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

OA/ID Number: 90698
Folder ID Number: 90698-005

Folder Title:
Tuesday, July 21, 1992 [2]

Stack:	Row:	Section:	Shelf:	Position:
G	35	2	1	0

Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Cover Sheet	Re: [Government Report] (1 pp.)	7/21/92	(b)(1)	S
02. Cover Sheet	Re: [Government Report] (1 pp.)	7/21/92	(b)(1)	S

Page 1 of 1

Collection:

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WHORM Cat.:

File Location: Tuesday, July 21, 1992 [2]

Pinksheet Number: cap6179

OA/ID Number: 90698-005

Date Closed: 9/19/2019

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

Re-review Case #:

P-2/P-5 Review Case #:

7-22-92
R-2. (Phil) not very pleasant daily
but if you feel we need a
reply lets get McGroarty or
someone to write it from my
notes — GB

IN SEARCH OF THE REAL GEORGE BUSH

By Terry Ellsworth

PERSPECTIVE: As a young man, I "loved" George Bush more than any other political figure I have personally known. Now, knocking on the door of a Half Century, I have changed and he has changed. However, even if a little tattered by time, the respect and admiration will always be there. While "constructive criticism" is valid only in theory--no one liking to be criticized for no thing no matter even if true--I will attempt to both objectively and personally analyze why the President is where he is today. It is both a simple and complex story. Over time, a matter of the heart has matured into a matter of the head, too.

BACKGROUND: It all started around 1960 in Houston where my father, then a Texas Instruments V.P. for Offshore Oil Exploration, had gotten to know George Bush, the founder of Zapata Offshore. As it turned out, the fact that my father was from Connecticut, went to Yale, and was getting involved in Harris County GOP politics, provided some common ground between them. Later, in 1964-65, when I was writing my Yale Senior Paper on The Pattern of Development for the Republican Party of Texas, I was able to interview George Bush. He struck me strongly as follows: "This guy has got it all--brains, looks, integrity, style, and the toughness of his war record." I felt like so many others before me and after and me--Bush inspired loyalty. He never needed to ask for it.

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EARLY VIEWS: It was during the 1960-1980 period that Bush, unconstrained by presidential ambitions and pressures, expressed his basic values and views. He was an economic conservative and human rights believer, which translated into being a moderate. Above all, he has first and foremost been a pragmatist whose even "moderate" beliefs have always been subject to that reality. Here is a sampling of his key positions from that period.

Pro-Civil Rights: G.B. was the only Southern Republican to vote in favor of the Open Housing Act. This vote was made in spite of extreme pressures, including death threats, from his Texas constituency.

Pro-abortion: Up until the 1980 primary, where he made the first of several flip-flops on this pervasive concern, he consistently supported choice.

Population control: He was the leading advocate of facing up to this world-wide issue whose 1967 implications have become crushing burdens 25 years later in 1992.

Economics: As an adherent to traditional, conservative GOP economics, which makes controlling and reducing the deficit a top priority, Bush told it like it is when he characterized the radical Reagan plan as being "Voo Doo Economics." Competitively and politically, the Nation is drowning in red ink today.

HIS REAGAN CONVERSION: Once he joined the ticket in 1980, Bush naturally accelerated the process of compromising his views that actually had begun in 1964 when he ran for the U.S. Senate in Texas under the watchful eye of the fanatic disciples of Barry Goldwater like Albert Fay, former National Committeeman and my former neighbor. That is where Bush's "Eastern Resume" first collided with rough and tough Western politics. Bush did a masterful job of handling the V.P. situation and stroking the Reagan people. This paid off in 1988 when Bush was nominated and elected in his own right. Without being a dutiful Vice President to The Great Communicator, Bush never would have been the GOP candidate. He knows that we know that. Now, however, it was time to be his own man. Once that Reagan had received his Academy Award and left the stage, a new actor had to put on his own show with a new program.

LATER VIEWS: Bush's conversion to hard-nosed conservatism seemed complete in the 1980-1992 period. Yet, even though he sang Reagan's tunes, much of the country wondered whether he really believed the lyrics? He certainly did dance more and more to the right, when he perceived that some young, new gunslinger might try to swoop in and steal his partner. This is the capsule result.

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Population control: He abdicated the leadership role he developed in Congress. A strong, principled stand at the Rio Summit, even if very controversial, would have made him a leader, not a follower--as the failure to deal with population dooms all environmental and economic action plans. *That it was not on Rio agenda*

Economics: The huge deficit, driven by the "Voo Doo Economics" accepted by Vice President Bush, prevented President Bush from dealing with the recession and caused deep political damage thereby.

REAGAN AND BUSH COMPARED: Ronald Reagan had a set of fundamental beliefs that were the center of his universe. Did he follow them consistently in his personal and political life, like strong family values? "No." But, his base was broad and stable, after he made his own conversion from being a Roosevelt Democrat years ago. In sharp contrast, the always-pragmatic George Bush had a narrow base of ideological beliefs. Whatever those were, they were grounded in the Eastern Establishment Republicanism of his late father, Senator Prescott Bush, not the conservatism of the Goldwater-Reagan wing that has come to dominate the GOP during George Bush's life. If Bush had retained those values, the core of his background, he never would have been President of the United States. He would have followed in the lonely footsteps of a Charles Percy or a Bill Scranton. In discarding them, in what one could call a pragmatic conversion to a "Reagananut," did he lose his sense of direction, even identity to some extent? It seemed that no base point was left for the Captain to steer the Ship of State, so as to avoid those rocks that Mario Cuomo saw blocking the passage to The Promised Land.

Very differently, Reagan's conversion was primarily ideological. He replaced the premises of the Old Left with the premises of the New Right. Once absorbed, these basic beliefs were a new religion that sustained him thereafter. On the other hand, George Bush never had a religion of basic beliefs, new or old, to provide a political-ideological foundation. While Bush is very smart, leads well from his strengths, and is a terrific manager--he is not well-suited to trying to play the role of a Reaganaut on domestic issues. "READ MY LIPS"--the people never believed that he really believed in that role. As for his famous statement on taxes, it merely confirmed a growing feeling that he had few convictions to fight for.

explain compromise

BLIND AMBITION: The most honest and telling comment of the President during the 1992 political season was that "he would do anything to get re-elected." When we look at 1988, we better believe it. Maybe we ain't seen nothin' yet in terms of the negative campaigning likely to occur this year. But, where will the country be after the smoke has cleared? For sure, the candidates will be bloodied beyond belief. The People, after experiencing the hope of "The Spring Prairie Fire," will have sunk deeper into their profound angst. Endemic non-voting trends could ripen into a epidemic. Can we govern ourselves as a truly representative democracy?

*because
I believe
best
man
job -*

*Repub
primary
votes up*

by 2 mil

Hard-ball politics is fine if it has some purpose. I personally tasted and toasted it in the 1980 Reagan-Bush campaign. But, if Bush will do anything to be President, The People have a right to know whether that high price might be worth it in the end? If you are re-elected, what kind of leadership will you provide us in the bargain for our future? The same as in 1988-1992? Many of those who know you best feel that they have not yet seen the best of George Bush in the White House. These long-time supporters and friends know of his exemplary record of leadership in the military, corporate and foreign policy worlds. He Has Always Been Our Maine Man. That is why we have been astounded and confounded at the recent drift in the presidency that opened the door to the Perot phenomenon, even if Perot finally closed that door himself. Has working at cross-purposes with himself precluded a more coherent message? The People demand to know, and we want to know: What does George Bush really believe in today? Be true to thyself, so that The People will believe you true to them.

*defeat of
Communism
reduction
of nuclear
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*like
B-*

"LET BUSH BE BUSH." It is time for the Real George Bush to lead from his values once again, rather than over those values. Sure, you have to compromise to be effective but you cannot be effective if you are trying to be what you are not--nor happy either.

*family
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Regard your roots in going back to the future. Of course, that does not mean trying to replicate the agenda of the younger, moderate Congressman George Bush of 1967.

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On the other hand, it also clearly does not mean a wholesale abandonment of that earlier agenda. In 1967, "The Times Were A Changin'." Now, rather than being seen through rose-colored glasses, the times have changed to a more conservative tint. Let's face it: The Ripon Society is hardly ripping them up these days. Pick Your Shots. To push a skillful blend of conservative and moderate positions would be the Real Bush. For example, provide the moral leadership on the population issue that you know the U.S. and the world dearly requires for the future of your grandchildren and all of us. Inspire us once again. Recapture your own zest which has been absent for too long. As too many conservative activists deserted you for Ross Perot, recognize that they never accepted you as a Reaganaut. Maybe the trade-off cost you too much?

// OK

*more see
to be for
Clinton
right
now*

The bottom line? I am deeply proud to have known a man such as George Bush in my youth. Now let that pride live on through the eyes of an older man. We who have been devoted to you hope that Desert Storm and the Middle East will not be the only major legacies of the Bush presidency. It is not too late to turn it around just like you did at the C.I.A. LEAD, The People are waiting for you.

7-22-92

R. Z. (Phil) *not very pleasant tickler*
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*dilemma of
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THE WHITE
WASHINGTON

Attach to
cc in daily-
ltr from
President to
Terry Ellsworth.

DATE:

7/21/92

TO:

Rose Zamaria

Remember a couple
of years ago when
we tried to figure out
who Terry Ellsworth
was? Here's the answer.

Return to me for an
SMG response -



SHIRLEY M. GREEN
Special Assistant to the President
for Presidential Messages
and Correspondence
Room 94-OEOB, 458-7610

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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JULY 21, 1992
6:00 A.M. EDT EDITION

NATIONAL NEWS

BUSH QUESTIONS CLINTON'S ECONOMIC PLAN, FOREIGN POLICY -- With Democratic candidates riding a high wave of approval, President Bush tried Monday night to raise some doubts about Bill Clinton's experience, integrity and character. (Chicago Tribune, UPI)

BUSH WEIGHS EASING STANCE ON CAPITAL GAINS -- The White House is considering backing away from its insistence on a capital-gains tax cut to get Congress to approve other parts of President Bush's economic program, including tax breaks for business investment and first-time home buyers. (Wall Street Journal)

INTERNATIONAL NEWS

U.S. FORESEES QUICK ACCORD ON LOANS FOR ISRAELI HOUSING -- The U.S. and Israel are moving toward quick resolution of Israel's request for \$10 billion in U.S. loan guarantees, and President Bush could announce his support when Yitzhak Rabin visits Bush in early August, a senior White House official said Monday. (Washington Post, UPI)

BOMB BLAST INJURES TWO U.N. GUARDS; U.N. DIPLOMATS WARN IRAQ -- The British, French and American ambassadors warned Monday night of the possibility of bombing raids against Iraq to force it to honor the terms of the Gulf War truce. (AP)

NETWORK NEWS (Monday evening)

BOYS NATION/PRESIDENT -- President Bush, no slouch when it comes to the use of television, did a little politicking but not much.

ISRAEL/BAKER -- Secretary Baker was in Jerusalem meeting with Palestinians and Israelis, and it appears Baker likes what he's heard.

BOSNIA -- The U.N. airlift into Bosnia was grounded by shelling around Sarajevo.

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BUSH QUESTIONS CLINTON'S ECONOMIC PLAN,
COMPETENCE IN FOREIGN POLICY

With Democratic candidates riding a high wave of approval, President Bush tried Monday night to raise some doubts about Bill Clinton's experience, integrity and character.

Making his first direct nationwide appeal to Republicans since the Democratic convention, Bush hoped to rally the party faithful in a satellite television speech and spark some enthusiasm after a week of forlornly watching the Democrats dance across TV screens and front pages. "I know that the Democrats act like foreign policy is absolutely unimportant, that world peace doesn't matter, that defense doesn't matter," the President said. "But I think they do."

Bush has insisted he will not be in a "campaign mode" until after his convention speech Aug. 20, but has been dancing over the line while watching Clinton make a remarkable rise in polls. The President's problem is twofold: If he campaigns in a negative way, attacking Clinton's alleged affairs or his lack of military service, it will make the Administration appear bereft of policies and ideas.

On the other hand, whatever new plan or program Bush suggests, it begs the question why didn't he propose it earlier.

Bush Preaches To Converted, Casts Clinton As Liberal

President Bush preached to the converted in a nationwide satellite production in which he answered rehearsed questions from Republicans and tried to cast Bill Clinton as a liberal.

The Monday evening salvos were lobbed in a well-orchestrated television production in which the President, wearing makeup and a microphone, sat in a studio, flanked by an American flag and bookcases, and spoke to supporters at 34 sites in 27 states.

In an odd twist, Bush once again quoted, of all people, George McGovern, who said that Clinton and Al Gore are "much more liberal" than their fine-tuned image that was on stage last week at the party convention in New York.

Most of the sharp language came from Robert Teeter and Rich Bond, who made numerous attacks against Clinton and Gore. "Don't be confused by Bill Clinton's fog machine," said Teeter, who looked uncomfortable reading from a moving screen. Bond said that despite Clinton's call for change in the political system, "All he wants to do is change jobs and do for the United States what he did for Arkansas."

(Steven Halibronner,UPI)

**BUSH CLAIMS CLINTON
STOLE HIS THEMES**

President Bush, campaigning inside the Rose Garden and out, Monday accused Bill Clinton of producing a "smoke and mirrors" budget proposal that does not adequately reduce the deficit and complained that Clinton was stealing his campaign themes.

Bush, who continues to insist he won't be in a "campaign mode" until after the GOP convention, resembled a candidate Monday. After a session with the American Legion's Boys Nation at which he directly attacked the Democratic ticket, he went Monday night to a television studio to headline Bush-Quayle leadership rallies being held at 27 locations in 34 states.

Despite the picture of intense activity, some White House and campaign aides said Monday they were on what one called "the Baker watch," anticipating that Secretary Baker will take over the White House operation. Bush and Baker did discuss the campaign last week, sources said, and it is considered almost certain Baker will move to the White House sometime in August.

Addressing the Boys Nation delegates, Bush accused Clinton of plagiarism for using during his acceptance speech at the Democratic National Convention a line the President first used in his State of the Union address this year and has continued to use since.

In his Rose Garden appearance, Bush stepped forward on Clinton's economic proposal. It "does not address itself to the deficit" and would be "counterproductive" and "a big mistake" because of its call for increased taxes, Bush said.

Responding to Bush, George Stephanopoulos said Bush had never submitted a balanced budget and has presided over red ink that has doubled since he took office. "He has the worst economic record since Herbert Hoover... We'll put Governor Clinton's plan up against his record any day," he said.

(Ann Devroy, Washington Post, A6)

Bush Jabs At Clinton; Democrat Touts Health Plan

President Bush broke Monday from his above-the-fray re-election strategy to take a few jabs at Bill Clinton while Clinton boasted he would end the nation's health-care crisis.

The President said Clinton took one of his lines in the Democrat's acceptance speech at last week's Democratic National Convention. Clinton said, "Now that we have changed the world, it's time to change America."

"This is a comment that I've been saying," Bush told delegates to Boys Nation. "I loved it when... my opponent... said, 'we've changed the world, now let's change America.'"

Clinton campaign manager David Wilhelm dismissed Bush's criticisms. "It's not who said it first, but who is best going to be able to change this country. I think it's a very tough sell that after 12 years of Reagan-Bush they are the agents for change. I don't think anybody is buying it," he told Reuter.

On the fourth day of his six-day bus trip across eight states, Clinton said he would end "the health care crisis." "We have got to control health care costs and provide basic health care to all Americans," he said. Scoffing at reports Bush was preparing to revise his plan to revive the economy, Clinton called any new proposals by Bush, "too little, too late." (Irwin Arieff, Reuter)

Bush Charges Filching

President Bush accused Bill Clinton of plagiarizing his favorite campaign slogan Monday, suggesting theft on the scale that drove Joe Biden out of the 1988 presidential race....

With a testiness that sometimes matched the questioners' sharpness, Bush, addressing Boys Nation delegates, spoke with pride of a military record his opponent cannot match and blamed "sensationalist" national reporters for keeping American voters from hearing his message.

Once he started berating the national press, Bush broadened his reply to mention his own World War II military service and to profess surprise that Democratic conventioners did not take note of his presidential peacemaking.

(Frank Murray, Washington Times, A3)

BUSH STAYS CALM

President Bush and his top aides are, outwardly at least, untroubled by his campaign's poll nose dive and inertia. But among some rank-and-file campaign workers, Republican loyalists and candidates, the composure at the top reeks of denial. Some say worry is mushrooming into panic.

"I think it's precarious, I really do," says William Bennett. "A campaign has to have rationale, a defining center, and that's what it doesn't have yet."

Bush so far has spurned recommendations he revamp his message and campaign. To arrest his poll plummet: Bush will "be a little bit more attentive to the political content" of his speeches, says Charles Black. That means tougher blasts at Bill Clinton. Proxies' attacks on Clinton's draft record and gubernatorial record will intensify.

"The good news is Ross Perot got out of the race," says Black. "The bad news is he got out at the peak time of Clinton's positive publicity. That won't hold up. There's always some panic after the Democratic convention." Fred Malek calls the poll deficit "quite artificial."

GOP pollster Linda DiVall cites the polls' "tremendous volatility" and a CBS poll showing one-third of voters have no opinion of Clinton. "There's no commitment to any of these candidates... Our convention will get equal media billing."

(Judy Keen, USA Today, 4A)

**CITING 'WAVE OF RUMORS,' WHITE HOUSE DOCTOR
SAYS BUSH'S HEALTH IS 'PERFECT'**

Acknowledging that he has been hit in recent days with a "wave of rumors" about President Bush's health, Burton Lee said in an interview Monday that Bush is "the healthiest guy you could have" in the Oval Office and that he is not suffering from ailments being kept secret this election year.

Lee said Bush's health is "the same as it was after his last physical in March -- excellent." Lee acknowledged that he recently has been "messing around" with Bush's dosage of thyroid hormone replacement, which the President has taken since treatment for Graves' disease 15 months ago.

(Ann Devroy & David Brown, Washington Post, A6)

**ECONOMIC FEARS FUEL
CLINTON'S RISE**

Rising unemployment and fears of a worsening economy have further eroded confidence among the voters, giving additional lift to the soaring popularity of Bill Clinton, according to a new Washington Post/ABC News Poll.

Almost half of registered voters surveyed immediately after the Democratic National Convention said the economy is getting worse, a third said it is staying the same, and just 14% said it is getting better.

New-found confidence in Clinton's ability to handle the economy and shake up the federal government, combined with a week of virtually nonstop good news, has propelled Clinton to a 58% to 29% post-convention lead over President Bush.

For now, the Post/ABC survey suggests, Clinton is winning the battle for Perot's supporters. Six out of 10 voters who said they would support Perot if he were still in the race currently favor Clinton, with just one in five backing Bush.

Only 41% of voters said they view Bush favorably, compared with 53% who view him unfavorably, the first time a majority has held that view in a Post/ABC News poll. Clinton, who suffered from high negatives, has seen his image transformed for now, with 58% saying they have a favorable impression of him and 33% saying they have an unfavorable impression.

A plurality of voters (46%) said Bush should drop Vice President Quayle from the ticket, compared with 40% who said Quayle should remain. Among Republicans, 58% said Bush should keep Quayle, while 32% said he should dump the Vice President.

(Richard Morin & Dan Balz, Washington Post, A1)

**BIG CLINTON LEAD
UNLIKELY TO LAST**

Polling numbers after the national party conventions are like footballs at the Super Bowl: They nearly always take a lot of crazy bounces.

Bill Clinton is 22 points ahead of President Bush in the latest poll -- taken by Gallup for USA Today and CNN -- but several previous Democratic challengers have enjoyed bigger bounces than that. For most of them, the big leads dissipated by late August.

"There's no question that this gap will narrow," said Democratic pollster Alan Secrest. "It's a political law of nature that this bounce generally shrinks when the other party has its chance to present itself. And if form holds, Bush is apt to have a strong convention."

"But the important difference between 1992 and 1988 is that this time George Bush is profoundly unpopular," Secrest said. "I fully expect Clinton's lead to shrink, though it will be more difficult to cut up Bill Clinton than it was to cut up Dukakis."

Glen Bolger of Public Opinion Strategies, a GOP polling firm, also thinks Clinton's lead out of the convention "is very soft right now." There's no way that a Democrat is going to get 56% of the vote," he said. "If he wins, it will be a neck-and-neck finish."

(Donald Lambro, Washington Times, A1)

**BUSH TAKES MASSIVE
POPULARITY PLUNGE**

President George Bush's fall in popularity during the past 16 months is unprecedented in the 54 years since Gallup began measuring presidential approval ratings.

No other president during that time has been so popular in the first three years of his term, only to be rejected by most voters in his final year.

In contrast, the other four elected presidents who ran for re-election in the last half-century saw their approval actually climb in the final year of their first term.

How could someone so consistently popular lose it all so quickly? There are two fundamental explanations: Bush's ratings in the early years of his presidency were inflated by the fall of communism and by U.S. military actions, which always create a rally effect for the president; and sinking consumer confidence caught up with Bush.

(Jim Norman, USA Today, 11A)

**RIGHT TO STAR
IN HOUSTON**

President Bush will spotlight his party's conservative congressional leaders at the Republican National Convention next month, unlike the way Bill Clinton hid liberal leaders at the Democratic convention, Bush-Quayle campaign sources said Monday.

Sen. Dole, Sen. Gramm of Texas and Rep. Gingrich will be among the evening speakers at the convention, senior campaign officials acknowledged privately. By contrast, Clinton barred Sen. Mitchell and Speaker Foley from making primetime appearances at the Democratic National Convention.

"The Democrats hid their congressional leadership because they are ashamed to be tied to the status quo," said Charles Black. "Our congressional leaders will help explain our agenda for change."

California Gov. Wilson's appearance poses problems for the President and his convention planners, several campaign sources said. "They haven't figured out how to finesse Wilson, who is highly unpopular with family-values conservatives," a campaign source said.

But as the governor of the state with the largest number of votes in the electoral college, Wilson is simply too important to the Bush re-election effort to rate anything less than prime time at the convention, Republican operatives point out.

(Ralph Hallow, Washington Times, A1)

**BUSINESS LEADERS LUKEWARM
ON RE-ELECTING BUSH**

Business people traditionally are Republican stalwarts, but in this quirkiest of election years, so dismayed are they by the prolonged economic malaise that some are balking at four more years under President Bush. "Even a vegetarian if he is starving will eat meat," said one manufacturer who usually votes Republican.

The Democrats' "It's time for a change" battle cry still has only limited resonance among the Fortune 500 companies -- most of whom, a Fortune Magazine survey showed, remain overwhelmingly behind the Republicans. But the support is far from solid.

"People think Bush is callous and does not care," said Clarence Christie, treasurer of insurance broker Sedgwick James Inc., adding that he would vote Republican once more. He warned, however, that "Bush has got his work cut out for him."

"The issue on the table for Americans is, 'What have you done for me lately?' Bush is having some difficulty communicating that to people effectively," said Barry Rogstad, president of the American Business Conference.

Rogstad, whose group represents 100 mid-sized companies, nonetheless found little to thrill him in the Democratic Party's platform. "We are talking about generating economic growth, generating savings and increasing investment. I don't see the assumptions in the Democratic plan" that adequately address these issues, he said.

(Stella Dawson, Reuter)

**MEMORIES OF DUKAKIS CAMPAIGN HAVE
CLINTON STAFF PREPARING FOR GOP ATTACKS**

LOUISVILLE -- The Clinton campaign is forming "rapid response" teams to counter anticipated GOP attacks, with political operative James Carville overseeing the counterpunch strategy.

"If the Republicans attack, we will attack back," Dee Dee Meyers, Clinton's press secretary, said Monday. "You have to have an organized plan."

"I... think we need to be prepared," said Eli Segal, the campaign's chief of staff. "Bill was prepared for the most part in the primaries. We think that, in the general election, the demands will be even harder and faster given the history of the Republican attack machine."

Key to retaining much of their lead, campaign aides acknowledge, is reacting effectively to what they anticipate will be an avalanche of negative hits from the opposition. Clinton's early lead in the polls suggests the attack will come sooner instead of later, predicted campaign manager David Wilhelm.

