

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: 90703
Folder ID Number: 90703-005

Folder Title:
Tuesday, August 4, 1992 [1]

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

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Notes	Handwritten notes, Re: Meeting with actor Bruce Willis; Personal Identifiable Information redacted. (1 pp.)	08/04/92	(b)(6)	
02. Memo	Re: Bruce Willis; Personal Identifiable Information redacted. (1 pp.)	07/23/92	(b)(6)	
03. Summary	Re: Heads of State Correspondence Summary [originally closed as 01]. (1 pp.)	n.d.	(b)(1)	C

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Tuesday, August 4, 1992 [1]

Pinksheet Number: cap6194

OA/ID Number: 90703-005

Date Closed: 9/24/2019

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

Re-review Case #:

P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

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File Location: Tuesday, August 4, 1992 [1]

Date Closed: 9/24/2019

OA/ID Number: 90703-005

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

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

Deed of Gift Restrictions

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

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

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

THU: NIDA
Nate Bullen
1530 M
1615 00

✓ 15 ✓

☒ Put on black
☒ Clear w/
wipes
☒ Confirm

Day : today

Wash up: X62 2650
for countails w/ POTUS

(b)(6)

SS #

D.O.B.

Frank Carmine Fortora

(b)(6)

SS #

D.O.B.

Bruce Willis

1730 countails
P84 dinner

8/4/92

THE WHITE HOUSE
WASHINGTON

DATE: 7-23-92

FROM THE PRESIDENT

To:

RZ

5:30

① Teeter wants to
see me alone

20 mins

Yes residue

thought.

② Teeter will
have someone
call you re
Bruce Willis - I
want to get Bruce in

DATE: 7/23/92

TO: The President

FROM: ROSE ZAMARIA
Deputy Assistant to the President

GUIDANCE: WHAT AM I TO DO ABOUT
BRUCE WILLIS?

RZ

Confidential Phone Calls



*I brief
Bob Feltner*

TIME:

7 58 A

incoming/outgoing

*Bruce Willis, actor
in Pitts*

*Film in Pitts
+ film schedule*

like to help you win

*want to do ads. for
you -*

off Mondays & Tuesdays

FOLLOW UP:

really wants to help you

Believe me what you say

Stop being nice

*Must charge Congress
deadbeat*

*I can't wait to help
liberal - Democrats mess up.*

Withdrawal/Redaction Sheet

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AR Disposition:	MR Disposition:
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7/23/92

MR. PRESIDENT:

RE: BRUCE WILLIS
SS # (b)(6)
DOB (b)(6)

He said he is off every Monday & Tuesday. Will be in Pittsburgh for another 7 weeks.

Registered as Walter King (412) 281-7100 Room 1628.

GUIDANCE: What am I to do next?

RZ

7/29/92

MR. PRESIDENT:

GUIDANCE, PLEASE, PLEASE, PRETTY PLEASE!!!!!!!!!!!!

If you are serious about sitting down with Bruce Willis,
we can do it Tuesday, August 4.

- 1) You can include him ⁱⁿ with Lunch with the VP. (However,
I understand Nick Calio might try to get you to go to the
Senate for lunch that day).
- 2) You can have him come after 2:30 on the 4th. After 1:30
Bush/Quayle meeting you are free, except for Haircut.
- 3) You can invite him for drinks at the residence at 5:30 PM *
- 4) You can invite him for drinks/dinner at whatever time
you want.

DO NOT KNOW IF WILLIS IS FREE BUT HE TOLD ME HE WAS OFF
EVERY MONDAY AND TUESDAY.

WHAT IS YOUR PLEASURE????? OPTION 1 / 2 / 3 / 4

+ possibly feed into
option 4.

3:10 7/29/92
left message

RZ

THE WHITE HOUSE
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE

August 4, 1992

The President today declared a major disaster exists in the State of Ohio and ordered Federal aid to supplement state and local recovery efforts in the area struck by severe storms, tornadoes, and flooding on July 12, 1992, and continuing.

The President's action makes Federal funding available to affected individuals in a four county area. The counties include Franklin, Logan, Ross, and Shelby.

Assistance can include temporary housing, grants, low-cost loans to cover uninsured property losses, and other programs to help individuals and business owners recover from the effects of the disaster.

Wallace E. Stickney, director of the Federal Emergency Management Agency (FEMA), named David Skarosi of FEMA's regional office in Chicago, Illinois to coordinate Federal recovery operations in the affected area.

The Agency said that damage surveys are continuing in other areas, and additional counties may be added after the assessments are completed.

The Agency said that residents and business owners who sustained losses in the designated counties can begin applying for assistance immediately by calling 1-800-462-9029, or 1-800-462-7585 (TDD) for the hearing and speech impaired. The toll-free telephone numbers will operate from 8 a.m. to 6 p.m. (CST) seven days a week until further notice..

FOR FURTHER INFORMATION CONTACT: FEMA (202) 646-4600.

8/4/92

Mr. President:

Took a phone call from Ambassador Strauss who is in California. Wanted to give you a report on Aid package for Russia. He has talked with everyone either personally or by phone, and President Nixon has written a strong letter in which he calls this the most important vote Members of Congress will cast in their lifetime. He is to address the Republican Caucus by phone -- Dante Fascell, Gephardt and Lee Hamilton will use the letter for their side. SUGGESTS YOU TELL DARMAN HE REALLY NEEDS TO STRAIN A LITTLE BIT ON THIS, AND IF HE DOES IT WILL HAPPEN.

Strauss and Helen are going to start their vacation in California -- they are going to forget about you for two weeks. However, they wish you well at the Convention.

RZ

255 Y
164 N

Rep 94 Y
68 N

Dem 161 Y
95 N

Bush Library Photocopy
George Bush Handwriting

done 8/6/92

RZ

8/4
daily

Remind me to call
Strauss when this
Act passes. as

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 4th, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT XX	7:00 AM	7:36	MR. JERRY WEINTRAUB RES: KENNEBUNKPORT, ME. 207-967-5727	TLKD-OK 7:31 A.M.
INC	PM			
OUT	AM			
INC	PM		MRS. DOROTHY KOCH RES: BETHESDA, MD. 301-229-4594	TLKD-OK 12:55 P.M.
OUT	AM			
INC	PM			
OUT XX	12:55 PM	12:57	MR. ROBERT M. TEETER WASHINGTON, D.C. 202-456-6377	TLKD-OK 1:22 P.M.
INC	PM			
OUT	AM			
INC	PM		SENATOR SLADE GORTON OFC: WASHINGTON, D.C. 202-224-3285	MRS. ROSE M. ZAMARIA TLKD WITH VICKIE McQUADE 2:59 P.M.
OUT	AM			
INC	PM			
OUT XX	2:57 PM		AMBASSADOR ROBERT S. STRAUSS RES: DEL MAR, CA. 619-481-0687	TLKD WITH MRS. ROSE M. ZAMARIA 4:12 P.M.
INC	PM			
OUT	AM			
INC	PM		MRS. ROSE M. ZAMARIA OFC: WASHINGTON, D.C. WHITE HOUSE ADMIN EXT. 620	TLKD-OK 4:33 P.M.
OUT	AM			
INC	PM			
OUT XX	4:33 PM	4:34		

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

AUGUST 4th

, 19 92

PRESIDENT BUSH

	TIME		DISC	NAME	ACTION
	PLACED				
OUT		AM		MR. ROGER AILES OFC: NEW YORK, N.Y.. 212-685-8500	TLKD-OK 5:41 P.M.
INC	5:38	PM	5:43		
OUT		AM			
INC		PM		SENATOR SLADE GORTON OFC: WASHINGTON, D.C. 202-224-3441	MESSAGE PASSED TO SENATOR GORTON 7:57 P.M.
OUT		AM			
INC	6:35	PM			
OUT		AM		MRS. BARBARA BUSH RES: KENNEBUNKPORT, ME. 207-967-8990	TLKD-OK 8:49 P.M.
INC		PM			
OUT		AM			
INC	8:37	PM	8:57		
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			
OUT		AM			
INC		PM			

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

[illegible]

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 4 August 1992

TIME	MOVEMENTS
0659	South Grounds
0705	Oval Office
0917	Roosevelt Room
0943	Oval Office
0956	South Grounds
0957	Depart South Grounds via Motorcade (LOW KEY)
1002	Arrive U.S. Capitol (LOW KEY)
1108	Depart U.S. Capitol via Motorcade (LOW KEY)
1117	Arrive South Grounds (LOW KEY)
1120	Oval Office
1202	Ground Floor
1249	Oval Office
1250	Cabinet Room
1251	Oval office
1252	South Grounds
1334	Oval Office
1336	Roosevelt Room
1412	Oval Office
1414	Cabinet Room
1429	Oval Office
1440	Roosevelt Room
1510	Oval Office
1550	Residence
1619	Oval Office

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.

DATE 4 August 1992

[illegible]

Dwly

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. John S. Vander Heide
Chairman of the Board
Holland American Wafer, Company
3300 Roger B. Chaffee Memorial Drive
Grand Rapids, Michigan 49548-2367



THE PRESIDENT

August 4, 1992

Dear John,

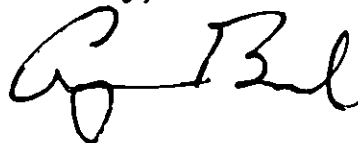
Just a quick note of thanks for a very enjoyable day in Grand Rapids. The special tour of your facility was both fun and interesting and I loved the enthusiastic crowd.

Thanks for all you did to make my trip a success.

With best wishes,

A Great Day

Sincerely,

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

Daily

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Stuart Vander Heide
President
Holland American Wafer, Company
3300 Roger B. Chaffee Memorial Drive
Grand Rapids, Michigan 49548-2357



THE PRESIDENT

August 4, 1992

Dear Stuart,

Thanks for a great trip to Grand Rapids last week. The lunch was delicious, especially the wafers, and I really enjoyed being with such an enthusiastic crowd. It was a fun day for me! Thanks for all you did.

With best wishes,

Loved it all!

Sincerely,

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

Daily

Hosted Presidential
Trust Reception.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. and Mrs. Karl Samuelian
385 Copa De Oro Road
Los Angeles, California 90077



THE PRESIDENT

August 4, 1992

Dear Karl and Delores,

Thanks so much for having all of us in your beautiful home once again. It brought back good memories from four years ago and I am confident that this year will be the same -- a victory in November.

I am grateful for the support that you have given me over the past years. Many, many thanks!

Con Rife

Sincerely,

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



THE DEPUTY SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

August 4, 1992

THE PRESIDENT HAS SEEN

8/4

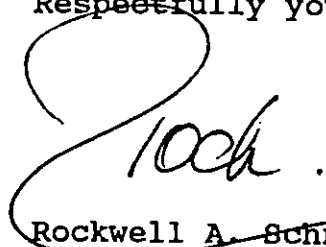
The President
The White House
Washington, D.C. 20500

Ly

Dear Mr. President:

Your remarks at the John Kilroy dinner in Los Angeles last Thursday were very well received. I spoke with a large number of the participants who were enthusiastic.

Respectfully yours,


Rockwell A. Schnabel

Daily 8/4



This is per
your attached
request.

ORGE BUSH
ASHINGTON

(Kaufman draft)

Dear Jim:

Your letter explaining recent comments which you made about Vice President Quayle is appreciated. I always value your honest opinion, and I hope you will continue to give me the benefit of your thoughts.

However, as I have said before, I firmly support Vice President Quayle. Many of the successes of the current Administration may be attributed directly to the Vice President's hard work and dedication. He has also been a loyal and true member of my team, and he has my full confidence.

I appreciate your support and hope that you understand my feelings concerning this matter. I look forward to your assistance this fall. Keep in touch.

Sincerely,

The Honorable James M. Jeffords
United States Senate
Washington, D.C. 20510

337654

James M. Jeffords
United States Senator
Vermont

July 9, 1992

Nick C. 10

The Honorable George Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

As you may now know, during the taping of a local T.V. show in Vermont on Wednesday, in response to a direct question, I suggested that I thought you would be better off if you chose a running-mate other than Vice President Quayle.

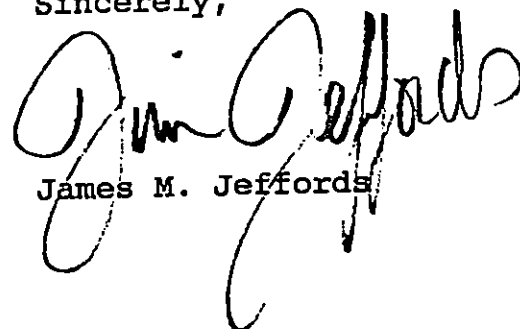
Although I regret it came up this way, it is my honest opinion. During the past week, I have had many, many discussions with Vermont Republicans, and independents, who have been your supporters in past elections. I was told time and time again that the ticket was in trouble and that their lack of confidence in Dan Quayle was a large part of that trouble.

I believe there are other potential running mates who would appeal to the more conservative elements of your successful 1988 coalition but would be much more appealing to the broader spectrum of your coalition.

Let me say that I have endorsed you and will continue to support you in your re-election effort this year. I am confident in your abilities to lead this nation through the turbulent times ahead, no matter who you have as your vice presidential running-mate.

I can understand your reluctance in making such a significant change in your administration and election ticket so close to the the November election. However, in this year of political uncertainty, realistic changes will be called for. I firmly believe that this is one of those times.

Sincerely,



James M. Jeffords

JMJ:sbr

THE WHITE HOUSE

WASHINGTON

JK

Please draft for GB
signature.

- 1) Appreciation sending it to
exp. comm.
2. confidence in L.S. no
plans to remain
- 3) Look forward to your
assistance. Yrs. to

X. J. S. S.

1960-11

YHS

GEORGE BUSH
WASHINGTON

Daily 8/4

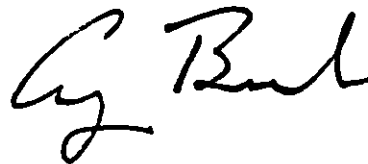
Dear State Co-Chairmen:

Please accept my sincere appreciation for assuming a leadership role in the Lawyers for Bush/Quayle '92 coalition. Dick Wiley and Wes Williams, the National Co-Chairmen of the lawyers coalition, have put together an impressive group, and I am honored that you have agreed to serve as State Co-Chairman of Lawyers for Bush-Quayle '92.

Not only can you play a critical communications role for the campaign, but I know that our campaign will benefit from your professional guidance and input.

Your support and hard work mean a great deal to me.

Sincerely,



THE WHITE HOUSE
WASHINGTON

August 4, 1992

MR. PRESIDENT:

This letter would be sent to all the state co-chairmen of Lawyers for Bush-Quayle.

Thank you.

Phillip D. Brady

8-4

Date



CS

Matalin Flap down to
but better now

We vs-scare

Debra Orrin - not back.

Clinton not around issue

Trying to share me so
far not work

**GORE CHIDES BUSH FOR TELLING
MIA FAMILIES TO "SHUT UP"**

RENO -- Al Gore chided President Bush Monday for his angry response to relatives of missing Vietnam servicemen who heckled him during a recent speech.

"I don't think that any President of the United States should tell families of POWs and MIAs -- who are heartbroken and concerned and who have been faced with some untruths -- to sit down and shut up," Gore said in an address to the Disabled American Veterans convention.

Gore accused the Bush Administration of doing too little to help disabled veterans and to soothe the suffering of the relatives of MIAs. Gore said MIA families have been misled for years by government officials. "I believe it's time for no more lies," he told an audience of several thousand veterans gathered at a Reno hotel-casino.

Gore said it was wrong "to take veterans hospitals that are, in most cases, stretched too thinly, overburdened and understaffed, and propose opening them up to non-veterans." (Reuter)

*Reno
speech
handle
POW
issue
right*

**OREGON MEDICAID RATIONING PROGRAM
REJECTED AS BIASED AGAINST DISABLED**

After a year of intense public debate, Secretary Sullivan Monday rejected Oregon's controversial experiment in rationing medical care until the plan is altered to protect the rights of persons with disabilities.

Sullivan advised Oregon that the way it would limit services provided in the state's Medicaid program for the poor appeared to violate the Americans with Disabilities Act. Sullivan said Oregon's decision on which medical services to pay for and which to exclude "was based in substantial part on the premise that the value of the life of a person with disability is less than the value of a life of a person without disability."

Sen. Packwood, an ardent supporter of the Oregon plan, said the state had been "stabbed in the back"

"Every Medicaid program in this country has the right to deny" various services, Packwood said, adding that Oregon was being punished for doing it in the open. He noted that the proposal also mandated that employers cover another 400,000 employees and dependents who do not have health insurance. Rep. Wyden, another backer, expressed bitter disappointment with Sullivan's decision, calling it a "politically safe" decision to avoid controversy in an election year.

(Spencer Rich, Washington Post, A5)

Bush Library Photocopy
George Bush Handwriting

INTERNATIONAL NEWS

U.S. VERIFIES KILLINGS IN SERB CAMPS

The Bush Administration said Monday it has confirmed reports that Croats and Slavic Muslims are being tortured and killed in Serb "detention camps" in the former Yugoslav republic of Bosnia, but gave no indication that the U.S. is willing to go beyond verbal condemnation to halt the atrocities.

Richard Boucher called the kinds of abuses reported in the Serb camps "just horrible" and said the U.S. has made absolutely clear its condemnation of the "practice of ethnic cleansing" in the struggle between Yugoslav ethnic, religious and national groups.

The only specific measure endorsed by Boucher to stop the atrocities, however, was an appeal that the International Red Cross be permitted to visit the camps, which are being compared to the World War II concentration camps for Jews. Repeated appeals by the international body have so far met with limited success.

A senior State Department official justified the current U.S. posture by saying that economic sanctions, diplomatic isolation and the start of a negotiating process among the Yugoslav combatants have already been implemented with U.S. support. If stronger measures are needed, the official said, "the only thing left is the question of military action."

Boucher said the U.S. is continuing to consult with allies about ways to ease the situation in Bosnia, but official sources said no new U.S. initiatives are in sight.

(Don Oberdorfer, Washington Post, A1)

Serb 'Death Camp' Report Confirmed

Serbian military forces have set up concentration camps in Bosnia, where non-Serb civilians are systematically tortured and killed, the Bush Administration said Monday, confirming accounts that are hauntingly reminiscent of the atrocities of Nazi Germany.

A senior State Department official said that Washington had known of the camps "for weeks and months." But, he said, it did not reveal the grim details until Newsday reported Sunday that thousands of Muslim and Croatian civilians have been shipped in sealed boxcars to detention centers, where they are being held without sanitation or adequate food and where many have been shot to death by firing squads, others killed by throat-slitting.

Richard Boucher rejected suggestions that the Administration was doing too little to stop the Yugoslav atrocities. He said Washington is prepared to use military force, if that proves to be necessary, to get relief supplies into besieged cities, but he added that it is not willing to send troops to rescue civilians from concentration camps. (Norman Kempster, Los Angeles Times, A1)

Bush Library Photocopy
George Bush Handwriting

**DEFICIT-CUTTING WILTS IN
HEAT FROM VOTERS**

In April, Sen. Domenici suggested a plan for digging out of the federal deficit. Domenici proposed capping cost-of-living increases in entitlement programs.

Even before his proposal took shape, more than 3,000 New Mexico constituents sent him identical postcards opposing any effort to cap entitlement programs.

The National Council of Senior Citizens dubbed the plan "the most outrageous attack on the elderly we have seen in years." The Veterans of Foreign Wars expressed "shock and outrage." Milk producers accused Domenici of trying to balance the budget "on the backs of farmers." That was enough for the Senate, which voted 69 to 28 to reject the proposal.

President Bush didn't fare much better. He submitted a 1993 budget proposal early this year that informally suggested a spending cap on entitlement programs other than Social Security. The plan was snubbed by the House, and not even a majority of House Republicans voted for his budget.

(Eric Pianin, Washington Post, A1)

**TWO REPORTS GIVE ECONOMY
MIXED REVIEW**

Construction spending across the country declined 1.5% in June, the biggest drop in more than a year, as spending on public projects fell sharply, the Commerce Department said Monday.

In a more upbeat report, the National Association of Purchasing Management said its purchasing managers' index, a key measure of the manufacturing sector, rose to 54.2% in July from 52.8% in June.

June's decline in construction spending was led by a 5.7% slump in spending on public projects, such as roads, schools and other public buildings. "I would suspect that it reflects in part the budget woes of many state and local governments," said Ray Stone, economist at Stone & McCarthy Research Associates, Inc.

The July rise in the purchasing manager's index to 54.2% was the sixth consecutive monthly gain. A figure over 50% reflects an expanding industrial base, while under 50 shows contraction. Robert Bretz, an association official, said, given the sustained high rate of growth in purchasing, "it is likely that the economy will continue growing at this moderate rate in the third quarter."

(Reuter, Washington Post, D3)

EDITOR'S NOTE: "Enemies, A Love Story," an article about Mary Matalin and James Carville by Lloyd Grove, appears in the Washington Post, page E1.

**SENATE VOTES OVERWHELMINGLY FOR
FAR-REACHING NUCLEAR TESTING MORATORIUM**

The Senate agreed overwhelmingly Monday night to suspend nuclear weapons testing for nine months, limit tests for the next three years and permanently ban all tests by 1996 in a sweeping reversal of its Cold War-era opposition to any constraints on underground nuclear explosions.

Defying veto threats from the Administration, the Senate approved the plan by a vote of 68 to 26 -- enough to override a veto, although the House fell short of the necessary two-thirds margin for a veto override in approving a one-year testing moratorium earlier this year. *Bush*

But some who voted for the proposal with reservations, including Sen. Nunn, said they would seek modifications, including possible changes in timing of the moratorium and permanent ban, as the proposal moves toward final passage.

Seventeen Republicans split with President Bush, joining all but three Democrats in support of the proposal.

(Helen Dewar, Washington Post, A4)

**SENATE REJECTS MOVE TO
KILL GIANT ATOM SMASHER**

The Senate breathed new life into the superconducting super collider Monday, refusing to follow the House and kill the \$8.25 billion giant atom smasher.

On a 62 to 32 vote, the Senate rejected an amendment by Sen. Bumpers to eliminate funding for the super collider. The House voted two months ago to kill the project. *Pans*

The Senate Appropriations Committee allocated \$550 million for the super collider for fiscal 1993, or \$100 million less than the Bush Administration wants. *To*

Bumpers argued that halting the collider would be a step toward reducing the federal budget deficit. Bumpers and three other collider opponents said that its scientific merits are marginal at best when the project's effect on spending and other scientific programs is considered. *Tex*

"The way I see it, spending \$8 billion to \$10 billion on the SSC is like fixing up the basement when your house is on fire," said Sen. Harkin. *✓*

(AP, Washington Post, A6)

Senate Votes To Restore Atom Smasher Funds

In a victory for President Bush and the scientific community, the Senate Monday voted to reverse a House decision to kill the superconducting super collider and approved \$550 million to continue work on the giant atom smasher now under construction.

