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2009-0166-S

FOIA MARKER

**This is not a textual record. This is used as an
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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90714
Folder ID Number: 90714-003

Folder Title:
Friday, September 4, 1992 [1]

Stack:	Row:	Section:	Shelf:	Position:
G	35	2	3	0

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President Re: Fredericksburg, Virginia [FOIA exemptions redacted] (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	
02. Schedule	Schedule of the President Re: Fredericksburg, Virginia [FOIA exemptions redacted] (6 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	
03. Diagram	Seathing Diagram of VH-3D Re: South Lawn to Fredericksburg, VA LZ (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	
04. Diagram	Seathing Diagram of VH-3D Re: Fredericksburg, VA LZ to South Lawn (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	
05. Memo	Lawrence Eagleburger to POTUS [originally closed as 01] (1 pp.)	09/03/1992	(b)(1)	S

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, September 4, 1992 [1]

Pinksheet Number: DJC3200

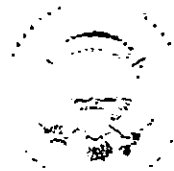
OA/ID Number: 90714-003

Date Closed: 9/30/2019

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

Re-review Case #:

P-2/P-5 Review Case #:



SCHEDULE OF THE PRESIDENT
Friday, September 4, 1992

8:00 am (15 min)	<u>Meeting with Chief of Staff</u>	Oval Office
8:15 am (15 min)	<u>Meeting with Director Darman and Robert Zoellick</u>	Oval Office
8:30 am (15 min)	<u>Intelligence Briefing</u> (Scowcroft)	Oval Office
8:45 am (30 min)	<u>National Security Briefing</u> (Scowcroft)	Oval Office
9:15 am (40 min)	<u>Personal Staff Time</u>	Oval Office
9:55 am	The President departs for <u>Fredericksburg, Virginia</u>	(TAB A -- South Lawn Trip Schedule)
10:40 am	Arrives for Visit to Fred- <u>ericksburg Hardware Store</u> (Demarest)	(TAB B) Fredericksburg, Virginia
10:55 am	Arrives Goolrick's Drug Store for Address to the Fredericks- <u>burg Community</u> (Demarest)	(TAB C)
12:15 pm	<u>Arrives White House</u>	South Lawn
12:15 pm (75 min)	<u>Lunch</u>	Oval Office
1:30 pm (30 min)	<u>Meeting with Acting Secretary</u> <u>Eagleburger</u>	Oval Office
2:00 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (60 min)	<u>Prebrief for Tom Brokaw</u> <u>Interview on Sunday</u> (Smith)	(TAB F) Oval Office
4:00 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
	<u>SUPPLEMENTARY BRIEFING MATERIAL</u>	

TAB D -- Briefing on Local Issues, Virginia (Moore)

TAB E -- Virginia Political Briefing (Mullins)

UNP 09/03/92
7:00 pm

THE WHITE HOUSE
WASHINGTON

VISIT OF THE PRESIDENT
TO
FREDERICKSBURG, VIRGINIA
SEPTEMBER 4, 1992

EVENT: Visit Fredericksburg Hardware Store

DATE: Friday, September 4, 1992

TIME: 10:48 am - 10:53 am

LOCATION: Fredericksburg Hardware Store

ATTENDEES: 25 Employees

PRESS: Expanded Pool

SCENARIO: THE PRESIDENT arrives Fredericksburg Hardware Store and is met by: Mr. Hunter Janney, Son of Mr. H.M. "Mac" Janney, Owner/Operator, Fredericksburg Hardware Store. Following the Greeting, THE PRESIDENT proceeds to Sales Floor. THE PRESIDENT arrives Sales Floor and is met by: Mr. H.M. "Mac" Janney, Owner/Operator, Fredericksburg Hardware Store. Following the Greeting, THE PRESIDENT begins participation in Visit. THE PRESIDENT concludes participation in Visit, departs Sales Floor and boards Motorcade. THE PRESIDENT departs Fredericksburg Hardware Store en route Goolrick's Drug Store.

The backdrop will be tool racks with a sign reading "Fredericksburg Hardware." The Press are located straight-on at 15 feet.

THE WHITE HOUSE
WASHINGTON

VISIT OF THE PRESIDENT
TO
FREDERICKSBURG, VIRGINIA
SEPTEMBER 4, 1992

EVENT: Address Fredericksburg Community

DATE: Friday, September 4, 1992

TIME: 11:05 am - 11:26 am

LOCATION: Goolrick's Drug Store

ATTENDEES: 1,200

PRESS: Open

SCENARIO: THE PRESIDENT arrives Goolrick's Drug Store and is met by: Mr. Steve May, Owner/Pharmacist, Goolrick's Drug Store and Ms. Dori Eglevsky, President, Fredericksburg Chamber of Commerce. Following the Greetings, THE PRESIDENT, accompanied by Ms. Eglevsky, proceeds to Off-Stage Announcement Area. THE PRESIDENT, accompanied by Ms. Eglevsky, arrives Off-Stage Announcement Area and holds briefly. THE PRESIDENT, accompanied by Ms. Eglevsky, is announced onto Stage and remains Standing (Enter Stage Right). THE PRESIDENT is introduced for Remarks by Ms. Eglevsky. THE PRESIDENT makes Remarks. THE PRESIDENT concludes Remarks and proceeds to Table. THE PRESIDENT arrives Table and begins participation in Bill Signing. THE PRESIDENT concludes participation in Bill Signing, departs Stage and boards Motorcade (Exit Stage Right).

The backdrop will be Goolrick's Pharmacy Store Front. The Press platform is located straight-on at 70 feet. A cutaway platform is located 40 feet, stage left.

Withdrawal/Redaction Sheet

(George Bush Library)

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01. Schedule	Schedule of the President Re: Fredericksburg, Virginia [FOIA exemptions redacted] (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	

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Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, September 4, 1992 [1]

Date Closed: 9/30/2019

OA/ID Number: 90714-003

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

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

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

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

Deed of Gift Restrictions

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

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

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

THE WHITE HOUSE
WASHINGTON

SCHEDULE OF THE PRESIDENT
FOR
FREDERICKSBURG, VIRGINIA
SEPTEMBER 4, 1992

EVENTS:

Visit Fredericksburg Hardware Store
Address Fredericksburg Community

DRESS:

Men - Business Suit
Women - Day Dress

CONTACT:

Office of Presidential Advance
Ed Murnane - 202/456-7565

Trip Coordinator
Suzanne Faulk - 202/456-7565

Fredericksburg, VA Signal - 202/757-5000

ADVANCE:

Jack McDougale - LEAD
Peter Sobich - PRESS
(b)(7)(C)(b)(7)(e)(b)(7)(f) - USSS
Joe Walsh - MIL. AIDE
Lori Colodney - WHCA
Glenn Graham - HMX

WEATHER:

Mostly Cloudy/low 80s

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Schedule	Schedule of the President Re: Fredericksburg, Virginia [FOIA exemptions redacted] (6 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	

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Subseries:

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File Location: Friday, September 4, 1992 [1]

Date Closed: 9/30/2019	OA/ID Number: 90714-003
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:

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SCHEDULE OF THE PRESIDENT

FOR

FREDERICKSBURG, VIRGINIA

SEPTEMBER 4, 1992

GUESTS AND STAFF INSTRUCTIONS:

9:15 am Vans depart West Basement en
route Pentagon Landing Zone.

9:50 am Nighthawk III departs
Pentagon Landing Zone.

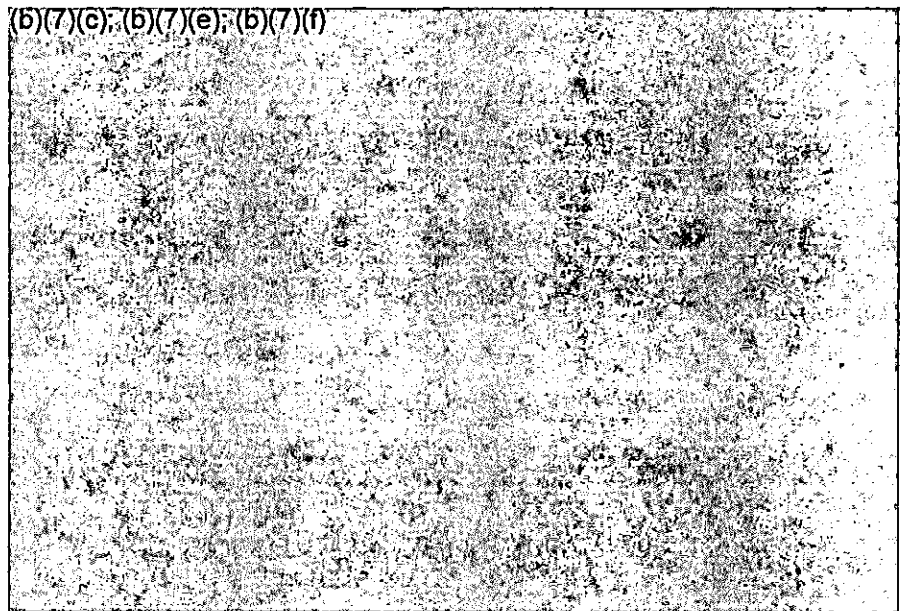
9:55 am Nighthawk II departs Pentagon
Landing Zone.

9:55 am

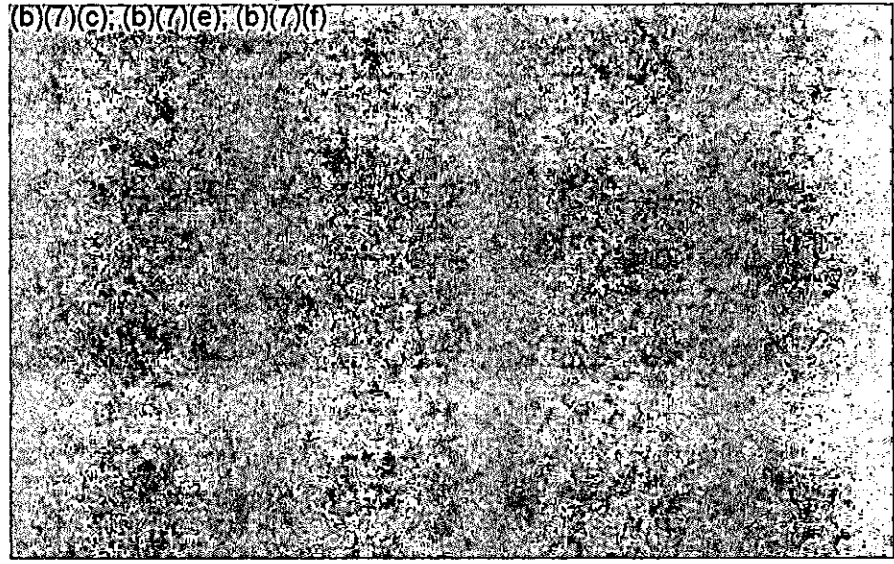
THE PRESIDENT boards Marine One and departs White
House en route Fredericksburg, Virginia.

HELICOPTER ASSIGNMENTS:

(b)(7)(C); (b)(7)(E); (b)(7)(F)



(b)(7)(c); (b)(7)(e); (b)(7)(f)



(Flying Time: 30 Minutes)

10:25 am

THE PRESIDENT arrives Shannon Airport, Fredericksburg, Virginia and boards Motorcade.

Met by:

The Honorable Lawrence Davies
Mayor of Fredericksburg

The Honorable George Allen
U.S. Representative, Virginia

The Honorable Herb Bateman
U.S. Representative, Virginia

Mr. Bill Howell
Virginia State Delegate

Mr. Bobby Orrock
Virginia State Delegate

Ms. Jackie Slape
Chairman, Fredericksburg City GOP

Mr. Duval Dickenson
Chairman, Spotsylvania County GOP

Ms. June Funkhaouser
Chairman, 7th District GOP

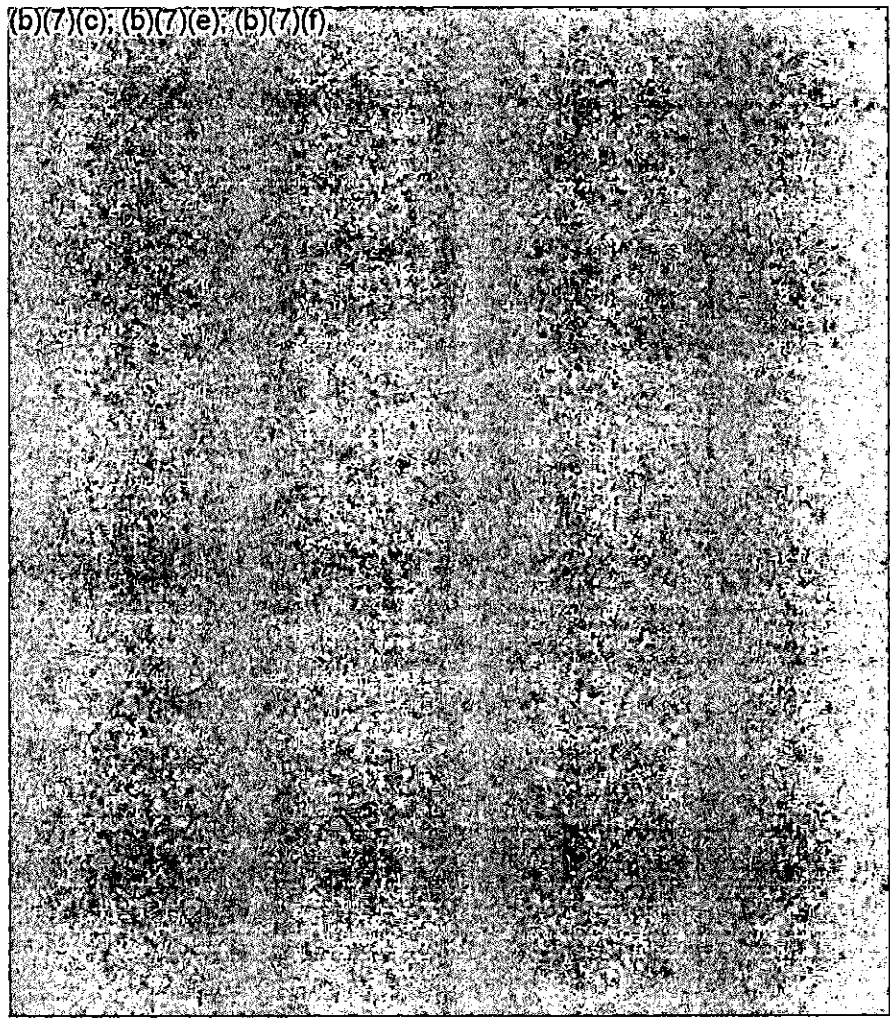
10:35 am

THE PRESIDENT departs Shannon Airport en route Fredericksburg Hardware Store.

Page Two

MOTORCADE ASSIGNMENTS:

(b)(7)(c); (b)(7)(e); (b)(7)(f)



(Drive Time: 10 Minutes)

10:45 am

THE PRESIDENT arrives Fredericksburg Hardware Store and proceeds to Sales Floor.

Met by:

Mr. Hunter Janney
Son of Mr. H.M. "Mac" Janney, Owner/Operator,
Fredericksburg Hardware Store

EVENT: VISIT FREDERICKSBURG HARDWARE STORE

EXPANDED POOL

10:48 am THE PRESIDENT arrives Sales Floor and begins participation in Visit.

Met by:

Mr. H.M. "Mac" Janney
Owner/Operator, Fredericksburg Hardware Store

10:53 am THE PRESIDENT concludes participation in Visit, departs Sales Floor and boards Motorcade.

10:55 am THE PRESIDENT departs Fredericksburg Hardware Store en route Goolrick's Drug Store.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 5 Minutes)

11:00 am THE PRESIDENT arrives Goolrick's Drug Store and proceeds to Off-Stage Announcement Area.

Met by:

Mr. Steve May
Owner/Pharmacist, Goolrick's Drug Store

Ms. Dori Eglevsky
President, Fredericksburg Chamber of Commerce

11:03 am THE PRESIDENT, accompanied by Ms. Eglevsky, arrives Off-Stage Announcement Area and holds briefly.

EVENT: ADDRESS FREDERICKSBURG COMMUNITY

OPEN PRESS

OFF-STAGE ANNOUNCEMENT

REMARKS

BILL SIGNING

TOAST LECTERN

11:05 am THE PRESIDENT, accompanied by Ms. Eglevsky, is announced onto Stage and remains Standing.

11:08 am THE PRESIDENT is introduced for Remarks by Ms. Dori Eglevsky, President, Fredericksburg Chamber of Commerce.

11:10 am THE PRESIDENT makes Remarks.

11:22 am THE PRESIDENT concludes Remarks and proceeds to Signing Table.

11:23 am THE PRESIDENT arrives Table and begins participation in Bill Signing.

11:26 am THE PRESIDENT concludes participation in Bill Signing, departs Stage and boards Motorcade.

11:30 am THE PRESIDENT departs Drug Store en route Shannon Airport.

MOTORCADE ASSIGNMENTS:

Same as on Arrival.

(Drive Time: 10 Minutes)

11:40 am THE PRESIDENT arrives Shannon Airport and boards Marine One.

11:45 am THE PRESIDENT departs Fredericksburg, Virginia en route White House.

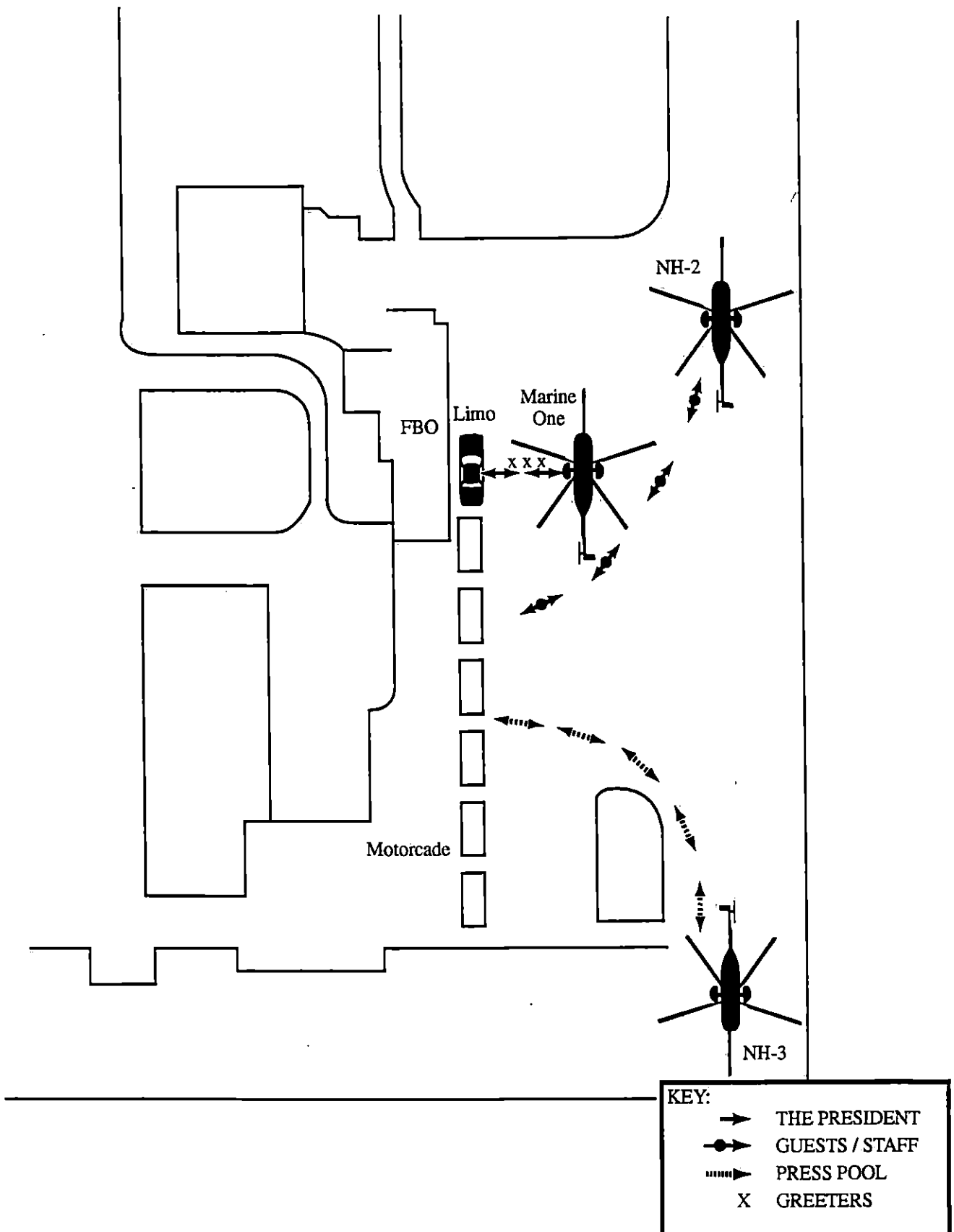
HELICOPTER ASSIGNMENTS:

Same as on Arrival.

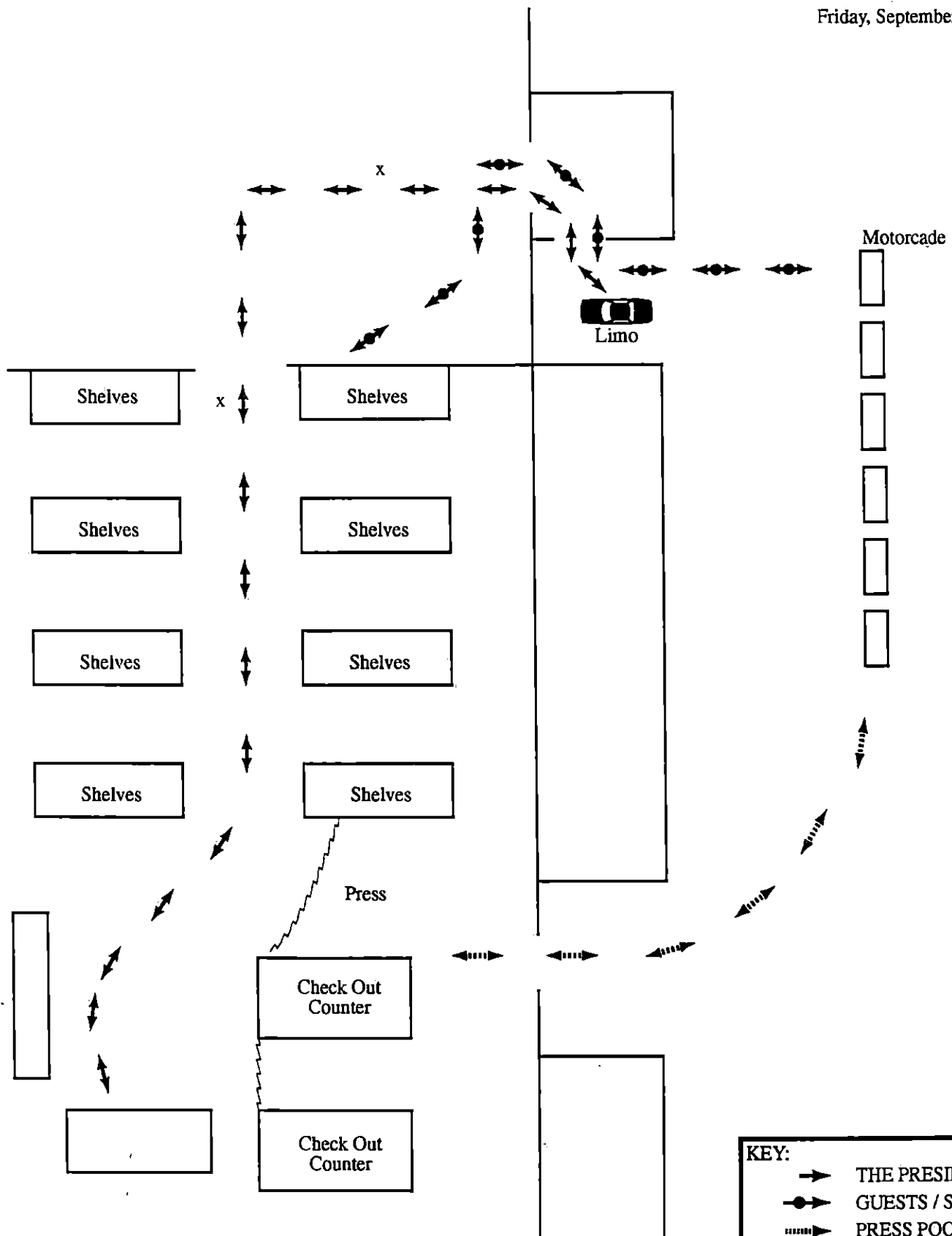
(Flying Time: 30 Minutes)

12:15 pm THE PRESIDENT arrives White House.

TAB A
 FREDERICKSBURG, VIRGINIA
 Shannon Airport
 Arrival/Departure Diagram
 Friday, September 4, 1992



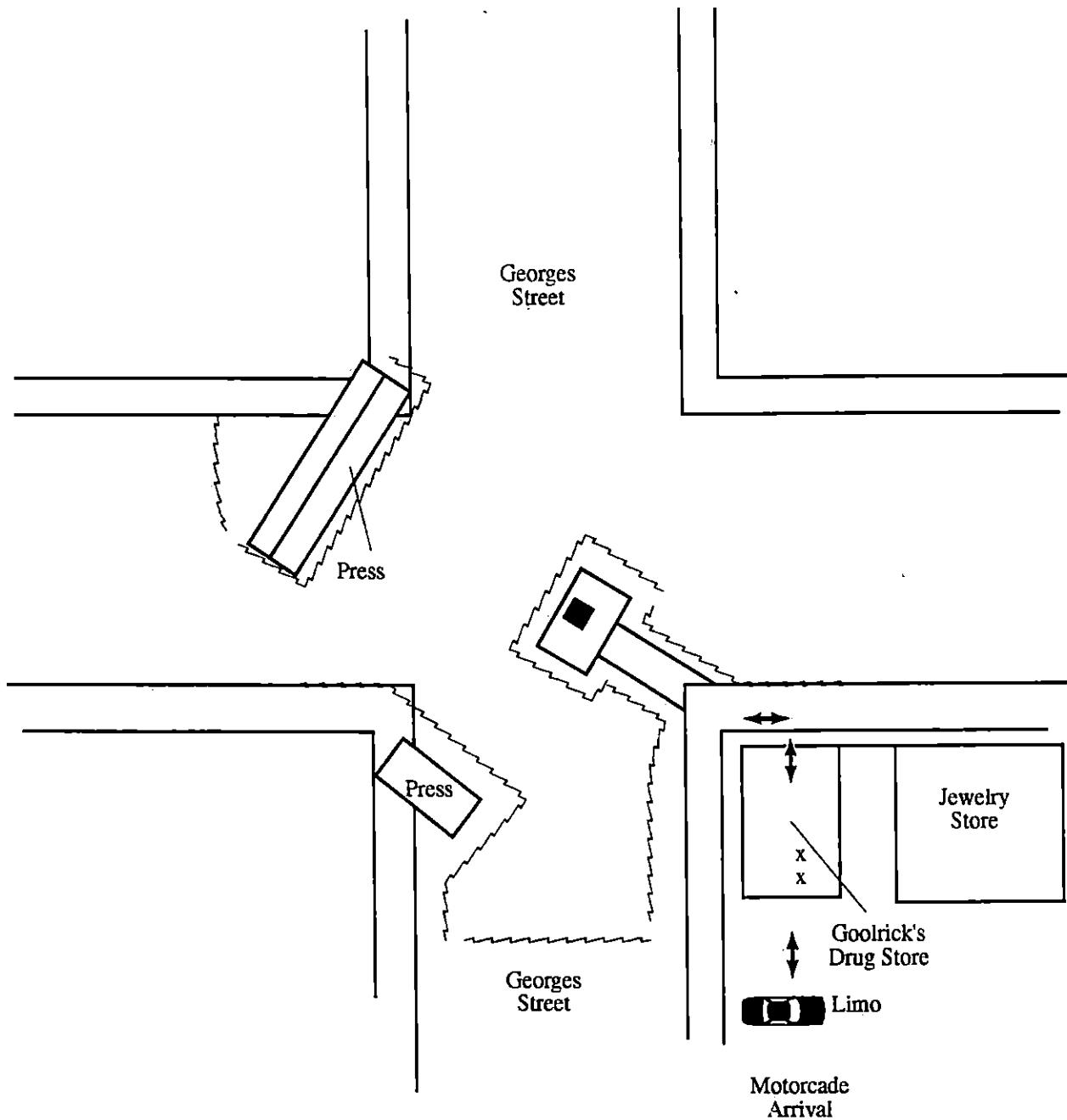
TAB B
 FREDERICKSBURG, VIRGINIA
 Fredericksburg Hardware Store
 Overview Diagram
 Friday, September 4, 1992



KEY:

- THE PRESIDENT
- ⇄ GUESTS / STAFF
- - - - - PRESS POOL
- X GREETERS

TAB C
FREDERICKSBURG, VIRGINIA
Goolrick's Drug Store
Overview Diagram
Friday, September 4, 1992

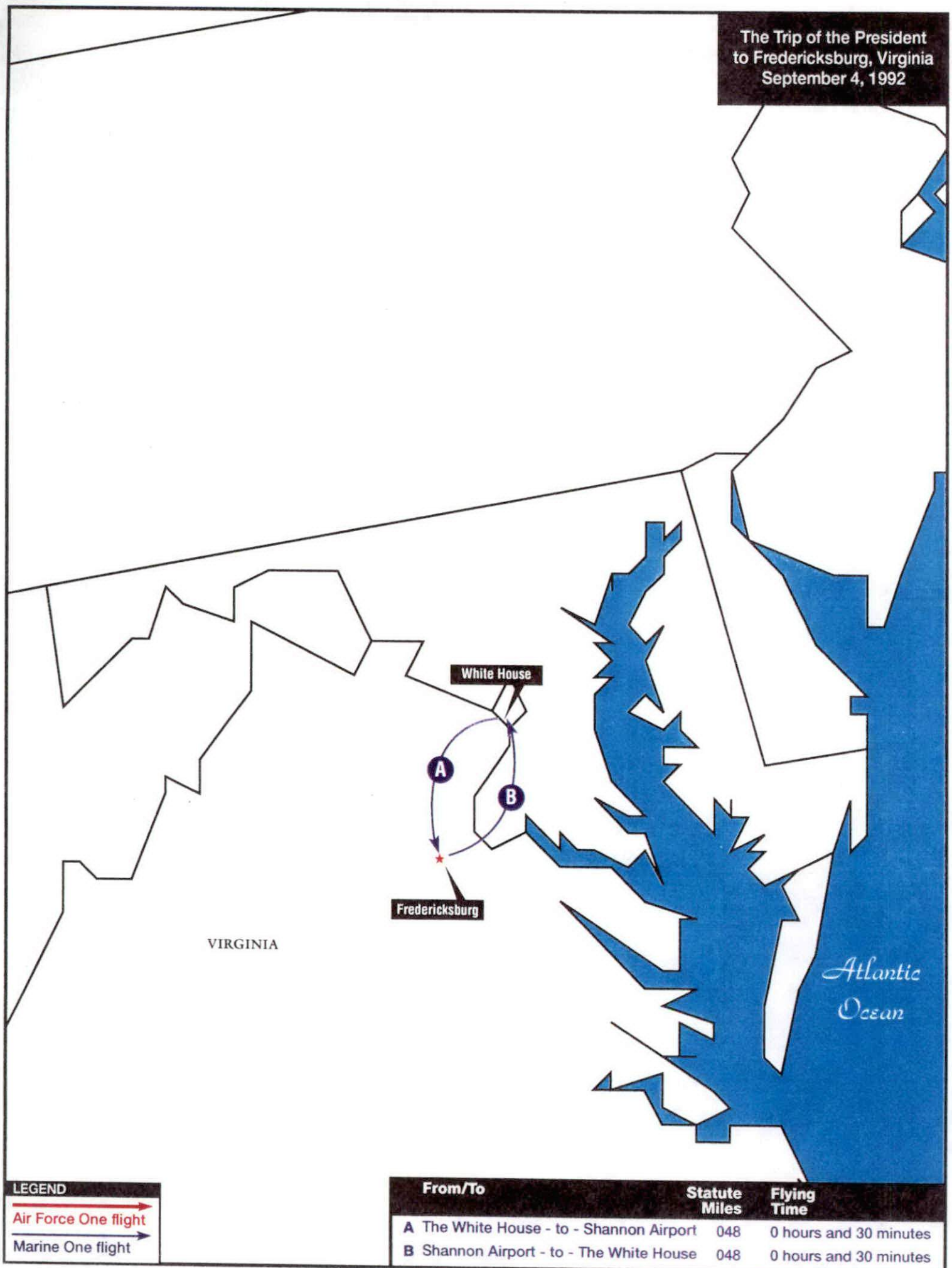


KEY:	
➔	THE PRESIDENT
X	GREETERS

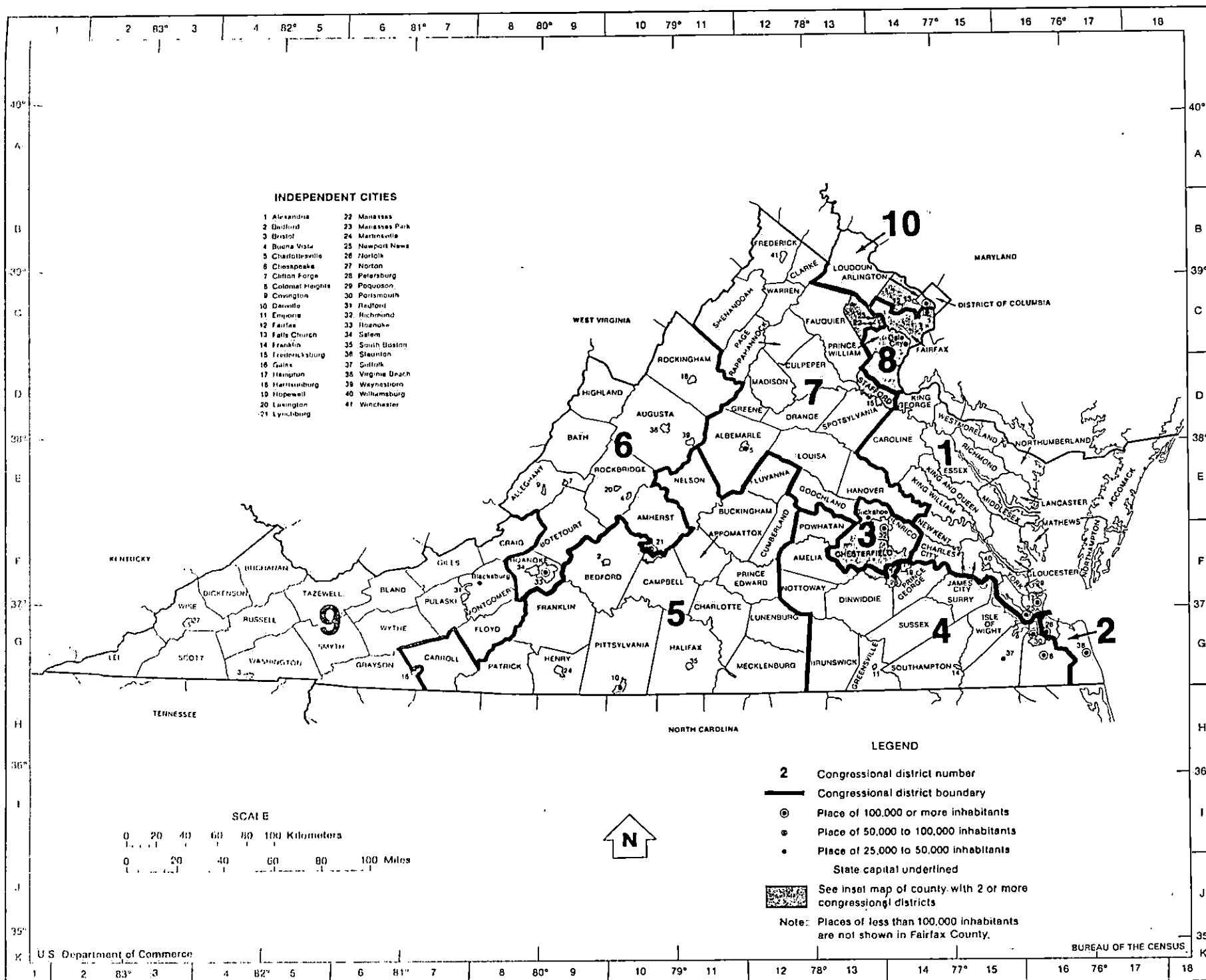
FREDERICKSBURG, VIRGINIA
Friday, September 4, 1992

9:55 am Boards Marine One and dep. White House
en route Fredericksburg, Virginia
10:25 am Arr. Shannon Airport, Fredericksburg,
Virginia and boards Motorcade
10:35 am Dep. Shannon Airport en route
Fredericksburg Hardware Store
10:45 am Arr. Fredericksburg Hardware Store and
proceeds to Sales Floor
EVENT: VISIT FREDERICKSBURG HARDWARE STORE
10:48 am Arr. Sales Floor and begins
participation in Visit
10:53 am Concludes participation in Visit, dep.
Sales Floor and boards Motorcade
10:55 am Dep. Fredericksburg Hardware Store en
route Goolrick's Drug Store
11:00 am Arr. Goolrick's Drug Store and proceeds
to Off-Stage Announcement Area
11:03 am Accompanied by Ms. Eglevsky, Arr. Off-
Stage Announcement Area and holds
briefly
EVENT: ADDRESS FREDERICKSBURG COMMUNITY
11:05 am Accompanied by Ms. Eglevsky, is
announced onto Stage and remains
Standing
11:08 am Introduced for Remarks by Ms. Dori
Eglevsky, President, Fredericksburg
Chamber of Commerce
11:10 am REMARKS
11:22 am Concludes Remarks and proceeds to Table
11:23 am Arr. Table and begins participation in
Bill Signing
11:26 am Concludes participation in Bill Signing,
dep. Stage and boards Motorcade
11:30 am Dep. Drug Store en route Shannon Airport
11:40 am Arr. Shannon Airport and boards Marine
One
11:45 am Dep. Fredericksburg, Virginia en route
White House
12:15 pm Arr. White House

The Trip of the President
to Fredericksburg, Virginia
September 4, 1992



VIRGINIA — Congressional Districts, Counties, Independent Cities, and Other Selected Places — (10 Districts)



THE WHITE HOUSE
WASHINGTON

September 3, 1992

VISIT FREDERICKSBURG HARDWARE STORE COMPANY, INC.