Paul Begala, who works with Carville and is also an adviser to Clinton, warned, "We won't be on the defensive. There will also be rapid counterattack." He said the Republicans "will pay a price" for dirty tricks.

(Michael Frisby, Boston Globe)

BUSH WEIGHS EASING STANCE ON CAPITAL GAINS

The White House is considering backing away from its insistence on a capital-gains tax cut to get Congress to approve other parts of President Bush's economic program, including tax breaks for business investment and first-time home buyers.

The White House also is toying with ways to demonstrate to voters that President Bush wants to restrain government spending while asserting that Democrats in Congress and Bill Clinton want to spend more. The options include issuing a threat to veto appropriations bills that would spend more than the President proposed. (David Wessel & John Harwood, Wall Street Journal, A3)

BUSH'S PLANS TO RELAX COMMUNITY LENDING LAW AND HELP INNER CITIES ARE ON A COLLISION COURSE

In the wake of the credit crunch, President Bush wants to loosen regulations on banks. In the wake of the Los Angeles riots, he wants to funnel more private investment into the nation's troubled inner cities. Those two goals are on a collision course. The collision is coming over the Community Reinvestment Act, the 15-year-old law that requires banks to lend in all neighborhoods where they accept deposits. As part of its effort to reduce regulation on banks, the Administration has proposed major changes in the law, which critics say will have the effect of channeling money away from, rather than toward, the inner cities.

"The most glaring thing here is the conflicting message from the Administration about what they are trying to do for inner cities," says Kenneth Thomas, a professor at the Wharton School at the University of Pennsylvania and an industry consultant. When Prof. Thomas plotted on a map the 68 lenders given the worst CRA grades in the past two years, 20% were in Los Angeles. "These are the banks you want to point a finger at," he says. (Paula Thomas, Wall Street Journal, A14)

EXPERIMENTAL AIRCRAFT CRASHES AT GUANTANICO

An experimental military aircraft carrying seven people crashed into the Potomac River Monday as it was preparing to land at the Marine Corps Air Station at Quantico while representatives from the military and the manufacturer were watching. There apparently were no survivors. The 1:42 p.m. crash involved a prototype of the V-22 Osprey, a "tiltrotor" aircraft that takes off and lands vertically like a helicopter but flies straight ahead like a regular airplane.

Monday's crash could have an impact on congressional debate over the future of the V-22. Secretary Cheney, who earlier had sought to kill the Osprey because he said it was too expensive, recently proposed a compromise plan to keep the program alive. The proposal was to be considered this week by the House and Senate Armed Services committees.

(Stephen Fehr & Bill Miller, Washington Post, A1)

Crash Not Expected To Kill Politically Popular V-22 Program

DALLAS -- If this were a typical year, and if the V-22 Osprey were a typical program, the helicopter-airplane hybrid built by Bell Helicopter and Boeing Helicopters could be in big trouble after a deadly crash Monday.

But the politically popular V-22 is hardly a typical program. For four years, unflinching support in Congress has enabled the Osprey to survive the determined efforts of Secretary Cheney to kill it.

And this is an election year, with an incumbent President facing a tough contest that could hinge on winning Texas and Pennsylvania -- the two states with the most jobs riding on continued development of the V-22. The states also harbor the two congressional delegations leading the fight to keep the Osprey alive.

So, unless an investigation concludes the crash was due to a design flaw, the accident -- the second V-22 crash in 13 months -- will probably do little more than delay the Osprey research and development program, defense and congressional analysts said.

(Gregg Jones, Dallas Morning News)

HOPE IN AIDS BATTLE

Under growing political heat from AIDS activists, President Bush Monday called the disease "Heartbreak Hill" and voiced optimism there will be a "major breakthrough" comparable to the Salk polio vaccine.

Bush's AIDS policy was harshly criticized by speakers at the Democratic National Convention and at the Amsterdam conference, where Elizabeth Taylor said Monday: "I don't think President Bush is doing anything about AIDS.... I'm not sure he even knows how to spell AIDS."

In an interview Monday with CBS News from the eighth International Conference on AIDS in Amsterdam, Dr. Anthony Fauci, associate director for AIDS research at NIH, said a dozen possible vaccines are being tested and the first clinical tests may begin by 1994. But other officials, at both the White House and NIH, indicated no major announcement is expected soon.

In his remarks to the teenage boys brought to Washington for Boys Nation, Bush twice stressed the need to lobby against "the behaviors that cause AIDS in some cases." He cited as an example the dirty needles used by intravenous-drug abusers but did not mention homosexual practices that account for most cases of the disease.

Bush said he based his optimism about a vaccine on a meeting "the other day" with top AIDS specialists, including Dr. Fauci. The Oval Office meeting took place July 2.

(Frank Murray, Washington Times, A1)

**'STAR WARS' X-RAY LASER WEAPON
DIES AS ITS FINAL TEST IS CANCELED**

A decade after "Star Wars" proponents first sought development of nuclear-powered laser weapons that could destroy enemy missiles as they streaked through space, the X-ray laser program suffered a final debilitating setback last week when the Energy Department quietly canceled its last scheduled test.

Implementing the Bush Administration's new policy that limits nuclear testing to improving the safety and reliability of weapons, Secretary Watkins canceled a classified test of the nuclear-powered X-ray laser. No public announcement of the cancellation was made. The decision to cancel the test closes another chapter in the slow demise of the X-ray laser program.

(Michael Gordon, New York Times, A1)

**PARK SERVICE OFFICIAL INVESTIGATED
FOR POSSIBLE CONTRACT IMPROPRIETIES**

The second highest-ranking official at the National Park Service is under investigation as part of a yearlong probe by the Interior Department's inspector general into possible contract improprieties with the rehabilitation of a historic Brooklyn airfield that is part of the Gateway National Recreation Area.

Herbert Cables, a 19-year veteran of the Park Service, said Monday he is "the focus" of an investigation into allegations that he improperly "steered" a contract to a Long Island contractor, Robert Meyer, in return for receiving financial benefits from Meyer, who heads a firm called East Coast Investors.

Interior Department sources said that the original investigation has been expanded to include an inquiry into Cables's official travel records to determine whether he traveled to his home in Milford, Conn., at government expense.

(Tom Kenworthy, Washington Post, A3)

**SULLIVAN APPROVES N.J. CAP
ON WELFARE FAMILY BENEFIT**

Secretary Sullivan Monday approved a change in New Jersey's welfare program that will deny automatic increases in aid to a welfare mother who has another baby after joining the program.

The measure, approved by the state Legislature and signed by Gov. Jim Florio early this year, goes into effect after a 10-month grace period, Sullivan said. It is part of a larger plan to encourage welfare mothers to try to find jobs and work their way off the rolls.

Another provision allows welfare families to retain more of their earnings from a job, so family members will not be discouraged from working. A third permits families who get off welfare because of employment to continue to get Medicaid health benefits for 24 months instead of 12.

James Weill, general counsel of the Children's Defense Fund, said Monday night that while some of the changes in the state package were constructive, "The cap on family benefits we oppose. All the evidence is that AFDC family sizes are the same as other family sizes, that women don't have babies to get AFDC."

(Spencer Rich, Washington Post, A3)

INTERNATIONAL NEWS

U.S. FORESEES QUICK ACCORD ON LOANS FOR ISRAELI HOUSING

JERUSALEM -- The U.S. and Israel are moving toward quick resolution of Israel's request for \$10 billion in U.S. loan guarantees, and President Bush could announce his support when new Israeli Prime Minister Yitzhak Rabin visits Bush in early August, a senior White House official said Monday.

The Arab participants in the peace talks, including leaders of the Palestinians in the territories, Monday reiterated their opposition to the U.S. granting the request if Israel continues construction of settlements on the West Bank and Gaza Strip. While Rabin has said that Israel will continue some settlement expansion for security purposes, he has taken the first steps toward curbing the large-scale construction launched by the Shamir government to flood the territories with Jewish settlers.

Hanan Ashrawi, spokeswoman for the Palestinian delegation to the peace talks, said that it was not yet clear how far-reaching these curbs on settlements would be. She said the Palestinian delegation did not accept Rabin's distinction between "political" settlements, referring largely to those set up by the Shamir government, and "security" settlements -- those in the Golan Heights, the Jordan Valley and around Jerusalem.

However, Ashrawi left open the possibility that the Palestinians would not object to the granting of the loan guarantees if the U.S. could be sure the money would not be used for Jewish settlements in Israeli-occupied Arab territory.

The White House official said that before the U.S. can give its approval to the loan request by Israel, a number of questions must be answered about what settlements the Rabin government plans and what existing construction it intends to complete.

(David Hoffman, Washington Post, A10)

Baker Appears To Strike Deal On Guarantees

JERUSALEM -- Secretary Baker appears to have struck a deal with Israelis and Palestinians allowing Washington to guarantee \$10 billion in loans to Israel without compromising Arab demands for a halt in Jewish settlement.

Baker met Monday with Palestinian officials in the morning and with Israeli officials several times during the afternoon. In the morning, a senior Israeli official told reporters that Israel needs the loan guarantees so it can borrow money to support the overwhelming influx of immigrants from the former Soviet Union.

This represented a marked change in the former Israeli government's policy, which was to spend the money on settlements in the occupied territories. "We are introducing to the Israeli people a new order of priorities," the official said.

Baker later said the Bush Administration would be "strongly supportive" of Israel's efforts to accommodate immigrants from the former Soviet Union.

(Sid Balman, UPI)

**BOMB BLAST INJURES TWO U.N. GUARDS;
U.N. DIPLOMATS WARN IRAQ**

U.N. -- The British, French and American ambassadors warned Monday night of the possibility of bombing raids against Iraq to force it to honor the terms of the Gulf War truce. One member of the U.N. Security Council said a multinational airstrike had become inevitable.

The strike would come within 10 days and probably would involve U.S., British, French and Saudi cooperation against one or two targets, several diplomats said. The bombings reportedly would be ordered if Saddam Hussein continues to prevent U.N. weapons inspectors from entering the Agricultural Ministry in Baghdad, where they have been camped out for nearly three weeks.

A car bomb exploded outside U.N. offices in northern Iraq on Monday, slightly wounding two guards. The bomb blew up 15 minutes before a full 8:00 A.M. lineup of the U.N. guards at the headquarters in the city of Sulaymaniyah, U.N. spokesman Francois Giuliani said in New York. Latif Rashid, a spokesman for the Patriotic Union of Kurdistan, blamed Saddam Hussein's agents for the attack....

U.S. Amb. Edward Perkins called the standoff "a very serious step on the part of Iraq and a step that could lead to some very serious consequences." He indicated the U.S. government does not think a new resolution would be required to authorize military action against Iraq. (Nabila Megalli, AP)

**24 WOMEN ASSAULTED ON
GULF DUTY**

At least 24 U.S. army servicewomen were raped or sexually assaulted while serving in the Persian Gulf region during Operations Desert Shield and Desert Storm, according to Army records.

Women were assaulted in an outdoor shower, in the Saudi Arabian desert while serving on guard duty, in their quarters inside military compounds, during a rest-and-recreation break aboard a chartered cruise ship in the Persian Gulf, in a medical clinic and at least once at the point of a knife, according to records compiled by the U.S. Army Criminal Investigation Command.

In several cases, victims waited weeks or months to report the assaults, apparently because they were concerned about whether they would be believed, records indicate. Moreover, many of the assaults were committed by higher-ranking soldiers, including at least one Army captain. The incidents were first disclosed by the Army Times, an independent newspaper.

Army officials disputed the significance of the assault reports given the size of the deployment and the length of time U.S. soldiers spent in the region. "If you took a city of 300,000, like Pittsburgh... how many cases of sexual assault or rape would you have in a year's period?" said a senior Army official.

(John Lancaster, Washington Post, A1)

**U.S. TRIES TO INFLUENCE
OIL PRICES, PAPERS SHOW**

The U.S. and Saudi Arabia, which long have rejected the widespread belief that they work together to influence the world oil market, have in fact cooperated extensively on oil issues for many years, State Department documents and government legal papers confirm.

During the Reagan and Bush Administrations, the documents show, the Saudis have sometimes informed the U.S. in advance of key moves they planned to make at meetings of OPEC and have consulted U.S. officials about marketing initiatives.

U.S. officials have often discussed the price of oil with the Saudis and other friendly producers, the documents demonstrate, not asking for any particular price but emphasizing the negative consequences if prices were to move outside a certain range.

This appears to contradict repeated assertions by the Reagan and Bush Administrations that they never express views about the price of oil because they believe it should be determined solely by market forces.

(Thomas Lippman, Washington Post, A1)

**U.S.-NIGERIAN RELATIONS
SOURD BY RECRIMINATIONS**

LAGOS -- The current sour state of American relations with black Africa's most populous country might be summed up by a single box of radios.

The radios, worth about \$50,000, were designated for use by the Nigerian drug agency here to help in combatting the growing problems of illegal narcotic trafficking by Nigerian nationals. But for more than a year, the radios have sat unused at the U.S. Embassy in Lagos -- either because the Nigerians will not come get them, or because the Americans will not release them, depending on which version of the story is believed....

The debate over the radios underscores just how badly the U.S.-Nigerian relationship has deteriorated in recent months, primarily over what might be called The Three D's -- drugs, debt and democracy. Bilateral relations have become so strained that columns in the semi-official newspaper have openly attacked the now-departed U.S. ambassador, Lannon Walker, and the foreign minister recently accused Walker of treating Nigeria like "a banana republic."

Much of the current friction involves the emergence of Nigeria as a major source of drug trafficking, but the two countries also have jostled over problems of debt and democracy. The U.S. generally believes that relief from this country's crushing \$32 billion foreign debt should come only after the government has undertaken some serious internal economic reforms. Washington also wants Nigeria to curb rampant corruption, which robs the national economy of an estimated \$2 billion to \$3 billion each year.

(Keith Richburg, Washington Post, A16)

NETWORK NEWS

(Monday evening, July 20)

BOYS NATION MEETING/PRESIDENT

ABC's Diane Sawyer: President Bush, no slouch when it comes to the use of television himself, did a little politicking today but not much.

ABC's Brit Hume: It could be called the un-campaign -- the President appears as he did today in the Rose Garden, makes speeches, talks about issues, but rarely mentions his opponents and never by name.

(TV coverage of President Bush walking out to Rose Garden.)

It is a far cry from the hardball attack he started in June four years ago in overtaking Michael Dukakis. Today he appeared before a group from Boys Nation, the very organization that brought the young Bill Clinton here 30 years ago. It almost seemed Mr. Bush might mention that when he said Boys Nation has some distinguished alumni.

(President Bush: "A former governor, now our Secretary of Education, Lamar Alexander -- and I'm talking about a former congressman, now our very able Secretary of Defense Dick Cheney.") No, it would fall to one of the boys to bring up Clinton with a question about his economic plan, which the young man said is gaining support.

(President Bush: "I don't think the program is gaining strength. He had one that was quite different a few months ago, and now, just in time for the convention, out comes another one. But both of them result in taxing.")

That was it for today -- an oddly passive approach to his opponent for a man more than 20 points down in current polls. A long list of Administration officials will not deny that Secretary Baker, now in the Middle East, will soon leave his job to take charge, as he always has, of the Bush campaign. Baker's return, now universally expected here, must be handled with some delicacy since it takes him away from the foreign policy pursuits on which Mr. Bush prides himself to return him to the less exulted realm of politics. Baker therefore is thought likely to run things not from the campaign but from a post with a high-sounding title right here.

(ABC-2)

CBS's Dan Rather: For his part, President Bush criticized Clinton's overall economic proposals. The President said during his campaigning today that Clinton's plans would do nothing to knock back the huge federal budget deficit.

(President Bush: "What I see is a program that does not address itself to the deficit, and I'll have a lot more to say about that later on. We've got to get the deficit down. I don't think you need to go raise taxes on people right now. I think that's a big mistake. I think it's counterproductive. And when you analyze the program -- they have this expression around here: smoke and mirrors -- going to save it all by eliminating overhead, eliminating waste, and there's billions of dollars that is earmarked to that. And I just don't think that's practical. So when the campaign comes on, there's going to be a very serious comparative analysis on our part.")

(CBS-3)

-more-

NBC's Tom Brokaw: Everyone agrees the crucial issue in this campaign is the economy -- how to get it moving again while at the same time attacking the deficit. It's a very difficult combination. And today the Clinton and Bush campaigns were trying to sell their plans while the magnitude of this challenge was spelled out in a plan that Ross Perot was considering before he quit.... Let's go to John Cochran at the White House where the President has been reading the polls and now raising his voice.

NBC's John Cochran: The President has said he would not take his gloves off until after the Republican convention, but today, finding himself down in the polls, he started swinging away. Meeting with the American Legion's Boys Nation, Bush accused Bill Clinton of swiping a Bush campaign slogan for his acceptance speech last week.

(Clinton: "Now that we have changed the world, it's time to change America.")

(President Bush: "This is a comment that I've been saying, and now we're trying to get it done. We have changed the world. Now let's change America -- use that same leadership.")

Bush also disputed a teenager's assertion that Clinton's economic program is gaining support.

(President Bush: "And when you analyze the program -- they have this expression around here: smoke and mirrors -- going to save it all by eliminating overhead, eliminating waste, and there's billions of dollars that is earmarked to do that. And I just don't think that's practical. I don't think the program is gaining strength. He had one; it was quite different a few months ago, and now, just in time for the convention, out comes another one. But both of them result in taxing.")

But Bush's advisers say he must do more than attack; he must show he can get results by getting at least some of his own economic proposals passed by Congress. Democrats are working on a package that includes much of what Bush does want, like tax breaks for the real estate industry and lower capital gains taxes. The hang-up is that Bush vows to veto again any bill raising taxes on the wealthy.

(Sen. Bentsen: "We put in a surtax on millionaires to pay for what he had proposed. And he'd be looking at that again I would assume.")

The Democrats could put Bush in a real fix: forcing him either to increase taxes on the rich, which could hurt Bush in his own party, or to veto yet another economic recovery program, which would leave Bush open to charges that his first concern is for the rich.

Brokaw: It seems more and more inevitable that Jim Baker will leave the Secretary of State job to take over the campaign. But for all of his skills, he can't wave a magic wand and make 7.8% unemployment go away. What does Baker bring to this campaign?

Cochran: He brings a lot of authority. He can get this campaign focused. It's badly disorganized now, and he's smooth as silk. When he goes on the air in the evening to talk to you or in the morning to talk to Katy and Bryant, he'll be very smooth -- he'll get the message of the day out very efficiently.

Brokaw: There is no love loss between Vice President Quayle and Jim Baker. Is Quayle's position on this ticket absolutely secure?

Cochran: Well, Quayle's press secretary tells me today that the Vice President's had lunch with the President, and after that Quayle went back to his office to start working on his acceptance speech at the Republican convention. (NBC-Lead)

CAMPAIGN/BAKER

Rather: Speculation is growing that Secretary Baker is being recruited to take over the Bush-Quayle reelection campaign. United Press International's Helen Thomas reported today that Baker has been asked to take the job. But tonight, officials at the White House and the Bush-Quayle campaign said that if the report is true, nobody's told them. (CBS-3)

CLINTON CAMPAIGN, PRESIDENTIAL POLL

Sawyer: The Clinton summer bus tour rolled westward today. It's low-tech, high-profile and bolstered by our latest poll [ABC News/Washington Post poll] results that show Clinton with a firm hold on that convention bounce he picked up last week. Not only does governor Clinton lead President Bush by 28 points -- 58%-30% -- but he even out scores the President on the issue that had threatened to undo Mr. Clinton in the primary -- character. When we asked people does Mr. Clinton have the honesty and integrity to be president, 63% said yes. That compares to 55% for Mr. Bush. As ABC's Chris Bury reports, what the polls show on paper, governor Clinton is seeing on the street.

ABC's Chris Bury reports today in Columbus, Ohio, thousands showed up to hear Clinton promise he would cut costs for health care and establish a new national plan to insure those who cannot afford private coverage. Clinton has said all this before, but far more people are showing up to listen. On his bus today Clinton said he was surprised by the size of the crowds but predicted his current lead in the polls would shrink once Republicans focused their fire on him.

(Clinton: "I think they'll throw the kitchen sink. That's what they're good at, and that's how they won in 1988. And I think they think they can do it again, and I'm betting they can't.") (ABC-Lead)

Rather reports Bill Clinton said today that if elected he would submit a national health care plan in his first 100 days in office. Richard Threlkeld interviewed Clinton today.

Threlkeld: ...Clinton is gratified and even relieved by the big turnouts and his big lead in the polls. But in an interview today, he was cautious.

(Clinton: "It's a long way to November. And I know that our opponents will raise a lot of questions about Sen. Gore and me, and it will become a race between hope and fear, between the future and yesterday, between what you know and what you don't.")

Threlkeld: Are you concerned or prepared for negative campaigning?...

Clinton: If you run a campaign against a Republican today that's involved in national politics, you have to be prepared for that. That's their staple. That's their bread and butter -- the negative campaign. (CBS-2)

PEROT'S ECONOMIC PLAN

NBC's Lisa Myers reports when Perot called it quits he was working on the boldest, most politically explosive plan to balance the budget ever offered by a candidate. Perot's solution included cuts in Social Security payments, perhaps through smaller cost-of-living increases, a .50 per gallon increase in the gas tax, big increases in alcohol and tobacco taxes, possible limits in mortgage interest deductions on homes above \$200,000, and cuts in most federal programs. Perot's plan also included a capital gains tax cut for long-term investment, an investment tax credit, and more spending on roads and bridges. It would have taken five years to balance the budget. Budget experts say it's the kind of tough plan that's needed.

(Carol Cox Wait, Committee for a Responsible Federal Budget: "Ross Perot's plan as described is a plan to balance the budget. And neither the Bush budget nor the Clinton proposal is that.")

(ABC-3, NBC-2)

ISRAEL/BAKER

Sawyer reports Secretary Baker was in Jerusalem today meeting with Palestinians and Israelis, and it appears that Baker likes what he's heard so far from both sides.

ABC's Barrie Dunsmore reports Secretary Baker's trip has two objectives: to give new impetus to the Middle East peace talks and to patch up U.S. relations with Israel. At a series of meetings today the two sides came close to removing the major sore point; Israel is going to curtail its policy of building settlements in the occupied territories. In return, Baker said that in principal the U.S. is now ready to provide loan guarantees so that Israel can borrow several billion dollars from international banks to help absorb new immigrants from the former Soviet Union.

(Baker: "President Bush and this Administration in the United States attach a very high priority to the absorption of immigrants to Israel.")

The deal will probably be announced when Prime Minister Rabin comes to the U.S. to meet with President Bush next month. Baker also met today with Palestinian representatives. Privately, they are very pleased with recent changes in the Israeli government, and they want to resume talks on self-rule as soon as possible. (PBS-4, NBC-8, ABC-7)

AIDS CONFERENCE

Rather: The AIDS epidemic is spreading and spreading fast. And in many countries more and more of the victims are women and children. These are just some of the hard facts emerging at the World AIDS Conference in Amsterdam.

CBS's Edie Magnus reports the AIDS conference is sounding the alarm. The epidemic is spreading farther and faster than anyone imagined when it began. Today's troubling news is that the huge AIDS gender gap is slamming shut; in the past six months alone 500,000 women were infected worldwide -- most in developing countries. And one out of every three children born to an HIV-infected mother gets the AID virus. Worldwide, 12 million have the virus. Two million have full-blown AIDS. In the U.S. 1 million are believed infected, nearly a quarter-of-a-million are sick with AIDS. And by year's end as many as 57,000 will have died. Researchers here say they are not worried about published reports of a possible new and unidentified strain of the AIDS virus in the U.S. They say the incidence is too small and requires further study. (ABC-4, NBC-3, CBS-Lead)

BOSNIA

Brokaw reports the U.N. airlift into Bosnia was grounded by continued heavy shelling around Sarajevo in defiance of the latest cease-fire. Bosnia's foreign minister said his country faced what he called imminent catastrophe. (CBS-6, ABC-6, NBC-9)

V-22 OSPREY CRASH

Rather reports a V-22 Osprey crashed in the Potomac River on approach for landing at Quantico, VA. There were seven people on board, and there are no known survivors. The cause of the crash is not known. (ABC-9, CBS-5)

-End of News Summary-

Presidential Phone Calls



DATE: 7-21

TIME: 7

incoming/outgoing

55

WITH:

Larry Campbell

SUBJECT:

Mr. Reed. Hoof

prostate -
get well etc

donny from 11

FOLLOW UP:

THE WHITE HOUSE

WASHINGTON

32 JUL 20 P3:55

July 20, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: NICHOLAS E. CALIO, Assistant to the President
for Legislative Affairs *NEC*

SUBJECT: Congressman Larry Coughlin (R-PA)

Congressman Coughlin will be unable to join you in Philadelphia tomorrow as he underwent prostate surgery last week. The Congressman will be released from Walter Reed today and will convalesce at his Washington residence. His staff says that he is doing well and may be in his office next week.

