John had just left and Sam was only newly installed -- but...the place looked like it could use some help. There were people of first rate talent and experience like Marlin, but there also people who seemed somewhat unsure of how to best perform their jobs, and unsure about what was needed and what would be helpful.

Teeter called me one day to talk. I told him that I had told you months before that I'd be delighted to help any way I can -- but that I'd also independently decided I was going to jump in, full immersion, and work full time if that was okay with him and everyone else. (The reason I'm moving down is if I try to work the campaign from New York, I'll wind up flying down to Washington 3 or 4 days a week and staying at the Jefferson. That would be nice in that I like hotels: you can pick up the phone and say 'Send me a cheeseburger' and they bring it to you. But: my son would miss me, and I would be sad without him. I work at home because of him, and he's used to me there. If I were away all the time, he'd cry. So I figured: we'll move down to Washington, I'll go to meetings and get my marching orders from you, and then I'll write at home when Will comes home from kindergarten... So it just seemed the right thing to do.)

But I don't want the level of my commitment to make anyone uncomfortable. It's no sacrifice for me to come to Washington -- it will be fun to live there for half a year or so, and I was about to move uptown to Carnegie Hill soon anyway, to be nearer Will's school. (He was accepted at Allen Stevenson and the Town School, and at Buckley in the fall of '93, and they're all uptown. The new plan is that he'll start at St. Patrick's in Washington, and then when we come back to New York I think he'll do Buckley.)

What I want to say, and what I'm certainly taking a long time saying, is that I'm going back to work for you because I think you need as many of the best of the old '88 team with you and supporting you as can be mustered. I told Teeter I want a place at the table, a voice in giving advice and encouragement to good and original thinking. But I don't want to get on anyone's nerves, or overstay my welcome. Campaigns are funny things, and are full of all sorts of jostling. But nobody owes me anything, and if it turns out my work isn't good enough or my profile, which especially since my last book has been high, proves counterproductive, then I'm going to be the first to tell you if I see it first -- or if you do, I'm going to be the first to let you off any nonexistant hook, and quietly return whence I came. Until then I'm going to work very hard to help you achieve reelection. Not only because I feel great admiration and affection for you, but because I am an American with high interest in my country's fortunes.

Here's the latest of dreamboy.

x Peggy

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Handwritten Note	Re: Presidential Phone Calls Camp David with Ed Madigan [originally closed as 04a]. (1 pp.)	4/26/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed:	8/29/2019	**OA/ID Number:**	90673-002
FOIA/SYS Case #:	2009-0166-S[4]	**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]

Presidential Phone Calls
Camp David

DATE: ______________ TIME: ______________
incoming/outgoing

WITH: ______________

SUBJECT:

Ed talking 5% with Farm Bureau

Kohl

word for Seymour yes'day
104°

FOLLOW UP:

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
SECRETARY EDWARD MADIGAN

-- I wanted to share with you my view of the recent talks with the EC on the Uruguay Round -- and to get yours.

-- Obviously, what Delors offered was not a basis for settlement. At the same time, I think he wants a deal, and my guess is that we haven't seen his bottom line.

-- Delors is obviously worried about holding the July G-7 summit without a deal. So is Kohl. Frankly, so am I, since it would mean the summit would be destined to fail.

-- So I think we should take our best shot at getting a deal that would pass Congress. An agreement this year is the right thing to do for the future of the trading system and our economy.

-- I need your support, your help, and your judgment.

-- I need your personal advice on whether it's possible to come up with a couple of options that would be in our interest and yet negotiable.

-- I also need your personal judgment on what the traffic will bear with Congress and the farm groups.

-- I don't need your reaction this moment, but rather after you've looked at the possibilities and applied some political wisdom and personal English.

-- I want to keep this at your level and have your personal advice directly but feel free to consult with Carla, Jim, and Brent.

-- I know we don't have much wiggle room left with your constituents. We may have to take some risks. This will be a tough call. But this is why I need your personal help.

CONFIDENTIAL CONFIDENTIAL 3136

THE WHITE HOUSE

WASHINGTON

April 25, 1992

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Uruguay Round: Agriculture

Purpose

To obtain a more flexible U.S. position on agricultural subsidies for use in negotiations with the EC.

Background

In your meeting on Friday with Secretary Baker, he stressed the need for greater flexibility in the U.S. position on agricultural subsidies to advance our discussions with the EC on Uruguay Round issues. You said that you would be willing to call Secretary Madigan this weekend to discuss with him possible alternatives to our current position.

Talking points for such a call are at Tab A.

RECOMMENDATION

That you call Secretary Madigan, drawing on the points at Tab A.

Attachment
Tab A Points to be Made

DECLASSIFIED
PER NSC WAIVER, #2024-02
By MC NARA, Date 7/6/21

CONFIDENTIAL

cc: Vice President
Chief of Staff

Ambassador Uri Savir

(Per Richard Haass, Ambassador Savir has not been very helpful or supportive at the UN in NY. He recommends a VERY CORRECT signature.

Robin

Mr. President, please note above —

Document Originally Attached to Following Page

Daily 4/26

JACOB STEIN
20 JERUSALEM AVENUE
HICKSVILLE, NEW YORK 11801

April 15, 1992

Ms. Rose Zamaria
Office of The President
The White House
Washington, D. C. 20500

Dear Rose,

Ambassador Uri Savir, presently serving as Consul General of Israel in New York, is leaving his post to return to the Foreign Office in Israel

He sent me the enclosed picture of him shaking hands with the President and asked if it could be incribed to him.

If this is a "doable" request you have his thanks and always mine.

Enjoy the Easter holidays.