DATE: September 4, 1992
TIME: 10:45 a.m.
LOCATION: Fredericksburg, Virginia
THROUGH: DAVID DEMAREST
FROM: MARLA DONAHUE

I. PURPOSE:

To discuss small business issues, especially to highlight your proposal to reduce the escalating costs of health care. To contrast your pro-growth small business agenda with that of your opponent.

II. BACKGROUND:

Fredericksburg Hardware Company, Inc. (FHC), is a small business owned by Mac Janney and his son, Hunter. The store itself is 78 years old, and the Janney's have owned the business for the last 30 years. FHC has 33 employees. You will meet with approximately 25 of them during your visit to the store.

FHC's annual payroll is just over \$1 million. Despite its solid growth and success over the years, the high cost of health care has made it nearly impossible for the business to expand or increase its employees' salaries.

The average cost to the company for health care, per employee, is approximately \$496 per month. This figure represents 11% of the store's payroll. The store has been unable to offer raises to its employees. As of September 1, Mr. Janney has asked each employee to contribute \$75 per month to help cover the additional cost of health care insurance.

Mr. Janney fears the payroll tax increase that Bill Clinton's program would impose on small businesses would virtually put FHC out of business.

You will drop-by the store for an informal exchange with Mac and Hunter Janney and employees from the store.

III. PARTICIPANTS:

The President

Mac Janney - Owner, Fredericksburg Hardware Company, Inc.
Hunter Janney - Owner, Fredericksburg Hardware Company, Inc.

Approximately 25 store employees.

IV. PRESS PLAN

Travel Press Pool.

V. SEQUENCE OF EVENTS

See Advance Scenario.

VI. REMARKS

Talking Points provided by Public Liaison later in the morning.

THE WHITE HOUSE

WASHINGTON

September 3, 1992

ADDRESS TO THE COMMUNITY OF FREDERICKSBURG

DATE: September 4, 1992
TIME: 11:05 a.m.
LOCATION: Fredericksburg, Virginia
THROUGH: DAVID DEMAREST
FROM: MARLA DONAHUE *Marla*

I. PURPOSE:

To address economic concerns before small business owners, community members and local officials of Fredericksburg. To contrast your pro-growth, small business agenda with that of your opponent and to sign H.R. 4111, the Small Business Credit and Business Opportunity Enhancement Act.

II. BACKGROUND:

Your visit to the community of Fredericksburg underscores your commitment to America's small business community. In your remarks to approximately 1200 citizens and business owners of Fredericksburg, you will promote your pro-growth agenda for small business and the American worker. You will have just visited Fredericksburg Hardware and heard directly from the owners how the escalating costs of health care can prevent a small, privately owned business from expanding.

Your address will be in front of Goolrick's Pharmacy. This privately owned business is 123 years old. The store is owned by Steve May and has 15 employees, most of whom work part time. Steve May and his employees are concerned with such issues as your proposal for capital gains tax cuts, the escalating costs of health care and the need for government reform. Goolrick's Pharmacy does not offer its employees health care coverage.

The town of Fredericksburg has a population of 20,000 people. The surrounding region of Stafford and Spotsylvania represents an additional 120,000 citizens. Fredericksburg is typical of small town America and is George Washington's birthplace.

The visit provides you with the opportunity to highlight your pro-growth agenda for small business and small-town America with that of your opponent.

II. BACKGROUND: (continued)

You will also sign H.R. 4111, the Small Business Credit and Business Opportunity Enhancement Act of 1992. The Act establishes a new program to finance Small Business Investment Companies (SBICs), which will provide additional capital availability to the small business community. In addition, the Act increases the level of guaranteed general business loans from \$4.5 billion to \$6.1 billion, effectively expanding the pool of capital and credit for small businesses.

NOTE: This area sent 6 Olympic athletes to the 1992 Olympic games. Two of these athletes are gold medal winners.

III. PARTICIPANTS

The President

Approximately 1200 people including: small business owners and families and locally elected officials.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

See Advance Scenario.

VI. REMARKS

Provided by speechwriting.

THE WHITE HOUSE
WASHINGTON
September 3, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: HENSON MOORE *BK for HM*
FROM: BOBBIE KILBERG *BK*
HELEN MOBLEY *HM*
SUBJECT: VIRGINIA (FREDERICKSBURG)

I. Correspondence

State Senator John Chichester (R), whose district you are visiting, wrote you regarding a proposal for the construction of an airport in Stafford County. Senator Chichester is against the Federal Aviation Administration's (FAA) proposal of \$48 million for the construction of this airport, stating that it can be built for \$5 million and save the government millions of dollars.

II. Discussion

A. Unemployment Figures

Statewide (Seasonally adjusted)

June 1992	6.4 percent
May 1992	7.1 percent
June 1991	6.0 percent

City of Fredericksburg (Seasonally adjusted)

June 1992	7.7 percent
May 1992	8.1 percent
June 1991	7.2 percent

B. Exports/NAFTA

Virginia's exports to Mexico and Canada ranked third and 17th respectively of all markets. Manufactured exports accounted for 94 percent of Virginia's \$975 million in exports to Canada and Mexico in 1991 and supported an estimated 14,700 jobs.

Mexico

1991	\$146 million*
1987	\$ 41 million

* an increase of 256 percent

VIRGINIA BRIEFING
PAGE TWO

Canada

1991 \$829 million*
1987 \$582 million
* an increase of 40 percent

Virginia's leading exports are transportation equipment, tobacco products, computers and machinery, chemical products, and fabricated metal products.

C. Key Federal Grants in Virginia

Program	Amount
Dept. of Labor employment and training programs for Native Americans	\$ 250,000
Older Americans Act	\$1,700,000
Dept. of Labor grant to Telamon Corp. for training of farmworkers	\$ 253,000
1992 Summer Youth Employment & Training Program	\$7,700,000

D. Crime, Drugs and "Weed and Seed"

Federal Drug Grants to Virginia

FY 1992 \$38.7 million*
FY 1987 \$16.7 million
* an increase of 130 percent

In the 1989 Violent Crimes in Virginia Study, 47.6% of capital murders and over 45% of all violent crimes were committed by offenders under the age of 25.

Virginia is the recipient of several federal anti-crime/drug initiatives:

"Weed and Seed" (Richmond is the target site)
HUD Drug Elimination Grants - over \$5 million to Virginia for crime and drug problems

E. Energy Issues

The National Park Service (NPS) and local environmental groups have objected to the construction of 15 power generating facilities to meet the State's growing demand for electricity. The objections are based on the alleged impact of air pollution from the facilities on the Shenandoah National Park and similar areas in Virginia. Unless the facilities agree to offset their

VIRGINIA BRIEFING
PAGE THREE

emissions and meet other requirements, the objections to construction will continue.

The NPS policy of seeking the imposition of stringent air pollution control requirements is opposed by industry and some members of Congress who regard it as anti-growth.

F. Surface Transportation Funding

FY 1992 apportionment	\$375 million
FY 1991 apportionment	\$266.8 million
"ISTEA" FY 1992-97 apportionment	\$2.49 billion

As of September 3, 1992 \$296.3 million of the FY 1992 funding had been obligated by the state.

Please note that Virginia also received an extra \$3.8 million in obligation authority on August 3rd as part of the FHA's annual August redistribution.

G. Education/AMERICA 2000

The kick off for RICHMOND 2000 was on October 21, 1991, however a state kick off has not taken place. Virginia is one of four states which has not announced an AMERICA 2000 program.

H. Wetlands

Virginia farmers are concerned about federal involvement with wetlands on private property. Their concerns involve the perception of regulation of wetlands and the "taking" of private property rights. Farmers are also concerned about federal restrictions, which could decrease the value of farmland and effect the farmer's borrowing power, when they use land for collateral.

THE WHITE HOUSE

WASHINGTON

September 3, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: RONALD C. KAUFMAN *RC*
DEPUTY ASSISTANT TO THE PRESIDENT FOR
POLITICAL AFFAIRS

FROM: WALTER WHITE
ASSOCIATE DIRECTOR
OFFICE OF POLITICAL AFFAIRS

SUBJECT: VIRGINIA POLITICAL BRIEFING

1992 POLITICAL OUTLOOK

The Presidential election is the only statewide political contest in Virginia in 1992. While Virginia has supported the Republican Presidential candidate in every election since 1964, the state will be a key battleground in the 1992 Presidential election. The BUSH-QUAYLE Chairman in Virginia is Congressman Tom Bliley. The Honorary Chairmen are Marvin Bush and Senator John Warner. Earle Williams is the Finance Director, and Fitzgerald Bemiss is the Honorary Finance Chairman. Melinda Allen is the BUSH-QUAYLE Executive Director.

Virginia did not hold a Presidential primary. Rather, it held a series of conventions and meetings to elect delegates to the Congressional, state, and national conventions. Virginia Republicans gathered at their State Convention on May 30, 1992, and elected 55 delegates and alternates to the Republican National Convention. All 55 delegates are strong supporters of the President. Patrick Buchanan and David Duke had little statewide organization or support in Virginia and failed to present a significant challenge to the President.

Before withdrawing from the Presidential race, Texas billionaire H. Ross Perot completed his petition drive, submitting 90,000 signatures on June 23rd to qualify for the state's general election ballot. Perot held a rally at the Virginia State Capitol in Richmond on June 26th whereupon more than 2,000 supporters were present.

The most recent statewide poll conducted in Virginia on the Presidential race was conducted by Mason-Dixon on July 25-27, 1992. Governor Clinton led with 44% followed by the President with 37%.

WJ

VIRGINIA POLITICAL BRIEFING
PAGE TWO

BUSH-QUAYLE carried Virginia in 1988 by a 60%-40% margin, receiving all 13 of Virginia's electoral votes.

Pat McSweeney is the newly elected Virginia Republican State Chairman replacing outgoing chairman **Don Huffman** who chose not to run again. **Morton Blackwell**, a member of the RNC Rules Committee since 1989 and Chairman of the Conservative Leadership PAC from 1972-1979, was re-elected as the Republican National Committeeman. **Flo Traywick**, also re-elected this year, serves as the Republican National Committeewoman from Virginia and is a member of the RNC Committee on Contests and Committee on Call for the 1992 Convention.

REAPPORTIONMENT UPDATE

Virginia gains one U.S. House seat in 1992. The Democratic legislature passed a plan for redistricting that was signed by Governor **Doug Wilder**. The plan places Republican Congressmen **Tom Bliley** and **George Allen** in the same district. Allen has subsequently announced his retirement. 50% of Republican Representative **Frank Wolf's** district will be new, presenting a tough challenge to his re-election bid. Additionally, Democratic Representative **Jim Olin** has announced his retirement.

The new black-majority district, Congressional district 3, will send Virginia's first black Representative to Congress since reconstruction. State Senator **Bobby Scott** will face **Phillip Morris Executive Daniel Jenkins** in November. Jenkins is an African-American from Lancaster, Virginia.

In the June 9th Republican primary for the right to face Democratic incumbent Representative **Jim Moran** in Virginia's 8th Congressional district, attorney **Kyle McSlarrow** defeated Alexandria Vice-Mayor **William Cleveland** and **Joseph Vasapoli**.

In Virginia's only other Congressional primary, held in the newly drawn 11th Congressional district, Republican **Henry Butler** defeated attorney **Mark Siljander** and others for the right to face Democratic nominee **Leslie Byrne** in the November election.

STATE LEGISLATURE

In 1991, a new redistricting plan allowed the Republicans to pick up 10 seats in the Virginia House of Delegates. The Republicans have achieved a net gain of 8 seats in the Virginia Senate since 1990, and they are now only four seats shy of GOP control. The balance in the Virginia State Senate is currently 18 Republicans to 22 Democrats. The balance in the Virginia State House of Delegates is 32 Republicans to 39 Democrats.

THE WHITE HOUSE

WASHINGTON

September 3, 1992

BRIEFING PAPER FOR "THE BROKAW REPORT: 58 DAYS"

DATE: September 4, 1992
LOCATION: Oval Office
TIME: 3:00 p.m.
FROM: Dorrance Smith 

I. PURPOSE

To brief you on issues that may arise during your live interview with Tom Brokaw for his NBC special, "The Brokaw Report: 58 Days".

II. BACKGROUND

You are scheduled to participate in a live 10 minute interview with Tom Brokaw for his NBC special, "The Brokaw Report: 58 Days". This one-hour broadcast will examine the final eight weeks of the Presidential campaign. This is the only prime time NBC News broadcast dedicated exclusively to Presidential politics to run between now and the election.

Interviews with both Presidential nominees will provide the centerpiece for this broadcast. A live 10 minute interview with Bill Clinton will immediately precede you.

"The Brokaw Report: 58 Days" will air Sunday, September 6, 1992, at 7:00 p.m. EDT.

III. PARTICIPANTS

The President
Secretary Baker
Robert Zoellick
Dennis Ross
Margaret Tutwiler
Marlin Fitzwater
Richard Darman
Dorrance Smith

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

- Participants enter Oval Office.
- Participants engage in briefing.
- Participants depart.

R2

THE WHITE HOUSE

WASHINGTON

September 3, 1992

RECOMMENDED TELEPHONE CALL

2 SEP 3 P7:19

TO: Dewey Stokes
National President, Fraternal Order of Police

DATE: September 4 or ASAP

RECOMMENDED BY: DAVID DEMAREST
LEIGH ANN METZGER *lam*

PURPOSE: To obtain Dewey Stokes' endorsement of the President's reelection effort. To strengthen the Campaign's relationship with law enforcement in general.

BACKGROUND: With 240,000 members in 47 states, the Fraternal Order of Police is the nation's largest law enforcement organization. It represents between one third and one half of all state, county and local law enforcement personnel in the country.

The President knows Dewey personally, having addressed last year's FOP convention in Pittsburgh and having met with Dewey on several occasions at the White House and at law enforcement memorial events in town. The President's attendance at last year's convention was crucial to Dewey's own reelection as its president.

While the FOP has supported the judicial nominations of Judges Bork, Souter and Thomas and several crime-related legislation, they have been at odds with the Administration over the Crime Bill, specifically over the gun control provision.

Dewey personally endorsed the President in 1988, and has indicated his determination to do so this year. However, it is felt that a personal phone call from the President will hasten this process and could help Dewey secure the endorsement of FOP's board as well (FOP's labor-oriented nature has made board members reluctant to endorse so far).

Labor-oriented law enforcement groups such as the International Union of Police Organizations (AFL-CIO) and the National Association of Police Organizations have already endorsed Governor Clinton.

TOPICS OF
DISCUSSION:

1) I appreciate the friendship and support both you and the FOP have shown me the past 3 1/2 years.

2) This year I'm asking for your help again. I want your endorsement and that of the FOP as we work for a second term -- four more years of tough law and order federal judges, of strong support for state and local law enforcement, of strong cooperation with the FOP on such issues as Weed and Seed, victims rights, and missing and exploited children.

3) I have a proven track record of support for our men and women in blue. These include:

- tripling federal assistance to state and local law enforcement agencies;
- dramatically increasing funds to state crime victim compensation and assistance programs;
- almost doubling to \$12 billion the federal government's resources to fight drug use;
- proposing \$500 million in "Weed and Seed" money to reclaim our neighborhoods; and
- appointing almost 300 tough law-and-order judges and prosecutors who have put criminals behind bars for record periods of time.

4) I hope I can count on your personal support, and that of the Fraternal Order of Police. Thank you.

CONTACT PERSON AND Dewey Stokes
TELEPHONE NUMBER: 614-221-0180 (office)

DATE OF SUBMISSION: September 3, 1992

ACTION:

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 4, 1992

STATEMENT BY THE PRESIDENT

Today I am signing into law H.R. 4111, the "Small Business Credit and Business Opportunity Enhancement Act of 1992." The Act will provide a major stimulus to the growth and development of small businesses.

H.R. 4111 will restructure the Small Business Administration's Small Business Investment Company (SBIC) program. This restructuring will boost investment by the private sector in growth-oriented small businesses, while enhancing the safety and soundness of SBICs. H.R. 4111 also provides a substantial increase in authorized levels of SBA's guaranteed business loan programs. Thousands of small businesses will be able to obtain much-needed credit as a result of the expansion of these programs.

Two-thirds of all jobs in the United States are created by small businesses. This bill ensures that capital, the lifeblood of our economy, is available to help small firms start up and to help tens of thousands of existing firms to expand and grow.

Section 203 of the bill enhances small business contracting goals for a dredging program. In signing the legislation, I note that current law requires the Department of the Army to make every reasonable effort to award the designated contracting business to small business concerns.

Finally, I am pleased to note that section 331 of the bill states that it is the sense of the Congress that "legislation and regulations that enhance the viability of small business concerns, including changes in tax and health care policy, should be given a priority for passage by the Congress." I urge the Congress to act promptly on this section by passing before the end of this legislative session legislation that will truly help small businesses, particularly the capital gains tax cut, the investment tax allowance, and the Administration's proposal to allow small businesses to increase their purchasing power through Health Insurance Networks, making health insurance for their employees more affordable.

GEORGE BUSH

THE WHITE HOUSE,
September 4, 1992.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

September 4, 1992

TEXT OF A LETTER FROM
THE PRESIDENT TO THE SPEAKER OF
THE HOUSE OF REPRESENTATIVES AND
THE PRESIDENT OF THE SENATE

September 4, 1992

Dear Mr. Speaker: (Dear Mr. President:)

I am pleased to submit for congressional consideration and passage the "Idaho Public Lands Wilderness Act".

The Federal Land Policy and Management Act of 1976 (FLPMA), (43 U.S.C. 1701, et seq.), directs the Secretary of the Interior to review the wilderness potential of the public lands.

The review of the areas identified in Idaho began immediately after the enactment of FLPMA and has now been completed. Approximately 1.8 million acres of public lands in 67 areas in Idaho met the minimum wilderness criteria and were designated as wilderness study areas (WSAs). These WSAs were studied and analyzed during the review process and the results documented in 14 environmental impact statements and three instant study area reports.

Based on the studies and reviews of the WSAs, the Secretary of the Interior is recommending that all or part of 27 of the WSAs, totaling 972,239 acres of public lands, be designated as part of the National Wilderness Preservation System.

I concur with the Secretary of the Interior's recommendations and am pleased to recommend designation of the 27 areas (totaling 972,239 acres) identified in the enclosed draft legislation as additions to the National Wilderness Preservation System.

The proposed additions represent the diversity of wilderness values in the State of Idaho. These range from the high desert canyon lands of southwestern Idaho to the lava flows of the Great Rift and Hells Half Acre. These areas span a wide variety of Idaho landforms, ecosystems, and other natural systems and features. Their inclusion in the wilderness system will improve the geographic distribution of wilderness areas in Idaho, and will complement existing areas of congressionally designated wilderness. They will provide new and outstanding opportunities for solitude and unconfined recreation.

The enclosed draft legislation provides that designation as wilderness shall not constitute a reservation of water or water rights for wilderness purposes. This is consistent with the fact that the Congress did not establish a Federal reserved water right for wilderness purposes. The Administration has established the policy that, where it is necessary to obtain water rights for wilderness purposes in a specific wilderness area, water rights would be sought from the State by filing under State water laws. Furthermore, it is the policy of the Administration that the designation of wilderness areas should not interfere with the use of water rights, State water administration, or the use of a State's interstate water allocation.

more

(OVER)

The draft legislation also provides for access to wilderness areas by Indian people for traditional cultural and religious purposes. Access by the general public may be limited in order to protect the privacy of religious cultural activities taking place in specific wilderness areas. In addition, to the fullest extent practicable, the Department of the Interior will coordinate with the Department of Defense to minimize the impact of any overflights during these religious cultural activities.

I further concur with the Secretary of the Interior that all or part of 57 of the WSAs encompassing 825,217 acres are not suitable for preservation as wilderness.

Also enclosed are a letter and report from the Secretary of the Interior concerning the WSAs discussed above and a section-by-section analysis of the draft legislation. I urge the Congress to act expeditiously and favorably on the proposed legislation so that the natural resources of these WSAs in Idaho may be protected and preserved.

Sincerely,

GEORGE BUSH

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News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, SEPTEMBER 4, 1992
6:00 A.M. EDT EDITION

NATIONAL NEWS

CLINTON FORESEES BUSH TRIMMING SOCIAL SECURITY -- Pushing his new class-oriented attack that President Bush secretly plans to "devastate America middle class and its workers" to pay for tax cuts favoring the rich, Bill Clinton Thursday accused the President of pursuing economic policies that would force him to gut Social Security. (New York Times)

BUSH TO PITCH GOP ECONOMIC PLAN TO SMALL BUSINESSES -- President Bush is aiming at a traditional stronghold of Republican support, trying to sell his tax-and-regulation-cutting campaign message to small business owners in a Main Street setting. (AP)

RANKS OF POVERTY SWELL BY 2 MILLION -- The number of Americans living below the official poverty line increased for the second straight year in 1991, to more than 35.7 million, and the nation's media income continued to fall, the Census Bureau reported Thursday. (Washington Post, Reuter)

INTERNATIONAL NEWS

NEW U.S. POLICIES ANGER ALLIES AND TRADE PARTNERS -- President Bush's actions to win troubled domestic constituencies by selling fighters to Taiwan and subsidizing wheat exports Wednesday angered U.S. allies and trading partners around the world. (Washington Post, Reuter)

NETWORK NEWS (Thursday evening)

ECONOMY/POVERTY -- The Census Bureau reports that 2.1 million more Americans fell below the poverty line last year.

CAMPAIGN/CLINTON -- Clinton took a swipe at President Bush for using the financial advantage which a President has and his opponent doesn't, for straight-out political gain.

NO-FLY ZONE -- There are signs the allied air patrols are putting increased pressure on Saddam.

NATIONAL NEWS.....A-1

INTERNATIONAL NEWS..A-15

NETWORK NEWS.....B-1

NATIONAL NEWS

BUSH COURTS ELECTORAL VOTES WITH PROMISES OF FEDERAL MONEY

It's gotten to be routine. Nearly every time President Bush leaves the White House these days, he packs up promises of some taxpayer money -- or borrowed dollars -- to distribute. Just as he did in the primaries, Bush has been indulging in the time-honored prerequisite of the incumbent. That is, he spreads around federal largess.

To be fair, Bill Clinton would undoubtedly offer gifts if he could. He's already promised 8 million jobs, without saying where they would come from. He's promised better education, a cleaner environment and better health care, all without saying how he'd pay for them.

Bush and White House officials vehemently deny there is any political cast to Bush's constant stream of goodies.

(Ann McFeatters, Scripps-Howard)

Bush Doles Out Favors; Clinton on Defense

Two months before election day, President Bush has charged onto the offensive by playing Santa in September -- doling out gifts to voters from Florida to the farm belt, grabbing headlines, but making little headway in the polls. Bill Clinton, by contrast, suddenly seems in the shadows and on the defensive, obscured by Bush's recent domination of the headlines and, when he does get the spotlight, fuming over renewed questions about his Vietnam draft controversy. In a burst of photogenic, man-of-action travel that showed signs of campaign supervisor James Baker's shrewd hand, Bush has twice visited hurricane victims in Louisiana and Florida.... And Bush's largesse did not stop with Florida.

(Michael Posner, Reuter)

NOT EVERYONE HAILS BUSH OFFERS OF AID

SHALLOWATER, Texas -- Not everybody is satisfied with President Bush's helping hand, even if it was nice for him to drop by. While many of the beneficiaries applauded his decisions, others grumbled they amounted to too little, too late. Some farmers, here and elsewhere, also questioned why Bush hadn't noticed their plight until this juncture in an election year. "Unless they come back and add to this...this money doesn't go anywhere," said Jeff Black, who grows about 3,500 acres of cotton in Hale County, Texas.

Administration officials said the new export subsidies are the largest ever granted under the government's export enhancement program and would help sell about half the country's wheat crop. But Vince Peterson of U.S. Wheat Associates said it would have been better for the industry if it had happened a month ago during the harvest.

(Chip Brown, AP)

MORE BARK THAN BITE IN U.S. WHEAT SCHEME, SAY ANALYSTS

President Bush's splashy offer to export huge amounts of U.S. wheat at subsidized prices may have a relatively limited impact because it is aimed mostly at old customers rather than new buyers, analysts said Thursday.

"The significance of the plan is diluted somewhat," one industry source said, because only a fraction of the package was aimed at new business.

Analysts and lobbyists said the subsidies plan was likely to result in some additional sales but they did not expect a big gain.

"We have estimated this will make imports increase 85 million bushels," said William Biedermann, director of research for Allendale Inc. agricultural consultants....

"The U.S. with these actions has confirmed itself as the premier hypocrite on trade and now maintains double standards unmatched by even the E.C.," said Bruce Lloyd, deputy leader of the conservative rural National Party of Australia.

"The announcement was rather belligerent and doesn't help fruitful relations," a European Commission spokesman said.

(Charles Abbott, Reuter)

BUSH'S ELECTION-SEASON MOVES STRAY FROM EARLIER STANCES

Politics are prompting President Bush to take stands that would have seemed unlikely just months before: snubbing China by selling jets to Taiwan, risking trade wars with allies by subsidizing U.S. wheat sales and vowing to rebuild a storm-damaged air base.

As Bush moves into full campaign gear, the hand of James Baker, the crafty tactician overseeing Bush's re-election effort, can clearly be seen working the levers. Under Baker's direction, the president has embarked on a no-apology hunt for electoral votes that combines policy announcements with political appearances.

Incumbent presidents seeking re-election often distribute largesse as they campaign. But recent announcements by the president go far beyond the mere spreading of plums. Some critics suggest Bush is even bending some of his foreign policy beliefs in waging a come-from-behind effort to get re-elected.

(News analysis by Tom Raum, AP)

BUSH BACKS OFF KILLING ROCKET PROGRAM DUE TO SOUTHERN ELECTION-YEAR PRESSURE

The White House, after proposing to terminate a costly space rocket-engine program, is now backpedaling in the face of Southern political pressure this election year.

Richard Darman has signaled his willingness to look for federal funds to continue the project.

At stake is NASA's advanced solid-rocket motor (ASRM) program, headquartered in Mississippi but important as well to neighboring Tennessee and Alabama. (David Rogers, Wall Street Journal, A10)

BUSH CAMPAIGN THEMES ECHO BRITISH ELECTION

President Bush's stump speeches reflect many of the campaign themes British Prime Minister Major used in his come-from-behind victory. It's not all coincidence. One Republican strategist says the president's campaign is studying the Conservative Party's surprising success last April on the theory that what works there might work here. It is the trust issue where Bush's rhetoric most closely matches that of Major. James Pinkerton, counselor to the Bush-Quayle campaign, said Bush strategists were looking at the themes that worked for Major because the two campaigns faced similar circumstances. He added, however, that it would be "flat wrong to say we're sitting around with the Major playbook."

(Michael Fleeman, AP)

BUSH CAMPAIGN REJECTS PROPOSAL FOR 3 DEBATES

Signaling the beginning of a quadrennial ritual, President Bush's campaign chairman Thursday rejected a bipartisan commission proposal calling for three presidential debates and said the campaign would seek negotiations with Bill Clinton's campaign on a new plan. Robert Teeter told wire service reporters Thursday the campaign disliked the number of debates and the proposed format, which called for a single moderator. Clinton campaign officials said they opposed drawn-out private negotiations on the debates. "We believe any discussions ought to be held under the auspices of the commission and in public," Mickey Kantor, Clinton's campaign chairman, said. Torie Clarke said the campaign had not ruled out three debates, but would decide later what its position would be.

(Dan Balz, Washington Post, A16)

PUT 'EM UP, AL

Dan Quayle is ready to head into the ring with Al Gore despite the fact that he got sucker-punched in 1988 by Sen. Bentsen... Quayle says he'll debate Gore as often as the Gore wants to have at it -- provided Jim Baker says it's OK.

("Inside the Beltway," Washington Times, A8)

TV AD SUGGEST BUSH AVOIDING MAINE INCOME TAXES

Highlighted by a political action committee's TV ads, the question of whether President Bush is unfairly avoiding state income taxes is again a campaign issue. Tony Mitchell, deputy press secretary for the Bush-Quayle campaign, said there is nothing irregular about Bush's claim that he lives in Texas. "The President has been disclosing his taxes virtually throughout his public career, and clearly he has paid his fair share of taxes," Mitchell said. "And secondly, I don't know why it would be surprising that the President would declare the place where he spent a good portion of his adult life, raised his family, started a business and launched his political career as his residence."

But others feel that Bush is not paying his fair share of taxes. "This is really a tax loophole he is taking advantage of," said Dolores Lymburner, chairwoman of the Maine People's Alliance. "We think that especially where he is president, he has a responsibility to show leadership and character, and certainly his avoidance of paying taxes doesn't do that."

-more- (Scot Lehigh, Boston Globe)

HOLLYWOOD, STUNG BY QUAYLE, OPENS ITS COFFERS TO DEMOCRATS

LOS ANGELES -- If money talks, the noise level in Hollywood must be reaching a crescendo as stars and entertainment industry executives risk writer's cramp signing checks made out to the '92 Democratic campaign. "We feel we're being used as whipping boys," said Marge Tabankin, executive director of the powerful Hollywood Women's Political Committee. One of the results of Hollywood's anger, according to fundraisers and political analysts, has been an outpouring from the entertainment community's coffers to female candidates in particular. Bob Burkett, a leading Hollywood campaign fundraiser for the Democrats, said Hollywood was enthusiastic about Clinton and Gore.

Republicans say they are not overly concerned at the cash pouring out of Hollywood into the Clinton-Gore campaign coffers. "This is nothing new," said a Republican campaign fundraiser.

(Michael Miller, Reuter)

**NATION'S CELEBRITIES NOT ALL FOR CLINTON
'Elite' Or Not, 148 Endorse Bush**

Dueling social issues don't seem to matter as much in this presidential election as dueling celebrity endorsements. Those really matter.

The Bush-Quayle '92 campaign Thursday stopped counting tax increases long enough to count endorsements, a very specialized business with subcategories for celebrities, athletes and personalities.

"Celebrities, star athletes rally around President Bush" was the somewhat breathless headline on a release that listed 148 names alphabetically without affiliations but double-asterisked some obscure names it defined as "personalities."

(Frank Murray, Washington Times, A1)

**CHARGES FLY OVER BUSH CLAIM THAT
CLINTON RAISED TAXES 128 TIMES**

Is President Bush lying when he says Bill Clinton raised taxes 128 times as Arkansas governor? Charges and countercharges are flying over a question that would seem to be one of basic math.

The Bush campaign says its tally is based on "The Arkansas Legislative Tax handbook" and insists the number is beyond challenge. But the handbook numbers are a stretch. For example, one item on the list "increased the severance tax on salt water used as raw material for bromine." One required used car dealers to post a \$25,000 bond with the state revenue department. Another extended the dog-racing season. Others authorized "beauty pageant fees," a "waste tire" fee and a \$10 charge for testing water samples for bacterial infection. Three items are nonexistent, according to columnist Michael Kinsley.

By the Clinton campaign's count, Clinton raised taxes 49 times and seven of these have either expired or been repealed. The campaign cites an Aug. 7 report by the Library of Congress's Congressional Research Service concluding that Bush and President Reagan have raised taxes or fees 327 times since 1980 and 78 since Bush became president.

(Irwin Arieff, Reuter)

CLINTON GIVEN WIDER LEAD, BUSH EXPECTS LATE SURGE

Bill Clinton opened a wider lead over President Bush in a new poll with Election Day two months away, but Republicans predicted their man will make a late surge to win re-election.

The latest CNN-USA Today poll showed Clinton was head 54% to 39% compared to a 10-point gap immediately after the Republican convention. (Steve Holland, Reuter)

Poll: Bush Loses 'Bounce'

...Few analysts write off Bush.

Pollsters Peter Hart and Linda DiVall agree Clinton's lead is not insurmountable.

But they also agree Bush must convince voters he can fix the economy: "If he doesn't make an economic case, he doesn't get another four years," says Hart.

Says DiVall: "He's got to point out the differences between his approach and that of Clinton."

Fourteen percent say they'd vote for Ross Perot.

The poll also found Bush's favorable rating fell to 45%; Clinton's stayed at 57% -- despite Bush's attacks since the convention.

Forty-five percent say there's no way they'd vote for Bush; his core support slipped to 29%.