THE PRESIDENT'S GROWTH AGENDA

THE PRESIDENT HAS SEEN 7/20

[bold = new]

Incentive for Investment/Asset Appreciation/Entrepreneurship/ Innovation

- o Capital gains cut
- o *[Real Estate investment incentives, if any]*
- o *[Incremental ITC or other such, if any]*

R&D Investment (for productivity, innovation, quality of life)

- o *[Further] Federal R&D increases [to record levels]*
- o Applied civilian R&D investment/special cross-cutting programs *[increased]*
- o R&D tax incentives (permanent credit, 861)

Human Capital Investment (for productivity, opportunity, competitiveness)

- o New American Schools, Educational Choice, Math/Science Initiative *[updated, increased]*, America 2000, *[Lifetime Credit Card]*
- o *[Record investment]* in Children and Prevention
- o Anti-drug abuse strategy *[record investment]*
- o *[new Job Training approach]*

Increased Savings (to finance investment, innovation, etc.)

- o IRA improvements
- o Family Savings Accounts
- o *["Mandatory" program reform and out-year cap]*
- o *[Strengthened] Budget Enforcement Act Discipline*
- o *[Discretionary Budget Freeze]*
- o *[Domestic Personnel Freeze and Pay Increase Delay]*

Service Sector Productivity Improvement

- o Financial Services Reform
- o Health Cost Containment
- o *[Comprehensive Health Reform, if recommended]*

Legal/Regulatory Reform

- o Regulatory Reform
- o Tort Reform/Product Liability Reform/Malpractice Reform
- o Civil Justice Reform
- o Takings Reform

Increased Energy Efficiency/Reduced Vulnerability

- o National Energy Strategy

International Market Expansion

- o GATT
- o North American Free Trade Agreement
- o Enterprise for the Americas Initiative

[Middle-class tax relief]

- o *for home purchase, if any*
- o *for health, if any*
- o *for other, if any]*

Anti-Poverty

- o All of the above, plus
- o Enterprise Zones, *[plus]*
- o *Weed and Seed (with new name)]*

daily file
(68 finished 7/21/92)

THE WHITE HOUSE
WASHINGTON

92 MAR 16 P5:12

March 16, 1992

Per

MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY *WH*

SUBJECT: Correspondence from Secretary Alexander

Secretary Alexander intended to send this memo to you as part of last Friday's Cabinet correspondence, but it missed our Cabinet Report deadline. He was anxious that you see it as soon as possible, however, and asked that we forward it to you today.

Attachment

84D

*E. Holiday*

315243

UNITED STATES DEPARTMENT OF EDUCATION
THE SECRETARY

March 12, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: LAMAR ALEXANDER *Lamar*

Thanks for your note forgiving my earlier "unsolicited advice." The attached follows up what I passed on to you last week with some specific proposals on what you might be doing and saying about education in the days and months ahead.

It is designed to fit into a March 20 demarcation between us and the Democrats in Congress and go on from there to highlight your education strategy, how much it has progressed in a year and how it fits into where we ought to be in the year 2000.

Congratulations on Super Tuesday!



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

March 12, 1992

MEMORANDUM FOR SAM SKINNER

FROM:

LAMAR ALEXANDER *Lamar*

WHAT THE PRESIDENT CAN BE DOING AND SAYING ABOUT EDUCATION FROM
SUPER TUESDAY THROUGH THE CONVENTION

1. Getting the talk right -- Let speechwriters turn the attached policy into a few paragraphs of rhetoric and use it over and over and over again: "When I think of America in the year 2000 I think of a nation of students educating ourselves throughout our lifetimes at the best system of schools, colleges and universities in the world. This will take revolutionary changes. Business as usual will not help us reach our six ambitious national education goals."

2. Prepare for Second Term -- The President hosts small one hour private sessions every 10 days to talk about and get comfortable with his second term plans for education and how he should go about talking about this to the American people.

WHERE THE PRESIDENT GOES AND WHAT HE SAYS -- The President should seize the initiative on education, make it his by a sustained series of public appearances that make clear his agenda, where he thinks the nation ought to go, what it ought to do in order to become a nation of students educating ourselves at the best system of schools, colleges and universities in the world. All of the following ideas are either approved and part of the budget, or are now being worked out with OMB.

1. Draw the line with Congress -- The President should invite bipartisan congressional leaders to the White House immediately (before April 1). Tell them: "I won't sign business as usual legislation for our schools. We need revolutionary changes if our children are going to meet the six national education goals by the year 2000. That means support for world class standards, new curriculum frameworks and a voluntary national examination system. It means giving teachers more opportunity for training and more flexibility spending federal funds in their classrooms, giving communities help in creating truly break-the-mold New American Schools, and giving middle- and low-income families more of the same choices of schools for their children that wealthy families already have."

2. A bold Republican initiative for working Americans -- Invite Republican congressional leaders to the White House. Let them tell the President about their amendment to the higher education bill. They will say: "Let's create a \$25,000 lifetime line of credit for education and job training for every American which can be paid back out of earnings collected by the IRS. This will give working men and women and their children a better chance for a better job and a better life." The President can offer his support and use this for the rest of the year.

3. Drawing the line with Congress again -- When Congress does not act by March 20 and the April 1 deadline for authorizing the use of \$100 million appropriated for AMERICA 2000 passes, criticize the Congress: "Congress has missed not only my deadline but its own deadline. Worse than that, all Congress is thinking about passing is more of the same, business as usual. We need revolutionary changes: world-class standards and a voluntary national examination system; training and flexibility for teachers; break-the-mold New American Schools; more choices of schools for families."

4. Celebrate the first birthday of AMERICA 2000 (April 18) -- Celebrate the first anniversary of AMERICA 2000 by making one or two visits the week before to cities working hard to become an AMERICA 2000 community (e.g.: Omaha, Memphis, Las Cruces, etc.). "Forty states, led by Governors of both parties -- more than 1000 communities -- have accepted my challenge to become AMERICA 2000 communities. This is how America will create the best system of schools in the world by the turn of the century, community-by-community. This is how we can help our children reach the six ambitious national education goals we established in Charlottesville in 1989."

Another visit in May to Charlotte-Mecklenburg Chamber of Commerce Community Education Summit -- (May 22) Major POTUS address on education. Organizers expect "thousands" of citizens attending. Community has made a strong commitment to AMERICA 2000 and made rapid strides on standards and testing. Trip should include visit to Johnson C. Smith University's Kiddie Kollege.

5. World Class Standards and Testing -- Go to Nashville on April 3-4 (or videoconference) to address 15,000 math teachers: "You are one more reason for America to value its teachers. You led the way. You got out in front, established clear and high standards for what our children should know and be able to do about math. We are working together to create voluntary American

Achievement Tests so parents and communities can know how their kids and schools are doing. We want them to be able to live, work and compete with kids growing up in Seoul, Tokyo and Berlin."

6. "Opportunity Scholarships" -- Go to Milwaukee, check on the progress of Polly Williams and Gov. Thompson's program to help poor families attend private schools: "I have included in my new budget a half billion dollars to create one million new thousand dollar scholarships for children of middle- and low-income families. The only restriction would be that families be able to use this scholarship at any lawfully operating school. This is fair to families, will put money into the schools that help children who need the most help, and will unleash competitive forces that will make all schools better. It is federal support for a kind of state or local GI Bill for Kids. It is, in effect, a Pell grant for elementary and high school students. It will help to create the best system of elementary and high schools in the world just as the GI Bill and Pell grants have helped to create the best system of colleges and universities in the world. For Houston, for example, this would be \$100 million new federal dollars into the hands of middle- and low-income families to be spent in the schools that serve their children. . ."

7. New American Schools -- Go to almost any city, visit a break-the-mold school with Ted Sizer, or Jim Comer, or Hank Levin. "We must rethink our schools from top to bottom. We must break the mold, make revolutionary changes, invent schools that meet the needs of children the way children are growing up today. More than 700 of the most creative teams in America are competing for the \$200 million that the New American Schools Development Corporation will be giving to design teams that will in turn help communities everywhere create a new generation of new American schools, the best schools in the world."

8. Head Start and Parental Responsibility -- Go to National Meeting of Elementary School Principals in New Orleans, April 31: "We know Head Start helps. That is why I have pushed for a 127 percent increase in funding for Head Start during my four years while the federal budget as a whole was going up only 25 percent. Beginning next year Head Start will be available for every four-year-old. But, in the end, it is the parent who must make certain the child is born healthy, loved, read to, listened to, cared for. The family makes a difference. Every teacher knows this."

9. Flexibility -- Meet with teachers anywhere about this: "I can't think of a better example of the difference between what Washington thinks and what America thinks about this. I have yet to meet a teacher who does not think that she and her colleagues could not help children more if they had more flexibility in the way they spend the \$12 billion in more than 70 federal elementary and secondary programs. Yet Congress won't move. I think everybody against the idea of giving teachers more flexibility in the classroom must live in Washington, D.C."

10. Retraining Teachers -- Go to a Teachers or Principals Academy, lots of places: "One thing is certain -- if we are going to have new world-class standards, and different curriculum frameworks, and New American Schools, if we are going to expect so much more of our children we must be prepared for a period of massive retraining of teachers. That is why I have recommended that Congress provide funds to begin Governors Academies for teachers of math, science, English, history and geography in every state. That is why we have refocused \$2.1 billion of federal math and science education programs on teacher retraining."

11. Education and Job Training for working Americans and their Children -- Go to any community college, or to the national convention of community colleges in Phoenix on April 12 (or videoconference): "When I think of America in the year 2000, I think of a nation of students, Americans of all ages, throughout their lifetimes educating themselves in the best system of schools, colleges and universities in the world. This means we must give working men and women and their children a \$25,000 lifetime line of credit for education and job training which may be paid back from earnings collected by the IRS. It means we should let the working mother, who can only take one class at a time while she is working and managing her family, be eligible for our federal grants and loans to continue her education."

12. The Armed Forces helping to create the best schools in the world -- The President should take Cheney and Alexander to a conference in Los Angeles, direct them to implement a plan for how the armed forces can work with Los Angeles and other school districts to create schools for kids that aren't making it in regular schools: "If we can put missiles down smokestacks, we can create the best schools in the world for our children. As we cut back on military spending, we should take some of this brain power, equipment and dollars to help our cities with some of their toughest educational problems."

13. Colleges and Universities -- Commencement address:
"We have the best system of colleges and universities in the world. We are the world grand champions of science and technology. That is why I have recommended record levels of R&D spending. That is why I have recommended record increases in federal funds to help families pay for college costs. That is why I have recommended letting students deduct from their federal taxes the interest on student loans and to withdraw money without penalty from their IRAs for education. Today one of every two four-year-college students has a federal grant or loan to help pay college costs. We must use the principles that have helped to create the best system of colleges and universities in the world to help to create the best elementary and high schools in the world by the turn of the century."

14. Design Teams -- In mid to late June the New American Schools Development Corporation will announce the 20-30 award winners from the nearly 700 design teams submitting bids. The President should meet with a few of these teams, perhaps at the proposed geographical location of the school and speak with them about their winning "break-the-mold" ideas.

cc: Richard Darman
Ede Holiday
Clayton Yuetter

daily file
GB said he was
finished with
now 7/21/92

summary
7-21-92

March 25, 1992

Summary of Key Provisions

- The bill articulates a policy framework for assisting the independent states of the former Soviet Union by:

✓ -- emphasizing the opportunities for lasting peace, the international community's interest in a successful transition, and the special role for the United States.

✓ -- stating that failure to act could threaten U.S. security interests and jeopardize savings in the defense budget.

✓ -- highlighting the "five principles" that we have been promoting -- democratic values, human rights, economic reforms, respect for international obligations, and responsible security policies.

✓ -- describing the need for the flexible authorities that we are seeking.

✓ • The bill authorizes appropriation of "such sums as may be necessary" for a separate account to carry out this Act.

✓ • The bill contains several key authorities, including:

✓ -- IMF quota increase -- authorizes the IMF quota increase.

✓ -- Macroeconomic stabilization -- provides authority and urges President to take the lead in multilateral efforts on macroeconomic stabilization.

✓ -- Expanded credit for FSU -- allows waiver of Stevenson and Byrd ceilings on EXIM and other credit programs, and Johnson Debt Default Act restrictions on private lending.

✓ -- Use of other agencies' funds -- allows agency heads to use their funds for FSU programs (with exception of funds for social or economic programs directly benefitting Americans).

✓ -- Imports from FSU -- allows waiver of restrictions on imports from FSU beyond those applied to other friendly countries.

✓ -- Nunn-Lugar funds -- broadens allowable use of the \$500 million appropriated for DOD last fall (weapons destruction/humanitarian transportation) to make these funds available for nonproliferation efforts, relocating Soviet military forces, demilitarization and defense conversion.

- ✓ -- America Houses/Democracy Corps -- authorizes support for programs like the "America Houses" and "Democracy Corps" programs.
- ✓ -- USDA programs -- provides greater flexibility in USDA programs for FSU.
- ✓ -- Post openings -- authorizes use of funds for State Department expenses in new posts in FSU.
- ✓ -- Loan/guarantee authority -- expands authority for loan and guarantee programs, including OPIC.
- ✓ -- Statutory Communist Country Lists -- removes USSR and Eastern European countries from communist country lists such as those in Foreign Assistance Act and Export-Import Bank Act.

- The bill also contains additional policy language on several important aspects of a U.S. program:

- ✓ -- Participation in IFIs and Related Organizations -- sense of Congress language supports FSU efforts to join GATT, OECD, IMF, World Bank and EBRD.
- ✓ -- World Bank and IFC -- urges President to negotiate special capital increases in the World Bank and IFC for expanded credit programs for the FSU.
- ✓ -- CCC creditworthiness determination -- urges USDA, in light of historic changes in FSU, to refrain from making non-creditworthiness determinations (thus preserving eligibility of republics for CCC guarantee programs).
- ✓ -- COCOM restrictions -- commends recent reductions in items covered by COCOM restrictions, and encourages further reductions as a means of promoting trade and investment.
- ✓ -- Ukraine Science Center -- urges negotiations for a Science and Technology Center in Ukraine.
- ✓ -- Trade and Investment -- emphasizes trade and investment opportunities and benefits.

- Although now drafted as an authorization bill, it could easily be transformed to include necessary appropriations language for the IMF quota increase, stabilization assistance, and any of the other assistance now covered.

March 25, 1992

SUPPORT FOR THE DEMOCRATIC AND ECONOMIC DEVELOPMENT
OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE.

This Act may be cited as the "Support for the Democratic and Economic Development of the Independent States of the Former Soviet Union Act of 1991".

SECTION 2. FINDINGS.

The Congress finds that--

(1) recent developments in Russia and the other independent states of the former Soviet Union present an historic opportunity for a transition to a peaceful and stable international order and the integration of the independent states of the former Soviet Union into the community of democratic nations;

(2) the entire international community has a vital interest in the success of this transition, and the dimension of the problems now faced in the independent states of the former Soviet Union makes it imperative for donor countries and institutions to provide the expertise and support necessary to ensure continued progress on economic and political reforms;

(3) the United States is especially well-positioned because of its heritage and traditions to make a substantial contribution to this transition by building on current technical cooperation, medical and food assistance programs, and by fostering conditions that will encourage the United States business community to engage in trade and investment; and

(4) failure to meet the opportunities presented by these developments could threaten United States national security interests and jeopardize substantial savings in defense that these developments have made possible.

SECTION 3. DEFINITION.

As used in this Act, except where the context indicates otherwise, the term "independent states of the former Soviet Union" shall include the independent states that formerly were part of the Soviet Union. It does not include Estonia, Latvia, or Lithuania.

SECTION 4. POLICY.

(a) In General.--It should be the policy of the United States to facilitate the integration of the independent states of the former Soviet Union into the community of democratic nations, and to make a substantial contribution to the purposes described in section 5 by building on earlier initiatives, including ongoing technical cooperation, medical and food assistance programs. In furtherance of these purposes, the United States should support economic and political reform through the provision of assistance and the promotion of United States trade and investment in those states.

(b) Provision of Assistance.--In providing assistance for the independent states of the former Soviet Union, the President should take into account the extent to which such states are taking appropriate steps toward--

(1) establishment of a democratic system based on principles of the rule of law and individual freedoms;

(2) respect for internationally recognized human rights, based on full respect for the individual and including equal treatment for persons belonging to minority groups;

(3) economic reform based on market principles, the development of a substantial private sector, and integration into the world economy;

(4) respect for international law and obligations, and adherence to the provisions of the Helsinki Final Act and the Charter of Paris; and

(5) adherence to responsible security policies, including non-proliferation of weapons of mass destruction and non-proliferation of destabilizing conventional weapons.

SECTION 5. PURPOSES OF ASSISTANCE.

In furtherance of the policies described in section 4, funds authorized to be appropriated under this Act may be made available for the independent states of the former Soviet Union for the purposes of promoting democracy, encouraging free market systems, meeting urgent and other humanitarian needs, fostering demilitarization of the economy and defense conversion, and promoting bilateral trade and investment, and for such other purposes as the President deems appropriate.

SECTION 6. EXTRAORDINARY NATURE OF ASSISTANCE.

The Congress recognizes that--

(1) change throughout the independent states of the former Soviet Union is occurring rapidly but unevenly, and it will remain impossible to anticipate with certainty how United States assistance would best serve to facilitate the processes of political and economic reform;

(2) the varying pace of reform and change from region to region will affect in ways that cannot now be anticipated how and where United States assistance can be provided most effectively;

(3) the effectiveness of United States assistance depends on efficient coordination of United States efforts with the similar activities of friendly and allied donor countries, and of international financial institutions;

(4) the development and implementation of United States assistance and related programs should be carried out in a manner to promote the strengthening of United States bilateral relations with the independent states of the former Soviet Union;

(5) expanded trade and investment is the best method of promoting market reforms in the independent states of the former Soviet Union while at the same time promoting the involvement of U.S. businesses in the emerging private sector in those states;

(6) such trade and investment will generate strong employment and other economic benefits for the United States as the economies of the independent states of the former Soviet Union begin in future years to realize their enormous potential as both customers and suppliers; and

(7) the pace and unprecedented nature of events requires that the President be provided with the authority to furnish United States assistance and resources expeditiously if the United States is to be able to influence events as they occur and effectively promote the purposes of this Act.

SECTION 7. ASSISTANCE AND RELATED ACTIVITIES.

(a) Authority.--The President is authorized to furnish assistance in order to promote the purposes described in section 5, including assistance for--

(1) support for the creation and development of democratic political systems;

(2) support for the creation and development of private enterprise and free market systems, including technical assistance and training individuals in the basics of business and improving understanding of how market economies function, and including support for multilateral efforts to promote macroeconomic stabilization;

(3) creation of the conditions for expanded trade and investment which will be crucial to the development of market economies and genuine private sectors;

(4) support for demilitarization and the conversion of defense-related industry and equipment for civilian purposes and uses, including the absorption of defense-related industry personnel into the civilian sector;

(5) improvements in food distribution systems to enhance the ability of the independent states of the former Soviet Union to use their own resources to meet basic needs;

(6) promotion of investment in and increased efficiency of the energy sector, which would help the independent states of the former Soviet Union increase hard currency earnings in the medium term, as well as conservation of natural resources;

(7) support in addressing emergency and other humanitarian needs of the people of the independent states of the former Soviet Union during the period of transition to a free market economy, particularly by providing technical assistance to enhance the ability of those states to meet future needs in this area;

(8) support for activities that will facilitate efforts connected with the withdrawal and relocation of military forces of the former Soviet Union; preventing the diversion of scientific expertise of the former Soviet Union to terrorist and other third countries; and preventing the proliferation of weapons of mass destruction, including in appropriate circumstances having the United States purchase or otherwise receive such weapons or related material; and

(9) support for cultural exchange programs between the United States and the independent states of the former Soviet Union, including support for "America Houses" in key locations in such states designed as focal points for exchanges of people and information to and from the United States.

(b) Promoting Involvement of U.S. Private Sector.--It is the sense of the Congress that the private sector in the United States must become increasingly involved in the process of transition taking place in the independent states of the former Soviet Union if reform efforts are to succeed. Accordingly, the President should and is authorized to undertake activities designed to promote the active involvement of the United States private sector, including as appropriate through--

(1) initiatives designed to encourage small- and medium-sized businesses to become involved in the markets of those states, including as appropriate the use of trade missions, the establishment of information networks and assistance centers including one or more American Business and Management Centers, and the activities of the Trade and Development Program;

(2) support, which may include contributions to an endowment, for one or more Enterprise Funds that help promote United States investment in the private sector of those states, or for a "Eurasia Foundation" or similar organizations, as well as support through programs of the Overseas Private Investment Corporation;

(3) support, which may include contributions to an endowment, for a "Democracy Corps" or other appropriate organization, the purpose of which shall be to utilize United States citizens having appropriate experience to provide detailed, independent, onsite assessments of the needs at all levels within the independent states of the

former Soviet Union to build democratic institutions, free market economies, and the basic infrastructure of a civil society; to mobilize private United States citizens to help meet such needs; to establish local centers or work with the "America Houses" described in subsection (a)(9) in such countries in making available logistical and information resources for those assisting in meeting such needs; and to disseminate its assessments in appropriate circumstances to governmental and nongovernmental organizations;

(4) technical assistance designed to help increase trade between those states and the United States, including through seminars on most-favored-nation treatment of goods and services and, when appropriate, the Generalized System of Preferences; and

(5) support for efforts by those states to join or participate in international economic and financial organizations such as the Generalized Agreement on Tariffs and Trade, the Organization for Economic Cooperation and Development, the International Monetary Fund, the International Bank for Reconstruction and Development, and the European Bank for Reconstruction and Development.

(c) Provision of Assistance.--

(1) Authorization of Appropriations.--There are authorized to be appropriated to the President for fiscal years 1992 and 1993, in addition to amounts otherwise available for such purposes, such sums as may be necessary to carry out the purposes of this Act. Funds authorized to be appropriated under this Act are authorized to remain available until expended.

(2) Assistance under the Foreign Assistance Act.--The President should and is authorized to utilize funds made available to carry out the Foreign Assistance Act of 1961, as amended, for programs for the independent states of the former Soviet Union, including utilization of funds under chapter 1 of part I of that Act for development activities in the those states consistent with the purposes of that chapter, and of funds under chapter 4 of part II of that Act. Any funds made available under chapter 4 of part II of that Act may be utilized on the same basis as funds authorized to be appropriated under paragraph (1).

(3) Application of Authorities under the SEED Act.--In furtherance of the purposes of this Act, and consistent with the provisions of section 8 of this Act, the President

may authorize any United States Government agency that has authority under the Support for East European Democracy (SEED) Act of 1989 to take SEED Actions for any eligible East European country under that Act to utilize such authority, and to make available any funds available to it for activities related to international affairs outside Eastern Europe, to take comparable actions with respect to any of the independent states of the former Soviet Union. For purposes of this Act, the term "United States Government agency" shall include any agency as defined in section 644(a) of the Foreign Assistance Act of 1961.

(4) Direct Loan and Loan Guarantee Authorities.--Funds authorized to be appropriated by this section may be utilized to cover the cost, including the cost of modifying such loans, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans and loan guarantees with respect to the independent states of the former Soviet Union, including loan guarantees provided consistent with the provisions of section 108 of the Foreign Assistance Act of 1961, as amended and title IV of chapter 2 of part I of that Act, and to cover the administrative expenses for such direct loans and loan guarantees.