Warmly
Jack

P.S. The EL AL letter has an interesting paragraph which might be supported by one of the cabinet officers? JK

Ambassador Uri Savir

(Per Richard Haass, Ambassador Savir has not been very helpful or supportive at the UN in NY. He recommends a VERY CORRECT signature.

Robin

Mr. President, please note above –

To Ambassador Uri Savir
with Best Wishes – George Bush

Daily 4/26

EMBASSY OF THE
UNITED STATES OF AMERICA
MADRID

26 March 1992

THE AMBASSADOR

Rose

Ms. Patricia Presock
Deputy Assistant to the President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Patty:

I am writing to request that an autographed photo of President Bush, starting with the salutation "Dear Paco" be prepared for General Francisco "Paco" Mira. General Mira is Chairman of the U.S.-Spanish Permanent Committee and one of our most valuable counterparts. He was awarded the Legion of Merit Medal last year by tne U.S. Department of Defense. Thank you in advance for your assistance.

Best regards,

Joe

Joseph Zappala

SUBJECT: General Mira -- Question (NSC Recommendation)

In response to your message of April 10 (boy am I late), General Mira is a very pro-American Spanish General who chairs the joint military committee which oversees U.S.-Spanish military cooperation. It is appropriate for the President to inscribe a photo to him "Dear Paco." He was apparently intrumental in securing Spanish cooperation and support during the Gulf war.

AMERI
APO
Official
Penalty

44

Amb Zappala has
request you sign
the attached photo
"Dear Paco"
referring to Gen
Francisco "Paco"
Mira, Chair, US-
Spanish Perm Cmte

Document Originally
Attached to
Following Page

Amb Zappala has
request you sign
the attached photo
"Dear Paco"
referring to Gen
Francisco "Paco"
Mira, Chair, US-
Spanish Perm Cmte

To Gen. Francisco "Paco" Mira 1992

Dear Paco – Thanks for the great
US-Spain Cooperation. With Respect
Geo Bush

daily

THE WHITE HOUSE
WASHINGTON

DATE: 4-26-92

FROM THE PRESIDENT

TO: Brent

The attached from Crown Prince Alexander needs a reply I guess.

Please have it drafted.

Maybe we can get him to go to Bosnia, or Serbia, Slovenia or Macedonia and figure all this out.

H.R.H. CROWN PRINCE ALEXANDER
OF YUGOSLAVIA

FAX COVER SHEET

36 Park Lane
London W1Y 3LE
Telephone:
+44 71 493 3715
Fax:
+44 71 495 2889

DATE: 24TH APRIL 1992

TO: Ms. ROSE ZAHARIA

FROM: The office of HRH CROWN PRINCE ALEXANDER

PAGES: (5) Total number of pages including this one

MESSAGE:

Dear Ms. Zamaria

Kindly deliver this facsimile to the President. The original copies are on their way by Courier.

Thank you very much for your kind assistance.

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06. Letter	Prince Alexander to President George Bush [originally closed as 06b]. (1 pp.)	4/23/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed: 8/29/2019	**OA/ID Number:** 90673-002
FOIA/SYS Case #: 2009-0166-S[4]	**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]

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Letter	Prince Alexander to President George Bush [originally closed as 06c]. (3 pp.)	4/23/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed:	8/29/2019	**OA/ID Number:**	90673-002
FOIA/SYS Case #:	2009-0166-S[4]	**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]

THE WHITE HOUSE
WASHINGTON

April 27, 1992

NOTE FOR ROSE ZAMARIA

Per your request, please find attached copies of the exchange of correspondence with John Frohnmayer. I did share the President's letter with the Chief of Staff who concurred that it was generous and appropriate.

JW for
Phillip D. Brady

(self-typed)

, 1992

d the tape which I
at Camp David. It is
on and certainly shows
tive side of NEA.
Thanks for sharing it with me.

I am very sorry that your work there, your very positive work, got even partially obscured by the controversies.I know it was not pleasant for you.

I want to wish you all the best for whatever the future holds. This is the ugliest time that I have ever seen in politics. I know it has been a trial for you- and, I guess it is fair to say, it's been one for me too. I remain convinced that the American people are fair and that they are generous of spirit. They can sort through political charges and counter charges, they can sort through media bias and fundamentally they believe in our great Country.

You have taken on controversy and conducted yourself with honor. I thank you for your service and wish only the very best for you in the years ahead.

Most Sincerely,

G Bush

FROM THE PRESIDENT

The Honorable John E. Frohnmayer
200 11th Street, S.E.
Washington, DC 20003

PERSONAL

NATIONAL
ENDOWMENT
FOR
THE ARTS

A Federal agency
advised by the
National Council
on the Arts

Office of the Chairman

4/24/92

Dear Mr. President,

[redacted]

I have decided to move the effective date of my departure up one week, effective at midnight tonight. I have checked out of the agency and will delegate what authority I have retained to Anne Radice, Sr. Deputy.

Enclosed is a 9 minute video about The Arts Endowment. I hope you will find time

NATIONAL
ENDOWMENT
FOR
THE ARTS

A Federal agency, advised by the National Council on the Arts

Office of the Chairman

to watch it. I think you will find it inspiring and reflective of what America is about. It truly represents what the Endowment is and always has been. It is worth fighting for.

[redacted]

I wish you the best,

Phil bring copy
of incoming
ltr.
4/27

Document Originally
Attached to
Following Page

From the desk of

George Bush

R.Z

Discuss before
we mail this

Document Originally
Attached to
Following Page

April 27, 1992

Phil Brady:

Please hand carry this to whoever you think should have a look before it goes out.