Thirty-two percent rule out a vote for Clinton; his core support edged up to 43%.

Only 28% say the government should "do more to promote traditional family values."

The poll of 1,007 voters has a 3 point margin of error.

(Richard Benedetto, USA Today, 1A)

**BUSH RATED WEAK IN KEY AREAS
His Overall Approval Rating 39%**

President Bush has much to be concerned about when he studies the views of voters on what they consider key issues.

Bush ranks lowest on the issues voters say are most important -- the economy, education, health care, the deficit and taxes, the latest USA Today/CNN/Gallup poll shows.

But Bush's overall job approval rating remains mired at 39%.

(Richard Benedetto and Brian O'Connell, USA Today, 8A)

POINT-SPREAD EMPHASIS MISLEADING, POLLSTERS SAY

The disparity in the presidential public-opinion polls is confusing everybody, but some leading pollsters insist there's an easy explanation.

The media are mangling the message.

Surveys show President Bush trailing Bill Clinton by a spread as fat as 20 points and as slim as 5 create numeric chaos, but the pollsters say that's not their fault. When viewed properly, they say, their polls reveal only two sure things: Bush trails, and he's closing the gap.

(Ralph Hallow, Washington Times, A1)

GOOD OL' GAL

Gov. Ann Richards says the Republicans "had such a really sad convention, they didn't get the...dead cat bounce." Well, Annie, that's a new one on us, unaccustomed to Texas colloquialisms as we are. According to the Dallas Morning News, she explains: "You know even a dead cat will bounce if you throw it hard enough."

("Inside the Beltway," Washington Times, A8)

TOUTING A TRUMAN CONNECTION

...Harry Truman is back -- as an icon for both sides in this year's campaign.... Truman author David McCullough says both candidates can learn a lot from studying Truman, but trying to imitate him misses the point: "He never tried to imitate anybody. He knew exactly who he was. He went to the people as himself, and said, 'Here I am and here's what I stand for. You make up your minds.'" Truman, McCullough says, "stuck by his programs, even when they weren't popular, including his unpopular stand in favor of civil rights." That, says McCullough, is what voters want and seldom get. "They're sick of...what Truman would have called the 'hokey' of politics."

(Richard Benedetto, USA Today, 8A)

CLINTON FORESEES BUSH TRIMMING SOCIAL SECURITY

HOMESTEAD -- Pushing his new class-oriented attack that President Bush secretly plans to "devastate America middle class and its workers" to pay for tax cuts favoring the rich, Bill Clinton Thursday accused the President of pursuing economic policies that would force him to gut Social Security. Clinton said Bush's universal tax cut, combined with other Administration proposals like a capital-gains tax cut and allowing parents tax credits for private school tuition, would cost the federal government \$1 trillion over five years. To offset this, Clinton said, Bush would eliminate farm price supports, tax Medicare benefits, freeze discretionary federal spending and freeze cost-of-living increases in spending. "But even if he gets rid of all of it, he'll still need another \$324 billion to cut," Clinton said. He concluded: "And then, he'll have no choice. He'll be forced to cut -- even to gut -- Medicare and Social Security."

(Michael Kelly, New York Times, A1)

CLINTON CRITICIZES BUSH FOR TURNING
TRADE PACT INTO POLITICAL ISSUE

Bill Clinton and a key Democratic senator took the offensive Thursday against President Bush's use of the draft NAFTA as a campaign issue, accusing the President of announcing an agreement while the negotiations were still going on. Mary Matalin on Thursday said that "Bill Clinton is trying to pawn himself off as a free trader when in fact he's just another protectionist pawn of Big Labor." Echoing complaints...from Sen. Bentsen,...Clinton said, "I don't think it's fair for Mr. Bush to ask us to sign off on an agreement we haven't seen the details of. "It's amazing that he says, 'OK, we've concluded the negotiations, now you guys fall in line, and we'll show you the agreement later.' He wants to show us the agreement later just like he wants to show us his budget cuts later," Clinton added.

(John Maggs, Journal of Commerce)

-more-

AFL-CIO BACKS CLINTON DRIVE
Despite Some Differences, Democrat Wins Labor's Nod

Bill Clinton, criticized by factions of organized labor during this year's primaries as the governor of a right-to-work state, Thursday won the endorsement of the AFL-CIO.

One of the areas of disagreement...has been the proposed NAFTA.

"The President accused me of waffling on the issue because I wouldn't trust him with an agreement I haven't read. He taught me four years ago I can't read his lips. I'm going to have to read the paper," Clinton said.

Torie Clarke...ridiculed Clinton's remarks. "One of the greatest ironies is that the AFL-CIO declared defeating NAFTA its number one priority," she said, "but Bill Clinton can't figure out where he stands on the issue."

Clinton lashed out at what he called Bush's "election-year flip-flops" Thursday, including his announcement that the Administration has approved sales of F-16s to Taiwan and the expansion of a export subsidy of wheat that Bush had recommended be eliminate.

"Now I'm a Baptist, so I believe in deathbed conversions," he said, "But this is amazing."

(Maralee Schwarz, Washington Post, A16)

AFL-CIO Endorsement Of Clinton

The general board of the 14 million member AFL-CIO endorsed Bill Clinton for the presidency Thursday, then heard the nominee ridicule President Bush for his "secret plan" to revive the sluggish economy.

Clinton said that despite a projected \$400 billion federal deficit this year, Bush wants a capital gains tax cut for "the wealthy" and a broad tax cut as well, but omitted some key information.

Clinton said Bush would explain his proposal this way: "We're going to pay of it with spending cuts, and I'll tell you about them in January."

"That's a typical thing for a former head of the CIA," Clinton said of one of many of the President's former positions. "Now he's got a secret plan for the economy."

William Bywater, president of the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, said Clinton and Al Gore won the endorsement on their pledges to create jobs, a national health care system and to negotiate a fair trade agreement.

The Bush Administration "has killed the American dream of hope an opportunity," Bywater said. "They have sent our jobs overseas and to Mexico."

(UPI)

GORE ENTHUSIASTICALLY RECEIVED BY STEELWORKERS

PITTSBURGH -- Al Gore told an enthusiastic group of steelworkers Thursday their industry and related industries have lost 500,000 jobs during the Reagan-Bush Administration.

Gore made his remarks to 2,300 delegates at the United Steelworker Union's 26th constitutional convention.

"We're offering leadership and change," said Gore. "They're offering the same old approach that has run this country into the ground."

The 600,000-member union has endorsed the Clinton-Gore ticket.

A total of 2.2 million jobs have been lost during the "Bush-Quayle recession," Gore said. (Chuck Moody, UPI)

GORE SAYS BUSH KNEW ALL ALONG OF ARMS-FOR-HOSTAGES SWAP

PITTSBURGH -- Al Gore said Thursday that President Bush was overrated on foreign policy and questioned whether Bush knew all along of the Reagan Administration's attempts to swap arms for hostages with Iran.

Gore said Bush has claimed he was "out of the loop" on the Iran-Contra affair but said newly disclosed evidence --in the form of notes taken during talks between high-level Reagan Administration officials -- suggest otherwise.

According to notes of a conversation between Caspar Weinberger and George Shultz, "George Bush was arguing in favor of swapping arms for hostages in direct opposition to the law," Gore said.

(Pamela Gaynor, Reuter)

**ON THE ROAD, GORE JOUSTS WITH GOP
ON COST OF SAFEGUARDING ENVIRONMENT
Pollution Cleanup Will Create Jobs,
Not Cut Them, Democrat Asserts**

DENVER -- From a pristine California beach to a grimy ironworks, from the United Steelworkers to the Sierra Club, Al Gore whisks from one end of the environmental spectrum to the other these days.

Under attack by President Bush and Vice President Quayle for environmental extremism, he has taken his defense out on the road, following an itinerary that seeks to link a greener environment with a greener economy.

Gore's themes came together here Tuesday at Natural Fuels Corp. "When Bush and Quayle say you have to choose between jobs and the environment, they're wrong," Gore said after touring the plant.

(Kent Jenkins, Washington Post, A17)

DOLE CHALLENGES CLINTON

Sen. Dole, noting new allegations about how Bill Clinton avoided the draft during the Vietnam War, called on Clinton to hold a news conference to "finally tell the truth about what happened in 1968." Dole says the issue isn't "dodging the draft" but Clinton's credibility. ("Election '92," Washington Times, 8A)

CLINTON'S ROTC STORY HAS CHANGED SINCE 1978

Bill Clinton this week denied a report that an uncle helped him avoid Vietnam War service, but he told a different story in his first campaign for governor in 1978.

Clinton, who was then the state's attorney general, confirmed to a Little Rock newspaper in October of that year that a relative, whom he did not identify, had helped him get out of an ROTC program at the University of Arkansas that had afforded him a draft deferment to attend college in England. The Arkansas Gazette reported Oct. 28, 1978, that Clinton said that after joining the program he decided against continuing and wrote to the ROTC commander, Col. Eugene Homes, saying he wanted out. In this account, Clinton confirmed that an unnamed relative had talked with Col. Holmes and was told the agreement would be canceled.

(Jerry Seper, Washington Times, A1)

HILLARY CLINTON TELLS NEWSPAPER SHE PLANS TO BE ACTIVIST FIRST LADY

BALTIMORE -- Hillary Clinton, caught in the political fight over family values and career woman, says she plans to take a "more comprehensive approach" to the role of first lady than that being exercised by Barbara Bush. In an interview Thursday with the Baltimore Sun, she said she would like to shape policy related to children and family -- not just talk about such issues. (AP)

CLINTON SURVEYS STORM AREAS
Rival Matches Bush's Promises

MIAMI -- After touring areas of south Florida that were devastated by Hurricane Andrew, Bill Clinton Thursday night matched President Bush's pledge to provide massive federal assistance in rebuilding the ravaged communities south of here.

"If I am elected, I will be there, I will do my part," Clinton told a news conference. (Edward Walsh, Washington Post, A18)

Clinton Tours Hurricane-Ravaged South Florida

MIAMI -- Bill Clinton, following in the footsteps of President Bush, toured hurricane-devastated Florida but took a pointedly non-political stance regarding U.S. relief efforts in a state which is key for both candidates. Clinton reiterated an earlier call for an inquiry into the speed of U.S. response and repeatedly refused to answer political questions and those which sought a critique of Bush's handling of the disaster. In a rare display of cooperation in an otherwise acrimonious campaign, the Administration contacted the Democratic campaign and offered to brief Clinton on the destruction and relief efforts. (John Abell, Reuter)

RECOVERY EFFORT "MATURING RAPIDLY"

MIAMI -- The massive effort to pull south Florida back together in the wake of Hurricane Andrew is moving quickly and millions of dollars of donated supplies are pouring in, officials say. "The recovery is maturing rapidly, and debris removal is progressing very well," Secretary Card said Thursday.

(Tobin Beck, UPI)

HUD PLEDGES 1,400 TEMPORARY HOMES IN LOUISIANA

NEW ORLEANS -- Randy Erbin, acting assistant secretary of HUD, said HUD will soon have 1,400 mobile homes, apartments and houses available for Louisiana residents left homeless by Hurricane Andrew. (AP)

RESPONSE TO HURRICANE CRITICIZED

Sen. Mikulski called the federal response to Hurricane Andrew "pathetically sluggish" and said Thursday she will propose changes next year in the nation's disaster relief system.

Mikulski asked the GAO to recommend whether FEMA should be abolished and whether the Defense Department should be placed in charge of disaster relief. ("Short Takes," Washington Post, A23)

Senator To Introduce Legislation To Overhaul Disaster Relief

...Asked if here criticism extends to President Bush, Sen. Mikulski noted that Bush has asked for an end to the "blame game" in the aftermath of the disaster and said she was willing to join him in that. But she added that it took Bush 18 months after his Administration began to name a FEMA director.

(Lawrence Knutson, AP)

BUSH SENDS AIDE TO FLORIDA WITH DISASTER CHECKBOOK

President Bush sent a top aide to south Florida and Louisiana to deliver the first disaster loan checks to people who lost businesses or homes to Hurricane Andrew.

Bush met Pat Saiki, administrator of the SBA, and said she would go to Florida and Louisiana late Thursday "to deliver the first disaster loan checks." "By the time they are finished, the SBA will have made thousands of loans to businesses and homeowners who are resolved to rebuild their neighborhoods, repair their communities, and get on with their lives," Bush said in a statement. (Reuter)

ENGINEERING COUNCIL SAYS ANDREW DAMAGE PREVENTABLE

CLEMSON, S.C. -- Much of the destruction from Hurricane Andrew was preventable, the National Wind Engineering Research Council said. The council's report said winds may have exceeded design standards by 5% to 15% but a normal margin of safety in construction should have protected buildings from most damage. Visual inspections also revealed repeated instances where design and construction were deficient. Minor changes in roof construction alone can make a major difference, said Clemson civil engineer Ben Sill. (UPI)

BUSH TO PITCH GOP ECONOMIC PLAN TO SMALL BUSINESSES

President Bush is aiming at a traditional stronghold of Republican support, trying to sell his tax-and-regulation-cutting campaign message to small business owners in a Main Street setting.

Bush was traveling to Fredericksburg, Va.,...today to drop in on a downtown hardware store and drug store-soda fountain, then deliver a street-corner speech meant to put his pro-business credentials on display. (Robert Burns, AP)

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**INDEXATION OF CAPITAL GAINS NIXED
Administration Cites Justice Dept. Opinion**

The Bush Administration Thursday rejected the urgings of conservative Republicans to index the capital gains tax by executive order, a move that would have sharply reduced the taxes Americans pay on their investments.

The White House announced its decision after the Justice Department said the President does not have the authority to take action unilaterally.

In an effort to stem a conservative outcry about the decision, the White House said Bush has instructed the Treasury to add a provision to his legislative proposals, giving taxpayers the option of indexing costs when they pay capital gains taxes.

(Steven Mufson and Ruth Marcus, Washington Post, F1)

Administration Eyes Capital Gains Relief

The White House said it abandoned the idea of bypassing Congress to give investors a tax break by reducing their liability on investment profits.

Justice Department officials made "a pretty straightforward legal call. It wasn't close," said an anonymous official.

(Terence Hunt, AP)

Bush To Propose Indexing Capital Gains

The White House said Thursday President Bush would ask Congress to approve indexing capital gains for inflation because he lacked the legal authority to do it on his own.

Bush had hoped to boost the lagging economy by allowing taxpayers to tie their tax on profits for the sale of property or investments to account for inflation.

The political stakes were high. The decision not to go ahead is sure to further antagonize disaffected conservatives within the Republican Party who are already angry at Bush for breaking his 1988 campaign pledge not to raise taxes.

But at least it won't leave Bush exposed to charges from Bill Clinton that he panders to the rich, the main beneficiaries of any capital gains tax cut.

(Susan Cornwell, Reuter)

BIG RETAILERS SEE MODEST RISE IN SALES FOR AUGUST

The nation's largest retailers Thursday reported modest sales increased for August, with results hampered by a late Labor Day, fallout from Hurricane Andrew and consumers' continued reluctance to spend.

(Mariann Caprino, Washington Post, F3)

JOBLESS CLAIMS EASE, POINT TO GROWTH

The number of people applying for unemployment benefits rose slightly the week ended Aug. 22, but the news could have been much worse. Claims rose to 386,000 from 383,000 the week before. But for a second week, the number stayed below the benchmark 400,000 level. Economists say fewer than 400,000 claims in a week generally suggests a growing economy. (James Kim, USA Today, B1)

**RANKS OF POVERTY SWELL BY 2 MILLION
Census Reports Drop In '91 Income**

The number of Americans living below the official poverty line increased for the second straight year in 1991, to more than 35.7 million, and the nation's media income continued to fall, the Census Bureau reported Thursday.

The findings were bad news for President Bush, whose handling of the economy has become the cornerstone of the Bill Clinton's challenge.

"Four years ago, we were asked to trust Mr. Bush when he promised that the next century will be 'an American century,'" Clinton said here as he accepted the endorsement of the AFL-CIO. "But over the past 11 and a half years, while the Reagan-Bush-Quayle team have been in charge of America's economic policy, we have gone from first in the world in wages to 13th, and that latest Census figures plainly show that over two-thirds of the American people are working harder for less money than they were making 10 years ago."

(Spencer Rich, Washington Post, A1)

New Evidence Of Ailing U.S. Economy -- Poverty Is Up

The failure of U.S. policymakers to get the economy off dead center has been demonstrated by the most dismal of economic measurements -- poverty in the U.S. is up.

"Today's poverty figures are yet another terrible indication of the devastation of 12 years of Republican rule," said Max Parker, spokeswoman for Bill Clinton.

She added it was no surprise that after the assaults on the working class by the Ronald Reagan and Bush presidencies, "people are working harder for less money and too many of them are falling below the poverty line."

(Alver Carlson, Reuter)

**S&L CRIME FIGURES DON'T ADD UP
U.S. Says Report Is All 'Hype'**

The Justice Department is letting many S&L crooks "off the hook," a watchdog group charge Thursday.

Restitution often remains uncollected, many cases are dropped before prosecution and the average sentence for thrift offenders remains relatively slow, said Ralph Nader group Congress Watch.

But the Justice Department cries foul, asserting that the study's figures are distorted and politically motivated.

"It's obvious to me this report is the product of election-year hype," says Ira Raphaelson, Justice's bank fraud chief.

(Sam Vincent Meddis, USA Today, 5A)

ECONOMY RANKS 1ST WITH WOMEN AMONG WORRIES, ABORTION IS 6TH

The nation's economy is a far more important issue to women than abortion, a new bipartisan poll suggests.

The "Women's Voices" poll -- described as the "first-ever election-year survey of women's lives and concerns," asked 1,400 women which of 10 issues they were "personally most worried about."

Women ranked the economy and jobs as their No. 1 worry, followed by health care, crime, education and drugs. Abortion was a distant sixth. Just 7% identified abortion as their primary worry.

(Joyce Price, Washington Times, A3)

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**BUSH PREPARING PROGRAM FOR AGENCIES
TO WEED OUT FEDERAL RULES PERIODICALLY**

The White House is preparing a broad plan that would instruct federal agencies to review their rules periodically as a way of weeding out those deemed unnecessary or too costly. President Bush is expected to announce the plan later this month as part of a campaign stop touting his drive against what he calls overregulation. (Bob Davis, Wall Street Journal, A3)

WHITE HOUSE CLOSE TO COMPROMISE WETLANDS POLICY

The White House is backing away from a controversial wetlands policy that has been sharply criticized for opening half the nation's fragile, marshy areas to development, government and industry sources said Thursday. President Bush...could announce within the next several weeks a policy restoring some wetlands protections and setting new standards for agricultural areas. "The (policy) appears to respond to the outcry the EPA got to its 1991 wetlands manual," said Maureen Hinkle, director of agriculture policy for the National Audubon Society. "Compared to 1991, this proposal looks reasonable. What troubles us is the farmed wetland guidance, which gives the Agriculture Department open-ended discretion," she said. (Sue Kirchoff, Reuter)

LEAGUE OF CONSERVATION VOTERS BLASTS BUSH RECORD ON ENVIRONMENT

President Bush gets a grade of "D" for his environmental policies, while Bill Clinton has "a real commitment to the environment," the League of Conservation Voters said. The League released profiles of Bush, Vice President Quayle, Clinton and Sen. Gore. It said Bush had broken many of his environmental promises and Quayle's Council on Competitiveness was continuing to gut the Clean Air Act and other pollution control legislation.

Bruce Babbitt, head of the League's board of directors, criticized Bush for failing to sign a global treaty setting timetables to reduce emissions of carbon dioxide, as well as his policy to allow logging in some areas of the Northern Spotted Owl's habitat. He said the final clause of the environmental plank of the Republican platform was further evidence of an insufficient commitment to the environment. It says the party seeks "to reduce the amount of land owned or controlled by the government, especially in the Western states." Babbitt also attacked Bush for his "Orwellian promise" to ensure no net loss of wetlands, noting the 1991 revision of the federal wetlands manual had refined wetlands to exclude nearly 50% of the areas now designated wetlands. (Andrea Shalal-Esa, Reuter)

MEESE GRADES BUSH

WHEATON, IL -- Edwin Meese offered a report card on President Bush Thursday, admitting that he made some mistakes. Meese said Bush was mistaken both in signing the 1990 tax increase and supporting increased regulation. Speaking at Wheaton College, Meese denied that Bush is a "closet moderate." Instead, he suggested Bush made the mistakes in a misguided attempt to "get along with Congress. His overtures to Congress were not reciprocated." (Paul Krawzak, Copley)

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U.S. GROUP SEEKS DRAMATIC ACTIONS TO HALT CHILD ABUSE

The U.S. must respond quickly and aggressively to its soaring child abuse rate by educating all new parents and crafting a national policy to help battered children, a government panel said. Two years after it issued a watershed report outlining the scope of the problem, the U.S. Advisory Board on Child Abuse and Neglect said reports of abused children continue climbing at an annual rate of 13%. The advisory board called for the federal government to immediately implement a voluntary program for visiting parents of newborns in their homes -- a far-reaching plan they said was the most effective way to prevent child abuse. (Reuter)

BENEFIT RAISE SOUGHT FOR ELDERLY, DISABLED

The Social Security program for low-income elderly, blind and disabled people needs overhauling to increase benefits and allow recipients to put more money in "nest egg" accounts, a federally-appointed panel concluded Thursday. The SSI Modernization Project, appointed by Social Security Commissioner Gwendolyn King, also proposed incentives to encourage those receiving disability payments to eventually return to work. (AP, Washington Times, A3)

CONNECTICUT GOVERNOR AND ALLIES LAUNCHING NEW POLITICAL PARTY

HARTFORD -- Gov. Weicker and political activists from around the nation said Thursday they will establish an Independence Party to revitalize the nation's political system.

"We are launching a new American revolution to restore competition to a political system now paralyzed by the Republican and Democratic parties," said businessman Gordon Black, a party founder. (Lisa Pane, AP)

EDITOR'S NOTE: "Different Spin," regarding a rebuttal to Howard Kurtz's recent story in the Washington Post on how the White House is "building walls" between the press and the President, appears in the Washington Times, page A8.

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INTERNATIONAL NEWS

NEW U.S. POLICIES ANGER ALLIES AND TRADE PARTNERS Wheat Subsidies, F-16s To Taiwan At Issue

President Bush's actions to win troubled domestic constituencies by selling fighters to Taiwan and subsidizing wheat exports Wednesday angered U.S. allies and trading partners around the world.

In China, the government warned it may withdraw from arms control talks and withhold its cooperation at the U.N. unless the U.S. revokes its decision to sell the F-16s.

Across the Atlantic, European allies said that increased subsidies for U.S. wheat exports placed added strains on already chilly trade relations between the U.S. and Western Europe, and threatens any chance of successfully concluding the Uruguay Round of world free-trade talks.

"He's willing to risk his foreign policy for political gain," said Stephen Cohen, director of the Berkeley Roundtable on the International Economy at the University of California at Berkeley.

In Australia, Prime Minister Keating said that "domestic political considerations have overridden a U.S. commitment to the pursuit of a less corrupted international trading system."

(Lena Sun and Stuart Auerbach, Washington Post, A1)

China Accuses Bush Of Lies Over Fighter Sale

BEIJING -- China has accused President Bush of "excuses and lies" to justify the sale of F-16 jets to Taiwan and said it seriously jeopardized Sino-American ties.

The official Xinhua news agency kept up the stream of vitriol in a strongly-worded commentary late Thursday, saying Washington's planned armaments sale brought added tension to relations between China and Taiwan.

"The Bush Administration has fabricated various excuses and lies trying to justify its arms sale decision, which is seriously jeopardizing Sino-U.S. relations." (Janet Snyder, Reuter)

NIXON SUPPORTS SALE OF U.S. JETS TO TAIWAN

Richard Nixon...said Thursday he supported President Bush's decision to allow the sale of American F-16 fighter jets to Taiwan. He said it was in the best of interests of the U.S. for Taiwan to be able to defend itself. (Reuter)

CHINA: RETURNING DISSIDENT DETAINED, BUT OTHER EXPATRIATES WELCOME

BEIJING -- Officials Friday announced Chinese students abroad are welcome to come home "regardless of past political attitude," even though police this week seized a recently returned dissident for anti-government activities.

Friday, the official Xinhua news agency denied Shen Tong had been arrested, claiming police only had him under "surveillance and investigation" at an unspecified residence. (UPI)

**1982 ARMS POLICY WITH CHINA VICTIM
OF BUSH CAMPAIGN, TEXAS LOBBYING**

On July 14, Rep. Joe Barton received an urgent plea from General Dynamics Corp. executives in Fort Worth to help reverse a 10-year-old U.S. policy limiting U.S. arms sales to Taiwan.

Close to 3,000 Texas jobs were at stake, the officials said.

After a two-hour briefing from the company, Barton telephoned W. Henson Moore, then-deputy chief of staff, to plead the case for approving the controversial sale, Barton said in an interview Thursday.

Almost immediately, the National Security Council staff and other elements of the White House conducted a "quick-and-dirty" review of the sale and of China-Taiwan arms policy, tentatively concluding that the sale "had a lot of merit," Barton was informed.

Since mid-July, Barton said, he and other Texas lawmakers had lobbied strenuously for the F-16 sale in conversations with President Bush and senior Administration officials....

Several experts on U.S.-China relations said President Bush's decision [to sell F-16s to Taiwan] is dramatic evidence of the reduced importance of ties with China in U.S. eyes since Beijing's 1989 crackdown on pro-democracy demonstrators and the end of the Cold War.

(Don Oberdorfer, Washington Post, A31)

SYRIAN TERMS SPUR PEACE TALKS OPTIMISM

Syria said Thursday that it had made several concessions in its terms for a peace settlement with Israel as the latest round here of Arab-Israeli negotiations began a 10-day recess.

Syrian negotiator Muwaffiq Allaf said a position paper presented to Israel this week dropped Syria's previous insistence that Israel withdraw from the occupied Golan Heights before any peace settlement. Instead, he said, Syria now believes that a "peace agreement" between the two countries could be implemented simultaneously with an Israeli withdrawal "according to an agreed timetable."

Syria also is now willing to conclude an agreement with Israel before any final settlement is reached between Israel and the Palestinians, Allaf said at a news conference.

Administration officials said they were excited and pleased by the developments in the talks.

(Jackson Diehl, Washington Post, A8)

Peres Hails Progress In Peace Talks With Syria

JERUSALEM -- Foreign Minister Peres said the latest round of Middle East peace talks in Washington yielded "the best 10 days ever" in Israeli-Syrian relations.

"In the 44 years since the founding of Israel there have never been 10 days like these in Syrian-Israeli relations," Peres told Israel TV's Arabic service.

"I cannot say that these 10 days brought peace, but they produced a chance," Peres said.

(Bradley Burston, Reuter)

**TURKEY SAYS BUSH REJECTS KURDISTAN
Premier, Fearing The Effects Of
Action In Iraq, Reports Assurance From U.S.**

ANKARA -- Concerned that recent American and allied actions in Iraq would embolden Kurdish separatists in Southeastern Turkey, Prime Minister Demirel said Thursday night that he had sought and received assurances from President Bush that the U.S. would continue to oppose creation of an independent Kurdish nation in the region.
(Alan Cowell, New York Times, A2)

**NO U.S. LINKS FOUND TO IRAQI LOANS
Government Officials Not Implicated
In Bank Scheme, Prosecutors Say**

Government prosecutors have told a federal judge they have no evidence that anyone in the U.S. government knew about the \$5.5 billion in illegal loans to Iraq made by the Atlanta branch of an Italian-owned bank. Assistant U.S. Attorney Gale McKenzie said that Christopher Drogoul, branch manager in Atlanta of BNL, did not implicate any U.S. officials during lengthy discussions with government investigators, according to documents made available this week.
(Sharon LaFraniere, Washington Post, A4)

SADDAM'S COUSIN SAID TO DIRECT EFFORTS IN SOUTH

NICOSIA -- Saddam Hussein has dispatched his defense minister...to southern Iraq, apparently to lead operations against Shiite rebels, travelers from Iraq reported.
(AP, Washington Post, A28)

DRAFT CHEMICAL ARMS PACT APPROVED AFTER 24 YEARS

After 24 years of negotiations, the Conference on Disarmament Thursday approved a draft treaty that would forbid signatory nations from using, producing or stockpiling poison gas and other lethal chemical weapons.
(John Goshko, Washington Post, A27)

**TIDAL WAVE, AID CRISIS OVERLAP IN NICARAGUA
Helm's Objections Hold Up \$104 Million**

MANAGUA -- As the official death toll from Tuesday's quake-driven coastal inundations rose to 116 Thursday, the government of President Chamorro tried to cope with a U.S. aid crisis that could compound the disaster.

The aid issue focused on Sen. Helms, who is holding up \$104 million in general economic assistance on the ground that Chamorro's government is still effectively controlled by the leftist Sandinistas.

The State Department announced Thursday that \$5 million, unrelated to the \$104 million being held up, is being expedited for "social investment infrastructure and cleanup in areas affected by the tidal wave."
(Douglas Farah, Washington Post, A27)

NONALIGNED MOVEMENT WANTS CHANGES IN U.N.

JAKARTA -- Nonaligned nations want the U.S., Russia, France, Britain and China stripped of their power to veto U.N. policy. The movement's week-long summit meeting, in its third day, seeks changes that would give developing states a much louder voice in running the U.N. Secretary-General Boutros-Ghali seemed to pour cold water on the movement's demands for reform by pointing out that the changes would require revision of the U.N. charter.

(Kenneth Whiting, AP)

**RELIEF PLANE CRASHES APPROACHING SARAJEVO
U.S. Search Copters Report Hostile Fire**

SARAJEVO -- An Italian cargo plane carrying a four-man crew and five tons of blankets for Sarajevo civilians crashed Thursday in a thick forest about 20 miles west of here as it approached the city on a flight from Croatia.

U.N. officials said there was no indication that the plane was downed by hostile fire..., but four U.S. Marine rescue helicopters flying from an amphibious assault ship in the Adriatic were driven away from the area by what their crews believe was small-arms fire, according to Pentagon spokesmen and naval officers.

(Blaine Harden, Washington Post, A27)

**4 HAITIANS WITH HIV ADMITTED TO U.S.
Entry Of Refugees For Medical
Care Said To be no Change In Policy**

The Justice Department's decision to admit four HIV-positive Haitian refugees into the U.S. for medical care does not mean a change in the government's ban on immigrants with the AIDS virus, a department official said Thursday.

But the action does signal that the care the Haitians are receiving at the U.S. Naval Base at Guantanamo Bay, Cuba, may not be comprehensive enough to handle their special needs, the official said.

The anonymous Justice Department official said the medical care being provided at Guantanamo "is fine, but we are not going to take the position that the medical care down there can handle every possible thing that comes up.... We've reacted in the responsible and humane way." (Lynne Duke, Washington Post, A8)

EDITOR'S NOTE: "Hussein's Stealthy Visit," regarding King Hussein having dinner at the White House Tuesday night, appears in "Names & Faces, the Washington Post, page B3.

-End of A-Section-

NETWORK NEWS

(Thursday evening, Sept. 3)

ECONOMY/POVERTY

ABC's Peter Jennings: We begin with the national economy tonight. Once again, it is not good news for the Bush Administration. The Census Bureau reports today that 2.1 million more Americans fell below the poverty line last year. More people are now living in poverty than in any time since Lyndon Johnson launched the war on poverty in the middle of the 1960s. The White House spokesman, Marlin Fitzwater, said in a recessionary period, the numbers are certainly understandable.

ABC's Bettina Gregory reports the Census Bureau says the number of poor Americans soared to 35.7 million last year, more than 14 percent of the population. The biggest increase was among white people. They make up the vast majority of the poor, although a greater proportion of blacks and Hispanics are below the poverty line. And the Census Bureau confirmed that four out of every 10 of the poor are children.

(Clifford Johnson, Children's Defense Fund: "These numbers tell a devastating story about what's happening to American children and how we're really leaving millions of children behind.")

The Census Bureau also showed that overall median household income declined by 3.5 percent last year, to just over \$30,000 after adjustment for inflation. But conservatives say all these figures are misleading, because they don't count welfare and other government benefits as income.

(Robert Rector, Heritage Foundation: "These numbers are a political con game. What's going on here is that we're told every single year that there are 35 million poor people, we need more welfare spending. Then welfare spending goes up, but what they don't count is the next year.")

However you arrive at the figures, the news of a big increase in the poverty rate is sure to be around for a while as an election-year issue.

Jennings reports Gov. Clinton today said the poverty figures are further evidence of the country's economic decline. (ABC-Lead)

NBC's Stone Phillips: A portrait of economic distress. The Census Bureau's latest figures on poverty show that for many Americans -- not just the victims of Hurricane Andrew -- these are the worst of times: 35,708,000 Americans last year lived below the poverty line, the most since 1964, just before the government's war on poverty began. And 40 percent of them were children.

NBC's John Cochran: There's a good deal of debate about what these new poverty figures mean. But everyone agrees they mean trouble for a President who four years ago promised better times. Nothing is getting better for Maria Caride [phonetic], a single mother with two young sons. She works two jobs, this one in a women's clinic. She will make about \$10,000 this year, \$1,000 below the poverty level for a family of three. How do she and her boys survive?

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Cochran continues:

(Caride: "If there's a sale in one place, I'll go to that place. If there's a sale in another place, I'll go there. And I'm always looking around for bargains.")

Someone once said you're poor if you feel poor. But the Census Bureau says a family of four earning less than \$14,000 last year was poor.

(Daniel Weinberg, Census Bureau: "The poverty rate for all persons in 1991 was 14.2 percent, a significant increase from the 1990 rate of 13.5 percent.")

Blacks had the highest poverty rate -- 33 percent; Hispanics -- 29 percent. Whites were lowest at 11 percent. But whites were the only ethnic group with a higher poverty rate last year. There was a big increase in poverty among whites where husband and wife lived together. That does not fit the stereotype of poor, single-parent families. White House spokesman Marlin Fitzwater said the new poverty figures were no surprise because in a recessionary period, that's certainly understandable. But is it understandable to voters in key states? In Bush's first year as President, California's poverty rate was 12.9 percent; last year, it was 15.7 percent. Ohio, an important swing state -- 10.6 percent in '89, 13.4 percent last year. Georgia, a pivotal state for Bush's southern strategy -- 15 percent in '89, 17.2 percent last year. The Bush campaign no longer expects significantly better economic news between now and the election. Instead, the line from here is: Look, things will only get worse if you elect that other guy.

(NBC-Lead)

Phillips reports Clinton wasted no time taking note of the poverty report. In south Florida, he laid the new poverty figures at Bush's doorstep. He said the report was further evidence of America's economic decline, as people work harder for less money.

(NBC-2)

CBS's Connie Chung: New figures from the Census Bureau today tell a shocking story about how many Americans are poor. The number living in poverty in 1991 is staggering -- 35,708,000. And even those Americans making average incomes are making a lot less.

CBS's Jim Stewart reports today's news was a stunner for the White House, where Bush holed up and scheduled no campaign appearances. Clinton wasted no time in jumping on the President.

(Clinton: "And the latest census figures plainly show that over two-thirds of the American people are working harder for less money than they were making 10 years ago.")

(CBS-Lead)

CAMPAIGN/FEDERAL SPENDING

Jennings: When he was speaking to the AFL-CIO today, Gov. Clinton also took a swipe at President Bush for using the financial advantage which a President has and his opponent doesn't, for straight-out political gain. He was referring to several promises the President has made in the last couple of days. Clinton said Bush was guilty of flip-flopping.