(5) Department of Defense Activities.--In recognition of the direct contributions that such activities can make to the national defense interests of the United States, the President is authorized to make available such sums as may be necessary of funds available to the Department of Defense under sections 108 and 109 of Public Law 102-229 to carry out the provisions of subsections (a)(4) and (a)(8).

(6) Authorities.--In order to assist in meeting the administrative costs incurred in connection with carrying out functions under this Act, of the funds authorized to be appropriated by this section, such sums as may be necessary may be used for administrative expenses of United States Government agencies in connection with administering programs hereunder. Assistance may be provided and authorities may be exercised in accordance with this Act notwithstanding any other provision of law, and in making available funds authorized to be appropriated under this section the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961, as amended, and to the provision of assistance under programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations acts.

(7) Participation of United States Government Agencies.--

(A) In General.--Upon a determination by the head of a United States Government agency, or by the President, in accordance with subparagraph (B), any such agency may utilize funds available to it in accordance with the provisions of this paragraph.

(B) Determination Required.--The determination referred to in subparagraph (A) is a determination by the head of such agency, or by the President, that the benefits of exercising the authority described in this paragraph outweigh the benefits of proceeding without respect to this paragraph, taking into account the anticipated effect of doing so on the ability of the agency to achieve its statutory objectives and otherwise foster its programs and policies, as well as the extent to which doing so can in other ways be expected to promote the national interests of the United States.

(C) Coordination and Use.--A United States Government agency may utilize any funds with respect to which a determination under subparagraph (B) applies for any of the purposes for which funds authorized to be appropriated under paragraph (1) may be utilized under this Act, subject to procedures for coordination of activities consistent with section 8 of this Act. Nothing in this paragraph shall be construed as limiting the authority of any United States Government agency under other provisions of this Act or any other provisions of law.

(D) Exclusions.--The authority of this paragraph may not be exercised with respect to funds that have been made available in authorization and appropriations acts for social or economic programs designed to benefit directly the people of the United States.

(d) In recognition of the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union, of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used by the Department of State for costs of personnel and other expenses for new posts in such states, in addition to amounts otherwise available for such purposes.

SECTION 8. COORDINATION OF ACTIVITIES.

The effectiveness of United States efforts to promote a successful transition to democracy and a market-oriented economy in the former Soviet republics requires that assistance and related programs of all United States Government agencies affecting the former Soviet republics be carefully coordinated. At the same time, it is critical that all assistance and related efforts of United States Government agencies be coordinated with other aspects of our bilateral relations, with the assistance and related programs of other countries and organizations, and with United States foreign policy in general. Accordingly, it is the sense of the Congress that the President should ensure that there continues to be, within the Department of State, a program coordinator who shall be directly responsible for overseeing and coordinating all programs described in this Act and all other activities that the United States Government conducts in furtherance of the purposes of this Act. In this connection, the program coordinator should work closely with the Secretary of the Treasury and the National Advisory Committee on International Monetary and Financial Policies regarding matters for which they have responsibility relating to the activities of international financial institutions, and thereby ensure that such institutions play an important role in complementing programs carried out by United States Government agencies under this Act. [Note: This language needs to be fully checked with Treasury, and adjusted as appropriate, to ensure that the provisions are consistent with Treasury's primary responsibilities for the IFIs.]

SECTION 9. QUOTA INCREASE FOR INTERNATIONAL MONETARY FUND.

In recognition of the critical contribution that the activities of the International Monetary Fund can make to the purposes of this Act, the Bretton Woods Agreement Act is amended by adding at the end thereof the following new sections:

"SEC. 56. QUOTA INCREASE.

"The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 8,608,500,000 Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriation Acts.

"SEC. 57. ACCEPTANCE OF AMENDMENTS TO THE ARTICLES OF AGREEMENT OF THE FUND.

"The United States Governor of the Fund is authorized to consent to the amendments to the Articles of Agreement of the

Fund approved in resolution numbered 45-3 of the Board of Governors of the Fund."

SECTION 10. SUPPORT FOR MACROECONOMIC STABILIZATION.

In order to promote macroeconomic stabilization and the integration of the independent states of the former Soviet Union into the international financial system, the United States should in appropriate circumstances utilize the authority described in section 7(a)(2) of this Act and take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt reduction, conditioned as appropriate on the development and implementation of comprehensive economic reform programs.

SECTION 11. ROLE OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INTERNATIONAL FINANCE CORPORATION.

It is the sense of the Congress that the International Bank for Reconstruction and Development and International Finance Corporation can each play an important role in supporting the economic restructuring in the independent states of the former Soviet Union necessary to move toward market economies. By leveraging the contributions of other donors and the access of those institutions to international capital markets, the United States contribution to special capital increases could play a critical in promoting the purposes of this Act. Accordingly, it is the sense of Congress that the President should seek to negotiate special capital increases with respect to both of these institutions to provide additional capital for an expanded lending program for the independent states of the former Soviet Union.

SECTION 12. COCOM RESTRICTIONS.

The Congress commends recent efforts that have resulted in a substantial reduction of the number of items the export of which is restricted under COCOM procedures. It is the sense of the Congress that efforts to reduce the number of items the export of which is restricted under COCOM procedures should be continued as an important step in further facilitating expanded trade and investment between the United States and the independent states of the former Soviet Union.

SECTION 13. ESTABLISHMENT OF SCIENCE AND TECHNOLOGY CENTER IN UKRAINE.

It is the sense of the Congress that the President should initiate negotiations for the establishment in Ukraine of a center, comparable to the center presently contemplated for Russia, for the purpose of promoting science and technology projects for nonmilitary purposes. Such a center would minimize incentives for weapons scientists and engineers of the former Soviet Union, and particularly scientists and engineers previously involved in the design and production of nuclear, biological, and chemical weapons, and other weapons of mass destruction, to engage in activities that could contribute to proliferation of such weapons by supporting the activities for peaceful purposes of such scientists and engineers. It is the further sense of the Congress that the President should utilize the authorities described in sections 7(a)(4) and 7(a)(8) of this Act to make available appropriate support for such a center.

SECTION 14. STATUTORY LISTS OF COMMUNIST COUNTRIES AND SOVIET-SPECIFIC RESTRICTIONS.

(a) Foreign Assistance Act of 1961.--Section 620(f)(1) of the Foreign Assistance of 1961 is amended by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(b) Export-Import Bank Act of 1945.--The Export-Import Bank Act of 1945 is amended in section 2(b)(2)(B)(ii), by striking from the list at the end thereof "Czechoslovak Socialist Republic.", "Estonia.", "German Democratic Republic.", "Hungarian People's Republic.", "Latvia.", "Lithuania.", "People's Republic of Albania.", "People's Republic of Bulgaria.", "Polish People's Republic.", "Socialist Federal Republic of Yugoslavia.", "Socialist Republic of Romania.", and "Union of Soviet Socialist Republics (including its captive constituent republics).".

(c) Special Restrictions on Persons Involved in Legal Commercial Transactions.--Section 951(e)(2) of Title 18, United States Code, is amended by striking out "the Soviet Union, the

German Democratic Republic, Hungary, Czechoslovakia, Poland, Bulgaria, Romania, or".

(d) Other Obsolete Provisions.--Upon concluding that doing so is in the national interest of the United States, the President may waive the application with respect to any of the independent states of the former Soviet Union of any provision of law that would have restricted the eligibility of the Soviet Union, by name, or by virtue of actions or obligations of the Soviet Union as it existed prior to December 25, 1991, and that might otherwise be construed to apply to such republic or republics, with respect to any program, benefit or other treatment. This subsection shall not be construed as authorizing waivers of the provisions of Title IV of the Trade Act of 1974, as amended.

SECTION 15. ADDITIONAL STATUTORY PROVISIONS.

(a) Overseas Private Investment Corporation.--Section 234(g)(2) of the Foreign Assistance Act of 1961 is amended--

(1) by striking out "or" and inserting a comma in lieu thereof"; and

(2) inserting ", and the independent countries of the former Soviet Union" after the word "Act".

(b) Amendments to Food Security Act of 1985.--Section 1110 of the Food Security Act of 1985 is amended--

(1) in subsection (b) by--

(A) by striking out "or cooperatives" and inserting in lieu thereof "cooperatives, or other private entities"; and

(B) by inserting after "such countries" the phrase "including the independent states that formerly constituted the Soviet Union"; and

(2) by amending subsection (f)(1) to read as follows:

"(f)(1) The Commodity Credit Corporation may provide for grants, or sales on credit terms, of commodities made available under section 416(b) of the Agricultural Act of 1949 for use in carrying out this section.".

(c) Food, Agriculture, Conservation, and Trade Act of 1990.--Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended--

(1) in subsection (b), by inserting "and services" after the word "facilities" each place it occurs;

(2) in subsection (d)(1)(B)(i), by inserting ", farmers, other persons from the private sector," after "agricultural consultants"; and

(3) by amending subsection (d)(1)(D) to read as follows:

"(4) Technical assistance.--The President is authorized to provide, or pay the necessary costs for, technical assistance to enable individuals or other entities to implement the recommendations, or to carry out the opportunities and projects identified under, paragraph (1)(A).".

(d) Other Provisions Applicable to Agriculture Programs.--

(1) Food Security Act of 1985.--(A) The ceiling limitation contained in section 1110(f)(4) of the Food Security Act of 1985 shall not apply with respect to funds used during fiscal years 1992 and 1993 with respect to commodities made available for the independent states of the former Soviet Union.

(B) The ceiling limitation contained in section 1110(g) of the Food Security Act of 1985 shall not apply with respect to commodities furnished during fiscal years 1992 and 1993 to the independent states of the former Soviet Union.

(2) Food, Agriculture, Conservation, and Trade Act of 1990.--For fiscal years 1992 and 1993, the ceiling limitation contained in section 1542(d)(1)(I) of the Food, Agriculture, Conservation, and Trade Act of 1990 shall not apply with respect to assistance made available for the independent states of the former Soviet Union.

(3) Agricultural Trade Development and Assistance Act of 1954.--For fiscal years 1992 and 1993, the ceiling limitation contained in section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall not apply with respect to programs for the independent states of the former Soviet Union. Any funds made available under that Act may be made available

under section 202(e)(1) to assist private voluntary organizations and cooperatives in establishing new food assistance programs for those states under provisions of law other than title II of that Act, as well as for the purposes described in paragraphs (A) and (B) of that section.

(4) Agricultural Trade Act of 1978.--It is the sense of the Congress that in view of the historic transformation taking place in the independent states of the former Soviet Union, and the contribution that guarantee programs of the Commodity Credit Corporation for those states can make in these circumstances to the purposes described in sections 202(c) and 202(d) of the Agriculture Trade Act of 1978, the Secretary of Agriculture should refrain from making a determination under section 202(f) of that Act regarding those states, and should maintain a substantial guarantee program to promote the export of United States agricultural commodities in those states.

(e) Restrictions on Imports From the Soviet Union.--To the extent consistent with Title IV of the Trade Act of 1974, as amended, the President is authorized and encouraged to exempt any of the independent states of the former Soviet Union from any statutory or regulatory restrictions on the importation of goods and services into the United States, to the extent that such restrictions are more stringent with respect to goods and services of such states than restrictions applicable to like goods and services of other friendly countries.

March 25, 1992

SECTIONAL ANALYSIS OF THE SUPPORT FOR THE DEMOCRATIC AND
ECONOMIC DEVELOPMENT OF THE INDEPENDENT STATES OF THE
FORMER SOVIET UNION ACT OF 1991

The Support for the Democratic and Economic Development of the Independent States of the Former Soviet Union Act of 1991 would authorize the President to provide critical support for the economic and political transformation taking place in the independent states of the former Soviet Union.

Section 1.--Title

This section entitles the bill "The Support for the Democratic and Economic Development of the Independent States of the Former Soviet Union Act of 1991".

Section 2.--Findings.

This section states a series of findings that emphasize the opportunities created by recent events in the independent states of the former Soviet Union for a transition to a peaceful and stable international order and the integration of those states into the community of democratic nations, the international community's interest in a successful transition, and the special role that the United States can play because of its heritage and traditions in contributing to this transition. The findings also state that failure to meet these opportunities could threaten U.S. national security interests and jeopardize substantial savings in defense that these developments have made possible.

Section 3.--Definition.

This section defines the phrase "independent states of the former Soviet Union" as used in this Act. It would include any state established on the territory of the former Soviet Union, but does not include Estonia, Latvia, or Lithuania.

Section 4.--Policy.

Subsection (a) sets forth that United States policy should, among other things, facilitate integration of the independent

states into the community of democratic nations and support economic and political reform through the provision of assistance and the promotion of United States trade and investment in the independent states of the former Soviet Union.

Subsection (b) sets forth several considerations which the President should take into account in providing assistance, based on the "five principles" that the United States has emphasized: establishment of a democratic system; respect for internationally recognized human rights; economic reform; respect for international law and obligations, and adherence to the provisions of the Helsinki Final Act and the Charter of Paris; and adherence to responsible security policies.

Section 5.--Purposes of Assistance.

This section states that funds authorized to be appropriated under this Act may be made available for the independent states of the former Soviet Union, in furtherance of the policies described in section 4, for the purposes of promoting democracy, encouraging free market systems, meeting urgent and other humanitarian needs, fostering demilitarization of the economy and defense conversion, and promoting bilateral trade and investment, and for such other purposes as the President deems appropriate.

Section 6.--Extraordinary Nature of Assistance.

This section highlights the extraordinary circumstances surrounding the need for assistance under this Act, including the rapid and uneven change throughout the independent states of the former Soviet Union, the need for efficient coordination of U.S. assistance with the similar activities of other donors, the need to develop and implement U.S. programs in a manner to promote the strengthening of U.S. bilateral relations with the independent states of the former Soviet Union, the importance of expanded trade and investment as the best method to promote market reforms in the independent states of the former Soviet Union while at the same time promoting the involvement of U.S. businesses in the emerging private sectors of those states, the fact that trade and investment will generate strong employment and other economic benefits for the United States as the economies of the independent states of the former Soviet Union begin in future years to realize their enormous potential as both customers and suppliers, and the need in light of these

circumstances to ensure that the President has authority to furnish United States assistance and resources expeditiously if the United States is to be able to influence events as they occur and effectively promote the purposes of this Act.

Section 7.--Assistance and Related Activities.

Subsection (a) authorizes the President to furnish assistance in order to promote the objectives described in section 5, including assistance for support for the creation and development of democratic political systems, and of private enterprise and free market systems (including support for multilateral efforts to promote macroeconomic stabilization), creation of the conditions for expanded trade and investment, support for demilitarization and defense conversion, improvements in food distribution systems, for promotion of investment in and increased efficiency of the energy sector and conservation of natural resources, support in addressing emergency and other humanitarian needs, support for activities that will facilitate efforts connected with withdrawal and relocation of military forces of the former Soviet Union, preventing the diversion of scientific expertise, and preventing the proliferation of weapons of mass destruction (including in appropriate circumstances having the United States purchase or receive without cost such weapons or related material), and support for cultural exchange programs.

Subsection (b) sets forth the sense of the Congress concerning promoting involvement of the U.S. private sector in the process of transition taking place in the independent states of the former Soviet Union and authorizes the President to undertake activities designed to promote the active involvement of the private sector. These activities include initiatives designed to encourage involvement of small- and medium-sized businesses in the markets of those states; support for one or more Enterprise Funds that serve to promote United States investment in the private sector or a Eurasia Foundation or similar organizations -- which it is contemplated may be established to provide assistance to promote and strengthen market economies and institutions concerned with representative government, effective legal systems, human rights and responsible media -- as well as support through programs of the Overseas Private Investment Corporation); support for a "Democracy Corps" or other similar organization as described in the provision; technical assistance designed to help increase trade between those states and the United States; and support for efforts by those states

to participate in certain international economic and financial organizations.

Subsection (c)(1) authorizes to be appropriated to the President, in addition to amounts otherwise available for such purposes, such sums as may be necessary to carry out the purposes of this Act, and specifies that such funds are authorized to remain available until expended.

Subsection (c)(2) authorizes the President to utilize funds made available to carry out the Foreign Assistance Act of 1961, as amended, for programs for the independent states of the former Soviet Union, and specifies that any such funds that are made available under chapter 4 of part II of that Act may be utilized on the same basis as funds appropriated under paragraph (1).

Subsection (c)(3) authorizes any United States Government agency that has authority under the Support for East European Democracy (SEED) Act of 1989 to take SEED Actions for any eligible East European country under that Act to utilize such authority, and to make available any funds available to it for activities related to international affairs outside of Eastern Europe, to carry out comparable programs or take comparable actions for any of the independent states of the former Soviet Union.

Subsection (c)(4) authorizes utilization of funds authorized to be appropriated by this Act to cover the subsidy cost and administrative expenses for any direct loans or loan guarantees. Loans or guarantees could be provided either directly under the authority of this paragraph, in connection with the general authority under the Foreign Assistance Act to provide assistance on such terms as may be best suited to the achievement of the purposes of that Act, or in connection with the authority to furnish assistance under chapter 4 of part II of that Act "on such terms and conditions as [the President] may determine, in order to promote economic stability." Alternatively, funds could be utilized in the same manner as under ongoing programs such as those conducted by the Overseas Private Investment Corporation.

Subsection (c)(5) supplements the authority of the President to utilize funds made available to the Department of Defense under sections 108 and 109 of Public 102-229 by making them available to carry out the provisions of section 7(a)(4) and section 7(a)(8), relating to efforts described above in such areas as nonproliferation, withdrawal and relocation of

military forces of the former Soviet Union, demilitarization and defense conversion.

Subsection (c)(6) contains a series of general authorities. First, it authorizes use of funds authorized to be appropriated by this Act for administrative expenses of United States Government agencies in connection with administering programs under this Act. Second, it provides that assistance may be provided and authorities may be exercised in accordance with this Act notwithstanding any other provision of law. It thus for instance would permit the use of funds appropriated under subsection (c)(1) or economic support funds made available under subsection (c)(2) notwithstanding any other provision of law; would permit the use of funds for OPIC guarantee programs under subsection (c)(4) notwithstanding otherwise applicable program ceilings on OPIC activities; and would permit the taking of actions authorized under this or other sections of the Act notwithstanding such provisions. Finally, it provides that in making available funds appropriated to carry out the Act, the President may utilize any of the authorities applicable to the provision of assistance under the Foreign Assistance Act of 1961 and to the provision of assistance under programs for which appropriations are made in annual foreign operations, export financing, and related programs appropriations acts (including as an example Peace Corps programs).

Subsection (c)(7) would authorize any agency the head of which makes the determination described in subparagraph (B) to utilize funds available to it for any of the purposes for which funds authorized to be appropriated by this Act may be utilized, subject to any procedures for coordination of activities consistent with section 8 of this Act. The required determination is a determination that the benefits of exercising the authority of this paragraph outweigh the benefits of not doing so, taking into account the anticipated effect of doing so on the ability of the agency to achieve its statutory objectives and otherwise foster its programs and policies, as well as the extent to which doing so can in other ways be expected to promote the national interests of the United States. There is a specific exemption for funds that have been made available in authorization and appropriations acts for social or economic programs designed to benefit directly the people of the United States. Finally, the last sentence of subparagraph (C) confirms that nothing in this provision shall be construed as limiting the authority of any United States Government agency under other provisions of this Act or other provisions of law.

Subsection (d) contains a statement regarding the importance of establishing an effective official United States Government presence in the independent states of the former Soviet Union. It provides that of the funds authorized to be appropriated by this Act, such sums as may be necessary may be used by the Department of State for costs of personnel and other expenses for new posts in such states, in addition to amounts otherwise available for such purposes.

Section 8.--Coordination of Activities.

The section stresses the need for careful coordination of all U.S. assistance for the independent states of the former Soviet Union among United States Government agencies and with the efforts of other countries and organizations. It expresses the sense of the Congress that the President should ensure that there continues to be, within the Department of State, a program coordinator who shall be directly responsible for overseeing and coordinating all programs described in this Act and all other activities that the United States Government conducts in furtherance of the purposes of this Act, and indicates that the program coordinator should work closely with the Secretary of the Treasury and the National Advisory Committee on International Monetary and Financial Policies regarding matters for which they have responsibility relating to the activities of international financial institutions.

Section 9.--Quota Increase for International Monetary Fund.

This section amends the Bretton Woods Agreements Act in two respects in recognition of the critical contribution that the activities of the International Monetary Fund can make to the purposes of this Act. First, it authorizes subject to appropriations an increase in the quota of the United States in the International Monetary Fund, as previously requested by the Administration. Second, it authorizes acceptance of certain amendments to the Fund's Articles of Agreement that would allow the Fund to suspend a member's voting rights if that member, having been declared ineligible to use the Funds's general resources because it failed to fulfill obligations under the Articles, persists in its failure to fulfill its obligations. The quota increase resolution that was approved by the Fund's Board of Governor's provides that the quota increase cannot become effective without approval of these amendments to the Articles of Agreement.

Section 10.--Support for Macroeconomic Stabilization.

This section states that the United States should take a leading role in organizing and supporting multilateral efforts at macroeconomic stabilization and debt reduction, conditioned as appropriate on the development and implementation of comprehensive economic reform programs.

Section 11.--Role of International Bank for Reconstruction and Development and International Finance Corporation.

This section expresses the sense of the Congress with regard to the role of the International Bank for Reconstruction and Development and International Finance Corporation, and urges the President to seek to negotiate special capital increases with respect to both of these institutions to provide additional capital for an expanded lending program for the independent states of the former Soviet Union.

Section 12.--COCOM Restrictions.

This section commends recent efforts that have resulted in a substantial reduction of the number of items the export of which is restricted under COCOM procedures, and states the sense of the Congress that efforts to reduce the number of items the export of which is restricted under COCOM procedures should be continued as an important step in further facilitating expanded trade and investment between the United States and the independent states of the former Soviet Union.

Section 13.--Establishment of Science and Technology Center in Ukraine.

This section states the sense of the Congress that the President should initiate negotiations for the establishment of a Science and Technology Center in Ukraine, comparable to that presently contemplated for Russia.

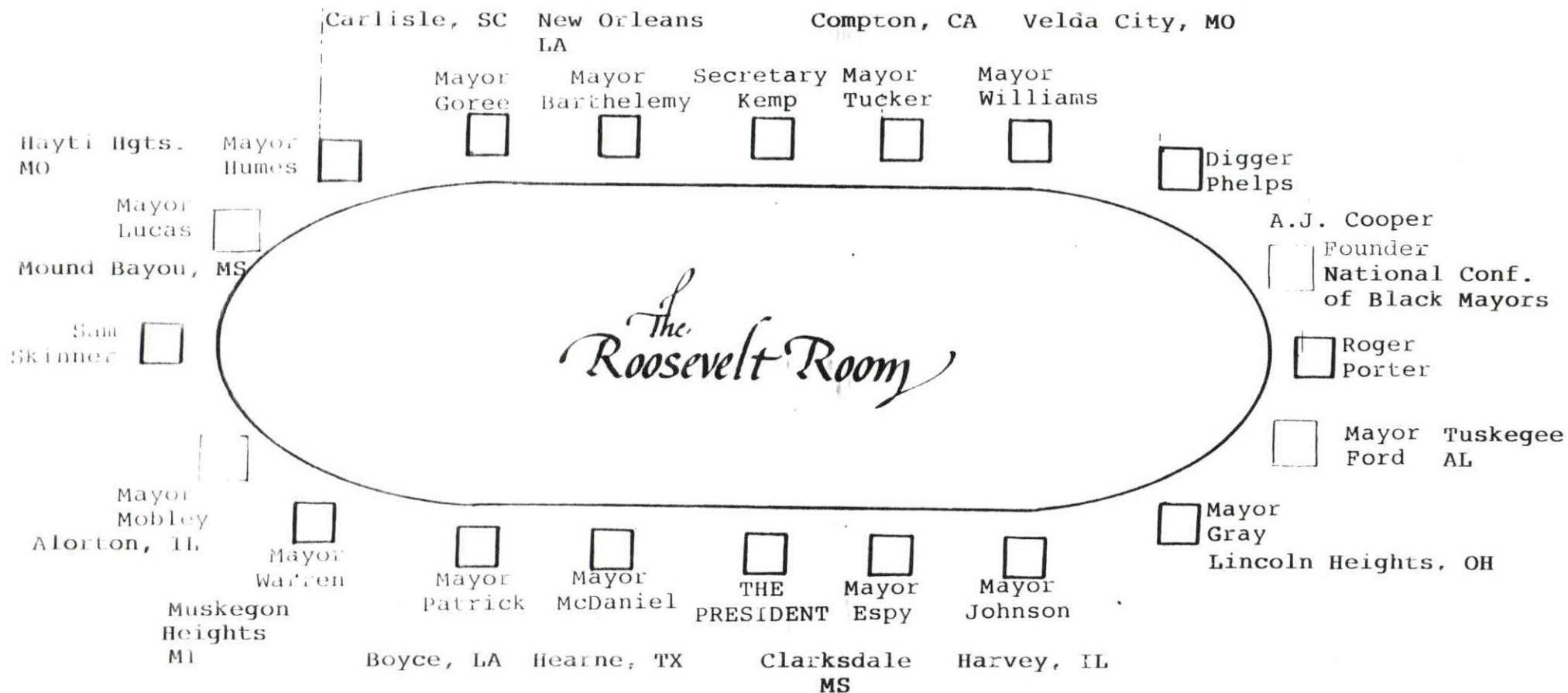
Section 14.--Statutory lists of communist countries and Soviet-specific restrictions.

