

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

FOIA Number:
2009-0166-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

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

OA/ID Number: 90698
Folder ID Number: 90698-008

Folder Title:
Wednesday, July 22, 1992 [1]

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. Handwritten Notes	Re: Presidential Phone Calls with James A. Baker III [originally closed as 02]. (3 pp.)	7/22	(b)(1)	
02. Handwritten Notes	Re: Presidential Phone Calls with Bob Gates [originally closed as 03]. (1 pp.)	7/22	(b)(1)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Wednesday, July 22, 1992 [1]

Pinksheet Number: cap6181
OA/ID Number: 90698-008
Date Closed: 9/19/2019
FOIA/Sys Case #: 2009-0166-S[4]
Re-review Case #:
P-2/P-5 Review Case #:

Presidential Phone Calls



DATE:

7-22-92

TIME:

4:45

~~incoming~~/outgoing

WITH:

Kay Bailey Hutchison

SUBJECT:

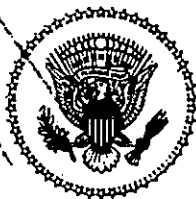
asked her be
temporary Chair
of committee

She accepts

FOLLOW UP:

Rich should
call her -

Presidential Phone Calls



DATE: 7-22-92

TIME: 4 PM

Incoming/outgoing

WITH: Ross Perot

SUBJECT: To set up meeting

AM 30th -

I suggest Night of 4th August 5³⁰ - 6³²

A

Head up now -

" Fine - get back to you "

(very curt -
not unpleasant)

FOLLOW UP:

I give Rose #

I " PB # - backup

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

JULY 22nd, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	6:13 AM	6:19	MRS. BARBARA BUSH RES: KENNEBUNKPORT, ME. 207-967-8990	TLKD-OK 6:13 A.M.
~~INC~~	~~PM~~			
OUT	AM			
INC	PM			
~~OUT~~	9:51 AM		FORMER SECRETARY ROBERT A. MOSBACHER OFC: WASHINGTON, D.C. 202-789-1914	SPOKE WITH MRS. ROSE M. ZAMARIA 9:52 A.M.
~~INC~~	~~PM~~			
OUT	AM			
INC	PM			
OUT	~~AM~~		MR. ROSS PEROT OFC: DALLAS, TX. 214-788-3001	TLKD-OK 3:59 P.M.
~~INC~~	3:57 PM	4:02		
OUT	AM			
INC	PM			
OUT	~~AM~~		MS. KAY BAILEY HUTCHINSON OFC: AUSTIN, TX. 512-463-5935	TLKD-OK 4:48 P.M.
~~INC~~	4:45 PM	4:52		
OUT	AM			
INC	PM			
~~OUT~~	~~AM~~		MR. BRUCE WILLIS PITTSBURGH, PA. 412-281-7100	TLKD WITH MS. ROBIN A. MAC LEAN 5:34 P.M. PRESUS RETURNED CALL 9:09 P.M. LW PER PRESUS WITH MR. TOM HARDY 9:16 P.M.
INC	5:33 PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

Patty Presock

Re
✓ Ross
Perot

Document Originally
Attached to
Following Page

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

JULY 22nd, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
~~OUT~~	~~AM~~		MRS. PATRICIA A PRESOCK	
INC	6:50 PM	7:23	CELLULAR PHONE	
OUT	AM		202-494-9949	TLKD OK 7:21 P.M.
INC	PM			
~~OUT~~	~~AM~~		MRS. DOROTHY KOCH	
INC	7:21 PM		RES: BETHESDA, MD.	
OUT	AM		301-229-4594	PRESUS CA 7:26 P.M.
INC	PM			
~~OUT~~	~~AM~~		SECRETARY NICHOLAS F. BRADY	
INC	7:27 PM	7:49	OFC: WASHINGTON, D.C.	
OUT	AM		WHITE HOUSE ADMIN EXT. 422	TLKD-OK 7:48 P.M.
INC	PM			
~~OUT~~	~~AM~~		FORMER SECRETARY ROBERT A. MOSBACHER	
INC	7:27 PM		CELLULAR PHONE	
OUT	AM		212-414-2052	PRESUS CA 7:48 P.M.
INC	PM			
~~OUT~~	~~AM~~		MR. JOHN E. BUSH	
INC	7:57 PM	8:15	RES: MIAMI, FL.	
OUT	AM		305-663-3212	TLKD-OK 7:58 P.M.
INC	PM			
~~OUT~~	~~AM~~		MR. ROGER AILES	
INC	8:02 PM	8:24	RES: WEST PALM BEACH, FL.	
			407-863-8666	CLEARED BY MRS. ROSE M. ZAMARIA 8:14 P.M.
				TLKD-OK 8:15 P.M.

TELEPHONE MEMORANDUM

JULY 22nd, 1992

[illegible]

WASHINGTON

SIGNAL SWITCHBOARD

July 22, 1992

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 22 July 1992

TIME	MOVEMENTS
0715	Doctor's Office
0721	Residence
0723	South Grounds
0730	Oval Office
0734	Roosevelt Room
0745	Oval Office
0921	Rose Garden
0931	Oval Office
0951	Room 450, Old Executive Office Building
1004	Room 459, Old Executive Office Building
1059	Room 450, Old Executive Office Building
1109	Oval Office
1113	Cabinet Room
1204	State Floor
1343	South Grounds
1345	Depart South Grounds via Marine One
1349	Arrive Charles Drew Model Elementary School
1436	Depart Charles Drew Model Elementary School
	via Marine One
1440	Arrive South Grounds
1442	Oval Office
1703	South Grounds
1705	Residence
1857	South Grounds

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 22 July 1992

TIME

MOVEMENTS

[illegible]

NOTES FROM PHONE CONVERSATION WITH ROSS PEROT

7-22-92

4 p.m.

To set up meeting. a.m. 30th - I suggest - night of 4th August 5:30 - 6:30

tied up now -

"Fine - get back to you"

(very curt - not unpleasant)

I give Ross #

I give PP # backup

(PP=Patty Presock)

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Daily

The Honorable James D. Griffin
Mayor
City of Buffalo
Room 201
65 Niagara Square
Buffalo, New York 14202



THE PRESIDENT

Personal
7-22-92

Dear Tim,

I just got back to
Washington after 2 weeks
away. I saw your wonderful
endorsement; and I am very
grateful. Thanks so much.

Clinton is on a putt-
piece roll right now; but
my day is coming.

With you in my corner
will win it. Sincerely,

By Bill

BUFFALO, NEW YORK

NEWS RELEASE

JULY 10, 1992

Buffalo Mayor James D. Griffin today endorsed President George Bush for re-election, citing the President's experience, proven leadership ability and track record in leading America through the ending of the cold war.

"President Bush is probably the most experienced person ever to be elected President of the United States," the Mayor said. "As a former Ambassador to China, Ambassador to the United Nations and Director of the C.I.A., as well as former Vice President, his experience in national and international affairs when he entered the White House was unique. That was one of the main reasons I endorsed him in 1988, and history has proven me right," the Mayor said.

"His handling of the free world's response to the Iraqi invasion of Kuwait was masterful. He skillfully put and held together a coalition of more than 30 diverse nations -- a feat only equalled in World War II. Once the war started, his boldness and courage insured that it was one of the shortest wars in military history," the Mayor said.

"His reaction to the military coup in the former Soviet Union in August of 1991 was equally masterful. By showing the coup leaders that he unwaveringly supported President Gorbachev, he was instrumental in causing the failure of the coup and President Gorbachev's peaceful return," the Mayor pointed out.

"But President Bush's experienced hand is needed now more than ever. The former Soviet Union has disintegrated, but the Commonwealth left in its wake is near chaos and anarchy. How we deal with these Commonwealth states and other Eastern European countries in the next few years will determine the course of world events for the next century. This is not the time to give some novice 'on-the-job training' in the White House," the Mayor said.

"President Bush realizes the need to accelerate research and development spending by American industry through continued tax credits and targeted funding of key technologies is the key to increased employment. Since 1986, the City of Buffalo has joined with the university, major corporations and the Science and Technology Foundation to promote technology transfer to local companies," Mayor Griffin said.

call him!

"The President needs to have a line item veto power, which most Governors have, to control frivolous spending," the Mayor pointed out.

"His actions to compromise the Civil Rights Act fairly balances the need to provide protection to victims of discrimination with the need to avoid measures which would cause an explosion of litigation or place unfair burdens on employers," the Mayor added.

"In closing, the President has a strong pro-life attitude, as I do. For all of these reasons, I feel that President Bush is the best qualified in experience and performance to lead this great nation for another 4 years and I am pleased to endorse him for re-election," the Mayor said.

--

THE WHITE HOUSE
WASHINGTON

July 22, 1992

2 JUL 22 P5:18

MEMORANDUM FOR THE PRESIDENT

FROM: JAN NAYLOR *JN*
Deputy Assistant to the President
and Acting Director of Presidential Personnel

SUBJECT: Personnel Selection - Commission to Promote Investment
in America's Infrastructure

I. Background

The Commission to Promote Investment in America's Infrastructure was established by P.L. 102-240 on December 18, 1991. The Commission was created to conduct a study on the feasibility and desirability of establishing a type of infrastructure security to permit the investment of pension funds for the design and construction of infrastructure facilities in the United States. Such a study also may include an examination of other methods to encourage public and private investment in infrastructure facilities.

II. Term

Members served at the pleasure of the President.

III. Membership

Seven total members are appointed with appropriate backgrounds in finance, construction lending, actuarial disciplines, pensions, and infrastructure policy disciplines, as follows:

One appointed by the President;
Two appointed by the Majority Leader of the Senate;
Two appointed by the Speaker of the House of Representatives;
One appointed by the Minority Leader of the Senate;
One appointed by the Minority Leader of the House of Representatives.

IV. Recommendation - SELECT ONE

Secretary Skinner and I recommend that you approve for appointment the following individual:

KAY BAILEY HUTCHISON, of Texas, to be a member of the Commission to Promote Investment in America's Infrastructure, a new position. Mrs. Hutchison has served as Treasurer of the State of Texas since January 2, 1991. Mrs. Hutchison was the first Republican woman elected to the Texas House of Representatives where she served with distinction from 1972 until 1976. During that time, Mrs. Hutchison co-authored the bill to create the first mass transit authorities in Texas for the cities of Houston and San Antonio and co-authored the reorganization of the Texas Department of Highways and Public Transportation. In 1976, Mrs. Hutchison was appointed by President Ford as Vice Chairman of the National Transportation Safety Board. Mrs. Hutchison was Chairperson of Texas Women for Bush during the 1988 campaign. (Part-time PA appointment serving at the pleasure of the President).

Recommended by: Ron Kaufman and Bobby Holt.

APPROVE



DISAPPROVE

Upon your approval, all necessary clearances will be initiated. Announcement of your intention to appoint this individual will be made as soon as all the necessary clearances are completed.



TREASURY DEPARTMENT
P. O. BOX 12608, CAPITOL STATION
AUSTIN, TEXAS 78711

KAY BAILEY HUTCHISON
TREASURER
STATE OF TEXAS

1811 STATE OFFICE BUILDING
CONGRESS AT 17TH ST.
(512) 463-6000

Biography of Texas State Treasurer Kay Bailey Hutchison

On Nov. 6, 1990, history was made in Texas with the election of Kay Bailey Hutchison as State Treasurer. She is the first Republican woman ever elected to a statewide office. Mrs. Hutchison took the oath of office on Jan. 2, 1991.

Her career has been marked by a series of firsts. In 1972, she was the first Republican woman elected to the Texas House of Representatives. While in the House, she received outstanding legislator awards from the Association of Professional Educators, the Texas Good Roads Association, the State Bar Association and the Texas District Attorneys Association. Mrs. Hutchison represented the Houston area in the Texas House from 1972 until 1976.

One of her main interests in the Legislature was transportation. She co-authored the bill to create the first mass transit authorities in Texas for Houston and San Antonio. She co-authored the reorganization of the Texas Department of Highways and Public Transportation in 1975.

In 1976, Mrs. Hutchison was appointed by President Gerald Ford as vice chairman of the National Transportation Safety Board. During her two-year stint on the board, she also served as acting chairman.

Mrs. Hutchison currently is a member of the prestigious Anthony Commission on Public Finance, a national public policy group organized by U.S. Rep. Beryl Anthony Jr. of Arkansas. She also is co-chair of the National State Debt Management Network. Her past governmental experience includes membership on the Governor's Commission for Women and the Governor's Commission Against Crime. Before running for elective office, she worked as a political and legal correspondent for NBC-TV affiliate KPRC of Houston.

She moved to Dallas in 1978 and became senior vice president and general counsel of RepublicBank Corp. She later co-founded Fidelity National Bank of Dallas and owned McCraw Candles, Inc., a manufacturing company with national distribution. She sold McCraw Candles in 1988.

Mrs. Hutchison has been director of the State Fair of Texas, the Cotton Bowl Athletic Association; the Dallas Women's Foundation Advisory Board, the Boys Club of Dallas and its national board, the YWCA and serves on the Community Advisory Board of the Tejas Girl Scout Council. She is a former director of the Dallas Chamber of Commerce, a former chairman of the North Dallas Chamber of Commerce, past president of the Executive Women of Dallas, Charter 100 of Dallas, and the Dallas Forum. She serves on the National Board of International Women's Forum.

Last year, USA Weekend listed Mrs. Hutchison as one of the 20 rising American political stars of the 1990s. In 1987, she was the recipient of the Women's Center "Women Helping Women" award; the 1977 Glamour Magazine, "Ten Outstanding Working Women in America" award, and in 1978 named one of the "Ten Outstanding Young Women in America." She was named Outstanding Young Lawyer of Houston in 1970, and Houston Baptist University's "Woman of the Year" in 1970.

Page 2

Mrs. Hutchison was raised in La Marque (Galveston County). She graduated from the University of Texas and the University of Texas School of Law. She is married to Ray Hutchison, an attorney and former member of the Texas House of Representatives.

To Tony Snow

Tony - good memo!
What you're doing is very important!
Thanks,
GB

THE WHITE HOUSE

WASHINGTON

JULY 21, 1992

DCF HAS SEEN

7-22-92
MEMORANDUM FOR SAMUEL K. SKINNER
W. HENSON MOORE
DORRANCE SMITH
MARLIN FITZWATER

FROM TONY SNOW TS

SUBJECT OP-EDS

5/10 w
707 US

With the assistance of Diana Furchtgott-Roth and some interested cabinet members and policy wonks, I have assembled a very ambitious op-ed schedule. Before describing them, let me note that Diana has been a dynamo, and I really appreciate Clayton Yeutter's letting her assist in the op-ed operation on a half-time basis.

With that as introduction, here's an update of topics and status:

✓ 1) Trade: We should be ready soon with proposals for NAFTA pieces, along with general pieces on the trade situation. Barbara Franklin's ready to go; Carla Hills and Clayton Yeutter also will help. We'll coordinate the op-ed effort with Nick Calio's NAFTA working group.

2) Women: We should have a draft ready by next week on George Bush's record on women's issues. I've got lots of good stuff; I just need the time to organize it and write it up. Connie Horner will serve as author.

3) Winning Hand: A description of Republicans' winning hand this year -- Rich Bond. This one I'll do on my own time at home.