So intense was the Administration's pressure that Sen. Cranston, who had voted against funding last year, switched to support the atom smasher. "California scientists whom I greatly respect have persuaded me to change my position," he said.

Opponents, led by Sen. Bumpers, contended the potential benefits of the project were vastly exaggerated and the eventual costs grossly underestimated. "From a cost-effective standpoint, we simply cannot afford it at this time," said Sen. Sasser.

(William Eaton, Los Angeles Times, A1)

**EPA WON'T TIGHTEN
URBAN OZONE STANDARD**

The EPA announced Monday that it will not tighten the standard for urban ozone, sparing dozens of cities from having to impose tougher controls on industry and autos to combat the principal ingredient of smog.

Agency officials acknowledged that the decision, coming almost seven years after the statutory deadline for review of the ozone standard, did not incorporate the latest research on health effects that has prompted calls by many experts for more stringent ozone limits. Nor was the commission of independent scientists set up by Congress to advise the EPA on such matters consulted.

Robert Brenner, head of the EPA's air policy office, said that the agency did not have enough time to compile the studies and complete its review before an Aug. 1 deadline set by a federal court decree. He said the agency was tied up drafting regulations for the Clean Air Act of 1990.

"That's a pretty weak excuse," said Morton Lippman, a member of the EPA's Science Advisory Board and leading ozone researcher at New York University who contends the standard is inadequate. "New published data since 1988 was available and could have been reviewed in time. They recognized if they incorporated the current data, they would no longer be capable of defending the current standard."

(Michael Weisskopf, Washington Post, A1)

**EPA CHIEF BACKPEDALS ON
WHITE HOUSE CRITIQUE**

William Reilly backpedaled on his harsh critique of the White House's handling of the Rio Earth Summit Monday and a spokesman said Reilly had no plans to resign.

But environmentalists said a five-page memo leaked to the press this weekend highlighted the Administration's problems and sounded like Reilly was deserting a sinking ship.

President Bush's campaign suffered a blow Saturday when newspapers published excerpts of a critical memo Reilly sent to EPA's 18,000 employees two weeks ago.

On Monday he said the memo had not been intended as an attack on the White House, but his comments were too late to prevent the Democrats from capitalizing on the memo.

"I can understand the sense of betrayal he feels toward the... Administration he serves," said Al Gore. "President Bush and Vice President Quayle pulled the rug out from under him."

The memo sparked rumors in Washington that Reilly was firing a parting shot before resigning, but that speculation was quickly dispelled by EPA and White House officials. "He is not going to quit," spokesman John Kasper said.

Kasper also denied Reilly had intended to maim the White House at its most vulnerable time. "This was not a memo criticizing the Administration. The negative part was very small," Kasper said, noting Reilly never mentioned the White House. "It was written as 'we.'"

Michael Deland, who heads the White House Council on Environmental Quality, said Reilly would stay on board. "There is absolutely no substance to rumors that Reilly is quitting," he said.

(Andrea Shalal-ESA, Reuter)

*call
p. 11*

Oregon Medical Care Plan Rejected By Administration

The Bush Administration on Monday rejected a revolutionary health care plan developed by Oregon that would have rationed treatment for Medicaid recipients, saying it discriminated against the disabled.

But in a letter to Oregon Gov. Barbara Roberts, Secretary Sullivan praised the effort to hold down medical costs and encouraged the state government to redesign the plan to comply with the law and resubmit it.

Roberts reacted angrily to the Administration's decision. The state government requested action more than a year ago, according to spokeswoman Gwenn Baldwin, and had been working closely with the Administration to resolve legal questions ever since.

"They've been incredibly complimentary of the health care plan, and now at the 11th hour, they make this decision without giving us any specifics," Baldwin complained. "It was totally out of the blue."

"We are exceedingly pleased," said Joseph Liu, a senior health associate with the Children's Defense Fund. "The plan posed tremendous dangers to low-income children, and would have set a dangerous precedent for health care reform at the state and federal level."

(Stephanie Grace, Los Angeles Times, A1)

**BUSH'S ADVISERS TO URGE
VETO OF NEW TAX BILL**

The White House said President Bush's senior advisers, apparently persuaded by Secretary Kemp, would recommend that he veto a tax bill pending in the Senate, even though it includes many of the President's "economic growth" proposals.

In a new statement of Administration policy, the White House budget office said that Bush's advisers would recommend that he veto any bill that doesn't offer a capital-gains tax break to investors in economically distressed areas being deemed "enterprise zones." The bill approved last week by the Senate Finance Committee with Republican backing wouldn't offer any such capital-gains tax break.

Kemp's attacks have angered Sen. Bentsen and may make it difficult to reach a compromise that the President will support.

In its statement, the White House said it was "encouraged" that the Senate bill includes six of the President's seven priorities for economic growth, including tax incentives for business investment and first-time home buyers.

But it added that it is "deeply concerned" that the bill doesn't include a cut in the capital-gains tax rate, contains "an inadequate and deficient enterprise zone proposal" and would make permanent tax increases on upper-income taxpayers that were enacted as temporary deficit-reduction measures in 1990.

Kemp is backing an amendment to be offered on the Senate floor this week by Sens. Kasten and Lieberman that would expand the number of enterprise zones and eliminate the capital-gains tax for those who invest in them. (David Wessel, Wall Street Journal, A2)

Daily 8/4



THE PRESIDENT

August 4, 1992

To: Sam Skinner

Antonovich gave me these horrible figures.

I should reply to this FAX

Please have ~~some~~ ^{one} prepare a reply or call him saying the call is in response to his FAX.

Thanks,

9



Board of Supervisors County of Los Angeles

Just in over
the President's
personal fax.

MICHAEL D. ANTONOVICH
SUPERVISOR FIFTH DISTRICT

July 31, 1992

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

Dear Mr. President:

As a follow up to our conversation at your reception
at the home of Karl Samuelian, the cost for illegal
aliens for Los Angeles County:

Education - Undocumented	\$367,927,000
Citizen children of undocumented persons	\$662,269,000
	<u>\$1,030,196,000</u>

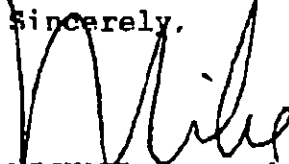
Justice - \$75,165,000

AFDC - For children of illegals - over \$250,000,000

Births to illegal alien mothers - 65.5% (County hospitals)
53% (Private hospitals
we contract)

Health Dept. - \$196,000,000

Sincerely,


MICHAEL D. ANTONOVICH
Supervisor, Fifth District

MDA:lb

*Give my regards to
Barbara*

APPENDIX D

ESTIMATED COST IMPACT OF DEPORTABLE ALIENS
ON CRIMINAL JUSTICE OPERATIONS
IN LOS ANGELES COUNTY¹JUSTICE AGENCYNET COUNTY COSTS
BUDGETED FY 1991-92**SHERIFF**

366,563,000

Custody Operations	311,526,000
Court Services	55,037,000

MUNICIPAL COURTS²

45,203,000

Criminal Operations/	45,203,000
Mandatory Court Expenses ³	

SUPERIOR COURT²

62,978,000

Criminal Operations	17,913,000
Mandatory Court Expenses	45,065,000

DISTRICT ATTORNEY

86,132,000

Criminal Prosecution	86,132,000
----------------------	------------

PUBLIC DEFENDER

59,717,000

Adult Misd. Defense	29,845,000
Adult Felony Defense	29,872,000

PROBATION

62,725,000

Adult Investigations	33,992,000
Adult Supervision	28,733,000

683,318,000X 11%
\$75,165,000

1. Estimates are for operational costs following arrest and, therefore, do not reflect enforcement and criminal investigation costs which are incurred by the 47 law enforcement agencies in Los Angeles County. Also excluded are budget categories for civil operations, administration and any other programs not directly related to the processing of adult criminal cases and defendants.
2. Budgeted Net County Costs do not reflect total costs to the extent that revenue derived from State Trial Court Funding and other sources has been deducted.
3. In the absence of a consolidated budget for the 24 independent municipal and justice courts of Los Angeles County, the amount given for criminal operations is a calculated estimate using 40% of the budgeted total as a rough guide. This percentage was derived from a survey of six large and medium sized courts each of which was asked to give a breakdown of its budget by major categories. The 40% figure, which is midpoint in the range of responses provided by the courts, was applied to total net County costs for FY 1991-92, including mandatory court expenses. \$113,008,000 X 40% = \$45,203,000

IV. IMPACT ON SELECTED SERVICES

This section examines the impact of immigration on two specific service areas: school district costs and public housing.

Estimate of School Districts' Costs

Due to the unavailability of data, we did not estimate the costs of immigration to each individual Los Angeles County school district. Instead, we estimated the total cost of immigration to Los Angeles County's 82 school districts. Stuart E. Gothhold, Superintendent, Los Angeles County Office of Education, explained in a letter to the Los Angeles County Chief Administrative Officer that public schools are prohibited from collecting information on students' or parents' immigration status (See Attachment C). Thus, we have no data on each district's immigrant enrollment.

With the passage of Proposition 98 in 1988, State schools are guaranteed approximately 40% of the California budget (Bouvier, 1991; Office of the Governor, 1992), making education the largest single expenditure in the State budget. Consequently, how that money is spent and on whom it is spent is an area of concern. In their study, Muller and Espenshade (1985), concluded that the State spent more for educational services per Mexican immigrant household in Los Angeles County than it did per Los Angeles household in general, primarily because of higher birthrates among Mexican immigrant families. McCarthy and Valdez (1985) found that the high cost of educating students in California combined with the low incomes and relative youth of the state's Mexican immigrant population result in government expenditures that far exceed what immigrants contribute in taxes. They go on to say that this imbalance is true for all low-income families, but "The State subsidizes the education of the children of low-income families in the belief that public investment in education provides general public benefits." (McCarthy and Valdez, 1985, p.24).

The California Department of Education reports a state average day to day spending of \$4,672 per Average Daily Attendance (ADA) for 1991-92, approximately \$100 of which goes toward statewide programs (Silva, 1992). Thus, for 1991-92 each district spent approximately \$4,572 per ADA. This allocation accounts for both fixed and variable costs and includes all local, state, and federal funds, except the Federal Impact Aid Program which affects areas with large portions of government land (Wilson 1992). Ridenour (1992), quoted the 1990-91 County average expenditures per ADA as \$3,698 for elementary schools, \$4,435 for high schools, and \$3,991 for unified schools. According to Wilson (1992), the 1990-91 expenditures per ADA for Los Angeles Unified School District was \$4,898. The difference in the amounts reported by state and local offices may reflect some expenditures of overhead and

administrative costs that are not directly associated with individual school districts.

Due to district revenue limits Los Angeles County school districts were assured funding of roughly \$3,000 to \$3,200 per ADA, additional funding came from categorical program funding and some local property taxes and miscellaneous local funding (Wilson 1992). For the 1991-92 school year, an estimated 61.0% of the funding came from State funds, 1.8% from lottery funds, 20.8% from local property tax levies, 7.7% from federal funds and 8.7% from other local sources (Legislative Analysts Office, 1992). The funding attributed to each source is based on an estimated total ADA expenditure of \$4,945. The percentage of funding from each source would be slightly different for the \$4,672 per ADA day-to-day expenditures (Silva, 1992).

For this study, we used the California Department of Education average of \$4,572 that each district spent per ADA and converted it to a \$4,480 per pupil cost. The total expenditures and expenditures by funding source for the study populations are shown in Table 12 below.

Table 12. Educational Expenditures by Study Populations, Fiscal Year 1991-92¹

Study Populations ²	TOTAL
Undocumented Children	\$ 367,927,000
Citizen Children of Undocumented Persons	\$ 662,269,000
Amnesty Children	\$ 123,518,000
Recent Legal Immigrant Children	\$ 331,134,000
TOTAL	\$ 1,484,848,000

41 of students

331,439

¹ Figures are based on the average per student cost of \$4,480.

² Citizen Children of Undocumented Persons is the only group in this table that includes native-born citizens.

Estimation Method

Based on our estimates of the 1992 Los Angeles County populations under age 18, we estimated a public school participation rate and multiplied the number of participants in each of our target groups by per student costs. To calculate school participation we assumed that our target groups would have the same characteristics as the combined Asian/Pacific Islander and Hispanic populations. The method we used is as follows:

1. We used the 1990 Census data to calculate the ratio of school age population (5 -17) to population under age 18 for the Asians/Pacific Islanders and Hispanics (weighted for the relative size of their populations). The ratio (.68) was multiplied by the under age 18 population of each of the study groups to get estimates of school age population.
2. The State uses a grade progression ratio method to project school enrollment by grade and to deduce drop-out rates (Cochran, 1992). Since we did not have age breakdowns of the target groups, school participation rates were estimated and it was assumed these included drop-out rates. By comparing the 5-17 census population for 1990 with the 1989/90 public school enrollment figures (California Basic Education Data System) we determined school participation rates for Asians/Pacific Islanders and Hispanics. We used a weighted mean of the participation rates for the above two groups to estimate a school participation rate (.86) for the study groups. The school participation rate was multiplied by each study group's school age population.
3. We multiplied the State ADA expenditure of \$4,572 by 98% to convert ADA expenditures to per pupil expenditures. Ridenour (1992) estimated that ADA is 95% to 98% of the average enrollment. Jim Parker (1992) put the average at about 98% and Jim Wilson (1992) put the statewide enrollment at about 99% of the ADA due to growth through the year. For the analysis we used 98%.
4. We multiplied the number of students in each of the study groups by \$4,480 to get an estimate of total educational costs.
5. We multiplied the percent contribution of each funding source; local (20.8%), state (61.0%), and federal (7.7%), by the total educational cost for each of the study groups to get the estimates shown in Table 12.

Categorical Programs

Immigrant children often have special educational needs. The federal and state governments fund programs that respond to some of those needs, though most of these programs are not limited to immigrant students. The number of Limited English Proficient (LEP) students (measured by standardized tests) in Los Angeles County in 1991 was 433,681 (California Department of Education, 1991). Olsen (1988) estimated that 10% to 25% of the Spanish speaking LEP students are native born. Los Angeles County Office of Education estimated that the percentage of native born LEP students is substantially larger (Parker, 1992). In addition, the spending of the funds from these programs is left up to the discretion of the district. These factors make it difficult to assign LEP and other bilingual education costs directly to the study populations.

Federal Programs

Federal funds from the Emergency Immigrant Education Act of 1984 (EIEA) are distributed to states based on the ratio of EIEA students in qualifying school district to each state. The state then distributes the funds to school districts in % to the number of EIEA students in each district. To qualify for the program, a student must be foreign-born with less than three complete academic years in U.S. schools (United States General Accounting Office, 1991). California is currently being funded approximately 13.5 million dollars (Dolson, 1992). For the 1989-90 school year, Los Angeles Unified School district received nearly 4 million dollars for 61,648 EIEA students (United States General Accounting Office, 1991).

Other federally funded programs are the Bilingual Education Act (Title VII) Program, Chapter 1 Program of Educationally Disadvantaged Children, Chapter 1 Program for Migrant Children, Transition Program for Refugee Children (Olsen, 1988).

State Programs

In California, the major source of State funds used to support school services to immigrant children is the Economic Impact Aid (EIA). Other programs include the School Improvement Program, Demonstration Programs in Reading and Math, The Miller Unruh Reading Program and Urban Impact Aid (Olsen, 1988).

Conclusion

In conclusion, we estimate that the total educational expenditures for undocumented children, citizen children of undocumented persons, amnesty children and recent legal immigrant children total approximately \$1,484,848,000 for Fiscal Year 1991-92, \$308,848,000 of which came from local property tax levies. These expenditure estimates are based on average per student costs of \$4,480.

Inventory of the Uses of Public Housing

This section discusses the impact of each of the four study groups on public housing. Public housing projects are for very low income households (those below 50% of the County median for household income). They are financed by federal funds, but managed by local housing authorities. The vast majority of public housing projects were built before 1970. They were built with federal dollars with land provided by the local jurisdiction. They are currently operated exclusively with federal funding. In Los Angeles County, there are approximately 13,000 public housing units, the vast majority of which are owned by the City of Los Angeles and the County of Los Angeles. There are a few cities with smaller numbers of public housing units.

The City of Los Angeles has no line item in their annual budget for public housing though they do provide some support services to these projects (e.g., policing, health services). The public housing is administered by the Housing Authority, a proprietary agency affiliated with the City. Currently, the City of Los Angeles manages 8,756 units in public housing projects. The population in these units is around 31,000. The ethnic composition of the population is about 63% Latino, 28% African-American, 6% Asian, and the rest Native American or White. For the age distribution, there are 5,392 children under the age of 6 and 11,192 school-age children (ages 6-17). In addition, the City of Los Angeles owns 1,074 housing units reserved for elderly or disabled persons; most are single persons households. The demographic composition of these units are 14% Latino, 29% African-American, 15% Asian, with the rest being White or Native American.

The County of Los Angeles manages 3,237 public housing units, of which 33 have been set aside for resident managers. There are approximately 6,860 persons residing in these units. The units are administered by the County's Housing Authority within the Community Development Commission. Funding for the operation and administration of these units is provided by the federal government. The ethnic composition of these units is approximately 30% Latino, 27% African-American, 1.5% Asian, 41% White, with the rest being Native American. The age distribution of these residents is approximately 8% under the age of 6, and 23% being school-age children (6-17).



Board of Supervisors County of Los Angeles

MICHAEL D. ANTONOVICH
SUPERVISOR FIFTH DISTRICT

TRANSMISSION COVER SHEET

DATE: August 3, 1992

TO: President George Bush

FROM: Mike Antonovich

NUMBER OF PAGES: 8
(including cover sheet)

SUBJECT: Illegal Aliens

COMMENTS

If you do not receive all of the pages, please
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Daily 8/4

ADVICE JIM BAKER SHOULD GIVE GEORGE BUSH:

Today, in the second of a two-part series, the Bulletin presents the results from a survey conducted with 14 members of the Bush team. Those interviewed were mostly at senior levels in either the White House or the Bush-Quayle Committee, though a few outside Bush advisors were also included. The subject of the survey was the advice George Bush's closest confidant, Jim Baker, should provide the President during their fishing trip which began yesterday. The Bush advisors were prodded with a series of questions, but much of their advice flowed freely. To secure greater candor in their answers, respondents were assured they would not be identified by name. Because the respondents' statements more accurately reflect their opinions, the Bulletin has limited its own analysis and instead relies mostly on the quotations to convey the participants' thoughts.

Respondents generally agree that the President and his surrogates must articulate their differences with Bill Clinton. The President's advisors mostly agreed that the effort to define Governor Clinton should be assisted by Republican surrogates, although the attacks should not be personal. Examples of advice for the President: "[Bush]

ought to clearly lay out where he stands and where [Clinton] stands on the issues. Issues are fair game. Now the Democrats always squeal bloody murder when we start laying out differences because they are not right on the issues and the more smoke and mist, the better for them." ... "Take on Clinton through the high road. If George Bush wages a negative campaign, he forfeits the most precious asset he brings into this campaign, which is his character." ... "Hit Clinton as a taxpayer and spender." ... "The distinction to be drawn between the President and Bill Clinton is simply to tell the truth about Bill Clinton's proposals. They are not change proposals. He is a younger version of the old stuff. His economic term paper calls for tax increases twice as great as Mondale's and Dukakis's combined, and a spending increase three times as great as Mondale's and Dukakis's combined." ...

"The President must point out that Clinton may talk a good game, like Michael Dukakis began to do in 1988, but the people who are trying to elect Clinton are the same old crowd." ... "[Bush] has to talk about the differences between himself and his opponent. That should be the central part of the campaign. Where you want to end up is: Clinton is inexperienced, liberal, with character flaws; and George Bush is a mature, stable, dependable, experienced, successful president." ... "Engage the opponent only after setting out a positive agenda of your own that can then be contrasted with Clinton's positions." ... "In terms of Clinton, I think Bush should kill him with kindness. What comes to my mind is when Ronald Reagan was debating Walter Mondale and joked about his age, saying: 'I wouldn't want to hold my opponent's youth and

inexperience against him.' Bush should say: "Clinton is a nice young fellow, has learned a lot over the years, and might just be a worthy opponent for Dan Quayle or someone else in 1996." ... "I would take on Clinton, but not personally. Clinton is representative of the still unreconstructed Democratic Party: a cultural elite contemptuous of traditional values; a cultural elite that is hungry enough -- after years of rejection -- for political success to begin to tell lies to suggest they are moving to the center." ... "He needs to distinguish himself from Clinton without being shrill."

Interestingly, almost all respondents agreed there should be no changes among those Cabinet Members outside the White House. The majority of the respondents thought either the Cabinet was doing a respectable job, or that it was too late to make any changes. Example of advice for the President: "Any major Cabinet or White House shakeup brings on the image of Jimmy Carter floundering around. The best move would be to avoid any more disarray at the White House stories and wage the campaign with the team we have got."

Respondents were of split opinions on whether the President should make significant changes in his White House staff.

Well over half of those interviewed thought it would be a mistake to replace Chief of Staff Sam Skinner, and a near equal percentage thought OMB Director Dick Darman should stay in his position. Many respondents, however, thought the White House was seriously suffering from the "too many cooks" syndrome. Examples of advice for the President: "The domestic-economic policy team has to be completely recast. Those who are most closely identified in the public's mind with the existing policy have to go if there will be any credibility to the message of change. Maybe not [domestic policy chief Clayton] Yeutter, but those who must go are Skinner, Darman, and [Treasury Secretary Nick] Brady -- although Brady will not go and it is waste of time to say that. Bush has to have a credible shakeup." ... "We will not win the election with Skinner. Also, [Bush should] randomly fire 50 percent of the people [in the West Wing] because there are so many right now that they just get in each other's way. We need half as many, and it doesn't matter which half." ... "Bring in [Reagan's OMB deputy director John] Cogan to run OMB, bring in [Defense Secretary] Cheney as chief of staff, keep Clayton [Yeutter], get rid of Roger [Porter, the domestic policy advisor], and clear out every second office. There are too many people. Staff meetings have 15 to 30 people. It is ridiculous and it is why they can't ever get anything straight." ... "Nobody could change things in time and a White House staff shakeup does not deal with the problem. The modern White House is designed to protect the President -- there are checks after checks after checks and you are only going to get it so efficient." ... "The budget director's resignation should be accepted. Acting director Grady should

espouse a growth agenda. The White House desperately needs someone in charge of the schedule and message, creatively using presidential events to deliver a clear, simplified message." ... "The problem is not the chief of staff. Sam is doing a good job and he is taking a lot of unfair hits. However, the single biggest problem for this President can be traced back to advice coming from Richard Darman. My hope would be that he would just leave. The President has said the budget deal is the biggest mistake of his presidency, and the fact is that if Darman sticks around through the end of this year, he will be writing the first budget for the second Bush Administration." ... "I feel absolutely certain there will be no major changes of personnel in the White House."