ABC's Brit Hume: The Democratic nominee charged that not only was the President passing out federal benefits for political gain, but that he was using money from programs he had previously opposed.

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Hume continues:

(Clinton: "Then the President went to South Dakota -- this is the most amazing thing of all -- on September the 2nd and promised the wheat farmers he would expand the export-subsidy program that on August the 6th he recommended to be eliminated. I'm a Baptist, so I believe in deathbed conversion, but this is amazing.")

The President, who likes to say that government is too big and spends too much, has indeed been announcing spending with gusto the last two days. And he did tell grain farmers yesterday of new payments to help them export their crop.

(TV coverage: President Bush speaking in South Dakota.)

But Mr. Bush today strongly denied the Clinton charge that he had ever tried to kill that export-enhancement program -- or EEP, as it's called.

(President Bush, on "U.S. Farm Report": "Our proposal did not call, as the Clinton campaign said, for the elimination of EEP. It was a suggestion made by the Congressional Budget Office. That's an arm of the Congress, which is obviously in Democratic hands.")

Similarly, the Administration denied the Clinton charge that it flip-flopped in announcing yesterday it would permit Taiwan to buy 150 F-16 fighter jets. The announcement brought Mr. Bush cheers from workers at General Dynamics in Fort Worth, which makes the planes.

(TV coverage: President Bush speaking in Fort Worth.)

But that announcement also marked a shift from a previous practice of not selling such weapons to Taiwan. Officials here say the shift was triggered by China's decision to buy new fighter jets from the Soviet Union, which they insist obligated the U.S. to help Taiwan upgrade its defenses. But officials here have no such explanation for Vice President Quayle's announcement with pleasure last week that the Pentagon would upgrade the M-1A1 tank. The Administration had fought to eliminate that from the budget, but had gone along with it in the compromise with Congress. Having done that, the Administration then clearly tried to get political credit for something it hadn't wanted in the first place. (ABC-3)

CAMPAIGN/DEBATES

Chung: Just three weeks before the first presidential debates, the Bush campaign has rejected the format. Among other things, the Bush people are said to be unhappy with a bipartisan panel's proposal for three presidential debates, each with a single moderator and no audience. The Clinton campaign has accepted the proposal. (CBS-8)

CAMPAIGN/FLIP-FLOPS

Chung: Out campaigning today, Gov. Clinton accused President Bush of making a series of policy flip-flops to get votes. That's the same charge President Bush has been making about Clinton.

CBS's Richard Threlkeld reports Clinton appeared before the AFL-CIO armed with a list of examples of what he said was cynical election-year pandering by President Bush. For his part, Bush says Clinton is pandering to his labor supporters by refusing to take a position on NAFTA.

Threlkeld continues:

(President Bush: "You cannot be on every side of every issue. And he's stuck riding the fence so hard, he's got saddle sores -- I might say straddle sores.")

It's true that Clinton has left few promises unmade in his campaigning. To the American Legion, a promise of a new and improved Veterans Administration. And in San Antonio, promises to rebuild the Texas energy industry and build the Texas-made V-22 warplane. Lately, it seems both nominees are deserving of the mascot Paul Tsongas used to carry around during the primaries -- the pander bear. The danger with all these expensive promises is that whoever is elected in November will be hard-pressed to keep them. And if he doesn't, he's likely to make an already cynical electorate even more so. (CBS-9)

CAMPAIGN/CLINTON

ABC's John McWethy reports Clinton received the endorsement of the AFL-CIO. Some within the campaign were concerned about just how closely Clinton wants to be identified with organized labor.

(Lane Kirkland, AFL-CIO president: "This endorsement comes with our iron-clad commitment to work for you and to work very hard in every state of the union until victory is yours in November.")

(Clinton: "While I know we have not always agreed and will never always agree on everything, I believe we share a common commitment to the working men and women and their children.")

One dispute the campaign and labor agreed to downplay is Clinton's failure to flatly oppose the Bush Administration's free-trade agreement with Mexico and Canada. Clinton turned the issue against President Bush.

(Clinton: "The President accused me of waffling on the issue because I wouldn't trust him with an agreement I haven't read. He taught me four years ago I can't read his lips. I'm going to have to read the paper.")

Many union members are known as Reagan Democrats. They voted Republican in the last three presidential elections despite union endorsement of the Democrat. Labor leaders say this election will be different. (ABC-2)

CAMPAIGN/PEROT

NBC's Lisa Myers reports that this week, Ross Perot's die-hard volunteers in California are rounding up the faithful, encouraged by what they perceive as signals that Perot may be a candidate after all. Even if he does nothing, Perot may win 5 percent of the vote in November. If Perot re-enters the race, some say he could win up to 10 percent of the vote and throw the electoral mass into chaos. No one can predict Perot. But those who know him say that if he makes a move, it probably would come in October and be done to inflict maximum damage on President Bush. (NBC-6)

ECONOMY

Jennings reports productivity in the nation's factories rose 2 percent in the last quarter. But here's the reason: In a recession, workers are laid off; those that remain have to work harder. (ABC-8)

FLORIDA/POST-HURRICANE

Jennings reports five of the 10 tent cities are up and running. But federal officials say they are frustrated because so few families are willing to leave their damaged homes and move to the tents. So they're considering installing televisions and VCRs.

ABC's Barry Serafin reports Gov. Clinton visited south Florida today. He arrived late in the day and kept a relatively low profile, designed to head off any charges of politicizing a disaster. (ABC-4)

NBC's Fred Francis reports that never have more GIs been rushed to an American disaster. Soon, the total may reach more than 27,000 troops here. They are making a major difference, helping distribute supplies and keep order. (NBC-3)

CBS's Scott Pelley reports thousands of residents have not been heard from since the hurricane. Authorities believe some victims could be buried in the rubble. Today, the Red Cross was working to find about 6,000 still unaccounted for. It's believed the vast majority are safe, but unable to contact relatives. (CBS-2)

FEMA/POST-HURRICANE

Jennings reports Sen. Mikulski called the federal response in Florida pathetically sluggish. She asked for a congressional investigation of FEMA.

ABC's Mark Potter reports hundreds of FEMA workers are now in place in south Florida. While individual FEMA workers get high marks for compassion, some victims complain the agency itself has too much red tape and can take weeks to make payments.

(Lynne Keating, FEMA: "We are beholden to taxpayers, so everything has to be verified.")

Some victims are angry that the loans they get are no better than what they would get from a bank. The primary concern still is that FEMA was just too slow to respond.

(Rep. Fасcell: "I call for a czar, a disaster czar -- a highly visible person, one guy in charge calling the shots, all by pre-arranged agreement.")

Some even suggest that after what has happened, immediate disaster responsibility should be taken away from FEMA and handed over to the military. (ABC-5)

IRAQ/NO-FLY ZONE

CBS's Tom Fenton reports there are signs that allied air patrols are putting increased pressure on Saddam Hussein. A local governor showed Western reporters the blunt warnings American pilots have been showering on his southern province. Senior officials in the south, worried about their own safety, have reportedly sent their families to Baghdad. Saddam has dispatched his defense minister to the south to prevent an all-out insurrection. On another front, U.N. weapons inspectors backpedaled today from a statement that Saddam's nuclear-weapons program has been totally dismantled. A former U.N. inspector, David Kay, stressed the need for continued vigilance. (CBS-5)

CBS's Bob Simon reports the harrowing experience of the Gulf War is coming back in Israel, as Israelis anticipate possible combat between Iraq and the U.S. Sources told CBS News that the Pentagon is sharing satellite intelligence immediately with the Israelis, which it did not do last year. (CBS-6)

BOSNIA-HERCEGOVINA

Jennings reports an Italian plane carrying relief supplies crashed while trying to land near Sarajevo. Two U.S. helicopters from the carrier Iwo Jima came under small-arms fire while searching for the wreckage. They apparently were not hit. The U.N. has now suspended all relief flights into Sarajevo until it learns why the Italian plane crashed. (CBS-4, ABC-7)

NICARAGUA/TIDAL WAVE

Jennings reports the U.S. has acted very swiftly to help the victims of the tidal wave in Nicaragua. At least 100 people are dead, thousands are homeless. The U.S. will give Nicaragua \$5 million and already has sent a plane with relief supplies. (ABC-6)

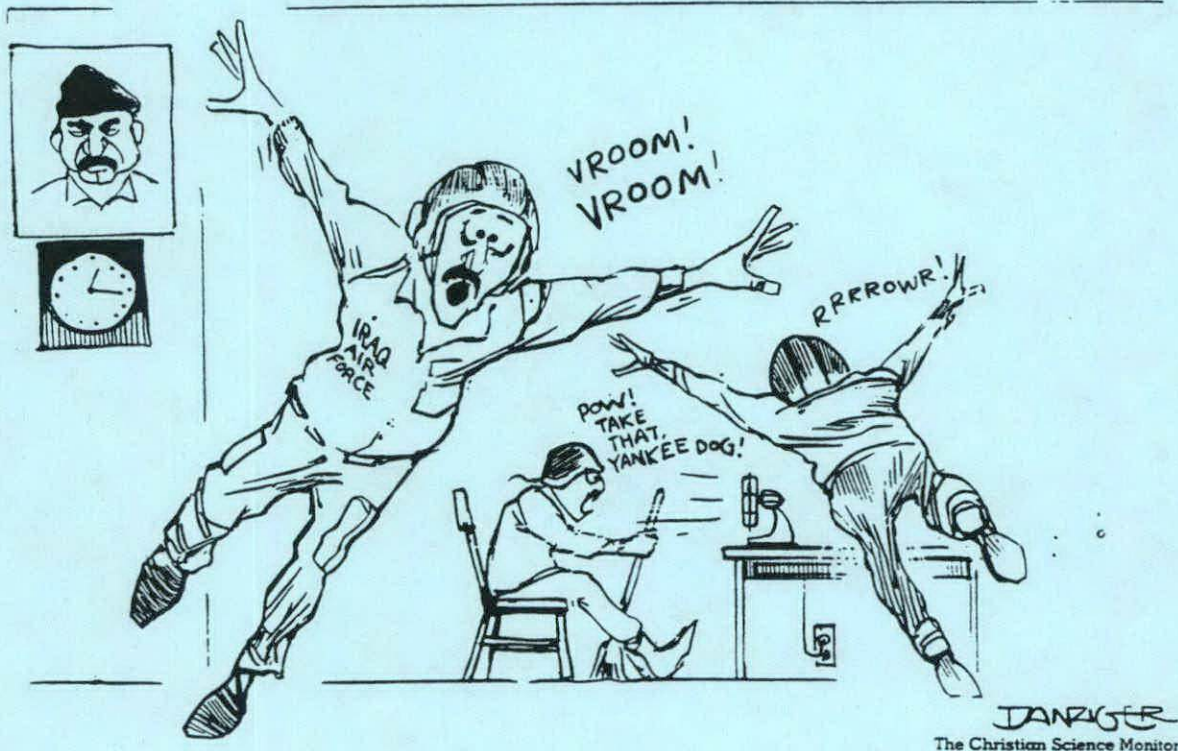
ALCOHOL/TEENS

Phillips reports the government today was asked to ban advertising of alcoholic beverages in movies, television, music videos and toys. The reason: the negative impact of alcohol on the young. (NBC-5)

-end of News Summary-

Friday Follies

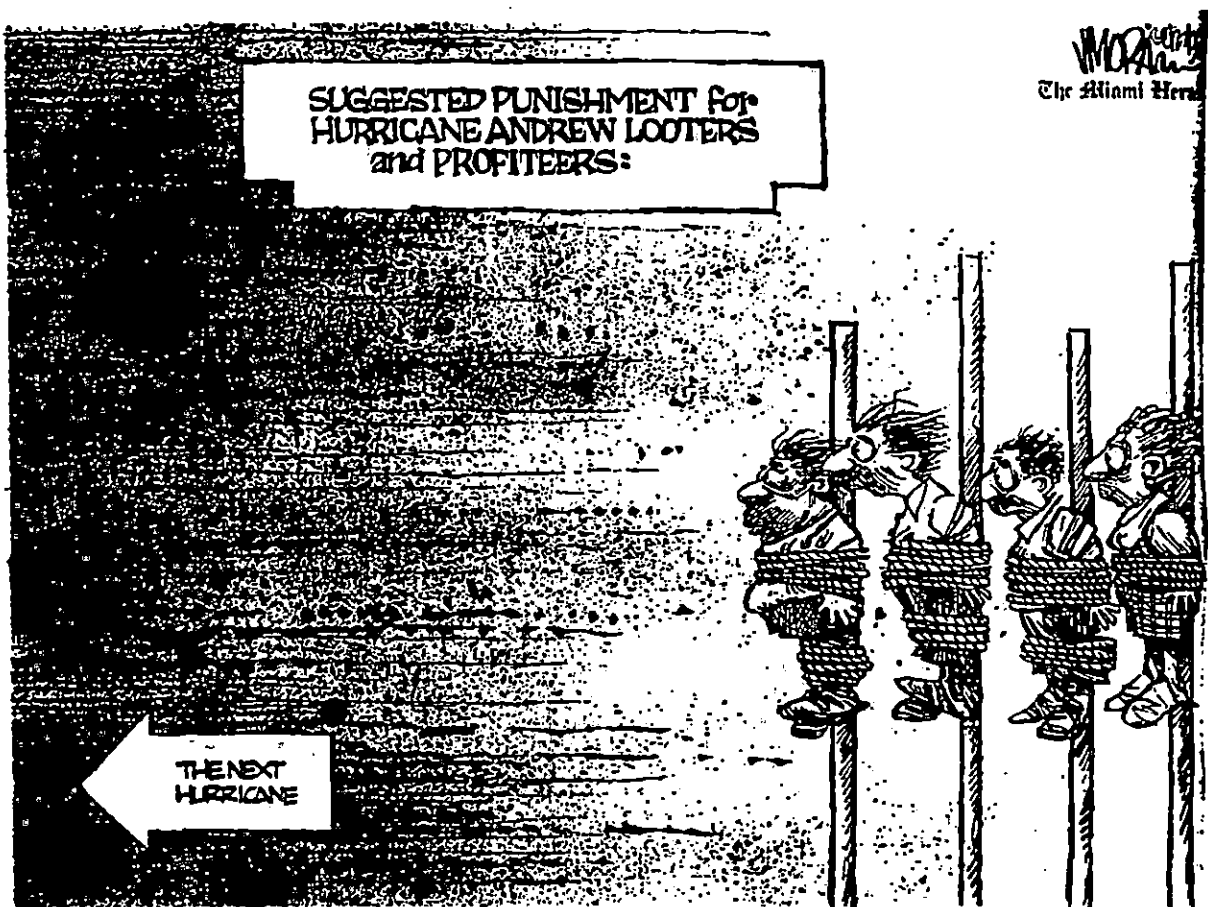
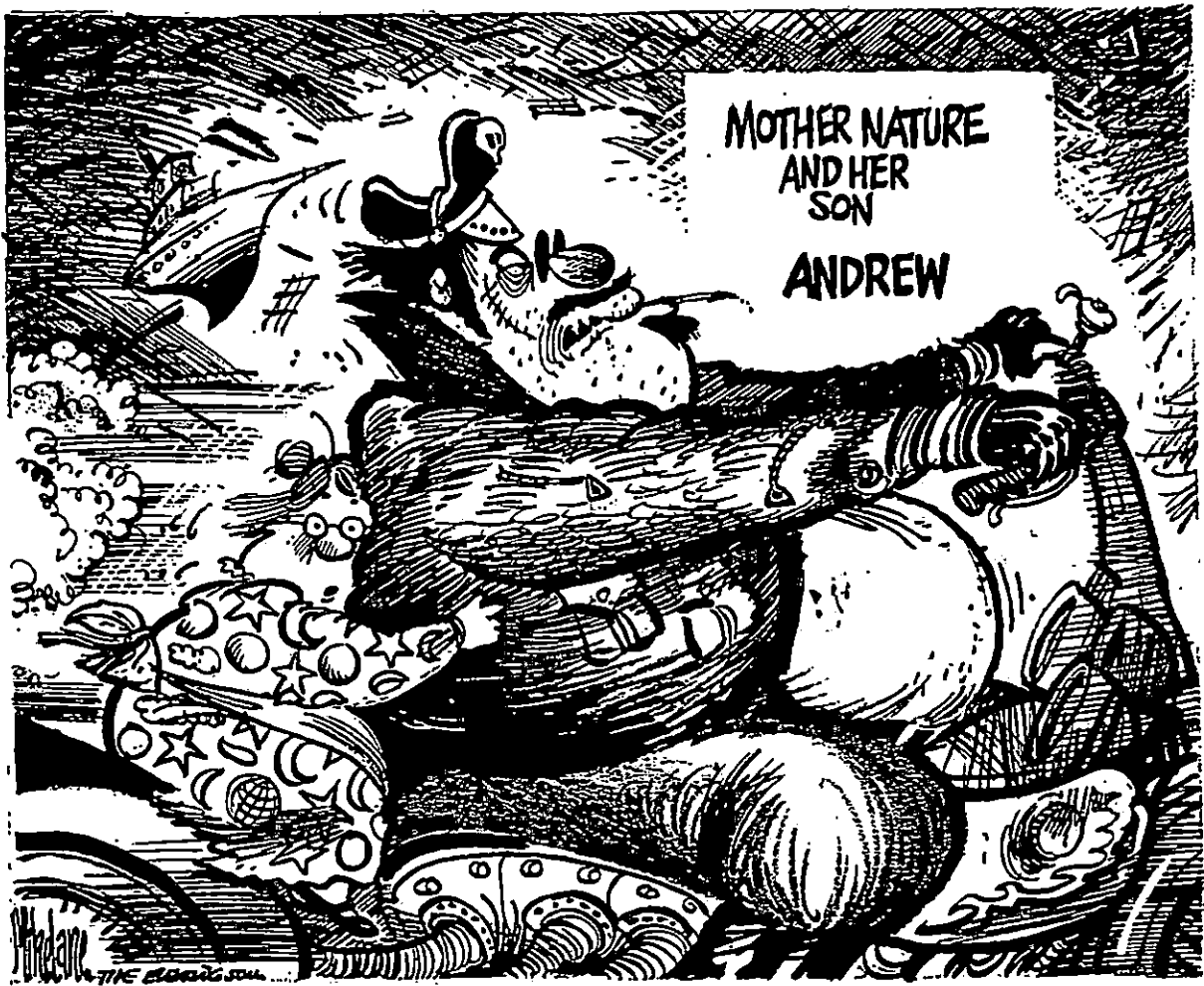
SADDAM SAYS KEEP PRACTICING!



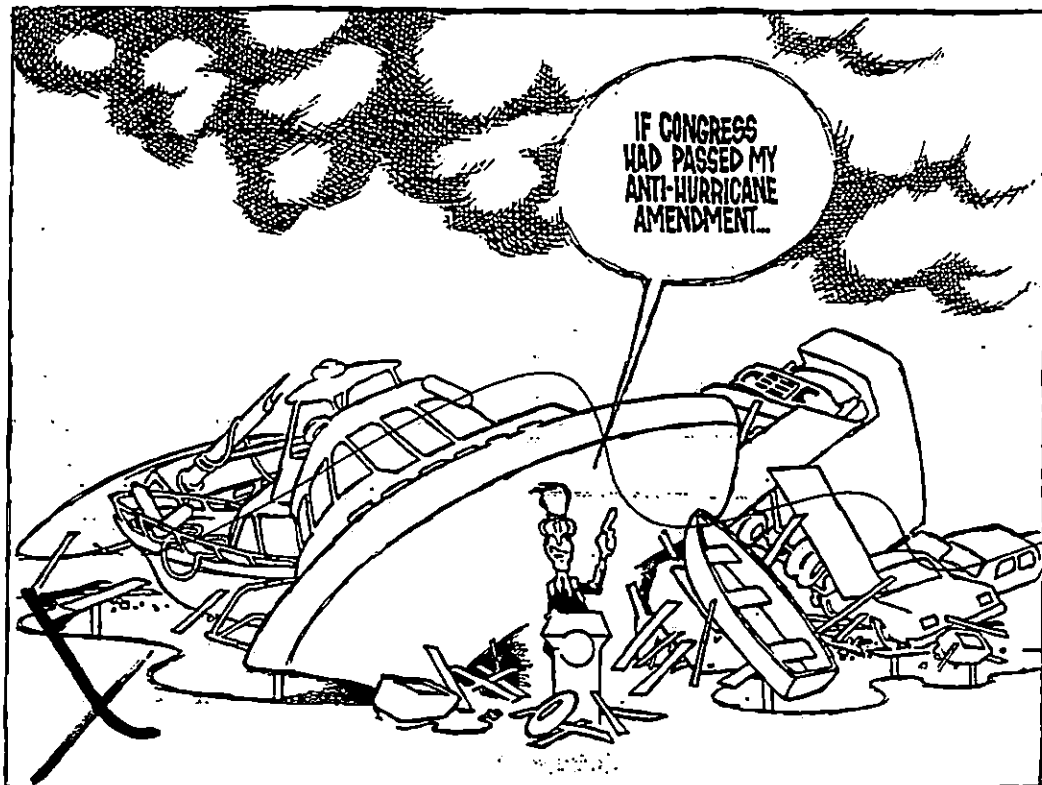
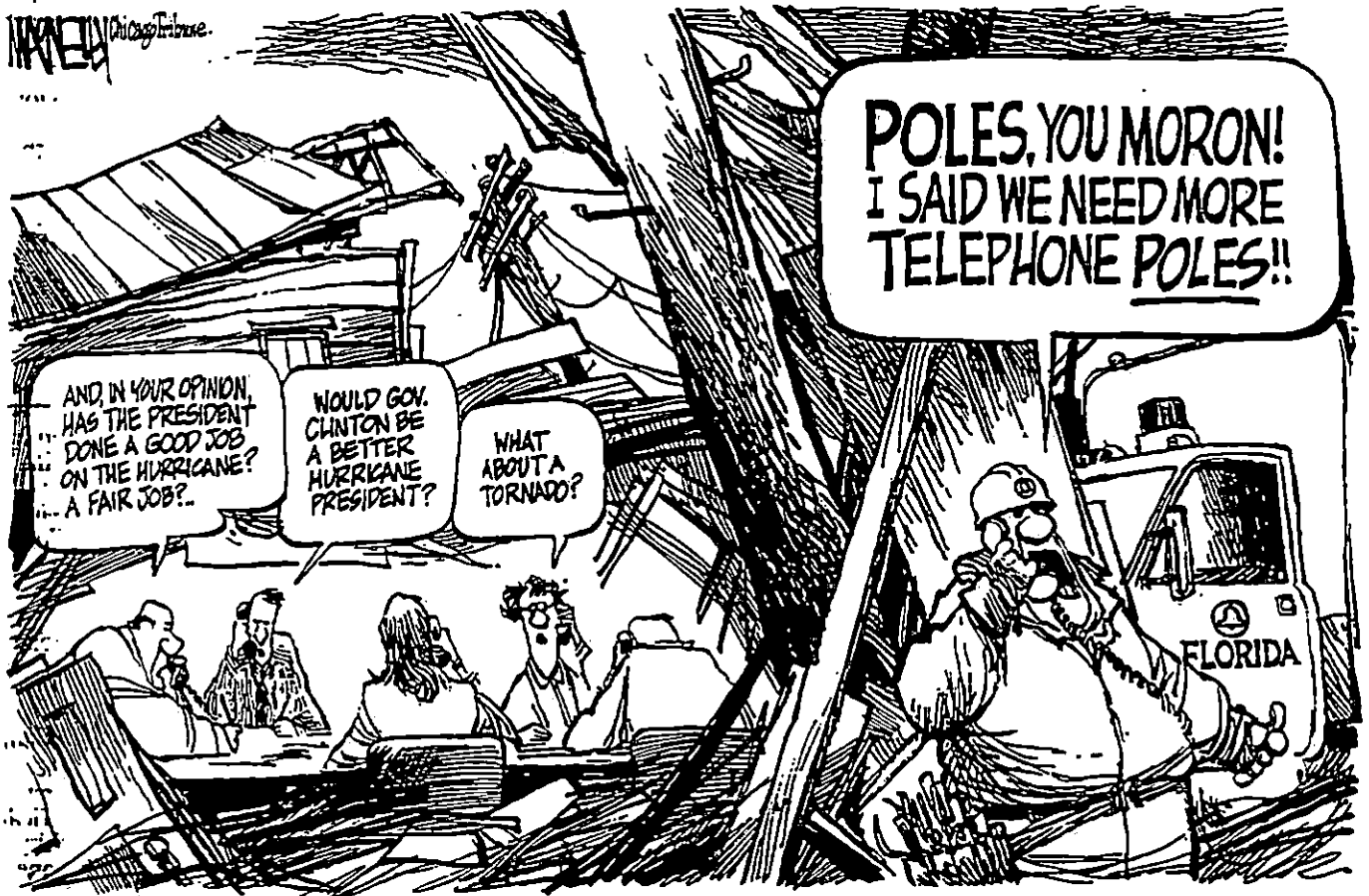
- a look at politics through the eyes of the political cartoonist -

"I don't care a straw for your newspaper articles. My constituents don't know how to read. But they can't help seeing them damned pictures."
(William Marcy "Boss" Tweed speaking of Thomas Nast, 1871)

WHITE HOUSE NEWS SUMMARY SPECIAL EDITION
VOLUME IV ISSUE 34 -- September 4, 1992



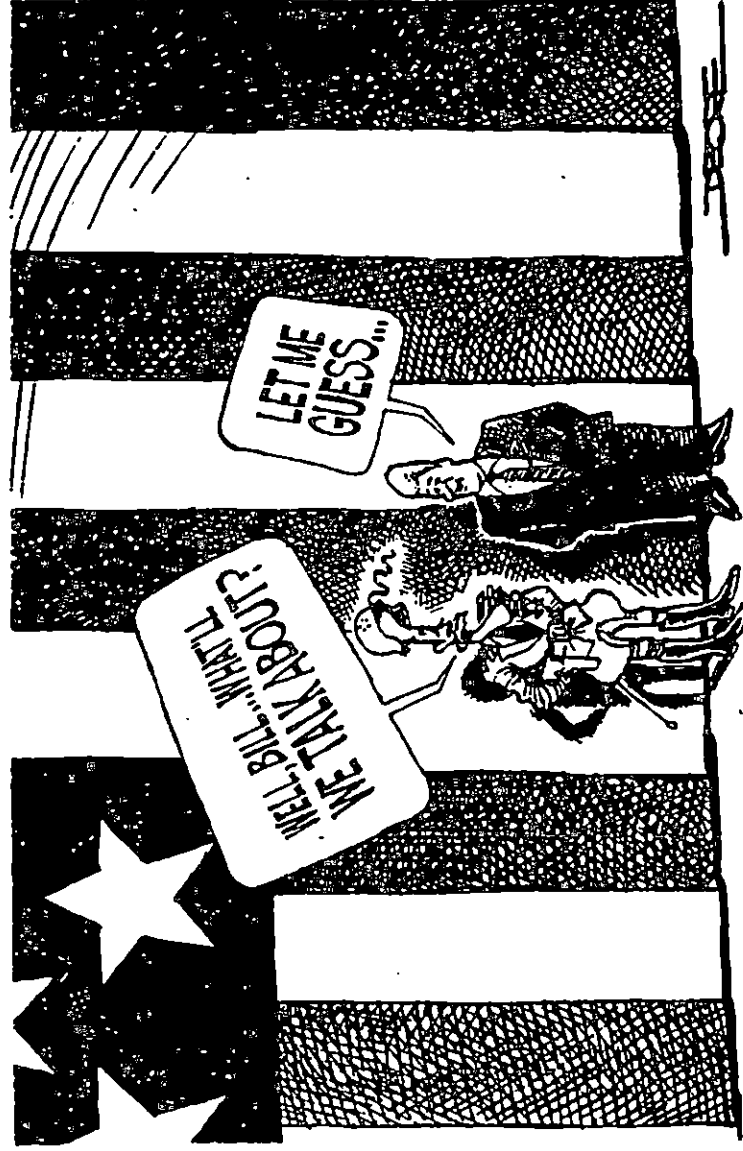




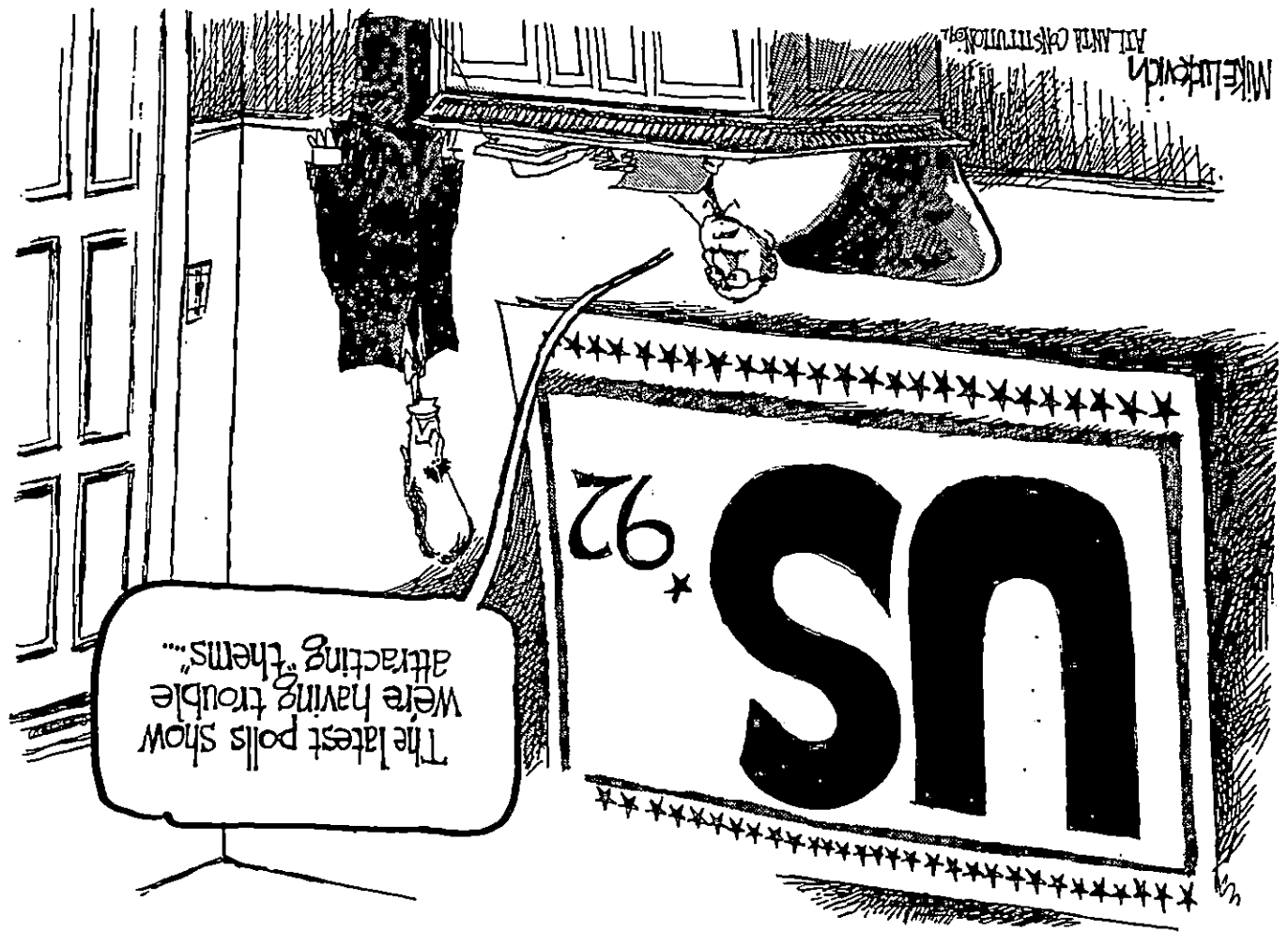
HOLLYWOOD ♥ CLINTON

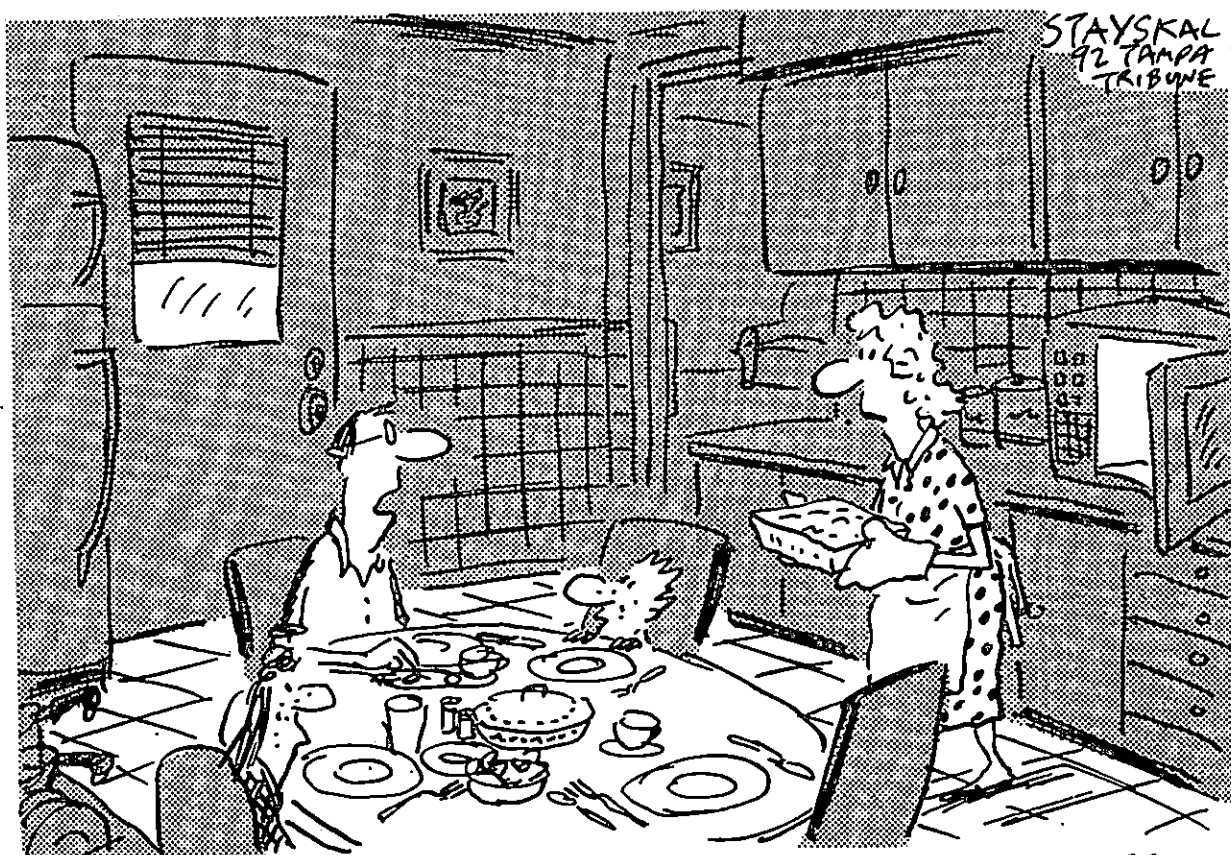
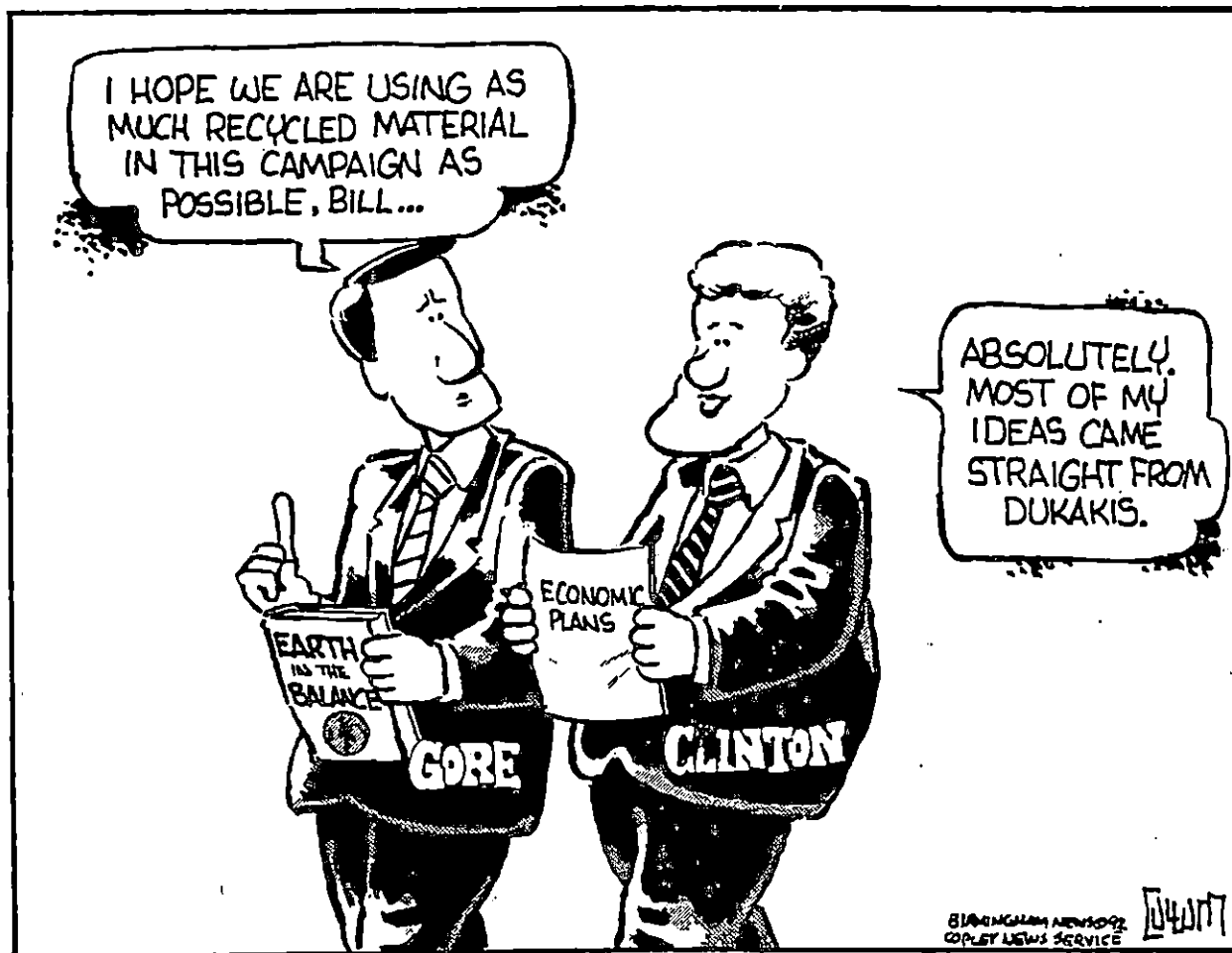