4) Environmentalism: We need a blitz against Gore. Reilly is working up a piece. I hope to persuade Deland to help out as well. //

5) Deregulation: Diana F-R has drafted a dereg piece; I should have it edited and ready to sell to a prospective author no later than tomorrow

6) Health Care: Gail Wilensky has produced a decent piece on our health care initiatives. We should have it ready for distribution later this week.

7) Education: I've been working as an editor on several pieces by Lamar Alexander. The first should go out to newspapers this week.

8) Congressional Reform: A long piece awaits the Vice President's attention and signature. Later on in the campaign, I'll seek out pieces from retirees, including Vin Weber, in order to make the case that people who want action should vote for a Republican Congress.

9) Economy -- Michael Boskin is working on a couple of explainer pieces: one, to discuss the state of the economy; a second to note that the American economy has restructured itself to compete in a new international environment, and that the changes will make possible a boom in the years ahead.

Boskin also has volunteered to do some pieces on Clintonomics. I'd also like to recommend that we get Darman to do one, based on his press briefing several weeks ago.

Diana is making inquiries of Pat Saiki, to see if Administrator Saiki would be willing to do something about the impact of Clintonomics on small business.

Diana and Boskin also plan to do pieces on the Democrats' declinist myths.

10) Executive orders -- We should get Boyden or someone to produce a piece describing all the ways in which the President has used executive orders to accomplish important business that the people wanted done, but that Congress refused to undertake. I've got researchers working on a list of such orders.

11) Welfare reform -- Gail Wilensky also has volunteered to do a welfare reform piece. I'd also like to solicit something from Louis Sullivan, but to be honest, his office goes its own way and tends not to want our help.

12) Defense restructuring: We're working on turning a speech by Chris Jehn of DoD into an op-ed about the virtues of our restructuring efforts -- and the craziness of Clinton's.

13) Scandal -- Democrats want to demonize our every attempt to discuss the Clinton and Gore records. This strategy of pre-emptive name calling is for the birds. I've proposed writing a piece calling their bluff for Teeter's signature. I'll start working on it once I've talked to him.

14) Iraqgate -- We have placed one piece, and have two others in the process. I've written one that puts pressure on Jack Brooks and Henry Gonzales. Henry Hyde, despite his tragic personal problems, has agreed to take the point. Steve Rademaker of the counsel's office/NSC also has drafted a good piece, and we'll seek an author for that. I've also asked through channels to see whether Lawrence Eagleburger would agree to a piece setting the record straight.

15) Change: A piece drawing contrasts between us and them: We are the change. We should get a highly visible administration official to do this. SOON!

Summary:

Completed Drafts:

Environment	1	Reilly
Deregulation	1	Furchtgott-Roth (signatory TBD)
Health care	1	Wilensky
Education	1	Alexander
Cong. reform	1	Snow (Quayle)
Defense reform	1	Jehn/Furchtgott-Roth (signatory TBD)
Iraqgate	2	Snow (Henry Hyde); Rademaker (TBD)

Drafts due by end of week:

Scandal	1	Snow (Teeter)
Winning hand	1	Snow (Bond)
Clintonomics	2	Boskin; Furchtgott-Roth/Snow (Saiki)

Due next week

Women's issues	1	Snow (Horner)
Welfare reform	1	Wilensky
Education	1-2	Alexander

THE PRESIDENT HAS SEEN ^{7/22}

DM

FYI. Attached is apology letter sent out by David Demarest to Mr. Agley of YPO.

THE WHITE HOUSE
WASHINGTON

July 20, 1992

05
///

Dear Mr. Agley,

I am responding to your letter to the President regarding the YPO briefing at the White House on April 21st. The YPO leadership requested a White House briefing with Presidential participation.

In scheduling the briefing, Molly Osborne, Associate Director, Office of Public Liaison, coordinated the details with Doug Glant. We suggested to the YPO leadership a 10 minute address from the President followed by presentations by knowledgeable Administration officials. While it was explained that the President would make a 10 minute address and depart, as you might expect, that is not the same as a "dialogue". Other Administration officials were provided to address YPO and answer questions. This is the format used by the White House for virtually hundreds of organizations and has worked well. Of course, most organizations would prefer "dialogue" time with the President, but that is just not feasible. We try to make that clear. The YPO organization extended the invitations. In the case of the YPO briefing, somewhere in the translation, it is obvious that the briefing was misrepresented.

Just prior to the President's arrival at the briefing on April 21st, Molly Osborne was handed a letter that a few YPO members had written to the President requesting a private meeting. A meeting with Secretary Yeutter was arranged on May 11th to discuss their concerns.

I'm very sorry that your colleagues felt let down.

Sincerely,

David Demarest

David Demarest
Assistant to the President for
Public Liaison and Intergovernmental Affairs

THE WHITE HOUSE

WASHINGTON

2 JUL 14 10:22

JULY 13, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *SB per DD*
FROM: MOLLY OSBORNE *MO*
RE: YPO BRIEFING

It is our understanding that in Detroit, MI, a YPO member mentioned to you that he had been promised a two hour personal exchange with you and was disappointed with the YPO White House briefing.

In scheduling the YPO briefing on April 21st, we offered the YPO leadership a 10 minute address from you followed by speeches from the highest level Administration speakers we could secure. YPO requested to hear from Secretary Skinner, Director Darman, Chairman Boskin, Ambassador Hills, Secretary Brady and Gregg Petersmeyer. All speakers declined our requests to address YPO for various scheduling conflicts except for Secretary Brady and Gregg Petersmeyer. On April 20th, Secretary Brady's office had to cancel his address to YPO and so we scheduled Hollis McLoughlin, Assistant Secretary of the Treasury and Counselor to the Secretary, to speak on his behalf. The next morning, we tried to secure a cabinet level speaker, but at this point, all schedules were booked. The agenda for the YPO briefing was you, Hollis McLoughlin, Gary Edson, General Counsel, USTR, Gregg Petersmeyer and Jeff Vogt.

Prior to your arrival, Doug Glant, YPO International President, handed me a letter that he and a few other YPO members had written to you requesting a private meeting. The letter stated that they were concerned that you weren't conveying an effective domestic/economic agenda. We arranged a meeting with Secretary Yuetter on May 11th to discuss their concerns.

Unfortunately, the YPO organization misrepresented the briefing when extending invitations to their membership. They billed this briefing as a two hour exchange with you. Also, the YPO membership expected all cabinet level speakers.

Please let us know if you need any more information. Thank you.

THE WHITE HOUSE
WASHINGTON

2 JUL 14 A10:21

JULY 13, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *SB per DD*
FROM: MOLLY OSBORNE *no*
RE: LETTER FROM RANDOLPH AGLEY

Today we were informed about the letter from Randolph Agley by your office and are drafting a response from David Demarest.

Please see the attached memo regarding the YPO briefing.



Original incoming with
the President in Maine.

The President has asked
David Demarest to do
an letter of apology to
Mr. Agley.

There's no record of
WH ever receiving 21 May
letter.

David Demarest recommends
the President see memo put
together by him and Molly
on this subject. 7/13/92

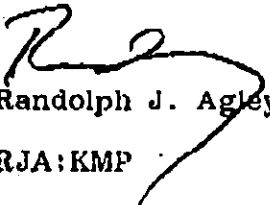
July 1, 1992

The Honorable George Bush
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

Per our conversation Monday evening, I am enclosing a copy
of the letter I sent to you previously.

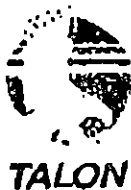
Sincerely,


Randolph J. Agley

RJA:KMP

TALON GROUP

400 Talon Centre, Detroit, Michigan 48207 (313) 396-4300



Randolph J. Agley
President

May 21, 1992

The Honorable George Bush
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President:

I am Finance Chairman for the Michigan Republican Party and a major fundraiser for your campaign. I write this letter in concern for the approach taken by your political staff in handling what I consider a politically major support group for your reelection.

On April 22 you hosted a leadership group of the Young Presidents Organization (I am Detroit Chapter Chairman and attended the meeting). YPO is made up of nearly 6600 CEOs around the world. The 150-plus members present at the meeting represent chapter chairmen and our executive board. The invitation was for a two hour meeting with you. The group clearly expected a dialog. Instead, the meeting was a 20 minute speech by you with no question-and-answer period, and an hour and a half with relatively unknown administration officials for some speeches coupled with some time for questions. This group of leaders had travelled to Washington from as far away as Hawaii just for this meeting. No one came to hear a speech; they came for a dialog, a chance to express concerns and ask questions.

Everyone I have talked to subsequently was alienated by the meeting. The feelings ranged from disillusionment to anger. Instead of building support we lost significant potential and actual support. The ripple effect as these leaders talk to other CEO members will be a major negative.

I write this not to complain but to alert you to this poor evaluation of how to approach particular groups. This powerful group of leaders left not only upset by the meeting

TALON GROUP

One Detroit Michigan 48207 (313) 396-4300

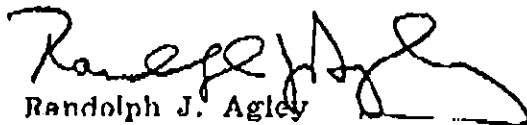
President George Bush
May 21, 1992
Page 2

but having the belief reinforced that you are not interested in listening to what needs to be done to move the country forward.

We continue to move forward for your re-election but events like this put us significantly behind where we should be in our program to get you re-elected.

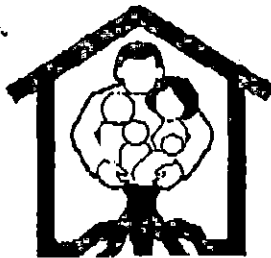
I hope you understand the need for my writing such a negative evaluation.

Sincerely,


Randolph J. Agley

RJA:KMP

c: Governor John Engler
Max Fisher
Bobby Holt
Margaret Alexander
Heinz Prechter



NATIONAL INSTITUTE
FOR RESPONSIBLE FATHERHOOD & FAMILY DEVELOPMENT

8355 Hough Avenue • Cleveland, Ohio 44106 • 216/791-1468 • Fax: 216/791-0104

THE PRESIDENT HAS SEEN 7/22

Charles A. Ballard, President

July 21, 1992

Executive Committee
1991 Officers

Hilton O. Smith, Chairman
Shirley Hawk, 1st Vice Chairman
Jae Brink, 2nd Vice Chairman
Richard Andrews, Secretary
William Harris, Treasurer

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

Dear Mr. President;

Board of Trustees

Owen M. Duke
Norman DeLoach, D.D.S.
Lawrence Floyd
Claire Freeman
Linton Freeman
Saratha Goggins
Robert M. Hass
Eugene Harris
Raymond Headen
Michele D. Hill
Michelle Jackson
Peter Lawson Jones
Stephanie Tubbs Jones
Bernie Katz
Jasie Lindsey
Bob Nosal
Rev. Allison Phillips, Ph.D.
Rodney Reynolds
Russell C. Shaw
Marianna Stein
Ossian Walker
Theresa Wilborn
Ron Winbush

Thank You.

There are so many things that I continue to be so eternally thankful to you for, Mr. President.

The time that you took out of your busy schedule to meet with me in May 1992 has had an overwhelming effect on my life.

The taping you made for our Ninth Annual Recognition Luncheon was a huge success. The enthusiastic applause was one indication of the emotion felt after viewing the tape. Another, indication of the success of the taping was a request to replay the tape for the latecomers and to watch the audience review the tape with added enthusiasm.

Some comments made were: "It was very personable," "He seemed to speak from his heart," "Saying, "welcome" to the audience made me feel as though he was speaking to me" and so on.

All and all the tape made a great difference in how the agency is now viewed in the community.

Once again, thank you for your continued support of our agency and its mission.

May God continue to bless you and our great country.

Peace and Love;

Charles A. Ballard
President/CEO

DEPARTMENT OF STATE
WASHINGTON
July 21, 1992

~~CONFIDENTIAL~~
DECL:OADR

MEMORANDUM FOR: THE PRESIDENT
FROM: Lawrence S. Eagleburger, Acting Secretary

1. Cambodia. As a result of continued Khmer Rouge (KR) refusal to implement Phase II of the Paris Agreement, the UN Security Council met yesterday to discuss a draft resolution which would deplore the KR's continued non-cooperation and demand full implementation of the Paris Agreement by all the factions in Cambodia. The resolution -- expected to pass this week -- would also urge the UN to push ahead despite KR non-participation. Meanwhile, Japanese and Thai officials met with the Khmer Rouge in Bangkok to seek KR compliance, but reported that the KR continue to balk. The prospective Security Council resolution and the Japanese/Thai initiative are indications that international patience with KR obstruction is beginning to wear thin and that political pressure on the KR is starting to gain momentum. The U.S. and others participating in the upcoming ASEAN Post-Ministerial in Manila this week are expected to issue a joint statement calling for immediate KR implementation of the Paris Accords.

2. Romania: Yugoslav Sanctions. We are pursuing several initiatives to elicit full Romanian compliance with Yugoslav sanctions. The GOR has invited international in-country monitoring of its compliance; the Secretary has written the Foreign Minister in support of this approach, which could be undertaken by NACC members. After consulting our allies, we plan to present to the GOR our concept of organizing such monitoring and to seek informal views on participation from selected NACC states (which Romania would then approach directly). We are examining the idea of international monitoring of Danube River shipping, in conjunction with the NATO/WEU effort now beginning in the Adriatic. To help compensate Romania for the costs of the full compliance we are demanding, the Secretary will raise with the Saudis the question of financial assistance; we have made similar requests to Kuwait, Abu Dhabi, and Doha.

3. China and the Spratly Islands. Chinese scholars have told us that China was caught out by Vietnam's occupation of 27 islands and atolls in the South China Sea and is now racing to occupy as many uninhabited islands/atolls as possible to substantiate its territorial claims to the Spratlys. Beijing's contract with the U.S. Crestone Oil Company for exploration in an area also claimed by Vietnam showed China's intention to compete for potentially important undersea resources. However, the scholars claim China has a tacit agreement with Vietnam not to occupy inhabited islands. They said China will conduct bilateral negotiations with Hanoi and other rival claimants in order to prevent an ASEAN-Vietnamese alliance.

~~CONFIDENTIAL~~

DECLASSIFIED

PER DOS WAIVER, November 6, 2015
By MC NARA, Date 6/20/24

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Handwritten Notes	Re: Presidential Phone Calls with James A. Baker III [originally closed as 02]. (3 pp.)	7/22	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Wednesday, July 22, 1992 [1]

Date Closed: 9/19/2019	OA/ID Number: 90698-008
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]

06

Daily

THE WHITE HOUSE

WASHINGTON

July 22, 1992

Dear Mr. President:

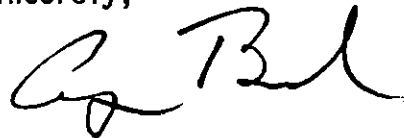
I'm now back in Washington after traveling for two weeks and am thinking about your wonderful country and the many courtesies extended to me and our entire delegation.

Everyone left Finland singing your praises. The conference was a big success and you and your staff can take great pride in it.

Dinner at the Presidential Palace was delightful and made for a perfect evening. Barbara and I thoroughly enjoyed our stay in Finland and look forward to the day when we can return your many courtesies and hospitality.