Many respondents grouched over the mid-level staff at the re-election campaign, but few recommended any a shakeup at the top. While there have been many stories in the media concerning a disorganized campaign, less than a third of the respondents blamed the problem on either campaign chairman Bob Teeter or campaign manager Fred Malek. A number of the respondents, however, said the second layer of campaign aides spends an inordinate amount of their energies either following the conventional wisdom in Washington, or contributing to it. Examples of advice for the President: "He needs to bring back

a real top notch media guy into the campaign. Ailes has to come back in." ... "The campaign is all right." ... "The campaign doesn't matter as long as you get the right team in the White House." ... "If you compare this campaign to our last campaign, the big difference is that we got things done in 1988. We had one person in policy; one in speechwriting. [Issues in need of resolution] went to [Bob] Zoellick, who moved everything through Baker, then it went to the President.

Period. It didn't go through 30 different checks. Now there are too many cooks." ... "There is a fundamental problem at the campaign. Historically, White Houses are always a little out of touch with reality. The White House is supposed to be good with governing, but not terribly in touch with what is going on with the rest of the world. And the campaign is supposed to have that [understanding], but not be good at governing. The two are supposed to play off each other, and that dynamic can be complimentary. But now neither place is much in touch with what is going on in the world. That is more excusable at the White House than it is at the campaign. The campaign is too Washington oriented and too much a follower of the conventional wisdom, which is almost always wrong. They are reactive and not willing to take the offensive and set the agenda, which is critical to running a campaign." ... "We need somebody who is a little bit more like a Lee Atwater over there. A go-for-the-jugular type political operative." ... "Teeter appears to be doing the best he can in a complicated situation, but I believe his lieutenants are not serving him very well."

Less than half of the respondents thought Jim Baker should leave the State Department to take charge of either the White House or the re-election committee. While this week's attention is on the Bush-Baker fishing trip, and whether Baker will leave Wyoming for the White House, a slight majority of the respondents thought he should instead return to Foggy Bottom. However, most agreed that if Baker were to change jobs, he should take over the chores of chief of staff Sam Skinner. Examples of advice for the President: "Baker should change jobs only if Bush does not start making decisions." ... "Baker must take over as the White House as chief of staff." ... "Ideally, Jim Baker should take over the campaign and the campaign should really run things. Skinner should be left to manage the White House, which he is competent to do if given political direction." ... "Baker would be invaluable in a situation like this, but the question is whether, from his standpoint, is it a good idea for him." ... "Any marginal benefit derived from Jim Baker returning to the White House would be far overshadowed by 'panic in the White House' stories that would dominate news coverage for at least two weeks." ... "I don't care what personnel shifts are made so long as James A. Baker III is running the operation. Wherever he can most comfortably operate is fine by me, so long as he is in charge. I feel very strongly about that. You dance

with who brung you, and Baker has been an integral part of every success George Bush has had in electoral politics." ... "The single most important thing for Bush to do is have Baker and [Roger] Ailes with him, somewhere, coming out of the convention." ... "I am absolutely confident Baker will stay where he is."

Although respondents thought George Bush could benefit with a number of stylistic changes, most thought he would be best served by letting his real personality emerge for the public to see. Examples of advice for the President: "Get steady, stay serious, have resolve, get steely, don't be giddy. And get the smile off your face [when talking about serious matters]. ... "First, trim back on the schedule so it has focus. Do not do eight different events in a day on eight different topics. That just gives the impression of frenzy. Second, set a small series of goals and make yourself determined to achieve those goals. In other words, define yourself. Number three, explain yourself. The American people want to know George Bush, but, ironically, they don't think they do. They don't know what he believes in, except the normal stuff everybody believes in." ... "There is no need to make any [style] changes. Seventy-two hours of the blow-dry boys -- the glibness and the smoothness, and slickness with which words ooze out of their mouths -- is good for us. You can poke fun at the President's delivery, but you always know it's real. This is not a campaign cycle for the oil slick coming from the other direction. That will eventually come back to haunt them." ... "Continue to act presidential." ... "[Bush] should never go into a public

event without being prepared to set forth a politically strong message. He seems to go into these affairs under-prepared and rushed. And, therefore, unnecessarily defensive rather than aggressive and self-confident." ... "The President must revisit his role of being a [political] analyst. When he gets into handicapping and political strategy, he sounds more like Dick Vitale than the leader of the free world. His sound bites should be inspirational and optimistic." ... "The President should tell his advisors, 'Stop broadcasting what you are going to do in advance, just do it.'" ... "[Bush] needs to more clearly articulate what the problem is, and second, how he will he solve the problem. He is in love with Beltway-speak: 'I'm for America 2000. I'm for the HOPE program.' Half the Schedule C's in the Bush Administration don't know what those things are, much less the American people." ... "[Bush] should be upbeat, but not take the election for granted. He has the worst of both worlds right now. He looks both depressed, but ultimately confident he is going to win. He has to be just the opposite. He has to be upbeat about his chances, but also give the impression he has to earn the presidency."

The President's advisors were of many minds as to the single most important thing George Bush should do before election

day. Most respondents thought George Bush must take command of both the White House and re-election campaign, saying his fate is in his own hands. Beyond this general observation, the comments concerning specific recommendations were mixed. Examples of advice for the President. "He has to make three or four key personnel changes. I don't think any one change is enough. You need enough to show everybody what you stand for and what the next four years are going to be about -- and who the people are who are going to make it happen." ... "Begin a concerted and credible campaign of action in July. ... If the President seizes the initiative quickly, and makes a series of very firm decisions, and comes out of the Democratic National Convention and says, 'This is where we are going,' morale here [in the White House] will just soar. But nobody here believes it is going to happen." ... "Paint Clinton as liberal." ... "Stay presidential and get back to our core strengths. Stop moving backward and start moving forward. Exercise more control over the White House staff." ... "Change the team." ... "Sustain the message on domestic policy issues over a period of days, rather than a period of one hour or less. What has happened is that [Bush] gives a speech on the balanced budget amendment, then flies off to Rio. He gives a speech on welfare reform, and then flies off somewhere else. He needs to sustain his efforts along the same lines as the approach that was used in the last campaign where he would stick with each of his themes for a period of three or four days." ... "Look like you want it." ... "[Bush] should articulate with conviction what he would do given an additional four years." ... "He needs to simplify his presentation and focus on just a few major themes the rest

of the way and not let people make this too complex a campaign. When you are in a very tough campaign like this, there is a great motivation on the part of people to find something new to speak about. So you have a lot of frenetic activity around the candidate to find new things that he can surface that will demonstrate his creativity and interest and commitment to change. We have to be careful that that does not go too far. The American public is looking for leadership and that doesn't mean the President needs ten brilliant new policy ideas between now and November. He simply needs to effectively articulate the very sound policies that he already has with more forcefulness."



THE PRESIDENT

Aug. 4 1992

daily

Dear John,

I read your speech
with keen interest. "Communication",
"Change" etc. There are some
good lessons for me in your
"energy & commitment" to cope with

the exciting future.

Thanks for your invitation
to come to Bermuda. Some
day, some day !!

Good luck, my friend

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

His Excellency John W. D. Swan, M.P.
Premier of Bermuda
Hamilton

THE WHITE HOUSE

WASHINGTON

August 4, 1992

Dear Mr. Gaines:

The President would appreciate your seeing that the attached letter is delivered to the Premier of Bermuda at your earliest convenience.

Thank you.



Rose Zamaria
Deputy Assistant
to the President

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

L. Ebersole Gaines, Esquire
American Counsul General
Hamilton, Bermuda
PSC 1002
FPO AP 09727-1002

Withdrawal/Redaction Sheet

(George Bush Library)

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03. Summary	Re: Heads of State Correspondence Summary [originally closed as 01]. (1 pp.)	n.d.	(b)(1)	C

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

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WHORM Cat.:

File Location: Tuesday, August 4, 1992 [1]

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Appeal Case #:

Re-review Case #:

Appeal Disposition:

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P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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Premier

17th July 1992

NSC
The Hon. George H.W. Bush,
President of the United States of America,
The White House,
1600 Pennsylvania Avenue,
Washington, D.C.,
U.S.A.

Dear Mr. President,

I was delighted to have had the opportunity to talk to you earlier today and to discuss a number of matters of mutual concern and interest.

As I mentioned to you during the course of our conversation, I have been invited to give The Lakeside Address at The Bohemian Club next week. This is, of course, a considerable honour and privilege and one to which I am looking forward greatly. The topic of my Address is, "Our Endangered Societies: There Is Still Time" and I have much pleasure in enclosing a copy for your perusal.

I know that the coming months will see you concentrating your energies on your re-election campaign, but I hope that, after your victory in the Fall, you and the First Lady might consider taking a brief holiday in Bermuda.

In the meantime, I send you my warmest regards and the very best wishes of both Jackie and myself.

Yours sincerely,

The Hon. Sir John Swan,
K.B.E., J.P., M.P.

Encl:

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Telephone: 809-292-5501
Fax: 809-292-0304*

LAKESIDE TALK BY THE PREMIER,
THE HON. SIR JOHN SWAN, KBE, JP, MP,
AT THE BOHEMIAN GROVE ON
TUESDAY, 21ST JULY 1992.

OUR ENDANGERED SOCIETIES
THERE IS STILL TIME

I stand before you today in the hope that by sharing a little of the Bermudian experience, I may stimulate some thoughts. Any forum such as this one presents significant opportunities. Opportunities to share, to participate and to learn. After over a decade as leader of my small country, I am aware that I have a great deal to learn and time, such as this, presents a personal opportunity to grow both as a human being and as a leader.

We are all leaders. We have been handed the responsibility of shaping the destiny of others. We may be accountable to different entities and our objectives may vary in detail. But I submit that we all share a similar motivation. We all want to make a difference. We want to leave this world a better place for us having been here.

We have been challenged in the last decade, and in particular in the last few years, in ways we would never have dreamed possible. The world is changing dramatically and we, as leaders, are in danger of losing our leadership role.

The people we serve are threatened. They are less confident of the future than at any time in the last century. They have lost faith in the leadership process and feel adrift. They know something real and meaningful must be done and they are aware that change is underway, yet they are frustrated by a perceived lack of leadership.

In many ways, leaders have ignored the aspirations of the people we serve. In Bermuda, my Government is determined to actively seek input from the people and a reading of how the people perceive quality of life on our Island. In 1984, and again in 1990, we undertook national reviews to gauge just what the people felt, what the people considered were the major issues facing Bermuda and what the people saw as the future. This was an extraordinary exercise in a number of ways. Firstly, the reports were publicly disseminated, secondly, the sample size was almost 2% of the population and, thirdly, the reports delved deeply into the very thinking process of the Bermudian community. While the results were very important to our future planning, it is the comparative results which provided a clear insight into how our Island, and, I suggest, the world, was changing.

Bermuda has long been considered an Island where most of the western world's problems are clearly demonstrated in a tiny area.

In 1984, there was a feeling of tremendous optimism for the future. By 1992, optimism had been replaced by caution and concern. While economic concerns prevailed in 1984, there was a much higher degree of concern for community issues and national direction by 1990 and there was also specific expression of concern over our national direction and our ability to compete. This process has taught us one very important lesson.

We need to analyse just what has been happening in our countries. We need to delve deeply into causes and we need to come forward with a new order capable of serving our countries today and tomorrow. Should we fail in this, we risk rejection and a decline in the quality of life in all of our countries.

A decade ago, the world had set boundaries and criteria by which everything could be measured. We had the United States and the U.S.S.R. and we tended to measure the global status of our success in relative terms to these two super powers. In the west, we affiliated and associated with the United States. We compared the U.S. to the U.S.S.R. and we felt comfortable. Unfortunately, I believe it was the use of comparative measurement that resulted in the state we find ourselves in today.

Since the end of the second world war, the strength of a country has been measured in military terms. Who had the most nuclear weapons, who had the most tanks, the most battleships or submarines, who had the greatest first or second strike capabilities and who could put the greatest number of troops in the field at any one time.

This constant military comparison gave us confidence and a feeling of superiority. Taking it further, we were very comfortable on the odd occasion we did compare our financial systems. The free market system was developing rapidly. Money was being made, our per capita incomes were far in excess of the U.S.S.R. and its clones. The free world was okay.

This attitude was directly reflected in Bermuda. For decades, we have been a world leader in Tourism. We have also established Bermuda as a leader in international business, and in particular, in reinsurance. We grew arrogant in our success and came to believe that this success would never be challenged.

But while we were resting on our laurels and letting our economies grow without much direction or analysis, there were others who were analysing the future and making quantitative decisions, decisions that were long-term and went beyond the short-term profit motive.

It is my submission that for too long we failed to recognise the change taking place in the world and that unless we now recognise change for what it is and react accordingly, we face being passed over. Traditional western dominance may be at an end. If that is true then we, as leaders, must bear the guilt and the responsibility for our failure to recognise the change. For too long, we reacted to today's problems with solutions designed to extricate our companies and our countries from immediate challenges. Our global role is being eclipsed and we may have resisted change for too long. Now it is time for us to accept change and become leaders of the future.

Nowhere is this more evident than in Bermuda. Perceiving ourselves to be protected from the forces of global change, we tended to sit back and wait for the world to come to us. We have grown complacent. I submit that we merely manifest a western disease.

I wonder if we all have truly appreciated just what has been happening in the last decade. I submit that national security can no longer be measured by our missile counts or by the number of warheads we can throw in any given direction. I suggest that the true measure of national security should, instead, be measured by our ability to successfully educate our young people for the challenges of the future, by our ability to utilise the human resources at our disposal in a real and meaningful way, by the way we are able to clothe and feed our people, by the way we house them and by our ability to instill in them a belief not only in the future but in their essential participation in the shaping of that future. We must convince our work forces and our populations that their lives have real value. We must build trust and confidence in ourselves and in our neighbours.

In 1980, Bermuda was superficially in excellent condition. But as we examined our industry we discovered that much of our physical plant was in poor condition, was failing to meet the demands of the present, let alone the expectations of the future. Our housing stock, for example, was inferior and not meeting the needs of our people. By 1991, we had replaced much of the public physical infrastructure and housing had ceased to be a concern due to significant levels of investment both by my Government and through joint public/private sector initiatives.

The United States has been the great driving force for many of us smaller countries. It has taken on the role of example setter, of teacher and guide. Many of us look to America for inspiration. Indeed, many of us were educated in America. Thus, while we may be critical of certain aspects of the American way, we do so because we recognise that our futures are entwined and because we seek guidance and leadership.

There have been changes in America that cause us worry. Changes that we, as leaders, must recognise and must react to.

In the last two decades there has been a serious decline in productivity and competitiveness. Our two societies have changed our value structure and have moved from an economy and a society based on hard equity to one more directed towards volume and cash turnover. The emergence of the "junk bond", for instance, is a manifestation of how we have turned away from the equity structures of the past. They are based on very little other than high volume sales and have little substance.

In Bermuda, we are totally service oriented. We earn our foreign exchange by providing service to our international clients, visitors and companies. We have few intermediaries, consultants for instance, and have an extremely high proportion of our population devoted, in some way or other, to directly contributing to our GDP.

The western world has seen a decline in quality and a dedication to the principle of obsolescence. Many corporate bodies have survived based on the principle that their products will need replacement. Products were made in great quantity and at cheap prices. I suggest those times are over. The market, worldwide, has now spurned the principle of cheap products in quantity and is looking for quality. Bermuda has survived and succeeded because it has offered quality while spurning quantity.

In the mid 1980s, we began to receive complaints that we were overtaxing our ability to service our clients effectively. We developed a principle of maximum carrying capacity for the Island as a whole. This determined a maximum number of guests that our physical resources could handle with care at any given time. Once this was established, we took definitive steps to ensure we would never exceed that maximum carrying capacity. Bermuda is, for example, the only jurisdiction in the world that I know of which now restricts the number of cruise ships allowed in our waters. We also have a fixed upper limit on the number of hotel rooms allowed. We made a conscious decision to ignore the short-term potential profit of large numbers in favour of the long-term preservation of our reputation as a quality destination.

We must examine the very base that our societies are built on. We must reinforce our value system and we must re-establish our commitment to genuine equity.

Too much of our economic base is without real support. We face disaster as a result of perceptual change. Every one of us knows how fickle our stock markets are and yet a huge percentage of national wealth rests in the various global markets. These markets are extremely volatile and will react dramatically to events over which we have little control. Our equity base can vary by huge percentages in just a day's trading. It is the lack of substance, of hard empirical value, that creates this lack of faith and lack of continued security.

But as much as business has changed. As much as business leaders have failed to recognise the fundamental changes that are taking place, it is the political leaders who must receive the prize for the greatest failure to understand the need for real change.

The 1980's were a decade of unbelievable growth. We dealt in conspicuous consumption. We created volume. We spent like there was no tomorrow. We incurred debt and cast the worry of repayment aside. We took on a philosophy of spending ourselves out of any problem. In the eight years of his administration, President Ronald Reagan took the annual deficit from 78.9 billion ✓ 221 billion and all this on a promise of reducing the deficit. The United States, the powerhouse of the world, has now become the largest debtor nation. This decade of unprecedented growth has left a legacy that must be acknowledged and responded to.

We also managed to deliver a powerful message to our former competitors. We preached the success of freedom, of democracy, of the free market system and we hinted that all one had to do was grasp these principles to reach nirvana. It was a powerful message and it was delivered successfully. Eastern Europe heard and responded. We failed however, to provide the instructions to the package. We made it seem easy and, as we know, it is anything but.

The 1980's created huge expectations. Expectations that simply could not be met. In the U.S.S.R., Gorbachev became a hero for both espousing and delivering a level of change that was quite unprecedented in modern history. He ripped the old barriers aside and introduced a whole new order. He brought an end to the colonial, rigid and secretive methods of the past. He was a hero, but he failed to grasp that today's people have no tolerance for patience.

As a political leader, I went through two of my three national elections creating expectations, building dreams and encouraging my people to reach for the stars. I was convincing and they reacted. Now I must acknowledge my accountability and provide the route map for this new understanding.

The advent of instant communications will probably be seen to have had the most profound effect of any change this century. We are only now beginning to comprehend just what the advent of global communication will mean. While we felt its impact in the Panama conflict, in the Gulf War, in the collapse of the Berlin Wall, at Tiananmen Square and in the U.S.S.R., I suspect we did not truly comprehend just what it meant to us as leaders.

We have discovered in Bermuda that this process of instantaneous communications is impacting on our own tiny community. Bermudians have seen the protests, have witnessed the evolution of political systems and they have seen these changes take place instantly. This has resulted in a national need for change. While our people may not be able to specify what change they want they do know that what they have is not meeting the challenges of today. While, comparatively, Bermuda may have the highest standard of living in the world, while the material rewards of life may be superior to any other country, the people want more. We have raised their expectation levels and we must now deliver or be changed ourselves.

It is the combination of high expectations and the advent of instant communications that pose the most serious threat to the world order and the greatest challenge to the combined leadership of our planet.

It was this combination that, in the end, doomed Mr. Gorbachev. It is this combination that threatens the current administrations of the U.S. and Canada and nearly unseated that of the U.K. It even threatens us in tiny Bermuda. Our challenge in Bermuda is to become the authors of acceptable change rather than the victims of change itself.

Our people have now been trained to expect answers to any problems in the time it takes to deliver the message. A problem in Los Angeles is a world problem in seconds. Riots in Atlanta or in Seattle are seen by all of the world seconds later, thanks largely to CNN. Responses from the leadership are expected to be just as instantaneous and, as we all know, this just is not possible. Our people now expect us to provide solutions just as fast as television commentators speak. Television commentators do not bear the burden of implementation.

This syndrome can be seen around the world. The solidarity movement in Poland would have failed had it not been for the prominence given it by the world media. Indeed solidarity leaders reacted extremely well to sudden prominence and used the media skillfully to deliver their message. This instant delivery system gave prominence of their issues but, at the same time, created an expectation level that could never be satisfied.

Gorbachev used the world media extremely skillfully and managed to effect changes in his country that are truly magnificent. But at the same time he raised the expectation level beyond any reasonable hope of delivery.

The Gulf War brought George Bush to the electorate in a way he had never been seen before. The world saw a leader capable of negotiating an international coalition and marshalling combined forces into a weapon that could not be stopped. All of us marvelled at the objectives achieved with an incredibly low loss of life. Here was true leadership. And we saw all of it on a minute by minute basis. We could see the pain and the agony. We could see the management style and the determination. We admired and respected but we also had our expectations raised, for if George Bush could defeat an enemy 6,000 miles away, we were convinced there was no problem he could not face, no challenge he could not meet. We were confident and proud.

In the past, a demonstration such of this would have ensured a decade of respect and popularity. Any politician associated with this effort would have been guaranteed election prospects well into the future. But as much as the process of instant communication won hearts and loyalty, it also set up an expectation level that demanded equal success for any problem presented in the future. It thus opened up a pit, into which any administration was doomed to fall as soon as the next major challenge arose. And along came the recession.

The advent in this instant communication process sealed the fate of the Soviet Union. It resulted in the changes in the other Eastern block countries, it fires change and problems in Southern Africa. It challenges each of us in our leadership. We welcomed instant communication but must now recognise that while this allows us to get out voice rapidly to anywhere in the

world, it also poses serious challenges to us as it demands response. Indeed it is the need for rapid response in today's world that threatens us most. The need for rapid response challenges our decision making ability to its utmost. Quite often, the need for such reply is demanded far faster than our decision making process will allow. We have no time to think and little time to consult.

We have thus created a quite impossible situation. We have expectations far higher than we can satisfy, we have demands for instant solutions to complex problems and there is very little tolerance for delay. We are also faced by problems which defy the quick fix approach.

But there is a way out of this complex problem. The key we in Bermuda have discovered is to reach into the community with a genuine will to understand and empathise with the people we serve. To grasp what their issues are and to make their agenda the Government's agenda.

This is a reversal of the classic power pyramid. Traditionally initiatives have been top conceived and top driven. Foreign affairs is an excellent example. In Bermuda, and I suspect all over the world, the electorate is demanding that its issues, its needs and its concerns, be reflected in the national agenda. The leadership of the future must recognise this and be seen to be responsive in a real and effective manner.

The current turmoil in U.S. politics is being motivated by a gut feeling in the electorate that neither party is addressing the issues they, the electorate, want addressed. They feel bereft, betrayed and abandoned. If this cannot be corrected, if the historical leadership structure cannot respond with a meaningful and relevant plan of action addressing the real agenda of the people, then that same leadership faces the real prospect of being victims of a grass roots driven demand for change.

Our people are frustrated but they are also feeling empowered. They will not hesitate in using this new found sense of power in evoking change if they remain convinced that the system itself is incapable of providing that needed change. In short, they will change the system itself if it continues to be unresponsive.

I was so concerned by this juxtaposition of demands in Bermuda that I created a brand new ministry in our administration. This new entity carries the joint responsibility of ensuring effective communication with the community and of changing the way we, as a government, manage and operate. It was designed to effect real change in a meaningful way and to communicate the nature of that change to the electorate. We recognised that we had to serve the agenda of our population and also had to be seen serving that agenda.