Subsections (a), (b) and (c) delete the Soviet Union and Eastern European countries from the statutory communist country

lists contained in the Foreign Assistance Act of 1961 and the Export-Import Bank Act of 1945, as well as the provisions governing registration of foreign agents representing these countries in certain commercial matters. Subsection (d) authorizes the President, upon concluding that doing so is in the national interest, to waive the application with respect to any of the independent states of the former Soviet Union of any provision of law that would have restricted the eligibility of the Soviet Union, by name, or by virtue of actions or obligations of the Soviet Union as it existed prior to December 25, 1991, and that might otherwise be construed to apply to such republic or republics, with respect to any program, benefit or other treatment. Thus, the provision would apply to provisions such as the Byrd and Stevenson Amendments, each of which specifically names the Soviet Union, and the Johnson Debt Default Act, which applied by virtue of actions or obligations in connection with the renunciation of debt by the former Soviet Union. A specific exception provides that the authority of this provision cannot be used to waive the provisions of Title IV of the Trade Act of 1974, which includes the Jackson-Vanik Amendment.

Section 15.--Additional statutory provisions.

Subsection (a) amends section 234 of the Foreign Assistance Act to make the independent states of the former Soviet Union eligible for the pilot equity program of the Overseas Private Investment Corporation (OPIC). Subsections (b), (c), and (d) contain a series of provisions allowing greater flexibility in USDA programs for the independent states of the former Soviet Union. Subsection (d)(4) contains sense of the Congress language urging the Secretary of Agriculture, in light of the historic transformation taking place in these states, to exercise his discretion to refrain making determinations described in section 202(f) of the Agricultural Trade Act of 1978, and urges that a substantial guarantee program to promote the export of United States agricultural commodities in those states be maintained. Finally, subsection (e) authorizes and encourages the President to exempt the independent states of the former Soviet Union from certain statutory or regulatory restrictions on the importation of goods and services into the United States, though not from the provisions of Title IV of the Trade Act of 1974.



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THE PRESIDENT

July 21, 1992

To: Mike Deland

Please let me know what you hear back from
Lufkin and O'Brien.

Both = good folks; both rather far out on
environment. Let's win 'em over!

GB

A handwritten signature, possibly "ag", written in dark ink.

THE WHITE HOUSE

WASHINGTON

Dear Mr. O'Brien:

Burt Lee relayed your and Dan Lufkin's thoughtful letters to me. Since then, I have been travelling virtually non-stop, resulting in this tardy response.

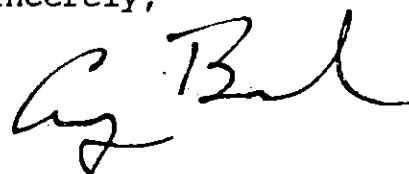
I am sensitive to the concerns you both expressed and have asked Mike Deland, the Chairman of my Council on Environmental Quality, to respond to them in detail.

In the meantime, I assure you that I remain committed to my goal of "no net loss of wetlands." My position on the Biodiversity Treaty is simple and has nothing to do with the protection of the world's species. As I stated in Rio, the U.S. will exceed the species protection portions of the Treaty. The concerns which prompted me not to sign it dealt with the funding mechanisms and the failure to adequately protect intellectual property rights. As currently drafted, the Treaty would substantially undercut the incentive of the U.S. private sector to continue its world-leading research in biodiversity.

I hope you will carefully review Mike's response to you. If you do, I think you will find that we have compiled a solid record of accomplishment to protect our environment both here and abroad.

Barbara joins me in sending our best regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush". The signature is fluid and cursive, with the first letter of the first name being a large, stylized "G".

Mr. Donal C. O'Brien, Jr.
One Chase Manhattan Plaza
New York, New York 10005

THE WHITE HOUSE

WASHINGTON

Dear Dan:

Burt Lee relayed your and Donal O'Brien's thoughtful letters to me. Since then, I have been travelling virtually non-stop, resulting in this tardy response.

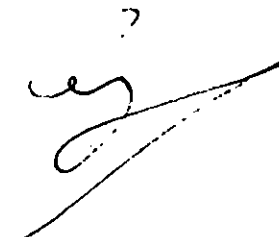
I am sensitive to the concerns you both expressed and have asked Mike Deland, the Chairman of my Council on Environmental Quality, to respond to them in detail.

In the meantime, I assure you that I remain committed to my goal of "no net loss of wetlands." My position on the Biodiversity Treaty is simple and has nothing to do with the protection of the world's species. As I stated in Rio, the U.S. will exceed the species protection portions of the Treaty. The concerns which prompted me not to sign it dealt with the funding mechanisms and the failure to adequately protect intellectual property rights. As currently drafted, the Treaty would substantially undercut the incentive of the U.S. private sector to continue its world-leading research in biodiversity.

I hope you will carefully review Mike's response to you. If you do, I think you will find that we have compiled a solid record of accomplishment to protect our environment both here and abroad.

Barbara joins me in sending our best regards.

Sincerely,



Mr. Dan W. Lufkin
711 Fifth Avenue
New York, New York 10022

*Dan - I have full confidence
in Kelly and in Deland - I hope
you do, too.*

SUITE 401

Dan W. Lufkin
711 Fifth Avenue
New York, N.Y. 10022

June 18, 1992

George Bush, President
United States of America
Washington, D.C.

Dear Mr. President,

I go back a long way supporting George Bush, even before the fund-raiser Mac Baldridge and I gave for you in early 1980, when we piped you in from New Hampshire to speak to the assembled troops (and the phone quite twice)! That's the good news; now the bad news.

Changing the definition of a wetland under Section 404 of the Clean Waters Act is a direct, no-confusion-involved, contradiction of your direct, unequivocal '88 campaign pledge "no net loss of wetlands during my administration". Don O'Brien's letter enclosed outlines in stark terms exactly how much damage is being done.

Your position on biodiversity, as expressed by Bill Reilly at Rio, is based on erroneous interpretation of only partial facts. It truly is not a question of jobs, or opportunity in biotech industry, and the money issue could have been, can be, compromised. What it is, along with wetlands, is the conclusion of a one-two punch which has knocked you out of contention for a return engagement for even the most benign of environmental voters. I do not personally know of a single person who approves of your positions on these issues.

Don't let me down George (read American people). Take a closer review of these environmental issues for yourself, not just what your political or other advisors tell you.

Respectfully,



Dan W. Lufkin

ONE CHASE MANHATTAN PLAZA
NEW YORK 10005

June 18, 1992

President George Bush
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President:

Our mutual friends Dan Lufkin and Burt Lee suggested that I write to you about my concerns over the position of your Administration on certain environmental issues. Although I have several concerns, I am limiting my letter to two: the proposed Wetlands Delineation Manual and the Endangered Species Act.

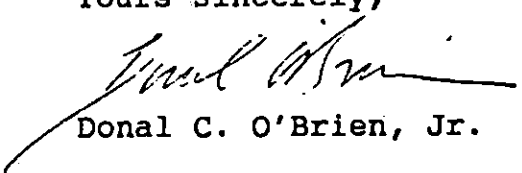
Although you and I have only met on a few occasions, I feel as if I have known your family for years. Your brother Jon and I were at Hotchkiss together and are good friends. Your brother Bucky and my brother Jon were classmates and are best of friends, and your daughter Doro and my daughter Connan were at Farmington together.

I have had a lifelong interest in the outdoors and the environment, first as a hunter and fisherman and in the last couple of decades as a conservationist. I am a director and chairman emeritus of the National Audubon Society, former vice-chairman of The Nature Conservancy, currently president of the International Council for Bird Preservation and a member of the boards of the North American Wildlife Foundation and the Atlantic Salmon Federation. I was also appointed by Governor Tom Meskill of Connecticut to the State's Fish and Game Commission and subsequently to its Council on Environmental Quality, on which I served for eight years. I have recently been re-appointed to the Council on Environmental Quality by Governor Lowell Weicker.

I am writing you this letter since I am very concerned that you are not receiving sound advice on environmental issues, or to the extent you are receiving advice, it is largely one-sided. I am also firmly convinced that what is good for the environment is not only good for America, but it is good politics as well.

I thank you for your consideration of these issues.

Yours sincerely,


Donal C. O'Brien, Jr.

cc: Jonathan Bush
Dan W. Lufkin
Burton J. Lee, III

ONE CHASE MANHATTAN PLAZA
NEW YORK 10005

June 18, 1992

President George Bush
1600 Pennsylvania Ave.
Washington, D.C.

Dear Mr. President,

As a longtime friend and supporter, I am writing to convey my concern and distress that recent action by some of your advisors are damaging your record of environmental accomplishments and threatening your reputation as a Republican conservationist in the proud tradition of Teddy Roosevelt. I am particularly saddened by this because I know of your personal concern for wildlife and the outdoors and because I know of the many real efforts you have made to improve our nation's environment. I was heartened in the 1988 elections to hear you campaigning as the "Environmental President." I welcomed your calls for "no net loss" of wetlands and the conservation of our nation's natural heritage. Exactly for this reason, I am alarmed by statements and actions by high officials in your Administration that are visibly undermining your pledges.

I am particularly concerned about some of your Administration's recent decisions on wetlands, especially the Wetlands Delineation Manual proposed last fall. This manual would redefine how the federal government delineates wetland boundaries for Section 404 of the Clean Water Act and other federal wetlands protection programs. So narrow is this new definition that it has been estimated that it would exclude half the nation's wetlands from eligibility for federal protection. It would have devastating impacts on the Florida Everglades, Virginia's Great Dismal Swamp, as much as one-third of the nation's prairie potholes and much of the critically important riparian and ephemeral wetlands of the West so important to waterfowl and other migratory birds. To place this in perspective, in 25 of the 33 states for which acreage estimates are available, as much as 50% or more of all wetlands may be excluded from federal protection under the proposed manual.

As fellow conservationists and waterfowlers, you and I know that shallow, temporary wetlands provide critical habitat for many species of migratory waterfowl and other wildlife. Unless we preserve these severely depleted, early thawing, shallow wetlands, entire populations of waterfowl -- already at or near their historic low -- will go into even steeper declines, and

some may never recover. It is precisely these wetland habitats most critical to waterfowl breeding success that would be hardest hit by the proposed manual.

Although I recognize that your Administration is being pressured from all sides on the wetlands issue, and that no matter what you do, you will probably receive criticism, I am concerned that you may not be hearing the full story on the proposed Wetlands Delineation Manual. The outcry against it is very powerful, and I believe it is important for you to be aware of what is being said.

For instance, in terms of public response and reaction, the majority of the more than 70,000 comments received during the comment period opposed the proposed changes to the manual. The nation's press has been uniformly critical. And with respect to expert evaluation, virtually all of the ecologists and wetlands scientists who have been asked to comment on the manual have publicly criticized it as being scientifically indefensible and unworkable.

Perhaps most telling, the Governors of Arkansas, California, Delaware, Hawaii, Maine, Maryland, Minnesota, New Jersey, New York, North Dakota, Pennsylvania and Rhode Island, as well as the Western Governors' Association chaired and vice-chaired by the governors of Wyoming and Arizona, respectively, have written EPA expressing strong reservations or opposition to the manual. Governor Pete Wilson wrote an especially strong, and I thought persuasive, letter to you expressing his grave reservations about the manual.

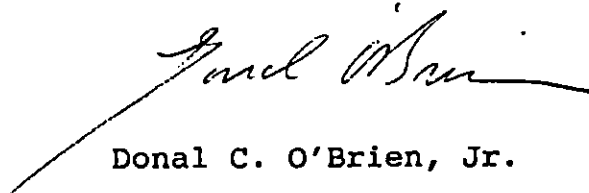
Finally, our nation's precious remaining wetlands should not and need not be sacrificed on the premise that they must be lost for economic reasons. Mr. President, this is an erroneous, even dishonest, argument that is being advanced by certain of your advisors for purely political reasons. Thus, I respectfully urge you not to go forward with the proposed Wetlands Delineation Manual. It would be a disaster for wetlands resources, and a real blow to those who supported your pledge of no-net-loss of wetlands. The 1987 wetlands manual, currently in use by the Corps and EPA, is a technically sound document. To avoid any further controversy over wetlands in the coming months, I further recommend that you direct the agencies to continue to use the 1987 Manual. At the same time, because any further changes by the federal agencies to the existing wetlands manual would almost certainly be greeted with suspicion, I suggest that any technical questions that you or your Administration may have about how to define or delineate wetlands be directed to the National Academy of Sciences or a similar independent scientific panel for an impartial review. This would help to establish a credible, scientific alternative to the proposed manual, and place your Administration in a position to address the concerns of both the

environmentalists and those who oppose the current Wetlands Delineation Manual.

The issue of the protection of wildlife and endangered species is a second area where I believe you are being poorly served by advisors who are clearly listening to only one side of the debate. You were absolutely right in asserting at the Rio Summit that the United States has the strongest and most far-sighted environmental laws of any nation on earth. This is something that Americans of all political persuasions have a right to be proud of. But your ability to stand proud on that record is imperiled when your Secretary of the Interior declares his intention to gut the Endangered Species Act, which is considered the world over as the benchmark of environmental legislation. I believe the vast majority of Americans want you to take a strong and visible stand in support of the Endangered Species Act, that they will respect you for doing so and that they will follow your leadership. The law has proven effective, flexible and sound in its twenty-year history. Now is not the time to abandon its principles. Frankly, most of us who have followed this debate believe that Secretary Lujan's frequent comments on this issue are generally both ill-informed and politically damaging to you as well.

Mr. President, you have made the point that a thriving economy and a healthful environment can and should go hand in hand, and I support your view that a balanced approach is necessary. But I am very concerned that some of your advisors are seeking to betray that balance by their effort to create a situation where the choice appears to be "jobs versus the environment", as if we can only have one if we sacrifice the other. This theme may play well in isolated areas, but it does not fool the majority of Americans, and it runs the great danger of painting you into a corner and making it harder for you to achieve the environmental leadership that you deserve.

Yours sincerely,



Donal C. O'Brien, Jr.

DCOB:dl

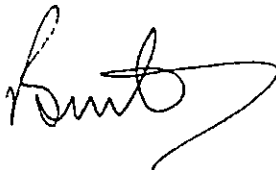
THE WHITE HOUSE

WASHINGTON

June 25, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: DR. BURTON LEE



I promised Dan Lufkin and Don O'Brien that I would pass these letters on to you. Don was the lead lawyer for the Rockefeller family for many years and remains very close to them.

As I am sure you know, I am one of those in your administration who is deeply dedicated to protection and preservation of the environment. We only have one, and when it is gone, it is gone.

Copy to:
Sam Skinner

daily



THE PRESIDENT

July 21, 1992

To: Sec. Franklinm

from: President

Barbara:

Loved this letter from Regula.

Keep it up!

GB
GB

Ralph -

*I sent this
note to Sec. Franklin
Steele's doing a good
job. Thanks / Ray*



THE PRESIDENT

July 21, 1992

To: Sec. Franklinm
from: President

Barbara:

Loved this letter from Regula.

Keep it up!

CB
GB

~~RALPH REGULA~~



Dear Mr. President
Barbara Franklin was in the
16th District for a day
ending with a speech to
the Stark County Republican
Finance dinner. She was

terific! Her remarks on
your behalf drew a
standing ovation for
both of you.
She reflects your strong
leadership and its meaning
for all Americans with whom
with friendship,
Debra

RECEIVED
HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515
52 JUL 18 AID: 22

WHITE HOUSE MAIL
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CANTON, OHIO
D.

daily

THE WHITE HOUSE MR. PRESIDENT:
WASHINGTON

The Chief of Staff and
Director Darman have
reviewed.

February 11, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: Nicholas E. Calio *NEC*
SUBJECT: Economic Growth Package

THE PRESIDENT HAS SEEN 7/21

I. BACKGROUND

Your comprehensive growth package, both short and long term, was introduced as H.R. 4150 the week of the State of the Union address. It consists of forty-nine titles including elements as diverse as taxes, tort reform and education.

Last Friday, House Republican Leader Bob Michel (R-IL) and Congressman Bill Archer (R-TX), introduced H.R. 4200, a streamlined package of the seven short term growth items (capital gains, first time homebuyer's credit and penalty-free IRA withdrawal, passive loss relief, the investment tax allowance, AMT depreciation enhancement, and facilitation of pension fund investment in real estate) which you asked Congress to act on by March 20. H.R. 4200 is fully paid for through offsets which are not entirely within the jurisdiction of the Ways and Means Committee. The offsets are in the form of spending cuts and reforms.

H.R. 4200 was designed to respond in part on our terms to Ways and Means Chairman Rostenkowski's (D-IL) request that the Administration introduce a bill, to be used as a mark-up vehicle, that was completely paid for within his Committee's jurisdiction. In the past, Rostenkowski has in almost all circumstances introduced a "Chairman's Mark" as the mark-up vehicle.

The Chairman's purpose in urging you to introduce such a bill was to force you to put unpopular revenue raisers on the table for a vote that, more likely than not, would have failed. We told Rostenkowski that we were bound by the Budget Enforcement Act of 1990 (BEA), not Ways and Means rules.

This afternoon, House Majority Leader Dick Gephardt (D-MO) will introduce H.R. 4210. The bill will consist of only the first three titles of your comprehensive package, H.R. 4150. In addition to the seven short term growth items discussed above (Title I of H.R. 4150), Titles II and III contain your long term tax proposals as well a variety of revenue raisers. These three titles standing alone, by our own scoring, fall approximately \$30 billion short of being revenue neutral.

Gephardt's bill will serve as the Ways and Means markup vehicle tomorrow. After some partisan acrimony, it is likely that the Committee will report H.R. 4210 without amendment and without recommendation. Rostenkowski hopes to do so without a vote. (The roll must be called if four members request a vote.)

The bill will be sent to the Rules Committee and will be filed next week with a Committee Report that consists mainly of language pulled out of your Budget submission.

On Thursday, the Democrats will caucus and craft an alternative to H.R. 4210. They anticipate that it will take two to three days. The Chairman will then take their alternative to the Rules Committee.

✓ It is rumored that the Gephardt bill (supposedly yours) will be held at Rules until we come up with a way to make up the \$30 billion revenue shortfall. While the rule is a matter for the leadership, Rostenkowski will support the right of Republicans to offer an alternative to his bill. Thus, there could be three bills up for consideration. Straight up or down votes on the alternatives are anticipated.

The Democratic alternative is likely to contain many of the elements of both your short and long term growth proposals. In some cases, they may be only superficially close to your proposals; in others, they may "sweeten" your proposals to attract support. Their alternative will also include middle class tax relief more generous than you provide.

The revenue loss caused by the Majority's bill will be paid for by a surtax on millionaires and higher marginal tax rates on upper income taxpayers. The higher rates will be probably be in the range of 35 percent. The new rates are likely to apply to individual taxpayers in the \$150,000 income range and to joint taxpayers in the \$200-250,000 range.

II. STRATEGY

The Democrats' strategy is to resurrect the "fairness" issue for purely political purposes. They will repeat over and over in simple sound bite phrases, that you, and the Republican party, favor the rich and do not care about the middle class.

For our part, working with our Republican allies, we will attempt to frame the issues in a way that works to our advantage. For example, our package will provide for economic stimulus, growth, and jobs, and will do so without raising taxes.

The Democrats, however, will be scratching an old itch - to raise taxes - all the while attempting to cover it up with a fairness cloak. Given that Congress has repeatedly shown, program by program, that it does not spend taxpayers money wisely or well, the notion that their efforts should be given a vote a confidence in the form of laying a greater tax burden on any American should be rejected. They just raised taxes 15 months ago - effectively taking the top tax rate up to 34.6 percent. If allowed to raise taxes again now, they will be back next year.

daily 7/21

Q & A - AIDS

Q. THE AIDS EPIDEMIC IS GETTING WORSE. ARE YOU GOING TO INCREASE FUNDING?

A: THE ADMINISTRATION HAS A FOUR PART STRATEGY:

- BIOMEDICAL RESEARCH EFFORT
- PREVENTION
- TREATMENT
- ASSISTING INDIVIDUALS IN COMMUNITIES TO COPE WITH THE DISEASE.

WE HAVE INCREASED FEDERAL FUNDING FOR AIDS RESEARCH AND TREATMENT EACH YEAR.

FY 1993 4.9 BILLION

FY 1992 4.3 BILLION (MORE FUNDS ALLOCATED FOR ANY DISEASE EXCEPT FOR CANCER)

FY 1991 3.6 BILLION

FY 1990 2.9 BILLION

Daily 7/21

THE WHITE HOUSE
WASHINGTON

July 19, 1992

MEMORANDUM FOR RON KAUFMAN
TIM HECHT

FROM: LYNN LAWSON 

SUBJECT: CONNECTICUT REPUBLICAN STATE CONVENTION

The Connecticut Republican State Convention was held this weekend. The focus of the convention was on the **US Senate race** between **Chris Burnham** and **Brook Johnson**. Johnson needed 20 percent of the convention delegate support to qualify for the September 15 primary. The voting results follow.

Burnham	62%
Johnson	38%

Burnham received the support of both Republican National Committee members - John Miller and Jo McKenzie and Congressman **Chris Shays**. Johnson received the support of State Party Chairman **Dick Foley** as well as Congressman **Franks** and Congresswoman **Johnson**.

Party members report that the race has not resulted in a fracture of the party but rather a healthy invigoration of political support within the party.

With the senate race receiving most of the attention of the convention, there were no reports of Perot activity. A few Perot supporters were in attendance but did not pledge their support to either the President or Clinton. Discussion and focus on Perot was minimal.

The expected slate of 35 Presidential delegates were elected. The delegation is comprised of 18 female and 17 male delegates and 14 female and 21 male alternates. Four Afro Americans and 4 Hispanics are members of the delegation.

Betsy Heminway and **Brian Gaffney** were elected to the Platform Committee. **Foley** was elected to the Rules Committee.

Governor **Weld** delivered the keynote address and was very well received. He did state his support of the pro-choice position, saying that he was "very pro-Bush but also very pro-choice."

FYI: The most recent Presidential poll results were:
Bush 29% Perot 26% Clinton 25%



daily 7/21

CS

Della Newman
Ambassador of the United States of America

July 7, 1992

Dear "G.B." Sir:

Thanks for the reply - and although it is always a treat to hear from you, I know how very busy things are for the next few months, so if I don't hear from you - you will still be "fantastic".

We have had absolutely wonderful 50th anniversary of the arrival of American troops in N.Z. celebrations. Cincpac sent retired Adm. Ron Hays, as the rep. of the U. S. military, and he was perfect. No one anticipated the outpouring of affection on the part of the New Zealanders for all the American Veterans - some returning, and many who left, came back, and still live here. All kinds of festivities, including a parade in Auckland, and one here in Wellington, that all N.Z. tells me were the best ever! Someday when I get a chance to show you our scrapbooks, you will see all the wonderful articles, and pictures.