With warm personal regards,

Sincerely,



His Excellency
Mauno Koivisto
President of Finland
Helsinki

THE WHITE HOUSE

WASHINGTON

July 21, 1992

Dear Mr. Ambassador:

The President would appreciate your seeing that President Koivisto receives the enclosed letter.

Thank you for your assistance.

Sincerely,

Rose Zamaria
Deputy Assistant
to the President

FROM

THE WHITE HOUSE

WASHINGTON, D.C.

The Honorable John H. Kelly
American Embassy
Helsinki, Finland
APO AE 09723

Dear Mr. President:

~~Afterxxxtravelingx~~

I'm now back in Washington after traveling for two weeks and am thinking about your wonderful country and the many courtesies extended me and our entire delegation.

Everyone left Finland *singing your praises* with glowing raves over your ~~gracious hospitality.~~ The conference was a big success and you and your staff can take great pride in it.

Dinner at the Presidential Place was delightful and made for a perfect evening. Barbara and I thoroughly enjoyed our ~~stay~~ *stay in Iceland* and look forward to the day when we can return your many courtesies and hospitality.

With warm personal regards,

Sincerely

7/22/92

Dave Demarest needs 5 minutes sometime before you

THE WHITE HOUSE

WASHINGTON

July 21, 1992

Dear Mr. President:

I am now back in Washington after two weeks of traveling and I am thinking about your wonderful country and the good time we had there.

The conference was a big success. Our entire delegation is raving about the warm hospitality and great arrangements made for them. Once again, Barbara and I were in heaven in that magnificent guest house.

Thank you, also, for the delightful dinner at the Presidential Palace. The evening was perfect. I only hope that some day I may return the kindness and hospitality that was extended to us. *in many courtesies*

With warm personal regards,

Sincerely,

His Excellency

← Mauno Koivisto
← President of Finland
← Helsinki

Tellervo Koivisto

MATERIAL FORWARDED TO THE PRESIDENT
July 22, 1992

ACTION

1. Mail sample.
2. Proposed Executive Order Entitled "Declassification and Release of Materials Pertaining to Prisoners of War and Missing in Action."
3. S. 2780 -- Remove Certain Easement Requirements Under the Conservation Reserve Program.
4. Letter to Veterans' Coalition Leaders.
5. Congressional Birthday Letters for August.
6. Response to Jim Oberwetter re Texas.

CLASSIFIED

INFORMATION

1. Kaufman Memo re Georgia Primary.
2. Kaufman memo re Hill Turnover.
3. Naylor Memo re Chief John Prescott.

REMARKS

1. Anti-Drug Forum, Arlington, VA -- Talking Point Cards
2. Drug Advisory Council - Cards.
3. National Medals of the Art - Cards.
4. Northern Virginia Community College.
5. Video Taping Session.

SCHEDULE

1. And accompanying briefing papers

Presidential Phone Calls



DATE:

7-22

TIME:

8
incoming/outgoing

WITH:

Teb

SUBJECT:

Pass on disturbing news

for me

30 phone calls re:

V. P. Quayle

never seen anything like it

chains of GOP

arch-conservatives

people all say get him

off ticket

FOLLOW UP:

I like him - excellent

in Tampa.

Next.

Do not go away

not giving him a chance

(over)

Presidential Phone Calls



DATE: _____ TIME: _____
incoming/outgoing

WITH: 4 D must go

SUBJECT: 2 things hear about

1. about him
2. D. R.

if he sees her in home
he can't get out of -
if DR gets out

FOLLOW UP: Pat R. wanted to get
in campaign
Tom Scott, Chairman
Coalition said D. R.
telling you Dad

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Handwritten Notes	Re: Presidential Phone Calls with Bob Gates [originally closed as 03]. (1 pp.)	7/22	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Wednesday, July 22, 1992 [1]

Date Closed: 9/19/2019	OA/ID Number: 90698-008
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]



United States Department of State

Office of the

Under Secretary of State
for Economic Affairs

THE PRESIDENT HAS SEEN *7/22*

7/15/92

NOTE FOR GENERAL SCOWCROFT

FROM: R. Zoellick *RZ*

SUBJECT: Kozyrev Article of 1 July

The President expressed an interest in Kozyrev's article during our bilaterals in Helsinki and asked that we provide him a copy; in case he has not received one, I'm sending this reminder to you with the article attached.

International Affairs

Kozyrev on Dangers of 'Strong-Arm Methods'

PM3006180792 Moscow IZVESTIYA in Russian
1 Jul 92 Morning Edition p 3

[Interview with Russian Foreign Minister Andrey Kozyrev by unidentified correspondent; place and date not given: "Andrey Kozyrev: 'War Party on the Offensive.' Foreign Minister Warns of Danger of Coup d'Etat"]

[Text] [IZVESTIYA] Andrey Vladimirovich, now, in the wake of the summit meetings in Dagomys and Istanbul, the situation in and around the Dniester Region and South Ossetia seems to have eased somewhat; some sort of agreement has been reached with the leaders of Moldova and Georgia. Yet some people believe that this is the result of the Russian leadership's toughness, of the threat to use force against these republics. Do you agree?

[Kozyrev] No! But this is not a new viewpoint, it is old, it is the logic of the Soviet regime. Nothing but political primitivism—a knee-jerk reaction which knows only one answer: strong-arm methods. A situation prompting the use of force is created by using suitably leaked information from the KGB and the military departments. Not completely distorted information, but suitably cooked and biased. The initial aim is a restrained response: "Our people must be supported." However, "our people" frequently prove to be extremists. These extremists receive whispers and hints: "You will be supported." Later on, a small shipment of arms is "slipped" to them, later still they may receive help in training a group of gunmen.... Then you get the other side's response. After all, it also has its own extremists! Take Moldova's example, where a military department is being set up, which could also prove to be uncontrollable. The moderate stratum is eroded by the tide of events, there are increasingly loud accusations of "betrayal and lack of faith," of "drawing-room diplomacy"—and then you get the slaughter!

There are different stories as to what preceded the latest tragedy in Bendery. Maybe the police initially attacked the Dniester region guardsmen, maybe the other way around. Nobody will know for sure now. However, even if Chisinau is right and its actions are by way of a response, it is obvious that there was a major excessive use of force by Moldova. Does this mean that Russia should adopt the policy of strong-arm actions and should respond to excesses with excesses of its own?

This model was tried and tested in Afghanistan—"10 bullets in response to one"—and where did it lead? We responded with mortars, tanks, air force raids, and finally with R-300 missiles—already under Gorbachev—and it all ended in tragedy both for us and for Afghanistan. Nowadays people who were involved in all this are trying to apply the same logic here, as if this terrible Afghan experience were nonexistent. Here is the logic: If the "war party" is beginning to gain the upper hand in Moldova, let us give power to that same party here. If

Gamsakhurdia and his supporters are indiscriminately killing people in Georgia, let us also kill Georgians indiscriminately! Why establish contacts with Shevardnadze when it is possible to bomb Georgian cities!

[IZVESTIYA] What is to be done, after all it is impossible to simply watch people being killed both in the Dniester Region and in South Ossetia....

[Kozyrev] A certain amount of toughness is required, but not, under any circumstances, the toughness of strong-arm solutions, rather a tough response based on justice. It is impossible to emulate those whom we are trying to call to order. The lynching process is swift, normal judicial proceedings take a long time. Does this mean that we should prefer the former to the latter?

The application of sanctions is a possible alternative in relations with Moldova, but we should resort to such methods only when all the rest have been exhausted. Let us turn back to the Yugoslav example. During our last trip we saw for ourselves: The army fighting in Bosnia and Hercegovina is supplied from Belgrade, the aircraft fly out of there as well, fuel and lubricants are also shipped from Belgrade. The Serbian forces there operate like a powerful state's regular army. What is Belgrade guilty of? At least—I repeat, at least—of swimming with the tide and making concessions to the "war party."

In my view, President Snegur is trying to stand up against an equally overwhelming nationalist movement, and the question is how successful he is and will be in the future. I think that Eduard Shevardnadze is also trying to struggle against the tide, but he either lacks complete control over the situation or does not act energetically enough.

In Dagomys we demonstrated comprehensive support for exactly this choice—halt the slide toward the abyss—and there is no reason to doubt that Russia is ready to support and give a chance to both the Georgian and the Moldovan leaderships.

[IZVESTIYA] Why is there no reason? After all, that selfsame tide threatens to overwhelm us as well?

[Kozyrev] Yes, unfortunately the war party, the party of neo-Bolshevism, is also rearing its head in our country. Maybe we need a radical reform of our strong-arm structures, the former KGB and the military departments. I cannot understand why people are worried about "drawing-room diplomacy" while wholesale transfers of arms are taking place in the Transcaucasus and in Moldova. A certain quantity of arms is indeed making its way to Moldova from Romania, but the bulk comes from the army. Under what agreement is this effected, I would like to ask, who signed such an agreement? Why are the military deciding the most important political issues? When tanks become an autonomous political force, this is a disaster!

[IZVESTIYA] Yet compatriots have to be defended somehow.... True enough, it is difficult to define them—

certainly not according to purity of blood.... Who are Russian citizens—all "Russophones?" Or anyone who wants to be? However, there are quite a few Russophones, and even Russians, who do not want our citizenship. There are others who want dual citizenship. Yet others just don't know. Whom should we protect?

[Kozyrev] This is another difficult question, but one thing is certain: There are former Union citizens who feel aggrieved—in Latvia, for example. In Estonia, where legislation has stood up to international expert study but, nonetheless, also fails to take into account the unprecedented nature of our situation. At times there is talk about daily life oppressions which are not juridically defined. It is possible to talk of an interethnic conflict in the Dniester Region. However, not a single one of these conflicts lends itself to a strong-arm solution! There are 150,000 Russians living in that self-same Dniester Region, with a further 450,000 on Moldova's remaining territory. There are two options for action. Either be consistent and act in the spirit of the "father of the peoples" [Stalin] and the State Committee for the State of Emergency [SCSE]—in other words send troops to occupy the territories of the republics, exile people by the million, shoot people by the million, and institute a regime of most cruel terror. Or settle everything peacefully, on the basis of international law, in a civilized manner. There is simply no third option to protect Russophone people living among other peoples. You cannot dispatch a "blue helicopter" to protect every single Russophone boy or girl going to school. What are we going to bomb—cities with mixed populations? If, out of stupidity, our actions give rise to Russophobia—this would be real national treason committed by national patriots.

So I do not want to be too hasty in defining who is a Russian citizen, and who is denied that status. Certainly, however, those who definitely want citizenship should have the opportunity. The relevant law should be adopted by the Supreme Soviet. However, a significant number of those we want to protect are asking us not to do so! For some reason the press is ignoring such instances, but during my travels I have been approached by people—representatives of associations and local groups even said, for example: Can't you curb Baburin somehow, because his activities are going to do us no good. Russians in the republics could in fact become hostages of national patriots, if they are regarded not as honest citizens of those countries, not as highly skilled workers and purveyors of European culture, but as some kind of fifth column of an imperialist power. They will have to either leave or grab Kalashnikovs. The other option is to live decently, accepting the country's laws and sovereignty, securing respect for one's rights by legitimate means. There are millions of Chinese living in the United States and they do not bewail their fate, and neither do they try to impose their ways on Americans. You could say the same about Russians and Ukrainians in Canada.

Look what the Supreme Soviet is doing—it votes to suspend sanctions against Serbia without even trying to understand what is going on. That is a direct breach of the UN Charter. The deputies would like Russia to go against the will of the international community, including against the Slavic republics of the former SFRY, which are begging for the Belgrade fighters to be pacified and pin their hopes on Russia, because Russia is the democratic state that can save them from the "Yugoslav CPSU," from the Serbian national patriots and red-browns [communist fascists]. However, our "CPSU" and our red-browns are perfectly logically going to the aid of their Serbian brothers.

What is happening here at the moment is like Germany in 1933, when some of the democrats started to switch to nationalist positions. Obviously there are very difficult problems to which it is extremely hard to find democratic answers. Furthermore, people instinctively fear this dark force. Finally, you do not want to be publicly accused of betraying national interests. In fact, it takes great courage to withstand these hysterical charges. There is a temptation to talk about the "Phenomenon of the State," thus demonstrating one's patriotism.

The intelligentsia assumes a terrible responsibility when it plays at "patriotism" and gives in to the red-browns. Only last year we were reveling in the diversity, now in many different newspapers the topic is the "State." No doubt when the SCSE seizes power next time the list of authorized newspapers will be much longer. Sometimes I even catch myself thinking: Perhaps that is precisely what some journalists and editors are planning on?

During the visit to the republics of Yugoslavia we were accompanied by journalists from the TASS television service. They took more risks than any of us, sticking their necks out, shooting an honest record of what was happening in Sarajevo. What do you think happened? Our television does not want to show their material! However, before we left they talked of their high interest. Obviously they were expecting to get some kind of propaganda in favor of the national patriotic regime in Belgrade, but it transpired, as the film makes clear: It is the Yugoslav army that is fighting in Sarajevo, and these formations, of course, are maintained and, to a significant extent, controlled by Belgrade. The film was not needed, apparently. The Supreme Soviet, when it was adopting decisions on Yugoslavia, did not want to know what its own Russian minister had seen in Sarajevo with his own eyes. Why not listen to the cameramen and look at the footage they have shot?

Now the Supreme Soviet is urging the abandonment of sanctions against Serbia and the question of abandoning the principle of inviolability of borders has been raised. When you listen to deputies' speeches you get a sense of being back in the old days. Everything as it was all those 70 years: They talk about NATO and the United States as well-known enemies of Russia. In fact, they were

enemies of communism and will again be enemies of a national-patriotic Russia, which is what some deputies obviously relate to.

When the Supreme Soviet sinks into that position, the president is the only hope. He is the only rock, the only real force resisting the current, and we must rally around him.

[IZVESTIYA] The president's recent visit to the United States and the accords reached there have also come in for scathing criticism, I believe. They are saying national interests were betrayed and there was a reason why the congressmen applauded Boris Yeltsin 11 times.

[Kozyrev] The visit to the United States confirmed that the August choice was the correct one. Mountains of weapons had been accumulated over 45 years, but although the United States had started cutting them it had done so very cautiously in the Gorbachev era. They would not hear of the possibility of cutting the naval component—the main one as far as they were concerned—of nuclear forces. Now, after only five months of open, honest talks without resentment (remember the "socialist choice") the United States has agreed to reduce the naval component by two-thirds! That happened not because we tricked it or forced it to make concessions. It is just that for the first time the Americans believed us completely, believed Yeltsin and his team; also believed, incidentally, that the team was capable of dealing with the national-patriots. However, if they are unable to deal with the national-patriots, and if they attain power, then the arms race will start immediately with renewed force. Now that would be a betrayal of national interests! If the Soviet Union failed to survive the arms race and collapsed, what would the neo-bolsheviks be able to do given Russia's present condition.