The United States has changed dramatically over the past half century. When the depression of the 30's faced the leadership of North America they had a human resource that was a much more cohesive force. While languages varied, the actual ethnic and cultural base was very similar. In essence, the United States has moved from a country being fundamentally based on a mono-ethnic structure to a multi-ethnic one. While this adds tremendous variety and richness it also poses much more significant challenges to the task of implementing national change and creating national purpose. It also adds tensions that simply didn't exist before. These tensions are complex. They are racial, ethnic, social, economic and culturally driven and prevent a uniform, blinkered and single minded approach to problem solving.

In Bermuda, we have always been biracial. While it has only been in the last three decades that we have seriously attacked the segregation of our community, we have always had to contend with at least two cultures and two ethnic backgrounds. This has created a national purpose in a more consistent manner.

This fact has also helped us to recognise the need for change in the way we do business. It assisted us in determining that we risked being infected with what has become a western disease. The collective failure to accept the reality of the fact that our societies are no longer based on excellence. Many other nations are producing superior products utilising superior labour systems and relationships, better utilisation of sophisticated technology and much improved standards and methods of management.

For years, our western culture has accepted that a preponderance of our intellectual equity will be invested in defense and military development. While we have been doing this, many have been taking that same intellectual capacity and investing it in productivity and research. We have also been failing to make the necessary capital reinvestments. Japan for instance is reinvesting in capital equipment and R. & D. at double the rate of the U.S.

As much as there has been a failure to invest in research and development and thus a lack of preparation to meet the challenges of the future, there has also been a fundamental change in our culture, our values. There has been a real reduction of expenditure in education, at a time when the exact opposite should have been taking place. The historical devotion to the broadening of the mind has eroded. How many families spend meaningful time in discussion? How insistent are we that our young people devote themselves to homework as opposed to television, video games, or the mall gatherings? How much do parents, today, participate in the homework experience? I suggest very little and certainly far less than generations before.

In Bermuda, our quality of life surveys recognised that the family structure was failing. The family unit was ceasing to be the cohesive force it had been to date. Illegitimacy, divorce rates and the numbers of single parent households were all up. Even our economic culture was being diverted away from direct contribution to our country and we were failing to provide meaningful direction to our young people. Part of this can be traced, again, to global communications. The example our people were witnessing suggested that the new culture favoured a different approach, a different ethic.

This new western culture has spawned a whole new breed of economic participants who do not contribute to the national wealth of our economies. The North American education system has encouraged consultants instead of professional managers who can fix the problems themselves. There are, for instance, far more lawyers per capita than any other country in the world. At the same time, there is a glut of teachers, managers and production orientated, equity creating, individuals. The criterion for excellence has also shifted away from intellect and academic to sports. Just look at how sports personalities are rewarded compared to scientists, managers and engineers. Yet, the continued success of media hyped, entertainment orientated entities are totally dependant on our countries having the intrinsic wealth necessary to be able to support these activities.

The western economies have moved from a quantitative and empirical strength based on industrial production to ones based on very little. Junk bonds and leveraged buy-outs no longer have the popularity they once did. To some extent our heroes of today are the deal makers not the creators of assets. We have travelled far from our stated objective of sharing the wealth of our respective countries. Indeed, in the U.S. alone, between the years of 1981 and 1987, the exact opposite took place. In 1981, 1% of the U.S. population was taking about 8.1% of the nation's income, that same 1% was taking 14.7% six years later.

While in Bermuda, we have been far more fortunate and have succeeded in creating the largest proportionate middle class in the world, we still must now concentrate on further spreading our national equity. We all know that owners work harder and believe more in their product. We are determined to create a country of owners who all share in the national equity and who all have a real interest in the success of that country.

Governments are traditionally slow to move. Historically we have viewed the sluggish response of the bureaucracy as somewhat healthy. It somehow protected our nations from ill conceived, badly thought out policies. It ensured consistency, if not vibrancy. It gave us something solid to cling to. We did not expect tremendous innovation from government but we did expect that it would take care of the more mundane, but no less essential, matters of daily life. Suddenly, the talent drain we have all experienced has hit government. Administrations no longer have the resources, the talent or the revenues to do all that we have traditionally expected them to do. The age of instant communications have also produced another phenomenon that we, as political leaders, had better recognise and respond to.

As the activities of the world have been brought into every home, our populations have become much more aware of what is happening. They have become much more knowledgeable and much more qualified to participate in and understand the decision making process. They have truly become empowered. It is that empowerment that has lead to the mass presences in Red Square, in Warsaw, in Prague and even in Beijing. Throughout the world the people themselves are feeling more qualified and more free to express their concerns and needs. Unfortunately, in our headlong pursuit of freedom, we have failed to explain that empowerment means accountability.

Thus, when Mr. Gorbachev, Mr. Walesa or even Mr. Bush failed to produce, instantly, the wealth and prosperity promised, or failed to meet the perceived needs of their domestic agendas, the reaction was one of rage, frustration and bitter disappointment. Instant change should result in instant benefits. When it didn't the same population who created the heroes was equally swift in finding new ones and discarding the old. Anyone who can promise easy solutions will be sought out. Those who cannot perform by these harsh standards will be discarded. It is this syndrome which is now transforming the political landscape of this country. It is that same demand for participation, involvement and accountability that has threatened our government in Bermuda and which has motivated us to make some fundamental changes in the way we do business.

We have complex challenges to face, but we have the means at our disposal to meet them and cause the needed revolution.

It is arrogant of me to stand before you and attempt to analyse the problems of the United States. I come from a country of only 60,000 people and only 21 square miles. We have no natural resources beyond the natural beauty of our country and the inherent intellect of our people. Our success is totally bound to that of the United States. Certainly, I have no answers which have not already been discussed around the world. I can only offer for your examination and review what we are doing in our tiny Island. It is possible that our very size makes it easier for us to evoke change, to take the needed steps.

Our GNP is smaller than many large corporations. Our entire economy only produces some 1.6 billion. The Bermuda Government takes about 20% of that to run the country and that is a figure lower than any other jurisdiction I know of. Despite this, our people are as resistant to tax increases as anyone else. My Government's challenge was to continue to provide the level of affluence that we enjoy. Our per capita income has been one of the top three for a decade, while providing the social infrastructure that ensured we let no member of the population fall through the cracks. Our size will not allow the existence of ghettos, slums or poverty. Our dependence on tourism necessitates that our country is well run and has no tattered shadows hiding behind the curtains.

We, too, experienced a boom in the 80's and, while this was happening, our people were largely satisfied. But, as the recession started to bite, then the more basic issues started to emerge.

We are a biracial community with about 65% black and the balance white. The fact that 30% of our workforce is imported and predominantly white, as are our tourists, actually produces a society that is almost exactly racially balanced. Perceptually, therefore, we have no minorities. However, as I have said before, we were a segregated society. Up until the mid 60's our schools, our theatres, many of our public facilities were racially segregated.

We made great strides in the 70's and superficially we integrated well. Indeed, today's Bermuda is more integrated than any other country I know of. As we integrated, we also began to widen the economic base.

While this was happening, we were educating our people at an impressive rate. Today, well over 30% of the population are educated to degree or diploma level. This has almost doubled over the last decade. 31% of our population has education to certificate high school level which is 63% more than a decade ago. We have virtually no illiteracy. Our home ownership rate has increased by 31% in the same time period. The amount of people per dwelling unit has fallen from about three to just over 2.5, reflecting a dramatic improvement in housing conditions.

These are all impressive figures and compare well with any other country. But we are also faced with problems. In the boom period of the 80's, we created an enormous expectation level. Workers became conditioned to above inflation increases and owners experienced growing profits with very little effort. Government expanded its level of support to where people demanded an ever increasing government infrastructure. Government became a provider and many saw this as an opportunity to shelve individual responsibility and replace it with expectations of government.

Our demand for material benefits increased and our dependency on instant entertainment leaped. In short, we became a typical western society.

But, because Bermuda is so dependant on external markets, we began to recognise that we were becoming too expensive. Indeed, many of our people were earning more, enjoying greater material benefits, and had a higher standard of living than the market we were trying to serve. The cost of doing business in Bermuda grew tremendously and we were faced with burgeoning levels of competition.

Perhaps, in microcosm, we were not unlike what was happening around the world. But our electorate had no tolerance for international comparisons. Our political survival demanded extraordinary steps and we started to plan for the future like we had never done before.

The system of Government in Bermuda is similar to that of Great Britain. We have two houses of Parliament, one elected and one appointed. The elected house, the House of Assembly, consists of 40 members of Parliament who are elected at a general election which may be called at any time, but no less than every five years, by the Premier. The appointed house is our Senate where there are eleven members. Five selected by the Premier as Government Senators, three by the Opposition and three by the Governor as Independents. The extraordinary element of Bermuda's system is that however popular the Government is, however many seats it gains in the lower house, it can never be in the majority in the upper house. Perhaps this provides the ultimate in balance and check.

The Caucus of the winning party then elects its leader who becomes Premier. Thus, we do not choose our leader by popular election but rather choose the party we wish to govern. The Cabinet is then selected by the Premier and he is obligated to choose all but two from the House of Assembly. The remaining two positions may be chosen from the Senate. Thus, the Premier has only about 25 people he can select from to fill the majority of his administration. He, in fact, only has flexibility in two out of the twelve portfolios. This places severe restrictions.

It is the Cabinet which is responsible for the general management of government. It creates the policy and prioritizes the allocation of funds to its various portfolios. It is thus with this group that the planning process had to start.

Several indepth and lengthy planning sessions were held. In principle, the Premier is one amongst equals and he does not have the right to veto or dictate policy. His influence comes from more intangible powers and the most necessary skill any Premier or Prime Minister can have is that of persuasion. Decisions are thus arrived at through the consensus process and, as many of you will realise, this can be a frustrating and time consuming procedure. It thus took us considerable time to develop some statements of policy that we could all agree on and which presented our broad objectives to the community. We agreed on the five following principles:

Economic Stability and Responsible Management

We believe that no country can hope to succeed without a firm and stable economy. But we went beyond that and recognised the need for Government to manage itself effectively and to ensure that the efficient use of the public purse was a priority.

Equality of Opportunity

In any society, it is imperative that we ensure all our citizens are given the means and the ability to partake in the opportunities of life on an equal footing. In Bermuda, given our small size and limited population base, it is essential that each and every one of our people have the opportunity to participate to the absolute maximum of their potential.

Enhancement of the Environment

It is clear that our planet faces a major crisis, one that may threaten our very survival. While we in Bermuda are powerless to make any major impact on the global environment, we can certainly do our part, indeed Bermuda is the only country that I am aware of which has developed a national waste management programme designed to reduce the amount of waste produced by our country and recycle whatever, wherever we can. Every country needs to ensure that protection and, indeed, enhancement of the environment is high on the list of priorities.

Social Stability and Security

The strength of any country must, today, be measured in the stability and security of its society. This objective includes our concerns over drugs and the development of a national drug strategy, ensuring that those less fortunate can be assured of a roof over their heads, food, and a sound education system. We also recognise that society must feel secure and have worked hard to develop a good, responsible and capable security system.

Building a Bermudian Consensus

Perhaps the most difficult task we have set for ourselves. This is a powerful statement of intent and recognises the evolution of our population. Our increased levels of education have ensured a much more significant degree of participation in the national agenda. The people of Bermuda are keen to be involved in the decision making process and we are making significant efforts to broaden the base of participation and bring in the people of Bermuda to the collective, participative process.

The development of these broad philosophical objectives opened up the possibilities for real action. It focused our government and our people and laid the ground for more specific objectives. These we have been initiating over the past several months. We recognised several needs of the community and of the national direction and have put together some ideas that will address these priority concerns. But we also wanted to embrace a broad cross-section of the community, to harness the definitive talent that exists in Bermuda and to develop national responses which were truly reflective of the community itself.

Bermuda has existed for many years as an extremely successful society. But the time has come to analyse what we are doing and how we are doing it. We need to examine every aspect of our business structure and ask the question, "are we competitive?" We have thus instigated a national Commission on Competitiveness. This will involve almost one hundred individuals from across the community. They will dig into all aspects of our two main economic planks, tourism and international companies, and structure a plan to ensure that they remain competitive into the next century. But we are also delving into our society and looking around the world to see what new areas of opportunity lie in wait for our small country. We seek to diversify our economy, build opportunity for a wider cross-section of our community and ensure continued growth. This will be no small task but we have given the commission set objectives and definitive time constraints. We want action and we want it in real time. This may be the first time a country has taken its whole economic infrastructure, turned it upside down, and embarked on an indepth, comprehensive examination of its competitiveness in the international marketplace.

We have a relatively small workforce in Bermuda and a very sophisticated society. We are providing unsurpassed levels of international communications, a superb legal and accounting infrastructure, modern transportation and very advanced levels of accommodation and support services. To service this, we have traditionally relied on a large foreign workforce. While we will always need foreign assistance, there is no doubt that we should be able to guide our people into a more participative role in this modern society for the future. We have thus formed a Task Force on Employment whose role it is to ask, "Where are we today and where do we need to be in the next decade? What will our society need in terms of talent? How is the workplace going to change? What will the needs of both the employee and employer be?" This task force is asked to produce a plan to guide us into the twenty first century with a workforce that is equipped and trained to handle very sophisticated needs of this new society. Its membership embraces a wide cross-section of participants from employers to union leaders and includes every sector of our economy. Again, it has specific objectives and set time frames.

The use of illicit drugs in Bermuda, although not a problem in comparison to almost any other jurisdiction, is a major threat to the fabric of society. By employing a first-rate international expert as a facilitator we have developed a true national strategy on drugs. Using hundreds of participants from across our society we have developed a true consensus on the problem. We are now putting the recommendations into place and will create a semi-autonomous authority whose role will be to harness all the many agencies both in the public and private sectors and to ensure we approach this problem in a unified and collective fashion. We may actually have got to the point where we can engender the needed community support to really tackle this international cancer.

The core of any society must be based on how well it is educating its people. Once again, our limited human resource base makes it vital that all our children are given every possible opportunity to maximise their own potentials. Again, utilising a wide cross-section of our community in a national Education Planning Team, we have developed an education plan which will see a virtual revolution in our teaching standards, our physical plants and our cultural understanding of the role of education in our society. It is going to cost us a great deal in cash and human resources, but we are going to transform our fundamental education system into one that will provide a level of public education not found anywhere else in the world. It is our hope that this will not only provide the resource base to our young people but will also form a key ingredient in uniting our people and in eliminating any racial bias that may exist. It is a bold plan, filled with minefields, particularly for a political party, but it has to be done.

Any society in today's world must, as part of a national review, take a meaningful look at the way it is incarcerating its criminals. Throughout the world, we are losing a significant percentage of our population to incarceration. For centuries, society has regarded criminals as elements that need to be locked away and removed from daily life. Certainly, there are those in any society who are dangerous to the public safety and must be removed. However, it is becoming widely recognised that a significant number of our prisoners have the potential to be successful and productive participants in society. It is sheer waste to lock them away and not attempt to correct their various problems. Recognising this, we are building a major new facility which is designed to correct and not to incarcerate. We will provide the needed facilities and resources to give every Bermudian the ability to escape that potentially endless spiral of negative behaviour.

While all of these steps will impact on our racial environment, we have now reached a maturity in our society where the real task of total integration can be addressed. We have come a long way but elements of prejudice and discrimination still exist. We are now formulating plans to embrace society in a national examination of these problems and to develop meaningful plans to foster a new level of understanding and participation. We are regarded by many as the model for racial harmony. It is perhaps because of advances in this area that we are now able to take the next bold step forward.

Society is changing and so is its perception of government. We recognise that as an institution, we must also change. We no longer have the resources either financial or human to be all things to all people. We have thus launched a complete review of the way government does business. We have encompassed several initiatives under a value for money objective. A significant percentage of our public servants are now working on an Access to Government Initiative. This will look for ways to improve accountability, enhance management skills, free up the system and eliminate bureaucratic road blocks. It will develop strategies throughout government to introduce a real client oriented ethic and develop means to make government truly serve the people. We wish to make Government more participative, more consultative, and more directed by the public agenda.

You all know well what Bermuda is really doing. It is government by the people, of the people and for the people.

Governments of today are realising that the days of huge unwieldy organisation are over. The resources just are not available. This lesson is no more true than in the tiny Island of Bermuda. We have realised that we can no longer be the provider of everything. We must, instead, utilise the one fundamental resource we have, the human intellect and make it work for us. We will be the facilitator and the uniter. We will attempt to bring opposing views together and eliminate discord through the development of consensus. We will work amongst the people not above them, we will be part of society and make its agenda our agenda.

The time has passed for governments which isolate themselves. Such systems can never survive this age of instant communication. We must deliver a message of realism but also one of hope. A hope based on the essential strength of the community we serve. If we can succeed in bringing our people together we will have created a reservoir of intellect that can meet any challenge. If we can remove the waste that is present in every society as it seeks to refute, to argue and to negate, we will have created a mine of wealth. If we can reach beyond the prejudice that is part of every man, we can harness a powerhouse of energy.

All of us have had a role in creating a tremendous level of expectation. In doing so, we accepted the burden of making those dreams come true. We are entering an age of participation, of interactive and collective responsibility. We can no longer ignore our responsibility to deliver that which we have been promising for so long, it is time, now, for us to begin the process of this new order.

I have much hope for the future. I believe the signs are there for those who choose to read them. I recognise, however, that the tasks before us are as significant as any that have faced any generation in the past. I am convinced that we have the needed resources, skills and ability to meet these challenges. The only question is whether we have the energy and commitment to use them. Our societies are indeed endangered but there is still time to save them from extinction.

Every politician has the element of a dreamer about him. The trick is to take the vision and focus it into real action. We have, at least, started a process in Bermuda of positive and definitive action. We are merely bystanders in the world arena. Our global objectives will have little impact on world events, we are very minor players on the world stage. But we can earn our right to be citizens of this world.

Thank you for the significant honour you have paid me by allowing me the opportunity to speak to you all.

8/4/92

Mr. President:

They are having a retirement party for Admiral Howe
at Blair House tonight - 4 till 6.

There doesn't appear time for you to go unless you do
not meet with the Chief of Staff.

GUIDANCE, PLEASE.

CANCEL CHIEF OF STAFF MEETING AND ATTEND

YES _____

NO _____

*Don't
schedule
let's
but
try!*

RZ

*The Pleasure of your company is requested in honor of the retirement
from the United States Navy*

*of
Admiral Jonathan J. Howe*

*Deputy Assistant to the President for National Security Affairs
and Mrs. Howe*

*at a Reception from four to six o'clock
on Tuesday, August 4, 1992
Blair House*

*Informal -
Business Suit*





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

August 3, 1992

MR. PRESIDENT:

NSC concurs.

MEMORANDUM FOR THE PRESIDENT

FROM: Richard Darman *Richard Darman*
SUBJECT: FY 1993 Budget Amendment for the Department of Defense

This memorandum forwards for your consideration an FY 1993 budget amendment for transmittal to the Congress.

This budget amendment would request \$50 million in FY 1993 for the Department of Defense in order to expand the Junior Reserve Officer Training Corps (JROTC) program. The additional funding would be offset by reductions in other Department of Defense accounts.

Expansion of the JROTC is consistent with your strong emphasis on improving America's schools and on deterring the use of illegal drugs. This proposal would provide for the creation of 452 new JROTC units at high schools in major metropolitan areas, with a particular emphasis on the inner cities. It is intended that further expansion follow in subsequent years.

Recommendation

The Departments of Defense and Education recommend approval of the proposed budget amendment. I recommend that this budget amendment be transmitted to the Congress at an appropriate time -- with the timing determined in light of your decisions on timing for the broader initiatives package.

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

The President

The White House

Submitted for your consideration is a budget amendment from the Department of Defense for FY 1993 costs of expanding the Junior Reserve Officer Training Corps (JROTC) program. The JROTC program supports the Defense Department's efforts to influence positively the nation's youth. Expansion of the JROTC program is consistent with your strong emphasis on improving America's schools and on deterring the use of illegal drugs.

Currently, there are JROTC units at approximately 1,500 high schools, including about 400 inner city schools. The \$50 million requested for FY 1993 would provide funds to create 452 new JROTC units at high schools in major metropolitan areas, with a particular emphasis on the inner cities. By the end of September 1994, the JROTC program would include up to 2,900 units at high schools throughout the country, nearly a 100-percent increase over the current level. Separate legislation will be submitted to the Congress to lift the current statutory limit of 1,600 JROTC units.

The requested increase in FY 1993 budget authority would be fully offset by reductions in Army intelligence and communications programs.

I have carefully reviewed this proposal and recommend that it be transmitted to the Congress.

Respectfully yours,

A handwritten signature in dark ink, appearing to read "Richard Darman", is written over a light blue horizontal line.

Richard Darman
Director

Enclosure

FY 1993 BUDGET AMENDMENT
DEPARTMENT OF DEFENSE - MILITARY

1993 Budget Appendix Page	Heading	1993 Budget Request Pending	1993 Proposed Amendment	1993 Revised Request
Military Personnel				
Supplement Part Two-22	Reserve personnel, Army	\$2,143,200,000	\$4,280,000	\$2,147,480,000
Supplement Part Two-23	Reserve personnel, Navy	1,627,300,000	7,227,000	1,634,527,000
Supplement Part Two-23	Reserve personnel, Marine Corps	337,700,000	2,432,000	340,132,000
Supplement Part Two-24	Reserve personnel, Air Force	732,400,000	4,719,000	737,119,000
Operation and Maintenance				
Supplement Part Two-25	Operation and maintenance, Army	16,905,100,000	-31,365,000	16,873,735,000
Supplement Part Two-27	Operation and maintenance, Navy	20,588,500,000	6,474,000	20,594,974,000
Supplement Part Two-28	Operation and maintenance, Marine Corps	1,646,500,000	2,228,000	1,648,728,000
Supplement Part Two-29	Operation and maintenance, Air Force	18,029,000,000	4,005,000	18,033,005,000

The \$50 million requested for FY 1993 would provide funds to create 452 new Junior Reserve Officer Training Corps (JROTC) units at high schools in major metropolitan areas, with a particular emphasis on the inner cities. By the end of September 1994, the JROTC program would include up to 2,900 units at high schools throughout the country, nearly a 100-percent increase over the current level. Separate legislation will be submitted to the Congress to lift the current statutory limit of 1,600 JROTC units. The requested increase in budget authority would be fully offset by reductions in Army intelligence and communications programs. The Operation and maintenance, Army proposed amendment includes an increase of \$18,690 thousand and a decrease of \$50,055 thousand. This proposal would increase FY 1993 outlays by \$1.8 million.

THE WHITE HOUSE

WASHINGTON

The President

of the Senate

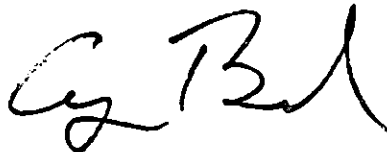
Sir:

I ask Congress to consider a request for an FY 1993 budget amendment for the Department of Defense to provide for the costs of expanding the Junior Reserve Officer Training Corps (JROTC) program.

