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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Baker, James A., III, Files
Subseries: Public Correspondence Files

OA/ID Number: 93006
Folder ID Number: 93006-002

Folder Title:
[Public Correspondence] [13]

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Withdrawal/Redaction Sheet
(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Note	From Shirley Abbott to Jim Baker Re: Campaign in San Diego, CA [Open Upon Deed of Gift - March 16, 2015] (2 pp.)	08/28/92	~~PRM~~	
02. Chart	Bush/Quayle San Diego County Organizational Chart (2 pp.)		C	
03. Resume	S. L. Abbott Political Resume [Open Upon Deed of Gift - March 16, 2015] (3 pp.)	05/01/92	~~PRM~~	
04. Memo with Attachment	From Barbara Comstock to Ms. Jackson Re: Congressman Wolf [Open Upon Deed of Gift - March 16, 2015] (4 pp.)	n.d.	~~PRM~~	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Baker, James A. III, Files
Subseries:
WHORM Cat.:
File Location: [Public Correspondence] [13]

Pinksheet Number: dw19
OA/ID Number: 05598-013
Date Closed: 3/1/2001
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Re-review Case #:
P-2/P-5 Review Case #:

asc

ASC Incorporated
One Sunroof Center
Southgate, Michigan 48195
313-285-4911

9/10/92 NRN - cj called Mr. Prechter's office to thank.

September 9, 1992

Honorable James A. Baker, III
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520

Dear Mr. Secretary:

I am attaching for your review, copies of my last correspondence with the President, as well as a copy of Michigan Business concerns -- particularly with respect to the auto industry.

Hopefully, these items might provide some guidance -- or enlightenment as a prelude to the President's visit tomorrow.

A particular issue of concern to small and medium size business is indexed capital gains -- which the President might want to address with some specificity in his Economic Club remarks.

I look forward to being with the President tomorrow -- and to our continuing dialogue during the campaign.

Sincerely,

Heinz Prechter

Heinz Prechter
Chairman

asc

ASC Incorporated
One Sunroof Center
Southgate, Michigan 48195
313-285-4911

August 12, 1992

The President
The White House
Washington DC 20500

CONFIDENTIAL

Dear Mr. President:

Over the course of the last four years, you have allowed me to communicate extensively with your office in an effort to keep you appraised of my perceptions and my observations regarding the mood of America.

As with others, you have always welcomed my comments, responded conscientiously, and encouraged me to continue to share my thoughts and concerns in a proactive and participatory manner.

As we discussed in the oval office, Americans at large have lost confidence in and become suspect of Washington's ability to lead this nation. Unfortunately, this perception obviously encompasses the Presidency.

Additionally, since the establishment of the Bush-Quayle 92 campaign, the belief is that the Administration has become desensitized to the issues of the American people in deference to those being identified by the campaign team. Our party's, and the Administration's, thrust must be proactive and responsive -- <u>today</u> -- providing the foundation to be built upon at the convention.

I am convinced that your immediate leadership, sensitivity and responsiveness are the key ingredients to reestablishing the confidence of the American people in our country's government.

Here in Michigan, I have observed our Governor, John Engler, face a similar domestic economic picture. Notwithstanding the critics, the press, and the diminishing popularity, I watched him take bold, decisive action to position our state economically to survive, let alone compete.

And while many entitlement programs or funded projects were reduced and eliminated, giving rise to highly emotional attacks, his concentration on education, to business and economic growth incentives and polices has produced not only positive returns, but has, now months later, raised his leadership quotient to a 60% + favorable reading.

While he withstood the storms and ill political winds and 'stayed the course', I fear our Administration has allowed our ship to be affected by the campaign/political winds and 'strayed the course'.

New initiatives, such as the **Michigan Capital Access Program**, properly networked and aligned with the resources at the Federal level, can make sense and be a very effective and comprehensive program applied on a nation-wide basis. Similar initiatives can refocus our collective resources to enhance our export position at the state, as well as Federal level.

Additionally, I believe other, more immediate steps need to be taken to bring us back on course.

First, we need to neutralize the impact that big government and big business are having on the campaign. Plant closings and work force reductions, as recently announced by the postmaster general -- do little to give rise to 'economic hope' for recovery. Such actions need to be weighed more strategically, to minimize their impact (and timeliness). Big business will not be the provider or creator of new jobs -- nor will government. Consequently, all efforts should be made to work with them -- to try to manage any similar announcements or decisions with major negative impact potential.

Second, we need to capture and enlist the support and active involvement of America's entrepreneurs. It is these leaders of business, the small and medium sized industrialists who have been and who will be, at least in the near future, the primary job creators in the economy. We must solicit these individuals and develop a surrogate structure in each and every state -- and 'team' them with Bush-Quayle surrogates of Washington, so that we can build 'grass roots' support to win in November.

Finally, we must emphasize and promote our country's competencies and capabilities, consistent with a model project we are developing here in Michigan called "Made In America For the World". I have attached a summary of our proposals, which I believe, could serve as a platform for delivery of your message by the surrogate structure previously noted.

As you know, Mr. President, I have not been dissuaded from continuing to share my concerns with you, nor from believing intensely that only you can provide the necessary leadership for our nation.

Whatever I can do to help initiate or implement these ideas in a practical way in the campaign, at the convention, or in my daily activities, I am prepared to be available. I look forward to seeing you in Houston and wish you great success in the month to come.

As always, I remain

Heinz C. Prechter

MADE IN AMERICA FOR THE WORLD

I. World Class/World Competitive Mindset

- We must constantly strive for and be driven by an "elimination of waste" mentality.
- Domestic economic policy and foreign policy are intertwined and inseparable -- woven of the same fabric and flag.
- We need a national, integrated economic plan and strategy.
- World competitiveness improves our opportunities and market position here at home -- thereby creating more jobs.
- Jobs create positive economic activity and growth -- reducing the trade deficit and positively impacting the budget deficit.
- International competitiveness equates to job security.
- Manufacturing creates wealth -- we must make things people want to buy -- not because of where they are produced, but because they are 'world class' in every sense of the world.
- We must develop a global perspective -- a macro marketing approach to produce and sell worldwide.
- We must demand, implement <u>and</u> enforce nothing less than free and fair trade.
- We must nurture new technological development, advancement and applications.
- We must adopt financial/fiscal policies which support research and development and technology innovation, increase entrepreneurial spirit, and minimize financial risks.

- We must adopt a <u>government orientation</u> which is 'lean' and which eliminates non-essential products, activities and programs, and which eliminates duplication.
- We must act responsibly and effectively to assure we do not continue to mortgage our children's future.
- We must regain the confidence of the American consumer (and electorate) in the quality and value of the products and services provided by business and industry (and equally, and more emphatically, by government).

II. Critical Strategies

<u>A. Trade & Commerce</u>

- Export expansion and trade performance improves our opportunities and competitive position and creates more jobs.
- We must integrate federal, state, local, public and private sector trade promotion resources to reach out to medium and small businesses and to raise the awareness of its significant impact [formalize the Trade Promotion Coordinating Committee at the federal level, elevate its executive branch position equal to the National Security Council, and expand its awareness/promotion programs (NEI)].
- Create a 'synchronous organization' of effectiveness (elimination of waste and duplication) through strategic alliances, partnerships and networks with both public and private sectors.
- Establish national export policy.
- Mandate 'commercial diplomacy' by all state department foreign offices.
- Utilize and optimize 'roll up your sleeves' trade missions and trade negotiations by including business/commercial representation (President's Asian trip; Governor's European trip).

- Negotiate and enforce mutual reduction in tariff and non-tariff trade barriers and the elimination. of subsidiaries.

- Make exporting a national priority.

B. <u>Public/Private Cooperation, Partnership and Leadership</u>

- Continue to promote and pursue foreign trade policy with a single public/private unified voice -- TEAM AMERICA.

- Optimize resources by eliminating duplicative efforts and programs of public and private sectors.

- Develop public/private consortiums for various industries, technologies and regions.

- Create (recognize) geographic centers of expertise, excellence [Innovation Zones -- eg. Detroit-Automotive; Pittsburgh-Steel; Wilmington-Chemical].

- Concentrate on business, labor, education and government coalitions and concentrate on 'applications' of particular industry experience and expertise.

- Pursue applied research projects, including product introductions, process improvements, technology sharing and industry 'clustering' (particularly among small-medium size business).

- Accelerate NTI program between national laboratories and business sector in the commercialization (and development) of applied technology.

- Create new commercial applications for products/programs of government training centers; including technical logistics, language training and cultural understandings.

- Adopt national-universal standards (ie.-quality) beginning with the acceptance and implementation of the metric system used by 90% of the industrialized world.

C. Education

- Promote and implement public/private sector involvement/cooperation in developing cultural/linguistic skill requirements, vocational education value and equity, and math/science performance requirements.

- Benchmark 'best in class' world educational systems and curriculum requirements -- including 'best' teaching methods and 'best' student/ teacher evaluation systems.

- Require metric measurement system as 'hard' system and english system as 'soft' (conversion understanding).

- Elevate math, science, engineering requirements.

- Create interdependent education/practical work experience programs from K-12 to university level in technical trade curriculums combing business theory with hands on instruction.

- Recognize equality of 'trade' graduates and 'college' graduates.

- Create foreign study programs of varying culture and language to produce 'citizens of the world' (best trained, best educated, most skillful workforce).

MICHIGAN'S INDUSTRY PERCEPTIONS

- Auto industry 'frustrated' with 'no teeth' policy and enforcement.
- MPV -- car vs. truck -- looking for at least 'consistency and uniformity' between own government agencies on whether vehicles are 'cars' or 'trucks'.
- Minivan issue -- again -- finding of legal violation but no punishment or penalty because U.S. company's cannot prove damages -- again, before separate tribunals.
- Tired of recognition of their plight and problems, with no action or self-initiated enforcement by our government and/or agencies.
- U.S. industry/government partnership perceived as 'facade' by foreign competition (both business and government) who count on and promote/fuel the perceived U.S. industry/government controversy.
- Industry questioning not only "Congressional grid lock", but Administration (Executive branch) 'grid lock' when it comes to issue of trade and <u>fairness</u>.
- Industry looks to government not 'to protect', but to at least support and enforce equitable, remedial action -- which is not happening.
- To auto industry (and country) -- lack of action, lack of enforcement, lack of 'reciprocity' (not retaliation) means continued loss of market and loss of jobs -- <u>jobs</u> which they believe are not lost because we are not competitive, but rather

because of government restrictions, restraints and delays in opening, creating or nurturing new market opportunities.

- Industry -- in frustration and futility -- has no 'confidence' in Administration (Executive branch) to enforce or pursue trade 'fairness' and equality -- so industry, in grabbing for straws, and looking for friends and allies to 'help' -- are finding it in Congress and in Legislation -- notwithstanding that they prefer not to and would rather see self-initiated U.S. government action to support our economy, our U.S. industry, and create jobs by treating U.S. industry with 'fairness' and 'equality'.

- U.S. industry perceives they face foreign competition partnerships of manufacturer, government, political system by themselves.

- U.S. government needs to adopt 'the partnership' -- like industry adopts -- 'lean production'; like U.S. adopts NAFTA to compete with EC92.

If it works and is better -- <u>adopt and implement</u>.

8/25/92

9/10/92 - cj left message on answ. machine - 1) thanks 2) John Bolton.

BARBER B. CONABLE, JR.

P.O. Box 218
Alexander, N.Y. 14005
August 18, 1992

Hon. James A. Baker, III
The White House

Dear Jim,

Thank you for the sacrifice you are making to help our beleaguered friend. It's a major service to the country.

I seem to be doing a good deal of advising work regarding possible restructuring of the U.N. Is there someone at State that I should be talking to for the purpose of understanding a sophisticated American government viewpoint of desirable changes? I get to Washington quite often.

Best wishes

Barber Conable

BUFFALO, NY 142
PM
18 AUG
1992

HON. JAMES A. BAKER, III
The White House
1600 PENNSYLVANIA AVE, NW,
WASHINGTON, D.C.
2

1108 082192

716/591-1233 (h)

BARBER B. CONABLE, JR.
P.O. BOX 218
ALEXANDER, NY 14005

Note for Central Files

From: Caron Jackson

You all have a copy of this letter already in files. This original just caught up with us -- so here it is for you.

Thanks.

ORGANISATION DU TRAITÉ
DE L'ATLANTIQUE NORD

NORTH ATLANTIC
TREATY ORGANIZATION

LE SECRÉTAIRE GÉNÉRAL
SECRETARY GENERAL

BOULEVARD LÉOPOLD III
1110 - BRUXELLES
TÉL. 728.41.11 - 728.49.17
FAX 728.46.66

SG/92/534

24th August 1992

Dear Jim,

As you assume your new duties, I wish to take this opportunity, on behalf of the Alliance and myself personally to extend my heartfelt thanks and deepest appreciation for the brilliant leadership you displayed and the unflagging support you gave this organization during your distinguished tenure as United States Secretary of State.

You leave behind an impressive record of major accomplishments during a period that encompassed one of this century's most important developments, and one with especial implications for this Alliance, the collapse of the Soviet Union.

The key role you played in guiding the transformation of the Alliance in order to respond to the security challenges of the "new Europe" has been in evidence throughout. Your superb statesmanship contributed in no small part to ensuring the Alliance's continued vitality and its strength of purpose. Your personal efforts helped ensure the successfull outcome of some of Europe's most momentous events, including NATO's historic London Summit in 1990; assuring a reunited Germany's place in the Alliance; and, most recently, the institutionalization of partnership and cooperation with our former adversaries, to name but a few.

I hope you know the legacy of friendship, confidence and solidarity that you leave behind as you depart to take up your new responsibilities. You take with you the respect and admiration of your colleagues and friends on the North Atlantic Council. For me personally, it has been a particularly rewarding experience to serve with you in the cause of our common commitment to democracy, freedom and the new world order during these tumultuous times.

../..

Mr. James Baker III
Secretary of State
United States Department of State
Washington DC 20520

It has been an honour and a pleasure to work with you. I look forward to continuing our close cooperation in future endeavours. My very best wishes for your continued success.

In friendship

M. WÖRNER

NRN-9
9/13/92

Dear Jim:

A lot of voters seem to think that a Democrat is the only one who can do any thing about our Defense Budget!

My impression about the lead editorial of AW enclosed is that they know what they are talking about!

Cheers Joe Jr

EDITORIALS

AVIATION WEEK & SPACE TECHNOLOGY/August 17, 1992

Put the "Black" Budget on a Diet

U.S. lawmakers searching for fat in the federal budget should lift the wraps off the $36-billion-plus spent annually by the super-secret "black world." A bloated cloak-and-dagger community is spending more than $100 million a day, every day of the year, on intelligence gathering and analysis, covert operations, technical research and weapon system development. Most of these expenditures have little or no civilian oversight.

A House Armed Services Committee study in 1990 revealed that Congress thoroughly reviews only 5-10% of all programs having Special Access Required (SAR) designations. Because approximately 15% of the Defense Dept.'s weapons acquisition budget is "black" or highly classified, Congress is keeping tabs on less than 2% of classified weapon efforts. If President George Bush and Vice President Dan Quayle really want to crusade against waste and excess regulation, let them begin here.

Millions of dollars have been thrown away during the Reagan/Bush years. Retired Army Lt. Gen. William E. Odom, who headed the National Security Agency from 1985 to 1988, said recently that the intelligence budget grew far more than was necessary in the 1980s, and could take a "pretty healthy cut" today.

With exploding health care, child poverty and infrastructure needs begging for scarce funds, it is time to stop indulging these cloaked programs. At a cost of more than $100 million per day, the black world is effectively harming the "national security" it is supposed to protect.

Rep. Lee H. Hamilton (D.-Ind.) has underscored that point deftly. Excessive secrecy undermines security, Hamilton warns, because it allows the executive branch to control the nation's policy agenda without debate, decreases accountability, inhibits technical research and costs defense contractors an estimated $14 billion per year to handle classified material.

A first step in the right direction is stripping away overclassification. The B-2 bomber program is an ideal candidate. Under the present structure, the Air Force must obtain SAR clearances for hundreds of mechanics, flight crews and administrative personnel who will be assigned to the B-2 operational unit at Whiteman AFB, Mo. The clearance process is expensive, and eliminates scores of people who already are cleared to "Secret" levels.

Further, projects that are hidden in the deep "black" community primarily to avoid scrutiny must be rooted out. Arrogant gatekeepers who invoke "national security" as an alibi for classifying almost everything must be brought to heel. Congress should demand justification for each "black" project's existence and repossess the open checkbook.

AMEN!

1992

JAMES A. BAKER, III ESQ.
"CHIEF of STAFF"
THE WHITE HOUSE
WASHINGTON. D.C.