I want to point out that the present authorities in Russia received a democratic, not a national-patriotic mandate from the people. Last August the people reaffirmed their choice by refusing to submit to the SCSE. Incidentally, there was nothing in its platform about communism and it was identical to what the national-patriots are proposing now. The people rejected this option, but efforts are again being made to impose it. I believe that the threat of an antidemocratic coup exists. Either through a "routine CPSU congress" or via revenge by the apparatus. Just look at the contrast: How limply certain structures reacted to the "Ostankino" events and how vigorously, how strongly they reacted to events in nearby foreign parts. A week passed before the rabble was dispersed! In democratic countries—the United States, France—such demonstrators, calling for the violent overthrow of the legally elected authorities, are instantly dispersed by water cannon.

No, it is not in the Dniester Region and it is not in Ossetia that Russia's fate is being decided. It is being decided here, in Moscow, in the center of state power. Either Russian society manages again, as in August, to reject the SCSE path and grit its teeth and forge ahead on

the democratic path, combining firmness with a restrained and subtle approach, or, without resolving a single interethnic conflict, we bring the Dniester Region and Ossetia here, to Russia. Democracy internally and national-communist methods externally are incompatible. Trying to combine them, surrendering foreign policy to the jingoists, is a kind of Munich. It is bound to mean that the power structures—army and state security—will be out of control and they will sooner or later slough the democratic skin that is unnecessary, that is a nuisance to them. Mikhail Gorbachev tried this path in the Baltics, and he had to rely on Yanayev, Kryuchkov, and Yazov. Then they no longer needed him. This could now happen again if we give in to these forces, if we compromise. This is the road to disaster.

Aide Explains Warning

LD3006220292 Moscow *ITAR-TASS World Service*
in Russian 2056 GMT 30 Jun 92

[Text] Moscow, 30 Jun (ITAR-TASS)—In connection with the publication of the interview with Andrey Kozyrev entitled "The Party of War Is on the Offensive" in the newspaper IZVESTIYA, Galina Sidorova, the minister of foreign affairs' political adviser, gave the following explanation:

"What is being referred to in the interview is not the activity of the current political departments, but the danger of those methods that were employed by Soviet special services in the past."

Foreign Ministry's 'Inaction' Criticized

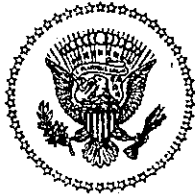
PM3006085192 Moscow *ROSSIYSKAYA GAZETA*
in Russian 26 Jun 92 First Edition p 7

[Article by Vasily Lipitskiy, chairman of the People's Party of Free Russia Board, under the "Foreign Policy" rubric: "When Will There Be a Reassessment of Values?"—first paragraph is *ROSSIYSKAYA GAZETA* introduction]

[Text] Various political parties on Russia's political stage are being increasingly active in making their views known. Their assessments cover practically all aspects of the policy being pursued by the executive and legislative arms. Nor is the activity of the Russian Foreign Ministry excluded from this process. We invite our readers to familiarize themselves with the view of Vasily Lipitskiy, chairman of the People's Party of Free Russia (A. Rutskoy's party) Board, on this problem.

You are not supposed to reproach our government for its inaction in the international arena. However, politics, and most of all diplomacy, does not just include actions. It implies a system of aims and priorities united by an overall idea or blueprint, but it is very difficult to keep track of these elements in the tempestuous flood of events.

I get the impression that, following the collapse of the USSR, there has been no reassessment of values in



7-25-
Date
(CB)

General against the
charge of negative
campaigning — I've
been hit — by my
Clinton repeatedly at
Committee — 13 that
negative
(talk to Tieder)

poll figures

are you better off?

NATIONAL NEWS

BAKER SAID LIKELY
TO RESIGN POST

Secretary Baker is likely to resign his cabinet post rather than take a temporary leave when he goes to the White House to head President Bush's re-election effort, Administration sources said. White House, campaign and Republican sources this week said it is now a certainty that Baker will shift from directing foreign policy to become senior White House adviser to the President. Skinner is expected to remain at the White House, but Baker is likely to be the architect of the re-election strategy.

Senate Democrats Tuesday offered a hint of the criticism Bush and Baker might face when Sen. Pell issued a statement opposing Baker's involvement in politics and foreign policy.

Pell signaled that any attempt by Secretary Baker to take a leave of absence to run the Bush/Quayle re-election campaign out of the White House would face Senate opposition. "I would regret any involvement of the secretary of state in the President's re-election campaign, which would be contrary to the bipartisan tradition of American foreign policy," Pell said in a statement. "He has been a good secretary of state and I, for one, would regret his departure."

Bush aides say James Baker to take over campaign control jolted by the size of Bill Clinton's post-convention lead, White House aides say President Bush is about to call in Secretary Baker to rescue his faltering re-election campaign.

"This is a man with a proven track record of managing both presidential campaigns and the White House," said Eddie Mahé. "When you have someone with these kinds of skills, it is going to make a difference in a campaign which has been unable to get off the ground."

One White House official said, "We were obviously not getting the job done with the current line-up, the current cast of characters. We were just not getting the message out."

(Michael Shanshand, Newhouse News Service)

AS CAMPAIGN TURNS TO BAKER,
QUAYLE MUST GO

Secretary Baker, soon to take command of President Bush's re-election effort, is expected to reorganize the President's political team, and talk is already turning to ways of replacing Vice President Quayle on the ticket.

The most delicate question confronting the President and Baker is whether Vice President Quayle should leave the ticket. During the past week, individuals familiar with the situation say, consideration was given for the first time to such a move. It is, they insist, a possibility, though not a likelihood.

Even some Quayle allies are hearing the conclusion that it may be better not only for the party but for Quayle personally to step aside rather than stay on the ticket and be blamed for helping drag it down. (Michael McQueen & James Berry, Wall Street Journal, A14)

White House News Summary

Wednesday, July 22, 1992 -- A-6

CLINTON HURLS BUSH'S BARB BACK AT PRESIDENT

EVANSVILLE, Ind. -- Bill Clinton Tuesday deflected President Bush's criticism of his economic plan. Bush on Monday assailed Clinton's economic plan as "smoke and mirrors."

"Well, if ever there was an expert on smoke and mirrors, it's him," Clinton said of the President. "This Administration has the worst economic record since Herbert Hoover. This Administration has let the top 1% of the American people control more wealth than the bottom 90% for the first time since the Roaring '20s."

"My plan invests \$50 billion in America and creates a million new jobs a year, gives us education excellence and tackles the health care crisis -- three things he cannot do," Clinton said.

Clinton's rejoinder came on his bus trip during a brief stop at a rest area on the Indiana-Kentucky border, where Indiana Gov. Evan Bayh joined the motorcade.

(Ronald Taylor, Washington Times, A4)

GUESS WHO'S NOT COMING TO GOP BREAKFAST

The RNC invited a representative of the nation's largest homosexual group to a GOP fund-raising breakfast with Vice President Quayle Wednesday morning in a gesture strongly opposed by Christian conservatives, the Washington Times has learned.

Gregory King, spokesman for the Human Rights Campaign Fund, said Tuesday that his homosexual rights group turned down the July 7 letter of invitation.

Rich Bond said through a spokesman that the invitation was a mistake and blamed the error on the Virginia fund-raising and direct-mail firm Odell, Roper and Simms, which handled the invitations.

"If Bond meant to do this, he should be out the door, because there will be conservatives who will be absolutely irate," said Beverly LaHaye, president of Concerned Women for America. "President Bush stands to lose 20 times the votes he would attract from this."

"The Bush campaign better get its act together," said Gary Bauer. "You can't keep asking for and expecting traditional voters to support you when there are these constant efforts to play footsie with the gay-rights movement."

(Ralph Hallow, Washington Times, A1)

DEFICIT FALLING -- IN POLITICAL STATURE

Both President Bush and Bill Clinton say they want to reduce the federal budget deficit, but Ross Perot's unreleased economic plan underscores how far short the two major candidates fall in making deficit-reduction an overriding priority.

In showing the kinds of politically unpopular steps needed to reduce the deficit, Perot's plan, a bold and in many ways politically unsalable document that tackled higher taxes and Social Security, explains why most candidates -- including Perot himself -- shy away from confronting the issue when trying to win elections.

Rep. Panetta said Tuesday that Perot's plan as described in various news accounts is far more ambitious than anything offered by Clinton or Bush. Panetta said he hoped it would become part of the presidential debate this year, but with Perot on the sidelines, "It's difficult to see how the other two candidates will be forced to focus on these issues."

Bush said Monday night that deficit reduction remains a top priority, but his Administration has presided over the biggest deficits in history. Bush said he favors a balanced-budget amendment to the Constitution, the line-item veto and a cap on expenditures for mandatory spending programs. But he has not outlined a detailed plan for eliminating the deficit and has yet to submit a budget that comes close to being balanced.

(News Analysis, Dan Bels, Washington Post, A1)

**HILL PANEL DISPUTES
BUSH'S TRAVEL COSTS**

The House Post Office and Civil Service human resources subcommittee Tuesday produced a detailed accounting of how much it costs for the President to travel, saying that taxpayers spent "at least" \$1.2 million to send President Bush to Europe for eight days in 1989 and \$1.5 million for a five-day political and golf outing in the West in 1990.

The subcommittee staff calculated that it costs an estimated \$40,243 per hour to operate the President's new Air Force One, a custom-built 747. Subcommittee Chairman Paul Kanjorski said the hourly rate makes the \$29,000 that Bush listed in a recent budget document for 1991 travel costs "ludicrous."

The two trips the subcommittee selected were "fairly representative" of the trips Bush has made since becoming President, Kanjorski said. They illustrate it is much more expensive for the President to travel than the White House has been willing to concede, he said.

Release of the estimates provoked a sharp objection from Rep. Burton, who repeatedly accused the Democrats of staging "a search and destroy mission" to embarrass Bush. "This is a political year and they smell blood," Burton said.

(Bill McAllister, Washington Post, A1)

White House News Summary

Wednesday, July 22, 1992 -- B-3

(Quayle: "I just don't buy this idea that it's going to be just a few that are going to get taxed. When you start talking about tax increases, everyone gets hit.")

(Clinton: "Read my lips; I said that to make you laugh. No responsible person would ever do what George Bush did and say 'read my lips.'")

Clinton said again, despite what others claim, he promises to raise income taxes only on people making more than \$200,000 a year. All week he has tried to prepare voters for whatever charges Republicans may make.

(Clinton: "They're going to call us every name in the book and tell us you ought to be scared of voting for us. I'll tell you what you ought to be scared of is being stuck in the same old rut for four more years.")

Clinton and Gore expect an even tougher fight if Secretary Baker joins the Republican effort. In public they are playing his expected return as a sign of panic in the White House. In private they respect Baker's talents. (ABC-2)

*a really
calley
we can
never
in Bush*

ECONOMY

CBS's Ray Brady says in his midyear report to Congress, Alan Greenspan tried to put a bright face on the economy, predicting that it will slowly pick up speed.

(Greenspan: "The economic expansion is likely to strengthen moderately to a range a 2.75% to 3%.")

But that kind of slow growth in an election year would make only a small dent in the number of jobless Americans, so Greenspan's optimism brought an usually harsh reaction from members of the Senate Banking Committee.

(Sen. Riegle: "You said the same thing last year to us. And what is happening is people in the country don't have any confidence anymore.")

(Sen. D'Amato: "You and the rest of the group are in this ivory tower, and you don't know what's taking place in Main Street.")

While Greenspan did predict some drop in unemployment, he was less optimistic when asked the question that's bothering many.

(Sen. Riegle: "Is unemployment apt to go to 8%?")

(Greenspan: "I really don't know. I certainly hope not.")

(CBS-6)

IRAQ/PENTAGON PREPARES FOR POSSIBLE AIR STRIKE

CBS's Dan Rather: Spokesmen for President Bush have begun talking up the possibility of new U.S. air strikes against Saddam Hussein. The air raids, it is said, would be in response to Saddam's defiance of U.N. weapons inspectors.

CBS's Jim Stewart reports the Pentagon is reviewing plans for U.S. aircraft to join in a multinational air strike against Iraq, where a tense standoff is underway outside its agriculture ministry believed by U.N. inspectors to be a weapons research facility. Sources say Saddam appears ready to suffer the blow in a bold gamble that the U.S.-led coalition that defeated him last year has grown weary and lost its nerve.

(Iraqi Ambassador, Al-Anbari: "An air strike -- one, two, three -- really would do nothing compared to the ugly crimes committed daily against the Iraqi people.")

Presidential Phone Calls



DATE: 7-22

TIME: 8:15
incoming/outgoing

WITH: Roger Ailes

SUBJECT: _____

- 1) got blindsided by ad group
not sure what the strategy is
- 2) speech. I say choose
son & Ray or Peggy
Price has good ideas
- 3) Peggy's temperament

FOLLOW UP: _____

7/22/92

RZ

7-22

tried him
this PM — gone!

Mr. President:

Bob Mosbacher would like you to give him a call before
11 A. M., if possible. He is leaving the office for
an appointment after that.

He wants to bring you up to date on a couple of things
he's learned.

RZ

THE WHITE HOUSE
WASHINGTON

July 22, 1992

MR. PRESIDENT:

Please note bracketed language
on card 8. *(New light line re Jones)*
Thank you. *(Earl Jones OCT notes)*



Phillip D. Brady

CABINET MEETING
JULY 22, 1992

- 1. PRAYER (1 Minute)**
[Secretary Lujan]

INTRODUCTORY REMARKS (1 Minute)

- Let me start by saying how pleased I am with the campaigning you've been doing.
- Except for those Cabinet officers who traditionally do not engage in partisan political activity, I'm sure you will all be called upon to do a great deal more during

the months ahead. I want you to know how much I appreciate this effort.

2. **REPORT ON THE ECONOMY (15 Minutes)**
[Secretary Brady, Director Darman, and Chairman Boskin]

- I'm going to ask our economic team -- Nick, Dick, and Mike -- to give us a report on the economy. Obviously, the unemployment numbers last month were higher than we would have liked to see. And next week, when the GDP number for the second quarter comes out, that may also be disappointing.

- Nick, why don't we start with you.
- Dick, what's your view?
- Mike, anything to add?

3. **UPDATE ON NAFTA (10 Minutes)**
[Ambassador Hills]

- Last week, Carla and Jim and I had a very successful meeting in California with President Salinas. And although it hasn't gotten a lot of attention yet, I think

that as we move toward a final agreement, the NAFTA will prove to be one of our most important achievements, both in terms of foreign policy and creating jobs.

- Carla, would you give us an update.

OPTIONAL -- UPDATE ON FOREIGN POLICY

- *[With regard to foreign policy, Baker, Eagleburger, and Scowcroft are out of town. You may want to say a few words about the Middle East or Yugoslavia on your own.]*

4. CAMPAIGN AND CONVENTION (10 Minutes)
[Bob Teeter and Rich Bond]

- Finally, we're now in that important period in between the two political conventions. And I've asked Bob and Rich to give us a reaction to the Democrats' convention and an overview of our campaign and convention.
- Bob, why don't you start.
- Rich, anything to add?