The election campaign is of great interest here, I get questions from everyone. Most assume, and rightly, that it is early in the campaign, and the American people will settle down and remember who is the best - George Bush. All are appalled that anyone of the caliber of Clinton or Perot could even be considered. One suggestion, during the Gulf crisis, from beginning to end, often in the newspapers and on T.V. were "photo ops" of the Task Force: Colin Powell, Dick Cheney, Dan Quayle, etc. showing the American people and the world that you were working the problem. How about, without any formal announcement putting together a Domestic Taskforce, without at first calling

over

From the desk of

George Bush

*no reply
needed*

it that. First you assemble the group with no notice to the press, except that you have asked Martin, Sullivan, Saiiki, Kemp, etc. to do some brainstorming with you on domestic issues. Then after the second or third such meeting - one of the participants in a throwaway to the press mentions the meeting as a "sort of Domestic Task Force" - and the label sticks. The perception is that you are addressing all the problems facing the Nation the same way you have all the past problems, by getting the best balanced input and working from there. Next step naturally is to invite Mitchell, Dole, Foley et al in - only when the timing is right. I know you have experts, Boss, running the campaign, and your experience in campaigning is unsurpassed - so I am only offering a suggestion, because although you have done a million things to combat unemployment, put forth hundreds of proposals on education, crime, etc. the American public doesn't hear that. Or at least that's what is coming thru down here.

That aside, my friend, hang in there - you are still the best President ever, and you will be handily re-elected. I want to come to the Inaugural Ball - or maybe even run it for you, now that's a thought.

Meantime, I am doing my job here - and loving it, and rest assured I will be working "the problem" til I leave the end of December. I really hope Bob Goodwin gets thru the confirmation process before the election in order to leave no gap here. And, I hope AmCham gets their act together on the Trade Mission from Aust and N.Z. in Sept. - Cause maybe I can see you all then.

Love and stuff



The W. C. A.

7/21/92

Mr. President:

Kathy Super wants to know if the Darman 8 A. M. briefing
is in addition to your Yeutter Domestic briefing or in
place of.

IN ADDITION TO X

IN PLACE OF _____

RZ



Sailly
7/21

THE PRESIDENT

July 21, 1992

Dear Hugh,

No, no your 'impertinence' is not boundless, you're checking in is helpful-a reality check, if you will.

I don't agree on all points. We must make the American people understand why the good proposals I have made have not been passed. Read Mc Culloch's (sp?) new book on Truman, and read how HARRY put it in perspective.

Since your memo was written Clinton-Gore have gone into orbit. They have been hyper critical of me. I have been relatively silent. This has got to change. I recognize the danger of the "Blame Syndrome", however.

Hugh, I'm rushing off to yet another event, but I have digested your letter and, believe me, it did not offend.

Love to all Greggs,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Hugh Gregg
Rural Free Delivery Route Five
Gregg Road
Nashua, New Hampshire 03062

From The Desk of

HUGH GREGG

My President —

When you asked for
suggestions, my
impertinence is
boundless - yet
sincere!

Respectfully,
Hugh

RESOURCES OF NEW HAMPSHIRE
RFD 5 - Gregg Road
Nashua, NH 03062
(603) 886-1743 882-4763



Republican National Committee

Hugh Gregg
Member for New Hampshire
R.F.D. #5 Gregg Road
Nashua, New Hampshire 03062
(603) 882-4763 (h)
(603) 886-1743 (o)

Independence Day - 1992

Dear Mr. President:

The same mistakes made in New Hampshire are being repeated nationally:

You were much too late in getting underway here.

Your staff did not recognize the depth of resentment against the Bush administration.

The campaign was not structured to interact with the ordinary voter.

This is what I hear now:

It is not convincing to state the economy is improving (when a record number of people are out of work). Worse, your credibility is diminished.

Blaming of Congress is a cop out. The President is expected to lead the Congress.

Attacking the media is viewed as an excuse for not facing the issues.

Administration surrogates compound your trouble because of their self-serving interest in your re-election.

My suggestions:

1. Admit the economy is not good.
2. Promote your positive programs without bashing Congress.
3. Do not wait until after the Convention to take to the stump.
4. Speak for yourself and not through administration surrogates.
5. Do not be overly "Presidential" and take some call-in talk shows.
6. Direct the campaign staff and the RNC to cut waste.
7. Befriend Buchanan, his supporters may make the difference.
8. Tell us volunteers - who is really running the campaign?

Respectfully,



THE PRESIDENT

7-21-92

Dear George -

I'm just back to D.C.
And here was your wonderfully
supportive letter of June 30th.
No problem at all on this end.
Many many thanks - Cy B

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable George Allen
U.S. House of Representatives
1407 Longworth House Office
Building
Washington, D.C. 20515

(By Courier)



U. S. HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

GEORGE ALLEN
7TH DISTRICT
VIRGINIA

June 30, 1992

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

Dear Mr. President:

I was disgusted that recent comments I made to the Virginia Association of Broadcasters regarding your re-election effort were misunderstood. When I read the newspapers the next day, I was faced with sensationalized headlines incorrectly suggesting that I criticized your administration.

Mr. President, please understand that I had absolutely no intention of criticizing you or your leadership. Rather, my intention was to aggressively blast Congress. I am a fervent George Bush loyalist and believe that your leadership is critical to our country now and for the next four years.

My remarks were focused on the Democrat leaders in Congress who I believe are completely responsible for the current condition of our economy. We must educate the voters that the Democrat leadership in Congress has thwarted economic recovery and emphasize the successes of your Presidency, including the historic fall of communism and Operation Desert Storm.

My enthusiasm for your re-election remains high and I am looking forward to continuing my efforts for you in Virginia. I have never intended to be another "armchair quarterback" as I believe every campaign has quite enough of those to go around. Rest assured that, in the future, I will make a much more concerted effort to help the media understand exactly what I am saying!

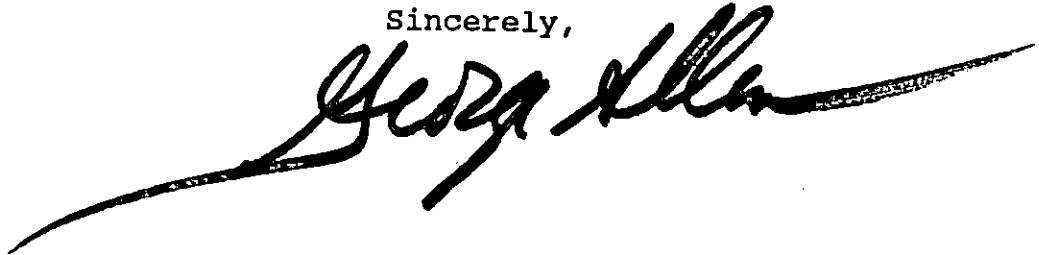
The Honorable George Bush
June 30, 1992
Page two

To set the record straight, I have written letters to the Editors of the newspapers in the State which carried the Associated Press article. You will find a copy enclosed.

If there is anything else that you or the campaign feels needs to be done to further clarify this situation, I am pleased to offer my assistance. I deeply regret and apologize for any adverse publicity which has resulted.

With kind personal regards and best wishes, I remain,

Sincerely,

A handwritten signature in dark ink, appearing to read "George H.W. Bush". The signature is fluid and cursive, with a long, sweeping horizontal line extending to the left from the first letter "G".

CONGRESSMAN GEORGE ALLEN

WASHINGTON, D.C.

June 29, 1992

Dear Editor:

Your newspaper recently reported on statements I made concerning President Bush and his re-election campaign. My comments seem to have been misunderstood and I want to set the record straight.

While the headline in your paper implied that I was criticizing the President on economic reform, nothing could be further from my true intentions. I am a strong supporter of the President and am working diligently for his re-election. In my view, returning George Bush to the White House is critical to the long-term economic health of our country and our position as a world leader.

My comments, in response to a question, were focused on the dilatory practices of the Democrat-controlled Congress.

I stated that it was the Democrat leadership in Congress who have deliberately stalled the economic recovery and that the President's plan to improve the economy was flatly rejected by them. As I said in my remarks, President Bush must point out to the American people in the strongest terms possible that the Democrat Congress has thwarted the President's economic growth programs.

It is essential that the people understand who is to blame. Further, not reported were my comments concerning the great successes of the Bush presidency, including the historic fall of communism and Operation Desert Storm.

Additionally, I said that in hindsight it might have been wise for the President to announce his economic reform package on Pearl Harbor Day (December 7), rather than waiting until January to do so. By waiting until his State of the Union address, the Democrats simply dismissed his responsible plan in their typical,

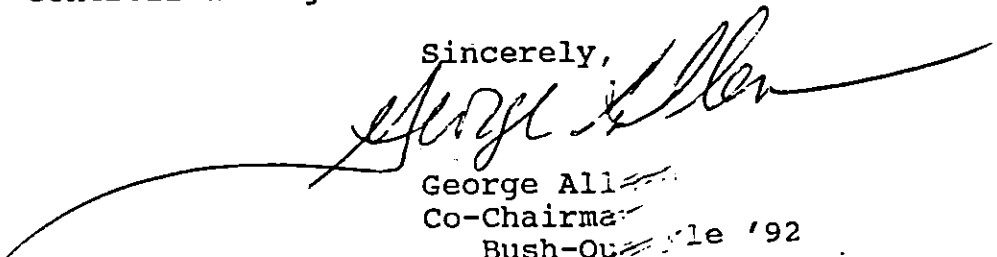
Letter to the Editor
June 29, 1992
Page two

bitterly partisan manner. They refused to debate the merits the tax cuts and regulatory incentives he proposed to allow our economy to grow and expand. Instead, as usual, the Democrats simply took the opportunity to enact yet another tax increase, which they somehow believe would help the already overburdened economy and overtaxed American worker. President Bush wisely vetoed their gimmickry.

President Bush proposed a bold, positive, growth-oriented solution to improve the economy. But Congress refused to act. The problem is not the White House. Rather, the problem is the failed leadership of the Democrats who have controlled Congress for longer than Castro has been dictator of Cuba.

The solution is to re-elect the President. But this time, let's give him the support he needs to enact sound, fiscally responsible programs by also electing a Republican-controlled Congress.

Sincerely,



George Allen
Co-Chairman
Bush-Quayle '92

THE WHITE HOUSE

WASHINGTON

JULY 20, 1992 L 20 P 3: 06

MEMORANDUM FOR: THE PRESIDENT

FROM: NICHOLAS E. CALIO *NEC*

SUBJECT: LETTER FOR YOUR READING FILE

GN

Enclosed is a letter you recently received from a Member of Congress.

Rep. George Allen (R-VA)

Expresses his concern about being misquoted recently in the media and corrects the record by expressing his full support for you, your leadership, and your campaign.

--- Tuesday --- July 21, 1992 ---

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

Updated Each Morning At 11:50

(c) The American Political Network, Inc.

282 North Washington Street, Falls Church, VA (703) 237-5130

ROSE GARDEN RAZZING

In first direct attack, Bush hits Clinton on lifting "change the world/change America" from his own playbook. Pep talk to campaign workers highlights themes, but will any positives get through until Houston? (#1)

60% APPROVE DUMPING QUAYLE: ABC/W. POST sees no let-up for veep, even among GOP. Clinton lead bubbles to 2-1. (#22)

CONVENTION: GOP congressional lineup contrasts NYC show. (#4)

NEVER SAY NEVER AGAIN

FL organizer takes legal action to get Perot back in -- or make him pay. (#8)

Meanwhile, what becomes of much-heralded budget plan? (#9)

"OUTTA HOUSE" LIST HITS 83

Scheuer (D-NY) out. (#16-17)

OR SEN: '90 GOV 3-WAY REDUX?

Pro-life GOPers threaten Packwood challenge. (#14)

GA PRIMARIES TODAY

Coverdell favored in GOP Sen. race (#12); Gingrich, 3 other incumbents to be tested. (#18)

SPOTLIGHT

LESSONS LEARNED

As in '88, the Dem ticket rode out of the convention with a 17-point lead. But Clinton-Gore have chosen a different path. (#5)

THEN: Dukakis-Bentsen head to TX for 3 days -- a state they probably were never going to win. Electoral votes: 29.

NOW: Clinton-Gore tour gains prime coverage and cheering crowds in a 9-state tour through small-town Midwest -- home to a large sect of Reagan Dems. Electoral votes: 117.

What route will GOP take on the road to Houston?

THEN: Inter-convention period saw first attacks on Dukakis furlough program, rumors of psychiatric care.

NOW: Bush dons Rose Garden kid gloves. First personal mention; still not full "campaign mode." (#1)

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

"For long stretches of this tour, the Clinton operation has been a rolling pandermobile."

-- Cathleen Decker, L.A. TIMES, 7/21. (#5)

THE APN BULLETIN BOARD

FROM TODAY'S GREENWIRE: Gore's enviro. positions could be
be trouble in VP debates when it comes to jobs/economy.
FROM TODAY'S DAILY REPORT CARD: Black student athletes may
not be doing as well as a recent NCAA study suggested.
FROM TODAY'S ABORTION REPORT: Rep. Schroeder introduces bill
to overturn RU-486 decision and return drug to Benten.
FROM TODAY'S AMERICAN HEALTH LINE: Dems to push their health
legislation in new session. Alternative GOP bill is ready.

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BUSH: Surrogate check in; Baker reportedly on the way. (#2)
GOP VEEP WATCH: "Republicans whisper 'Dump Quayle.'" (#3)
GOP CONVENTION: Congressional all-stars contrast Dem meet. (#4)
CLINTON: The wheels on the bus go round and round. (#5)
CLINTON: Beware the bayou guard dog. (#6)
GORE: Is that the same Al Gore who ran in '88? (#7)
PEROT: A new reason to keep your receipts. (#8)
PEROT: Does he have the guts to endorse his plan? (#9)
CANDIDATE SCHEDULES (#10)

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NY 05: Scheuer is New York's eighth retirement. (#16)
GA BRIEFINGS: Primary today. (#17)

GOVERNORS '92:

MO. (#18)
WA. (#19)
HOTSPOTS: ND. (#20)

POLL UPDATE: ABC/W. POST: 47% see econ. getting worse. (#21)

TV MONITOR (#22)

The ABORTION REPORT is now accepting applications for paid
internships available immediately. FAX resume and writing sample
to Kate Jeffrey at (703) 237-5149.

? ? ? ? OVERLOOKED ? ? ? ?

REMEMBER THIS BENCHMARK

This week's ABC/W. POST poll shows only 19% believe Clinton is
"too liberal." (#21) In an ABC News poll conducted 7/20/88, only
21% saw Dukakis as "too liberal" (From HOTLINE Database).

*1 BUSH: HEY, HANDS OFF OUR ISSUES

NBC's John Cochran: "Finding himself down in the polls, [Bush] started swinging away." Bush "accused Bill Clinton of swiping a Bush campaign slogan" -- his State of the Union comment "if we can change the world, we can change America." Clinton in convention speech: "Now that we have changed the world, it's time to change America." Bush 7/20: "This is a comment that I've been saying and now we're trying to get it done" (7/20). USA TODAY header: "Bush pokes Clinton: You stole my line" (7/21). At a WH ceremony, Bush drew a comparison to Sen. Joe Biden's (D-DE) '87 travails: "Hey, a Democratic candidate dropped out of the race for plagiarism last year." In one of the upcoming Bush TV ads, the announcer "describes Bush's agenda and says, 'But this man who has changed the world will change America.'" Clinton Comm. Dir. George Stephanopoulos said the campaign was "unaware" of Bush's use of the phrase (Devroy, W. POST, 7/21). One Admin. official: "The one huge, screaming difference is that Clinton's is financed by a \$150 billion tax increase and ours is financed by cuts in entitlement spending and nondefense spending" (N.Y. TIMES, 7/21). W. TIMES header: "Bush charges filching; Clinton accused of stealing slogan." Frank Murray's lead: "Bush accused Bill Clinton of plagiarizing his favorite campaign slogan yesterday, suggesting theft on the scale that drove ... Biden out of the 1988 presidential race" (7/21). VP Quayle, "seeking to steal back some of the thunder he let loose in his first 'family values' speech six weeks ago," accused Clinton and Gore of "trying to appropriate [GOP] beliefs for their presidential campaign": "They attempted to use Republican philosophy to change their image. They actually spoke about values, empowering people, the middle class and a strong America. I'm delighted to see that they recognized that we have been right and they have been wrong." But at a later stop, Quayle said, "Beyond the rhetoric, the Democrats are up to their old tricks. They want to raise your taxes" (Power, BOSTON GLOBE, 7/21).

ECONO-JOUSTING: Bush "attempted to rouse Republican loyalists" in a 34-state teleconference with GOP workers "by blaming the [Dem] Congress for frustrating his plan to revive the economy." Earlier, at the WH ceremony, Bush also "talked tough about ... Clinton's economic plan." He "dismissed" Clinton's plan as "smoke and mirrors," saying it would "do little to cut the budget deficit." Also in the teleconference, Bush chief strategist Bob Teeter "warned" backers not to be "confused by the Bill Clinton fog machine," and RNC chair Rich Bond "sketched a version of a [Dem] administration that ... would feature high taxes, runaway inflation, socialized medicine," and Mario Cuomo on the Supreme Court (Black, BOSTON GLOBE, 7/21). L.A. TIMES' Jehl notes Bush "acknowledged" his reelection themes are "not resonating" with voters: "The facts are: The programs are sound. I hope that I will pass the test of commitment to this country" (7/21). N.Y. TIMES' Wines calls it Bush's "strongest attack to date" on Clinton (7/21). SEATTLE POST-INTELLIGENCER's Joel Connelly, reviewing the teleconference from Bellevue, WA, writes Bush "acted as if he were a fed-up challenger, not an incumbent in administrations that have governed the country for the past 12 years" (7/21). N.Y. NEWSDAY's Kasindorf and Cleveland PLAIN DEALER's Drexler compare the teleconferences in their respective cities to Perot's "electronic town hall" (7/21). N.Y. TIMES'

Toner notes the beginning of the GOP examination of Clinton's record, citing recent and future GOP surrogate attacks, as well as statements by Pres. Bush himself (7/21).

MORE TV: ABC's Diane Sawyer: "Bush, no slouch when it comes to the use of television himself, did a little politicking today, but not much." ABC's Brit Hume: "It could be called the un-campaign. [Bush] appears, as he did today in the Rose Garden, makes speeches, talks about issues, but rarely mentions his opponents and never by name. It is a far cry from the hardball attacks he started" 6/88 "in overtaking" Dukakis. "An oddly passive approach to his opponent for a man more than 20 points down in current polls" (7/20). CNN's Charles Bierbauer: "Bush insists he is the candidate for change, primarily changing Congress. ... For all the not-to-subtle criticism, [Bush] insists he's not yet been drawn into the real campaign. Spokesman Marlin Fitzwater says, 'We've been very gentle. We'll have to have a very aggressive campaign ... but I doubt if we'll ever get as negative as Mr. Clinton and those guys are. ... Still the Bush campaign is revving,' shooting ads 7/20 and "will buy at least \$5 million dollars worth of TV time" leading up to the convention. Jack Germond: "[Bush's] campaign can succeed only if he does one thing, which is tear Bill Clinton into small pieces" (CNN, 7/20). Bush-Quayle TX chair Jim Oberwetter on the satellite meet: "He was sharpening up his rhetoric and scoring some points on Clinton and Gore." Bush-Quayle CA co-chair Jack Flanigan on why Bush is behind in heavily GOP Orange Co.: "A lot of [Clinton's] new ideas are old Republican ideas" ("CBS This Morning," 7/21).

*2 BUSH: SURROGATE CHECK-IN; BAKER REPORTEDLY ON THE WAY

Ed/Sec. Lamar Alexander, in Raleigh, NC, said the Dem ticket is "both too Southern and too liberal to win": "I think their accents are wrong for the North, and their issues are wrong for the South" (Christensen, Raleigh NEWS & OBSERVER). Alexander also said Bush "is more likely than Clinton to bring about changes in public education" and that Bush is "looking for different approaches to shake up public education," while Clinton "is a captive of the [NEA], which he described as a major impediment to improving public education." But Alexander "failed to note that ... Clinton has engaged in knockdown battles with the NEA's Arkansas affiliate over his imposition of competency testing for teachers" (7/21). Sec/Trans. Andrew Card, in Columbus, OH, blasted Clinton's economic plan, charging it "will stop the economic recovery dead in its tracks" (COLUMBUS DISPATCH, 7/21). Sen. Phil Gramm (R-TX) will hold a "briefing" on Clinton's econ. policy today (N.Y. TIMES, 7/21). Sen. Min. Leader Bob Dole (R) labeled the Dem ticket "Clinton/More: more taxes, more spending" (L.A. TIMES, 7/21).

LORD JIM: Many reports mentioned the ongoing wait for a definitive word from the Sec/State, now travelling in the Middle East. W. POST's Devroy writes, "it is considered almost certain Baker will move to the White House sometime in August" (7/21). CNN's Charles Bierbauer: "Top [GOP] officials are saying they fully expect it to happen" (7/20). CBS' Dan Rather reported UPI's Helen Thomas says the job has already been offered (7/20).

BUSH HEALTH: W. POST's Devroy & Brown report WH physician Burton Lee denies all reports of illness in Bush, Mrs. Bush, and Mrs. Quayle: "None of it is true. ... [Bush's] health is perfect. It is unchanged." Lee also noted the president takes a baby aspirin every other day in conjunction with his thyroid hormone medication (7/21).

TODAY: Bush will stress school-choice in a visit to a Phila. Catholic high school today (AP/PHILA. INQUIRER, 7/21). It will reprise the "Ask George Bush" format (ATLANTA CONSTITUTION, 7/21). An afternoon visit to Garfield, NJ will highlight "Freedom Day" with people of E. European descent (NEWSDAY, 7/21).

*3 QUAYLE: "REPUBLICANS WHISPER 'DUMP QUAYLE'"

That's the Balto. SUN headline, with subhead, "Some Bush backers renew misgivings." Karen Hosler writes, with Bush's "reelection prospects at their lowest level yet, some Republicans are suggesting [Bush] should cut his losses and replace his controversial ticket mate." Despite today's ABC/W. POST poll showing 60% public approval for dropping Quayle, "there seems to be no significant 'Dump Quayle' talk within the White House or the Bush-Quayle campaign, where [he] is viewed as an asset -- or at least a fact of life." But the "renewed attacks on Mr. Quayle signal the despair among Bush supporters as they seek dramatic ways for the president to signal his commitment to change." In a separate box, the SUN runs a familiar list of 5 pros and 5 cons for "Dumping Quayle" (7/21).

MEANWHILE: NBC's John Cochran reported Quayle had lunch with Bush, and has begun work on his acceptance speech (7/20). SUN's Hosler notes Quayle press sec. Dave Beckwith told her about the lunch and speech work "as evidence that Mr. Quayle's future is secure" (7/21). MA Gov. Wm Weld (R) gave Quayle a "big and unexpected boost" in telling MA reporters, "I don't expect any of you to agree with me -- I think he's got the best political mind in the White House." As the room of "reporters, administration officials and others broke up in laughter, Weld, a smile breaking out on his face, emphasized his point." Weld: "I do" (BOSTON GLOBE, 7/21).

PROGRAM NOTE: Quayle will appear on CNN's "Larry King Live" 7/22 at 9:00p (N.Y. TIMES, 7/21).

*4 GOP CONVENTION: RWR, GRF TO SPEAK; RMN SAYS 'NO THANKS'

HOUSTON POST's Plesa reports Gerald Ford is "tentatively" scheduled to speak Wednesday, 8/19; Ronald Reagan is still slated for opening night, 8/17 -- but not necessarily THE keynote speech, as previously reported. Richard Nixon has turned down an invitation to speak. The official lineup, "including the keynote speaker, won't be revealed for several weeks" (7/18). W. TIMES' Hallow reports Bush "will spotlight his party's conservative congressional leaders ... unlike the way Bill Clinton hid liberal leaders" in NYC. Sen. Min. Leader Dole and NRSC chair Sen. Phil Gramm (R-TX) will speak, as will Rep. Newt Gingrich (R-GA) -- who faces a GOP primary opponent today. Also "likely" to have prime-time speeches: Sec/HUD Kemp, ex-drug czar Wm Bennett, Pat Buchanan, Govs. Carroll Campbell (R-SC), Tommy Thompson (R-WI), and Pete Wilson (R-CA). Also addressing the convention: House Min. Leader Bob Michel and Sec/Labor Lynn Martin (7/21).