JOSEPH S. KIMMEL, JR.
BOX #3807, DAVENPORT, IOWA 52808

Dear Jim: We need your help. See P.H. Letter of the President Kermit Haber

VOLUME VI

ISSUE IV

SEPTEMBER, 1992

COMBAT MERCHANT MARINERS
World War II

14 Castle Drive
Chestnut Ridge, NY 10977
(914) 623-6411

NRN

cj 9/13/92

WELCOME to the Hotel Thayer WEST POINT, NY 10996

Kermit Haber

Lt. General H.T. Johnson

Adm. S. Loftus

West Point Honor Guard

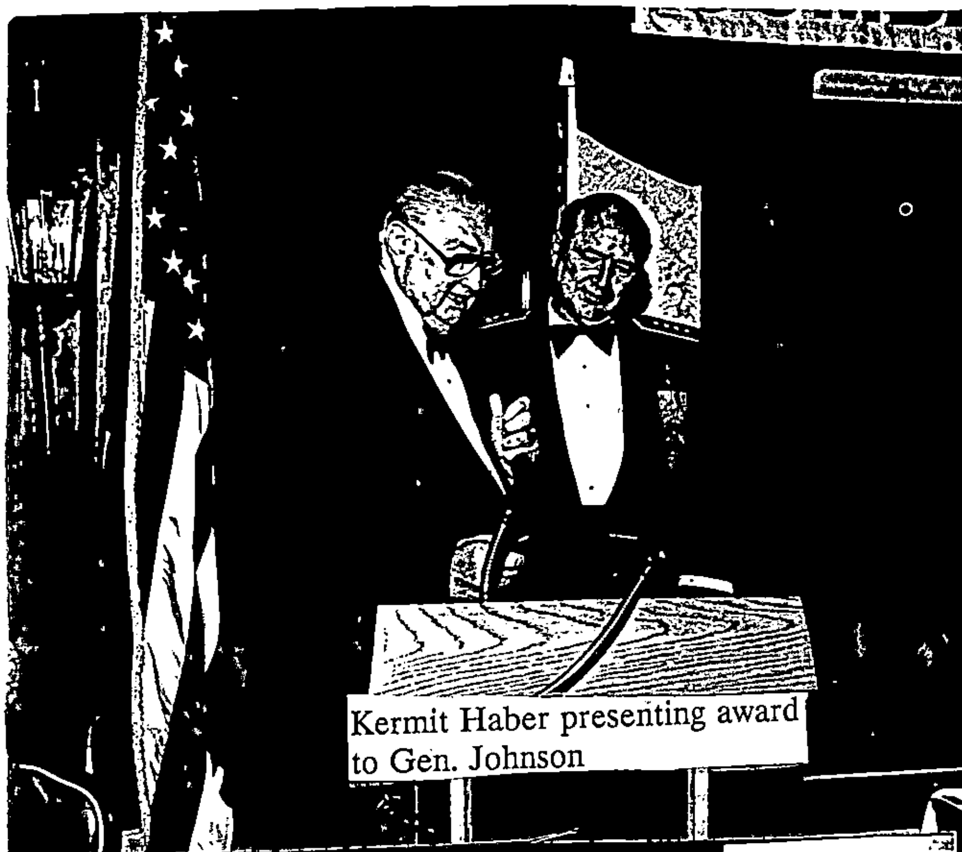
Former POW-S. Willner

Steven & Mark Haber

R. Murray

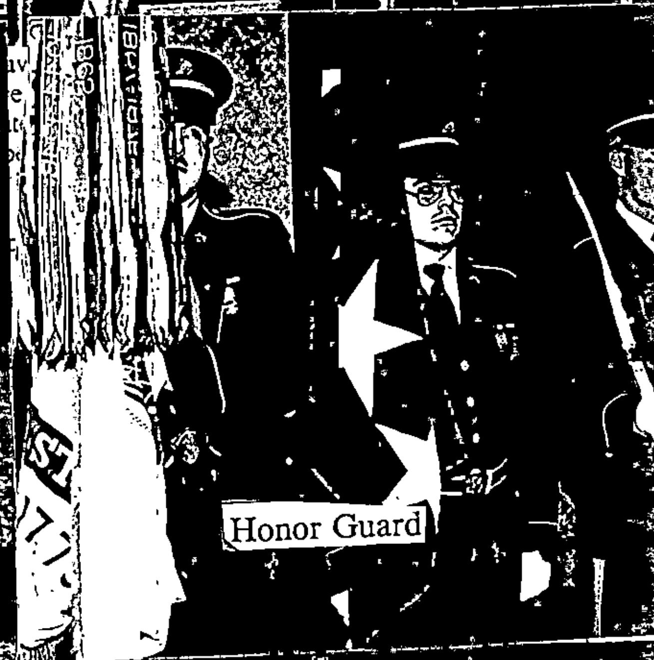
General. H.T. Johnson

Admiral Steven Loftus


Kermit Haber presenting award to Gen. Johnson


Admiral Steven Loftus speaking


The Haber Family


Honor Guard


Howard Nugent enjoying dance


Entertainment and Band

THE WHITE HOUSE

WASHINGTON

July 22, 1992

I am delighted to send warm greetings to the Combat Merchant Mariners of World War II as you gather at West Point for your Fifth Annual Dinner. It is a privilege to have been nominated as your "Honorary Commander."

The liberties that we enjoy as Americans have been won at great cost, and our Nation owes a lasting debt of gratitude to our Merchant Mariners, who have repeatedly risked their lives to secure those freedoms. During World War II you made a critical contribution to the Allied victory over tyranny, courageously ferrying war supplies to our Armed Forces through hazardous, enemy-infested waters. During Operation Desert Storm, you once again answered our Nation's call to service, delivering millions of tons of equipment and spare parts to the Persian Gulf within a few short months. I know that many of you volunteered for duty, and I salute you for your service to our country.

Barbara joins me in sending best wishes for an enjoyable and memorable dinner. God bless you.

G Bush

COMBAT MERCHANT MARINERS
World War II
14 Castle Drive
Chestnut Ridge, New York 10977
(914) 623-8484

June 6, 1992

Dear Mr. President

The purpose of this letter is to ask you to issue an Executive Order granting the merchant seamen of World War II the same veteran status as given to the other armed forces after their victory against the axis powers.

Possibly this can be done as an addendum to the D.O.D. Decision of January 19, 1955 by Secretary of the U.S. Air Force, Edward Aldridge Jr. who granted the seafarers the honor of being called veterans, discriminated by restricting the benefits to the use of the Veterans Administration Hospital System and burial in a military cemetery.

The basis for the foregoing is that President Franklin D. Roosevelt to signing the G.I. Bill in June of 1944 stated, "I trust Congress will soon provide similar opportunities to members of the merchant marine who have risked their lives time and time again during this war for the welfare of this county."

This promise was not kept! It is not how a great nation should act.

I therefore write to respectfully ask you to right this wrong because I know you to be a decent and compassionate man who will not stand still for injustice.

Along with the foregoing act, I ask for reparations for the denial of the G.I. Bill which excluded most of us from a college education with the increase in income which such credentials bring.

Therefore, may I suggest your support for our program of $40.00 every Friday, which is $2,000/year and a one time grant of $90,000 which is the foregoing amount times 50 years.

My DD214 comes with a Combat Ribbon with 2 stars, and I tried to get into the U.S. Army Air Corps Flying Cadet Program but was rejected for not being able to pass the physical (copy of that letter is available).

In conclusion, the men of the Merchant Marine sustained the same rate of death as the U.S. Marines. Judge Louis Oberdorfer in his Summary Judgement in favor of the seafarers stated he had looked into the claim that we were paid more than equivalent ratings in the Navy and found the income was comparable when taxes, and food charges, gear, clothing allotments to families etc. were balanced off along with a Death Benefit one half of that of the Navy men ($5,000).

Further after hostilities ended, War Shipping Administration wrote to the seamen of record requesting that we stay at sea to bring home the troops and help feed Europe - copy of a WSA Flyer is enclosed and I cannot understand why our cut-off date of service is August 15, 1945 (end of hostilities) When post hostility draftees were given a cut-off date of December 31, 1946) - 16 months later - and were never in combat.

With best wishes and warmest regards,

I remain

Sincerely,

Kermit Haber
Executive Officer

cc: Ron Kaufman

APPLICATION

Send Copy of Combat/War Zone BARS

This organization was formed because forty years after World War II no recognition was given to the brave men, who as volunteers joined the Merchant Marine, and carried war supplies through hazardous waters to make our victory possible!

The membership consists of seafarers who sailed in war zones during the period 1941 through 1946 and were awarded Combat Bars and/or War Zone Bars by the War Shipping Administration.

YES, I WISH TO JOIN THE COMBAT MERCHANT MARINERS WORLD WAR II:

NAME: ______________________________

ADDRESS: ______________________________

____

Enclosed is check or money order for annual dues $20.00 (DO NOT SEND CASH)
Make Check payable to: COMBAT MERCHANT MARINERS WW II
14 CASTLE DRIVE, SPRING VALLEY, N.Y. 10977

I CAN HELP WITH:

- ____ Writing to my Congressman
- ____ Writing to my 2 U.S. Senators
- ____ Writing a letter to my local/newspaper
- ____ Speakers Bureau
- ____ Have interesting war story
- ____ Fundraising
- ____ Finding new members
- ____ Attending meeting in Restaurant
- ____ Attending meeting in Rockland/Bergen
- ____ Publicity Committee

General H T Johnson
Combat Merchant Mariners World War II
West Point, NY
25 July 1992

I am proud to be here this evening to accept the Honorary Commander Award from you gallant mariners who served America during WWII and all the deployments since. You can take special pride in knowing that you and your comrades who are no longer with us have made great sacrifices for America when the need for sacrifice was greatest.

You here tonight know too well the capability and the sacrifices put forth by merchant mariners through the years. By the end of WWII, 731 American merchant ships had been sunk, 5,638 merchant seamen were dead or missing in action, thousands more of your number were wounded or permanently crippled, and 609 taken as prisoners (like Stanley Willner [to attend: 3yrs WWII POW in Burma, worked river Kwai bridge]).

During the war . . . one out of every 32 merchant mariners died in battle . . . as Vice Admiral Loftus pointed out, that is a casualty rate second only to the US Marine Corps. You weren't soldiers, but -- like Kermit Haber, whose 20mm gun shot down a Luftwaffe torpedo plane -- you manned the guns when needed and sailed the ships that delivered American power. You are patriots.

I salute your contributions to American freedom. You fought side by side with American troops. You participated in the invasions of Normandy, North Africa, Sicily, Anzio, the Philippines and Okinawa, and in every beachhead assault from Guadacanal to Iwo Jima. You built the strategic bridges that carried our troops to the enemy's doorstep, sustained them in battle, and brought them home after victory was won.

We have had the same goals . . . deliver the troops, sustain them, and bring them home. That is why it is especially meaningful for me to receive this recognition from you tonight. Like you, I share your pride in our transportation community and the role it performed during Desert Shield and Desert Storm.

The word pride has taken on renewed meaning for all Americans . . . pride in the role we played in the Persian Gulf crisis . . . pride in the ideals for which our nation stands . . . and pride in our men and women in uniform who served with great courage, skill and dedication.

But you know it was not just the men and women in uniform who served our nation in this most recent time of national crisis . . . Americans from all walks of life, and particularly Americans from all sectors of our transportation community stepped forward to conduct one of the largest military deployments of all time.

One young civilian employee at the port in Savannah certainly knew the meaning of pride. She had just spent several 16 hour days preparing for deployment of the 24th Infantry Division. When she finally had an evening off, she and some friends headed to a restaurant on River Street. As they arrived, she noticed a group of people in front of a cafe watching a ship moving down the channel.
With great pride, she walked up to the group and said: "That's the first ship headed to the Gulf. I just finished loading it. Its called the Altair." One of the women in the group was wiping away tears . . . it was an emotional moment . . . at least until the ship turned so that everyone could see the name . . . it wasn't the Altair . . . it was the Del Monte . . . a pineapple ship!

The tears turned to laughter, but the pride was still there. It united Americans during the crisis. It enabled America's transportation community to pull together as a team and meet the challenges of the Desert Shield deployment.

I use the word team whenever I talk about this deployment because our success came from an incredibly wide array of military and commercial transportation assets. Many people outside the defense transportation community are surprised to learn just how dependent we are on the commercial sector. In total, 85 percent of America's defense transportation capability is in the commercial sector. More than half of our airlifters and virtually all land and rail assets come from the commercial sector. On the sealift side, the Department of Defense today owns only eight ships, the remainder of the 200 ships used in the Desert Shield deployment came from other sources-- primarily commercial.

Operation Desert Shield was the first major test of America's newest unified command, the U.S. Transportation Command. When USTRANSCOM was activated on October 1, 1987, for the first time, all defense transportation assets were aligned under a single command: the Air Force's Military Airlift Command, now Air Mobility Command; the Army's Military Traffic Management Command; and the Navy's Military Sealift Command

These commands form a triad composed of air, sea, and land transportation assets. Each leg of the triad provides unique capabilities critical to our success in Desert Shield.

America's maritime community was the life line for our armed forces in Southwest Asia. In the early days of Desert Shield, this life line was maintained almost exclusively by airlift. It was an incredible feat unparalleled in history. But when the first two fast sealift ships arrived in Saudi Arabia, they carried more tonnage than the entire airlift up to that point.

For years, we in the Department of Defense have stated that airlift will be the first to arrive in crisis or contingency, but in a large-scale operation, 90 percent of materials and equipment will be carried by sealift. It is a fact that has remained unchanged since WW II and will not change for the next fifty years: Sealift will remain the bedrock of America's defense transportation system, and the defense transportation system will remain the foundation of America's armed forces.

Now, many of you may be concerned about the massive reorganization that is taking place within the Department of Defense; the FY95 DoD budget will be 45 percent less than the FY85 budget. By 1995 the number of personnel in our armed forces will be fewer than anytime since the late 1930s. DoD spending in 1995 will be 18 percent of the federal budget as opposed to the early 1950s when it was 57 percent.

However,I assure you that one organization that will not change much is US Transportation Command. The value of placing one command in charge of all transportation is a lesson we will not have to learn again.

We also learned that a defense transportation system primarily based in the commercial sector can respond to a large scale crisis in a timely manner. Many aspects of this system, such as the Ready Reserve Fleet that Admiral Loftus discussed had never been tested, but all of the players in the commercial sector responded with the same attitude as Bill Masters, port manager at Beaumont, who, during the early days of the deployment, greeted my representative with: "The answer is yes, now what is the question?"

We have, without question validated the need for a unified transportation command. In the early days of Desert Shield, the priorities changed rapidly. It was a tense and highly fluid situation. Whenever General Schwarzkopf needed to make a change in the flow of personnel and equipment, it only took one phone call.

We proved that America's defense transportation system can enjoy the cost benefits of being primarily dependent on the commercial sector, and at the same time, still have the capability to meet the fast paced and massive demands of a major contingency such as Desert Shield.

We demonstrated that our Afloat Prepositioned Ships and Maritime Prepositioned Ships will be a superb method of maintaining our global reach as we reduce the size of our forward deployed forces.

In the Ready Reserve Force we have learned several lessons. Most importantly, we learned that the system worked. We also learned that we need to place more roll on/roll offs in the RRF, and we need to place a higher priority on the readiness of the RRF.

We also demonstrated to the American public what we have been preaching for several years . . . the status of America's merchant marine force is in a downward spiral. Unless we are going to man our ships with 90 year old mariners, we won't be able to rely on old hands like Robert Wilson and Richard Murray much longer. The question is, who will be there to replace them?

President Bush has given us the blueprint for this revival . . . the National Security Sealift Policy. It is up to us make it a reality. It is vital to our economic health, our defense, and our national security.

Last month, Secretary of Transportation Andrew Card laid out a plan for revitalizing the nation's maritime strength. He identified several areas that apply directly to the Department of Defense. Most significant is that DoD will not pursue any build-and-charter programs for the lease of ships that would be detrimental to US liner operators or distort the commercial market.

This is an issue that has my whole-hearted support. If America is to remain the world leader beyond the 1990's, America must maintain its strength . . . economically, diplomatically, and militarily.

To maintain this strength . . . to maintain our political and economic freedoms . . . America must have a strong and viable merchant marine.

I leave you with the words of President John F. Kennedy . . . words that he wrote for a speech he was scheduled to deliver at the Dallas Trade Mart on November 22, 1963.

If we are strong, our strength will speak for itself.
If we are weak, words will have little meaning.

We must all work together to ensure that the America you have served so unselfishly and heroically in the past remains strong and free in the future. As your honorary commander, I will do all that is within my power to remain true to the ideals upon which you Combat Merchant Mariners of WWII have pledged yourselves.

WHAT'S NEW?

Shipmates:

The FIFTH Annual Dinner/Reunion was a smash Hit! We gathered at West Point, a historical Revolutionary War site and home of the nation's oldest service academy. The Academy cooperated with us 100%. They provided an Honor Guard, a trumpeter, and a flag. The meal was outstanding featuring New York Steak or Baked Salmon ending with Chocolate Mousse, tea and coffee. Dancing and music by the Smith Street Dixieland Band, and a 20's Dancing Girl to pep things up. Headquarters has received a bundle full of letters from attendees expressing their thanks for a memorable evening.

Here is the program; Invocation by member Reverend Richard Carley, an official of the Presbyterian Church, New York State. The Pledge of Allegiance was followed by member Irving Dietscher reciting a poem he has written about our love for country and flag. An amusing and interesting talk by Richard Murray about how he got to go to the war in Desert/Storm. A recollection of his 3 years as a Prisoner of War by member Stanley Willner who was 2nd mate captured by the Japanese when his ship was torpedoed in the Far East. Hit story of survival under the tender mercies of the Japanese Army brought tears to the eyes of most of the audience.

Inasmuch s my family did not feel that my health would permit me to last out the evening if I tried to M.C. the extensive program. My two college professor sons volunteered to help my carry the ball. They received a round of applause for their contribution to the success of the function. Everyone agreed I had a wonderful family and the boys did an outstanding job.

The U.S. Navy Department has honored us by sending Vice Admiral Stephen Loftus to address the group. Assignments: Former Commander Maritime Air Forces, Mediterranean - August 1981/July 1987; Carrier Airborne Early Warning Squadron Twelve; Office of CNO (Deputy CNO, Logistics OP-04 - October 1990 to date; A few of the Medals and Awards: Distinguished Service Medal; Legion of Merit with Two Gold Stars; Distinguished Flying Cross; Navy Commendation Medal with Combat "V" and two Gold Stars; Armed Forces Expeditionary Medal; Vietnam Service Medal with four Bronze Stars; Sea Service Deployment Ribbon; Republic of Vietnam Gallantry Cross Unit Citation and the Republic of Vietnam Campaign Medal. Naval Service: Designated Rear Admiral - September 1984; Vice Admiral - January 1991.

The highlight of the evening was the presentation of the Plague to Four Star General H.T. Johnson honoring him with the Honorary Commander of the Combat Merchant Mariners WWII Award. General Johnson, Commander-in-Chief, U.S. Transportation Command who was in full charge of Logistics for Operation Desert Shield/Storm prevented a possible catastrophe in the Saudi Desert by implementing the use of WWII Reserve Ships to bring war material to our troops. He also accepted the offer of the senior citizen former WWII Merchant Seamen to come out of retirement to repair and sail these decades old ships to the War Zone. These acts insured our victory in the Desert and made possible the liberation of Kuwait. General H.T. Johnson will be remembered by all seamen forever.

The enclosed letter of support on (page 3) from President George Bush was sent Express Mail July 24th. It was unsolicited and represents his sincere feelings for Merchant Seamen. My letter to the President (enclosed) is the next project for the organization. Write letters of support to the White House and to the Editorial Page Editor of your local paper. I have not let you down. I know you will not let me down.

With best wishes for good health for you and your family. Till we meet again, I hope to continue serving the membership.

Sincerely,

Kermit Haber
Executive Officer

COMMANDER IN CHIEF
AIR MOBILITY COMMAND
SCOTT AIR FORCE BASE, ILLINOIS 62225-5001

27 July 1992

Mr. Kermit Haber
14 Castle Drive
Chestnut Ridge, NY 10977

Dear Mr. Haber

Linda and I very much enjoyed our time with the Combat Merchant Mariners of World War II last evening. You were most gracious to honor the men and women of the United States Transportation Command by making me an Honorary Commander of the Combat Merchant Mariners of World War II. I was in awe among your distinguished group as I listened to the challenges you faced during World War II. Certainly I am proud of the tremendous job our merchant mariners did during the DESERT Operations. Our feats may have been comparable; however, the dangers and challenges were insignificant when compared to your accomplishments.