You have seen his incoming, I'm sure.

I want to send a nice letter, but no point in stirring up embarrassment for him.

I think this is OK. **Apersonal** letter, but I'd like your judgement on this.

gb

FROM THE PRESIDENT

Personal

April 26, 1992

Dear John,

I received your note and the tape which I have now viewed up here at Camp David. It is an excellent presentation and certainly shows the overwhelmingly positive side of NEA. Thanks for sharing it with me.

I am very sorry that your work there, your very positive work, got even partially obscured by the controversies. I know it was not pleasant for you.

I want to wish you all the best for whatever the future holds. This is the ugliest time that I have ever seen in politics. I know it has been a trial for you- and, I guess it is fair to say, it's been one for me too. I remain convinced that the American people are fair and that they are generous of spirit. They can sort through political charges and counter charges, they can sort through media bias and fundamentally they believe in our great Country.

You have taken on controversy and conducted yourself with honor. I thank you for your service and wish only the very best for you in the years ahead.

Most Sincerely,

FROM THE PRESIDENT

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

APRIL 26, 1992

	TIME PLACED	DISC	NAME	ACTION
OUT ~~INC~~	~~AM~~ 6:16 PM		MR. DICK JACKMAN RES: PHILADELPHIA, PA. 215-977-6541	PRESUS CA 6:20 P.M.
OUT INC	AM PM			
OUT ~~INC~~	~~AM~~ 6:17 PM		MS. BETTY WALKER ALEXANDRIA, VA. 703-845-1010	PRESUS CA 6:23 P.M.
OUT INC	AM PM			
OUT ~~INC~~	~~AM~~ 8:46 PM	8:50	MR. WILLIAM FARISH RES: DELRAY BEACH, FL. 407-265-1666	TLKD-OK 8:46 P.M.
OUT INC	AM PM			
OUT ~~INC~~	~~AM~~ 8:55 PM	8:56	USHER'S OFFICE WASHINGTON, D.C. WHITE HOUSE ADMIN EXT. 780	TLKD-OK WITH MR. DENNIS W. FREEMYER 8:55 P.M.
OUT INC	AM PM			
OUT INC	AM PM			
OUT INC	AM PM			
OUT INC	AM PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

April 26, 1992

	TIME PLACED	DISC	NAME	ACTION
OUT ~~INC~~	9:45 AM PM	9:59	Secretary Edward R. Madigan Residence, Falls church, Virginia White House Signal 7-3114	Tlkd-ok 9:48 AM
OUT ~~INC~~	10:55 AM PM	11:38	Mr. Richard Capen Residence, Telluride, Colorado 303-728-6221	Left Message on Answering Machine 10:56 AM
OUT INC	AM PM			Tlkd-ok 11:34 AM
OUT ~~INC~~	11:24 AM PM	11:30	President Ronald Reagan Residence, Bel Air, California 213-478-1449	Tlkd-ok 11:26 AM
OUT ~~INC~~	AM 12:41 PM	12:52	Mr. Ronald C. Kaufman Residence, Springfield, Virginia 703-569-1042	Tlkd-ok 12:42 PM
OUT ~~INC~~	AM 12:52 PM	12:57	Ms. Caren Kelly Mrs. Dorothy Bush's Residence Hobe Sound, Florida 407-546-5703	Tlkd-ok 12:53 PM
OUT ~~INC~~	AM 12:57 PM	1:08	Mr. George W. Bush Jr. Residence, Dallas, Texas 214-692-6604	Tlkd-ok 12:58 PM
OUT INC	AM PM			
OUT INC	AM PM			
OUT INC	AM PM			
OUT INC	AM PM			

PRESIDENTIAL MOVEMENTS

LOCATION Camp David, Maryland
Washington, D.C.

DATE 26 April 1992

TIME	MOVEMENTS
1500	Depart Camp David via Marine One
1528	Arrive South Grounds
1531	Residence
1907	Doctor's Office
1908	South Grounds
1914	Residence

WHCA FORM 15, OCTOBER 15, 1980

✓ daily P-

THE WHITE HOUSE

WASHINGTON

4/26

~~Patty~~ ROSE (fyi)

- FYI

- I think the President really had a relaxing weekend, as well as a fun weekend.

- Things went well at the Golf course on Saturday.

- Thanks for your help.

Regards,

Russ

RUSSELL J. CANCILLA
Major, U.S. Army
Army Aide
to the President

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08. Memo	Major Russ Cancilla to Patty Presock, Re: Backbrief on Camp David Weekend (April 24-26); redaction. (1 pp.)	04/26/92	(b)(7)(c)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed: 8/29/2019	**OA/ID Number:** 90673-002
FOIA/SYS Case #: 2009-0166-S[4] **Re-review Case #:** **P-2/P-5 Review Case #:**	**Appeal Case #:** **Appeal Disposition:** **Disposition Date:**
AR Case #: **AR Disposition:** **AR Disposition Date:**	**MR Case #:** **MR Disposition:** **MR Disposition Date:**

RESTRICTION CODES

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]

April 26, 1992

MEMORANDUM FOR PATTY PRESOCK
DEPUTY ASSISTANT TO THE PRESIDENT

FROM: MAJOR RUSS CANCILLA
ARMY AIDE TO THE PRESIDENT

SUBJECT: <u>Backbrief on Camp David Weekend (April 24-26)</u>

The weekend was a great one for the President and First Lady. The President was relaxed and seemed to really have a good time playing golf. He enjoyed spending time with his guests, especially with Arnold Palmer.

There were no significant events following our arrival at Camp David on Friday. The guests arrived without incident and the President jogged, hit some golf balls and entertained his guests at Aspin on Friday evening. They watched the movie, "Babe".