The JROTC program emphasizes self-discipline, personal responsibility, high moral values, and good citizenship in America's youth. An expanded JROTC program is an effective method by which the U.S. armed forces can assist in addressing the problems facing America's youth.

The details of this request are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Bush", is written below the word "Sincerely,".

Daily 8/4

THE WHITE HOUSE
WASHINGTON

2 AUG 3 P5:49

August 3, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: EDE HOLIDAY *GH*

SUBJECT: Outer Continental Shelf (OCS) Oil and Gas Program
for 1992-1997

In June of 1990, you directed the Secretary of the Interior to withdraw certain areas off the coasts of Washington, Oregon, and California from the Outer Continental Shelf leasing program. Earlier this year, you also directed that an additional 87 tracts off the Southern California coast be withdrawn from the program. The OCS 5-year program, which has now been sent to Congress for review, asserts that your decision was made pursuant to section 12 of the OCS Lands Act, which gives you such authority.

Attached please find a memorandum to the Secretary of the Interior ratifying those withdrawals pursuant to section 12 of the OCS Lands Act. The language was proposed by Interior's Solicitor General and has been cleared by OPD, OMB, and Counsel's office.

Attachment

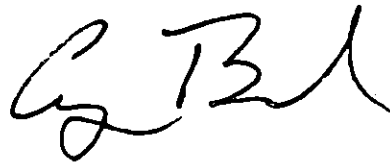
THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE SECRETARY OF THE INTERIOR

SUBJECT: Outer Continental Shelf (OCS) Oil and
Gas Program for 1992-1997

In the documentation of your decision on the 5-year Outer Continental Shelf Oil and Gas Program for 1992-1997, you asserted that my statement on June 26, 1990, concerning putting certain areas off limits to leasing until after the year 2000, was made under the authority of section 12(a) of the Outer Shelf Lands Act, 43 U.S.C. 1341(a). I hereby confirm my withdrawal from disposition by leasing of those areas of the outer Continental Shelf, through December 31, 2000, subject to revocation should the President determine the scheduling of a lease sale to be required in the interest of national security.

I further withdraw the remaining 87 tracts in the Southern California Planning Area pending the completion of additional studies in response to the report of the National Academy of Sciences pursuant to the guiding principles I announced June 26, 1990, which satisfactorily address concerns relating to these tracts.



Daily 8/4

5626

THE WHITE HOUSE

WASHINGTON

August 3, 1992

12 AUG 3 P2:30

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT *BS*

SUBJECT: Proposed Reply to Chancellor Kohl Letter re
International Ethics Commission on AIDS

Purpose

To respond to Chancellor Kohl's proposal that he [✓]covene a meeting of the International Ethics Committee on AIDS.

Background

The 1987 Venice Economic Summit created the International Ethics Committee on AIDS. The first meeting was hosted in 1989 by President Mitterrand. Chancellor Kohl has proposed that he host a second meeting, September 10 and 11, 1992, which would focus on AIDS in developing countries. He invites the U.S. to send three representatives. Your response at Tab A welcomes the initiative, expresses appreciation for the invitation, and notes that we will separately name U.S. attendees.

RECOMMENDATION

That you sign the letter at Tab A to Chancellor Kohl.

Attachments

Tab A Letter to Chancellor Kohl
Tab B Incoming letter from Chancellor Kohl

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

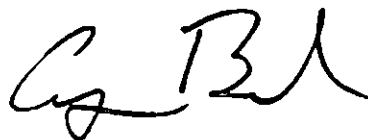
Dear Mr. Chancellor:

Thank you for your invitation to participate in a second meeting of the International Ethics Committee on AIDS. I applaud your initiative in convening this group.

The devastating nature of AIDS demands that every effort be made to address the pandemic. The focus of the proposed meeting -- the impact of AIDS on developing countries -- is particularly relevant.

The United States will be pleased to participate in the meeting in Bonn. We will inform you of the names of our representatives in the near future.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush", is written over the typed name "George Bush". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

His Excellency
Dr. Helmut Kohl
Chancellor of the
Federal Republic of Germany
Bonn

Daily 8/4

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Dr. William H. Mobley
President
Texas A&M University
Office of the President
801 Rudder Tower
College Station, Texas 77843-1246



THE PRESIDENT

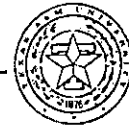
August 4, 1992

Dear Bill,

Thank you for your letter of July 23. However, it is I who should be thanking you for the wonderful presentation made by the CRSS Architectural team. Barbara and I came away excited over the proposed concepts for the Library.

Your warm words of encouragement mean so much to me -- see you in Houston.

Sincerely,



William H. Mobley
President

23 July 1992

PERSONAL

The President and Mrs. Bush
The White House
Washington, D.C. 20500

Dear President and Mrs. Bush:

Thank you for your hospitality at the White House on 22 July 1992. It was a pleasure joining you and the CRSS Architectural team to discuss some of the concepts for the George Bush Presidential Library Center. Your comments and reactions were welcomed by all in attendance. We look forward to further development and the opening of a superb facility in 1997, a facility that will make you and all Americans proud.

Your thoughtfulness in taking time to show us through parts of the White House is appreciated. Thanks!

I look forward to seeing you in Houston next month and to applauding your reelection in November. America needs your continuing effective and steady hand at the helm.

Sincerely,

Bill

William H. Mobley

P.S. I have one of our scholars researching the origins of the term "docents". I'll drop you a note in a few days.
Best personal regards.

KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

ON

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M/DD

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THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JULY 28, 1992

NAME OF CORRESPONDENT: DR. WILLIAM H. MOBLEY

SUBJECT: APPRECIATION FOR THE HOSPITALITY EXTENDED BY
THE PRESIDENT AND MRS. BUSH TO THE CRSS
ARCHITECTURAL TEAM TO DISCUSS CONCEPTS FOR
THE GEORGE BUSH PRESIDENTIAL LIBRARY CENTER

		ACTION		DISPOSITION	
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
PATRICIA PRESOCK		ORG	92/07/28		
REFERRAL NOTE:					
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REFERRAL NOTE:					
REFERRAL NOTE:					

COMMENTS: ALSO INFORMS THE PRESIDENT HE HAS A SCHOLAR
RESEARCHING THE ORIGINS OF THE TERM "DOCENTS"
CC5, "BILL"

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 4610 _____
MI MAIL USER CODES: (A) _____ (B) _____ (C) _____

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*****
*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                      *                      *CORRESPONDENCE:   *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL  *          OF SIGNER *
*D-DRAFT RESPONSE      *C-COMPLETED          *          CODE = A   *
*F-FURNISH FACT SHEET  *S-SUSPENDED          *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *          OUTGOING  *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE        *                      *                      *
*X-INTERIM REPLY        *                      *                      *
*****

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75,OEOb) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

on card

Dear Bill:

Thank you for your letter of July 23. However, it is I who should be thanking you for the wonderful presentation made by the CRSS Architectural team.

Barbara and I came away ~~with feelings~~ excited over the proposed concepts for the Library.

~~See you in Houston~~

Your warm words of encouragement mean much to me ~~and I~~
~~look forward to seeing you in Houston.~~

see you in Houston

Sincerely,

Daily 8/4

THE WHITE HOUSE
WASHINGTON

August 4, 1992

MR. PRESIDENT:

CP
✓
Please find attached a proposed
ad to be included in the
Christian American newspaper
(affiliated with Pat Robertson).
It has been reviewed by the
Chief of Staff, OMB, Policy
Development, and Counsel and
revised as appropriate.

Thank you.


Phillip D. Brady

Christian American Newspaper -- Print Ad

Headline: Why we need to keep President Bush.

Text: For Americans who care about traditional family values, a simple comparison between President Bush and Bill Clinton says it all.

President Bush respects the sanctity of life and strongly opposes abortion. Bill Clinton supports legislation that would allow abortion right through to the 9th month.

President Bush has vetoed Federal funding for abortions. Bill Clinton has pledged, if elected, to expand the use of Federal funds for abortion.

President Bush has pledged to veto the Freedom of Choice Act that would strike down nearly all state protections of unborn children. Bill Clinton, of course, has said he'd sign it if elected.

President Bush believes God and prayer have a place in public schools. Bill Clinton says prayers shouldn't be allowed in public schools.

President Bush wants the government to give parents a choice between public and private schools for their kids. Bill Clinton opposes such a choice, favoring public schools only, just as they are, like it or not.

So it's quite clear . . . the more you compare the two, the more you know why we need to keep President Bush.

Signature/Logo

President Bush.

When a President shares your values,
you keep him.

My man, Bruce, called. He is a little nervous, wanted to know what the plan was for the evening -- what to wear -- what he could expect. I told him he could plan on having drinks with you for about 45 minutes to an hour. and he should wear business suit.

NOTE: I HAVE TOLD THE URSHERS OFFICE THERE IS A POSSIBILITY YOU MIGHT INVITE HIM AND MR. ZOZZORA TO JOIN YOU AND SPIKE HEMINWAY

FOR DINNER, BUT WE DO NOT KNOW DEFINITELY. THEY WILL BE READY

~~FOR~~ WHATEVER YOU WANT TO DO.

RZ

8/4/92

MEMORANDUM
OF CALL

Previous editions usable

TO:



YOU WERE CALLED BY—



YOU WERE VISITED BY—

OF (Organization)

RZ
Ray Price



PLEASE PHONE ▶



FTS



AUTOVON

212-947-7738



WILL CALL AGAIN



IS WAITING TO SEE YOU



RETURNED YOUR CALL



WISHES AN APPOINTMENT

MESSAGE

*GB & he talked about
him coming down for dinner
tomorrow night. Is it a good
time? If so, when should he arrive.
Should he make hotel reservations or
will he still* →

RECEIVED BY

DATE

TIME

63-110 NSN 7540-00-634-4018

STANDARD FORM 63 (Rev. 8-81)
Prescribed by GSA
FPMR (41 CFR) 101-11.6

be able to catch
the shuttle back to NY

afterwards? He said if we
think it'll run late, we'll
make reservations to run at

the Met. Club. Please advise or
call them today to let him know.

Remain in good luck
Love to all. Please contact

me in about 100 H & 5 min
into of the last of black

Monday, August 3, 1992

1. PHONE CALL FOR THE PRESIDENT
From: Bert Walker

Returned your call. Phone number where he can be reached
(314) 342-2109.

(Phone number has been passed to White House operators and the
Signal Board.)

- 2) Spike Heminway is to be an overnight guest on Tuesday (tomorrow)
He wants to know if you are expecting him to have dinner with you.
He talked with Patty. He will arrive tomorrow at 5 PM and ~~Jennifer~~
is picking him up. We are to call Spike back.

Note: You have Bruce Willis for drinks and you told Kathy Super
that Ray Price was coming. Do you what time?

drinks



A.14

when will he have 2.

Tector
Campaign

Tuesday
anxious
after

Ray
after work
6:00

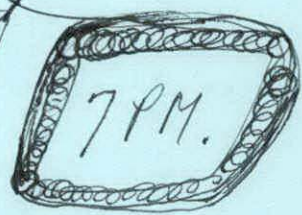
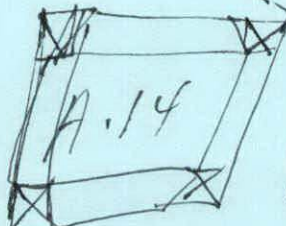
(203)

869-8141

RZ

(203)

661-3210



MR. PRESIDENT,

You need to address Enterprise Zones,
Card 9
particularly asking for their vote.

-- But let me address one element of that

package to underscore how important I think
it is -- enterprise zones. It is time to
give this good idea a try. And we need to
do it in a way that it has a real chance of
working ... a way that provides investors
adequate incentives to put their money into
risky ventures. CAPITAL GAINS FOR

ENTERPRISE ZONE INVESTMENT IS A CRITICAL
INCENTIVE.

Card 10

- For that reason, I am asking each and every one of you to stick with me on this issue and vote for the amendment that Bob Kasten is going to offer you. We need that vote going into Conference.
- Speaking of positive, unified messages, the issue of health care can be a winner for Republicans.

TALKING POINTS FOR SENATE REPUBLICAN CONFERENCE

-- Thank you Thad. I'm glad to be here this morning. Unlike my opponent, I am not afraid to be seen consulting with the Leadership and Members of Congress of my party. You all have been the backbone of my support for almost four years and I'm here to tell you that we are going to be working together for another four years.

Mr. Pears

Can we remind
them

about Enterprise

Zones. We could

have a political problem

if we don't. The rele-

vant cards are

attached. Is there

a way to remind him,

like quietly passing these

over? Your call. Mark

TALKING POINTS FOR SENATE REPUBLICAN CONFERENCE

-- Thank you Thad. I'm glad to be here this morning. Unlike my opponent, I am not afraid to be seen consulting with the Leadership and Members of Congress of my party. You all have been the backbone of my support for almost four years and I'm here to tell you that we are going to be working together for another four years.

Card 2

-- Your loyalty and support has meant a lot to me. I have watched while each one of you, from Bob Dole on down, has stood up for me. Whether it's Pete Domenici on the budget or Clinton's economic plan; or John Chafee on the environment; or Dick Lugar on foreign policy, you are helping to get our message out.

Card 3

- We are going to win this campaign. I don't care what the polls say right now. What they say in November matters.
- Now we really all have to pull together. Frankly, the way the Democrats have. You have to give them credit.

Card 4

-- Whatever their concerns about Clinton or his stance on the issues -- and we know they have them -- the Democrats are not airing their concerns to the media. That discipline is paying off for their ticket.

Card 5

- It's time for our election bounce to begin.
The polls are already coming back, we are gearing up the campaign in a timely way, and we are defining the issues that Americans care about.
- We are promoting economic growth, affordable health care and a strong, united America as the leader of the free world.

Card 6

- Our opponent is campaigning on behalf of the taxers, the spenders and the regulators, and he can have that crowd.
- Clinton and Gore have been trying to inoculate themselves by saying it's just Republican dirty tricks to paint them as liberal tax-and-spenders.

Card 7

- Unfortunately for them, they have a record, and that record, plus their "plan" for America, show that is exactly what they are: tax-and-spenders.
- Let me talk a minute about a couple of issues and ask for your help. This week we will finally get a vote on elements of our economic growth plan.

Card 8

- We are not totally happy with the bill, but it does contain 6 of the 7 items in the short term package we laid out in January. We all know it should do more.
- The fact is we should have had a growth package enacted into law a long time ago. And if we had enough Republicans up here, we would have.

-- But let me address one element of that package to underscore how important I think it is -- enterprise zones. It is time to give this good idea a try. And we need to do it in a way that it has a real chance of working ... a way that provides investors adequate incentives to put their money into risky ventures. **CAPITAL GAINS FOR ENTERPRISE ZONE INVESTMENT IS A CRITICAL INCENTIVE.**

Card 10

- For that reason, I am asking each and every one of you to stick with me on this issue and vote for the amendment that Bob Kasten is going to offer you. We need that vote going into Conference.
- Speaking of positive, unified messages, the issue of health care can be a winner for Republicans.

Card 11

- Thanks to the Senate Republican Health Task Force and their health care package, which is similar to my own, all Republicans can and should be delivering a strong message that we are united, the Democrats are not.
- I firmly believe that when the public learns the facts about "pay or play", or nationalized health care, they won't like either.

-- The problem is that they credit the Democrats with having a plan. We need people to know, that it's the Republicans - - united -- who have a real plan that will work. It is the Republicans who are ready to pass a health care reform plan.

Card 13

- We have a sound health care plan, and the country needs to hear that. We must do all we can to get that message out in the next two months; I need your help to do just that.

SENATE REPUBLICAN CONFERENCE
(BEFORE THE PRESS)

- I accept these gloves as a symbol of our fight to create more jobs for working Americans. Joe Louis said, "you can run, but you can't hide," and even this morning, the other guy is hiding from his idea of landing a new payroll tax punch on the chin of the American worker, destroying 700,00 jobs next year. (They call their program -- "Pay or Play" -- but it really ought to be called "Pay and Pay and Pay.")
- We're not going to let them get away with it. In the fight for news jobs and economic growth, the American worker is in our Republican corner.

TALKING POINTS ON THE OREGON MEDICAID WAIVER -- AUGUST 4, 1992

- The Administration is firmly committed to encouraging innovation in state health care programs, and I am strongly supportive of using states as "laboratories of democracy."
- With its proposed Medicaid program, Oregon has undertaken a serious and ambitious effort at health care reform.

- However, Oregon's plan presents serious issues under the Americans with Disabilities Act, which was passed after Oregon began formulating its program. Oregon's ranking of various treatments is premised on "quality of life" judgments that assume that the life of a person with a disability is less valuable than the life of a person without a disability.
- That assumption is inconsistent with the ADA, and until Oregon reformulates its plan, we cannot give it final approval.

- We're not saying that states cannot have any kind of rationing of health care benefits -- only that such plans cannot discriminate on the basis of an individual's disability.
- Another area of concern to me is the fact that the Oregon program would not fund treatment for very low birthweight babies.
- We have been working through these problems with Oregon for some months, and we will continue to work with Oregon on the many open options still available.

#

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 3rd , 19 92

	TIME			NAME	ACTION
	PLACED	DISC			
OUT	6:41 AM			MR. ROBERT TEETER RES: ANN ARBOR, MI. 313-769-5677	CANCEL PER AIR FORCE ONE OPERATOR 6:42 A.M.
INC	PM				
OUT	AM				
INC	PM				
OUT	AM			MR. RAYMOND K. PRICE, JR. OFC: NEW YORK, N.Y. 212-947-7738	
INC	4:19 PM	4:23			TLKD-OK 4:20 P.M.
OUT	AM				
INC	PM				
OUT	AM			MR. GEORGE H. WALKER III DEC ST. LOUIS, MO. 314-993-6976	
INC	4:19 PM	4:36			TLKD-OK 4:35 P.M.
OUT	AM				
INC	PM				
OUT	AM			SENATOR JOHN W. WARNER OFC: WASHINGTON, D.C. 202-224-9222	CLEARED BY MS. ROBIN A. MACLEAN 4:25 P.M. TLKD-OK 4:26 P.M.
INC	4:24 PM	4:28			
OUT	AM				
INC	PM				
OUT	AM			MR. ROBERT M. TEETER OFC: WASHINGTON, D.C. 202-336-7090	
INC	4:57 PM	5:10			TLKD-OK 5:04 P.M.
OUT	AM				
INC	PM				
OUT	AM			SENATOR WILLIAM V. ROTH, JR. OFC: WASHINGTON, D.C. 202-224-0464	CLEARED BY MRS. ROSE M. ZAMARIA 5:13 P.M. TLKD-OK 5:14 P.M.
INC	5:13 PM	5:17			

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

PRESIDENT BUSH

AUGUST 3rd, 19 92

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		MR. DONALD RHODES	MESSAGE PASSED TO MR.
INC	5:13 PM		OFC: WASHINGTON, D.C.	RHODES 5:28 P.M.
OUT	AM		WHITE HOUSE ADMIN EXT. 6-7500	
INC	PM			
OUT	AM		MR. C. BOYDEN GRAY	
INC	6:37 PM	6:41	OFC: WASHINGTON, D.C.	TLKD-OK 6:37 P.M.
OUT	AM		WHITE HOUSE ADMIN EXT. 765	
INC	PM			
OUT	AM		SECOND FLOOR KITCHEN	TLKD-OK WITH MR. JAMES
INC	6:48 PM	6:49	OFC: WASHINGTON, D.C.	E. SELMON, JR. 6:48
OUT	AM		WHITE HOUSE ADMIN. EXT. 599	P.M.
INC	PM			
OUT	AM		MR. MAX MARLIN FITZWATER	
INC	7:05 PM	7:09	WASHINGTON, D.C.	TLKD-OK 7:07 P.M.
OUT	AM		WHITE HOUSE ADMIN EXT. 685	
INC	PM			
OUT	AM		MR. DONALD RHODES	
INC	8:18 PM	8:19	OFC: WASHINGTON, D.C.	TLKD-OK 8:18 P.M.
OUT	AM		WHITE HOUSE ADMIN EXT. 6-7500	
INC	PM			
OUT	AM		MRS. BARBARA BUSH	
INC	9:33 PM	9:40	RES: KENNEBUNKPORT, ME.	TLKD-OK 9:35 P.M.
OUT			207-967-8990	

THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM
SIGNAL SWITCHBOARD

August 3, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	6:34 AM		Mr. Robert M. Teeter Residence, Ann Arbor, Michigan 313-769-5677	PRESUS Cancel 6:37 AM
XNC	PM			
OUT	6:48 AM	6:53	Mr. Samuel K. Skinner Residence, Washington, D.C. White House Signal 7-3865	Tlkd-ok 6:49 AM via Secure Satellite
XNC	PM			
OUT	9:40 AM		Senator Bob Packwood Office, Washington, D.C. 224-9051	Tlkd with Mr. Farish 9:42 AM
INC	PM			
OUT	10:35 AM	10:42	Mr. Samuel K. Skinner Office, Washington, D.C. White House Signal 6-6797	Tlkd-ok 10:37 AM via Secure Satellite
XNC	PM			
OUT	10:48 AM	10:52	Mr. Samuel K. Skinner Office, Washington, D.C. White House Signal 6-6797	Tlkd-ok 10:48 AM via Secure Satellite
XNC	PM			
OUT	AM		Mr. Robert M. Teeter Office, Washington, D.C. 336-7090	Tlkd-ok 2:30 PM via Secure Satellite
XNC	2:27 PM	2:42		
OUT	AM		Senator Dave Durenberger Office, Washington, D.C. 224-3244	Tlkd-ok 2:50 PM via Secure Satellite
XNC	2:47 PM	2:53		
OUT	AM		Senator Charles E. Grassely Office, Washington, D.C. 224-3744	LW with Mr. Archibold 2:50 PM
XNC	2:47 PM			
OUT	AM		Senator Bill Roth Office, Washington, D.C. 224-2441	LW with Ms. Schiappa 2:53 PM Tlkd-ok
XNC	2:47 PM	5:17		
OUT	AM			5:13 PM via Secure Satellite
INC	PM			
OUT	AM			
INC	PM			

THE WHITE HOUSE

WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

August 3, 1992

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	AM		Senator John Warner Office, Washington, D.C. 224-2023	LW with Ms. Doren 2:53 PM Tlkd-ok
INC	2:47 PM	4:28		
OUT	AM			4:25 PM via Secure Satellite
INC	PM			
OUT	AM		Senator Richard G. Lugar Office, Washington, D.C. 224-4814	Tlkd-ok 3:03 PM via Secure Satellite
INC	2:47 PM	3:07		
OUT	AM		Ms. Rose M. Zamaria Office, Washington, D.C. 456-6508	Tlkd-ok 3:27 PM via Secure Satellite
INC	3:23 PM	3:36		
OUT	AM		Mr. Samuel K. Skinner Office, Washington, D.C. White House Signal 7-2287	Tlkd-ok 8:10 PM
INC	8:08 PM	8:15		
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			
OUT	AM			
INC	PM			

PRESIDENTIAL MOVEMENTS

Marietta, Georgia
 Dalton, Georgia
 Marietta, Georgia
 Jacksonville, Florida

LOCATION

DATE 3 August 1992

TIME	MOVEMENTS
0600	Diplomatic Reception Room
0603	South Grounds
0604	Depart South Grounds via Marine One
0613	Arrive Andrews Air Force Base, Maryland
0625	Depart Andrews Air Force Base via Air Force One
0744	Arrive Dobbins Air Force Base, Marietta, Georgia
0800	Depart Dobbins Air Force Base via Marine One
0834	Arrive Multi Tex Corporation Landing Zone
	Dalton, Georgia
0843	Depart Multi Tex Corporation via Motorcade
0851	Arrive Shaw Industries
0919	Depart Shaw Industries via Motorcade
0927	Arrive Multi Tex Corporation
1000	Depart Multi Tex Corporation via Marine One
1032	Arrive Dobbins Air Force Base
1042	Depart Dobbins Air Force Base via Air Force One
1140	Arrive Jacksonville International Airport
	Jacksonville, Florida
1151	Depart Jacksonville International Airport
	via Motorcade
1217	Arrive Jacksonville Landing
1255	Depart Jacksonville Landing via Motorcade
1256	Arrive Omni Jacksonville Hotel
1353	Depart Omni Jacksonville Hotel via Motorcade

PRESIDENTIAL MOVEMENTS

LOCATION Jacksonville, Florida
Washington, D.C.