We were pleased and impressed that members of your World War II veterans like Richard Murray came back to operate our ships during DESERT SHIELD. As always, when our nation needs help, the patriotic men and women of our great country step forward to serve with immense distinction. Stanley Willner's story combined the atrocities with the strength and determination of our POWs into an emotional but powerful and moving portrayal. We truly have a rich heritage of great, heroic Americans!

The members of the Combat Merchant Mariners of World War II are indeed fortunate to have you at the helm. Over time and even now, we have not treated our merchant mariners properly. They have always answered the call to duty in defense of our country. Duty has exposed them to hostile fire but not integrated the mariners into our armed forces. As I mentioned, we are slowly making some inroads by sponsoring legislation to provide the first step to "reserve-like" status by guaranteeing "rehire rights." We hope this will be the first step to gaining full military and veteran status for future and past combat merchant mariners.

It was a privilege and distinct honor to meet you, Mrs. Haber, Steve, and Mark. I share your immense pride in your family. Steve and Mark showed their utmost respect and love for their father in assisting you with the program and throughout the evening. It was a tremendous joy to talk with and gain enormous respect and admiration for Steve. He has combined history and economics to not only understand the past but affect the future. He must be a greatly sought after professor. I was sorry I did not get to know Mark as well--I understand he is also uniquely gifted as a computer data base librarian. He must also be a standout in his field.

Thanks so very much for a truly memorable evening, honoring me with your award, and most importantly for your leadership of our Combat Merchant Mariners of World War II.

Linda joins me in sending our very best wishes to you and your family for good health, great joy, and fulfillment in all your activities and interests. You will have to take better care of yourself --we need your continued leadership.

With great respect and admiration

H T Johnson

HANSFORD T. JOHNSON
General, USAF


9


11


16


NUAL
HE
ERS W.W.II

COMBAT MERCHANT MARINERS
World War II
14 Castle Drive
Chestnut Ridge, New York 10977

ROCKLAND MPO NY 109
PM
4 SEP
92

09/06/92 WASHINGTON,D.C. 2000 01:28

Personal

Hon Jim Baker
Chief of Staff
The WHITE HOUSE
WASHINGTON DC 200

CHRISTOPHER J. DODD
CONNECTICUT

Central Files
handled by
Legis. Affairs
9/11/92

September 10, 1992

The Honorable James A. Baker III
Chief of Staff to the President
The White House
Washington, D.C. 20500

Dear Secretary Baker:

As you know, the House of Representatives today adopted the conference report for S. 5, the Family and Medical Leave Act of 1992 (FMLA). I am writing to ask that you revisit the Administration's stated position on this issue, and encourage the President to sign the legislation when it reaches his desk in the coming days.

FMLA represents a modest bipartisan effort to provide job security to working parents in times of family or medical emergency. Thanks to the fine work of Republicans like Kit Bond, Dan Coats, Marge Roukema, and Henry Hyde, the final legislation provides tremendous flexibility and safeguards to employers in a way that is fair to working families as well. Small businesses are exempt completely, and studies indicate that larger employers will save hundreds of millions of dollars in hiring and training costs under the Act each year. This truly bipartisan compromise enjoys the support of dozens of Republican members of both the House and Senate, including one-third of Senate Republicans alone.

Perhaps most important, FMLA offers President Bush the chance to reinforce his "family values" campaign theme with a concrete policy that truly values families; the chance to show that Congress and the White House can work together to provide real solutions to the real problems American families face every day. We simply cannot let this opportunity pass us by.

Please let me know if I can provide further information about the legislation. As we have offered in the past, Senator Bond and I stand ready to meet with you or the President at any time in the hope that FMLA might still become law this year.

Sincerely,

Chris

CHRISTOPHER J. DODD
United States Senator

Tighe, Curhan & Viehe
1750 Pennsylvania Avenue, N.W. (Suite 1201)
Washington, D.C. (20006)
Tel. :(202) 347-5065
FAX :(202) 393-0363

NRN
9/14/92

3 September 1992

The Honorable James A. Baker, III
Office of the President
The White House
Washington, D.C.(20500)

Dear Mr. Baker:

Recently, I returned from a visit in Tblisi, Georgia with a friend of long-standing, Cartlos Garabashvilli. Cartlos is the Chairman of the Democratic Party of Georgia, which has as its platform the creation of a presidential system, complete with checks and balances, modeled on that of the United States. Cartlos is a former student of Professor August Mishin of the Moscow University Law Faculty, the foremost Russian authority on the American Constitution and a truly committed democrat.

Cartlos expects that, in the parliamentary elections forthcoming on October 11th, the Party will receive enough votes to secure about one third of the parliamentary seats, enough to ensure a sufficient basis for participation by the party in the formation of a coalition government which Cartlos expects to be in support of Edouard Schevernadze.

Hoping you find these thoughts of interest, I remain;

Sincerely,

Karl William Viehe
Attorney at Law

Tighe, Curhan & Viehe
1750 Pennsylvania Avenue, N.W. (Suite 1201)
Washington, D.C. (20006)
Tel. :(202) 347-5065
FAX :(202) 393-0363

3 September 1992

The Honorable James A. Baker, III
Office of the President
The White House
Washington, D.C.(20500)

Dear Mr. Baker:

Please accept the following observations in the constructive spirit in which they are submitted. Hopefully, these thoughts will provide guidance with respect to the President's re-election campaign.

1) On your move from State to the White House to head the reelection effort: It is a measure of your own belief in the imperative of the President's reelection that you are willing to commit your own competence to the effort. I would suggest a clear, public statement asserting that position.

2) On the negative perception of the Vice president portrayed by the "feeding frenzy" press: I would point out to the public that the Vice president **is more qualified** to hold the title of President than either Bill Clinton or Al Gore.

3) Of the constant "Hilary" bashing that seems to be too frequently encountered in the press. In my opinion it may precipitate a negative reaction which, cumulated with the anti-"pro-choice" position of the party, platform (see the next point), will ensure losing such a substantial part of the mainstream female vote that the election will be lost for want of that constituency alone.

4) On the matter of the "pro-choice" v. "pro-life" issue: My belief, from a substantial number of conversations with women all over the country is that there exists widespread disaffection with the President --a perception that he has an elitist aloofness from the real problems which with women are confronted in the real world. The President's recent comments about about putatively supporting the decision of a granddaughter

confronted with such an unfortunate choice was a step in the right direction, but I believe he would help himself immensely to reiterate that position often. Furthermore, I think he would do well to speak out against the **intra-family violence** which so devastates the American family.

5) A proposal to markedly seize the momentum of the anti-Washington mood of the country, in furtherance of the proposition to limit Congressional terms, is a correlative **limitation on the terms of bureaucrats holding policy-making posts at grade levels GS-12 and above to no more than four years continuous service in any single position at level GS-12 or above or twelve years total service in levels GS-12 or higher.** This proposal would, in part, help to end the class of "propertied" bureaucrats, i.e., those in government that believe they have a life-interest in the system. The cry would go out that such a limitation would destroy "institutional" memory (Do we really want to preserve it?), much as the argument has been made against Congressional term limitations. This problem could be easily surmounted.

Of course many details of the proposal need to be refined, but by placing it on the table as an election issue, a favorable image as a reformer would be established in the mind of the electorate.

Incidentally, it would probably be a remarkable experience for many of Washington's career bureaucrats to be exposed to life in the private sector.

As a significant part of my business travel is taking me increasingly to the republics of the former Soviet Union, which, for convenience, I will refer to as the Eurasian Economic Space (EES -- a description, incidentally, which will always be correct), the following observations may be of interest.

6) On governmental leadership in Russia today. I know both Gaidar and Volsky (Arkady Volsky, purportedly seeking to replace Gaidar as Prime Minister) personally rather well. The team working with Gaidar is extremely bright. They need our active support. Volsky is more the "wheeler-dealer" type, somewhat practical, but too much a part of the "old guard." Volsky could best be used as a "chief of staff" charged with coordinating revitalization of industry within the military/industrial complex -- perhaps as the "Czar" of a "super-agency" within the government or a World Bank division geared to that effort.

7) The <u>most effective and productive effort which can be made by the West to aid the EES states</u> is to implement a program to improve the road system throughout the republics modeled on the National Defense Highways Program commenced in the United States in the 1950s. In particular, **a project to build a "ring" road encircling the Black Sea, a similar road encircling the Caspian Sea and a road from Istanbul through Trabzon and Yerevan to Alma Ata** would be both economically beneficial and stabilizing (**such a road might well be placed under the authority of a United Nation's protectorate**). This project would also provide a constructive means of absorbing underemployment both in the military of the former Soviet Army and the under- and/or unemployed in the private sector. It would significantly enhance the effort already established to create a Black Sea Basin Trading Community.

8) Another idea that I believe merits consideration with respect to the republics of the Eurasian Economic Space is the creation of an **"MBA-Peace Corps."** employing both young, well-trained MBAs and senior executives teamed in "business development offices" in cities throughout the republics. Each office would have FAX machines, computers, software and copy machines, but more important, the expertise to effectively assist business reconfigure operations in line with view of the needs of a market economy. Each office could be located in a bank or other facility provided by the local government. Equipment cost per office would run $10,000 to $15,000 each, but would be repaid over time in charges for consulting services, done on a profit sharing basis. Again, much detail needs to be worked out for such a project, but I believe the net-cost would be rather modest.

Hoping these thoughts are of interest, I remain;

Sincerely,

Karl William Viehe
Attorney at Law

cc: Tom Harvey
Bush/Quayle Campaign

P.S.: One of the proposals of the Democrats is the use of IRA funds as a downpayment for the purchase of a personal residence. This idea was first submitted to you by me in September of 1987 as a proposal for "HOMEQUITY IRAs." The plan I proposed goes substantially beyond that being advocated by the Democrats (particularly, Senator Bentsen) and is substantially more economically sound.

NRN

per bmm conv.
w/d. dunn
9/11/92

FRIDAY 28TH AUGUST 1992

DEAR JIM,

I'M SORRY TO HAVE TO SAY THIS BUT THIS CAMPAIGN HERE IN CALIFORNIA IS DEVOID OF LEADERSHIP AND IS IN ABSOLUTE TURMOIL.
I VOLUNTEERED (OR TRIED TO ANYWAY) IN JANUARY OF THIS YEAR, TO WORK IN THE CAMPAIGN AT THE NATIONAL, STATE OR LOCAL LEVEL. NO RESPONSE FROM ANYONE AT NATIONAL, STATE, OR LOCAL LEVEL FOR FIVE MONTHS. I FINALLY CONTACTED GEORGE W. AND HE PUT ME IN TOUCH WITH MARY MATALIN. SO I END UP AS ONE OF SIX CO-CHAIRS IN ONE HALF OF SAN DIEGO COUNTY. A PRECINCT CHAIRMAN ACTUALLY. OH WELL, I'M A GOOD SOLDIER, I'LL DO MY BEST. NOBODY ELSE DOES ANYTHING AND I END UP GETTING THE COUNTY ORGANIZED. NO HELP FROM ANYONE. MY ORGANIZATIONAL CHART ENCLOSED. TODAY I READ IN THE PAPER THAT THE PRESIDENT WILL BE IN MY TOWN (SAN DIEGO) IN TWO DAYS. NO NOTICE FROM THE B/Q OR ANYTHING. UNBELIEVABLE. Shirley

BUSH
QUAYLE
92

S. L. Abbott
~~77 Antigua Court~~
~~Coronado Cays~~
~~California 92188~~
EL PASO, TX.

SAN DIEGO CA 92
PM
23
1992

ALWAYS USE ZIP CODE

FIRST CLASS MAIL

HON. JAMES BAKER 111
WHITE HOUSE CHIEF OF STAFF
THE WHITE HOUSE
WASHINGTON, D.C. 20500

PERSONAL

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type		Subject/Title of Document	Date	Restriction	Class.
02.	Chart	Bush/Quayle San Diego County Organizational Chart (2 pp.)		C	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff to the President, Office of the
Series: Baker, James A. III, Files
Subseries:
WHORM Cat.:
File Location: [Public Correspondence] [13]

Date Closed: 3/1/2001	**OA/ID Number:** 05598-013
FOIA/SYS Case #: 2001-0715-F **Re-review Case #:** **P-2/P-5 Review Case #:**	**Appeal Case #:** **Appeal Disposition:** **Disposition Date:**
AR Case #: **AR Disposition:** **AR Disposition Date:**	**MR Case #:** **MR Disposition:** **MR Disposition Date:**

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) 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]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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

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

1 May 1992

S. L. ABBOTT

71 Montego Court

Coronado, CA 92118

Phone & FAX (619) 423-5516

MANAGEMENT EXECUTIVE

CORPORATION PRESIDENT

FINANCIER

REAL ESTATE DEVELOPER

RANCHER & FARMER

CIVIC LEADER

REGIONAL ADMINISTRATOR OF FEDERAL AGENCY

REPUBLICAN PARTY ACTIVIST

UNITED STATES AMBASSADOR

A persuasive communicator with expertise in management and personnel by defining and achieving objectives. An innovator, organizer, problem solver and decision maker. A business leader with a civic and social conscience. A participant at management level of six Presidential political campaigns. An experienced international diplomat. An American patriot proud of past and present service to his country.

Jim Baker —
If you need some leadership, anywhere, in this campaign — I'm ready, willing, and able.
I really don't want to be part of what looks to be a loosing effort here in California.
I can do my job - best at this level, PRECINCT, I can't make that big a difference -
Stanley

PERSONAL

Age..........Two weeks younger than President Bush !

Married Arline Beahler 1945, former teacher, accountant with B.A. in Business. Mother of The Year Award 1960.

One son, Alan R. Abbott, B.A,M.B.A.,CPA, Stanford University. Corporate President, Bank Director, Private practice CPA. Married, two children. Wife PhD., Clinical Psychologist.

Excellent physical and mental health.

Member of Catholic Church.

PAST ASSOCIATIONS AND MEMBERSHIPS

Served as President of sixteen different civic organizations.

MANAGEMENT HISTORY

Founder and former President and Chairman of the Board of Sunland Optical Company, Inc. Developed Sunland Optical Company into an optical manufacturer, wholesaler, and retailer with ninety offices nationwide. Managed the Corporation into the nation's number one position as optical services contractor. This multi-million dollar corporation is wholly owned by Founder and Son.

Founded real estate developement business which has developed real estate projects valued at approximetely fifteen million dollars.

Owned, and operated, a fifteen thousand acre cattle and horse ranch located on the banks of the Rio Grande River.

Owned, and operated, a 120 acre irrigated farm and orchard growing pecan trees, barley, onions, and alfalfa.

Owned, and operated, a 1000 acre citrus and game farm in Southern Africa, growing oranges, lemons, avocados, and raising eland, impala, giraffe, wildebeast, blesbuck, baboons, and monkeys.

MILITARY RECORD

18 year old volunteer U.S. Army in WWII. Combat at invasion of Saipan, Marianas Islands. After graduating from University with doctorate, served as Command Pilot, Squadron Commander then Group Commander of Civil Air Patrol (Auxillary of U.S. Air Force) Lt. Col.

EDUCATION

Graduate of Austin High School, El Paso, Texas. Honored as the "Outstanding Graduate" of the school in 1984. (The year after Supreme Court Justice Sandra Day O'Connor was likewise honored as a graduate of Austin High School.) Graduate of Pacific University in Oregon, B.S and Doctorate in Optometry 1953. Postgraduate work University of Texas.

POLITICAL

ALL REPUBLICAN

Precinct worker
Precinct Chairman
County Chairman
District Committeeman
Deputy State Chairman
Elected to Texas Legislature as State Representative

Appointed Regional Administrator of American Revolution Bicentennial Administration by President Nixon. Re-appointed by President Ford.
Appointed United States Ambassador in Reagan-Bush Administration.

PRESIDENTIAL ELECTION CAMPAIGNS:

District Camgaign Chairman for Nixon first election.
Regional Campaign Chairman for Nixon second election.
Statewide Chairman (Texas) of "Citizens for Ford" UNDER JIM BAKER !
State Finance Committee for both of Reagan-Bush Campaigns.
Deputy State Political Director for Bush Primary Campaign
for Primary Election in California 1988.
California Statewide Chairman of Coalitions in Bush/Quayle
election in 1988. Fulltime volunteer in Sacramento.
Assisted Bill Lacy in opening State Headquarters in
Sacramento. (Offices, desks, furniture, telephones etc)
CO-CHAIR OF BUSH/QUAYLE CAMPAIGN IN SAN DIEGO COUNTY, CALIFORNIA.

REFERENCES

George W. Bush
5950 Berkshire Lane
Dallas, Texas 75225
(214) 891-3131

Tony Mercurio
6400 Convair Road
El Paso, Texas 79935
(915) 544-7997

Mary Matolin
Pat Giardina
1030 15th Street NW
Washington, D.C. 20005
(202) 336-7109

Ben Davidian
Sacramento, CA
Office: (916) 322-5745
Res: (916) 973-0776

NRN 9/14/92

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

GILLESPIE V. MONTGOMERY
THIRD DISTRICT
MISSISSIPPI

September 11, 1992

Dear Mr. Secretary:

I really appreciate your help in arranging for the President to speak to the National Guard Association.

It means a lot to the Association and I believe it will be beneficial to the President.

Many thanks for making it happen.

Sincerely,

Sonny

GILLESPIE V. MONTGOMERY
Member of Congress

Honorable James A. Baker, III
Chief of Staff
The White House
Washington, D.C. 20500

Thanks Jim

File 7 NRN

House of Representatives
Washington, D.C. 20515

MEMORANDUM

Ms. Jackson

Congressman Wolf spoke with Secretary Baker about this letter and Sec. Baker said to send it on to you.

Barbara
Comstock

20

<u>Central</u> <u>Files</u>

<u>File</u>; No response needed

Called Cong. Wolf's office (Barbara) and told them we had received letter.

Bmontagne

FRANK R. WOLF
10TH DISTRICT, VIRGINIA

WASHINGTON OFFICE:
104 CANNON BUILDING
WASHINGTON, DC 20515-4610
(202) 225-5136

CONSTITUENT SERVICES OFFICES:
1651 OLD MEADOW ROAD
SUITE 115
MCLEAN, VA 22102
(703) 734-1500

19 EAST MARKET STREET
LEESBURG, VA 22075
(703) 777-4422
METRO NUMBER
(703) 478-1303

Congress of the United States
House of Representatives
Washington, DC 20515-4610

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES
TRANSPORTATION
TREASURY—POSTAL SERVICE—GENERAL GOVERNMENT
SELECT COMMITTEE ON CHILDREN, YOUTH AND FAMILIES
SELECT COMMITTEE ON HUNGER
COMMISSION ON SECURITY AND COOPERATION IN EUROPE

September 10, 1992

The Honorable James Baker
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C., 20500

trip to Brussels

Dear ~~Secretary Baker~~: Jim

As you may know, I am ranking member on the Select Committee on Children, Youth and Families and during my years in Congress I have had the opportunity to put forward a number of positive pro-family initiatives that the Administration has supported.