5. GENERAL DISCUSSION (8 Minutes)

- **We have a few moments left. Does anyone have anything to add?**

DOOR

Phil
Brady

Marlin
Fitzwater

Cam
Findlay

DOOR

Boyden
Gray

Director
Darman

Sam
Skinner

Secretary
Derwinski

Nick
Calio

Roger
Porter

Secretary
Card

Secretary
Kemp

William
Kristol

Chairman
Boskin

Secretary
Franklin

Rich Bond

Ede
Holiday

Secretary
Cheney

Secretary
Madigan

Bob Teeter

The
President

Secretary
Brady

Ron Kaufman

The
Vice President

Henson
Moore

Dr.
Bromley

Secretary
Lujan

Deputy Attorney
General George
Terwilliger

Adm.
Howe

Secretary
Sullivan

Secretary
Watkins

Dave
Demarest

Secretary
Alexander

Ambassador
Hills

Dorrance
Smith

Clayton
Yeutter

DOOR

THE WHITE HOUSE

WASHINGTON

CABINET MEETING
JULY 22, 1992

1. **Prayer**
[Secretary Lujan]
2. **Report on the Economy**
[Secretary Brady, Director Darman, Chairman Boskin]
3. **Update on NAFTA**
[Ambassador Hills]
4. **The Campaign and the Convention**
[Mr. Teeter, Chairman Bond]
5. **General Discussion**

Greenspan forecasts pick-up in US economy

By George Graham
in Washington

ECONOMIC GROWTH in the US will soon pick up again, and any effort by Congress to hasten the recovery by cutting taxes will probably be counterproductive, Mr Alan Greenspan, the Federal Reserve chairman, said yesterday.

"I expect that the economic expansion will soon gain momentum, which lower inflation should help to maintain," Mr Greenspan told the Senate banking committee in presenting the central bank's twice yearly report to Congress on monetary policy and economic prospects.

Mr Greenspan faced a hostile congressional audience, led by Senator Donald Riegle of Michigan, who attacked him for lowering interest rates too slowly and for believing monetary easing alone would be enough to lead the US economy to recovery. "I don't hear you saying anything different to the people out there in the country who are in trouble except: 'hang on'," he said.

Mr Greenspan acknowledged the jobless rate was much worse than he had anticipated a year ago. This was because a greater proportion of the population than expected was entering the workforce, rather than following alternatives such as further education or home-making.

The size of the federal budget deficit had severely limited the choices available, he said, and any effort to "jump start" the

economy with a package of tax incentives would be dangerous.

"I will not deny that there is a possibility that if some fiscal stimulus were enacted we would accelerate near term. I think that is highly risky... and could probably be counterproductive," Mr Greenspan warned. "I do not believe this notion that we can jump start the economy... The relevant analogy is turning an ocean liner around."

In a session notable for its almost total lack of any reference to exchange rates or to Monday's concerted intervention by central banks to halt the slide of the dollar, Mr Greenspan spent much of his time defending the Fed's slow but steady policy which has resulted in 23 easings of monetary policy over the last three years - the last of which cut the discount rate (at which the Fed lends to banks) to 3 per cent earlier this month.

Any attempt to lower short-term interest rates faster, he said, would simply have pushed long-term rates higher because it would have provoked fears of a revival of inflation.

Mr Greenspan said the Fed expected consumer prices to rise by between 2½ and 3½ per cent next year. "Were this to be realised, inflation would be about back to a pace last seen on a sustained basis around a quarter century ago," he said.

US rate cuts have laid 'foundation for sustained economic expansion'

Greenspan takes up cudgels for the Fed

MR Alan Greenspan, chairman of the Federal Reserve Board, took to the barricades yesterday to defend his monetary policy against several US senators who say interest rates were cut too late.

He told the Senate banking committee that the Fed's recent reductions in interest rates "should help to shore up the economy and, coming in the context of a solid trend toward lower inflation, have contributed to laying a foundation for a sustained expansion of the US economy."

Structural problems in the economy have been "more severe and more enduring than many had previously thought," he said. Nevertheless, the Fed's monetary policy had succeeded in "fending off the classic 'bust' phase that seemed invariably to follow speculate booms in pre-second world war economic history."

"More rapid or more forceful easing actions more than likely would have been interpreted by market participants as risking a resurgence of inflation. That would have led to higher, rather than lower, long-term interest rates."

Mr Greenspan had to endure strong criticism from Senator Donald Riegle, the banking committee's Democratic chairman, who attacked the Fed's inability to meet its monetary growth targets. "I think the time has come for the Fed to admit that monetary policy alone is not sufficient to deal with our economic problems," Senator Riegle said.

But Republican senators, as well as some Democrats, argued the Fed had cut interest rates as low as it could, and that what was needed was a serious effort to cut the federal budget deficit.

Senator Jake Garn of Utah, the banking committee's senior Republican, said: "While you might have done some of the things you did in terms of interest rates sooner, you can't hardly come down any lower with the discount rate."

George Graham on a defence of monetary policy

Mr Greenspan said structural improvements in the US economy - the rebuilding of banks' capital, the strengthening of household finances, the restructuring of business balance sheets - would be helped if the federal government made significant progress towards bringing its budget into balance.

This would, he said, release savings for productive private investment and brighten further the prospects for continued improvement in living standards.

Mr Greenspan said a large majority of his fellow board members expected economic expansion to strengthen moderately, from a range of 2½-2% per cent this year to a range of 2¾-3 per cent in 1993.

This should help bring the unemployment rate down to

between 7¼ and 7½ per cent in the fourth quarter of this year and 6½ and 7 per cent at the end of 1993.

He warned that the necessary structural adjustments after the overbuilding, overbuying and overleveraging of the 1980s would continue to hamper economic growth, although the situation had improved.

"Last year I characterised this process as the economy struggling against a 50 mile an hour headwind. Today its speed is decidedly less, but still appreciable," he said.

Mr Greenspan said the Fed was making progress in understanding changes in financial behaviour that have contributed to the slow growth of the M2 and M3 broad monetary aggregates.

He said households had been restructuring balance sheets, channelling cash flow away from monetary deposits and into other assets, or paying off debts.

This process, although it had powerfully depressed the growth of the money supply, had exerted a less powerful constraint on spending. Instead, the velocity of circulation of the monetary aggregates, especially M2, had increased.

If this continued, Mr Greenspan said, the Fed would have to reassess its target ranges for monetary growth. In the meantime the Fed had decided to maintain its current ranges of 2½-6½ per cent for M2, 1-5 per cent for M3 and 4½-8½ per cent for debt.

Monthly Small-Business Economic Update

John Kotter

Volume IV; No 8
July, 1992
(June Survey)

DEJA VU ALL OVER AGAIN? --
ANOTHER JUNE SWOON

INDEX FALLS BACK

The Index of Small Business Optimism reversed course for the first time in nearly one-half year and fell to its lowest point since March. While the decline was not "free-fall," the change in direction was ominously reminiscent of last spring's Index rise and subsequent tumble. Current economic performance did, however, exhibit another month of modest improvement. Sales and earnings, in particular, fared better than in the months immediately prior. Yet, small business owners remained cautious. They forecast no further economic improvement for the remainder of the summer. That implies the year's strongest growth has already taken place, a forecast with significant political implications.

A CASE OF THE "BLAHS"

No substantial changes occurred in any individual indicator between May and June. The decline in the Index was the result of a series of small losses in several of them. Expected capital outlays presented the largest proportional decline in the last month, down three percentage points. Just 27 percent planned one or more capital outlays in the next three to six months, a level bordering on recessionary numbers. Month-to-month declines were also reported in the expansion climate, expected general business conditions, expected sales, current job openings, inventory status and expected inventory changes. However, the recently volatile hiring plans indicator rose as did current earnings and expected credit conditions.

EARNINGS, SALES IMPROVE

The most positive aspect of June's data lay with the improved earnings report. The percent who indicated higher earnings in the last three months compared to the prior three, produced the most positive outcome since the recession's onset. The good news was the result of several factors merging, the most important of which was better sales. More owners reported sales increased than decreased for only the third time in the last year and one-half. The number who cited "Poor Sales" as their single most important problem stood at its lowest point since late last fall. In addition, prior cost reductions efforts appeared to be having a bottom line effect. Owners have been very cautious about incurring new obligations in recent months as evidenced by their borrowing behavior, inventory and capital expenditures, and hiring levels. Two other



inflation
+ low interest
rates

factors played roles in the more positive earnings picture -- relatively stable prices and favorable interest rates.

POSITIVE
RESULTS
FROM THE
FED

Small business owners rarely exhibit appreciation for the Federal Reserve. However, a soon to be published survey shows owners providing the Federal Reserve much higher performance ratings than either the Administration or the Congress. The reason for this atypical behavior is price levels and interest rates. Small business owners believe that price increases have reached a "liveable" level and that interest rates are favorable. Both lie primarily in the policy realm of the Fed. For example, just 16 percent in June planned to raise prices during the next three months; 19 percent reported having done so in the last three. June's report was modestly better than May's. Over the last year, small business prices have been relatively stable at comparatively low levels and they give every appearance of continuing to be under control.

IMPROVING
CREDIT
CONDI-
TIONS

June's small business data was collected prior to the most recent Federal Reserve move to lower interest rates. Still, owners reported loans easier to get in June than in May or April. Average rates for short-term loans were under 9 percent for the first time since NFIB began collecting these data more than a decade ago. By margins of 3-1, financing conditions was cited as a reason for a positive view of the economy rather than a negative or uncertain view. In addition, owners expected credit conditions to improve. The indicator's level approximated the 1986-88 average. These data make it clear that credit conditions have little to do with the current sluggish state of small business activity. Owners are not making capital outlays because they don't see the payback, not because they can't get credit. While lower rates obviously affect the financial viability of a project, they presently add little to the small business demand for capital.

LABOR
MARKET
ANAMOLY

The rising unemployment rate in the last two months is at odds with the tenor of small business employment reports. June's small business job openings data dipped from May. Yet, they compared favorably with April's and March's. Since current job openings reflect availability of employment within surveyed small businesses as well as the broader labor market, June's official unemployment rate appears high. (May and June unemployment figures are difficult to measure due to the influx of students.) Further, small business hiring plans suggest a modest increase in total employment.

SURVEY
CONDUCT

The survey on which this Update is based was conducted during the month of June, 1992. A sample of 2,627 small business owner/members was drawn from the membership files of the National Federation of Independent Business. Each was mailed a questionnaire and one reminder. Seven hundred and forty-five (745) usable responses were received -- a response rate of 28.4 percent. William C. Dunkelberg and William J. Dennis, Jr., are responsible for the survey and Update.

R2

THE WHITE HOUSE

WASHINGTON

July 21, 1992

DOMESTIC POLICY BRIEFING

DATE: Wednesday, July 22, 1992
LOCATION: Oval Office
TIME: 3:00 p.m.
FROM: Roger B. Porter *RBP*

I. PURPOSE

To discuss developments relating to unemployment, energy, and youth employment programs.

II. BACKGROUND

This is one of the regular domestic briefings to discuss developments on proposals you have advanced and initiatives that are under review.

III. PARTICIPANTS

The President
The Vice President
Samuel K. Skinner
Henson Moore
Richard Darman
Roger Porter

IV. PRESS PLAN

White House Photographer.

V. SEQUENCE OF EVENTS

Participants enter the Oval Office.
Discussion takes place.
Participants depart the Oval Office.

VI. REMARKS

None required.



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, JULY 22, 1992
6:00 A.M. EDT EDITION

TRIP NEWS

BUSH'S CAMPAIGN VISITS HERE -- President Bush brought his re-election campaign to a Philadelphia Catholic high school Tuesday, making a pitch for a new version of a proposal to make tax dollars available to pay for private and parochial school tuition.

(Philadelphia Inquirer, Washington Post, Washington Times,
UPI, New York Times)

NATIONAL NEWS

BAKER SAID LIKELY TO RESIGN POST -- Secretary Baker is likely to resign his Cabinet post rather than take a temporary leave when he goes to the White House to head President Bush's re-election effort, Administration sources said. (Washington Post, Newhouse)

INTERNATIONAL NEWS

KING DENIES JORDAN IS HELPING IRAQ DEFY SANCTIONS -- King Hussein denied Tuesday that his country is moving supplies across its border into Iraq in defiance of U.N. sanctions, and Secretary Baker agreed that Jordan has tightened its enforcement of the sanctions in recent weeks. (Washington Post)

NETWORK NEWS (Tuesday evening)

PRESIDENT'S TRIP -- President Bush was back on the road, admitting the economic recovery has been slow but promising better days are near.

ECONOMY -- Alan Greenspan tried to put a bright face on the economy, predicting that it will slowly pick up speed.

U.S.-ISRAELI RELATIONS -- The news from the Middle East is good and also surprising.

TRIP NEWS.....A-1
NATIONAL NEWS.....A-4
INTERNATIONAL NEWS...A-10
NETWORK NEWS.....B-1
EDITORIALS.....C-1
FOREIGN MEDIA.....C-3

TRIP NEWS

BUSH'S CAMPAIGN VISITS HERE

PHILADELPHIA -- President Bush brought his re-election campaign to a Philadelphia Catholic high school Tuesday, making a pitch for a new version of a proposal to make tax dollars available to pay for private and parochial school tuition.

Bush's visit here appeared to signal the start of a more aggressive candidacy on the road even as his staff in Washington prepared for a major overhaul to get the campaign on track.

The President's audience at Archbishop Ryan High School, many of them activists who had sought to persuade the Pennsylvania legislature to adopt a school-choice plan, warmed to his visit.

His appeal was to white, ethnic, anti-abortion voters who backed him four years ago. But elsewhere, scattered interviews turned up little enthusiasm for Bush's re-election. "Clinton looks like a breath of fresh air to a lot of people," said Joyce Bradley of Philadelphia.

At one point, the President misstated the scope of his school-choice proposal. And in what might be a sign of his continuing trouble articulating a clear message, Bush seemed unfamiliar with a critical detail of the school voucher program he promoted in Philadelphia. In answer to a question from a mother in the audience, Bush said a \$1,000 voucher could go to any student, regardless of family income. Later, an Administration fact sheet was issued to clarify that, in general, those with annual family incomes over \$40,000 would not qualify.

(Ellen Warren & Owen Ullman, Philadelphia Inquirer, A1)

Bush Touts School Choice To Catholics

PHILADELPHIA -- President Bush Tuesday worked to rally Catholic voters behind his school choice proposal but misstated a key element of the program he has been promoting as a centerpiece of his domestic agenda for at least six months....

Later, in an apparent reference to Hillary Clinton, Bush criticized liberals who "even encourage kids to hire lawyers and haul their parents into court." In a law review article, Hillary Clinton proposed giving children expanded rights to separate legal representation from their parents in some circumstances.

The audience Tuesday was friendly to the President, but even their gentle questions reflected anxiety about the economy and concern about the increasing burdens of raising families and paying for Catholic schools.

(Ann Devroy, Washington Post, A12)

Bush Assails Union Over School Choice

PHILADELPHIA -- President Bush attacked the NEA Tuesday for opposing his plan to provide tax-supported \$1,000 scholarships to private and religious schools.

"That's fine with our association," Bill Martin, NEA's director of communications, fired back in an interview. "If the President thinks we are an obstacle to funneling government funds to private schools, he's got the question right."

Bush conceded that his proposal faces almost certain defeat this year but said he seeks to bring it into focus as an election issue and urged people to vote their views.

"He often uses the private-school venue as the place to promote this scheme," Martin said. "It takes away not only dollars, but the focus of what public education is all about."