DATE 3 August 1992

[illegible]

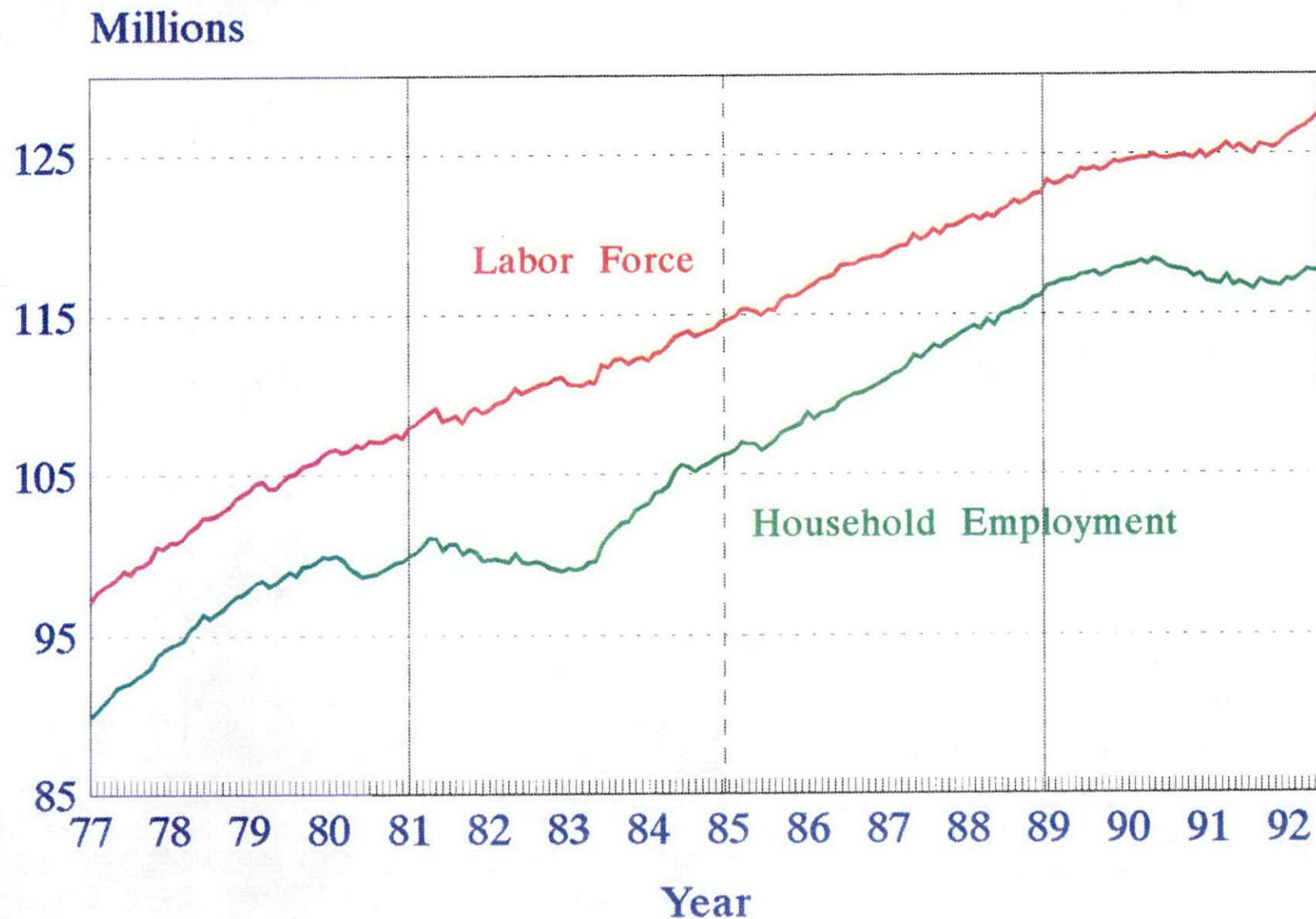
THE PRESIDENT HAS SEEN ^{8/4}

Labor Market Briefing

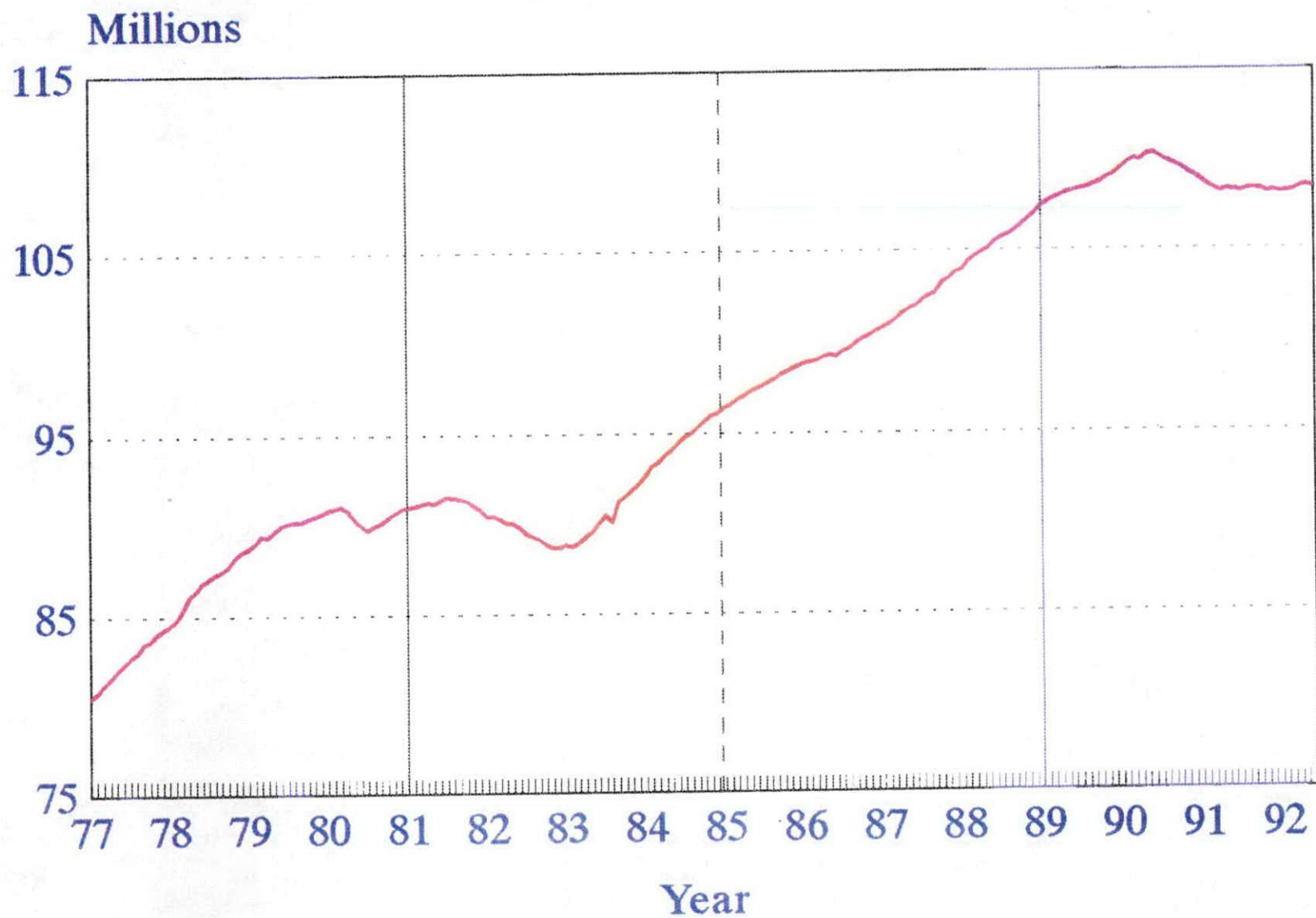


July 28, 1992

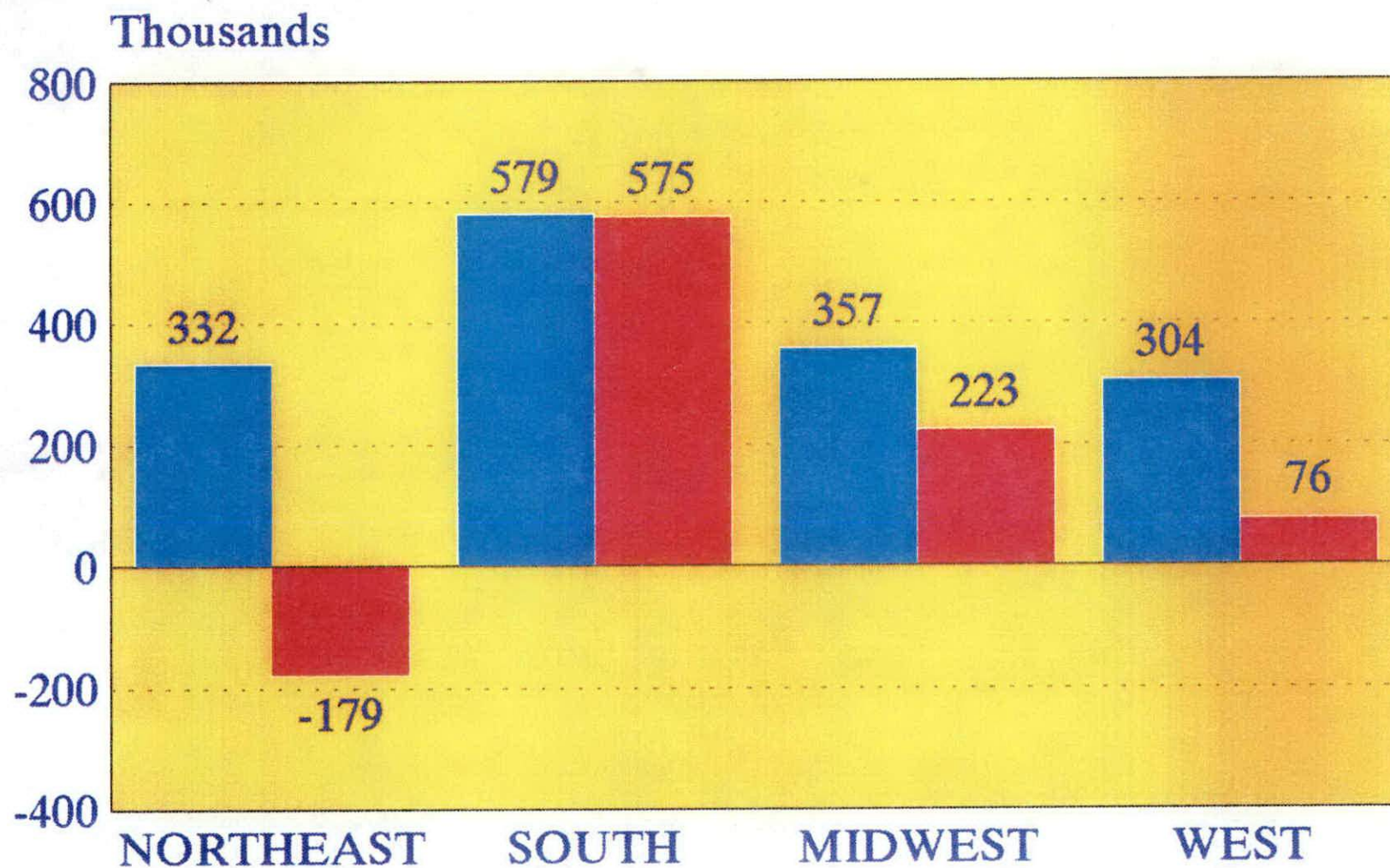
LABOR FORCE & EMPLOYMENT



PAYROLL EMPLOYMENT

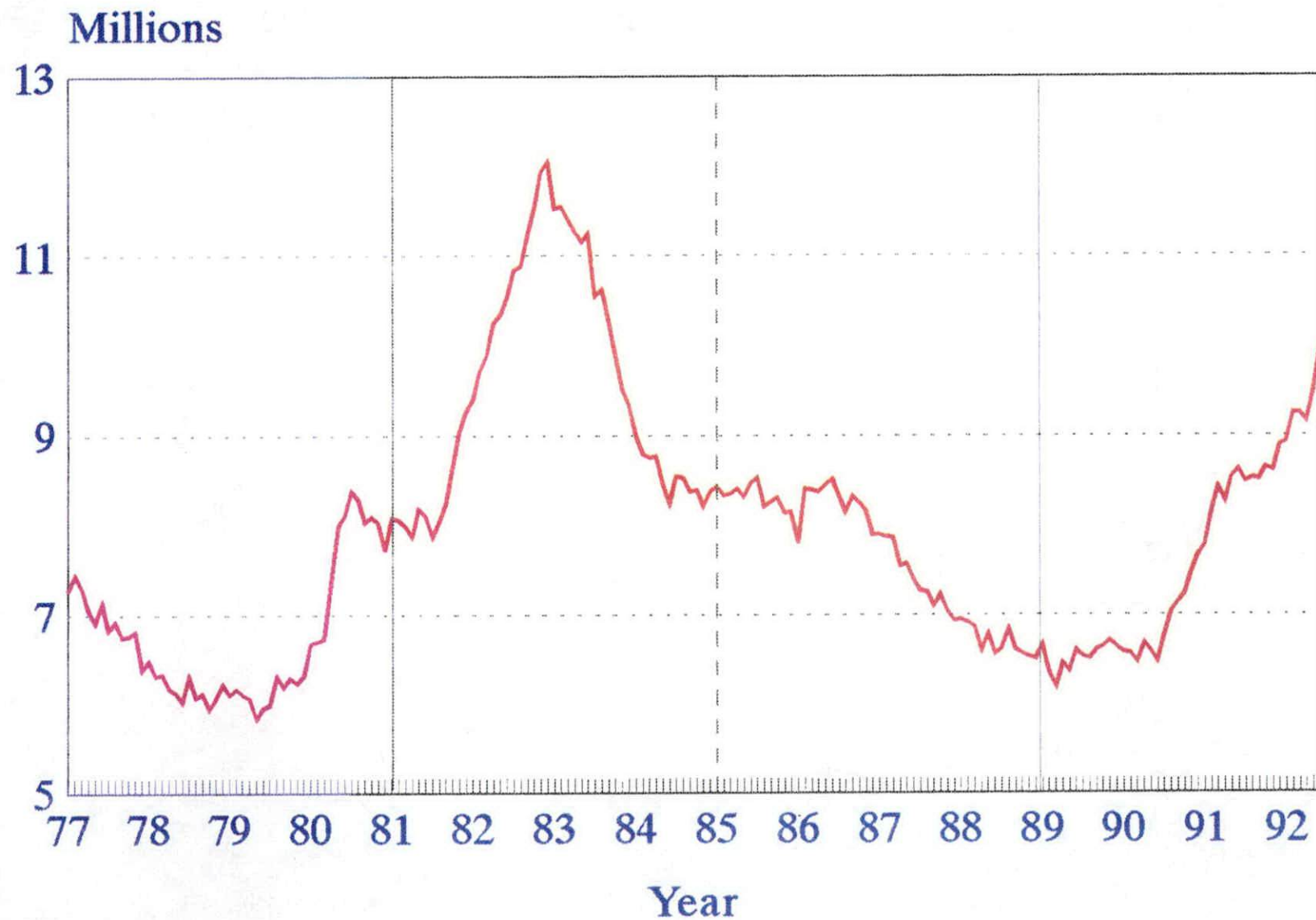


COMPARISON OF EMPLOYMENT CHANGES BY CENSUS REGION



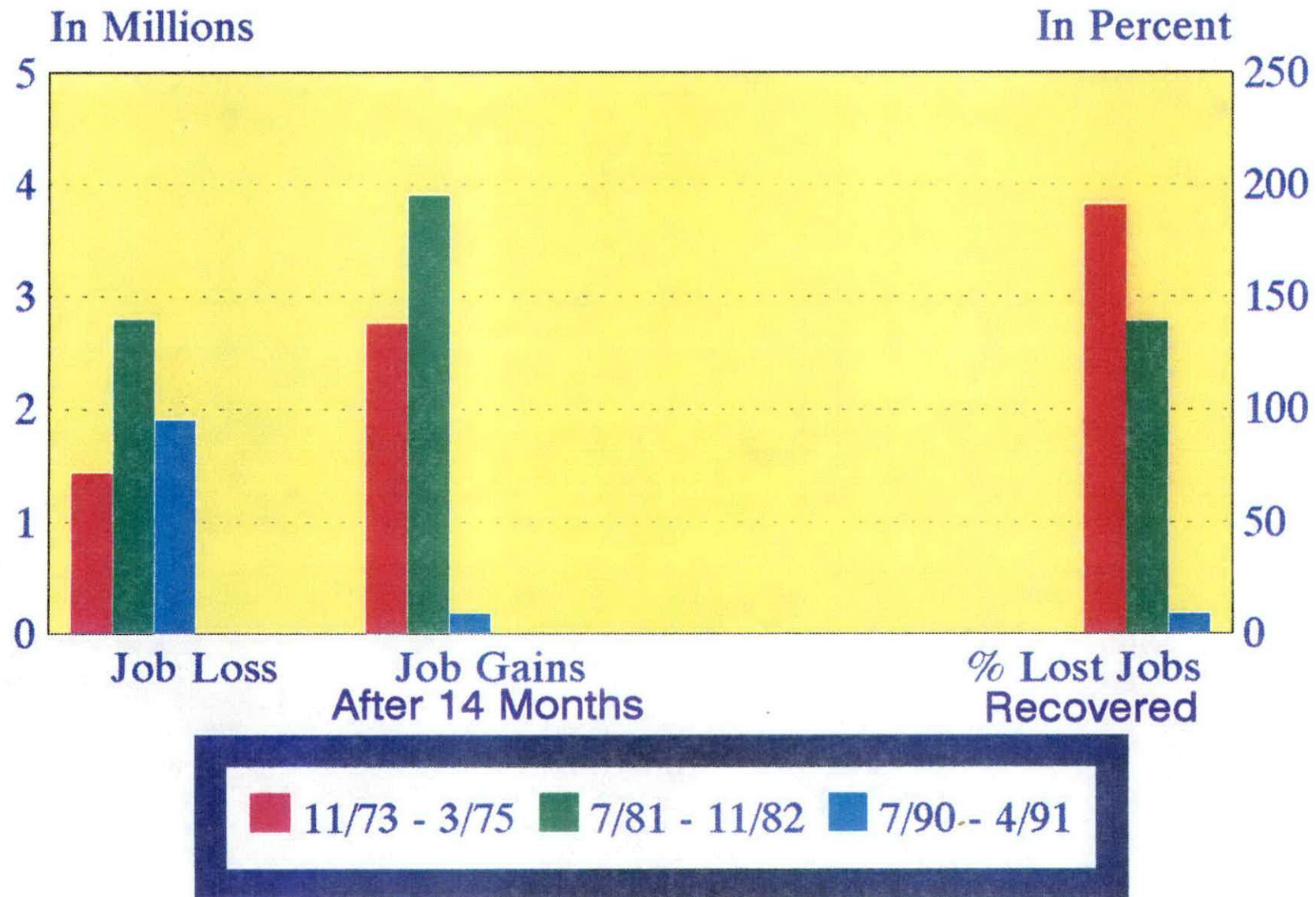
■ 12/82-6/83 ■ 12/91-6/92

UNEMPLOYMENT LEVEL



Comparison of Postwar Recessions

Job Loss and Job Gains



NATIONAL BUREAU OF ECONOMIC RESEARCH

PEAKS AND TROUGHS--

Postwar Averages

PEAK	TROUGH	JOB GAIN	
		% JOB GAIN AFTER 14 MOS.	% OF LOST JOBS RECOVERED AFTER 14 MONTHS
NOV. 48	OCT. 49	9.2%	174%
JULY 53	MAY 54	4.0%	128%
AUG. 57	APR. 58	5.5%	132%
APR. 60	FEB. 61	3.8%	169%
DEC. 69	NOV. 70	3.0%	244%
NOV. 73	MAR. 75	3.6%	191%
JAN. 80	JULY 80	1.9%	151%
JULY 81	NOV. 82	4.4%	139%
		-----	-----
		4.4%	166%