I have enclosed a pro-family statement on Clinton's family issues record vs. that of the Reagan and Bush Administrations. This statement discusses concrete pro-family policies that the President can take credit for and also sets out the President's future family agenda in a positive way.

I hope you find this of some assistance on the family issue front. If I can be of any assistance on these issues please do not hesitate to contact me.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:bjc

This could be the basis of a very positive family speech that Pres. Bush could give. Everyone, R's & Dems would agree with it. Another one will follow.

FILE

Embassy of the United States of America

NRN- POTUS response handbs

USEMB AMB - UNIT 3302
APO AA 34024

August 24, 1992 - Guatemala

The Honorable James A. Baker
Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

Sorry I missed you at the Convention - which was pretty hectic! Our good friend the President needs all the help he can get and I would like to be part of the team, if you can use me. I know most of the legislators and the party leaders in the western states. Because of my Spanish I can be helpful with the Hispanic Groups. I have worked up a powerful argument that free trade and the Baker-Bush foreign policy means better pay checks for more people: that really is what the election is all about. It makes for a pretty good speech when delivered with some wisecracks stolen from Alan Simpson.

I will quit Guatemala and come back to work for you on the campaign any place you say for no salary - just my actual out-of-pocket expenses. Let me know if you can use me.

Marta joins me in sending our warmest and best to you and Sue.

Most sincerely,

Tom Stroock

Thomas F. Stroock
Ambassador

OK to go to

Central files. yes

thanks.

ROB QUARTEL
REPUBLICAN FOR U.S. SENATE

411 East Jackson Street
Orlando, Florida 32801
(407) 648-8127
(800) 578-8069
FAX (407) 648-8152

Mary - JAB suggested passing to you for BT. Rob is in DC today at 965-2549. His # in Florida is 407/275-8069

Caron
9/15
8:40am

September 9, 1992

The Hon. James A. Baker III
The White House
Washington, DC

Dear Jim:

Well, I've proven that newspaper endorsements aren't worth a bucket of warm spit, politically (see attached).

I'm going to be back in Washington early next week, and would like to do something to help the President. I'm NOT looking for a "job" -- I'd genuinely like to help, and have already lived off my dividends for five months, so nine more weeks doesn't matter much. Wherever you could use me profitably would be fine, whether at the Campaign or over with you.

Possible thoughts are "issues," writing, press, trouble shooting (Where's the highway money??), or the hurricane. If you can't use me, then I'll do something else.

I'll call Monday, or you can reach me in DC at 965-2549.

Best regards,

Rob

Rob Quartel

FLORIDA EDITION

The Miami Herald

SATURDAY, AUGUST 15, 1992

PRICE MAY VARY ACCORDING TO REGION

35 CEN

In U.S. Senate primary

The Herald Recommends

IN THE U.S. Senate primary, Floridians from both parties are blessed with two remarkably capable and qualified candidates. Either of them would serve the state's interests well in Washington. Retirement has decimated South Florida's congressional delegation. In the ensuing void of seniority, Florida's two senators will have to carry an added burden.

REPUBLICANS also are blessed with an excellent choice as their nominee for the U.S. Senate: Rob Quartel, 42, of Orlando. He is a refreshing and especially intelligent candidate.

His two main opponents, millionaire businessman Hugh Brotherton and former U.S. Rep. Bill Grant, a former Democrat, are well intentioned. But they hardly exhibit Mr. Quartel's grasp of national issues or commitment to government.

Quartel

Mr. Quartel has clearly prepared for this race. He was the GOP nominee for Florida's 11th Congressional District in 1984. For the past two years, until he resigned to make this race, he was a member of the Federal Maritime Commission. Previously, he was a private consultant and a domestic policy adviser to the White House and to the 1988 Bush-Quayle campaign.

He says that he's running for the Senate because he wants to do something about Congress's intolerable political gridlock. His Washington experience has equipped him to make an impressive diagnosis of the federal government's ills, including the massive deficit. Mr. Quartel's clinical acuity touches members of both parties — and all branches of government.

"I have shown," he says, "that I am what I say and fear no special interest, no matter how large."

Indeed, Mr. Quartel does come across as an independent Republican. He favors the Clean Air Act, for example, and decries "inflexible rules written by Washington bureaucrats." He says that the Council on Competitiveness, headed by Vice President Quayle, should pursue its goals in "a more open fashion." A straightforward conservative on foreign policy, he stands with the Bush administration on most issues.

The main thrust of Mr. Quartel's campaign, however, is its incisive call to reform Congress. He favors 12-year term limits for senators and representatives, mandatory reductions of Congress's staffs, and elimination of political action committees.

Mr. Quartel also would place a cap on campaign contributions. He further would make it illegal for members of Congress to accept campaign money from any individual or interest over which their committees have oversight.

Most interestingly, he would subject Congress to the rules and regulations from which it now exempts itself. These include the Freedom of Information Act, the Civil Rights Act, and various labor laws.

This able candidate is a perceptive critic of government practice, and he overflows with ideas. He presents Florida Republicans with an excellent choice.

The Herald therefore recommends **ROB QUARTEL** as the Republican nominee for the U.S. Senate.

The Palm Beach Post

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A new face for GOP with Rob Quartel . . .

THE POST'S ENDORSEMENTS

U.S. SENATE – REPUBLICAN

Rob Quartel has worked as a consultant to private business, as an adviser to President Bush and as a member of the federal Maritime Commission. Though he has had contact with Washington, he has established himself as an intelligent critic of governmental practices. As Mr. Quartel puts it, "I've been to Washington and come back with my reputation enhanced, not sullied." *The Post* recommends Mr. Quartel in the Sept. 1 Republican primary for U.S. Senate.

Mr. Quartel

Mr. Quartel supports term limits and promises to serve no more than two terms if elected. He favors campaign finance reform and will not accept contributions from political action committees. Mr. Quartel also endorses a balanced-budget amendment and the presidential line-item veto. On abortion, he is pro-choice.

Mr. Quartel, who is from Orlando, says Democratic incumbent Bob Graham's ties to the sugar industry have kept him from doing enough to protect the Everglades. Mr. Quartel opposes oil exploration off Florida's coast and favors restoration of the Kissimmee River — if property owners are compensated fairly. On health care, Mr. Quartel favors a public-private partnership, not a single-payer system as is found in Canada. He wants a tighter embargo on Cuba and more effective blockades of Haiti and Iraq.

His most serious primary opponent is Bill Grant of Madison, a former Democrat who switched parties in 1989 and lost his congressional seat in 1990. "The essence of our campaign is ideology," says Mr. Grant. But he is short on specifics. Mr. Quartel has ideology *and* a plan. Mr. Grant has some serious baggage — 106 overdrafts at the House bank.

To cut the deficit, Mr. Quartel says, "the ways we've done things forever have to be swept off the table so we can start over." For example, he says that returning roads to the states would drastically cut administrative costs. He tested his theories at the Maritime Commission by fighting useless regulations — but also by opposing subsidies for the shipping industry. The best measure of his success is that he angered nearly everyone.

"I am an activist," Mr. Quartel says. He has ideas worth acting on.

PENSACOLA News Journal
A Gannett Newspaper
Pensacola, Florida
Thursday, August 27, 1992

MONEY WOES THREATEN EVENT
There may not be a fourth Pensacola Open if its sponsors fail to find additional funding for the tour/Sports, 1C.

EDITORIALS

Graham, Quartel win endorsement

Leadership is going to be a must from Congress in its next term in solving the serious problems facing this country.

And curing the deficit without killing the economy is going to be the biggest problem. Who's to do it? In the primaries for the U.S. Senate race in Florida, we think the answers are held by a newcomer and a Senate veteran:

■ **Democratic primary: Bob Graham.**

Yes, we've had our share of criticism of Graham over the last six years. His tenure in the Senate has not been as sterling as his stay in the governor's mansion.

We're still troubled by Graham's fund-raising relationship with David Paul, the Miami S&L guru who went from Democratic Party cash cow to fallen star when CenTrust Savings Bank crumbled.

U.S. Senate
Republican: Rob Quartel
Democrat: Bob Graham

But it also seems clear Graham did nothing outside the Senate norm, which is troubling commentary on the system.

Nonetheless, our faith in Graham's integrity remains strong. And Graham is showing the kind of proactive leadership needed to control the budget deficit. He might have done more spending than cutting in the past, but we think he's ready to get serious (and that includes entitlements, 40 percent of the budget).

Graham also maintains his interest in protecting the environment. Although he had his critics over efforts to reach a compromise on offshore oil drilling, we believe Graham did the best he could within the real world of political tradeoffs that produce legislation.

■ **Republican primary: Rob Quartel.**

We join a host of newspapers across Florida in endorsing Quartel. He brings a fresh voice and a new perspective to politics.

Quartel has a refreshing opinion on how government works: that senseless rules and useless bureaucracies are just that — senseless and useless. Quartel got all the education he needed on such matters at the Federal Martime Commission.

Here's his description of how it works: "What we do is, if you are a company with something to ship, and a shipping company offers you a discount, we fine them."

That's how Quartel sees government today — a cartel whose chief interest is protecting the status quo.

Quartel sees special-interest money as having captured Washington, and wants it eliminated. He says no senator should be allowed to take money from interests regulated by any committee he or she sits on.

Also, any law passed by Congress should apply to Congress.

It's hard to get across in a few words what makes him different. It might be a cliche, but we see Quartel as the front edge of the fresh breeze needed to sweep Washington clean.

The Herald recommends...

U.S. Senate, Republican: Rob Quartel

Florida Republicans have an opportunity to vote for a candidate we believe has the vision and assertive leadership skills to reform Congress. Rob Quartel is the only candidate in the Republican race for the U.S. Senate who could seriously challenge incumbent Bob Graham, the likely winner in the Democratic primary.

An independent and highly analytical thinker, Quartel has both the experience and knowledge to make an impressive diagnosis of what's wrong with Congress. His years in Washington as an advisor to the Bush White House and as a presidential appointee to the Federal Maritime Commission affords him an insider's view of Washington, but his record as an outspoken, maverick leader clearly brands him as an outsider ready and willing to rock the boat. His analysis exposes problems in both parties as well as in all branches of government.

An enemy of big government, Quartel promises to put a freeze on most federal spending. He vows to push for sunset legislation on all federal programs that will force Congress to justify their continued existence. Quartel also wants to eliminate political action committees whose tentacles, he says, have wrested control of Congress away from the voters it represents, and he supports a $500 cap on all personal contributions in all political campaigns.

Furthermore, Quartel believes that Congress should have to adhere to all of the laws and regulations it makes the rest of us live and work by, including the Freedom of Information Act, the Civil Rights Act and labor regulations.

Quartel is also strong on environmental issues. He supports making the U.S. Environmental Protection Agency a Cabinet department and wants to create a Federal Everglades and Florida Bay Task Force to preserve the Everglades. He also strongly opposes off-shore oil drilling.

A conservative who wants religious and ethical beliefs to be outside the realm of government interference, Quartel is pro-choice but favors parental notification in the case of minors seeking an abortion.

Quartel also favors a 12-year term limit.

Quartel, a former management consultant, holds a master's degree in public and private management from Yale University. He has served on the Environmental Protection Agency and the Federal Energy Office. He also was a member of Gerald Ford's White House staff.

His opponents in the primary race are Bill Grant of Tallahassee, who served one term each in the Florida Senate and U.S. House, and Hugh Brotherton, a retired businessman from Grove City.

While we have no doubts about either opponent's good intentions to serve the people of Florida, Grant's record of 106 bounced checks in the House banking scandal and Brotherton's lack of name recognition make both weak challengers to run against a powerhouse like Graham.

Quartel, on the other hand, can put the incumbent to a real test if he can manage an effective campaign against Graham's multimillion dollar bid for re-election. We encourage Republicans to vote for Quartel in Tuesday's primary election.

The Bradenton Herald

A Knight-Ridder Newspaper

102 Manatee Ave. W., Bradenton, Fla. 34205, 70th Year, Number 349

THE TAMPA TRIBUNE

August 19, 1992

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EDITORIALS

We endorse Graham, Quartel in the U.S. Senate primaries

Sen. Bob Graham, one of the state's most popular politicians, can claim success as a state legislator, as governor and as U.S. senator. But in a year in which voters appear to be eager for change, Republicans hope they can make Graham's political career a liability.

That's a tall task. The hard-working Graham possesses a solid record on protecting the environment, promoting trade and aiding the elderly. He faces only token opposition in the Democratic primary, where he opposes Jim Mahorner, a 60-year-old Jacksonville lawyer who has never run for office. Graham should win easily.

Meanwhile, three Republicans are battling for the right to take on the formidable Graham.

Hugh Brotherton is the 60-year-old founder of a Grove City trucking company. He's never held political office, but believes the nation needs "citizen" candidates. He supports term limits and wants to free the economy from excessive litigation. Married for 38 years and the father of 10 children, Brotherton says he offers the practical, common sense approach to problems that career politicians lack. His wife and 81-year-old mother help run his grass-roots campaign. Brotherton's gutsy effort is admirable, but the other two candidates are more experienced and qualified.

Bill Grant is a former state legislator and U.S. congressman from Lake City. He worked his way up from rural poverty to become a successful banker and then politician. He opposes abortion, wants to cut government subsidies and thinks government resources should be directed to the "very young, the elderly and the helpless." He is conservative but no ideologue. He appears to approach each issue with an open mind.

But while he is appealing personally, Grant has problems as a candidate. He is a former Democrat who backed Michael Dukakis and once sought to have Graham chosen as a vice presidential candidate. That gives a certain hollow ring to his criticism of Graham. Voters, too, seem suspicious of such abrupt reversals. After Grant switched parties, he was defeated in his 1990 congressional race.

Further hurting Grant is the accusation he wrote 106 House bank overdrafts totaling $72,000 during his two terms as a congressman. Grant denies he bounced any checks and has hired a lawyer to clear his name. Even so, the issue, however unfairly, wounds his candidacy.

Rob Quartel of Orlando is the third Republican candidate. He served two years as a Bush appointee on the Federal Maritime Commission but, characteristic of his opposition to big government, believes the agency should be abolished.

Unnecessary federal interference, he says, has almost destroyed the nation's shipbuilding industry. Streamlining government is a priority. Quartel opposes government subsidies, particularly to agribusiness, and believes government should concentrate more on helping small businesses.

> Quartel says Washington's biggest problem is that "government is severed from the governed" because lawmakers do not have to deal with the regulations they adopt.

He believes when there are conflicts between the environment and the economy, it's best to protect the environment because "you can usually find economic alternatives." But he also thinks regulations often are needlessly inflexible. Sometimes, he says, a rule that might be appropriate in one community is unnecessary in another.

He says Washington's biggest problem is that "government is severed from the governed" because lawmakers do not have to deal with the regulations they adopt.

Quartel is for term limits, against political action committee contributions, and for the balanced budget amendment. He is pro-choice. He wants to reconfigure the welfare system so that "people are rewarded for getting out" of it.

Articulate, knowledgeable and confident, the 42-year-old Quartel ran a private management consulting practice before joining the government. He has never held elected office but appears to relish campaigning and says he is eager to debate Graham.

In the state primary, **Sen. Bob Graham** is the best and obvious choice for Democratic voters; for Republicans, **Rob Quartel** is the strongest candidate.

THE TAMPA TRIBUNE

FT. LAUDERDALE

Sun-Sentinel
BROWARD METRO

Sunday, August 16, 1992

GOP voters: Nominate Quartel

On Sept. 1, Florida Republican voters should nominate Rob Quartel of Orlando as their party's candidate for the U.S. Senate seat now held by Democrat Bob Graham.

He has the business and political credentials, the aggressiveness, leadership ability and the right stand on issues to be a formidable contender.


Quartel

Quartel, 42, is a tough, boat-rocking, outspoken enemy of Big Government, unnecessary bureaucracy, wasteful spending, conflicts of interest and the often incestuous relationships of career politicians and special-interest lobbyists.

He should have a strong appeal to voters who are fed up with the way Congress operates now and who want to bring in a savvy, articulate, nonconformist challenger who is ready to do things differently.

Quartel calls for a freeze on most federal spending. He vows to vote and work to cut waste before voting to increase spending. He supports "sunset" laws to force each federal program to justify its existence, the balanced budget amendment and a line-item veto for the president.

He favors a 12-year term limit for members of Congress and promises to serve no more than that if elected.

He refuses to accept political action committee (PAC) contributions, believes PACs should be outlawed and limits personal contributions to $500.

He believes no senator who sits on a committee should be allowed to accept campaign donations from any individual or organization over which that committee has oversight duties.

He says Congress should not be exempt from laws and regulations that affect other Americans.

And he vows to limit the size of his own staff and office budget.

Quartel holds a master's degree in public and private management from Yale University. A former management consultant, he served in the Environmental Protection Agency and the Federal Energy Office in 1973. He was a Gerald Ford White House staff member, director of the domestic policy operation for George Bush's 1980 campaign and senior domestic policy adviser to Vice President Bush in 1988.

He lost a 1984 race for U.S. Congress in central Florida. From 1990-1992, he was a presidential appointee to the U.S. Federal Maritime Commission.

Other Republican candidates for this Senate seat are Hugh Brotherton, 60, a retired Grove City trucking company owner, and Bill Grant, 49, a Tallahassee banker who served four years each in the Florida Senate and the U.S. House during the 1980s. After switching his party registration from Democrat to Republican, Grant lost his bid for a third House term in 1990.

Suite 1500
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Tel (206) 924 3001

Central Files - NRN
9/14/92

Weyerhaeuser

Please deliver the following page(s) to:

Name: James Baker

Company: White House

Fax: (202) 456-1121 Telephone:

From: W. Howarth Meadowcroft Fax: (206)572-2721

Date: Sept. 14, 1992 Time:

Comments:

September 14, 1992

RE: Past and Future Credibility Issues - Bill Clinton

George Weyerhaeuser and I were impressed with Dan Quayle's handling of Bill Clinton's credibility problem yesterday on "Meet the Press" with David Brinkley and Dan Rather. He rightly pointed out that the lack of credibility towards the "draft issue" would also affect his credibility in dealing with future national decisions.

I was in Arizona this past week and the Arizona Republic ran an editorial on September 4th, on this same subject. It appears that other "thought leaders" question this same credibility. You ought to encourage Quayle and others to keep the pressure on.

Good luck on your new assignment with the campaign.

Both George Weyerhaeuser and I are sorry we are unable to be in Spokane this afternoon with George Bush because of previous commitments.

Total number of pages, including cover page: 2. If you do not receive all the pages, please call ____________ at (206)272-8336 as soon as possible.