On Saturday, we departed Camp David at 8:10 a.m. and arrived about 8:35 a.m. at the Caves Valley Golf Club. Sean Walsh did a good job of keeping the President pretty well isolated from the press.

Upon arrival, the President was given a golf sweater and hat with the golf course logo. He wore them while he played. The golf foursome: the President, Arnold Palmer, Reg Murphy and Judge Bell, hit golf balls at the driving range before teeing off. There was a crowd of about 75 golf members who watched the practice. Once they actually began golfing, they had a reasonable amount of privacy. David Valdez was on hand and took plenty photos throughout the day.

Arnold Palmer invited his personal friend and photographer (Howdy Giles) to meet them at the Golf Course to take pictures. Arnold asked the President if he had any objection and the President concurred. (b)(7)(c) assisted with making arrangements to clear Mr. Giles into the club.

When the golfers completed their match, they returned to the clubhouse for lunch. Several photographs were taken with the golf club staff. The lunch was hosted by the golf club. I asked about paying for the President's lunch and was told that the golf club member who invited him (presumably Reg Murphy) would receive a bill and it was up to him to bill the President, if he elected to do so. Reg Murphy told me he would not accept money for the lunch. I do think, however, the President paid his own green fees.

The President handed out a moderate amount of trinkets and golf balls to caddy's, staff members and others at the luncheon. On the flight back to Camp David, he asked me to give him a list of names of the folks who were at the luncheon. I did.

The following personnel were at the luncheon at the Caves Valley Golf Club:

Reg Murphy, First Vice President, USGA
Leslie Disharoon, President, The Caves Valley Golf Club
Andre Brewster, Vice President, The Caves Valley Golf Club
Dennis Satyshur, Golf Pro, The Caves Valley Golf Club
Judge Griffin Bell
Arnold Palmer
The President

The following personnel arrived while lunch was in progress:

Morris Offit, Chairman, Board of Trustees, John Hopkins
Norman Blake, President and Chairman of USF&G Corporation

We returned to Camp David about 3:00 p.m. The remainder of Saturday was uneventful. The President gave Arnold Palmer and Judge Bell a tour of Camp David. Mrs. Bush spent time with Mrs. Palmer. They (the men) stopped at the shooting simulator and played with the machine for about 30 minutes.

The Palmer's and Judge Bell were presented with Camp David certificates ("I was a guest of the President at Camp David"), signed by the President.

On Sunday morning, the President and First Lady ate breakfast in Laurel with their guests. They all attended church services at 9:00 a.m.. The Judge Bell departed Camp David at approximately 10:15 a.m. and the Palmer's departed at 10:30 a.m..

We departed Camp David at 3:00 p.m. and arrived at the White House at 3:30 p.m..

REVISED SCHEDULE April 24, 1992

MEMORANDUM FOR THE PRESIDENT AND MRS. BUSH

SUBJECT: **CAMP DAVID**
April 24-26, 1992

FRIDAY, APRIL 24, 1992

(12:30 p.m. Judge Griffin Bell arrives the White House. He will have lunch in the White House mess with Ede Holiday. Due to illness, Mrs. Bell will not accompany her husband.)

3:00 p.m. The President and Mrs. Bush, accompanied by Judge Bell, depart the South Lawn of the White House by helicopter enroute Camp David.

3:30 p.m. Marine One arrives Camp David.

4:30 p.m. Mr. and Mrs. Arnold Palmer (Winnie) arrive Hagerstown Airport, Aviation Services (301-733-5200), by private plane (Citation 6, Tail Number 95CM). They depart Hagerstown Airport by car enroute Camp David.

5:10 p.m. Mr. and Mrs. Arnold Palmer (Winnie) arrive Camp David.

OVERNIGHT GUESTS:
Judge Griffin Bell
Mr. and Mrs. Arnold Palmer (Winnie)

SATURDAY, APRIL 25, 1992

8:30 a.m. The President, accompanied by Judge Griffin Bell and Arnold Palmer depart Camp David by helicopter enroute The Caves Valley Golf Club, Timonium, Maryland. They will be met by:

Mr. Reg Murphy, First Vice President, USGA
Leslie Disharoon, President, The Caves Valley Golf Club
Dennis Satyshur, Golf Pro, The Caves Valley Golf Club

9:00 a.m.	The President, Judge Griffin Bell, Arnold Palmer and Reg Murphy tee off.
LUNCH	Following golf, the President, Judge Griffin Bell and Arnold Palmer are the guests of Reg Murphy for lunch at the Caves Valley Golf Club.

ATTENDEES:
The President
Judge Griffin Bell
Arnold Palmer
Reg Murphy
Leslie Disharoon
Dennis Satyshur

After lunch, the President, accompanied by Judge Griffin Bell and Arnold Palmer, depart the Caves Valley Golf Club by helicopter enroute Camp David.