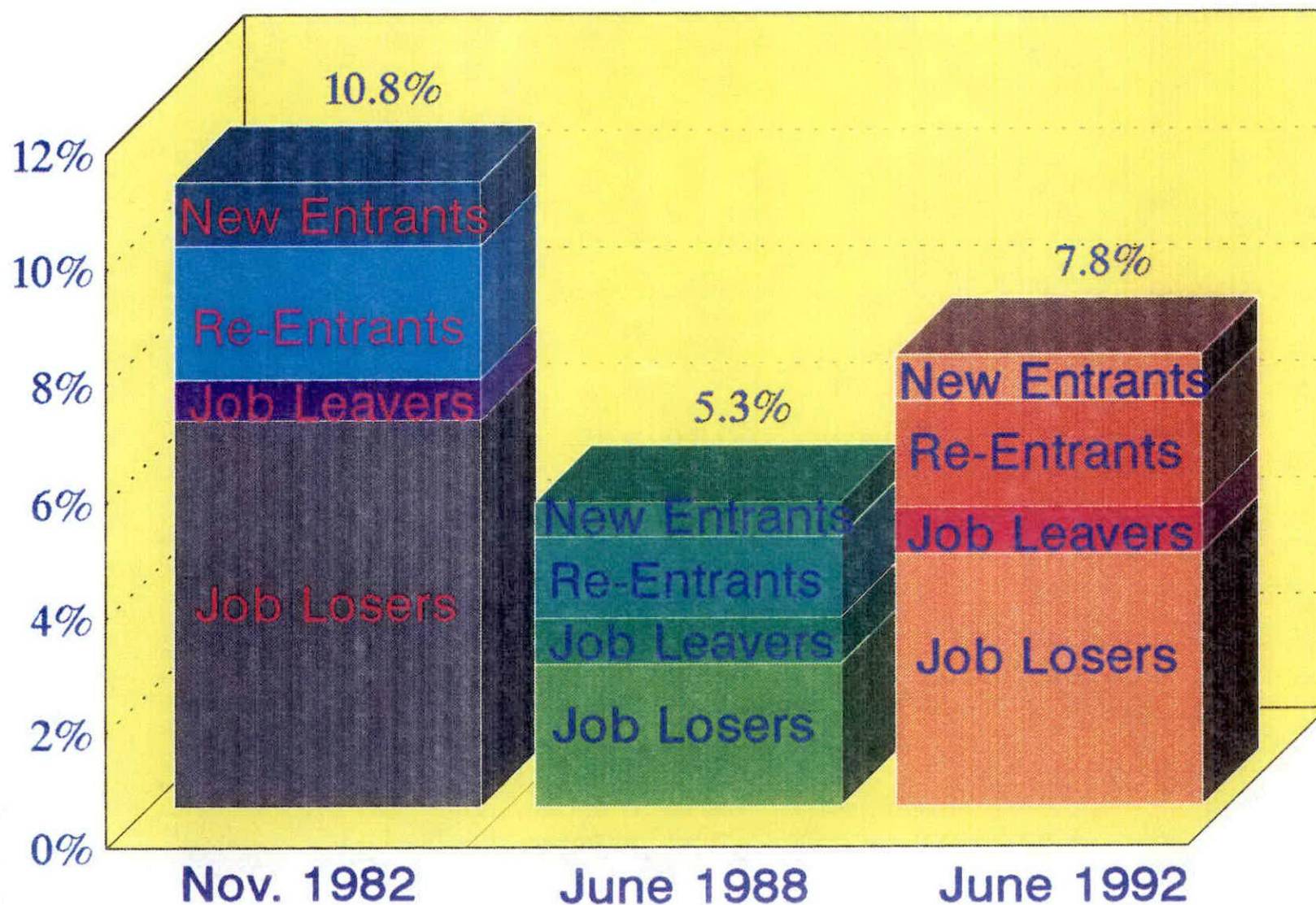
1990 Recession

PEAK	TROUGH?	% JOB GAINAFTER 14 MONTHS	% OF LOST JOBS RECOV. AFT. 14 MOS.
JULY 90	APR. 91	0.2%	9%
		...AFTER 5 MONTHS	...AFTER 5 MONTHS
JULY 90	JAN. 92	0.2%	13%
		...AFTER 4 MONTHS	...AFTER 4 MONTHS
JULY 90	FEB. 92	0.2%	11%

Composition of Unemployment

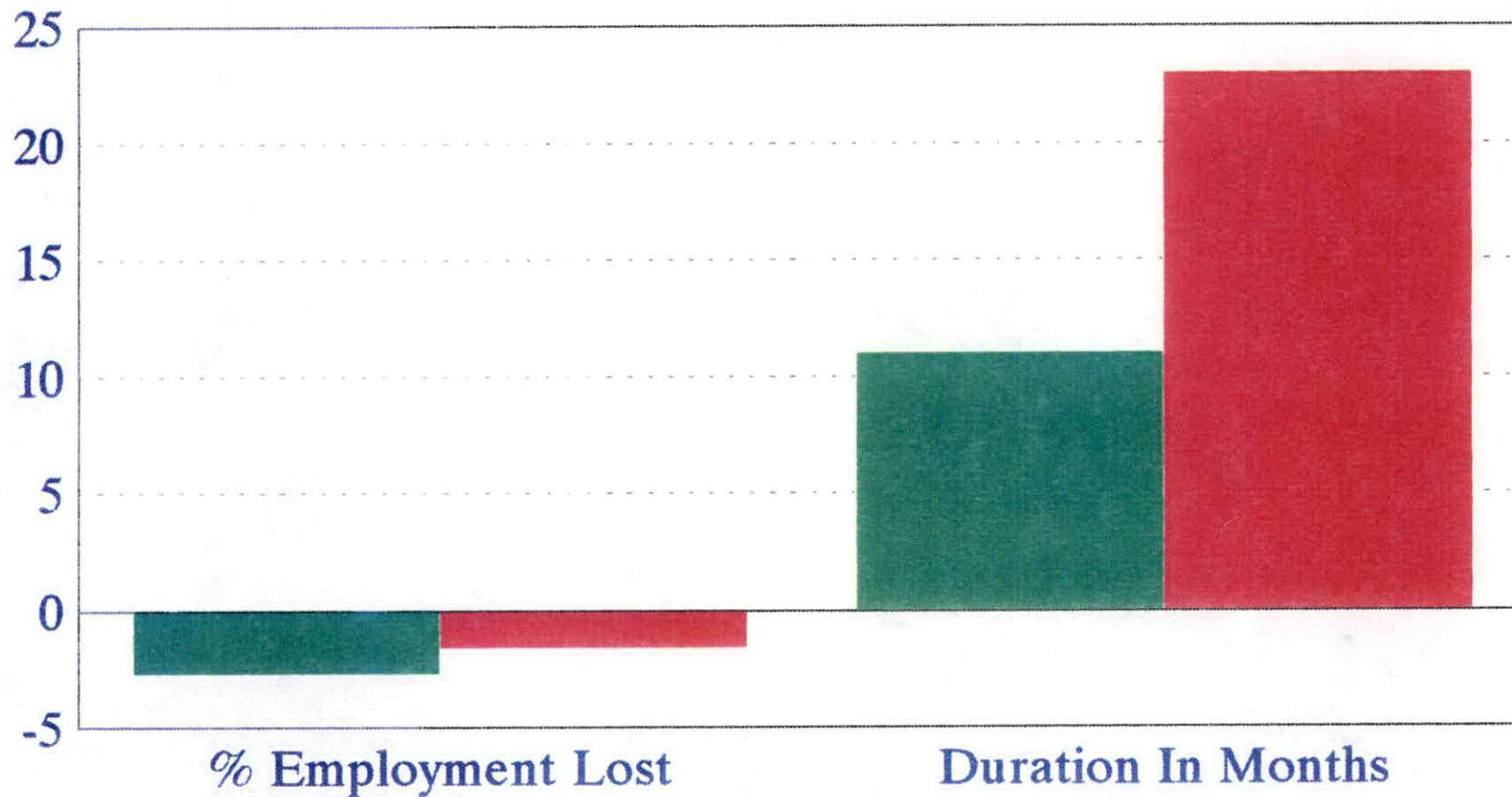
Comparison Nov. 1982, June 1988, and June 1992

(Seasonally Adjusted)



Comparison of Recessions

Postwar Average with 1990-1992

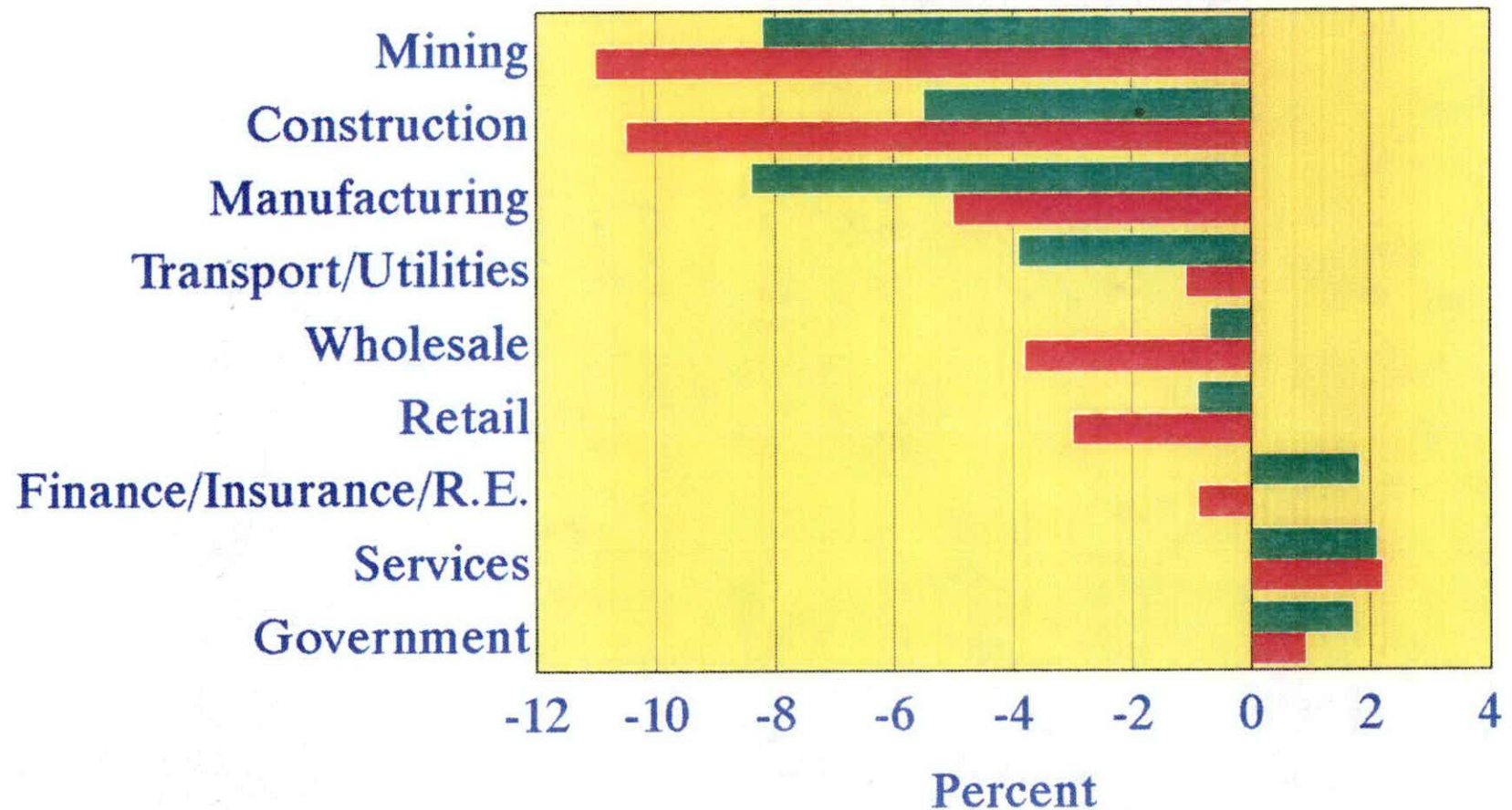


 Avg Postwar Recession  1990-1992

Percent Change in Payroll Employment By Industry

Comparison Postwar Recession Average to 1990-1992

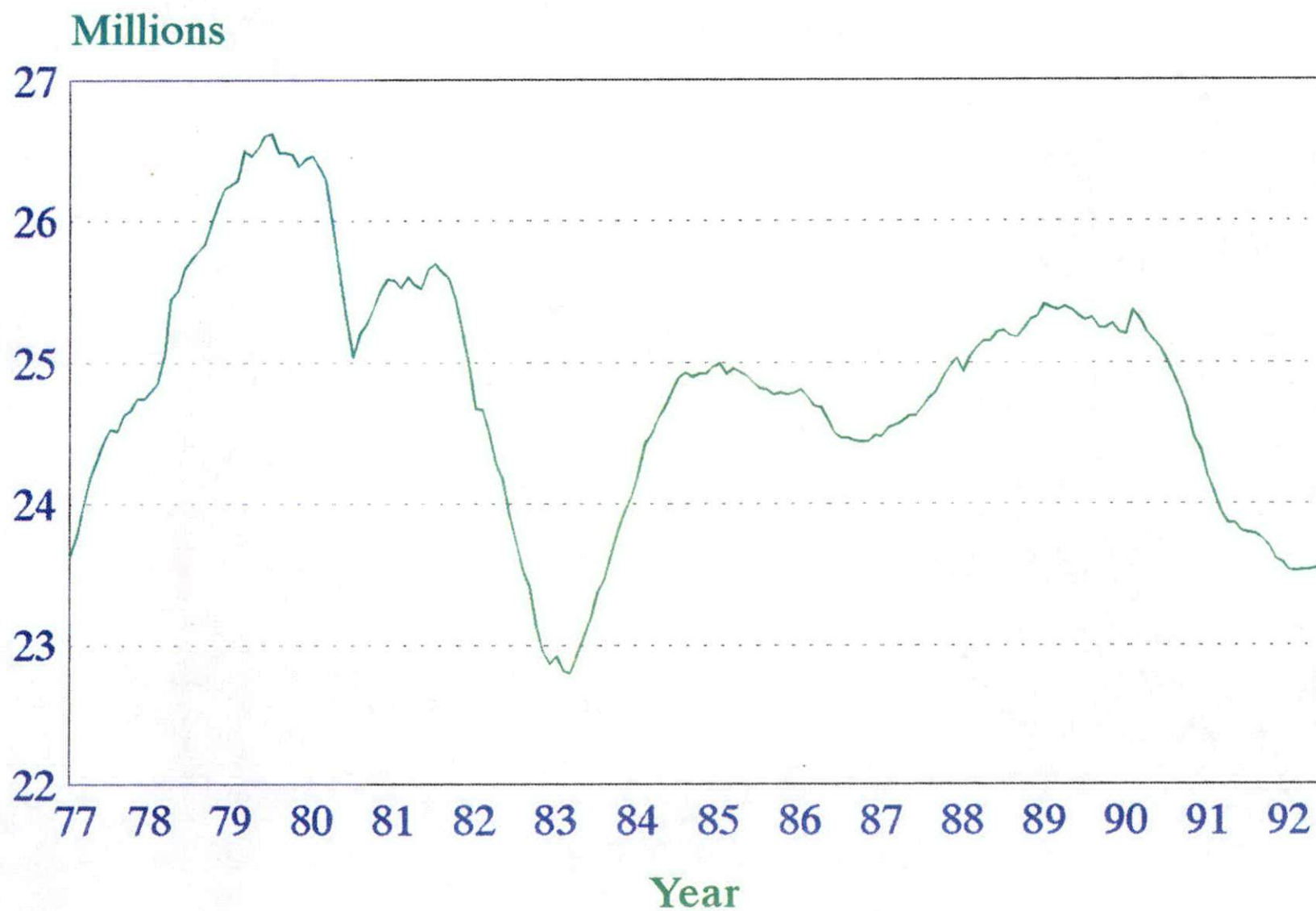
(Seasonally Adjusted)



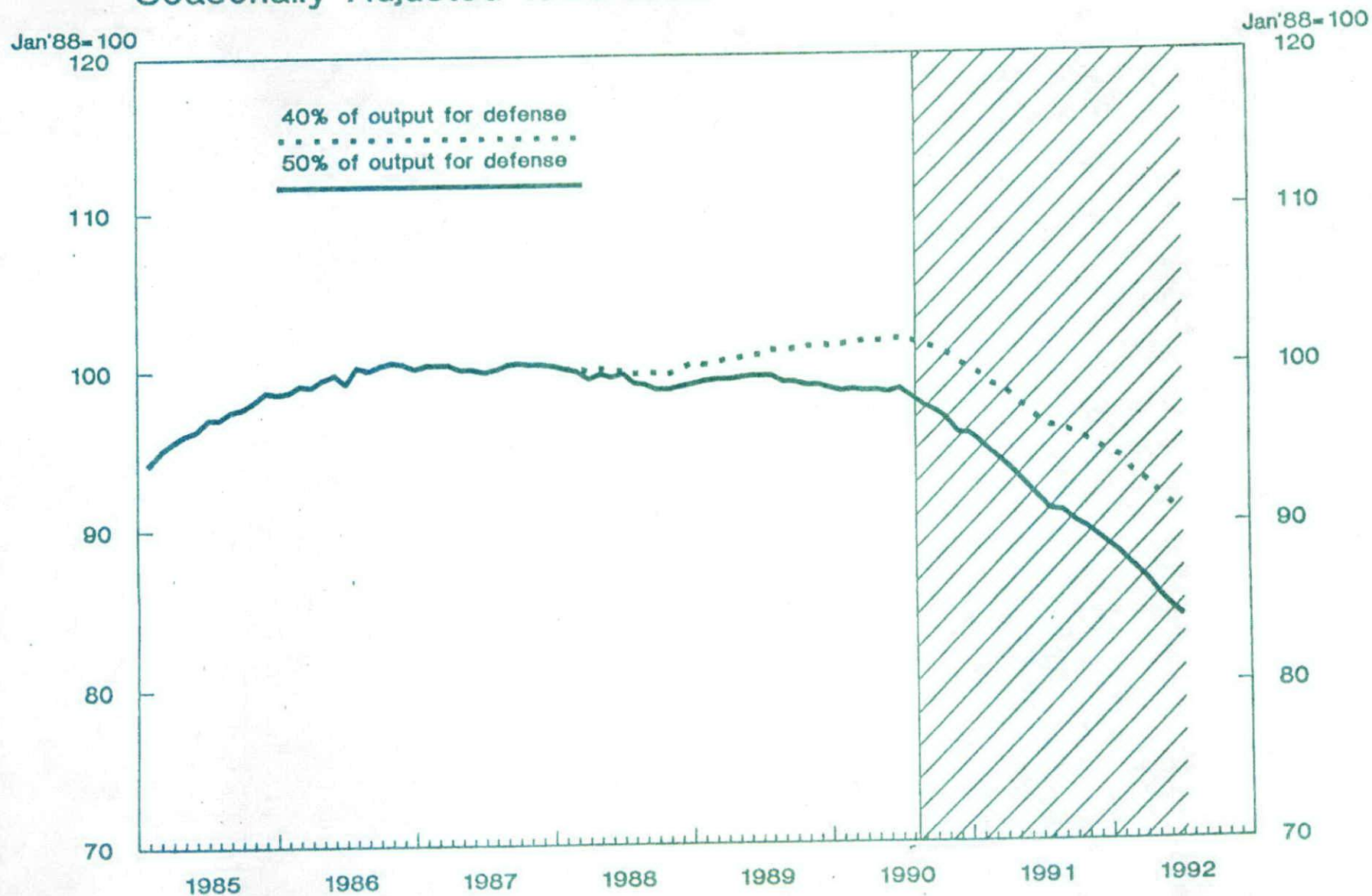
■ Postwar Average ■ 1990-1992

Employment in the Goods Producing Sector

January 1977 to June 1992



Indexes of Employment in Defense-Related Industries, Seasonally Adjusted 1985-1992

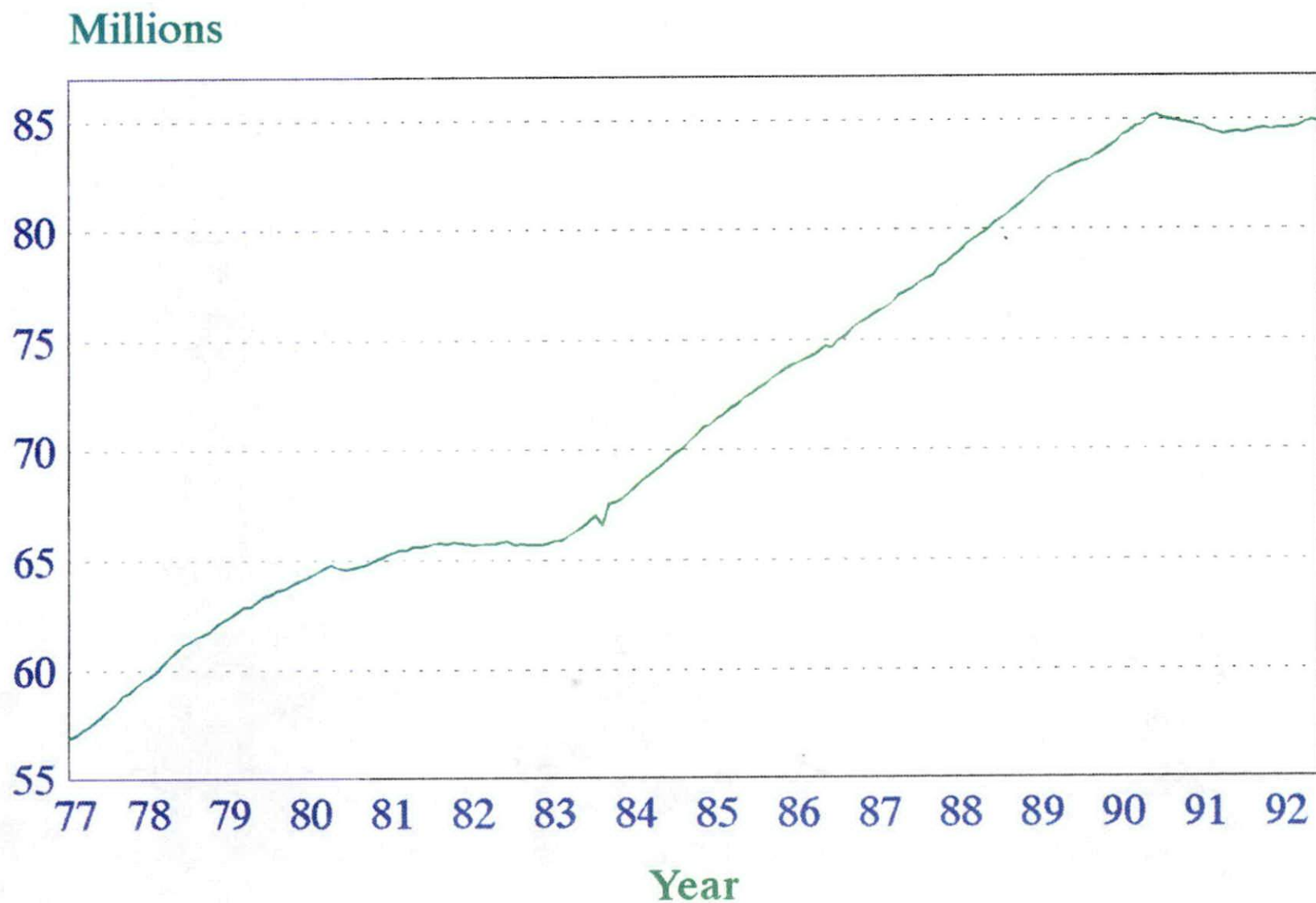


NOTE: Shaded area denotes recession; endpoint for 1990-92 recession has not yet been determined.

Defense-Related (40%) starts in 1988.