SEP 14 1992

RK

EDITORIAL PAG

A18 Friday, September 4, 1992

THE ARIZONA REPUBLIC

QUESTIONS STONEWALLED

Clinton and the draft

WHEN questions were raised four years ago about Dan Quayle's service in the National Guard, the story became an enduring media obsession. It led the evening news, made page one for days on end and still turns up on occasion in the comic repertoire.

This week the *Los Angles Times* unearthed evidence that Bill Clinton's politically connected uncle had lobbied aggressively and successfully to keep his nephew out of uniform, going so far as to have a Navy reserve slot created just for him — a device to buy time while the draft board was pressured into allowing young Mr. Clinton, a Rhodes scholar with a 1-A draft status, to stay on in graduate school.

Confronted with these discoveries, Mr. Clinton, whose recollection of such maneuverings consistently shifts with the emergence of new evidence, this time has gone underground. The source of the latest revelations include his uncle's lawyer, whose testimony is corroborated by the commanding officer of the Arkansas naval reserve unit. Candidate Clinton dismisses such first-person accounts as "rumor," falsely asserts that "everyone involved in the story is now dead," and stonewalls questioners.

This time it is not a mere vice presidential candidate who is accused of major deception, but a nominee for president of the United States. Yet *The New York Times*, whose front-page motto proclaims its commitment to "all the news" and whose influence is enormous, splashed the story all over the bottom of page 12, and *The Washington Post* relegated it to page 14. (Following the lead of most other major media, *The Republic* also ran the story inside.)

Most Americans probably would not blame Mr. Clinton for preferring the cloisters of Oxford University to the rice paddies of Vietnam. More than one young American of his generation, unpersuaded that legitimate national interests demanded unflinching participation in "Lyndon's war," wriggled to safety through whatever loophole could be discovered.

The problem with Mr. Clinton is not that he used up his college deferment, got his pre-induction physical put off when other men his age were being called up and examined, enrolled at Oxford, was declared exempt from the draft on the strength of a promise to sign up with the University of Arkansas ROTC, reneged on the promise when he learned that military induction was to be determined by lottery, and subsequently drew a high lottery number, thus escaping the draft.

The question that dogs Mr. Clinton has little to do with the draft and everything to do with whether his word is to be trusted. Each time some question about his draft manipulations arises, he assures us that he has told us everything he knows, and every time his recollections have to be further revised. It is not Bill Clinton's patriotism that is suspect, but his credibility; and unless the national press begins to subject his unreliable accounts to page-one scrutiny, instead of shunting them to the back pages, media credibility will be suspect as well.

No further response necessary.

To Central Files

BMontagne
9/15/92

09-11-92 16:39 T-DALLAS 214 369-3864 #479 P02

9/15; Called and spoke to Frank Pitts. Thanked him for letter

File; NRN

Bonmontagne

(31)

PITTS OIL COMPANY
4600 GREENVILLE AVENUE
DALLAS, TEXAS 75206-5038

(214) 369-9266
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September 11, 1992

The Honorable James Baker
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC 20003

Dear Jim:

You and the President hold one of history's most remarkable records of success in foreign affairs. It is proper that the President take credit for the collapse of communism and for the important accomplishments which led to the easing of global tensions during the past four years. It's gratifying to see the President begin to gain in the polls. The common horse sense of many Americans will lead them to recognize the true extent of the President's leadership by November.

I especially believe in the President's theme of moving ahead in the next four years to improve our domestic economy and using our technological talents to make America the superpower in world markets. This theme will serve the campaign well.

The media and many voters are still critical about "generalities." I suggest that the attached tax incentive plan will increase investment, enlarge the economy, and create jobs. I encourage you to adopt it as an addendum to the campaign's current remarks about putting American technology to work.

We are an ingenious people, and creative new technology spurred by tax incentives is one of our most potent weapons. Encouraging the entrepreneurial spirit and inventiveness will create greater demand for new American products and in turn create new job opportunities, enhance tax revenues, and reduce deficits.

I believe the nation's citizens will respond positively to the encouragement to use their technological abilities to create a brighter future. They can be persuaded to follow a leader who has already proven he can take them there and leave a legacy we would follow into a prosperous 21st century.

Cordially yours,

Frank

L. Frank Pitts

LFP/ga
Attachment

P.S. Best regards - LFP

A TAX INCENTIVE

TO ENCOURAGE DEVELOPMENT OF NEW TECHNOLOGY

The improvement of existing technology and the development of new technology are the foundation of the creation of new jobs, new products, and greater command of the world marketplace for Americans.

In order to foster more innovative technology, it is proposed that a limited federal tax holiday be granted on income from sales of products resulting from technological advancement.

A. Creation of New Technology

Income from new technological products or processes, which have not existed previously, should be exempt from federal taxes for a period of three to five years.

B. Improvements in Existing Technology

High-tech goods or processes, which are already enjoying sales, are frequent targets for significant improvement. Advanced technological improvements which result in increased markets for a product, or process, should receive a tax holiday for the incremental increase in income created. The nontaxable profits might be calculated by the difference in income averaged over the past three years, as compared to increased income for a period of three years following the application of the new technology.

PITTS OIL COMPANY
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FAX TRANSMITTAL PAGE

DATE: September 11, 1992

TO: The Honorable James Baker

FAX NUMBER: (202) 456-2883

FROM: L. Frank Pitts

NUMBER OF PAGES (including this page): 3

If you do not receive all pages, please call Gayle Archer at (214) 369-9266.

MESSAGE

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Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON APPROPRIATIONS
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TRANSPORTATION
TREASURY—POSTAL SERVICE—GENERAL GOVERNMENT

SELECT COMMITTEE ON CHILDREN, YOUTH AND FAMILIES

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

September 10, 1992

central files
9/15/92
acknowledged by phone

The Honorable James Baker
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C., 20500

Dear ~~Secretary Baker~~ Jim:

I have just returned from a fact-finding trip to the Balkans where I met with President Dobrica Cosic and Prime Minister Milan Panic of the so-called Federal Republic of Yugoslavia and with Serbian President Slobodan Milosevich.

I also had the opportunity to view the effectiveness of the economic sanctions, visit a Serbian-run prison camp, fly into Sarajevo on a United Nations relief flight, and meet with church leaders.

Please find enclosed a brief report from my trip and pictures from the prison camp taken during my visit.

Sincerely,

Frank R. Wolf
Member of Congress

FRW:anh

BEST WISHES

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Congress of the United States
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COMMISSION ON SECURITY AND COOPERATION IN EUROPE

Statement by U.S. Rep. Frank R. Wolf
Congressional Delegation to the Balkans
August 30 - September 4, 1992

This report provides a brief account of the findings of the Wolf delegation to the Balkan region to inspect ongoing United Nation's efforts to supply humanitarian relief to Bosnia-Herzegovina; to meet with various political and church leaders, and to inspect the conditions in a prison camp.

I recently returned from an official visit to the former Yugoslav nation which is faced with such a difficult and complex issue. I visited Bosnia-Herzegovina, Voivodina, Serbia, Kosovo and Macedonia. I flew on a U.N. humanitarian relief flight to Sarajevo. While on the ground, I talked with the UN humanitarian aid coordinating team. I met at length with Yugoslav and Serbian leaders, public and private groups and clergy and inspected a Serbian prison camp in Bosnia-Herzegovina. I drove extensively throughout the region and met with opposition leaders in Kosovo. There was a good opportunity to observe the effect of the sanctions and to view, first hand, conditions and human rights violations which exist in the country.

On Sunday, August 30, I flew in a United Nations C-130 humanitarian resupply aircraft from Rhein Main Air Base near Frankfurt to Sarajevo. This aircraft was scheduled to deliver excess combat rations (Meals; ready to eat) provided by the Defense Department to the beleaguered city of Sarajevo. As we approached Sarajevo, widespread destruction of the once beautiful city was apparent with buildings destroyed, shell craters everywhere and roads and highways torn apart. We could see shelling and mortar fire over Sarajevo as we prepared to land. While the cargo was being offloaded I met with the U.N. Humanitarian Relief Effort Coordinator and was briefed in his headquarters and observed the peacekeepers, their equipment and their personnel. UN troops at the airport are sitting ducks should aggressor forces decide to attack them and they should, at least, be authorized to return enemy fire. We retraced our route out of Bosnia-Herzegovina which was a direct line to the Adriatic Sea to minimize the time the aircraft remained over hostile areas. The professionalism and courage of this U.S. aircrew was reassuring. They and their commanders point out that with the onset of winter in another month bringing poor visibility and adverse flying conditions, it will be difficult to sustain air resupply of humanitarian assistance to Sarajevo. The need to open secured land corridors is evident and has grown dramatically in the past few days with the attack on Tuesday's land convoy which killed 2 and injured 2 more French soldiers and the additional turning off of the Sarajevo water supply.

I next met with Yugoslav and Serbian leaders, with clergy, public and private groups and individuals in Belgrade. To get to Belgrade, it was necessary to fly to Budapest and drive through Voivodina to Serbia because the Belgrade airport was closed to all but a few "in-country" commercial flights. This drive afforded an opportunity to assess the effect of sanctions. It was apparent by the massive truck traffic along the main roads that the sanctions are only loosely enforced. Sanctions have, however, heavily impacted on the use of fuel and there are long, long gas lines at the few service stations which remained open throughout the country. There is also widespread concern about the toll sanctions will take with the approach of a cold and bitter winter.

In this regard, it could be concluded that more rigidly enforced sanctions can only help bring an end to this turmoil and tragedy. The United States and the European community of nations, including eastern european Hungary, Romania, Poland, Czechoslovakia and Greece should take steps to securely seal the former Yugoslavian borders to the passage of goods and commerce. This includes roadblocks and inspection stations at every highway and road to Yugoslavia, perhaps a "coast guard" like blockade at both points where the Danube River enters/exits the former Yugoslavia to be prepared to inspect every transiting vessel, and a naval force sufficient to board and inspect every ship in the Adriatic Sea approaching the coastline.

Concurrently, I believe it is absolutely imperative for our Congress to immediately withhold Most Favored Nation trading status from Serbia. I have introduced in the House a bill which now has 115 co-sponsors, to deny MFN and I call on Senator Mitchell and the leadership in the other body to put this effort on the fast track and get legislation to the White House for the President to sign. This would put Congress on the record regarding this issue, which to date has not happened.

On September 1, I met individually with Prime Minister Milan Panic and President Dobrica Cosic of the so-called Federal Republic of Yugoslavia and Serbian President Slobodan Milosevic. The meetings were cordial; each mentioned the sanctions and the added difficulty that winter will bring. All expressed guarded support for the recent London agreement including arms monitoring. There is a certain hollowness to this rhetoric in light of continuing hostile acts toward Sarajevo including cutting off the water supply.The subject of the scheduled parliamentary vote of confidence for the Prime Minister came up at each meeting with Mr. Panic expressing concern, President Cosic voicing assurance that the Prime Minister would survive and Serbian President Milosevic noting that this was a parliamentary action over which he had no control. I stressed to each that the killing must end and "ethnic cleansing" is not an acceptable measure for governments to take. I proposed that there is a role for the church in the process of reconciliation and suggested that perhaps the Cardinal and the heads of the Orthodox and Muslim Churches could appear jointly on television to call for the healing process to begin. This seemed acceptable to each of the leaders with whom I met.

I discussed with each the specific case of Ms.Shayna Lazarevich whose two children were kidnapped from her California home by her Yugoslavian ex-husband who is presently in a Serbian jail. He has refused to tell where he has hidden the children even though she has been awarded custody by both California and Serbian courts. Each of the leaders agreed to assist Ms. Lazarevich in her quest to find her children.

The Serbian government agreed to my request to see a Serbian prison camp, so on the afternoon of September 1 we began the journey back into Bosnia-Herzegovina to the town of Batkovic. During the journey we passed impromptu "checkpoints" established by heavily armed civilians, many of whom were old men serving as self appointed militia with an ill defined mission and purpose. When the time to end hostilities is at hand, one wonders who will tell these men to put down their arms and return home. How will they know when it is over?

The prison camp housed 1280 prisoners, mostly Muslim, mostly civilians with some soldiers. The discipline was harsh and conditions were stark and barren. A camp collaborator was produced who parroted that food was plentiful and conditions were good. He talked about recreational activity including games of chess and even pointed out a single lonely TV set dwarfed by the barn-like building which housed 500 or 600 prisoners. However, this testimony to the good life was not reflected in the expressions of his fellow inmates. The prisoners sat silently on a thin layer of filthy straw with the silence punctuated from time to time by subdued coughing which may preview sickness and influenza as winter grips this terrible place. Hopelessness clouded the faces of the men in this camp. The longer this siege goes on the more difficult the healing process will be. These prisoners just must be released soon. Conditions are terrible and winter will bring on a spreading sickness that will be intolerable.

Serbia is, without doubt, committing wholesale violence and brutal acts on Croats and Muslims throughout the region. It would be a serious error, however, to assign all blame to them. Croats and Muslims are guilty, as well, of brutality and reeking devastation and violence on innocent men, women and children. The combined aggression on all former Yugoslavs will create a refugee problem for the rest of Europe that has not been seen since the end of World War II.

We next moved to Kosovo where we met with members of the opposition parties. This largely Albanian populated province could be the next problem area and the leadership is clearly concerned about it. It is time to consider assigning CSCE representatives or even a UN peacekeeping force in Kosovo to deter future conflict. The province of Voivodino with large numbers of Hungarians is also a candidate for "ethnic cleansing" and could as well be considered for assigning CSCE representatives or peacekeepers at the border to serve as a buffer to Serbian aggression. Prevention in these areas is critical so that the violence is not allowed to spread further.

Conclusions:

The complexity of this crisis was highlighted during the trip. Resolutions that are fairly served and implemented are difficult to establish. The following comments and observations are offered:

1. The killing in Yugoslavia has to stop and "ethnic cleansing" is not an acceptable alternative to peaceful coexistence.

2. The humanitarian airlift into Sarajevo is providing much-needed relief but with the onset of winter and poor flying conditions, an alternate secure land route must be established.

3. The European community of nations must take a larger role in promoting peace. Sanctions need to be made absolutely ironclad and leaks along routes of commerce must be plugged, particularly on the Danube River and across the Romanian border. In taking this step, however, it must be recognized that sanctions will also hurt the vulnerable who are already the real victims of this terrible course of events. Sadly, this may be the most humane option available to influence events in this part of the world.

4. Most Favored Nation trading status must be withdrawn soon. The Congress should act on this point now.

5. Compliance with the London agreement must be strongly encouraged. The U.S. should make clear that it will stay engaged until permanent resolution is found; however, no U.S. ground troops should be committed to bring peace. The U.S. should also insist that the European community assume a major share of this burden.

6. There is a role for the church to play in the reconciliation process and perhaps it is time for the leaders of the three churches to jointly call for the healing process to begin.

7. Conflict and "ethnic cleansing" can boil over into other provinces including Kosovo and Voivodina and the use of UN peacekeepers to serve as a buffer at the borders should be considered. Assignment of CSCE representatives to these potential troublespots now is warranted so they would be on-scene and able to avert new aggression before it gets a toe-hold.

8. Refugees are struggling to leave the former Yugoslavia and must receive the consideration of the European community of nations.

9. If all this fails, and the aggression and brutality continues; what then? It is time for the world community, in their legislatures and houses of parliament, to begin to debate this moral issue. What other options are there? Intervention by armed forces? The possibility of arming weaker factions in Yugoslavia; the Muslims, for example. These are compelling questions which must now be addressed. Others around the world are watching to see what our response will be. If brutality is allowed to go unchecked here, where and when will it spring up next?

I am reporting on my trip to the President, to Secretary Eagleburger and to my colleagues in Congress.

Lastly, I would like to commend the men and women in the world's press corps covering the unfolding events in Yugoslavia. They are doing a superb and often heroic job in telling about this tragedy under the most trying and hazardous conditions.

Thank you.

George Bush Presidential Library
Transfer Sheet

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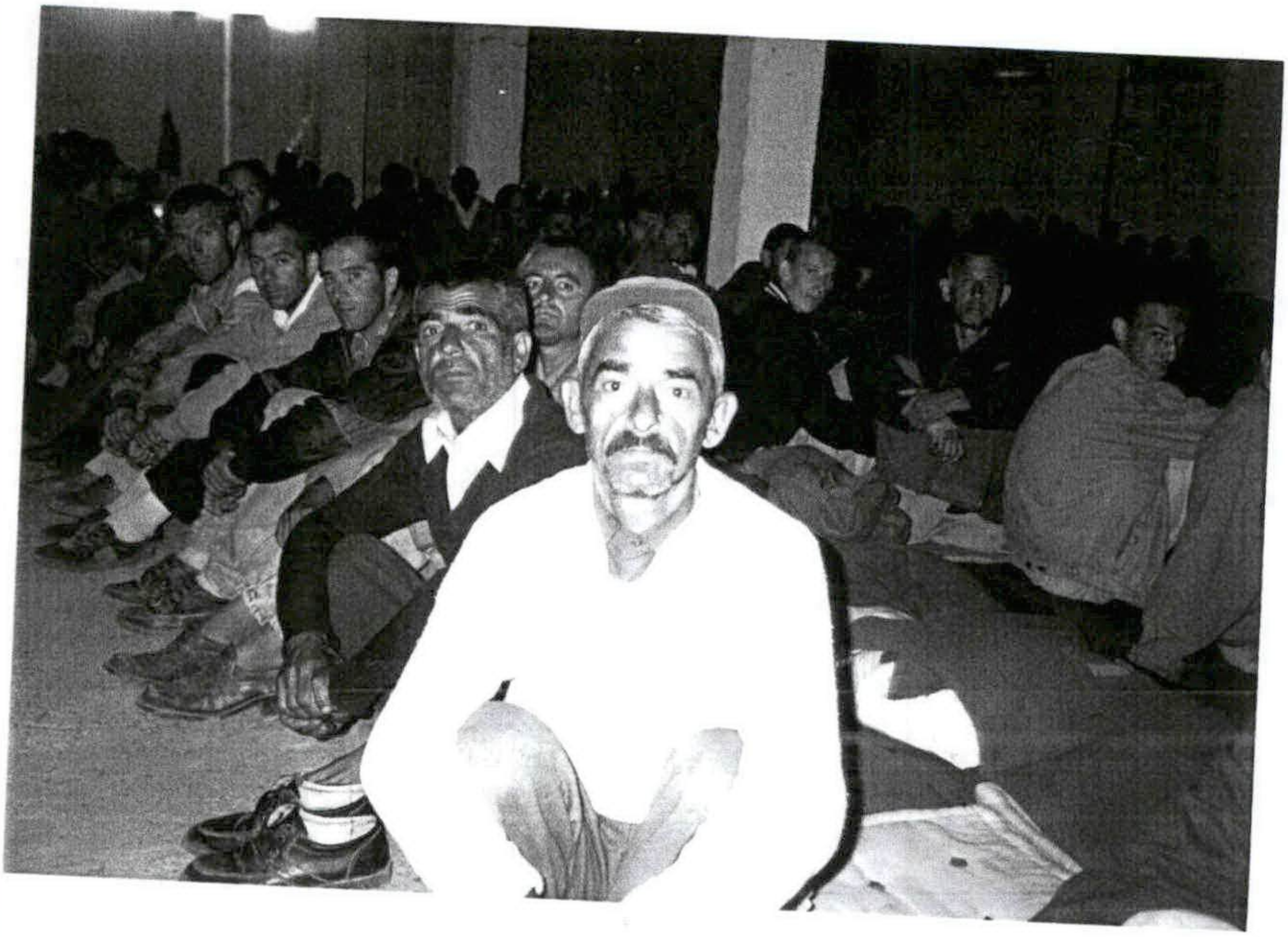

Eric M. Javits
1345 Avenue of the Americas
New York, New York 10105

September 9, 1992

Hon. James A. Baker
Chief of Staff
The White House
Washington, DC 20500

Dear Jim,

I thought you might like to see my letter to the Editor of the New York Times which appeared today correcting their damaging misinformation about the President's check-off proposal. Though a bit obscure and delayed in appearing, it reflects my desire to break through the media's blockade of the President's message.