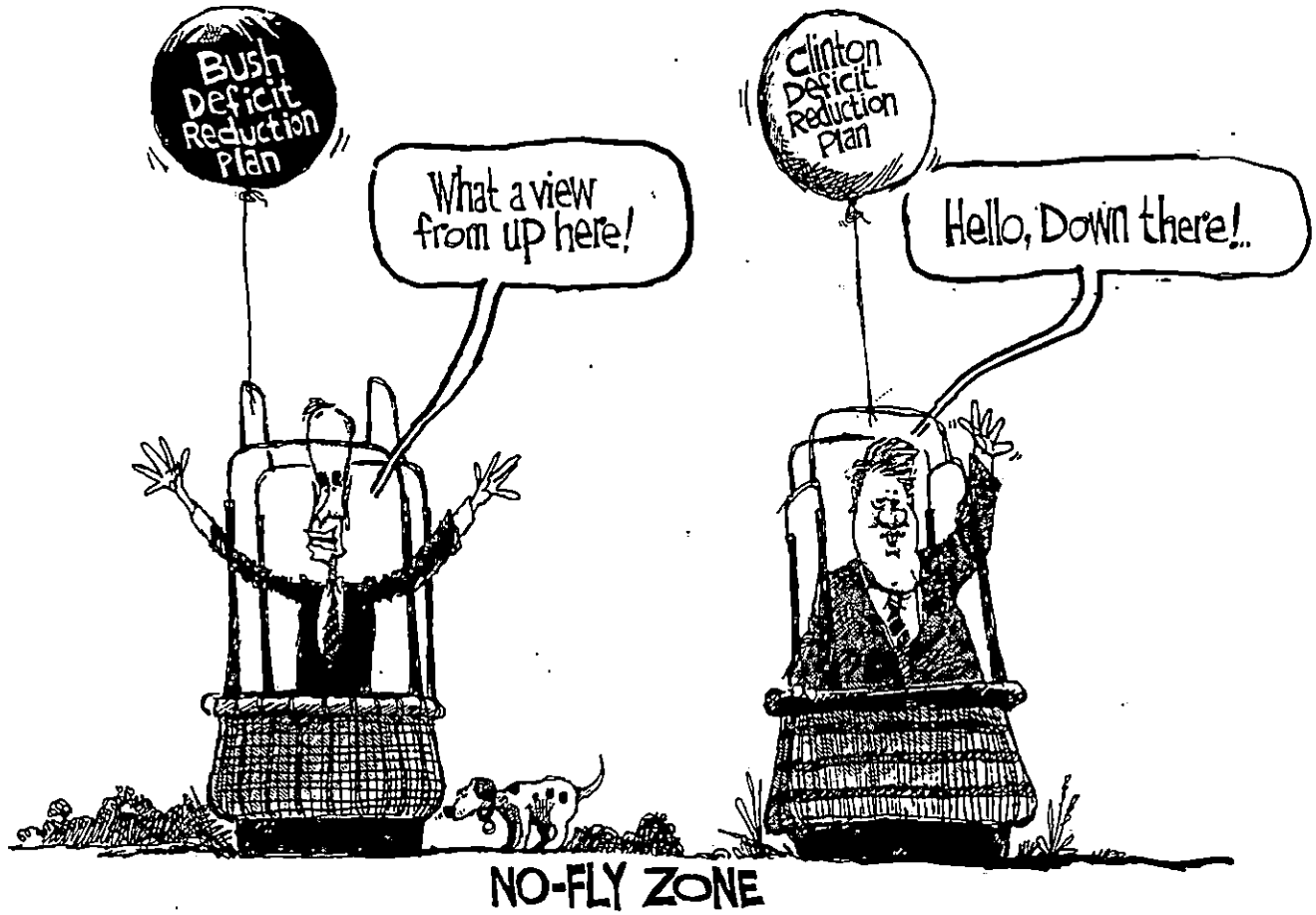
"OVERKILL?!" PERHAPS... BUT MAYBE HE'LL APPOINT ME AMBASSADOR TO CANNES!"

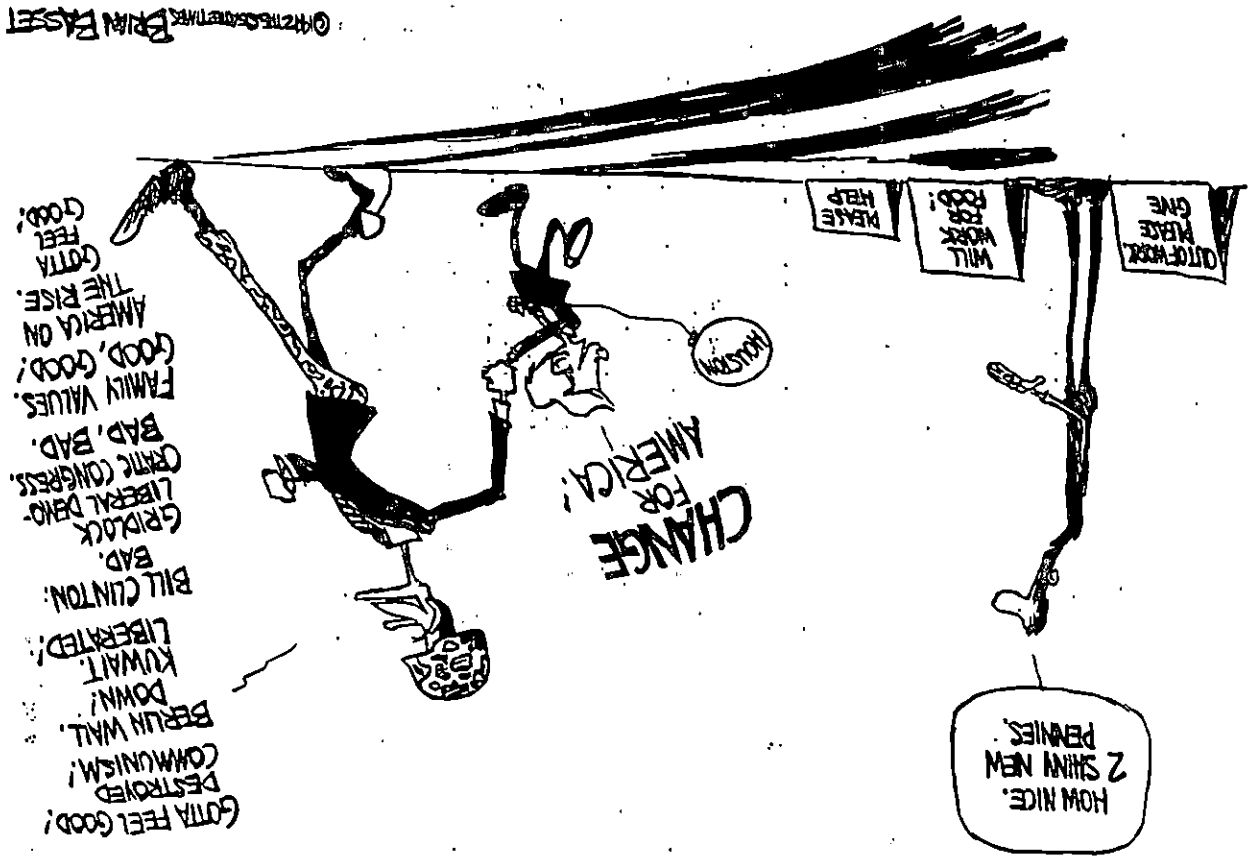


THE END



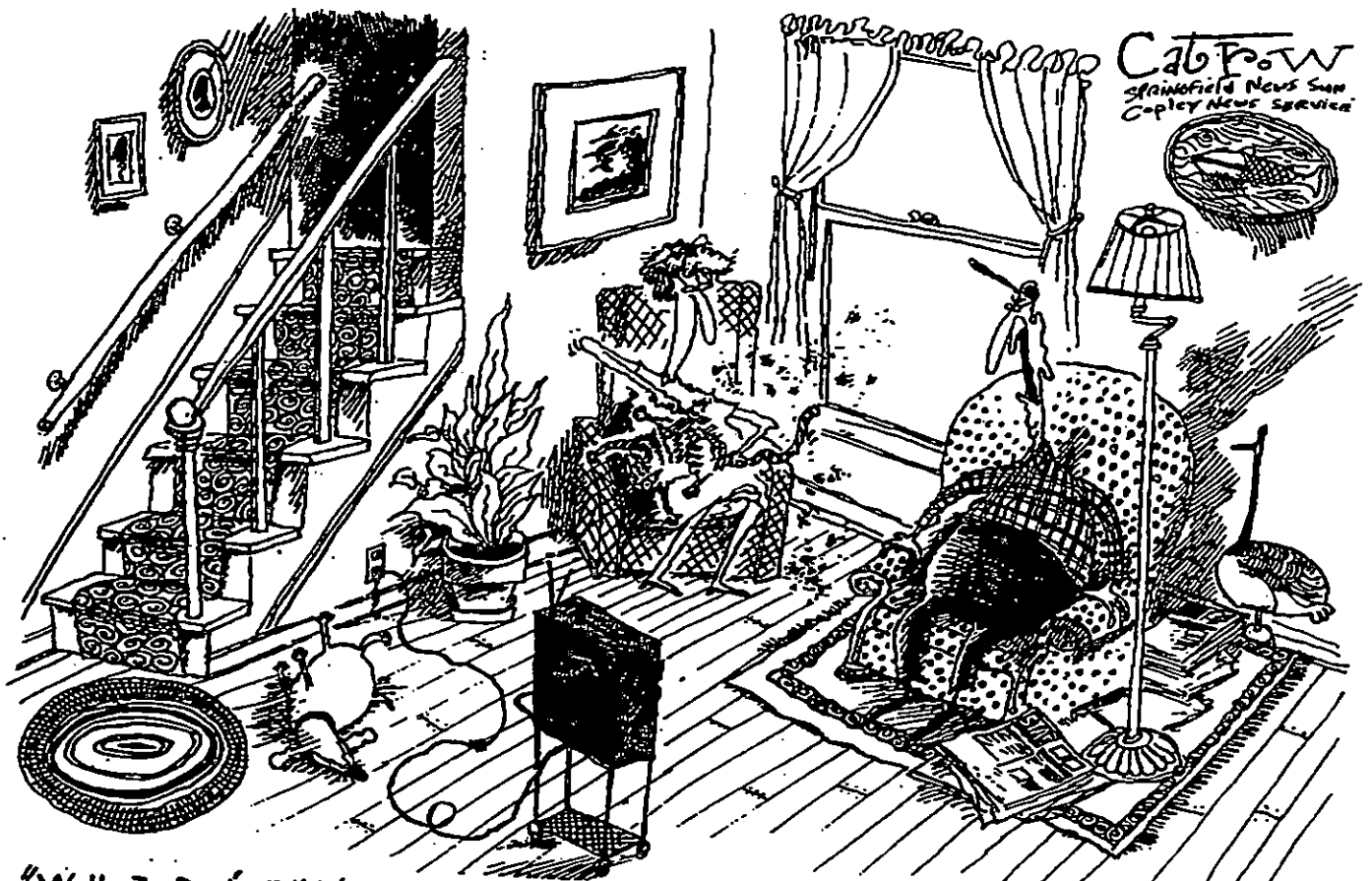
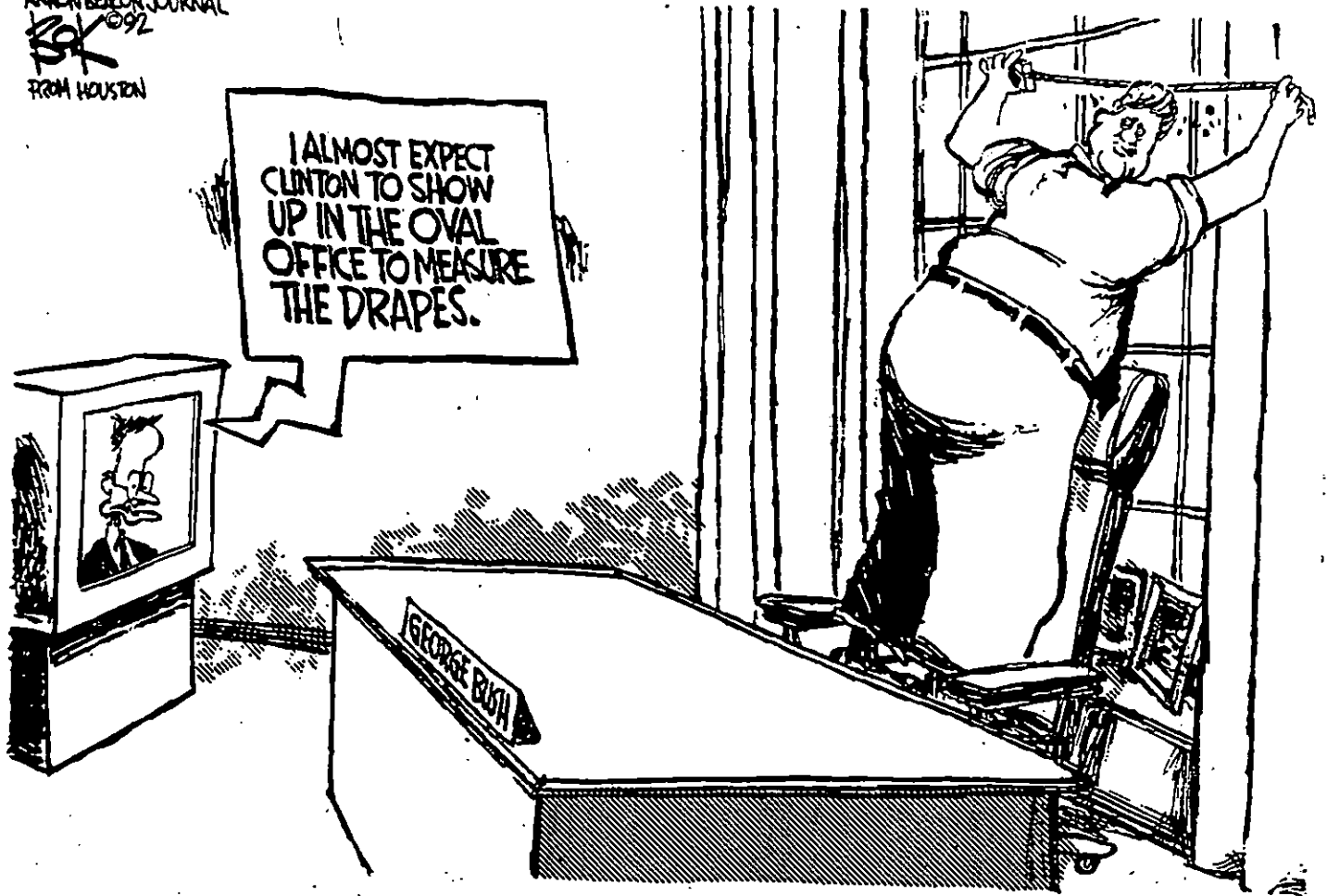




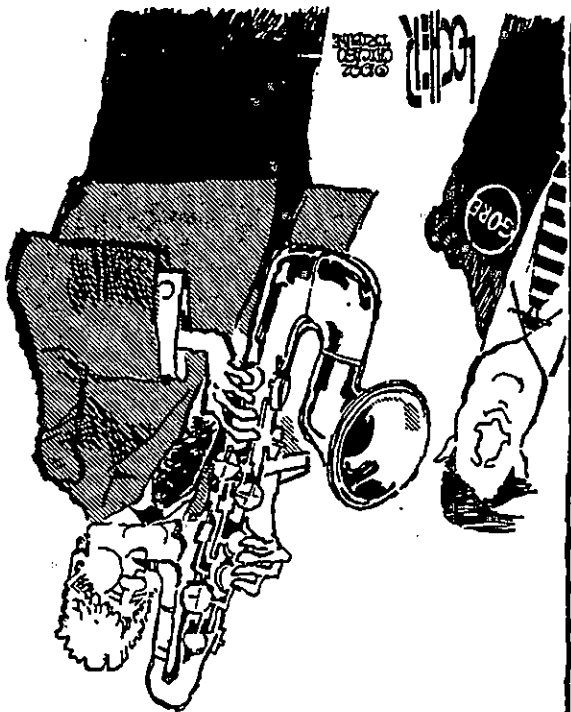


R REASONARY MANY PARTS ARE OBSCURE
PRODUCED BY CONGRESS
COMING SOON: **my taxes** WITH CLINTON GORE

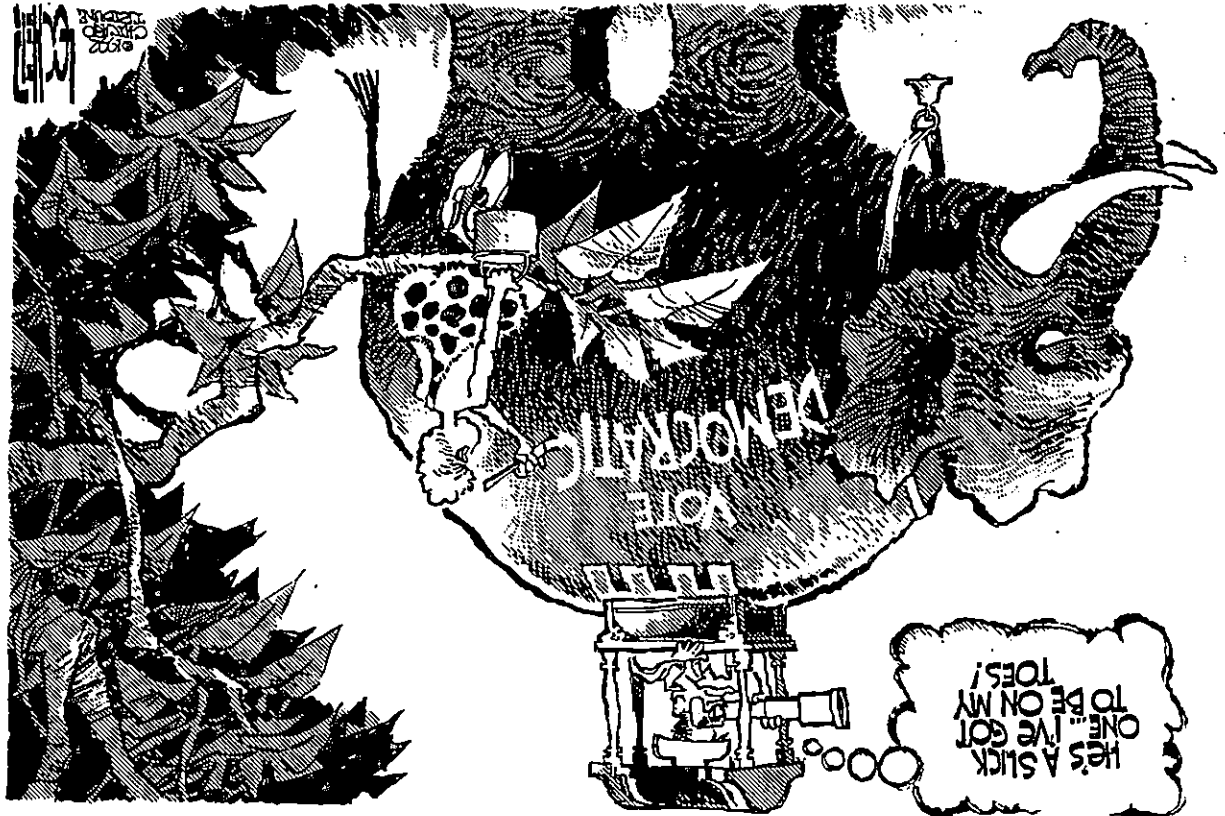
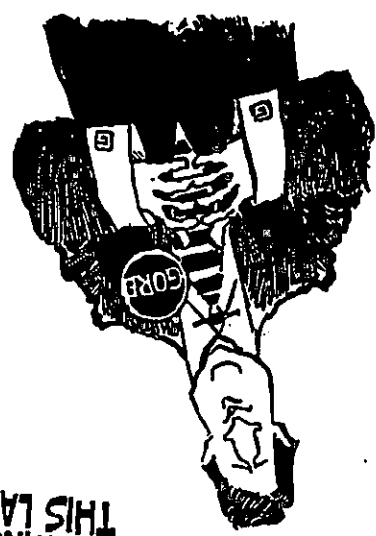




"Well I DON'T THINK THE BUSH CAMPAIGN'S GONE FAR ENOUGH! I'D LIKE TO KNOW WHERE THE BLAZES CLINTON WAS THE NIGHT MARILYN OVERDOSED!"



YES I WAS PRO LIFE,
AND YES I WAS ONCE ONE
OF THE BIGGEST SPENDERS
IN CONGRESS BUT THE
WINDS OF CHANGE
ARE BLOWING ACROSS
THIS LAND.



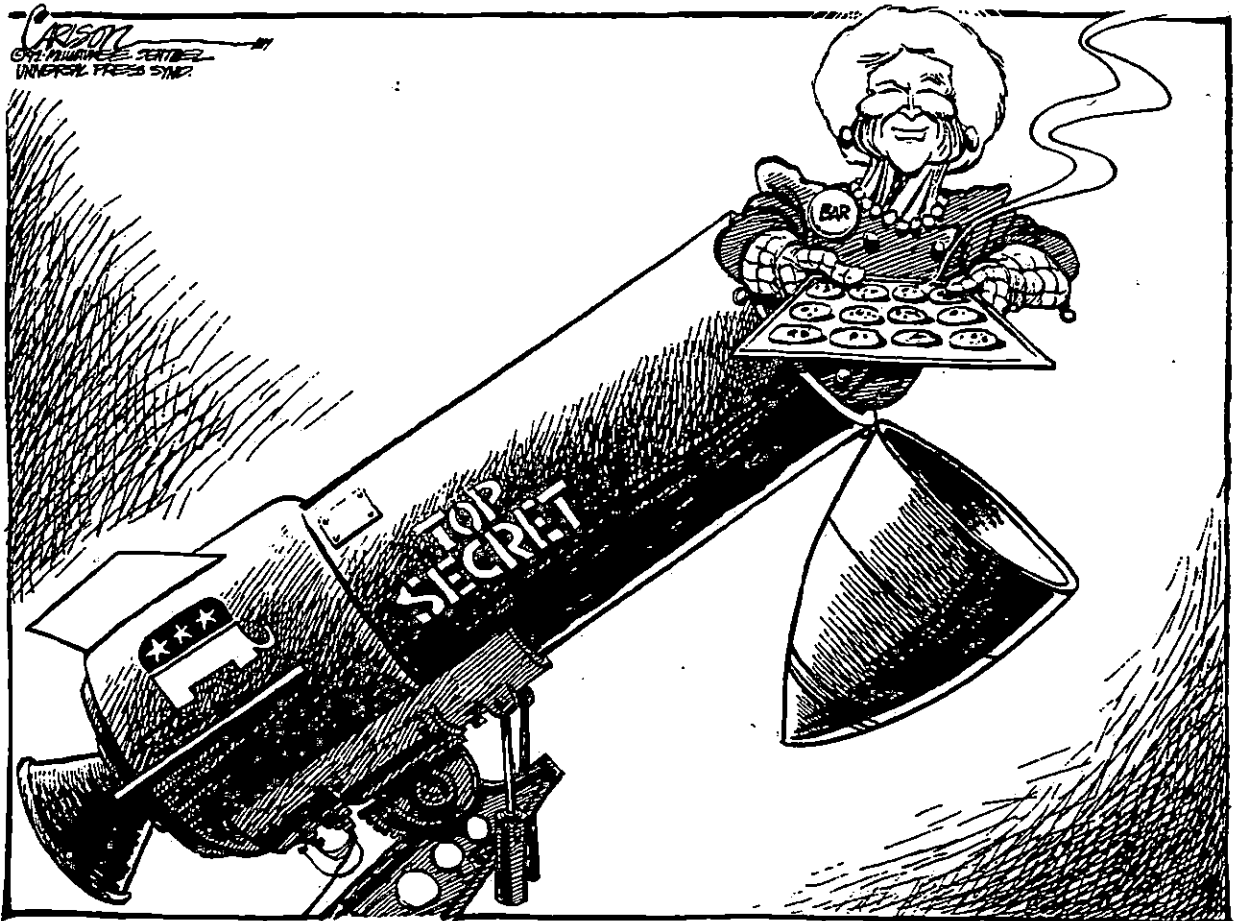
HE'S A SLICK
ONE... I'VE GOT
TO BE ON MY
TOES!

HI THERE!
I'M HILLARY CLINTON-
THE NEW HILLARY
CLINTON! DO YOU
WANT A HOMEMADE
COOKIE? DO YOU LIKE
MY NEW HAIR STYLE?
DO YOU WANT
TO HEAR ABOUT
MY FAMILY
VALUES?....

HELLO.
I'M
BARBARA
BUSH.



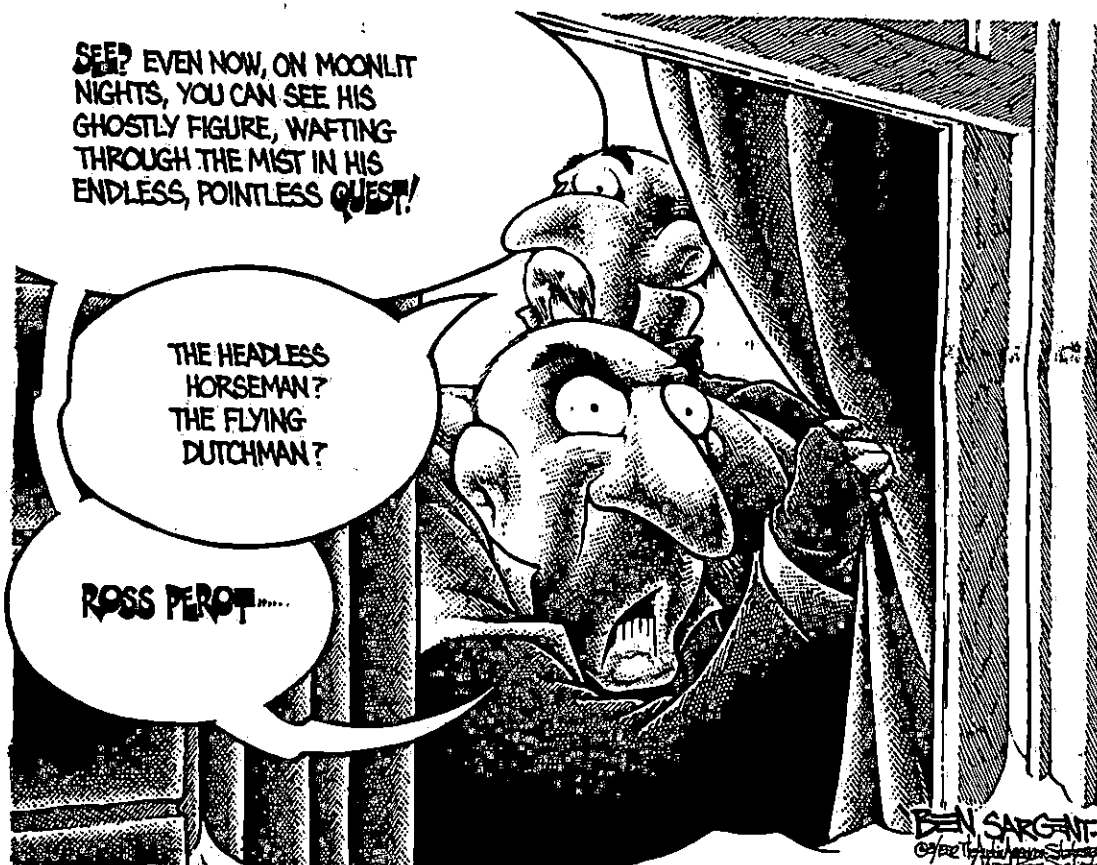
CARSON
COPY: PHILIPPE L. JETTIER
UNIVERSAL PRESS SYND.



JIM, THIS CAMPAIGN IS IN YOUR HANDS... SHOW THE PEOPLE WE REPUBLICANS ARE THE PARTY OF COMPETENCE. SHOW THEM A TICKET OF NO-NONSENSE CONFIDENCE. DO WHAT YOU HAVE TO DO...



SEE? EVEN NOW, ON MOONLIT NIGHTS, YOU CAN SEE HIS GHOSTLY FIGURE, WAFTING THROUGH THE MIST IN HIS ENDLESS, POINTLESS QUEST!

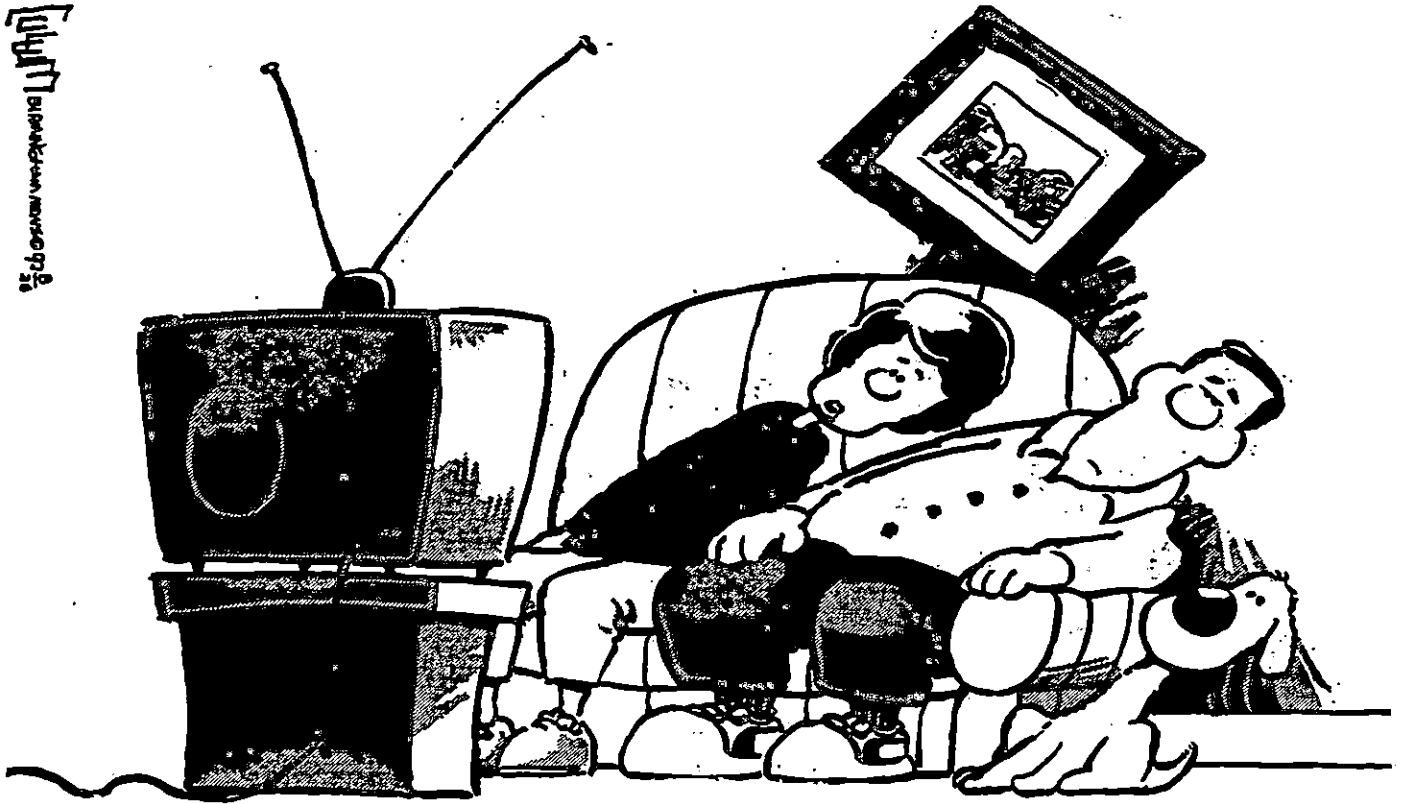


THE HEADLESS HORSEMAN?
THE FLYING DUTCHMAN?