OVERNIGHT GUESTS:
Judge Griffin Bell
Mr. and Mrs. Arnold Palmer (Winnie)

SUNDAY, APRIL 26, 1992

9:00 a.m.	The President and Mrs. Bush, accompanied by Judge Griffin Bell and Mr. and Mrs. Arnold Palmer, attend Chapel.
2:00 p.m.	Judge Bell departs Camp David by car enroute Washington National Airport (Delta Flight #901 departing WNA 4 p.m.)
3:30 p.m.	The Palmers depart Camp David by car enroute Hagerstown Airport.
3:30 p.m.	The President and Mrs. Bush depart Camp David by helicopter enroute the White House.
4:00 p.m.	The President and Mrs. Bush arrive the White House

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
09. Memo	To President and Mrs. Bush, Re: Camp David, April 24-26, 1992; redaction. (1 pp.)	04/24/92	(b)(7)(c)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Sunday, April 26, 1992

Date Closed:	8/29/2019	**OA/ID Number:**	90673-002
FOIA/SYS Case #:	2009-0166-S[4]	**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]

STAFF AT CAMP DAVID:
Don Rhodes
Paula Rendon
Orlando Frilles
Major Russ Cancilla
Dr. Thomas Koroscil
Lt. Commander Ellen Shebuski
Sean Walsh
(b)(7)(c)

MOVIES: (background attached)

The Babe

The Power of One

Patty Presock

THE WHITE HOUSE

WASHINGTON

April 21, 1992

Mr President

MEMORANDUM FOR ~~ROSE ZAMARIA~~

FROM KATHY SUPER K Super

DEPUTY ASSISTANT TO THE PRESIDENT FOR APPOINTMENTS AND SCHEDULING

SUBJECT ADVANCE SEMINAR

and Mrs. Bush

I have received a request for the President to drop by the White House Advance seminar this weekend in Reston, Virginia. A majority of the advance representatives from across the country, various White House staff members and campaign staff will be attending. The Vice President will drop by on Saturday and they have requested the President on Sunday, April 26 in the early afternoon. I assume the President will not attend due to guests at Camp David this weekend.

I thought the President would want to be aware of this. He did participate in 1986 with Mrs. Bush when he was Vice President.

Interested

yes ___

no X

4/22/92

THE WHITE HOUSE

WASHINGTON

April 8, 1992 '92 APR 9 P5:41

SCHEDULE PROPOSAL

TO:	KATHERINE SUPER DEPUTY ASSISTANT TO THE PRESIDENT FOR APPOINTMENTS AND SCHEDULING
THROUGH:	TIMOTHY J. MCBRIDE Timothy J. McBride ASSISTANT TO THE PRESIDENT FOR MANAGEMENT AND ADMINISTRATION
FROM:	EDWARD D. MURNANE Edward D. Murnane DEPUTY ASSISTANT TO THE PRESIDENT AND DIRECTOR OF PRESIDENTIAL ADVANCE
REQUEST:	For The President to drop by the Seminar for White House and campaign advance representatives.
PURPOSE:	Presidential participation will help stress the importance of the role the advance representatives are playing and will serve as a morale booster.
BACKGROUND:	Approximately 250 advance representatives will be spending two days in training; members of various White House offices and Bush-Quayle '92 will be serving as trainers/instructors. Representatives of the U.S. Secret Service and White House Communications Agency also are assisting. The Vice President has been invited to visit the Seminar the day before (Saturday).
PREVIOUS PARTICIPATION:	In 1986, as Vice President, The President and Mrs. Bush visited a similar Seminar for advance representatives.
DATE AND TIME:	Sunday, April 26, 1992; Approximately 2:30 pm
DURATION:	The President's participation would last approximately 30 minutes.
LOCATION:	Hyatt Regency Hotel in Reston, Virginia.

PARTICIPANTS:	Approximately 250 advance representatives who serve the President, Vice President and Mrs. Bush; in addition, approximately 50 other White House, campaign and RNC staff will be attending.
OUTLINE OF THE EVENT:	The President and Mrs. Bush would arrive at Hyatt Regency Hotel and would proceed immediately to the Off-Stage Announce position. After the Announcement, the President would be introduced by CHIEF OF STAFF SKINNER or by ASSISTANT TO THE PRESIDENT MCBRIDE or by DEPUTY ASSISTANT TO THE PRESIDENT MURNANE. The President would make brief remarks. (Mrs. Bush would make brief remarks?) Upon conclusion of the President's remarks, the President and Mrs. Bush would depart.
REMARKS REQUIRED:	Brief remarks.
MEDIA COVERAGE:	Travel Pool or Closed Press, Official Photographer
FIRST LADY'S ATTENDANCE:	Requested.
RECOMMENDED BY:	Edward D. Murnane, Deputy Assistant to The President and Director of Presidential Advance.

cc: daily

THE PRESIDENT

4-26-92

Dear Jamie,

It was good seeing you and thanks for your note. I was very pleased to see the "Dreamers". You are surely doing the Lord's work with that program.

Thank the kids for

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. James L. Bush
Bush and Company
Bare Cove Executive Park
Suite 203
25 Recreation Park Drive
Hingham, Massachusetts 02043

PERSONAL

FAMILY FILE ONLY

the T-shirts - Love 'em.

Don't keep too low "a profile". We need that energy to help us dream the impossible dream - win'ing Mass -

Thanks for those kind words. All best and love to S and kids - GB

THE WHITE HOUSE

Dear Uncle George and Aunt Bar,

Thank you so much for my stay here while our Dreamers toured Washington. They were so excited by their quick visit with both of you and just by the fact that I am related to this incredible couple who really are just people people and yet hold this enormous place in history. I expect all Roxbury will hear about this trip within a couple of weeks.

They would like you to have these T-shirts which bear their own design on the front and a paraphrased African proverb on the back. My thanks and love to you both. I will keep as low a profile as possible these next few months and if I can help in any other way, please let me know.

Lots of love,
James

(BUSH)

THE WHITE HOUSE

4-26-92

Dear Charlie,

Thanks for sending me "The Fishing Line". I had a great day on the river with Ken Penrod et al, though it was icy cold. I'm going to try to get back out when it warms up a little. I love it.

Warm Regards & Thanks.