*5 CLINTON: THE WHEELS ON THE BUS GO ROUND AND ROUND

The bus trip "is an event carefully scripted by a Hollywood producer -- right down to the wardrobe. When the candidates meet with truckers, they wear khaki; with clergymen, suits; when they perch on bales of hay, they're in jeans" (Milligan, N.Y. DAILY NEWS, 7/21). Clinton press aide Steve Rabinowitz "as he bragged about a piece of campaign stagecraft": "It's very White House, isn't it?" (USA TODAY, 7/21). Producer Mort Engleburg ("Smokey and the Bandit," "The Big Easy"), who rides with the bus caravan,

along with a film crew, "acknowledged" before the tour began "he traveled every mile surveying potential sites to shoot Clinton" for TV ads for the fall. "In a an uncharacteristically folksy manner -- one he did not learn at Yale or Oxford," Clinton is keeping up "a flow of comments in his 'aw shucks' twang." Some favorites: "Hotter than a firecracker on the Fourth of July," calling the S&L bailout "that kind of bull," he chose Gore because "I want this ol' Earth around for my daughter," and "you don't have to be as smart as a tree of owls to figure out something's wrong" in DC (Shepard, COX/ATLANTA CONSTITUTION, 7/21). "There is a fine line between establishing a rapport with people and pandering, and for long stretches of this tour, the Clinton operation has been a rolling pandermobile" (Decker, L.A. TIMES, 7/21). "This trip couldn't have gone better so far. Big, sometimes huge, crowds have greeted them at every stop" (Lilleston. ARKANSAS DEMOCRAT-GAZETTE, 7/21). The tour "originally was intended to be little more than prop for campaign ads. But the publicity it has generated, along with the economic populism of [the] speeches, has drawn unexpectedly large crowds" to the events. In Utica, OH -- a town that went 2-1 for Bush in '88 and has a population of "about 1,900," 5,000 people came out to see Clinton and Gore (Shepard, COX, 7/21). At an informal "leg stretch" in Carrollton, KY the buscade was greeted by satellite trucks, a helicopter and "more than 1,000 people snaking through the park, including every Democratic official" from northern KY and southern OH -- even KY Gov. Brereton Jones (D) and Sen. Wendell Ford (D-KY). Gore, to what "turned out to be a full-blown rally": "We didn't expect this kind of crowd. This was supposed to be a rest stop to stretch our legs, and word got out" (Lambrecht, ST. LOUIS POST DISPATCH, 7/21). Yesterday's issue was health care and Clinton "promoted himself ... as the man to tackle" the nation's health care problems (AP, 7/21).

TV: ABC's Chris Bury: "Today in Columbus, OH, thousands showed up to hear Clinton promise he would cut costs for health care and establish a new national plan to insure those who cannot afford private coverage. ... Since they hit the road ... Clinton, Gore and their wives have been received more like movie stars than politicians. ... Today Clinton, though cautious about the polls, said he has never been so optimistic" (7/20). Dem strategist Mark Siegel on the crowds the trip is drawing: "It is not traditional to get huge, enthusiastic crowds in the month of July. This is an October phenomenon that's happening to this ticket in July" ("Inside Politics," CNN, 7/20). CBS' Richard Threlkeld: "The only blemish on this trip has been the anti-abortion protesters." Clinton: "It's a long way until November, and I know our opponents will raise a lot of questions about Senator Gore and me. It will become a race between hope and fear." Threlkeld: "If watching Bill Clinton begins to remind of you of somebody, you're not alone. ... Well, John Kennedy was young and a good campaigner and talked a lot about change, and Clinton has capitalized on that. ... He never misses a photo opportunity if there's some JFK memorabilia around" (7/20). NBC's Andrea Mitchell: "Clinton has been promising a lot on this bus tour, but he hasn't been specific about how he'd pay for all his new programs. ... Name a problem, he has a program to fix it. ... Today it was health care, a promise to provide coverage for everyone. ... He claimed his plan would help small businesses who are being killed by rising health care costs. ... But small businesses have been lobbying hard against Clinton's plan." NFIB's John Motley: "They're not going to be able to afford it."

Mitchell: "Later, on his bus, Clinton acknowledged something he does not say in his stump speech -- that his health plan would have to be phased-in over several years. ... In his economic plan, Clinton does talk about the need to make sacrifices, but he hasn't mentioned that in his stump speech since becoming the nominee" (7/20). NBC's Bob Kur: "Clinton seems to be getting the second look he's wanted from voters since the primaries, the momentum from the bus tour is helping out. ... For now the Clinton campaign believes this bus tour and others possibly to come will put Clinton in the strongest possible position before the Republican convention" ("Today," 7/21).

MORE FROM THE BUS TOUR: QUAYLE: At a televised "town hall" meeting in Louisville, KY, Clinton had a "surprise questioner" -- VP Quayle, who had "taped the query during a visit to Louisville last week." Quayle asked Clinton about his proposal to raise taxes on people who make more than \$200,000: "Now, I know you'll say you're just going to tax the wealthy. Well, we've heard that before. When you Democrats start defining wealthy, it's defined as anyone who has a job." Clinton, "with a comic's timing": "Read my lips." After the audience laughter died down, he added: "No responsible person would ever do what George Bush did and say 'Read my lips.' You can't possibly foresee all the circumstances that will come before you" (Decker, L.A. TIMES, 7/21).

THE NEXT GREAT COMMUNICATORS? Limited media access and TV-ready campaigning has inspired Clinton-Reagan comparisons: "Part of the plan, torn from the Ronald Reagan playbook, has been to keep journalists -- except photographers -- at bay." Clinton spokesperson Dee Dee Myers: "He's accessible to the people." However, "not to the 200-member traveling press campaign" (Milligan, N.Y. DAILY NEWS, 7/21). The efforts of the campaign "have approached the level of Reaganesque" but "unlike Reagan, Clinton has answered questions from voters at 'town meetings' ... but like Reagan he has shown little inclination to take questions from his traveling press corps" (Walsh, W. POST, 7/21). "Politically, the campaign has tried to create its own identity, but stylistically, it borrows a page from Ronald Reagan's successful playbook. Sharp visuals, limited media access and occasional control over crowds" have given the Dems a post-convention boost "even though some of the events look contrived" (Lilleston, ARKANSAS DEMOCRAT-GAZETTE, 7/21).

WHODA THUNK IT? NEWHOUSE NEWS' Benson writes, "Buses, like 1-800 numbers to raise contributions, may go down as yet another simple but important political innovation of this quirky year." Clinton aides say they "certainly" plan to do it again (7/21).

WHAT ABOUT DAYLIGHT SAVINGS TIME? The line Gore repeated throughout his convention speech -- "It's time for them to go" -- has taken to the road. Gore now shouts to the crowds along the bus route: "What time is it?" And the crowd responds: "It's time for them to go." Except at a Columbus, OH stop one young man yelled: "It's 10:15" (Ifill, N.Y. TIMES, 7/21).

SCRIPTING: When Clinton invited a couple of OH farmers onto his bus, one "turned out to be" the state Dem Party chair (N.Y. DAILY NEWS, 7/21).

TIDBITS: The bumper stickers and the Clinton bus? On the front windshield there are 2 -- a Clinton/Gore sticker and one from Clinton's hometown that reads "Hope Arkansas/A slice of the good life." Both Hillary and Tipper "carry Swiss Army knives -- helpful in carving fruit and sandwiches and salad ingredients" (Clifford, N.Y. NEWSDAY, 7/21).

FLY LIKE AN EAGLE: N.Y. POST reports the Secret Service has

"codewords" for the Clintons and the Gores: Bill is "Eagle"; Hillary is "Evergreen"; Al is "Sawhorse"; and Tipper is "Skylark." Secret Service will not confirm these names (7/21).

*6 CLINTON: BEWARE THE BAYOU GUARD DOG

The campaign "is forming 'rapid response' teams to counter anticipated GOP attacks," with chief strategist James Carville "overseeing the counterpunch strategy." The post-convention "bounce" has forced the campaign to shift "from building momentum to sustaining it. Among the changes are a media approach aimed at keeping the candidate away from reporters and focusing on interaction with the public; pairing Clinton as much as possible" with Gore; "appearing with other Democratic leaders to build wider support for the ticket; and focusing on some key battleground states." In addition, policy dir. Bruce Reed "said Clinton will return to highlighting specific themes on most days" (Frisby, BOSTON GLOBE, 7/21). W. TIMES header: "Big Clinton lead unlikely to last" (7/21). One TX GOP worker, describing how '92 will be different from '88: "We're not going to have guns and the flag this time, but we're going to have gays and taxes" (DALLAS MORNING NEWS, 7/20).

COME ON DOWN: "With Clinton's [gov.] record a clear target, Arkansas should batten down the hatches and prepare for a whirlwind of words harsh enough to set tourism back to the days of the stagecoach" (Lehigh, BOSTON GLOBE, 7/21). W. POST's Babcock & LaFraniere examine the Clintons' personal finances and write their "financial profile ... reflects the interwoven structure of business and politics in their state." In a sidebar, they re-examine the controversial land deal and relationship between the Clintons and Whitewater Development, which received much publicity during the primaries (7/21). C.S. MONITOR offers a series of articles on Clinton and AR (7/21).

MARIO KNOWS STRATEGY: Cuomo "has been tapped by the Clinton campaign as a 'strategic' adviser and premiere surrogate making speeches and media appearances for the candidate." Cuomo, who will assume the title of honorary NY campaign chair, said "his role would only be limited by his duties as governor." Cuomo: "I am flattered to death that anybody thinks I would have good strategic political advice" (Benenson, N.Y. DAILY NEWS, 7/21).

BLACK VOTE: According to black and Hispanic officials, Perot's withdrawal "has significantly increased the importance of a large turnout of minority voters" for Clinton. Jesse Jackson said his role in the campaign would not be determined until he spoke with Clinton, but he "hinted strongly" Clinton should abandon his policy of distancing himself from traditional Dem constituencies: "Distance is an innovative way of building a coalition. For Clinton to win a general election, the strategy must be inclusive. It must be expansive" (Sack, N.Y. TIMES, 7/18). Jackson did say "the key" to a Clinton victory "may lie in the hands of unregistered black voters." He announced the Rainbow Coalition would mobilize 5,000 NYC youths in a voter registration drive (N.Y. DAILY NEWS, 7/18). Jackson: "The burden is upon the ticket to inspire the voters it needs to win. ... [The Clinton camp] must determine the proximity and distance it wants" (N.Y. POST, 7/18). W. POST's Cooper writes, in his convention speech, Jackson "may have laid down an evolving role for himself as the moral voice of a political party -- one that traditionally has been the protector of the poor and outcast -- that has gone middle class." But Jackson "sounded cautious about assuming the role of a party chaplain who gives occasional

sermons to remind the politically wayward of their moral obligations. ... What political work Jackson does the rest of the year is likely to be independent of the party apparatus, at least for the time being" (7/19). BOSTON GLOBE's Derrick Jackson calls the "newly decapitated" Dem party "Demicrats" for being "half Republican" (7/19).

OLD-TIME RELIGION: Pat Robertson and Jerry Falwell both say Clinton "misquoted the bible" in his acceptance speech. On the "700 Club," Robertson noted Clinton's call for a New Covenant -- a term used by Jesus during the Last Supper: "If it isn't blasphemous, it certainly borders on it. ... Don't come up with pseudo-Christianity to mask what you're doing." Falwell said "misquoting and manipulating the Holy Scripture for political purposes should be offensive to millions of Americans. ... It is certainly a more significant error than the much-publicized misspelling of potato" (USA TODAY, 7/21). New Orleans TIMES-PICAYUNE's Iris Kelso: "I don't remember any convention-closing night when there was so much scripture-quoting. It's just one more sign of the Democratic Party's attempt to move back to a party that shares traditional values" (7/19).

REAGAN DEMOCRATS: Pollster Ed Sarpolus: "Trust is the key issue now." Sarpolus said, in MI, IL and OH, Clinton is doing well among blue-collar, Reagan Dems: "But the voters here haven't been peeling away from Bush as fast as they have nationally, though they've been swinging to Clinton this week. After the Democratic convention, a lot of people are saying to Clinton, 'I like what you're saying, but can I believe what you're saying.' ... If Clinton loses, it will have been because of the trust factor" (BOSTON HERALD, 7/20).

BABY-BOOM: ST. LOUIS POST-DISPATCH's Bill Lambrecht, on the bus tour: "The only 'young' thing Clinton and Gore skipped over the weekend was pulling over to a banner that beckoned them: Clinton-Gore -- Stop Here for Free Beer" (7/20). Balto. EVENING SUN's Dan Rodrick describes a typical 50-year old male and his likely political history: "A guy like this should love Bush. But he doesn't." Of Clinton-Gore: "My man likes what he hears, he might even believe it" (7/20). N.Y. DAILY NEWS' Bob Herbert: "Bush? Quayle? A tired old man and a nitwit. The surge to Clinton-Gore has been huge, and much of it comes from people who have not been enthusiastic about Democrats" (7/21). BOSTON GLOBE's Stark: "I'm a baby boomer. I know baby boomers. A lot of baby boomers are friends of mine. These guys are no baby boomers. ... Being a baby boomer is a lot more than a question of age; it's a matter of attitude" (7/21).

*7 GORE: IS THAT THE SAME AL GORE WHO RAN IN '88?

N.Y. TIMES' Kelley writes, "Gore is a changed man; he says so himself, and it seems to be true." The man who said he was a "bad candidate" in '88 "has gotten much better in front of a crowd. He is more direct .. funnier and able to modulate the volume and pitch of his voice to at least modest effect. Most important, though, he is much more personal, drawing on the death of his sister, and the near-death of his son, Albert, to make points of policy and governance." Asked of those who claim his description of his son's accident in his acceptance speech was manipulative, Gore "reacted with passion and some anger." He said, after not being able to speak about it for three years, he experienced an "emotional catharsis" during the writing of his book on the environment. His words at the convention were derived from a passage in the introduction. Gore described the

moment when he was able to put his thoughts about his son's experience into words as "one of the most intense and painful and moving experiences I ever had ... After that, I came to terms with my own ability to communicate what that experience was all about. ... I call it 'the experience,' but really it was a process of healing and growth that enabled me to re-order my priorities in life, to think about my life in a very different way and to relate to people in a very different way" (7/21). W. TIMES' Taylor writes Gore "is no mere second banana": "Far from dragging down the campaign as a Southern echo of Mr. Clinton, Mr. Gore has contributed as a facile voice on environmental, foreign policy and arms control issues" (7/21).

ALSO: In an interview with the Louisville COURIER-JOURNAL, Gore said "he would resist efforts to change the federal tobacco program if elected vice president." Gore's family once grew 20,000 pounds of tobacco a year, but stopped after his sister, a smoker, died of cancer in '84. As part of his explanation, Gore "said the program's price supports actually discourage smoking by keeping prices higher than they would be without them" (7/20). Competitive Enterprise Institute's James Sheehan attacks Gore's environmental stances, writing "many voters would suffer substantial human costs from his ill-considered proposals" (W. TIMES, 7/21). In an essay sent to the HOUSTON POST, Gore's "not-so-kissing cousin," Gore Vidal, writes of him, "As a politician, he seems more intelligent in a slow, dogged way, than the average blow-dried displaced anchorperson not-yet-ready-for-network that we get in the Senate these days" (7/20).

*8 PEROT: A NEW REASON TO KEEP YOUR RECEIPTS

"In an odd addendum to a unique campaign" Perot volunteer Michele Alexander filed a class action lawsuit against Perot, asking the court "to force Mr. Perot to live up to his promise to run for president or to provide some other relief." While it's "not likely that the lawsuit will force" Perot back into the race, some legal contract specialists say "supporters who spent money" of their own on the effort, "might be entitled to recover damages under a modern principle of contract law known as 'reliance interest.'" NY atty Melvyn Weiss: "Someone who expended his or her own funds as a result of [Perot's] promise ... and who got him on the ballot might be entitled to money damages." Weiss, who "backed" Perot, said specific language such as "I will" and "I agree" used by Perot, "might help the plaintiffs make their case." Alexander, who is also chairwoman of Citizens for Responsible Government PAC, filed the suit in FL, where volunteers succeeded in getting Perot on the ballot (W.S. JOURNAL, 7/21). Alexander: "Perot needs to be held accountable because he went out and solicited people." On what she's after: "This is more of a moral thing." If she's wins the case, will she vote for him?: "I don't think so. ... I'm leaning to wait until November." Ex-Perot strategist Ed Rollins: "I applaud the effort. ... I do concur ... when you give your word, it really should mean something" ("Larry King," CNN, 7/20).

CA: "With 1.4 million signatures to back them up" leaders of the petition drive are "demanding" Sec/State March Fong Eu (D) put Perot's name on the 11/3 ballot. Initially, Eu "said Perot's name would not be appear on the ballot because some of the electors designated on the petitions have not filed formal declarations of candidacy." Perot volunteer Bob Bush: "As mad as a lot of people are about this whole thing, it would really drive a lot of them crazy to lose his name on the ballot when they

worked so hard just to have his name there." Eu spokesperson Melissa Warren "slightly softened" the State's position saying, "there is a great deal of discussion going on" but added, "We do not expect him to be on the ballot" (Witt, SAN JOSE MERCURY NEWS, 7/21). Leaders of the Perot CA campaign "launched a new group aimed at uniting dispirited Perot volunteers across the nation." The group, Owners of America, "hopes to become the umbrella" for Perot supporters now "seeking a direction." Merrick Okamoto, one of the "half dozen" directors of the new group said, "we want to stay organized to become the most powerful voting bloc in the country." Owners of America, a "nonprofit group with a corporate-style structure", has "invited Perot to be chairman of their organization and help fund their effort." Perot civil rights coordinator Debra Olson: "We're hoping he'll stay involved, just like [the Rev.] Jesse Jackson stays involved." Perot spokesperson Sharon Holman: "I'm not familiar with the group, but that doesn't mean they haven't contacted Mr. Perot directly." GOP consultant Eileen Padburg said without "a figurehead" like Perot, the group is "doomed to fail": "When you have a hundred nobodies running a group like this, well, it's a wonderful idea, but it won't work" (L.A. TIMES, 7/21).

MA: Perot atty Ethan Knowlden placed a call to Sec/State Michael Connolly (D) "to say Perot would not be withdrawing his name" in MA. To remove Perot's name from the ballot, "the 13 citizens who declared themselves Perot electors must file a notice of withdrawal" with Connolly by 8/28. One of the 13, George Bevilacqua said "he was awaiting the outcome" of tonight's meeting at Perot HQ "to decide precisely how local volunteers would channel their energy." Bevilacqua: "We got him on the ballot and we're going to keep him there." He added keeping Perot on the ballot would give people a "none of the above" vote in the fall (Loth, BOSTON GLOBE, 7/21).

TX: A DALLAS MORNING NEWS poll surveyed 413 Dallas area Perot supporters on 7/16; margin of error +/- 5%. The poll was conducted between 6-9:30 p.m. on 7/16 -- after Perot's announcement but before Clinton's convention speech. In a two-way match-up, Dallas Perot backers support Clinton over Bush, 40-28%, with 11% preferring some other candidate and 21% undecided. 73% said they would support Perot should he chose to re-enter the race. Half said the organization should disband, with 32% saying they should stay organized in support of another candidate. Perot pollster Frank Luntz said his research showed, without Perot in the race, 50% Perot supporters would back Clinton, 30% for Bush, with 20% saying they would stay home (7/20).

*9 PEROT: DOES HE HAVE THE GUTS TO ENDORSE HIS PLAN?

A W. POST editorial reads, "Among the things Ross Perot left behind last week appears to have been a pretty good plan to balance the budget" and asks "will he now embrace the worthy program he has caused to be drawn up, candidate or not - or will he walk away?" (7/21). N.Y. POST's McDarragh writes as Perot was dropping out of the race, "his campaign was wrapping up a budget -- slashing economic plan -- a plan that might have infuriated voters." Aides said Perot was "flabbergasted when he realized how hard it would be to solve" the nation's deficit, and reportedly asked, "Can't anybody do this?" (7/21). Perot campaign aides "said that fear of public hostility to the plan was one reason" Perot withdrew from the race." Perot aide James Squires: "Certainly the prospect of running on this plan had to influence any decision that he couldn't win outright." GOP

pollster Linda DiVall: "His plan probably would have lost some favor with voters, but he probably would have regained it if he had stuck to his guns." Squires pointed out Perot was "more comfortable showing this plan to the country as a noncandidate than he could possibly be as a candidate" (Greenhouse, N.Y. TIMES, 7/21). ABC's Diane Sawyer: "Even though Ross Perot never signed off on it, some of the people who were working on his platform say it would have been a shocker" (7/20). NBC's Lisa Myers: "Perot deserves credit for trying to honestly confront the budget crisis, but the bottom line is this. When it came time to deliver the bad news to the American people, Perot blinked" (7/20). CNN's Tony Clark: "A top campaign aide said Perot won't get back in" ("Inside Politics," 7/20).

ROLLINS CONTINUES THE ASSAULT: Ed Rollins on "Larry King": "I think at the same time Ross Perot was trying to get out of this race. ... He just lost his heart." On if the going-to-the-House scenario was a real reason: "We didn't care when we started if it went to the House. ... We had a strategy of how we were going to try to win it if it went to the House." Rollins on Luce's criticism of Rollins: "I'm very disappointed in Tom. Tom is a very dear friend. ... Tom, obviously has made his living off of Perot, and obviously he has to make his living in the future." Rollins told King of how all the politicians that were told they were going to be paid through November are now only going to get two weeks severance pay. On Jordan: "My sense is that Hamilton is going off quietly and may do better." On if he's mad: "I'm irritated." On who he'll support: "I'm a Republican, and I'll vote for the President." Parting shot: "I've done my last campaign" (CNN, 7/20). Rollins on "CBS This Morning": "Beginning in June 1 when he started leading in the polls ... people started looking at him in serious way and once that started happening the game wasn't quite as fun." On economic plan: "It would have been a courageous thing for him to have laid it out there ... We all knew it was going to be tough, we didn't know exactly until two weeks before" (7/21). GOP strategist Roger Ailes on Perot: "He's a control freak, who lost control of his campaign, he didn't want to spend his money, he knew he couldn't win and when he added it up he said this is crazy." Clinton consultant Bob Squier: "If we could get this to a two-way race early then we'd be able to figure out what to do ... the attack period is going to have to be moved up and we're going to be able to feel that attack and to deal with it at a time when we can really get through it on to what the people are talking about ... [GOPers] will attack us before the Republican convention" ("Today," NBC, 7/21).

POST-PEROT WITHDRAWAL SYNDROME: N.Y. TIMES' A.M. Rosenthal proposes Perot face a "moral court-martial" for the following charges: "AWOL in the face of political combat. ... Abandonment of his troops. ... Falsification of intelligence. ... Violation of the [Annapolis] code ... of taking personal responsibility for error. Contributing to a moral and political disorder: cynicism" (7/21). W. POST's Mary McGrory: "There is something he can do to redeem himself, make a contribution to the political process and prevent himself from welshing on a promise to run 'a world-class campaign.' He could finance a drive to register 25 million voters in November and bring about an 85 percent turnout in November" (7/21). Header over James Kilpatrick column: "Pick Up Your Doll Dishes, Ross Baby, Shut Your Mouth, and Go Home" (RICHMOND TIMES-DISPATCH, 7/21). Temple's James Hilty: "Perot's withdrawal probably saved us from a constitutional crisis. ...

But will Congress be motivated to act by the mere threat of a crisis? We will have to wait for a 'real' crisis. By then it may be too late" (PHILA. INQUIRER, 7/21).