(Frank Murray, Washington Times, A4)

Bush Touts Cold War Record

GARFIELD, N.J. -- President Bush made a direct appeal Tuesday for the support of so-called Reagan Democrats, touting his achievement in ending the Cold War and promising a stronger, revitalized nation.

Speaking outside the Three Saints Russian Orthodox Church, Bush discussed his "Captive Nations Proclamation," which heralds the Eastern European nations that shook off Communist Party rule during his first term in office.

Some 2,000 people, many of them decked out with Bush-Quayle placards, stickers and buttons, waited more than two hours in stifling heat to hear the President. A handful of environmental and pro-abortion protesters also greeted him.

Bush indirectly assailed Bill Clinton's lack of foreign policy credentials, saying experience was needed to solidify the gains made in ending the Cold War.

The President's remarks dovetailed with an appearance in Philadelphia earlier Tuesday. There, Bush accused the National Education Association (NEA) and the Democratic Congress of blocking his plan to provide low-income families with \$1,000 vouchers.

Shortly before Bush's arrival, Rep. Foglietta told reporters that the Administration plan "would create a ghettoized inner-city school system trapped by and condemned to poverty and illiteracy."

(UPI)

A New Tang Of Expectancy As Bush Stumps In Northeast

GARFIELD, N.J. -- President Bush's campaign has always had the sense of a political operation waiting for something to happen. On the campaign trail Tuesday, waiting for James Baker has simply added a new tang to the air of expectancy.

Tuesday the questions that campaign aides were asking focused on Baker as Bush campaigned in Philadelphia and here in Bergen County, trying to shore up two groups that help make up the Republican base: supporters of federal subsidies for parochial schools and people of Eastern European ancestry.

(Andrew Rosenthal, New York Times, A16)

The President In Person Leaves Some Thrilled, But Others Chilled

GARFIELD, N.J. -- When President Bush, grinning and waving through his limousine window, passed Janet Duffy on Sixth Street here, she held her heart and squealed like a rock fan.

"Oh my God, oh my God -- I looked right at him!" she shrieked. But a minute later Ms. Duffy, a 20-year-old hairdresser, admitted that she was not sure she would vote for Bush. This is her first chance to pick a president, and the possibilities, though limited, have her baffled.

"My family all voted for Reagan and Bush," she said. "Now some of them are voting for Clinton. I could see voting for either one. I just don't know."

It was like that this afternoon in this stolid, working-class city where 5,000 to 6,000 people turned out to greet the President.

(Evelyn Nieves, New York Times, A16)

NATIONAL NEWS

BAKER SAID LIKELY TO RESIGN POST

Secretary Baker is likely to resign his Cabinet post rather than take a temporary leave when he goes to the White House to head President Bush's re-election effort, Administration sources said.

White House, campaign and Republican sources this week said it is now a certainty that Baker will shift from directing foreign policy to become senior White House adviser to the President. Sam Skinner is expected to remain at the White House, but Baker is likely to be the architect of the re-election strategy.

Senate Democrats Tuesday offered a hint of the criticism Bush and Baker might face when Sen. Pell issued a statement opposing Baker's involvement in politics and foreign policy.

Pell signaled that any attempt by Secretary Baker to take a leave of absence to run the Bush/Quayle re-election campaign out of the White House would face Senate opposition. "I would regret any involvement of the secretary of state in the President's re-election campaign, which would be contrary to the bipartisan tradition of American foreign policy," Pell said in a statement. "He has been a good secretary of state and I, for one, would regret his departure."
(Ann Devroy, Washington Post, A1)

Bush Aides Say James Baker To Take Over Campaign Control

Jolted by the size of Bill Clinton's post-convention lead, White House aides say President Bush is about to call in Secretary Baker to rescue his faltering re-election campaign.

"This is a man with a proven track record of managing both presidential campaigns and the White House," said Eddie Mahe. "When you have someone with these kinds of skills, it is going to make a difference in a campaign which has been unable to get off the ground."

One White House official said, "We were obviously not getting the job done with the current line-up, the current cast of characters. We were just not getting the message out."

(Michael Shanahani, Newhouse News Service)

AS CAMPAIGN TURNS TO BAKER, QUAYLE MUST GO

Secretary Baker, soon to take command of President Bush's re-election effort, is expected to reorganize the President's political team, and talk is already turning to ways of replacing Vice President Quayle on the ticket.

The most delicate question confronting the President and Baker is whether Vice President Quayle should leave the ticket. During the past week, individuals familiar with the situation say, consideration was given for the first time to such a move. It is, they insist, a possibility, though not a likelihood.

Even some Quayle allies are nearing the conclusion that it may be better not only for the party but for Quayle personally to step aside rather than stay on the ticket and be blamed for helping drag it down. (Michel McQueen & James Perry, Wall Street Journal, A14)

**BUSH CAMPAIGN PLANS ADS SOON
TO RESTORE PRESIDENT'S IMAGE**

President Bush's campaign is planning to put on the air as much as \$5 million in television advertisements before the Republican National Convention next month to revive the President's image after his battering by the Democrats last week.

Bush campaign officials said they were hoping that the barrage of advertisements could be ready to run during the summer Olympics, which open this weekend and are usually assured of high ratings.

While there have been divisions within the campaign as to whether to concentrate on upbeat advertisements about Bush or commercials that criticize Bill Clinton, the initial decision was to go with the positive ones. Campaign aides said they had tested some of the new advertisements before focus groups two weeks ago and concluded that despite his decline in the polls, Bush was credible enough to carry a positive message.

(Richard Berke, New York Times, A14)

**REPUBLICANS STEP UP ATTACKS ON
CLINTON DRAFT RECORD, BUDGET PLAN**

President Bush's Republican surrogates, including Vice President Quayle, Sen. Dole and Sen. Phil Gramm, have intensified their attacks on Bill Clinton's draft record, his economic plan and his party's "big liberal ticket."

Speaking by satellite hookup with Ohio television stations on Monday, Quayle accused Clinton of choosing Sen. Gore as his running mate to make up for the fact that he did not serve in the military during the Vietnam War. Sen. Garn raised the issue of Clinton's draft record over the weekend. Clinton hit back in an interview with NBC, citing "the Vietnam-era record of people in the Bush Administration. I mean, if Jake Garn's right, then Dick Cheney and Dan Quayle and George Bush's sons can't hold national office."

Tuesday, Quayle did satellite interviews with television stations in Indiana and Missouri, while Dole took to the Senate floor for the second day in a row to bash the "big liberal ticket," and Gramm held a news conference to critique Clinton's "very menacing economic plan."

Mary Matalin said the appearances are "not coincidental" but that they were precipitated by Clinton's economic plan, not by the President's sagging poll numbers. "This has... to do with the scam (Clinton's) trying to perpetrate on the American people with this plan," she said. Another Republican official said, however, that the attacks on the Democratic ticket reflect the fact that "he (Clinton) is on a very good roll, and we can't wait forever."

Asked if Quayle is the best person to be attacking Clinton's draft record, Quayle spokesman Jeff Nesbit said, "I could ask the same question. Bill Clinton talked a lot about family values in his campaign speech. Is he the wisest person for the Democrats to bring that up to talk about?" Nesbit declined to elaborate.

(Ruth Marcus & Helen Dewar, Washington Post, A12)

**CLINTON HURLS BUSH'S BARB
BACK AT PRESIDENT**

EVANSVILLE, Ind. -- Bill Clinton Tuesday deflected President Bush's criticism of his economic plan. Bush on Monday assailed Clinton's economic plan as "smoke and mirrors."

"Well, if ever there was an expert on smoke and mirrors, it's him," Clinton said of the President. "This Administration has the worst economic record since Herbert Hoover. This Administration has let the top 1% of the American people control more wealth than the bottom 90% for the first time since the Roaring '20s."

"My plan invests \$50 billion in America and creates a million new jobs a year, gives us education excellence and tackles the health care crisis -- three things he cannot do," Clinton said.

Clinton's rejoinder came on his bus trip during a brief stop at a rest area on the Indiana-Kentucky border, where Indiana Gov. Evan Bayh joined the motorcade.

(Ronald Taylor, Washington Times, A4)

**GUESS WHO'S NOT COMING
TO GOP BREAKFAST**

The RNC invited a representative of the nation's largest homosexual group to a GOP fund-raising breakfast with Vice President Quayle Wednesday morning in a gesture strongly opposed by Christian conservatives, the Washington Times has learned.

Gregory King, spokesman for the Human Rights Campaign Fund, said Tuesday that his homosexual rights group turned down the July 7 letter of invitation.

Rich Bond said through a spokesman that the invitation was a mistake and blamed the error on the Virginia fund-raising and direct-mail firm Odell, Roper and Simms, which handled the invitations.

"If Bond meant to do this, he should be out the door, because there will be conservatives who will be absolutely irate," said Beverly LaHate, president of Concerned Women for America. "President Bush stands to lose 20 times the votes he would attract from this."

"The Bush campaign better get its act together," said Gary Bauer. "You can't keep asking for and expecting traditional voters to support you when there are these constant efforts to play footsie with the gay-rights movement."

(Ralph Hallow, Washington Times, A1)

DEFICIT FALLING -- IN POLITICAL STATURE

Both President Bush and Bill Clinton say they want to reduce the federal budget deficit, but Ross Perot's unreleased economic plan underscores how far short the two major candidates fall in making deficit-reduction an overriding priority.

In showing the kinds of politically unpopular steps needed to reduce the deficit, Perot's plan, a bold and in many ways politically unsalable document that tackled higher taxes and Social Security, explains why most candidates -- including Perot himself -- shy away from confronting the issue when trying to win elections.

Rep. Panetta said Tuesday that Perot's plan as described in various news accounts is far more ambitious than anything offered by Clinton or Bush. Panetta said he hoped it would become part of the presidential debate this year, but with Perot on the sidelines, "It's difficult to see how the other two candidates will be forced to focus on these issues."

Bush said Monday night that deficit reduction remains a top priority, but his Administration has presided over the biggest deficits in history. Bush said he favors a balanced-budget amendment to the Constitution, the line-item veto and a cap on expenditures for mandatory spending programs. But he has not outlined a detailed plan for eliminating the deficit and has yet to submit a budget that comes close to being balanced.

(News Analysis, Dan Balz, Washington Post, A1)

**HILL PANEL DISPUTES
BUSH'S TRAVEL COSTS**

The House Post Office and Civil Service human resources subcommittee Tuesday produced a detailed accounting of how much it costs for the President to travel, saying that taxpayers spent "at least" \$1.2 million to send President Bush to Europe for eight days in 1989 and \$1.5 million for a five-day political and golf outing in the West in 1990.

The subcommittee staff calculated that it costs an estimated \$40,243 per hour to operate the President's new Air Force One, a custom-built 747. Subcommittee Chairman Paul Kanjorski said the hourly rate makes the \$29,000 that Bush listed in a recent budget document for 1991 travel costs "ludicrous."

The two trips the subcommittee selected were "fairly representative" of the trips Bush has made since becoming President, Kanjorski said. They illustrate it is much more expensive for the President to travel than the White House has been willing to concede, he said.

Release of the estimates provoked a sharp objection from Rep. Burton, who repeatedly accused the Democrats of staging "a search and destroy mission" to embarrass Bush. "This is a political year and they smell blood," Burton said.

(Bill McAllister, Washington Post, A1)

GREENSPAN SEES SLOW PICKUP IN ECONOMY AS DEBT DECLINES

Alan Greenspan predicted Tuesday that "subnormal" U.S. economic growth will slowly speed up and unemployment will fall over the next year and a half as American households and businesses gradually shed their excessive loads of debt.

"I expect that the economic expansion will soon gain momentum, which lower inflation should help to maintain," Greenspan told a skeptical Senate Banking Committee, several members of which blamed Greenspan and his central bank colleagues for the economy's weak growth and high unemployment rate.

The new Fed forecast, which is similar to that of the Bush Administration, suggests no economic surge is likely between now and Election Day that would provide significant help to President Bush's re-election chances.

None of the ten senators present suggested that the Fed should lower interest rates further. (John Berry, Washington Post, D1)

OSPREY FUTURE DEBATED

The Pentagon said Tuesday that the latest crash of an experimental V-22 Osprey "raises serious questions" about the future of the aircraft, but support was voiced on Capitol Hill for the tilt-rotor transport.

Monday's crash of an Osprey into the Potomac River "significantly complicates our ability to proceed... until we know more about what happened," Pete Williams said at a briefing.

Secretary Cheney "still does not think that the department can afford to move on to production on the V-22," Williams said.

But Sen. Nunn defended the controversial aircraft. "I don't think it has an effect on the concept," he said. "I don't think anyone is saying the technology won't work."

(AP, Washington Times, A3)

OFFICIALS RESPOND CAUTIONALLY TO REPORTS OF MYSTERIOUS AIDS-LIKE DISEASE

AMSTERDAM -- Reports of a rare, seemingly inexplicable AIDS-like disease seized center stage at the 8th International AIDS Conference here Tuesday.

In a hastily called session, leading U.S. health officials and researchers said they still know very little about a dozen recently reported cases in which patients have developed symptoms of AIDS yet have no identifiable trace of HIV.

But several experts, including three top AIDS officials in the U.S. Public Health Service, said that there was no evidence to suggest the mysterious phenomenon is either a threat to public health or a replay of the beginnings of the AIDS epidemic.

In addition, "There isn't anything we've heard that compromises the safety of the blood supply," said James Allen, director of the national AIDS program office of HHS.

(Malcolm Gladwell, Washington Post, A4)

**SENATE PANEL VOTES TO
CUT WETLANDS RESERVE PROGRAM**

A Senate panel voted Tuesday to suspend popular programs for preserving wetlands and fragile farm acreage, prompting election-year Administration complaints that Congress was neglecting the environment.

As part of a \$61.4 billion fiscal 1993 farm spending bill, a Senate Appropriations subcommittee also voted to end a controversial meat inspection system and cut aid for advertising farm products overseas. The House passed similar legislation June 30, despite strong protests by the Bush Administration.

"We think that's a direct slap in the face to agricultural producers and a direct slap in the face to those who are interested in the environment," Secretary Madigan said of moves to suspend the conservation programs.

Like the House, the Senate spending bill would bar farmers from enrolling land in the wetlands reserve in 1993, designed to protect up to one million acres of wetlands. The bill would also freeze the conservation reserve program, which pays farmers to take highly erodible cropland out of production for 10 years.

(Sue Kirchhoff, Reuter)

INTERNATIONAL NEWS

KING DENIES JORDAN IS HELPING IRAQ DEFY SANCTIONS

AMMAN -- King Hussein denied Tuesday that his country is moving supplies across its border into Iraq in defiance of U.N. sanctions, and Secretary Baker agreed that Jordan has tightened its enforcement of the sanctions in recent weeks.

Baker conferred with Hussein here Tuesday. At a news conference afterward, Hussein said, "We accept and have adhered to the U.N. sanctions. We are doing the best we can to get the Iraqi people food and medicine. But as to non-humanitarian goods, I want to say that our credibility is very important to us, and we are not engaged in sanctions-busting."

Baker, responding to questions about past U.S. criticism of Jordan, said, "In the past, we believe there was some leakage across the border. In recent days and weeks, we see much stronger sanctions enforcement, much less leakage."