CC: (Outgoing only)

Patty Presock (FYI)
~~Rose Zamaria (1 copy)~~

NOTE: Mr. Collison asked that we mail Mr. Coates letter to him, and he'll ensure he receives it.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Charlie Coates
c/o Mr. Charles Collison
GPO
Room C-830
CSA
Washington, D.C. 20401

Presidential Phone Calls
Camp David

DATE: 4-26- TIME: 11 30
incoming/outgoing

WITH: Pres. Reagan

SUBJECT:

asked him May 7

"only thing is Gorbachev visit to Cal."

sure we can work out

RZ 4/27/92 Told President Teeter

FOLLOW UP: RZ call Teeter personally

tell him call made

per attached

I told RR someone

would contact his

office this coming week.

April 22, 1992

12 Take to Camp David - Action

MEMORANDUM FOR THE PRESIDENT

FROM: BOB TEETER RMT

Follow-up to our conversation re: Reagan

1. You call President Reagan this week, tell him you are going to be in Los Angeles to speak to the Town Hall on Thursday, May 7th at 12:00 noon, and you would like to stop by his office after the Town Hall if he is going to be there. You are tentatively doing the Carson event whenever they tape, which we believe is either 5:30 p.m. or 6:30 p.m. Marlin and I are working on that today. (Ryan says RR will be in the office all day May 7th, but out on May 8th)

2. You call him again next Wednesday to tell him that our delegate count and the networks all have us over the top and the nomination is assured. You are anxious to unite the party and get about winning the general election.

3. Visit President Reagan on May 7th. You would not ask him for anything specific, but simply update him on what you are doing, how the campaign is going and talk to him about the importance of this election not only for yourself, but because of the rare opportunity we have to elect Republican Senators and House members because of the mess in Congress.

4. I would meet with Fred Ryan that day and at the end of your meeting, ask President Reagan if he would be willing to cut a television commercial for us in the California primary. It is our view and that of our people in California, that this will be very helpful in cutting off any credibility of Buchanan's campaign. It would also signal that all the various factions of the California party are united behind you. It is also the position of our California people that such an ad would be helpful for the general election, although we will check that in a poll before running it.

5. If we agree, Reagan would have Buchanan visit him sometime soon after your visit, tell him that it is time for him to get out and let it be known that is what he told Buchanan.

This is not the end-all of our California campaign, and may have some risk, but I think it will be helpful.

CAMPAIGN FAX

BUSH QUAYLE '92

TO: THE PRESIDENT

OF: through Rose Zamaria

FROM: Bob Teeter

DATE: April 22, 1992

FAX NUMBER: 456-2397

PAGES TO FOLLOW: One

SUBJECT: President Reagan - California campaign

COMMENTS: Original to follow through Kaufman's ofc.

Mark Burstein

336-7107

BUSH/QUAYLE '92

PHONE (202) 336-7080 FAX (202) 336-7115

1030 15 St. N.W., Washington, D.C. 20005

April 22, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: BOB TEETER RMT

Follow-up to our conversation re: Reagan

1. You call President Reagan this week, tell him you are going to be in Los Angeles to speak to the Town Hall on Thursday, May 7th at 12:00 noon, and you would like to stop by his office after the Town Hall if he is going to be there. You are tentatively doing the Carson event whenever they tape, which we believe is either 5:30 p.m. or 6:30 p.m. Marlin and I are working on that today. (Ryan says RR will be in the office all day May 7th, but out on May 8th)

2. You call him again next Wednesday to tell him that our delegate count and the networks all have us over the top and the nomination is assured. You are anxious to unite the party and get about winning the general election.

3. Visit President Reagan on May 7th. You would not ask him for anything specific, but simply update him on what you are doing, how the campaign is going and talk to him about the importance of this election not only for yourself, but because of the rare opportunity we have to elect Republican Senators and House members because of the mess in Congress.

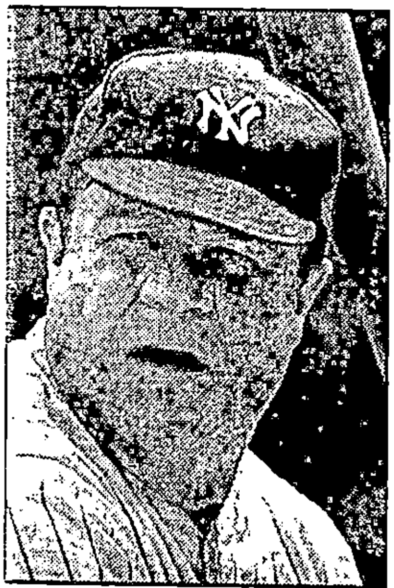
4. I would meet with Fred Ryan that day and at the end of your meeting, ask President Reagan if he would be willing to cut a television commercial for us in the California primary. It is our view and that of our people in California, that this will be very helpful in cutting off any credibility of Buchanan's campaign. It would also signal that all the various factions of the California party are united behind you. It is also the position of our California people that such an ad would be helpful for the general election, although we will check that in a poll before running it.

5. If we agree, Reagan would have Buchanan visit him sometime soon after your visit, tell him that it is time for him to get out and let it be known that is what he told Buchanan.

This is not the end-all of our California campaign, and may have some risk, but I think it will be helpful.

4/25-4/26/92

Appetites as Gigantic as His Talent



Universal City Studios

John Goodman

"You know, you can't put everything in a story, so I left out a few things," Babe Ruth reportedly said about his 1948 autobiography. "Maybe there should have been two books, one for kids and one for adults."