I was in Washington yesterday with the small national leadership group of the President's supporters with whom he met just before delivering his forceful and persuasive address at the B'nai Brith national convention. His speech was well delivered and well received.

I had a chance to talk to Fred Malek on that occasion, and was crushed to learn that the Treasury and White House counsels seem on the negative side of the President's Executive authority to index capital gains and depreciation for inflation. I have read the legal opinion written by Charles J. Cooper, and I find it hard to believe that his opinion is fatally flawed. As for whether the President should proceed anyway, bold action is needed now. Do not be deterred. The election might be won on this alone. The media will attack with a vengeance, claiming it is a tax cut to help the rich. Yet it would leave the capital gain rates identical to ordinary income rates, so that does not benefit the rich. It can be defended as eminently fair since it would help only those who have held assets for a long time (or else inflation would be no factor). That mostly means those which represent hard-earned life savings. And the capital gains tax should only fall on true economic gains, not phony gains which through inflation might even represent real losses. Even the Treasury's testimony to Congress in 1989 stated that a greater percentage of the taxes collected in the capital gains category came from persons reporting under $20,000 than over $200,000.

If you, being a seasoned and savvy lawyer, read the legal briefs pro and con, and notwithstanding the trepidation of career lawyers who may be rightly cautious, feel on balance the color of right exists, I urge you and the President to "go for it." The country needs its President to show the courage and conviction to do the right thing, regardless. It is so eminently fair and demonstrably right, it will open the hearts and wallets of the Reagan-Bush true believers (I'm out fundraising for the campaign and I know this to be so) and give hope to those undecided voters who are waiting for the President to "do something on the economy." It will dramatically demonstrate the President can cut through a gridlocked Congress and an obdurate bureaucracy. If he has to fire some of his own people in the process, so be it. The bigger the brouhaha over this, the stronger and more Trumanesque he will look. If no action is to be forthcoming on this, why was the trial balloon sent aloft? Inaction just exacerbates the impotency and malaise already felt in many quarters. If a lawsuit is commenced to test the President's action, it will come from some liberal public interest law firm or be inspired by some Democratic quarter and the public will resent it. The issue is, will the suit fail? I have confidence that you can prejudge that correctly.

I have spoken to many, many people about this. The feelings I express are not just my own.

With my warm personal regards,

Sincerely,

Eric

By fax to:
202/456-2461

THE NEW YORK TIMES EDITORIALS/LETTERS WEDNESDAY, SEPTEMBER 9, 1992

Check-Off for Debt Lets Citizens Fight Back

To the Editor:

"Houston's Two Conventions," (editorial, Aug. 23) states of President Bush's acceptance speech): "The only new wrinkle was a proposal to allow taxpayers to dedicate up to 10 percent of their Federal taxes for deficit reduction, with a dollar-for-dollar reduction in Federal spending.... The check-off for deficit reduction amounts to a truly ominous war on government — indeed, a war on the poor." This regrettable substitution of "deficit" for "debt" appears again in "Business Diary," in the same day's Business section.

What the President really said: "Taxpayers should be given the right to check a box on their tax returns, so that up to 10 percent of their payments can go for one purpose alone: to reduce the national debt. But we also need to make sure that Congress doesn't just turn around and borrow more money, to spend more money. So I will require that, for every tax dollar set aside to cut the debt, the ceilings on spending will be cut by an equal amount. That way, we'll cut both debt and spending, and take a whack out of the budget deficit."

There is a difference between a deficit (the amount by which government spending exceeds government revenue in any year) and the national debt, which is the aggregate outstanding borrowing of the Government. The burgeoning national debt must be financed through interest-bearing Treasury securities, thus crowding out private investment, which adversely affects private-sector employment. The national debt is an ominous entity largely representing the sum of the annual shortfalls known as the budget deficit.

The President's proposal, on the other hand, would give those who pay the taxes the ability to do something about reducing the national debt and the deficit. We taxpayers yearn for that privilege, that power. It gives each of us a chance to strike a blow for our country's, and for our children's and grandchildren's, welfare and solvency.

The check-off proposal is neither a war on our Government nor on the poor. Lawmakers will continue to prepare the budget, increasing or decreasing spending on any item, whether it benefits rich or poor. What it forces on Congress is responsibility: the need to set spending priorities, re-evaluate programs by results and to cut them when they do not.

Congress, controlled by a Democratic majority for almost four decades, refuses to pass a balanced-budget amendment or to give the President the line-item veto he has requested; it is Congress that is unwilling to restrict the growth of mandatory entitlements, while doggedly seeking to raise the individual tax burden, already heavy. President Bush's proposal will finally enable people to do for themselves, if they so choose, the job that Congress has failed to do.

ERIC M. JAVITS
New York, Aug. 26, 1992

It's Unconstitutional

To the Editor:

Your Aug. 21 front-page coverage of the President's acceptance speech notes that Mr. Bush failed to say how he would cut Federal spending if his proposal to allow a debt-reduction income-tax check-off is implemented. There is a more fundamental flaw: the check-off is unconstitutional.

For the last three decades the Supreme Court and almost all constitutional scholars have recognized the principle of one person one vote. Under this principle, the courts have invalidated legislative districts with unequal sizes. Surely, the courts would reject any referendum on spending that entitled people who paid more taxes to cast more votes.

Yet the President's proposal does exactly that. Because the majority of Federal taxes are paid by the wealthiest 20 percent, this minority could force a major reduction in Federal spending even if it was opposed by the other 80 percent of the population. Therefore, unlike the Presidential campaign fund, in which every taxpaying citizen's vote counts for $1, the President's proposal unconstitutionally violates the principal of one person one vote.

JAMES G. TITUS
Glenn Dale, Md., Aug. 25, 1992


Christophe Vorlet

Clinton's Taxes

To the Editor:

George Bush proclaimed in his acceptance speech that his opponent, Bill Clinton, was responsible as Governor of Arkansas for 128 tax increases (transcript, Aug. 21). Such a willfully false and misleading assertion invites refutation.

Three of the 128 so-called tax increases listed by the Bush-Quayle Committee are simply a miscounting of lines of text (Nos. 31, 86 and 91), according to Michael Kinsley's analysis of the list in The New Republic for Aug. 21. No. 78 is a verbatim repeat of a 25-cent-a-gallon increase in the tax on "light wine" (No. 74). Other "increases" include a court cost imposed on convicted criminals (No. 92) and a license fee for abortion clinics (No. 48). Objecting to these as "taxes" makes George Bush look pro-criminal and pro-abortion.

Lengthening the dog-racing season (No. 46) was counted as a tax, on the ground that a longer season increased state revenues. A fuel-tax increase was counted twice, once for gasoline and once for diesel; and an alcohol tax was counted five times, including once for wine coolers.

If this represents the depth of knowledge and analysis the President brings to financial matters, no wonder the economy is stalled.

The Bush-Quayle Committee, assessing this spurious list of its own construction, claims that Governor Clinton raised taxes by $397 million. Using the same method of calculation, Mr. Kinsley reckons that President Bush raised taxes by $476 *billion* in his first term. This is 1,200 times more than the amount attributed to Governor Clinton. On a per capita basis, Mr. Bush raised taxes each year 33 times more than his rival. Whom should we trust? Certainly not George Bush and his statistics.

Such calculations are not necessarily helpful guides to tax policy. The United States is in a dire situation with its national debt. That Germany, France and Japan with their considerably higher tax burdens have been doing well economically shows that what we do with tax dollars is more important for economic prosperity than how many are collected.

Mr. Bush shows little understanding of the connection between fiscal policy and economic performance — in other countries or at home. We need much more serious and much less superficial thinking about how to finance government services and economic growth.

NORMAN UPHOFF
Ithaca, N.Y., Aug. 21, 1992

cc: C.X.

9/15/92 CJ: Send to Nick Brady pls. Thanks JABIII

DONE - CJ

FRED MEYER
2121 SAN JACINTO ST.
SUITE #895, LB-5
DALLAS, TEXAS 75201

September 8, 1992

Mr. James K. Baker
Chief of Staff
THE WHITE HOUSE
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Jim:

One of your and my longtime supporters, Cary Maguire, has brought to my attention a financial phenomenon that we found interesting. We suspect the major banks are speculating in medium and long term government securities as interest rates have declined for the attractive yield spreads over depositor's interest rates. This is borrowing short, investing long and taking significant risks of capital losses if interest rates should increase sharply.

According to this analysis bank loans to businesses have not been as attractive apparently to banks. Therefore loans have not expanded as desired. The net result is that lower interest rates have not had the desired impact on business and job growth while banks are taking significant financial risks.

Should the Federal Reserve or Controller put reasonable limits on insured deposits that the banks use for arbitrage?

Very truly yours,

Fred Meyer

RICHARD T. MCCORMACK

Suite 275
2550 M Street, NW
Washington, DC 20037-1396
Telephone: (202) 887-5160
Fax: (202) 223-4803

Sept. 8, 1992

MEMORANDUM TO: JAMES BAKER

FROM: RICHARD MCCORMACK Dick

RE: A NEW HOOVER COMMISSION

President Bush faces a situation very similar to that of President Truman in the immediate Post War era, when hundreds of war time and New Deal programs which had grown like Topsy to accomplish the objectives of the Roosevelt Administrations needed to be revamped, reduced, or eliminated. Beyond that, the post war era presented its own needs which required resources and attention.

In 1969, President Nixon found himself with a similar, though more modest, problem in the aftermath of the free form governmental experimentation of President Johnson's Great Society.

President Truman's Hoover Commission, and President Nixon's Ash Council (President's Advisory Council on Executive Organization) were bipartisan operations launched to deal with these massive organizational and administrative problems, and both were, at the time, deemed important and successful. Both left enduring landmarks on America's public policy landscape.

President Bush would do well to consider announcing his intention to launch his own version of the Hoover Commission, on a bi partisan basis, as an important part of his second Administration. The American people understand that the world is very different today than it was when President Bush took office, and would welcome an effort to revamp Cold War agencies, misdirected welfare programs, and other Governmental programs and operations, including perhaps, Congressional bureaucracies, that have grown up over time and are in dire need of pruning.

There are also important missions for our future that need to be strengthened, and resources freed up so that funds and people are available for these purposes.

As one of the major goals of his second Administration, revamping and streamlining the bloated Federal establishment, and making it more relevant to the needs of the American people for the 21st century could be an important policy objective and selling point for President Bush's reelection.

I served for three years on the Ash Council in President Nixon's White House and would be happy to provide further details and suggestions for implementation if this concept is of interest to you.

cc Jim Cicconi.

James A. Baker III

Name(s)

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Imperial Austria: Treasures of Art, Arms & Armor from the State of Styria is sponsored by Swarovski.

The exhibition was funded in part by the National Endowment for the Arts, a federal agency. Lufthansa German Airlines provided international transportation for the exhibition.

The exhibition is organized by the Museum of Fine Arts, Houston, in collaboration with The Fine Arts Museums of San Francisco, the Smithsonian Institution, and the IBM Gallery of Science and Art.

The objects in the exhibition are graciously lent by the Government of the State of Styria from the Steiermärkisches Landesmuseum Joanneum in Graz, Austria, and private lenders.

The exhibition chairman is The Honorable Josef Krainer, Governor of the State of Styria.

The honorary patron is His Excellency, Friedrich Hoess, The Ambassador of Austria.

The honorary chairman is Arnold Schwarzenegger.

(cover)
Black-and-White Three-quarter Armor for a Nobleman. Michel Witz the Younger, Austrian (active 1525–1565). Iron and leather. Made in Innsbruck, c. 1550. Joanneum Graz, Landeszeughaus.

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The Honorable
James A. Baker III
Chief of Staff
The White House
Washington, D.C. 20500

C.F.

United States Department of State

Washington, D.C. 20520

September 9,1992

The Honorable
James A. Baker, III
Chief of Staff and Senior Counselor to the President
The White House
Washington, D. C.

Dear Mr. Counselor:

I appreciate your kind letter and note upon your departure as Secretary of State. I was very grateful for the opportunity to work with you in helping to bring peace and democracy to Central America. It was inspiring to work under your leadership to achieve something so positive for the United States and our neighbors in the region. Your own commitment and dedication to our country and the principles of freedom were an example to us all in the Department of State.

Thank you for the confidence that you showed in me by recommending me to serve as Ambassador to Nicaragua. I know as well that you stood behind my nomination even when it was difficult. I shall never forget your loyalty and support through tough times.

I would be very pleased to work for you again, anytime, anywhere.

Sincerely,

Joe

Joseph G. Sullivan

Central files 9/15/92

JOHN B. ASHMUN
1200 SMITH STREET
SUITE 1500
HOUSTON, TEXAS 77002

8/29/92

Dear Jim,

This man is a bright light shining in the darkness - what a great article to give a boost.

Good seeing you and Susan but briefly.

My best,

John

Bush's economic record among century's best

By RICHARD VIGILANTE

PRESIDENT Bush should run on his record — his domestic record. I know, I know, every political commentator in the country and most of Bush's political advisers seem to believe that his only chance is to run away from that record.

Yet Bush's handling of the economy will probably be remembered by history as one of the best by a president in this century.

The United States and the world are almost certainly headed for a great turn-of-the-century economic boom. The three great engines of the boom will be the final defeat of the Great Inflation of the 1970s, the relatively orderly collapse of communism and the expansion of free trade. Much of the credit for all three goes to Bush.

Bush is criticized for doing little about the recession, but his policy has been just right. The current slump is worldwide, and the United States is doing better than most other trading partners. Many of the causes, such as the vast investment in Eastern Europe, which is contributing to a worldwide rise in real interest rates, will be positive in the long run.

The last thing we need under these circumstances is a president who would panic and start pulling out all the stimulative stops to fake a recovery before the election.

Bush has risked his re-election to do the right thing. The Great Inflation, brought on by the abandonment of the dollar-gold standard in the 1970s and only partly tamed by Ronald Reagan, has been fatally wounded by Bush and current Federal Reserve Board Chairman Alan Greenspan. If we stay on course, inflation, now hovering around 3 percent, will probably begin the final descent to 2 percent, which economists count as roughly zero.

As a result, both short- and long-term nominal interest rates are at roughly 20-year lows or better, and the market seems to be surrendering its anticipated inflation premium for long-term rates. Already, as Bear Stearns chief economist Lawrence Kudlow points out, low inflation and interest rates are providing a sizable "monetary tax cut," lowering the cost of doing business, boosting assets, shrinking debt, encouraging both consumer and capital purchases and long-term investment. The drop in mortgage interest rates alone has given homeowners a "tax cut" of nearly $30 billion a year.

Much of the credit goes to Greenspan. But presidents can either protect the Fed or frustrate it. Jimmy Carter packed Fed Chairman Arthur Burns off to Germany and replaced him with pliable G. William Miller, who revved the economy up to double-digit inflation. Bush, by contrast, reappointed Greenspan to another term even after the chairman made it excruciatingly clear that he was not going to sacrifice the fight against inflation to Bush's re-election. Senior Fed officials say that Bush has been more supportive of their austere policy than any president in memory.

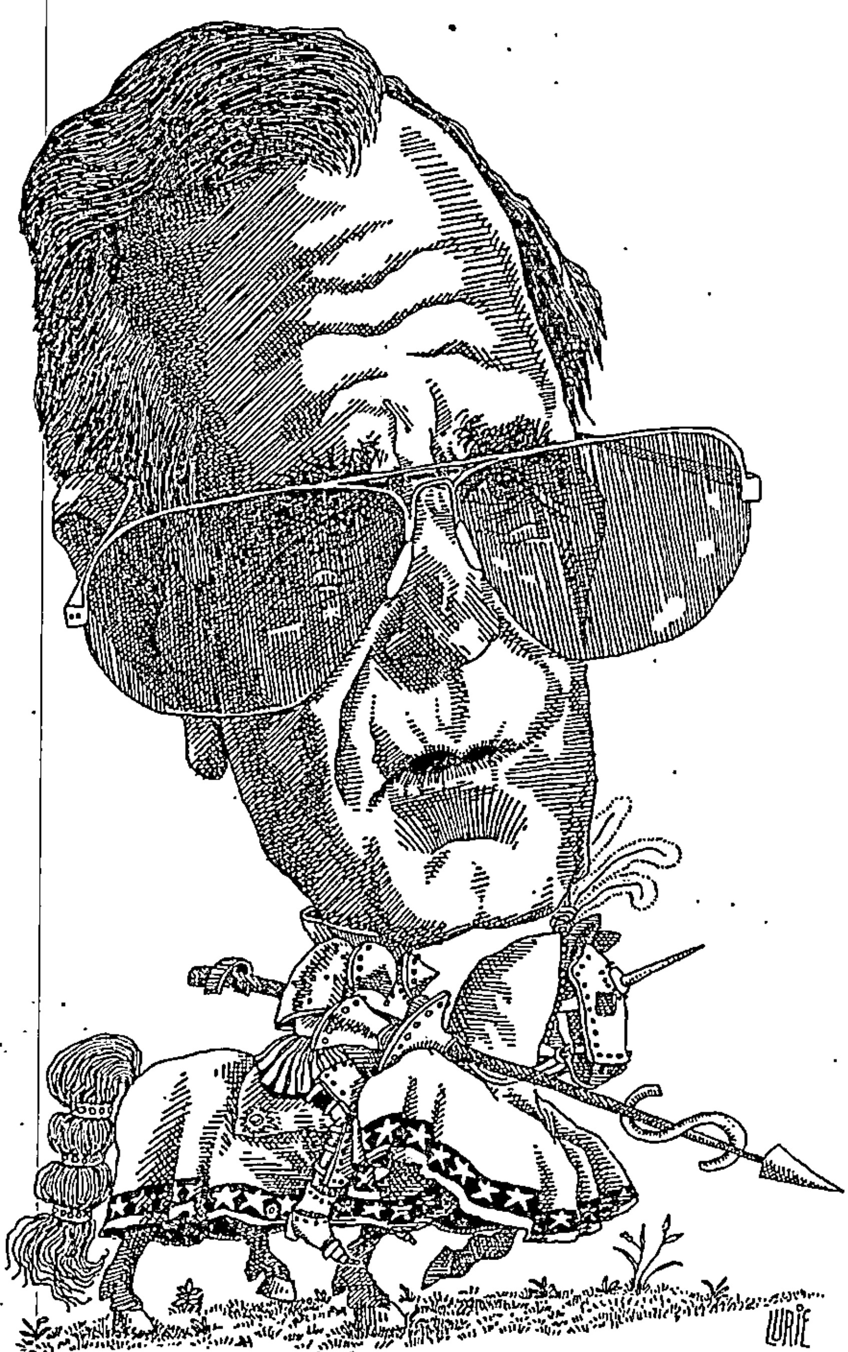
On trade, Bush has been brilliant and brave, resisting demagogues who would ignite a trade war to pick up a few votes; successfully using the Uruguay Round of the General Agreement on Tariffs and Trade negotiations to reduce world agricultural subsidies, opening markets for American food products and saving consumers billions of dollars in annual food costs; and bringing Mexico into the North American Free Trade Agreement, which, despite the dangerous nonsense spouted at the Democratic convention, will mean more high-paying industrial jobs for Americans.