ROSS PEROT.....



Light
Bismarkian
morse 7/2



"IS IT MY IMAGINATION, OR IS THE ELECTION COVERAGE
A LITTLE MORE TILTED THIS YEAR THAN USUAL?"



"I DON'T GET IT! WHY DOES BUSH WANT TO RUN AGAINST *ME*?!"

GRAFFITI®

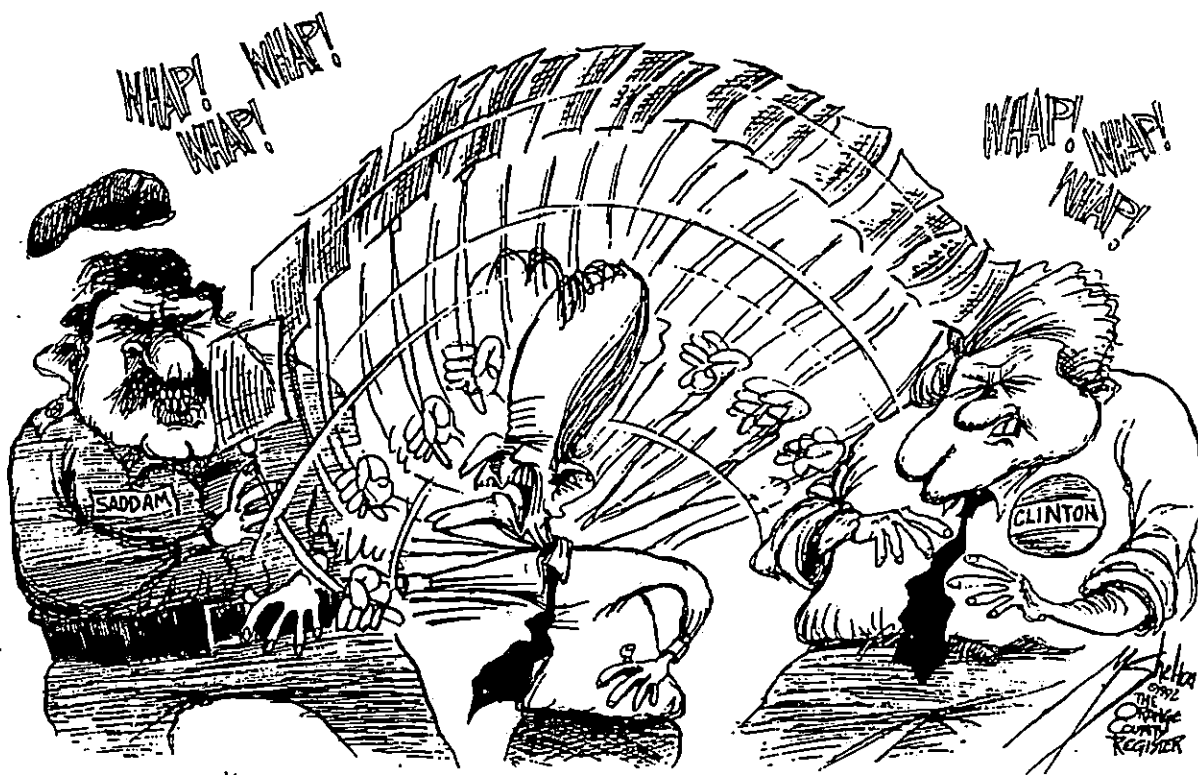
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**ASK A
DUMB
QUESTION
AND
CONGRESS
WILL PAY
YOU TO
RESEARCH
IT**

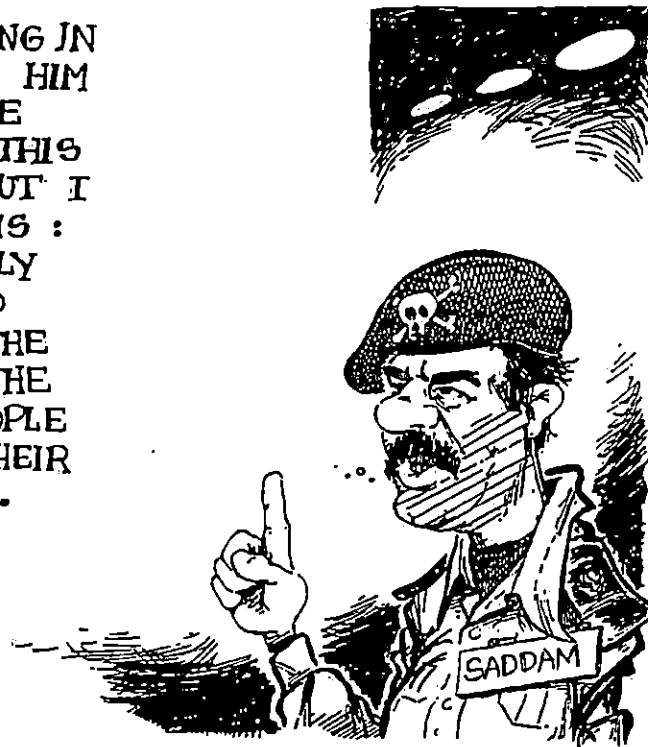
MDA



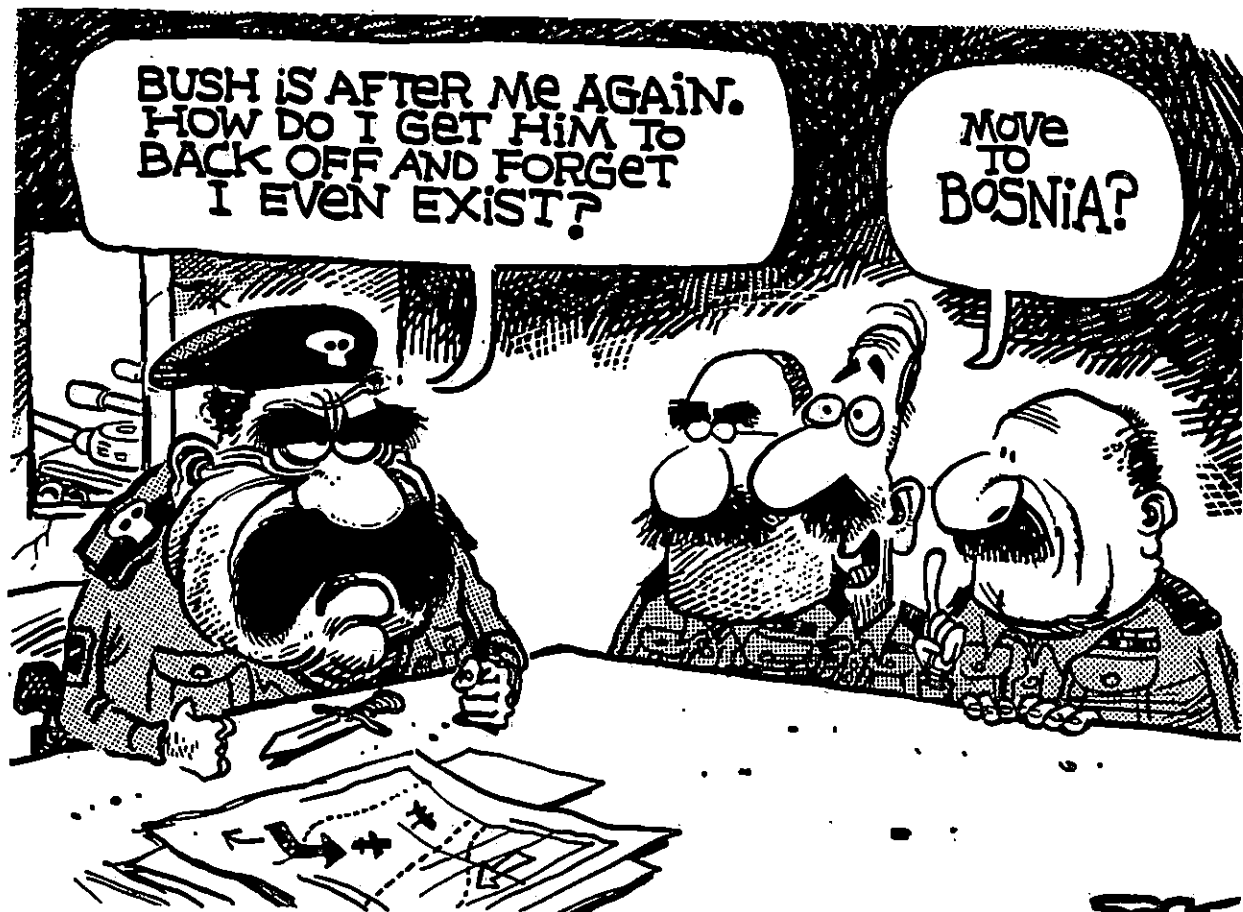
HOW A "NO-FLY ZONE" MIGHT WORK...



ACTUALLY GOING IN
AND GETTING HIM
WOULDN'T BE
PRUDENT AT THIS
JUNCTURE. BUT I
WILL SAY THIS :
I DO STRONGLY
SUPPORT AND
ENCOURAGE THE
EFFORTS OF THE
AMERICAN PEOPLE
TO DEPOSE THEIR
PRESIDENT...



FAGAN/Associated Features



BETTER TELL THE PRESIDENT--
SADDAM'S BRINGING OUT
HIS **TOP GUNS**....

ARMOR? AIR FORCE?
REPUBLICAN GUARD?

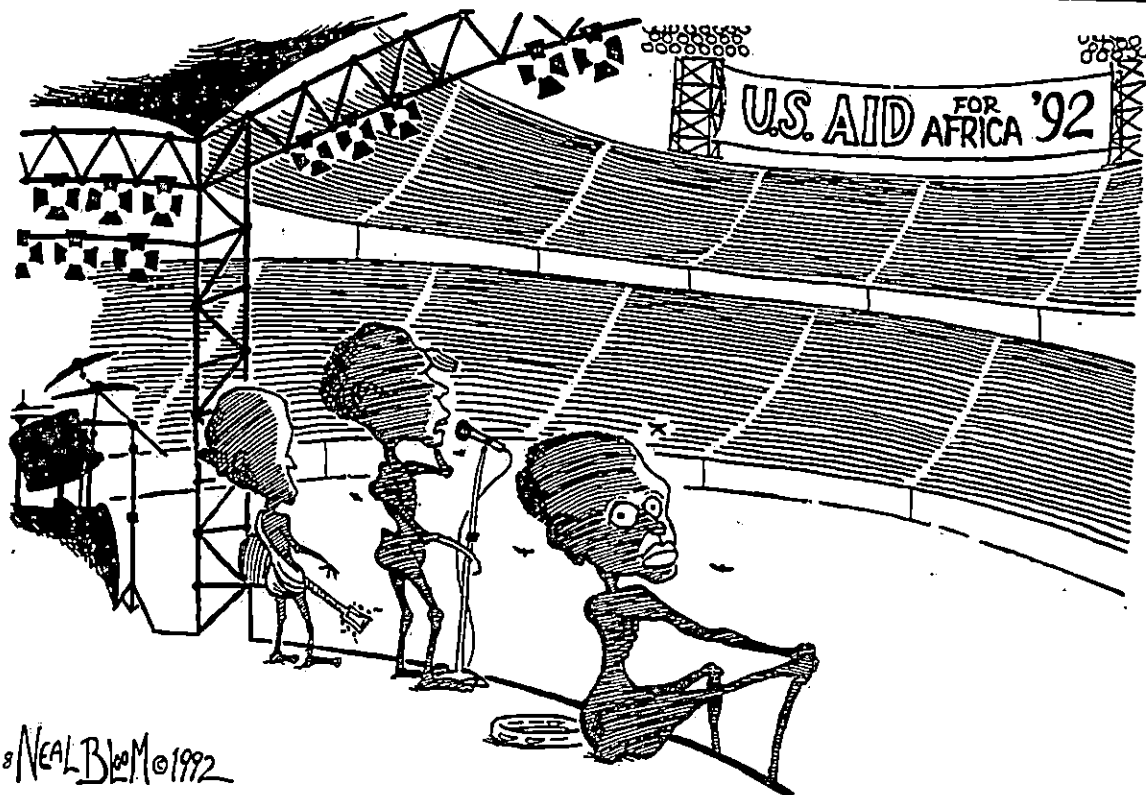
HIS **WRITERS**....

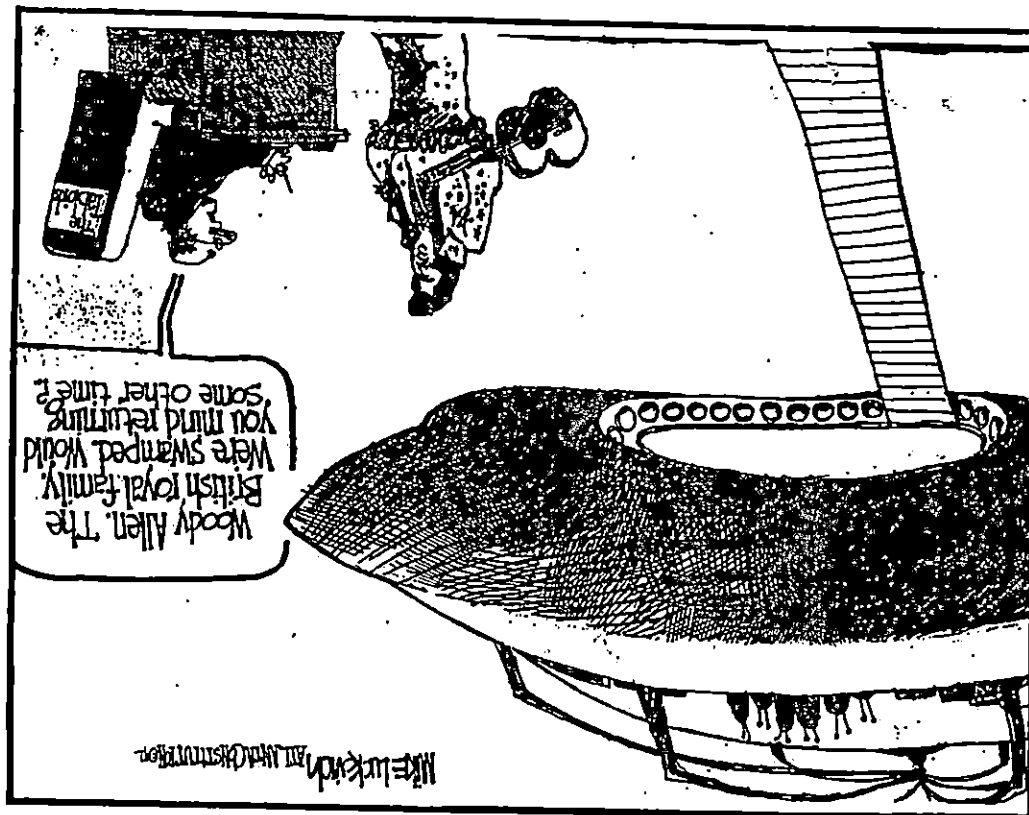
...AND THIS VICIOUS,
WICKED, ILLICIT ATROCITY
OF NAKED AGGRESSION
WILL BE HURLED REELING-
INTO OBLIVION--THE
VILE CARCASSES OF THE
LOATHSOME INVADER
WILL BE FOUL AND
FESTERING FORAGE
FOR FOXES AND
FERRETS...

ARGLE BARGLE
DRIBBLE
BUBBLE...

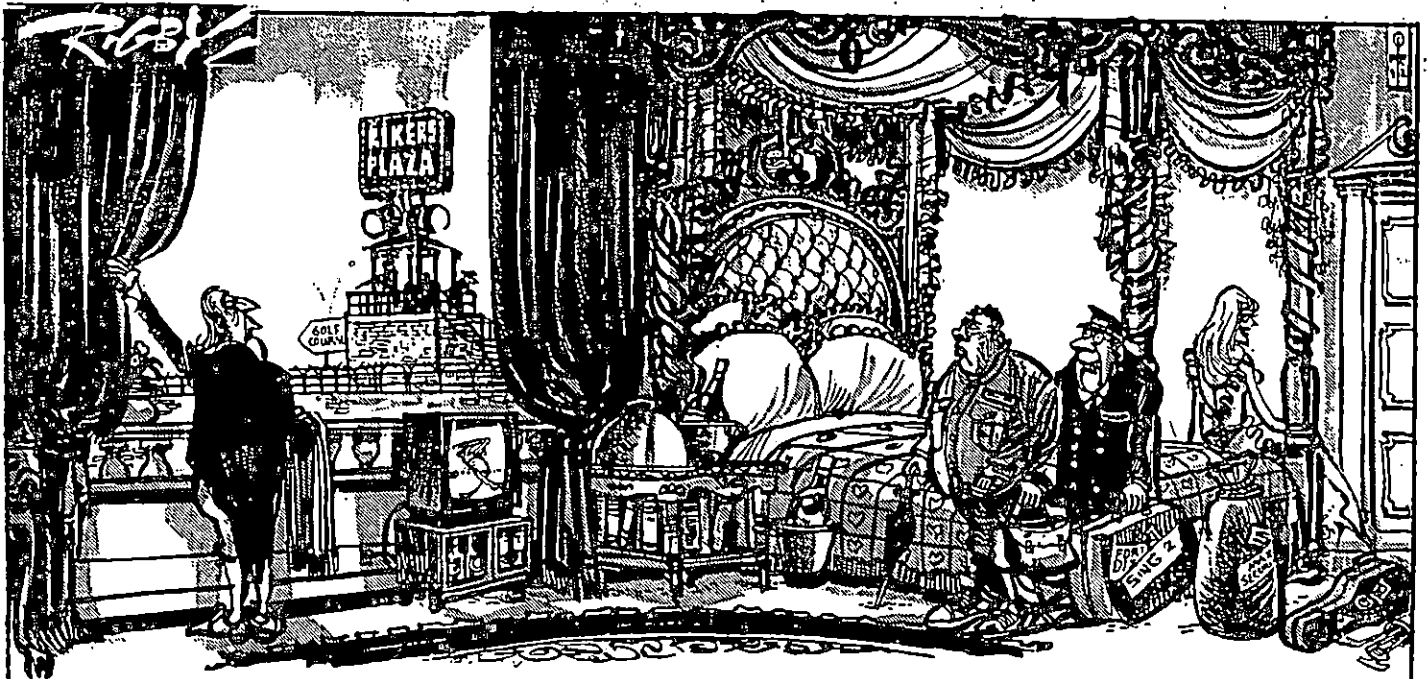
BEN SARGENT
OF THE NEW YORK TIMES
LONDON: THE SUNDAY TIMES



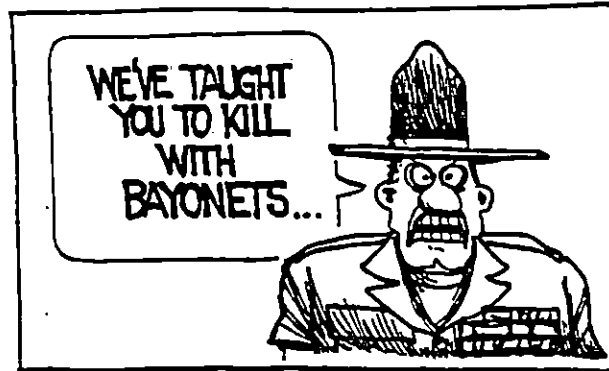
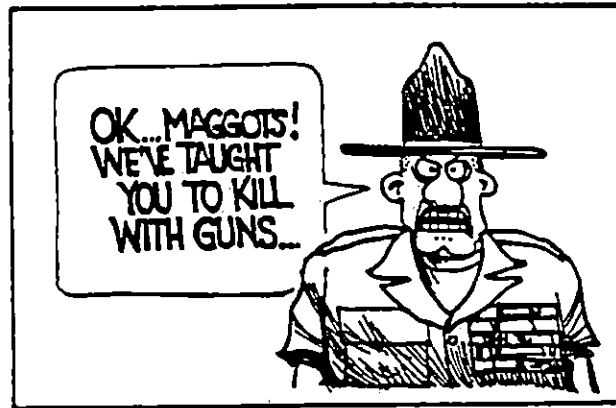




**'A Large, Specially Trained Force With The Latest
Technology Is Moving Into The Middle East
With Preparation For Potential Warl . . .
But Enough About CNN**



'Of course, if this \$425,000 unit is unsuitable, sir, there are always the \$1,000,000 penthouses with escape tunnels under the river . . .'



WHITE HOUSE STAFFING MEMORANDUM

RR

DATE: 09/03/92 ACTION/CONCURRENCE/COMMENT DUE BY: -----

SUBJECT: PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT-FREDERICKSBURG, VA-
09/04/92

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	MCBRIDE	☐	☒
BAKER	☐	☒	MOORE	☐	☒
SCOWCROFT	☐	☐	MULLINS	☐	☒
DARMAN	☐	☒	PETERSMEYER	☐	☒
BATES	☐	☒	PORTER	☐	☒
BRADY	☐	☒	PROVOST	☐	☒
BROMLEY	☐	☐	ROSS	☐	☒
CALIO	☐	☒	SMITH	☐	☒
DEMAREST	☐	☒	TUTWILER	☐	☒
FITZWATER	☐	☒	ZOELICK	☐	☒
GRAY	☐	☒	KAUFMAN	☐	☒
HOLIDAY	☐	☒	MCGROARTY	☐	☒
HORNER	☐	☐	BOSKIN	☐	☒

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

THE WHITE HOUSE

WASHINGTON

September 3, 1992 7:08

MEMORANDUM FOR THE PRESIDENT

FROM: ANDY FERGUSON *cej*
THROUGH: STEVEN PROVOST *SP*
SUBJECT: PROPOSED REMARKS ON SMALL BUSINESS

Summary:

On Friday, September 4, 1992, you will address the citizens of Fredricksburg, Virginia at approximately 11:00 a.m. Congressman George Allen and Congressman Herb Bateman will be in attendance. You will be introduced by the Hon. Lawrence Davies, Mayor of Fredricksburg.

Discussion:

Your remarks (16 minutes / cards) discuss the importance of small business to economic growth.

Ferguson/McGroarty/Gershowitz
September 3, 1992
5:30 p.m.
[small]

PRESIDENTIAL REMARKS: SMALL BUSINESS EVENT
FREDRICKSBURG, VIRGINIA
SEPTEMBER 4, 1992
11:00 A.M. ??

Thank you, ----- . [Acknowledgments]

((I told Barbara I was hopping down to a hardware store this morning. She almost fainted. But she did gave me a list -- said, "And please remember this time: the Phillips screwdriver is the one with the four things on the end."))

But I came here today for another reason. I wanted to talk about small business -- drive home the fact that businesses like Fredericksburg Hardware and Goolrick's do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and pride and jobs that hold this community together.

America's economy is working its way through a period of profound change. Many of this country's larger companies have retrenched and restructured -- and I know these changes have been difficult for many working Americans. But America's small businesses have shown staying power -- creating new products by the thousands ... and new jobs by the hundreds of thousands. That shouldn't really surprise us, because small businesses are often the first to adapt to a changing economy -- the first to turn change to advantage -- the force at the leading edge of economic recovery. //

That's why it's so critical these days that we remember the importance of small businesses to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win the competition in the new global economy.

Our goal is simple and straightforward: In the 21st Century, America must be not only a military superpower -- but an export superpower, an economic superpower.

In this election, you'll hear two versions of how to do this. My opponent's answer is to look inward -- to pretend that we can protect what we already have. Ours is to look forward -- to open new markets, prepare our people to compete, restore the social fabric, to save and invest -- so that we can win.

That's why I've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of the new jobs in America. They're the hothouse for innovation, risk-taking, new ideas -- the powerful engine that will take our economy into the 21st Century.

So let me declare my bias right up front: when it comes to renewing the American economy, my loyalty lies with small business. You know, I've run a small business -- built it from the ground up, with a lot of help. I know what it's like to sweat out a tough deal, knock on doors to find investors, shop for credit, try your darndest to meet the next payroll. And I even had the ulcers to prove it.

I happen to think that's not a bad qualification for being President of the United States. //

Nationwide, at least one-third of small businesses say they want to expand -- but they can't. So we must help them do what they do better than anybody: create jobs and opportunity right here in communities like Fredericksburg.

That means three things: relief from excess government regulation, increased access to credit and investment, and a lighter tax burden.

We start by reducing the burden of government regulation. A few days ago I was out in Western Michigan, talking to a group of small business leaders, and I met a guy who runs an asphalt paving company. He said, "Mr. President, when a regulation doesn't make sense, it's the worker who pays -- with his job."

We're tackling this problem head-on. In January of this year, I ordered a freeze on federal regulations -- a top-to-bottom review designed to speed up those regulations that encourage our businesses to grow, and cancel those rules that tie their hands.

But even without the burden of over-regulation, businesses can't grow without capital. The credit crunch has hit our small businesses hard; that's why we've been working with bankers and regulators across the country to correct the imbalance. And I've had the Small Business Administration working double-time to help credit-starved businesses. This year, for example, we've increased by more than 30 percent the general business loan

guarantees offered through SBA -- more than \$6 billion through 1992.

We've also been working with Congress to get something done about the problem. And this morning, you'll see the result. I'm about to sign a new piece of legislation: the Small Business Credit and Business Opportunity Enhancement Act, which will loosen up credit even more for deserving small businesses. Not only does it increase the levels of SBA loan guarantees, it creates new financial instruments to bring investment to small business owners.

And finally, we must reduce the tax burden on small business. We've taken a number of steps to streamline the way small businesses pay their taxes. To give one example: Right now, small businesses have to file payroll taxes twice a week. That's a waste. I've proposed we change it to once a month, so businessmen and women can get back to the business of running their business.

But when you own a small business, how you pay your taxes is less important than how much you pay. None of our industrial competitors taxes capital gains at our punitive rates. We've got to get investment flowing to our small businesses. Almost half of all new businesses literally begin at home -- when enterprisers convert their own "nest eggs" into capital. It's time to reward their initiative and drive. It's time to cut the tax on capital gains.

That's my agenda for small business: three obstacles, and three concrete steps to clear the obstacles from our path.

Now, where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: Taxes, taxes, and taxes.

Our differences couldn't be sharper. I see small business as the backbone of the American economy. Governor Clinton sees it as the goose that laid the Golden Egg. //

He starts with a big idea -- it's called big government. Governor Clinton says he wants \$220 billion dollars in new government spending.

How will he pay for it? Well, nobody knows for sure -- but he's already advocating another \$150 billion in new income taxes.

Now, he says he wants to soak the rich -- raise taxes on the top 2 percent. What he won't tell you is three out of every four people hit by his tax increases are small businessmen or family farmers. These folks aren't millionaires -- they're Mom and Pop, Inc.

I guess my opponent offers small business a reverse version of "Lifestyles of the Rich and Famous." You may not live like a millionaire -- but you can be taxed like one. //

He's also backing a health care plan called "Play or Pay." The plan will leave small businesses with two options: One, cut worker's wages to pay for mandated health care. Or two, fire some workers and use the savings to cover the rest.

According to an independent Urban Institute study, a 7 percent payroll tax will cost this country 700,000 jobs.

So that's my opponents' plan: \$150 billion in new income taxes ... a new health care plan leading to a new payroll tax of at least 7 percent ... not to mention a new job training tax. Add it up, and it equals 2.6 million: 2.6 million jobs lost. 2.6 million Americans, thrown out of work ... and onto welfare - - because my opponent thinks government deserves a pay raise.

[[For the life of me, I can't think how that's good for small business -- unless your business happens to be selling pink slips at the stationery store.]]

The differences between Governor Clinton and me are based on two very different philosophies. Take one more issue -- one especially critical to small businesses today: health care.

Over the past two years, 83 percent of small business owners have seen their health care costs increase. At the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

So let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable. My opponent prefers tax increases to tax breaks.

I want to use the forces of competition to keep medical prices down. Governor Clinton wants to put the government in the business of setting health care prices.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Diagram	Seathing Diagram of VH-3D Re: South Lawn to Fredericksburg, VA LZ (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, September 4, 1992 [1]

Date Closed: 9/30/2019	OA/ID Number: 90714-003
FOIA/SYS Case #: 2009-0166-S[4]	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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

Deed of Gift Restrictions

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

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

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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Diagram	Seathing Diagram of VH-3D Re: Fredericksburg, VA LZ to South Lawn (1 pp.)	9/4/92	(b)(7)(c); (b)(7)(e); (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, September 4, 1992 [1]

Date Closed: 9/30/2019	OA/ID Number: 90714-003
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
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8:00 A.M. WIRES

Rabin: Settlements Are Marginal, Don't Contribute To Security

JERUSALEM (AP) — Most Jewish settlements in the occupied lands are only of "marginal" importance and contribute almost nothing to Israel's security, Prime Minister Yitzhak Rabin said in remarks published today.

Rabin also said he was ready to meet "any place, any time" with Syrian President Hafez Assad and acknowledged that Israel has been negotiating indirectly with the PLO in Middle East peace talks.

The prime minister's partial freeze on building in West Bank and Gaza Strip settlements has angered the settlers, who fear for their future if the peace talks lead to Palestinian self-rule in the occupied lands.

Rabin has said that during the five-year period of autonomy being negotiated, Israel would be responsible for the 115,000 settlers. But their fate will be a key issue in talks expected later on the final status of the occupied territories.

Rabin distinguishes between "security" settlements around Jerusalem and the West Bank's Jordan Valley, and "political" ones in the heartland of the West Bank and all of Gaza.

"They (the settlements) aren't a top priority for me, only a marginal priority," Rabin told Israel's largest newspaper, Yedioth Ahronoth. "The first priority is the battle against unemployment ... strengthening the economy. This is what will make Israel a strong country and not political settlements."

Israel's economy has been hard hit by influx of hundreds of thousands of immigrants, mostly from the Soviet Union, over the past several years. In his recent election campaign, Rabin stressed the need to reassess spending priorities and lay more of an emphasis on Israel's economic needs.

Rabin said the settlements' contribution to Israel's security "approaches zero" in light of Arab surface-to-surface missiles and non-conventional weapons.

When asked whether he was willing to meet with Assad, Rabin said: "Certainly, any place, any time." Rabin has offered to meet with all leaders of Arab states, but none has accepted.

The remarks came as Rabin's government and Syria ended their first round of peace talks on a hopeful note. Syria, Israel's most implacable enemy, this week presented Israeli negotiators with a proposal outlining a peace agreement.

Concerning the PLO, Rabin said he wasn't going to "play coy" like his predecessor, Yitzhak Shamir, who insisted there were no indirect negotiations between Israel and the PLO.

Palestinian peace negotiators have been consulting with the PLO since the start of the talks, and he didn't care if they continued to do so now, he said.

Rabin again accused the Palestinian delegates to the talks of shying away from the key issue — how to transfer authority from Israel to the Palestinians under autonomy.

"The Palestinians are unable to deal with realistic problems. Their tactic is to talk about human rights, arrests, house demolitions ... You want a committee on human rights? Okay, on condition that other committees deal with the heart of the problem," Rabin said.

The Palestinians argue that matters of principle, such as demands for a complete settlement freeze and an end to human rights

abuses in the territories, must be solved before details are discussed.

The Israeli negotiators returned home today for a week of consultations and were scheduled to report to the Cabinet on Sunday.

AP-DS-09-04-92 0701EDT

HUD Pledges 1,400 Temporary Homes in Louisiana

NEW ORLEANS (AP) — Federal officials said they will soon have 1,400 mobile homes, apartments and houses available for Louisiana residents left homeless by Hurricane Andrew. State officials said the storm killed nearly \$170 million worth of fish.

About 400 of the units were repossessed by government regulators during the savings and loan debacle, Randy Erbin, acting assistant secretary of the Department of Housing and Urban Development, said Thursday.

Others include mobile homes to be trucked in from Mississippi, Erbin said. He spoke at a news conference in Morgan City, one of several southern Louisiana cities devastated when Hurricane Andrew hit Aug. 25-26.

Also among the others are 380 public housing units, plus 140 HUD-assisted dwellings, though all of them had sustained heavy damage, said Morgan City Mayor Cedric LaFleur.

"Since we don't have any place for the people to go, we've had to make very temporary repairs," he said. "A lot of the apartments are hdly livable.

Unlike Florida, Louisiana will not need tent cities to house people who lost their homes, Erbin said.

Meanwhile, state officials said replacements will relieve many of the 1,300 National Guard troops helping in southern Louisiana towns.

"These troops have worked long hours with little rest," said Maj. Gen. Ansel Stroud. "Many are college students who are missing classes, and many work for employers who are in need of their skills."

Officials continued assessing damage.

The federal Minerals Management Service said offshore destruction included 166 oil and gas platforms and satellite operations, which suffered \$100 million in damage. That drops the normal production of gas from 15 billion to 12.8 billion cubic feet per day, the agency said.

Meanwhile, state officials said an estimated 182 million fish worth \$159 million died in Louisiana's Atchafalaya Basin and another 7 million saltwater fish worth up to \$10 million were killed by the storm.

That toll will continue to increase as more water bodies are surveyed, said Gary Tilyou of the state Department of Wildlife & Fisheries. In addition, millions of oysters were killed.

State biologists blame the fish kill mainly on low oxygen levels in the water due to churning of bottom sediments and decaying leaves and grass blown into the water.

The Army Corps of Engineers this week started diverting fresh water from the Mississippi and the Atchafalaya rivers into the basin in south-central Louisiana to help flush out decaying material.

AP-DS-09-04-92 0631EDT

VISIT TO FREDERICKSBURG HARDWARE STORE CO.
September 4, 1992 / 10:45 A.M. / Fredericksburg, VA

- **Thank you for having me. I am pleased to be with you to share some thoughts I have about our nation's small businesses -- the backbone of our economy.**
- **One of the most critical issues facing small business is the excessive cost of health care. Our Administration's plan will help small business' bottom line --reducing costs while preserving choice and quality. It will provide access to insurance for all those in need.**

- 2 -

- **My opponent advocates more government mandates. His "pay or play" scheme calls for a mandatory payroll tax increase of between 7% to 14% for small business.**
- **Governor Clinton's tax increase will eliminate jobs and shut many small business doors. We clearly differ in our approaches to this critical issue.**
- **He wants higher taxes and more government, while I advocate free market solutions without burdening our small businesses.**

- The same is true on the tax side. My opponent calls for \$150 billion in new taxes -- taxing the majority of small businesses in this country.
- Many Americans will pay for this tax not only through lost income, but through lost jobs as well. We want to hold the line on taxes and continue to fight for tax incentives for small business -- like our call for reducing the capital gains tax.

- As a former small businessman, I know first-hand how government can hinder economic growth and job creation. We are fighting to eliminate needless regulations that impair your ability to expand and compete.
- Our reforms to streamline the payroll tax system for small businesses -- saving time and money -- is a good example of this effort.

- 5 -

- We recognize the value of less government, and I place my faith in the entrepreneurs -- the people, not government, to move America forward.

9:00 A.M. WIRES

Unemployment in August Edges Down to 7.6 Percent

By DAVE SKIDMORE

Associated Press Writer

WASHINGTON (AP) — The nation's unemployment rate dipped slightly in August to 7.6 percent, the second consecutive decline, but the improvement came from a special summer jobs program for teen-agers, the government said today.