The new film about Ruth, "The Babe," has no room for separate versions. But it recounts a childlike success story at a time when adult-minded disclosures are sometimes thought to represent a deeper truth. So this film does its best to bolster the myth of Ruth naïvete, even going so far as to dress John Goodman as an oversize child for the title role and show him marveling at modern inventions (circa 1920) like the elevator. At the same time, the film also acknowledges the kinds of recreational habits that would easily have kept Babe Ruth out of public office had he lived today.

"The Babe," as genial and lumbering as the man whose story it tells, needs all the faux innocence it can muster to reconcile the extremes of Babe Ruth's career. Great effort on the part of the director Arthur Hiller and the screenwriter John Fusco has been expended to establish boyish guilelessness in the man once famed for being higher paid than the President of the United States, before that was commonplace. It took even greater effort to link that naïveté with celebrity, prehistoric baseball groupies and the Babe's habit of showing up on the playing field still soused after all-night benders.

"Ah, banana oil!" the viewer may snort at some of this (since the film relies heavily on such period locutions). But the hokum, though heavily predictable, manages to be appealing all the same. Even when riddled with the obligatory pinpricks of contemporary biography, Babe Ruth is one American hero who remains larger than life.

•

Savoring every aspect of this much-told story, the film first finds little George Herman Ruth at St. Mary's Industrial School for Boys, outside Baltimore, as it depicts events ranging from 1902 (Babe's first brush with baseball) to 1935 (his heartbreaking farewell to the game). Fans may find the film taking minor liberties along the way, but it remains true to the Horatio Alger aspects of Ruth's rise, and to his legendary generosity in public arenas, if not in private ones.

First teased for his bulk (his classmates compare him to an ox and Mount Vesuvius), Ruth is quickly seen silencing his critics. John Goodman, looking wildly out of place as a schoolboy newly released from St. Mary's, does his best to capture the gee-whiz boyishness of this sheltered young baseball prodigy, while the film chronicles his legendary idiosyncrasies. Dutifully noted are the huge meals, prodigious drinking and forgetfulness about names (the movie's Babe even refers to a chicken as a duck).

Occasionally, the film's way of romanticizing these matters gets out of hand, as in its depiction of how the shy Babe courted the even shyer Helen Woodford (Trini Alvarado), who became his first wife. After Helen, who was a coffee-shop waitress when Babe met her, accepts his invitation to go boating, the two quite literally go overboard; the film does, too. When the cinematic Babe proposes marriage, he does it by surprising Helen with a farm he has already bought her, which is a big departure from Ruth's own version of this story. "She used to wait on me in the mornings, and one day I said 'How about you and me gettin' married, hon?'" he wrote in his autobiography (co-written by Bob Considine). "Helen thought it over for a few minutes and said yes."

Mixing baseball scenes with glimpses of Babe's taste for night life, the film chiefly concentrates on his stellar rise and amazing baseball feats. It runs into trouble when trying to account for his decline, which is presented abruptly and with confusing lapses. The fans go from loving Ruth to throwing things at him very quickly, and not much explanation is provided for that change. The presence of Kelly McGillis, the good-time blonde to Ms. Alvarado's bashful brunette, is similarly ill-established until Ms. McGillis's Claire Hodgeson goes on to become the slugger's second wife.

•

Mr. Goodman does his best lovable-slob turn and persuasively brings Babe Ruth to life, even lowering his voice to capture Ruth's husky tones. (A painful episode in which Ruth was treated for throat trouble with silver nitrate, which altered his voice and may have contributed to his developing throat cancer many years later, has been omitted from this doggedly sunny story.) Mr. Goodman is convincing as both the incorrigible carouser and the abandoned boy who later showed great kindness to children. And even in the film's clumsy domestic scenes he shows some spark. The film's idea of depicting Babe's restlessness in his first marriage is to show him prowling the house holding a baseball bat, telling his wife: "I got a craving, kid. Can ya understand that?"

"The Babe," set mostly in the 1920's, has an elaborate period look, but it is held together almost entirely by Mr. Goodman's performance and Ruth's penchant for miracles. When his teammate Jumpin' Joe Dugan (Bruce Boxleitner) advises Ruth to "hit 'em where they ain't," Ruth replies with classic simplicity: "Well, they ain't over the fences, so that's where I hit 'em." Warts and all, "The Babe" is aimed at anyone ready to believe in that kind of magic.

•

"The Babe" is rated PG (Parental guidance suggested). It includes profanity and sexual situations.

The Babe

Directed by Arthur Hiller; written and produced by John Fusco; director of photography, Haskell Wexler; edited by Robert C. Jones; music by Elmer Bernstein; production designer; James D. Vance; released by Universal Pictures. Running time: 115 minutes. This film is rated PG.

Babe Ruth	John Goodman
Claire Ruth	Kelly McGillis
Helen Ruth	Trini Alvarado
Jumpin' Joe Dugan	Bruce Boxleitner
Frazee	Peter Donat
Brother Mathis	James Cromwell
Jack Dunn	J. C. Quinn
Huggins	Joe Ragno
Guy Bush	Richard Tyson
Ping	Ralph Marrero
George Ruth Sr.	Bob Swan
Colonel Ruppert	Bernard Kates
Lou Gehrig	Michael McGrady
Brother Paul	Gene Ross
Jarrigan	Danny Goldring

A Youngster Against The Power of Apartheid

The Power of One

Directed and edited by John G. Avildsen; screenplay by Robert Mark Kamen, based on a novel by Bryce Courtenay; director of photography, Dean Semler; music by Hans Zimmer; production designer, Roger Hall; produced by Arnon Milchan; released by Warner Brothers. Running time: 126 minutes. This film is rated PG-13.