Since Mexico joined GATT in 1986 and sharply reduced its trade barriers, U.S. exports to Mexico have doubled. U.S. factories in Mexico use American capital goods, American parts, American steel. For every dollar increase in Mexican gross national product, 15 cents is spent on U.S. goods.

As for the collapse of communism, however chaotic the Eastern economies look now, the liberation of individual enterprise will inevitably create a human tidal wave of productivity, a dramatic increase in world gross national product and a huge expansion in the markets for American goods. Unfortunately, until Bush's fiery acceptance speech in Houston, the administration had not seriously tried to explain why the president deserves credit for the evil empire's orderly demise.

Mesmerized by voter anger over the economy's current difficulties, the Bush people seem afraid to brag about their very real domestic achievements. But taking the fifth is no way to win an election.

Since most voters are already angry about the recession, not much can be lost by saying out loud that caution was just what was called for, that meddling might have blown the fight against inflation, that Americans are already reaping some of the benefits from the president' self-control and that a much bigger payoff is on the way.



President George Bush

Vigilante writes about politics for a number of national publications and is working on a book about the future of American labor.

Bush's economic record among century's best

By RICHARD VIGILANTE

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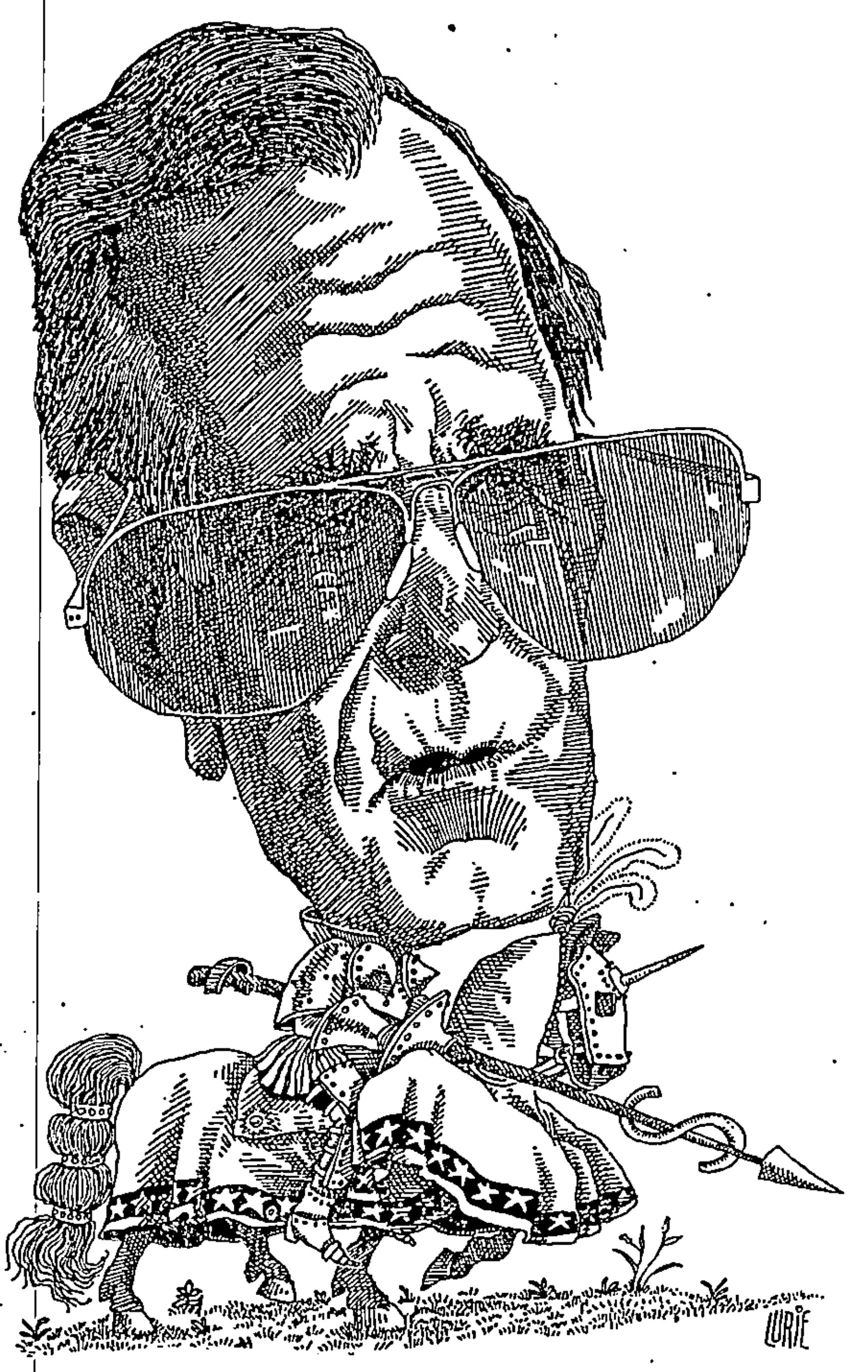
Since Mexico joined GATT in 1986 and sharply reduced its trade barriers, U.S. exports to Mexico have doubled. U.S. factories in Mexico use American capital goods, American parts, American steel. For every dollar increase in Mexican gross national product, 15 cents is spent on U.S. goods.

As for the collapse of communism, however chaotic the Eastern economies look now, the liberation of individual enterprise will inevitably create a human tidal wave of productivity, a dramatic increase in world gross national product and a huge expansion in the markets for American goods. Unfortunately, until Bush's fiery acceptance speech in Houston, the administration had not seriously tried to explain why the president deserves credit for the evil empire's orderly demise.

Mesmerized by voter anger over the economy's current difficulties, the Bush people seem afraid to brag about their very real domestic achievements. But taking the fifth is no way to win an election.

Since most voters are already angry about the recession, not much can be lost by saying out loud that caution was just what was called for, that meddling might have blown the fight against inflation, that Americans are already reaping some of the benefits from the president' self-control and that a much bigger payoff is on the way.

Vigilante writes about politics for a number of national publications and is working on a book about the future of American labor.



President George Bush

Bush's economic record among century's best

By RICHARD VIGILANTE

PRESIDENT Bush should run on his record — his domestic record. I know, I know, every political commentator in the country and most of Bush's political advisers seem to believe that his only chance is to run away from that record.

Yet Bush's handling of the economy will probably be remembered by history as one of the best by a president in this century.

The United States and the world are almost certainly headed for a great turn-of-the-century economic boom. The three great engines of the boom will be the final defeat of the Great Inflation of the 1970s, the relatively orderly collapse of communism and the expansion of free trade. Much of the credit for all three goes to Bush.

Bush is criticized for doing little about the recession, but his policy has been just right. The current slump is worldwide, and the United States is doing better than most other trading partners. Many of the causes, such as the vast investment in Eastern Europe, which is contributing to a worldwide rise in real interest rates, will be positive in the long run.

The last thing we need under these circumstances is a president who would panic and start pulling out all the stimulative stops to fake a recovery before the election.

Bush has risked his re-election to do the right thing. The Great Inflation, brought on by the abandonment of the dollar-gold standard in the 1970s and only partly tamed by Ronald Reagan, has been fatally wounded by Bush and current Federal Reserve Board Chairman Alan Greenspan. If we stay on course, inflation, now hovering around 3 percent, will probably begin the final descent to 2 percent, which economists count as roughly zero.

As a result, both short- and long-term nominal interest rates are at roughly 20-year lows or better, and the market seems to be surrendering its anticipated inflation premium for long-term rates. Already, as Bear Stearns chief economist Lawrence Kudlow points out, low inflation and interest rates are providing a sizable "monetary tax cut," lowering the cost of doing business, boosting assets, shrinking debt, encouraging both consumer and capital purchases and long-term investment. The drop in mortgage interest rates alone has given homeowners a "tax cut" of nearly $30 billion a year.

Much of the credit goes to Greenspan. But presidents can either protect the Fed or frustrate it. Jimmy Carter packed Fed Chairman Arthur Burns off to Germany and replaced him with pliable G. William Miller, who revved the economy up to double-digit inflation. Bush, by contrast, reappointed Greenspan to another term even after the chairman made it excruciatingly clear that he was not going to sacrifice the fight against inflation to Bush's re-election. Senior Fed officials say that Bush has been more supportive of their austere policy than any president in memory.

On trade, Bush has been brilliant and brave, resisting demagogues who would ignite a trade war to pick up a few votes; successfully using the Uruguay Round of the General Agreement on Tariffs and Trade negotiations to reduce world agricultural subsidies, opening markets for American food products and saving consumers billions of dollars in annual food costs; and bringing Mexico into the North American Free Trade Agreement, which, despite the dangerous nonsense spouted at the Democratic convention, will mean more high-paying industrial jobs for Americans.

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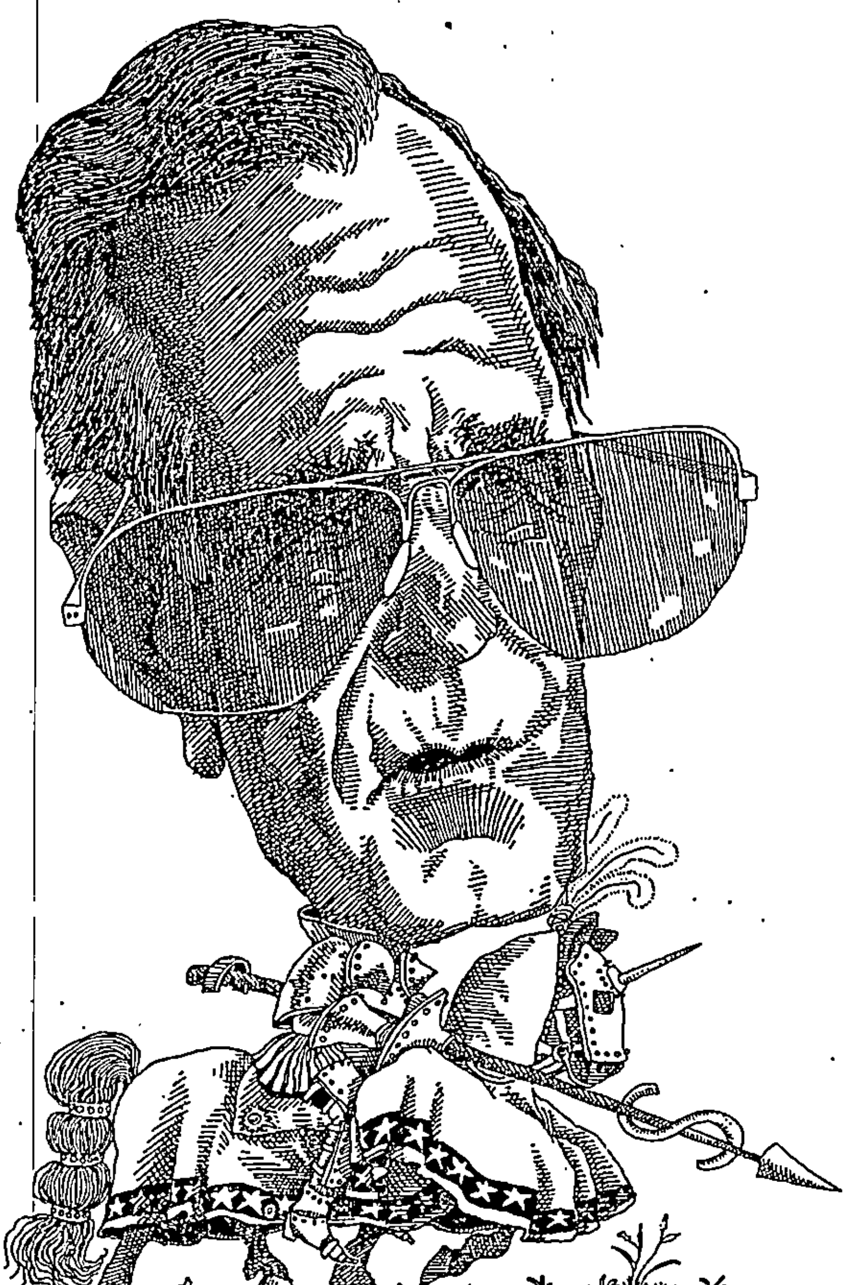

President George Bush

WAINOCO
OIL CORPORATION

N. HOUSTON TX 773
PM 1
29 AUG
1992

NORTH
HOUSTON
MAIL PROCESSING CENTER

HONORABLE JAMES A. BAKER, 111
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

1200 SMITH STREET • SUITE 1500 • HOUSTON, TEXAS 77002-4367

Caron NRN
7/15 - cj called "suggested they contact RNC.

DAVID A. COLEY
2959 North Jefferson Street
Marianna, Florida 32446
(904) 482-8225

September 9, 1992

Honorable James Baker
Chief Of Staff
The White House
Washington, D.C. 20500

Dear Mr. Baker:

First of all, congratulations on your new position; best of luck to you in your efforts in getting the President re-elected. He has my vote and I'm looking forward to four more years.

The reason I am writing is purely selfish, but I hope you can help me out. Two years ago, I coordinated a fundraising event for then-Congressman Bill Grant of Florida. President Bush was the honored guest for the event in Tallahassee. To make a long story short, I was given a pair of Presidential cuff links and a tie clasp. Needless to say I was honored.

Unfortunately, however, last month while on business the trunk of my rental car was broken into and my luggage stolen. Everything that was taken was replaced by insurance except for two items - the cuff links and tie clasp. I know receiving such a gift is a once-in-a-lifetime experience, but I am writing in hopes that the items can be replaced.

If the above request is not enough, I have one more favor. Would it be possible to get a pen the President uses for bill signings. I currently have a collection of pens, including one from President Reagan's administration. A George Bush pen would certainly be a valued possession.

Thanks in advance. If I can ever do anything for the President, do not hesitate to call on me.

Sincerely,

David Coley

David Coley

NRN

JAMA

JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

WASHINGTON OFFICE

TEL. (202) 296-8537 • 1050 17TH STREET, NW, WASHINGTON, DC 20036 • FAX. (202) 872-1212

WILLIAM C. DUNCAN, Ph.D.
GENERAL DIRECTOR

September 4, 1992

The Honorable James A. Baker
Chief of Staff
Executive Office of the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Secretary Baker:

Attached is the Japan Automobile Manufacturers Association, Inc.'s ("JAMA") letter with accompanying Position Paper to Ambassador Carla Hills expressing our objection to Section 2121B of H.R. 4318, the Miscellaneous Tariff Act of 1992. This provision would increase the tariff on imported multipurpose passenger vehicles ten-fold, from 2.5 to 25 percent.

We are forwarding this material to you for your information and consideration.

Sincerely,

THE JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

By: William C. Duncan
William C. Duncan, Ph.D.
General Director

Attachments

JAMA

JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

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WILLIAM C. DUNCAN, Ph.D.
GENERAL DIRECTOR

September 4, 1992

The Honorable Carla A. Hills
U.S. Trade Representative
Office of the United States
Trade Representative
Winder Building
600 17th Street, N.W.
Washington, D.C. 20506

Dear Madam Ambassador:

As you are aware, the U.S. House of Representatives on July 31, 1992 approved H.R. 4318, the Miscellaneous Tariff Act of 1992. This bill includes a provision, Section 2121B, entitled "Tariff Classification of Light Trucks." Section 2121B would amend the Harmonized Tariff Schedule of the United States ("HTSUS") and reclassify all imported multipurpose vehicles ("MPVs") and sport-utility vehicles ("SUVs") under Heading Section 87.04 of the HTSUS subjecting them to a 25 percent ad valorem duty. Most of these imported vehicles are currently classified under Heading 87.03 and subject to a 2.5 percent ad valorem duty. This measure, if enacted, would raise the tariff ten-fold, from 2.5 to 25 percent.

This increase in tariffs would violate the following international obligations of the U.S.: (1) the General Agreement on Tariffs and Trade and (2) the International Convention on Harmonized Commodity Description and Coding System.

The Japan Automobile Manufacturers Association, Inc. ("JAMA") believes that enactment of Section 2121B of H.R.4318 could undo years of effort and progress toward harmonizing international tariff classifications and reducing tariffs in the Uruguay Round.

MPVs were classified under Heading Section 87.03, "Motor cars and other motor vehicles principally designed for the transport of persons", by an international HTS Committee in 1990. This classification has been internationally recognized. The Harmonized System Committee of the Customs Cooperation Council rejected, by an overwhelming majority, the adoption in 1989 of the current U.S. practice of classifying the two-door MPVs under Section Heading 87.04, "Motor vehicles for the transport of goods", and subjecting these vehicles to the 25 percent duty. Rather, the Committee determined that these vehicles should properly be classified under Section Heading 87.03 of the Harmonized System.

JAMA submits that this unilateral congressional bid to change the MPV classification by legislative fiat will impair support in the international trading community for the GATT. Moreover, repeated policy changes in the classification of MPVs imposes extreme hardship on foreign companies operating in good faith in the U.S. market.