The rate, which hit an eight-year high of 7.8 percent in June before declining to 7.7 percent in July, could well soar again in September with the expiration of the jobs program financed by Congress after the Los Angeles riots, analysts warned.

Labor Department officials estimate 75,000 youths found jobs under the program in July and 100,000 in August.

Meanwhile, a separate survey of employers' payrolls showed that even with the youth program, there were 83,000 fewer non-farm jobs overall, the worst decline in nine months.

In advance, economists were looking for a decrease of around 150,000 jobs.

The August decreases were concentrated in retail trade, down 71,000, and manufacturing, down 122,000, the steepest in 18 months.

Today's report was likely to become political fodder in the presidential election race, with President Bush focusing on the improvement in the rate and Democratic nominee Bill Clinton focusing on the second drop in payrolls in three months.

Payrolls had risen 177,000 in July and fallen 76,000 in June.

Bush's re-election effort has been plagued with voter dissatisfaction with the virtually stagnant economy. Although the gross domestic product, the total of all goods and services produced in the United States, has been growing slowly for five consecutive quarters, the unemployment rate has continued to rise in most months.

The problem, according to economists, is that the torpid economy, although growing, is not generating enough jobs to accommodate new entrants into the labor force, such as college and high school graduates.

And many layoffs now are considered permanent staff reductions, rather than temporary responses to slow sales. Industries ranging from banking to defense contracting are coping with long-term decline. Manufacturers are striving to best overseas rivals who enjoy cheaper labor costs.

"America is being forced by powerful competitive pressures to get its act together, and that means cost-cutting, shedding jobs and efficiency," said economist Stephen S. Roach of Morgan Stanley & Co.

AP-DS-09-04-92 0837EDT

Witnesses say missiles downed aid plane

By JONATHAN S. LANDAY

SARAJEVO, Bosnia-Hercegovina (UPI) — There was increasing evidence Friday that missiles downed an Italian military aircraft that crashed, killing its four crewmen, as it brought humanitarian aid to war-ravaged Sarajevo.

In Washington, the Pentagon said U.S. helicopters involved in the search for the wreckage had been fired on but not hit.

In Rome, Italian government ministers said they believed the plane was shot down Thursday by missile fire.

"There are elements that point decisively to the plane having been shot down," Minister of Foreign Trade Claudio Vitalone told reporters. "There are elements, traces, that permit us to suppose there was a missile-type attack."

In London, European Community peace negotiator Lord David Owen said the unexplained crash of an Italian aid flight could, if proved to have been caused by one of the warring factions, be a catalyst for tough U.N. action in the former Yugoslavia.

"If this proves to be a case of a plane on a humanitarian mission shot down, I have very little doubt that it will go to the (U.N.) Security Council," Owen said Friday on the British Broadcasting Corp. Radio 4 program.

Witnesses told U.N. personnel they saw two missiles fired at an Italian military aircraft that crashed as it carried humanitarian aid to Sarajevo, but the statements have not been verified, U.N. officials said.

"There are eyewitness accounts, but the main thing that was stressed was that no one could confirm them," said a U.N. official in the war-torn Bosnia-Hercegovina capital. "The smoking gun is still missing." Said a U.N. official in Geneva: "We have had unconfirmed reports that two missiles were launched at the plane. These were from local eyewitnesses — shepherds and laborers."

An investigation into the cause of the crash that killed four crewmen was to be launched by a team of experts headed by Italian Air Force Gen. Luciano Battisti.

Battisti had planned to helicopter to the site from Croatia's Adriatic port city of Split, but was advised against it for safety reasons, said Fernando Del Mundo, a Geneva-based U.N. High Commission for Refugees spokesman.

The general was expected, instead, to fly to Sarajevo, from where he would be taken to Jesenik by UNPROFOR convoy, he said.

The G-222 Italian military cargo plane crashed at 7:34 p.m. Thursday as it carried 9,900 pounds of blankets from Split to Sarajevo as part of the U.N. High Commission for Refugees (UNHCR) humanitarian aid airlift. The accounts of missiles being fired at the aircraft were given to a French rescue team of the U.N. Protection Force (UNPROFOR) sent in armored personnel carriers to the site near the town of Jesenik, 22 miles west of Sarajevo, the U.N. officials said.

The team, which included an air traffic controller, arrived at the scene Thursday night and remained there Friday.

It was the first crash of the more than 1,000 flights made in the international operation that has been sustaining Serb-encircled Sarajevo with food and medicines since it began on June 29.

The crash occurred in the same general area where the crew of a British plane last month detected a "lock-on" by ground-based anti-aircraft weapons and what they believed were shots. At least one aid plane has actually been struck by gunfire.

The crash site area, according to U.N. officials, is controlled by Croatian forces.

The humanitarian airlift was suspended indefinitely as a result of the crash, but the airport remained open for UNPROFOR flights.

One U.N. official said that there was some "circumstantial evidence" that could indicate the crash was not due to a mechanical mishap.

"There is no shearing of trees that would be caused by wings," he said. "The trees are in tact right around the crash site. It is unlikely that a plane crashed there with its wings in tact."

The crash site was located by a U.S. marine Corps helicopter dispatched by the U.S.S. Iwo Jima, an amphibious assault ship based off the Croatian coast.

Rescuers found the remains of the four crewmen. According to the U.N. High Commission for Refugees' Zagreb spokesman Peter Kessler none of the crew had so far been positively identified.

"At this stage they are just finding parts of bodies _ no one is ally sure how many bodies have been recovered," Kessler said.

The plane was carrying nearly 10,000 pounds of blankets to besieged Sarajevo, when it crashed in Croatian-held territory between the towns of Konjic and Kisljak, about 25 miles northwest of Sarajevo, U.N. officials said.

The UNHCR continued Friday its suspension of flights into Sarajevo, imposed after the flight disappeared on Thursday evening.

The cause of the crash was still unknown at this stage but an Italian air force investigation team was on its way top the crash scene to examine the wreckage.

The Italian Defense Ministry said air force Gen. Luciano Battisti, along with Col. Luciano Massetti, arrived in Split Friday morning to head the special air force inquiry commission.

Battisti and Massetti, now on their way to the crash scene, were to be joined by other members of the commission later Friday, the ministry said.

Battisti heads the Italian air force's flight security office while Massetti is a veteran of the inquiry commission that examined the downing of an Italian army helicopter near Zagreb on Jan. 7 by a Serbian MiG-21 warplane, killing all five European Community observers on board. European Community peace negotiator Lord David Owen said that if it were proved the plane had been shot down by one of the warring factions, it could be the catalyst for tougher U.N. action in the Yugoslav republics.

"If this proves to be a case of a plane on a humanitarian mission shot down, I have very little doubt that it will go to the Security Council," Owen told the British Broadcasting Corp Friday morning.

"I don't think anyone will know for days, until investigators have examined the wreckage, what happened," Owen said. "There have also been reports of tracks in the sky looking like missiles coming up from the ground...but I think we have to suspend judgment."

U.S. officials, meanwhile, said two Marine helicopters aiding in the search for the aircraft had encountered small arms fire on Thursday. In Washington, the Defense Department said in a written statement Thursday night that U. S. Marine CH-53 transport helicopters launched on a search-and-rescue mission from the amphibious assault ship USS Iwo Jima encountered small arms fire before they were able to locate the crash site.

A Pentagon spokesman said the helicopters broke off their search and returned to the Iwo Jima when they learned a U.N. convoy travelling overland had already reached the crash site.

The Pentagon statement said the helicopters were not damaged by the ground fire and could not even be certain that it had been directed at them.

"The pilots of the CH-53 helicopters reported seeing small arms muzzle flashes on the ground and in the vicinity of their flight operations, but it is not possible to be more specific regarding the hostile intent or if the firing was aimed at the helicopters directly," the Pentagon statement said.

Izumi Nakamitsu, acting head of the UNHCR in Sarajevo, said a land convoy had reached the crash site at 9.40 p.m. on Thursday night. "Our primary purpose is to find if there are any survivors. It is dark and the people are on the spot right now doing the initial investigation. But we haven't been able to find anything," she said. The wreckage of the G-222 twin-engine turbo-prop was located near the town of Jesenik, 22 miles west of Sarajevo, said Fernando Del Mundo, spokesman for the U.N. High Commissioner for Refugees in Zagreb. He said a U.S. helicopter from the amphibious assault ship the Iwo Jima, based off the Adriatic coast of Croatia, had located the wreckage at 7.34 p.m. local time.

In Washington, a Defense Department spokesman said the U.S. military's search and rescue force consists of two Marine Corps CH-53 transports and two AH-1 Cobra gunships from the U.S. Navy amphibious assault ship USS Iwo Jima.

The ship, which carries 800 marines, is part of a force based off the former Yugoslav coast to provide radar and other support the United Nations humanitarian airlift to Bosnia.

upi 09-04-92 08:39 aed

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SMALL BUSINESS EVENT \ FREDERICKSBURG, VIRGINIA
FRIDAY, SEPTEMBER 4, 1992 \ 11:00 A.M.

THANK YOU, DORI EGLEVSKI [DOR-EE EE-GLEFF-SKEE].

2 SEP 4 1992
GREETINGS TO CONGRESSMAN GEORGE ALLEN, AND TO
CONGRESSMAN HERB BATEMAN, WHO'S DOING SUCH A SUPERB JOB
REPRESENTING HIS STATE AND HIS DISTRICT. STATE
DELEGATES BILL HOWELL AND BOBBY ORROCK ARE WITH US
TODAY -- SO IS MAYOR LAWRENCE DAVIES. I ALSO WANT TO
ACKNOWLEDGE THE OLYMPIANS FROM STAFFORD COUNTY:

- 2 -

TWO GOLD MEDAL WINNERS -- MARK LENZI AND JEFF ROWSE AS
WELL AS CONRAD ADAMS, ROXANNE THOMPSON, BUDDY LEE, AND
GEORGE WILLIAMS.

((I TOLD BARBARA I WAS HOPPING DOWN TO A HARDWARE
STORE THIS MORNING. SHE TOLD ME I'D BETTER COME BACK
WITH THE TOOLS TO FIX MILLIE'S DOGHOUSE -- OR ELSE I'D
BE BUILDING MY OWN.))

I'VE COME TO FREDERICKSBURG THIS MORNING TO TALK ABOUT SMALL BUSINESS -- TO DRIVE HOME THE FACT THAT BUSINESSES LIKE FREDERICKSBURG HARDWARE AND GOOLRICKS DO MORE THAN SELL DOORKNOBS AND DRYWALL, HAIRNETS AND LIPSTICKS. SMALL BUSINESS GENERATES THE HOPE AND PRIDE AND JOBS THAT HOLD AMERICA TOGETHER.//

AMERICA'S ECONOMY IS WORKING ITS WAY THROUGH A PERIOD OF PROFOUND CHANGE.

MANY OF THIS COUNTRY'S LARGER COMPANIES HAVE RETRENCHED AND RESTRUCTURED -- AND I KNOW THOSE CHANGES HAVE BEEN DIFFICULT FOR MANY WORKING AMERICANS. BUT AMERICA'S SMALL BUSINESSES HAVE SHOWN STAYING POWER -- CREATING NEW PRODUCTS BY THE THOUSANDS ... AND NEW JOBS BY THE HUNDREDS OF THOUSANDS.

THAT SHOULDN'T REALLY SURPRISE US, BECAUSE SMALL BUSINESSES ARE OFTEN THE FIRST TO ADAPT TO A CHANGING ECONOMY -- THE FIRST TO TURN CHANGE TO ADVANTAGE -- THE FORCE AT THE LEADING EDGE OF ECONOMIC RECOVERY. //

THAT'S WHY IT'S SO CRITICAL THESE DAYS THAT WE CONCENTRATE ON THE IMPORTANCE OF SMALL BUSINESSES TO OUR ECONOMY.

BECAUSE TODAY, THE DEFINING CHALLENGE OF THE '90S IS TO REINVIGORATE OUR NATIONAL ECONOMY, SO THAT WE CAN WIN THE COMPETITION IN THE NEW GLOBAL ECONOMY.

IN THIS ELECTION, YOU'LL HEAR TWO VERSIONS OF HOW TO DO THIS. MY OPPONENT'S ANSWER IS TO LOOK INWARD -- TO PRETEND THAT WE CAN PROTECT WHAT WE ALREADY HAVE. OURS IS TO LOOK FORWARD -- TO OPEN NEW MARKETS, PREPARE OUR PEOPLE TO COMPETE, RESTORE THE SOCIAL FABRIC, TO SAVE AND INVEST -- SO THAT WE CAN WIN.

THAT'S WHY I'VE PLACED SMALL BUSINESS AT THE HEART OF OUR AGENDA FOR AMERICA'S ECONOMIC FUTURE. SMALL BUSINESSES EMPLOY OVER HALF OUR WORKFORCE, CREATE TWO-THIRDS OF THE NEW JOBS IN AMERICA. THEY'RE THE HOTHOUSE FOR INNOVATION, RISK-TAKING, NEW IDEAS -- THE POWERFUL LOCOMOTIVE THAT WILL TAKE OUR ECONOMY RIGHT DOWN THE TRACKS -- FULL STEAM INTO THE 21ST CENTURY.//

WHEN IT COMES TO RENEWING THE AMERICAN ECONOMY, MY LOYALTY LIES WITH SMALL BUSINESS. YOU KNOW, I'VE RUN A SMALL BUSINESS -- BUILT IT FROM THE GROUND UP, WITH A LOT OF HELP FROM PARTNERS AND EMPLOYEES. I KNOW WHAT IT'S LIKE TO SWEAT OUT A TOUGH DEAL, KNOCK ON DOORS TO FIND INVESTORS, SHOP FOR CREDIT, TRY YOUR DARNDDEST TO MEET THE NEXT PAYROLL. AND I EVEN HAD THE ULCERS TO PROVE IT.

I HAPPEN TO THINK THAT MEETING A PAYROLL IS A GOOD QUALIFICATION FOR BEING PRESIDENT OF THE UNITED STATES.

//

HERE'S WHAT MUST BE DONE TO HELP SMALL BUSINESSES IN FREDERICKSBURG -- AND ACROSS THE U.S. WE MUST GIVE RELIEF FROM EXCESSIVE GOVERNMENT REGULATION; INCREASE ACCESS TO CREDIT AND INVESTMENT, AND WHILE GOVERNOR CLINTON WANTS TO RAISE TAXES ON SMALL BUSINESS -- I WANT TO CUT TAXES -- NOW.

A FEW DAYS AGO I WAS OUT IN WESTERN MICHIGAN, TALKING TO A GROUP OF SMALL BUSINESS LEADERS, AND I MET A GUY WHO RUNS AN ASPHALT PAVING COMPANY. HE SAID, "MR. PRESIDENT, WHEN A REGULATION DOESN'T MAKE SENSE, IT'S THE WORKER WHO PAYS -- WITH HIS JOB."

WE'RE TACKLING THIS PROBLEM HEAD-ON. IN JANUARY OF THIS YEAR, I ORDERED A FREEZE ON FEDERAL REGULATIONS.

THE BUSINESSMEN AND WOMEN OF AMERICA HAVE ENOUGH TO
WORRY ABOUT WITHOUT WASHINGTON DOUBLE-CHECKING THEIR
EVERY MOVE.//

BUT EVEN WITHOUT THE BURDEN OF OVER-REGULATION,
BUSINESSES CAN'T GROW WITHOUT CAPITAL. THE CREDIT
CRUNCH HAS HIT OUR SMALL BUSINESSES HARD. THAT'S WHY
WE'VE BEEN WORKING WITH BANKERS AND REGULATORS ACROSS
THE COUNTRY TO EASE THE CRUNCH.

AND I'VE HAD THE SMALL BUSINESS ADMINISTRATION WORKING
DOUBLE-TIME TO HELP CREDIT-STARVED BUSINESSES. THIS
YEAR, FOR EXAMPLE, WE'VE INCREASED BY MORE THAN 30
PERCENT THE GENERAL BUSINESS LOAN GUARANTEES OFFERED
THROUGH SBA -- MORE THAN \$6 BILLION GOING TO MEN AND
WOMEN WITH GOOD IDEAS -- WHO WANT TO TURN THOSE IDEAS
INTO JOBS.//

I'VE ALSO BEEN WORKING WITH CONGRESS TO PROVIDE
EVEN MORE CREDIT RELIEF.

AND THIS MORNING, YOU'LL SEE THE RESULT. I'VE COME HERE TO FREDERICKSBURG TO SIGN A NEW PIECE OF LEGISLATION: THE SMALL BUSINESS CREDIT AND BUSINESS OPPORTUNITY ENHANCEMENT ACT. THIS BILL WILL LOOSEN UP CREDIT EVEN MORE FOR DESERVING SMALL BUSINESSES.

NOT ONLY DOES IT INCREASE THE LEVELS OF SBA LOAN GUARANTEES, IT CREATES NEW WAYS OF BRINGING INVESTMENT TO SMALL BUSINESS OWNERS.

AND IT ESPECIALLY REACHES OUT TO WOMEN AND MINORITY ENTREPRENEURS WHO WANT TO GET STARTED. I'VE ALWAYS BELIEVED THE BEST ECONOMIC PROGRAM IS A JOB. THIS BILL GIVES MORE AMERICANS THE TOOLS TO CREATE JOBS.//

NOW, ALL THE CREDIT IN THE WORLD WON'T HELP SMALL BUSINESSES IF THEY'RE TAXED TOO MUCH. LET'S TAKE THE TAX MONKEY OFF SMALL BUSINESSES BACK.//

ALREADY WE'VE TAKEN A NUMBER OF STEPS TO STREAMLINE THE WAY SMALL BUSINESSES PAY THEIR TAXES.

TO GIVE ONE EXAMPLE: RIGHT NOW, SMALL BUSINESSES HAVE TO FILE PAYROLL TAXES TWICE A WEEK. THAT'S A WASTE. I'VE PROPOSED WE CHANGE IT TO ONCE A MONTH, SO BUSINESSMEN AND WOMEN CAN GET BACK TO THE BUSINESS OF RUNNING THEIR BUSINESS.

THE CLINTON-GORE TAX-AND-SPEND TICKET DOESN'T UNDERSTAND THAT TAXING CAPITAL INVESTMENT IS BAD. NONE OF OUR INDUSTRIAL COMPETITORS TAXES CAPITAL GAINS AT OUR PUNITIVE RATES.

ALMOST HALF OF ALL NEW BUSINESSES LITERALLY BEGIN AT HOME -- WHEN ENTERPRISERS CONVERT THEIR OWN "NEST EGGS" INTO CAPITAL. IT'S TIME TO REWARD THEIR INITIATIVE AND DRIVE. IT'S TIME TO CUT THE TAX ON CAPITAL GAINS. //

THAT'S MY AGENDA FOR SMALL BUSINESS: THREE OBSTACLES, AND THREE CONCRETE STEPS TO CLEAR THE OBSTACLES FROM OUR PATH.

NOW, WHERE DOES MR. CLINTON STAND ON SMALL BUSINESS? IT'S A STRANGE COINCIDENCE, BUT HIS PLAN HAS THREE PARTS, TOO: TAXES, TAXES, AND TAXES.

OUR DIFFERENCES COULDN'T BE SHARPER. I SEE SMALL BUSINESS AS THE BACKBONE OF THE AMERICAN ECONOMY. MR. CLINTON SEES A GOLDEN EGG-LAYING GOOSE, THAT OUGHT TO PAY MORE TAXES. //

HE STARTS WITH A BIG IDEA -- IT'S CALLED BIG GOVERNMENT. MR. CLINTON SAYS HE WANTS \$220 BILLION DOLLARS IN NEW GOVERNMENT SPENDING.

HOW WILL HE PAY FOR IT? WELL, NOBODY KNOWS FOR SURE -- BUT HE'S ALREADY ADVOCATING AT LEAST ANOTHER \$150 BILLION IN NEW TAXES. NOW, HE SAYS HE WANTS TO SOAK THE RICH -- RAISE TAXES ON THE TOP 2 PERCENT.

WHAT HE WON'T TELL YOU IS THIS: TWO OUT OF EVERY THREE PEOPLE HIT BY HIS TAX INCREASES ARE SMALL BUSINESSMEN OR FAMILY FARMERS. THESE FOLKS AREN'T MILLIONAIRES -- THEY'RE MOM AND POP, INC.

I GUESS MY OPPONENT OFFERS SMALL BUSINESS A REVERSE VERSION OF "LIFESTYLES OF THE RICH AND FAMOUS." YOU MAY NOT LIVE LIKE A MILLIONAIRE -- BUT YOU CAN BE TAXED LIKE ONE. //

HE'S ALSO BACKING A HEALTH CARE PLAN CALLED "PLAY OR PAY." THE PLAN WILL LEAVE SMALL BUSINESSES WITH TWO OPTIONS: ONE, CUT WORKERS' WAGES TO PAY FOR MANDATED HEALTH CARE. OR TWO, FIRE SOME WORKERS AND USE THE SAVINGS TO COVER THE REST.

ACCORDING TO AN INDEPENDENT URBAN INSTITUTE STUDY, THE PLAN WILL LEAD TO A 7 PERCENT PAYROLL TAX FOR THOSE BUSINESSES WHO DON'T "PLAY" THE GOVERNMENT'S GAME.

ANOTHER ESTIMATE SAYS SUCH A TAX WILL COST THIS COUNTRY 700,000 JOBS. WE CAN'T AFFORD TO LOSE THESE JOBS.//

SO THAT'S MY OPPONENTS' PLAN: \$150 BILLION IN NEW TAXES ... A NEW GOVERNMENT HEALTH CARE PLAN, LEADING TO A NEW PAYROLL TAX OF AT LEAST 7 PERCENT ... NOT TO MENTION A NEW TRAINING TAX. THROW IN AN IRRESPONSIBLE SLASHING OF OUR DEFENSE BUDGET -- AND IT ALL ADDS UP TO 2.6 MILLION: 2.6 MILLION JOBS LOST.

2.6 MILLION AMERICANS, THROWN OUT OF WORK ... AND ONTO WELFARE -- BECAUSE MY OPPONENT THINKS GOVERNMENT DESERVES A PAY RAISE.

[[FOR THE LIFE OF ME, I CAN'T THINK HOW THAT'S GOOD FOR SMALL BUSINESS -- UNLESS YOUR BUSINESS HAPPENS TO BE SELLING PINK SLIPS AT THE STATIONERY STORE.]]

THE DIFFERENCES BETWEEN MR. CLINTON AND ME ARE BASED ON TWO VERY DIFFERENT PHILOSOPHIES. LOOK AGAIN AT THE HEALTH CARE ISSUE.

THIS IS OF CRITICAL IMPORTANCE TO SMALL BUSINESS. OVER THE PAST TWO YEARS, 83 PERCENT OF SMALL BUSINESS OWNERS HAVE SEEN THEIR HEALTH CARE COSTS INCREASE. AT THE SAME TIME, TOO MANY AMERICANS ARE WITHOUT COVERAGE, OR THEY'RE WORRIED ABOUT LOSING THE COVERAGE THEY HAVE.

SO LET'S GO RIGHT DOWN THE LINE. MY HEALTH CARE REFORM WILL GIVE TAX BREAKS AND CREDITS TO MAKE HEALTH CARE MORE AFFORDABLE -- SO THAT 30 MILLION PEOPLE WHO CAN'T GET HEALTH INSURANCE TODAY WILL BE SAFE.

MY OPPONENT PREFERS TAXES: LETS RAISE TAXES AND COMPEL PEOPLE TO PARTICIPATE, I SAY LETS GIVE TAX INCENTIVES -- AND ENCOURAGE PEOPLE TO DO WHAT'S RIGHT.//

I WANT TO USE THE FORCES OF COMPETITION TO KEEP MEDICAL PRICES DOWN. MR. CLINTON WANTS TO PUT THE GOVERNMENT IN THE BUSINESS OF SETTING HEALTH CARE PRICES.

I WANT TO GO AFTER THE ROOT CAUSES OF THE HEALTH CARE PROBLEM. MY OPPONENT WON'T -- BECAUSE THE SPECIAL INTERESTS WON'T LET HIM.

I'LL GIVE YOU AN EXAMPLE. LAST YEAR ALONE, LEGAL COSTS INFLATED OUR DOCTORS' BILLS BY \$20 BILLION DOLLARS. SO WE'VE TARGETED MALPRACTICE INSURANCE FOR REFORM, AS ONE WAY TO KEEP COSTS DOWN. FRANKLY, I DON'T THINK YOU SHOULD HAVE TO HIRE A LAWYER -- WHEN YOU WANT TO SEE A DOCTOR.//

BUT MR. CLINTON OPPOSES MALPRACTICE REFORM. AND THERE'S A SIMPLE REASON. THE TRIAL LAWYERS OF AMERICA -- THE SAME FAT CATS WHO ARE GETTING RICH OFF THOSE MALPRACTICE LAWSUITS -- ARE HIS STAUCHEST SUPPORTERS. HERE'S WHAT ONE ARKANSAS TRIAL LAWYER WROTE ABOUT GOVERNOR CLINTON IN A FUNDRAISING LETTER: "I CAN NEVER REMEMBER AN OCCASION WHERE HE FAILED TO DO WHAT WAS RIGHT WHERE WE TRIAL LAWYERS WERE CONCERNED."

SMALL BUSINESSES ARE DROWNING IN LITIGATION, AND
GOVERNOR CLINTON WANTS TO THROW YOU A FIREHOSE. HELP
ME TO GET CONGRESS TO PUT AN END TO FRIVOLOUS LAWSUITS.
WE'D BE A LOT BETTER OFF IF WE SUED EACH OTHER LESS AND
CARED FOR EACH OTHER MORE.

FROM TAXES, TO REGULATIONS, TO HEALTH CARE, TO THE
LITIGATION EXPLOSION -- THIS ELECTION IS A CONTEST
BETWEEN TWO VERY DIFFERENT VIEWS OF BUSINESS, AND OF
HOW OUR ECONOMY WORKS.

HERE'S THE BOTTOM LINE: GOVERNOR CLINTON TALKS A
GOOD GAME -- BUT HIS POLICIES THREATEN TO TAX AND SPEND
AND REGULATE YOU OUT OF BUSINESS. SMALL BUSINESS
SHOULDN'T BE BIG-GOVERNMENT'S PIGGY BANK.

MY PLAN DOES WHAT'S GOOD FOR SMALL BUSINESS ...
WHAT'S GOOD FOR AMERICAN JOBS AND AMERICAN WORKERS ...
WHAT'S RIGHT FOR AMERICA. //

THANK YOU ONCE AGAIN FOR THIS WARM WELCOME, AND GOD
BLESS YOU.

I WILL NOW SIGN THE SMALL BUSINESS CREDIT AND BUSINESS
OPPORTUNITY ENHANCEMENT ACT OF 1992 -- AN EXAMPLE OF
WHAT WE CAN DO WHEN WE PUT SMALL BUSINESS FIRST.

#

WHITE HOUSE STAFFING MEMORANDUM

RZ

DATE: 9/4/92 ACTION/CONCURRENCE/COMMENT DUE BY: ---

SUBJECT: STATEMENT FOR THE NATIONAL GUARD MAGAZINE

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	MCBRIDE	☐	☐
BAKER	☐	☒	MOORE	☐	☒
SCOWCROFT	☐	☒	MULLINS	☐	☒
DARMAN	☐	☒	PETERSMEYER	☐	☐
BATES	☐	☐	PORTER	☐	☒
BRADY	☐	☒	PROVOST	☐	☐
BROMLEY	☐	☐	ROSS	☐	☒
CALIO	☐	☒	SMITH	☐	☐
DEMAREST	☐	☒	TUTWILER	☐	☒
FITZWATER	☐	☒	ZOELLICK	☐	☒
GRAY	☐	☒	<u>GAUGHAN</u>	☐	☒
HOLIDAY	☐	☒	<u>KAUFMAN</u>	☐	☒
HORNER	☐	☐	<u>SMITH</u>	☐	☒

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

The Way Ahead

2 SEP 3 PM: 30

By George Bush

For more than three centuries, the National Guard has helped keep America safe and strong. In war and peace -- from the colonial militia to Hurricane Andrew -- volunteer patriots have embodied "America at its best."

Think of citizen-soldiers at Lexington and Concord -- or in the jungles of Bataan and Guadalcanal. Their valor is a metaphor for the American character. Recall how the Guard fights forest fires, gives comfort to flood victims, or led recent food missions to Sarajevo. Its heroism lives as history -- passed from one generation to another.

The Founding Fathers knew that America needed a strong National Guard. Times have changed, but not the Guard's mission: To protect life and liberty at home and abroad. Today, its members -- more than half-a-million strong -- stand ready to define a new era which seemed inconceivable as recently as 1988.

During the last 3 and 1/2 years, the reserve forces of the United States have formed a crucial part of the finest fighting force this Nation has ever known. They have led our fight against illegal drugs, and met other peacetime challenges. They were vital to restoring democracy to Panama, and to a victory for the ages: The Cold War is over -- and freedom won.

Last year, the National Guard also helped forge our triumph over tyranny in the sands of the Gulf. Saddam Hussein learned that the Rockies would crumble before our Guardsmen did. Years

from now books will chronicle the bravery of the National Guard and Reserve forces in Operation Desert Shield/Desert Storm. As Commander-in-Chief and as a fellow veteran, I learned from their example and success.

As President I could not have acted decisively in the Gulf without full confidence in American armed troops -- both active and reserve. Each day of the Gulf conflict I heard countless instances of gallantry. When Barbara and I prayed at Camp David the night before the air war began, I asked God to make me worthy of Americans who would give of themselves -- and perhaps of their lives. Looking back, I hope I was.

Even now, I marvel at heroes like the 167th Tactical Airlift Group -- a C-130 unit from West Virginia. Late one evening the unit was asked for 40 aerial port personnel to deploy in support of air cargo operations. More than 100 quickly volunteered. Another Guardsman, Arizona Captain Debra Clark, drove her transportation unit 27 straight hours deep into Iraq. Tennessee Captain Terry Saltsman and his company were among the first U.S. ground troops to cross the Iraqi border. Unbelievably, Guard postal units in Saudi Arabia handled nearly 300 tons of mail in a three-day period. They had a half-day off only on Thanksgiving and Christmas -- their only time off in the entire mobilization.

The Persian Gulf showed America at her best. Yet the Twenty-First Century will present different challenges. Future risks to our security will be marked by ambiguity and rapid change -- not the relative certainty of the past. One asset of

experience is an appreciation of history: Both teach, as Lincoln said, the need to "think and act anew." His words explain why we must realign the size and shape of the Guard and Reserve to meet the needs of our new national security requirements in a world far different from the 1980s.

Several important principles will guide the design of our Guard and Reserve Forces. First and foremost is a principle I detailed in my August 1991 statement of the National Security Strategy of the United States:

"In a world less driven by an immediate, massive threat to Europe or the danger of global war, the need to support a smaller but still crucial forward presence and to deal with regional contingencies -- including possibly a limited, conventional threat to Europe -- will shape how we organize, equip, train, deploy, and employ our active and reserve forces . . . Today we must reshape our Guard and Reserve forces so that they can continue their important contributions in new circumstances."

The end of the Cold War and the demise of that single, monolithic threat that defined our security requirements for four decades requires a careful study of our future military capability. Compounding the problem are the reckless cries for additional cuts in defense spending. Let me be blunt: What those who propose to gut the defense budget while devoting more dollars to big government spending really want are massive reductions in the size of U.S. active and reserve forces. They

won't do it as long as I am President. The Soviet bear may be dead -- but wolves still stalk the world. I will reduce the size of our military defense -- but never our capacity to defend our citizens, interests, and allies. Nor will I ever reduce America's commitment to vigilance.

The second principle of a restructured military is a major reliance upon reserve forces, as well as active forces. The Chairman of the Joint Chiefs of Staff recently testified that "maintaining strong, capable Reserve and Guard forces will remain essential to our military strategy" -- and that as the size of the total force falls, "we can move certain units or functions into the reserves to avoid the costs associated with keeping them in the active force structure." We will do this fairly -- based on merit and need -- without discriminating against any part of the Armed Forces.

The third principle guiding our force structure involves concern for the demands placed on individual National Guardsmen, Reservists, and their families. Our "citizen-soldiers" devote time to their families, civilian occupations, or education. If we intrude upon them for every minor skirmish or trouble spot, we may soon face retention problems involving the same high-quality reserve personnel that we most need. On the other hand, reserve units and individuals will provide critical support in large or protracted conflicts, or in other crises that require the use of the armed forces -- and in increasing numbers as the

confrontation evolves. We will also rely on National Guard and Reserve combat units to reinforce and augment active forces.

Thus, the reserves will continue to be vital to our total force in the years ahead -- but plans for the use of the total force will change. In the Cold War, the threat to our national security was clear -- and specific roles and missions could be assigned to specific forces and units. In the ambiguous security environment ahead, detailed planning for every contingency or crisis will be less likely. Thus, flexibility will matter more -- as will the variables that influence decisions about which forces are required. Among them are the nature of the missions to be performed, and the capabilities, readiness, immediate availability and geographical location of specific active or reserve units. Our goal is a troop structure that gives peace a chance -- but never takes a chance with peace.

I believe most Guardsmen share this view -- know that when it comes to national security, finishing second means finishing last. My support of a strong defense spans a lifetime. I am no election-year convert to keeping America Number One. As a veteran, I know we must keep our armed forces ready and capable: The Cold War victory we won based on strength must not be lost because of weakness. That is why I reject those who advocate deep budget cuts that jeopardize our nation's safety. Our defense budget involves more than needed weapons systems -- or ensuring American forces are the best-equipped military in the world with world-class technology. It means we must also spend

the necessary time and effort training our active and reserve forces. This is especially true as we reshape our forces to meet our defense strategy in the 1990s and beyond.

We cannot afford to return to the hollow-forces military of the late 1970s -- where capability was low and morale lower. In Iran, the rescue operation, Desert One, was a disaster. American parts wouldn't work. American planes wouldn't fly. I will never permit such humiliation. Instead, I will reshape the U.S. military in a way that keeps it strong and capable, worthy of respect and admiration at home and abroad.

Like most Guardsmen, I know what it means to raise a family, build a life, go to battle, and see friends die. I was on a three-man bombing crew -- and learned of teamwork and sacrifice. I learned, too, about a cause larger than ourselves. I remember spending a month aboard the submarine Finback after being shot down -- and at night standing watch on the bridge and looking out at the dark. The sky was clear. There was calm, inner peace -- God's therapy.

Given that, I will never forget those who endured war so that liberty might live. I stand with those who time and again have shown that they are ready -- whether in a major armed conflict like Desert Storm, the fight against drug traffickers, or other peacetime operations. Fifty years ago, the National Guard provided the first army units to go into offensive combat in World War II. This year, it again helped our nation stand

tall -- sending to hurricane-ravaged areas troops who proved that Americans pull together to repair what nature has torn apart.

In the hurricane's wake, Guardsman Scott Merrick of Oak Hill, Florida, placed an American flag between a twisted traffic light and a storm gutter. He put it there because "it says a whole lot about what's happening." Scott knew that victims of Hurricane Andrew might be physically beaten -- but they would not be defeated. How could they? They were Americans.

Against the winds of tyranny or a hurricane, National Guardsmen have helped America triumph on the wings of hope. They have helped lead us in the past -- and will too in the future. "Always ready, always there" -- always the best that is America.

10:00 A.M. WIRES

IRS hounds Presley impersonator hired by GOP

AUSTIN, Texas (UPI) — An Elvis Presley impersonator hired by Republicans to shadow the Democrats' Texas bus tour says the Internal Revenue Service may fire him for violating the Hatch Act, which bars federal employees from working for political campaigns.