Baker said his talks with Hussein convinced him that Jordan is ready to seize the chance for progress offered by Prime Minister Yitzhak Rabin's new government in Israel.

Asked Tuesday whether he accepted Rabin's distinction between political and security settlements, Baker said the U.S. opposes all new settlement activity. But he also hinted at what might be a formula for averting a dispute.

"Security installations are something that we view differently," he said. "Under our policy, settlements are settlements. But security installations are something we distinguish from what you might call security settlements."

(John Goshko, Washington Post, A21)

REPORTS OF HUSSEIN'S DEATH APPEAR TO BE GREATLY EXAGGERATED; TENSION MOUNTS FOR U.N. INSPECTORS IN IRAQ

Rumors that flashed from the Middle East on Tuesday morning that Saddam Hussein had been assassinated sent intelligence agencies scrambling, caused an uproar at the State Department and drew a cautious response from President Bush.

"I only saw a wire service report, and we have no confirmation of that at all," Bush said Tuesday. By late Tuesday afternoon, the White House was still saying it had no way of knowing if there was anything to the reports.

The immediate problem facing the Bush Administration is what to do if Saddam continues to refuse to let U.N. inspectors into his Ministry of Agriculture, where the inspectors believe archives on Iraq's ballistic missile program are housed.

"Military action is not ruled out," British Amb. Sir David Hannay bluntly told reporters in New York. In Washington Tuesday, Pete Williams said the U.S. has "the military capability to respond if need be."

State Department officials, however, said the Administration is reluctant to use force at a time when Bush could be accused of taking another shot at Saddam for purely political reasons.

(Mary Curtius, Boston Globe)

'War Clouds' Seen As Iraq Stays Defiant

The U.S. and its allies edged closer to a military strike on Iraq Tuesday after its failure to allow U.N. inspectors into the Agriculture Ministry in Baghdad.

While diplomatic sources said no strike is imminent, the State Department for the first time Tuesday spoke publicly of possible military action. "We are not ruling out any options, including those of a military nature," said a department spokesman, Colin Cleary.

At the U.S.'s suggestion, the Security Council told Iraqi diplomats Tuesday that it rejected Baghdad's proposal that inspectors from neutral nations enter the ministry building.

While private warnings to Baghdad are expected, planning has gone ahead for a possible airstrike. "War clouds are gathering," one source following the deliberations said. "The standard pattern has been broken by Iraq," he added, referring to Saddam's backing down after past confrontations.

Tuesday, waves of demonstrators marched outside the Agriculture Ministry building, taunting the inspectors and burning U.S. flags and effigies of President Bush. "I hate to put suspense on it, but I would say (it's) not much longer (until) I would say the team is in jeopardy," Mark Silver, the American head of the team, told CNN. "The security is not equal to the crowds... and there would be no way they could stop them if they wanted to come to us," he said. (Warren Strobel, Washington Times, A1)

**DOZENS OF U.S. ITEMS
USED IN IRAQ ARMS**

International inspectors discovered evidence of American commercial assistance to Iraq's nuclear weapons program while searching last October through an industrial warehouse on the southern outskirts of Baghdad. Inside a large packing crate they pried open at the Daura complex was a sophisticated welder fitted with a special clamp for attaching end caps to the main cylinder of a centrifuge meant to enrich uranium for a nuclear weapon.

The welder, U.S. and U.N. officials say, was shipped to Iraq by the American subsidiary of a German firm -- Leybold Vacuum Systems Inc. in Enfield, Conn. -- along with a high-tech lathe useful in missile and nuclear applications.

Internal Commerce Department documents obtained by the Washington Post, show that in 1988, the Leybold exports were approved by the department over the objections of some licensing officers who warned that the equipment might be used in an Iraqi effort to build weapons. Leybold said at the time that the equipment was for general military repair purposes and maintains it has no reason to believe the equipment was misused.

In addition to U.N. discovery of the welder, congressional investigators here have uncovered evidence showing the U.S. approved dozens of exports that found their way into Iraq's missile, nuclear, poison gas and germ weapon programs.

These exports included bacteria, computers and electronic instruments, chemical process control equipment, and missile navigation and communications gear, according to a formerly secret State Department document made public Tuesday by Rep. Gonzalez.

(Jeffrey Smith, Washington Post, A1)

Bush Turned Blind Eye To Iraqi Arms Buildup -- Congressman

Rep. Gonzalez charged Tuesday that President Bush turned a blind eye to U.S. companies that bolstered Iraq's nuclear weapons program and then falsely laid the blame at Europe's door. Gonzalez said he had reams of newly declassified evidence which point to repeated wrongdoing in U.S. policy toward Iraq before the Gulf War.

"It was Bush Administration policy to sell military-useful goods to Iraq," Gonzalez told the House. "It is also clear that from Day One it has been the policy of the highest levels of the Bush Administration to mislead the Congress and the public about the 'real' U.S. policy toward Iraq."

Out of 771 export licenses approved for Iraq, there was just one check to see if the goods were illegally used to bolster Baghdad militarily after its war with Iran, Gonzalez said. Dozens of U.S. companies, many benefiting from the U.S. taxpayer-financed agricultural credits extended to Iraq, provided key technologies to Baghdad's missile, nuclear, chemical and biological weapons programs, Gonzalez said.

Bush not only knew and condoned it, he also misled Congress by saying European companies were to blame, Gonzalez added.

(Lyndsay Griffith, Reuter)

BROADER U.S. RELIEF EFFORT URGED

Bosnian Foreign Minister Haris Silajdzic urged U.S. officials Tuesday to help mount a new international relief effort to save civilians besieged by Serb forces. He received a sympathetic hearing but no promises of action.

In meetings with Assistant Secretary of State John Bolton and several senators, including Senators Mitchell, Dole, Pell and Nunn, Silajdzic pleaded for limited air strikes to break the sieges and for efforts to relieve bombarded towns in eastern Bosnia. His proposals included airdrops of food or protected overland deliveries from the Sarajevo airport to Gorazde, a town 30 miles southeast that has been under Serb siege for three months.

A Foreign Relations Committee spokesman said Silajdzic "received a warm and sympathetic welcome" but got no commitments. Defense Department officials said they prefer not to expand relief efforts beyond Sarajevo, citing risks of being drawn deeper into an intractable conflict and the lack of any logical stopping point for U.S. involvement. But the officials said the U.N. is considering the request for relief convoys to Gorazde, and did not rule out U.S. participation. (A.D. Horne, Washington Post, A22)

Air Blockade For Bosnia Considered On Capitol Hill

Bosnian Foreign Minister Haris Silajdzic got no promises of help when he argued his country's case on Capitol Hill Tuesday, even as Sen. Dole suggested an air blockade to make sure humanitarian aid gets through.

"I think there's strong support in Congress... to do what all we can to make certain we can provide humanitarian aid, even if it means a blockade, sort of an air blockade where we take control of the skies," Dole said before meeting Silajdzic and other senators.

(Deborah Zabarenko, Reuter)

**HOUSE VOTES TO DENY
FAVORABLE TRADE STATUS FOR CHINA**

Pressing its battle with President Bush over U.S. policy toward China, the House voted Tuesday to raise tariffs on imported Chinese products unless Beijing agrees to reforms in human rights, arms proliferation and trade.

The measure, passed on a 339-62 vote and sent to the Senate, marked the third year the House has tried to bring pressure on the Chinese government, and it was expected that Bush, as previously, will veto the legislation if it reaches his desk.

A separate bill, passed on a 258-135 vote, would specifically disapprove Bush's June 2 decision to continue China's favored trade status for another year beginning this month.

(Robert Shepard, UPI)

**U.S. PRESSURES ARISTIDE TO
DEAL WITH NEW REGIME**

The U.S., in a modification of its policy toward Haiti, stepped up pressure on Jean-Bertrand Aristide to open negotiations with the impoverished nation's military-backed regime.

In a July 10 meeting, Deputy Secretary of State Lawrence Eagleburger "turned the screws a little bit," urging Aristide to respond to proposals for talks from Haiti's newly installed prime minister, according to a senior State Department official.

Eagleburger and Bernard Aronson, assistant secretary of state for inter-American affairs, also warned him that the U.S.-led embargo of Haiti, designed to isolate the coup-makers, "is simply not sustainable" and may be dropped, the official said.

(Warren Strobel, Washington Times, A7)

**PROJECT WILL PURSUE
FUSION REACTOR DESIGN**

The U.S., Japan, Russia and the E.C. signed an agreement Tuesday to spend \$1.2 billion over six years to design the first working fusion reactor, a machine that would replicate the energy source of the sun.

At an Energy Department ceremony Tuesday, Secretary Watkins said the design agreement is "truly a milestone in the development of a safe, environmentally sound energy source for the next century." Watkins and his counterparts from Russia, Japan and Europe stressed their commitment to the most ambitious international scientific cooperative venture ever undertaken. Development of working fusion reactors, they said, is a project of such scope and potential cost that no single nation can undertake it.

(Washington Post, A2)

NETWORK NEWS

(Tuesday evening, July 21)

PRESIDENT'S TRIP

ABC's Diane Sawyer: Like the song from "Annie," the Republican campaign theme today seemed to be "The Sun Will Come Out Tomorrow." President Bush was back on the road with appearances in Pennsylvania and New Jersey, admitting that the economic recovery has been painfully slow but promising better days are near. How near? The chairman of the Federal Reserve Board predicted today it may be next year before a lot more people get jobs.

ABC's Ann Compton: President Bush came to the gymnasium of a Catholic school in north Philadelphia to offer some economic help to middle-income families -- \$1,000 tuition grants to private or public schools.

(TV coverage of President Bush surrounded by a clapping crowd.) What he heard were stories from those middle-income families about how badly they need the help -- the mother of 8 children, the unemployed father on disability. Mr. Bush asked them all to be patient.

(President Bush: "I am not pessimistic about the economic future. We've been through this long, slow recession. We're growing a little bit now as a country. In my view we are poised for a good recovery.")

He was even more positive last night in a teleconference call to campaign workers.

(President Bush: "We've got interest rates down, inflation is down, and literally we're poised for what could be a spectacular recovery.")

But that was before Fed chairman Alan Greenspan warned Congress today this is a moderate, sub-normal recovery, and there will be lingering pain when it comes to jobs.

(Greenspan: "The problem here is that unless and until we get economic growth picking up to a somewhat higher level, we are going to have considerable difficulty in moving the unemployment rate down.")

Republican strategists say President Bush is left with no alternative but to promise long-term economic growth without delivering short-term results. (ABC-Lead)

NBC's Tom Brokaw: Countdown: election day is 15 weeks from today, but George Bush and Bill Clinton already are exchanging shots as if it were tomorrow.

NBC's John Cochran: Labeling the Democrats as the tax-and-spend party helped George Bush win the White House four years ago, but now that strategy is starting to show its age.

(TV coverage of President Bush shaking hands with crowd.) While the President was on the campaign trail, his Vice President was on the trail of Clinton and Gore, recording satellite interviews for cities on Clinton's bus tour.

(Quayle: "His economic strategy is to raise taxes twice that what Mondale and Dukakis were talking about.")

-more-

The Bush campaign has coordinated its attack. This sound familiar? (Sen. Dole: "Bill Clinton calls for a tax increases twice as big as those proposed by Mondale and Dukakis.")

Well, not quite: Walter Mondale proposed \$85 billion in new taxes in 1984, but Mike Dukakis proposed no new taxes in 1988. Double \$85 billion and you get \$170 billion. Bill Clinton calls for \$150 billion in new taxes on corporations and the rich. Many of Bush's friends are afraid he no longer has the credibility to accuse others of taxing and spending all because of this famous sound bite.

(then-Vice President Bush, August 1988: "Read my lips: no new taxes.")

Two years later Bush accepted one of the largest tax hikes in history -- \$137 billion.

(TV coverage of President Bush shaking hands with crowd.)

Bush said he broke his promise so he could get a deal to control spending. But this year Bush gave up even trying to balance the books. His own budget calls for a \$399 billion deficit. Even the Republican chairman of the Fed said today nothing is more important than cutting the deficit.

(Greenspan: "It is essential that we bring the budget deficit down as rapidly as we can because it's a corrosive force which is doing very great damage the American economy.")

Bush's problem, his advisers say, is regaining trust. He must find a way to convince the voters that he hates taxes and spending as much as they do.

Mitchell says Bill Clinton and Al Gore are in American heartland trying to deflect Republican charges that they are traditional liberals. They turned rest stops into campaign rallies. They are determined to do what Dukakis didn't do four years ago -- fight back. In Dan Quayle's home state, Clinton turned the "L" word against the Vice President.

(Clinton: "They say, 'Well, you know the Democrats, they're too liberal.' They probably can't even spell that word.")

And in an interview with NBC News, he responded to an attack on his draft record by Republican Senator Garn.

(Clinton: "Maybe more importantly is, I think, the Vietnam era record of the people in the Bush Administration. I mean, if Jake Garn is right then Dick Cheney, Dan Quayle, and George Bush's sons can't hold national office.") (NBC-3)

CLINTON'S TRIP

Sawyer: One thing the President has been delivering is criticism of governor Clinton's economic program. Today, on the next to last day of the Democratic bus tour, governor Clinton hit back.

ABC's Chris Bury reports when his caravan rolled into a rest stop this afternoon Clinton had a ready answer to the President's attack on his economic plan.

(Clinton: "Mr. Bush said the other day Bill Clinton's plan is smoke and mirrors. Now, if ever there was an expert on smoke and mirrors, it's him.")

The Democratic road show is not getting a free ride from Republicans. In Louisville during a televised town meeting, the local TV station popped in Vice President Quayle, who had videotaped a critique of Clinton's plan.

(Quayle: "I just don't buy this idea that it's going to be just a few that are going to get taxed. When you start talking about tax increases, everyone gets hit.")

(Clinton: "Read my lips; I said that to make you laugh. No responsible person would ever do what George Bush did and say 'read my lips.'")

Clinton said again, despite what others claim, he promises to raise income taxes only on people making more than \$200,000 a year. All week he has tried to prepare voters for whatever charges Republicans may make.

(Clinton: "They're going to call us every name in the book and tell us you ought to be scared of voting for us. I'll tell you what you ought to be scared of is being stuck in the same old rut for four more years.")

Clinton and Gore expect an even tougher fight if Secretary Baker joins the Republican effort. In public they are playing his expected return as a sign of panic in the White House. In private they respect Baker's talents. (ABC-2)

ECONOMY

CBS's Ray Brady says in his midyear report to Congress, Alan Greenspan tried to put a bright face on the economy, predicting that it will slowly pick up speed.

(Greenspan: "The economic expansion is likely to strengthen moderately to a range a 2.75% to 3%.")

But that kind of slow growth in an election year would make only a small dent in the number of jobless Americans, so Greenspan's optimism brought an usually harsh reaction from members of the Senate Banking Committee.

(Sen. Riegle: "You said the same thing last year to us. And what is happening is people in the country don't have any confidence anymore.")

(Sen. D'Amato: "You and the rest of the group are in this ivory tower, and you don't know what's taking place in Main Street.")

While Greenspan did predict some drop in unemployment, he was less optimistic when asked the question that's bothering many.

(Sen. Riegle: "Is unemployment apt to go to 8%?")

(Greenspan: "I really don't know. I certainly hope not.")