P. K. (age 18)	Stephen Dorff
P. K. (age 12)	Simon Fenton
P. K. (age 7)	Guy Witcher
Doc	Armin Mueller-Stahl
Headmaster	John Gielgud
Geel Piet	Morgan Freeman
Maria Marais	Fay Masterson

John G. Avildsen directs the pious South African drama "The Power of One" as if it were "The Anti-Apartheid Kid," chronicling the brave attempts of a little blond, blue-eyed boy named P. K. to fight racial injustice. The battle is waged mostly in terms of toothless platitudes ("a waterfall begins with only one drop of water") and ugly encounters with racist bullies, encounters that Mr. Avildsen prefers shooting in close-up whenever possible. On the affirmative side, the boy's every triumph is accompanied by Johnny Clegg's soaring choral music (and Hans Zimmer's instrumental score).

P. K. (played by three actors of different ages, none of whom especially resemble the others) is introduced as a small, wise child during a shapeless preamble. Typically, this part of the film is edited so unemphatically that it appears to place equal emphasis on the little boy's bed-wetting and the death of his mother. It is half an hour before the excellent Morgan Freeman and Armin Mueller-Stahl enter P. K.'s story as an African prison inmate and the boy's kindly German grandfather, thus giving the film at least some reason to exist.

•

The grandfather, Doc, has been incarcerated by South African authorities for the duration of World War II, and P. K. follows him to prison. "Inside, everyone was concerned with just one thing — the outcome of the inter-prison boxing championships," P. K. says in voice-over, thereby explaining the presence of Mr. Avildsen ("Rocky" I and V, "The Karate Kid" I, II and II) in these unfamiliar waters. When an older P. K. enrolls in high school (where the vastly overqualified John Gielgud has been cast as his headmaster), another boxing tournament lies in store.

The film's facile treatment of racial issues may be enough to bring back the practice of throwing tomatoes at the screen. Huge throngs of black extras (many played by members of the Masibemunye Bulawayo Choir, a large choral group that provides much of the stirring score) are often seen responding admiringly to the overtures of a lone white boy. At one point, the adolescent P. K. (Simon Fenton) even tries to conduct their musical efforts, though he demonstrably has no talent.

•

When the 18-year-old P. K. (Stephen Dorff) jogs through a black township, he is treated with similar reverence. The film's black characters are even said to believe P. K. has magical powers, thanks to the hints dropped by Mr. Freeman's Geel Piet, a bald, barefoot prisoner with a disconcertingly servile manner (he refers to P. K. as "Little Boss"). Mr. Freeman's humanity and intelligence are unmistakable, as always, but not even he can rise above the wretchedness of this role. When Geel Piet is forced to eat excrement by a white prison guard, the camera zeroes in for yet another close-up image of humiliation.

"The Power of One," with a screenplay by Robert Mark Kamen based on Bryce Courtenay's novel, must surely be less obvious on the page than it is on screen. The film is often regrettably blunt, as when the story's fascist Afrikaner villains literally drink a toast to apartheid, or when P. K.'s feeble Romeo-and-Juliet romance with the daughter (Fay Masterson) of this Afrikaner family is filmed as if it were "Romeo and Juliet," balcony and all. The film's occasional jarring elements, like the presence of what looks like a nuclear power plant near a black township in the late 1940's, are a welcome diversion.

•

"The Power of One" is rated PG-13 (Parents strongly cautioned). It includes profanity and graphic violence.

THE WHITE HOUSE

4-26-92

Dear Charlie,

Thanks for sending me "The Fishing Line". I had a great day on the river with Ken Penrod et al, though it was icy cold. I'm going to try to get back out when it warms up a little. I love it.

Warm Regards & Thanks.

George Bush

CC: (Outgoing only)

Patty Presock (FYI)
Rose Zamaria
(1 copy)

NOTE: Mr. Collison asked that we mail Mr. Coates letter to him, and he'll make sure he receives it.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Charlie Coates
c/o Mr. Charles Collison
GPO
Room C-830
CSA
Washington, D.C. 20401

John

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

Mr. Steve Lundquist
Advantage International
1025 Thomas Jefferson Street, N.W.
Suite 450E
Washington, D.C. 20007

THE PRESIDENT

August 26, 1992

Dear Steve,

Just a quick note of thanks for hosting the Olympic Spirit Salute at the Convention. Barbara and I appreciate your coming to Houston and are grateful for your support.

With best wishes,

Sincerely,

G Bush

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

language

The Honorable Martin Allday
Chairman
Federal Energy Regulatory Commission
Room 9000
825 North Capitol Street, N.E.
Washington, D.C. 20426

(self-typed)

THE PRESIDENT

4-26=92

Dear Martin,

Not being a tax expert but wanting to consider anything reasonable that will help the crippled oil business, I sent your material from Goodman to Henson Moore, asking that he share it with the key players here and in Treasury.

Pardon my typing but I am whipping this out on a Sunday. Oh, by the way, I had a great golf game with Arnold Palmer yesterday. He sure helped me with some fundamentals. Hang in!

CC: (in & outs)
Rose Zamaria
(1 copy)

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

Mr. Bryan Christopher Sumner
Ms. Tina Pickering
c/o I HAVE A DREAM
14 Crawford Street
Roxbury, Massachusetts 02121

THE PRESIDENT

April 26 '92

Dear Chris - Tina -

Thanks so much to you and 'the dreamers' for the T shirts. Maybe you'll catch 'em on CNN when I go running in them. It was nice seeing that group of kids here, albeit too briefly

Again my thanks,

George Bush

CC: (in & out)
Nikki Richnow
(Gift Unit)
Rose Zamaria
~~(1 copy)~~
(2 copies)

Jan Burmeister