Employment in the Services Producing Sector

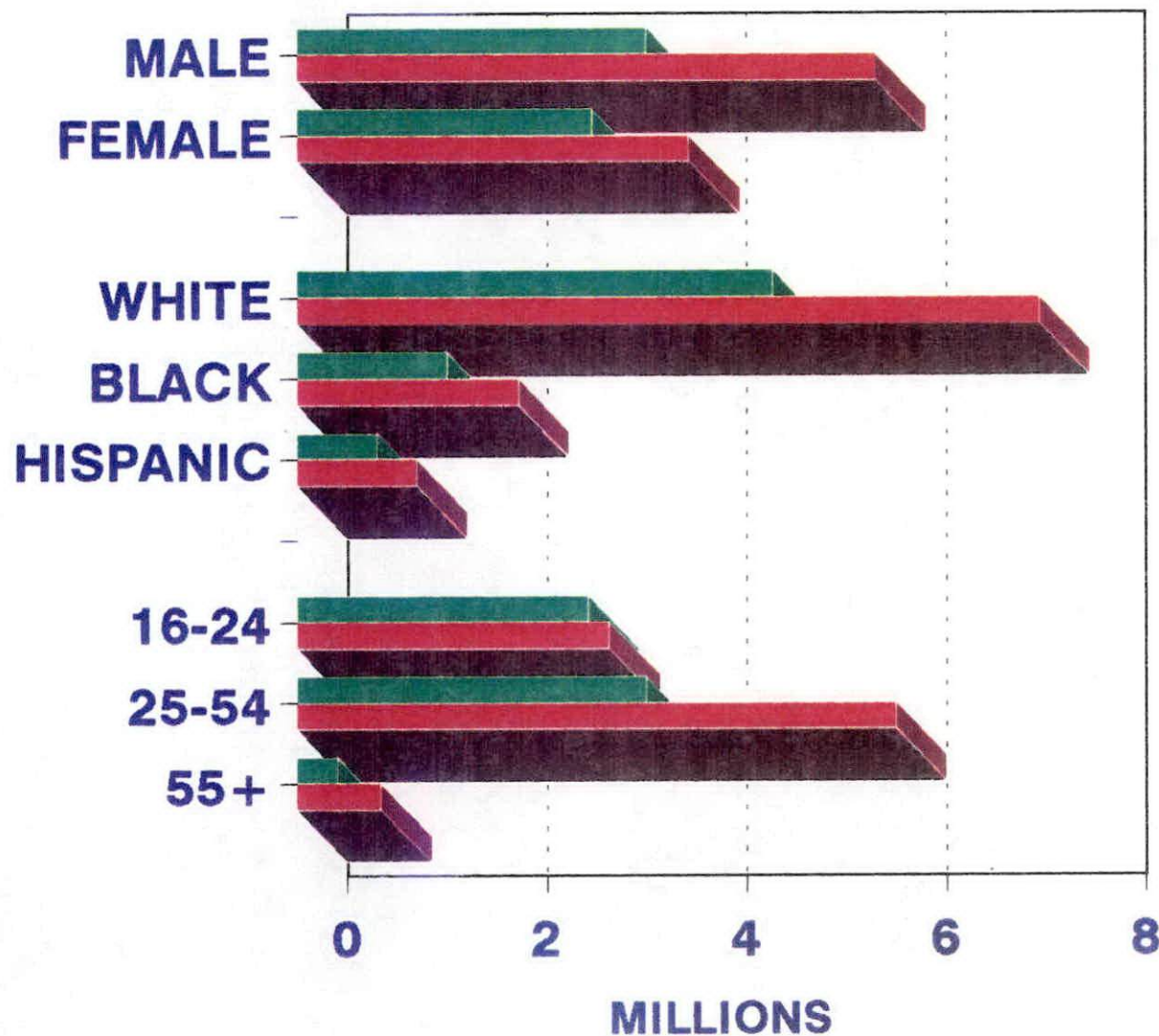
January 1977 to June 1992



UNEMPLOYMENT BY SEX, RACE AND AGE

Comparison June 1988 to June 1992

(SEASONALLY ADJUSTED)

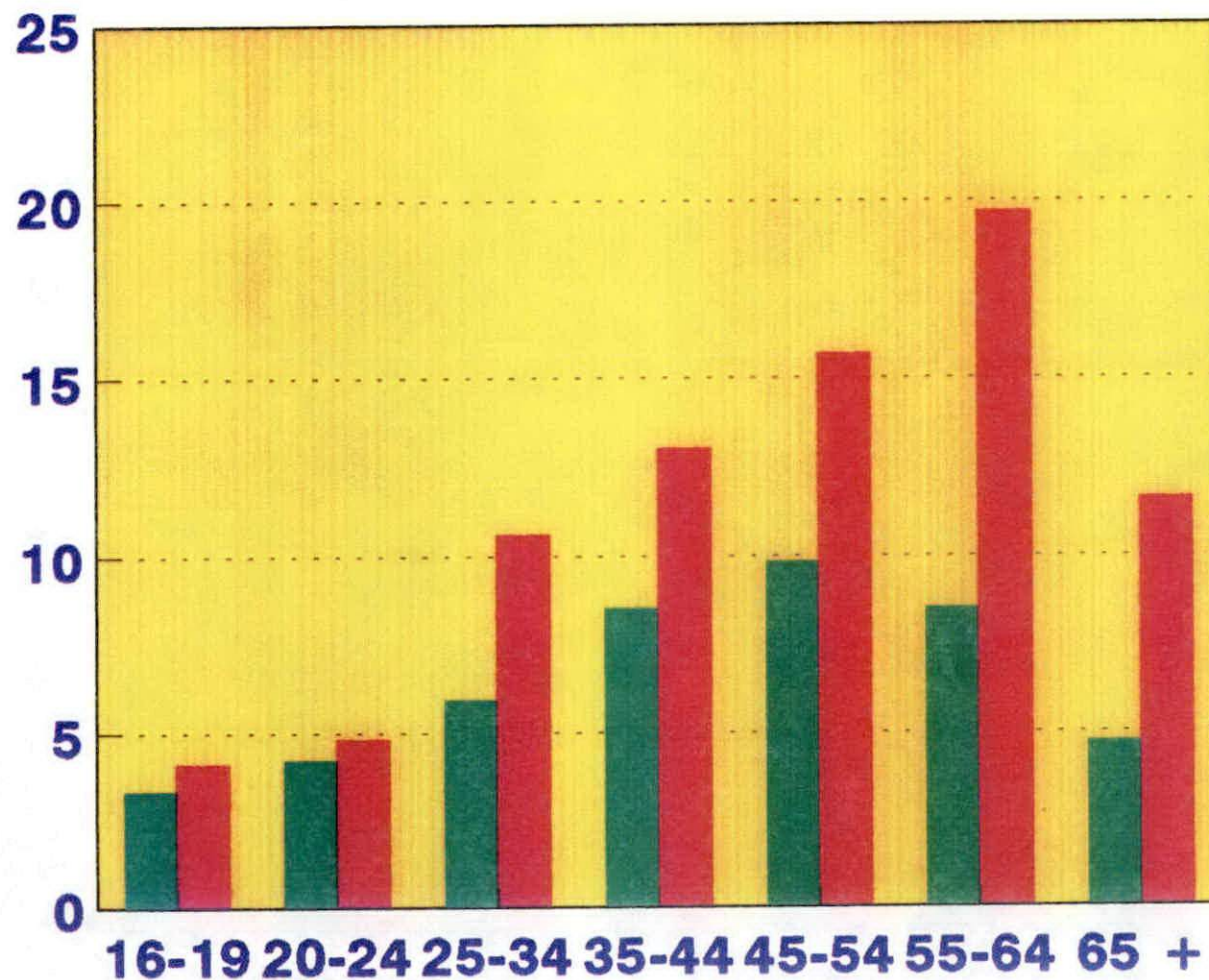


 JUNE 1988

 JUNE 1992

Unemployment by Age

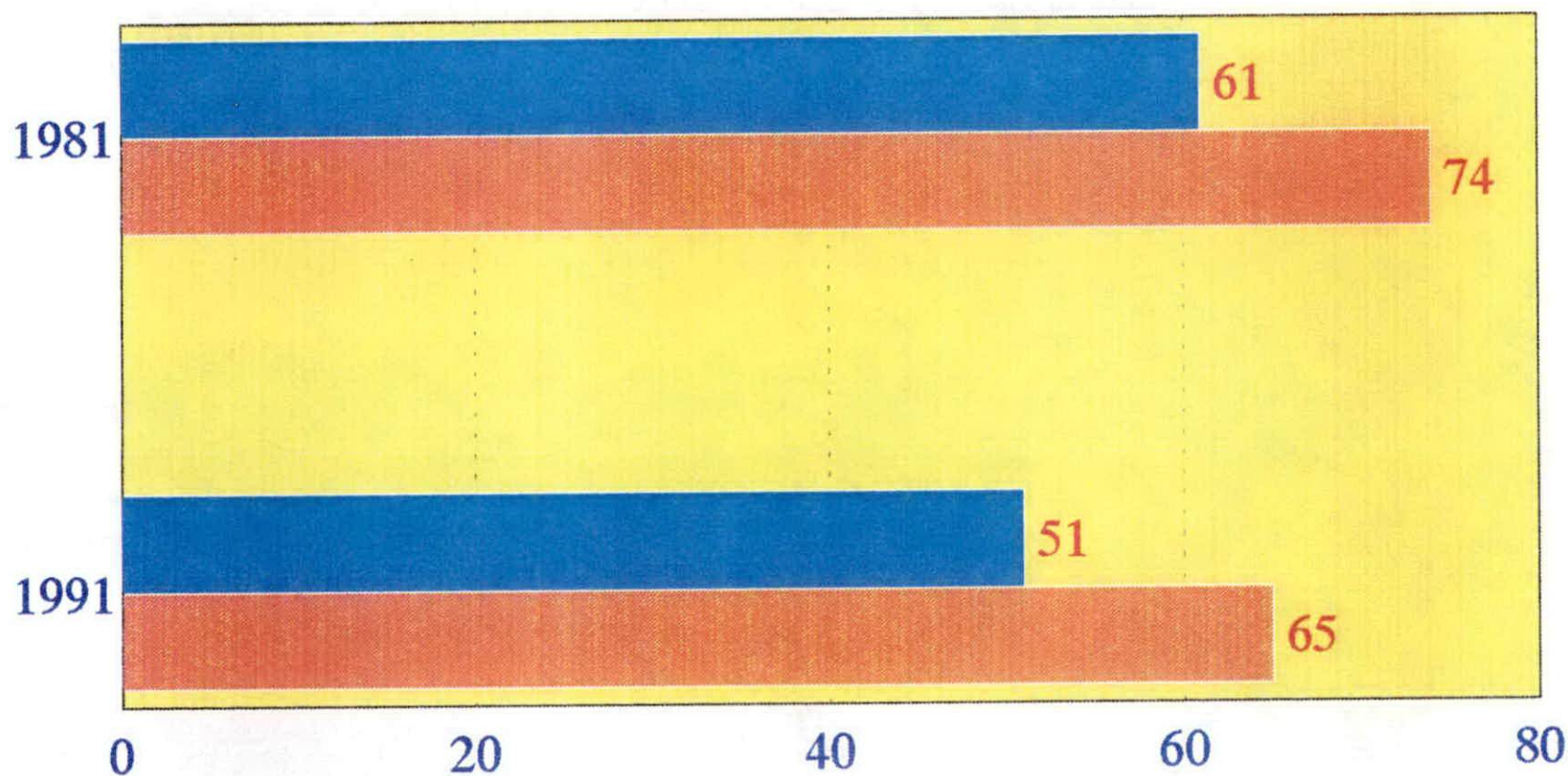
Comparison June 1988 to June 1992
Median Duration in Weeks



Educational Earnings Gap Full-Time Workers Age 25+

High School Dropouts and Graduates

Compared to College Graduates

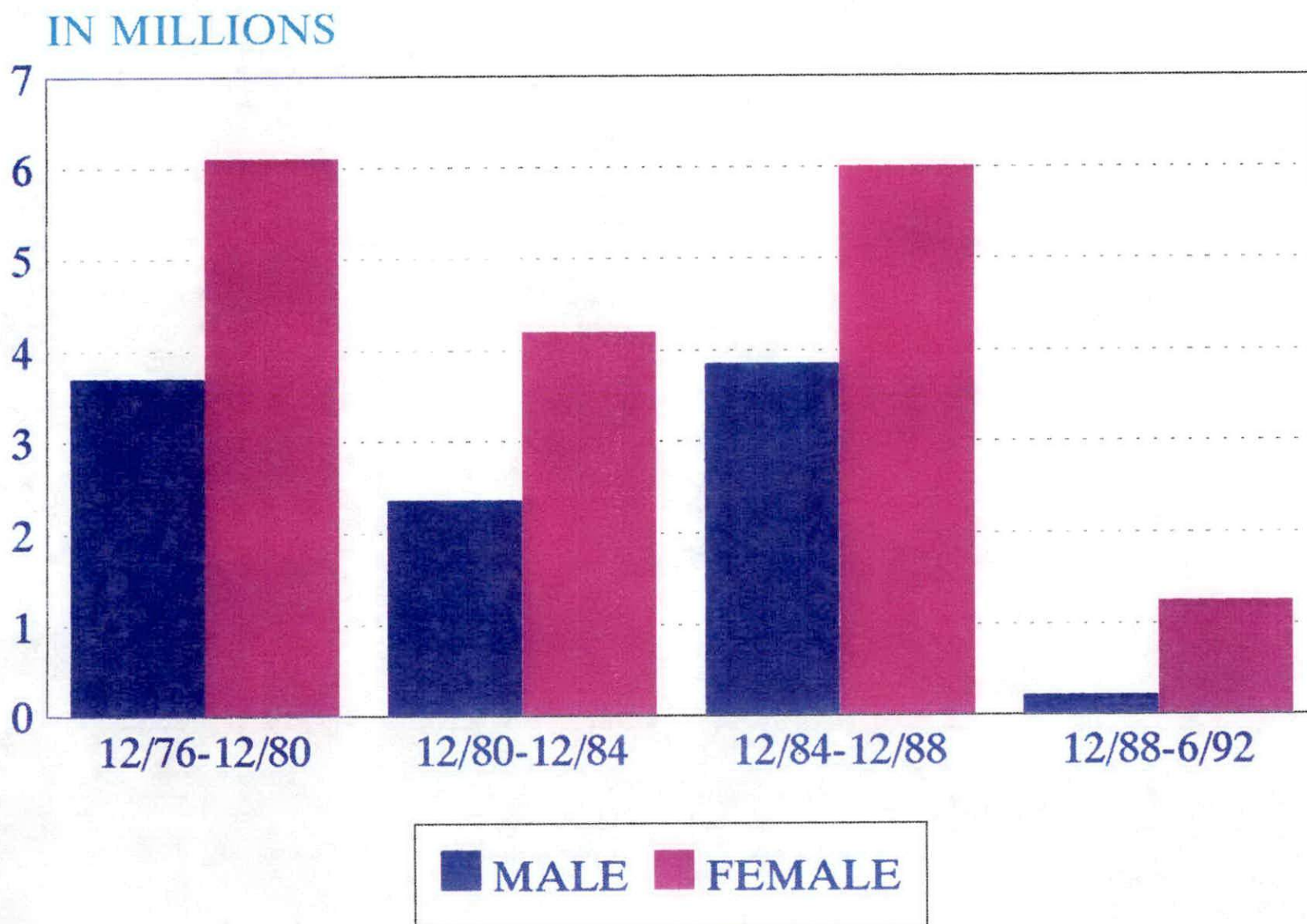


Percentage of Average College Graduate's Earnings

■ HS Dropout ■ HS Graduate

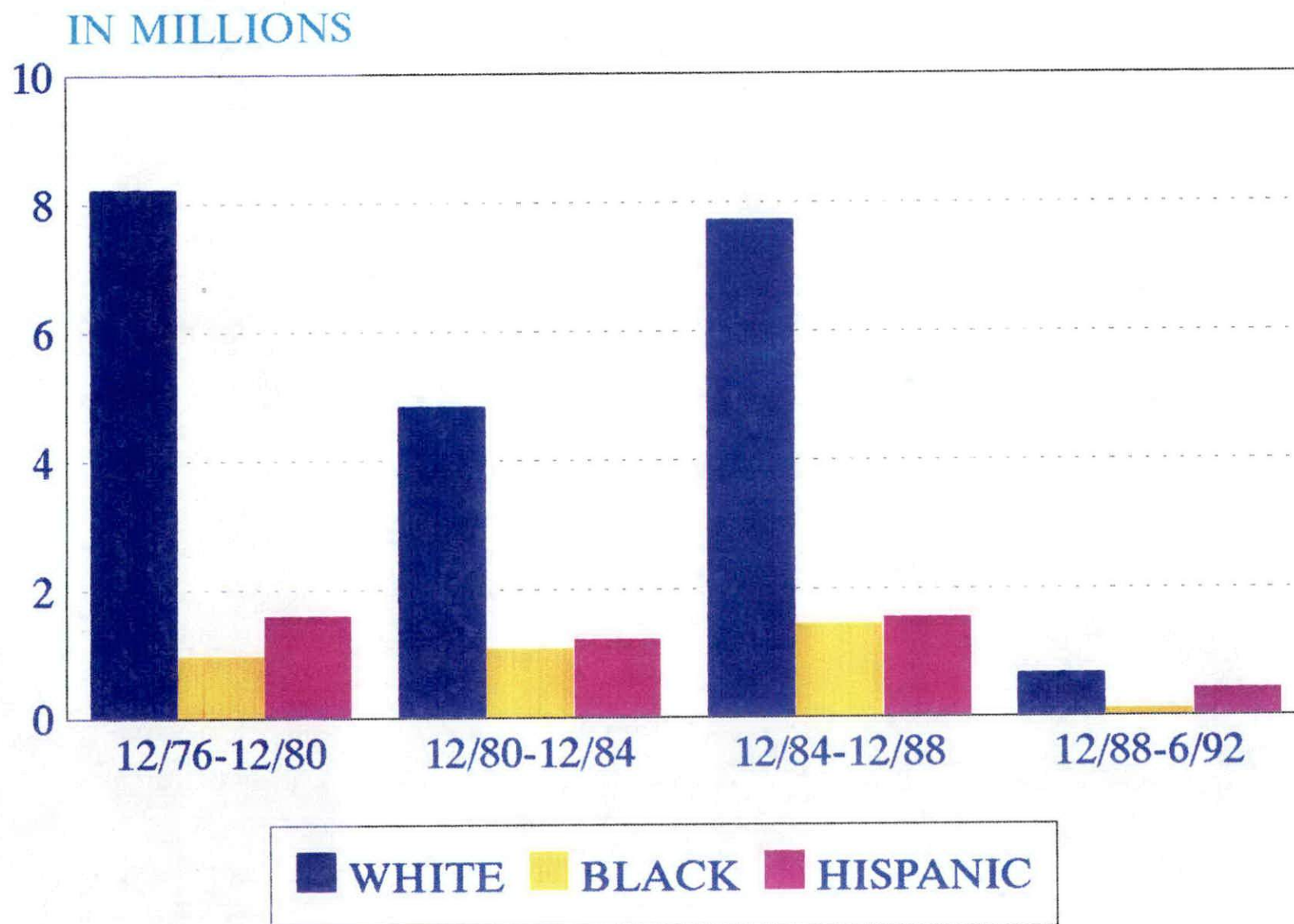
EMPLOYMENT GROWTH BY SEX

(SEASONALLY ADJUSTED)



EMPLOYMENT GROWTH BY RACE

(SEASONALLY ADJUSTED)



Labor Market Briefing

The National Bureau of Economic Research (NBER) dated the beginning of the most recent recession as July, 1991. Although the economic growth, as measured by real Gross Domestic Product (GDP) has increased for four consecutive quarters since the 2nd quarter of 1991, the NBER has not officially dated the end point of the recession. The rate of economic growth, however, has not been sufficient to recoup the jobs lost during the recession.

- 1) Both employment and the labor force have generally increased over the 1977-1992 time period. In both the 1981-82 and the most recent recession, labor force growth greatly exceeded employment growth, resulting in increased unemployment and unemployment rates. However, in this recession employment growth in the recovery period has been essentially flat. This is uncharacteristic of typical postwar recessions.
 - Since December 1991--the month in which employment stopped its decline--employment has increased by a modest 846,000 while labor force growth has surged by almost 2.0 million. This has resulted in an increase in unemployment since December 1991 of 1.1 million and an increase in the unemployment rate of 0.7 percentage point to 7.8 percent in June.
- 2) Payroll employment has generally increased since 1977, although it declined in both the 1981-82 recession and the most recent recession. Like the current household survey however, payroll employment has been essentially flat since December 1991.
- 3) Employment growth during this recovery period has been less in each region of the country than the 1982-83 recovery. The difference is most striking for the Northeast and West. Indeed, in the Northeast employment has actually declined.
- 4) Unemployment increased substantially during both of the past two recessions. Unemployment during the current period is significantly less than that during the 1981-83 period. However, while the number of unemployed fell sharply following the trough of the 1981-82 recession, the number of unemployed has continued to rise in the 1992 recovery period.

- 5) When compared to previous recessions, the current experience is unique. After 14 months after the period of job loss, there has been virtually no job gains during this recession period.
- 6) Most of the difference in the unemployment rate during June 1992 compared to June 1988 (e.g., a full employment benchmark month) is the result of job losses. While job losses in June 1992 were less than in November 1982, the longer duration of this recession means that there are more job losers over the course of this recession.
- 7) While the percentage decline in payroll employment during the current recession is less than that during the average postwar recession, the current recession far exceeds the average duration of postwar recessions.
- 8) Unlike previous recessions, the employment declines in the trade and financial services industries have been significantly greater. In fact, unlike in the current recession, employment in the financial services industries typically rose during previous postwar recessions.
- 9) Employment in the goods producing sector (i.e., mining, construction, manufacturing) declined substantially during both of the past 2 recessions. However, unlike the 1981-82 recession, employment in this sector in the current period has not posted a cyclical rebound.

-- One of the factors contributing to the continuing weakness in manufacturing employment are the employment cutbacks in defense related industries.
- 10) Employment in the services producing sector (e.g., finance, trade, transportation) flattened in the 81-82 recession during the period of negative growth, but then grew during the period of recovery. In this recession, we witnessed a decline in this sector during the period of negative growth. During the recovery period employment growth has been flat.
- 11) Unemployment of males, whites and 25-54 year olds was significantly higher during June 1992 compared to June 1988 (e.g., a full employment benchmark month).
- 12) Also, the median duration of unemployment for older workers was significantly higher during June 1992 compared to June 1988 (e.g., a full employment benchmark month).

- 13) The earnings of both high school dropouts and graduates declined significantly in relation to the earnings of college graduates in 1991 compared to 1981. This highlights the fact that the re-employment of these groups of workers will require not only economic growth but also job training.
- 14) Employment growth by sex - selected periods
- 15) Employment growth by race - selected periods