Victor Solimine, who works at the IRS Compliance Center in Austin, said the agency forwarded complaints against him to federal labor officials for possible action.

Solimine called the flap ridiculous, admitting that he said "Elvis backs Bush" but contended that since he is a paid entertainer, he didn't do anything wrong.

Democratic presidential nominee Bill Clinton's fondness for Presley has been a source of amusement for Democrats and Republicans alike. Early in the campaign, Clinton security staffers code-named the nominee "Elvis" and for a time wore identification pins bearing Clinton's picture on an Elvis postal stamp.

At their convention in Houston last month, Republicans referred to Clinton's domestic program as "Elvis economics." Buttons saying, "I saw Elvis at the Republican National Convention" were worn by some of the conventioners.

When the Clinton bus tour came to Texas last month, Republicans saw it as a chance to continue the Elvis theme and hired Solimine. GOP spokesman Mark Sanders said he was unaware of any potential conflict.

upi 09-04-92 09:12 aed

Allies Find No Evidence of Iraqi Operations Against Civilians
By EDITH M. LEDERER
Associated Press Writer

ABOARD THE USS INDEPENDENCE (AP) — Allied pilots flying over southern Iraq have seen no signs that Saddam Hussein's forces are attacking civilians or that a Shiite Muslim rebellion has been crushed, a U.S. commander said today.

Meanwhile, Navy pilots took their first break in the 9-day-old allied enforcement of a "no-fly" zone over southern Iraq for routine maintenance of their planes. U.S. Air Force planes remained in the air.

American, British and French planes began enforcing the air exclusion zone over southern Iraq below the 32nd parallel on Aug. 27 to afford some protection to the Shiites.

Since then, no flights have been reported over the zone by Saddam's aircraft. Western officials say the Iraqis had been flying an average of 30 attacks a day against the Shiites before the zone was imposed.

Rear Adm. Brent M. Bennitt, commander of the eight-ship USS Independence carrier battle group in the Persian Gulf, reported no evidence to support Iranian reports that the Iraqi army had set fire to parts of the vast reed-covered southern marshes to flush out Shiite rebels.

"We certainly have the capability to monitor that kind of activity," he told reporters. "I can't comment on the reports ... because I have no information to support them."

Iran's official Islamic Republic News Agency, monitored in Cyprus, said Thursday that the Iraqis were burning the marshes, sending up huge columns of smoke over the marshy region, which covers 6,000 square miles.

The report also said Saddam's forces crushed rebel operations in the town of al-Qurnah — which some people hold to be the site of the Garden of Eden. The area is 40 miles north of Basra and the place where the Euphrate and Tigris rivers meet.

"If there were huge fires, we could probably see them from here," Bennitt said. "The weather's been extremely good." He stressed that allied aircraft are watching Iraqi military activity on the ground as well as in the air to monitor Iraqi compliance with a U.N. resolution barring the Baghdad regime from repressing Iraq's 17 million people.

An estimated 60,000 Iraqi soldiers engaged in operations against the rebels in the marshes and elsewhere in southern Iraq in recent months.

Opposition groups say as many as 200,000 people are in the marshes, defended by about 10,000 lightly armed rebels. Many fled there after the Iraqi army defeated a Shiite uprising following the Gulf War.

Iraq appears to be studiously avoiding confrontation with the allies, but has not been inactive.

Travelers from Iraq who were interviewed in Jordan and Cyprus said Saddam had sent his defense minister — known as "the butcher" for poison gas attacks on Kurdish guerrillas — to southern Iraq.

The travelers said Maj. Gen. Ali Hassan al-Majid, Saddam's cousin, has set up headquarters in the port city of Basra and is touring the region seeking to rally Shiite Muslims behind the Baghdad government, which is controlled by Sunni Muslims.

Iraq has portrayed itself as a beleaguered country bullied by Western powers who want to steal its oil and partition it into a

Kurdish zone in the north and a Shiite sector in the south, with Saddam's regime holding Baghdad and the landlocked central provinces.

Iraq's neighbors, especially Saudi Arabia, Syria and Egypt, share concerns about its future. They fear Iran would exploit Iraq's collapse to advance its perceived ambitions to be the region's dominant military power, and they have responded coolly to Bush's call for support in the latest faceoff with Saddam.

Saudi Arabia is flying non-combat support missions for U.S.-led air patrols in the "no fly" zone, but little is said about what, if anything, other Arab states are doing to aid the allies. AP-DS-09-04-92 0933EDT

9-4

Date



Polls - USA ↓

Lead Ed NYT
128 inquiries

Poverty - not
include benefits??

HOLLYWOOD, STUNG BY QUAYLE, OPENS ITS COFFERS TO DEMOCRATS

LOS ANGELES -- If money talks, the noise level in Hollywood must be reaching a crescendo as stars and entertainment industry executives risk writer's cramp signing checks made out to the '92 Democratic campaign. "We feel we're being used as whipping boys," said Marge Tabankin, executive director of the powerful Hollywood Women's Political Committee. One of the results of Hollywood's anger, according to fundraisers and political analysts, has been an outpouring from the entertainment community's coffers to female candidates in particular. Bob Burkett, a leading Hollywood campaign fundraiser for the Democrats, said Hollywood was enthusiastic about Clinton and Gore.

Republicans say they are not overly concerned at the cash pouring out of Hollywood into the Clinton-Gore campaign coffers. "This is nothing new," said a Republican campaign fundraiser.

(Michael Miller, Reuter)

**NATION'S CELEBRITIES NOT ALL FOR CLINTON
'Elite' Or Not, 148 Endorse Bush**

Dueling social issues don't seem to matter as much in this presidential election as dueling celebrity endorsements. Those really matter.

The Bush-Quayle '92 campaign Thursday stopped counting tax increases long enough to count endorsements, a very specialized business with subcategories for celebrities, athletes and personalities.

"Celebrities, star athletes rally around President Bush" was the somewhat breathless headline on a release that listed 148 names alphabetically without affiliations but double-asterisked some obscure names it defined as "personalities."

(Frank Murray, Washington Times, A1)

**CHARGES FLY OVER BUSH CLAIM THAT
CLINTON RAISED TAXES 128 TIMES**

Is President Bush lying when he says Bill Clinton raised taxes 128 times as Arkansas governor? Charges and countercharges are flying over a question that would seem to be one of basic math.

The Bush campaign says its tally is based on "The Arkansas Legislative Tax handbook" and insists the number is beyond challenge. But the handbook numbers are a stretch. For example, one item on the list "increased the severance tax on salt water used as raw material for bromine." One required used car dealers to post a \$25,000 bond with the state revenue department. Another extended the dog-racing season. Others authorized "beauty pageant fees," a "waste tire" fee and a \$10 charge for testing water samples for bacterial infection. Three items are nonexistent, according to columnist Michael Kinsley.

By the Clinton campaign's count, Clinton raised taxes 49 times and seven of these have either expired or been repealed. The campaign cites an Aug. 7 report by the Library of Congress's Congressional Research Service concluding that Bush and President Reagan have raised taxes or fees 327 times since 1980 and 78 since Bush became president.

(Irwin Arief, Reuter)

11:00 A.M. WIRES

Residents Balk At Leaving Damaged Homes; Clinton Tours Miami Area
By MELISSA CONTI
Associated Press Writer

MIAMI (AP) — New waves of federal troops started arriving today to help rain-soaked residents of south Florida recover from the massive destruction of Hurricane Andrew, the military said. Part of their mission will be to fan out across flattened suburbs to sell reluctant hurricane victims on the idea of leaving unsafe homes for the relative comfort of tent cities.

The weather was a continuing problem for people living in damaged homes. Rain poured through broken windows and swelled sagging ceilings and beams on Thursday and a tropical wave — a band of intense thunderstorms — was expected to arrive Saturday. Army officials said they expected the rains to drive people to the camps.

"Every time it rains we'll see more people coming in here," said Marine Sgt. Dan Sauls, interviewed today at a largely empty tent city in Homestead.

Residents of devastated southern suburbs have so far been reluctant to leave their homes and what few possessions they have left to sleep on cots in one of five tent cities.

As of Thursday night, only about 300 people were living in the makeshift camps, which so far have room for 3,800. The Army has enough tents and cots on hand to sleep 35,000 people, if necessary.

In all, 11,600 more troops were ordered by the Pentagon into the area to aid the thousands left homeless by the hurricane. They will be arriving throughout the weekend, military officials said. The new troops will join 16,000 other troops and 6,000 members of the Florida National Guard in the area.

"They (the troops) will go out into the community to each block and neighborhood so they can put their arms around people and tell them it's OK," Lt. Col. Bill Reynolds, a spokesman for the military information center in Miami, said Thursday.

On Thursday, building inspector Ida Mesa pleaded with a woman to leave her house with its damaged roof, darken rooms and contaminated water. It would be safer, she said, to enter one of the tent cities.

"I don't want to lecture you. I just want to tell you that you have choices. You have children here. There are other ways to live," Ms. Mesa told Kellie Kortright, who stood by her battered four-bedroom yellow house, home since the storm to seven adults and four children.

Ms. Kortright was unimpressed.

"We're comfortable here," she said. "The water's no good, but we can shower. There's no electricity, but that's OK."

Federal officials said they might install laundries, televisions and videocassette recorders in the tent cities to make them more attractive.

Reluctance to move into the tent cities was to be expected, said Democratic presidential nominee Bill Clinton, who joined the long line of politicians visiting south Florida.

"People do not want to leave their homes and their items," Clinton said Thursday at a news conference. A tent city, he said, "seems like a ki of alien environment."

Clinton refused to join any criticism of how President Bush handled the crisis, but promised to assume responsibility for hurricane relief if he is elected.

Transportation Secretary Andrew Card said during a tour of the devastated Homestead area that he sensed the recovery was "maturing rapidly," with people taking the initiative to dig themselves out of despair.

Card saw people putting up plastic or tar paper roofs and clearing debris from their yards. He said the Red Cross had received more than \$4 million since Bush appealed for the nation to pitch in Tuesday night.

The White House announced that the Small Business Administration had speeded up its handling of loan applications from hurricane victims in Florida and Louisiana, reducing the usual 30-day processing period to seven days.

SBA Administrator Pat Saiki handed out checks totaling \$155,580 to the first five hurricane victims approved for loans, all homeowners.

The state Department of Labor reported Thursday that 60,000 homes had been destroyed in Florida, leaving 250,000 people homeless. It said 86,000 people were thrown out of work by the storm. More than 400,000 people remained without electricity. Other agencies have produced widely varying estimates of the number of homes destroyed. The Red Cross said 94,000 homes were damaged, and about half of those were destroyed.

Andrew, which smashed into south Florida on Aug. 24 with wind gusts of more than 160 mph, has been blamed for 51 deaths in Florida, Louisiana and the Bahamas. Damage in Florida has been estimated at \$20 billion.

AP-DS-09-04-92 1029EDT

Panic Warns His Policies Only Chance to Avoid Total Isolation With
By JULIJANA MOJSILOVIC
Associated Press Writer

BELGRADE, Yugoslavia (AP) — Yugoslav Premier Milan Panic today warned nationalist legislators who are seeking his ouster that only his policies have kept the nation from total isolation.

Parliament met to consider a no-confidence motion against Panic proposed earlier this week by deputies from Serbian President Slobodan Milosevic's Socialist Party and the ultra-nationalist Serbian Radical Party.

Panic and Milosevic are locked in a power struggle, and today's session could determine who emerges as the country's strongest leader.

Support for Panic appeared to be growing, and the Socialists, or renamed Communists, backed down from the no-confidence motion earlier this week, saying Panic's government should be given another chance if it accepted "criticism and political warnings."

But the Radical Party stood by the proposed vote, and deputies today debated the no-confidence motion.

The legislators accuse Panic of betraying Serb interests at a London peace conference by offering to recognize all former Yugoslav republics within their original borders and by proposing talks with the ethnic Albanian majority in Serbia's restive Kosovo province.

But Panic told Parliament today that he had succeeded in staving off further international pressure against what remains of Yugoslavia, which is already subject to international sanctions for its involvement in the fighting in neighboring Croatia and Bosnia-Herzegovina.

Panic, a U.S. businessman appointed to the premiership only six weeks ago, appeared to have consolidated considerable support in response to the no-confidence motion.

He said his peace plan was the country's only hope of avoiding further isolation. And, in a clear challenge to Milosevic, Panic said: "If rbia doesn't comply with the obligations we undertook, it will draw Yugoslavia into deeper isolation."

Milosevic holds the power in Yugoslavia, which now comprises only Serbia and Montenegro. But Panic has won support from the opposition and all other Yugoslav leaders, including federal President Dobrica Cosic, once a Milosevic ally.

Montenegro's ruling Socialist Party has also come out in support of Panic, and when the session dissolved for a break today, Panic, Cosic and Montenegro's president, Momir Bulatovic, left the chamber together.

AP-DS-09-04-92 1036EDT

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Memo	Lawrence Eagleburger to POTUS [originally closed as 01] (1 pp.)	09/03/1992	(b)(1)	S

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, September 4, 1992 [1]

Date Closed:	9/30/2019	OA/ID Number:	90714-003
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:	

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- (b)(9) Release would disclose geological or geophysical information concerning wells

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- 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]

12:00 P.M. WIRES

Hill Sources Claim Free Trade Agreement Still Not Finished
By MICHELLE MITTELSTADT
Associated Press Writer

WASHINGTON (AP) — President Bush's announcement three weeks ago that a North American free trade treaty had been concluded was premature, congressional and labor sources say, charging that agreement has yet to be reached in some areas.

But a spokeswoman for U.S. Trade Representative Carla Hills on Thursday called the claim "just plain wrong" and said any changes in the still-classified text are occurring as part of the legal review process.

Congressional sources close to the treaty talks said the United States, Mexico and Canada had not concluded negotiations on several fronts, including investments and government procurement.

"There are still substantial negotiations in those two areas," a Capitol Hill source said, speaking on condition of anonymity. "It's one thing to have to go back in and clean up and dot the I's and cross the T's, but when you still have substantial disagreement remaining it's quite a different thing."

A Senate aide concurred. "They said they were doing cleanup. Cleanup doesn't smack of substantive revisions."

But Assistant U.S. Trade Representative Kathy Lydon said that assessment was a "cheap shot."

The work being done on the 2,000-page text is "cleanup work," Ms. Lydon said. "These are minor details."

Sen. Lloyd Bentsen, the Texas Democrat who chairs the Senate Finance Committee, said Wednesday it was clear the administration didn't have an agreement completed when it was announced Aug. 12.

"And (they) still don't today," he said.

Bentsen, whose committee oversees trade matters, appeared angered by President Bush's attacks on Democratic rival Bill Clinton. In recent campaign appearances, Bush has charged that Clinton has "hemmed and hawed" over his support for the accord, which is designed to lower trade barriers between the three nations.

Clinton has said he supports the concept of free trade with Mexico, but wants to make sure environmental and wage standards are addressed before endorsing an agreement.

The text will be made public by Tuesday, when Hills is scheduled to outline details of the proposed treaty for the Senate Finance Committee.

White House Press Secretary Marlin Fitzwater said Thursday "the major provisions have been worked out. There are details that are refined in the drafting process. ... But it has been completed, yes — signed off on by the heads of all three countries."

AP-DS-09-04-92 1147EDT

Bush Pitches GOP Economic Plan to Small Businesses
By ROBERT BURNS
Associated Press Writer

FREDERICKSBURG, Va. (AP) — President Bush said today he wants to cut taxes and regulations on small businesses, warning small-store owners that Bill Clinton's policies "threaten to tax and spend and regulate you right out of business."

Bush traveled to this traditional GOP stronghold, about 50 miles south of Washington to deliver a street-corner speech meant to put his pro-business credentials on display.

The president used the occasion to sign a bill authorizing an increase in the amount of Small Business Administration loan guarantees from \$100 million in 1993 to \$700 million by 1997.

"Our differences (with Clinton) couldn't be sharper," Bush said. "I see small business as the backbone of the American economy. He sees a golden egg-laying goose that ought to pay more in taxes."

Clinton's campaign quickly fired back. "If George Bush is so good for business, how come there's been thr times more bankruptcies than new private-sector jobs" during his administration, said Clinton's communications director George Stephanopoulos.

In this city of about 20,000 along the Rappahannock River, Bush dropped in at Fredericksburg Hardware and stopped by Goolrick's Modern Pharmacy, a 1950s-style drug store.

Bush said that Clinton "talks a good game but his policies threaten to tax and spend and regulate you out of business."

Standing outside the pharmacy, Bush said small businesses employ more than half the American workforce and create two-thirds of the new jobs.

"We've got to give business the relief from excessive government regulation," Bush told a cheering crowd. "We need to increase access to credit and investment. And while Gov. Clinton wants to raise taxes and has already proposed it, I want to cut the taxes on small business and I need a change in Congress to get that done."

Bush called anew for a cut in the capital gains tax rate. The president on Thursday abandoned the idea of bypassing Congress to index capital gains to inflation after the Justice Department deemed that he could not order it by executive order.

Bush said Clinton wants to increase government spending by \$220 billion and impose \$150 billion in new taxes. Clinton has advocated spending \$220 billion on new public works programs, education and tax cuts for families by 1996. He also has proposed raising the tax rate for the top 2 percent of wage earners and placing a surtax on incomes over \$1 million.

The president also cited Clinton's health-care program as a burden on small businesses. Clinton backs a "play or pay" program that would require employers to provide coverage for their workers or pay into a pool to cover the uninsured. Every American would have access to a basic health care package under Clinton's plan.

Bush said a study by the independent Urban Institute concluded that Clinton's plan would lead to a .7 percent payroll tax for businesses who don't "play the government's game." Bush said such a tax would eliminate 700,000 jobs.

Clinton's tax plan, his health program and his proposed cuts in the defense budget would result in 2.6 million lost jobs, Bush said.

At the hardware store, Bush brushed aside reporters' questions about whether his recent announcements of government spending on

the campaign trail left the appearance that he was buying votes. "These are good sound proposals ... They create jobs," Bush replied.

In South Dakota, Bush gave disaster relief and export subsidies to farmers, and in Texas he announced approval for a \$6 billion military jet deal with Taiwan.

In nearly any setting on the campaign trail, Bush takes pains to portray his economic policies as favorable to small business and Democratic rival Bill Clinton's as dangerous to small business.

In a speech Wednesday, Bush accused Clinton of wanting to enact "new taxes on small business to pay for government health and mandatory training. I want to cut the taxes, t them across the board _ reduce the burden particularly on small business. Small business is over-regulated and overtaxed."

Clinton has claimed that the Bush campaign is distorting his economic plan.

The Arkansas governor says, for example, that his health care plan would be less costly to business than the Bush plan.

Clinton proposes to gradually move to universal access to basic medical coverage through employer or public programs. He would begin by controlling costs through reduced paperwork, and cracking down on drug and insurance company practices.

As costs dropped, companies would be required to insure their employees _ with federal assistance in the early years of the transition to help them meet their obligations.

AP-DS-09-04-92 1145EDT

September 4, 1992 (6927)

Secretary Baker has just approved your making a 5-minute phone call today to a Cleveland radio station. You will have talking points later this afternoon. This is to take place in the Oval Office.

(You are scheduled to visit Cleveland, OH, tomorrow morning.)

*3:07
Scheduled for ~~5:07~~ pm.*

12:30 P.M. NEWS UPDATE

PRESIDENT'S TRIP (Fredericksburg/Robert Burns, AP) -- President Bush said he wants to cut taxes and regulations on small businesses, warning small-store owners that Gov. Clinton's policies "threaten to tax and spend and regulate you right out of business." Bush said: "Our differences couldn't be sharper. I see small business as the backbone of the American economy. He sees a golden egg-laying goose that ought to pay more in taxes." Clinton's campaign quickly fired back. "If George Bush is so good for business, how come there's been three times more bankruptcies than new private-sector jobs" during his Administration, George Stephanopolous said.

(Fredericksburg/Thomas Ferraro, UPI) -- President Bush signed legislation in a small-town drugstore to increase the levels of government loan guarantees to small-business owners and denied that he is engaged in checkbook politics to win votes. Questioned while visiting a hardware store, the President described his initiatives as "good, sound programs" that will create jobs. He also insisted that he has not flip-flopped on Administration policy even though he lifted a 10-year weapons ban when he approved the sale of F-16 fighter planes to Taiwan.

CAMPAIGN/CLINTON (Roland, Ark./AP) -- The Sierra Club endorsed the Democratic presidential ticket and pledged to use its "unprecedented enthusiasm" to rally support for Gov. Clinton and Sen. Gore. "George Bush's environmental commitment extends only as far as his own image. It's only good for a 30-second sound bite," said club president H. Anthony Ruckel. "The American people know that we can and must successfully tackle our environmental problems. What has been absent is the presidential will and leadership to make it happen."

UNEMPLOYMENT FIGURES (AP) -- The nation's unemployment rate dipped slightly in August to 7.6 percent, the second consecutive decline, but the improvement came from a special summer jobs program for teenagers, the Labor Department said. The rate could well soar again in September with the expiration of the jobs program, analysts warned.

FED/BANKS (AP) -- The Fed added money to the nation's banking system in a move many economists took as a clear signal the central bank was lowering interest rates. Many economists said they believe the Fed lowered the target for the federal funds rate -- the rate banks charge one another on overnight loans -- by a quarter of a percentage point to 3 percent.

CHINA/F-16 SALE (Beijing/AP) -- China heaped more criticism on the Bush Administration for its decision to sell F-16 fighter jets to Taiwan, a move that has opened a wide rift between Beijing and Washington. In a sharply worded commentary, China's official media said: "over the past decade, the U.S. government has repeatedly gone back on its word by continuing and even upgrading its arms sales to Taiwan in both quantity and quality. The commentary said the sale of jets will heighten tensions in the region. "The Bush Administration has fabricated various excuses and lies trying to justify its arms sale decision."

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IRAQ/NO-FLY ZONE (Baghdad/Reuter) -- Iraq said the West's no-fly zones were doomed and its eventual triumph over those enforcing them was inevitable. "The cursed Bush's gambles in the north and the south will be lost in the wind," declared the Baath party newspaper al-Thawra. "There is no force on earth that has the power to crush the will of the Iraqis."

BOSNIA/ITALIAN PLANE/U.N. (Sarajevo/AP) -- U.N. troops removed the bodies of four Italian airmen from the wreckage of a relief plane, and an Italian cabinet minister said there was evidence the aircraft was hit by a missile. "The elements in our possession lead decisively toward that judgment," Foreign Trade Minister Claudio Vitalone was quoted by the Italian news agency ANSA as saying.

(Geneva/Reuter) -- The U.N. issued an urgent appeal for over \$400 million to prevent thousands of victims of the Yugoslav war from dying in the bitter Balkan winter. U.N. High Commissioner for Refugees Sadako Ogata made the plea for \$434.1 million for food, medicine, shelter and transport for nearly 2 million refugees, mostly in Bosnia and Croatia.

MIDEAST PEACE TALKS (Jerusalem/Reuter) -- Prime Minister Rabin accused Palestinians of stalling in peace talks, saying in Yedioth Ahronoth they were running away from the real issues. But he voiced optimism over a new tone in talks with Syria. "The Palestinians have surprised us. They are incapable of facing the real problems. Their tactic is to talk about human rights, arrests, house demolitions. They address the symptoms of the disease but not the disease itself," Rabin said. "I think the Americans understand our position. They see the Palestinians are running away from decisions."

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1:00 P.M. WIRES

Federal Reserve Seen As Lowering Key Interest Rate

By DAVE SKIDMORE

Associated Press Writer

WASHINGTON (AP) — The Federal Reserve added money to the nation's banking system today in a move many economists took as a clear signal that the central bank was lowering interest rates.

Many economists said they believe the Federal Reserve lowered the target for the federal funds rate — the rate banks charge one another on overnight loans — by a quarter of a percentage point to 3 percent.

The Fed does not officially change the federal funds rate. However, analysts said the addition of reserves to the banking system left little doubt the Fed was cutting rates.

The move comes only hours after the Labor Department reported that employers cut 83,000 jobs from their payrolls in August. The report was unexpected. In advance, economists were looking for an increase of about 150,000 jobs.

"This is a very clear cut, decisive sign that the Federal Reserve is now targeting the federal funds rate at 3 percent in response to this destructive employment report," said economist Allen Sinai of the Boston Co. Economic Advisers Inc.

According to Nomura Securities International Inc., 3 percent is the lowest federal funds rate since June 1963.

Economists said they doubted the reduction, the first since July 2, would cause banks immediately to reduce lending rates to consumers, although one-year adjustable rate mortgages may move slightly lower. They said the prime rate, the rate charged banks' best business customers, probably would remain at 6 percent. They warned, however, that deposit rates could dip.

"I think this is an opportunity for the banks to once more lower the rates on small-denomination certificates of deposit and money market accounts. They're already below 3 percent in many cases and they will go lower," said Elliott Platt of Donalson, Lufkin and Jenrette.

The federal funds rate was last lowered on July 2, from 3.75 percent, on the same day the Labor Department issued a disappointing employment report for June. At that time, the central bank also lowered its discount rate, the rate charged on its direct loans to banks, to a 29-year low of 3 percent.

Some analysts said the central bank may have chosen to confine its easing move today to the less visible federal funds rate to avoid roiling world currency markets.

Two weeks ago, the value of the dollar plunged to a post-World War II low against the German mark. Lower interest rates in the United States will make the mark even more attractive by comparison and could cause a renewed decline in the dollar.

But economists said the first priority of the Federal Reserve is the domestic economy, which has been struggling for two years now to shake off the effects of the recession.

"For the Fed, growth in the economy, inflation and growth in the money supply are the overriding concerns," Sinai said. AP-DS-09-04-92 1211EDT

Clinton Moving to Share Credit With Bush on Federal Largesse
By STEVEN KOMAROW Associated Press Writer

LITTLE ROCK, Ark. (AP) — Bill Clinton suggests President Bush is making promises with the taxpayers' money to win re-election, but he's not opposing the president's proposals.

Indeed, he's trying to take some of the credit.

Clinton in a speech to the AFL-CIO on Thursday said Bush was doing "flip-flops" and supporting a host of new items in the past few days, most of which would pour money into important electoral states.

After opposing the aircraft for years, Bush is supporting the V-22 Osprey, which means jobs in Texas and Pennsylvania. And Clinton said Vice President Dan Quayle had announced in Michigan that "the administration had flip-flopped" and now supports production of more tanks made there.

Bush was now supporting the sale of F/16s to Taiwan, another boon for Texas. And Bush "promised the faers he would expand the export subsidy program that on Aug. 6 he recommended be eliminated."

"Now, I'm a Baptist so I believe in deathbed conversions but this is amazing," Clinton said. "I'll tell you one thing — no matter what happens our campaign has done some good for some people in this country."

"I think the American people are smart enough to see politics as usual," he said of the president's actions.

And Clinton argued that the long list of promises Bush has made at the Republican National Convention — and since — would require deep cuts in cherished programs.

"He'll be forced to cut, even to gut, Medicare and Social Security," he said.

Bush has said repeatedly he would not touch Social Security.

Clinton didn't mention in that speech the president's promise to give maximum federal aid to Florida for the rebuilding after Hurricane Andrew. Instead, he flew to the Miami area himself, toured the wreckage, and said he would make the same commitments the president had.

"I do not come here for any political purpose," he said. "What I want to do is just make it clear to the people of Florida that if I am elected, I will be there," he said.

The commitment from the federal government could be from \$5 billion to \$15 billion, including up to \$1.5 billion to repair Homestead Air Force Base, which was leveled.

Although the shrinking Pentagon budget is already forcing the government to shut some military bases, Clinton said he believed Homestead still had a mission as the closest air base to Cuba and an ideal site for anti-drug flights.

"I also was moved by the statements today about the economic importance" of the base, which is a major employer in the most-destroyed area, Clinton said.

Florida Gov. Lawton Chiles said Clinton ran the risk of being seen as taking political advantage of the disaster, but "it's a political season."

"This man might be the next president of the United States. I want him to see this. We're going to need ctinued commitment and help," said Chiles, a Democrat.

Clinton passed up the opportunity to criticize Bush on the relief efforts, which were slow at first.

"I don't want to criticize what he did because I don't know what his options were, because I'm not there," he said.

Democratic Tickets Draws Praise From Two Environmental Groups
By STEVEN KOMAROW
Associated Press Writer

ROLAND, Ark. (AP) — The Sierra Club, one of the nation's leading environmental organizations, today endorsed the Democratic presidential ticket and pledged to use its "unprecedented enthusiasm" to rally support for Bill Clinton and Al Gore. "George Bush's environmental commitment extends only as far as his own image. It's only good for a 30-second sound bite," said club president H. Anthony Ruckel, standing beside Clinton and Gore on a stage in a state park.

"The American people know that we can and must successfully tackle our environmental problems," he said. "What has been absent is the presidential will and leadership to make it happen," he said.

"The truth is that this state has a better record on the environment and on the economy than this administration in Washington does," Clinton said.

"I don't know anyone except Dan Quayle who can any longer — with a straight face — call George Bush the environmental president," Gore said.

The club, the nation's oldest environmental group, was the latest of several such organizations to line up behind Clinton despite the Arkansas governor's mixed environmental record. The League of Conservation Voters expressed its support for the ticket on Thursday.

"The Sierra Club has studied that record, and understands that Gov. Clinton has made tremendous progress in making Arkansas a better, safer place to live," Ruckel said. "Arkansas is one of only five states that meets all federal clean air standards," he said.

The club said Clinton's choice of Gore for a running mate was one of the main reasons for its endorsement. The Tennessee senator is a leading environmentalist in Congress, and has been under constant attack from Quayle for allegedly supporting a program which would protect the environment at the expense of the economy.

Clinton and Gore say pollution-free technologies and environmental cleanup industries are a fertile source of new jobs and contend there's no need to make a choice between jobs and environmental protection.

It was only the second presidential endorsement since the club was founded 100 years ago; the first was in 1984, when the group endorsed Democrat Walter Mondale over Ronald Reagan.

Bush campaign spokeswoman Torie Clarke said the president "has a very good environmental record" and called Clinton's record in Arkansas "appalling." She said the Democrat "didn't give a hoot about the environment until he started running for president."

"I don't think we'll ever make the entire environmental community happy, especially the extremists," Clarke said. "The president recognizes the importance of implementing a policy that balances protecting natural resources while still allowing economic growth. That is the sound, sensible approach on this issue." The two environmental groups accused Bush of reneging on his pledge to be "the environmental president" and breaking specific promises he made during his 1988 campaign.

Ruckel called Bush "an environmental disaster."

He said the president had promised to protect wetlands, fight the greenhouse effect, pass a national recycling plan, support a strong Clean Air Act and be "a Teddy Roosevelt environmentalist."

"He has broken every single promise," Ruckel said. "How can we possibly trust him?"

Rickel promised that his 600,000-member organization, which was holding press conferences today in two dozen other states, would

"usthe unprecedented enthusiasm for this ticket at the grassroots level (environmentalists) to turn out support across the country."

AP-DS-09-04-92 1207EDT

U.S. Poverty: Beyond the Statistics, Families Live Day to Day

EDITOR'S NOTE Associated Press writers Jim Anderson of Los Angeles, Jocelina Betts of Jackson, Miss., and Denise Lavoie of Stamford, Conn., contributed to the following report.

Less than a year ago, she regularly held lavish dinner parties at her home in Stamford, Conn. This week, Mrs. Loews and her three children have eaten plain pasta every night.

Mrs. Loews, who asked that her first name not be used, fell from middle-class living into poverty when she and her husband separated last November.

The hardest part, she said, is telling her children they can't have designer clothes, bicycles and other luxuries that ordinary children take for granted in Connecticut, the state with the nation's highest per capita income.

"They're in the middle of a bery and they can't touch the cake," Mrs. Loews said.

Mrs. Loews has worked since she was 16, mainly as a saleswoman and graphic artist. She went on welfare when it became clear her job would not bring in nearly enough money to pay the bills.

"It's degrading. You're in this position you never thought you'd be in," she said.

She lives on \$1,054 a month \$842 from Aid to Families With Dependent Children and \$212 in food stamps. She said her husband refuses to pay child support, but she hasn't gone to court demanding it.

Mrs. Loews said she is trying to get off welfare. She went back to school in May, and hopes to complete a paralegal course in about a year.

For now, she said her parents make her \$275 monthly car and insurance payments and her landlord dropped her rent from \$1,000 to \$400. She relies on social service agencies and her church for clothing and sometimes food.

For months, Gloria Leon of Los Angeles hasn't received child support from her ex-husband. Shdoesn't know where he is. And she doesn't expect to find a job soon.

Mrs. Leon, 47, a mother of three, gets by each month on a welfare check of about \$550 and food stamps. Her eldest daughter left school at 14 to get a job and help the family.

Since 1981, she has raised her children alone in a one-bedroom bungalow that costs \$425 a month. At first they slept on the floor. Sometimes she had nothing but tortillas, milk and beans to feed the kids.

She occasionally receives free food from a South Central Los Angeles relief agency where she volunteers 10 hours a day, five days a week.

"I feel better because I'm helping other people. But I'm tired," Mrs. Leon said. "There are too many hungry people. Too many come here."

She once worked as cashier, but has no job training.

"Maybe I'll go look for a job again," she said softly. "Maybe I'm too old. I don't know."

AP-DS-09-04-92 1235EDT

IRAQ SAYS VICTORY SURE IN SHOWDOWN WITH WEST

By Leon Barkho

BAGHDAD, Iraq, Reuter - Iraq said Friday the West's no-fly zones over its territory were doomed and its eventual triumph over those enforcing them was inevitable.

"The cursed (President) Bush's gambles in the north and the south will be lost in the wind," declared the ruling Baath party newspaper al-Thawra.

"There is no force on earth that has the power to crush the will of the Iraqis."

Iraq is now chafing under a no-fly zone established by the Gulf War allies over much of the Shiite Moslem south to protect dissidents fighting the government in marshland along the Iranian border.

Baghdad fears the move might lead to a loosening of its authority in the area, just as a similar exclusion zone in the north put much of Iraqi Kurdistan beyond its reach.

"We emerged victorious ... and victory will be ours in the future," al-Thawra said.

The official press was full of articles marking the anniversary of border clashes that Iraq regards as the start of its 1980-1988 war with Iran. Major fighting began Sept. 22 when Iraqi forces penetrated deep into Iranian territory.

Baghdad newspapers said it seemed Iran did not learn its lesson from defeats in the war. Babel, published by President Saddam Hussein's son Uday, warned Iraqis of what it called "the Persian snake."

"Iran's exrting of terrorists ... murderers, criminals and infiltrators to southern Iraq is part of the incessant conspiracy mounted by the vicious colonial alliance against the country," Babel said.

Baghdad newspapers say armed tribesmen have begun patrolling along the border with Iran and in the Shiite heartland in the south "to confront the murderous mercenaries of the Iranian regime."

Defense Minister Ali Hassan al-Majeed has been touring the south since the West's Aug. 27 decision to enforce the no-fly zone in the area.

At his last stop, the Shiite holy city of Karbala, just north of the no-fly zone, he declared that "Iraqis, with their unwavering faith, will not let the enemy desecrate an inch of Iraq's holy land."

"President Saddam Hussein is the castle of steadfastness on which all enemy conspiracies to undermine Iraq's integrity will be crushed," al-Thawra quoted him as saying.

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