*10 CANDIDATE SCHEDULES

	7/21	7/22	7/23	7/24	7/25
CLINTON 501/399-3840 J. Eller	L'villeKY EvnsvilIN IL	Little Rock AR	Houston TX	WA	WA
GORE 501/399-3840 staff	same as Clinton	Carthage TN			
BUSH 336-7080 T. Clarke	Phila. PA Garfield NJ	DC	DC Arlington VA	Arlgtn VA Dayton OH ClumbiaMO	Camp David
QUAYLE 202/456-7034 D. Beckwith	DC	DC	IN KY	DC	DC

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SENATE WATCH =====

*11 GEORGIA: COVERDELL FAVORED IN TODAY'S PRIMARY

In today's GOP primary to pick a challenger to face Sen. Wyche Fowler (D), it is a "battle of suburbia" with 3 of every 5 GOP votes "expected to come from metro Atlanta." The primary "has not attracted much voter interest" and 27% turnout is predicted. Ex-Peace Corps dir. Paul Coverdell (R) "has raised more than four times as much as his nearest competitor" (Sherman, COX/ATLANTA CONSTITUTION, 7/20). Coverdell, "considered to have more name recognition in the metro Atlanta area ... was keeping out of the cross hairs" of atty Charles Tanksley (R), ex-U.S. Atty Bob Barr (R), ex-Waycross Mayor John Knox (R), and retired businessman Dean Parkinson (R). The four have "bristled at the Coverdell efforts to avoid meeting them on the same platform." NRSC's Larry Neal says no matter who wins the primary, "There is a substantial opportunity to defeat Sen. Fowler" (Parham, Duluth DAILY NEWS, 7/20). Coverdell has been endorsed by the ATLANTA JOURNAL and GAINESVILLE TIMES. There will be an 8/11 runoff if no candidate receives 40% of the vote. "Should Mr. Coverdell find himself in a runoff, [he] will have to explain why his financial advantage didn't serve him better." Both Barr and Tanksley are from Cobb Co., where House. Min. Whip Newt Gingrich (R-06) is facing a heated primary and turnout could be high (CONSTITUTION, 7/20).

*12 IDAHO: KEMPTHORNE AIDES TO RECEIVE FEDERAL PAY

Phil Reberger, manager for Boise Mayor Dirk Kempthorne (R), will be paid \$150/month and receive federally-subsidized health insurance and pension benefits during his leave of absence as the chief of staff to Sen. Steve Symms (R). \$150 is the minimum pay for eligibility for federal benefits. Reberger: "I'm conforming to the rules, open, above-board, out front." Rep. Richard Stallings (D-02): "It's totally inconsistent with their conservative philosophy. Another Symms employee, Al Henderson, is receiving federal pay and benefits while working part-time as political director for Kempthorne's campaign. "Stallings said he'll make Kempthorne's staff an issue in the coming weeks" (Miller, Spokane SPOKESMAN-REVIEW, 7/17).

*13 OREGON: GOP SPLIT MAY LEAD TO 3RD PARTY BID, HURT PACKWOOD

"Gale-force winds of anger blew away the unstable moorings" of the OR GOP's "big tent" 7/18 as "far-right elements left the state convention prepared to form a minor party of their own." Sen. Bob Packwood (R), who is pro-choice and has "an uneasy relationship with strongly conservative, anti-abortion members of his party, could be the major victim of the rift if the Oregon Citizen's Alliance carries out its virtual promise to form a new party and nominate its own candidates." Packwood "appealed for tolerance among Republicans of diverse views and for a unified stand against" Dems. Al Mobley, an OCA activist whose '90 Gov. bid led to the election of Dem Barbara Roberts with less than a majority of the vote, said the 7/18 disputes between moderates and conservatives "cinched the third party." Mobley said he would run against Packwood and Rep. Les AuCoin (D-01) only if he had "an overwhelming response" from potential supporters. OCA exec. dir. Lon Mabon said he has the necessary papers to get on the ballot (Hortsch, Portland OREGONIAN, 7/19). The OR League of

Conservation Voters endorsed AuCoin (OR LCV release, 7/18).

*14 WASHINGTON: BONKER, CHANDLER, MURRAY W/IN MARGIN OF ERROR
An Elway Poll, conducted 7/11-14, surveyed 450 registered voters; margin of error +/- 4.7%. Tested: Rep. Rod Chandler (R-08), King Co. Exec. Tim Hill (R), state Sen. Leo Thorsness (R), state Sen. Patty Murray (D), ex-Rep. Don Bonker (D), and ex-Supreme Ct. Justice William Goodloe (I) (release, 7/20). NOTE: WA has an open primary; the top vote getter of each party goes to the general election.

Bonker	17%
Chandler	15
Murray	14
Hill	7
Goodloe	4
Thorsness	3
Und.	42

Spokane SPOKESMAN-REVIEW's Lynch writes, "Murray came under fire ... for hobnobbing with movie stars in [CA] and pushing herself into the spotlight with women politicians" at the Dem National Convention. Bonker: "I think she's really abandoned her campaign efforts here to enjoy the more glitzy lifestyle of mixing with the insiders." Murray: "This is a desperate attempt by a man who spent the last 14 years in D.C." (7/16). Murray missed a debate on 7/16 in order to attend the convention in New York (TRI-CITY HERALD, 7/16). SEATTLE POST-INTELLIGENCER's Borer reports, "Compared with other women candidates, Murray is noticeably less polished than ... Geraldine Ferraro, ... Lynn Yeakel, ... and Barbara Boxer and Dianne Feinstein. ... Their pitches are smooth, while Murray sometimes rushes through speeches." Murray has also "formed" a "valuable alliance" with Sen. Barbara Mikulski (D-MD). Mikulski helped Murray get a photo-op with Clinton while in New York (7/15).

===== ON THE HOUSE =====

*15 "OUTTA THE HOUSE": SCHEUER MAKES 83 NEW FACES IN NEXT HOUSE

MEMBERS RUNNING FOR HIGHER OFFICE -- 10

CA 06	Boxer (D)	OR 01	AuCoin (D)
CO 03	Campbell (D)	UT 02	Owens (D)
DE	Carper (D)	WA 04	Morrison
ID 02	Stallings (D)	WA 08	Chandler (R)
ND	Dorgan (D)	WI 05	Moody (D)

MEMBERS WHO LOST PRIMARIES FOR HIGHER OFFICE -- 3

CA 12	Campbell (R)	CA 39	Dannemeyer (R)
CA 27	Levine (D)		

MEMBERS RETIRING -- 52

AL 02	Dickinson (R)	MN 02	Weber (R)
AL 07	Harris (D)	NJ 06	Dwyer (D)
AR 03	Hammerschmidt (R)	NJ 08	Roe (D)
CA 25	Roybal (D)	NJ 14	Guarini (D)
CA 31	Dymally (D)	NY 03	Mrazek (D)
CA 32	Anderson (D)	NY 04	Lent (R)
CA 41	Lowery (R)	NY 05	McGrath (R)
FL 03	Bennett (D)	NY 08	Scheuer (D)
FL 04	James (R)	NY 26	Martin (R)
FL 10	Ireland (R)	NY 28	McHugh (D)
FL 16	Smith (D)	NY 29	Horton (R)
FL 17	Lehman (D)	NY 33	Nowak (D)
FL 19	Fascell (D)	NC 01	Jones (D)
GA 01	Thomas (D)	OH 01	Luken (D)
GA 09	Jenkins (D)	OH 11	Eckart (D)
GA 10	Barnard (D)	OH 13	Pease (D)
IL 11	Annunzio (D)	OH 15	Wyllie (R)
KY 06	Hopkins (R)	OH 19	Feighan (D)
KY 07	Perkins (D)	PA 05	Schulze (R)
MA 11	Donnelly (D)	PA 06	Yatron (D)
MI 02	Pursell (R)	PA 13	Coughlin (R)
MI 03	Wolpe (D)	PA 20	Gaydos (D)
MI 08	Traxler (D)	SC 06	Tallon (D)
MI 11	Davis (R)	VA 06	Olin (D)
MI 14	Hertel (D)	VA 07	Allen (R)
MI 18	Broomfield (R)	WA 01	Miller (R)

MEMBERS WHO LOST PRIMARIES -- 12

AR 01	Alexander (D)	IL 19	Bruce (D)
AR 04	Anthony (D)	KY 01	Hubbard (D)
CA 19	Lagomarsino (R)	MD 06	Byron (D)
IL 01	Hayes (D)	OH 10	Miller (R)
IL 02	Savage (D)	PA 04	Kolter (D)
IL 03	Russo (D)	WV 02	Staggers (D)

MEMBERS V. MEMBERS -- 6

IA 02	Nagle (D-03) v. Nussle (R-02)
KS 04	Glickman (D-04) v. Nichols (R-05)
	-- Nichols has 8/4 GOP primary
LA 06	Baker (D-06) v. Holloway (R-08)

LA 05 McCrery (R-04) v. Huckaby (D-05)
MD 01 Gilchrest (R-01) v. McMillen (D-04)
MT Williams (D-01) v. Marlenee (R-02)

*16 NY 05: SCHEUER IS NEW YORK'S EIGHTH RETIREMENT

Rep. James Scheuer (D-08) "abruptly withdrew from as tough re-election race" against Rep. Gary Ackerman (D-07) "just three weeks after his campaign said he had amassed a \$1.5 million war chest" to run against Ackerman -- "who was said to have raised about half that." Scheuer said "that extending himself to serve a new district would be too arduous at his age" of 72: "I was not afraid to lose -- I was afraid to win." Scheuer "insisted that the polls indicated 'this was a winnable race'" despite Ackerman's support from county leaders in Nassau and Queens. Scheuer on if he expected to endorse Ackerman: "I do not" (Steier, N.Y. POST, 7/21). Ackerman: "I feel like a million bucks. Obviously I have a much less formidable task now" (N.Y. TIMES, 7/21). Scheuer's retirement means there are no longer any NY incumbents facing other incumbents (N.Y. DAILY NEWS, 7/21). Also running: professor/consultant Hank Morris' mother Rita Morris (D) and Alan Binder (R). Primary 9/15.

*17 GEORGIA BRIEFINGS: PRIMARY TODAY

NOTE: In any CD where no candidate wins a majority, the top two vote getters will meet in an 8/11 runoff.

GA 01: Byran Ginn (D), a current aide to retiring Rep. Lindsay Thomas (D-01) is seeking to fill his boss' vacated seat. Others Dems: state Rep. Ron Fennel, real estate agent Mack Armstrong, elementary school principal Barbara Christmas and insurance agent Buddy DeLoach. GOPers: business owner Bill Jolley and insurance agent Jack Kingston (HOTLINE sources, 7/20).

GA 02: Rep. Charles Hatcher (D-02) faces some difficulty in his newly redrawn CD which grew from 32% to 57% black. Other Dems: legislator Sanford Bishop, Minister Lonzy Edwards and atty Mary Young-Cummings. GOPers: Physician James Dudley, Controller Thomas McCinley and business owner Daniel Augustus Menefee (HOTLINE sources, 7/20).

GA 03: A highly "negative" race has been waged between Rep. Richard Ray (D-03) and David Worley, who narrowly lost to Rep. Newt Gingrich (R-06) in '90. In the latest "blast" in the "fierce campaign that has featured an exchange of blistering attack direct mail from both camps" Worley accused Ray of "downright lying" in TV ads. Ray's last-minute \$100,000-plus TV blitz that began airing last week attacks Worley as a "career politician," though he has never held elective office and says he still "hasn't paid \$40,000 in campaign debts." Worley released documents showing his remaining debt is \$3,062 (Goldberg, ATLANTA CONSTITUTION, 7/16). The GOP race between state Sen. Mack Collins (R) and '90 Rep. Ray challenger/physician Paul Broun (R) has been considerably milder (HOTLINE sources, 7/20). The two have been called the "Bobbsey twins," because they have only minor differences in their conservatism. The CD is a "hybrid" of the old solidly-Dem 3rd CD and the former 6th which has elected GA's only GOP Rep., House Min. Whip Newt Gingrich (Goldberg, ATLANTA CONSTITUTION, 7/16).

GA 04: Though the crowded GOP race features some of GA's "best known political figures," none of the six candidates is expected to capture a majority of the vote, possibly forcing a runoff election. Among those running: state Rep. Emory Morsberger, state Sen. Min. Leader Tom Phillips, ex-Rockdale Co.

Commiss. Richard Robinson and '90 Rep. Ben Jones challenger/state Rep. John Linder, and businessmen Ray Miller and Jimmy Fisher. Morsberger has been criticized for financial mismanagement of his business, with several opponents calling for him to withdraw from the race. Miller came under fire after he endorsed Perot for president. Only two Dems, state Sen. Cathey Steinberg and DeKalb D.A. Bob Wilson, are running. Wilson has accused Steinberg of violating a GA ethics law by accepting contributions while the Leg. was in session. Steinberg insists the contributions she received were generated at earlier campaign events. Rep. Ben Jones (D-04) is seeking re-election in the new 10th CD. (Isenberg, ATHENS DAILY NEWS, 7/16).

GA 05: Rep. John Lewis (D-05) faces minimal opposition in his majority-black CD, which was only slightly altered by the remap. Challengers: real estate agents Mable Thomas (D), Barbara Brock (D) and Paul Stabler (D), and pharmacist James Tibbs (R) (HOTLINE sources, 7/20).

GA 06: Ex-state Rep. Herman Clark (R) has received considerable outside help in his race to defeat House Min. Whip Newt Gingrich (R-06). Clean UP Congress, an environmental group, has been distributing literature telling voters Gingrich has received low ratings from the LCV. Public Citizen, a Ralph Nader group, is airing TV ads that cast Gingrich as a "hypocrite who criticizes Congress while accepting perks and special-interest campaign contributions." The group has also pointed out that most of Gingrich's contributions have come from outside the state. Gingrich, in a recent fund-raising letter, characterized such groups as "the liberal establishment." Clark has also hit Gingrich for his House bank overdrafts (Walston, ATHENS DAILY NEWS, 7/17). Dems: Atty Gary Pelphrey, stock broker Ron Sifen, Leonard Brown and Tony Center.

GA 07: Rep. Buddy Darden (D-07) faces no primary opposition. GOPers: Physician Brenda Fitzgerald and research assoc. Alfred Beverly.

GA 08: Rep. Roy Rowland (D-08) is being challenged by teacher Bill Lightle (D) in the primary. GOPer: Atty Saxby Chambliss and insurance agent Bob Cunningham.

GA 09: Two Dems and 4 GOPers are seeking to replace retiring Rep. Ed Jenkins (D-09). Dems: state Rep. Wye Orr, atty Nathan Deal and businessman Thomas Ramsey. GOPers: architect Daniel Becker and developers Lane Bohannon and Benjamin Whitaker.

GA 10: Rep. Ben Jones (D-04) opted to run for retiring Rep. Doug Barnard's (D-10) vacated seat after the remap cut out a significant bloc of his Dem votes for the new majority-black 11th CD. Other Dems: state Sen. Donald Johnson, Citizen Action dir. Marc Wetherhorn, atty Chuck Pardue and psychologist Doug Bower. GOPers: state Sen. Frank Albert, Agric. Stabilization & Conservation Service's Ralph Hudgins, businessman Tom Simpson, Gwinnett Co. commiss. Curtis McGill, and ex-Univ. GA football player Mark Myers (HOTLINE sources, 7/20).

GA 11: State Rep. Cynthia McKinney (D) has begun airing a 60-second radio spot that criticizes state Rep. Michael Thurmond (D) and '88 Jesse Jackson GA chair/state Sen. Eugene Walker (D) for their role in the remap, claiming they have "sold out" black voters by supporting the creation of 2 majority-black CDs instead of fighting for three. Both Thurmond the Leg. Black Caucus chair, and Walker, the Senate Remap Cmte chair, "say the ads distort their records." Walker in turn has "downplayed" McKinney's role in persuading the DoJ "to insist" that GA creates three black CDs (Watts, ATLANTA CONSTITUTION, 7/16).

*18 MISSOURI: GRAND JURY INVESTIGATES FUND

A second federal investigation of the state's Second Injury Fund "focuses on whether there is a connection between campaign contributions" to AG Wm Webster (R) "and the way the settlements are paid from the fund." U.S. Atty Stephen Higgins said neither Webster nor his staff is a target. Two attys who represent claimants against the fund and another atty who has defended the fund "have said they believe there is a relationship between contributions and either the size of a settlement or the speed with which it is handled." But "lawyers fear that if they publicly expose the system their working relationship with the small number of lawyers and judges who handle workers' compensation will be destroyed" (Terry Ganey, S.L. POST-DISPATCH, 7/19). Webster manager Tony Feather: "I know they're not looking at Bill Webster." The Springfield grand jury has issued no indictments and "can typically spend months or even years before deciding to take such action." State Senate Judiciary Committee Chair John Schneider (D) said his committee is investigating the Fund. Schneider: "The thing that concerns the committee the most is the appearance that this business is being used to raise campaign contributions" (Pipkin, K.C. STAR, 7/18).

*19 WASHINGTON: UNDECIDEDS DRAW THE BIGGEST NUMBERS

An Elway Poll, conducted 7/11-14, surveyed 450 registered voters; margin of error +/- 4.7%. Tested WA Speaker of the House Joe King (D), AG Ken Eikenberry (R), Rep. Sid Morrison (R-04), state Sen. Dan McDonald (R), and ex-Rep. Mike Lowry (D) (release, 7/20). Note WA has an open primary. The top vote getter of each party goes to the general election.

PRIMARY

Lowry (D)	20%	King (D)	4%
Eikenberry (R)	18	McDonald (R)	4
Morrison (R)	13	Und.	41

===== HOTSPOTS =====

*20 NORTH DAKOTA: BURDICK "FEISTY"; SHOULD LEAVE HOSPITAL SOON

Sen. Quentin Burdick (D), who was admitted to a coronary care unit last week after "complaining of fatigue and not feeling well," is according to an unnamed Dem "insider," feeling "feisty" and ready to go back to work: "The senator's fine. He's not dying. He's just an old man who's tired and needs to have his batteries recharged. They've planned to put him in the hospital during the recesses so he can get some rest. Democratic-Nonpartisan League chair George Gaukler: "I'd like to think if it was anything of a serious nature, I'd know about it because it would involve the future of the party." Burdick has served in the Senate for 32 years. This is the 5th time in 5 years he has been hospitalized (Shatek, GRAND FORKS HERALD, 7/21).

===== POLL

E =====

THE WHITE HOUSE

*21 ABC/W. POST: 47% SEE ECONOMY TO BE WORSE; CLINTON LEAD BLOATS
714 registered voters surveyed 7/17-19; margin of error +/-
4.5%. Subsample: 571 likely voters; +/- 5% (7/21). Results are
among RVs except where indicated.

2-WAY	LVs		REGISTERED VOTERS			IF PEROT STAYED IN	
	NOW	NOW	7/16	7/14	7/8	NOW	7/16
Clinton	58%	58%	54%	47%	44%	Clinton	39% 40%
Bush	30	29	31	33	45	Bush	22 20
DK/other	12	12	16	16	11	Perot	26 25

(NOTE: 7/14 & 7/8 results based on allocated second choice
of Perot voters from a 3-way question. All other results are
from a direct 2-way question.)

STRENGTH OF SUPPORT (LIKELY VOTERS)			THE FIELD		RVs
	NOW	7/8	Satisfied		
Support Bush/strongly	53%	69%	Like to see	46	
Support Bush/not strongly	44	30	others run		
Support Clinton/strongly	63%	51%			
Support Clinton/not strongly	34	48			

HAS HONESTY/INTEGRITY
TO BE PRES.?

	BUSH	CLINTON
Yes	55%	63%
No	42	26

UNDERSTANDS PROBLEMS OF AVG.
AMERICANS ENOUGH TO BE PRES.?

	BUSH	CLINTON
Yes	34%	69%
No	64	25

CANDIDATES' VIEWS

	BUSH	CLINTON		FAV/UNFAV
Too liberal	13%	19%	Clinton	58% / 23%
Too conservative	31	2	Gore	55 / 12
Just about right	25	45	Bush	41 / 53
DK/other	31	34	Quayle	26 / 63
			Perot	40 / 33

QUAYLE STATUS

Bush should keep him	40%
Bush should pick someone else	46
Don't know	14

IF BUSH DUMPS QUAYLE

Approve	60%
Disapprove	19
Depends (vol.)	10
DK/other	12

U.S. ECONOMY

Getting better	14%
Getting worse	47
Staying the same	37

HOW DO YOU SPELL 'POTATO'?

Spelled correctly	66%
Spelled incorrectly	30
DK/no opinion	4

PEROT QUITs

Wish he stayed in	45%
Glad he dropped out	35
In between (vol.)	10
Don't know	10

REGARDLESS, PEROT CANDIDACY WAS ...

Good thing for country	72%
Bad thing	14

===== TV MONITOR =====

*22 THIS MORNING: NBC's ^{THE WHITE HOUSE} Today hosted Clinton consultant Bob Squier and GOP strategist Roger Ailes, and women's activist Gloria Steinem on Ms. magazine's 20th anniversary. ABC's "GMA" hosted Rep. Pat Schroeder (D-CO) and American Life League pres. Judie Brown on RU-486 and '80 Independent presidential candidate John Anderson. "CBS This Morning" hosted ex-Perot co-manager Ed Rollins, Bush-Quayle TX chair Jim Oberwetter and Bush-Quayle CA co-chair Jack Flanigan (7/21).

LAST NIGHT: ABC and NBC led with Clinton-Gore bus tour. CNN and CBS led with the AIDS conference in Amsterdam. PBS' "MacNeil/Lehrer" led with Bush's attack on Clinton for stealing Bush's campaign line. "M/L" focused on the AIDS conference with NIH's Dr. Anthony Fauci and AIDS Treatment Action's Mark Harrington. "Crossfire" hosted Media Research Center's Brent Bozell and Fairness and Accuracy in Reporting's Jeff Cohen. "Larry King Live" hosted ex-Perot co-manager Ed Rollins and Perot lawsuit filer Michelle Alexander. ABC's "Nightline" focused on the international AIDS conference (7/20).

HA!: NBC's Jay Leno on Perot: "I guess we all found out what the 'H' stands for -- hoax." On Perot's reason for withdrawing: "Congress has a three trillion dollar debt, they've bounced thousands of checks, they're walking out on lunch tabs, sex scandals, drinking -- God forbid a fine organization such as this should be thrown into disarray." On Perot: "My problem with Perot was he never looked presidential he always looked like he belonged in a hollowed out tree making Keebler cookies." On Clinton's jump in polls: "Pollsters say this always happens when a poll is taken after a political convention -- well there's the secret to winning -- have the convention the day before the election." On Clinton/Gore bus tour: "Bill Clinton's brother sings ... Tipper Gore plays the drums, Clinton plays the sax -- this isn't the Democratic Party this is the Partridge Family." On GOP convention: "Nixon says he will not appear with George Bush -- you know your in trouble when even Nixon won't show up to be with you ... Nixon doesn't want to damage his reputation, I guess" ("Tonight," 7/20).

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

"An oddly passive approach to his opponent for a man more than 20 points down in current polls."

-- ABC's Brit Hume, on Bush's Rose Garden appearance, 7/20.

#

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Cover Sheet	Re: [Government Report] (1 pp.)	7/21/92	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, July 21, 1992 [2]

Date Closed: 9/19/2019

OA/ID Number: 90698-005

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]

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FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. and Mrs. Kirk Blackburn
Blackburn International, Incorporated
1053 West 700 North
West Bountiful, Utah 84087



THE PRESIDENT

July 21, 1992

Dear Kirk and Cindy,

You left for me at the hotel a very beautiful BYU sweater. It is something I will always treasure, that is unless Barbara Bush takes it away from me because it is so special.

Many, many thanks for that lovely welcoming present.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "George Bush".



BYU

Kyuden
Suzuki

Compliments of
Rick and Cindy Blackburn

Blackburn International, Inc.
1053 West 700 North
West Bountiful, Utah 84087

BUSH LIBRARY PHOTOCOPY - George Bush Handwriting

Mr. President...