JAMA also submits that American consumers would be adversely impacted by the change because the higher tariff will compel price increases and encourage domestic producers to increase prices. A 25 percent tariff increase would add about $5,000 to the cost of an imported MPV.

Alternatively, the ten-fold tariff increase could amount to a de facto ban on the importation of MPVs in the same manner as Japanese automakers were forced out of the U.S. two-door MPV market in 1989. This would also hurt U.S. dealers by reducing revenues and causing closings and layoffs. If imported MPVs are priced out of the market, the U.S. Treasury Department would lose customs duty revenues.

JAMA strongly objects to the proposed reclassification and related tariff increase, in particular, because it comes at a time when the Japanese automakers are conscientiously directing their efforts toward increasing their purchases of U.S. automotive parts and assisting U.S. vehicle manufacturers to sell in Japan, as announced during President Bush's visit to Japan in January of this year.

We have enclosed a Position Paper which more fully discusses our views on this important issue and a copy of the automakers' letter to Mr. Rostenkowski. We would appreciate your consideration of JAMA's position.

Respectfully submitted,

William C. Duncan

William C. Duncan, Ph.D.
General Director
Japan Automobile Manufacturers
Association, Inc.

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JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.
POSITION PAPER ON H.R. 4318, MISCELLANEOUS TARIFF ACT OF 1992

INTRODUCTION

On July 31, 1992, the U.S. House of Representatives passed H.R. 4318, The Miscellaneous Tariff Act of 1992. The bill also contains an amendment sponsored by Rep. Sander Levin (D-MI) which would reclassify multi-purpose vehicles ("MPVs") and the sport-utility vehicles ("SUVs") as light trucks subject to a 25 percent duty. General Motors Corporation, Ford Motor Company and Chrysler Motors Corporation ("the automakers") sent a July 30, 1992 letter to Rep. Dan Rostenkowski (D-IL) claiming that no international obligations of the U.S. would be contravened by the Levin amendment. This letter fails to address the primary purpose of the bill and, for this reason, presents a distorted and invalid analysis.

VEHICLES AND MANUFACTURERS AFFECTED

The following manufacturers and vehicles would be affected by this legislation:

Toyota (4-Runner, Previa, Land Cruiser)
Nissan (Pathfinder)
Mitsubishi (Montero)
Mazda (MPV Passenger and Panel)
Suzuki (Suzuki Sidekick)
Isuzu (Trooper)

Although the cargo-type vans and two-door SUVs are already subject to the higher 25-percent tariff, under this bill all other MPVs or SUVs would become dutiable at 25 percent.[1]

THE BILL, IF ENACTED, WOULD VIOLATE U.S. INTERNATIONAL OBLIGATIONS

H.R. 4318 would amend HS heading number 8704 (Motor Vehicles for the Transport of Goods) by introducing new criteria for determining the classification of "light trucks." This proposal, if enacted, would conflict with the current interpretation and practice under the HS and place the United States in default of its international commitments under: (1) the General Agreement on Tariffs and Trade ("GATT");[2] and (2) the International Convention on Harmonized Commodity Description and Coding System ("HCCN" or "the Convention").

Enactment of the Levin amendment would clearly violate these U.S. obligations and, accordingly, could invite retaliation by one or more U.S. trading partners. If the Levin amendment only changed tariff classifications, the U.S. automakers might arguably have some valid basis in support of their position. This is not the only change. The provision's purpose is not to simply change the tariff classification. Indeed, the only substantive reason for the provision is to increase the import duty on selected imports of MPVs from 2.5 percent to 25 percent. The U.S. automakers do not address the sole purpose of this provision presumably because they

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[1] In this connection, we note that earlier the Harmonized System Committee ("HS Committee") of the Customs Cooperation Council ("CCC") rejected adoption of the current U.S. practice of classifying two-door MPVs or SUVs as light trucks subject to a 25 percent duty. They took the position that these vehicles are properly classified under the Harmonized System ("HS") heading No. 8703 as passenger vehicles dutiable at 2.5 percent.

[2] GATT, inter alia, grants Most Favored Nation ("MFN") treatment on imports from contracting parties (see Article I); and prohibits duty rates in excess of those in the Schedule annexed to the Agreement (Article II).

realize that this unequal treatment violates the international obligations of the U.S.

Article II of the GATT generally prohibits any increase in the tariff rate. The Levin amendment would not only contravene this provision, but would make it a mockery by increasing the tariff rate 10-fold to 25 percent.

Moreover, the imposition of a 25 percent duty on what are clearly and unequivocally vehicles principally designed to carry persons is contrary to the U.S.' stated trade policy to lower trade barriers, in particular, where all other vehicles principally designed for people pay only 2.5 percent.

Classification of MPVs and SUVs as "motor vehicles for the transport of goods" (i.e., trucks) under the Harmonized Tariff Schedule of the United States ("HTS") heading 8704 would violate the GATT because Article II states that products shall "be exempt from ordinary customs duties in excess of those set forth" in the Schedule annexed to the Agreement.

If the U.S. does not abide by this rule, it must enter into talks with adversely affected parties to negotiate a compensatory arrangement in accordance with Article II, Paragraph 5 or Article XXVIII.

While the GATT may (1) not require classification of goods in any particular way nor (2) prohibit a change in classification of goods for customs purposes, these are not the substantive GATT issues. As noted above, Article II of the GATT prohibits any contracting party from increasing tariffs.

Article II of GATT, as unequivocally demonstrated above, would be clearly violated. Thus, the rights of affected contracting parties are absolutely violated, not merely nullified or impaired. Therefore, a GATT panel would not even reach the point of whether this legislation, if enacted, would nullify or impair the rights of other contracting parties. In fact, when the 2.5 percent tariff rate was established by the U.S. for passenger vehicles, it was generally applicable to MPVs and SUVs principally designed for people. Only later were certain cargo-type MPVs and SUVs specifically classified as cargo vehicles. In accordance with Article II of GATT, the U.S. may not increase the duty rate on passenger MPVs and SUVs. Because passenger MPVs and SUVs have already been treated by the U.S. as passenger vehicles when the duty rate for passenger vehicles decreased to 2.5 percent, this reduction was automatically applied to passenger MPVs and SUVs and, therefore, bound by the terms of Article II of GATT.

Further, the Levin amendment's enactment into law would allow a contracting party to request that a GATT panel determine, under Article XXIII, whether it "nullifies or impairs" any of its rights because the legislation, at a minimum, violates the spirit of the GATT by upsetting the competitive relationship between two imported products. It is likely that a GATT panel would conclude that an adversely affected contracting party "had reason to assume" that the competitive relationship between MPVs from that party and those from countries subject to only a 2.5 percent duty would not change. Accordingly, the nullification and impairment principle turns on what countries may "reasonably anticipate."

The U.S., during the "Chicken War" with Germany in the early 1960s, retaliated against an increase in German import duties on U.S. poultry by increasing the import tariff on German trucks. While this retaliatory increase was directed at Germany, it also affected other small vehicles suppliers to the U.S. Under GATT Articles II, XXIII and XXVIII, these suppliers could have requested consultations and retaliated, in turn, against the U.S. At that time, however, imports from Japan were not affected.

Now, however, Japan would be a "principal supplying interest" on imports under HS 8704 if the Levin amendment is enacted. Concomitantly, Japan would have the right to compensation from the U.S. or to withdraw substantially equivalent concessions.

Because imports from Japan were not the target of U.S. retaliation in the "Chicken War," if this bill is enacted, imports from Japan would become an unintended victim. Since this potential application of increased duties could not have been foreseen, Japan is entitled, at a minimum, to redress under Article XXIII because its rights have been nullified or impaired.

The U.S. in the Uruguay Round has been at the forefront to strengthen dispute settlement procedures. Moreover, the U.S. has long championed the GATT as the cornerstone for removing barriers to trade and increasing the flow of goods internationally. Enactment would unequivocally violate the GATT and place the U.S. in an untenable position to justify its actions.

The automakers' letter also states that the legislation would not violate the Harmonized Convention because: (1) no HCCN rule requires goods to be classified in a particular way or prohibits a change in classification; and (2) HCCN recognizes that parties to that agreement will differ over proper classification of specific goods.

The automakers' cavalier and false characterization of the HS Convention could persuade the U.S. Congress to believe that a product may be classified in any way or have its classification arbitrarily changed. The automakers also claim that two countries may differ over the proper classification of specific goods and the Convention will treat this as a harmless difference.

Their letter further attempts to convey the misimpression that the Convention is intended simply to provide an overall umbrella under which countries may categorize their tariff nomenclature as they deem proper. Such is clearly not the case. Rather, the Convention is designed to standardize all import tariff nomenclature by all member countries at the six-digit level. Below the six-digit level, the Convention allows for flexibility by each country to determine the appropriate subheadings for any particular good.

The legislation violates the Convention (Article 3, Paragraph 1(a)) because it specifically provides that a contracting party may not change the scope of the sections, chapters, headings, and subheadings of the Harmonized System and that all headings and subheadings shall be used without addition or modification. This Article provides as follows:

> (a) Each Contracting Party undertakes, except as provided in subparagraph (c) of this paragraph that from the date from which this Convention enters into force in respect of it, its Customs tariff and statistical nomenclatures shall be in conformity with the Harmonized System. It thus undertakes that, in respect of it's Customs tariff and statistical nomenclatures:
>
> (i) it shall use all of the headings and subheadings of the Harmonized System without addition or modification, together with their related numerical codes;
>
> (ii) it shall apply the general rules for the interpretation of the Harmonized System and all the Section, Chapter and Subheading Notes, and shall not modify the scope of the Sections, Chapters, headings or subheadings of the Harmonized System; and

(iii) it shall follow the numerical sequence of the Harmonized System; . . .

Therefore, the United States is under a clear obligation to retain the classification of the Harmonized System at the six-digit level. A contracting party may develop its own number system only at a level below that of the first six digits.

One of the functions of the HS Committee is to settle disputes between countries. In fact, the HS Committee, by an overwhelming majority, rejected the adoption of the current U.S. tariff classification practice of classifying two-door MPVS or SUVs as light trucks subject to the 25 percent duty.

Thus, completely contrary to the implications raised by the automakers' letter, any country changing subheadings may do so only if and to the extent it can be done without modifying the adopted six-digit code. To do otherwise would encourage a piecemeal erosion of the HS preventing it from being a truly universal instrument with uniform interpretation and application.

The MPVs and SUVs in question have the principal or chief purpose of carrying passengers, not cargo, and therefore may not be properly classified under more than one tariff classification. The Levin amendment thus clearly violates the HCCN.

In order to uniformly interpret the HS, the Convention simultaneously adopted six "General Rules for Interpretation of the Harmonized System". The Convention states that to be completely sound, the HS must associate each particular product with a single tariff heading (or subheading) to which that product would be unequivocally assigned. Thus, the Convention developed the Interpretative Rules which are designed to ensure that a given product is always classified in one and the same heading (and/or subheading), to the exclusion of all others which may otherwise appear to be applicable.[3]

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[3] The Rules provide that, for legal purposes, classification is determined by the terms of the headings and the section or chapter notes. Where these notes are not dispositive as to the appropriate classification, the Rules provide that goods which are not specifically covered by any HS heading should be classified in the heading appropriate for goods to which they are most "akin." This would cover goods, for example, that were not specifically accounted for in the HS. Thus, while minivans, etc., are intrinsically subsumed and provided for in 8703, even if there were some question on this point, the Rules would require classified coding under 8703.

Further, the Explanatory Notes of the Convention fully support this interpretation.[4]

The remaining arguments discussed by the automakers are simply procedural, discussing the processing of trade complaints at the GATT, and do not specifically address the substance of the legislation.

CONCLUSION

For the foregoing reasons, JAMA opposes the Levin amendment because it would place the U.S. in conflict with the interpretation and practice adopted and sanctioned by (1) the GATT and (2) the International Convention on Harmonized Commodity and Coding System.

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[4] The Explanatory Notes for vehicles provide, inter alia, as follows:

> SECTION 87.03, "MOTOR CARS AND OTHER MOTOR VEHICLES PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS (OTHER THAN THOSE OF HEADING NO. 87.02), INCLUDING STATION WAGONS AND RACING CARS,"

This section encompasses motor vehicles of "various types (including amphibious motor vehicles) designed for the transport of persons". Moreover, for purposes of this heading, the Explanatory Note defines "station wagons" as "vehicles with a maximum seating capacity of nine persons (including the driver), the interior of which may be used, without structural alteration, for the transport of both persons and goods." Thus, Section 87.03 includes intrinsically dual-use vehicles.

Also significant is the fact that classification heading No. 87.03 covers motor cars and other motor vehicles not solely designed for the transport of persons, but rather "principally designed" for transport of persons.

WILMER, CUTLER & PICKERING

July 30, 1992

The Honorable Dan Rostenkowski
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of General Motors Corporation, Ford Motor Company, and Chrysler Motors Corporation, we are writing to respond to statements made by the Administration about section 2121B of the Miscellaneous Tariff Act of 1992, which would classify multipurpose vehicles ("MPVs") as trucks for tariff purposes. For the reasons set forth below, the assertions by OMB in its Statement of Administration Policy dated July 28, 1992, that section 2121B "could be considered as violating" the General Agreement on Tariffs and Trade ("GATT"), "could result in retaliation against U.S. exports", and could "thwart harmonization of U.S. tariff classifications" are, we believe, incorrect. OMB

In fact, classifying MPVs as "motor vehicles for the transport of goods" (i.e., trucks) under Harmonized Tariff Schedule of the United States ("HTS") heading 8704 would not "violate" any rule in the GATT or in the international customs nomenclature agreement (the International Convention on Harmonized Commodity Description and Coding System ("HCCN")) because --

- No GATT rule requires any category of goods to be classified any particular way for customs duty purposes.

- No GATT rule prohibits a change in classification of goods for customs duty purposes.

- No HCCN rule requires goods to be classified in a particular way or prohibits a change in classification.

- HCCN recognizes that parties to that agreement will differ over proper classification of specific goods.

- Classification of MPVs under heading 8704 could raise a GATT "issue" only if --

  (1) the government of a major MPV exporting country concludes, despite the facts, that it has an argument and makes a political decision to confront the United States,

  (2) that government is not persuaded to drop its objection during consultations with the United States, and

  (3) that government decides to ask GATT to form a panel of neutral experts to hear its objection.

- Because no GATT rule can be broken by classification of MPVs under heading 8704, the issue before a GATT panel would be whether that classification "nullifies or impairs" GATT rights of the objecting government.

- Specifically, the panel would consider a complex legal and factual record to decide whether, during prior GATT negotiations with the United States, the objecting government had a "reasonable expectation" that in 1992 the United States would impose the 2.5% automobile duty on MPVs. There are strong arguments that no government could have had a reasonable expectation that MPVs imported today would be dutiable at 2.5%. In fact, as imports of MPVs grew from about 20,000 units in 1979 to more than 269,000 by 1990, importers <u>themselves</u> repeatedly classified these vehicles <u>both</u> as cars and trucks.

- Even if a foreign government wanted to contest the issue <u>and</u> had a good argument (which is not the case) a challenge to the classification of MPVs would likely take years and could lead to adverse effects on U.S. trade under GATT rules only if --

(1) a GATT panel concluded that the GATT rights of the objecting government were nullified or impaired by classification of MPVs under heading 8704,

(2) the objecting government decided to press the issue,

(3) the objecting government and the United States did not negotiate some resolution of the issue (such as reductions in U.S. duties on imports of products of interest to the objecting government to "compensate" that government for the trade loss, if any, it experienced due to classification under heading 8704),

(4) the objecting government asked the GATT Council to adopt the panel report,

(5) the GATT Council adopted the report by consensus (i.e., the United States agreed to the action),

(6) the objecting government and the United States did not agree on some resolution of the issue during a "reasonable period," the definition of which is up to the GATT Council ("reasonable periods" have lasted for years in various GATT disputes),

(7) the objecting government asked the GATT Council for authority to retaliate by raising its duties on imports from the United States <u>and</u> the GATT Council decided, by consensus, to grant such authority, and

(8) the objecting government retaliated against the United States.

The Administration's objections to section 3121B of the Miscellaneous Tariff Act of 1992 are not supported by the facts.

Sincerely,

Robert C. Cassidy, Jr.

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

July 28, 1992
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 4318 - Miscellaneous Tariff Act of 1992
(Gibbons (D) Florida)

Although the Administration would have no objection to many of the tariff extensions included in H.R. 4318 if their estimated revenue loss is fully offset, other provisions raise serious trade policy and budget concerns. Accordingly, if H.R. 4318 is presented to the President in its current form, the President's senior advisers would recommend a veto.

The Administration's specific objections include:

-- Section 3131E, which would arbitrarily reclassify "light trucks" for tariff purposes, thereby increasing the rate of duty from 2.5 percent to 25 percent. This provision would lead to a dramatic increase in consumer costs, could be considered as violating U.S. obligations under the General Agreement on Tariffs and Trade (GATT), and could result in retaliation against U.S. exports. In addition, this reclassification would thwart the harmonization of U.S. tariff classifications.

-- Section 3122, which contains the CBO scoring language required by House Rule XXI, is unacceptable. In a letter of December 21, 1990, the President stated that he would veto any bill containing such language. The effect of this provision is to overturn a key element of the Federal spending control mechanisms enacted pursuant to the 1990 Budget Agreement.

-- Section 3004, which unilaterally increases bound tariff rates on iron and steel pipe and tube. This increase could be considered by our trading partners as violating U.S. obligations under the GATT and could entitle them to retaliate against U.S. exports.

-- Sections 1001 through 1162, which are new duty suspensions or reductions on a variety of chemicals and other items. These tariff provisions would be effective from January 1, 1993, to December 31, 1996. The Administration opposes any duty suspension beyond December 31, 1994. At that time, an assessment can be made of progress in the Uruguay Round of negotiations and the possibility of gaining reciprocity for

U.S. duty changes. In addition, enacting a future duty reduction could affect U.S. manufacturers adversely by discouraging planned and future domestic production.

-- Several sections providing for reliquidation of Customs duties. These provisions grant preferential treatment to one importer to the exclusion of others who may be similarly situated. In addition, they establish an undesirable precedent and encourage importers to seek redress of disputes through legislative action.

SCORING FOR THE PURPOSE OF PAYGO

H.R. 4318 would affect receipts; therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. OMB's preliminary scoring estimates of this bill are presented in the table below. Final scoring of this proposal may deviate from this estimate. If H.R. 4318 is enacted, final OMB scoring estimates would be published within five days of enactment, as required by OBRA. The cumulative effects of all legislation on direct spending and revenue will be issued in monthly reports transmitted to Congress.

ESTIMATES FOR PAY-AS-YOU-GO
($ in millions)

	1993	1994	1995	1996	1997	1993-97
Receipts	-3	-4	58	97	221	367

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