(CBS-6)

IRAQ/PENTAGON PREPARES FOR POSSIBLE AIR STRIKE

CBS's Dan Rather: Spokesmen for President Bush have begun talking up the possibility of new U.S. air strikes against Saddam Hussein. The air raids, it is said, would be in response to Saddam's defiance of U.N. weapons inspectors.

CBS's Jim Stewart reports the Pentagon is reviewing plans for U.S. aircraft to join in a multinational air strike against Iraq, where a tense standoff is underway outside its agriculture ministry believed by U.N. inspectors to be a weapons research facility. Sources say Saddam appears ready to suffer the blow in a bold gamble that the U.S.-led coalition that defeated him last year has grown weary and lost its nerve.

(Iraqi Ambassador, Al-Anbari: "An air strike -- one, two, three -- really would do nothing compared to the ugly crimes committed daily against the Iraqi people.")

The plans call for U.S. F-117s and F-15s based in Saudi Arabia to join with other coalition aircraft for a series of punitive raids. U.S. naval forces led by the aircraft carrier Saratoga in the Mediterranean and the Independence in the Persian Gulf are also on hand. The strike plans are awaiting final action by the U.N. Security Council, an international blessing seen as key to any U.S. military involvement.

(Pete Williams) "Our actions in the Persian Gulf have consistently been through multinational efforts including the U.N. and the coalition that was formed."

Targets would include communications facilities, bridges and possibly the agricultural ministry itself. President Bush insisted today that the Iraqis comply.

(TV coverage of President Bush walking to Marine One.) The Iraqis responded that they've had enough of inspections. (Al-Anbari) "Today you have the office of the Ministry inspected; tomorrow the office the President will be inspected! And so it's a matter of humiliation rather than a matter of a bonafide inspection."

Rumors swept the Middle East again today that Saddam was dead -- the victim of an assassination. But reports from inside Iraq indicate otherwise and portray him as still very much the man in charge. This latest game of brinksmanship is not without risk for the U.N. coalition as well, which still has troops and inspectors inside Iraq. Any act of retribution against them for an air strike, suggested one source, would bring on a no-holes-barred response reminiscent of the Persian Gulf War. (CBS-Lead)

IRAQ/U.N. INSPECTORS

Brokaw reports Iraqi demonstrators protested U.N. attempts to inspect Saddam's military facilities. (NBC-8)

IRAQ/ADMINISTRATION AID BEFORE THE WAR

Rather, there is more tonight about aid sent to Saddam Hussein before the Gulf War by the Bush Administration. CBS News has been told that Congressman Gonzalez now has a document which he says proves that the President and his Administration sent equipment to Iraq which they knew could be used in Saddam's nuclear weapons program -- this, despite repeated official denials by the State Department that the U.S. was involved in exporting equipment that could be used for atomic weapons. Gonzalez will tell Congress tonight that, in fact, the President and those around him knew a great deal about Saddam's nuclear weapons program long before Iraq invaded Kuwait and decided to go ahead and ship the stuff anyway. (CBS-2)

U.S.-ISRAELI RELATIONS

NBC's John Chancellor says the news from the Middle East is good and also surprising. The Bush Administration got into a very tough fight with the government of Israel this year. The result is remarkable. So far the Administration hasn't suffered serious political damage. Although Secretary Baker has taken a couple of hits, President Bush came out of this fight without a mark on him. George Bush gets good grades on his skill at foreign affairs. His handling of relations with Israel this year shows why those good grades are deserved. (NBC-11)

VINCENNES/IRANIAN AIRLINER/CROWE

ABC's Bob Zelnick reports Admiral Crowe claimed the report by "Nightline" and Newsweek about the USS Vincennes shooting down an Iranian airliner used slim and often mistaken information. Crowe denied the Pentagon covered up the fact that the Vincennes was in Iranian territorial waters when it brought down the airbus. Crowe also denied charges of a secret war against Iran, saying American radar planes never gave the Iraqis targeting information they could use against Iran. Crowe said the U.S. captured only one Iranian mine-laying boat and reported it. He denied "Nightline's" charge that a second was secretly taken. And he denied the Navy used decoy commercial ships to lure Iranian gunboats to waters where U.S. warships could attack them. "Nightline" says it stands by its story and can rebut Crowe's statements point by point.

(ABC-11)

ISRAEL-EGYPT MEETING

Sawyer reports President Mubarak and Prime Minister Rabin agreed on a return visit by Mubarak to Jerusalem. Dates are to be determined.

(CBS-3, NBC-10, ABC-10)

CHINA/MFN/HOUSE

Sawyer reports the House voted to place limits on China's special trade status called MFN. One bill would cut off that status next year if China does not improve its human rights record. (ABC-13)

CHINA/BLAME FOR TIANANMEN MASSACRE

Sawyer reports in Beijing three years after the Tiananmen Square, the Chinese communist party officially picked the man to blame. His name is Bao Tong.

ABC's Bill Redeker reports Bao was pronounced guilty for allegedly revealing state secrets and stirring up opposition against the socialist regime. Bao was sentenced to seven years but given credit for three years already served. The government claimed that Bao tipped off students about plans to impose martial law before the army cracked down on Tiananmen Square.

(ABC-12)

AIDS CONFERENCE

Brokaw: From the beginning we have known that one of the great problems in dealing with AIDS is that the virus has the ability to rapidly change to ward off any attack. Now there may be a new AIDS virus. More and more people are showing up with symptoms of AIDS and yet no sign of the original virus.

NBC's Robert Basell reports it suddenly became obvious that an AIDS-like disease apparently caused by a new or mutated virus is much more common than anyone knew. The patients with this AIDS-like disease have no evidence of HIV, the virus that causes AIDS, in their bodies. Until researchers discover the cause of this non-HIV AIDS there's no way of knowing how big a problem it is. While it remains a major medical mystery, all indications still are that it is a tiny public health problem compared to the AIDS epidemic.

(CBS-4, ABC-4, NBC-Lead)

-End of B-Section-

EDITORIALS/COLUMNISTS

PRE-WAR IRAQ POLICY

Gulf War Shadows -- "Continuing questions about U.S. diplomacy leading up to the Persian Gulf War are taking much of the luster from what President Bush has cited as one of his proudest achievements, and tainting his vaunted reputation for foreign policy skills.... The congressional effort to pursue an investigation of the Administration's pre-war diplomacy surely is fueled in part by partisan political considerations, yet legitimate questions have been raised that deserve answers.... As time lengthens since last year's Gulf War, so do the shadows falling upon it."
(Seattle-Post Intelligencer, 7/13)

A Paper Trail That Leads To White House -- "Several congressional committees, sifting through mountains of documents and testimony from past and present government officials, are slowly filling in a picture of how U.S. policy toward Iraq was secretly shaped in the 1980s. There is a sense that much remains to be revealed. The President sees this issue that won't go away as 'pure, gut American politics.' That it is now in the political arena was inevitable. That is was thrust there by a highly dubious policy with which Bush himself was closely involved in undeniable."

(Los Angeles Times, 7/5)

To Clear The Air On 'Iraqgate' -- "These [attacks on Bush's pre-war policy towards Iraq] are serious allegations. They cannot be dismissed merely as components of a partisan strategy to hurt Bush. Moreover, there is sufficient evidence of curious goings-on to warrant a full-blown inquiry. No doubt the Bush Administration dislikes having its policy toward Iraq in the spotlight. No doubt the Democrats enjoy capitalizing on any presidential discomfort. No doubt there also is a danger of making a policy difference appear to have been a crime. But things have reached such a pass that only a thorough ventilation of "Iraqgate" will suffice. Otherwise, the issue will grow, and Americans will be left to wonder just what their government was up to with respect to Iraq."

(Chicago Tribune, 7/11)

And Now, Iraqgate -- "There can be no doubt that the Bush Administration clandestinely sought to appease Saddam Hussein and that in the process deceived Congress and manipulated programs to serve its ends.... Obviously, the President learned nothing from the Iran-Contra episode. Instead, he seemed to have borrowed from it. Secrecy and deceit were the hallmarks of Mr. Bush's misbegotten Iraqi policy, just as they were of Ronald Reagan's Iran and Contra initiatives. Until Administrations adopt foreign policies that can withstand the light of day, the nation will continue to be taken down primrose paths that lead to moral bankruptcy and a subversion of constitutional values."

(St. Louis Post-Dispatch, 7/12)

Try Saddam For War Crimes -- "President Bush bears most of the blame for the fact that the monsters guilty of these horrors [human rights abuses by Saddam's regime] still rule in Baghdad. As Iraqgate is making clear, he also bears blame for empowering those monsters in the first place. He could expiate some of that blame by bringing a war-crimes case against Saddam Hussein and other top Ba'athist officials." (Boston Herald, 7/12)

Questions About The Gulf War -- "Saddam appears to have been using U.S. agricultural aid to finance his nuclear-weapons program, either with the knowledge or the averted eyes of the Administration. It remains a mystery why the Administration was pushing for continued agricultural aid to Saddam long after Congress wanted to cut it off. It remains a mystery why Saddam behaved almost as if he had a green light from the U.S. for the invasion. It remains a mystery why the war, once begun, was stopped short with Saddam still in power, free to slaughter the rebels who rose against him. It remains a mystery whether the war could have been prevented." (Des Moines Register, 7/9)

COMPETITIVENESS COUNCIL

Quayle's Council Should Back Off -- Twice within the past month federal judges have slapped the President's Council on Competitiveness with rulings that may cause this Cabinet-level group to back off from its rogue-elephant ways with the nation's environmental laws.... These decisions send a strong message to Quayle and Bush: You can hide but you can't run. The Competitiveness Council may conduct its business behind closed doors, but its deeds must in the end be responsible or they will not survive the light of day." (San Francisco Examiner, 7/20)

###

FOREIGN MEDIA REACTION

U.S.-ISRAEL RELATIONS

"Jerusalem officials said Baker has arrived with instructions from the White House to wrap up the loan guarantees issue in order to help Bush's election campaign. Israel, therefore, knows that it can stand its ground because Baker wants to settle the matter.... Baker's job is to manipulate events in a way that would not make him appear to capitulate to Israel's demands."

(Hatzofe, Israel, 7/20)

"If rapid progress in the peace process is at the top of Israel's national agenda, then a Bush Administration looks more promising than a Democratic government. Bush and Baker may also be more willing than the Democrats to fight for financial assistance to Israel.... Bush is not anti-Jewish -- as his great efforts to save hundreds of thousands of Jews from persecution in Ethiopia and in the former Soviet Union demonstrate.... Surprising many observers, Bush and Baker immersed themselves in the Middle East peace process. Thus far they have scored victories no previous administration managed to accomplish.... Thanks to their personal efforts, Israel is in a position to start untying the Palestinian knot and move toward a settlement with its Arab neighbors."

(Haaretz, Israel)

"The U.S. Secretary is going to voice readiness to give loan guarantees to Tel Aviv in return for an effective Israeli role with Zionist organizations in the U.S. to support President Bush's re-election campaign. This deal may encourage Rabin's government to become more intransigent and may concentrate Baker's pressures on the Arabs and Palestinians, rather than on Israel."

(Sawt Al-Shaab, Jordan)

"Rabin's room for maneuver is more limited than the world believes.... The American government is not leaving Rabin enough time for his objectives to mature. Just like after the Gulf War, President Bush (who has doubts about whether he will win) wants to force a quick success to help him in the election campaign.... Peace in the Middle East requires secret diplomacy, quiet talks without time pressure and cameras. But just like a few months ago, it looks as if the politicians on the Potomac want to sew up a peace with just a couple of stitches."

(Frankfurter Allgemeine, Germany)

U.S. PRESIDENTIAL CAMPAIGN

"Perot's feisty effort has sent George Bush a powerful message. Americans are fed up with economic woes and with an Administration that seems to lack any clear idea of where the country should be going. It's a message Mr. Bush had better heed if he is to remain President after January 20 next year."

(Daily Express, Britain, 7/17)

"Bush is facing a convincing team of challengers in Clinton and Gore. Both offer clear personal and objective alternatives to the current leadership which comes across as powerless and used up and whose major foreign policy success -- the victory in the Gulf War -- has long lost its glory at home."

(Neue Osnabruecker Zeitung, Germany, 7/17)

"Contrary to 1988, George Bush's real adversary is not his Democratic competitor...but his own achievements as the President of the U.S. It is thus up to him to prove that a second term will allow him to fulfill the promises he did not keep during his first term, and that he is the best person to ensure the changes to which the Americans seem to aspire. Generally, this favors challengers more than incumbents."

(Liberation, France, 7/17)

"After 12 years of wandering in the desert, the Democrats have finally come up with a candidate who stands a real chance of winning.... Clinton offers a promising economic policy which the present Administration in Washington hasn't dared to pursue.... Europe undoubtedly prefers...Bush. But the problem with Bush is that he has already delivered what he had to offer.... If Clinton wins, he and his economic advisors stand a chance of again making the U.S. an economic locomotive, instead of the nation whose fiscal policy is to try to make the rest of the world pay for its deficit.... The good news from New York is that America has two excellent presidential candidates to choose between."

(Weekendavisen, Denmark, 7/17)

"From the standpoint of international performance, Bush's image with Americans is high indeed.... But his international achievements may be sidetracked by domestic issues; most pressingly economic freedom and unemployment. Looking at campaign themes, Clinton's program seems more relevant than Bush's."

(Kompas, Indonesia, 7/18)

-End of New Summary-

SEQUENCE OF EVENTS:

AWARDS CEREMONY AND LUNCHEON
1992 NATIONAL MEDAL OF ARTS
Wednesday, July 22, 1992

TIME:

11:15 a.m. - 1:30 p.m.

LOCATION:

State Floor
(Music: Marine Orchestra/
Grand Foyer)

DRESS:

Business Suit/Day Dress

NUMBER OF GUESTS:

144

FROM:

Laurie Firestone

y. J. 17

11:15 a.m.

Honorees arrive East Wing Portico and are escorted to East Room for briefing.

11:30 a.m.

All guests arrive East Wing Portico and are directed to East Room via Grand Staircase. (Parking on East Executive Avenue for guests.)

Medal of Arts Honorees are directed to front-row reserved seats. (Reserved seating for family members also.)

12:00 noon

THE PRESIDENT and MRS. BUSH arrive State Floor via elevator and proceed to East Room via Cross Hall doors.

ANNOUNCEMENT

THE PRESIDENT and MRS. BUSH proceed to dais.

(Press Coverage)

THE PRESIDENT makes remarks.

12:10 p.m.

After his remarks, THE PRESIDENT asks Dr. Radice to join him on stage to announce each recipient and THE PRESIDENT moves to center stage.

As Dr. Radice announces each honoree, the recipient steps onto dais to receive award from

Wednesday, July 22, 1992

THE PRESIDENT. (Each medal is handed by military aide to MRS. BUSH, who hands it to THE PRESIDENT.

12:20 p.m. After medal presentation, THE PRESIDENT and MRS. BUSH depart East Room via Cross Hall for receiving line outside Blue Room and guests proceed to State Dining Room.

12:30 p.m. Once all guests are seated, lunch is served.

1:30 p.m. After lunch, THE PRESIDENT and MRS. BUSH depart State Floor via elevator.

All guests depart State Floor enroute East Entrance.